Douglass Community Land Trust

PRESENTATION FOR
National Housing Conference
Solutions for Affordable Housing

November 27, 2018
LASTING COMMUNITY ASSETS AND PERMANENTLY AFFORDABLE HOUSING FOR FAMILIES AND COMMUNITIES

➢ a private, nonprofit, community-driven enterprise to help create a more inclusive/equitable community by holding land in trust and leasing it for homeownership and rental housing (and small business) at reduced cost – safeguarding permanent affordability

➢ puts control into the hands of the community

➢ prevents displacement for current residents, and to preserve and increase the long-term availability of housing that is affordable

➢ combines individual/household benefit, community benefit, and effective stewardship of public funding
Origin: | Bridge Park Equitable Development Plan

11th Street Bridge Park’s Equitable Development Plan

Douglass CLT
Origin: Bridge Park Equitable Development Plan

- Advocate for DC Housing Authority to follow the Build First model with new locations west of Bridge Park. (Bridge Park influence)
- Advocate for DMPS/DHCF’s Anacostia Gateway solicitation and eventual inclusion of increased affordable housing opportunities in redeveloped properties. (Bridge Park influence)
- Preservation of EOTR homes

11th Street Bridge Park
Equitable Development Task Force

Targeted Census Tracts within 1 mile radius of Bridge Park
Displacement Challenge
East of the River
Ward 8 - at least 40% (or 10,925) existing rental units with rent subsidies expire 2021 & 80% of existing housing units are rentals (27,313)

Housing hardship
Housing prices/costs increasing & incomes stagnant

Cost of housing increasing
(2018 projection for DC – 3.9%)

1,750 affordable units are at immediate risk of being lost

https://www.zillow.com/washington-dc/home-values

Wages are not keeping pace!
Origin: Bridge Park Equitable Development Plan

Douglass CLT
Housing demand increases...

+1,000
new residents each month in DC

20.6%
Increase in median home prices in Ward 8 (20020) in 2016

...as affordable housing stock decreases

-9,500
units became unaffordable to households earning 60% of AMI between ‘09 and ‘14

15,226
subsidies set to expire by 2020

Ward 8 has the highest number of assisted units with expiring subsidies (5,464)
The Urgency...pressing need to act NOW!

East of the River target population

Ward 8:
less than 1/3 of families are homeowners
35% of families are living in poverty

Ward 7:
less than 1/3 of families are homeowners
23% of families are living in poverty

Prevent involuntary displacement
Serve existing households at or below 50% AMI
Provide wealth building opportunities - homeownership & more

<table>
<thead>
<tr>
<th></th>
<th>Ward 8</th>
<th>Ward 7</th>
<th>District of Columbia</th>
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<tbody>
<tr>
<td>Median income (2015)</td>
<td>$30,910</td>
<td>$39,165</td>
<td>$70,848*</td>
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<tr>
<td>Median income as %</td>
<td>43.6%</td>
<td>55.2%</td>
<td>100%</td>
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<td>of median for the</td>
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* Source: Key Demographic Indicators summary report prepared by District of Columbia Office of Planning State Data Center, using 2011-2015 American Community Survey data
Equitable Development Planning

- The 11th St Bridge Park is an initiative of the Ward 8 nonprofit Building Bridges Across the River
- BBAR engages the community via 200+ resident meetings
- to promote inclusive development and prevent displacement related to establishment of 11th Street Bridge Park

Recommendations

- Prevent Displacement/ Secure affordability: Community Land Trust
- Small Business
- Workforce Training
- Arts and Culture

Community Land Trust Initiative

- Create a classic community land trust focused on providing housing opportunities for long term residents to stay in their homes
- Balance affordability preservation and wealth building
Roots of the CLT: The Civil Rights Era

Albany, Georgia

Founded in 1961, the Albany Movement demands an end to all segregation. One of its leaders is Slater King, cousin of Martin Luther King, helped establish New Communities.

New Communities is founded as the first CLT in 1969 as a 5,700 acre land trust and farm collective owned and operated by a dozen black farmers.
How a community land trust works

Community land trusts keep properties affordable and in the hands of communities by putting only the properties, not the land they occupy, on the market and allowing only those on low incomes to buy.

**Trust**
Made up of local people and those who live in its properties.

**Land**
Bought by or donated to the trust.

**Property**
Built by the trust.

**The lease**
The lease is long-term, renewable and can be passed on by the owner in their will. Should the owner decide to sell the lease, a formula contained in the leasehold agreement is used to determine the price at which the community land trust can buy back the property and how to divide any increase in its value between the leaseholder and the trust.

The property – but not the land – is owned by someone on a low income.

**Sale**
The trust sells a long-term lease on the property but retains ownership of the land.

Since the community land trust is selling only the property and is not out to make a profit, the cost of the lease is far cheaper than the market price.

*Douglass CLT*
Community committed to stewarding the land and property to create a more sustainable, equitable and vibrant community.

CLT as an enterprise that can adapt and thrive.

**Community**
- Residents engaged and participating

**Real Estate Development Partnerships**
- Resources to develop quality, durable homes (capable partners and funding)

**Stewardship**
- Support success today and tomorrow (staff and operating income to support services)
The Initial Partners

Equitable Development Plan

Expertise and Track Record with Permanent Affordable Housing
- Shared Appreciation mortgages
- Share Loans
- Cooperative Stewardship

Current Equity Sponsors
CITY FIRST HOMES

When
Workforce housing trust program launched in 2010; first and largest city-wide permanently affordable housing program launched in DC

What
243 units of permanently affordable housing

How
Initial funding from DC municipal government grant and philanthropic support

Awards
Winner of several prizes and recognition:
- Housing Association of Nonprofit Developers – Best Small Affordable Housing Development (2013)
- Affordable Housing Conference of Montgomery County – Architectural Design Award for Renovation and Rehabilitation (2012)
- White House Social Innovation Fund – Cornerstone Homeownership Innovation Program Sub-grantee (2011)

Networks
Active member of industry trade groups
- Grounded Solutions Network - former President is Board Chair
- Coalition for Nonprofit Housing and Economic Development - TOPA working group
Diverse 243-Unit Portfolio with 3 Types of Units

- **Shared Appreciation Homeownership** – 53 units
  - Covenant recorded against property
  - Appraisal based resale formula – homeowner retains 25% of appreciation
  - Must be sold to eligible household
  - Varying properties –
    - Detached Single Family Homes
    - Townhomes
    - Condominium Units
    - Cooperative Units

- **Non-Shared Appreciation Coop with Stewardship Fee** – 166 units
  - Affordability restrictions held in underlying covenant and organizational documents
  - Stewardship relationship created by origination of coop share loans together with impact investment by CFE’s Impact Investing Fund

- **Affordability – No Shared Appreciation or Stewardship Fee** – 24 units
  - Affordability restrictions vary from coop org docs to recorded covenants
  - Relationship created in varying ways, including direct unit investments, provision of coop share loans, and CFE Impact Investments
Evolution of DC-Wide Community Land Trust in DC

2009 - 2018

Phase 1 – City First Homes
- City-Wide Workforce Housing Trust
- 240 Units
- Homeownership/Coop
- Housing Covenant
- Nonprofit Board + Advisory Committee
- Funding from DC government and philanthropic community

2017 - 2019

Phase 2 – CFH +BBAR
- Pilot Community Land Trust based in Ward 8
- Homeownership/Coop/Rental
- Own and Lease Land
- Advisory Committee of community members
- Funding from philanthropic community

2019 - ?

Phase 3 – DCLT CLT
- City-Wide Community Land Trust w/initial Ward 8 Focus
- 750 Unit target
- Homeownership/Coop/Rental/Commercial
- Own Land +Covenant
- Nonprofit Board + Advisory Committee
- Funding from DC government and philanthropic community
CLTs: | Tri-Partite Board

- **CLT Classic:**
  - Three part board:
    - Resident representatives,
    - General community representatives
    - Public representatives
  - All stakeholders are heard; no one interest dominates.
Advisory Committee

Daniel Blaise, Ward 8 resident
Sheldon Clark, Ward 8 resident
Keisha Davis, Ward 8 resident
Keiva Dennis, PNC Bank*
Kymone Freeman, We Act Radio, a Ward 8 business
Christie Gardner, Ward 8 resident & Bread for the City*
Jade Hall, Housing Counseling Services*
Wanda Lockridge, office of Councilmember Trayon White, Sr.
Meche Martinez, Ward 8 resident
Morgann Reeves, Ward 8 resident
Brett Theodos, Urban Institute*
Kalilia Wilson, Ward 8 resident
Claire Zippel, Enterprise Community Partners*

*Organizational affiliation does not constitute official organizational representation or support.
Advisory Committee
CLTs: | Advisory Committee

- **Community Land Trust Advisory Committee**
  - Sets mission goals; AMI served, geographic focus
  - Reviews and recommends deals

- **Advocacy & Education**
  - Numerous meetings with civic and neighborhood associations, council members, and city department heads
DOUGLASS COMMUNITY LAND TRUST
The Douglass Community Land Trust contributes to a more inclusive and equitable District of Columbia by enabling the development and preservation of permanently affordable, resident-controlled housing and other public assets through community ownership of land for the benefit of low-income residents.

MISSION

COMMUNITY CONTROL

PERMANENT AFFORDABILITY

HIGH QUALITY, HEALTHY HOUSING

INDIVIDUAL / FAMILY ASSET BUILDING

RIGHT TO STAY AND THRIVE

OPERATIONAL EXCELLENCE AND SUSTAINABILITY

VALUES

Douglass CLT
**Goal:** Within 10 years, acquire land under 750 units to reach scale, focusing on units at risk of losing existing affordability

CLT permanently affordable homes
- Acquire/rehab (yrs 1-10) – 526 homes
- Steward IZ units (yrs 3-10) – 224 homes

Meet range of needs
- Homeownership – avg. 50% AMI
- Rental – target 30 - 50% AMI

Focused effort with partners
- Initial focus: Wards 7 & 8; Expand activity west of the Anacostia
- Engage willing and able partners

Key Assumptions
- Diverse funding: private & public contributions, debt and earned income
- Cost assumptions – 2018 MLS Survey/RCLCO/local development consultant
PARTNERSHIPS

➢ Real estate development

➢ Service providers / asset building for residents - i.e. housing counseling, IDAs

➢ Funding / Resources

➢ Land / properties /sites needed

➢ Advocacy on policy

➢ Membership / participate in the subcommittees & working groups
"Man's own greatness consists in his ability to do and the proper application of his powers to things needed to be done."

Frederick Douglass
Thank you!

Questions?