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## PRESS RELEASE

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### **RISC ORGANIZES!**

*Gets City Finance & Economic Development Committee To Move Forward Ordinance That Will Create Dedicated Stream Of Funding For Affordable Housing Trust Fund*

Approximately 200 members of [RISC \(Richmonders Involved to Strengthen Our Communities\)](#) virtually attended the city's Finance & Economic Development Committee meeting today, to express their support for an Ordinance (Ord. 2020-214) initially introduced by Mayor Stoney back in September that – if passed – will create a dedicated stream of revenue for the city's Affordable Housing Trust Fund. The Committee, comprised of Councilmembers Robertson, Jones, and Larson, voted to move the proposed legislation forward to City Council.

The stream will be newly realized taxes from properties coming off of the city's tax abatement program. This will generate \$2 million the first year (FY 2022), and grow by \$2 million annually. By FY 2026, the dedicated stream will generate \$10 million for the Trust Fund. This funding source is the very same source RISC identified and asked the city to dedicate, back in 2014.

A resolution (Res. 2020-R053) passed by Council on September 28<sup>th</sup> requests the Mayor put \$10 million annually into the Trust Fund, beginning next fiscal year. Administration officials tell RISC that this will happen. If Ordinance 2020-214 passes, approximately \$2 million will be from this dedicated source, and \$8 million will be from general revenue. The following fiscal year, \$4 million will be from the dedicated source, and \$6 million from general revenue (and so forth).

Despite unanimous approval for the resolution requesting the \$10 million back in September, the Mayor's Ordinance met with some initial resistance. Councilperson Michael Jones was initially opposed, and actually introduced a resolution stating such opposition this past Monday night. After receiving hundreds of emails and calls from RISC members, local housing providers and advocates, and national affordable housing experts, Councilperson Jones asked to withdraw his paper at the beginning of today's Finance & Economic Development Committee meeting. And after hearing comments from individuals representing RISC, the Richmond Association of Realtors, the Partnership for Smarter Growth, the Housing Trust Fund Project of the Center for Community Change, the Preservation of Affordable Housing, Beacon Communities, and Hands Up, Councilperson Jones agree to second the motion put forward by Councilperson Robertson (a co-patron), and he also signed on as a co-patron himself. The motion passed, and the paper is on its way to the City Council for a full vote.

If passed there, millions more dollars for affordable housing will be ensured not just next year but for years thereafter, ensuring that finally Richmond can start address the suffering of thousands, in regards to lack of truly affordable housing.

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REASONS WHY A DEDICATED STREAM OF FUNDING IS NECESSARY FOR THE  
CITY'S AFFORDABLE HOUSING TRUST FUND

1. Create City infrastructure, staffing, and procedures to systematize build-up of affordable housing through timed, predictable RFPs for specific projects. In essence, \$10 million annually, especially when dedicated over multiple years, would provide the funds for Richmond to fulfill its Equitable and Affordable Housing Plan.
2. Give the City greater sway in negotiations with developers of projects to include affordable units, because City leaders would have more control over the amount of financing available for those projects
3. Entice large, national not-for-profit developers to submit proposals for deep affordability to the City of Richmond, because they will have the certainty that adequate money will be available for gap funding not just in the next fiscal year, but two or three years beyond that, which is how long it can take to put together all of the financing for a project. This is especially important for obtaining State or Federal funds, which often require proving local support through availability of local funds.
4. Build significantly MORE affordable housing, since multi-family units can require from ¼ to \$1 million in gap financing at a minimum, which suggests that Richmond's supply will never grow to fill its current deficit of 25,000 units without more than tripling the amount of money available annually in the trust fund. A predictable, dedicated \$10 million yearly could literally transform the landscape of Richmond, creating fewer islands of poverty and righting historic wrongs in housing.
5. Create a pipeline of shovel-ready affordable housing projects year after year.
6. Show the city's commitment to growing in a way that is equitable and affordable for ALL residents, which makes Richmond a more desirable place to live and work compared to other cities that are competing for investment and resources.