



City Of Richmond, Virginia  
Office of the City Clerk

Request to Withdraw Legislation

Paper Number: RES. 2020-R068

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Chief Patron: Councilmember Michael Jones

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Introduction Date: December 14, 2020

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Chief Patron Signature:

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*For Office Use Only*

Attestation: Candice Reid 12/17/2020

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Effective Date: December 17, 2020

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**From:** [Morris, Summer A. - City Council](#)  
**To:** [Reid, Candice D. - Clerk's Office](#)  
**Subject:** Request to Withdraw Legislation  
**Date:** Wednesday, December 16, 2020 4:23:30 PM

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Candice,

Councilman Jones wants to withdraw Res. 2020-R068 and he wants to know if I can sign the form on his behalf.

**Summer A. Morris**

Ninth District Council Liaison

Office of Councilman Michael J. Jones

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summer.morris@richmondgov.com

INTRODUCED: December 14, 2020

A RESOLUTION No. 2020-R068

To reiterate the request made in Res. No. 2020-R053, adopted Sept. 28, 2020, that the Mayor propose, for the Fiscal Year 2021-2022 and for every fiscal year thereafter, a budget that includes funding in the amount of at least \$10,000,000.00 for the Affordable Housing Trust Fund.

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Patron – Mr. Jones

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: JAN 11 2021 AT 6 P.M.

WHEREAS, on September 28, 2020, City Council adopted Resolution No. 2020-R053, which requests that the Mayor propose for the fiscal year commencing July 1, 2021, and ending June 30, 2022, and for every fiscal year thereafter, a budget that includes funding in the amount of at least \$10,000,000.00 for the Affordable Housing Trust Fund; and

WHEREAS, the Council believes that the approach embodied in Resolution No. 2020-R053, adopted September 28, 2020, is the most efficient method for allocating limited resources to address the essential priorities of the City; and

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

WHEREAS, it the belief of the Council that the essential priorities of the City include, but are not limited to, addressing the impact of the COVID-19 pandemic on revenue and expenditures, funding the unfunded post-employment benefits other than pensions, as defined in section 15.2-1545 of the Code of Virginia (1950), as amended, and funding the unfunded liability of the Richmond Retirement System; and

WHEREAS, Ordinance No. 2020-214, introduced on September 28, 2020, does not address the aforementioned essential priorities of the City, but seeks to amend sections 12-36 and 26-104 of the Code of the City of Richmond (2015), as amended, for the purpose of providing for the accounting of certain General Fund revenues derived from real estate tax revenues arising from the phased reduction, expiration, and termination of certain partial exemptions from real estate taxation to a special reserve assigned to support the Affordable Housing Trust Fund; and

WHEREAS, in addition, the Council believes that the accounting of certain General Fund revenues derived from real estate tax revenues arising from the phased reduction, expiration, and termination of certain partial exemptions from real estate taxation to a special reserve assigned to support the Affordable Housing Trust Fund as provided in Ordinance No. 2020-214, if adopted, would create the impression that these revenues will actually be appropriated to the Affordable Housing Trust Fund; and

WHEREAS, if the funding requested by Resolution No. 2020-R053, adopted September 28, 2020, is included in the budget for the fiscal year commencing July 1, 2021, and ending June 30, 2022, through the fiscal year commencing July 1, 2025, and ending June 30, 2026, the five-year total funding for the Affordable Housing Trust Fund would be \$50,000,000.00; and

WHEREAS, the Council believes that it is in the best interests of the citizens of the City of Richmond that the Council reiterate its request that the Mayor propose, for the fiscal year

commencing July 1, 2021, and ending June 30, 2022, and for every fiscal year thereafter, a budget that includes funding in the amount of at least \$10,000,000.00 for the Affordable Housing Trust Fund;

NOW, THEREFORE,

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

That the Council reiterates its request that the Mayor propose, for the fiscal year commencing July 1, 2021, and ending June 30, 2022, and for every fiscal year thereafter, a budget that includes funding in the amount of at least \$10,000,000.00 for the Affordable Housing Trust Fund.



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Council Chief of Staff

### Ordinance/Resolution Request

**TO** Haskell C. Brown, III, Interim Richmond City Attorney  
Richmond Office of the City Attorney

**RECEIVED**  
By Barbara Fore at 1:34 pm, Oct 29, 2020

**THROUGH** Lawrence R. Anderson  
Council Chief of Staff

**FROM** William E. Echelberger, Jr, Council Budget Analyst

**COPY** Michael J. Jones, 9th District Representative  
Tabrica C. Rentz, Interim Deputy City Attorney  
Meghan K. Brown, Deputy Council Chief of Staff  
Summer A. Morris, 9th District Liaison

**DATE** October 29, 2020

**PAGE/s** 1 of 3

**TITLE** Reiterate City Council's Request for Funding of Affordable Housing

This is a request for the drafting of an **Ordinance**  **Resolution**

**REQUESTING COUNCILMEMBER/PATRON**

Michael J. Jones, 9th District Representative

**SUGGESTED STANDING COMMITTEE**

Finance and Economic Development Committee

**ORDINANCE/RESOLUTION SUMMARY**

The patron requests a resolution to reiterate City Council's request, as expressed in Resolution No. 2020-R053, that the Mayor provide funding of at least \$10,000,000 annually for Affordable Housing in the FY22 budget, and subsequent budgets.

**BACKGROUND**

**Summary:**

- On September 28, 2020 City Council adopted Resolution No. 2020-R053 (attached) which requests that the Mayor propose, for the FY22 and for every fiscal year thereafter, a budget that includes funding in the amount of at least \$10,000,000 for the Affordable Housing Trust Fund.
  - o If the requested funding is included in the budget for FY22 to FY26 the five-year total funding for affordable housing would be \$50.0 million.
  - o Based on the actual roll-offs projected by the City Assessor, the amount generated by proposed Ordinance No. 2020-214 over the same five year period would only be \$33.9 million, if the proposed amounts are actually appropriated.
- The patron believes that City Council's request, as expressed in Resolution 2020-R053, that the Mayor provide funding of at least \$10,000,000 annually for Affordable Housing in the FY22 budget, and subsequent budgets is the most appropriate avenue for the provision of funding for affordable housing in the City of Richmond. This budgetary approach allows

Council to appropriately addresses the City's multiple funding priorities, including, but not limited to, affordable housing.

- Subsequent to adoption of Resolution No. 2020-R053, Ordinance No. 2020-214 was introduced, the three principal purposes of which are to:
  1. Remove the current \$1.0 million cap on the annual amount credited for support of the Affordable Housing Trust Fund from all real estate tax revenues received after July 1, 2021 (FY22), and derived from increased taxation arising from:
    - a. Reduction of the amount of any property's partial real estate tax exemption, and
    - b. Expiration or termination of any property's partial tax exemption.
  2. New roll-offs for each year would be added to the total annual General Fund Revenue credited to the support of the Affordable Housing Trust Fund, resulting in an uncapped, and increasing annual amount. This annual amount **may** be appropriated for support of the Affordable Housing Trust Fund.
  3. Clarify that the Director of Finance is to credit such funds to a Special Reserve for support of the Affordable Housing Trust Fund.
- The Staff Analysis of Ordinance No. 2020-214 (attached) identified a number of technical issues. Chief among these are:
  1. According to the City Attorney, City Council **may not "dedicate" future revenues**. The proposed credit of funds to the Special Reserve for support of the Affordable Housing Trust Fund is an accounting mechanism that **does not** create a Special Fund, and all proposed expenditures of such credited funds are **subject to future appropriation**.
  2. In 2019 City Council adopted Resolution No. 2019-R009, which established Council's policy to appropriate at least 55.4% of the estimated receipts from the Real Estate Tax to Richmond Public Schools. Since the roll-off of expiring real estate tax abatements are General Fund Revenue, the proposed credit of such roll-offs to a Special Reserve for the support of the Affordable Housing Trust Fund would have the effect of reducing the amount for Richmond Public Schools under Council's adopted 55.4% policy.
  3. Such "dedication" of future revenues will limit City Council's ability to address future requirements.
    - a. The full impact of the COVID-19 on the City's General Fund Revenues and expenditures for FY21 and FY22 is unknown, and is unlikely to clarify until at least the third quarter of FY21.
    - b. The most recent 5-year budget projection indicates that the availability of future General Fund Revenues for the support of future governmental activities, not including any increase for the Affordable Housing Trust Fund, is already projected to fall short of requirements.
    - c. Examples of likely future non-discretionary cost increases that may not be included in the 5-year budget projection include:
      - (1) Addressing the unfunded OPEB liability. The City Auditor recently reported that this liability is currently \$84 million, and will continue to grow without action by City Council. Administration's White Paper dated October 2020 recommends that, if adopted, will seriously impact Council's future flexibility to address General Fund requirements:
        - Reserving at least \$5.0 million from the FY20 fund balance for the OPEB liability.
        - Appropriating at least \$10 million for OPEB in FY22 for the OPEB liability.
      - (2) Appropriating at least \$4.75 million for the unfunded liability of the Richmond Retirement System in FY21.

- d. Any revenues credited to the Special Reserve for support of the Affordable Housing Trust Fund are subject to appropriation, and may be used for other, unrelated purposes, as was done by Ordinance No. 2020-194, which appropriated \$1.7 million from such proceeds to the "Enslaved African Heritage Campus" project.
4. The City Assessor believes that the roll-off of expiring tax abatements has partially offset the cost of providing new abatements, which are required to address affordable housing.

**FISCAL IMPACT STATEMENT**

Fiscal Impact Yes  No

Budget Amendment Required Yes  No

**Estimated Cost or Revenue Impact**

The proposed resolution has no revenue or expenditure impact. At least \$10.0 million annually would be available for affordable housing if the mayor submits the requested budget item.

**Attachment/s** Yes  No