



CITY OF HARRISONBURG
OFFICE OF THE
CITY MANAGER

HARRISONBURG CITY HALL
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To: Ande Banks, City Manager
From: Liz Webb, Housing Coordinator
Date: August 21, 2024
Re: Developing Affordable Housing on City-Owned Land

Summary

This memo outlines next steps for developing affordable housing on city-owned land, including next steps at Central Avenue and Neff Avenue, and lays out a framework to guide decisions when evaluating public land for affordable housing.

Background

Using city-owned land to support affordable housing development is a strategy that can promote mixed-income neighborhoods and foster residential growth based on identified needs. When land is made available below market value for affordable housing, this can foster greater affordability and support feasibility of housing projects that would not be possible otherwise.

Evaluating city-owned parcels that are deemed “surplus” involves assessing site conditions and circumstances and analyzing value for affordable housing or other uses in consideration of different market-rate or subsidized disposition scenarios. City-owned land where residential development is feasible can be conditioned based on affordability goals and targets, though site-specific expectations should be realistic, and the request for proposals (RFP) process should include clear timelines, expectations, targets, and contingencies.

City-owned parcels on Central Avenue and Neff Avenue have been evaluated for affordable housing development. Affordable residential uses are feasible at both sites. Next steps are proposed based on each location’s identified opportunities and constraints.

Key Issues:

Based on topography and census-related qualifications, the Neff Avenue parcel is well suited for multifamily development and would likely be very competitive in an application for low income housing tax credits (LIHTC). City staff researched request for proposal formats and proposes using the Public-Private Education Facilities and Infrastructure Act (PPEA) structure. The RFP would include expectations related to the number of units and expectations regarding LIHTC funding, and would utilize an evaluation rubric similar to the ARPA Housing Fund in order to evaluate proposals for factors such as experience, project design, affordability, land disposition format, and overall financial feasibility including leveraged funds.

With fewer constraints, the Central Avenue site is a more flexible development opportunity, and staff is still researching models to maximize its benefit related to long-term affordable housing



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needs. Possibilities at this location could include a community land trust model, and development scenarios could potentially incorporate community engagement and innovative collaboration.

For any other city-owned parcels are identified as surplus, if analysis supports potential residential development, consider conditional affordability should be considered in the context of other evaluations. The City's use of public land for affordable housing is aligned with policy and planning documents, and the City has legal authority for the disposition of land in a number of ways. This framework for considering affordable housing on City-owned land is expected to adequately address most likely scenarios related to parcels owned by the City of Harrisonburg.

Environmental Impact: N/A

Fiscal Impact: N/A

Prior Actions: N/A

Alternatives: N/A

Community Engagement: N/A

Recommendation: N/A

Attachments: Presentation

Review: N/A