DATE: January 14, 2026

TO: Honorable Members of the Richmond Finance & Economic Development Committee

FROM: Odie Donald II, Chief Administrative Officer

CC: Danny Avula, Mayor of Richmond
Lawson Wijesooriya, Chief of Staff
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RE: **Gap Grant Program Update**

Overview
The Gap Grant Program was established by City Council through *Ordinance No. 2024-272 / City Code § 16.3,* to provide targeted financial relief to residents experiencing significant rent or mortgage burden; Council approved an appropriation of $3.9 million in the FY25 budget. Introduced at the end of calendar year 2024 for a 2025 rollout, the RVA Stay Gap Grant Program is a first-come, first-serve housing relief program that offers a one-time payment of $1200 for rental or mortgage payment assistance to qualifying applicants. The program is jointly operated by the Department of Finance and the Department of Social Services to provide financial assistance that helps fill the gap for low-income households in the City of Richmond.

Earlier this Fall, the Administration provided an initial briefing to the Committee on this program. This briefing (attached) notes the significant operational challenges facing the program which included a high number of incomplete submissions, no dedicated staffing, manual processing constraints, and workflow requirements which led to delays in processing applications and distributing funds to eligible residents.

This correspondence serves as an update to the initial program briefing and provides a status report on the program. This update highlights the progress achieved through strengthened staffing, improved workflows, clearer documentation requirements, and enhanced coordination with the Department of Social Services. It also outlines remaining operational challenges, the projected timeline for completing the current backlog, the Administration's evaluation of the progress of the program at calendar year-end (December 31, 2025) and efforts to identify more efficient ways to use all unobligated funds, consistent with the authority granted and intention of *Ordinance No. 2024-272 / City Code § 16.3.*

Ongoing Process Improvements
Establishing Processes and Leveraging Temporary Staff
The Gap Grant program is both appropriate and needed, but many issues exist because delivering this type of service is not a core function of Finance. There is no record of an implementation or standard operating procedure put in place. To administer the program the Administration put a variety of interim actions in place.

For example, to increase capacity and address program backlog, the Department implemented a revised staffing model consisting of:

- Three temporary staff dedicated to Gap Grant processing
- Two existing Finance staff members assigned from Real Estate and Business Units
- Additional support from other staff (as available)

A four-week training period in October standardized the workflow, clarified documentation requirements, and increased overall processing speed and accuracy. Applications that are incomplete due to missing documentation are held open for 14 days, with follow-up outreach conducted on Days 1 and 7. If no response is received, the request is formally denied and the ticket closed on Day 15 with notification to the applicant. Applicants whose requests have been closed must submit a new request to reinitiate the process.

A high volume of request for assistance—nearly 41% of all submissions—were received without the required documentation. These incomplete submissions have significantly affected processing timelines, as staff must wait for applicants to provide missing information. Program leadership is evaluating process improvements to reduce incomplete submissions and allow staff to focus more fully on reviewing complete applications.

Finally, among applications that have been fully processed—defined as those concluded with either an approval or a denial, and excluding applications denied solely for missing documentation or ineligibility due to non-residency—approximately 29% have been denied for not meeting the program's substantive eligibility criteria. This pattern warrants monitoring to determine why the eligibility criteria is not operating as in line with Council's policy goals of ensuring that individuals and households most in need of relief are able to qualify for assistance.

Reducing Processing Time by Developing A Streamlined Workflow
The program's current performance reflects improved outcomes following multiple staffing and workflow changes. These changes and improved outcomes include:

- **Target Throughput:** 20 approved applications per day, with a weekly goal of 100 approvals and check disbursements
- **Recent Performance:** Staff issued 38 checks during a holiday-shortened week, nearly doubling prior weekly output
- **Trend:** Throughput is increasing as staff become more familiar with program requirements and quality control processes stabilize
- **Fully complete applications:** 1–2 business days
- **Applications requiring additional documentation:** Subject to a 14-day follow-up protocol before denial
- **Final quality control and OnBase upload:** Typically, 1 business day

These improvements have established a more predictable processing rhythm and stabilized quality-control procedures.

Current Program Performance as of January 9, 2026
The tables below provide a snapshot of the program's status at the start of the fall (September 12 briefing) and the most recent update (January 9).

Application and Disbursement Data Summary

Applications and Disbursement		
	Sept. 2025	**Jan. 2026**
Status	-	-
Approved	17	286
In Process	223	356
Unprocessed	975	1,446
Denied	1122	1,791
Total Applications Received	*2,337*	*3,879*
Money Distributed	*$20,400*	*$343,200*

The number of approved applications remains low relative to overall ticket volume, although the consistent upward trend indicates improved processing efficiency. It is important to note, however, that because applications vary significantly in completeness, processing time is not uniform. For example, an application that is complete upon submission can typically be processed, quality-checked, and prepared for disbursement within 1–2 business days, while cases requiring additional documentation take longer and vary widely in duration, putting additional pressures on staff time.

Backlog and Forward Projection
As of January 9, 2026, the current backlog includes 1,446 **unprocessed applica**tions. The average age of applications that are not fully processed is 92 days. Based on current staffing levels and the target throughput of **100 approvals per week**, staff estimates are included in the chart below.

Projected Backlog Clearance		
Scenario	**Weekly Throughput**	**Estimated Completion**
Full staffing (target)	100 approvals/week	8-9 weeks
Moderate disruption	75 approvals/week	9-10 weeks

The Department remains on schedule to **complete all backlog processing by March 31, 2026.**

Risks and Dependencies
Several factors may affect program performance. These factors include, but are not limited to:

- o **Workflow Constraints and System Limitations** as the program currently relies on a **manually maintained spreadsheet** that requires continuous updating and reconciliation. This manual workflow increases administrative burden, limits real-time data accuracy, and affects the consistency of outcomes.

- o **Temporary staff availability** is a challenge. As the program is not a core function of finance and is a one time activity, permanently hiring staff for a one time activity is not in the best interest of the City. Any reduction in assigned temporary staff will negatively impact outcomes. As such, staff is exploring alternatives that add consistency in administering the program.
- o **Incomplete submissions:** A high proportion of inquiries lacking applications or documentation continues to consume administrative time.
- o **DSS Approval Requirement**: All applications deemed complete by Finance must be forwarded to the **Department of Social Services (DSS)** for eligibility confirmation before Finance can upload the application into OnBase for final disbursement. This required interdepartmental step, while essential for program integrity, adds time to the workflow.

These risks will continue to be monitored, and mitigations implemented as appropriate until program completion of additional improvements are finalized.

Conclusion and Path Forward
Although this program is an important and much needed service to the Richmond community, it is not a core function for the Department of Finance. Securing the services of an outside vendor would drastically improve the service and free up Finance staff to focus on core services.

The Administration remains committed to delivering Gap Grant assistance efficiently, transparently, and equitably. With strengthened staffing and clearer procedures, the Department of Finance is on track to clear the remaining application backlog and complete all outstanding application reviews by March 31, 2026. The intake of applications was paused on December 31, 2025 to ensure that the City is in position to accelerate service delivery to new applicants, while ensuring current applications are processed. The Administration will continue to review and process applications that were received on or before December 31st, and no action is required by these applicants as payments to those qualified will continue.

This pause was not appropriately relayed to key stakeholders, notably current and potential applicants. Despite the tremendous progress made to improve the program, not communicating changes, even changes intended to improve programming can be challenging. Simply put, this pause was not communicated clearly to Richmonders in need. The best apology is often corrected behavior.

The singular focus of the administration is to strengthen program delivery and accountability so that, when the program returns, it is positioned to better meet the urgent needs of our residents. At the conclusion of the review period the Department of Finance will announce next steps on the program's reintroduction. Residents are encouraged to monitor the City's website and social media channels for the latest information. Collectively, these actions are intended to ensure the program remains responsive to Council's policy goals, meets resident needs effectively, and delivers assistance in a timely, accountable, and sustainable manner.