



Matt Wallis/Skagit Valley Herald

Jayne Rios, 29, (left) and her husband, Jamie McPherson, 31, sit on the porch of their new Bellingham home, which they bought in September through the Kulshan Community Land Trust. Skagit County Community Action Agency is in the process of developing a similar land trust to bring more affordable housing options to Skagit County.

CLOSING THE GAP

Skagit agency seeks to create a way to make home ownership possible for average urban dwellers

By **FRANNY WHITE**
Staff Writer

BELLINGHAM — At just 780 square feet, the compact, two-bedroom craftsman may not seem like much. But for new home owners Jamie McPherson and Jayme Rios, it's everything.

Like most young couples in northwest Washington, the husband and wife assumed that the region's skyrocketing house prices meant it would be many years until they could afford to buy a home.

But then they signed on with the Kulshan Community Land Trust, a nonprofit that helps Whatcom County households earning up to 80 percent of the area median income of \$35,038 buy homes at a reasonable price. After securing a loan for just \$116,000, McPherson and Rios were able to move into their small palace in September.

After years of renting countless apartments, they say they're enjoying doing yard work, being able to paint the walls without worrying it'll put a dent in a damage deposit and getting to know neighbors who are planning to stick around as long as they are.

"There's something really different knowing that this is yours," Rios said. "Now we have a stake in this part of the community."

The housing situation is no different in Skagit County. Between 1999 and 2006, the

county's median home price went up 79.8 percent, while the median household income only increased 13.8 percent, according to Skagit agency seeks to create a way to make home ownership possible for average urban dwellers

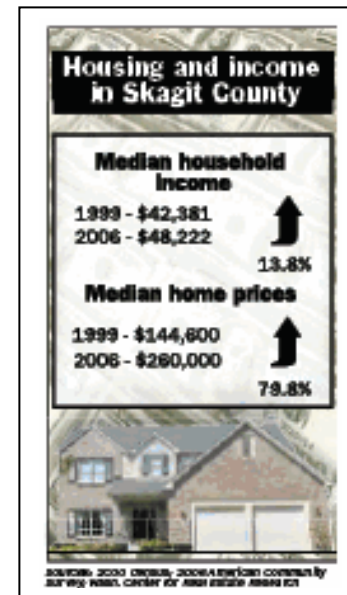
the U.S. Census and the Washington Center for Real Estate Research. And 41 percent of the county's homeowners spend more than a third of their income on housing, the U.S. Census reported in 2006.

"The gap between what the average working person can afford and what it costs to buy a home has expanded," said Paul Schissler, executive director of Kulshan Community Land Trust in Bellingham.

With home ownership becoming out of reach for many, the Skagit County Community Action Agency announced last month that it planned to start the county's first community land trust project. Possibly by next fall, the project will start small with four units at the Channel Cover low-income housing development in La Conner, said Community Services Director Bill Henkel. Later, Henkel envisions the project as being "sprinkled" with homes throughout the county.

Community land trusts remove the cost of land from homebuying by maintaining ownership of the land under the homes their

clients buy. This way, trusts are able to lower home prices and ensure that the housing on top of their property is affordable in the long term, even after the first owner sells and moves out.



This is usually done by creating a resale formula that limits future sale prices based on indicators such as national economic indexes or a small percentage of a home's actual appreciation. In addition, trusts normally require their clients to have a certain percentage of the area median income.

Community land trusts are different than land trusts, which purchase and protect environmentally sensitive lands.

The nation's first community land trust was created in 1968 to help a rural Georgian community counteract inequitable land

ownership between blacks and whites. Today, nearly 190 trusts exist throughout the country, according to a 2007 national study on the subject.

Proponents list several benefits to community land trusts, from social justice to economic vitality,.

“There (are) philosophical points about equity and social justice,” said Alex Ramel, a Kulshan homeowner since 2003 who’s also on the Bellingham trust’s board of trustees. “Beyond that, for the community, I think it’s also important that sense of rooted-ness and community involvement that comes ... when you give people that stability and security.”

Unlike when he rented apartments, Ramel said he no longer worries about when his lease will end and his rent could increase. As a result, he said, he’s been able to get more involved in his new neighborhood.

Having affordable housing can also help a community grow economically, said Kim Herman, executive director of the Washington state Housing Finance Commission, which has helped trust home buyers with about \$700,000 in down payment assistance and \$4.4 million in home loans since 2003.

“If you don’t have an affordable supply of housing to support workers for your economy, you can’t have overall prosperity,” Herman said.

In Skagit, Henkel has heard of businesses that expressed interest in the county, but changed their minds after learning their employees wouldn’t be able to afford housing.

Although there may be many practical reasons to develop affordable housing, Henkel said Community Action’s intentions are more philanthropic.



Photo courtesy of John Hagen
Volunteers and future homeowners landscape the grounds around Matthei Place in South Bellingham on Oct. 26. Kulshan Community Land Trust built the 14 homes as part of efforts to create permanently affordable homes in the Bellingham area. A similar program to Kulshan Community Land Trust is planned for Skagit County to ease the lack of affordable housing in the area.

“We want to do our part to create livable communities that provide for housing for as many people as possible,” Henkel said. “That’s a happier, healthier Skagit.”

With 19 community land trusts in Washington, Lisa Byers, president of the National Community Land Trust Network’s board of directors, said the region has gained a “critical mass” of trusts. With enough established trusts around, Byers, who is also the executive director of the OPAL trust on Orcas Island, thinks up-and-coming community land trusts like Skagit’s should be able grow faster with the support of other, successful programs.

Advice is something that Schissler, of the Kulshan Community Land Trust, gives enthusiastically. He and other trust representatives often receive phone calls from

groups interested in starting their own programs.

But he knows there can be many obstacles in starting one from scratch. Among the challenges new trusts may face include finding seed money, having enough manpower to do the necessary planning and being able to find reasonably priced properties to start with, Schissler said.

Henkel recognizes that Community Action has a long to-do list. Though many community leaders expressed support for the concept last month at an affordable-housing summit, the task of actually organizing the project remains.

A new staff person is being hired to lead the agency’s trust project with the help of a \$200,000 development grant from the Paul G. Allen Family Foundation. In addition, the nonprofit created a special housing committee to help develop the project. Future decisions include the income requirements for Skagit trust clients, house resale formulas, program leadership and organization, as well as the large undertaking of locating funding.

“There’s tons of work to be done,” Henkel said. “It’s time for everyone to gather forces and try to work on this issue.”

At the same time, Henkel realizes that Community Action already has a lot on its plate; the agency provides everything from energy assistance to an emergency family shelter. The agency does not take moving into the housing development realm lightly, he said, and is doing so cautiously.

If Skagit needs any inspiration, it can look north to Jamie McPherson and Jayme Rios of Bellingham. They said they feel privileged to be part of a longterm affordable housing project like Kulshan Community Land Trust.

“Knowing that this one (house) is still going to be affordable in the future for someone five to 10 years down the road it’s is awesome,” said Rios, proudly looking toward her husband sitting on the other side of their new living room.

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