



PO Box 42255  
Portland, Oregon 97242  
503.493.1000 (p)  
503.493.1004 (f)  
www.cltnetwork.org  
Melora@cltnetwork.org

Senator Tim Johnson  
Chairman  
Senate Banking Committee  
534 Senate Dirksen Office Building  
Washington, DC 20510

Senator Mike Crapo  
Ranking Member  
Senate Banking Committee  
534 Senate Dirksen Office Building  
Washington, DC 20510

April 3<sup>rd</sup>, 2014

Dear Senator Johnson and Senator Crapo,

On behalf of the National Community Land Trust Network (the Network), I would like to thank you for your tremendous leadership and efforts on housing finance reform. We would also like to thank your staff who met with us in the fall of 2013, addressed affordable housing, and the needs our members in the discussion bill. The purpose of this letter is to provide background information on aspects of the Johnson-Crapo proposal that pertain to **community land trusts (CLTs)** and other **permanently affordable homeownership (PAH) programs** (e.g. the majority of inclusionary housing programs, deed-restricted programs that provide lasting affordability, and shared equity loan programs at CDFIs). We hope that you will find this information helpful as the Committee begins marking up the proposed bill.

### General Information

The Network is a national nonprofit membership organization of CLTs and PAH programs across the country. Our members are nonprofit and government organizations that provide accessible, sustainable, and permanently affordable homeownership opportunities for lower income families. Our model delivers three main outcomes:

**1) Increasing *access* to affordable homeownership opportunities for lower income families.**

Our members serve households with lower incomes than down payment assistance programs. The average household income of owners in these programs is roughly 60% of the Area Median Income. These programs can responsibly serve these households because they purchase homes for 25-50% less than the fair market value. Homeownership is the #1 way that lower income and minority households have built wealth, and our members increase the number of families who have access to this opportunity.

**2) Increasing the number of lower income families who *sustain* homeownership.** Our programs significantly outperform the conventional housing market on delinquency and foreclosure rates. A national study found that owners in the conventional market of all incomes were 10 times more likely to be in foreclosure proceedings and 6.6 times more likely to be seriously delinquent than lower income homeowners in our programs. Furthermore, 90% of our households maintain homeownership for five years relative to only 50% of first-time lower income and minority households in the market. Hence, the families in our program are able to *sustain* homeownership, and consequently, build wealth. Approximately, 70% of our owners build enough wealth that they go onto to buy homes in the private market. Our programs



deliver these positive outcomes because they provide ongoing support to homeowners, including: (a) pre-purchase and post-purchase education, (b) home purchase loan and refinancing review and approval, and (c) ongoing support to homeowners with financial planning, home repair support, and foreclosure prevention counseling.

- 3) Preserving public dollars invested in high-quality, affordable housing.** Our model for homeownership only requires a one-time public investment in a home. From there, the model is self-sustaining and ensures that the investment grows over time to keep each property affordable for family after family who buys the home. Ultimately, our homeowners agree to “pay it forward.” In return for owning a home at a very affordable price, they agree to limit their proceeds when they sell so that another lower income household is able to afford to buy the home.

### **Request to Retain Mentions in Johnson-Crapo Discussion Bill**

Thanks to your leadership and the staff of the Banking Committee, you will see that the current version of S. 1217 that you proposed includes a definition of “community land trusts” (Sec. 2.16) and “permanently affordable homeownership” (Sec 2.53). Additionally, the mortgages made to buyers within these homeownership programs are acknowledged as an “Eligible Single-Family Mortgage Loan” (Sec 2.29.A.i.III.ff).

We would like to explain the importance of including definitions of CLTs and PAH programs and request that you preserve this language in the bill. As explained above, our model of homeownership doesn’t allow first-time and lower income buyers to “go it alone,” which is why we deliver truly impressive outcomes. Our model also deviates from traditional affordable homeownership programs, like down payment assistance, because the public subsidy is recycled to keep properties affordable for family after family (rather than creating a windfall for just *one* family). However, first mortgage lenders find our model “outside-the-box” of their typical mortgage loans because our members maintain a vested interest in the properties and homeowners. Consequently support from federal financial institutions, such as Fannie Mae, has proven important to enable lenders to work with our lower income buyers. Consequently, federally-insured mortgages and the support of federal financial institutions are vital to ensure that qualified buyers of permanently affordable homes are able to access mortgage financing.

To date, Fannie Mae has been the primary source of access to the secondary market. FHA has been working for years to provide access to FHA-insured mortgages for our buyers. To ensure that our homebuyers have access to first mortgage financing in the future, it is crucial that they are defined and mentioned as a “single-family eligible mortgage loan.” This will ensure that the FMIC sets up systems that work for loans to buyers of permanently affordable homes. It will also promote private mortgage lenders to provide access to mortgage financing for our qualified buyers. **We ask that you please retain the mention of community land trusts and permanently affordable homeownership programs under the definition for “single-family eligible mortgage loan.”**

We sincerely thank you and your colleagues of the Senate Banking Committee for your efforts on housing finance reform. Please do not hesitate to contact us with questions.

Sincerely,



Executive Director



# National Community Land Trust Network

## Membership List



NATIONAL  
COMMUNITY LAND TRUST  
NETWORK

Sitka CDC, Sitka, AK  
Montgomery Community Land Trust, Montgomery, AL  
Pima County Community Land Trust, Tucson, AZ  
Newtown Community Development Corporation, Tempe, AZ  
City of Flagstaff Community Land Trust Program, Flagstaff, AZ  
Islanders Secure Land Association, Hornby Island, BC  
San Francisco Community Land Trust, San Francisco, CA  
San Diego Community Land Trust, San Diego, CA  
Oakland Community Land Trust, Oakland, CA  
Northern California Land Trust, Berkeley, CA  
Irvine Community Land Trust, Irvine, CA  
Housing Land Trust of Sonoma County, Petaluma, CA  
Habitat for Humanity of Southern Santa Barbara County, Goleta, CA  
Habitat for Humanity Greater San Francisco, San Francisco, CA  
Community Land Trust Association of West Marin, Point Reyes, CA  
City of San Mateo, San Mateo, CA  
Beverly-Vermont Community Land Trust, Los Angeles, CA  
Urban Land Conservancy, Denver, CO  
Thistle Communities, Boulder, CO  
Rocky Mountain Community Land Trust, Colorado Springs, CO  
Colorado Community Land Trust, Denver, CO  
City of Boulder Division of Housing, Boulder, CO  
Boulder Housing Coalition, Boulder, CO  
Litchfield Housing Trust, Litchfield, CT  
City First Homes, Washington, DC  
Diamond State Community Land Trust, Dover, DE  
The First Community Christian Pentecostal Church of God inc, Orlando, FL  
South Florida Community Land Trust, Fort Lauderdale, FL  
Pinellas Community Housing Foundation, Clearwater, FL  
Hannibal Square Community Land Trust, Winter Park, FL  
Habitat for Humanity of South Palm Beach, Delray Beach, FL  
Delray Beach Community Land Trust, Delray Beach, FL  
Community Training Works, Melbourne Beach, FL  
Community Land Trust of Palm Beach County, Lake Worth, FL  
Resources for Residents and Communities of Georgia, Atlanta, GA  
Pittsburgh Community Improvement Association, Atlanta, GA  
HELP ORG INC - SALT & WALT Programs, Atlanta, GA  
Atlanta Land Trust Collaborative, Atlanta, GA  
Athens Land Trust, Athens, GA  
Na Hale o Maui, Wailuku, HI  
Arch Community Housing Trust, Ketchum, ID  
Community Partners for Affordable Housing, Highland Park, IL  
Chicago Community Land Trust, Chicago, IL  
Tenants to Homeowners, Inc., Lawrence, KS  
Lexington Community Land Trust, Lexington, KY  
Northshore Housing Initiative, Slidell, LA  
Jane Place Neighborhood Sustainability Initiative, New Orleans, LA  
Crescent City Community Land Trust, New Orleans, LA  
Valley Community Land Trust, Greenfield, MA  
Island Housing Trust Corporation, West Tisbury, MA  
Dudley Neighbors, Inc., Roxbury, MA  
Bread & Roses Housing, Lawrence, MA  
Andover Community Trust, Andover, MA  
Garrett County Community Action Committee, Oakland, MD  
Northern Homes CDC, Boyne City, MI  
Two Rivers Community Land Trust, Woodbury, MN  
Southwest Minnesota Housing Partnership, Slayton, MN  
One Roof Community Housing, Duluth, MN  
Homes Within Reach, Minnetonka, MN  
First Homes Properties, Rochester, MN  
City of Lakes Community Land Trust, Minneapolis, MN  
Springfield Community Land Trust, Springfield, MO  
24:1 Community Land Trust, St. Louis, MO  
Trust Montana, Great Falls, MT  
Northwest Montana Community Land Trust, Kalispell, MT  
North-Missoula Community Development Corporation, Missoula, MT  
Watauga Community Housing Trust, Boone, NC  
Durham Community Land Trustees, Inc., Durham, NC  
Community Home Trust, Carborro, NC  
Plum Valley Developers, Inc., Minot, ND  
Grand Forks Community Land Trust, Grand Forks, ND  
Monadnock Community Land Trust, Wilton, NH  
Essex Community Land Trust, Montclair, NJ  
Sawmill Community Land Trust, Albuquerque, NM  
Long Island Housing Partnership, Inc., Hauppauge, NY  
Cooper Square Community Land Trust, New York, NY  
Community Land Trust of Schenectady, Inc, Schenectady, NY  
Albany Community Land Trust, Albany, NY  
Adirondack Community Housing Trust, Elizabethtown, NY  
Yellow Springs Home, Inc., Yellow Springs, OH  
Neighborhood Housing Services of Greater Cleveland, Cleveland, OH  
Homeport, Columbus, OH  
Proud Ground, Portland, OR  
Lincoln Community Land Trust, Corvallis, OR  
Women's Community Revitalization Project, Philadelphia, PA  
State College Community Land Trust, State College, PA  
Mosaic Community Land Trust, Pottstown, PA  
Lehigh Valley Community Land Trust, Bethlehem, PA  
Centre County Housing and Land Trust, Bellefonte, PA  
Community Housing Land Trust of Rhode Island, Pawtucket, RI  
Church Community Housing Corporation, Newport, RI  
Dakota Land Trust, Deadwood, SD  
The Housing Fund, Nashville, TN  
Mariposa Village Community Land, Amarillo, TX  
Home Sweet Home Community Redevelopment Corporation, Houston, TX  
Equity Community Land Trust, Austin, TX  
Austin Habitat for Humanity, Austin, TX  
Mountainlands Community Land Trust, Park City, UT  
Thomas Jefferson Community Land Trust, Charlottesville, VA  
Windham and Windsor Housing Trust, Brattleboro, VT  
Twin Pines Housing Trust, White River Junction, VT  
Earth Bridge Community Land Trust, Putney, VT  
City of Burlington CEDO, Burlington, VT  
Champlain Housing Trust, Burlington, VT  
Central Vermont Community Land Trust, Barre, VT  
Vashon HouseHold, Vashon, WA  
Spokane Community Land Trust, Spokane, WA  
SHARE Community Land Trust, Leavenworth, WA  
Saratoga Community Housing, Freeland, WA  
San Juan Community Home Trust, Friday Harbor, WA  
Of People and Land Community Land Trust (OPAL), Eastsound, WA  
Lopez Community Land Trust, Lopez Island, WA  
Kulshan Community Land Trust, Bellingham, WA  
Kittitas Yakima Valley Community Land Trust, Ellensburg, WA  
Housing Resources Board, Bainbridge Island, WA  
Home Trust of Skagit, Burlington, WA  
Homestead Community Land Trust, Seattle, WA  
Habitat for Humanity Seattle-King County, Renton, WA  
Madison Area Community Land Trust, Madison, WI  
Coulee Community Land Trust, Westby, WI