

# Building Affordability in High Cost and Disaster Areas through Community Land Trusts and Manufactured Housing

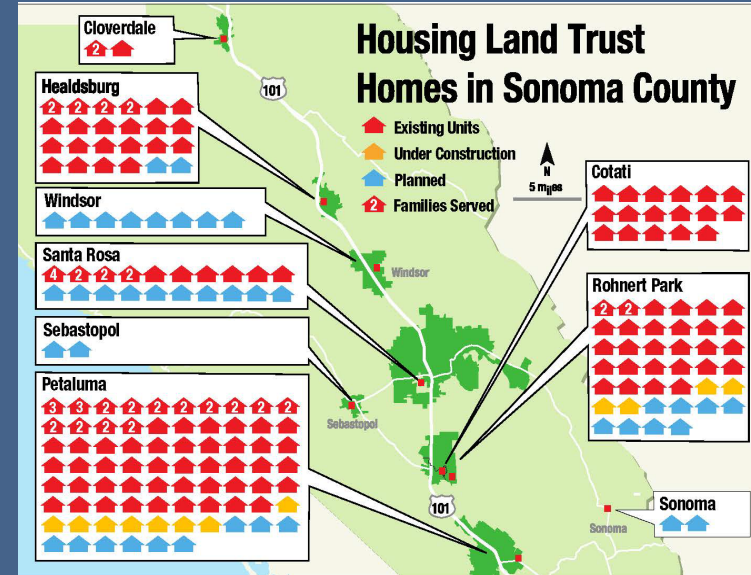
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*Making Infill and Manufactured Housing Work in a High Cost Disaster Area through Nonprofit, Private, Local, Regional, State and National Government Partnerships*



# Housing Land Trust of Sonoma County (HLT)

- Founded in 2002
- **Mission is based upon the belief that (1) all working families deserve a home of their own, and (2) communities with homeowners from a broad socioeconomic range are the strongest and most vibrant**
- Working throughout Sonoma County, with homes currently in Cloverdale, Santa Rosa, Cotati, Healdsburg, Petaluma, Windsor and Rohnert Park
- Housed 173 very low- to moderate-income households, portfolio of 142 affordable homeownership units and 31 resales, with 54 more homes in the planning and construction phase



# Community Land Trusts

- Nonprofit and Community-Based
- Creates long term affordability based on local incomes
- Creates affordability in perpetuity through one-time subsidies
- Supports low-income families to achieve homeownership
- Supports intergenerational wealth through mortgage-based savings
- Insulated affordable housing stock from economic shifts and predatory practices
- Households are able to build equity and get a limited return when they sell

## Most HLT Homes come from Inclusionary Housing

### Land

**Developer donates land to the City** → **City deeds land for housing to CLT** → **CLT holds land in trust as community benefit**



- Homeowner enters into a ground lease with CLT with exclusive rights to the property, similar to ownership.

### Home

**Developer sells house directly to the new homeowner** → **Homeowner owns the home and has a 30-year fixed mortgage**



- Homeowner agrees to sell to same income level to keep the home affordable in perpetuity.



# New Challenges to HLT's Traditional Model

The assumption that free land subsidizes a house enough to make it naturally affordable is no longer true due to rising costs.



A labor shortage and increased demands from rebuilding efforts have dramatically increased construction costs.



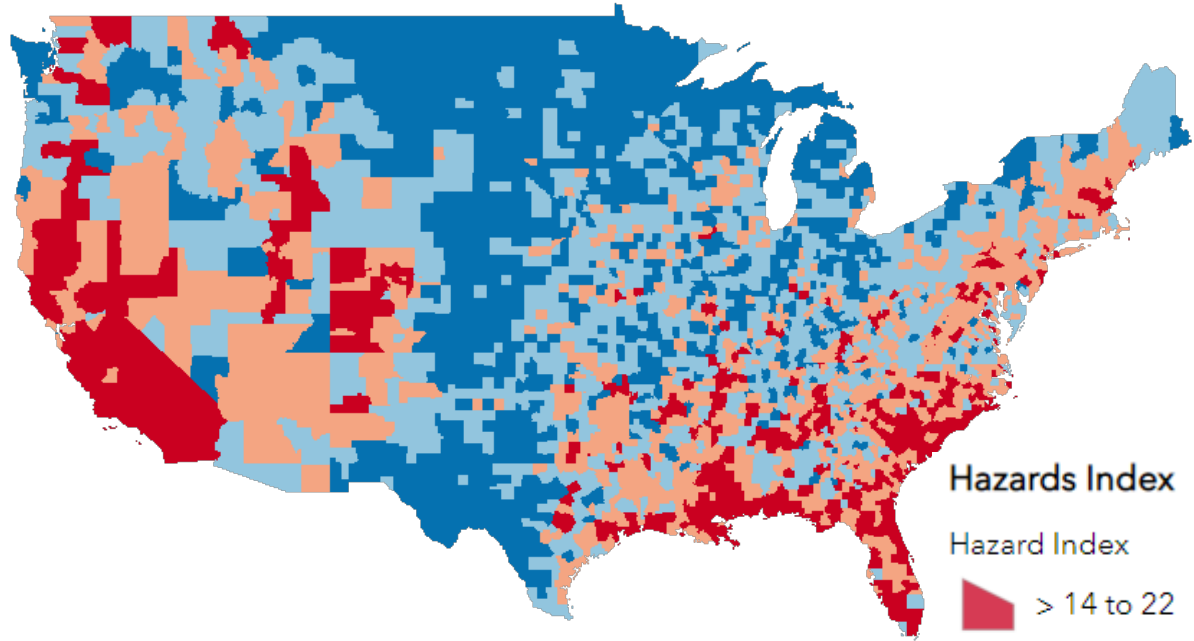
The cost of construction materials and impact fees have risen across the Bay Area.



Insurance costs are increasing significantly and there are concerns that it will become difficult to obtain due to fire risks.

# Natural Disaster Risk is High in Much of the US

- The ability to rapidly and efficiently create new housing is now more important than ever
- Areas hit by natural disasters need to rebuild quickly while keeping costs low and affordability high
- A program that embraces community spirit and coming together in the wake of disaster can help an area rebuild



The multiple hazard index represents the aggregate of hazard from eleven individual disasters – earthquakes, avalanches, floods, hurricanes, landslides, heat waves, long-term drought, snowfall hazard, tornados, volcanos, and wildfires.

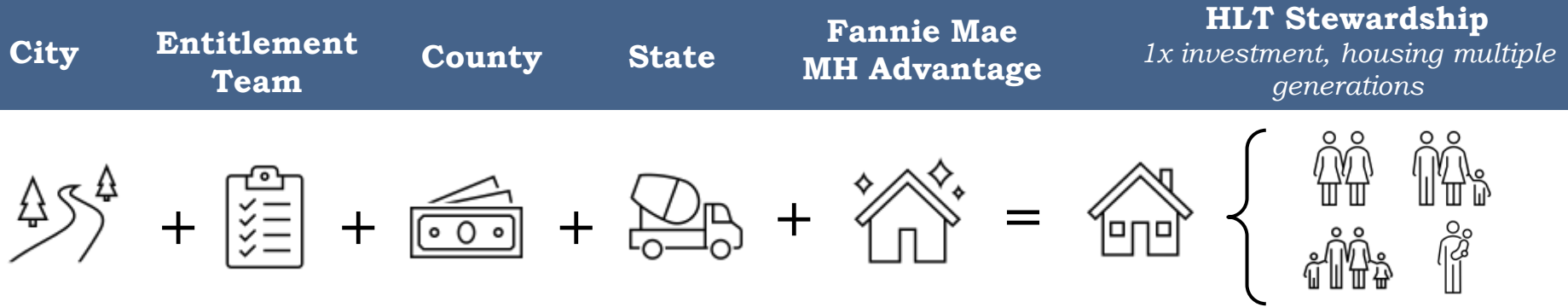
Source: National Center for Disaster Preparedness, Earth Institute, Columbia University

# Jamie Lane Model

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Jamie Lane is a ground-up development, using MH Advantage®-approved manufactured housing to build five homes for moderate-income families in the City of Cotati.

***Leveraging multiple levels of government and private partnerships to meet a community need***



# Construction

Land: 

Entitlements: 

Site Work: 

## Features

Infill, Transit Oriented, Designated for Affordable Use

Expertise provided by Entitlements Planner, Civil Engineer, City Staff, and HLT Staff

Completed by Civil Engineer, local construction partners, and manufactured homes builder

## Funding

Purchased by the City of Cotati and reserved for affordable use, then later donated to HLT

City of Cotati through housing trust fund and County of Sonoma through Transient Occupancy Tax

CalHFA provided a per unit subsidy of \$179,500 in exchange for HLT preserving affordability for 99 years

# MH Advantage<sup>®</sup>



MH Advantage is an innovative new mortgage option that offers affordable conventional financing for manufactured housing (MH) with features similar to site-built homes.

Energy- and Cost-Efficient  
Homes

Delivered in Sections from  
Factory and Erected On-site

Eligible for Fannie Mae  
Financing for Homeowners

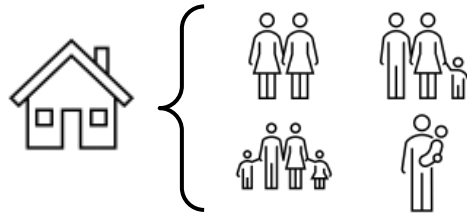
Minimizes Disruption and  
Length of Time of On-Site  
Construction



HLT worked with Renew Now Homes to develop  
five manufactured 3-bedroom, 2-bath houses



# Jamie Lane:



## Who

Brings together different layers of government and non-governmental partners to share in the responsibility of creating affordable homeownership.

## What

MH Advantage®-certified, manufactured, high-quality family housing. The partnership with Fannie Mae allows for loan eligibility.

## Where

Model can be replicated anywhere and lends itself to high-cost and disaster recovery areas that need a fast-tracked approach to deliver housing.

## Why

Creates an affordable, energy-efficient home for households looking to start generating mortgage equity.

## When

Upon delivery, a home can be erected in one day and completed in ten days.

