

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Matt Peters, Assistant Director of Community Development

DATE: October 10, 2023

SUBJECT: Receive and File Presentation on Community Land Trusts and Regional Housing Trusts (At the Request of Council Member Kalfus)

PREPARED BY: Haide Urias, Housing Analyst

RECOMMENDATION: That the City Council receive and file a presentation on Community Land Trusts and Regional Housing Trusts and provide general direction regarding the same.

BACKGROUND: At the City Council meeting on August 22, 2023, Council Member Brenden Kalfus requested staff to provide information on Community Land Trusts as it relates to the provision of affordable housing. In consideration of this request, Staff reached out to Western Riverside Council of Governments (WRCOG) to research the status of its Regional Housing Trust Initiative. This staff report provides an overview and comparison of Community Land Trusts (CLT) and Regional Housing Trusts (RHT) to assist the City Council in understanding the key differences between these two housing-related initiatives.

The City is committed to providing affordable housing and as a result there are currently five hundred eight-seven (587) affordable units housing low-income families, seniors, workforce individuals and families, not including the one hundred forty-two (142) units currently in building plan review and construction. The City has a certified Housing Element approved by the California Department of Housing and Community Development (HCD), which includes enough vacant land zoned appropriately to accommodate our assigned Regional Housing Needs Assessment (RHNA) number of 4,193 units. In addition to the certified Housing Element, the City adopted a Permit Ready Accessory Dwelling Unit (ADU) program to facilitate additional housing opportunities. City staff will also be bringing forth an ordinance package to implement Housing Element Programs, and a final SB9 Urban Lot Split Ordinance before the end of the year. All these programs will help contribute to the total number of affordable units, which includes workforce housing and attainable housing.

Currently, the City has two projects that are similar to the Community Land Trust model. The Habitat for Humanity project will be an attainable homeownership program for low-income families and Las Haciendas is a one hundred (100) percent affordable housing apartment complex with seventy-seven (77) units available to low-income families. Habitat for Humanity Inland Valley, Inc. is a non-profit affordable housing developer that has worked with the City of Temecula to acquire land on Pujol Street in Old Town Temecula. They will build single family homes to provide families the opportunity of attainable homeownership. The homes will remain affordable for forty-five (45) years. Habitat for Humanity will be funding this project through various funding

sources to ensure this homeownership development is available to low-income families long-term. Las Haciendas is a seventy-seven (77) unit affordable housing apartment complex being built by Community HousingWorks (CHW), a non-profit affordable housing developer, in Uptown Jefferson. This project is currently under construction and expected to provide housing that is attainable to the workforce community, low-income families, and individuals. Community HousingWorks worked with the City to acquire the land and received local and state funding to ensure the project remains affordable for a term of fifty-five (55) years. In both instances, the City provided land and funding to a non-profit organization for preservation of affordable housing by rent-restricting the units. The CLT and RHT concept are additional tools for City Council to consider using.

This report aims to clarify the respective functions of CLT and RHT, structures, and benefits. Affordable housing is a pressing issue in our city and exploring various housing strategies is essential to ensure housing stability for all residents. CLTs and RHTs are two distinct approaches to promoting affordable housing, each with unique characteristics and purposes.

Community Land Trusts (CLTs):

1. Purpose:

- CLTs are 501(c)3 nonprofit organizations that acquire and hold land to develop and maintain affordable housing units for low-income individuals and families.
- Their primary mission is to provide long-term affordable housing and protect the community's interests by maintaining control over the land.

2. Ownership Structure:

- CLTs typically separate ownership of the land from ownership of the housing units. The CLT retains ownership of the land while allowing homeowners to own the structures.

3. Governance:

- CLTs are governed by a board of directors, which often includes community members, residents, and representatives with expertise in housing and finance.
- * The City can not be the landowner of affordable housing and the CLT can.

4. Funding:

- CLTs can access a variety of funding sources, including grants, donations, and low-interest loans, to acquire and develop affordable housing.

5. Local Focus:

- CLTs primarily operate within a specific geographic area, focusing on serving the immediate community's housing needs.

Regional Housing Trusts (RHTs):

1. Purpose:

- RHTs are collaborative organizations that pool resources and funds from multiple municipalities and stakeholders to address housing issues at the regional level.
- They aim to create a more comprehensive and coordinated approach to affordable housing.

2. Ownership Structure:
 - RHTs do not own land or housing units directly. Instead, they facilitate funding, policy advocacy, and coordination among member jurisdictions and organizations.
3. Governance:
 - RHTs are governed by a board of representatives from member cities, counties, nonprofit organizations, and other stakeholders. Decision-making often involves multiple jurisdictions. Currently, WRCOG is recommending a nonprofit/Joint Powers Agreement variation model.
4. Funding:
 - RHTs rely on contributions from member jurisdictions, grants, and partnerships to support regional housing initiatives.
5. Regional Focus:
 - RHTs address housing challenges across multiple jurisdictions, emphasizing regional collaboration to tackle affordable housing issues more comprehensively.

Comparison of CLTs and RHTs:

- CLTs are localized entities focused on land ownership and housing development within a specific community, while RHTs take a regional approach, addressing housing challenges across multiple jurisdictions.
- CLTs typically own and manage housing units directly, while RHTs facilitate coordination and funding for affordable housing projects but do not own the housing themselves.
- CLTs often emphasize community engagement and control, while RHTs emphasize regional collaboration and policy advocacy.
- CLTs secure funding through a variety of sources, including grants, donations, and loans whereas RHTs rely on contributions from member jurisdictions.

Conclusion:

The City Council may consider both Community Land Trusts and Regional Housing Trusts as potential tools to address the City's affordable housing needs. As a member of WRCOG, staff will continue to monitor the Regional Housing Trust Initiative. Also, WRCOG's white paper on this issue identified several cities with model RHTs, including San Diego, Orange County, and Long Beach to name a few. City staff will reach out and conduct more research on this topic. The choice between these approaches will depend on the City's specific goals, and available resources. Further exploration and engagement with the Supportive Housing/Services Ad Hoc Subcommittee, consultants, WRCOG, and stakeholders are necessary to determine the viability and appropriateness of establishing a CLT and/or RHT in our city.

FISCAL IMPACT: None. Receive and file information only.

ATTACHMENTS:

1. Irvine Community Land Trust Background Information: About Us, How We Do It and Quick Facts

2. Western Riverside Council of Governments (WRCOG), Technical Advisory Committee Staff Report – Regional Housing Trust Initiative (September 17, 2020) including Housing Trust White Paper and Housing Trust Work Plan