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## Affordable Homeownership Program



**Community Land Trusts (CLTs) are a permanent affordability tool**

- Nationally acknowledged model
- Proper pricing is key:
  - Affordable pricing means additional subsidy isn't needed
  - Ability to serve lower AMIs that the market is excluding

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# History



- 1960s – Concept developed by the Institute for Community Economics
- 1992 – Federal Housing and Community Development Act further defined the CLT model and specifically provided federal funding

Since the '60s more than 225 CLTs have been established in the U.S.



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# Benefits of Community Land Trust





**1**

Provides greater likelihood of attaining and sustaining homeownership.



**2**

Builds wealth among lower income and families of color.



**3**

Ensures public investments go further and do more.



**4**

Builds stronger, safer and higher-quality neighborhoods.



**5**

Contributes to greater educational and job attainment.



**6**

Creates jobs through the construction and rehab of housing.

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## Community Land Trust (CLT) Homes

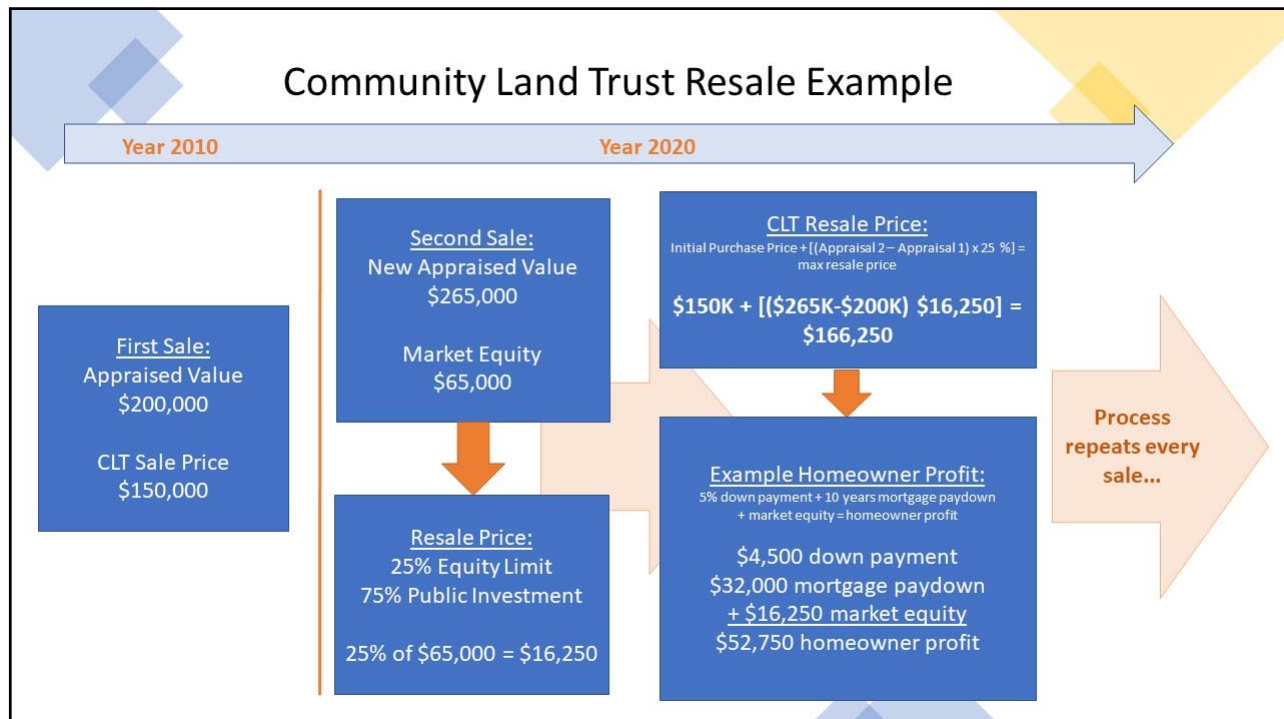


**The City of Flagstaff has chosen the Community Land Trust model to provide permanently affordable homeownership.**

- The cost of land is removed from price of home
- Buyer owns the improvements, City owns the land
- Affordability requirements secured through a 99 yr. ground lease between the homeowner and the City
  - Ground lease includes: resale pricing restrictions, eligibility requirements for new buyers, and owner occupancy requirements

*The Community Land Trust Program is a tool to assist in meeting the needs of the community through the provision of housing for essential workers, while also retaining the public's investment in housing stock.*

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## Deed Restricted Homes



- A deed restriction places specific restrictions on a property and is recorded at time of sale
  - Includes: resale pricing restrictions, eligibility requirements for new buyers, and owner occupancy requirements
- Flagstaff's first affordable homes were deed restricted
  - Eligible buyers bought 24 affordable homes
  - As owners sell, each home is converted to the CLT model
  - 14 remaining deed restricted properties at Rio (one in conversion process)
  - Change to CLT ground lease model was a response to changing lending market after last Recession

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## Affordable Ownership Unit Totals



50 permanently affordable homes constructed and occupied

- 24 at Rio Homes
- 10 at Izabel Homes
- 10 Habitat for Humanity
- 5 at Crestview
- 1 Elden Townhome

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## Rio Homes

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- 24 permanently affordable townhomes
  - 14 are still deed restricted, 10 converted to the land trust
- Built in partnership with AZ North Development
- Serves up to 125% AMI
- These homes were originally deed restricted and are being converted to the ground lease land trust model with each resale

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## Izabel Homes

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- City acquired land and funded construction with CDBG funds
  - 10 homes built in partnership with Loven
  - 6 homes built in partnership with Habitat for Humanity
- Habitat units serve up to 80% AMI CLT units serve up to 125% AMI
- +7 are owned by single mothers with children
- 15 homes built and occupied; last home will be built by Habitat for Humanity in 2021

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## Crestview

- 12 land trust homes promised
- Built in partnership with Capstone
- Serves up to 125% AMI
- 5 homes are built and occupied; 7 lots remain
- Current pricing is \$319,900
  - + \$30,000 for a master suite addition

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## Future Affordable Ownership Projects



**108 community land trust units** promised in upcoming developments

- 100 units at Timber Sky
- 7 more Crestview lots
- 1 more Habitat for Humanity at Izabel

**22 deed restricted condos** in upcoming developments

- 17 units at Miramonte at Ponderosa Pkwy
- 5 units at Woodshire on Butler by Brookfield



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