

PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Presentation – Homestead Community Land Trust
DEPARTMENT: Planning & Community Development
PRESENTED BY: Kathleen Hosfeld, Homestead Community Land Trust
Steven Szafran, Senior Planner

Public Hearing
 Discussion

Study Session
 Update

Recommendation Only
 Other

INTRODUCTION

Tonight, the Planning Commission receive a presentation from the Executive Director of Homestead Community Land Trust, Kathleen Hosfeld. Kathleen leads all strategic planning and administration of Homestead, as well as new initiatives to increase homeownership opportunities for modest income buyers in our area.

Homestead Community Land Trust preserves and advances access to permanently affordable homeownership to create thriving, equitable and inclusive communities. Their work empowers individuals, stabilizes families and strengthens neighborhoods in the Greater Seattle/King County area. Partnering with modest income households (who earned less than 80% area median income), they have created the largest portfolio of permanently affordable homes in Washington State.

Affordable homes promotes housing stability. This increased stability contributes to healthier communities, allowing households to invest more deeply in civic engagement and build stronger connections with neighbors, in addition to keeping children in the same school district throughout the course of their education. When people live near job centers and extended family and friends, their interpersonal networks strengthen the fabric of the community.

Unlike the traditional housing market, Homestead homes remain affordable for every new buyer. This means each dollar spent on a Homestead home is a lifetime investment towards sustainable homeownership and community stability. There is no need to invest additional public and private funds to keep homes affordable at resale. Homeowners, as stewards of this invaluable resource, are both the key investors and the beneficiaries, helping to preserve a legacy of affordable housing both for their families and their communities.

BACKGROUND

What is a community land trust (CLT)?

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A community land trust (CLT) is a private, nonprofit organization created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. In particular, CLTs work to meet the needs of residents not served by the market. CLTs prohibit speculation and absentee ownership of land and housing, promote ecologically sound land-use practices, and preserve the long-term affordability of housing.

What makes a CLT distinctive?

- *Accountability and Commitment to Local Control:* CLTs provide greater local control over land and housing. Homestead members are our homeowners and supporters in the broader community. Our members elect a Board of Delegates that include Homestead homeowners, non-resident members and others who represent the community.
- *Protecting the Permanent Affordability of Housing:* Homestead protects affordability for future residents by controlling the resale price of homes within the trust. Our ground lease includes a formula for calculating a price that offers homeowners predictable and fair compensation for their investment. In this way, Homestead preserves the community's investment of public and private resources and makes each home in our trust permanently affordable.
- *Dual Ownership:* Homestead protects the community's long-term interests by separating the ownership of land from the ownership of the home. Homeowners own their homes and other improvements and lease the land beneath their homes from Homestead. Terms of the arrangement between Homestead and our homeowners are defined in a renewable and inheritable 99-year ground lease. Homestead offers our homeowners security, an opportunity to transfer the lease to their heirs, and full rights of privacy.

How does Homestead work with homeowners?

Homestead secures public (tax) and private grants and donations to lower the cost to the buyer by at least 30%. These funds can take the form of City, County, State and Federal funds, bank Community Reinvestment Act grants, corporate and charitable foundation gifts, and the gifts of individual donors.

The buyer pays for and owns the home (structure and improvements) on the land. Homestead continues to own the land under the structure and leases it for a small monthly fee. Buyers accrue 1.5% equity in their home compounded annually. They do not have to sell their home if their income increases after purchase. They can own as long as they wish. But they agree to sell their home, whenever they decide to sell it, to the next income qualified buyer.

As a result of giving affordability a permanent address, we are stemming the tide of displacement of modest-income members of the community. Vital members of our community now have the opportunity to build wealth, and to thrive in place. Homestead partners with its homeowners to support their long-term success, providing resources, information, advocacy, and resale assistance as needed. Homestead homeowners build secure, predictable equity in their home over time, strengthening families across generations. Homestead also partners with a variety of developers, other real estate professionals, businesses, and funders to ensure the prudent and efficient use of housing dollars.

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Are CLTs supported by local governments?

Yes. Much of Homestead's subsidy for housing comes from the city, county and state.

How are CLTs different from conservation land trusts?

They are similar in some respects and have mutually beneficial missions. Both CLTs and conservation land trusts control land use for the benefit of people in the future as well as the present; but they tend to be concerned with different types and uses of land. Conservation trusts are primarily focused on controlling rights to undeveloped land to preserve open space, ecologically fragile or unique environments, wilderness, productive forest, or agricultural land. On the other hand, CLTs such as Homestead, are primarily concerned with acquiring land for specific community uses, particularly residential use.

These purposes are not mutually exclusive, and some land trusts combine these purposes, preserving some land in a natural state while leasing other land for development. All land trusts have an ethic of land stewardship; their missions include holding land for the long-term and ensuring appropriate use.

CLTs and Shoreline

The [Housing Action Plan](#) adopted in 2021 identifies CLTs as a Toolkit Strategy (Action 3.2) to encourage affordable home ownership. Supporting CLTs through incentives or partnerships was also included in the final list of the Planning Commission High Implementation Priorities within the Housing Action Plan.

RECOMMENDATION

There is no recommendation at this time. This is an information presentation for the Planning Commission.