PROPOSED

FY27 Budget in Brief

(A Brief) Roadmap to a Thriving Richmond

CITY OF RICHMOND

VIRGINIA

Letter from the Mayor

Hey, Richmond,

One of the biggest responsibilities I have as your mayor is building and presenting our city's annual budget. The Proposed Fiscal Year (FY) 2027 Budget reflects a continued investment in our work to build a thriving Richmond. A municipal budget is always a values statement. I hope you'll see yourselves, your neighbors, and your loved ones—everything from the current needs you have to the hopes you have for the future—represented in this one.

The Proposed FY27 Budget is my second in office. It continues the work laid out in my first, particularly when it comes to advancing the pillars of my Mayoral Action Plan (MAP). Because the MAP connects each pillar to measurable goals, it makes sure that our investments line up with the progress we're looking for. These pillars have guided all my actions in office, including the important work of deciding what to prioritize in the current budget:

- A Thriving City Hall that gets things done
- Thriving Neighborhoods that meet our housing needs
- Thriving Families so that all kids graduate Richmond Public Schools well-prepared for success and connected to opportunities for further learning and career development
- A Thriving Economy that leaves no one behind
- Thriving and Inclusive Communities where everyone's rights are protected
- A Thriving and Sustainable built environment planned for future generations
- A City That Tells Its Stories

As you'll read throughout this Budget in Brief document, we're planning our spending in FY27 to make major progress in our first four pillars—areas where new investments are needed to meet new challenges and opportunities. The budget also continues support for the three final pillars. These priorities remain essential, and you'll see commitments to inclusion, sustainability, and truthful storytelling in items throughout the budget.

Budget-making requires prioritizing, and this year's budget really focuses on addressing key problems that our residents face: shaping a Richmond with more homes for more people and more ways for people to stay; helping Richmond's children grow and succeed through a whole-family approach to childhood learning; ensuring that economic development includes the small businesses, artists, nonprofit partners, neighborhood commercial corridors, and local entrepreneurs who bring life and identity to our city every day; and investing in the systems and people who carry out our city's mission and help transform Richmond into a model public sector organization.

It's important to keep in mind that we're making these investments with your tax dollars, which makes responsible budgeting and spending critical. This year, the adjustment to the real estate assessment, currently underway, will allow more predictable budgeting in the years ahead. We're also monitoring state and federal developments that may affect our financial outlook. By taking these realities seriously, we're maintaining financial stability while still moving a thriving Richmond forward.

After months of planning, proposals, assessments, and decision-making, this budget represents the end of one process. But it's also the start of another. My colleagues in City Council will take up the proposed budget next. The work sessions, hearings, and amendments that will follow are an effort to refine and adopt a balanced budget that reflects our shared priorities and supports the prosperity of all who call this city home. I encourage you to follow along by learning from this Budget in Brief, staying connected to the City's social media channels, and visiting go.rva.gov/fy27 for the latest updates.

I am honored to submit this budget, both to City Council and to you, the residents of Richmond. I hope you'll get and stay involved with the process until our final budget is adopted later this spring.

With gratitude,

Priority Pillars

City Hall

Transform Richmond's local government into a model public-sector organization that stewards resources effectively, meets community needs, and has the trust of residents.

Invest in staff and fulfill Collective Bargaining commitments | *All Departments*

$263.5 million invested in staff, which includes an additional $22.1 million over FY26 to fulfill the commitments made in the City's Collective Bargaining Agreements. The proposed budget provides raises for police, fire, and other union-represented employees beginning July 2026, along with equivalent adjustments for non-union employees performing the same work. For other employees, the budget delays a 3% cost of living adjustment until January 2027.

MAP: Pillar 1, Goal A

2% reduction in departmental budgets | *Multiple Departments*

All City departments that report to the CAO were asked to explore a 2% cut to their FY26 budgets. While not all departments will see a full 2% cut in the FY27 budget, the $4 million savings allowed funding for many of the priorities listed below. At this time, no reductions in force are planned.

MAP: Pillar 1, Goal G

External compensation study | *Department of Human Resources*

$500,000 for an external, comprehensive compensation study that will both assess our market competitiveness and the equity of the City's current compensation structure.

MAP: Pillar 1, Goals A, B, C

Technology upgrades | *Department of Information Technology*

$4.1 million for new and previously approved information technology system enhancements and infrastructure upgrades. These investments will help maintain operational reliability, strengthen cybersecurity protections, and modernize critical technology systems that support a wide array of City services.

MAP: Pillar 1, Goals A, C, and E

Janitorial and security pay increases | *Department of General Services*

Security contracts funded that include pay for workers at $20/hr. or more. Janitorial contracts funded that move workers to $18/hr. or more beginning in January 2027.

MAP: Pillar 1, Goals A, B, and C

Neighborhoods

Meet the housing needs of a growing city, so that Richmonders at every income level can afford good housing in safe neighborhoods with strong public amenities.

HOUSING AFFORDABILITY

Affordable Housing Trust Fund

Department of Housing and Community Development

$11.7 million to the Affordable Housing Trust Fund to build and preserve affordable housing. This past February, the Mayor and City Council passed ORD. 2026-045, which created a dedicated, transparent, and fiscally responsible source of funding for the Affordable Housing Trust Fund.

MAP: Pillar 2, Goals A and B

Affordable Housing Performance Grants

Economic Development Authority, Department of Housing and Community Development

$1.8 million for the Affordable Housing Performance Grants, which will help fund 1,841 units affordable to households making no more than 80% of the Area Median Income, and which will lead to the creation of 1,969 units total.

MAP: Pillar 2, Goals A and B; Pillar 4, Goal F

More homes for more people, and more ways to stay

Mayor Danny Avula's housing affordability plan focuses on two main strategies: increasing the supply of homes (more homes for more people) and anti-displacement initiatives (more ways to stay).

More homes for more people

Establish predictable funding for the construction and preservation of affordable housing.

Update the zoning code to increase the housing supply and to streamline permitting and approval processes.

More ways to stay

Commit to collaborative public housing redevelopment by holding RRHA accountable and centering residents.

Deliver on anti-displacement by improving administration of our existing programs.

Neighborhoods

Meet the housing needs of a growing city, so that Richmonders at every income level can afford good housing in safe neighborhoods with strong public amenities.

HOUSING AFFORDABILITY, CONTINUED

Gilpin Court People Plan | *Department of Housing and Community Development*

$450,000 to support the transformation of Gilpin Court, including funding for staff to oversee the implementation of the Jackson Ward Community Plan, a people-centered and community supported initiative.

MAP: Pillar 2, Goal B

Creighton Court redevelopment | *Richmond Redevelopment and Housing Authority*

$1.6 million for infrastructure to support the next phase of Creighton Court redevelopment, which includes paving, streetscaping, and utilities.

MAP: Pillar 2, Goal B

Anti-displacement tools and programs | *Partner organizations*

$10.1 million for anti-displacement programs that help people stay in their existing homes. Funded programs and initiatives include: legal assistance, emergency support, tax assistance, and eviction diversion.

MAP: Pillar 2, Goal B; Pillar 4, Goal C; Pillar 5, Goal D

Neighborhoods

Meet the housing needs of a growing city, so that Richmonders at every income level can afford good housing in safe neighborhoods with strong public amenities.

SAFE NEIGHBORHOODS

Gun Violence Prevention | Department of Justice Services

$644,000 to support immediate crisis intervention and trauma-informed services, plus additional support for the We Matter RVA Gun Violence Prevention Initiative, which focuses on social and emotional learning (SEL) for middle school students impacted by gun violence.

MAP: Pillar 2, Goal D

John Marshall Courthouse | *Department of General Services*

$15.6 million for renovations of the John Marshall Courthouse. By accelerating the funding for this project, we can address immediate safety issues, maintenance needs, and functionality concerns, while planning for a long-term solution.

MAP: Pillar 2, Goal D; Pillar 5, Goal D

Police cars, fire trucks, ambulances, and other vehicles | *Multiple departments*

$11 million in fleet replacement for Richmond Police Department, Richmond Fire Department, Department of Public Works, Richmond Ambulance Authority, and others.

MAP: Pillar 2, Goal D

Safety gear for fire fighters | *Richmond Fire Department*

$600,000 to replace the Richmond Fire Department's self-contained breathing apparatuses. This is the first year of a multi-year, full-replacement plan.

MAP: Pillar 2, Goal D

Protective gear and field uniforms | *Richmond Police Department*

$300,000 for replacing expired protective gear to maintain the safety of police officers and the communities they serve, as recommended by the City Auditor through Audit #2026-05.

MAP: Pillar 2, Goal D

Fire Training Facility Burn Tower | *Richmond Fire Department*

$2.3 million for the Richmond Fire Department's Fire Training Facility Burn Tower Replacement, located at the current Fire Training Building in Sandston.

MAP: Pillar 2, Goal D

Families

Support the education, health, and development of children and families — in and out of the classroom — so that all kids graduate Richmond Public Schools well-prepared for success and connected to opportunities for further learning and career development.

SCHOOLS

Public Schools | Richmond Public Schools

$257 million for Richmond Public Schools—an $8.2 million increase over FY26, the largest total allocation for RPS ever, and a full 23% of the City's General Fund. Additionally, FY27 support for RPS includes $9.3 million in immediate capital maintenance needs for critical repairs and system upgrades necessary to preserve existing facilities, maintain safe and functional learning environments, and prevent further deferred maintenance costs. With full awareness of the importance of maintaining school infrastructure, the City has front-loaded capital maintenance funding to RPS.

MAP: Pillar 3, Goals A and B

In-school support services for students | *Partner organization*

$500,000 to facilitate students' and families' access to critical services, benefits, and programs by supporting Communities in Schools site coordinators in RPS schools. Communities in Schools works with students in need of additional support beyond what the school can provide and delivers a set of tiered interventions to support student success in school and in life.

MAP: Pillar 3, Goal D

CHILDREN AND FAMILIES

Reducing costs of childcare and supporting childcare providers | Partner organization

$500,000 to fund tuition assistance to reduce out-of-pocket childcare and preschool costs for Richmond families and support small businesses and community-based providers to improve quality and increase access to care for parents of young children in the workforce. This investment is managed and administered through the Early Childhood Care & Education Trust Fund by local partner Thrive Birth to Five.

MAP: Pillar 3, Goal C

Afterschool programming for middle schools| Partner organization

$1 million to ensure afterschool programming at all seven RPS zone middle schools through the Middle School Alliance. City-funded services include site coordination by youth development agencies, intermediary services, and programming delivered by community providers.

MAP: Pillar 3, Goal D

Priority Pillars

Families

Support the education, health, and development of children and families — in and out of the classroom — so that all kids graduate Richmond Public Schools well-prepared for success and connected to opportunities for further learning and career development.

CHILDREN AND FAMILIES

Out-of-school-time opportunities for youth| Partner organization

$850,000 to provide access to community-based out-of-school time opportunities for youth 11-19, in large part to help prevent youth violence. This investment is managed and administered through the Positive Youth Development Fund by local partner NextUp.

MAP: Pillar 3, Goal D; Pillar 2, Goal D

Children and Families Grantmaking| Partner organization

$625,000 to fund the Children and Families grantmaking process for local nonprofits that advance the education, development, and success of children and families.

MAP: Pillar 3, Goals A, C, D, and F

More on grants

Richmond is transitioning from a City-managed Outside Agency grants model to a new model using external expert grantmaking partners across four priority areas: Economic Mobility, Children and Families, Arts and Culture, and Health. In previous budget cycles, nonprofits applied directly to the City in December of the previous year. In those years, the Mayor's proposed budget included recommendations for grants to individual organizations based on an assessment of those applications and City priorities. In FY27, nonprofits, including current grantees, will be eligible to apply for a grant in one of the four priority areas through the partner-led process.

Economy

Support small and minority-owned businesses and employers providing quality, living-wage job opportunities. Create pathways for disadvantaged residents to move from poverty to stability to wealth building, and direct investments to historically neglected neighborhoods.

SMALL BUSINESS SUPPORT

Carytown Business Improvement District | Partner organization

$125,000 of seed money for a new Business Improvement District in Carytown. This new BID supports the neighborhood's businesses through coordinated support, cleaner sidewalks, and safer streets. City Council must pass legislation to formally create the BID.

MAP: Pillar 4, Goal D

Facade improvements on our commercial corridors | Department of Economic Development

$250,000 to help small businesses invest in storefront upgrades that strengthen neighborhood commercial corridors and attract customers.

MAP: Pillar 4, Goal D

Economic Development Performance Grants | Department of Economic Development

$4.9 million to support major economic development projects that create jobs, activate underused spaces, and drive long-term economic growth. Economic Development Performance Grants are performance-based incentives tailored to specific projects and are intended to attract development or expansion which will have significant economic value, usually in the form of new capital investment or job creation.

MAP: Pillar 4, Goals A and E

PATHWAYS TO WEALTH BUILDING

Economic Mobility Grantmaking | Partner organizations

$1.5 million to fund the Economic Mobility grantmaking process for local nonprofits that advance the economic opportunities offered to residents.

MAP: Pillar 4, Goals B and C

Pillars to preserve

In addition to the new funding in priority pillars, the City of Richmond is maintaining significant investments in fostering inclusive communities, addressing sustainability in our built environment, and telling truthful and meaningful stories about the city we all share. Inclusion, sustainability, and storytelling are long-term goals for the Mayoral Action Plan, and they're the foundation for so much of the work in the other pillars. Safe and healthy neighborhoods depend on increasing our tree canopy, for example, and housing affordability means reckoning with a history of segregation and displacement that had larger impacts on Richmond's Black communities.

If a city's budget is a statement of its values, the investments shared below speak to some of the values we hold closest.

Inclusive Communities

Protect everyone's rights — specifically the rights of immigrants, LGBTQ+ residents, other politically targeted groups, and the reproductive rights of women. Work to redress long-standing racial inequities in health and well-being.

$8.9 million to fund City offices in the Neighborhood and Community Services portfolio that support language access, cultural engagement, and services for vulnerable and targeted communities. These offices include Immigrant and Refugee Engagement, Aging and Disability Services, and Equity and Inclusion, among others. This number also includes increased support for shelters for residents who need safe places to stay.

MAP: Pillar 5, Goals A and B

$1.148 million to fund Health grants through a new grantmaking process for local organizations advancing a healthy Richmond through the lens of health equity.

MAP: Pillar 5, Goals C and D

Sustainable Built Environment

Shift toward a net zero greenhouse emission local economy through improved public and multimodal transportation, strong stewardship of our natural resources, greening neglected neighborhoods, and a strong commitment to sustainability across all departments.

$1.6 million to support the staff and operations of the Office of Sustainability, which continues participation in regional energy-purchasing efforts and the neighborhood climate resiliency grant program.

MAP: Pillar 6, Goals A, B, C, and D

Storytelling

Make Richmond a national model for telling the truth about its own history — including slavery, racism, and struggles for Black empowerment since the city's founding. Use the arts as a vehicle for telling these stories and for strengthening connections across the different cultures found in our city.

$601,400 to fund Arts and Culture Grants through a new grantmaking process for local nonprofits that preserve and share Richmond's arts, history, and community stories.

MAP: Pillar 7, Goals B and C

Budget Calendar

March

The Mayor submits his proposed budget to City Council. Council will then host several work sessions for the City's Deputy Chief Administrative Officers to present FY27 budget info for their portfolio of departments.

Important dates:

- **Mar. 11**, Mayor Danny Avula submits his FY27 proposed budget to City Council.
- **Mar. 23**, Public hearing on the Mayor's proposed FY27 budget.

April

Work sessions and presentations continue. City Council presents their proposed amendments to the Mayor's budget and hosts amendment work sessions.

Important dates:

- **April 13**, Public hearing on City Council's proposed amendments to the FY27 budget.

May

City Council votes to adopt the amended budget into law.

Important dates:

- **May 29**, Deadline for City Council to adopt the amended FY27 budget.

July

The new fiscal year begins on July 1.

PROPOSED

FY27 Budget in Brief

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