



August 26, 2025 City Council Meeting

Title

Disposition of Surplus Real Estate for Residential Use—Liz Webb, Housing Coordinator

Summary

Following Council direction, staff established a process for disposition of surplus city land for residential development. Five parcels were listed for sale in February 2025, and applications were evaluated based on established criteria. Contracts are being drafted with selected applicants, for City Council consideration.

Frank Gordon, Trustee of the Valley Housing Trust, proposed to purchase 2410 Reservoir Street for \$74,600.00, below the assessed value of \$108,700, in exchange for creating five housing units with long-term income and rent restrictions. Disposition requires a public hearing and City Council approval, and this sale would also be conditioned upon successful applications for land use approvals and sufficient financing such as state funds to support development.

Recommendation

Option 1. Approve the property sale (real estate purchase and sale agreement) following the required public hearing

Fiscal Impact

Approval of the sale would result in \$74,600.00 in revenue

Context & Analysis

Public land is a valuable tool that cities can leverage to meet local housing objectives. Harrisonburg's 2021 Comprehensive Housing Assessment and Market Study recommended identifying suitable City-owned parcels for affordable and mixed income residential development. The City assessed its current and future need for several vacant city-owned parcels and after determining there was no further public use for these properties established a process to sell the surplus parcels for residential development. Under the program guidelines, offers below the assessed value could be considered if the discount was tied to housing affordability.

Five parcels were listed for sale in February 2025. Applications for four parcels on Reservoir Street closed in April 2025, and applications for a fifth parcel on Norwood Street closed in May 2025.

Applicants were considered based on established evaluation criteria, including readiness/feasibility, experience/qualifications, and community value. Contracts are being drafted with selected applicants for City Council consideration. Disposition requires a public hearing and City Council approval.

Frank Gordon, Trustee of the Valley Housing Trust, was selected to purchase and develop 2410 Reservoir Street, a roughly 0.47-acre parcel. The proposed project is five multifamily rental units. The developer intends to leverage state funding and work with the Community Services Board to meet permanent supportive housing and/or workforce housing needs. The \$74,600.00 offer is below the assessed value of \$108,700.00, with a 30-year affordability commitment at 80 percent of Area Median Income. The sale would be conditioned upon successful applications for land use approvals and sufficient financing such as state funds to support development, with closing to occur by December 31, 2026.

Options

1. Approve the property sale (real estate purchase and sale agreement) following the required public hearing
2. Decline to approve the property sale
3. Provide alternate direction

Attachments

1. Presentation
2. Public Hearing Notice
3. Real Estate Purchase and Sale Agreement
4. Property Listing
5. Resolution