

Community Foundations Back a Model to Keep Housing Permanently Affordable

Martha Ramirez | September 25, 2025



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Housing affordability is one of the biggest challenges facing the nation, and while philanthropic funders have been on the case, lasting progress has been elusive. One tool a rising number of funders are reaching for is the **community land trust** (CLT), a nonprofit organization that holds land or property in a trust on behalf of local residents and is typically **governed by a board** made up of CLT residents, community residents and public representatives.

While there are **numerous benefits to CLTs**, arguably the biggest is that they help preserve affordable housing and prevent communities – particularly marginalized communities – from being priced out of their homes. For instance, for **residents who own their homes**, the CLT maintains control of the land and leases it to the owners long-term but requires that if the home is sold, it is either sold back to the trust or to low to middle-income buyers.

CLTs are not a new innovation, but there's reason to hope the model will start catching on more widely. Several community foundations in the Community Foundation Opportunity Network (CFON) – a national network of about 40 community foundations that work to **advance equity, opportunity and justice** – are helping to power a growing movement to establish and expand CLTs throughout the nation. Those community foundations include Chicago Community Trust, Lincoln Community Foundation, and San Diego Foundation.

“Housing continues to be a core issue for our nation, and many of our community foundations...are investing in housing solutions, a myriad of housing solutions, anything that we can do to create more affordable housing in our communities, preserve affordable housing in our communities and collaborate to do the same,” said Pamela Gray Payton, CFON’s chair and vice president, who is also chief impact and partnerships officer at the **San Diego Foundation**.

CLTs are one solution to gentrification, which has been a major problem as developers buy properties that were once affordable, build new apartments or homes, and price out people who have lived in those communities for decades. Gray Payton added that CLTs show that preserving affordable housing means preserving communities, all the while elevating community voices so they have the power to decide how the land is used.

Building household and community wealth in Chicago

One CFON member that has found success in supporting CLTs is the **Chicago Community Trust**. The trust sees the work of two of its focus areas – building household wealth and community wealth – as being tied closely together, particularly when it comes to CLTs.

According to Mariah Van Ermen, program manager for the community wealth strategy at Chicago Community Trust, the trust focuses on how people in specific communities in Chicago can **gain access to home ownership** for the first time.

“It’s such a massive wealth-building activity, and organizations like community land trusts or housing cooperative opportunities really provide people with another path to ownership. I think that it’s a really innovative way to build wealth and assets for individuals and families that might not otherwise have access to those things,” Van Ermen said.

On the household wealth side, the trust focuses its work on increasing home ownership and home equity, and boosting income and financial assets. For a long time, the trust was focused on helping first-time homebuyers through more traditional methods, such as programs that support down payment assistance, affordable lending products and housing counseling programs, said Matt Shomo, program manager for homeownership & home equity at the trust.

While the trust continues to support those approaches, it is also helping support existing homeowners through its Stay in Place strategy, which is designed to support an aging population or communities that are at risk of displacement.

“First-time home ownership is a big deal. So too is supporting individuals and families and giving them the power to choose whether or not they wish to stay in that home or that community,” Shomo said. From a housing and ownership perspective, he added, CLTs are a really important piece of that puzzle.

In 2023, the Chicago Community Trust awarded \$100,000 to support the **Here to Stay Community Land Trust**, which preserves low- to moderate-income households in several Chicago neighborhoods facing gentrification. As of July, Here to Stay has retained ownership of 14 single-family homes, five multi-units, six condominiums and one vacant lot, which is the future site of six additional condos.

Earlier this year, the trust also supported Community WEB (Wealth Ecosystem Builders), a new nonprofit that works to convene and strengthen Chicago’s community wealth-building ecosystem. Van Ermen added that it is critical for other community foundations and national funders to share lessons they’ve learned from their support of CLTs, as well as additional resources and examples of this work.

Rehabilitating affordable homes in Lincoln, Nebraska

In Nebraska, the Lincoln Community Foundation has been partnering with NeighborWorks Lincoln since 2020, when they worked together to build the **first property in Nebraska** to be governed by a CLT.

“Our partnership is primarily to provide financial support when we can,” said Rich Herink, strategic partnerships consultant at the Lincoln Community Foundation. “We’re not a huge community foundation. We have a limited amount of funds, but we try to partner and use our grant money or our mission investment funds with those that can be most successful, and NeighborWorks is certainly one of the leaders in that area.”

NeighborWorks Lincoln is a nonprofit housing development organization that offers first-time homebuyers assistance with securing financing, along with a popular **educational program** for prospective homebuyers. NeighborWorks also offers interest-free, payment-deferred loans to help rehabilitate homes, focusing on structural repairs or upgrades that will help prevent unexpected maintenance for the first three years of ownership.

In 2022, NeighborWorks helped launch the citywide Prairie Roots Community Land Trust to help preserve and create permanently affordable housing in Lincoln.

“The whole concept [of CLTs] is to try to keep the home affordable for future generations of buyers... So what we’re trying to do [is] instead of just making a house affordable for the first-time buyer, this is an option to try to keep it affordable for the next succeeding generations of people that might own those homes,” Herink said.

The Lincoln Community Foundation has also awarded funding to several nonprofit organizations so that they can acquire large grants from the state and, in turn, use the funding to acquire land and build affordable homes.

“The challenges never cease, and probably will continue to be more challenging, which is why we have to continue to be very innovative... We have an obligation to help with this,” Herink said.

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Protecting cultural identity and addressing climate impacts in San Diego

The **San Diego Foundation**, another CFON member, has supported the Tierras Indígenas Community Land Trust, a nonprofit founded by local residents and organizers to purchase and revitalize lands in the central historic barrios of San Diego. In addition to protecting permanent affordability, the CLT also aims to ensure that the cultural identity and history of those neighborhoods aren’t lost.

“The focus has been motivated by the displacement of long-time community members, really focusing on reclaiming that land ownership for collective ownership and for...cultural preservation,” said Christiana de Benedict, senior director of environmental initiatives at the San Diego Foundation.

Most of the funding for Tierras Indígenas comes from the state through California’s Strategic Growth Council’s \$22 million **Transformative Climate Communities** grant, which funds development and infrastructure projects that have significant environmental, health and economic benefits in the state’s most disadvantaged communities. Communities in San Diego’s central historic barrios are particularly vulnerable to climate impacts, including poor air quality and extreme heat, said José Franco García, executive director of Environmental Health Coalition, in a **blog post**.

In addition to providing support for the Tierras Indígenas CLT, the state grant **also provides** support to improve indoor air quality in 25 homes, install solar panels at the Chicano Park Museum and Cultural Center, and improve trolley and bus stops, among others.

The San Diego Foundation is serving as the lead applicant for the state grant, meaning it will administer the grant, manage compliance and budget, and manage the funding and programs. Typically, cities serve as lead applicants, but in this case, the city of San Diego declined to do so, and the San Diego Foundation stepped in, de Benedict said.

“It’s such a critical role to be filling, especially at this time where a lot of local governments are facing budget cuts. They’re facing cuts in federal and state funding. So without the foundation, there wouldn’t be an organization that would be running this grant,” said Erin Demorest, who works with the San Diego Foundation on climate-related initiatives.

In addition to its role around the Transformative Climate Communities grant, the San Diego Foundation has also provided resources where possible, including facilitating a \$100,000 grant from a rapid response fund that was distributed to the CLT. It has also provided staff and capacity building support.

“We were really well-positioned to support this kind of work. We’ve funded programs like this in the past, but we hadn’t managed this level of state funding and government funding. But we had very close relationships and knowledge of these community partners and projects,” de Benedict said.

Funding CLTs as a model for preserving affordable homes

Although CLTs have existed for years, philanthropy’s interest in them may signal growing momentum to put ownership in the hands of communities – a change that can play an important part in addressing the housing crisis in the U.S. As important as it is for more affordable housing to be built, it is also important to balance that with preserving affordable housing that already exists. Countless neighborhoods with affordable housing have been wiped out to make way for new “luxury” buildings and homes, while those who lived in those communities are forced to leave.

Gray Gayton of CFON sees CLTs as a growing opportunity for funders, one that she hopes other community foundations and national funders adopt.

“Regardless of where you are in the nation, housing right now is a challenge, and what we see here is that CFON members are incubating funding and expanding CLT as a working model that allows us to address these issues in a very unique way and one that is very much community-driven,” Gray Gayton said. “If we can come down as community foundations and support the work with the grant to help with the purchase of the land, and then let the community leaders determine how to use the land in collaboration with their residents, with their neighbors, it’s a win for us.”

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