CITY OF CHARLOTTESVILLE

"To be One Community Filled with Opportunity."

Housing Advisory Committee

Housing Advisory Committee (HAC) Minutes

Wednesday, March 20, 2024

12:00 p.m.

HAC Members Present:

- Sunshine Mathon, Vice Chair (SM)
- Nicole Scro (NS)
- Phil D'Oronzio (PDO)
- Dan Rosenweig (DR)
- Mike Parisi (MP)
- Peppy Linden (PL)

HAC Members Absent:

- Joy Johnson, Chair
- Heather Griffith
- John Sales
- Michael Payne

Staff Attendees:

- Antoine Williams (AW)
- Madelyn Metzler (MM)
- Alex Ikefuna (AI)

Other Attendees:

- Luis Oyola, Piedmont Community Land Trust (LO)
- Emily Dreyfuss, Legal Aid Justice Center (ED)
- Ernie Reed, Nelson County Supervisor (ER)

SM calls the meeting to order at 12:07 pm

1. **Welcome**
2. **Introductions and Attendance**
3. **Agenda Items**

    a. **February 21 Regular HAC Meeting Minutes**
    PDO: Move to approve
    DR: Second
    Discussion ensued about how detailed minutes need to be. Minutes could be more compressed and do not need to be verbatim if the meeting is recorded.

    b. **HAC Roles & Description and By-laws**
    Waiting for comment on by-laws from city legal staff

    The secretary position is vacant, MP expressed interest in serving as role.
    DR moves to elect MP as secretary, NS seconds. All in favor, none are opposed.

    PDO: If subcommittee is called and meets, and a quorum of the entire HAC is present, HAC can vote as full body outside of regular meeting.
    SM: If not a quorum of HAC, can vote and send the recommendation to the full HAC.

c. Land Bank Ordinance Recommendation

SM: Land banks are enabled by the VA legislature. In 2017-18, HAC & the City attempted to establish a land bank ordinance but got gummed up in policy and process opinions. Then COVID/staff turnover occurred while trying to work through that. The goal set at the last HAC meeting was to have a new land bank Ordinance for Council by the June 5 HAC meeting.
PDO: City Manager Sam Sanders (SS) asked HAC to take the existing 2018 land bank draft ordinance and update that as a starting point.

Both the City Manager and City Attorney Jacob Stroman (JS) had planned to attend the HAC subcommittee meeting last week but weren't able to. SS wants to stay informed but is unable to prioritize time to attend.

SM: Describes framework for working on the land bank ordinance over the next three meetings:

- Legal, Mission, and Outcomes - hoped to have SS/JS present but will not be.
- Governance, Community Engagement, and Partnerships
- Funding, Property Acquisition & Disposition

AW: Can communicate June timing of ordinance submittal to staff?
SM: Yes, that's the target we're aiming for.
AW: [to PDO] Was loose timeline discussed w/staff?
PDO: SS wanted a draft that could be edited, then a joint work session with Council this summer before it goes on an agenda.
AW: Around July/Aug?
PDO: Yes.
DR: Might not even need to wait until June, so we can stand this up as a tool asap. How was the framework timeline established?
SM: City is working on the Budget through May, so June made sense since they won't get to the land bank ordinance before then. But HAC might get it done sooner than that.
AW: Agrees. SS thought June would give staff time to churn the draft before it hits Council.
DR: Hopes to get work done faster in order to get a draft in the hands of legal/staff asap.

Review of 2018 Land Bank draft ordinance
SM: 12 items to review in total.
MM: This is the latest version included in a Council agenda packet–5/21/18.
SM: Let's use this version as the base, PDO can note comments/changes made by himself and former deputy city manager Mike Murphy (MM) after 5/21/18 as we go.

<u>Section 1: Findings</u>
DR: "Facilitating return of vacant, blighted etc properties," ... Does this mean the land bank doesn't compete in the marketplace? Scope could be too narrow?
PDO: Yes, needs to change.
SM: Comes from state statute.

AW: Highlighted in "Powers" as well.
SM: Let's call it out as a flag.
LO: Also, the language of establishing a legal entity implies creating the land bank as an independent organization. Doing that is an open question at this point (versus the City itself managing the land bank or contracting with an existing entity to do so).
SM: Let's flag that too.
MP: Asks for clarification on the goal of "economic growth" language.
NS: Not in the state statute.
DR: That language can leave the door open for commercial projects where residential isn't possible.

<u>Section 2: Authority</u>
No comments

<u>Section 3: Authorization and Establishment</u>
Paragraph A
SM: Like LO above, flags the issue of creating an entirely new entity to manage the land bank, versus contracting with an existing entity to do it.

Paragraph B
SM: "Shall not be required to pay taxes" means the land bank is tax exempt from the City? This would mean if land bank buys property and leases it for 99 years to a non-profit, property taxes are foregone by the City. Flags for more discussion.

<u>Section 4: Powers</u>
No comments

<u>Section 5: Acquisition of Property</u>
No comments

<u>Section 6: Financing of Operations</u>
Paragraph A - No comments

Paragraph B
SM: Notes that up to 50% of future tax revenue of a property sold by the land bank comes back to the land bank for 10 years.
PDO: This is the maximum allowed.
DR: Essentially a micro-TIF [tax increment financing].
SM: Flags for further discussion.
PL: Worth clarifying where the tax money goes to exactly?
SM: Good to highlight depending on eventual structure of the land bank, might want to add "facilitating land bank activities" language here.

Section 7: Use & Disposition of Property

Paragraph A

PL: Whole paragraph subject to change depending on eventual structure of the land bank.

Paragraph B

PDO: What does "to be used for affordable housing" mean? He and MM tried to clarify. If the land bank acquires a property and it ends up not being able to be used for housing (or not entirely so), may want to leave the door open for other (or additional) uses.
AI: MM and other departments in the city recommended this paragraph.
SM: Flags "to be use for affordable housing." Also notes hybrid situations--if the land bank had bought 501 Cherry Ave, we don't want to entirely exclude commercial use. Need to allow both, and not only in cases where a property can't be used for affordable housing at all.
PDO: Suggests "facilitate" affordable housing language be included.
SM: In the 2nd paragraph, if not affordable housing, include language that allows other uses and prioritizes community benefits, vs. for example a Target?
PDO: Agrees a lot to be done there.
NS: Flags language "as the governing board deems to be in the public interest."
SM: Agrees–we're not yet sure that a governing board is the right structure. Don't want the governing structure to stop rapid action, i.e. a board that only meets once a month.
PDO: State statute says the board is made up of 5 people with 4 year terms; they must authorize actions.
AW: If a non-profit is contracted to manage the land bank, you leverage their existing governing structure.

PL: How does the land bank compete or not with Habitat for Humanity and PHA?
SM: We discussed this at the last meeting–the land bank will have more resources than those organizations, and be willing to take more risk. Can resell sites that don't work. Will require coordination though.
PDO: If PHA, for example, wouldn't be ready to use a property for a few years, the land bank on the other hand could buy it now and hold it until it's ready to be developed.
SM: A land bank removes holding costs for PHA.

Paragraph C

DR: Gets to the question of the land bank entity type & formation again. Likes the bespoke non-profit option with a board representing different interests. Create in a way that it facilitates, not competes.

Paragraph C Subsection (i)

DR: Flags "In the best interest of the land bank"? Should it be instead "in the best interest of the public"?
SM: And end the sentence with "as determined by the board."

Paragraph C Subsection (ii)
PDO: Purpose is OK, but language is sloppy?
DR: Why is the term "market value" in here?
NS: Not in the state statute.
DR: Doesn't think market value, or value, is relevant. Not mentioned anywhere else.
PDO: If the land bank is independent, and the city assessment of a property is too low, the land bank would need more flexibility. The land bank should be able to make its own determination of value of any type.
SM: In subsection (ii) parts a) and b) there is talk about both acquisition and disposition. Proposes pulling those apart, shouldn't have both in one section together.
PDO: The whole section needs substantial rewriting. City Council wearing the Board's stripes here.
DR: Everything after subsection (i) should be subordinate. Subsection (ii) should not be on equal footing; not sure it belongs in ordinance at all.
NS: Could strike all of subsection (ii).
PDO: OK with that.
SM: Notes HAC will consider deleting Section 7 paragraph C subsection (ii) including parts a) and b).

Paragraph C Subsection (iii)
No comments

Paragraph D
SM: Question of entity type & formation again.
DR: Notes that "land bank corporation may abate all real estate taxes" is an error–not within its powers to do so.
PDO: Should be "may seek abatement."
SM: Should mirror abatement language from the beginning of the ordinance.

<u>Section 8: Governance</u>
PDO: Suggests tabling all board talk until entity type & formation is settled.

<u>Section 9: Staffing</u>
Paragraph A
SM: Depends on entity type & formation.

Paragraph B
PDO: This language is straight out of the state statute but will need updating depending on entity type & formation.

Paragraph C
PDO: Depends on entity type & formation.

Section 10: Participation by other Jurisdictions
PDO: Language is straight out of state statute. There are specific instructions about adding other participants. [Statute reference is incorrect; number needs to be updated to 7503.]
NS: Statute says any locality added to the land bank gets two board seats.
SM: Can the land bank buy property in other localities?
PDO: Thinks yes, anywhere, but wouldn't get any special benefits outside of the city.
PDO: Would the board or council have the power to add another locality?
MM: Council. [Other TJPDC localities may be added if Council and the other locality adopt concurrent ordinances.]
MP: Does this language allow City Council to add another jurisdiction to the land bank without the approval of the land bank itself. [Yes.]
SM: In Richmond, the Maggie Walker Community Land Trust administers three separate land banks in Henrico, Chesterfield, and the city of Richmond. Notes potential value in creating a single entity for Charlottesville and Albemarle County. Wasn't aware of this paragraph until now. Should leave it but add more language to welcome other jurisdictions.
PDO: Conversations are beginning with TJPDC on this point.
AI: Is there a mechanism by which an outside locality can petition to be added to the land bank?
PDO: A question for the City Attorney but agrees the door should be left open.
SM: Asks ER how appealing the existing language is as an invite.
ER: Thinks it's sufficiently inviting as-is.

Section 11: Dissolution
No comments

Section 12: Miscellaneous
Paragraph A
SM: Flags entity type issue.

Paragraph B
No comments

Paragraph C
No comments

Paragraph D
No comments

Additional comments
ED: Should include something about amendments, needing a 2/3 majority to do so?
SM: By act of City Council act? Can the land bank board itself make amendments? It's an ordinance–board should be able to adjust the bylaws but not the ordinance.

PDO: Make it clear in the ordinance that the board has the right to adjust based on changes the City makes to its Affordable Housing Plan, without going back to the City itself.

SM: Two big items left: Entity and Governance
PDO: Those are the subcommittee's next orders of business.
SM: April 9 is next subcommittee meeting. All HAC members are welcome.

NS: How does the HAC see CRHA? Another entity that works in concert?
SM: That's the hope and expectation–shared purpose.
NS: What's the difference between them?
SM: Ex.: land bank has $2mil, all money is utilized, might make sense for CRHA to purchase, then sell to land bank later. Biggest challenge will be limits on resources.
PDO: Nonprofits are always spinning plates and wondering how long that will take. Land bank can hold property in the meantime.
SM: Nonprofits go after properties for short term action. That's the limit of their resources.
NS: Notes CRHA and land bank are the closest to having overlapping goals and acting similarly among Cville entities. Hard to understand the difference.
PDO: Land bank will have powers CRHA doesn't. Potential to raise millions of dollars. CRHA can't issue its own bonds.

4. **Public Comment**
5. **Adjourn**
   DR moves to adjourn the meeting at 1:46pm, PDO seconds this motion. All are in favor, none are opposed.