

MOTION BY SUPERVISOR HILDA L. SOLIS

September 29, 2020

**Creating Opportunities for Building Equity: Developing a Pilot Community Land Trust Partnership Program**

The COVID-19 pandemic has exacerbated Los Angeles County’s (County) housing crisis, creating even more housing insecurity and economic instability. Prior to the pandemic, upwards of 700,000 households were severely rent-burdened, meaning that those renters are paying more than 50% of their income on rent. The recent economic shutdowns have had significant impacts on jobs and, subsequently, renters’ ability to pay for housing, especially in low-income communities of color. Despite the County establishing a robust eviction moratorium and both the State and Federal governments passing their own residential eviction moratoriums, evictions are still anticipated once the moratoriums are lifted. A May 2020 report from the UCLA Luskin Institute on Inequality and Democracy estimates that the County may see 120,000 newly homeless households resulting from evictions caused by the pandemic.

Partnerships between the County and Community Land Trusts (CLTs) offer one path to creating long-term housing opportunities for low-income households. While CLT

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structures can vary, a CLT is typically a nonprofit organization that develops, manages, and/or preserves affordable housing for a community. CLTs typically maintain permanent ownership of land and sell or issue long-term leases to low-income households with restrictions on the resale prices of properties. In November 2019, the Chief Executive Officer issued a report that recommended acquisition of land as being an essential factor in successful CLT frameworks. Land may be made available through the Treasurer Tax Collector Chapter 8 Agreement Sale program, which offers tax-defaulted property for purchase by nonprofit organizations and government agencies. Land offered through this program can be secured at prices lower than their market value before they are offered at public auction and subjected to purchase by speculative developers.

**I, THEREFORE, MOVE** that the Board of Supervisors:

1. Direct the Chief Executive Office, in collaboration with the Treasurer Tax Collector, the Los Angeles County Development Authority (LACDA), and County Counsel to develop a process to help secure tax-defaulted properties through Chapter 8 Agreement Sales for Community Land Trusts (CLTs) to create long-term affordable housing. This process should consider:
  - Working with the original property owners to allow them to stay in their homes when possible;
  - Criteria that ensures all CLTs acquiring land through this process have the financial and operational capacity to own and maintain the proposed improvements. CLTs should be encouraged, when appropriate, to partner

with other nonprofits such as Community Development Corporations to ensure sufficient capacity to deliver projects;

- Review of the CLT's track record in regards to property management and tenant relationships;
  - Collaborating with cities to waive or forgive any liens or assessments on a property being conveyed to a CLT;
  - The physical condition of the property, which informs whether it is more appropriate for the nonprofit to acquire the property directly or if the County should act as an intermediary owner prior to conveying the property to a CLT;
  - Identifying and providing funding to convey properties to CLTs at low or no cost; and
  - Conditions to attach to all funding provided through the process, including terms related to affordability duration and targeted household incomes;
2. Direct the Chief Executive Office, in collaboration with the Treasurer Tax Collector, LACDA, and County Counsel to develop a Pilot Community Land Trust Partnership Program for the First Supervisorial District and other interested Districts and solicit partnerships with CLTs and nonprofits to utilize the process described in Directive 1. The Pilot Program framework will serve as a model framework for a recurring Countywide program;
  3. Direct the Chief Executive Officer and LACDA to identify and designate funding for the Pilot Program, including funds from the \$7.2 million transferred to the

Affordable Housing Trust Fund on August 4, 2020 resulting from unclaimed funds collected by the Treasurer Tax Collector; and

4. Report back in 60 days on Directives 1 – 4.

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HLS:mr