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In land we trust

Even now, much of the West still lacks affordable housing—here's one community's green answer to the problem

BY ALLISON ARIEFF | PHOTOGRAPHS BY MICHAEL HANSON

IN 1984, Paul Schissler purchased a century-old house in Bellingham, Washington, and watched through the 1990s as its value skyrocketed. Not only were he and his neighbors riding the wave of a national real estate boom, but the community also had become desirable. Schissler estimates that by 1999 his home was worth three times what he had paid. "I couldn't have qualified for a loan to buy the same house," he says.

But instead of being thrilled by the return on his investment, Schissler, a community development planner, became concerned that his town was losing the vibrancy that comes from having a mix of housing types, sizes, prices, and household incomes. "The livelier neighborhoods in most cities have that diversity," he says. In 1999, together with two friends—Greg Winter, a social scientist, and Bill Sterling, a general contractor—Schissler formed the Kulshan Community Land Trust (CLT)."
"It's thrilling to me that someone made the effort not only to create housing, but to create the sort of home people dream about." — ESME WORMALD, MATTHEI PLACE RESIDENT

Community Land Trust, a nonprofit organization dedicated to educating home buyers and promoting affordable housing and diversity in Bellingham.

**How a land trust works**

Kulshan is one of about 250 community land trusts (CLTs) in the United States and Canada. The trusts buy houses or build new ones with the goal of creating permanent affordable housing—permanent because the land the homes sit on is held in trust forever.

CLT homes generally are sold to those with traditionally low-paying jobs, such as teachers and government workers. The CLT helps create and maintain social, cultural, and economic diversity within communities, as well as often encouraging the design and development of walkable, sustainable neighborhoods. Also essential to Kulshan's mission is balancing the interests of individuals (security, equity) with those of the broader community (the stability associated with homes occupied for the long term).

"We chose a CLT strategy because it seemed to be the most community-based option," says Schissler, now Kulshan's executive director. "Government and business can be, and are, partners, but it's basically a powerful grassroots tool."

By 2002, Kulshan was able to help its first buyer, who, even with a steady income, had been unable to afford a home near her workplace. It is now the largest CLT in Washington, with more than 300 members, 90-plus houses, and financing from public, business, and government sources.

**A green expansion**

In 2007, Kulshan completed its first from-scratch community, Matthei Place, with 14 LEED-certified single-family homes on just under an acre of land.
(due to Bellingham's willingness to relax restrictions on parking requirements, street frontage, and lot size).

Part of a pilot project in the U.S. Green Building Council's LEED for Homes program, the energy-efficient, one- to three-bedroom houses are in the central Happy Valley neighborhood, encouraging walkability and community interaction. They've built near public transportation lines, and the community provides a bike barn. Esme Wormald, who lives at Matthi Place with her 3-year-old son, now enjoys a three-block commute. Recalling how excited she was to learn that the homes were not only affordable but also green, she says, "I was amazed I didn't have to compromise any of my values."

**Buyer's guide**
Purchasing a CLT property is not all that different from the typical home-buying experience. In the case of Matthi Place, purchasers must go through a buyer-education program, be preapproved for a 30-year fixed mortgage (no fancy financing here), earn under a certain income, and be full-time residents. They own the homes but lease the land from Kulshan at a rate of $35 per month. (The lease lasts 99 years, with an option to renew for another 99.) As homeowners, they earn equity on their homes and can even bequeath them to their descendants. If they choose to sell, the resale process is designed to allow for a healthy but gradual rate of return (about 1.5 percent a year).

"It's kind of socialist," says resident Roy Niendorf, half-jokingly. "But I don't care about owning the land. Owning the house is just fine."

Says Wormald, "I never would've been able to afford a house without this program. It's thrilling to me that someone made the effort not only to create housing, but to create the sort of home people dream about."

**To learn more about CLTs**
Check out the Planning Commission Journal (plannersweb.com/articles/petrie.html).

**Get involved**
CLTs welcome volunteers, along with tax-deductible donations of funds and property. There are more than 60 CLTs in the West. See cli network.org for a state-by-state listing.

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