

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	April 21, 2025
Action Required:	None (Informational only Presentation)
Presenter:	Antoine Williams, Housing Program Manager
Staff Contacts:	James Freas, Deputy City Manager Alexander Ikefuna, Director, Office of Community Solutions Antoine Williams, Housing Program Manager
Title:	<b>Establishing the Land Bank Authority: Progress and Next Steps</b>

### **Background**

The City of Charlottesville, Virginia (“City”), is considering establishing the Charlottesville Land Bank Authority (“LBAC”) as a public body corporate under Virginia Code §§ 15.2-7500 *et seq.* to facilitate land acquisition, redevelopment, and long-term affordability preservation. The Ordinance to create the LBAC has been drafted and is currently under legal review, incorporating best practices from prior land bank models, such as the Chesapeake Land Bank Authority.

### **Policy Milestones and Rationale for Creating LBAC:**

- **(2018 – 2021) Affordable Housing Planning**: The 2021 Affordable Housing Plan and Housing Equity & Anti-Displacement Strategy identified a Land Bank as a critical tool for advancing long-term affordability and stabilizing neighborhoods.
- **(2023) City Council and HAC Re-engagement**: The Housing Advisory Committee (“HAC”) and City leadership revisited the concept to refine priorities and ensure alignment with community needs.
- **(2024) Market and Policy Shift**: Rising land costs, speculative development, and displacement risks reinforced the urgency of a City-led land banking initiative.

### **City Leadership and Stakeholder Engagement**

The City Manager’s Office, through Sam Sanders, Jr., City Manager, and James Freas, Deputy City Manager, has worked closely with HAC, City Staff, and the City Attorney’s Office to refine the approach to Land Banking. Discussions in HAC Meetings (October and November 2024) and internal City Staff deliberations have focused on:

- Ensuring the LBAC is structured for financial sustainability and operational feasibility;
- Determining the appropriate governance model, leading to the decision to form LBAC as a public authority rather than a nonprofit; and

- Aligning LBAC's land acquisition strategy with affordable housing and anti-displacement goals,

## **Discussion**

The establishment of the LBAC presents both strategic opportunities and important considerations for City Council. Below are the key areas of focus:

### **A. Governance and Structure**

1. LBAC will be established as a public body corporate under the Virginia Land Bank Entities Act (Virginia Code §§ 15.2-7500 *et seq.*).
2. The LBAC's Board of Directors ("Board") will be composed of seven (7) voting members:
  - a. One (1) City Councilor
  - b. One (1) Planning Commission Representative
  - c. One (1) City Manager Appointee
  - d. Four (4) At-Large Community Members (Two (2) must have lived experience related to affordable housing challenges.)
3. OCS Housing Staff will work closely with LBAC's appointed Board to develop an operational framework, policies, and strategic direction.

### **B. Fiscal and Funding Mechanisms**

1. LBAC will be able to acquire, hold, and manage land tax-free and leverage up to fifty percent (50%) of future real estate tax revenue from redeveloped properties for reinvestment in affordable housing.
2. Potential funding sources include:
  - a. City Budget allocations;
  - b. Tax Abatement Revenues;
  - c. State and Federal Housing Grants; and
  - d. Philanthropic and Private Investments (pending confirmation of legal mechanisms for donation acceptance).
3. City Staff will conduct further analysis to determine the financial feasibility of these funding streams and their long-term sustainability.

### **C. Strategic Priorities and Implementation**

1. LBAC's primary mission is to increase affordable housing opportunities, revitalize underutilized land or real property, and prevent displacement.
2. The LBAC will develop policies for property acquisition, disposition, and partnerships to ensure equitable redevelopment in alignment with the 2021 Affordable Housing Plan.
3. City Staff is preparing an operational Work Plan, which will guide LBAC's first year and be subject to annual review and reporting to City Council.

#### **4. Next Steps and Council Consideration**

To formally establish LBAC, the following steps must be completed:

1. City Attorney's Office completes legal review of the draft Ordinance.
2. Public Hearing is scheduled and conducted (required under Virginia Code § 15.2-7502).
3. City Council votes on the Ordinance to establish the LBAC.
4. Board appointments are made, and the LBAC begins its initial operations.
5. The City Attorney's Office completes state processes for the creation of the Land Bank Authority entity.

#### **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 re-purposing underutilized land for affordable housing.
- **Comprehensive Plan (2021):** This plan focuses on inclusive neighborhoods and sustainable development. A land bank can facilitate affordable housing and neighborhood revitalization in alignment with goals.
- **Affordable Housing Plan (2021)**
- **Climate Action Plan 2023-2027** (*where or when applicable*).
- **Consolidated Plan** (*where or when applicable*).

#### **Community Engagement**

Extensive discussions with City leadership, advisory bodies, and housing experts have been instrumental in shaping the LBAC's governance, funding, and operational priorities. Notably, the HAC has played a crucial role, emphasizing the LBAC's potential to drive affordability, revitalization, and prevent displacement. HAC feedback underscored the necessity for clear oversight, sustainable funding strategies, and a well-defined operational framework, while supporting an initial City-supported Pilot phase for strategic implementation before full independence. Simultaneously, the City Manager's Office has focused on refining coordination and oversight, addressing staffing, tax abatement impacts, and revenue allocation, and advocating for a Pilot Program aligned with Virginia best practices. Furthermore, a formal Public Hearing, as mandated by Virginia Code § 15.2-7502, will be conducted before City Council adoption. Ongoing stakeholder outreach with housing advocates, developers, and neighborhood groups ensures that the LBAC's development remains responsive to local needs and priorities.

#### **Budgetary Impact**

N/A. Informational Presentation only, at this time.

#### **Recommendation**

This Presentation serves as a progress update on the establishment of the LBAC. Based on City Council's feedback, the City Manager's Office will refine next steps and guide City Staff accordingly.

## **Key Discussion Points for City Council Consideration**

- Are there any concerns or refinements City Council would like addressed before the Public Hearing?
- What additional information is needed to support the Ordinance adoption process?
- How can LBAC's strategic priorities best align with City Council's broader housing and economic goals?

## **Potential Next Steps (Pending City Council Direction to City Manager)**

1. Finalize legal review and Public Hearing Preparation – City Attorney's Office ensures compliance with Virginia Code § 15.2-7500 *et seq.*
2. Refine Governance and Operational Framework – Clarify Board roles, tax abatement mechanisms, and initial funding strategies.
3. Advance Community Engagement – Continue stakeholder outreach, including HAC and housing partners, to align expectations.
4. City Council Follow-Up – City Staff will return with refined materials based on today's discussion.

## **Alternatives**

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

1. **No Immediate Action:** City Council may choose not to provide specific direction at this time and defer further exploration of land bank options.
2. **Leverage Existing Resources:** City 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:** City Council may direct City Staff to gather additional information or explore other models and approaches to Land Banking before making a decision.
4. **Prioritize Other Housing Strategies:** City Council could decide to prioritize other housing strategies or tools currently available to address the City's needs.

## **Attachments**

1. Attachment A - Land Bank Authority of the City of Charlottesville (LBAC) Draft Ordinance
2. Attachment B - PowerPoint Presentation Introduction LBAC