



## Irvine Locking In Low-Cost Housing

The city is creating a land trust, with the goal of making 10% of the city's housing permanently low-cost.

By Stephen Clark, Times Staff Writer

April 1, 2006, *Los Angeles Times*

As communities across the state struggle to find ways to create and maintain low-cost housing, one Orange County city is adopting a strategy first used by environmentalists to protect open space.

Irvine, a rapidly growing city of 180,000, with outstanding schools and a low crime rate, is creating a land trust whose goal will be to make 10% of the city's housing permanently low-cost.

By 2025, the Irvine Community Land Trust, a nonprofit corporation that the city plans to establish within six weeks, will aim to own 9,700 homes, condos and apartments, more than any other community land trust in the country.

The land has yet to be earmarked, city officials said, but much of the low-cost housing would probably be built in the planned Great Park development on the former El Toro Marine base.

In a strategy approved by the City Council last week, the trust, one of the first in Southern California, would acquire land through developer fees, government grants and other funding. City officials already have projected that they would have about \$270 million to buy land.

The Irvine housing would remain low-cost because residents would buy their homes or condos from the trust and sell them back when they move, keeping just a small percentage of the equity. For rent-restricted apartment projects, developers would serve as landlords, but the city would own the land.

In traditional low-cost housing programs, the housing stock reverts to market price after a fixed time, usually from 20 to 30 years.

"We're making history," said Mayor Beth Krom, who serves on the interim board overseeing the trust. "There are communities that are reluctant to really make this a priority," she said. "But at the end of the day, shelter, food and mobility are essential and common interests that people share."

Land trusts began in the early part of the 20th century as a way to preserve open space. However, starting in the mid-1970s, communities began using land trusts to stabilize housing and rental prices for lower-income residents.

The land trust approach to affordable housing has accelerated in recent years with skyrocketing home prices and expiring low-cost housing programs.

There are about 156 community land trusts in the country, including a dozen in California. As recently as 2000, there were only two in the state, according to Rick Jacobus, a partner with Burlington Associates in Community Development, a national consulting firm that specializes in community land trusts.

Community land trusts are growing in popularity across the country because soaring housing markets are making it impossible for cities to maintain affordable housing, experts said.

Burlington, Vt., has the largest community land trust in the country with 15% of its housing — more than 2,000 homes — permanently low-cost.

"Early on, we determined that what we wanted to do is create affordable housing and not pay for it over and over again," said Michael Monte, Burlington's director of community and economic development.

The Burlington Community Land Trust celebrated its 20th anniversary last year. Monte said its positive impact influenced Vermont to make affordable housing a state policy in 1987.

"Homes should be perpetually affordable," Monte said, "and not lost to the private market ... sold like a pork belly to the highest bidder."

What makes community land trusts attractive, experts say, is that the public, instead of a homeowner, benefits from the real estate gains.

"People see that if the public sector is going to invest in affordable housing, it should be there for the long term and not captured by the lucky person who got the house," said Rosalind Greenstein, a senior fellow at the Lincoln Institute of Land Policy in Cambridge, Mass.

Although Irvine has a reputation for being affluent, city officials point out that households with nearly six-figure incomes could qualify for low-cost housing because those eligible would include residents with low and moderate incomes. A household of four making \$90,850 is considered a moderate-income family; the same size family making less than \$61,500 is considered lower income — a designation that includes 40% of Irvine households, city officials said.

In a city where the median price of a new single-family house is nearly \$800,000, an affordable three-bedroom home in Irvine would cost about \$300,000, city officials said.

Some residents expressed relief that the land trust was being set up.

"Not only for me, but for my son," said Greg Rivas, a 36-year-old divorced parent who lives with his 5-year-old son in an apartment complex on the city's west end. "You never know what will happen in years to come."

Rivas, who grew up in Irvine before moving to Tustin, makes less than \$20,000 working at a local print shop. He returned to Irvine two months ago after waiting a year for a low-cost apartment to become available. He wanted to come back so his son could take advantage of the highly touted school system.

Irvine, a 65-square-mile community developed by the Irvine Co. since the 1960s, has required developers to make 15% of its housing low-cost since it incorporated in 1971. But today, only 5% of Irvine housing is low-cost, and many of those 3,200 units might revert to market prices as the 30-year program ends. Already 1,200 low-cost housing units have returned to market rates.