

FY 2023

Budget Advocacy Statement



**RICHMOND
TOGETHER**

Mission Statement

To engage in advocacy and education aimed at promoting bold, practical change in Richmond informed by a community wealth building and racial equity perspective. We engage with local elected and civic leaders to advance bold equity goals such as dramatically reducing poverty and improving educational outcomes in the City of Richmond, through policy steps that engage and empower all citizens.

Contents

Overview	3
Proposal	7
★ <i>Community Center Initiative</i>	7
★ <i>Richmond Public Schools</i>	9
★ <i>Affordable Housing</i>	10
★ <i>Gun Violence Initiatives</i>	11
★ <i>Office of Community Wealth Building</i>	12
★ <i>Performance Management</i>	13
Other Policy Recommendations	14

Overview

Richmond Together supports local policymaking aimed at achieving bold change, to address long-standing patterns of racial and economic inequity in Richmond. Broadening the distribution of wealth, making opportunities more equal, and improving educational and health outcomes for all residents will require tangible changes over time in several fundamental areas: housing and the housing market, public education, the labor market and workforce development, economic development policies, transportation, and more. *Richmond Together* supports local government developing a strategic plan, consistent with both the Richmond 300 Master Plan and the city’s Equity Agenda, to marshal the city’s scarce resources to advance bold equity goals, including more effective use of resources the City has and improving the functioning, efficiency, and effectiveness of City government.

To this end, for the second consecutive year we have developed a Budget Advocacy statement in advance of the release of Mayor Levar Stoney’s proposed budget, for the consideration of both the Administration and City Council. Our advocacy plan for the FY 2023 budget focuses primarily on supporting adequate funding of core on-going needs and adequately supporting programmatic commitments already made, via the American Rescue Plan and other initiatives. We also have identified modest enhancements of existing initiatives as well as new initiatives the City should seek to fund this year.

Overview

We recognize that this is likely to be an extremely difficult budget year due to a variety of factors, including: state cuts to school aid for RPS; rising fixed costs for health care, debt, and retirement; demands from public safety and other city employees ... and more. Therefore our agenda this year focuses on these *six specific recommendations*:

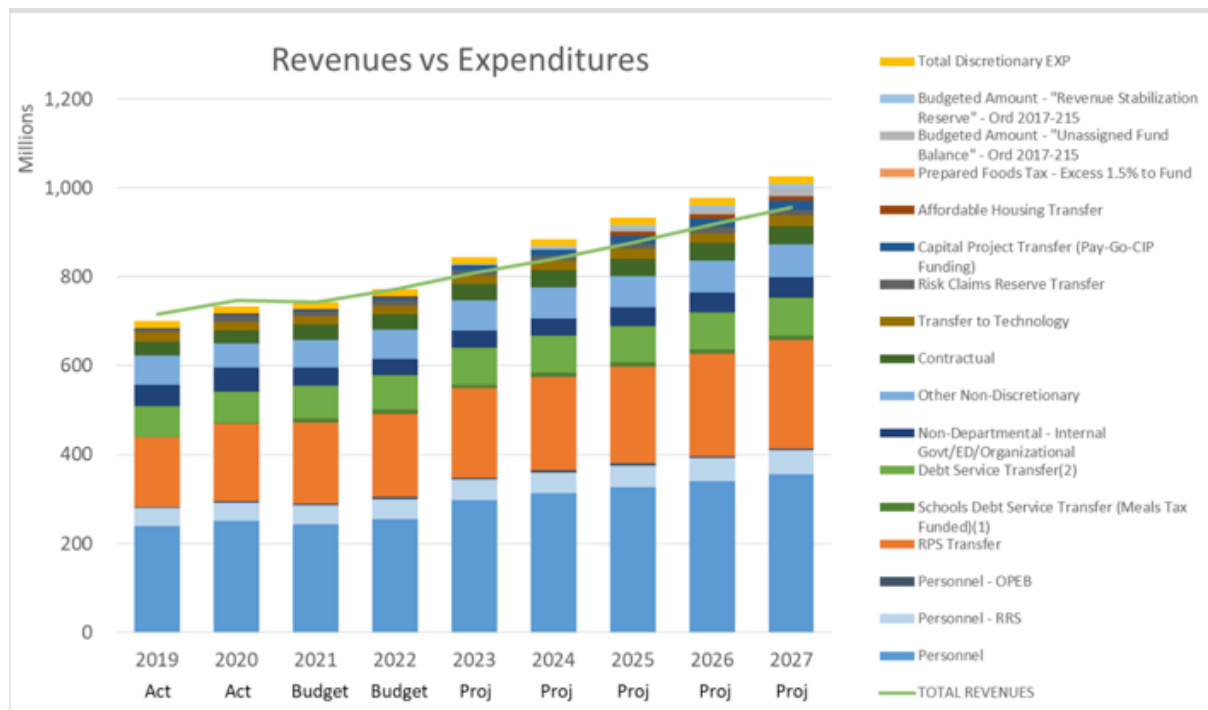
- 1. Jump-starting implementation of the Community Center Initiative** using American Rescue Plan Act dollars, with a focus on bringing services online at the Calhoun Center in Gilpin Court as soon as possible as well as developing a community services delivery model in at least one other existing community center, beginning this summer.
- 2. Seeking to meet the funding request of Richmond Public Schools** (provided it does not exceed parameters laid out in the Superintendent's budget proposal of January).
- 3. Adequately funding the Affordable Housing Trust Fund** and accelerating initiatives to combat evictions and homelessness.
- 4. Supporting new initiatives for addressing gun violence** in the community, including initiatives already announced by the Mayor as well as additional approaches aimed at addressing root causes of gun violence.
- 5. Continuing support of the Office of Community Wealth Building** including enhanced support for the Richmond Resiliency Initiative and the BLISS program.
- 6. Creating at least two additional positions to strengthen the Performance Management Office** in Budget & Strategic Planning, with a specific focus on supporting and monitoring the implementation of American Rescue Plan Act-supported initiatives; grant writing and identifying opportunities for further state and federal support; and supporting performance-based budgeting and accountability work in general.

Overview

We also have several additional recommendations that are broader in nature. Earlier this year, the Department of Budget and Strategic Planning provided long-term future projections of budget trends showing a long-term structural deficit (see Table 1 below). This implies that year-by-year for the foreseeable future the City will struggle to maintain operations.

Clearly what is needed is both a strategy for growing the City's revenue base even faster via equitable economic development, as well as a hard look at opportunities and possibilities for more fundamental changes in City Hall operations. Given the City's looming revenue gap, we are deeply skeptical of any proposal to reduce the property tax rate in conjunction with proposed economic development deals. We also must continue to think creatively about possibilities for building community wealth above and beyond existing initiatives.

Table 1. Current Five-Year Forecast of Richmond Department of Budget & Strategic Planning (Presented to Richmond City Council, January 24, 2022)



Overview

Consideration of the *full* array of possibilities and opportunities for significantly improving City Hall operations and the overall governance of the city are beyond the scope of this advocacy paper. However, we believe the following four action or study items represent a good start, and we urge their adoption at the earliest possible point.

1. Creating a Department of Transportation.
2. Undertaking a detailed feasibility study of the possibility of establishing Child Trust Funds for RPS students as a mechanism for building wealth for younger generations of Richmond students.
3. Undertaking a detailed feasibility study of the possibility of adopting a Land Value Taxation approach in the City of Richmond.
4. Establishing a City Charter Review Commission to re-examine Richmond's system of government.

This list of top priorities does not exhaust the list of policies and initiatives supported by *Richmond Together*.

As the budget process unfolds, we may weigh in on other specific items. We plan to circulate comments and recommended amendments on both the Mayor's budget proposal and proposed Council amendments to the budget later in the spring, and we will also be issuing a policy statement on Economic Development in the City of Richmond this spring.

The remainder of this document briefly lays out the key reasons we support each of the following priorities.

Proposal



Jump-starting Implementation of the Community Center Initiative

The American Rescue Plan Act funding of \$155 million is intended to catalyze **transformational change** in the City of Richmond.

Transformational change involves several elements:

- Statement of a clear, measurable, and meaningful goal
- Identification of action steps to achieve those goals
- Implementation of such steps in a discrete time period
- Evaluation of action steps to assure they achieved what was intended

To this point, *Richmond Together* would like to see the Administration even more clearly articulate how the Community Center Initiative will specifically bring about transformational change. We do see several possible ways this could happen:

1. The Community Centers could contribute to the City's stated goal of reducing poverty to 15% by 2030 by bringing OCWB workforce services directly into more neighborhoods, making it easier for people to obtain employment or access trainings, courses, and programs intended to enhance employment prospects;
2. The Community Centers could become entry points for families to connect with a variety of services and programs offered by Human Services, Richmond Public Schools, nonprofit partners of the City of Richmond, and others, making it easier for families to access the full range of supports available from the City of Richmond;
3. By providing excellent recreational opportunities, shared community spaces, and continuous programming inside and outside of the building, the centers can contribute directly to the well-being, sense of community, and public safety in the neighborhoods in which they are located, and in this way be a form of "community wealth."

Proposal



We call upon the Administration to bring forth a specific plan, articulating detailed plans for achieving these goals (and/or other related goals), with a commitment to begin implementation of a model comprehensive community center site this upcoming summer of 2022. Starting now will be crucial to build the experience and working knowledge to bring more centers online by 2023 and eventually have all centers constructed and fully operational by 2024, the end of the term for this Administration and Council.

We also believe it would be just and appropriate to focus efforts initially on bringing online the Calhoun Center which the City is acquiring from RRHA as part of this initiative. Rehabilitating the swimming pool so it can finally be used by residents must be an urgent priority, for both practical and symbolic reasons; and because there is already a building in place and considerable outdoor infrastructure, this would be an ideal location to develop a template for a comprehensive resource hub including a variety of services, recreational activities, and uses of indoor and outdoor spaces.

Therefore, we call on the City Administration to develop a specific plan for jump-starting the Community Center Initiative this summer, with priority given to Calhoun Center, and necessary resources from the ARPA funding and other sources designated for this purpose.

Proposal

Richmond Public Schools

At this time, the Richmond School Board has not finalized its budget request. We support the City in making the best-faith effort possible to meet the forthcoming request of Richmond Public Schools. We anticipate the Board will seek additional funding to offset cuts in state funding — to bolster teacher compensation so the system can be more competitive in attracting and retaining teachers and to continue to advance the RPS strategic plan. We would not support a budget request from RPS this year larger than the \$22 million contained in the Superintendent’s draft budget unless it is attached to revenue proposals. *We also encourage the School Board to be as specific as possible in providing justification for both new items in its budget request and continuing items.*

If agreements can be reached between the City and RPS to allow some of RPS’s needs, such as specific staff positions, to be met through means other than the City General Fund, *Richmond Together* would be supportive. We also strongly encourage the Mayor, Council, and School Board to jointly lobby the General Assembly for additional funds to hold RPS harmless from reduction in state aid due to application of Virginia’s flawed and archaic Local Composite Index.

Finally, we note that adequate funding for programs that support children and families outside of the school day or those that contribute to the economic and housing stability of families are as important as direct RPS funding in producing stronger student outcomes.

Proposal

Affordable Housing Trust Fund and Related Measures

The City of Richmond must continue to support the Affordable Housing Trust Fund at the level of at least \$10 million/year, either through the General Fund or the American Rescue Plan Act dollars (or both).

We also support continuing and expanding related measures to reduce housing insecurity in Richmond including the Eviction Diversion program, implementation of the City's strategic plan to combat homelessness, and using ARPA dollars to establish a Community Fund to assist families facing the immediate threat of eviction.

We support immediate allocation of City resources to ensure RRHA residents and others who are eligible for pandemic-related rent relief apply for and receive aid.

Proposal

★ *Gun Violence Initiatives*



The City of Richmond experienced a disturbing increase in homicides in 2021. The current homicide rate is unacceptable, and if it persists it threatens to undercut much of the progress the City has made since the early 2000s.

We therefore support aggressive actions aimed at the root cause of gun violence, including addressing both social conditions and the volume of guns on our streets. We support the Mayor’s announced gun buyback initiative, and also call on the administration to fund additional initiatives drawing on the work of previous commissions and study groups as well as evidence-based models in other cities (such as the Group Violence Initiative). Finally, while we recognize an appropriate role for policing in this issue and support refocusing of existing resources to prevention of and rapid response to gun violence, **we do not believe that increasing the police budget in aggregate constitutes an adequate or helpful response to this issue.**

Proposal

★ *Office of Community Wealth Building*

Again, we call on the Administration and City Council to provide continued support to the Office of Community Wealth Building, including focused support for:

- 1) providing additional case managers to support the promising Richmond Resiliency Initiative (guaranteed income pilot);
- 2) providing additional case managers for the BLISS program providing holistic support for families;
- 3) expanding workforce development services into additional Community Centers as part of the Community Center Initiative;
- 4) continued use of Ambassadors as a mechanism for communicating and connecting residents to available resources and opportunities.

We believe an additional investment (above current funding levels) of approximately \$300,000 per year, potentially matched by renewal of the Virginia Department of Social Services grant for OCWB, would meet these needs and assure the City maintains momentum in its poverty-fighting efforts.

Proposal

Performance Management

The American Rescue Plan Act is a large sum of money, and it is extremely important that the City use it in a timely way to meet immediate needs and support transformational goals. To put it bluntly, if the City can't use this money effectively, why should it be trusted with additional taxpayer dollars (from any source) in the future? This is a test the City cannot and must not fail.

The work of monitoring this money involves all of the following:

- facilitating its disbursement;
- making clear the rules and reporting requirements attached to these funds;
- assuring that progress on each of the initiatives is taking place, and reporting on progress to the Mayor and City Council.

We believe the City should add an additional position to support this work and base it in the Performance Management Office of Budget and Strategic Planning.

The position might also enhance the City's capacity for identifying and pursuing further sources of federal, state, and philanthropic funding.

We also support hiring an additional staff member to work on broader performance management issues, including:

- accelerating the transition to performance-based budgeting for all departments;
- addressing other internal organizational issues regarding communication and culture identified in the *2017 VCU Performance Management Study* as well as other documents.

Total allocation of \$200,000 for these positions would be appropriate ... some of which, if permissible, might be paid by ARPA.

Other Policy Recommendations



◆ *Department of Transportation*

We support legislation introduced by Councilman Addison to establish a citywide Department of Transportation, to facilitate an integrated approach to promoting public safety (pedestrians, cyclists, drivers), enhancing multimodal transportation, and planning for the future consistent with the vision of the Richmond 300 Master Plan. We support the establishment of the department in conjunction with the proposed budget, or as soon as feasible.

◆ *Child Trust Funds*

We call upon the City to establish a study commission composed of City staff members, RPS staff members, community partners, elected officials and subject matter experts to explore the feasibility of developing and implementing a system of Child Trust Funds in the City of Richmond. Richmond Together began advocacy for this concept last year, which involves establishing and funding savings funds for every child in RPS upon their enrollment in the system, to assure all students leave high school with access to funds to further their education and related life goals. We believe this would be an important step towards racial and economic equity in a city where so many children start with so little in terms of inherited resources. This commission should complete its work by October 1, 2022 and report to City Council with a view to taking steps towards adoption of such a plan beginning in FY 2024.

Other Policy Recommendations



✦ *Land Value Taxation*

We also call upon the City to establish a study commission composed of staff in the Department of Finance and independent subject matter experts to examine the feasibility of Richmond adopting a system of Land Value Taxation in place of the current system of real estate taxation. This commission should identify how Land Value Taxation would specifically work in Richmond and assess its impact on:

- a) overall revenue generation;
- b) tax progressivity;
- c) racial equity, including harms associated with gentrification;
- d) flexibility in protecting specific groups often disadvantaged by the existing real estate tax;
- e) impact on economic development and long-term economic health of the city.

An interim report should be complete by August 31, 2022, including an assessment of whether it is realistic to adopt or implement such an approach beginning in FY 2024. If this proves not feasible but the idea is judged desirable, the commission should continue its work with a view to implementation in FY 2025.

Other Policy Recommendations



◆ **City Charter Review Commission**

Richmond Together supports a City that is more functional and effective in meeting the needs of citizens and in promoting and attaining sharply greater levels of racial and economic equity.

To that end, we support the ordinance introduced by Council President Newbille and Vice-President Robertson to create a City Charter Review Commission, for the purpose of evaluating and recommending improvements in the City Charter. With nearly 20 years passed since the adoption of the directly elected mayor system, now is a good time to reflect, assess, and identify opportunities for improvements to the Charter.

We believe this scope of this Charter Review should be broad, but that the Commission should identify both specific “fixes” to discrete issues that impact day-to-day functioning of the city and possible larger-order changes to the system of governance in Richmond.

Richmond Together supports a City that is more functional and effective in establishing and attaining bold equity goals and thereby meeting the needs of citizens.