

CITY OF RICHMOND HOUSING CRISIS



VIRGINIA HOUSING COMMISSION MEETING
MAY 17, 2023

PRESENTED BY: SHARON L. EBERT, DEPUTY CAO

PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO

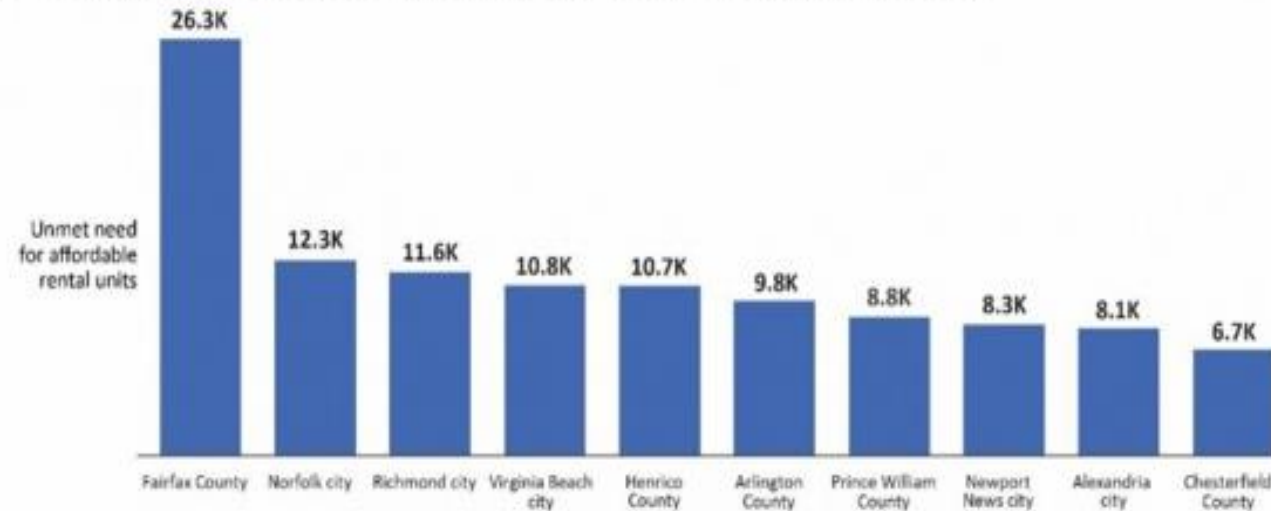
CITY OF RICHMOND, VA



THE CITY OF RICHMOND HOUSING CRISIS

The City of Richmond ranked third of the ten Virginian cities having unmet affordable housing units in 2020.

Most unmet need for affordable rental units is in 10 localities



SOURCE: JLARC analysis of American Community Survey, 5 year data, 2015–2019.

NOTE: Vacant rental units included in number of available units, but vacant units that do not have complete kitchen or plumbing facilities are excluded. All figures are rounded to the nearest 100.



THE CITY OF RICHMOND HOUSING CRISIS

In the City of Richmond:

- According to Axios, the **Richmond metro area is the fastest growing region in Virginia** for the last two years.
- According to Freddie Mac the five year change in home prices has gone up **52.6%** and the median home sales price according to Redfin is now **\$316,000**.
- Rents have gone up **22%** over the last two years and the average rent for an apartment according to RentCafe.com is **\$1,440**. To afford this rent, a household would need to earn \$57,600.
- **The area median income for a family of four in 2022 was \$100,700: in 2019 it was \$86,400.**
- A living wage according to MIT for a single adult in 2023 is **\$18.59/hour or \$38,667 annually**, while the minimum State wage is **\$12/hour, or \$24,960 annually**.
- Yet a single adult earning **\$50% AMI (\$35,250)** can only afford a rent plus utilities of **\$881** using 30% of their annual gross income.



THE CITY OF RICHMOND HOUSING CRISIS

In the City of Richmond:

- One in five homes are **sold to out-of-state corporate investors who are renting at higher rates than traditional landlords** or flipping homes that exponentially exceed original sale prices.
- There are over **700 vacant and blighted properties** and **78% are residential**.
- **7%** of all vacant and blighted property owners are out-of-town entities.
- The January 2023 Point in Time (PIT) count recorded 690 people experiencing homelessness and **188 people living in unsheltered conditions** in the Richmond Metro area—the highest in 15 years.
- Blighted and vacant properties are often broken into and used by unhoused persons seeking shelter.



THE CITY OF RICHMOND HOUSING CRISIS

In the City of Richmond:

- In March the Mayor and the City Council declared a **Housing Crisis**.
- In May the City Council passed the FY24 Budget that includes a **\$50 million affordable housing bond issuance** over the next five years.
- In May the City Council **eliminated the City's minimum parking requirements** from its zoning code, which should help reduce the cost of affordable housing.
- In June the Administration will be introducing to Council a zoning amendment **to allow accessory dwelling units in all residentially zoned districts** and this should help create new privately-owned rentals.
- However - there is a need for **10,000 new rental units** affordable for households earning at or below 60% of the area median income.
- And a need for **2,000 new homeownership units** for households earning between 80% and 120% AMI.



THE CITY OF RICHMOND HOUSING CRISIS

There are approximately **5,000** new market rate, multi-family, rental units being developed annually in the city.

If just **20% of them** were affordable to households earning between 50% and 80% AMI, then the city could **add 1,000 new affordable rental units** every year in areas currently not available for affordable housing, primarily due to high land acquisition costs.



THE CITY OF RICHMOND HOUSING CRISIS

THE CITY OF RICHMOND'S ASK:

To be added as a locality authorized to use **State Code Section 15.2-2304** in order to incentivize **market rate multi-family developers** to include a portion of all rental units as affordable rental units.

- The city is currently authorized under **Section 15.2-2305**, however this code section is not being used by developers
- **Section 15.2 -2304**, will allow the city to add to its zoning code a provisions that will promote a full range of housing choices.

AND

To be added to **State Code Section 15.2-1127** allowing the city to increase its civil penalties for failure to register and maintain a vacant and blighted property and to add a “claw back” provision, if the property was acquired through a tax sale, but improvements have not been completed within 12 months of such acquisition.



Questions?

Sharon L. Ebert
Deputy Chief Administrative Officer
Portfolio for Planning and Economic Development
City of Richmond
Sharon.Ebert@rva.gov
804-629-3588

