

SB 1056 (Beall)
Community Land Trust Project Development
Fact Sheet

ISSUE

California's low and moderate income families bear the brunt of our current housing crisis. These families and individuals face many financial barriers to home ownership. Community land trusts can help the situation by providing permanently affordable housing and home ownership opportunities for low income families.

Community land trusts face high financial costs during the development of their projects. Access to tax relief enjoyed by other similar nonprofits would allow community land trusts to have a larger impact in improving the state's housing crisis for disadvantaged families.

BACKGROUND

California families are facing skyrocketing rents, displacement, and for too many, homelessness. While the Legislature has worked to increase the supply of affordable housing, the affordability rules on many projects will eventually expire. Community land trusts develop and rehabilitate single-family and multifamily housing to provide permanent affordable home ownership for families of low and moderate income. When a family is ready to move, they must sell to another low or moderate income buyer, keeping the home affordable forever.

An existing welfare exemption supports qualifying organizations and nonprofits that supply affordable housing by providing property tax relief. Although community land trusts are community-based nonprofits, they do not currently benefit from this exemption.

Community land trusts operate throughout the state but face inconsistency in land tax assessments. To continue development, the community land trusts need consistency in receiving the property tax exemption during development and construction phase of their development in order to substantially assist with affordable homeownership. Upon completion of development and sale, homebuyers will assume responsibility for the property taxes.

THIS BILL

SB 1056 will create more permanent affordable housing for low and moderate-income families by providing Community Land Trusts with a property tax exemption from the point of acquisition of property to the point of sale of affordable homes. Supporting community land trusts will help to alleviate California's housing crisis and provide more families the opportunity to own a home.

STATUS/VOTES

Introduced February 9, 2018

SUPPORT

Irvine Community Land Trust

OPPOSITION

FOR MORE INFORMATION

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