

INTRODUCED: March 27, 2023

A RESOLUTION No. 2023-R019

To declare a housing crisis in the city of Richmond.

Patrons – Mayor Stoney and All Members of Council

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: APR 10 2023 AT 6 P.M.

WHEREAS, on May 16, 2022, the Biden-Harris Administration announced new actions to ease the burden of housing costs, which further illustrated housing affordability and insecurity as a national crisis; and

WHEREAS, 21,000,000 households paid more than 30 percent of their income and one out of five homeowners paid more than they could afford, leaving them with too little to spend on other equally important expenses; and

WHEREAS, 86 percent of extremely low-income renters in the Commonwealth of Virginia and in the city of Richmond and the surrounding area are paying more than 30 percent of their income on housing costs; and

WHEREAS, more than 60 percent of Virginia renters saw rent increases this year; and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: APR 10 2023 REJECTED: _____ STRICKEN: _____

WHEREAS, approximately 72 percent and 77 percent of Black and Latino households had their rents increase this year, and 60 percent of Latino renters had rent increases of greater than \$100 per month; and

WHEREAS, there is a 3,800,000 national shortage of housing units for sale or rent, a 165,574-unit shortage for the Commonwealth of Virginia, and a 23,320-unit shortage for the city of Richmond and the surrounding area; and

WHEREAS, one in five homes in the city of Richmond are sold to out-of-state corporate investors who are renting at higher rates than traditional landlords or flipping homes that exponentially exceed original sale prices; and

WHEREAS, low housing inventory that lacks true affordability will continue upward pressure on rent and mortgage costs; and

WHEREAS, housing insecurity for working families has increased due to a lack of housing supply, rising cost in rental units, constrained pathways to homeownership, stagnant wages, and high inflation; and

WHEREAS, upon information and belief of the Council and the Mayor, the city of Richmond is exceeding pre-pandemic evictions filings; and

WHEREAS, a recent report by the RVA Eviction Lab shared that approximately 87 percent of evictions are being filed by out-of-state LLCs in the city of Richmond and that just 15 landlords are responsible for more than half of all evictions; and

WHEREAS, the January 2023 Point in Time count recorded 690 people experiencing homelessness and 188 people living in unsheltered conditions in the Richmond Metro area—the highest in 15 years; and

WHEREAS, it is the belief of the Council and the Mayor that these factors have created obstacles for generational wealth, with the lack of homeownership opportunities being a key indicator; and

WHEREAS, upon information and belief of the Council and the Mayor, national homeownership rates for Black Americans have remained the same since the passage of the Fair Housing Act in 1968, and this trend is also persisting for other marginalized communities; and

WHEREAS, upon information and belief of the Council and the Mayor, in 2021, of the total home purchase loans documented by the Home Mortgage Disclosure Act of 1975, S. 1281, 94th Cong., 1st Sess. (1975), only 12.26 percent were for Black Richmonders and 4.29 percent Latino or Hispanic when compared to 51.18 percent of White Richmonders; and

WHEREAS, upon information and belief of the Council and the Mayor, according to the most recent census data, the current Black homeownership rate in the city of Richmond is only 32 percent, compared to approximately 60 percent for White Richmonders; and

WHEREAS, according to the Partnership for Housing Affordability, the City of Richmond has 8,582 mortgage-ready Black individuals – meaning current non-mortgage owners of ages 45 and younger who have credit characteristics to qualify for a mortgage; and

WHEREAS, the Mayor and Council believe that it is in the best interests of the residents of the city of Richmond that the Mayor and the Council declare a housing crisis in the city of Richmond in order to bring attention, funding, and increased collaboration to this matter;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council hereby joins the Mayor in declaring a housing crisis in the city of Richmond.

BE IT FURTHER RESOLVED:

That the Council joins the Mayor in calling on corporate, non-profit, and philanthropic organizations to quickly help the City address the housing crisis in the city of Richmond.

BE IT FURTHER RESOLVED:

That the Council joins the Mayor in continued advocacy at the Virginia General Assembly for necessary legislative reforms, including, but not limited to, inclusionary zoning, support for a long-term owner occupancy program, additional local authority (as reportedly utilized by the City of Arlington, Virginia) as it relates to the affordable housing density bonus (by adding the City of Richmond to section 15.2.2304 of the Code of Virginia (1950), as amended) and eviction prevention services and policy reform, such as increasing the fee for filing an eviction.

BE IT FURTHER RESOLVED:

That the Council supports the City's established goals to create 1,000 new affordable rental units each year and 2,000 new homeownership opportunities for low-income residents by 2030, in alignment with the City of Richmond's Equity Agenda, adopted by Resolution No. 2021-R032, adopted June 14, 2021, and the One Richmond: An Equitable Affordable Housing Plan, adopted by Resolution No. 2022-R008, adopted February 28, 2022.

BE IT FURTHER RESOLVED:

That the Council and the Mayor appreciate and support the work of the Affordable Housing Trust Fund, which has developed or preserved 1,075 units of affordable housing between the years 2015-2021.

BE IT FURTHER RESOLVED:

That the Council and Mayor celebrate \$20,000,000 in American Rescue Plan Act funds dedicated toward affordable housing efforts, for which the first \$10,000,000 in released funds

resulted in over 1,000 new affordable rental units, demonstrating the engagement of the affordable housing industry.

BE IT FURTHER RESOLVED:

That the Council and Mayor support the continued efforts of the City of Richmond's Eviction Diversion Program, the first of its kind in the Commonwealth of Virginia, for which over 1,500 evictions were prevented since its inception in 2019.

BE IT FURTHER RESOLVED:

That the Council and the Mayor support the legislative changes made by the Virginia General Assembly through the enactment of Senate Bill 648 in 2022 that established eligibility for the real property tax exemption for the elderly and permanently and totally disabled persons on a rolling basis throughout the year, for which the City has adopted Ordinance No. 2022-218, adopted July 25, 2022, making it more accessible for eligible residents.

BE IT FURTHER RESOLVED:

That the Council applauds the City's allocation of over \$4,000,000 in Fiscal Year 2022-2023 surplus funds for the fiscal year commencing July 1, 2022, and ending June 30, 2023, for inclement weather shelters and the Greater Richmond Continuum of Care to serve the city of Richmond's unhoused population.

BE IT FURTHER RESOLVED:

That the Council joins the Mayor in efforts to provide additional funding for affordable housing, including the proposals in the Mayor's annual budget for the fiscal year commencing July 1, 2023, and ending June 30, 2024, which include: (i) \$50,000,000 over five years in the Capital Improvement Plan, (ii) \$500,000 for the "Alternative Homes" project, (iii) \$1,400,000 for a first-time homebuyers down payment assistance program for city employees, (iv) \$1,750,000 for a permanent year-round emergency shelter, and (v) \$800,000 for the Eviction Diversion Program.

BE IT FURTHER RESOLVED:

That the Council supports the City's allocation of \$5,840,854 in HOME-ARPA funds toward a regional effort, with Henrico County and Chesterfield County, to create additional permanent supportive housing with the overall goal of reducing regional homelessness.

BE IT FURTHER RESOLVED:

That the Council joins the Mayor in supporting a comprehensive rewrite of the City's Zoning Ordinance, in alignment with the Richmond 300 Master Plan, to encourage more housing types throughout the city, greater density along primary transit corridors, and intentional connectivity of such areas.

BE IT FURTHER RESOLVED:

That the Council and the Mayor support the continued collaboration with the Richmond Redevelopment and Housing Authority (hereinafter, "RRHA") in the redevelopment of Richmond's public housing communities to ensure that residents live in quality and diverse housing, with a specific focus on Richmond's very low-income residents.

BE IT FURTHER RESOLVED:

That the Council and the Mayor support the inclusion of priority neighborhoods within the Richmond 300 Master Plan and that that will be a primary focus of investment for the city. Priority neighborhoods, which include public housing and land owned by RRHA, are located within some of today's most established and distinguished Richmond communities and adjacent to many of the city's most renown institutions and landmarks.

BE IT FURTHER RESOLVED:

That the Council supports the Mayor and the City Administration in utilizing all necessary tools within the City's authority, to the extent permitted by law, to alleviate this crisis and meet the City's housing goals, including structural, policy, planning, and organizational changes, to expedite

the creation of new affordable housing opportunities.

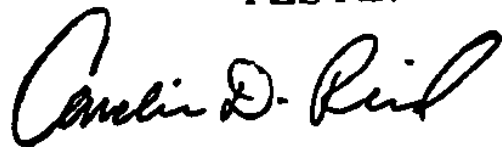
BE IT FURTHER RESOLVED:

That the Council joins the Mayor in calling for the creation of an Affordable Housing Commission that would bring together public, private, and philanthropic thought leadership, innovation, and tactical implementation guidance for affordable housing projects, as well as provide coordination across the various sectors and funding streams related to affordable housing.

BE IT FURTHER RESOLVED:

That the Council and the Mayor share the common goal to create resilience in the city of Richmond housing market by providing an abundance of opportunities and choices for Richmond residents – from renting an apartment, to owning a first home, to rehabilitating an existing family home, to finding an emergency shelter in the time of greatest need.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carolin D. Reed". The signature is written in a cursive style with a large initial 'C'.

City Clerk



City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: March 17, 2023 **EDITION:** 2

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer, Economic and Community Development

FROM: Maggie Anderson, Chief of Staff, Office of the Mayor

RE: To declare that a housing crisis in the city of Richmond, VA exists

ORD. OR RES. No. _____

PURPOSE: To acknowledge that a housing crisis in the city of Richmond exists and to memorialize the efforts and commitments of the Stoney Administration and Richmond City Council to ensure quality and affordable housing options and supports reach Richmond residents.

REASON: Housing insecurity has increased due to a lack of housing supply, rising rent costs, constrained pathways to homeownership, stagnant wages, and high inflation. These confounding factors are obstacles for economic mobility, and will continue unless local, creative collaboration and partnerships are realized to effectuate meaningful and tangible change.

In collaboration with Richmond City Council, it is pertinent to utilize all necessary tools within our local authority to alleviate this crisis and meet our housing goals, including structural, policy, planning, and organizational changes, to expedite the creation of new affordable housing opportunities.

RECOMMENDATION: Approval is recommended by the City Administration.

BACKGROUND: Over the past two years, the Stoney Administration and the Richmond City Council have worked diligently to create and approve affordable housing options through the utilization of American Rescue Plan Act funds. However, housing insecurity will continue to persist unless new conduits of funding and partnerships are created to meet the needs of Richmond residents.

On January 24, 2022, the Stoney Administration introduced, "[One Richmond: An Equitable Affordable Housing Plan](#)," which was approved by council on February 22, 2022. This plan outlined policy recommendations and efforts to provide low, and low-to-moderate income residents with quality housing options. Since council's adoption of this plan, the housing crisis has worsened as evidenced through the 3.8 million national shortage of housing units for sale or rent. Comparatively, the Richmond Metro area has a 23,320-unit shortage.

On March, 6, 2023, the Stoney Administration proposed (1) \$50 million over five years in the Capital Improvement Plan, (2) \$500,000 for the "alternative homes" project, (3) \$1.4 million for a first-time homebuyers loan for city employees, (4) \$1.75 million for a permanent year-round emergency shelter, and (5) \$800,000 for the Eviction Diversion Program to address issues we're facing in Richmond.

FISCAL IMPACT / COST: N/A

FISCAL IMPLICATIONS: N/A

BUDGET AMENDMENT NECESSARY: N/A

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: March 27, 2023

CITY COUNCIL PUBLIC HEARING DATE: April 10, 2023

REQUESTED AGENDA: Consent agenda

RECOMMENDED COUNCIL COMMITTEE: Waiver of committee referral requested

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Department of Housing and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

REQUIRED CHANGES TO WORK PROGRAM(S): N/A

ATTACHMENTS: Resolution language

STAFF: Maggie Anderson, Chief of Staff – Office of the Mayor
Cordell Hayes, Jr., Legislative & Policy Management Analyst – Office of the Mayor