

The Richmond Land Bank Annual Plan July 2018 – June 2019



A core mission of The Maggie Walker Community Land Trust



Maggie Walker
Community Land Trust

Foreward from the MWCLT Board of Directors

Land is a limited commodity in the City of Richmond, but it is the most fundamental building block of strong and healthy communities. How we use our land in the city determines the character of our neighborhoods and reveals the priorities of our policymakers.

Throughout Richmond's history, unequal access to land has created winners and losers and has sustained patterns of racial and economic segregation. This year, the Urban Institute ranked Richmond 261st out of 274 cities for overall inclusion. (*Inclusive Recovery in US Cities*, April 2018)

As the city attracts new growth and investment in the next decade, the control and use of land will dictate whether we can reverse this pattern and move toward a more just and inclusive community—the “One Richmond” that Mayor Stoney frequently describes.

Building and sustaining a diverse Richmond that is open to all races and incomes is no small task. But the city has a rare opportunity to make significant progress toward this goal—in the form of thousands of vacant and tax delinquent properties as well as other city-owned land. Some of these parcels are tangible symptoms of deep inequalities that persist to this day.

At the same time, they are opportunities for community-oriented investment and development, including affordable homes, public spaces, neighborhood gardens and revitalized commercial corridors. Richmond greatly needs these amenities but also needs a focused entity to make these transformations work.

A land bank is the right tool for this job. Across the country, land banks partner with communities to draft and implement better strategies for returning blighted, vacant, and underutilized properties to productive uses that address real neighborhood needs. As a community land trust, MWCLT is in a unique position to serve as a land bank for the City and its residents.

This plan represents our initial vision, goals, and strategies for the inaugural year of land banking operations. It is just the beginning. In the coming years, we look forward to building the land bank into an instrument that turns liabilities into neighborhood assets and uses land for the benefit of the community in ways that advance social equity and opportunity in our city.

We invite you to join with us in these efforts.

**Board of Directors,
The Maggie Walker Community Land Trust**

Background

On February 26th, 2018, Richmond City Council adopted an ordinance designating The Maggie Walker Community Land Trust to serve as the land bank for the City of Richmond.

This designation was made possible when the Virginia General Assembly passed legislation in 2016 that enabled the creation or designation of land banks by localities across the state. That legislation, the Land Bank Entities Act, was formally signed into law by Governor Terry McAuliffe.

The Maggie Walker Community Land Trust is the first community land trust in the nation to be designated a land bank. While the missions of land trusts and land banks are unique, they naturally complement one another by accelerating equitable development and stewardship of land throughout communities.

COVER IMAGES

TOP: “Shed Town” rowhouses on the 900 block of N 33rd St (Ronnie Pitman via flickr)

MIDDLE: Richmond & Rappahannock River Railway Terminal, 1001 N 29th St (Ronnie Pitman via flickr)

BOTTOM: Rowhouses on the 2100 block of Bainbridge St (Taber Andrew Bain via flickr)

Acknowledgements

This plan would not have been possible without knowledge and guidance from:

THE MWCLT BOARD OF DIRECTORS

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LAND BANK COMMUNITY WORKING GROUP

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INTRODUCTION

1. What is MWCLT?

The Maggie Walker Community Land Trust is a 501(c)3 nonprofit organization whose mission is to foster the equitable stewardship of land in the Richmond, Virginia region. MWCLT was formed in 2016 to provide high-quality homes available for purchase to low and moderate income households.

Using a shared equity model of home-ownership, MWCLT sells homes but retains ownership of the land, reducing the initial sales price. Upon resale, the owner agrees to limit the sales price to the next buyer, guaranteeing the home remains affordable for generations.

MWCLT is governed by a volunteer board of directors comprised of MWCLT homeowners, community representatives, and affordable housing experts.

HOW DOES A CLT WORK?

Homebuyer purchases house for reduced price that excludes value of land.

EXAMPLE:

House + land
\$200,000

Land cost
-\$30,000

Purchase price
\$170,000



Homebuyer leases ground underneath the home from CLT for a minimal fee.

When homeowner sells, they earn half of the increase in equity.

The remainder of the equity stays in the home to lower the cost for next buyer.

FIGURE 1: The land trust shared-equity model

2. What is a land bank?

Land banks are entities that acquire, maintain, and return vacant and blighted property to productive uses. Land banks may be municipal authorities or nonprofits and generally work within a certain locality or region.

Land banks help leverage public and private resources to transform “problem properties” into community-oriented uses. In this role, land banks serve as the intermediary between local governments, who assist in land acquisition, and community organizations, who need land to advance their missions.

The first land banks were established in St. Louis and Cleveland in the 1970s to triage widespread disinvestment and vacancy in urban neighborhoods. However, states did not widely adopt land bank enabling legislation until the early 2010s.¹

As of January 2018, there are more than 170 land banks across the nation. Land banking activities vary depending on local market and socioeconomic needs.



In 2016, the Lucas County Land Bank in Ohio announced an initiative to renovate or demolish 1,500 homes in 1,500 days to curb Toledo’s rapid decrease in property values. Twelve months later, the Land Bank was 185 properties ahead of schedule. PHOTO: *The Blade/Dave Zapotosky*



Surveyors with the Macon-Bibb County Land Bank in Georgia conducted a property-by-property analysis in 2017. The results will be used to map exactly where vacancy and poor structure conditions exist across the community.

PHOTO: *Georgia Public Broadcasting/Grant Blankenship*

FIGURE 2: Examples of land bank successes

1 Alexander, Frank S. (2015) “Land Banks and Land Banking [2nd edition].” Center for Community Progress.

3. How did MWCLT become the City of Richmond's land bank?

Background

In 2016, the Virginia General Assembly passed the **Land Bank Entities Act**, which enabled localities to create land banks in Virginia for the first time. The Act also permits localities to assign land banking authority to existing nonprofit organizations.

In 2017, MWCLT, in coordination with the Richmond Community Development Alliance (RCDA), elected to pursue this designation from the City of Richmond in order to create a more robust, efficient transfer of tax delinquent properties to nonprofits for affordable housing and other uses. MWCLT worked with City staff and elected officials to draft the necessary ordinance to create this designation.

In February 2018, Richmond City Council adopted **ORD. NO. 2017-196**, which officially designated MWCLT as the land bank for the City of Richmond. A memorandum of agreement (MOA) was drafted and attached to the ordinance to outline the relationship between MWCLT and the City.

Memorandum of Agreement

The MOA establishes the framework for how the land bank will operate in partnership with the City. It describes the primary and subordinate priorities of the land bank, creates a Citizens' Advisory Panel, outlines conflict of interest requirements, and requires the land bank to draft an operational plan each year, among other items. Elements of the agreement are addressed throughout this plan.

4. What is the purpose of this plan?

This inaugural, annual land bank plan includes four important components:

1. ***Case for a land bank in Richmond.*** The need for a land bank did not arise overnight. Using historical context and current data, this plan explains why the City needs a land banking strategy.
2. ***Preliminary goals, objectives, and strategies.*** In accordance with the MOA and input received from community members, the plan proposes initial goals and activities for the 12-month period beginning July 1, 2018.
3. ***Deeper community engagement strategy.*** July 2018 through June 2019 will be the first year of operations for the land bank. During this time, MWCLT proposes a comprehensive community engagement strategy including citizens, community leaders, and other stakeholders to refine the mission and goals of the land bank, and to create diverse opportunities for participation in both the land bank planning and property disposition processes.
4. ***Determine what questions need to be answered over the next year.*** While there are hundreds of land banks across the nation, this will be the first one in Richmond and in Virginia. This plan suggests ways to track the land bank's progress in order to modify strategies as needed based on their efficacy.

5. How was this plan created?

This plan was drafted by MWCLT staff with input from two critical sources:

- 1. Local community members.** Individual meetings and group meetings were held between staff and multiple community representatives to answer questions about the land bank and to gather input for this plan. These stakeholders will continue to aid MWCLT as it develops a more comprehensive strategy for public engagement over the next year.
- 2. National experts.** MWCLT board members and staff have consulted with both the **Grounded Solutions Network** and **Center for Community Progress**, two national organizations with expertise in community land trusts and land banking, respectively. Technical assistance from both entities will continue to be valuable as MWCLT begins operations as the first combined CLT and land bank in the United States.



**GROUND
ED
SOLUTIONS
NETWORK**

strong communities
from the ground up

Grounded Solutions Network was created in 2016 by the merger of both the National Community Land Trust Network and Cornerstone Partnership. Grounded Solutions Network staff have expertise in shared-equity ownership models (including CLTs), organizational capacity building, and tools for community-based inclusionary growth. It is a member-based organization with members in 45 states and the District of Columbia. MWCLT is a member of Grounded Solutions Network.

SOURCE: www.groundedsolutions.org



Vacant Spaces into Vibrant Places

The Center for Community Progress is the leading resource for communities seeking to eliminate vacant and underutilized properties in their neighborhoods. Community Progress partners with residents, nonprofit organizations, and local governments to provide knowledge and resources to help transform problem properties into community assets. In this role, Community Progress is also the foremost authority on land banks in the United States.

SOURCE: www.communityprogress.net



Rowhouses on the 2200 block of E Marshall St (Morgan Riley via Wikimedia Commons)

WHY RICHMOND NEEDS A LAND BANK

1. The distribution and use of land have been—and remain—key to Richmond’s history.

While a land bank cannot single-handedly remedy every injustice of the past, the context of our city’s history helps us understand why a land bank is an important tool for moving toward greater social equity.

A. PRE-20TH CENTURY: COLONIZATION AND WAR

Indigenous stewardship

Virginia was home to many different Native American tribes for thousands of years prior to the arrival of European colonists. An alliance of Virginia Algonquians, led by Wahunsenacawh (Chief Powhatan), were permanent inhabitants of eastern and central Virginia in the 1500s and 1600s, including what is now the City of Richmond. The main village of the Powhatan Tribe was located on a hill situated above the Fall Line on the James River, near present day Fulton Hill.² During this period, villagers sustained themselves via hunting and agriculture, rotating fields and crops to keep land arable.

Colonist acquisition and speculation

Shortly after landing at Jamestown in 1607, English explorers sailed up the James River and encountered Powhatan people near the Fall Line. The colonists made several unsuccessful attempts to settle in the area during the following decades; it was not until 1644 that the English conquered the land that would become Richmond after battles with the Powhatan people.

Colonist William Byrd I acquired the area around the Falls in 1673 and passed the land onto William Byrd II, who hired surveyor William Mayo to plat a grid onto Shockoe Valley in 1737 and subdivide the land for purchase and development.³ Richmond was then incorporated in 1742. Years later, William Byrd III sold off additional inherited land west of the City.

² Dabney, Virginius. *Richmond: The Story of a City*. Charlottesville: University Press of Virginia, 1990.

³ Potterfield, Tyler. *Nonesuch Place: A History of the Richmond Landscape*. Charleston: History Press, 2009.

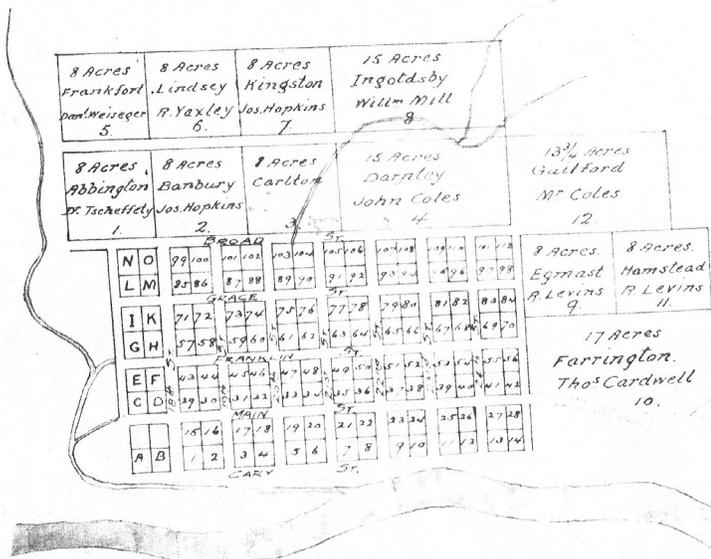


FIGURE 3: William Mayo's 1737 grid

Per William Byrd II's request, Mayo surveyed and platted a 28-block grid in Shockoe Valley. This grid was the foundation for all future land use planning and real estate activity in the City of Richmond.

SOURCE: urbanscalerichmondvirginia.blogspot.com

Reconstruction and expansion

Following the Revolutionary War, property ownership in Richmond remained a special privilege of a select, wealthy few. Many lower-class white residents lived in tenements, while blacks were enslaved. This remained the case leading up to and during the Civil War, which decimated much property throughout the City. As the City's population began to grow after the war, so too did its physical boundaries.

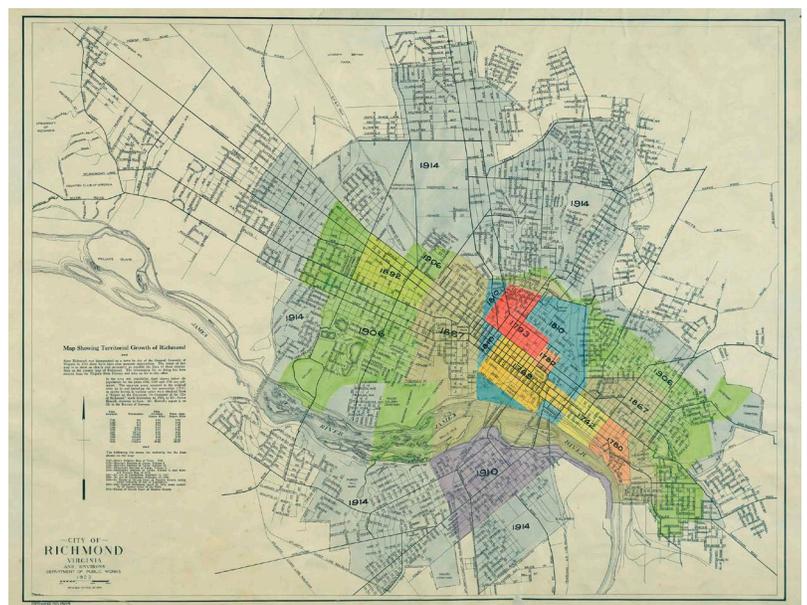
Between 1867 and 1914, Richmond annexed surrounding territory five times. This new land was primarily used for speculative residential real estate development made available to wealthier white households. Examples of these neighborhoods include the Fan, Monument Avenue, Barton Heights, and Woodland Heights. Lower-income and black families were not provided opportunities to build wealth on this newly developed land.⁴

4 Brown, Elsa B. and Gregg D. Kimball. (1995) "Mapping the Terrain of Black Richmond." *Journal of Urban History*, Vol. 21 No. 3, 296-346.

FIGURE 4: Richmond annexations, 1742–1923

Since its incorporation in 1742, the City of Richmond annexed territory from surrounding counties eleven times. State law prohibited the practice after the 1970 annexation of portions of Chesterfield County.

SOURCE: VCU Libraries Special Collections and Archives



B. 20TH CENTURY: SEGREGATION AND RENEWAL

Redlining and housing discrimination

The first wave of suburban development, in conjunction with the federal government's subsidization of homeownership for white families, further segregated land ownership. In 1937, the Home Owners' Lending Corporation (HOLC), a federal agency, graded Richmond neighborhoods from "A" through "D" to designate where government-backed home loans should be made. Communities with high concentrations of black households, regardless of neighborhood quality or stability, were consistently rated "D"—the least desirable

for investment. Marked red on maps, these "redlined" neighborhoods were systematically denied access to the same wealth-building opportunities provided to white communities. These actions, supplemented by restrictive covenants and other discriminatory tools, prevented black families in Richmond from building generational wealth via land and homeownership.

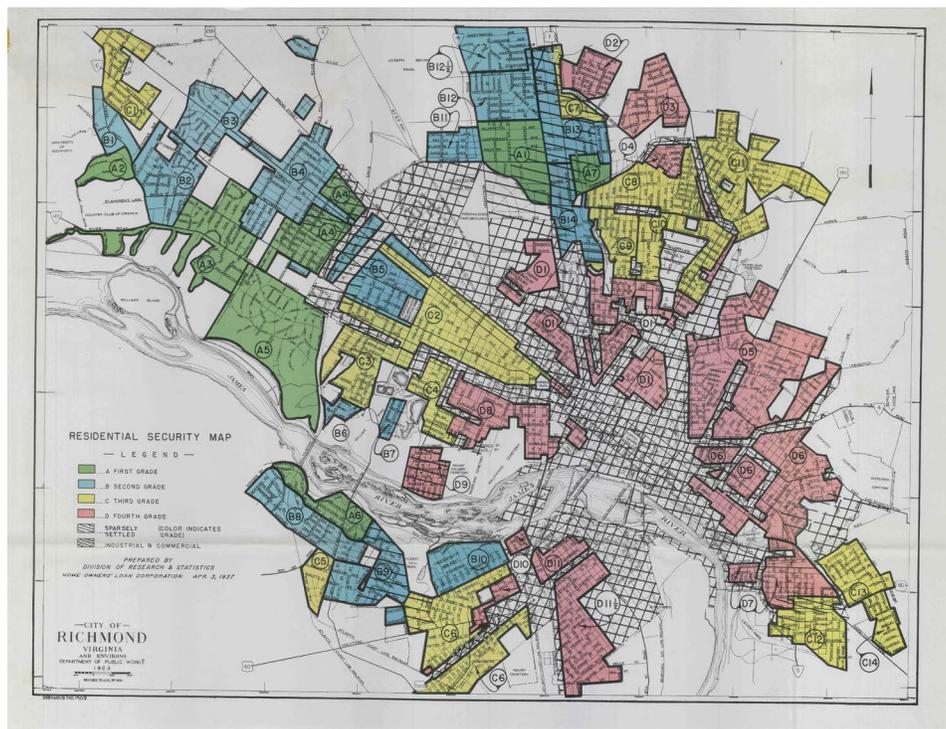


FIGURE 5: HOLC Residential Security Map of Richmond, 1937

SOURCE: www.redliningvirginia.org



FIGURE 6: Interstate 95 under construction in March 1958

The Richmond-Petersburg Turnpike (now Interstate 95/64) cut through much of the Carver and Jackson Ward neighborhoods of the City. Gilpin Court, Richmond's first public housing development, can be seen at the top right of this photo.

SOURCE: The Library of Virginia

Urban renewal and highways

After World War II the federal government began to offer funding for localities to engage in “slum clearance,” or “urban renewal,” to tear down high-poverty, predominantly black neighborhoods created by discriminatory policies. Often, as was the case in Richmond, these renewal activities were in conjunction with urban highway construction.

Interstates 95/64 and the Downtown Expressway were routed directly through Richmond's minority neighborhoods, including Carver, Jackson Ward, and Randolph. Land was extracted via eminent domain and redeveloped with few efforts to rebuild once vibrant communities.⁵

⁵ Campbell, Benjamin. *Richmond's Unhealed History*. Richmond: BrandyLane Publishers, 2012.

C. 21ST CENTURY: UNEQUAL REINVESTMENT

Housing crash and recession

Although Richmond did not experience the worst of the late-2000s mortgage crisis, years of predatory and subprime lending disproportionately affected minority homeowners in the City. Despite temporary gains, the homeownership rates for households

of color in Richmond remain far below those of white households. Furthermore, the real estate market crash led to higher rates of vacancy, delinquency, and abandonment in many of the City's lower-income neighborhoods.

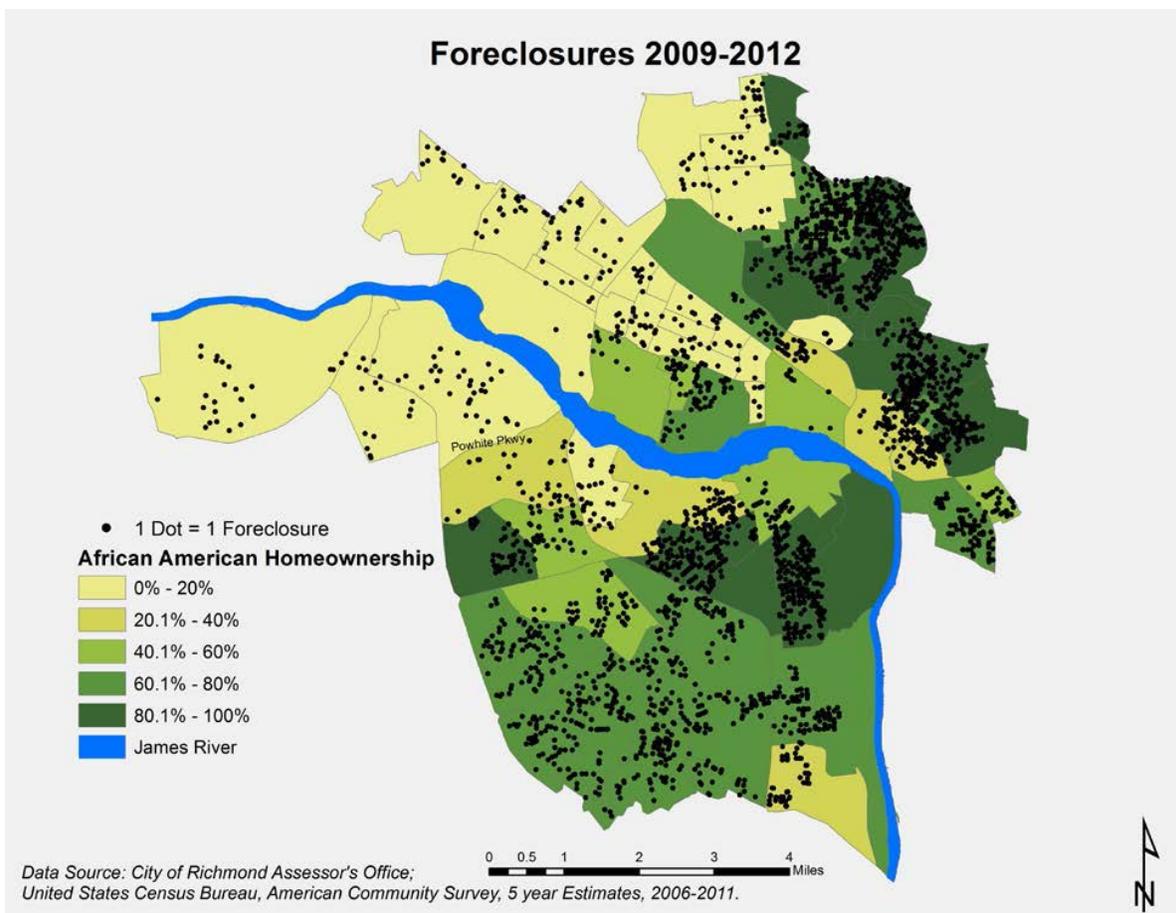


FIGURE 7: Foreclosures in Richmond and black homeownership rates, 2009–2012

Between 2005 and 2015, more than 4,700 homeowners lost their homes to foreclosure. In 2005, 42% of all foreclosures were located in census tracts with black homeownership rates greater than 80%.

SOURCE: Housing Opportunities Made Equal of Virginia, Inc. (2015 October) "Mortgage Lending in the City of Richmond: An Analysis of the City's Lending Patterns."

New investment is not meeting needs of all Richmond residents

As the City rebounds from the recession and sees significant levels of public and private investment, limited protections are in place to ensure that all Richmond residents benefit from the repurposing of land.

Thousands of new homes and apartments have been built in recent years, but many residents still struggle to pay rent. New grocery stores and farmer's markets appear, but more than 40% of the City's population lives in high-poverty, low food access neighborhoods.⁶ Access to land—and the ability to use it—is again defining our collective legacy as a city.

Incomes in Richmond aren't keeping pace with increasing rents.

Between 2000 and 2016, median rents in the City of Richmond rose:

+74%

During the same period, median household incomes in the City only grew by:

+36%

FIGURE 8: Changes in incomes and rents in Richmond, 2000–2016

SOURCES: Census 2000 SF3 data; 2016 American Community Survey 1-year estimates

⁶ City of Richmond Food Policy Task Force. (2013, July) "Mayor's Food Policy Task Force Report."

2. Richmond's real estate market is heating up, but the benefits are unevenly distributed.

An increasing number of the City's neighborhoods have seen dramatic growth in home prices and property values over the past ten years. On the other hand, many neighborhoods in Richmond still suffer from significant numbers of abandoned properties that lower property values and challenge residents' efforts to improve the community. These trends perpetuate spatial patterns of inequality.

A. THE REBOUNDED HOME MARKET IS PRICING MANY OUT.

Job growth and cultural amenities have made Richmond an attractive place to live for many young graduates and retiring baby boomers. As the demand for housing has risen, the supply in the City has not kept pace. Many white first-time homebuyers and downsizing couples are competing for a limited number of existing homes in Richmond. This increased demand has dramatically increased home prices in traditionally working-class black neighborhoods.

In Church Hill, the number of black homeowners declined by 419 from 2000 to 2015, while the number of white homeowners increased by 468.⁷

⁷ Census 2000 SF3 data; 2011-2015 American Community Survey, 5-year estimates.

Fewer Richmonders can afford to buy a home in their neighborhood.

The minimum household income to buy the average-priced home in the City is Richmond is:

\$54,848

Sample salaries of working-class Richmonders:

\$40,190

Licensed practical nurse

\$34,470

Delivery truck driver

\$38,040

Carpenter

\$39,390

Preschool teacher

FIGURE 9: Shrinking homeownership opportunities for many Richmond residents

SOURCE: Housing Virginia's SOURCEBOOK. Based on median sales price of for-sale homes in the City of Richmond during the 2nd quarter of 2017.

From 2012 to 2016, the average home price in Church Hill rose from \$165,000 to \$215,000.⁸ In the past year, the median days on market for a home in Church Hill was eight.⁹ Without active measures to secure land for affordable homes, many long-term residents and modest-income households will have significant difficulty finding a home in these neighborhoods.

⁸ Analysis of property transfer records from the City of Richmond's Assessor's Office.

⁹ Central Virginia Regional Multiple Listing Service; June 28, 2017 through June 28, 2018.

B. VACANT AND TAX DELINQUENT PROPERTIES HURT NEIGHBORHOODS.

While Richmond’s home sales market continues to set records, there are still roughly **7,000** tax delinquent properties in the City—about 10% of all parcels. The total amount of back taxes owed is around \$31 million.¹⁰ While a large share are only one or two payments behind, an estimated

2,000 of these properties have been delinquent for five years or more; in other words, they have been effectively abandoned by the owner. The majority of these long-term delinquent properties sit vacant, acting as liabilities to the immediate and surrounding community.

¹⁰ City of Richmond Finance Department, August 2018.

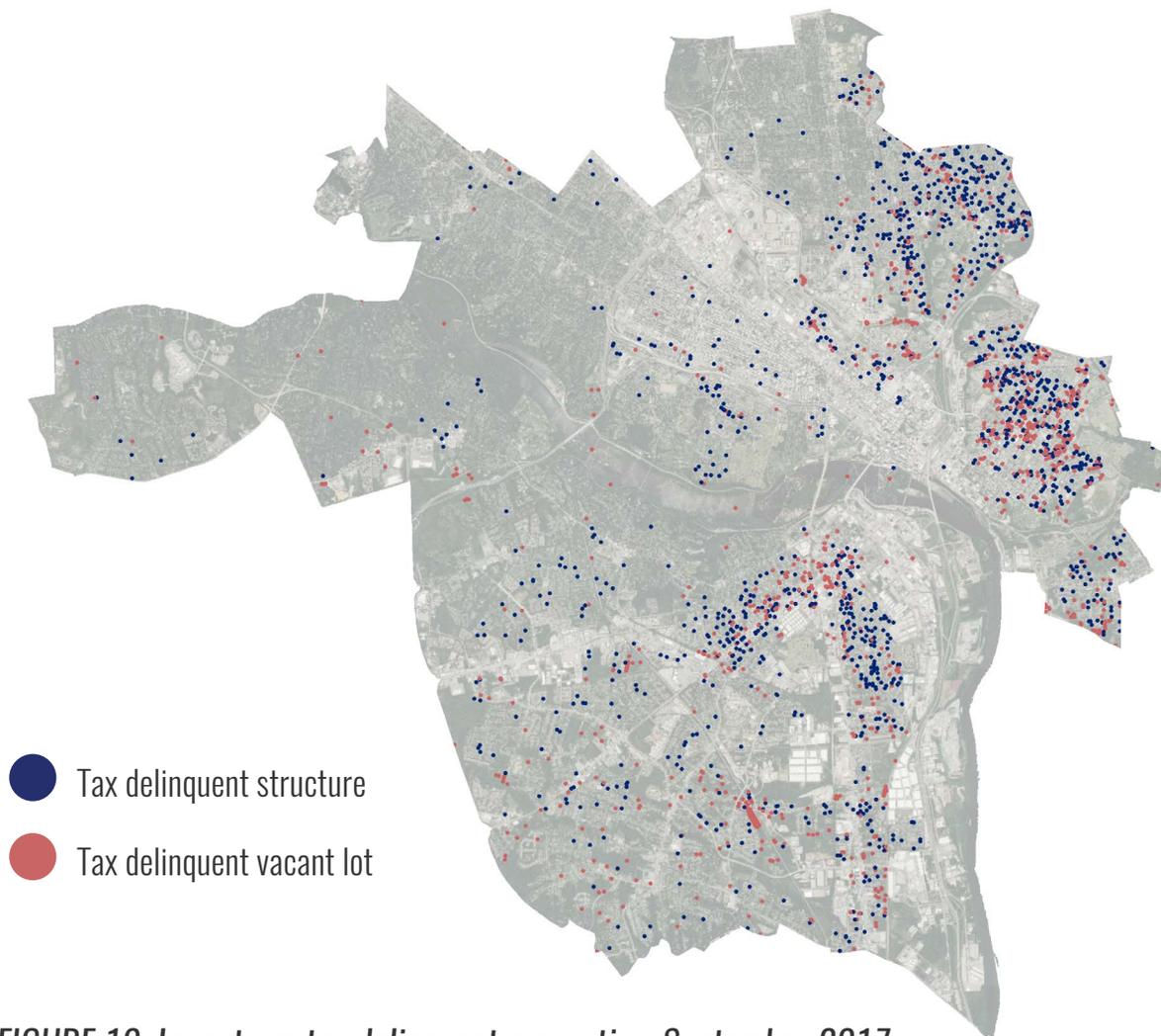


FIGURE 10: Long-term tax delinquent properties, September 2017

SOURCE: City of Richmond Finance Department

C. LAND DISPARITIES PERPETUATE SOCIOECONOMIC INEQUALITIES.

Differences in vacancy, affordability, and market activity throughout Richmond are intricately connected to other socioeconomic indicators. Solving these problem properties by addressing community needs will begin to remedy such inequalities.

Nearly **35%** of all tax delinquent properties in the City of Richmond are located in neighborhoods that were “redlined” in the 1930s.

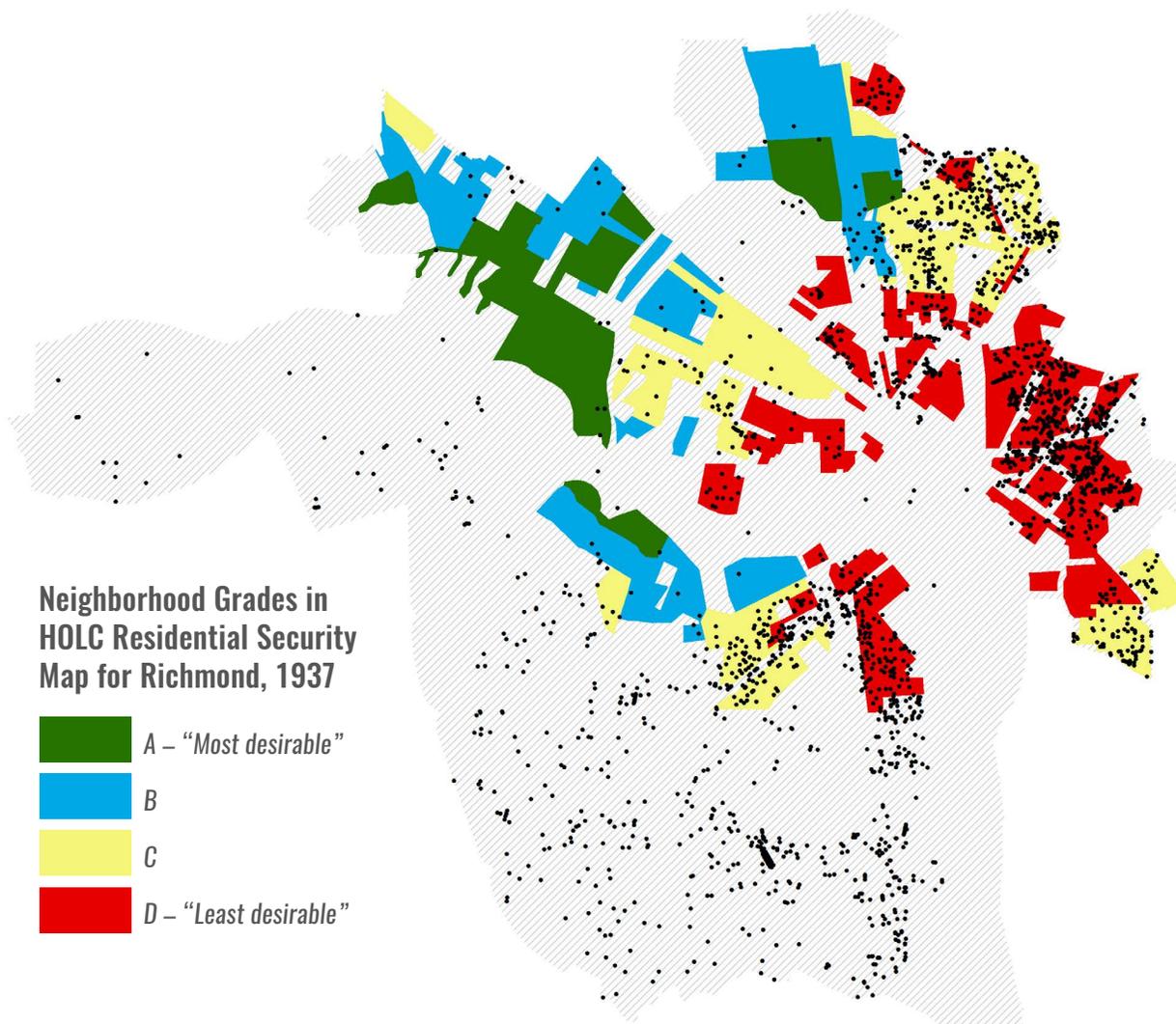
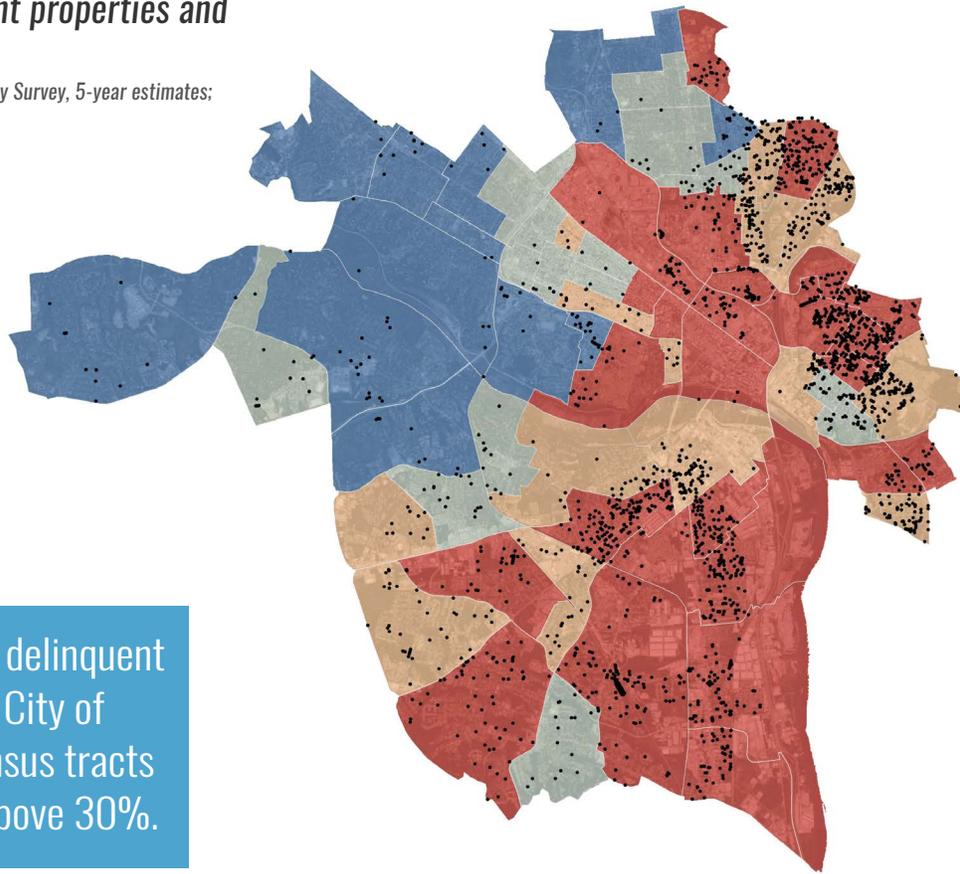
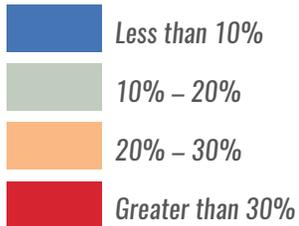


FIGURE 11: Tax delinquent properties and HOLC neighborhood grades
SOURCES: University of Richmond Digital Scholarship Lab; City of Richmond Finance Department

FIGURE 12: Tax delinquent properties and poverty rates

SOURCES: 2012-2016 American Community Survey, 5-year estimates; City of Richmond Finance Department

Percent of population below poverty level

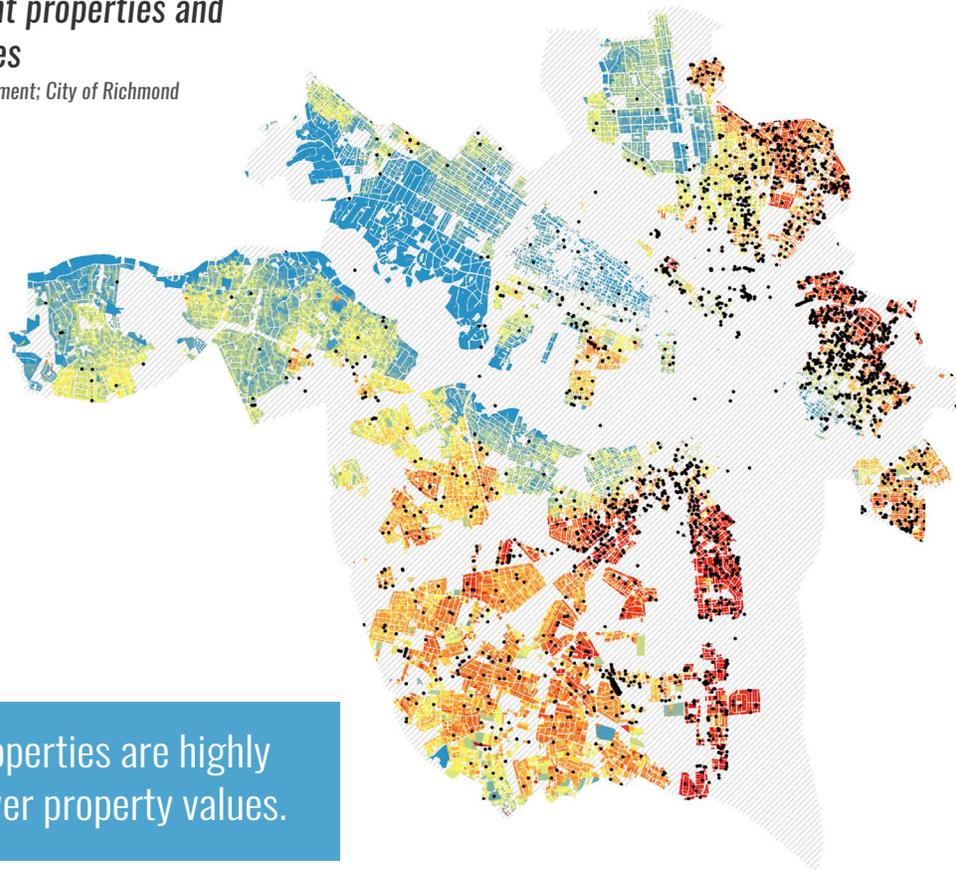


Over **60%** of all tax delinquent properties in the City of Richmond are in census tracts with poverty rates above 30%.

FIGURE 13: Tax delinquent properties and residential property values

SOURCES: City of Richmond Finance Department; City of Richmond Assessor's Office

Assessed property values for 2018 by parcel



Tax delinquent properties are highly correlated with lower property values.

3. We must improve the process to return tax delinquent properties to productive use.

Through tax auctions and other methods, the City's efforts to put tax delinquent properties into the hands of new owners has expanded significantly in recent years. A land bank is an opportunity to capitalize on this momentum by creating a robust, transparent, and predictable method for transforming these properties into community assets.

A. THE CURRENT TAX AUCTION PROCESS GENERATES NEEDED REVENUE, BUT DOES NOT BUILD STRONGER COMMUNITIES.

The City of Richmond currently auctions most tax delinquent properties to the highest bidders, once the judicial foreclosure process is complete. Since 2010, over 300 properties have been sent to auction. In fiscal year 2017 alone, the City collected \$5.9 million in revenue from the sale of 134 tax delinquent properties.¹¹

Although these auctions provide significant, immediate revenue to the City, neighborhoods where many of these properties are located have not seen meaningful changes on the ground.

Just one in three tax delinquent properties auctioned from 2010 to 2017 has been significantly rehabilitated or developed. The remainder still sit unimproved, unused, or vacant.

Across the nation, land banks provide an alternative conduit for the disposition of tax delinquent properties. By soliciting citizen and nonprofit input, land banks establish community-driven processes for the transformation of delinquent and vacant properties. In many localities, land banks continue to work in conjunction with ongoing tax auctions.

B. RECENT DIRECT SALE ACTIVITY TO NONPROFITS IS INSUFFICIENT.

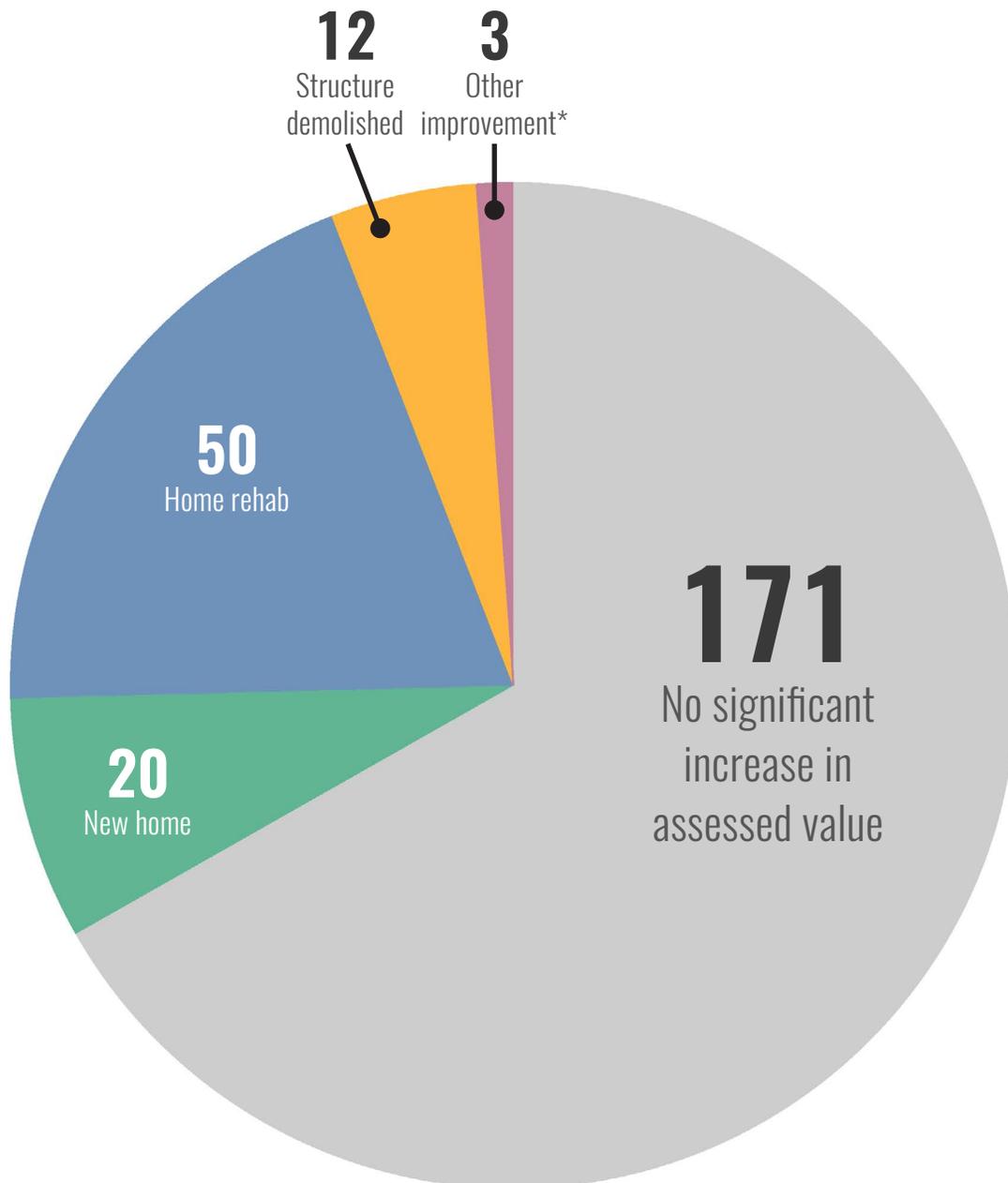
In accordance with state law, the City may initiate a direct sale of certain tax delinquent properties to qualified nonprofit organizations to support affordable housing and other community-oriented development. To date, fewer than 30 properties have been transferred to five nonprofits via this method.¹²

¹¹ Office of the Press Secretary to the Mayor. (2018, June 28) "City Revenue Increasing Through Expansion of Tax Delinquent Sales."

¹² Analysis of City Council ordinances from 2010 to present.

FIGURE 14: Current status of properties sold at tax auction from March 2010 through May 2017

SOURCES: Motley's Asset Disposition Group; Analysis of current City of Richmond assessment records



Just **1 in 3** of all properties sold at tax auctions have seen a significant increase in assessed value.

* Includes community garden, parking lot, and garage.

LAND BANK PLAN FOR 2018–2019

Our vision:

The Richmond Land Bank will provide a *strategic, streamlined, and transparent* method for repurposing vacant and tax delinquent property into assets that address community needs and desires.

GOAL 1: *Strategic transformation of property in accordance with community needs.*

This goal sets the main and subordinate priorities of the land bank, along with criteria for prioritization of communities within the City. It also prescribes the land bank’s approaches for strategic land retention, and deliberative end use.

OBJECTIVE 1.1

The main priority of the land bank will be the creation of affordable housing.

As identified in previous sections, the need for abundant, affordable homes in Richmond is significantly expanding. The land bank will leverage its capabilities along with the City’s strong network of affordable housing developers to increase the supply of homes within financial reach of low-income Richmond households.

STRATEGY 1.1.1

Ensuring perpetual affordability. As an element of MWCLT, the land bank is in a unique position to help create housing opportunities with affordability measures that last in perpetuity.

a. Direct retention in CLT: The land bank will help promote permanent affordability by immediately retaining a certain portion of properties in the community land trust shared-equity model, as determined by the Citizens’ Advisory Panel.¹³

MWCLT will develop new or rehabilitated homes on these properties made available to households earning no more than 115% of the current Area Median Income (AMI) for the Richmond, VA MSA¹⁴ (or lower as prescribed in **STRATEGY 1.1.2**).

b. Indirect retention in CLT. MWCLT will partner with other nonprofit housing developers who receive land bank properties to provide the option of keeping the land under newly constructed or rehabilitated homes within MWCLT’s stewardship. These homes would also enter into the land trust model for permanent affordability. (See example in **FIGURE 15** on following pages.)

¹³ The Citizens’ Advisory Panel is discussed in detail on page 40.

¹⁴ The Richmond, VA MSA contains the following areas: Amelia County, VA; Caroline County, VA; Charles City County, VA; Chesterfield County, VA; Dinwiddie County, VA; Goochland County, VA; Hanover County, VA; Henrico County, VA; King William County, VA; New Kent County, VA; Powhatan County, VA; Prince George County, VA; Sussex County, VA; Colonial Heights city, VA; Hopewell city, VA; Petersburg city, VA; and Richmond city, VA.

How can the Richmond Land Bank promote more affordable homes?

For households earning . . .

Below 50% AMI

50% area median income for the Richmond, VA MSA:

\$29,150	\$33,300	\$41,600
1-person household	2-person household	4-person household

. . . the land bank may:

- Acquire and assemble large parcels for affordable multifamily rental development.
- Solicit proposals for development of deeply-subsized apartment homes, offering land at reduced cost to help keep rents low.
- Require recipient entities to accept Housing Choice Vouchers to increase affordability.

50% to 80% AMI

80% area median income for the Richmond, VA MSA:

\$46,600	\$53,250	\$66,550
1-person household	2-person household	4-person household

- Acquire vacant lots available for single-family and low-density new residential construction, as well as unoccupied, dilapidated structures available for repair and rehabilitation.
- Transfer land or home at reduced cost to nonprofit CDCs to leverage existing rental and homeownership subsidy programs targeted below 80% AMI.
- Retain a portion of owner-occupied homes in CLT model to provide perpetual affordability.

80% to 115% AMI

115% area median income for the Richmond, VA MSA:

\$67,000	\$76,600	\$95,700
1-person household	2-person household	4-person household

- Acquire vacant lots available for single-family and new residential construction, as well as unoccupied, dilapidated structures available for repair and rehabilitation.
- Target high-value neighborhoods for homeownership opportunities to households ineligible for <80% AMI programs, but still in need of additional assistance.
- Retain a significant portion of owner-occupied homes in CLT model to provide perpetual affordability.

(AMI limits provided for FY2018)

STRATEGY 1.1.2

Additional affordability requirements. The land bank may enforce other requirements for housing affordability in accordance with statutory, regulatory, and/or voluntary requirements as described below.

a. Statutory and regulatory requirements:

Virginia law: When the land bank receives a tax delinquent property from the City via the direct sale method, certain state regulations apply (**Va. Code § 58.1-3970.1**). For properties with a current assessment between \$50,000 and \$100,000, the recipient entity (which may be MWCLT) must use the property for affordable homeownership to a buyer with a household income no more than 100% of AMI.

Funding requirements: If the land bank or a recipient entity utilizes certain federal, state, or local grants, these funding sources may have separate affordability requirements. Most nonprofit community development corporations in the Richmond region utilize federal grants that limit their clients to households earning no more than 80% of AMI (e.g., CDBG and HOME). Affordable homeownership opportunities using these programs may, but are not required to, use a shared-equity model.

b. Other requirements:

For direct sale properties assessed below \$50,000, the land bank may apply affordability guidelines with wide discretion. These affordability requirements will depend on the type of property and identified final use as determined by the Citizens' Advisory Panel. The CAP may establish affordability requirements on a property-by-property basis when no requirements are triggered by statute or regulation.



In 2018, Richmond Metropolitan Habitat for Humanity and project:HOMES began rehabilitating over 30 homes in the Maymont and Randolph neighborhoods to sell to buyers earning below 80% AMI. Previously scattered-site public housing, these homes had been vacant for decades.

MWCLT has partnered with both organizations to bring some of these homes into the land trust, lowering their sales prices by \$30,000 to around \$135,000 for a high-quality, energy efficient, and attractive home. The price makes these homes much more affordable to low-income buyers, while the CLT keeps them affordable in perpetuity. PHOTO: Richmond Metropolitan Habitat for Humanity

FIGURE 15: MWCLT/nonprofit partnerships to deepen homeownership affordability

OBJECTIVE 1.2

Subordinate priorities of the land bank will include retail/commercial/industrial activities, historic preservation, public spaces, and urban agriculture. These activities, with guidance from neighborhood conversations, will help the land bank repurpose underused properties to meet a wide range of community needs.

STRATEGY 1.2.1

Retail, commercial, and industrial activities. The land bank may receive certain non-residential properties which the Citizens' Advisory Panel may elect to set aside for these uses. In such

cases, the CAP will allow for additional public comment and engagement of the immediate community to determine best use options.

STRATEGY 1.2.2

Preservation or rehabilitation of historic properties. It is likely the land bank will receive properties located in federal, state, and or local historic districts. The land bank will incorporate these additional regulations into the final disposition agreements for such eligible properties, and take additional steps to ensure that the property recipient is familiar with the regulations applicable to rehabilitation and/or construction within those districts.



Mural overlooking a parking lot in Jackson Ward (Paul Sableman via flickr)



Aerial view of the newly renovated Kanawha Plaza in Downtown (Bill Dickinson via flickr)

STRATEGY 1.2.3

Public spaces and places. Some properties received by the land bank may be designated for publicly-accessible open space, such as parks or playgrounds. The CAP will determine which properties are best suited for this use, and the land bank will transfer the property to an entity with demonstrated capabilities for development and maintenance. If no such entity is available, the CAP may elect to keep the property in the land bank, if MWCLT has the capability to preserve the space.



Compost bins at a community garden in Manchester (University of Richmond Living-Learning Programs via flickr)

STRATEGY 1.2.4

Urban agriculture. Some properties received by the land bank may be located in communities where residents have determined that food access and food justice are prioritized needs. Furthermore, many properties may not be immediately developable based on zoning regulations or market conditions. In such cases, the CAP may designate a property's interim or final use for urban agriculture. The CAP may elect to transfer ownership of a property to an existing nonprofit or community organization for this purpose, or may enter into a long-term lease with an individual or organization.

OBJECTIVE 1.3

Community prioritization criteria will help focus the land bank’s activities in areas in need of greatest intervention. The land bank has the opportunity to seek tax delinquent properties in certain areas of the City in order to prioritize its work and generate more focused, positive impacts. These priorities will help the land bank directly address past and current inequalities. The land bank intends to evaluate and modify these criteria with stakeholder input to respond to changing market conditions and community needs.

STRATEGY 1.3.1

Criteria for prioritization. The following criteria are used to evaluate neighborhoods and select communities for strategic land bank activity:

a. Current status of properties:

1. **High number and percentage of vacant properties.** Vacant lots are an immediate opportunity for new, equitable development.
2. **High number and percentage of long-term tax delinquent properties.**¹⁵ Via the direct sale method, this is the primary source of properties available to the land bank.

(Data from City of Richmond property assessments.)

(Data from City of Richmond Finance Department.)

¹⁵ “Long-term” is defined as five (5) years or greater of local tax delinquency.

3. **High number of code violations issued by City.**¹⁶ Unsafe structures should be specifically targeted for community-oriented revitalization to improve neighborhood health.

(Data from City of Richmond Code Enforcement Division.)

b. Affordability for low-income households:

1. **Significant year-over-year increases in property values.** Large jumps in property values highlight areas where new investment has the potential to displace current residents.
2. **Significant increase in median rents since 2010.** Escalating rents can make once-affordable homes become a financial burden very quickly.
3. **Significant increase in median home prices since 2010.** Surging for-sale home prices quickly lock many low and moderate-income people out of homeownership.

(Data from City of Richmond property assessments.)

(Data from Census and American Community Survey.)

(Data from Central Virginia Regional Multiple Listing Service.)

¹⁶ “Code violations” are defined as citations for unsafe structures or unfit structures.

There are more than **5,000** undeveloped residential lots in the City of Richmond.

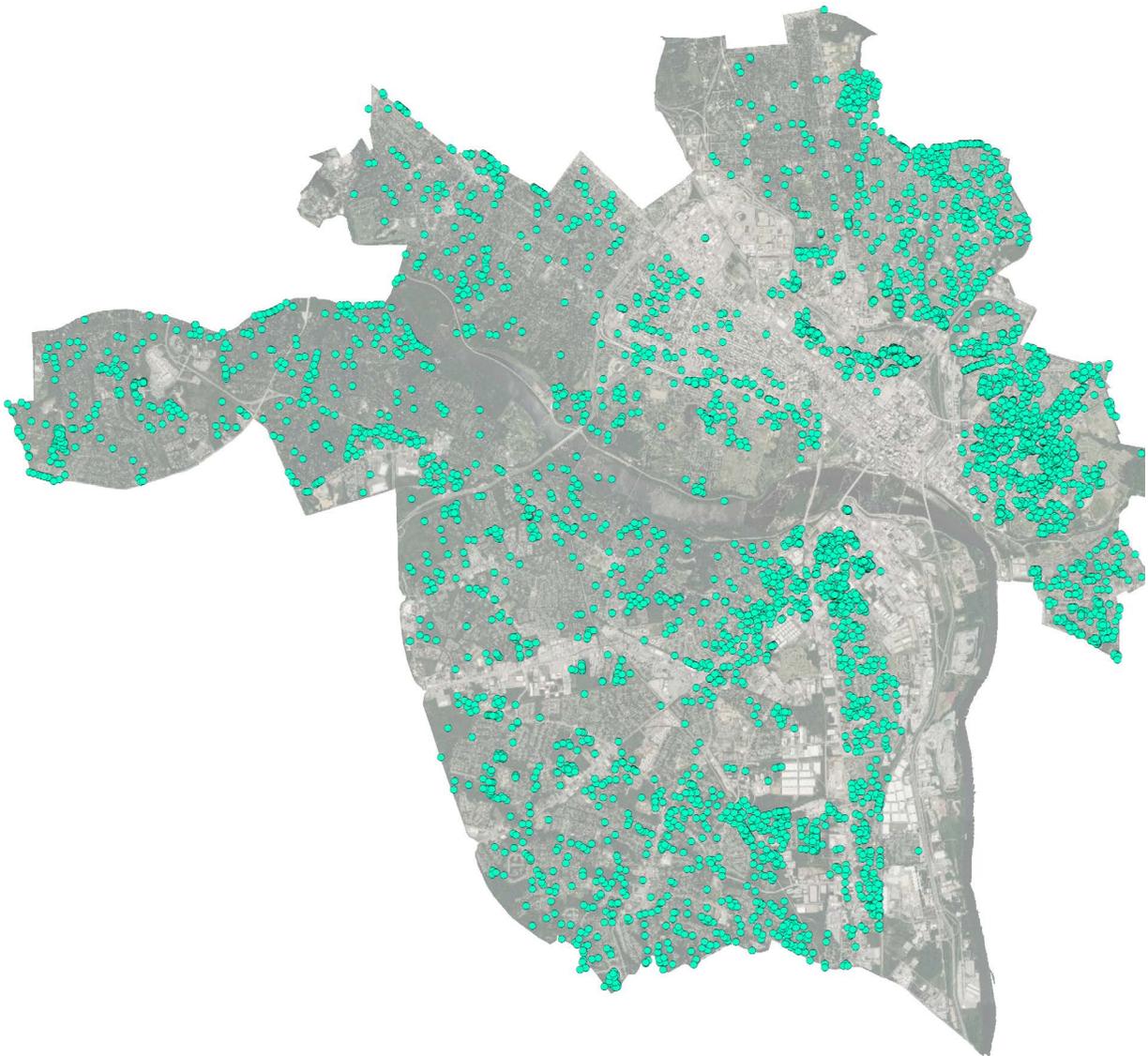


FIGURE 16: Vacant lots in the City of Richmond

SOURCE: City of Richmond GIS

c. Community health:

- 1. High ambient temperature relative to average.**¹⁷ Different land use and ground cover patterns create “urban heat islands” in Richmond. Because higher temperatures are associated with greater health risks, identifying “hot spots” across the City may help determine where vacant, undevelopable land in those areas can be prioritized for green interventions.
- 2. Low food security.** Neighborhoods with limited access to fresh, healthy food can utilize vacant and empty lots for community gardens to promote food justice.
- 3. Below-average life expectancy.** Community health is a major factor for individual health. Areas with poor health outcomes deserve focused, equitable interventions.

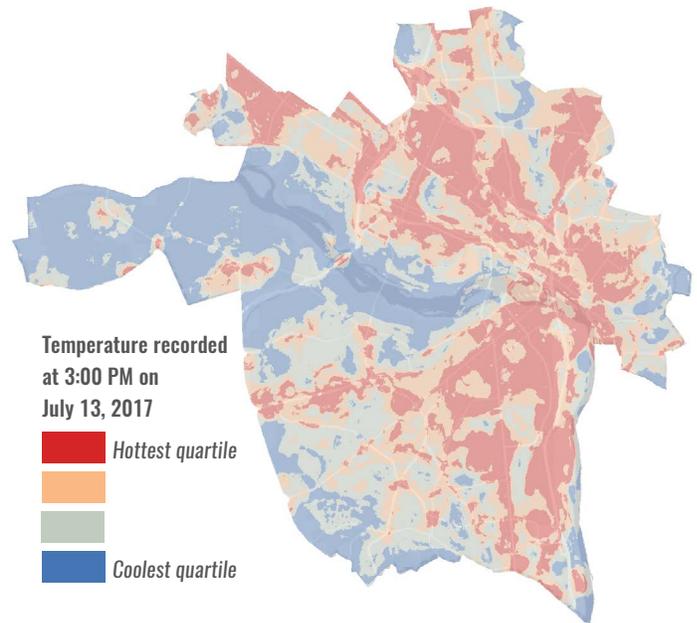


FIGURE 17: Urban heat islands in Richmond

SOURCE: J.S. Hoffman, Science Museum of Virginia, 2017

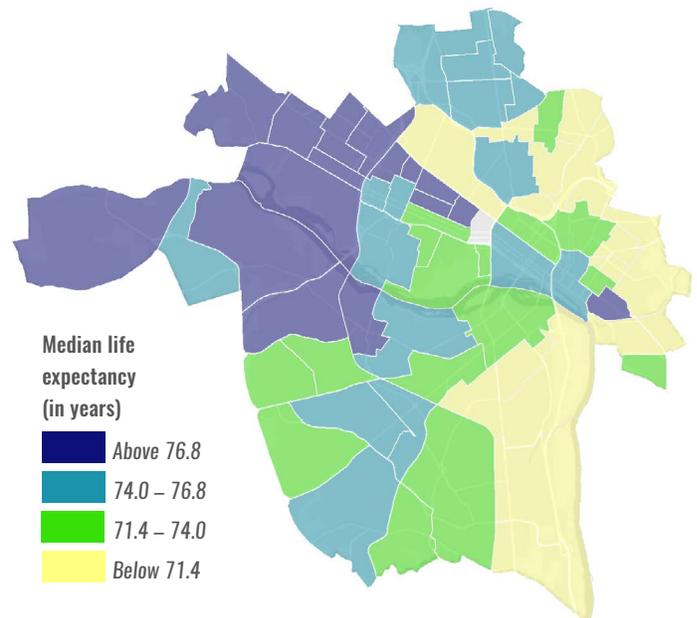


FIGURE 18: Median life expectancy by tract

SOURCE: Virginia Department of Health, 2015

¹⁷ In July 2017, a coalition of researchers with the Science Museum of Virginia conducted an urban heat island analysis for the City of Richmond using sensors on vehicles and bicycles. The resulting temperature gradient data is mapped to determine the sizes and locations of the City’s hottest areas.

d. Additional criteria:

1. **Classification based on Market Value Analysis.** A Market Value Analysis (MVA) was completed for the Richmond region by The Reinvestment Fund in 2017, supported by the Richmond Memorial Health Foundation. The MVA classifies residential neighborhoods based on market conditions and housing opportunity. These classifications can be a visual tool for determining when public intervention can have the greatest impact. The Philadelphia Land Bank uses MVA to guide their strategic plan.¹⁸

2. **Gentrification potential and status.** Changes in home values, household incomes, and educational attainment within census tracts are a generally-accepted way to broadly determine which neighborhoods may experience gentrification—along with those which have already undergone the process.¹⁹ The land bank may strategically reserve land for equitable development and permanently affordable homes in these tracts to help keep long-term and modest-income residents in place.

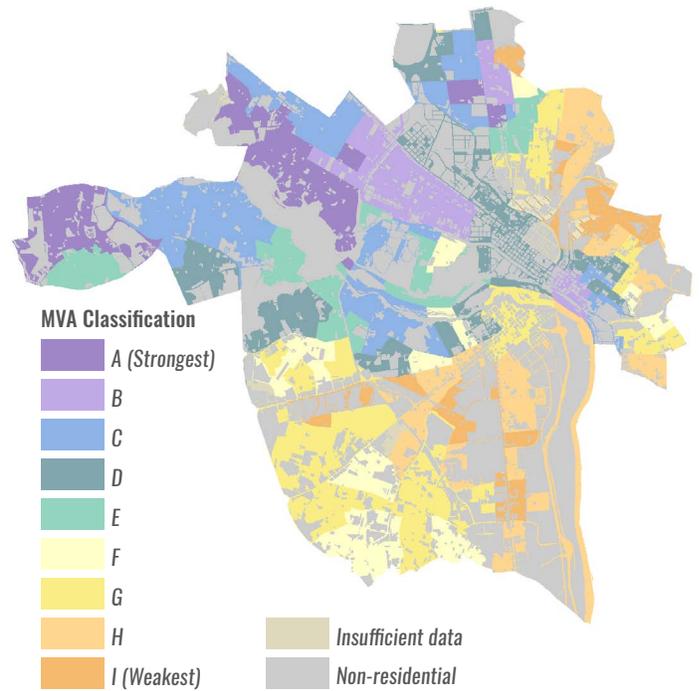


FIGURE 19: Market Value Analysis classifications

SOURCE: The Reinvestment Fund and Richmond Memorial Health Foundation, 2017

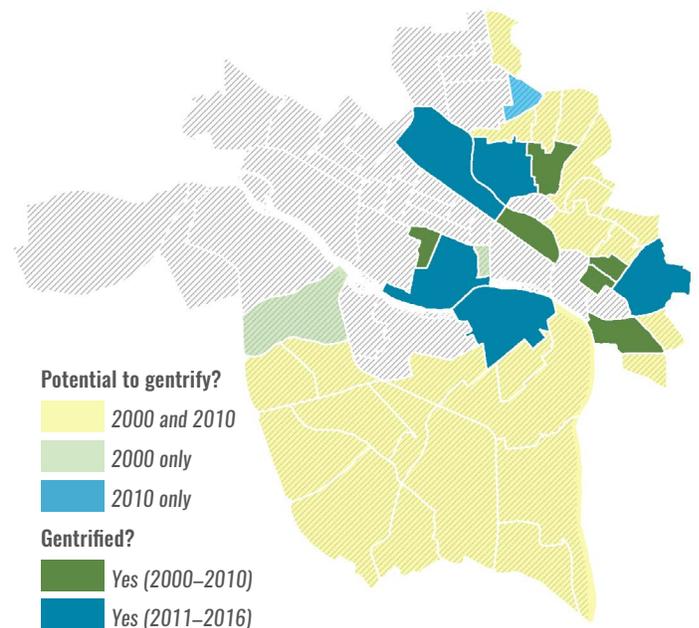


FIGURE 20: Gentrification by tract in Richmond, 2000–2016

SOURCES: Census 2000 and Census 2010 SF3 data; 2012–2016 American Community Survey, 5-year estimates

18 Philadelphia Land Bank. (2017, March 9) “2017 Strategic Plan & Performance Report.”

19 For details and methodology, see: Governing Magazine. (2015, February) “Gentrification in America Report.”

STRATEGY 1.3.2

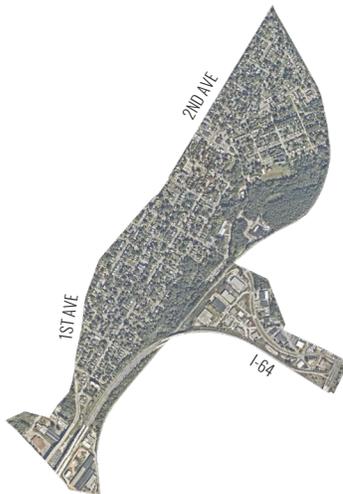
Prioritized communities. Although the land bank will operate city-wide, based on the above criteria, these are the communities where the land bank will concentrate its activities during 2018–2019. Selected characteristics from City of Richmond and recent Census data are provided.

Highland Park



CENSUS TRACT 108

Population / households: ^a	3,973 / 1,520
Homeownership rate: ^a	57.6%
Poverty rate: ^a	32.2%
Median rent: ^a	\$958 (+48% since 2009)
Vacant properties: ^b	95
Tax delinquent properties: ^c	112
MVA classification(s): ^d	H
Median life expectancy: ^e	70 yrs (4 below City avg.)
Gentrified? ^f	Potential to gentrify



CENSUS TRACT 109

Population / households:	3,283 / 1,117
Homeownership rate:	42.6%
Poverty rate:	29.9%
Median rent:	\$938 (+3.5% since 2009)
Vacant properties:	95
Tax delinquent properties:	81
MVA classification(s):	H
Median life expectancy:	66 yrs (8 below City avg.)
Gentrified?	Potential to gentrify

(CENSUS TRACT MAPS ARE NOT SHOWN TO SCALE)

Data sources:

a: 2012–2016 American Community Survey, 5-year estimates

b: City of Richmond property assessments

c: City of Richmond Finance Department

d: Market Value Analysis for the Richmond Region, The Reinvestment Fund

e: Virginia Department of Health

f: Analysis of Census and ACS data

Church Hill



CENSUS TRACT 203

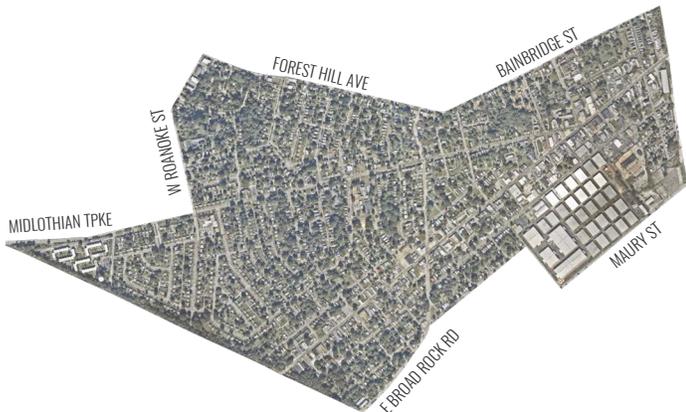
Population / households:	1,552 / 648
Homeownership rate:	57.4%
Poverty rate:	37.8%
Median rent:	\$1,015 (+17% since 2009)
Vacant properties:	188
Tax delinquent properties:	122
MVA classification(s):	G / H
Median life expectancy:	67 yrs (7 below City avg.)
Gentrified?	Potential to gentrify



CENSUS TRACT 207

Population / households:	1,164 / 631
Homeownership rate:	35.7%
Poverty rate:	39.3%
Median rent:	\$579 (+14% since 2009)
Vacant properties:	186
Tax delinquent properties:	95
MVA classification(s):	D
Median life expectancy:	67 yrs (7 below City avg.)
Gentrified?	Gentrified 2000–2010

Swansboro



CENSUS TRACT 604

Population / households:	5,334 / 2,159
Homeownership rate:	43.8%
Poverty rate:	33.9%
Median rent:	\$810 (+2.4% since 2009)
Vacant properties:	95
Tax delinquent properties:	173
MVA classification(s):	F / H / I
Median life expectancy:	69 yrs (5 below City avg.)
Gentrified?	Potential to gentrify

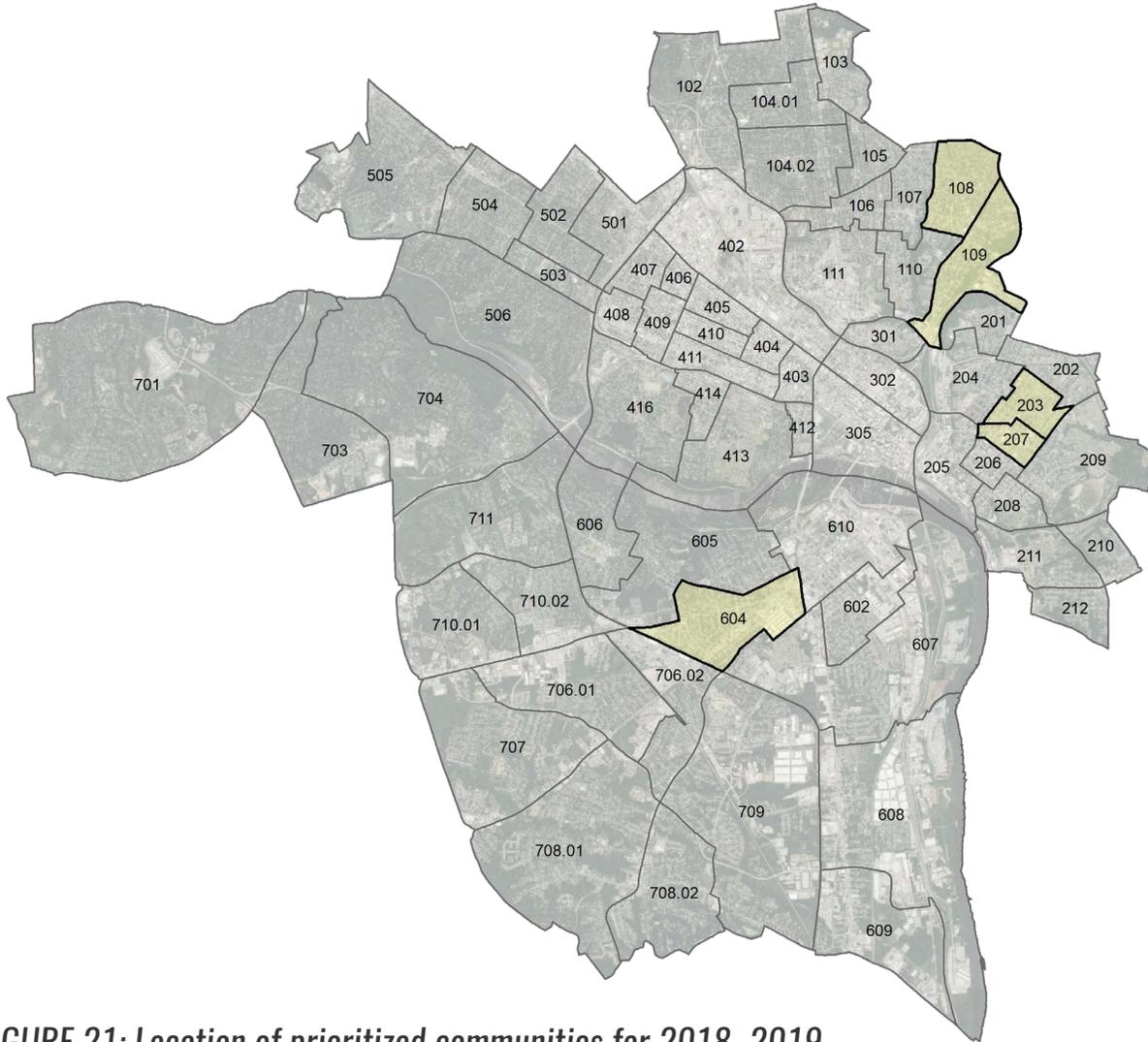
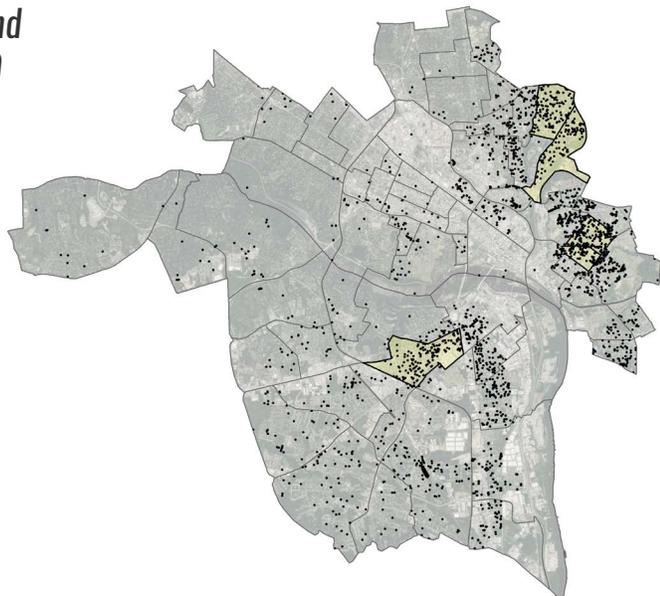


FIGURE 21: Location of prioritized communities for 2018–2019
 Number labels show census tract codes

FIGURE 22: Tax delinquent properties and prioritized communities for 2018–2019

SOURCE: City of Richmond Finance Department



STRATEGY 1.3.3

Terms and provisions of prioritization. The selection of these prioritized communities are subject to the following terms.

- a. The land bank will make best efforts to request and acquire properties in these communities. **At least 60% of the properties that will be included in the land bank’s request to the City will be in these five tracts.** The land bank will work in conjunction with the City for this process.
- b. The land bank will obtain additional community and resident input from these neighborhoods throughout 2018–2019. For details, see **STRATEGY 3.2.3.**
- c. This prioritization does not preclude the land bank from acquiring and operating in other neighborhoods of the City. For example, the land bank will also seek properties in neighborhoods where home prices are rising rapidly as part of its strategy to create homeownership opportunities that are permanently affordable. The land bank will also strive to acquire certain parcels in existing neighborhoods of high opportunity.

OBJECTIVE 1.4

When applicable, the land bank’s activities will align with existing planning efforts of the City. In this way, the land bank will be in harmony with broader neighborhood preservation and development goals now and in the future.

STRATEGY 1.4.1

Small area plans. If the land bank acquires property in a neighborhood with a small area plan, the CAP will designate its final use in accordance with the goals and strategies outlined in such plans.

STRATEGY 1.4.2

Richmond 300. During 2018 and 2019, the land bank will engage with the Richmond 300 master plan update initiative to ensure that its mission and capabilities are strategically incorporated into the new comprehensive plan for the City of Richmond. The land bank will support the development of neighborhood plans for its prioritized neighborhoods within the Richmond 300 process.



GOAL 2: Streamlined procedure for acquiring, maintaining, and transferring properties.

This goal sets the standards by which the land bank will obtain properties via several sources, effectively maintain properties it holds, and transfer properties once an end use and user have been determined.

OBJECTIVE 2.1

The land bank will have a simplified and efficient property acquisition process. The land bank will establish avenues for acquiring properties, both from the City and other sources. The development of clear and robust mechanisms is necessary for the land bank to make meaningful impacts across Richmond.

STRATEGY 2.1.1

Establish strong working partnership with City. By December 31, 2018, the land bank will have a formalized relationship with the City regarding transfer of tax delinquent and City-owned properties.

- a. Collaborate with the City Attorney's Office, the City's Finance Department and other relevant City entities to lay out a consistent and standardized process for transferring tax delinquent properties. The land bank and City will work together to create annual goals for the number of properties transferred.
- b. Explore opportunities for transfer of City-owned surplus properties, pursuant to City of Richmond **ORD. NO. 2017-69**, concerning the sale of City-owned real estate. MWCLT will seek an opinion from the City Attorney to determine how this ordinance may or may not affect the land bank's ability to receive surplus properties.
- c. Annually revisit the existing MOA between MWCLT and the City, with input from City Council, to ensure that the agreement allows MWCLT to address and meet community needs, especially as are identified by the land bank's community engagement process.
- d. To avoid the potential displacement of low-income homeowners who may have challenges paying real estate taxes, the land bank will work with the City to support programs that proactively prevent such delinquent owners from having their homes enter the tax foreclosure process.

STRATEGY 2.1.2

Explore other sources of property. The land bank will develop procedures for obtaining property via the following methods.

- a. **Strategic market acquisitions.** The land bank may elect to purchase certain properties offered for sale on the open market, in accordance with its strategic goals.
- b. **Land donations.** The land bank may elect to receive donations of certain properties from individuals, nonprofit organizations, for-profit corporations, and other entities.

OBJECTIVE 2.2

Property maintenance will be efficient and fair. Before transferring parcels to end users, the land bank will undertake basic property maintenance activities to clean up litter and debris, cut grass and landscape, and remove any hazards, including demolition when appropriate.

STRATEGY 2.2.1

Determine maintenance needs for each property. Prior to final property acquisition, land bank staff will evaluate the short and long-term maintenance needs of the lot or structure in a standardized report. This report will help the land bank find contractors ready and capable to complete the work.

STRATEGY 2.2.2

Partner with neighborhood organizations to identify locally-sourced labor. Over the next year, the land bank will establish partnerships with community nonprofits and organizations to ensure that contracting opportunities are consistently made available to neighborhood members seeking work. The land bank will also create an online inquiry form for contractors to submit their letter of interest and qualifications.

STRATEGY 2.2.3

Prioritize small and community-based businesses. The land bank will make every effort to first hire qualified small businesses owned by minorities, women, persons with disabilities, and Richmond City residents. The land bank will collaborate with the City's Office of Community Wealth Building to encourage Minority Business Enterprise participation, as well as Section 3 participation when required by certain HUD funding programs.

OBJECTIVE 2.3

Property disposition procedures will be equitable and transparent. These policies outline how the land bank intends to create fair standards for the disposition of property to end users.

STRATEGY 2.3.1

Create eligibility guidelines for qualified purchasers. The land bank must ensure that the entities receiving properties are qualified and capable of the final use as determined by the CAP.

By December 31, 2018, MWCLT will work with community organizations and leaders to develop a disposition policy. This policy will be made publicly available. The policy will address, at a minimum:

1. Minimum organizational requirements based on designated property use.
2. Potential disqualifications (e.g., entity has back taxes on properties it currently owns).
3. Opportunities for less formal entities (e.g., long term leases to community associations for urban garden).

STRATEGY 2.3.2

Utilize robust development agreements. Properties transferred from the land bank will have development agreements in accordance with the specific requirements determined by the CAP. Development agreements will include a reversionary clause that will allow the land bank to reclaim the property if the conditions of the development agreement are not met.

STRATEGY 2.3.3

Use of development proceeds. The land bank will receive reimbursement for properties it transfers. These payments will be used according to the following stipulations:

a. Initial policies for use of proceeds. During its first year of operation, the land bank's primary source of property will be through the City's direct sale mechanism. Tax delinquent properties transferred via this method will be acquired for approximately \$2,000 to \$3,000 each, depending on closing costs and attorney fees. The land bank will transfer properties

to nonprofit and community organizations at this cost plus a minor administrative fee. Proceeds from this fee will help cover staff time and any maintenance and carrying costs needed on properties.

b. Sale of property at market value. During its first year of operation, the land bank will not sell any property at market value to a private for-profit buyer, and will therefore not have additional revenue from such sales.



For sale and abandoned houses at the intersection of Chamberlayne and Jackson streets
(Taber Andrew Bain via flickr)

GOAL 3: *Transparent process with sustained community involvement.*

For the land bank to operate with the full confidence of residents, it must proactively engage with the community regarding its goals and operations.

OBJECTIVE 3.1

The Citizens' Advisory Panel (CAP) will be the primary entity responsible for decisions on property use and disposition.

The CAP serves as the intermediary between the public and the land bank.

STRATEGY 3.1.1

Purpose. The Citizens' Advisory Panel is established by the MOA to provide a permanent opportunity for the public to provide input on the land bank's activities.

STRATEGY 3.1.2

Responsibilities. The Citizens' Advisory Panel will be responsible for deciding the disposition of land bank properties, based on criteria established by the Annual Plan. The CAP will review recommendations by land bank staff, evaluate qualifications for organizations and/or individuals who may receive properties, and make decisions regarding the end use of land bank properties. The CAP will recommend which properties will be designated for permanently affordable housing and other land uses covered by the MOA and the Annual Plan.

STRATEGY 3.1.3

Formation. The land bank will strive to establish the membership of the CAP by October 31, 2018, in accordance with the MOA. No members of the CAP may directly or indirectly receive land bank properties or be employed by entities that receive property from the land bank.

STRATEGY 3.1.4

Membership. In accordance with the MOA, members of the CAP will be appointed in the following manner:

- One member appointed by the Chief Administrative Officer, who shall serve as chair;
- Two members appointed by Richmond City Council;
- Two members appointed by the Mayor of the City of Richmond;
- Four members appointed by the MWCLT Board of Directors.

MWCLT will ensure that its appointees represent historically underserved communities in the City of Richmond.

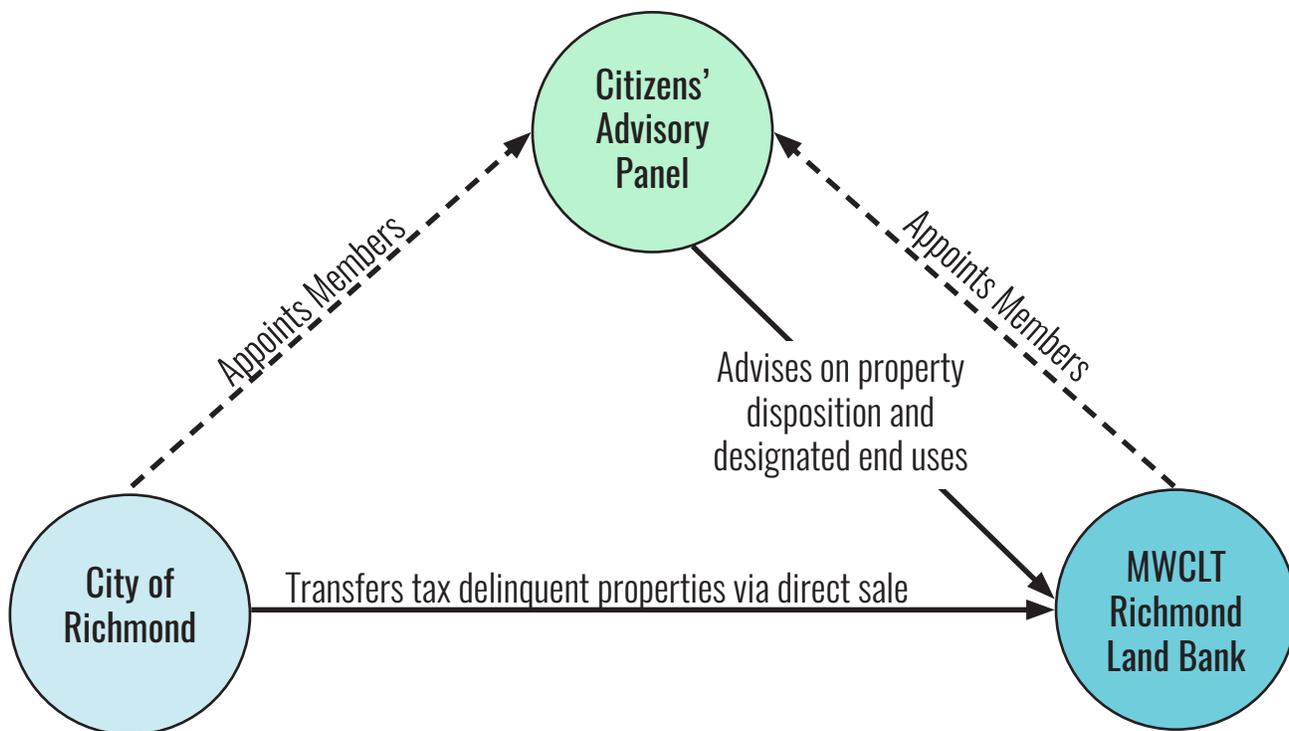


FIGURE 23: Relationship between the City, CAP, and land bank

STRATEGY 3.1.5

Meeting plans. The CAP will meet at least once per quarter in a public setting where citizens are provided opportunity for comment. Meeting times, locations, and agendas will be available on the land bank website in advance. Meeting locations will be chosen with respect to the land bank’s priority communities. Minutes from these meetings will also become publicly available.

STRATEGY 3.1.6

Guidance. The CAP will base its decisions for property uses on the land bank annual plan, community engagement (especially for prioritized neighborhoods), the Richmond 300 master plan update, any other applicable small area plans, and staff reports.

OBJECTIVE 3.2

Opportunities for additional community input will be made available consistently and often. Along with ongoing chances for the CAP to receive public input on property disposition, the land bank will provide community members with opportunities to guide broader planning processes and priorities.

STRATEGY 3.2.1

Hold open meetings of the MWCLT Board of Directors and the CAP. At least once annually, the MWCLT Board of Directors and CAP will hold a joint meeting open to the public. The purpose of this meeting will be to review land bank activities and plan future strategies.

STRATEGY 3.2.2

Expand opportunities for 2019–2020 Annual Plan input. The second annual plan will guide the land bank’s activities between July 1, 2019 to June 30, 2020. MWCLT will ensure that community members have ample opportunities to provide comments on this plan via in-person neighborhood meetings, one-on-one meetings with interested parties, and online surveys and input forms. This plan will be more comprehensive in terms of community prioritization and property disposition strategies.

STRATEGY 3.2.3

Create and implement a separate Community Engagement Plan. Land bank staff, along with community stakeholders and leaders, will develop a comprehensive Community Engagement Plan that will inform how MWCLT will gather input from the public, especially residents of prioritized communities, on land bank goals and activities. This plan will be completed by December 31, 2018.

OBJECTIVE 3.3

The land bank will develop ways to measure its progress and track achievement of goals. These criteria include, but are not limited to, the following:

STRATEGY 3.3.1

Operational benchmarks:

1. Number of properties acquired.
2. Number of properties cleaned up and maintained.
3. Number of properties transferred out of the land bank.
4. Number of projects completed within timeframe of development agreements.
5. Number of properties held strategically in the land bank for interim uses.

STRATEGY 3.3.2

Individual/household benchmarks:

1. Number of affordable homes sold or rented.
2. Household incomes of buyers and renters.
3. Demographics of buyers and renters.

4. Sales prices and monthly rents of homes.
5. Total long-term equity accrued by homeowners.
6. Number of jobs for neighborhood members created during repurposing of properties.

STRATEGY 3.3.3

Neighborhood benchmarks:

1. Designated uses of transferred properties and alignment with priorities.
2. Total number and area of green spaces created or preserved.
3. Total number and area of gardens created.
4. Total number of parcels returning to active commercial use.
5. Total short-term and long-term economic impact of repurposed properties.
6. Increase in property values, both of transferred and adjacent properties.
7. Number of historic structures and assets preserved.

The land bank will show its progress in future annual plans and on its website.

OBJECTIVE 3.4

Providing data on specific properties, including those currently and formerly owned by the land bank, will increase transparency and promote trust in the organization. MWCLT will create avenues for hosting and sharing this information.

STRATEGY 3.4.1

Maintain an inventory of all available and transferred properties. The land bank will utilize a publicly-accessible property database that allows each property record to be posted on the web in a searchable, browsable format. Community members should be able to easily know which properties, if any, the land bank owns near them. These records will also include properties that have been transferred; for such records, the final recipient and final designated use will be shown.

STRATEGY 3.4.2

Other resources to be made publicly available. Along with property information, the land bank will make the following resources available online:

- a. Instructions and requirements for becoming a qualified organization or individual to seek property from the land bank, along with application materials.
- b. Number of property maintenance contracts awarded to community-based businesses.



Rowhouses in Church Hill (Will Fisher via flickr)

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September 2018