



What is the  
Community Foundation  
Land Trust?

COMMUNITY FOUNDATION LAND TRUST

# Preserving Affordability

## **History of Community Foundation Land Trust:**

- Started in December 2002 with \$3.8 million gift from Mead Housing to CCF to be used for affordable housing.
- CCF created CFLT as a supporting organization with board comprised of outside experts and CCF board members.
- CCF's goals in creating CFLT included testing land trust model as a means of ensuring permanent affordability, building wealth for low-income families, and leveraging CCF's ability to mobilize partnerships of private and public sectors to change or improve delivery systems.



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# Preserving Affordability

## **Needs CFLT Responds To:**

- Increase affordable homeownership and rental opportunities
- Support and leverage CCF investments in stable, revitalizing communities
- Create more wealth-building opportunities for families
- Best use of available subsidies – short-term and over time



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# Preserving Long-Term Affordability

## **Benefits:**

- CFLT supports creation of a pipeline of affordable housing developments.
- CFLT can borrow money (Ford Foundation, banks, Fannie Mae, others) and demonstrate ability to recycle and repay funds within 7-10 years.
- CFLT maintains contact with Buyers to prevent predatory lending problems, maintenance problems, and identify pre-default situations.
- Best short-term and long-term use of City resources.



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# Development Strategies

- CFLT Initiated Developments
- Government Initiated Projects
- Developer Initiated Projects
  - Inclusionary Housing
- Partnerships
- Buyer Initiated Acquisition



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# How does the Community Foundation Land Trust work for single-family homeownership?

- CFLT purchases land using donations or government subsidies.
- CFLT owns and holds title to the land forever.
- CFLT partners with a developer to build homes. Developer pays CFLT appraised value of 99-year ground lease.
- CFLT conveys use of lot to qualified homebuyer via a 99-year, renewable, inheritable ground lease.
- Homeowner purchases home and all improvements.



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# How does the CFLT keep for-sale housing permanently affordable?

- CLT asks homeowners to share with future homeowners the affordability that was created for them.
- In order to keep homes permanently affordable, homeowners agree to limit the price at which they can sell their homes.
- The benefit of public and private subsidies are preserved for future generations.



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# How does the Community Foundation Land Trust work for rental housing?

- CFLT purchases land, and owns and holds title to the land forever.
- CFLT conveys use of land to building's owner via a long-term master lease.
- Lease price can be paid over time, or capitalized when units are built.
- Developer will use government subsidies, tax credits, and other financing to purchase land lease, and to build units.



## How will the CFLT keep rental housing permanently affordable?

- CFLT will be “silent partner”, as long as owner/landlord keeps rents affordable, in accordance with master lease.
- CFLT, as lessor, can prevent owner from raising rents to unaffordable level.
- The benefit of public and private investments are preserved for future generations.



# Financing Land Trust Homes

- No magic answers – can't just 'take the land out of the equation.'
- A land trust does not reduce the need for initial public investment – it protects it over time.
- Public Investment Sources:
  - HOME/CDBG
  - Redevelopment
  - Housing Trust Funds
  - Inclusionary Housing
  - Bonds – Proposition 1C and Proposition H



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# Land Trust Roles

- Project Identification
- Land Acquisition
- Securing Project Subsidies
- Project Development
- Homebuyer Outreach/Education/Screening
- Homebuyer Financing Lease Administration
- Ongoing Monitoring



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# Advantage for Our Partners

- Creation of *permanent* stock of affordable housing
- Reduced administrative responsibility for local government
- Improved homebuyer education
- Stronger enforcement mechanism
- Community involvement



# How the California Community Foundation Supports the Community Foundation Land Trust

- Community Foundation board members comprise over 50% of Land Trust's board.
- The Foundation provides working capital to the land trust.
- The Foundation provides loan guarantees for a portion of CFLT's land acquisition fund.
- CFLT's work is integrated with the Foundation's grants program for community groups, Program Related Investment loan program, and Community Building Initiative.



# The Anwar Family's Road To Homeownership

My family moved to the United States – the land of opportunity – five years ago. My wife and I work long hours as a nurse's aide and a store clerk. We worked and saved with the hope of buying our own home, but the prices always went up. Our income was too low to qualify. Then we learned about a home being built by the Community Foundation Land Trust. Because of the Land Trust, we qualified for a home nearby. I kept hearing that buying a home can be very confusing and intimidating, but that wasn't our experience because we have been guided throughout the entire process. In a couple of weeks my family will move into our beautiful new home. Thanks to the Community Foundation Land Trust, very soon we will be living the American dream!



*Mr. & Mrs. Mohd Anwar Hossain and their three children will move into a 1,450 square foot home on 84th Street in Los Angeles. The 3 bedroom, 2 bath home is built on a 7,750 square foot lot donated by the County of Los Angeles.*