

2017 Member Report



Background

Grounded Solutions Network is a national nonprofit membership organization of community land trusts, inclusionary housing programs, and nonprofits that support housing with lasting affordability. Its mission is to cultivate communities — equitable, inclusive and rich in opportunity — by advancing affordable housing solutions that last for generations.

Grounded Solutions Network launched on January 1, 2016 with the integration of Cornerstone Partnership into the National Community Land Trust Network (incorporated in 2006). The two programs joined their energy and expertise in a single entity offering deeper and more efficient support to practitioners and policy makers, with a broader reach of technical assistance around inclusive housing policies and models. It advances its mission through collective learning, technical assistance, policy change, research, and tool and resource development.

As a service to its members, Grounded Solutions Network strives to collect accurate and updated data on members' portfolios in order to better understand trends and characteristics of shared equity programs and homes and build support for the field. This is why each year, when entities join Grounded Solutions Network and members renew their memberships, they are asked to provide basic information about their organizations and programs. This report summarizes self-reported data gathered from the 2017-2018 member application form as of November 14, 2017. Grounded Solutions Network collects more detailed program and social impact data on a subset of homeownership programs through the National HomeKeeper Data Hub. Grounded Solutions Network also recently completed a national census of inclusionary housing programs, the most comprehensive investigation on inclusionary housing conducted to date, which provides program characteristics and unit data on inclusionary housing programs across hundreds of jurisdictions.

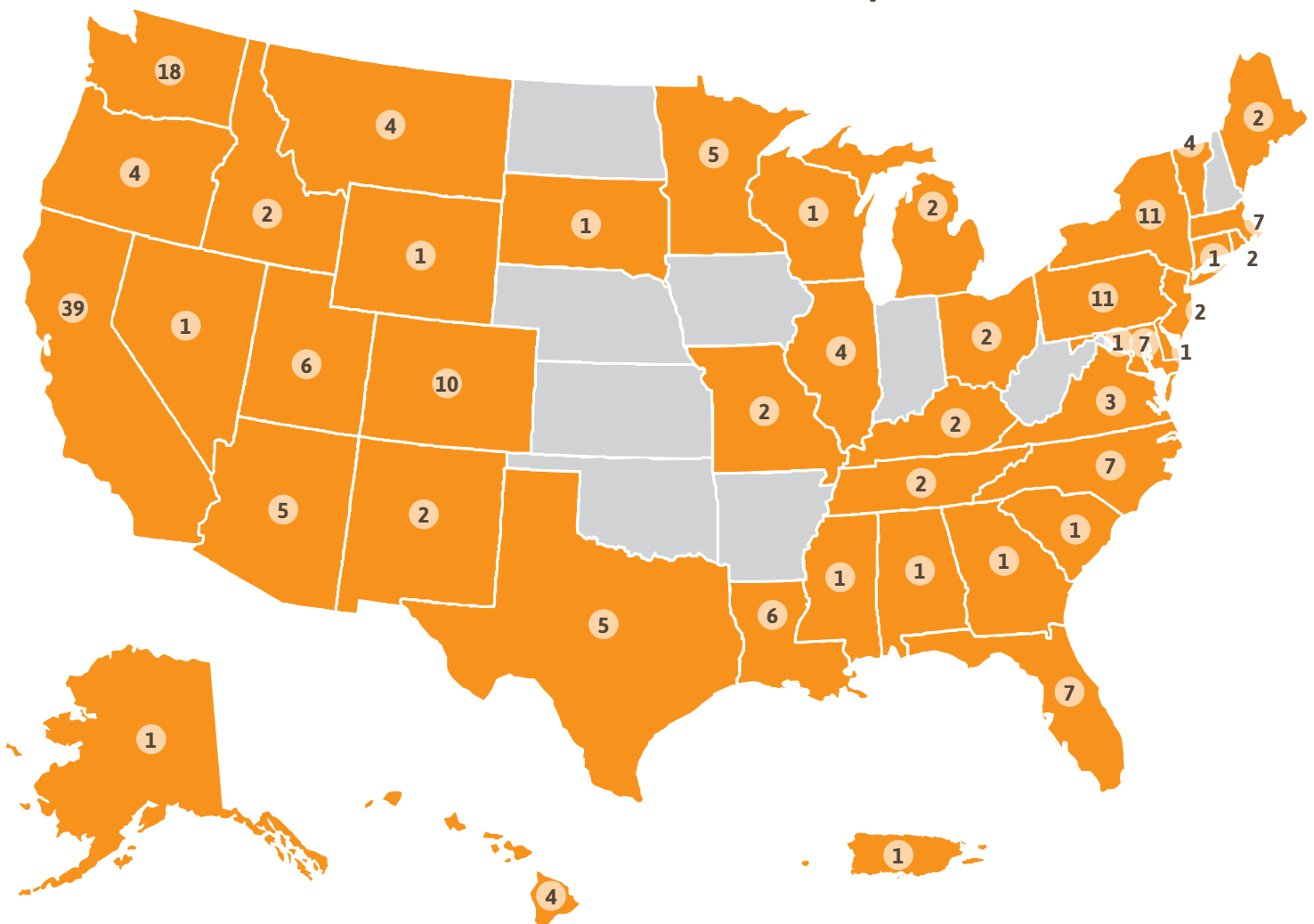
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Number & Location of Members

As of November 2017, Grounded Solutions Network had **200 members** located **in 41 states**, the District of Columbia, and Puerto Rico. California, Washington, New York, Pennsylvania, and Colorado each had 10 or more members. There were 39 members in California, the most across all states.

Number of Members by State

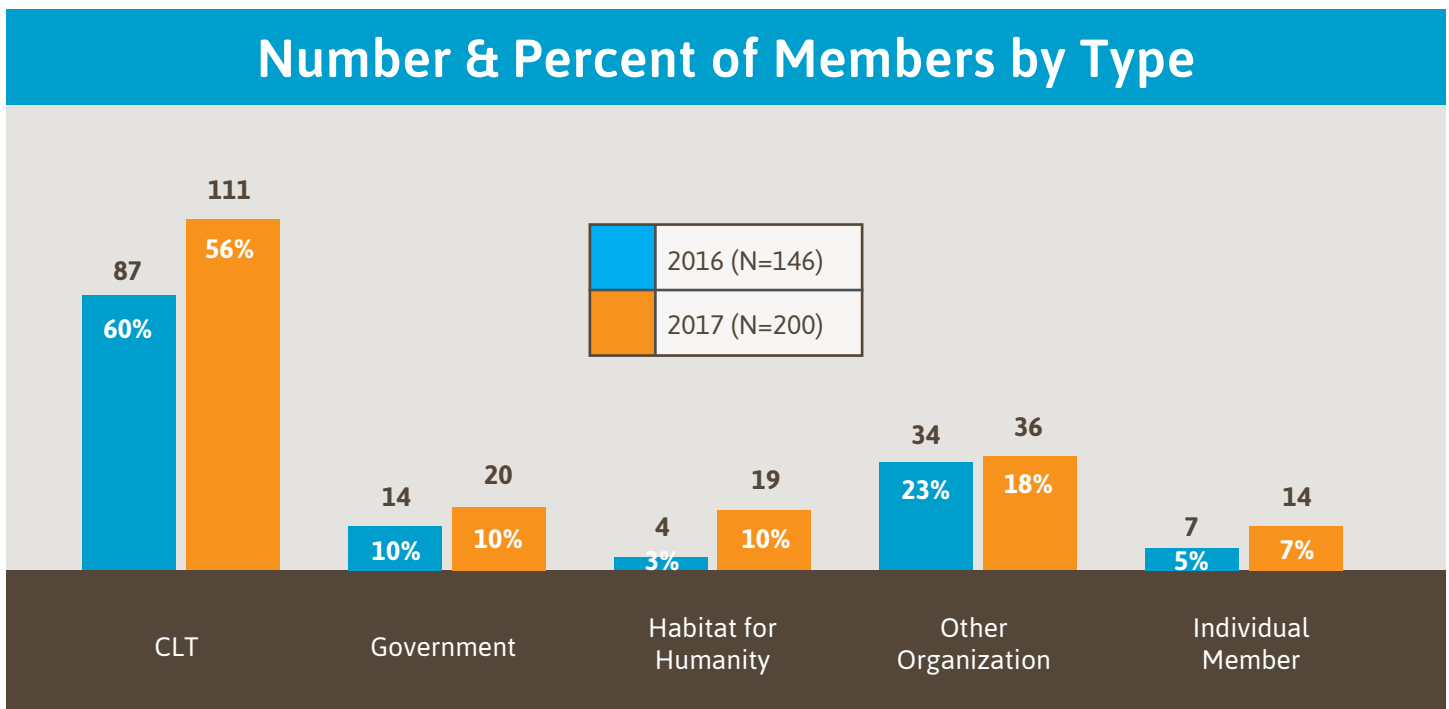


Member Growth by Type

Grounded Solutions Network has both organizational and individual members, with the large majority (93%) being organizational. Organizational members are U.S. based nonprofit organizations or public agencies that are actively engaged in forming, or structured and operating as, a community land trust, deed restricted housing program, limited equity cooperative, inclusionary housing program, or other long-term affordable housing program in their community. Individual members are practitioners or policy makers who are employed by an entity as described above, if that entity is not willing or able to join as an organizational member.

From November 2016 to November 2017, the number of members grew by 37% (from 146 to 200 total members). Although these member types are not mutually exclusive, organizational members are asked to categorize themselves as being community land trusts, public agencies, Habitat for Humanity affiliates, or other nonprofit organizations. Members grew in absolute

numbers in all five member types.¹ The most noticeable growth in terms of percent share was seen for Habitat for Humanity affiliates (from 3% in 2016 to 10% in 2017). Overall, the majority of members were community land trusts, although their share became smaller in 2017 (from 60% in 2016 to 56% in 2017). Members in the "other organization" category made up the second highest share, with a moderate decrease from 23% in 2016 to 18% in 2017; many organizations in this group either had a community land trust program in place or were in the process of adopting a new community land trust program. The dominance of community land trusts in Grounded Solutions Network's member portfolio, as well as the significant growth of non-community land trust members in the past year, in large part reflects the original composition of the National Community Land Trust Network membership prior to 2016 and the broadening and expansion of membership post-launch of Grounded Solutions Network.



¹ Categorization of member types is based on self-reported responses in the member application form, with some later adjustments made by Grounded Solutions Network staff.

HomeKeeper and the HomeKeeper National Data Hub

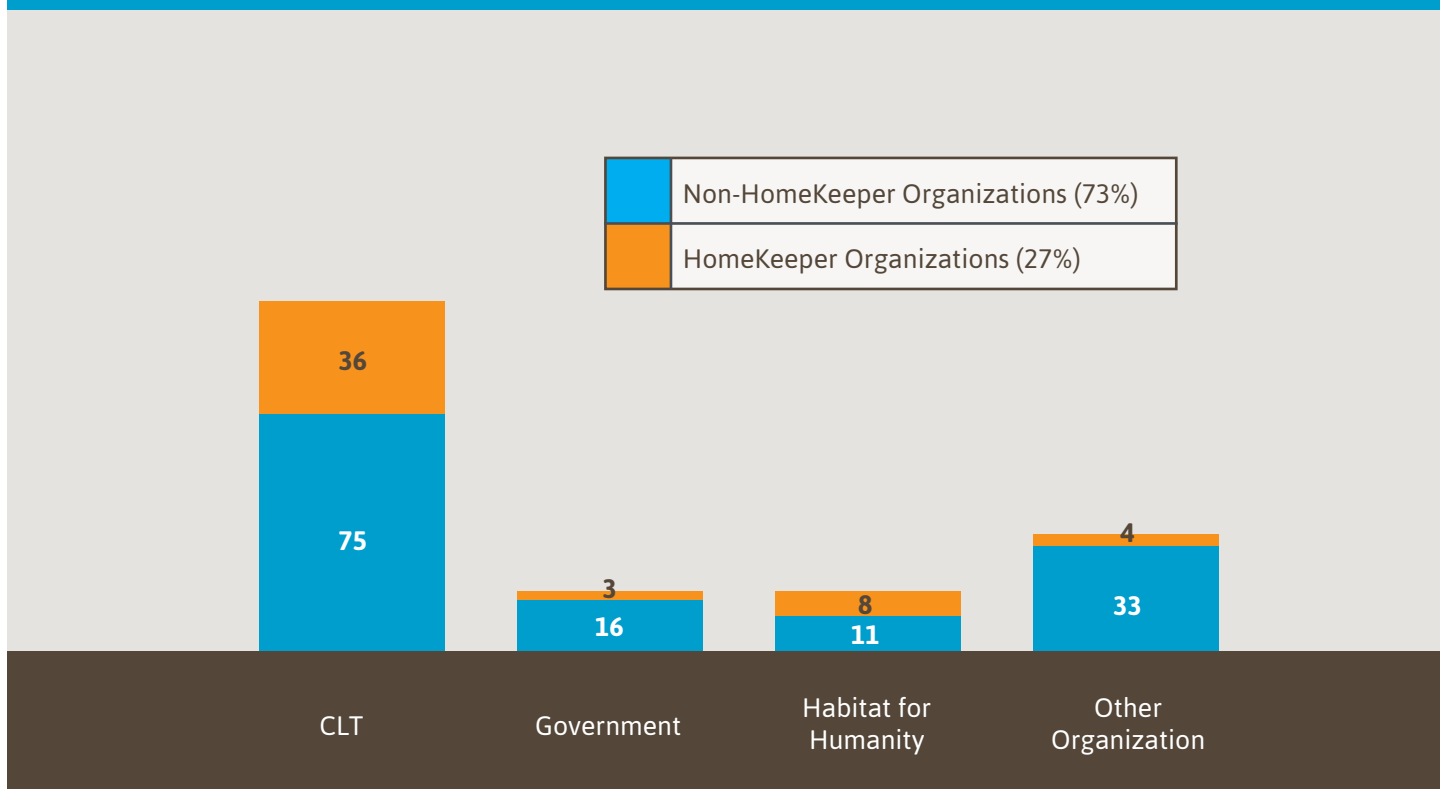
HomeKeeper is an app of Grounded Solutions Network designed to help a growing number of organizations manage affordable homeownership programs. Participating organizations contribute program data to Grounded Solution's HomeKeeper National Data Hub as part of its initiative to improve sector-wide impact measurement and learning.

About a quarter of organizational members are HomeKeeper participating organizations and 33 members are submitting property and transaction data to the HomeKeeper National Data Hub. HomeKeeper participation is the highest among community land trusts, Habitat for Humanity affiliates and members with units over 17,600. It should be noted that start-up

organizations are less likely to become HomeKeeper organizations as they have no or few units to manage. Of the 75 community land trusts that were not HomeKeeper users, 61% (n = 46) had 25 or fewer units. On the other hand, 47% of members with more than 50 units are HomeKeeper organizations.

In 2017 Grounded Solutions Network built and tested new housing counseling features, a long standing request by members using HomeKeeper. Thirty-one (17%) of its organizational members are HUD approved housing counseling agencies and of those, eight members began using these new features in 2017 as part of the Early Adopter Program.

Number of HomeKeeper vs. Non-HomeKeeper Organizations by Type

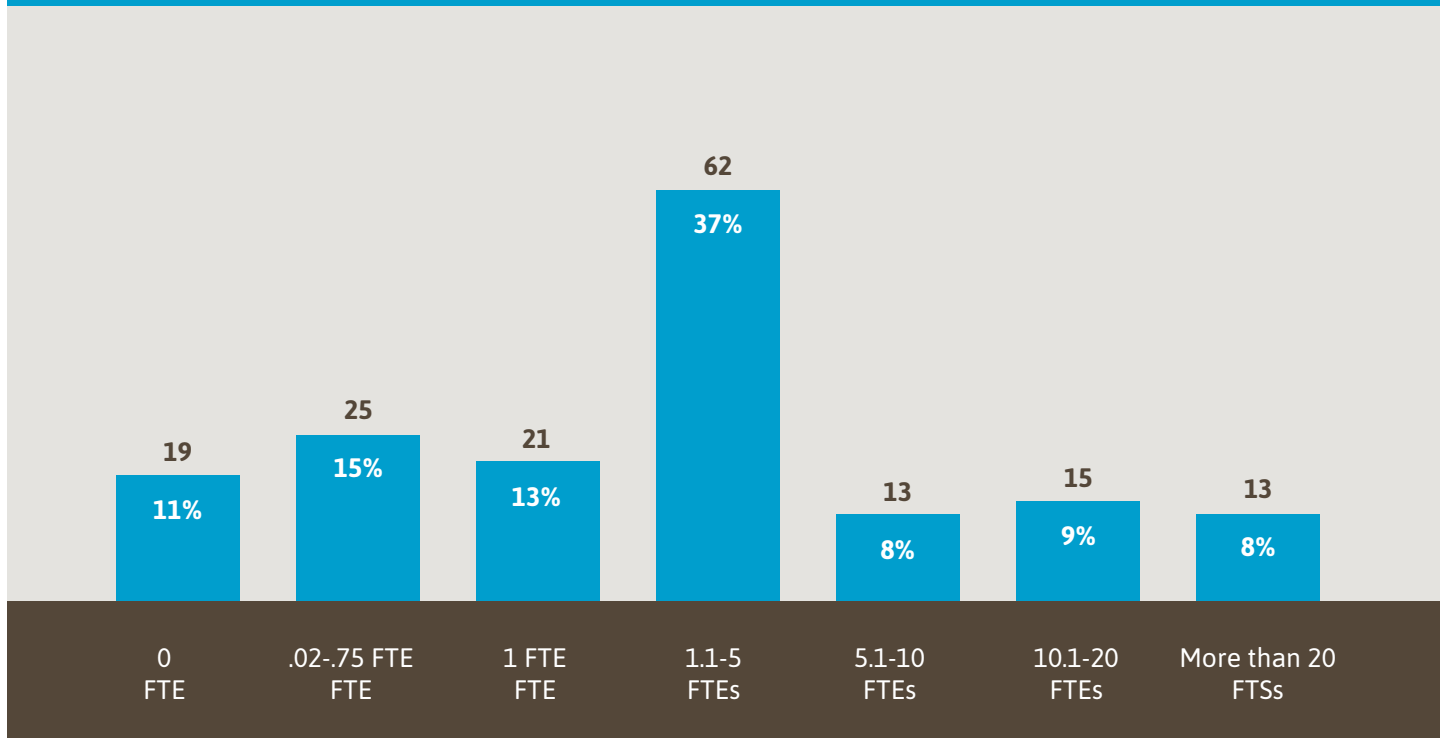


Number of FTEs

One of the major challenges that many nonprofits face is limited staffing. In light of this, non-government members (n = 168) were asked the number of FTEs in their organizations. Notably, nearly two fifth of members (n = 65) reported only 1 FTE or less; and

19 of these members reported 0 FTE. Sixty-two other members (37%) reported 1.1-5 FTEs in their organizations. The fact that many members are fairly small in organizational size is likely a driving factor of low housing production in these organizations.

Number & Percent of Members by FTE (n = 168)

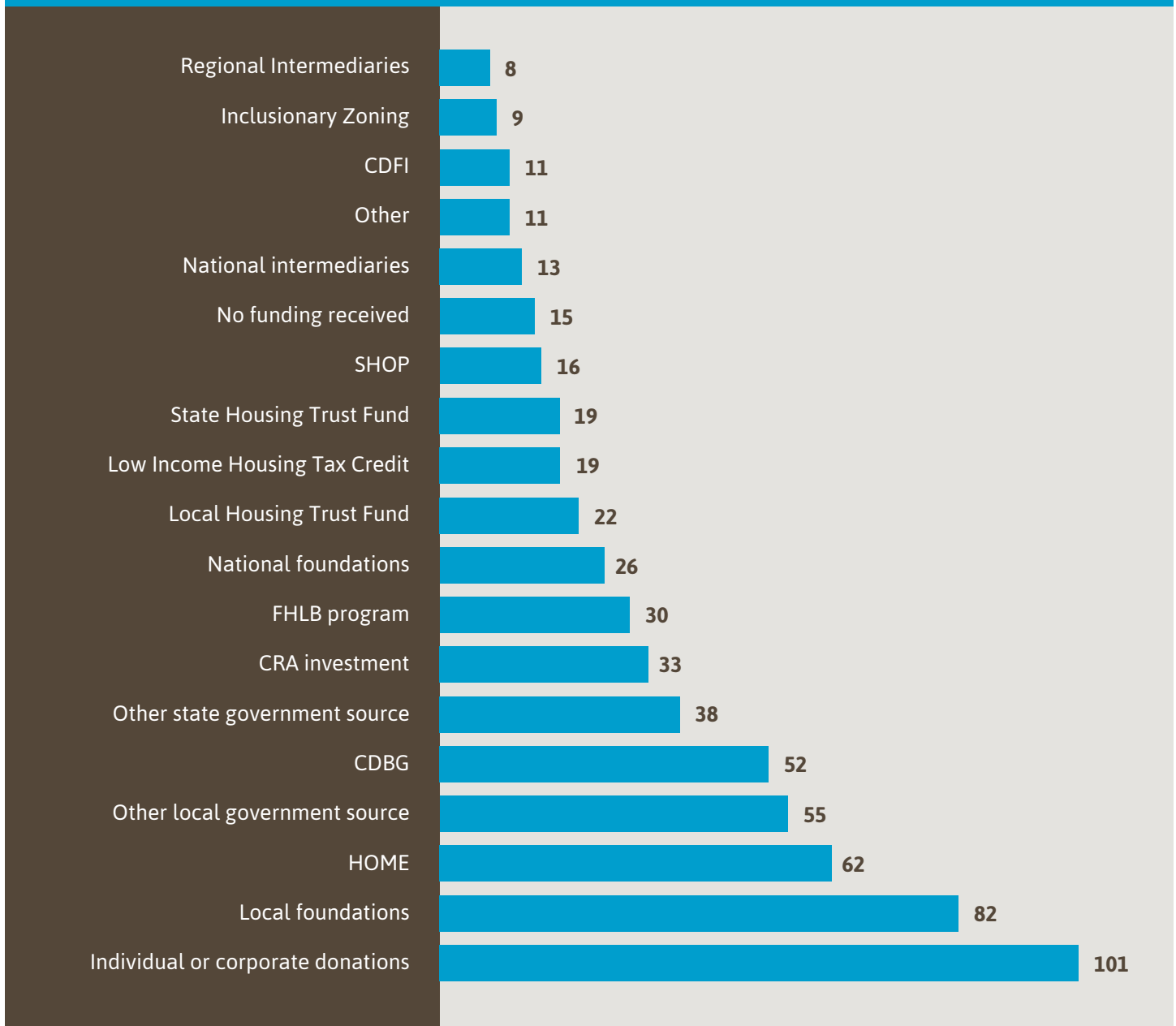


Funding Sources for Non-Government Members

Access to funding and financing has been an ongoing challenge for many Grounded Solutions Network members. Non-government members (n = 168) were asked to select all sources from which they received funding in the last three years for development, land acquisition, unit subsidies, stewardship services, or operating expenses. Most (n = 156) identified at least

one funding source; and on average each organization received funding from four sources. Over half of members reported receiving funding from individual or corporate donations (65%) and/or local foundations (53%). Other relatively more common funding sources included HOME (40%), other local government source (35%), and CDBG (33%).

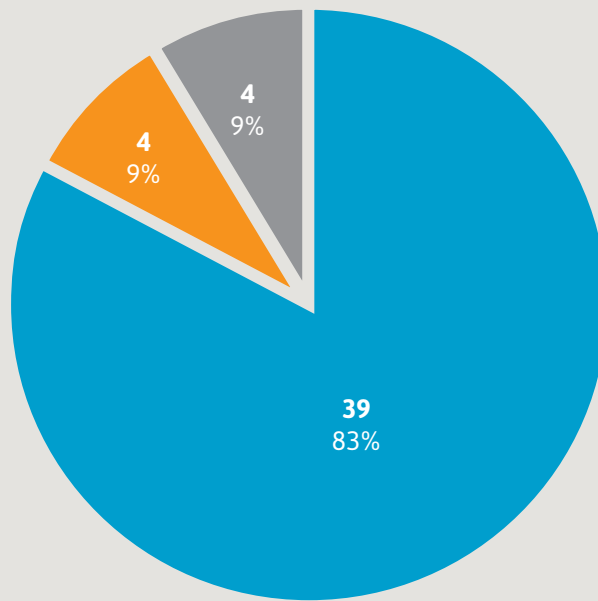
Number of Members by Funding Source (n = 168)






Grounded Solutions Network sought more detailed information specific to members' receipt of HOME funds, because Grounded Solutions Network staff were aware of barriers in the HOME rule (or its interpretation) that might prevent some members from participating in this federal program. Additionally, it appeared that more Participating Jurisdictions (PJs) may have been prioritizing affordable rentals for their HOME funds

due to the affordable rental crisis. Therefore, members were asked to identify if they received HOME funds or were denied due to either their programs being deemed ineligible or their PJs opting to make awards to other applicants. Forty-seven members indicated that they had applied for HOME funds in the last three years for shared equity homeownership projects, and a great majority of them (n = 39, or 83%) were awarded funds.

Number & Percent of Members by HOME Fund Status (n = 47)



	We were awarded funds.
	We were denied funds and informed that our shared equity program was not eligible or not compliant with HOME rules.
	We were denied funds for other reasons, such as the participating jurisdiction choosing to use funds on rental projects or higher-rated applications.

Portfolios & Managed Properties

Members were asked to report the number and type of properties within their portfolio or that they stewarded, monitored, or managed as of December 31, 2016.²

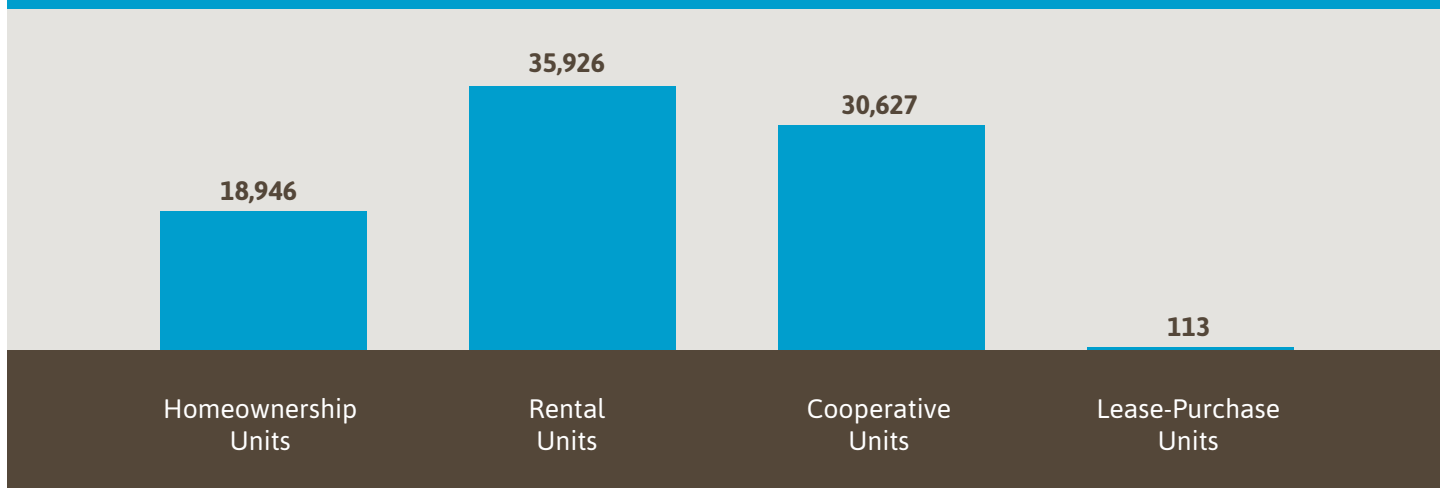
Residential Properties

Of the organizational members (n = 186), 128 members reported having units in their portfolios, for a total of 85,612 stewarded units. Of those units, rental units comprised the highest share (42%). A significant number of rental units, over half the total, can be attributed to one government entity, the City and County of San Francisco Mayor's Office of Housing and Community Development, which reported 19,609 units. Cooperative units and homeownership units consisted of 36% and 22%, respectively. Notably, most cooperative units (93%) were reported by one member: the Urban Homesteading Assistant Board. In fact, the two organizations with the most units in their portfolios – Urban Homesteading Assistant Board and City and County of San Francisco Mayor's Office of Housing and Community Development – reported a total of 51,090 units, representing 60% of all units. Only 113 units (less than 1%) were lease-purchase units.

A number of organizational members (n= 58) did not report any units – either because they are brand new organizations, or because they have not created any units even after a number of years. While these members existed in all four types, the majority were community land trusts.

Of the 101 members reporting at least one homeownership unit, lease purchase unit, or cooperative unit (excluding homeownership unit generated through inclusionary housing programs), 56 members reported a total of 556 resales in 2016. The majority of these resales (62% or 28,595 units) were reported by Urban Homesteading Assistance Board. Resales by other organizations took place on a much smaller scale (fewer than 30 resales combined).

Residential Properties Owned or Stewarded by Members



² Properties that were in the process of being acquired, rehabbed, or constructed as of December 31, 2016, were excluded from this report.

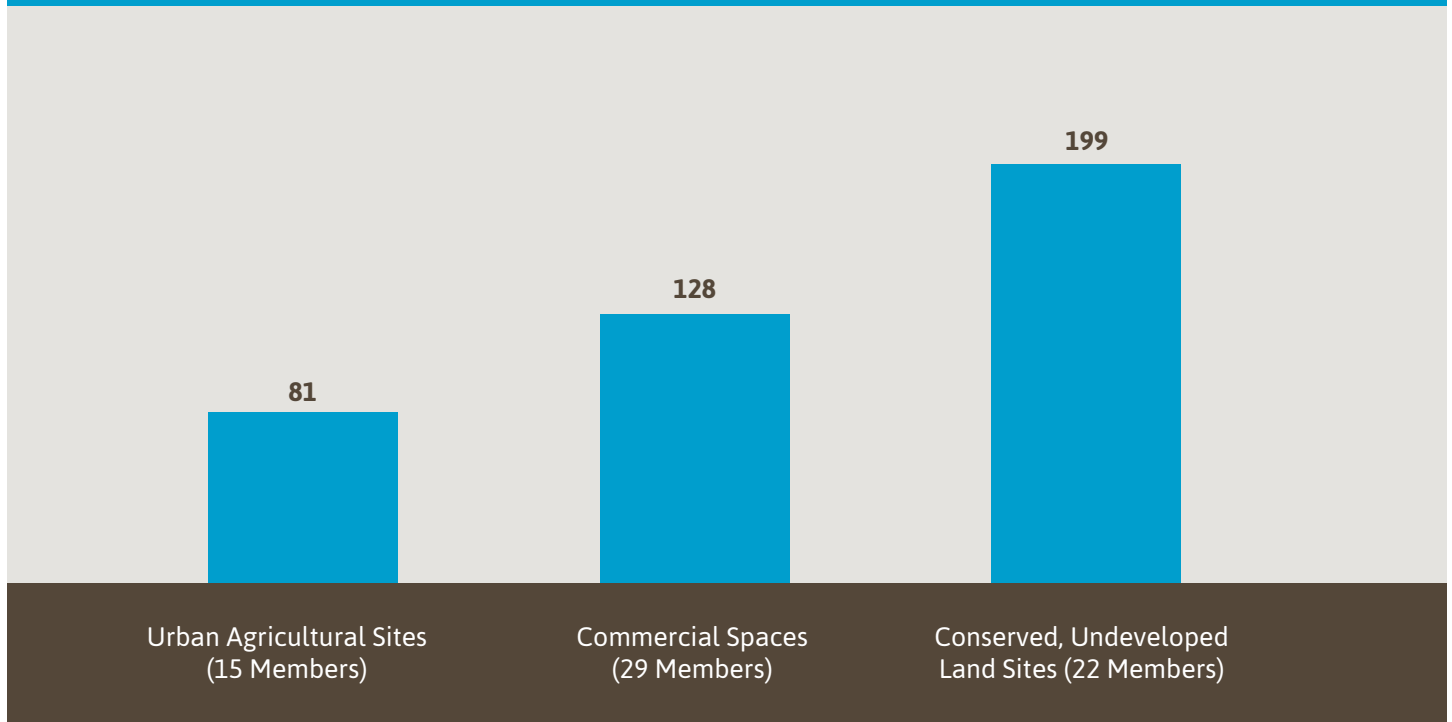


Non-Residential Properties

Out of 186 organizational members, there were 49 non-government members owning non-residential properties. Specifically, 15 members reported a total of 81 urban agricultural sites. The vast majority were community gardens. Of the 29 members that reported 128 commercial spaces, the majority owned office space. Other types of commercial spaces varied widely,

including small businesses, community centers, and educational institutions. In addition, 22 members reported 199 conserved land sites totaling 15,072 acres; the majority (66%) of conserved land sites were reported by four organizations self-reported as community land trusts.

Non-Residential Properties Owned or Steward by Members

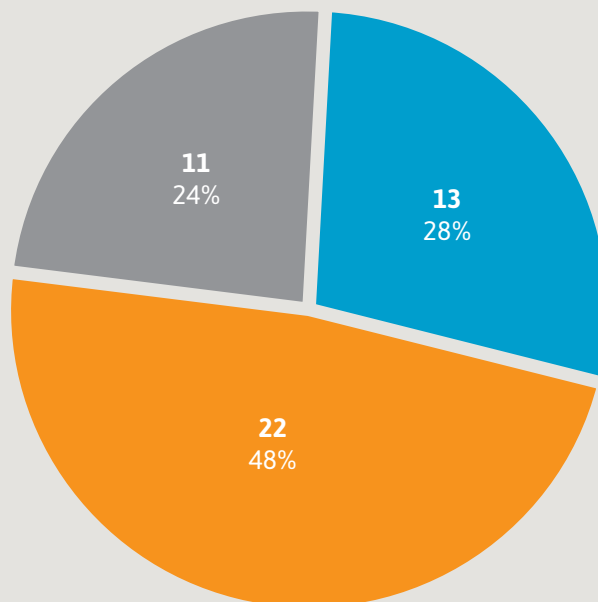





Equitable Taxation

Equitable taxation policy for resale-restricted homes is a key element to ensuring the long-term affordability of those homes and that homeownership remains sustainable, yet little is known about this subject. In this year, members reporting at least one homeownership unit (n = 105) were asked about how shared equity homeownership units were taxed. Among them, 44% (n = 46) indicated that affordable homes with resale restrictions were taxed differently than

market-rate, unrestricted homes, and 56% (n = 59) reported no difference. Of those 46 members reporting a different taxation for shared equity homes, 22 reported that more equitable taxation applied specifically to shared equity homes, 13 other members reported that differential tax treatment applied to affordable housing in general and the remaining 11 members didn't know.

Scale of More Equitable Taxation Decision/Policy (n = 46)



	Favorable taxation applies to affordable housing generally
	Favorable taxation applies specific to shared equity homes or CLTs
	Don't know

It is promising to see that the difference in taxation is widespread geographically: together 46 members reported 40 cities having a more equitable taxation practice or policy in 21 states. These taxation policies can be derived from administrative practices (i.e., decisions on the level

of the local tax assessor), state or local legislation, and judicial action. Approaches to taxing resale-restricted homes can vary widely from one state to another and from one jurisdiction to another within the same state.

Municipalities with Different Taxation Practice for Shared Equity Homes

State	City
CA	Berkeley
CA	East Palo Alto
CA	Oakland
CA	Oxnard
CA	Petaluma
CA	Point Reyes
CA	San Francisco
CA	San Mateo
CO	Boulder
FL	Clearwater
FL	Delray Beach
FL	Fort Lauderdale
FL	Lake Worth
FL	Marathon
HI	Wailuku
ID	Ketchum
KY	Lexington
LA	Covington
MA	Boston
MD	Frederick

State	City
MD	Rockville
ME	Mount Desert
ME	Waterville
MT	Missoula
NC	Durham
NJ	Randolph
NM	Albuquerque
NY	Albany
NY	Elizabethtown
NY	Hauppauge
NY	New York
OR	Portland
TX	Austin
UT	Park City
VT	Brattleboro
VT	Burlington
WA	Eastsound
WA	Renton
WA	Seattle
WI	La Crosse



Next Steps

As Grounded Solutions Network continues to grow, documenting its members' characteristics and impact will help it strengthen the network and provide better support to its members. Through the data collected from the member form, it is exciting to see members serving a large part of the country; however, members still face various challenges to the production of more housing with lasting affordability. This is the first member report since the 2016 launch of Grounded Solutions Network. Going forward, the data collected from this year's member form will become the baseline information against which Grounded Solutions Network will track future trends.



**GROUND
SOLUTIONS
NETWORK**

strong communities
from the ground up

Intersections 2017 in Oakland

