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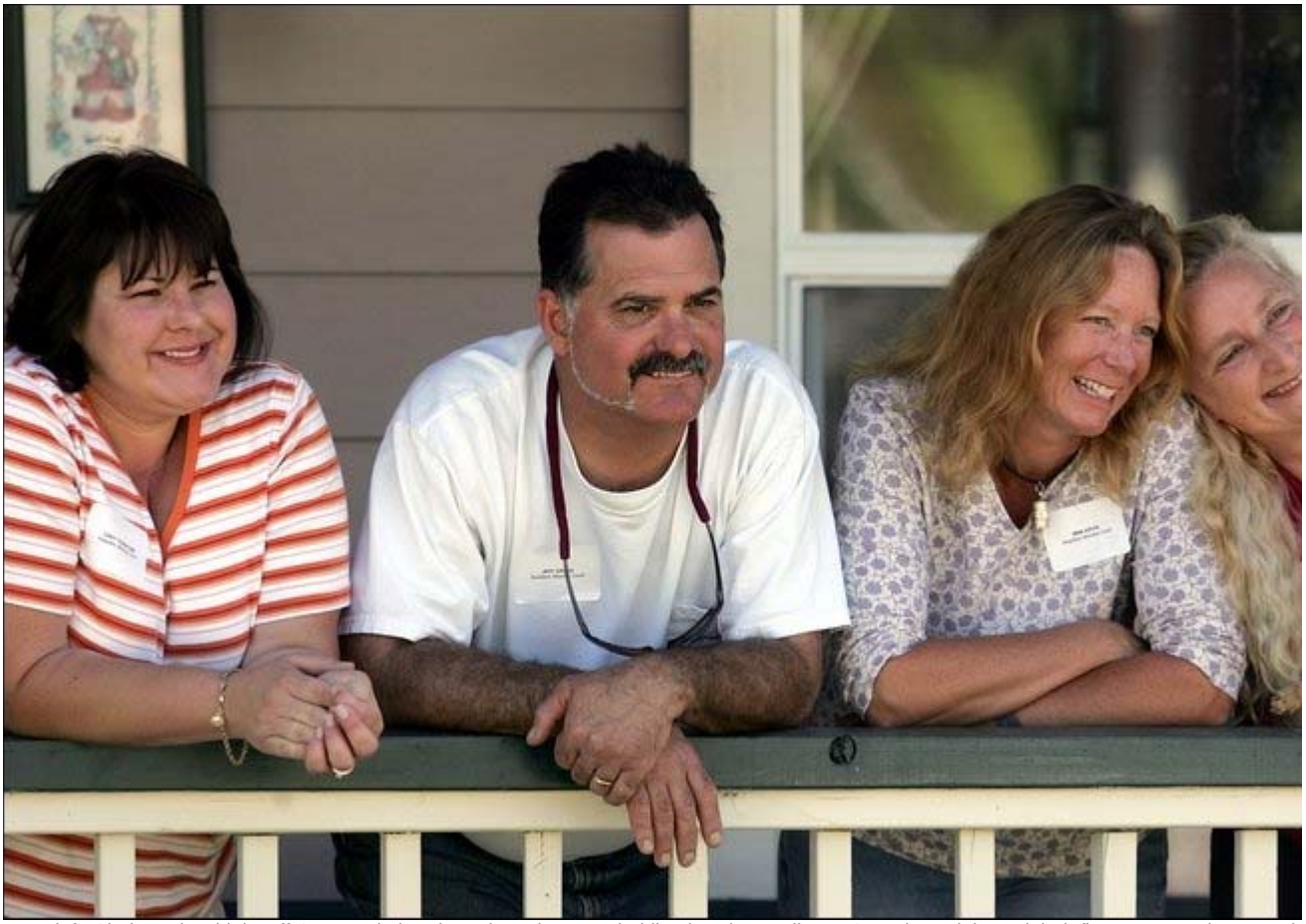
A PLACE OF THEIR OWN

New model emerges for affording a home

Housing Land Trust plan helps families buy houses by removing parcel from equation



From left, Cindy Todeschini, Jeff Gross, Mimi Arvin and Lynda Rapp, holding her dog, Nelly, on Saturday celebrated their first year together as neig to afford to buy because they were built on land owned by the Sonoma Land Trust. KENT PORTER / The Press Democrat

year living in southwest Santa Rosa in a new four-bedroom home that they purchased for $360,000. The family bought the house when Sonoma County's median home price exceeded $600,000, after they had spent eight years in the county as renters.

"I tried to get into a home," Gross recalled. "I couldn't."

Gross, who works in the home construction business, and his neighbors celebrated their first year together at a gathering Saturday with those who brought the county a new approach to affordable housing.

The families own their houses, but the land is held by the Housing Land Trust of Sonoma County. The group's leaders say that by taking the land out of the equation, the home price becomes affordable for working families and will remain so when the homes are resold.

Here's how it works: With donated funds, the trust spent about $1 million for 10 homesites off West Avenue in the Roseland neighborhood. Four homes were built by a private contractor, and the nonprofit group Habitat for Humanity has almost completed six more.

Families qualified to buy the homes based on income. When the homes are resold, the price will be limited to a formula tied to increases in the county's median household income, now about $76,000 for a family of four. The seller receives that difference along with any equity built up from mortgage payments.

Officials said the limit on the resale price means working families still will have the means to buy the home in the future.

"In 100 years, it will still be affordable to the next family," said Dev Goetschius, the trust's executive director.

The city of Santa Rosa counts 3,600 houses, condominiums and apartments are built with some sort of subsidy.

That includes 480 homes that were sold, often to first-time buyers. With these homes, both the city and the buyer normally

shared in the appreciation of the property.

However, home prices at times soared so high that while the owner would receive a windfall, the city didn't have the means to offer a bigger subsidy that would keep the home affordable for working families with near-median incomes. Thus, the home simply ended up like any other on the market.

Goetschius believes city governments should switch to the housing land trust model. She said it offers a more cost-effective way to help, in which the home is subsidized only once. With the earlier approach, she said, the city must put forth ever-larger subsidies each time the home is sold.

John Lowry, executive director of the Burbank Housing Development Corp., the county's largest developer of affordable housing, said he hopes to work with the housing land trust. But he also wants to explore other options that seek to keep homes affordable and still allowing the first buyer to enjoy the opportunity for appreciation.

Government should eliminate any benefit from "a fast turnaround," he said, but buyers still "should really have the rights of homeowners."

Gross and his neighbors said they aren't concerned that they have given up the chance to make a windfall from their homes.

"That's not why we're here," said neighbor Lynda Rapp, a teacher. "We're here because we wanted a home for our families, and we got it."

Neighbor Mimi Arvin, an inspector for the city Public Works Department, said she was preparing to move out of the county before she learned of the housing land trust. Instead, she stayed to become a homeowner and to build good friendships with her new neighbors.

"It changed the path of my life," she said.

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