



City of Richmond

Minutes

Finance and Economic Development Standing Committee

Thursday, October 15, 2020

1:00 PM

Council Chamber, 2nd Floor – Virtual Meeting

Committee Members and Others in Attendance

The Honorable Michael Jones – Chair
The Honorable Kristen Larson – Vice Chair (late arrival)
The Honorable Ellen F. Robertson – Committee Member
Lawrence Anderson, Council Chief of Staff
Samson Anderson, Council Budget Analyst
Meghan Brown, Deputy Council Chief of Staff
Bill Echelberger, Council Budget Analyst
Greg Lukanuski, Deputy City Attorney
Candice Reid, City Clerk
Dominique Thaxton, Assistant City Clerk
RJ Warren, Deputy City Clerk

Call to Order

Chair Michael Jones called the meeting to order at 1:01 p.m., and presided.

Electronic Meeting Announcement

Assistant City Clerk Dominique J. Thaxton, in accordance with Ordinance No. 2020-093, adopted April 9, 2020, as amended by Ordinance No. 2020-183, adopted August 20, 2020, announced the meeting would be held through electronic communication means. Assistant City Clerk Thaxton stated notice of the meeting was provided to the public through a public information advisory issued on October 8, 2020, and through Legistar on the city website in accordance with usual practice. She also stated members of the public were encouraged to provide comments in writing prior to the meeting and all comments received prior to 10:00 a.m., on Thursday, October 15, 2020, were provided to committee members. Ms. Thaxton indicated that members of the public who signed up to speak and provide comment would be called to speak at the appropriate time.

Citizen Speaker Guidelines

Upon the Chair's request, Assistant City Clerk Dominique J. Thaxton provided citizen speaker guidelines.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of the Thursday, September 17, 2020 committee meeting, and the committee approved the minutes as presented.

Vice Chair Kristen Larson joined the meeting at 1:05 p.m.

Ms. Reid expressed that it is the intent of the administration to begin incorporating OPEB funding within the Mayor's proposed budget. Ms. Reid stated that the audit highlights the need to change the funding of OPEB from a pay as you go system to a budget allocation.

Chair Jones inquired which funding system is more favorable for OPEB.

Ms. Reid stated that when the city was operating on the "pay as you go" system, the annual contributions were consistently met until changes in the Governmental Accounting Standards Board (GASB) practices prompted the expansion in OPEB eligibility to include public safety employees. Ms. Reid expressed that the inclusion of public safety employees drastically increased the OPEB funding liability thus prompting the need for a change to the annual required contribution system.

A copy of the material provided has been filed.

Papers for Consideration

The following ordinance was considered:

ORD. 2020-214

To amend City Code §§ 12-36, concerning the disposition of revenues derived from the expiration of partial exemptions from real estate taxation and from certain sales of tax delinquent properties, and 26-104, concerning the duties of the City Assessor, for the purpose of providing for the accounting of certain real estate tax revenues arising from the phased reduction, expiration, and termination of certain partial exemptions from real estate taxation in such a manner as to facilitate the City Council's future appropriation of those revenues to the Affordable Housing Trust Fund.

Patrons: Mayor Stoney, President Newbille and Ms. Robertson

Member Ellen Robertson and Sharon Ebert, Deputy Chief Administrative Officer of Economic and Community Development, provided an overview of ORD. 2020-214.

Citizens were provided an opportunity to offer comments in writing regarding proposed legislation on the agenda, prior to the Finance and Economic Development Standing Committee meeting. All written citizen comments received by the Office of the City Clerk were provided to members of the committee prior to the meeting, and are included as an appendix to the October 15, 2020 Finance and Economic Development Standing Committee meeting.

Public Hearing

Laura Lafayette, Richmond Association of Realtors CEO and Partnership for Housing Affordability representative, spoke in support of ORD. 2020-214 and expressed that without a dedicated source of funding, the Affordable Housing Trust Fund cannot be an effective vehicle to address the housing crisis in the city. Ms. Lafayette stated that ORD. 2020-214 is an ardent example of public policy through the lens of equity and a step toward providing affordable housing efforts.

Vice Chair Larson expressed concern with the budgetary commitments requested in ORD. 2020-214 and the implications of making such decisions during a time of fiscal constraints. Vice Chair Larson expressed support for a regional approach to provide affordable housing. Ms. Larson further stated concern for the number of vacancies on the Affordable Housing Trust Fund Oversight Board and requested increased accountability in the operations of the board.

Ms. Ebert highlighted the importance of funding affordable housing efforts in the city. Ms. Ebert stated that the reason the city faces a disproportionate amount of low-income residents in comparison to neighboring counties, is because the neighboring counties do not have designated subsidized public housing.

Member Robertson stated that she shares the concern for the budget constraints. Member Robertson expanded that even in the face of fiscal uncertainty, taking care of the city's responsibility to provide

affordable housing should remain a priority. Ms. Robertson provided information on the membership composition and function of the Affordable Housing Trust Fund Oversight Board. Ms. Robertson provided information on how underfunding the Affordable Housing Trust Fund has the latent effect of widening wealth disparity in the city.

Chair Michael Jones inquired when the city would be in a position to utilize bonds to fund affordable housing efforts. Chair Jones asked about the revenue received by the current real estate tax abatement program and how the recent changes in the program will impact future revenue.

Ms. Ebert stated that she would need to speak to with the Department of Finance to discuss potential use of general obligation bonds. Ms. Ebert also stated that the revenue received by the real estate tax abatement program is expected to change to adjust for the recent changes made in the program.

Chair Jones stated the need for a regional approach to addressing affordable housing being that the city of Richmond is the only available source of public housing in the area. Chair Jones asked if there is a tool available to track if tenants of the city's subsidized housing are coming from neighboring localities.

Ms. Ebert provided context of complications that may arise from regional approaches to affordable housing. Ms. Ebert stated that the tools of providing affordable housing are done through partnerships with non-profit organizations. Ms. Ebert also stated that there can be measures set in place to prioritize city residents for affordable housing placement.

Chair Jones inquired if it is possible to include funding for the Affordable Housing Trust Fund in the Mayor's budget proposal and not simply as a reserve fund.

Ms. Ebert stated that it is possible to build the funding into the Mayor's proposed budget as an appropriation rather than a reserve fund.

There were no further comments or discussions and **Member Ellen Robertson moved to forward ORD. 2020-214 to Council with the recommendation to approve, which failed for lack of a second.**

Vice Chair Larson stated the need to receive additional information on projections for the upcoming budget before taking action on ORD. 2020-214.

Chair Jones expressed the need for a continued conversation and understanding of the direction that the city wishes to move towards remedying the affordable housing crisis.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to continue ORD. 2020-214 to the December 17, 2020 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2020-215

To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.20 for the tax year beginning Jan. 1, 2021, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.176 as computed in accordance with Va. Code § 58.1-3321(a).

Patron: President Newbille

Bill Echelberger, Council Budget Analyst, provided an overview of ORD. 2020-215.

There were no comments or discussions and **Member Ellen Robertson moved to forward ORD. 2020-215 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2020-221

To authorize the Chief Administrative Officer, for an on behalf of the City of Richmond, to execute a Sublease Agreement between the City of Richmond as sublandlord and UGK Community First Corp. as subtenant for the purpose of leasing to UGK Community First Corp. a portion of the City-owned building located at 1400 Oliver Hill Way.

Patron: Ms. Robertson

Member Ellen Robertson provided an overview of ORD. 2020-221.

Vice Chair Kristen Larson inquired if the Department of Parks, Recreation and Community Facilities would still be using the property space indicated in ORD. 2020-221 for a workforce development program.

Christopher Frelke, Department of Parks, Recreation and Community Facilities Director, stated that the leasing of the kitchen space indicated in ORD. 2020-221 will not interfere with the workforce development program.

Michael Sparks and Kate Houck representing the Underground Kitchen Community First Corp. provided the committee with background information on the company and the various programmatic shifts in services provided to the community since the onset of the COVID-19 pandemic.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to forward ORD. 2020-221 to Council with the recommendation to approve, which was seconded and unanimously approved.**

Staff Report

Bill Echelberger, Council Budget Analyst, provided the committee with the October staff report.

A copy of the material provided has been filed.

Vice Chair Kristen Larson reiterated the request that the appropriate staff coordinate with the administration to present the Other Post-Employment Benefits (OPEB) report at the Finance and Economic Development Standing Committee December meeting.

Adjournment

There being no further business, the meeting adjourned at 2:48 p.m.