



## **Emerald Empire Homes land trust looks to make homeownership affordable**

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**By DUANE W. GANG**  
**The Press-Enterprise**

In a Hesperia subdivision so new it's not on the maps, three upgraded and nicely appointed model homes are selling for less than \$160,000, about two-thirds market value.

The houses are among the first five on the market through Emerald Empire Homes, a community land trust set up in November by the Housing Authority of San Bernardino County. The other two homes are in Loma Linda and Rialto and are selling for \$165,000 and \$154,000, respectively.

The land trust is one of a handful in Southern California aimed at boosting access to housing for people with lower incomes.

Project Manager Ron Ruhl, left, and Executive Director Dan Nackerman work to make home ownership more affordable. "This creates a whole new market of first-time buyers," Nackerman says of an effort by the Emerald Empire Homes land trust.

The trust works like this: The nonprofit Emerald Empire Homes owns the land in perpetuity and sells the home on that land. With the value of the land taken out of the equation, the home price dramatically drops. The land for the three Hesperia homes is worth about \$48,000 each.

"This creates a whole new market of first-time buyers," said Dan Nackerman, the housing authority's executive director.

Homes can sell for between 30 and 40 percent below market value, he said. The land trust bought the three Hesperia houses from Ontario-based Frontier Homes, Nackerman said.

The Hesperia homes line one side of a quiet cul-de-sac just off Valencia Street, about seven miles from Interstate 15.

All have three bedrooms and range in size from about 1,400 square feet to more than 1,800. The smallest of the three is selling for \$132,000. The largest sells for \$159,000.

The lots are spacious. The three have upgraded cabinets and granite and Corian countertops.

No one has lived in them.

To qualify for the program, potential homebuyers must earn no more than 80 percent of the county's median household income. The amount will vary by family size, but a family of four cannot earn more than \$53,300.

The buyers must live in the home, meet certain lender requirements and come up with a 3 percent down payment, said Ron Ruhl, a housing authority project manager. The land trust is working with Washington Mutual and Downey Savings to provide the loans, he said.

The homeowners would lease the land for \$50 a month and agree to keep no more than 25 percent of any increase in the appraised value of the house when they sell it. The homes must be sold to others who qualify for the program.

Story continues below



This 1,821-square-foot former model home in Hesperia is one of the homes being offered to buyers who qualify as low-income through the home-ownership program.

But the buyers can keep the home as long as they like and make any improvements, Ruhl said. And even if incomes rise after purchasing the home, the buyers can stay put, he said.

"We tried to keep it as private-sector-like as possible," Nackerman said.

### **Prices Too High for Some**

The current housing slump and declining home values have made more homes in the Inland area affordable. But high prices still keep homes out of reach for many would-be buyers.

In the first quarter of this year, the median home price in the Riverside-San Bernardino-Ontario metropolitan area dropped to \$288,000 from \$380,000 in the first quarter of 2007,

according to the National Association of Home Builders.

Story continues below



Greg Vojtko/The Press-Enterprise

Dan Nackerman, left, and Ron Ruhl hope to provide a way to home ownership through Emerald Empire Homes land trust.

Just 9.7 percent of new and resale homes in the first quarter of 2007 were considered affordable for those earning the region's median household income. That has increased to about 27 percent, according to builders association figures released last month.

Out of 223 metropolitan areas across the nation, the Riverside-San Bernardino area ranked 205th in terms of an affordable place to buy a home. Los Angeles ranked last.

Nackerman hopes to add 70 more homes to the program, and more aggressively market the first five.

"Some staff think it will be tough to market them because there is so much confusion with housing right now," Nackerman said. "We think just the price alone will bring people to the door."

### **Getting Cities Involved**

Nackerman said he hopes cities see Emerald Empire Homes as a way to meet affordable-housing requirements and will contribute money

State and local affordable-housing requirements vary but generally require between 10 and 20 percent of future housing to be affordable for very low-, low- and moderate-income residents.

"We will be out the land costs, but we hope cities and other public agencies subsidize this because they are short on their affordable-housing goals," Nackerman said.

He said the trust is seeking money from private foundations to help purchase more homes.

Land trust proponents say the advantages include the ability to build up a permanent supply of affordable homes.

Lee McDougal, the Montclair city manager and an Emerald Empire Homes board member, said he had questions about how the trust would work when he first learned of the proposal.

"I didn't quite understand," McDougal said. "After it was explained to me, I became more comfortable with it. It appears to be a good program."

Each city has its own way of reaching affordable-housing goals. Montclair, for instance, is working on constructing three affordable-housing complexes, each with 75 to 100 units, he said.

But in the future, contributing to the land trust is "certainly a viable option," McDougal said.

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## **LAND TRUST**

To purchase a house through Emerald Empire Homes, potential buyers must earn no more than 80 percent of San Bernardino County's median household income, based on family size. Here are the income limits:

**\$37,300:** Family of one

**\$42,650:** Family of two

**\$53,300:** Family of four

**\$70,350:** Family of eight

Sources: Emerald Empire Homes, Housing Authority of San Bernardino County

## **TO APPLY**

Those interested in receiving more information or an application should call 909-381-9016, ext. 225