

Housing and Redevelopment in Traditional Downtowns—Legal Tools and Practical Strategies

Housing—Why?

- If housing costs >30% of a family's income, it's considered "unaffordable."
- In some areas of the state, housing normally costs over 50% of an average family's income—luckily, the cost of living in small towns tends to be lower.
- Family size is smaller than it used to be—more units are necessary for the same number of people.
- Empty units become blight, which becomes a death spiral for downtowns.
- Working homelessness—there's just no place to live.

Basic Legal Authority

- Virginia is a Dillon Rule state—so look first to the tools the General Assembly has given you.
- Towns have some legal authority to be involved in housing, including in abatement of blight, making loans and grants, and property assemblage.
- If you have a redevelopment and housing authority (PHA), it has extensive powers as well.
- In the absence of a PHA, your industrial/economic development authority also has extensive powers.
- Land bank entity—an option to collaborate with the nonprofit sector.

What Can Council Do?

- Vacant property registry
- Acquisition and consolidation of properties
- Blight/nuisance abatement
- *Get* loans/grants
- *Make* loans/grants
- Zoning for Affordable Housing

Redevelopment & Housing Authority

- Has the power to own, develop, make loans for and make grants for affordable housing.
- Many localities do not have one. They may only be “activated” through a referendum. However, you can do agreements with PHAs in other localities to operate in yours.
- Usually very familiar with working with the federal government.

Industrial/Economic Development Authorities

- If your locality has never activated its PHA...
- May make grants and loans to advance affordable housing.

Land Bank Entities

- Relatively new tool
- May either be a governmental entity or a nonprofit designated by council
- May collect properties, and has special powers to acquire blighted properties or properties of minimal value that are tax-delinquent

The Basics—Land Use Controls

- Today might be the time to revisit your zoning ordinance. Is it really tailored to you and your needs?
- Might want to revisit your subdivision ordinance. New legislation makes it a good idea anyway!

Creativity Squared

- Acquisition and assemblage of property
- Preparation of “product”
- Finding developers and investors
- Grants
- Tax credits—HSTs, LIHTC
- Tax-exempt bond expansion, Virginia

Housing

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Future Horizons

- The General Assembly wants more housing
- Zoning, brownfields, and fragmentation is only part of the problem
- Local government has many methods to plug gaps in capital stacks, but all of them require money—will the General Assembly put its money where its mouth is?

QUESTIONS?

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