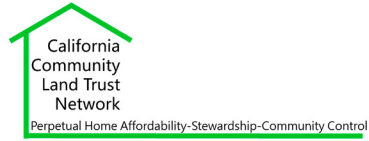




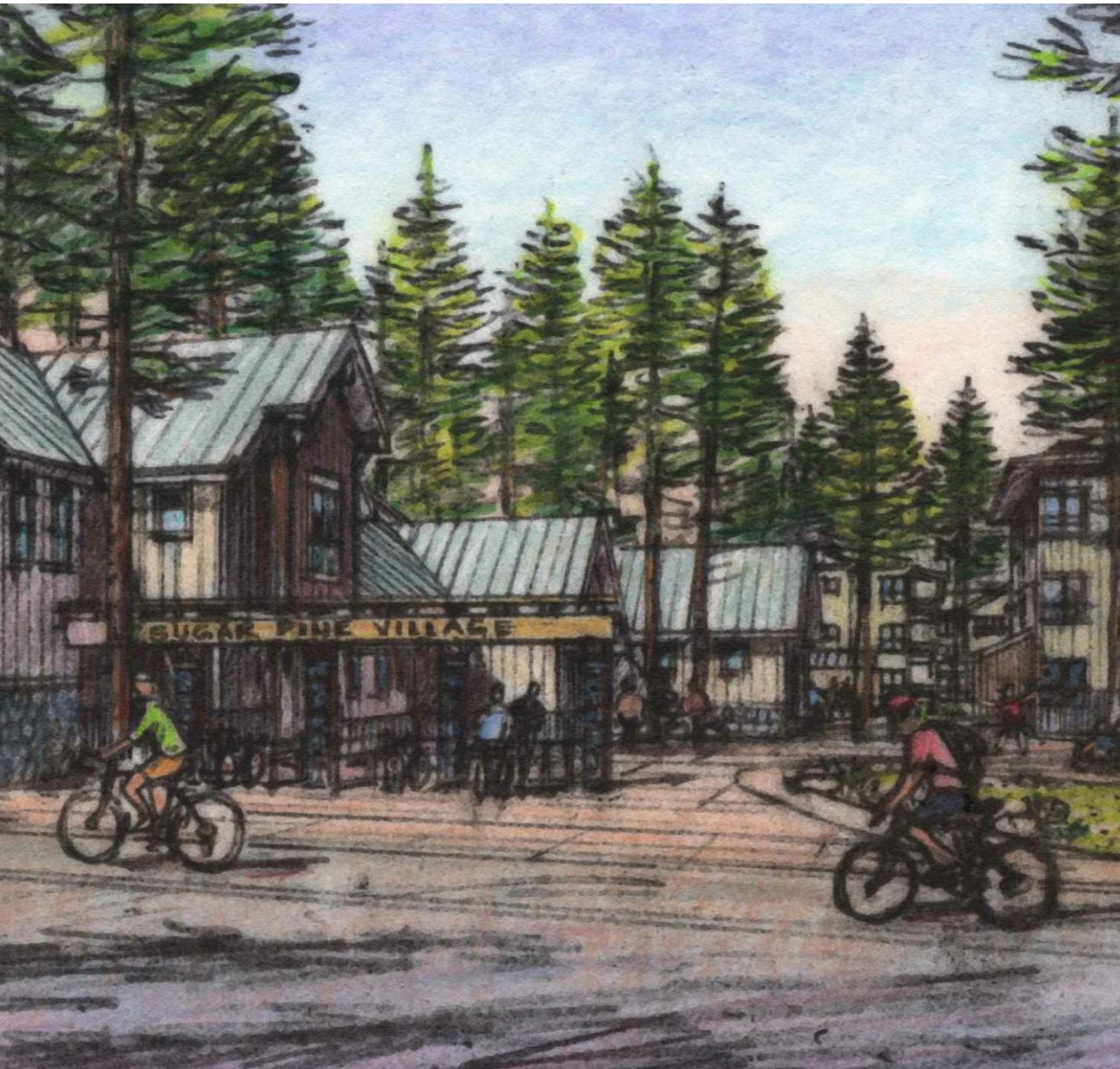
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Community Land Trusts as Stewards of Public Land

A Guide for Local Governments in California

Francesca Zepeda, Leo Goldberg, and Nicole Montojo



California's affordability crisis has reached every corner of the state, and local governments are examining their assets to find ways to support the preservation and development of affordable housing.

This guide documents how local governments can partner with Community Land Trusts to achieve their goals, and provides case studies on government–CLT collaborations that turned public resources into a variety of **sustained benefits** for **community members most in need**.

What is a Community Land Trust?

A Community Land Trust (CLT) is a non-profit organization whose primary mission is to steward land and property for the benefit of its lower income community members through the use of a ground lease that ensures permanent affordability and community control. Although the CLT model is well known for providing housing in a variety of resident-controlled models, it is flexible, allowing for community-controlled commercial spaces, community facilities, urban agriculture and other land uses that meet a particular community's needs.

CLTs achieve their mission of creating permanently affordable, community-controlled land and housing by acquiring properties and retaining ownership of the land while entering into a 99-year ground lease with the owner of the improvements (often homes or apartment buildings). The ground lease requires that the buildings remain permanently affordable to low-income households whether renters, homeowners, or commercial tenants. CLTs monitor and enforce the ground lease while also supporting its residents with services that ensure their financial stability and ability to thrive.

CLTs use a mixed governance structure in which residents and community members are represented on the board and provide oversight and direction to the organization. In this way, CLTs remain rooted in the communities they serve.

Across regions, CLTs in California center anti-displacement, racial justice, and the creation of stable affordable housing for marginalized communities in their work. Today, CLTs are expanding in California to meet the growing housing affordability and displacement crisis: at this time, there are 28 Community Land Trusts in 21 California counties from Humboldt to San Diego. These organizations steward over 1,500 units of housing with over 3,500 residents. Hundreds more units are in development.

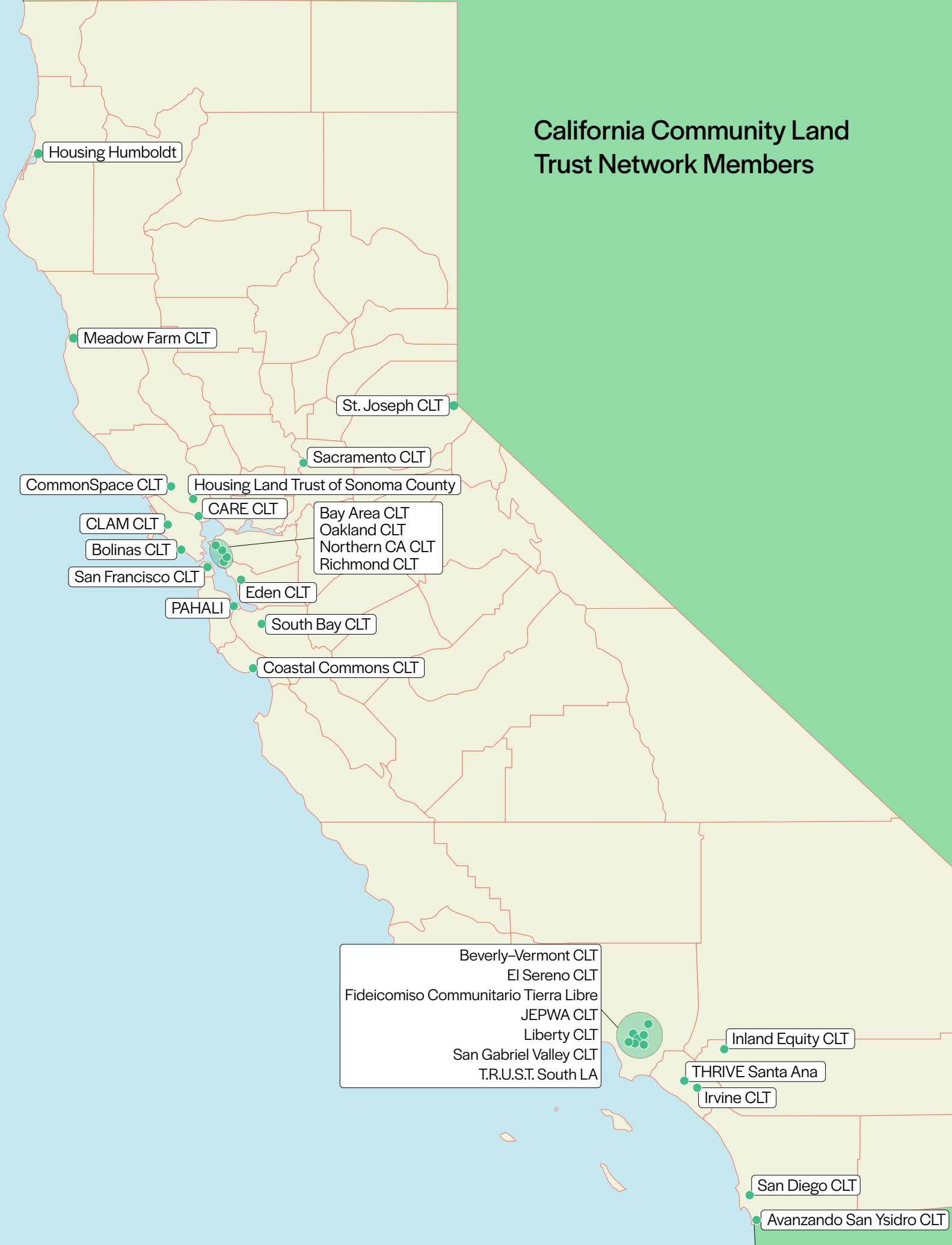
As of 2022, Community Land Trusts in California represent:

3,500
residents

1,500
units of housing

21
counties
where they are present

California Community Land Trust Network Members



Why Governments Partner with Community Land Trusts

CLTs are a proven partner to government agencies looking to commit their resources—whether property or subsidies—for the long-term benefit of the public. That is because the CLT focus on permanent affordability, stewardship, and community empowerment ensures that public resources are retained and recycled for their intended mission across generations and shielded from opportunistic, self-interested actors.

Subsidy Retention: CLTs Maintain Public Assets as Permanently Affordable

CLTs seek to keep their properties affordable to lower income families in perpetuity. The CLT renewable 99-year ground lease includes restrictions on rent levels and resale prices that ensure that housing costs on CLT properties remain regulated by the CLT. The same principle is applied by many CLTs to community-oriented small businesses and community facilities like urban agriculture. Resale restrictions effectively recycle initial government subsidies (below market land sales or grants) across each successive leaseholder of a given home, extending the benefit of public resources in a way that the private sector rarely achieves. Through this process, CLTs stewardship of public land and/or subsidy generates immense return on investment for public stakeholders.

For more on lasting affordability, see “Community Land Trusts: A Guide for Local Governments” p. 19.¹

Monitoring and Enforcement: CLTs Shield Public Assets from Market Actors through Stewardship

To achieve their mission, CLTs implement a package of oversight activities, support services, and asset management practices that comprise CLT stewardship. Stewardship serves multiple purposes: on the

one hand, it ensures that affordability restrictions, occupancy requirements, and other aspects of the ground lease are followed. On the other hand, stewardship also ensures that the needs of low-income community members are met and that their financial health and housing stability is maintained. Stewardship has tangible results: during the peak of the Great Recession’s foreclosure crisis, CLT homeowners were foreclosed on at one tenth the rate of conventional homeowners.² For public agencies sensitive to the impact of their property dispositions across time, CLT stewardship provides a framework for monitoring and enforcement that public and for-profit entities are typically poorly prepared (or disinterested) in implementing.

For more on Stewardship, see “Community Land Trusts: A Guide for Local Governments” p. 24.

¹ “Community Land Trusts: A Guide for Local Governments,” National League of Cities and Grounded Solutions Network, 2021, <https://www.nlc.org/resource/community-land-trusts-a-guide-for-local-governments/>.

² Emily Thaden, “Stable Home Ownership in a Turbulent Economy: Delinquencies and Foreclosures Remain Low in Community Land Trusts,” (Cambridge: Lincoln Institute of Land Policy, 2011).

Community Ownership: The CLT Framework Maintains Mission Focus and Community Engagement

The community ownership aspect of the CLT model contributes to mission alignment with government by safeguarding against mission drift. In this area, CLT projects differ significantly from short term deed restricted housing and the Low-Income Housing Tax Credit (LIHTC) model of affordable housing development in which for-profit investors own a significant stake in a project and when affordability restrictions expire, affordable housing can be shifted to market rate.³ Instead, CLTs remove properties from the speculative real estate market by retaining full ownership of land. 501(c)(3) status and community and resident voices in CLT governance mean that the organization will sustain a vested interest in maintaining affordability and reject overtures from opportunistic real estate actors.

Community ownership of CLTs also provides public agencies with a venue for community engagement. CLT boards channel resident and community needs and desires for their neighborhoods and create a civic engagement space for people of color and low-income households. Where marginalized communities distrust government development policies, CLTs can serve as an effective mediator as a trusted partner of the community and an organization dedicated to expanding access to affordable housing and community spaces.

For more on community ownership, see “Community Land Trusts: A Guide for Local Governments” p. 20.

Additional Benefits to Local Government–CLT Collaboration

Upgrading Existing Buildings

By working across a portfolio of properties, including single family homes, CLTs can achieve economies of scale to support rehab, the addition of accessory dwellings, or installation of solar panels to existing buildings.

Homeownership

Many CLTs focus on creating pathways to homeownership and wealth building for low-income families,

and particularly people of color excluded from the state’s overheated housing market. By providing a suite of supports to first time homebuyers and creating below market home sales, CLTs are able to turn public assets into homeownership opportunities for those that need them most.

Opportunity to Purchase and Small Building Preservation

More and more, policymakers are identifying the need to preserve naturally occurring affordable housing which typically takes the form of small apartment buildings. Furthermore, “opportunity to purchase” legislation is being enacted across the state, giving tenants and nonprofits a leg up in acquiring buildings that have been put on the market. However, few developers have the experience or patience to stabilize and rehab a tenant-occupied small building. CLTs specialize in these tricky projects which require sustained tenant engagement and complex rehab logistics.

Inclusionary Housing

CLT are a natural partner when a developer lacks experience in stewarding units for low-income families mandated through a local inclusionary housing ordinance. CLT participation in inclusionary housing programs can take the form of facilitating shared equity home sales within a larger project (e.g. a mixed-income condo project) or of developing affordable housing using inclusionary housing in-lieu fees.

³ Despite differences between typical LIHTC and CLT projects, CLTs can and do partner on LIHTC projects, bringing permanent affordability to the LIHTC framework.

Case Studies: How Governments Partner with Community Land Trusts

The case studies below demonstrate the different ways in which local governments and CLTs across the state of California partner to achieve shared goals. While each case features the disposition of public land to a local CLT, they vary in terms of the goals the government stakeholders are trying to achieve and their relationship to the CLT.

City of Irvine and Irvine Community Land Trust: Achieving Permanent Affordability in a High-Cost Market through an Entrepreneurial Partnership

The partnership between the City of Irvine and Irvine CLT (ICLT) exemplifies what a local government can accomplish when invested in the community land trust model. Since 1980, the City of Irvine has grown increasingly affluent, contributing to a growing imbalance between jobs and available housing units that has become a central concern of local officials. Between 1980 and 2002, median home prices in Irvine increased at twice the rate of wages. Older affordable housing projects supported by the city were frequently lost to the market after the expiration of affordability restrictions.

In the early 2000s, a group of Irvine City Council members were inspired to bring the CLT model to Irvine after traveling to Vermont to learn about the city- and county-supported CLT in Burlington. Drawn by the promise of permanently affordable housing, the City provided start-up support to create Irvine's own CLT, establishing a non-profit 501(c)(3) and subsidizing operational costs for one staff position and office space. Working in tandem to identify surplus city-owned property, the two entities have coordinated a public land disposition process as

part of a broader strategy to address Irvine's housing challenges over the long term. Through this close partnership, the City has managed to effectively weave the CLT's work into Irvine's affordable housing ecosystem to create a comprehensive response to the community's housing needs.

Although ICLT is now a self-sustaining non-profit, the organization continues its partnership with the City of Irvine and currently features two city councilmembers on its board of directors. The City has donated surplus land to ICLT, catalyzing nearly 500 units of affordable housing, and provides financial support in the form of low-interest, long-term loans for rental projects, which can be renewed, extended, and forgiven in some cases. The City also retains the right to intervene if ICLT forgoes its stewardship responsibilities for any reason.

In addition to providing housing to hundreds of families, ICLT has also served to build development capacity rooted in the city itself, rather than relying solely on external developers. With City Council members serving on the board of the land trust, the City of Irvine has the ongoing ability to inform the development of housing and services that ICLT pursues.

“What we have accomplished here in Irvine is not unique, as land trusts elsewhere in California and the country have created highly workable partnerships. But this is a wonderful example of how it works and we would love to see this type of partnership model, like the one between the city of Irvine and the Irvine Community Land Trust, replicated elsewhere in Orange County.”

— Irvine Mayor **Farrah Khan**
on the opening of
Sage Park⁴



Sage Park, Irvine Community Land Trust. Sage Park is the Irvine Community Land Trust’s first affordable home ownership community, located in the Portola Springs area of Irvine. It contains 68 affordable townhomes, including 16 two-, 36 three-, and 16 four-bedroom homes.

⁴ Irvine Community Land Trust, “Grand Opening of Affordable Sage Park by Irvine Community Land Trust,” press release, January 26, 2022, <https://www.prlog.org/12902601-grand-opening-of-affordable-sage-park-by-irvine-community-land-trust.html>.

City of Santa Ana and THRIVE Santa Ana: Mutual Learning Across Sectors to Advance Equitable Economic Development

The Walnut and Daisy Microfarm project demonstrates how a city public land disposition can benefit from the engagement of a CLT with deep local roots. THRIVE Santa Ana CLT was formed in 2016 as a result of community members and local non-profits coming together to ideate a response to pressing challenges facing the city: the housing affordability crisis and a severe lack of open space, economic opportunities, and healthy lifestyle options for the city's Spanish-speaking and low-income residents, who also comprise the majority of THRIVE's membership.

Learning of the intent of city officials to sell over 90 parcels of vacant, city-owned land, local residents and organizations advocated for the City of Santa Ana to research the CLT model and identify parcels with potential for community benefits. Over time,

THRIVE has partnered with elected officials and city government to increase awareness of the CLT model as a means for securing long term benefits for low-income community members. The partnership between the City of Santa Ana and THRIVE is still developing but early efforts have paved the way for ongoing collaboration.

In 2018, the City of Santa Ana established an Exclusive Negotiating Agreement with THRIVE to transfer a 1/3 acre vacant parcel of land that was formerly the site of the Orange County Rescue Mission. Through door-to-door surveys, community meetings, and participatory art projects, the CLT engaged tenants in formulating a vision for the site. The result is a plan for the Walnut and Daisy Microfarm which will feature "space for farming, sale of locally produced food and crafts, community space for events and gatherings, farmers markets, as well as space for selling ... products and crafts produced by local vendors and cooperatives."¹⁵

Walnut and Daisy Micro-farm Site Plan, THRIVE Santa Ana. A digital rendering of the micro-farm located at the intersection of Walnut Street and S. Daisy Avenue in Santa Ana. The site plan, seen here in aerial view, allots space for multiple garden beds, a greenhouse, solar panel-covered spaces for vendors, seating for community gatherings, and a parking lot — all situated in one lot.



“I think if we have an opportunity to do something great with it, involve the community, and do something for the community, and remove it from being vacant and an eyesore, I think that’s a plus ... Santa Ana is primed for a [CLT]. We fit the profile of a community that lacks affordable housing, that has available land that potentially could be used to develop permanent affordable housing, or create social capital.” — **Robert Cortez**, Deputy City Manager for the City of Santa Ana⁶

In the process, the City learned about the CLT model and its benefits, while THRIVE members and residents, who typically come from organizing rather than development backgrounds, learned about technical aspects of the development process including zoning, site plans, project financing, planning, and building approvals. A Disposition and Development Agreement was approved in March 2020 and the Microfarm is scheduled to begin construction in Summer 2022. THRIVE and the City of Santa Ana are now finalizing approvals of construction permits and will initiate a 99-year lease of the land through which THRIVE will ensure that the site continues to provide benefit to low-income community members.

This project has brought attention to Santa Ana as a model for city-CLT partnerships and the potential of communities and government to educate and support each other. During this time, THRIVE has also formulated additional mixed-use projects and built working relationships with nonprofit and for-profit developers, financial institutions, and philanthropic organizations, establishing a model in which government and community development stakeholders can combine their resources, assets, and expertise with THRIVE’s values of stewardship and centering resident voices.

THRIVE posits their microfarm and future projects as part of a holistic economic development plan that addresses a wide variety of community needs, including open space, services, healthy food, and recreation. The project demonstrates how cities can partner directly with CLTs to engage impacted communities in public planning processes and respond to their specific needs.



Walnut and Daisy Micro-farm Site Map, THRIVE Santa Ana. The Micro-farm site is located in the urban core of Santa Ana, 1.5 miles from the gentrifying downtown. It is surrounded by residential neighborhoods, open space zoning, and commercial community businesses. Until its demolition in 2011, the site served as the home of an organization focused on assisting people experiencing homelessness.

⁵ THRIVE Santa Ana, “Support Santa Ana’s 1st Community-Owned Project,” <https://www.thrivesantaana.org/wyd>, accessed July 22, 2022.

⁶ Quoted in Nick Gerda, “Santa Ana Officials Hope to Alleviate Housing Crisis With Community Land Trust,” *Voice of OC*, December 6, 2016, <https://voiceofoc.org/2016/12/santa-ana-officials-hope-to-alleviate-housing-crisis-with-community-land-trust/>.

City of South Lake Tahoe and Saint Joseph Community Land Trust: Leveraging Public Land to Meet a Wide Range of Housing Needs

To address critical community needs arising from growing pressure on the Lake Tahoe region's housing market, St. Joseph Community Land Trust (SJCLT) has partnered with state and local government agencies to achieve a comprehensive scope of programming that exemplifies the flexibility of the CLT model. Since its inception in 2002, the organization has fostered strong relationships with South Lake Tahoe City Councilmembers and local non-profit organizations. Through this network, the organization has supported regional economic development and affordable housing projects, including the South Shore Housing Needs & Opportunities Study and a range of strategies that aim to serve multiple segments of the South Lake Tahoe community, including low- and moderate-income households, the worker population, as well as the area's growing unhoused population.

The CLT has produced low- and moderate-income homeownership opportunities as well as low-income rental housing, while also pursuing creative strategies such as modular construction, and a motel-to-housing project, which provides interest-free loans to families with school-aged children living in motels with funds to cover first month's rent and security deposit. Along with development, SJCLT also runs supportive programs that provide emergency rental assistance in the form of loans as well as homeowner education.

Public land disposition has been the central catalyst of SJCLT's work, ensuring that the cost of land is not a barrier to development. SJCLT leadership has stated that particularly after the 2008 economic recession, their work would not have been feasible without donated land. One of SJCLT's recent projects, Sugar Pine Village (SPV), is a partnership between the State of California, California Tahoe Conservancy, SJCLT, and Related California. The project is one of the first to be developed under the Governor's Executive Order promoting affordable housing development on excess state land.⁷ Upon its completion, SPV will provide 248 units of studio and one, two, and three bedroom apartments for households earning 30 to

60 percent of area median income, plus a Community Hub that will provide an affordable childcare facility and non-profit community services using the hub navigator model. SPV parcels were awarded to SJCLT and Related California by the Tahoe Conservancy in compliance with state guidance on prioritizing surplus lands for affordable housing production.

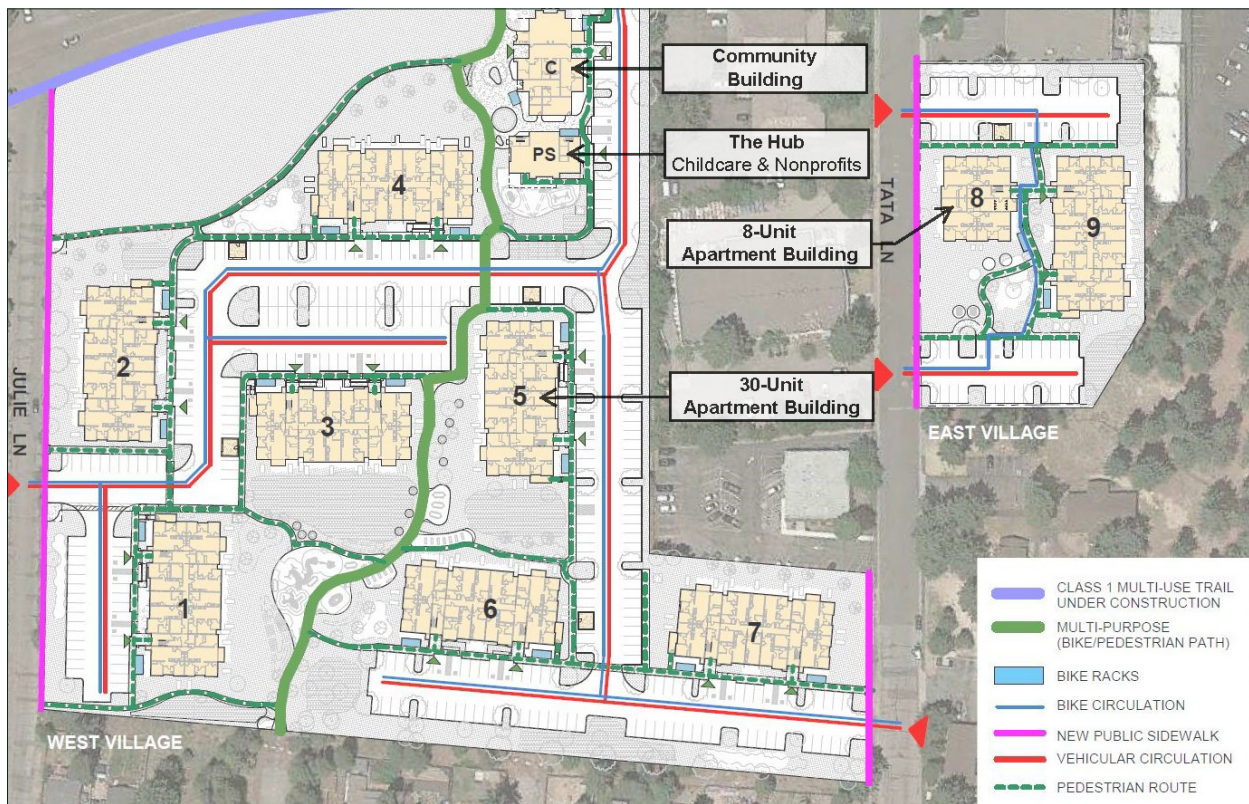
Related California identified SJCLT as an ideal partner with deep knowledge of local housing needs, and their successful proposal for the site prioritized local knowledge, stewardship, and permanent affordability. SJCLT was able to lead community engagement and facilitate local support needed to expeditiously move the project through the city's entitlement process. With the entitlement process completed in just six months and financing for phase 1 (68 units) arranged, groundbreaking may occur as soon as Summer 2022. SPV exemplifies the success of the partnership between local and state governments in the Lake Tahoe area and SJCLT.

“Many in our community cannot afford to live and work at Lake Tahoe ... this effort to use developable Conservancy land to build affordable homes could not have come at a better time.”

— **Tamara Wallace**, South Lake Tahoe City Councilmember & California Tahoe Conservancy Board Member⁸

⁷ Executive Order N-06-19, Public Lands for Affordable Housing Development, was signed by Governor Newsom in 2019. <https://www.hcd.ca.gov/public-lands-for-affordable-housing-development>

⁸ Quoted in California Tahoe Conservancy, “State Selects Development Team for South Shore Housing,” press release, July 14, 2020, <https://tahoe.ca.gov/state-selects-development-team-for-south-shore-housing/>.



Sugar Pine Village, St. Joseph Community Land Trust. Sugar Pine Village is envisioned to be a new residential, mixed-use affordable community that complements the existing neighborhood while also preserving native species and sensitive land. The project will be designed to provide residents with new high quality, sustainable housing that supports active transportation, encouraging biking, walking, access to transit, and connection with nearby trails for the local workforce and their families.

Emerging Partnerships

The previous case studies represent just a sample of the local government-CLT partnerships that exist across the state. **The projects below** highlight instructive new developments in public land dispositions to CLTs, including the participation of counties and the adaptive reuse of federal property.

Housing Authority of Contra Costa and Richmond LAND

Since its founding in 2019, Richmond LAND has worked in harmony with the various affordable housing strategies that the City of Richmond and Contra Costa County have put in motion toward a holistic vision of economic development that centers mutual benefit and collective ownership in housing and land use planning.

Richmond LAND is currently developing a response to the Housing Authority of the County of Contra Costa's (HACCC) Request for Proposals process for eight parcels of land. On two parcels that will be made available for sale at a below market rate, they plan to create an eco-village of affordable tiny cottages as part of a strategy of building community wealth and climate resilience, and supporting existing and displaced residents to stay and thrive in Richmond. For the other six parcels, Richmond LAND proposes a community-designed Residential Neighborhood Corridor.

Marin County and the Community Land Trust Association of West Marin (CLAM)

With Eden Housing as a development partner, CLAM has an Exclusive Negotiating Contract with the County of Marin for a site that will support 51 units of lower income rental housing and related site improvements and amenities, financed with four percent tax credits and other sources. The land was purchased by Marin County from the Coast Guard for the express purpose of affordable housing through the adaptive reuse of existing federal surplus housing. CLAM has been working with the County for over six years on the project concept and won the bid to redevelop the property in 2020.

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Authors

Francesca Zepeda, Leo Goldberg, and Nicole Montojo

Contributors

Dulce Galicia and Sua Hernandez

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Erfan Moradi & Jacob Tompkins
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Contacts

Othering & Belonging Institute
at UC Berkeley
460 Stephens Hall
Berkeley, CA 94720-2330
Tel. 510-642-3326
belonging.berkeley.edu

California Community Land Trust Network
Tel. 510-244-3784
www.cacltnetwork.org

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About the California Community Land Trust Network

The California Community Land Trust Network is a membership organization representing 28 Community Land Trusts throughout the state of California from Humboldt County to San Diego. CACLTN supports the work of its member organizations and communities through state level policy advocacy, member and community conferences, peer-peer training, capacity building through the CA CLT Academy, and development of financial/legal tools to enhance CLT development in California.

For more information about CLTs or the CA CLT Network, please contact us at www.cacltnetwork.org/contact-us

About the Othering & Belonging Institute

The Othering & Belonging Institute at UC Berkeley, formerly the Haas Institute for a Fair and Inclusive Society, is a vibrant hub of researchers, community leaders, policy-makers, artists, and communicators that advances research, policy, and work related to marginalized communities. It engages in innovative narrative, communications, and cultural strategies that attempt to reframe the public discourse around marginality and inclusion and respond to issues that require immediate and long-term action.