



City of Richmond

Minutes

Finance and Economic Development Standing Committee

Thursday, December 17, 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

The Honorable Stephanie Lynch – Alternate Member (late arrival, early departure)

Samson Anderson, Council Budget Analyst

Meghan Brown, Deputy Council Chief of Staff

Joyce Davis, Council Policy Analyst

Bill Echelberger, Council Budget Analyst

Tabrica Rentz, Acting Deputy City Attorney

Dominique Thaxton, Assistant City Clerk

RJ Warren, Deputy City Clerk

Call to Order

Chair Michael Jones called the meeting to order at 1:07 p.m., and presided.

Electronic Meeting Announcement

Assistant City Clerk Dominique J. Thaxton, pursuant to and in compliance with Ordinance No. 2020-093, adopted April 9, 2020, as most recently amended by Ordinance No. 2020-232, adopted December 14, 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 December 10, 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, December 17, 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.

Public Comment Period

There were no public comment speakers.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of the Thursday, October 15, 2020 committee meeting, and the committee approved the minutes as presented.

Agenda Amendments

Member Ellen Robertson moved to amend the agenda as follows:

ORD. 2019-275

To amend ch. 6 of the City Code by adding therein a new art. XII (§§ 6-596-6-602) to establish a technology zone program in accordance with Va. Code § 58.1-3850, for the purpose of facilitating the development and location of technology businesses in the city of Richmond, capital investment, and job creation.

Patron: Mr. Addison

ORD. 2019-276

To amend City Code §§ 26-872, concerning definitions related to license taxes, and 26-989, concerning licenses taxes for personal services businesses, and to amend ch. 26, art. XV, div. 2 of the City Code by adding therein a new section numbered 26-1003.1, concerning the license tax for technology businesses, for the purpose of creating a new business, profession, and occupation license category called "technology business" and imposing a new license tax on such businesses.

Patron: Mr. Addison

ORD. 2020-256

To amend ch. 2, art. V of the City Code by adding therein a new div. 11 (§§ 2-1035-2-1039) for the purpose of establishing a Participatory Budgeting Steering Commission.

Patron: Mr. Addison and Ms. Larson

RES. 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.

Patron: Mr. Jones

To be continued to the January 21, 2021 Finance and Economic Development Standing Committee meeting

The motion was seconded and approved: Ayes 2, Jones, Robertson. Noes None. Larson had not yet arrived.

Vice Chair Kristen Larson joined the meeting at 1:12 p.m.

Board Vacancies

There were no board vacancies.

Presentation

City of Richmond Casino RFQ/P: Survey Results & Process

Leonard L. Sledge, Department of Economic Development Director, presented the committee with an overview of the casino survey results and the request for proposal (RFP) process for the proposed casino to be located in the city. Mr. Sledge provided information on the recently adopted Virginia Senate Bill 36, commonly known as the Virginia Casino Act and the guidelines set forth therein. Mr. Sledge also outlined

the myriad of community input and engagement opportunities available ahead of the casino voter referendum on November 2, 2021.

Member Ellen Robertson inquired if the timeframe for survey responses had ended. Ms. Robertson asked if there is a method to analyze the responses of the survey and other community engagement efforts to distinguish residents of the city compared to nonresidents. Member Robertson stated that in addition to consideration of residency, it is important to seek racial and economic input. Ms. Robertson requested specific details on the qualifying criteria for a locality to accommodate a casino as outlined in the Virginia Casino Act, and how any benefits the city stands to gain will align with said qualifications.

Mr. Sledge confirmed that the survey was open from December 1-14, 2020, and has now closed. Mr. Sledge stated that the survey included a question of residency and that residency will continue to be a factor as the community engagement strategies are finalized. Mr. Sledge also stated that he will provide the qualifying factors for localities to accommodate a casino to City Council.

Vice Chair Kristen Larson asked for information on community engagement strategies and the timeline for any forums.

Mr. Sledge advised that a combination of virtual and in-person community engagement forums will begin in the first-quarter of 2021, and continue through the selection of a casino operator.

Chair Michael Jones underscored the importance of discussions around gambling addiction in an urban community and asked for information on how localities with existing casino infrastructures confront issues of compulsion with their residents. Chair Jones highlighted that the trend of casinos being situated in lower income minority neighborhoods should be considered in community engagement discussions.

A copy of the material provided has been filed.

Papers for Consideration

The following ordinance was considered:

ORD. 2020-239

To amend and reordain City Code § 26-874, concerning a business license incentive program for qualifying businesses, for the purpose of revising the definition of a qualifying business, adding the incentive of a refund, and requiring a business to apply to qualify for the program within two years from the date the business located in the city.

Patron: Mayor Stoney

John Wack, Department of Finance Director, provided an overview of ORD. 2020-239.

Member Ellen Robertson inquired if ORD. 2020-239 would facilitate a new incentive program or modify an existing program. Ms. Robertson also inquired if ORD. 2020-239 would issue a rebate on license taxes that have already been paid.

Mr. Wack noted that ORD. 2020-239 would modify an existing program to allow new businesses that moved to the city to have their first two years of business license taxes abated, and that the proposed program would not offer refunds on previously paid taxes.

There were no further comments or discussions and **Member Ellen Robertson moved to forward ORD. 2020-239 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following resolution was considered:

RES. 2020-R062

To express the City Council's support for the Economic Development Authority of the City of Richmond, Virginia and the City of Richmond's Department of Economic Development proposed plan to provide short-term financial relief during the COVID-19 pandemic in the form of deferred payments to borrowers of loan programs administered by the Economic Development Authority of the City of Richmond, Virginia and the City of Richmond's Department of Economic Development.

Patrons: Mayor Stoney and Mr. Jones

Chair Michael Jones and Leonard L. Sledge, Department of Economic Development Director, provided an overview of RES. 2020-R062.

Vice Chair Kristen Larson asked about the fiscal impact and fund sourcing of RES. 2020-R062.

Mr. Sledge provided clarification of the loan programs outlined in RES. 2020-R062 and specified that there would be no fiscal impact on the city.

Member Ellen Robertson inquired about the total loan package impacted by RES. 2020-R062 and if the borrowers would be allowed to negotiate new loan terms as a result of adoption. Ms. Robertson urged that the option for renegotiation is an important factor given the current economic climate.

Mr. Sledge stated in the current form, RES. 2020-R062 does not allow for borrowers to negotiate new loan terms, but that renegotiation is a matter to be discussed with the Economic Development Authority. Mr. Sledge provided the outstanding principle balances of the loan programs outlined in RES. 2020-R062.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to forward RES. 2020-R062 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following resolution was considered:

RES. 2020-R069

To approve the issuance by the Richmond Redevelopment and Housing Authority of its multifamily housing revenue bonds in an amount up to \$15,215,000.00 for the acquisition, construction, renovation, rehabilitation and equipping of an approximately 121-unit multifamily residential rental housing project to be known as Holly Springs Apartments located at 801 Holly Spring Avenue in the city of Richmond.

Patron: Ms. Trammell

Mike Graff, McGuireWoods partner and Richmond Redevelopment and Housing Authority's (RRHA) bond counsel, provided an overview of RES. 2020-R069.

Member Ellen Robertson asked if RRHA has historically experienced any foreclosures in the issuance of the bonds for residential housing projects similar to RES. 2020-R069.

Mr. Graff provided no history of foreclosure or credit problems with projects similar to RES. 2020-R069. Mr. Graff expanded that there is no liability to RRHA or the city.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to forward RES. 2020-R069 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following resolution was considered:

RES. 2020-R070

To approve the issuance by the Richmond Redevelopment and Housing Authority of its multifamily housing revenue bonds in an amount up to \$9,300,000.00 for the acquisition, construction, renovation, rehabilitation and equipping of an approximately 62-unit multifamily residential rental housing project to be known as Swansboro Apartments located at 3600 East Broad Rock Road and 3601 East Broad Rock Road in the city of Richmond.

Patron: Ms. Trammell

Mike Graff, McGuireWoods partner and Richmond Redevelopment and Housing Authority's (RRHA) bond counsel, provided an overview of RES. 2020-R070.

Chair Michael Jones inquired as to the methods in place by RRHA to prevent wage theft in communities similar to those outlined in RES. 2020-R070. Chair Jones also inquired about the approaches RRHA employs to ensure minority business enterprise inclusion in various projects.

Mr. Graff stated that diversity and inclusion are important factors for consideration during the application review phase, and provided the percentage of minority participation committed in the projects outlined in both RES. 2020-R069 and RES. 2020-R070.

There were no further comments or discussions and **Member Ellen Robertson moved to forward RES. 2020-R070 to Council with the recommendation to approve, which was seconded and unanimously approved.**

Alternate Member Stephanie Lynch joined the meeting at 2:46 p.m.

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

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 December 17, 2020 Finance and Economic Development Standing Committee meeting.

Public Hearing

Joh Gehlbach, Richmond Association of Realtors Government Affairs Manager, spoke in support of ORD. 2020-214, and underscored the affordable housing crisis in the city.

Martin Wegbreit, Richmonders Involved to Strengthen Our Communities (RISC) member, Eviction Diversion Task Force member and Affordable Housing Trust Fund (AHTF) Oversight Board member, spoke in support of ORD. 2020-214, and discussed the dire implications of the affordable housing shortage in the city. Mr. Wegbreit highlighted the importance of a dedicated source of funding for the AHTF.

Dr. Aubrey Jones, RISC board member and AHTF Oversight Board member, spoke in support of ORD. 2020-214 and stated the need for a stabilized stream of funding for the AHTF. Dr. Jones discussed

the persistent issue of affordable housing in the city and provided data on the inability for residents earning less than the area median income (AMI) to adequately afford housing in the city.

Steven Saltzberg, RISC member and former AHTF Oversight Board member, spoke in support of ORD. 2020-214, and provided historical information on similar requests for adequate funding of the AHTF. Mr. Saltzberg expressed the need for annual dedicated funding for the AHTF.

Nancy Kunkel, RISC member, spoke in support of ORD. 2020-214. Ms. Kunkel underscored that consistent and reliable funding of the AHTF is needed to provide certainty to potential developers to consider Richmond as a viable option.

Michael Anderson, Community Change Housing Trust Fund Project Director, spoke in support of ORD. 2020-214, and provided information on the necessity of a dedicated revenue stream for the AHTF. Mr. Anderson stated the long term advantages for the community at large and the strides to be made toward equity through affordable housing.

Aaron Gornstein, Preservation of Affordable Housing, Inc., President and CEO, spoke in support of ORD. 2020-214, and highlighted that ensuring the success of the AHTF requires reliable funding. Mr. Gornstein stated that a key factor in whether affordable housing development projects move forward is if there are adequate funds and a predicable method of accessing said funds.

Sebastian Shetty, Partnership for Smarter Growth Coordinator for Policy and Administration, spoke in support of ORD. 2020-214, and stated that at least half of the dedicated funding referenced in ORD. 2020-214 needs to be directed to serve residents most at risk residents.

Rev. Ralph Hodge, Second Baptist Church Pastor and RISC member, spoke in support of ORD. 2020-214, and stated that research has shown that the success of the AHTF requires a dedicated stream of funding. Rev. Hodge provided the various positive community impacts the city stands to gain from funding the AHTF.

Josh Cohen, Beacon Communities, LLC President of Development, spoke in support of ORD. 2020-214. Mr. Cohen noted that over time, as the city provides increased dedicated revenue to the AHTF, developers will bring larger projects to the area and close the gap of affordable housing needs.

Desiree Taylor, HandUp Community Resource Center, Homeless Veteran's Service Center Program Director, spoke in support of ORD. 2020-214. Ms. Taylor stated the impact of affordable housing units and services has on eradicating homelessness among veterans.

Member Ellen Robertson stated the challenges faced by the AHTF Oversight Board in finding an adequate amount of affordable housing units in the city. Ms. Robertson expressed that the need for affordable housing is a regional issue, for which Richmond continues to endure the burden of responsibility. Member Robertson asked the administration to identify additional fund sources and an execution plan for the AHTF.

Vice Chair Kristen Larson expressed concern with the budgetary commitments requested in ORD. 2020-214 and the potential constraints on the debt capacity. Vice Chair Larson stated the need for examination of the financial burden placed on the city by the regional affordable housing issue. Ms. Larson also stated the need for communication with other localities in the region to determine how they are funding affordable housing and how many residents may be relocating to the city for services.

Alternate Member Stephanie Lynch expressed support for ORD. 2020-214 and requested to be added as a co-patron.

Chair Michael Jones underscored the need for both economic mobility and affordable housing across the city. Mr. Jones expressed support for ORD. 2020-214 and requested to be added as a co-patron.

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 was seconded and approved:** Ayes 2, Jones, Robertson. Noes 1, Larson.

Alternate Member Stephanie Lynch departed the meeting at 3:05 p.m.

Staff Report

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

Vice Chair Kristen Larson requested an update on the Other Post-Employment Benefits (OPEB) report at the Finance and Economic Development Standing Committee January meeting. Vice Chair Larson also reiterated the request for a cooperative regional discussion on current practices for affordable housing.

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 3:15 p.m.