

ORDINANCE
**CREATING THE CITY OF CHARLOTTESVILLE LAND BANK CORPORATION AS A
NONPROFIT, NONSTOCK CORPORATION; ESTABLISHING A BOARD OF DIRECTORS;
ESTABLISHING THE POWERS OF THE CORPORATION AND PROVIDING GENERAL
PROVISIONS RELATING TO THE OPERATION OF THE CHARLOTTESVILLE LAND
BANK**

Pursuant to authorizing legislation set forth within Virginia Code §§ 15.2-7500 et seq., and following a public hearing held pursuant to Virginia Code § 15.2-7502, **IT SHALL BE AND IS HEREBY ORDAINED AND ENACTED** the City Council for the City of Charlottesville as follows:

1. Findings

The Charlottesville City Council finds that the social and economic vitality of the City of Charlottesville is adversely affected by a deficit of affordable housing within the jurisdiction of the City and the surrounding region. The purpose of this Ordinance is to establish a legal entity whose purpose is to facilitate the creation and preservation of affordable housing in alignment with the Charlottesville Affordable Housing Plan and other local planning documents. All efforts and uses of the Land Bank will balance the necessity to act quickly and efficiently with the need for transparent and fair decision-making. The Land Bank will achieve such balance by always explicitly prioritizing the creation and preservation of affordable housing over the interests of any single organization.

2. Authority

This ordinance is adopted in accordance with the provisions of Virginia's Land Bank Entities Act, §§ 15.2-7500 et seq. of the Code of Virginia (1950), as amended ("Va. Code").

3. Authorization and Establishment

(A) The Charlottesville City Council hereby authorizes the creation of a nonprofit, nonstock corporation, created under Chapter 10 (§§ 13.1-801 et seq.) of Title 13.1 of the Va. Code, to be named the "Charlottesville Land Bank Corporation" and hereby establishes the same as a separate legal entity for the purposes of acting as a Land Bank under the provisions of Virginia's Land Bank Entities Act and implementing and administering the terms of this Ordinance. The Charlottesville Land Bank Corporation shall exist until terminated and dissolved in accordance with the terms of this Ordinance.

(B) Initially, the principal office of the corporation shall be at 605 East Main Street (P.O. Box 911), Charlottesville, Virginia, 22902. Thereafter, the governing board of the corporation may change the location of its principal office.

(C) Pursuant to the provisions of Virginia Code § 15.2-7510 property vested in the Charlottesville Land Bank Corporation shall not pay any real estate taxes, water and sewer charges (including tap fees, as applicable), stormwater assessment fees, and any other municipal charges upon any property acquired or used by the Land Bank under the provisions of this Ordinance.

4. Powers

The Charlottesville Land Bank Corporation shall have all of the powers enumerated and authorized within Va. Code § 15.2-7506, as amended.

5. Acquisition of Property

The Charlottesville Land Bank Corporation may acquire real property or interests in real property by

any means and in any manner authorized by Va. Code § 15.2-7507 or other provisions of Virginia's Land Bank Entities Act. The Charlottesville Land Bank Corporation shall neither possess nor exercise the power of eminent domain.

6. Financing of Operations

(A) The Charlottesville Land Bank Corporation may receive funding, and may receive and retain payments, in accordance with the provisions of Va. Code § 15.2-7509.

(B) Fifty percent (50%) of the real property taxes collected on real property conveyed from the Land Bank to a transferee shall be remitted by the participating local jurisdiction to the Land Bank. This allocation of real estate tax revenue shall commence with the first taxable year following the date of conveyance from the Land Bank and shall continue for a period of ten (10) years thereafter.

7. Use and Disposition of Property

(A) The Charlottesville Land Bank Corporation shall hold in its own name all real property acquired by it, regardless of the identity of the transferor of such property, and shall hold, use and dispose of such property in accordance with Va. Code § 15.2-7508 or other provisions of Virginia's Land Bank Entities Act.

(B) The governing board of the Charlottesville Land Bank Corporation shall adopt policies and procedures governing the use and disposition of real property interests. Real property or interests in real property shall be conveyed in accordance with the Virginia Land Bank Entities Act, this Ordinance, and the Land Bank's adopted policies and procedures.

(C) The policies and procedures adopted by the governing body of the Land Bank to govern the use and disposition of property shall specify the general terms and conditions for consideration to be received by the Land Bank for the transfer of real property and interests in real property.

(i) The board shall determine the amount and form of consideration necessary to convey, exchange, sell, transfer, lease, grant or mortgage interests in real property. Consideration may take the form of monetary payments and secured financial obligations, covenants and conditions related to the present and future use of property, contractual commitments of the transferee, and other forms of consideration as determined by the board.

(ii) The Charlottesville Land Bank Corporation will be guided by the following two policies:

Policy (1): **Prioritize Affordable Housing.** The board shall first prioritize the creation and preservation of affordable housing in alignment with the Charlottesville Affordable Housing Plan and other local planning documents. If use and/or disposition of property owned by the Land Bank entails other uses, such as, market-rate housing and/or commercial/retail, the Land Bank shall document the justifications for such other uses in publicly available materials, and shall only act upon approval of two-thirds of the available voting members of the board of the Land Bank at a duly authorized meeting of the board.

Policy (2): **Fairness and Avoidance of Self-Dealing.** To promote transparency and fairness regarding the use and disposition of property, the presumption shall be that redevelopment of all Land Bank property shall be guided by community engagement and a Request for Proposals (RFP) process. However, such a robust process for determining use and disposition of property might not be optimal in all circumstances. The Land Bank shall only make such exception upon approval of two-thirds of the voting members of the board of the Land Bank at a duly authorized meeting of the board.

In case of such exception as noted above, to avoid putting the interests of any single organization above any other, any contracts entered into by the Land Bank shall be limited to a reasonable contingency period specifically outlined in the board's policies. The board of the Land Bank must

approve any extension(s) beyond such specified period with a two thirds majority of the available voting members of the board of the Land Bank at a duly authorized meeting of the board, and shall only do so upon concluding that such extension is in the best interest of the community.

(D) The Charlottesville Land Bank Corporation is authorized to discharge liens and other municipal claims, charges or fines, and may seek to enter into agreements with City officials for such discharges against the properties that it acquires. For the duration of time that a property is held by the Charlottesville Land Bank Corporation, the corporation may abate all real estate taxes, water and sewer charges, stormwater assessment fees, and any other municipal charges and, to the extent necessary, may seek abatement or non-taxable status from other government entities.

8. Governance

(A) *Governing board*—the Charlottesville Land Bank Corporation shall be governed by a board of directors comprised of seven (7) voting members, as follows:

- (i). One Charlottesville City Councilor chosen by City Council, for a term specified by City Council, but which shall not exceed such councilor's elected term of office;
- (ii). One member of the Charlottesville Planning Commission appointed by the Planning Commission for a term specified by the Planning Commission, but which shall not exceed such member's term on the Planning Commission;
- (iii). The Charlottesville City Manager, or an employee of the City designated by the City Manager to serve on the board as their representative ("designee"), in either case: this member's term shall not exceed the term of employment of the City Manager and/or the designee, whichever is earlier;
- (iv). Four individuals appointed by City Council, two of whom shall be qualified as affordable housing beneficiaries or having lived experience related to the hardship of finding safe, quality, and affordable housing, and two others of whom shall be considered at-large members of the community. Initially, the terms of these members shall be staggered, such that two members shall be appointed to a term of two (2) years and the others, a term of three (3) years; thereafter, successive appointments shall be for terms of four (4) years. Each member shall continue to serve until his or her successor has been appointed. Successors shall be selected in the same manner as set forth above.

If it is decided at a later date that additional members are needed on the board of the Land Bank, for instance, so as to ensure there is a representative of a specific area of expertise, the board of the Land Bank shall be expanded such that there will always be a one-to-one ratio between affordable housing beneficiaries (or those with lived experience) and other members of the board, excluding City-related board members;

If the land bank entity expands to additional localities, this Section 8 shall be revised pursuant to the Code of Virginia.

(B) *Authorization of Initial Board actions*—the Initial Board Members shall have authority to take all actions as are necessary to create and activate the corporation as a nonprofit, nonstock corporation under Chapter 10 (§13.1-801 et seq.) of Title 13.1 of the Va. Code.

The Charlottesville Land Bank Corporation shall not acquire any right, title, or interest in any real property, until such time as the corporation has been duly organized and at least five members of the governing board has been duly constituted, with at least two of the members being affordable housing beneficiaries (or those with lived experience), and has thereafter approved written bylaws for the regulation of the corporation's affairs and the conduct of its business and written policies and procedures governing the acquisition and disposition of real property and interests in real property.

(C) *Quorum*—a majority of currently appointed board members shall constitute a quorum, and the vote of a majority of such quorum shall be necessary for any action taken by the land bank entity. No vacancy in the membership of the board shall impair the right of a quorum to exercise all of the rights and to perform all of the duties of the land bank entity.

(D) *Financial interests of board members and employees prohibited*—

(i). No member of the board, nor any employee of the corporation, shall acquire any interest, direct or indirect, in any real property of the corporation, in any real property to be acquired by the corporation, or in any real property to be acquired from the corporation.

(ii). No member of the board, nor any employee of the corporation, shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished to or used by the corporation.

(iii). The board may, within its written bylaws, adopt supplemental rules and regulations, not in conflict with this ordinance or the Land Bank Entities Act, addressing potential conflicts of interest and ethical guidelines for members of the board and employees of the corporation.

(E) *Miscellaneous*—

(i). The governing board shall elect officers to serve as Chair, Vice-Chair, Treasurer, and Secretary. The treasurer and secretary for the board need not be a member of the board. Officers shall serve two-year terms and may be re-elected to serve successive two-year terms. The duties of officers shall be established by the board within its bylaws.

(ii). Members shall serve without compensation; however, a member may seek reimbursement for reasonable expenses incurred in performance of duties relating to the business of the Land Bank.

(iii). The corporation shall obtain insurance to defend and indemnify it, its board members, officers, and its employees with respect to claims or judgments arising out of activities performed on behalf of the Land Bank.

9. Staffing

(A) The Charlottesville Land Bank Corporation may employ individuals and may retain consultants, including, without limitation: an executive director, legal counsel, land planners, and technical experts.

(B) The corporation may also enter into agreements with the participating local jurisdictions, for the local jurisdiction to provide services or support to the Land Bank, and/or for the Land Bank to provide services or support to the local jurisdiction.

(C) The local jurisdictional executives and other city officials, as may be required by the local jurisdictional executives, are hereby directed to take any and all actions necessary to effectuate the provisions of this Ordinance and the creation of the Charlottesville Land Bank Corporation.

10. Participation by other Jurisdictions

Other localities within the Thomas Jefferson Planning District may be added as participants in the Land Bank, by concurrent ordinances adopted by the Charlottesville City Council and the governing body/bodies of such other locality/localities, in accordance with Va. Code § 15.2-7501.

11. Dissolution

The Charlottesville Land Bank Corporation may be dissolved in accordance with the provisions of Va. Code § 15.2-7511.

12. Miscellaneous

(A) The Charlottesville Land Bank Corporation shall not expend any public funds on political activities. Subject to the foregoing, the provisions of this paragraph are not intended to prohibit the Land Bank from engaging in activities authorized by applicable law.

(B) No provision of this Ordinance is intended, nor shall it be construed, as a waiver by the City, or other jurisdiction, of any governmental immunity available to the City, or other jurisdiction, its officials, officers or employees, or to the Charlottesville Land Bank Corporation, under any applicable law.

(C) In the event any provision, section, sentence, clause, or part of this Ordinance shall be held to be invalid by a court of competent jurisdiction, such invalidity shall not affect or impair any of the remaining provisions, sections, sentences, clauses or parts of this Ordinance; it being the intent of this City Council that the remainder of the Ordinance shall be and shall remain in full force and effect.

(D) This Ordinance shall become effective on the date enacted, as provided by the laws of the Commonwealth of Virginia.

DULY ORDAINED AND ENACTED the _____ day of _____, 20____, by the Council of the City of Charlottesville, Virginia, in lawful session duly assembled.