



Exploring Land Bank Models to Address Charlottesville's Housing Challenges

October 7, 2024

Outline

1. **Overview:** What are Land Banks?
2. **Enabling Legislation:** Virginia Land Bank Entities Act
3. **Charlottesville's Context:** What would one do here?
4. **Critical Choices**

Overview: What are Land Banks?

Public or Nonprofit Entities

- Acquire, manage, and redevelop vacant, abandoned, or tax-delinquent properties

Typical and Primary Goals of Land Bank Entities

- Repurpose properties for affordable housing, commercial redevelopment, or public spaces
- Focus on areas lacking private market investment
- Address blight and transform unproductive land into community assets by redeveloping abandoned, or tax-delinquent properties to productive use/revenue generation

Support for Local Jurisdictions

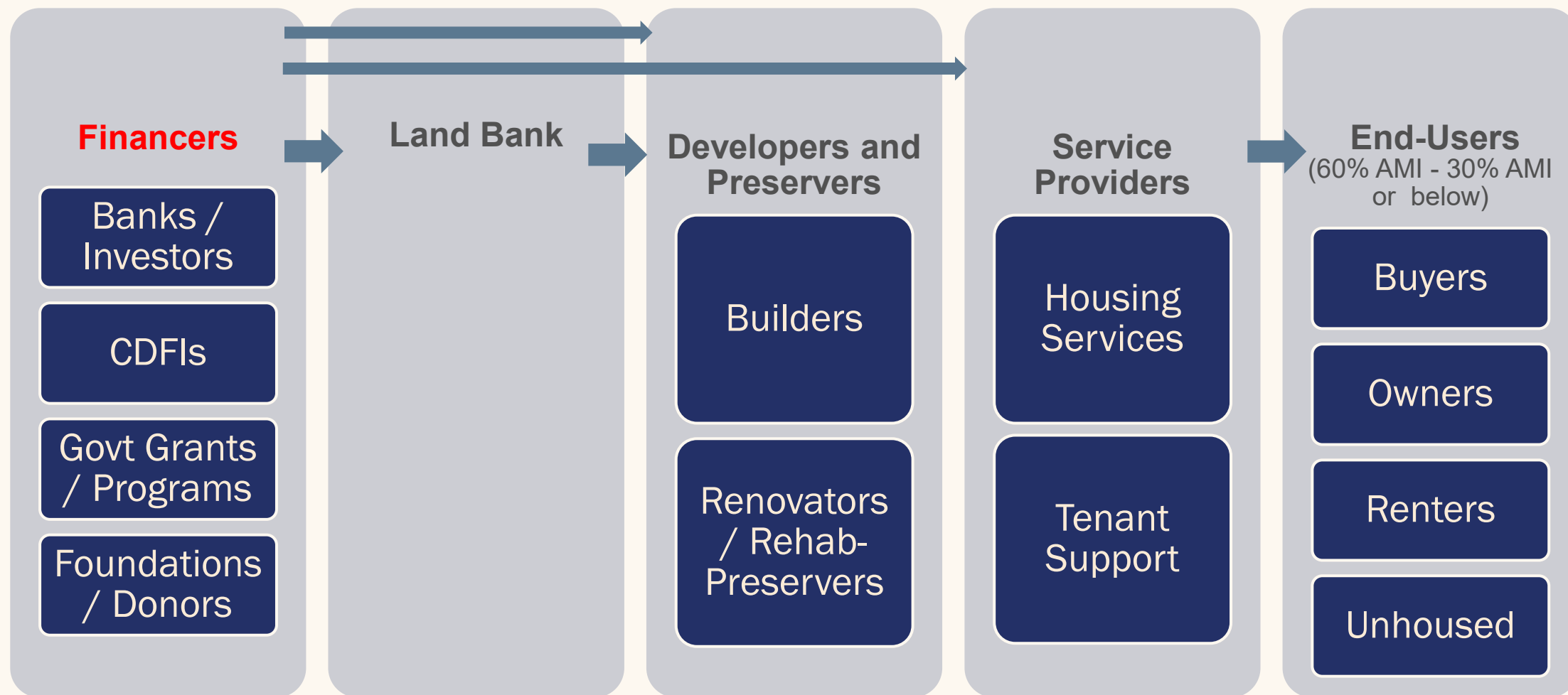
- Jurisdiction across the nation have leveraged this tool to take control of difficult properties
- Leverage properties for public benefits, including housing and commercial revitalization

Promotes Equitable Development

- Improve economic and social conditions by revitalizing neighborhoods

Housing Strategy: Context for Considering Land Bank Tools within Our Toolkit and Ecosystem

A land bank operates primarily as a real-property focused tool, bridging the gap between Financiers and Developers, while indirectly benefiting End-Users by facilitating housing production (Alexandar, 2015)



Enabling Legislation: Virginia Land Bank Entities Act

Governing Legislation

- Virginia Land Bank Entities Act (§ 15.2-7500 et seq.)

Land Bank Structures

- There are 3 options: create a new non-profit, create public authority, or partnership i.e., designate an existing non-profit.
- Can be a regional entity.

Key Powers of the Land Bank

- Acquire, manage, and dispose of properties
- Tax exemptions on held properties
- Partnerships for community development
- Borrowing and bond issuance for financing
- Receive tax revenue back from Land Bank projects

Board of Directors

- Minimum of 5 members.
- Appointed by City Council

Option: Creating a Land Bank Authority

- The City Council would establish the land bank as a public authority (e.g., like the Charlottesville Economic Development Authority and the Office of Economic Development).
- The authority would have operational flexibility in managing land, with City department providing staff support.
- Council would have strategic oversight but delegate the day-to-day management to the authority.

Considerations:

1. **Oversight**: How much strategic discretion does the authority have, and what decisions require Council approval?
2. **Capacity**: Is there staff capacity to support a new authority?
3. **Funding**: How will the authority's operations be funded, and how will its financial sustainability be ensured?

Option: Designating an Existing Nonprofit as the Land Bank of the City of Charlottesville

- The City can designate an existing nonprofit to serve as the land bank entity.
- This structure leverages the nonprofit's established infrastructure and expertise.

Considerations:

1. **Oversight**: What agreements are required to maintain alignment between the nonprofit's mission and City goals?
2. **Accountability**: What mechanisms will ensure the nonprofit remains accountable to the public?
3. **Capacity**: Does the designated nonprofit have the resources and expertise to manage land banking functions effectively?
4. **Funding**: How will the Land Bank operations be funded, and how will its financial sustainability be ensured?

Option: Creating a New Nonprofit

- The City can create a new nonprofit solely dedicated to land bank activities.
- This structure would give the nonprofit strategic discretion to acquire and manage properties with its own board of directors.
- Council maintains oversight through partnership agreements and formal reporting requirements.

Considerations:

1. **Oversight**: How will the new nonprofit's board be structured to ensure alignment with City priorities?
2. **Accountability**: What mechanisms will ensure the nonprofit remains accountable to the public?
3. **Funding**: How will the Land Bank operations be funded, and how will its financial sustainability be ensured?

Charlottesville's Context: Is a Land Bank Necessary?

What Land Banks Generally Do

- Charlottesville doesn't face the widespread vacancy or abandonment typically driving land bank creation as it has for other jurisdictions across the nation, or in Virginia.

Challenges We Faces

- Severe lack of housing affordability and the wide-ranging struggles some residents face across income levels, but particularly households within the City that are extremely-low income and very low-income.

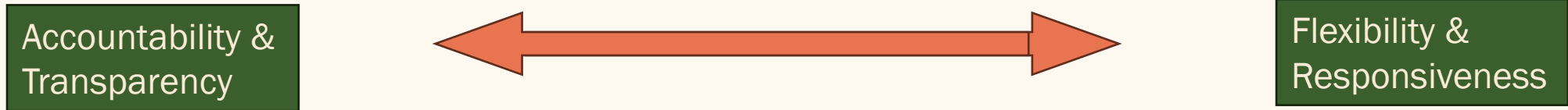
Proposed Charlottesville Land Bank

- Serve to agglomerate financing and land to make available to affordable housing developers.
- Likely affordable housing developers would still seek their own funding and land, the Land Bank might reduce the holding costs for some of that land and would potentially play a similar role as the City does today in providing gap financing.

Do we Establish a Land Bank?

- **The City does not have the traditional issue of blighted and abandoned properties that cause other communities to create Land Banks.**
- **There could be value in establishing another entity capable of facilitating Affordable Housing Development by bundling money and holding land tax exempt.**

What Level of Independence?



- Any Land Bank would have a Council appointed Board.
- Whether the Land Bank is subject to FOIA?
- Whether the Land Bank is subject to Open Meeting Law?
- Whether the Land Bank is subject to Procurement requirements?
- Whether the Land Bank is staffed by City employees or has its own independent staff?



Thank you,
Questions?

