



**PERPETUAL
AFFORDABILITY:
*OPPORTUNITIES
AND
CHALLENGES*
FOR
*COMMUNITY
LAND TRUSTS IN
LOS ANGELES***



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With support from W.M.Keck Foundation



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Acknowledgments

SCI-Arc R*Search team is deeply grateful to all leaders, staff, board and community members of Community Land Trusts in Los Angeles, Bay Area, Orange County and Sonoma County that took time to share their experiences concerns and achievements. Thank you to all housing practitioners and advocates supporting the mission of CLTs that provided valuable insights into their partnerships.

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1. One of the vacant homes that California Department of Transportation bought in anticipation of a freeway expansion that did not take place. In March 2020, a group of activists occupied buildings and demanded a transfer of ownership to El Sereno Community Land Trust.

Roadmaps For Rethinking Home Ownership

There is a newfound recognition of the Community Land Trust model as a strategy for addressing the rising costs of living and increased housing disparities for low-income households. This attention can be seen in housing activists' protests demanding a transfer of ownership, increased media coverage, and new housing policies. CLTs have existed in the United States since the end of the 1960s and began as part of the civil rights movement. While there are shared missions to develop perpetually affordable housing, facilitate community ownership, and work against displacement, CLTs use a spectrum of approaches to achieve these goals. Most often, the CLT model separates the ownership of the land from the ownership of the structure that stands on this land. In a "classic model," the CLT retains ownership of the land and gives a 99-year lease to the new owner. The owner purchases the structure for a reduced amount based on their income level with an agreement to sell the house with a fixed interest rate based on the growth of AMI in the area. By separating the land from the structure, the CLT can permanently remove the house from the speculative investment market due to the land ownership. The "classic model" includes a board of directors made up of one-third residents, one-third community members, and one-third experts on affordable housing, community development, and related fields. This structure demonstrates CLTs ideological commitment to communal decision making that prevents the loss of affordable housing stock to market pricing, deferred maintenance, and foreclosures.

For more detailed information, see:

“Communities over Commodities: People-Driven Alternatives to an Unjust Housing System,” Homes for All Campaign of Right to the City Alliance, March 2018, https://homesforall.org/wp-content/uploads/2018/03/Communities-Over-Commodities_Full-Report.pdf

James Meehan, “Reinventing Real Estate: The Community Land Trust as a Social Invention in Affordable Housing.” *Journal of Applied Social Science*, Vol.8, No. 2 (September 2014): 113-133.

John Emmeus Davis, *Starting a Community Land Trust: Organizational and Operational Choices*. (Burlington, VT: Burlington Associates in Community Development, 2007).

Karen A. Gray and Mughda Galande, “Keeping “Community” in a Community Land

Perpetual Affordability: Opportunities and Challenges for Community Land Trusts in Los Angeles is a research initiative that explores, documents, and presents the current conditions of CLTs emerging and operating in California, focusing on the growing work of CLTs in Los Angeles. Eight CLTs were strategically chosen as case studies to represent a cross-section of the possibilities for establishing affordable community-led organizations in Los Angeles. The report draws heavily on existing publications dedicated to CLTs and their missions. The research team analyzed the CLTs' planning guidelines and planning documents, reports from private and academic institutions, and neighborhood strategic plans and maps created in the last years. Through interviews conducted with executive directors, staff and community members, consultants, and lenders, this report identifies how local CLTs approach property acquisition and development, differences in their funding structures, and level of municipal government involvement. The research team has visited most of the described projects to take photographs of the buildings and their surroundings to supplement this material.

Upon reflection and research completed in this project, it has become clear that the "classic model" provides a starting point for CLTs that alter it according to community needs, available funding structures, and prospective partnerships. This report documents and synthesizes several trends for acquiring property, enacting stewardship, and expanding operations in practice. Rather than opposing or isolating, this report examines prohibitive constraints that all CLTs face and demonstrates the spectrum of creative solutions.

With this report, Southern California Institute of Architecture (SCI-Arc) aims to make visible a tendency in community-led development that is

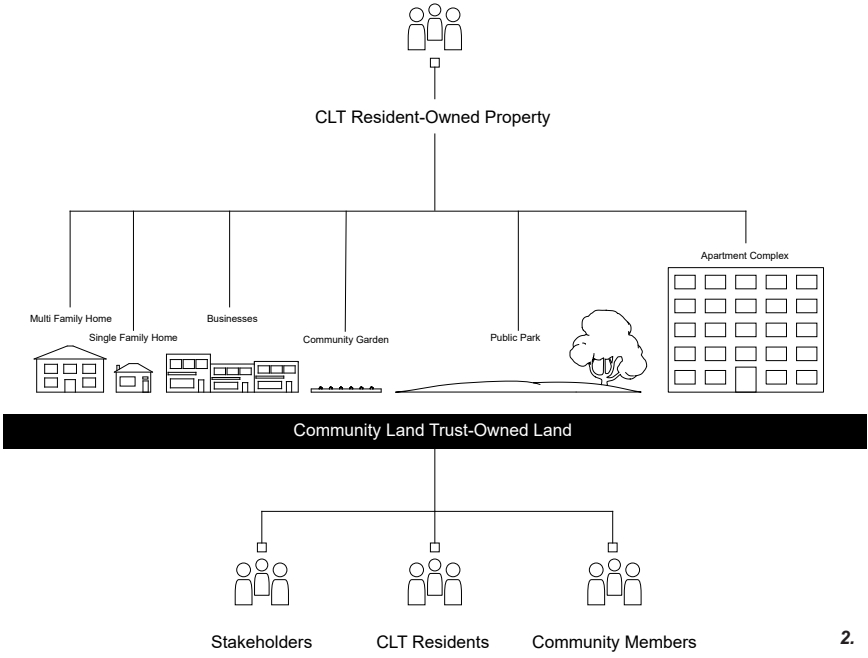
Trust," Social Work Research, Vol. 35, No.5 (December 2011): 241-248.

Oksana Mironova, "The Value of Land: How Community Land Trusts Maintain Housing Affordability," ARCH+, The Property Issue: Politics of Space and Data (2020): 52-59.

already evident within a community of affordable housing providers and developers and spread the word to a broader public audience. According to the California Housing Partnership, Los Angeles County has a shortfall of 509,404 homes affordable to the lowest-income renters. CLTs do not purport to be able to solve the affordable housing crisis in Los Angeles or California, but they do offer a successful example of how to reshape ownership to remove land from the market. While working on this report, SCI-Arc was given an opportunity to expand the initiative and become directly involved with a local CLT to explore architecture's role in promoting the donation of underutilized city-owned land to CLTs. In partnership with T.R.U.S.T. South LA, Surplus Land Project was initiated as a sub-project to connect SCI-Arc students and faculty with T.R.U.S.T. staff, board members, and community members to develop strategies for designing affordable housing and community resources on designated vacant and underused city-owned properties. This collaboration exposed architecture students to the multiplicity of local knowledges of T.R.U.S.T. South LA and community members and helped the CLT to supplement the fact-based assessment of the development potential of the sites with visions of alternative futures.

2.

Three groups govern Community Land Trust with an equal number of seats: leaseholder representatives, community members, and stakeholders that can include public officials, local funders, non-profit representatives. CLT retains land ownership forever and sells off buildings on this land to other parties: individual households, limited-equity housing cooperatives, and small businesses. Parcels of land below the buildings are leased to owners of homes or businesses for 99 years.



2.

Selected Case Studies

T.R.U.S.T. South LA

Beverly Vermont CLT

Irvine CLT

Housing Land Trust of Sonoma County

Oakland Community Land Trust

El Sereno CLT

Fideicomiso Comunitario Tierra Libre

Liberty Community Land Trust

● Housing Land Trust of Sonoma County

● Oakland Community Land Trust

LA CLT Coalition

Beverly Vermont CLT

El Sereno CLT

T.R.U.S.T. South LA

Fideicomiso Comunitario TL

Liberty CLT

● Irvine CLT

T.R.U.S.T South LA

T.R.U.S.T. South LA was founded in 2005 with the aim of introducing an unconventional approach to place-based development on community-owned land in South Los Angeles. Originally named Figueroa Corridor Community Land Trust, the organization responds to an increased need for affordable housing options due to an influx of profit-oriented development projects in the area. Currently, T.R.U.S.T. South LA has two properties, Rolland Curtis Gardens and Community Mosaic Multi-Family Project.

Along with affordable housing, T.R.U.S.T. South LA commits to providing essential neighborhood services like fresh produce markets, clinics, and recreation facilities. This approach is rooted in the belief that affordability encompasses not only housing but also accessible community resources. To ensure the community control of the properties, the Board of Directors is made up of lessee representatives, founders of the CLT, and members of the community.

Together with Abode Communities, an established non-profit affordable housing developer, T.R.U.S.T. South LA brought to life the largest CLT project in Los Angeles. Rolland Curtis Gardens, jointly owned and operated with Abode Communities, was an existing apartment complex. It was developed as affordable housing in 1981 using a HUD loan and HUD Section 8 Project-Based Rental Assistance (PBRA), but the covenant had an expiration date. The units were in danger of conversion to market-rate housing, like many others across the city. Leading up to this

T.R.U.S.T.
South LA

Foundation
Date: 2005

Number
of Units: 142

Cities
of Operation: Los
Angeles, CA, South
Los Angeles

Number
of Employees: 4 full
time and 10 part
time

Model:
Rental

3. Selected case studies, highlighting the established LA CLT Coalition member organizations.

4. OakCLT strives to preserve the historic fabric of Oakland through inclusive interventions. Cohen, Moses L. for the Oakland Housing Authority, "Looking SW from 13th and Poplar Streets (from top of Shredded Wheat Biscuit Co. factory), January 10, 1940 [picture] : panorama of West Oakland. 01/10/1940"

deadline, a billionaire developer Jeff Greene bought the complex and was driving out the residents by poorly maintaining the facilities. Newly vacant units could have been converted to market rate and rented to the nearby University of Southern California students. The residents led a campaign to force the developer to sell the 2.3-acre property to T.R.U.S.T. South LA and Abode Communities. After a successful property acquisition, it became clear that the existing structure needed to be torn down and replaced by a new building. In 2013, with input from the residents, the two organizations started to design a new building with residential units, commercial property, and a community center. The former residents were guaranteed a unit at the new building if they wanted it. The new building was finished in 2019. It has 138 affordable units, a St. John's Family Center Medical Clinic, space for a market, community garden, playground, and a community area. It is located next to Exposition Park with numerous recreational institutions, including the California Science Center, California African American Museum, Natural History Museum, and Rose Garden.

Due to the proximity to the Metro Expo Line, the project was able to take advantage of the Transit Oriented Communities ordinance that allowed to build more residential units and fewer parking spots. The units are priced to accommodate residents making between 30% - 60% of the Area Median Income. A new building almost tripled the number of units from 48 to 138. Rolland Curtis Gardens is a significant achievement for T.R.U.S.T. South LA, made possible due to the partnership of Abode Communities, who manages the property and collects the rent for the residential units, while T.R.U.S.T. South LA collects rents from the commercial properties. Typically, CLTs face multiple

Collection:
Selections from the
Collections of the
Oakland History
Room and the
Maps Division of
the Oakland Public
Library
Owning Institution:
Oakland Public
Library, Oakland
History Room and
Maps Division
Source: Calisphere,
accessed 11/20/21,
<https://calisphere.org/item/ark:/13030/kt6199r1g9/>

For more detailed information, see:

“A Community of Casitas: Fighting Displacement in Pacoima with ADUs and CLTs” (student project, Master in Urban and Regional Planning, University of California Los Angeles, June 10, 2019).

Ben Poston and Doug Smith, “Told to VACATE, Low-Income Tenants of Complex near USC Feel Betrayed by Nonprofits.” Los Angeles Times, October 22, 2016. <https://www.latimes.com/local/lanow/la-me-ln-south-la-housing-project-20161022-snap-story.html>.

Michael S. LoStocco, “How Have Community Land Trusts Used Low-Income Housing Tax Credit? Case Studies



obstacles when trying to develop new projects without a well-established funding structure. Rolland Curtis Gardens used funding from Low-Income Housing Tax Credits, Affordable Housing Sustainable Communities Program funding, and an Infill Infrastructure Grant, along with several loans from the state, city, and private resources. It is often challenging to obtain Low-Income Housing Tax Credits for buildings with less than 50 units, so working on a larger scale becomes necessary. The expertise of Abode Communities enabled T.R.U.S.T. South LA to make a significant impact in creating affordable housing in the community.



One of the challenges of using Low-Income Housing Tax Credits in developing a CLT property is that the program requires a lottery system for choosing the residents. In line with this, Rolland Curtis Gardens was required to accept all resident applicants that entered the lottery and may not be part of the neighborhood, community, or even city. While the original Rolland Curtis Gardens residents were guaranteed a right to return, many more people were displaced in the years during construction. The shrinking supply of low-cost rental units continued to fuel the rental affordability crisis. T.R.U.S.T. South LA held community meetings and organized outreach activities to ensure that as many residents as possible were aware of the application process and lottery. Another challenge with this development was the relocation of residents of the former building. While the tenant-led campaign was a significant factor in acquiring the property for T.R.U.S.T. South LA and Abode Communities, all the residents had to relocate. Nancy Halpern Ibrahim, Vice-Chair of the Board of Directors and Executive Director of Esperanza Community Housing, described utilizing other affordable housing organizations in the area to facilitate the transition. Many residents were able to move into Esperanza Community Housing. Residents were given a relocation fee, and around half of the original residents returned to live in the

from Athens, GA and Park City, UT.” University of New Orleans Theses and Dissertations, 2013.

“The New Rolland Curtis Gardens Preserves and Expands Transit-Adjacent Affordable Housing in Los Angeles.” HUD Office of Policy Development and Research, April 19, 2021. <https://www.huduser.gov/portal/pdredge/pdr-edge-inpractice-041921.html>.

5. Slauson Ave. and a community mural. Part of the Slauson avenue will be soon converted into Rail-to-Rail bike path connecting Slauson Station to the LA River.



new development, while the rest preferred to stay in their new location.

Many CLTs use strategies for acquiring properties that either rely on rehabilitating existing units or new development. T.R.U.S.T. South LA is unique in its use of both approaches. The Community Mosaic Project is a multifamily house in the South Los Angeles neighborhood that was purchased before a developer could acquire it and displace the long-

6. Roland Curtis Gardens and Community Mosaic. The USC Neighborhood Homeownership Program is dash outlined. The program influences neighborhood dynamics and homeownership in

term residents. With four units, this project has a significantly smaller capacity, but this strategy can effectively prevent displacement in the community and erosion of low-cost housing stock.

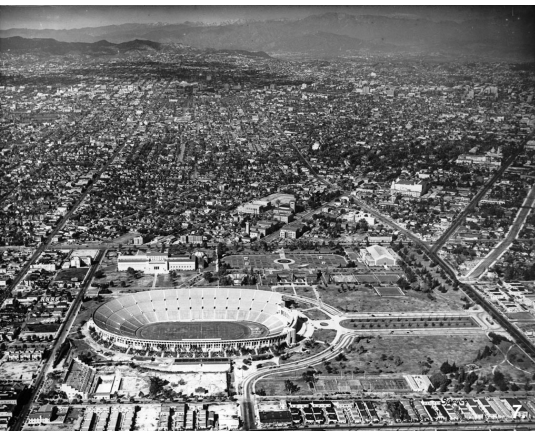
Another project that highlights T.R.U.S.T. South LA's future ambitions is Slauson and Wall, a prominent former industrial property left abandoned in a part of South LA that has a high need for affordable housing and green space. The CLT's proposal included four acres of park and three acres of land designated for housing with dual ownership with the Los Angeles Recreation and Parks. The latter would own and operate the park and T.R.U.S.T. South LA and Abode Communities would own and manage the affordable housing on the property. Over the years, the project was delayed and ultimately T.R.U.S.T. South LA's proposal was not chosen for the redevelopment of the site. This process illustrates the difficulty and importance of developing proposals that exist in the volatile political climate of Los Angeles competing with more experienced affordable housing developers.

Recent urban scholarship focuses on the benefits that CLTs provide for affordable housing development. As the above suggests, the model for community ownership of land can include other types of land uses like parks, gardens, and agriculture. Through the Slauson and Wall proposal, T.R.U.S.T. South LA recognizes the need for community recreation in addition to affordable housing. By including a park as a large part of the development, the project could have been beneficial for new residents and the larger community. In addition, T.R.U.S.T. South

the community.

7.

The future location of Rolland Curtis Gardens is just to the left of the Coliseum in the image. "Aerial view of the Los Angeles Memorial Coliseum looking north from Olympic Park between Vermont Avenue and Hoover Street, February 12, 1932" Collection: California Historical Society Collection, 1860-1960 Source: California Historical Society Source: Calisphere Date of access: 11/20/2021, <https://calisphere.org/item/9caf40c3791e594526881f37bb014a5b/>





LA has been exploring an Accessory Dwelling Units (ADU) strategy. By building small, detached units in the backyards or parking areas of multifamily apartment buildings, the CLT can utilize other properties' spatial and legislative potential to provide more affordable units in the area. This program is still in the development process and can help the CLT further redefine the shifting contours of low-income housing production.

Given the widespread shortage of affordable housing throughout Los Angeles, T.R.U.S.T. South LA's community is experiencing additional displacement pressures due to its proximity to the University of Southern California. For instance, the Neighborhood Ownership Program at USC is designed to give its employees monthly subsidies for owning homes in targeted areas near the school. This program is designed to incentivize a workforce to remain local, but it could also be viewed as a contributor to changing the neighborhood's demographics and raising the cost of living. Programs like USC's Community Benefits Agreement cannot fully offset the rising cost of housing in the area and an influx of university-employed homeowners earning more than the area AMI. Having said that, since USC is such a prominent and public-facing actor in the community, there has been a series of negotiations with community leaders. They led to the university agreeing to dedicate funds for affordable housing,

8.
Rolland Curtis
Gardens with its 138
units is the largest
CLT project in Los
Angeles. View from
the Expo line station.

Surplus land is an increasingly important strategy that CLTs have pursued to acquire land in expensive housing markets. Surplus land is unused or underused city-owned land that could be utilized more effectively, particularly in cities facing shortages of affordable housing. In January 2020, California passed Assembly Bill 1486, which expands the Surplus Land Act and requires local governments to identify surplus land and transfer ownership to affordable housing providers. There is a growing consensus that utilizing surplus land in the high-value real estate market in urban areas of California can have a far-reaching effect on the affordable housing market. Numerous non-profits and for-profit developers are interested in surplus land resources, which creates a highly competitive environment. Unlike other organizations, CLTs often do not have a long-established history of developing properties, which can prevent their access to these resources.

One solution for lack of track record in development can be partnering with a more experienced non-profit affordable housing developer. T.R.U.S.T. South LA is exploring this strategy in conjunction with other methods for acquiring land. The Rolland Curtis Gardens

SURPLUS LAND

development, while not built on surplus land, is a compelling example of how a CLT and an affordable housing developer came together to purchase a housing complex and redevelop it with the help of Abode Communities. This type of partnership could be an effective tool for newly established CLTs that wish to acquire and build on underutilized publicly-owned sites.

The strategy to develop affordable housing on surplus land is another form of how municipal governments can contribute to constructing affordable housing in cities through indirect investments. There has been a recent motion to designate funding for CLTs in Los Angeles County to acquire existing properties. Still, this direct funding is encased in established structures of the housing market with high development costs. One is tempted to suggest that by designating surplus land to established and emerging CLTs, local agencies can help give a new meaning to these plots as communal spaces that transcend the dichotomy between public and private property.

hire 30% local workers, rebuild a local fire station, and create a legal clinic through the Gould School of Law to assist residents with tenant-landlord disputes. T.R.U.S.T. South LA received \$5.6 million from this Community Benefits Agreement for purchasing and rehabilitating properties to prevent evictions.

While it is easier to hold USC accountable for its action, profit-driven developers have no restrictions when it comes to building new student housing that has a significant impact on the community. For instance, private developer Champion Real Estate Company recently constructed Victory on 30th, a luxury 24-unit development on Vermont Avenue and 30th Street. This project and similar ones are a stark contrast to the existing economic infrastructure in the neighborhood. Diana Jimenez, the CLT's Project Manager, explains:

"We are definitely utilizing a lot of different sources of funding to compete in this speculative market with investors who often have cash on hand, can submit higher deposits, and have shorter due diligence periods than us. We're finding a lot of challenges in being as competitive as other buyers."

While T.R.U.S.T. South LA has only two ongoing projects, its continuous efforts and holistic approach to revitalizing its community provide a unique and forward-thinking strategy. Its flexibility and focus on preservation and ground-up development are necessary for exercising broader community control over local development. While funding remains a significant impediment to producing good apartment buildings, T.R.U.S.T. South LA is looking towards the future. The CLT hopes to utilize the vacant, city-owned property to bring green space, commercial space, and affordable housing to parts of the community that need better resources. By taking the opportunity to approach affordable housing in a multitude of ways, T.R.U.S.T. South LA is developing new strategies for protecting residents from displacement and harboring a healthy community.



9.
Rolland Curtis Gardens, a T.R.U.S.T. South LA property located near USC.

10.
Vacant lot as Slauson and Wall is a coveted development site in the area that was pursued by T.R.U.S.T. South LA and other non-profit and for-profit developers.

T.R.U.S.T. South LA



Beverly Vermont Community Land Trust

Beverly Vermont Community Land Trust is a CLT based near Beverly Boulevard Vermont Avenue in Los Angeles. The name is inspired by the site's proximity to the Vermont/Beverly Metro Station that allows to envision a car-free, transit-oriented CLT model. While the CLT was incorporated in 2007, the roots of this organization go back to the 1980s. It started as a collection of like-minded individuals that wanted to find more sustainable methods of living through community-led development. This intentional community created a Los Angeles Eco-Village Institute (formally CRSP), an organizing structure for the future BVCLT. These two organizations work very closely together to align their organizing capacity and local knowledge to ensure housing affordability and stability of the community.

BVCLT currently has 49 affordable units spread across three buildings, a community garden, and a recently acquired commercial property. Each of these properties is in proximity to each other, which is necessary for the BVCLT and LA Eco-Village's vision of a pedestrian-centered neighborhood. When conditions allow, the street is occasionally closed to car traffic to host events and protect the health and safety of the neighborhood.

There is a significant focus on communal space with collective areas for gathering, dining, work, and recreation. This includes a community garden in which members of the CLT can grow food, a woodshop for members to work, and shared communal spaces within the buildings.

Beverly-Vermont
Community Land
Trust

Foundation
Date: 2007

Number
of Units: 53

Cities
of Operation:
Los Angeles, CA,
Intersection of
Beverly Blvd and
Vermont Ave

Number
of Employees: Two
full-time employees

Model:
Ownership and
Rental

BVCLT is currently one of the largest CLTs in Los Angeles and is in the process of expanding. In November 2020, the LA County passed a motion that designated funds to five CLTs for purchasing new properties. BVCLT is working with tenants facing eviction to assist in buying the buildings, creating co-ops and retaining the land in CLT ownership to preclude the accumulation of wealth through rising resale values. Recently, the CLT utilized this funding for acquiring a multifamily building in which the tenants were about to be evicted. The tenants organized and worked with BVCLT to form the Señoras for Housing at Kenmore Cooperative. This is an example of how CLTs can provide necessary organizational forms and resources to prevent the eviction of long-term community members. While the above case is a success story, the management of rental properties can be an enormous burden for CLTs, which often have small or volunteer-based staff. The need for acquired properties to become self-sustaining owner-occupied and managed housing is critical to the organization's future growth. Audrey Younsook Jang, BVCLT Board of Directors Treasurer, explains:

"Currently, we don't have the capacity to expand our rental properties. We only want to acquire properties that have already organized tenants who are able to commit the time to build their limited equity cooperative."

Urban Soil/Tierra Urbana Co-op is a Limited Equity Housing Co-op founded in 2010 by the Los Angeles Eco-Village members. Within BVCLT, the Urban Soil/Tierra Urbana Co-op owns two of the buildings and has around 40 members. There are both owning members and renting members, with owning members paying a share and the monthly dues. There are six committees within the co-op with a range of responsibilities that include coordinating the membership process, overseeing the administrative and maintenance process, and public outreach: the

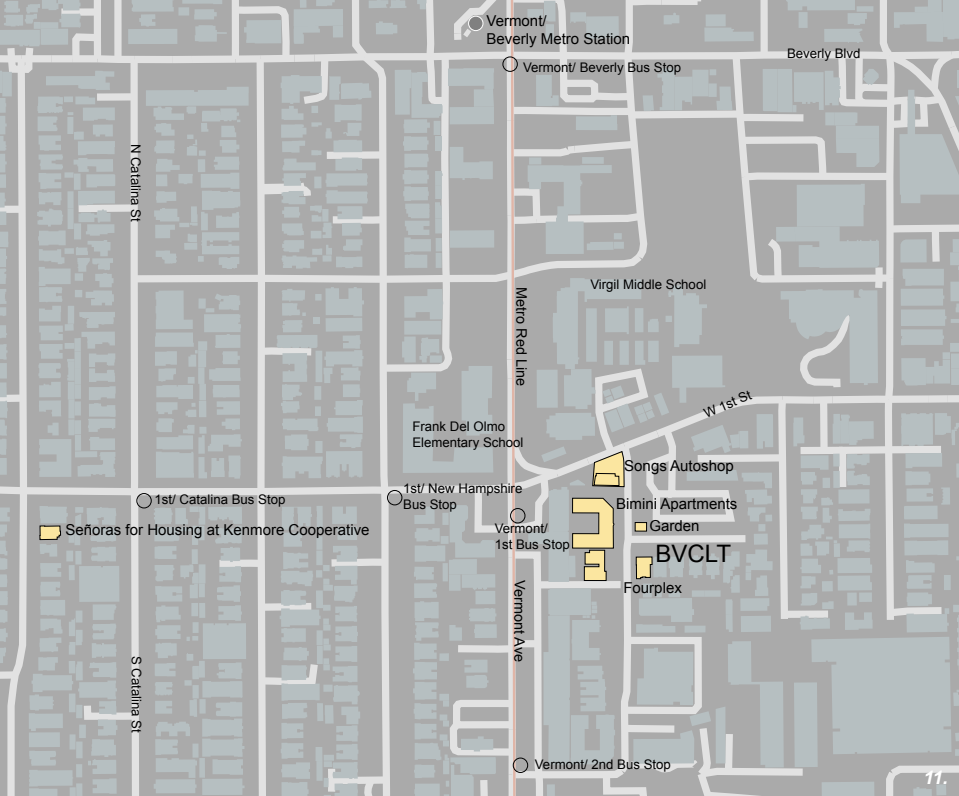
For more detailed information, see:

Anitra Nelson, *Small is Necessary: Shared Living on a Shared Planet* (London: Pluto Press, 2018).

"Bylaws." Beverly-Vermont Community Land Trust online. March 15, 2008. <http://www.bvclt.org/bylaws.html>.

"Ecological Revolving Loan Fund Info Sheet." LA Eco-Village online. Updated May 2021. <http://laecovillage.org/crsp/ecological-revolving-loan-fund/>.

Mark Roseland, "Linking Affordable Housing and Environmental Protection: The Community Land Trust as a Sustainable Urban Development Institution." *Canadian Journal of Urban Research*, December 1992, Vol. 1, No. 2, December 1992, pp. 162-180.



Bienvenidos Committee, Management Committee, Conflict Resolution Team, Facilitation Committee, and the Gardening Group. A Racial Justice Committee was founded in 2020. Los Angeles Eco-Village Institute (LAEVI) is the organization that established the Los Angeles Ecovillage (LAEV) and Beverly Vermont Community Land Trust. While LAEVI was started in the 1980s, LAEV was founded in 1993 by purchasing the Bimini and White House Place properties. In 2012, LAEVI transferred ownership to Urban Soil/Tierra Urbana Co-op, which donated the land to BVCLT. This transfer ensured that the land would remain perpetually affordable under the management of the CLT. BVCLT then gave a 99-year lease to Urban Soil/Tierra Urbana Co-op.

LAEVI deployed an unusual mechanism for

- 11.** Properties belonging to Beverly Vermont Community Land Trust: Songs Autoshop, Bimini Apartments, community garden, fourplex property and Señoras for Housing at Kenmore Cooperative.

founding the CLT. As a nonprofit, the organization was able to purchase the properties in the wake of the 1992 Los Angeles Uprising and the destruction it caused in the area. The housing market in Los Angeles has significantly changed since the early 1990s, and it would be not easy to replicate this exact model today with consistently increasing housing costs. This change in the housing market created an obstacle for transferring the properties from the ownership of LAEVI to Urban Soil/Tierra Urbana Co-op. Since the market-rate property value had significantly increased between 1992 and 2012, the assessed value required a very high property tax to be paid for the transfer. This was not a factor that the organizing groups had anticipated: they saw it as a transfer rather than a sale. Like most housing market regulations, property tax laws do not foresee the usage of alternative models like CLT.

Another prohibitive constraint for CLTs is acquiring funding to purchase properties. Since the units are sold or rented for below-market rates, it is difficult for small organizations to receive loans from traditional lending institutions. LAEVI has deployed an exciting method for self-reliant funding known as an Ecological Revolving Loan Fund. In this community loan fund, individuals can loan money to the organization with a fixed interest rate. The money invested is used to acquire new properties and rehabilitate them to expand the mission and operations of the organization. This provides the opportunity for people to contribute to the community while retaining interest on the loan. Over the past 30 years, this Revolving Loan Fund has borrowed and returned close to \$2 million. The lenders know what their lent money is going towards and participate in a mission-driven organization. For LAEVI, this method reduces reliance on outside organizations for funding. One difference is that money loaned to LAEVI is not insured as it would be in a traditional bank. While this has not been an issue until now,

One of the main challenges for Community Land Trusts is locating steady and reliable funding sources. Many times, funding streams are external to the organization itself. This would include public and private donations, grants, and other types of fundraising. Los Angeles Eco-Village and Beverly-Vermont Community Land Trust have implemented a compelling funding strategy that has proven secure and reliable while remaining within the organization. The **Ecological Revolving Loan Fund** is a community loan fund used to acquire and ecologically rehabilitate properties in the targeted operating area of BVCLT.

By using this strategy, the LA Eco-Village and BVCLT have effectively created a small bank in which lenders can hold their money with interest and will be repaid in set terms. This becomes a mutually beneficial relationship because it provides a renewable funding source for new acquisitions, and lenders know that their money is going towards a mission-driven community organization. This fund has existed for over 30 years and has paid back around \$2 million dollars over that time. The loans are repaid from mortgages on properties that LA Eco-Village and BVCLT own.

REVOLVING LOAN FUND

Lenders can give between \$1,000 and up to \$100,000 to the fund with an interest rate of 1.5%, paid quarterly or annually. The current focus of this funding is the recently acquired former auto shop on the corner of W. First Street and Bimini Place, directly adjacent to the residential apartment properties. This property provides an exciting development with a community center and commercial space for a small, green co-op business. Currently, the rehabilitation process requires attention and effort to contend with existing issues, including decontamination of the land. The Ecological Revolving Loan Fund provides the necessary funding to ensure that the rehabilitation is sustainable and effective in expanding the mission of the CLT.

As a funding strategy, the Revolving Loan Fund gives community members the ability to assist CLTs in their mission to acquire property to hold on behalf of the community needs. It can be a reliable method of funding the acquisition and rehabilitation of new projects blurring the lines between a social movement and local governance for CLTs.

it could pose challenges in the future. An essential strategy for expansion is the partnerships that BVCLT has developed with Community Investment Funds and Community Development Corporations like Genesis LA and Brilliant Corners. BVCLT can develop and finance new projects with mission-driven organizations with a shared focus through these relationships. It can be challenging for affordable housing organizations to receive loans from traditional banks because of the reduced rents and ownership costs. These partnerships are an essential part of the growth and development of BVCLT as an affordable housing provider in their neighborhood.

The BVCLT Board comprises residents, community members, and experts focused on affordable housing and community development issues following the classic CLT board model. One clear difference is that LAEVI's board members remain separate from the operation of BVCLT. Still, these two entities work closely together to achieve their shared missions. To apply to become a member of BVCLT, applicants must complete a statement of interest and qualify by earning between 40% and 80% of the Area Median Income. Since there is a high demand and a long waiting list for members, the process can take a significant amount of time for residents to be accepted and move in. It is rare for units to become vacant in a climate of a significant housing shortage. This can be a challenging process for people facing eviction and needing affordable housing on relatively short notice. To ensure equal access to the application process of the local communities, BVCLT recently translated the application form into Spanish and Korean.

Across its entire portfolio, BVCLT is integrating sustainable practices of construction, restoration, and funding structures. For example, residents that do not own a car receive a rent reduction. However, establishing new forms of practice and production

can be extremely challenging. The recently acquired commercial property, a former facility for automotive services, sits on highly contaminated land. LAEVI and BVCLT are looking for alternative decontamination technologies that don't negatively impact the environment and transfer the contaminate to a different location.

The Beverly Vermont area is undergoing some significant changes with new developments of market-rate and affordable housing. Due to the Vermont/Beverly Metro Station, developers can take advantage of the Transit-Oriented Communities program, which provides incentives to create affordable housing units within the developments. One new project by Hankey Investment Company and Jamison Services is in the process of construction. It will create 490 residential units with 49 apartments priced for people earning 30% or less than the AMI. Another development by 4D Development & Investment will create 60 market-rate units and seven extremely low-income units. In addition to the for-profit development, many affordable housing units are coming to the area. The David T.C. Ho Family Building project has 65 studio, one-bedroom, and two-bedroom apartments, reserved for formerly homeless persons. This development is partially funded through Measure HHH, which designated \$1.2 billion in general obligation bonds to develop housing for people experiencing homelessness.

Additionally, the upcoming development of Enlightenment Plaza will provide 454 affordable residential units priced for low, very low, and extremely low-income households. With an increase in new for-profit developments, the area will likely experience some forms of displacement. The price of existing units near these developments is currently around \$2,000 for a one-bedroom apartment. These rents are likely to increase with a wave of new construction. Affordable housing

12.
Front entrance to the Fourplex, a Beverly Vermont CLT property.



units in new developments might be contributing to the current housing stock, but their covenants have an expiration date, unlike the units located on the CLT-owned land that will remain affordable in perpetuity due to the transparent governing and funding structure.



13.
Communal garden
of the Bimini
Apartments,
property of Beverly
Vermont CLT.



14.
Front entrance of
Bimini Apartments.

Irvine Community Land Trust

Irvine Community Land Trust was founded in 2005 as the outcome of an initiative created by the City of Irvine to address a lack of affordable housing in the city. The rising cost of living combined with the expiration of one-third of the affordable units' covenants through an inclusionary zoning ordinance in Irvine called for an ambitious strategy to create permanently affordable housing. This initiative resulted in the formation of the Housing Task Force, which set the goal of creating 9,700 affordable housing units by 2025 and establishing a community land trust to steward the properties. Community Land Trust began as a part of city government, but since 2007 it has become an independent non-profit. Irvine CLT is California's only municipally sponsored CLT.

Since its founding, Irvine CLT has created 475 units over four developments spread across different areas and neighborhoods of Irvine: Parc Derian, Alegre, Doria, and Salerno. Recently Irvine CLT broke ground on Sage Park, a new development that will have 68 units that include two-bedroom, three-bedroom, and four-bedroom townhomes.

Parc Derian is an 80-unit, four-story apartment complex with one-, two-, and three-bedroom apartments in the mixed zoning Irvine Business Complex for households earning between 30% and 50% of the Orange County AMI. On-site amenities include a fitness center, club room, pool, computer room, children's area, outdoor barbeque grills, community space, and 137 parking spaces.

Irvine
Community Land
Trust

Foundation
Date: 2005

Number
of Units: 475

Cities
of Operation: Irvine,
CA

Number
of Employees: Two
employees

Model:
Ownership and
Rental

Alegre is a 104-unit complex with one to four-bedroom units in Cypress Village affordable for households earning between 30% and 50% of the Orange County AMI. The site offers a pool, barbecue areas, children's playground, and a large two-story clubhouse with offices, computer lab, kitchen, media room, game room, and fitness center.

Doria is a 134-unit development in Irvine's Stonegate Village with one-, two-, and three-bedroom apartments to accommodate residents earning between 30% and 60% of the AMI. The building has three stories centered around a courtyard with Spanish Colonial-inspired architecture, similar to the surrounding neighborhood. The site has a large community center, playground, pool, spa, community garden, and laundry facility.

Salerno is an 80-unit four-story apartment complex in Cypress Village intended to serve veterans, individuals with developmental disabilities, families at risk of homelessness, and individuals earning 80% or less of the surrounding AMI. With average market-rate rents ranging from \$1,900 to \$3,500 for one- to two- bedrooms in Cypress Village, Salerno rents of the same unit size will be priced from \$587 to \$1,321.

Most of the properties that Irvine CLT owns are newly built developments. These have been constructed with the surrounding community in mind and with input from organizations like Neighborhood Homeowners' Associations. One of the goals of these developments is to blend in with the neighborhood. Irvine CLT has calculated that developing new housing projects is more cost-effective than acquiring and rehabilitating homes. This strategy allows the CLT to dramatically increase the number of affordable units in a shorter amount of time. Initially, Irvine CLT began purchasing existing condos and renting them at an affordable rate, but

For more detailed information, see:

Ben Brazil, "As Home Prices Soar in O.C., Irvine Community Land Trust Breaks Ground on Affordable Home Ownership Project." Los Angeles Times, January 28, 2021. <https://www.latimes.com/socal/daily-pilot/entertainment/story/2021-01-28/as-home-prices-soar-in-o-c-irvine-community-land-trust-breaks-ground-on-affordable-home-ownership-project#:~:text=TimesOC>

"Case Study: Irvine Community Land Trust - Irvine, California." Adaptation Clearinghouse. Accessed September 13, 2021. <https://www.adaptationclearinghouse.org/resources/case-study-irvine-community-land-trust-irvine-california.html>.

Michael Brown and Rick Jacobus, "City Hall Steps In." Shelterforce, June 4, 2017. https://shelterforce.org/2007/04/23/city_hall_steps_in/.

it was decided that it was too costly to purchase and rehabilitate these properties.. There were nine condos initially owned by the CLT, which it still owns and rents.

Irvine CLT is somewhat unique in that it utilizes renting and purchasing models of housing. The ownership model fits the classic CLT structure where residents purchase their homes and are given a 99-year lease on the land. To qualify, applicants must be earning within an expressed range of the area's AMI. When a home is purchased, the resident takes out the loan to finance the affordable housing cost. While there is a lottery system for applicants, priority is given to people that have either been living or working in Orange County for a minimum of one year. In addition to these requirements, the resale formula, the original sale price plus the percentage increase of AMI over time in the unit, is designed to give the resident equity while keeping the home affordable.

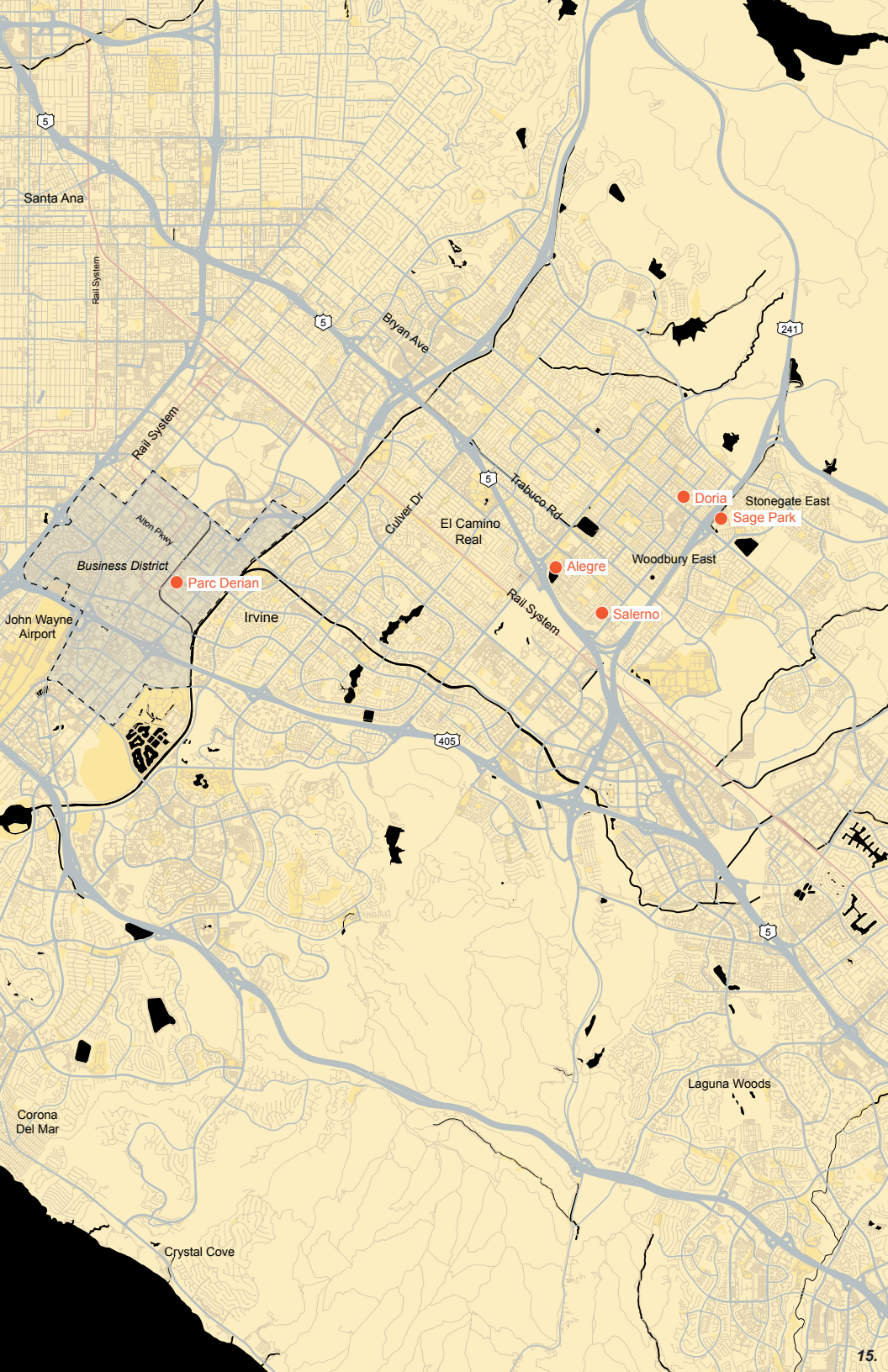
The City of Irvine has played a prominent role in this development, providing an initial start-up grant of \$250,000 in addition to continued funding, staffing, and expertise. This relationship is reflected in the board's makeup, where the mayor served as the CLT Board's first chair, with all of the board members appointed by the city. Since becoming an independent non-profit, the city now elects city nominees to serve on the seven-member board with two-year terms and one-year terms for city officials. When the CLT reaches 500 units, it plans to expand to nine members with three resident members. Currently, there is one resident member involved in the governance of the non-profit.

A significant milestone for Irvine CLT came during the sale of the decommissioned El Toro Marine Corps Air Station, which the City of Irvine annexed. At the time of the sale, a Military Base Reuse program in California designated that 20%

Stephen R. Miller, "Community Land Trusts: Why Now Is the Time to Integrate This Housing Activists' Tool Into Local Government Affordable Housing Policies." Zoning and Planning Law Report 36, no. 9 (October 2013).

15.

The properties of Irvine CLT are evenly distributed throughout the city and do not stand apart from other residential projects.





of the taxes generated from the sale were to go to affordable housing, which was intended for Irvine CLT. After this process had begun, the state of California eliminated the redevelopment program, and the City of Irvine filed a lawsuit against the state because the contracts were already in place. Faced with potentially losing the case, the state of California settled for \$292 million for the City of Irvine and 10% of this settlement was designated

16. Parc Derian is located inside Irvine Business Complex, a mixed zoning area.

for Irvine CLT. This \$29.2 million was generated through taxes on the redevelopment site and has been disbursed over several years, with \$15 million allocated thus far. The rest is expected to be distributed over the next four or five years. Once this money runs out, though, there will need to be a shift in financial strategy. Irvine CLT has been using this funding to develop housing and lease the land to management companies. The goal for the CLT is to entirely supplant their redevelopment funding with their lease fees before the allocated money runs out. Still, there will most likely need to be new sources of financing to maintain operating costs. Former Irvine CLT Board Member Michael Stockstill explains:

"This money is going to end in about four years, and there is not a lot of lands left to develop in the city. We're pretty close to being built out. The city needs to ask itself, 'What is going to be its continuing commitment to low-cost housing?' and if they do have a commitment, 'How do they see the land trust being involved in that?'"

Even after Irvine CLT became an independent non-profit, there remains a close connection to the City of Irvine. In addition to this financial support, the City of Irvine determined that the CLT would be the first point of contact for developers in the city and promote the perpetual affordability of units by entering them into the CLT through inclusionary zoning ordinances. This was formalized in Irvine's housing plan, which outlines the city's recommendations for developers to allocate land or units to the CLT for permanent affordability. Since 2003, Irvine's Inclusionary Zoning Ordinance has required new development of 50 units or more to provide 15% of the units for affordable housing or pay "in-lieu" fees. These fees would be allocated to Irvine's Affordable Housing Trust Fund and utilized for affordable housing development, including Irvine CLT, and are used exclusively to buy land because

The involvement of city and county governments in developing and funding Community Land Trusts has proven to be a crucial element for the model's success. This relationship varies significantly across the operating CLTs and can take many different forms. One of the clearest examples of city government involvement of a CLT is Irvine CLT, which was founded by the City of Irvine and has since branched off into its non-profit organization. Although it is not technically a part of the city government structure anymore, it provides funding for the CLT. It works closely with developers to comply with inclusionary zoning ordinances.

Additionally, the Board of Directors is made up of appointees from the city, which is a divergence from the "classic" CLT model in which a tripartition board is made up of one-third residents, one-third community members, and one-third experts. Irvine CLT plans to transition to a classic model when it reaches 700 units, though it will still include two city-appointed members. Irvine CLT is the only municipality that originated CLT in California, and it provides a compelling model for how CLTs can provide affordable housing on a large scale.

CITY INVOLVEMENT

The founding and funding of Irvine CLT by the City of Irvine has proven to be an effective method of providing affordable housing within the community. With a city-based funding structure, taxpayers become directly involved with the CLT and can seek a level of input and transparency closer to city budgets. Still, the relationship has proved challenging at times. Additionally, a city-created CLT could discourage creating other more activist-led CLTs in the area because there might not be financial support from the city.

For example, many CLTs work to fight displacement by purchasing houses and apartment buildings where renters are at risk of being evicted. Buying existing properties is not part of the mission of Irvine CLT, which instead focuses on developing properties on previously vacant land or acquiring properties through inclusionary zoning. The properties that Irvine CLT owns have a very high occupancy rate, and the lotteries held for newly available units have very long waitlists. While this approach can create a large amount of affordable housing, one is left with a lingering question of whether this approach is suitable for responding to the community's specific needs.

there are no existing state programs to fund the local acquisition.

Parc Derian is an example of the success of this shift in Irvine's housing plan and Inclusionary Zoning Ordinance toward permanent affordability. C&C Development worked with the City of Irvine to construct an affordable housing project as part of the Inclusionary Zoning Ordinance, and they donated the land to Irvine CLT. Then Irvine CLT leased the land back to C&C Development to own the building and operate the housing for \$1 a year for a 99-year lease. While Irvine CLT owns the land, it receives no revenue from this property but ensures that the units remain affordable. This is the only property that Irvine CLT owns developed in this way.

The other properties owned by Irvine CLT included development partners who specialize in affordable housing. Once the building is finished, these developers, including Chelsea Investment Corporation and AMCAL, lease the land from Irvine CLT and manage the property. The lease fees are designated to fund operating costs for the CLT, while the rental fees fund utilities, including water, trash, and sewer costs. Irvine CLT's supportive resources are loans and funds from the Community Development Block Grant and HOME funds from the US Department of Housing and Urban Development.

Another compelling element of Irvine CLT's formation by the city is related to California tax law. Non-profits do not have to pay property taxes on properties in line with their mission, but this only applies to property under \$10 million in value. Once a non-profit holds more than \$10 million in property value, the exemption goes away. This is a critical hurdle for non-profit housing developers because of the high cost of real estate in California. With rises in the housing market, it takes fewer properties to reach that \$10 million limit. Notably, this limit does



Irvine Community Land Trust

17. The four-story Parc Derian was developed on an infill site by C&C Development, Irvine CLT and Innovative Housing Opportunities.

not apply to CLTs that community governments founded. The benefits for this aspect of the law make it possible for Irvine CLT to own large properties and expand without paying property taxes that would detract resources from its mission.

While Irvine CLT can be considered a classic CLT model in some ways, it has many unique characteristics and operates at a scale incomparable with other CLTs in Southern California. A large amount of allocated funding from the redevelopment settlement, in addition to the direct city involvement with the housing plan guidelines, give Irvine CLT the ability to grow at a rapid pace. Still, soon the allocated funding will end, and there will need to be a new funding strategy to supplement the lease fees. It should also be noted that while the CLT's targeted household AMI is low, there are few resources for unhoused and most precarious populations in Irvine and surrounding communities. In 2019, the City of Irvine and four other cities in Orange County were sued by a small group of unhoused people and unhoused advocacy groups for lack of shelters and for criminalizing unhoused populations through anti-camping ordinances and other measures. While generally successful and attentive to communities' immediate needs municipally-sponsored CLTs tend to forego a process of community organizing that is important to other types of CLTs.

18.
Doria, an Irvine CLT property, walkway to the apartments. Doria brings 134 affordable housing units to a master-planned Stonegate Village Community.





19. Early view of Irvine Ranch and its vast undeveloped land. "In the 1860s, James Irvine and his partners purchased the ranch at an average of .25 cents an acre. Irvine Ranch has been under private ownership for more than 100 years and is considered one of the largest and most successful master-planned urban environments in the U.S." Laursen/Mitchell, Inc., "Irvine Ranch and surrounding area." Tessa.lapl.org, accessed 20/11/21, <http://tessa.lapl.org/cdm/ref/collection/photos/id/112455>



20. Doria, pedestrian walkway and personal garages facing each other along a driveway. The majority of the ground floor area of Doria apartments is dedicated to covered parking spaces.

Housing Land Trust of Sonoma County

The Housing Land Trust of Sonoma County (HLT) is a nonprofit organization established in 2002 to provide housing for low and moderate-income households in Sonoma County, California. Starting with a pilot project in Santa Rosa the founders, Michael Hatfield and his wife Deborah Hatfield, were interested in providing homes for working families. Observing the rising cost of living in Sonoma County, HLT is focused on reshaping homebuying to provide affordable housing in perpetuity. One way HLT creates affordable homeownership opportunities is to partner with housing developers and with cities to designate portions of developments for affordable housing. HLT holds title to the land and stewards the sale of the homes at an affordable price. The Land Trust leases the land to the homebuyers for a term of 99 years utilizing a renewable ground lease which requires the home to be sold to eligible buyers based on a fixed equity related to the increase of AMI.

HLT currently owns 116 properties, has overseen 22 resales, and has 60 more properties in planning stages and under construction. HLT can circumvent many of the challenges that arise when competing in the housing market for properties by utilizing inclusionary zoning, among other strategies and working directly with local governments. This allows the Housing Trust to focus on educating buyers and delivering ongoing stewardship homeowners and property. Many cities have worked with HLT to provide affordable housing, including Cloverdale, Cotati, Healdsburg, Santa Rosa, Rohnert Park, and Petaluma.

Housing
Land Trust of
Sonoma County

Foundation
Date: 2002

Number
of Units: 116
Properties

Cities
of Operation:
Petaluma, Cotati,
Rohnert Park, Santa
Rosa, Healdsburg,
Cloverdale

Number
of Employees: One
full-time employee,
one part-time
employee

Model:
Ownership

One way the model works: the first project that helped establish HLT was the Kali Subdivision in Santa Rosa. The homes were constructed with partners Habitat for Humanity of Sonoma County and The Housing Company. In total, there are ten homes for households making 30% to 120% of Sonoma County's AMI. The property in Santa Rosa is the only one of HLT's developments purchased through the traditional real estate market. Subsequently, the majority of HLT's properties have been acquired through inclusionary zoning ordinances as part of the housing element of the general plan in the cities of Sonoma County. Through political engagement, the Housing Trust has been able to work with six out of the nine cities in Sonoma County to enact inclusionary zoning ordinances that designate 15% to 20% of new developments to be affordable housing. The ordinances deed all affordable properties to their respective cities, which then transfer them to HLT.

Similar to the first project in that the property is raw land owned and developed by HLT is the current example of an innovative strategy at the project known as Jamie Lane, developed on an urban infill site in Cotati. The land was purchased by the Cotati Community Redevelopment Agency and deemed for affordable housing, but the agency dissolved and the city gained ownership. When another developer tried to build on the property, it was unsuccessful due to the parcel's irregular shape and small size. HLT acquired the land through its relationship with the City of Cotati and is developing a 100% affordable community with five manufactured three-bedroom houses and detached garages. Additionally, HLT used a variety of strategies to fund the different stages of development, including the City of Cotati for Entitlements, the County for Transient Occupancy Tax for project funding, and California Housing Finance Agency for site work. By operating within these constraints of a challenging property and utilizing a multifaceted funding strategy, HLT developed new homes within market-facing

For more detailed information, see:

“An Affordable Housing Trust for the City of Sonoma?” Sonoma Sun, September 9, 2016. <https://sonomasun.com/2016/09/08/an-affordable-housing-trust-for-the-city-of-sonoma/>.

Emily Thaden and John Davis, “Stewardship Works.” Shelterforce, December 24, 2010. <https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/article-thaden-davis.pdf>.

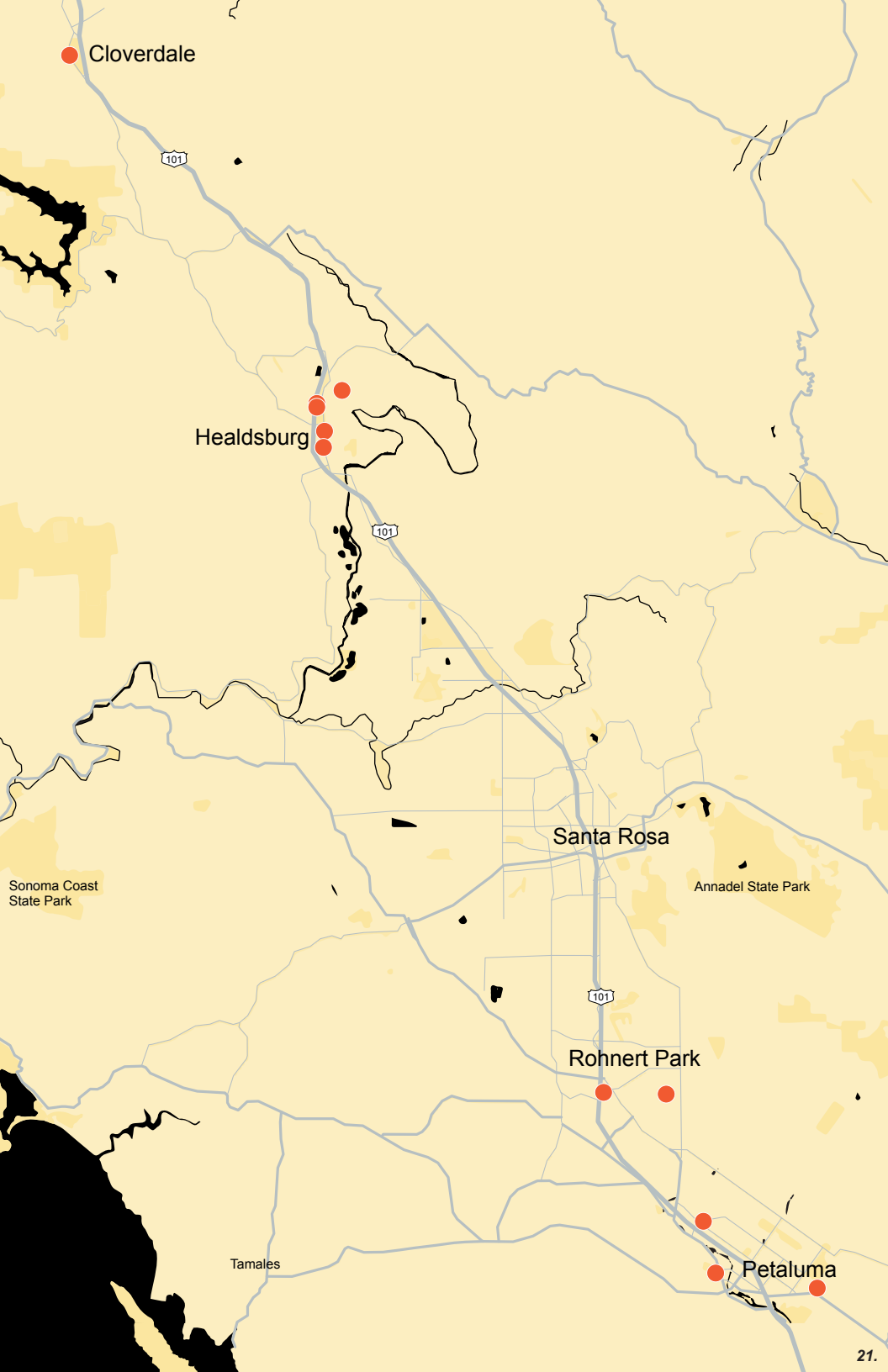
Kevin Fixler, “Nearly 500 New Homes Going up in Rohnert Park’s W Section.” The North Bay Business Journal, September 3, 2019. <https://www.northbaybusinessjournal.com/article/article/rohnert-parks-w-section-to-see-construction-of-for-sale-rental-housing-ge/>.

increased housing costs, disastrous annual wildfires, and construction labor shortages. This project is a prototype for the CLT utilizing a new loan product from Fannie Mae, following the Duty to Serve policy on Manufactured Housing; a goal of this project is to replicate it in high cost and disaster areas to increase the supply of housing.

The housing model that HLT utilizes is home ownership-based. While the homes are being sold at an affordable price with fixed equity, which is unique to the CLT model, owners will have only a 30-year fixed mortgage, working with Fannie Mae that has approved the Ground Lease; there are no silent seconds as the subsidy is front loaded and embedded in the unit. Additionally, homebuyers do not need to make a down payment, which is typically a significant obstacle in the process of home buying. In the case of an inclusionary project, HLT receives a fee from the developer for their service to market, qualify, and steward the eligible, qualified buyers. At the close of escrow, the developer deeds the land to the city that then deeds it to HLT; HLT leases the land to the qualified homebuyer. The developer sells the improvements (home) only to the qualified buyer for the affordable price. Since one of the program requirements is to be a first-time home buyer, HLT offers homebuyer education to ensure that residents have all the necessary information on this process, and continues to steward and guide during ownership and at resale. One of the significant accomplishments of CLTs is the remarkably low foreclosure rates of homes compared to homes bought at market rate. A 2009 study from the Lincoln Institute of Land Policy shows that market-rate homes were almost six times more likely to be foreclosed than homes bought through CLTs. This was not even taking into account that CLT homeowners are low-income buyers, who have a much higher foreclosure rate in the traditional market.

The success can be attributed to several factors,

21. Housing Land Trust of Sonoma County properties. More than 100 properties of Housing Land Trust of Sonoma County are located in different cities.



● Cloverdale

101

Healdsburg

101

Santa Rosa

Annadel State Park

Sonoma Coast State Park

101

Rohnert Park

Tamales

Petaluma

Inclusionary Zoning has proven to be an effective method for CLTs to acquire properties because it removes the cost burden of purchasing properties from CLTs to municipalities designating them. In an inclusionary zoning ordinance, developers are incentivized to build affordable housing in exchange for building variances like increased height limit, density, Floor Area Ratio (FAR), and decreased number of parking spots. The affordability of the units is based on households' income in relation to the AMI (area median income). The outsourcing of developing affordable housing from municipalities to private developers can be an effective strategy if utilized by the CLT model for permanent affordability, though often, the affordability ordinance has an expiration date in which the units can be brought to the market-rate level. The expiration of covenants can have a devastating effect on future communities.

Housing Land Trust of Sonoma County is a compelling example of a CLT model utilizing Inclusionary Zoning to acquire new properties and keep them affordable in perpetuity. While many CLTs are faced with purchasing properties at market rate, HLTSC works with several cities in Sonoma County as a part of their inclusionary

INCLUSIONARY ZONING

zoning ordinance. In this position, new developments in these cities must donate units to the CLT that will be perpetually affordable. In this approach, the CLT remains a separate non-profit entity but collaborates with governments to create affordable housing in an expensive housing market.

Like Irvine CLT, which also uses inclusionary zoning, HLTSC exclusively focuses on housing, while other activist-led CLTs include community centers and local businesses in their mission. Inclusionary zoning alone cannot address these more significant needs for community affordability that extends beyond housing alone. Additionally, transitional housing, in which residents are formerly unhoused or housing insecure, is often a priority for CLTs and may require onsite services that are challenging to provide through inclusionary ordinances alone. There are many productive uses for inclusionary zoning in the growth and development of CLTs and removing the need to purchase properties at market rate is essential in expensive housing markets.

including the pre-purchase educational courses, prevention of high-risk loans for homebuyers, and continued support for residents after purchase. This support is crucial because it can facilitate the detection and prevention of delinquencies and foreclosure filings. HLT owns the land on which the homes are and retains the first right of purchase with the option to cure defaults in payments. Through continuing involvement, HLT has avoided foreclosures in almost all the cases where it was a possibility.

While the core model of HLT is based on a "classic CLT" structure, one of the most significant differences is the board make-up. A classic board model includes one-third residents, one-third community members, and one-third experts in the field. There are a number of variations to the CLT model, one of which is followed by HLT in that the board makeup is community members and not required or limited to existing homeowners. Homeowners are specifically engaged as community ambassadors sharing their experience in the program at annual events, and through sharing their stories, many on their website.

The staffing model at HLT is designed to withstand the ebbs and flows in business, keeping ongoing overhead steady and making the organization sustainable. In addition to the Executive Director, Dev Goetschius, there is a team comprised of a part time Office Manager, contracted application analyst, special projects housing administrator, and is complemented by two CLT trained escrow officers, two national preferred lenders with expertise in CLT loans, and dedicated realtors who donate part of their services to the program; the team is paid through the transactions they help support. In contrast to other CLT models, HLT is not a membership organization. While this model has proven to be an effective creator of affordable housing, the role of the community is less direct in this approach. The organization, like many others, chose this route as it has the oldest CLT in CA, the Northern CA Land



22.

A typical single family Brody Ranch home, in a focus area of Housing Land Trust of Sonoma County.

Trust, to create an organization that is nimble is its transactions and ability to acquire land and housing at an efficient rate, serving the County and its various local governments.

The second approach to creating homeownership and the key to the success of HLT is a strong presence in inclusionary zoning ordinances. Many cities have these ordinances as part of their general plans, but most allow in-lieu fees to be paid instead of providing affordable housing. These fees are often less expensive than fulfilling the affordable requirement. By removing this option and requiring developers to enter a percentage of the developed units into Housing Land Trust, these homes will remain permanently affordable. It is also crucial for HLT that the houses are scattered throughout the development to integrate the affordable homes with the market rate homes and to ensure that the properties are identical.

The inclusionary zoning ordinances in which HLT utilizes are crucial for the housing trust to continue growing as one of the largest CLTs in the country. In these ordinances, HLT is named the beneficiary of the law and has contracts with cities to ensure that the properties are entered into their ownership. One question that remains is the feasibility of other CLTs to operate in these cities. It is unclear how another CLT would operate in the region if it would have to purchase homes at market rates. This leaves the inevitable question of the possibility for other CLTs to benefit from these inclusionary zoning ordinances established with HLT. This example clearly illustrates the importance of forging strong relationships with municipalities and maximizing the CLTs' presence in regulatory planning frameworks.

A third approach to increase the supply of affordable housing is to preserve the existing housing stock held in the portfolio of cities and the county. HLT agrees to steward the existing homeowners for the cities to then



23, 24, 25, 26. Brody Ranch and Southgate single family homes and a neighborhood recreational area. The homes are properties in a focus area of Housing Land Trust of Sonoma County. The CLT provides low-income, moderate-income and workforce housing.



have the option to preserve existing housing stock in the communities it serves by purchasing homes when they come up for sale and entering them into Housing Land Trust. In this way the subsidy already invested in the affordable housing stock is preserved and retained in the property: if the city has a silent second in the deal, it is turned into a permanent grant and the new sales price is tied to AMI, with the affordability term extended to perpetuity under HLT's Ground Lease.



A fourth model for increasing the supply of housing is to buy down market rate homes with funds secured from the county, leveraged with grants from the city. The success of this approach is dependent on the market rate prices because when the market rate prices are higher than the funding available to close the affordability gap, it does not work; when the market cools or the AMI rises, this model can be applied to write down the sales price to make it affordable to the qualified buyer.

One of the criteria for eligibility for purchasing all homes in the program is based on household income in relation to AMI and is directed towards community workers and their families. Even factoring fixed equity on resale, the Housing Land Trust is focused on wealth building for residents. The CLT model in fact emphasizes the balance between creating public wealth in preserving land for the public benefit, in this case the homes on that land will remain permanently affordable to a targeted population, as well as creating personal wealth. Since AMI determines the equity and the sale, the home will remain affordable for the next buyer, and the seller will be able to receive more than they paid if the AMI increases across their time of ownership. HLT has had 22 resales, with homeowners realizing equity and purchasing market rate homes; this is also a key goal of the program: recruiting and retaining the local workforce in a high-cost area.



Oakland Community Land Trust

In the aftermath of the foreclosure crisis, Oakland Community Land Trust was founded in 2009 by Urban Strategies Council, a research and advocacy organization focused on social, economic, and racial equity. After receiving HUD Federal Neighborhood Stabilization Funds, Oakland City Council allotted them to newly established OakCLT, which focused on buying single-family homes that were either foreclosed or unoccupied and preserving them. Most of the properties owned by OakCLT are single-family homes and small residential buildings with a small number of commercial spaces and artist studios. The CLT has a "classic" governing board with one-third of residents, community members, and affordable housing experts demonstrating an ideological commitment to community-led development.

The organization's portfolio currently consists of 43 properties spread across Oakland managed by a staff of four people. It is essential to note that working with a single-family homeownership model that requires less stewardship allows the CLT to operate with a small staff. As OakCLT expands its portfolio to include other ownership models, the capacity of the CLT would have to grow to match an increase in scale and complexity.

Why single-family homes? The subprime mortgage crisis shifted attitudes about the complex relationship of housing to the market. In Oakland, foreclosures increased by 545% from 2006 to 2007 and doubled in the following year. Especially worrisome were vacant homes in the neighborhoods with the lowest income levels. In addition, the City of Oakland was in

Oakland
Community Land
Trust

Foundation
Date: 2009

Number
of Units: 43

Cities
of Operation:
Oakland, CA

Number
of Employees: Four
full-time employees,
one part time
employee

Model:
Ownership and
Rental

financial trouble due to the lack of tax revenues and rising unemployment. When Oakland received \$8.25 million as part of the Neighborhood Stabilization Program, it decided to invest it entirely in acquiring and restoring foreclosed homes to sell to low-income families. Previously, the city would typically split this type of funding with affordable renting programs. OakCLT secured these funds and purchased 17 houses to preserve and sell at an affordable rate. Initially, the CLT planned to acquire many more homes but ran into numerous challenges when operating inside capitalist land, credit, and housing markets.

In the last years, OakCLT received much attention from legacy media due to an acquisition of a previously vacant West Oakland house occupied in the act of civil disobedience by a group of housing-insecure local mothers. So-called Mom's House was owned by the infamous Southern California real estate developer Wedgewood LLC. Moms 4 Housing organized to get the property sold to the OakCLT. The City of Oakland became involved in the negotiations and eventually, Wedgewood LLC agreed to sell the house. The process was full of conflicts, including a violent eviction by the Alameda County Sheriff Department. Mom's House added visibility to the work of OakCLT, whose projects are mostly resident-led. Tenants facing eviction often contact the organization asking for help in navigating the nuanced housing market. Despite mounting evidence of the model's success, the concept of the CLT is not widely known. In this instance, extensive media coverage provided much-needed venues for the circulation of ideas beyond various housing and policy forums.

One of the essential aspects of OakCLT's mission is putting all its properties on a path towards ownership. When acquiring new properties, the organization evaluates its possibility to be self-sufficient in the near future. While some properties can use a

For more detailed information, see:

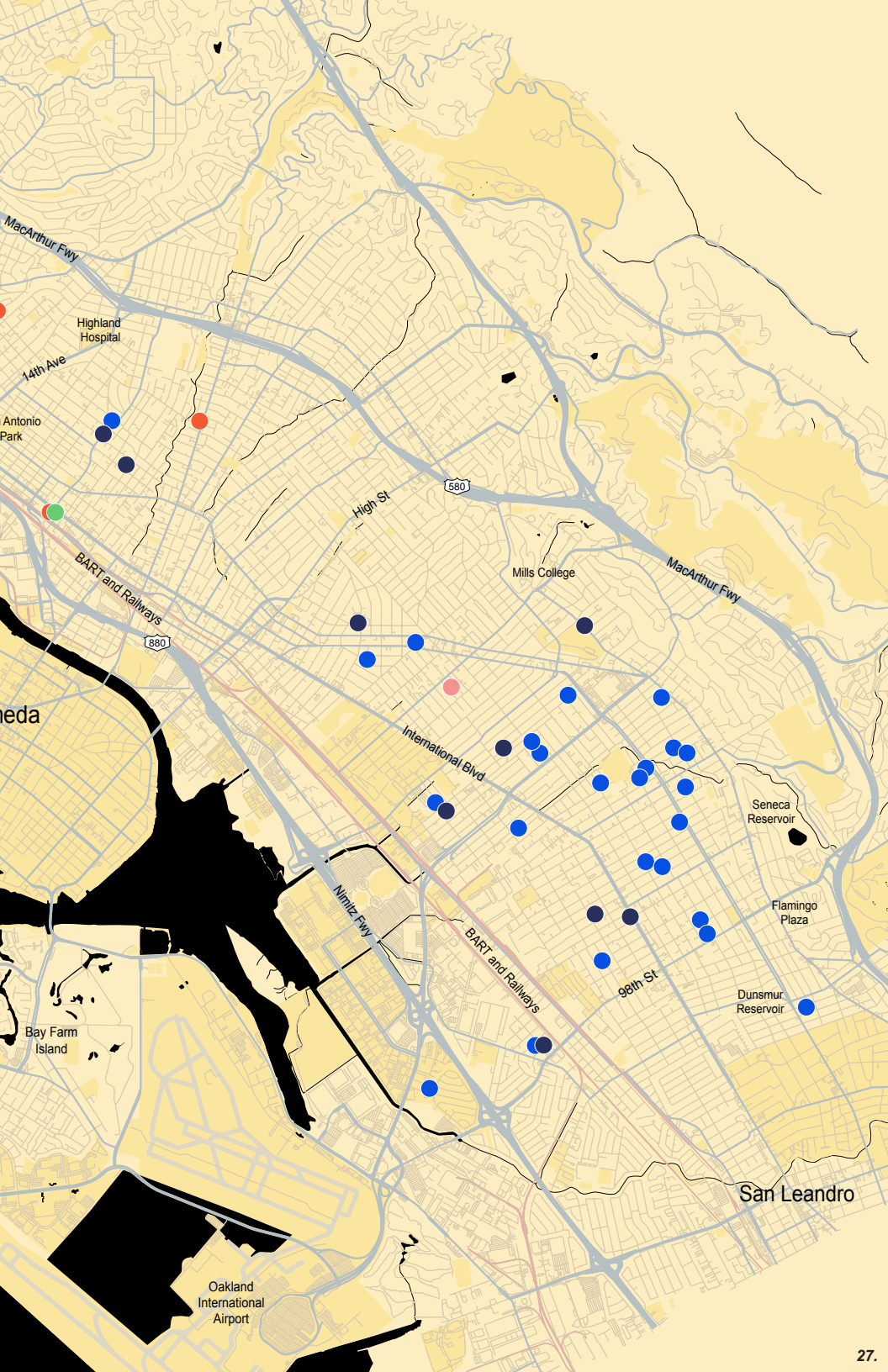
“Case Study: Oakland Community Land Trust - Oakland, California.” Adaptation Clearinghouse, July 26, 2020. <https://www.adaptationclearinghouse.org/resources/case-study-oakland-community-land-trust-oakland-california.html>.

Matt Charnock, “Property Occupied by Moms 4 Housing Activists Has Been Sold - and Will Become Sanctuary for the Homeless.” SFist, October 10, 2020. <https://sfist.com/2020/10/10/property-occupied-by-moms-4-housing-activists-has-been-sold-and-will-become-sanctuary-for-the-homeless/>.



- Single Family Residential
- Scattered Site Single Family Homes
- Worker Owned Co-Ops and Comunal Business
- Comunal Garden
- Harvest House Transitional Housing





One of the crucial benefits of Community Land Trusts is a remarkably low rate of **foreclosures** and serious delinquencies. Foreclosures can have a devastating impact on the community: the households losing their homes, neighborhoods having vacant houses, and municipal governments losing tax revenues. Foreclosures disproportionately impact low-income households than middle- and high-income households. This is significant because many CLTs are designed to provide affordable ownership that is based on residents' income levels. In this process, the CLT owns the land on which the home stands and the structure is bought at an affordable price below market value, and the land is leased for 99 years to the homebuyer. The buyer must take out a loan at an affordable price in the same way that market-rate home buyers must take out a loan. In this model, the CLT becomes an intermediary between the home buyer and the bank in which the loan is given. Additionally, many CLTs offer educational classes and resources to first-time homebuyers to ensure they are not entering into a predatory lending situation. The 2008 and 2009 subprime mortgage crises had a devastating effect on many low-income neighborhoods in California and across the country. Many houses were foreclosed, turning into abandoned

FORECLOSED HOMES

properties scattered throughout cities. Oakland was hit particularly hard by this crisis, and when the Neighborhood Stabilization Program (NSP) dedicated funds to the city, a portion was dedicated to OakCLT for purchasing foreclosed homes. The NSP was created as part of the Housing and Economic Recovery Act of 2008 by the US Department of Housing and Urban Development (HUD) to purchase foreclosed or abandoned homes, rehabilitating and reselling them. The City of Oakland decided to dedicate this funding to the CLT to provide permanent affordability. The CLT successfully acquired 17 properties, but it also found challenging the conditions of the market and terms of the program. While acquiring foreclosed homes might seem like a compelling strategy for CLTs, there are numerous housing market challenges. For example, many developers were buying foreclosed homes all over the city, and the CLT.

rental model, the ultimate goal is to transition them into an ownership model. The CLT provides many educational resources that are specific to the individual needs of the ownership model. In single-family homes, often educational training is required to receive a mortgage from lenders, or the city can require it if public money is used on a project.

Additionally, the CLT model may not be familiar to homebuyers, so it is crucial to describe the concept and arrangement in the process accurately. When the CLT is working with a tenant-based property, it builds their capacity to become owners. It offers training in the financing, operation budgets, democratic decision-making structures, and conflict resolution.

Unlike most profit-oriented developers, CLTs aim to understand their community and acquire properties that fit their immediate needs and long-term aspirations. The area OakCLT operates in has 88% of buildings with 25 or fewer units. This gets reflected in the OakCLTs current and prospective portfolio. Since single-family homes are exempt from rent control in California, they often become subject to high rent increases and are seen as a profit-generating real estate investment. Oakland's single-family homes occupied by long-term tenants are no exception to displacement pressures. OakCLT recognizes these pressures and focuses on preventing displacement of tenants and preserving affordable housing stock in the city. However, the CLT is also working on a program to develop new single-family homes. OakCLT's Executive Director Steve King notes:

27. Oakland Community Land Trust properties. There are 40 properties including single family residential, scattered site single family homes, Co-Ops, a communal garden and transitional housing for women.

28. Street view of Hasta Muerte Coffee, business owned and operated by OakCLT.



"Our approach to preservation is not one of 'Let's not do new construction,' but is one of responding to community needs and developing a strategy that can be attentive to those needs and productive in creating ownership for folks in situations that otherwise wouldn't have been available to them."

In this new project, OakCLT is partnering with Oakland Planning and Development Corporation, a local non-profit community development organization, to build four two-story attached and detached houses. The Frazier Street North Residences, located in the South Oakland Neighborhood of Pittsburgh, are based on a modular structure and are designed to be energy efficient. The building sites were acquired through a stipulation in California State Law that states that the county can foreclose the properties when property taxes are not paid for five years. Non-profits can intervene in the process and remove the properties from the auction and place a non-competitive bid. This project was funded in part by FHLBank, which granted \$750,000 through its Affordable Housing Program. Two of the homes will be designated by the CLT for households recovering from abuse or addiction, and one will be for a household facing homelessness.

Another partner OakCLT works with is the Youth Employment Partnership (YEP), a local organization that provides youth employment training and opportunities. This relationship has proven to be mutually beneficial. OakCLT gets access to a workforce for restoring acquired properties, and YEP receives employment training on-site. This program has been able to help the CLT provide more affordable housing and makes the homes a community effort. A training house in YEP ownership will enter OakCLT shortly and will house another low-income family in need.

As described above, the strategy OakCLT uses to acquire properties has been flexible to the

community's needs and the nature of the property. In this process, OakCLT has learned to cobble together a multitude of subsidies and grants patiently. In addition to previously mentioned Neighborhood Stabilization Funds used to purchase the first group of single-family homes, OakCLT has utilized city grants, loans and bonds, philanthropic support, and crowdfunding. While the CLT has received numerous operating and program-related grants from foundations, the next challenge it faces is gaining access to capital investment resources. One of the obstacles CLTs face when developing buildings with 25 units or less is the difficulty of receiving loans.

Mainstream policy discussions rarely acknowledge that low-income residents in California occupy a significant number of single-family homes. OakCLT is a bright example of an organization that aims to create a more nuanced definition of affordability. It questions the long-held assumptions about low-income housing by safeguarding single-family homes from conversion to market-rate, non-regulated rentals. Next to this, OakCLT has acquired a co-op coffee shop, live-work artist studios, and a mixed-use building with residential units, commercial units, and a community garden. This multifaceted approach places a focus on the CLT's role in community development through the preservation of existing resources. It ensures that residents maintain a direct connection both to their homes' governance and the planning of future expansions.



29. Single family home, one of OakCLT properties.

30. Historical neighborhood development in OakCLT area of interest. "Newly constructed homes in the Maxwell Park subdivision in Oakland, California.", circa 1922
Collection: Oakland Districts Collection I (OHR008)
Source: Oakland Public Library, Oakland History Center
Source: Calisphere, accessed 11/20/2021, <https://calisphere.org/item/c9cc1671292fe7afc77619a7e9376b3f/>



Los Angeles CLT Coalition

The Los Angeles Community Land Trust Coalition is a group of CLTs operating across LA County with a shared mission to decommodify housing for low-income populations and promote education and community-led development. The group consists of all CLTs currently working in LA County: Beverly-Vermont CLT (BVCLT), El Sereno CLT (ESCLT), T.R.U.S.T. South LA, Fideicomiso Comunitario Tierra Libre (FCTL), and Liberty Community Land Trust. Some of these are established CLTs in the city, while others were formed more recently to address a significant shortage of affordable housing. The coalition resembles the California Community Land Trust Network (CCLT), a statewide organization bringing together CLTs to connect, educate, support, and advocate on their behalf.

Both the CCLT Network and the LA CLT Coalition have been able to pass legislation that benefits the perpetual affordability of housing through CLTs. On the state level, the CCLT Network was able to pass SB 196, a bill sponsored by Senator Jim Beall. The bill changed the existing law to ensure that CLT property owners pay taxes on the affordable price it was purchased for, not the market rate, because the CLT is removing the property from the market. The passage of this bill is a significant success for CA CLTs to continue their mission to provide affordable housing.

All the CLTs in the LA CLT Coalition are members of the CCLT Network as well, and the organization of the local coalition has been crucial in the passage of a recent motion designating \$14 million for the five CLTs in a pilot Community Land Trust Partnership Program, sponsored by County Supervisor Hilda Solis. The five CLTs equally

For more detailed information, see:

“About.” TOPA 4 LA. Accessed September 13, 2021. <https://www.topa4la.org/about>.

Joe Linton, “L.A. County Community Land Trusts Picking up Momentum in Preserving Affordable Housing.” Streetsblog Los Angeles, August 10, 2021. <https://la.streetsblog.org/2021/08/10/1-a-county-community-land-trusts-picking-up-momentum-in-preserving-affordable-housing/>.

LURN. “Boyle Heights Property Ownership, Displacement, and Recommendation Report: Understanding the Needs of a Neighborhood at a Crossroads.” April 2018.

Sandra McNeill and Ashley Camille Hernandez and Yasmin Tong, “Increasing Community Power And Health Through Community Land Trusts: A Report From Five Movement-Driven



distributed these funds through the Community Development Financial Institution, Genesis LA, to acquire and rehabilitate properties.

Additionally, the coalition has promoted the Tenant Opportunity to Purchase Act (TOPA), which would give renters the ability to purchase their properties if the owner chooses to sell. Recently, the Los Angeles County Board of Supervisors has approved a motion directing county agencies to develop recommendations for TOPA, which is a success for the coalition. In many cases, CLTs have saved tenants from eviction and permanently maintained affordability by helping tenants purchase their homes and enter them into the CLT model.

According to Sandra McNeil, an advisor to the LA CLT Coalition, “Affordable housing developers do not have expertise in preservation, particularly preservation of small buildings because they don’t get funded to do the work. Small and medium multifamily buildings are an excellent fit for community land trusts because they are focused on stewarding land and wherever possible, bringing tenants into control and ownership.”

California CLTs.”
The California Endowment,
December 2020.
<https://trustsouthla.org/wp-content/uploads/2021/02/Increasing-Community-Power-Thru-CLTs-REPORT-TCE-BHC-Dec2020.pdf>.

Zoie Matthew, “How Community Land Trusts Could Make La More Affordable.” LAist, February 3, 2021. <https://laist.com/news/community-land-trusts-los-angeles-affordable>.

31.
Fideicomiso Comunitario Tierra Libre housing, one of the network properties.

It is important to note that all the emerging CLTs in the Los Angeles area focus on low-income neighborhoods experiencing dramatic rises in the cost of living. As rents and home prices increase in Los Angeles, new residents are moving to traditionally lower-income areas and are often willing to pay higher rents, increasing displacement. This is at the center of the need and creation of these recently formed CLTs. Additionally, several CLTs are being formed but do not currently own any properties. The areas where these organizing efforts are taking place are neighborhoods facing evictions and displacement pressures due to speculative development.

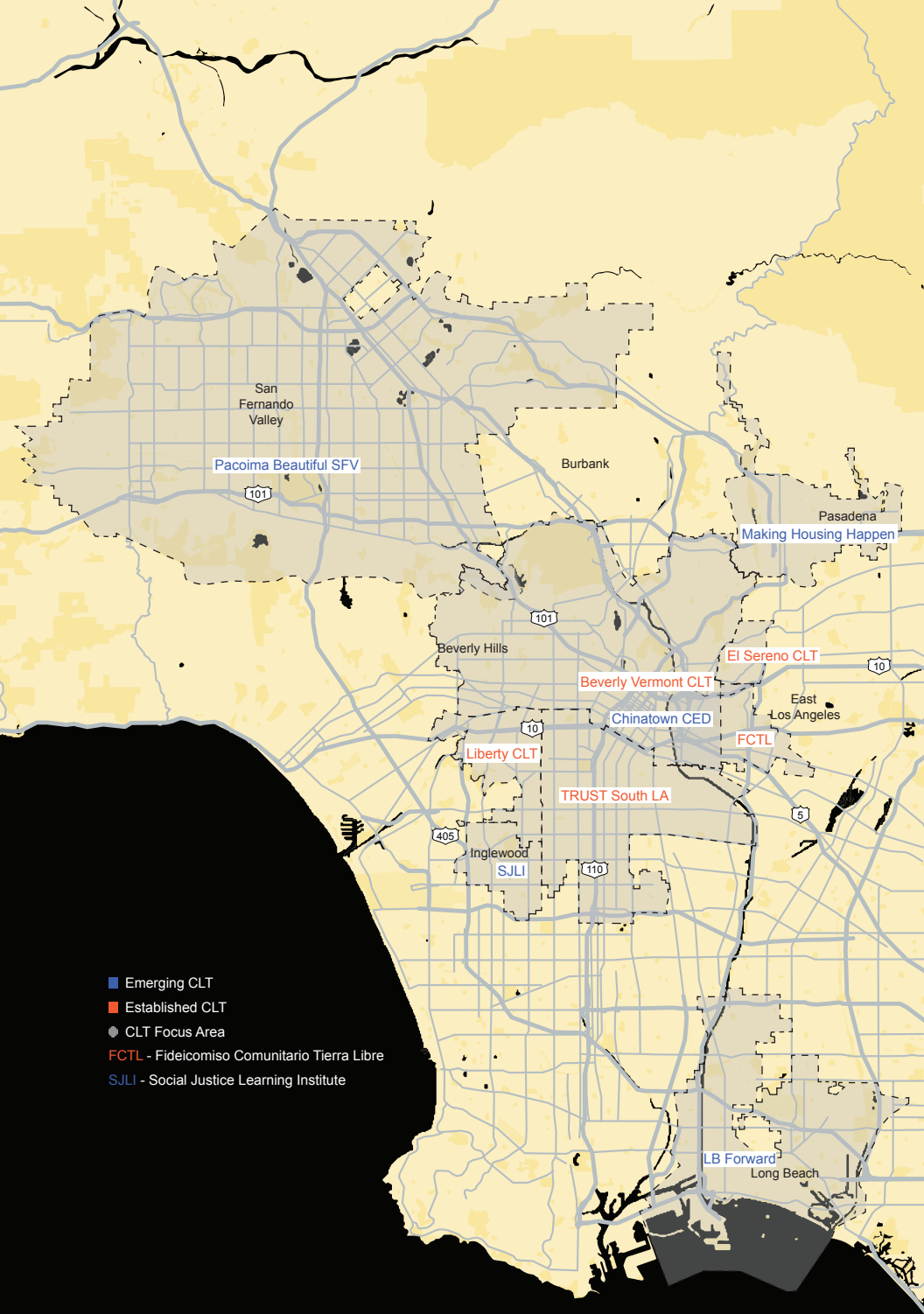
Fideicomiso Comunitario Tierra Libre

Fideicomiso Comunitario Tierra Libre (FCTL) is a CLT based in the Boyle Heights and East Los Angeles. It was founded in partnership with East LA Community Corporation (ELACC), a non-profit community development corporation based in Boyle Heights. Community members had begun organizing to create a CLT, which brought them to ELACC. Initially, the CLT was housed within the ELACC but has since branched off into a separate non-profit, though there remains a close working connection and have some shared employees.

One of the projects that FCTL is working on stems from a relationship with ELACC, which had a contract with Restore Neighborhoods LA, a non-profit real estate development and holding corporation, for three vacant lots to build housing for people experiencing homelessness and housing instability. These lots are within the designated distance from the Metro Gold Line Soto Station and qualify for the Transit-Oriented Communities Incentive Program. The CLT plans to take advantage of reducing parking spaces and increasing the number of units. Each of these lots is scheduled to have a 13-unit building of studios

32.

Map of established and emerging CLT properties and their respectful focus areas. There are five established CLT's and five emerging CLT's. The focus areas cover a large part of LA City and a small portion of the entire county in comparison.



- Emerging CLT
- Established CLT
- CLT Focus Area
- FCTL - Fideicomiso Comunitario Tierra Libre
- SJLI - Social Justice Learning Institute

with onsite services for formerly unhoused residents of the area.

Another property that FCTL is acquiring and rehabilitating is an 11-unit housing complex that was purchased with funds from the Community Land Trust Partnership Program. Through a partnership with the Little Tokyo Service Center, a local community development organization, the CLT purchased the building in East LA. This property was in the process of being sold, and the residents were going to be evicted. FCTL acquired the building, and all the existing tenants were able to remain in their homes. Little Tokyo Service Center is in the process of rehabilitating the property with their experience. After a period of shared ownership, the building will be transferred into the full ownership of the CLT.

El Sereno Community Land Trust

El Sereno Community Land Trust (ESCLT) is a CLT based in the El Sereno neighborhood of Los Angeles. The group came out of residents organizing against rising rents and for-profit developers evicting tenants. ESCLT has been working on transferring ownership of many houses owned by the California Department of Transportation into the CLT. These homes were forcibly bought in the 1950s and 1960s by Caltrans in anticipation of a freeway expansion that ended up not taking place. Since then, the houses have sat vacant, and the rising rents and home prices have led to an increased unhoused population in this area.

Taking inspiration from other activist-led occupations of houses, in March 2020, community members assisted moving two dozen unhoused families into the vacant homes under the group name “Reclaim and Rebuild Our Communities.” On Thanksgiving evening 2020, the families were



forcibly removed from their homes by California Highway Patrol. In total, Caltrans owns 163 homes in the area that was intended for the freeway expansion. Currently, none of these homes is owned by the CLT, but it is still trying to acquire them through the city. In May 2021, using funds from the Community Land Trust Partnership Program, ESCLT acquired its first property. This eight-unit apartment building is in the process of rehabilitation.

Liberty Community Land Trust

Liberty Community Land Trust is a CLT based in the Crenshaw District in South Los Angeles. It was founded by Damien Goodman in 2019, who is also a board member at Downtown Crenshaw Rising (DCR). The mission of the CLT is to retain affordable housing and support local businesses in the majority Black neighborhood, which has been threatened in recent years with the prospect of new for-profit development. This fight has become a public focus with recent attempts by DCR to purchase the Baldwin Hills Crenshaw Plaza, also known as the Crenshaw Mall, one of the first malls in the United States that remains a local landmark. After DCR had raised funds

33.
One of the properties in El Sereno owned by Cal Trans. View from the sidewalk.

and placed the highest bid, the owner brokerage firm DWS refused to sell to the community group. Instead, it sold the property to Harridge Development Group, which received financial backing from billionaire Leonard Blavatnik, and will likely contribute to the demographic and economic makeover of the neighborhood.

The rejection of the highest offer by DCR is concerning because the reasons are unclear why they were not chosen, other than the fact that it is a community-led Black organization. The Crenshaw Mall is a cultural center of the neighborhood that has never been Black-owned but houses many Black-owned businesses. DCR's plans featured affordable housing, job training programs, a six-acre park, daycare facilities, a recording studio, an entertainment production district with theatre, and a permanent home for the SoLA Food Co-Op, among other businesses and amenities. The group also worked with local Black architect Atelier Cory Henry and SmithGroup and Mass Design Group, who worked on the National Museum of African American History and Culture and the National Memorial for Peace and Justice in Montgomery, Alabama.

DCR is still protesting the sale, but with few options left, it appears that Harridge Development Group will likely become the new owner. This is an immense disappointment for organizers who try to keep the mall within the ownership of the community. Along with the new Crenshaw/LAX Metro Line coming to the area, rents are expected to keep rising, and the need for community ownership and affordable housing will be even more prevalent in the following years.



34.

A section of "Local History", a multi-panel mural located on Mott Street between E. 1st & 2nd streets in Boyle Heights. The work surrounds St. Anne's Home for the Aged (top), a closed historic facility operated by the Little Sisters of the Poor, February 1977. Hankey, Roy. "Local History", Boyle Heights." Tessa.lapl.org, accessed 20/11/21, <http://tessa.lapl.org/cdm/ref/collection/photos/id/135054>

Stewardship of Affordable Living Conditions

Perpetual Affordability: Opportunities and Challenges for Community Land Trusts in Los Angeles has documented similar patterns in contemporary planning of five CLTs in California in addition to a growing coalition of emerging Los Angeles-area CLTs. The fact-based assessments draw from multiple fields and multiple studies that include interviews with CLT leaders and members, community members, and affordable housing advocates. Along the way, the research team partnered with T.R.U.S.T South LA to develop a strategy for the underutilized city agency-owned land in several council districts of Los Angeles. Finally, this report synthesized several critical strategies for CLTs to develop affordable housing and community resources. Each case study offers a slightly different approach to community involvement, legislative advocacy, and alternative development methods. The CLT model's core purpose remains to remove land from the speculative housing market to reduce the cost of living and minimize the dire health and livelihood impacts of housing insecurity.

Each CLT has developed unique strategies for achieving this goal, with the crucial and most challenging step being the land acquisition. These strategies include purchasing the land in the market, using inclusionary zoning ordinances to acquire property from housing developers through policy, and founding a CLT by a municipal government. Another strategy that is being explored is a donation of surplus land, underutilized city-owned land, for the CLT's development. HLT of Sonoma County's Jamie Lane property is an example that

For more detailed information, see:

“A Guide for Successful Community Development,,” Northcountry Cooperative Foundation, 2014. https://www.nasco.coop/sites/default/files/srl/Cooperative_Development_Toolbox.pdf

“De-Commodifying Housing During COVID-19,” 2020 UCLA Community Collaborative, UCLA Luskin School of Public Affairs, 2020. <https://www.cacltnetwork.org/wp-content/uploads/2020/07/De-Commodifying-Housing-During-COVID-19.pdf>

attests to the fact that successful and mutually beneficial development of the city-owned land is possible and can create an alternative to familiar models. City agencies can donate land to CLTs to facilitate affordable housing production, and CLTs can conceive of novel ways to fund and build units on the land that does not seem desirable for profit-oriented developers. The partnership with T.R.U.S.T. South LA emerged from these research inquiries and resulted in the Surplus Land Project, a spatial and programmatic analysis of selected sites that led to several visions for how these underused properties could be better utilized for the benefit of the community.

Another essential aspect of CLTs is their reliance on a small and, in some cases, volunteer-based staff. It is a direct result of insufficient funding of CLTs' operational costs which prevents organizations from scaling up their operations. Many CLTs cannot afford to own and manage rental properties that require a high level of engagement. In contrast, ownership models are less resource-intensive after purchasing the property and its resale to the new owners. It is crucial to consider how the choice of the model determines the type of engagement available to CLTs in the communities they serve. Not all households can take the pathway towards ownership. Additional financial support for operational costs can prove to be highly beneficial to the sustainable expansion of CLTs.

One of the core debates identified in this report is the CLT's decision to purchase and preserve existing properties or undertake a ground-up development of a building. Each of the CLTs portrayed in the report has a different answer to this question, and a few are interested in using both. As shown through various examples, acquiring existing properties is a suitable strategy for fighting different types of displacement, including eviction. Often, this strategy is suited for housing markets with a rapidly rising

cost of living. The most significant limitation is the need to purchase properties at market rate and then transfer them into housing units available at a rate that is affordable for low-income residents. There has been an increasing government recognition of this challenge through legislative advocacy of CLT networks. The right of first purchase for renters and early access to foreclosed properties before public auction are among some of the recent victories of tenant organizers.

CLTs are a compelling model for affordable housing because they allow retaining subsidies in purchasing and developing properties. Traditional government subsidies will be administered either to a developer or directly to a household. Eventually, the affordable covenants will expire, or the household will sell the house at a market price. When governments subsidize CLTs, the properties remain affordable in perpetuity, allowing the subsidy to benefit many households. While this provides a compelling argument for governments and other institutions to fund CLTs, it can also be a challenging model to replicate. In markets where housing costs are consistently rising, it requires increased funding to preserve and develop affordable housing stock within the market. While measures are being taken to provide the financing of CLTs to protect affordable housing in Los Angeles County, it is unclear if this funding will continue to be available for CLTs, especially when the impact on the overall housing market remains relatively small. Examples like the Los Angeles County Motion allocating \$14 million to CLTs for acquiring properties are essential for demonstrating the model's possibilities to impact neighborhoods and make the idea relatable and familiar to a larger audience.

Alternatively, developing properties allows CLTs to better utilize sites and increase the number of units, services, and recreational space. This approach can often accommodate the most possible number

of units on the site, significantly impacting the availability of many American cities, including Los Angeles. One strategy that CLTs could explore further is purchasing properties in naturally occurring affordable housing markets and redeveloping these properties to increase the number of units on the property. Another advantage of starting a new construction project is the possibility to add community spaces, recreational facilities, and commercial areas that serve the larger community. While housing broadly remains the core purpose of the CLT model, it can also accommodate a more holistic approach to affordable communities. Some organizations, like OakCLT, work to preserve commercial properties, but more often, these assets are part of larger mixed-use projects. Ground-up development can help CLTs cultivate communities around affordable housing and promote healthy living in the surrounding area, acting as a catalyst for change.

35.
Mom's House, a residential single family property secured by OakCLT as a result of community grassroots activism.

All strategies identified and presented in this report proved to be mutually reinforcing and synergetic. They manifest unorthodox beliefs in the possibility of a new type of land tenure that is rooted in the community and is guided by its members. Organizations that identify as Community Land Trusts are essential for introducing structures that encourage longer affordability terms and structures that anticipate mission-driven ownership.



Glossary

2008 Housing Crisis (Subprime mortgage crisis) was a housing market crash caused by an the unprecedented growth of subprime mortgages, where the US government made loans accessible to low-credit borrowers with a high risk of defaulting on loans.

Assembly Bill 2818 (AB 2818) assures homebuyers of properties under community land trusts receive property taxes based on affordable resale rates instead of the market rate of homes.

Accessory Dwelling Units (ADU), also known as granny flats or backyard homes serve as secondary residential units on a lot with an existing primary home.

The Los Angeles ADU Ordinance (Dec 2019) allows freestanding ADUs to be up to 1,200 square feet and Junior ADUs (attached to the main house) to be up to 500 square feet. Under certain conditions, the new ADU ordinance (Jan 2021) permits homeowners to add two units, an ADU and a Junior Accessory Dwelling Unit (JADU).

Area Median Income (AMI) is a value determined by the Housing and Urban Development (HUD) annually to assess affordable housing rates and get the midpoint income from households of a specific region. For example, a household earning less than 80% of AMI is considered low-income, and less than 30% of AMI is extremely low-income.

Crenshaw / LAX Metro Line is expected to open in 2022 and will run 8.5 miles through southwest Los Angeles, connecting Crenshaw and Leimert Park to Inglewood and Los Angeles International Airport (LAX).

Community Development Corporation (CDC) is a non-profit organization that develops affordable housing and offers community services, including education, job training, healthcare, and commercial development.

Community Land Trust (CLT) is a model of affordable housing that addresses the rising costs of living by separating the ownership of the land from the structure on the land. CLTs operate as a community-led non-profit that leases the land for 99 years and sells or rents the structure to households at an affordable rate.

East LA Community Corporation (ELACC) was established in 1995 to develop affordable housing and economic opportunities for low-income families in Boyle Heights and East Los Angeles. It has more than 2,500 affordable housing units and offers financial counseling, tax preparation, community events, rental counseling, and lending circles.

Inclusionary Zoning incentivizes private developers to dedicate a portion of their new construction to be below-market-rate by providing incentives, like added density or increased Floor-to-Area ratio.

In-Lieu Fee is an element of Inclusionary Zoning mechanism that allows developers to pay fees as an alternative to providing below-market-rate units on-site.

Housing and Economic Recovery Act (HERA) of 2008 is a law that enables the Federal Housing Administration to guarantee \$300 billion in new 30-year fixed-rate mortgages for subprime borrowers, in response to the subprime mortgage crisis.

Housing Task Force is managed by the Consortium for Citizens with Disabilities to increase safe and affordable housing for people with disabilities and protect their rights under the Fair Housing Act.

Housing Trust Fund (HTF) was launched in 2008 by HUD to increase the supply of affordable housing for extremely and very low-income families via state grants. States must use at least 80% of the fund for rental housing for creating, acquiring, or preserving affordable housing units.

Housing and Urban Development (HUD) is a US government agency established in 1965 that addresses the United States housing needs and enforces fair housing laws.

HUD Federal Neighborhood Stabilization Program (NSP) provides emergency aid to stabilize communities with high rates of foreclosed homes. It assists families with annual incomes up to 120% of the AMI.

Los Angeles Eco-Village (LAEVI) is ecological and cooperative-focused community that promotes increased life quality and sustainable living, based in Koreatown, Los Angeles, CA.

Low-Income Housing Tax Credits (LIHTC) is a program established in 1986 that provides \$8 billion in tax credits annually to state and local agencies to produce the new affordable rental units.

Measure H passed in 2017 and adds a one-quarter-cent sales tax in Los Angeles County. It was projected to raise \$3.5 billion over ten years and fund affordable housing initiatives and combat homelessness.

Metro Gold Line opened in 2003 and runs for 31-miles from Azusa to East Los Angeles. The line is one of six routes in the Metro Rail system and crosses major attractions through Downtown LA.

Proposition HHH passed in 2016 and established a \$1.2 billion bond to fund key services and 7,000 housing units for people experiencing homelessness in Los Angeles County.

Revolving Loan Fund is a measure that borrows interest and principal payments from old loans to new loans for the aid and development of small businesses.

SB-196, passed in 2019, is a California law that exempts properties owned by community land trusts from paying property tax between the time a trust acquires a property and when housing is sold.

Section 8 Project-Based Rental Assistance (PBRA) was established in 1974 under HUD to provide affordable housing to low-income families based on their AMI.

Tenant Opportunity to Purchase Act (TOPA) is an LA program yet to pass that would require owners of rented units to offer tenants the right-of-first-refusal if they decide to sell the building.

Transient Occupancy Tax (TOT) is a 12% tax for individuals who stay in transient spaces, like hotels, motels, and home-sharing rentals in LA County.

Transit-Oriented Communities (TOC) is a program that incentivizes market-rate housing developers to increase the number of below-market-rate units in proximity of transit by allowing an increased floor area ratio (FAR) and reduced parking requirements.

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