



Casey and Angela Baker in their yard. Behind them is their home, made affordable through Proud Ground's Land Trust program.

PHOTO BY KEN HAWKINS

The American Dream — redux

BY STACY BROWNHILL
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When Sakorya Avery first heard of the nonprofit Proud Ground in 2005, then called Portland Community Land Trust, she hesitated. Twice she had already looked into buying a home, but the sky-high market resigned Avery to living in Section 8 Housing at \$825 per month. She took the plunge, and six years later, the 35-year-old teaching assistant and mother of four owns her own 2,300 square foot home in Southeast Portland, pays \$750 per month in mortgage payments, and sings the praises of Proud Ground and homeownership.

Proud Ground is one of 230 community land trusts (CLTs) nationwide — nonprofits born out of soaring home prices and shrinking urban space over the last thirty years, designed specifically to provide stable land and housing to those who would otherwise be denied. Simply put, Proud Ground acquires relatively modern, renovated homes and the land beneath them, and sells the homes heavily subsidized (about \$60,000 to \$100,000 under the market rate) to people hankering to own a home.

The twist? To keep the home affordable for future generations, the home's appreciation is limited.

"A family who buys their home through Proud Ground, earning \$25,000 to \$40,000, will pay close to what they pay in rent," says Proud Ground executive director Jesse Beason, "but they will also pass on the opportunity to another family if or when they ever sell." Beason's nonprofit has not only helped more than 130 families own homes; the staff of eight is also laying the foundation to make homeownership in Portland affordable 100 years from now.

Shared equity is the buzzword for this idea, one that's rapidly gaining popularity. "Folks have woken up and realized, especially on the policy level, that there

must be better ways to manage the housing market," says Roger Lewis, executive director of the National Community Land Trust Network.

Remember what "the most significant risk to our economy" was in 2007, according to the Secretary of the Treasury? It was the

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bursting housing bubble, which dropped one year later to the lowest prices in history. "Houses are sold like they're guaranteed to appreciate," says Beason, "but they're not."

Proud Ground and other CLT homes have a mortgage foreclosure roughly eight times below the national average, according to a Vanderbilt University study. "Families are returning to the value of a home as a shelter," says Lewis. "Yes, people still perceive a home as an investment, but it's also the American dream to raise your family in your own home."

Does the fact that they won't earn equity on their homes bother Proud Ground homeowners like Sakorya Avery or Angela and Casey Baker? Not at all. "Our goal was never to see a home as an investment, says Angela Baker. "Our goal was to have a yard where our kids could play and our family could come together."

"You have to crawl before you can walk," says Avery, who views Proud Ground as a stepping-stone for buying another home eventually. Statistically, she probably will. Seventy-five percent of families who sell their shared equity homes go on to buy

market-rate houses as their next home, according to a Burlington, Vermont CLT study.

Like Avery, Baker admits she had her doubts when she first heard of Proud Ground. The 32-year-old mother of three and her family had lived in seven rentals over

eight years before learning about Proud Ground, and Baker "never imagined she could afford to own a home in Portland."

Despite the couple's affection for Portland's urban culture and Casey's rewarding job as a math teacher with the Native American Youth Family Center (NAYA), the Bakers were struggling to justify living in a more expensive city on a lower paycheck after moving to Portland from Siletz, Oregon in 2008.

Then in 2009, the Bakers applied for a dual grant from Proud Ground and NAYA that let them purchase a 2,300 square foot house on a quarter-acre piece of land in Northeast Portland. Now, they pay less on their mortgage than they did in rent, their kids enjoy the stability of a permanent neighborhood, and "it feels great knowing we don't need to move again," says Baker.

And, with their quarter acre of land, the Bakers donated 1,400 pounds of organic produce to Birch Community Services in 2010. "The land trust was the reason we could be homeowners, so we feel a greater

The skinny on owning a Proud Ground home

Reluctant renters, you may be eligible for a Proud Ground home right now. Here's the laundry list of general requirements for owning a Proud Ground home:

You should be a first-time homebuyer (no countryside manors on the side).

Your total household income should be at or below 80% of the rest of Portland. If you're a family of three, for example, your total annual household income should be below \$51,300. (Don't go survey the whole city's income. There's a chart on the website).

You should make a minimum of \$20,000 annually (there are mortgage payments, after all).

You should have a good credit record (i.e. no recent bankruptcies).

You shouldn't be spending more than 40% of your income on debt (a monthly debt of more than \$300 is generally a deal-breaker).

You should have proof of steady employment (ah, the Portland job market).

You should have \$2,000 to \$3,000 saved up for repairs (wear-and-tear happens to even the best houses).

Check out the Proud Ground website at www.proudground.org or call 503-459-0293 to learn more.

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obligation to give back to the community," says Baker.

The Bakers' original dilemma to stay in Portland or move back to rural Oregon is part of a national predicament that CLTs are addressing, believes Lewis. "The high cost of living in urban cores pushes out lower-income populations, including teachers, firefighters and the backbone of employment ... putting the burden on transportation and affecting the quality of life," says Lewis. By buying land in and around urban cores, Lewis believes that CLTs like Proud Ground are ensuring a diversity of homeowners in cities.

The benefits that come with owning a Proud Ground home abound. Homeownership workshops, mini home repair grants, discounted Zip Car membership and free heating system replacements are just a few perks. Nationwide, CLT homes have been earning acclaim for their modern, weatherized, LEED-certified designs, including several Home Depot Awards of Excellence. "We do not want people to buy fixer-upper's," says Beason.

Many sources of funding fuel Proud Ground's mission. Community Development Block Grants (CDBG), the Oregon General Fund and Tax Increment Financing (TIF) dollars make it possible to bring homes into the land trust. Government contracts and grants from the Portland Housing Bureau keep the nonprofit's doors open and the staff employed. About 20 percent of Proud Ground homes sit on previously tax-foreclosed land that the County donates, says Beason.

However, as the City of Portland faces an enormous projected loss of revenue related to the tax-increment finance system, Beason is wary of uncertainty. "With a decline in (TIF) dollars, and with the Housing Bureau reformulating its processes for allocating funds, it means we do not know whether to prepare to serve fewer families each year, or to maintain capacity to serve the number of families we serve today," he says. But Beason is optimistic, adding that Proud Ground has "promised to be around forever."

To be fair, Proud Ground isn't for everyone. "There's no panacea out there," says Lewis. "Community land trusts don't want to fit a square peg in a round hole, and if you can buy at market rate, we say go ahead. But CLTs do have a really valuable approach to community and they are sustainable for generations."

"You're not at the whim of rent increases, your kids can attend the same school and, over time, it's a type of savings plan, putting money away over the years through a mortgage," says Beason.

"Not to have that fear of renting, that's huge for me," says Avery. "You can't wait around to own a home because your life goes by so fast."