



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Legislation Text

File #: ORD. 2023-276, **Version:** 1

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute an ARPA Grant Agreement - Highland Grove Development Area between the City of Richmond and the Better Housing Coalition, for the purpose of facilitating the completion of infrastructure for the Highland Grove Redevelopment Phase I project.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute an ARPA Grant Agreement - Highland Grove Development Area between the City of Richmond and the Better Housing Coalition, for the purpose of facilitating the completion of infrastructure for the Highland Grove Redevelopment Phase I project. The ARPA Grant Agreement - Highland Grove Development Area shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.

DATE: August 28, 2023

EDITION: 1

TO: The Honorable Members of the City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

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

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer, Finance and Administration

THROUGH: Sheila D. White, Director, Department of Finance

THROUGH: Jason P. May, Director, Department of Budget and Strategic Planning

THROUGH: Sharon L. Ebert, Deputy Chief Administrative Officer, Economic Development and Planning

FROM: Sherrill Hampton, Director
Department of Housing and Community Development

RE: The State and Local Fiscal Recovery Funds Under the American Rescue Plan Act (ARPA) - Request for An Amendment to Re-appropriate and Transfer ARPA Funding from the Richmond Redevelopment & Housing Authority to Better Housing Coalition for the Highland Grove Redevelopment Infrastructure Project

ORD. OR RES. No.

PURPOSE: This O&R request is to amend Ordinance No. 2021-291 (see **Attachment A**) adopted on October 25, 2021, to re-appropriate and transfer the \$5,500,000 of ARPA funding for the Highland Grove Redevelopment Infrastructure Project from the Richmond Redevelopment & Housing Authority (“RRHA”) to the Better Housing Coalition (“BHC”) in accordance with the ARPA Spending Plan and authorize the Chief Administrative Officer to develop and execute all documents necessary to do so based on the proposed re-appropriation. The proposed agreement between the City of Richmond and BHC is included as **Attachment B**.

REASON: On October 25, 2021, the City Council approved the appropriation of \$5,500,000 of ARPA funding to RRHA for the Highland Grove Redevelopment Infrastructure Project. RRHA selected BHC as the Master Developer to do the infrastructure work and the construction of 122 new for-sale affordable housing units. RRHA transferred the property to BHC in October 2022 and currently only has a fiduciary responsibility as it relates to the Capital Improvement Program funding awarded by the City in 2016-2017. In addition, given the City’s affordable housing crisis, the City, RRHA, and BHC want to expedite the construction and production of new affordable units by streamlining agreement and approval processes. As part of this streamlining and the fact that RRHA no longer owns the property, the City is requesting that the \$5,500,000 of ARPA funding be re-appropriated and transferred from RRHA to BHC for the Highland Grove Redevelopment Infrastructure Project.

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RECOMMENDATION: Approval of the proposed amendment and agreement is recommended.

BACKGROUND:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program.

Ordinance 2021-291 authorized the Chief Administrative Officer to accept the first tranche of the American Rescue Plan Act of 2021, H.R. 1319, 117th Cong., 1st Sess. (2021-2022) funds in the amount of \$77,439,914.00 from the United States Department of the Treasury for the purpose of funding the City’s efforts to recover from the economic and health effects of the COVID-19 pandemic in accordance with the American Rescue Plan Act of 2021, H.R. 1319, 117th Cong., 1st Sess. (2021-2022).

Ordinance 2021-291 Amended Ordinance 2021-042, adopted May 24, 2021, which adopted the FY2022 Capital budget by appropriating \$28,300,000 for the creation and implementation of eight (8) capital projects in accordance with the ARPA Spending Plan. Highland Grove Redevelopment Infrastructure Project is one of the capital projects designated to receive \$5,500,000 for the installation of infrastructure at the project site for the construction of new affordable housing units.

On April 26, 2021, RRHA selected Better Housing Coalition (“BHC”) as the Master Developer and entered into an Agreement with BHC stipulating that BHC would acquire parcels from RRHA to construct 122 new affordable for-sale residential units in four (4) phases. The project was re-configured into two (2) phases. BHC

coordinating with RRHA has been using funding under a previous CIP award to begin planning, engineering, and land clearance activities.

As of October 2022, BHC has acquired the property from RRHA to commence the infrastructure work for the construction of the new affordable units for the Highland Grove Redevelopment. As RRHA is no longer the owner of the property and in an effort to expedite the construction and production of new affordable units by streamlining agreement and approval processes, RRHA, BHC, and the City are requesting that the \$5,500,000 of ARPA funding be re-appropriated and transferred from RRHA to BHC to streamline processes and commence the infrastructure work for Highland Grove Redevelopment Infrastructure Project. It is imperative that any potential delays or bureaucratic impediments be mitigated to produce affordable housing as the City is experiencing an affordable housing crisis.

FISCAL IMPLICATIONS: There are no adverse fiscal implications based on the proposed amendment. The proposed amendment allows for the timely utilization of the ARPA funds and helps expedite the construction and production of new affordable residential units.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: There will be additional revenue to the City as it relates to property taxes for any newly created housing units.

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: September 25, 2023

CITY COUNCIL PUBLIC HEARING DATE: October 10, 2023

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Finance and Administration

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Housing and Community Development; Budget and Strategic Planning; and the Finance Department

RELATIONSHIP TO EXISTING ORD. OR RES.: 2021-291

REQUIRED CHANGES TO WORK PROGRAM(S): If approved, there are no required changes to HCD's work plans as project administration is currently underway.

ATTACHMENTS: Attachment A - Ordinance No. 2021-291 and Attachment B - Proposed Agreement Between the City of Richmond and Better Housing Coalition

STAFF: Sherrill Hampton, HCD Director - (804) 646-6822 and Merrick Malone, Senior Manager - Housing Finance & Development - (804) 646-7426