

Community Land Trust – The Balance of Affordable Home Ownership and Building Community Assets

By Steven Dwyer



The need for affordable housing in Ventura County is, perhaps, the most significant issue for the economic vitality of our region. Young, educated adults move to lower cost regions, companies can't attract talent due to high housing cost, and hard-working families struggle to afford housing even though they earn the median income for our area. For most of us, the housing dream remains the opportunity to own a home – for a stable place to raise a family and for the opportunity to build wealth through home equity.



The solution to most challenging issues involves innovation and a new outlook. While most discussions of affordable housing assume affordability can be achieved only through renting, a Community Land Trust (CLT) in Ventura County offers the opportunity for hard-working families to own their own home and build equity while retaining the valuable and precious land as a community asset forever. Approximately 250 CLTs operate throughout the U.S. and, while a CLT may own land for a variety of community purposes, the primary purpose is to ensure affordability of housing with an emphasis on ownership.

Ventura County has a long history of preserving land in trusts for future generations to enjoy, primarily for environmental and recreational purposes. This is a key reason Ventura County is an attractive place to live but it's also a factor in our high housing costs. A housing CLT offers the same opportunity, preserving land for the creation of high-quality, affordable home ownership opportunities for our workforce.

This is how a Community Land Trust achieves affordable homeownership while also building community land assets:

- 1) The CLT is a non-profit organization that acquires parcels for development or existing homes using a variety of funding sources including donations, grants and government funds, and by coordinating with for-profit developers.
- 2) Any land acquired by the CLT remains in the ownership of the CLT forever. This ensures that homes associated with CLT land remain within the supply of affordable housing in perpetuity.
- 3) Homes are sold at affordable levels to qualifying low or moderate income families. Purchasers must have the necessary credit and employment history to secure mortgage financing.
- 4) The purchaser only buys the home and enters a long-term land lease (generally 99 years) for the property which remains under CLT ownership.
- 5) In exchange for a home priced below market value the purchaser agrees to limited appreciation tied to the change in median income over time so when a home is resold, it can again be purchased by a low or moderate income family. This mechanism makes the housing unit affordable in-perpetuity, a critical aspect of the CLT model.
- 6) The CLT is the steward of the land for the community, manages the resale process and often provides homeowner education and other services.

The CLT housing model allows low and moderate income families to enjoy the personal benefits of homeownership (stability, pride, childhood memories) while also building equity. Because land is owned by the trust, the community also retains and builds value. Land trusts have been used by universities in high cost areas to attract staff. Companies can invest in CLTs to create affordable workforce housing. Cities have the opportunity to incorporate the CLT model into their affordable housing goals.

Habitat for Humanity of Ventura County has been developing, building and selling affordable homes for purchase by low income families for over 25 years. We are currently pursuing the creation of a CLT in Ventura County as an important extension of Habitat's ongoing work to develop and build homes at lower cost with a majority volunteer workforce, donated land and support from a wide variety of individuals, corporations and faith-based organizations in our area. The CLT model enhances this good work by creating a clear and transparent value proposition between a family and the community and providing the legal structure for continual affordability over decades and generations.



The Community Housing Land Trust model has been endorsed by key economic organizations, including CLU's Center for Economic Research and Forecasting and the Ventura County Economic Development Collaborative, as a critical new tool to encourage land to be held for our greatest economic need and to ensure workers can afford to live in Ventura County. This innovative tool is also supported by the Housing Solutions Working Group, a diverse stakeholder group. Beyond affordable and workforce housing, the Housing Solutions group sees an opportunity for a new Community Housing Land Trust to partner with existing conservation land trusts to create even greater community value.

The affordable housing challenge in Ventura County requires innovation. The Community Land Trust model incorporates the desire of a hardworking family to own their own home and the need of the community to protect valuable land for a common purpose. A CLT creates a balance between family growth and stability through affordable home ownership and community value creation with retention of the land asset and the development of needed workforce housing.



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