



Land Bank Authority of Charlottesville (LBAC)

An October 2025 Status Review and Discussion for the
Housing Advisory Committee (HAC)



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Agenda

- Brief History and Background
- Staff Recommendations and Rationale
- Implementation Considerations
- Key takeaways



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Where We Are Today

- **Starting in 2023:** HAC resumes discussion of a land bank ordinance; a strategy identified for consideration in the 2021 Affordable Housing Plan
- **2024 Discussions with City Manager's Office and Council:** consideration culminates in a HAC drafted ordinance presented to city manager and deputy city manager at a HAC meeting in August 2024 where different perspectives on best land bank model and operations challenges were discussed; that draft ordinance also presented to Council in October 2024 and Council charged staff to complete a due diligence review of the ordinance and come back with an updated version for Council review and consideration
- **2025 Staff Drafts Ordinance to Create a Land Bank Authority:** staff prepared an updated and revised ordinance and presented to Council in April 2025 that complies with Virginia Code §§ 15.2-7500 *et seq.* (Land Bank Entities Act). The staff ordinance diverges from HAC draft in several areas



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Staff Recommendations

- Establish a land bank authority, to ensure transparency and accountability required for handling public tax revenue and general funds
 - Prioritize transparency/accountability, although this may potentially limit quick action capacity recommended by HAC via independent non-profit model
 - Can Authority model accept tax deductible contributions and CRA funds? (***these have been confirmed as YES***)
- Identify affordable housing as the stated purpose
 - Allow future discretion by the Land Bank board, within clearly stated mission, to avoid locking in the pathway of established Affordable Housing Plan which could be amended over time
- Enable City Manager to appoint any staff to serve in their stead, and allow “interim” board appointments
 - Enables flexibility in appointments to prevent potential delays in being able to convene, versus HAC request for Department Head, or higher level, appointments and full members only



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Staff Recommendations

- Restrict authority to issue bonds, discharge liens (not allowed by statute) nor be exempt from municipal fees and charges
 - Concern that Land Bank issuing bonds for property acquisitions could impinge upon the city's bonding capacity and require greater level of oversight and accountability than an independent non-profit entity would provide
 - New statute language as of 7/1/2025 allows conveyance to Land Bank of certain delinquent property; see §15.2-958.1:1
- Rely on RFP process for most property dispositions, unless a three-fourths vote of the board to allow a direct disposition to another party
- Establish a Charlottesville entity and not expand to be a regional entity at this time
- Rely upon VA Statute on “fairness and avoidance of self-dealing”
- Enable land bank to receive up to 50% of tax revenue collections post property disposition
- Remains silent on potential for land bank to be dissolved or “sunset” in order to re-form as non-profit entity



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If moving forward to Implementation & Required Actions: Key Next Steps per Virginia Code

1. Public Hearing and Ordinance Adoption

- As required by Virginia § 15.2-7502, a Public Hearing must be held, with formal notice published at least twice before adoption.

2. Board of Directors Appointment and Incorporation

- Per Virginia Code § 15.2-7503, City Council must appoint at least five (5) Board Members, including specific representatives (*e.g.*, housing/community development experts).
- Board must be named in the ordinance & registered in incorporation documents.

3. Finalizing Governance and Policies

- Develop and adopt bylaws, acquisition/disposition policies, and financial guidelines.
- Determine priority properties for acquisition.

4. Funding and Operational Planning

- Align LBAC operations with City Budgeting Cycles (FY 2027).
- Explore state/federal grants and intergovernmental agreements for financial sustainability.



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Key Takeaways

- The specific cost impacts of creating a Land Bank are significant; existing resources would be diverted from other priorities and additional needed resources are not currently available
 - Staff resource cost impacts
 - Start-up will require at least 0.5 to 1.0 existing FTE time over 6-12 months
 - Expect at least 1.5 – 2.0 new FTEs required (Executive Director and Administrative)
 - Other VA Land Banks experiences indicate city funding will be required indefinitely as self-sufficiency is a challenge
 - New operating budget costs anticipated for other administrative start up needs (legal counsel, document preparation, office space), in addition to costs of acquiring and holding land
- Quick action approach may not be realistic; yet other tools available to achieve financing goals
 - Creating a financing mechanism to support affordable housing development
 - Bridge loan program ... low-interest long-term loan program ... other loan programs?
 - If resources were available, the City could hold land at lower cost or non-profit entity until affordable housing development can commence
- Goals could be realized without incurring the fiscal and staff costs of creating a Land Bank

Questions or Ideas?