

Your Community Impact Statement has been successfully submitted to City Council and Committees.

If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at NCsupport@lacity.org.

This is an automated response, please do not reply to this email.

Contact Information

Neighborhood Council: Historic Highland Park Neighborhood Council

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The Board approved this CIS by a vote of: Yea(13) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 11/04/2021

Type of NC Board Action: For

Impact Information

Date: 11/08/2021

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 21-0310

Agenda Date:

Item Number:

Summary: The Historic Highland Park Neighborhood Council, representing more than 60,000 stakeholders, supports this Motion [Exhibit 1] requesting a report back on the feasibility of a citywide Community Land Trust (CLT) program and additionally encourages the city to partner with existing CLTs to develop perpetually affordable multifamily housing. Rising home prices and a limited housing stock have made the prospect of home ownership increasingly unlikely for the majority of Los Angeles residents. First-time homebuyers are often forced to compete not only with other prospective homeowners but also land speculators, corporations, and professional house-flippers, many of whom can afford to pay well over asking price. This is especially true in our own neighborhood of Highland Park, where the medium home price has increased 23.8% over the last year alone (according to Zillow) and the typical home sells for over \$1 million. The lack of affordable housing is directly linked to increased housing instability among residents and a rising homeless population in Los Angeles. More than 11,000 affordable units in Los Angeles are in danger of losing their status as low-income housing due to expiring affordability covenants. [Please see attached pdf for complete CIS]

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HISTORIC HIGHLAND PARK NEIGHBORHOOD COUNCIL

COMMUNITY IMPACT STATEMENT

[Date]

Attn: Council President Nury Martinez, Councilmember Kevin De Leon, Councilmember Gil Cedillo

From: Historic Highland Park Neighborhood Council

RE: Community Land Trust (CLT) Pilot Program / Land Acquisition / Long Term Lease/ Multifamily Housing Development / Affordable in Perpetuity ([Council File: 21-0310](#))

Dear Los Angeles City Councilmembers,

The Historic Highland Park Neighborhood Council, representing more than 60,000 stakeholders, supports this [Motion](#) [Exhibit 1] requesting a report back on the feasibility of a citywide Community Land Trust (CLT) program and additionally encourages the city to partner with existing CLTs to develop perpetually affordable multifamily housing

Rising home prices and a limited housing stock have made the prospect of home ownership increasingly unlikely for the majority of Los Angeles residents. First-time homebuyers are often forced to compete not only with other prospective homeowners but also land speculators, corporations, and professional house-flippers, many of whom can afford to pay well over asking price. This is especially true in our own neighborhood of Highland Park, where the medium home price has increased 23.8% over the last year alone ([according to Zillow](#)) and the typical home sells for over \$1 million.

The lack of affordable housing is directly linked to increased housing instability among residents and a rising homeless population in Los Angeles. More than 11,000 affordable units in Los Angeles are in danger of [losing their status](#) as low-income housing due to expiring affordability covenants.

Community Land Trusts (CLT) are a powerful tool that keep the ownership of certain parcels of land in the hands of stakeholders and ensure the houses built on that land stay affordable in perpetuity. Once purchased by the land trusts and made available to the community, the units will be guaranteed to remain affordable for 99 years -- much longer than most publicly-owned housing projects, which are often only required to remain affordable for 30 or 55 years after they are constructed ([LA Times](#))

In November 2020, the Los Angeles County Board of Supervisors approved a motion to allocate \$14 million for the creation of a CLT pilot program in Los Angeles County. We strongly urge that the City of Los Angeles follow the county's lead, and the lead of various other cities in California, in the creation of a CLT pilot program that stands to serve the city's most vulnerable renters and homeowners.

Exhibit 1

HOUSING

MOTION

The COVID-19 pandemic has exacerbated a number of social, institutional, racial, and economic inequalities that have been swept aside for far too long. Foremost among them is the housing insecurity and economic instability that many Angelenos face. According to the California Legislative Analyst's Office, in the Los Angeles metro area just 32 percent of residents could afford to purchase the \$581,000 median-priced home in the second quarter of 2020. The crisis stems from several factors – the rate of housing construction, population growth and increased demand in the urban core, the increase in single-family rentals, zoning implications associated with Proposition 13, red-tape, and the high cost of labor, land and raw materials. Further, a May 2020 report from the UCLA Luskin Institute on Inequality and Democracy estimates that the County may see 120,000 new homeless households as a result of the pandemic.

The availability and cost of land in Los Angeles presents unique challenges for multifamily construction. Locally, land costs account for nearly one-sixth of a multifamily project's total development costs compared to less than 2 percent in other Southern California cities, such as Anaheim, Oxnard, San Bernardino, and Riverside. Further, while the City is leading in housing production – with the addition of more units relative to its population growth than almost any other city in California – only about 9 percent of the new units added over the past five years have been affordable to households earning less than the area median income.

A funding option available but not widely utilized in Southern California, with just a handful in Los Angeles, is the Community Land Trust (CLT). CLTs are generally managed by a nonprofit or quasi-governmental organization and governed by a body comprised of stakeholders to ensure they remain grounded in the needs of the community. The CLT retains ownership of the land beneath homes or buildings, even after they are sold or rented to income-qualifying households or non-profits, and maintains the land holdings as affordable in perpetuity. This is typically done by selling the structure (whether a single-family home or a multifamily building), along with a long-term ground lease (typically 99 years) that specifies the terms under which the home may be sold or rented to the next purchaser. CLTs permanently remove the price of land from the cost and construction, reducing the degree to which rising land values inflate costs.

After the Great Recession in 2008, driven on by government tax breaks, private equity and hedge funds spent \$36 billion to purchase more than 200,000 foreclosed homes across the country. According to the U.S. Government Accountability Office, buyers converted so many into market-rate, investor-owned rental properties, that the U.S. homeownership rate was markedly decreased. We do not yet know how many additional properties will fall into distress as a result of the current crisis or how many we might be able to convert to social uses, but community land trusts provide a mechanism to purchase, preserve and build much-needed affordable housing.

Recently, the Los Angeles County Board of Supervisors approved a Motion (Solis) to create a pilot community land trust partnership program and allocate \$14 million from the County's Affordable Housing Trust Fund. Some CLTs have made inroads in San Diego and the Bay Area. The City of Los Angeles has a responsibility to follow suit.

I THEREFORE MOVE that Council instruct the Chief Legislative Analyst, with the assistance of Housing and Community Investment Department and the City Administrative Officer, and in consultation with the Housing Authority of the City of Los Angeles, to report on the feasibility of developing a citywide Community Land Trust (CLT) program, including the resources needed to acquire land, enter into long-term leases, or partner with existing CLTs to develop multifamily housing that would be maintained affordable in perpetuity, and include a review of CLT best practices.

PRESENTED BY:


PAUL KORETZ
Councilmember, 5th District


MIKE BONIN
Councilmember, 11th District


MAR 17 2021

SECONDED BY:

