



Assembly Bill 430 Fact Sheet

SUMMARY

Assembly Bill (AB) 430 is a technical change that would amend the current legal definition of a Community Land Trust to match what Community Land Trusts (CLTs) have actually been doing in the state of California for decades. It does not seek to broaden the universe of CLTs or change property tax policies.

BACKGROUND

In 2016, CLTs around the state of California identified a need for consistent, state-wide instructions to local tax assessors about how to assess CLT properties where a CLT owns the land and a homeowner-occupant owns the buildings/structures on top of it, subject to a long-term lease of the land to the homeowner.

Community land trusts came together and worked with then-Assemblymember David Chiu to pass AB 2818 in 2016. This bill added subpart (11) to subdivision (a) in Revenue and Taxation Code Section 402.1(a)(11) to describe a 99-year ground lease between a homeowner and a CLT that subjects the homeowner's property to resale restrictions that keep the property affordable for future buyers. This new statute included the current, and incomplete definition of a CLT.

This definition was written contemplating homeownership properties on CLT land, and it was focused on property tax issues unique to the separate ownership of land and the buildings/structures on top. Subsequently, this definition has been referenced in other statutes as a general purpose definition of a CLT.

THIS BILL

AB 430 corrects the oversight in the legal definition of a CLT by incorporating the other ways that CLTs steward land for communities including:

1. CLTs sometimes have rental units where there is no 99-year ground lease because the residents are renting, rather than owning, their units and have not yet completed a conversion to ownership.
2. CLTs sometimes steward urban farms and community gardens.
3. CLTs sometimes include community facilities and spaces for offices or small businesses alongside housing in mixed-use buildings.

California's affordable housing crisis requires creative solutions. The legal definition of a Community Land Trust should match what CLTs have been doing in the state of California for decades.

AB 430 contains updates that bring the state definition into alignment with the current practices of groups already recognized as CLTs. It does not seek to broaden the universe of CLTs or change property tax policies.

SUPPORT

Community Land Trust Network (sponsor)

OPPOSITION

None.

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