



# City of Richmond

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

## Legislation Text

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**File #:** ORD. 2025-226, **Version:** 1

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To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, ECG Semmes, LP, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 2201 McDonough Street, 2300 Semmes Avenue, 2301 McDonough Street, 322 West 22<sup>nd</sup> Street, 315 West 22<sup>nd</sup> Street, 307 West 22<sup>nd</sup> Street, 301 West 22<sup>nd</sup> Street, 302 West 22<sup>nd</sup> Street, 2100 Perry Street, 222 West 21<sup>st</sup> Street, 215 West 22<sup>nd</sup> Street, 217 West 22<sup>nd</sup> Street, 219 West 22<sup>nd</sup> Street, and 221 West 22<sup>nd</sup> Street.

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 a Grant Agreement between the City of Richmond, ECG Semmes, LP, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 2201 McDonough Street, 2300 Semmes Avenue, 2301 McDonough Street, 322 West 22<sup>nd</sup> Street, 315 West 22<sup>nd</sup> Street, 307 West 22<sup>nd</sup> Street, 301 West 22<sup>nd</sup> Street, 302 West 22<sup>nd</sup> Street, 2100 Perry Street, 222 West 21<sup>st</sup> Street, 215 West 22<sup>nd</sup> Street, 217 West 22<sup>nd</sup> Street, 219 West 22<sup>nd</sup> Street, and 221 West 22<sup>nd</sup> Street. The Grant Agreement 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.

## City of Richmond Intracity Correspondence

### **O&R Transmittal**

**DATE:** August 25, 2025

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Dr. Danny Avula, Mayor

**THROUGH:** Odie Donald, II Chief Administrative Officer

**THROUGH:** Letitia Shelton, Director of Finance

**THROUGH:** Meghan Brown, Director of Budget and Strategic Planning

**THROUGH:** Sharon Ebert, DCAO - Planning & Economic Development Portfolio

**THROUGH:** Angie Rodgers, Director of Economic Development

**FROM:** Merrick Malone, Director of Housing and Community Development

**RE:** Approval of a Performance Grant for an Affordable Housing Development Project

**ORD. OR RES. No.**

**PURPOSE:** To authorize the Chief Administrative Officer (“CAO”) to execute for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and ECG Semmes, LP for the purpose of facilitating the construction of an affordable housing development.

The development is located in the 5th District and will be comprised of no less than 246 affordable housing units with 246 units at 50-80% AMI of the Richmond-Petersburg MSA. The developer for the project is Elmington Capital Group, LLC. It is expected that construction for the project will begin by or before 2027 and be complete by or before 2030.

**BACKGROUND:** In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the sites located at the identified addresses in Attachment A and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients’ completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty

(30) years. See Attachment A.

**COMMUNITY ENGAGEMENT:** This project received an SUP (Ord. 2024-180) in the SUP process, the Swansboro Neighborhood Association was notified of the SUP application and the Recipient engaged with the community.

**STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:** This development complies with the Richmond 300 Master Plan and the Equitable Affordable Housing Plan.

**FISCAL IMPACT:** The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and thus under-values the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2025 assessed value, is \$20,448.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period is \$661,228.21. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, is \$640,780.21. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

**DESIRED EFFECTIVE DATE:** Upon adoption.

**REQUESTED INTRODUCTION DATE:** September 22, 2025

**CITY COUNCIL PUBLIC HEARING DATE:** October 14, 2025

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** Finance & Economic Development

**AFFECTED AGENCIES:** Housing & Community Development, Economic Development, Finance, Budget, City Attorney's Office

**RELATIONSHIP TO EXISTING ORD. OR RES.:** Ord. 2024-180 authorized the special use of the properties in the project.

**ATTACHMENTS:** Grant agreement

**STAFF:** Rachel Hightman, Dept. of Housing and Community Development  
Merrick Malone, Director of Housing and Community Development