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# St. Charles interested in land trust idea for affordable housing



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St. Charles aldermen are interested in studying whether to create a community land trust to supply affordable housing, but want to find out if three other towns are also interested before commissioning the study.

"I'm really interested in how all the other communities (feel) in this," said Alderman Todd Bancroft, chairman of St. Charles' planning and development committee. "I think we would be at that table, based on the questions asked tonight."

He was referring to the presentation given by Betsy Lassar, policy analyst with Business and Professional People for the Public Interest, about how community land trusts operate.

Lassar helped create the first community land trust in Illinois, in Highland Park. Her firm would do a first-phase study, for \$12,000. It would address what income level the trust would serve, the area, how it could be structured, where it could get startup money and more.

St. Charles, Geneva, Batavia and North Aurora were the subject of a 2014 "Homes For A Changing Region" housing affordability study conducted by the Chicago Metropolitan Agency for Planning. Overall, the study's authors indicated the region does not have enough housing that is affordable for people earning no more than 60 percent of the study area's median income. St. Charles' households have a median income of \$89,000, according to a demographic report on the city's website.

The report also included sub-reports specific to each town.

"The (St. Charles) Housing Commission is keen to explore this concept further," Rita Tungare, St. Charles' community development director, said.

She said there are more than 280 community land trusts in 45 states and the District of Columbia.

A common model is for a trust to buy properties, rehabilitate them, and then sell the house. It retains ownership of the land underneath. The new homeowner leases the land from the trust, or there is a deed restriction.

If the owner sells the home, it has to be to the trust or to an income-eligible buyer. If the house has appreciated in value during their ownership, a preset formula limits how much of that appreciation the homeowner keeps at

sale time, to continue to keep the house affordable.

Lassar gave an example of a house a trust buys for \$225,000, in to which it puts \$75,000 of work. The eligible homeowner buys the house for \$180,000, and the land trust invests \$120,000. The homeowner pays property taxes on the \$180,000 value of the house. Oftentimes, assessors set the value of the land near \$0, because of the long-term ground leases or deed restrictions, Lassar said.

Resident Vanessa Bell-LaSota questioned the trust idea, especially the tax part. If the property is assessed at a lower value, she said, "where do we make up the taxes for city services? ... How much will this cost us, i.e. me the taxpayer, at a time when we are tightening our belts in so many ways?"

LaSota told the committee she would rather see a community improvement trust or a home-equity assurance program, "much like the old (Mid-Valley) Neighborhood Improvement Association." That group offered low-interest loans to people to repair their homes.

Under recent state standards, Geneva does not have enough affordable housing, and had to come up with a plan to address that. Batavia's percentage is adequate, but decreasing.

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