

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date: October 7, 2024

Action Required: Presentation

Presenter: Antoine Williams, Housing Program Manager

Staff Contacts: Samuel Sanders, Jr., City Manager
James Freas, Deputy City Manager
Robinson Hubbard, Deputy City Attorney
Alexander Ikefuna, Director, Office of Community Solutions

Title: **Land Bank presentation and discussion**

Background

The concept of establishing a land bank in Charlottesville is directly tied to the City's **2021 Affordable Housing Plan**, which encourages the City to explore the use of a land bank as a tool for achieving housing affordability, supporting affordable housing development, and addressing long-standing racial disparities in homeownership. The plan specifically highlights the role of a land bank in acquiring and managing **underutilized or tax-delinquent properties**, facilitating their redevelopment into affordable housing units.

The **Executive Summary** of the Affordable Housing Plan (attached) emphasizes that a land bank can:

- **Provide land equity** to support affordable housing development, particularly in areas where market prices make it financially unfeasible.
- **Assemble tax-delinquent properties** for redevelopment or hold strategic parcels to prevent price inflation.
- **Address racial homeownership disparities** by offering affordable housing opportunities to **Black, Indigenous, and People of Color (BIPOC)** households, contributing to efforts to close the racial homeownership gap.

The **Housing Advisory Committee (HAC)** is tasked with providing recommendations on the governance and operational structure of the land bank. Their proposal, which is still undergoing legal review, will guide the decision on whether the land bank will be administered internally or through a third-party entity, while ensuring alignment with the City's housing equity and racial equity goals. This summary serves as the foundation for the Council's consideration of land bank models and provides context for the broader discussion on how a land bank could support the City's long-term housing strategy.

Discussion

The creation of a land bank is proposed as a tool to address Charlottesville's unique and evolving housing challenges.

Unlike cities that establish land banks to combat widespread vacancy and blight, Charlottesville's needs are driven by severe housing affordability issues, economic immobility, and the lack of sufficient housing options for both extremely low-income households and middle-income families.

Despite the absence of large-scale vacancy, Charlottesville faces increasing pressure to provide affordable housing and prevent displacement. Rising housing costs have outpaced local income growth, leading to growing housing insecurity. There is also a need for targeted solutions to address homelessness, which is compounded by a shortage of affordable units and shelters.

The Council must evaluate whether a land bank—if pursued—can be adaptable enough to address these broad challenges, ensuring the tool not only increases housing production but also contributes to solutions for homelessness prevention, economic mobility, and housing retention.

Three potential land bank structures are available for consideration:

1. **Public Authority** – A Public Authority model would offer a balance of operational flexibility with City Council oversight. This structure allows the land bank to carry out day-to-day property management and development activities while ensuring key decisions remain aligned with long-term city strategies. However, the oversight might limit its ability to respond quickly to immediate housing crises such as homelessness.
2. **Designation of an Existing Nonprofit** – By partnering with an existing nonprofit, the land bank can benefit from the strategic discretion and independence in day-to-day management that a nonprofit structure offers. This allows for quicker action on housing production, but it requires clear governance agreements to ensure alignment with city goals and accountability on the use of public resources.
3. **Stand-Alone Nonprofit** – This model provides the most independence in operations and allows for strategic flexibility in tackling housing challenges as they arise. However, with increased independence comes the need for a well-defined governance structure to ensure that its activities are transparent, aligned with public interests, and responsive to the city's overall housing strategy. The Council will need to decide which structure offers the right balance of operational flexibility, strategic oversight, and management independence to meet Charlottesville's needs. Each structure has different strengths in addressing the city's housing challenges, from long-term housing production to immediate needs such as homelessness prevention.

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Alignment with City Council's Vision and Strategic Plan

- **2023 Strategic Framework:** Supports equitable growth, partnerships, housing affordability, some climate actions and sustainability—goals that a land bank can help achieve by redeveloping underutilized land for affordable housing.
- **Comprehensive Plan (2021):** Focuses on inclusive neighborhoods and sustainable development. A land bank can facilitate affordable housing and neighborhood revitalization in alignment with these goals.
- **Affordable Housing Plan (2021):** Recommends establishing a land bank within 3 to 5 years to help produce 1,100 affordable units and ensure land is used to preserve affordability.
- **Climate Action Plan (where or when applicable):** A land bank can contribute to green infrastructure and sustainable housing development, helping the City meet applicable environmental or climate action goals.
- **Consolidated Plan (where or when applicable):** The land bank aligns with federal housing goals, supporting the City's strategy to address affordable housing, homelessness prevention, and community development.

Community Engagement

The HAC deliberated over several months and received public comments and written responses from various stakeholders, including local nonprofits, housing advocates, and community members, to draft the recommendation.

For future consideration please note: Per the Virginia Land Bank Entities Act (§ 15.2-7500 et seq.), a public hearing is required before the establishment of a land bank. This hearing ensures that the public is provided with an opportunity to offer feedback on the proposed land bank ordinance, which will address the land bank's structure, governance, and operational priorities.

To meet this requirement, the City will:

- Hold a public hearing, as required by the Act, to gather input on the proposed land bank models and their impact on affordable housing, neighborhood revitalization, and community development.

The public hearing process will be conducted in accordance with state law, ensuring that the community's voices are heard and considered before finalizing the ordinance.

Budgetary Impact

N/A - Informational presentation only at this time.

Recommendation

No specific action/ recommendation required at this time. However, staff seeks a few critical input/ responses to questions highlighted for City Council in the presentation:

Based on the key questions outlined, Council should provide direction to City Manager and staff regarding which land bank structure—Public Authority, Designation of an Existing Nonprofit, or Stand-Alone Nonprofit—best aligns with Charlottesville's housing goals. This feedback will guide staff in refining the land bank model to address the city's specific housing challenges.

Alternatives

While no specific action is required at this time, Council may consider the following broad alternatives as next steps based on their deliberation and feedback:

1. **No Immediate Action:** Council may choose not to provide specific direction at this time and defer further exploration of land bank options.
2. **Leverage Existing Resources:** Council could opt to continue using existing housing programs and partnerships to address housing challenges without establishing a formal land bank entity.
3. **Request Further Research:** Council may direct staff to gather additional information or explore other models and approaches to land banking before making a decision.
4. **Prioritize Other Housing Strategies:** Council could decide to focus on other housing strategies or tools currently available to address the city's needs.

Attachments

1. Executive Summary - The Role of a Land Bank in the City's 2021 Affordable Housing Plan
2. Housing Advisory Committee (HAC)_Draft Land Bank Ordinance Memo to Council
3. Housing Advisory Committee (HAC)_Draft Land Bank Ordinance with_Comments