

## MONTGOMERY + BLACKSBURG + CHRISTIANSBURG PARTNERSHIP STRATEGIES

### Partnership Strategy 1: Create a joint housing + connectivity strategy for the US 460 business corridor

Thriving commercial corridors provide residents with access to shopping, jobs, and business opportunities. The provision of diverse housing options and multimodal connectivity along all sections of a commercial corridor support new and sustainable growth for vibrant communities. Collaboration between Montgomery, Blacksburg, and Christiansburg on a joint housing and connectivity strategy for the US 460 business corridor will provide these three jurisdictions with coordinated goals and objectives to support a strong and vibrant commercial corridor for residents and businesses.

#### FRAMEWORK

While Montgomery County and the towns of Blacksburg and Christiansburg have a history of partnering together on cross-jurisdictional initiatives, the 11-mile US 460 business corridor that connects Blacksburg to Christiansburg through Montgomery County is an ideal candidate for further collaboration. Success with initiatives such as the 911 Authority, the NRV Regional Water Authority, and the Roam NRV bikeshare program lay the foundation for a successful partnership to address housing and connectivity needs along this corridor.

After the Virginia General Assembly in 2007, the county and two towns began work to create urban development areas (UDAs) following Section 15.2-2223.1 to direct growth and development there. Housing development is one component of UDA creation. Other elements such as commercial development, transportation planning, and public infrastructure are critical to the success of this strategy and should be reviewed holistically.

Collaboration around a shared resource often leads to more widespread benefits and effects compared to individual efforts. While information sharing between jurisdictions is relatively simple, more formal collaboration agreements add accountability and create meaningful relationships between localities.

Continuing to discuss housing and housing-related goals collaboratively will help develop a common vision for new development along the US 460 business corridor. A formal working group that involves a diverse group of stakeholders from each locality provides an opportunity to discuss the connections between housing, economic development, and transportation.

#### IMPLEMENTATION PLAN

##### Immediate:

- **Identify common interests and areas of need:** Convene a working group of stakeholders from Blacksburg, Christiansburg, and Montgomery County to begin the process of identifying common interests and challenges along the US 460 business corridor, including housing and connectivity related issues. This group can be modeled on the existing Blacksburg and Christiansburg Corridor committees but should include stakeholders from the business community, housing sector, and the public.

### Short-term (next 12 months):

- **Develop a proposal for collaboration** between stakeholders on a joint corridor strategy. The proposal should identify the best means for completing a joint strategy based on funding and capacity between the three localities.
- **Pass council/board resolutions** enabling Montgomery, Blacksburg, and Christiansburg to collaborate on this initiative.

### Mid-term (12–24 months):

- **Explore opportunities to connect housing to economic and transportation development along the corridor.**
  - Identify multimodal access along the corridor through transit access, sidewalk expansion, and bike/pedestrian trail access. Consider barriers for existing adjacent neighborhood access to the corridor.
  - Investigate the potential for mixed-use designs that incorporate housing options into retail and other business uses at strategic points along corridor. Align zoning and land use regulations—consider common overlay district(s).
- **Finalize a comprehensive housing and connectivity strategy** for the US 460 business corridor.

### LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The *Code of Virginia* encourages interjurisdictional collaboration through Section 15.2-1300, where it enables localities to enter interlocal agreements to pursue joint action. However, this formality is often not necessary for localities in Virginia to work together towards a common goal.
- Development of individual housing strategies for small areas and corridors within localities are within the purview of local planning bodies. Montgomery, Blacksburg, and Christiansburg have the technical expertise to conduct a study of the US 460 business corridor. They may choose to complete this work in-house or hire an outside consultant to assist.

### FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Localities may seek to include this specifically into their budgets and departmental work plans or jointly apply for external funds.
- While this work does not directly result in the creation of new housing, it will create pathways for unified development patterns that address the needs of the corridor and the greater region. Local governments, along with stakeholders, will be in a stronger position for future collaborative efforts.

### POTENTIAL FUNDING SOURCES

- **Public funds** may come from collective funding from local governments and/or from Virginia Housing (formerly Virginia Housing Development Authority).
- **Private funds** may be available from philanthropic organizations interested in housing, smart growth, and economic development. Major employers along the corridor should be solicited for involvement.

### METRICS TO EVALUATE SUCCESS

- The creation of a joint working group.

- Increased communication, coordination, and collaboration between Blacksburg, Christiansburg, and Montgomery County on future development along the US 460 business corridor.
- The creation of a joint housing + connectivity corridor plan.

#### **RESPONSIBLE ACTORS AND THEIR ROLES**

- Local planning staff from all three jurisdictions, transportation planners, Blacksburg Transit, economic developers, local businesses, Norfolk Southern, and community residents.

#### **EXAMPLE OF CORRIDOR HOUSING PLANNING**

*The Gold Corridor Housing Strategy is an example of an interjurisdictional plan that addresses housing needs across three counties in the Denver metro area: Adams, Denver, and Jefferson Counties. The action plan was designed to guide growth and development to advance the goals of each locality and of the region.*

*Like the Gold Corridor, land use patterns, commute patterns, and environmental systems converge within the US 460 business corridor.*

*Acknowledging the intersection of housing, jobs, and the environment, the Gold Corridor Housing Strategy also provides recommendations beyond housing to promote healthy and sustainable communities.*

## Partnership Strategy 2: Implement integrated community connection plans

Partnerships with neighboring jurisdictions along shared boundary corridors allow for the development of complementary development strategies that support each other. By coordinating land use and working together to set density and infrastructure standards, neighboring jurisdictions can guide development and create diverse housing options. Jurisdictions can concurrently develop and promote their unique history and definitive characteristics to build stronger, more cohesive communities.

### FRAMEWORK

Throughout Montgomery County, several shared boundary corridors exist that can be better served by collaborative planning. Identifying these shared boundary corridors is critical followed by collectively evaluating whether land use, housing types, utility access, and transportation are cohesive. Like the 177 Corridor Plan, Montgomery County may desire to reach out to other bordering jurisdictions.

Interjurisdictional collaboration along shared boundaries can be structured at a scale that best fits the individual area. At a smaller scale compared to major commercial corridors, gateway community planning can be an informal collaboration between jurisdictions to align land use planning, pursue complementary development, and share resources to upgrade infrastructure.

This coordination work can guide future development, generate diverse housing options, and ensure cohesion at locality boundaries. While gateway aesthetics are not the focus of this strategy, utilizing placemaking principles such as landscaping and public art can welcome travelers and provide residents a greater sense of community. Such efforts may also influence the type, location, and price of future housing.

### IMPLEMENTATION PLAN

#### Immediate:

- **Identify and evaluate connection corridors.** Local planning departments can begin coordination by meeting to identify connection corridors and to evaluate existing zoning and land use plans. Aligning zoning and land use plans will create more cohesive communities.
- **Identify key development areas** along the corridors, such as tracts where development is most likely. Visiting these areas in person may benefit and provide a focus for planning efforts.

#### Short-term (next 12 months):

- **Develop joint strategies** around density, utilities, and road improvements. Bring together stakeholders within these connection corridors to set a vision and goals for future development.
- **Preserve rural areas.** Focus development in specific areas along the corridors to direct growth and preserve rural areas.

#### Mid-term (12–24 months):

- **Explore implementing common overlay districts** in the corridors. Each locality will retain full control over their land use regulations while sharing common design and development goals.

### LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The *Code of Virginia* encourages interjurisdictional collaboration through Section 15.2-1300, where it enables localities to enter interlocal agreements to pursue joint action. However, this formality is often not necessary for localities in Virginia to work together towards a common goal.
- The financial and organizational capacity of localities to complete this work depends on the budgets and priorities of their planning departments. If needed, localities can seek technical assistance from the NRVRC or an outside consultant.

### **FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT**

- Localities may implement these recommendations within the framework of their current planning efforts or elect to seek and apportion dedicated funds to spur action and/or hire external consultants.
- Successful shared boundary plans will help ensure future development along a shared corridor. Mismatches of density and character will be avoided, and utilities and infrastructure will be more efficiently allocated.
- In best-case scenarios, shared boundary corridors will no longer simply be “a place in between” and develop a positive identity of their own.

### **POTENTIAL FUNDING SOURCES**

- **Public funds** for infrastructure improvements may come from collective funding from local governments and/or from VDOT, Department of Housing and Community Development (DHCD), Appalachian Regional Commission, Tobacco Commission, Rural Development, and Virginia Housing.
- **Private funds** may be available from philanthropic organizations interested in community revitalization and/or placemaking.

### **METRICS TO EVALUATE SUCCESS**

- The number of community connection plans formally adopted by localities.
- An increase in the number of local land use regulations adopted or reformed to reflect these plans.
- An increase in the number of new housing units developed from plan guidance.

### **RESPONSIBLE ACTORS AND THEIR ROLES**

- Local planning staff will be the primary persons responsible for implementing this solution. They will work jointly with their colleagues in neighboring localities to research, plan, and undertake these plans.
- NRVRC staff may play an advisory role to assist local staff.
- VDOT, local transportation officials, and utility providers will offer information on the status of (and plans for) roadways and infrastructure.

## Partnership Strategy 3: Continue to address the student-impacted housing market

Virginia Tech has a profound impact on the housing markets in the towns of Blacksburg and Christiansburg and in Montgomery County. With 34,000 students at Virginia Tech, the region has one of the most student-impacted housing markets in the state. Thousands of faculty and staff employed by Virginia Tech also drive demand for housing.

These two groups—and their subsequent economic impacts—are major drivers of the NRV’s tightening housing market. Developing a long-term, unified strategy for providing attainable and affordable homes to these market segments is necessary for reducing competition, pricing-out, and long commutes.

### FRAMEWORK

Universities and other anchor institutions can proactively meet the housing needs of areas impacted by student housing in various ways. The Town of Blacksburg is most directly affected by housing pressure owing to Virginia Tech students and faculty; however, the Town of Christiansburg and the unincorporated areas of Montgomery also experience the effects of the university.

Blacksburg and Virginia Tech began a formal discussion around housing in 2018 and produced a summary report titled “University–Town Housing Partnership: A Concept Proposal to Address Mutual Housing Needs.” The University–Town Working Group identified the following key goals:

1. Make housing affordable and desirable to recruit university talent;
2. Improve and stabilize two neighborhoods near Virginia Tech; and
3. Provide low- and moderate-income people who live and/or work in the town, including those employed at Virginia Tech, the ability to purchase a home in Blacksburg.

These goals should serve as a starting point for assisting faculty with the purchase of existing housing stock in neighborhoods close to the university. A separate focus of the university could be the development of new housing using a faculty village concept. The two concepts are complementary and provide a range of options to address individual faculty preference. The concept put forward in this proposal can be undertaken quickly while other longer-term options, like a faculty village, are evaluated.

### IMPLEMENTATION PLAN

#### Immediate:

- **Update initial study:** review the 2018 summary report and update key goals and objectives as necessary to reflect changes in capacity and priorities attributed to events in the past 3 years such as the COVID-19 pandemic.
- **Identify housing vision:** using the summary report as a foundation, develop a common vision for housing students, faculty, and university staff in 2021 and beyond.

#### Short-term (next 12 months):

- **Create a housing assistance program:** target faculty purchasing homes in either the Bennett Hill/Progress or McBryde neighborhoods. Using a contingent interest mortgage program in

conjunction with a down payment and/or financial incentive assistance program, Virginia Tech's housing assistance program may be desirable to current and future faculty.

- Other examples may include the following:
  - Take inventory of university and municipally owned land available for development and complete housing feasibility assessments for these parcels.
  - Reassess current zoning and long-range land uses for university-adjacent neighborhoods to promote needed housing types.
- **Identify partnerships:** explore partnerships (both new and expanded) with housing providers, financial institutions, REALTORS, and other organizations to reduce administrative burden.

#### **Mid-term (12–24 months):**

- Consider long-term solutions that provide permanent benefits and may require additional planning and capacity building, such as a faculty village that is defined as follows:
  - A housing development that provides rental or for-sale homes to university employees (usually teaching faculty);
  - Developed with financial support from the university and donors;
  - Aided by the locality (e.g., favorable zoning or development fee waivers);
  - Constructed by local builders and contractors;
  - Held in trust or otherwise restricted so that the homes remain perpetually affordable and available to faculty.
- There is no standard model for faculty villages, so Virginia Tech and its partners may design a community tailored to their specific needs.

#### **LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY**

- There are no legal challenges preventing universities and localities from collaborating. However, certain university datasets that are useful for investigating housing needs and affordability may be restricted to protect personal information (e.g., addresses and salaries).
- Universities may be unwilling or hesitant to become directly involved with housing planning and assistance, which are considered “mission creep.” However, the examples and best practices contained in this section demonstrate that these initiatives are not uncommon in the mid-Atlantic region.

#### **FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT**

- Formal research and planning efforts will require dedicated funding.
- Any eventual programs to invest in housing assistance for employees or to invest in new housing development will require major financial support in the range of hundreds of thousands to millions of dollars.

#### **POTENTIAL FUNDING SOURCES**

- Funding to cover the costs of planning and research efforts may be covered by earmarks in locality and university operating budgets.
- Funding for major university-led housing investments will likely come from their respective foundations and real-estate operations. Universities may also orient capital campaigns to focus on housing opportunities for faculty and staff.

- Virginia Housing may serve as a source for attractive homebuyer mortgage products for faculty as well as a source for equity for large real-estate development projects.

## **METRICS TO EVALUATE SUCCESS**

- Regular meetings of the University–Town Housing Partnership Work Group are conducted.
- Local zoning, land use, and community development priorities are aligned to support university housing needs.
- Universities develop pilot or permanent housing assistance programs.

## **RESPONSIBLE ACTORS AND THEIR ROLES**

- Blacksburg, Radford, and Montgomery County could participate via their local planning departments, planning commissioners, and elected officials. These localities will share their data, land use and growth priorities, and current and projected housing challenges related to university growth.
- Virginia Tech and Radford University could participate via high-level administrative staff who understand the housing needs for both their staff and students. These officials could provide current data on student body size, type, and projections, along with similar metrics for faculty and staff.
- Private developers who provide student-oriented housing serve as important stakeholders to share information on demand, construction costs, and price points.
- UVA’s foundation will be involved with the housing program.

## **EXAMPLES OF COMMUNITY PLANS FOR HOUSING STUDENTS**

**University of Virginia, Charlottesville** – *In early 2020, the University of Virginia announced a major commitment to address affordable housing in the Charlottesville area. Charlottesville is one of Virginia’s high-cost real estate markets, owing in part to the presence of the university and its hospital system.*

*The university is starting to develop its strategy and has indicated that it will work with experts in the industry to develop up to 1,500 affordable homes over this decade. The university plans to use land that it owns as a primary incentive for developers who have a strong track record in affordable housing.*

**Johns Hopkins University, Baltimore** – *Johns Hopkins University is engaged in housing assistance in the neighborhoods surrounding both their academic and medical school campuses. Under the most recent initiative, the school will provide permanent housing and supportive care for 200 individuals and families that are homeless or at risk of homelessness in Baltimore.*

*The university has also provided loans and grants of up to \$35,000 for faculty and employees to purchase home in designated neighborhoods near both campuses. This “live near your work” program is designed to stabilize neighborhoods by increasing the homeownership rate and improve quality of life for employees by reducing commute times.*



## Partnership Strategy 4: Establish a community land trust

A community land trust (CLT) is an “equity sharing” model of homeownership that provides homeownership opportunities to modest-income buyers and keeps homes affordable for future generations by limiting a home’s future resale price. One CLT home may serve 10 or more low- and moderate-income households during its life cycle compared to traditional models that only serve one such household. By creating and scaling up a CLT, Montgomery, Blacksburg, and Christiansburg will increase homeownership options available for current and future residents. This model could also be broadened to incorporate multiple jurisdictions.

### FRAMEWORK

The CLT is a nonprofit organization that develops or purchases homes and retains ownership of the land that the house is located on in perpetuity. The CLT leases the land to the homeowner with a long-term lease at a nominal price, reducing the cost of the house by the value of the land. The lease also contains restrictions that include an income limit for subsequent buyers as well as limits on the future sales price of the house. CLTs across the country use a variety of mechanisms to keep the price of the home affordable.

One of the benefits of the CLT model is that unlike traditional homeownership programs, the home stays affordable for future buyers without the need for additional public subsidy. The board of directors for the CLT is comprised of community representatives, local experts and stakeholders, and homeowners in the CLT program. CLTs can also be used for rental and commercial development.

### IMPLEMENTATION PLAN

#### Immediate:

- **Evaluate ongoing stakeholder engagement:** Continue the work already underway by Montgomery County, Blacksburg, and Christiansburg staff and an outside consultant, Burlington Associates. Ensure that members of the CLT task force represent all sectors of the homeownership market and invite new stakeholders as necessary.
- **Assess home sale trends:** Using this study as a starting point, develop a full assessment of home sale trends in the county and in the two towns. Use multiple listing service (MLS) data to explore price trends by neighborhood and levels of appreciation.
- **Explore case studies and best practices:** Reach out to other CLTs in Virginia to discuss startup procedures, including the Thomas Jefferson CLT in Charlottesville and the Maggie Walker CLT in Richmond.
- **Engage technical assistance provider:** Engage the Grounded Solutions Network, a nationwide technical assistance provider for CLTs.

#### Short-term (next 12 months):

- **Explore financing options:** Start conversations with major corporate, institutional, and philanthropic funders about seed funds for operations and acquisition.
- **Identify loan products:** Engage mortgage lenders in the region, especially community banks and credit unions, about loan products for CLT homebuyers.
- **Confirm long-term sustainability:** Discuss the ability to maintain the operational viability of the CLT through local measures such as tax abatement.

- **Begin making decisions about the following:**
  - CLT board membership and structure
  - Staffing: standalone, consultant-based, or absorbed in other organizations
  - How homes are added to the CLT's portfolio: new construction and/or acquisition
  - Desired target sales prices, income ranges, and initial resale formula

#### **Mid-term (12–24 months):**

- **Confirm organizational structure:** Either incorporate the CLT as a discrete nonprofit corporation or house the program within an existing community development corporation.
- **Elect a slate of board members and formalize by-laws.**
- **Create a strategic plan:** If funding is available, conduct a scaled-down strategic planning process to guide the CLT's mission and operations over the next 2–3 years.
- **Break out land costs from building costs:** Work with the assessor's office to establish guidelines for the "decoupling" of land and improvements for CLT properties.
- **Prioritize outreach and education:** Begin educating the community about CLTs to cultivate homebuyers. Leverage connections with trusted institutions, such as congregations, civic associations, and employers.
- **Identify potential parcels to incorporate:** Depending on acquisition funding, identify vacant parcels for new construction or for-sale homes for purchase and rehab. Work with knowledgeable developers to guide this process.

#### **LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY**

- Creating a new nonprofit development entity is not an easy task. The county and towns should pursue operational efficiencies by leveraging existing talent and resources rather than duplicating them. This can be accomplished by doing the following:
  - Using local/regional government staff as support, like the TJCLT in Charlottesville has done with the Thomas Jefferson PDC.
  - Relying on existing nonprofit developers to provide technical assistance and possibly act as construction/rehab partners.
  - Continuing to engage Community Housing Partners as a potential "incubator" for a CLT program.
  - Contracting with consultant staff for administrative and development programs like the Maggie Walker CLT in Richmond does.

#### **FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT**

- Initial startup costs should plan for at least one FTE position, although these funds may be distributed across different persons and organizations.
- Startup acquisition costs depend on the type of development sought by the CLT; however, planners should aim for large-scale funding (greater than \$1 million) to ensure meaningful scale and impact.
- If scaled up efficiently, a CLT in Montgomery County could have several homes in its portfolio within the first few years. Continued success indicates that dozens of homes could be in the portfolio within a decade. Most importantly, each home will serve many different families throughout its lifetime.
  - TJCLT currently has 9 homes sold and has 4 in the pipeline.
  - MWCLT currently has 35 homes sold and has 17 in the pipeline.

## **POTENTIAL FUNDING SOURCES**

- **Public funds** may come from collective funding from local governments and/or from Virginia Housing and DHCD. Although using federal funds (e.g., CDBG and HOME) for CLTs is possible, it requires additional diligence and planning due to the unique equity sharing model.
- **Private funds** may be available from philanthropic organizations interested in homeownership and community development. Major employers and institutions should also be solicited.
- CLTs may build in development fees into new home construction to cover costs associated with acquisition, design, and development.
- CLTs also raise funds by levying transfer fees on future home purchases to cover the administrative costs of managing the CLT portfolio. These fees are not collected until a home resells in the future and are often in the range of \$1,000 to \$3,000.

## **METRICS TO EVALUATE SUCCESS**

- Creation of a formal nonprofit entity or program within an existing nonprofit.
- Qualified, talented, and diverse board members appointed.
- Staff needs solved via direct hiring or by creative solutions.
- Startup operational and acquisition funding received from multiple sources.
- Properties identified and selected for CLT acquisition.
- Homebuyers cultivated, educated, and placed in homes.
- Homeownership rate, especially for low- and moderate-income families, increases in the town.

## **RESPONSIBLE ACTORS AND THEIR ROLES**

- Local leaders and stakeholders guide the CLT startup process, conduct planning, and raise funds.
- Local housing staff assist CLTs with tax assessments, provides local funding, and ensure that the CLTs are eligible for federal housing fund support, including HOME and CDBG.
- Mortgage lenders create or modify lending products available for CLT homebuyers.
- Community Housing Partners and other nonprofit housing providers act as potential partners for CLT development and implementation.