



Executive Summary: The Role of a Land Bank in the City's 2021 Affordable Housing Plan

The **City of Charlottesville's 2021 Affordable Housing Plan** identifies the **Land Bank** as a key strategy for achieving housing affordability. The Plan calls for the **"establishment of a land bank that provides land equity to develop affordable housing"** (p. 125). A Land Bank will enable the City to secure and manage underutilized or tax-delinquent properties, which can be assembled for future redevelopment into affordable housing.

The Plan explains that a **Land Bank** is a **"public or nonprofit organization that can acquire and hold tax-exempt property"** (p. 125). Its primary function would be to **"assemble tax-delinquent parcels for redevelopment, or to hold strategic land to prevent price inflation on the private market, for eventual development into affordable housing"** (p. 125). By holding properties, the Land Bank helps ensure that land remains available for affordable housing and avoids speculative price increases that could drive up costs in desirable areas.

Additionally, the Plan notes that a Land Bank would **"complement new land use policies that expand the amount of land eligible for denser residential development"** (p. 126). The Land Bank could also **"supplement and improve the efficacy of programs such as single-family infill, by providing a pipeline of development-ready properties"** (p. 126). This would support the development of affordable housing in areas where land values are appreciating, thereby facilitating the creation of higher-density housing projects in strategic locations.

One of the most significant aspects of the Land Bank is its potential to address **racial equity**. The Plan indicates that **"properly implemented, a land bank could help to close the racial homeownership gap in Charlottesville by reducing barriers to homeownership for BIPOC residents"** (p. 126). The Plan further presents the Land Bank as a key tool for reducing racial homeownership disparities and promoting equitable access to housing.

Regarding governance, the Plan specifies that **"HAC will make recommendations around the format and governance of a land banking entity"**, which includes determining whether the Land Bank should be administered internally by the City or through a third party (p. 126). The City will then decide how to best administer the Land Bank.

In conclusion, the **2021 Affordable Housing Plan** encourages the City of Charlottesville to consider the Land Bank as an essential tool for supporting affordable housing by managing land assets, reducing racial disparities in homeownership, and facilitating denser residential development. Its success will depend on proper governance, the ability to abate property taxes, and strategic alignment with broader housing policies.

This Executive Summary was prepared by the Office of Community Solutions, for a presentation to City Council on October 7, 2024. Direct all questions, to Housing Program Manager, Antoine Williams at williamsan@charlottesville.com