

Permanently Affordable Homeownership & Community Land Trusts



NATIONAL
COMMUNITY LAND TRUST
NETWORK

Sustainable models that use a one-time public investment to create a permanently affordable home

What are CLT and PAH Programs?

Community Land Trusts (CLTs) are nonprofit organizations that provide lasting community assets and permanently affordable housing opportunities for lower-income families. CLTs are best known for their **permanently affordable homeownership (PAH)** programs. Along with CLTs, some Community Development Corporations (**CDCs**), Community Development Financial Institutions (**CDFIs**), **Habitat for Humanity** affiliates, and government-based **inclusionary zoning programs** have PAH programs.



In 46 states:

>200 CLTs
>600 PAH programs
> 150,000 homes



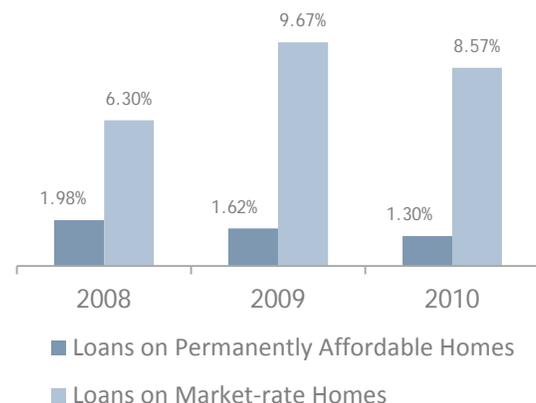
How Do They Work?

A one-time public investment is used in a self-sustaining way to keep homes forever affordable to families with modest incomes. **PAH programs** invest public funds into a property to make home purchase affordable for a lower-income family. The program supports the family to **attain and sustain homeownership**. In return, the homeowner agrees to sell the home at an affordable price to another lower-income homebuyer in the future. Consequently, the family is able to successfully own a home and build wealth, while the program is able to **preserve the public's investment in the home permanently to help family after family**.

What Do They Accomplish?

1. **Increase access** to successful homeownership among lower income and minority families.
2. **Buffer the adverse impacts of gentrification** by providing a stock of housing that remains affordable.
3. **Stabilize neighborhoods** by increasing owner occupancy, promoting residential stability, preventing foreclosures, and maintaining homes in good condition.

% of Mortgages that are 90+ Days Delinquent or in Foreclosure Proceedings (Thaden 2011)



Adequately Fund HUD & the HOME and CDBG Programs

With rising housing values and over 80% of HUD's budget committed to the ongoing subsidization of affordable rental units, **HUD requires substantially more funding** to make an impact on the growing housing needs across the country. **HUD must also efficiently use its funds beyond rental subsidy programs.** Unlike other homeownership programs, PAH programs only require a one-time public investment in order to create a home that remains affordable to serve family after family with modest incomes. It's a self-sustaining model. That's why the **Bipartisan Policy Center recently released a policy report urging the federal government to provide greater support to PAH programs**¹.

Above and beyond the prudent use of public funding, helping families become successful homeowners reduces public costs on health care, stimulates the economy through job creation, and results in families building wealth, obtaining better jobs, and improving children educational attainment².

Our Issue

HOME and CDBG programs are the dominant federal sources to create permanently affordable home-ownership opportunities for families. Both programs have experienced major cuts in recent years. In fact, the HOME program has been reduced by 51% and CDBG by 33% since the height of the recession in 2010.

	HOME	CDBG
FY 2010	1.83 billion	4.45 billion
FY 2015	900 million	3 billion
President's budget FY16	1.06 billion	2.8 billion

Our Ask

Please provide sufficient HUD appropriations to fulfill the President's FY16 budget requests for the HOME program and maintain CDBG funding at current levels.

¹ Lubell, Jeffrey. (December, 2014). *Housing More People More Effectively through a Dynamic Housing Policy*. Washington, DC: Bipartisan Policy Center.

² Belsky, Eric S., Herbert, Christopher E., & Molinsky Jennifer H. (2014). *Homeownership Built to Last: Balancing Access, Affordability, and Risk After the Housing Crisis*. Cambridge, MA & Washington, DC: Harvard University & Brookings Institution Press.

Homeowner Story:



Leslie Coburn

A few years ago, Leslie was working as an Activities Specialist in a retirement community in Chapel Hill, North Carolina, commuting an hour every day from Granville County. However, the commute meant she had little time to do much beyond drive, work, and sleep. So after some searching, she was able to find an affordable place to rent near work.

But over the next three years as the area developed, her rent increased significantly. Fortunately, a co-worker introduced Leslie to Community Home Trust, a community land trust in Chapel Hill. Community Home Trust was able to prepare Leslie to become a homeowner and provide a home she could afford to purchase due to the HOME program.

Today, Leslie has been promoted at work and is thriving. With a home close to work, she has the time and energy to be active within her community in Chapel Hill. And, since she is living affordably and building wealth from owning a home, she is now able to financially prepare for her own retirement.