

**Some Strings Attached: How Sources of Capital Influence Rural
Community Land Trusts in the Pacific Northwest**

by

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Abstract

This qualitative study examines the influence of different sources of capital—public and private funding and lands—on rural Community Land Trusts (CLTs) in the Pacific Northwest. Utilizing a constructivist grounded theory methodology, interviews were conducted with stakeholders from nine rural CLT sites, alongside participant observation at a regional CLT professional development conference and analysis of primary and secondary sources. Results demonstrate that the source of capital significantly impacts site CLT operations and projects, from programming, staffing, home design and construction, land improvement, fundraising, and the pace at which the organizations can achieve their goals. Public funding, while substantial, often comes with restrictive use conditions; these shape housing development strategies and target demographics, typically capping beneficiary income at 80% of the Area Median Income (AMI) and thereby not fully addressing the broader community needs. Private funding offers far more flexibility but requires substantial effort building and nurturing donor relationships. The findings highlight the need for more adaptable public funding structures to better serve the full spectrum of rural housing needs and suggest that leveraging both public and private capital in balanced measures could enhance the efficacy and reach of rural CLTs. This research contributes to the understanding of effective funding dynamics in rural shared equity homeownership models and offers insights for policymakers and private funders alike to more successfully support rural communities through improved mechanisms for sustainable investment.

Introduction

There is a complex housing crisis in the United States, and in the Pacific Northwest, stable and affordable housing is increasingly inaccessible. In 2023 alone, the U.S. federal government spent over \$60 billion in affordable housing initiatives allocated through the U.S. Department of Housing and Urban Development (HUD). That same year, state governments in Alaska, Idaho, Oregon, and Washington spent billions of additional dollars on housing programs and nonprofits (Chandan, 2023; Dake, 2023). Yet urban communities often receive a disproportionate amount of these public housing funds, while rural areas face well-documented and “unique challenges when dealing with the affordable housing crisis” (NLIHC, n.d.). The private sector—through philanthropy, corporate giving, foundation grants, and other means—similarly allocates billions of dollars annually to address this national crisis. However, less than 7% of all philanthropic funding in the United States supports rural communities, and few private foundations include rural development priorities in their missions (Kubisch et al., 2023). Both the public and private sectors also contribute land upon which to build new affordable housing units, whether through development incentives, urban growth boundary changes, shared equity models, bequests, sub-market-rate sales, or donations. Many of these sources of capital, whether cash- or land-based, are contingent upon formal and/or informal rules, restrictions, expectations, and other specifications for their use.

The source of funding and associated specifications have been widely shown to influence nonprofit organizations’ program designs, efficacy, and goal outcomes. Yet to date, the influence of different capital sources specifically upon rural housing nonprofit organizations is noticeably under-examined. Despite the lack of research evaluating the relative influence of specific capital sources on rural housing nonprofits, state and federal housing policymakers are investing more in

rural housing programs than they have at any other time in the 21st century (CRS, 2022). How might we improve the efficacy and impact of rural housing funding policies? How might we incentivize further and sustained philanthropic investments in rural housing initiatives?

Community land trusts (CLTs) are housing nonprofit organizations that use a shared equity model to create and steward permanently affordable housing within a specific community. Over the last thirty-five years, CLTs have become a notably prolific model in the rural Pacific Northwest. There are more than 25 CLTs in Alaska, Idaho, Oregon, and Washington, and nearly half of these organizations serve rural communities. CLTs invest in both operational and development priorities. To do so, the organizations require both land and funding capital, and so like other nonprofits, CLTs are presumably subject to and influenced by the capital they accept. Yet there is a great deal of variation among the sources of capital that rural Pacific Northwest CLTs receive. Some operate solely through the private philanthropy of a few donors, while others pursue a combination of public and private capital depending on their operational and development goals.

Given the unprecedented annual capital commitments from both the U.S. public and private sectors to address affordable housing, it is critical to understand how these investments influence their recipients and whether they are effective in their aims. Policymakers and funders focused specifically on rural housing initiatives need to better understand which capital investments might be most successful in small communities. But a one-size-fits-all rural investment approach cannot be successful: migration into rural Pacific Northwest communities, motivated by amenities and remote work opportunities, has uniquely exacerbated the housing affordability crises in these areas. In addition, many of these communities are geographically constrained. While urban housing nonprofits and urban CLTs in particular are well-studied,

current academic literature does not sufficiently investigate how sources of capital impact rural CLTs. Using a constructivist grounded theory methodology to qualitative research, this essay investigates how public and private sources of capital (both funding and land) shape, impact, limit, and/or empower rural Pacific Northwest CLTs. I also explore whether CLTs in the rural Pacific Northwest are particularly susceptible to some capital sources' potential influences precisely *because* of their locations.

I seek to contribute to the understanding of effective funding dynamics in rural shared equity housing models and to offer insights for policymakers and private funders alike on how to successfully support rural communities through improved mechanisms for sustainable investment.

Theoretical Contexts and Background

Establishing Definitions

It is important I first establish working definitions of several concepts which are central to this essay, my research question, and my analysis. First, what is constructivist grounded theory, the methodology first proposed by Charmaz (2005, 2006), and why is it an appropriate approach for this study? Grounded theory methodology was initially developed by Glaser and Strauss (1967), who favored allowing the data to inform, “check, and refine... an abstract theoretical understanding of the studied experience” rather than the researcher preemptively applying a theoretical or methodological framework at the outset (Charmaz, 2006, 3-4). Because scholarly investigations of CLTs and affordable housing models are, to-date, widely varied across disciplines, frameworks, and methodologies, there is no predominant or obvious approach to rural CLT research. As a result, grounded theory is particularly useful here because it “focuses

on creating conceptual frameworks or theories through building inductive analysis from the data... The method favors...fresh categories over preconceived ideas and extant theories”

(Charmaz, 2006, 187).

Charmaz’s constructivist grounded theory broke with objectivists like Glaser and Strauss in several important ways. Objectivists assert that their inquiries can be value-free, impartial, and separate from the systems they investigate. Constructivists specifically reject the objectivists’ “focus on individuals and emphasi[s on] the individual level of analysis,” arguing those researchers miss understanding “the structural contexts, power arrangements, and collective ideologies on which the specific analysis rests” (Charmaz, 2017, 35). Charmaz and her followers also argue that “any study is situationally grounded in context, position, [and] time” (Puddephatt, 2006, 11). Rural housing affordability is a complex and systemic policy issue, situated at the intersection of economics, land use, politics, racism, classism, climate change, social services, population demographics, tourism, and agriculture — to name a few. Rural housing affordability is also dynamic, changing at different rates and in different ways depending upon locality, time period, and societal priority. Charmaz’s methodology is particularly appropriate for a qualitative study of a rural housing model because “constructivist inquiry starts with the experience and asks how members construct it. To the best of their ability, constructivists enter the phenomenon, gain multiple views of it, and locate it in its web of connections and constraints” (Charmaz, 2006, 187).

Charmaz also advocates for applying constructivist grounded theory in cases of critical inquiry. Critical inquiry is a form of scholarly research that “addresses power, inequality, and injustice... [and is] embedded in a transformative paradigm that seeks to expose, oppose, and redress forms of oppression, inequality, and injustice” (Charmaz, 2017, 35). I intend for this

essay to be useful and applicable to the realms it investigates. For what is the rural affordable housing crisis if not a systemically situated social justice problem? According to Rose et al. (2023), in 2021 “approximately one-third of households spent more than 30% of income on housing expenses, with surging housing prices further increasing the national share of cost-burdened households” (Rose et al., 2023, 389). Through constructivist grounded theory, advises Charmaz (2020), researchers “can create fresh knowledge for diverse publics... because this method anchors academic knowledge in practical problems in the world” (167). While “social justice” itself may be an abstract concept, says Charmaz (2005), it is also an “enacted process, made real through actions performed again and again” (507). As I shall summarize, the CLT model is itself an enacted social justice process. In this study of the influence of different sources of capital on rural Pacific Northwest CLTs, constructivist grounded theory aids in an understanding of “integrated theoretical statements about the conditions under which injustice or justice develops, changes, or continues” (ibid).

The second important definition for this essay’s analysis is how I delineate “rural”. While the U.S. Census Bureau defines a rural community as 2,500 people or less, several United States Department of Agriculture (USDA) rural development programs use different, larger population thresholds (Ford Family Foundation, 2022). Because this study seeks to better understand a rural method of affordable housing development, I use the USDA’s Rural Housing Service definition of rural: those communities with populations of 20,000 or less.

Third, what is a community land trust? How is the model distinct among other affordable housing strategies and how do CLTs understand and communicate their missions and goals? A community land trust is a “nonprofit corporation committed to preserving community access to land using a shared-equity mechanism to preserve the availability and affordability of any

housing that is — or will be — located on this land¹” (Brown, 2024). Such shared equity models assume that land is a public asset and not a private good, separating the ownership of land from the ownership of the dwelling occupying the land (Choi et al., 2018). In shared equity approaches, the ownership, control of, and responsibility for improvements to the land rest with a nonprofit corporation that is governed by the local community (Brown, 2024). Shared equity housing models are typically “non-speculative, resale-restricted, democratically governed, owner-occupied housing models premised on the mission of providing affordable and sustainable homeownership opportunities to low- and moderate-income households” (Hackett et al., 2019). Most CLTs tend to operate with the shared purpose of creating and/or sustaining “perpetual affordability, community benefit,” and neighborhood stability (Crabtree-Hayes, 2023, 169; Choi et al., 2018).

New Communities Inc. was the first CLT and was founded in 1969 in rural Leesburg, Georgia by Black farmers. New Communities Inc. was intended primarily as an agricultural model to give the Black farmers autonomy and access to their basic rights as citizens. At the time, Black sharecroppers were being punished by white land-owning farmers if the sharecroppers participated in any Civil Rights-era activism, including when the sharecroppers tried to exercise their right to vote. By collectively owning the land beneath their homes and farms at New Communities, Inc., the Black farmers were more insulated from white supremacists’ attempts to disenfranchise them using archaic land- and homeowner laws. Some of the New Communities, Inc. founders would go on to collaboratively publish *The Community Land Trust: A Guide to a New Model for Land Tenure in America* in 1972. In this now-seminal

¹ The community land trust model can include rental or ownership housing, commercial properties, and/or commercial agriculture. For the purposes of this essay, I focus on sites’ homeownership-related operations and developments.

text, the authors note the original intention of the CLT model was to “help marginalized people gain control of the development processes in their own neighborhoods” (Swann et al., 1972, p. vii).

Today, there are more than 300 community land trusts in the U.S. across 45 states (Rois, S., 2024; GroundedSolutions.org., Choi et al., 2018). The International Center for Community Land Trusts estimates that 20% of these U.S. CLTs “have come online over the last decade” alone (Rois, S., 2024). Most North American CLTs operate as 501c3 non-profit organizations. Yet there are also nearly as many variations on the model as there are CLTs themselves. Outside of the nonprofit form, some CLTs operate as city- or county-led initiatives, private-public partnerships, programs within established affordable housing organizations, limited-equity cooperatives, or informal communal agreements. CLTs typically procure and invest capital in two central priorities: operations and development. Operations include areas such as “overseeing home sales, screening potential buyers, linking buyers with lenders, collecting lease fees,” reselling homes, stewarding communities, etc. (Williams, 2019). Development includes acquiring and/or developing land, acquiring and/or developing housing, and investing subsidies in said housing to ensure it is affordable for qualified CLT homebuyers or renters. As a result, development efforts create permanent assets for the CLT to own and steward.

A community land trust’s intended outcome is to “retain [housing and land] affordability controls in perpetuity and under the stewardship of a member-based organization” (Crabtree-Hayes, 2023, 169). The traditional model of CLT governance “emphasize[s] community control of development through a tripartite governance board typically consisting of residents, community members, and technical experts” (Rose et al., 2023, 390). CLTs remove land from the speculative market, then steward and control the land on behalf of the communities they

serve, permanently insulating it from market pressures and helping to ensure perpetually under-market rates for homes sold within the trust (Brown, 2024; DeFilippis et al., 201, 756). As a result, CLTs are more subsidy-efficient producers of affordable housing than other models because they can retain [an] affordability subsidy in the land [itself]" (ibid).

CLTs construct, purchase, receive, and/or renovate existing residences on the land they own. The CLTs sell or rent the residences, but not the land, to qualifying individuals or nonprofit entities, and the organization might use income, residency criteria, and/or other qualifications to determine a potential CLT homebuyer's eligibility. CLTs lease the land to their homeowners via long-term ground leases (typically 99 years in length), a length of time that allows homeowners to grow gardens, create outdoor living spaces, and make other livability improvements to the land. The average monthly ground lease fee a homeowner pays to their CLT is \$35-\$50 per month (Williams, 2019). No CLT homeowner is required to sell, even if their income increases. In most cases, CLT homeowners can also bequeath their home to their live-in benefactors or to benefactors who do not live in the home but who meet income qualifications and agree to abide by existing lease agreements. In a pay-it-forward arrangement, CLTs restrict the resale of the homes on their lands using "a formula designed to return the invested equity (plus a modest gain) to the owner, while keeping the housing affordable for the next household and retaining affordability" in perpetuity (Crabtree-Hayes, 2023, 169).

By removing the value of land from the purchase price of the home, the average price of owner-occupied homes is often decreased by 30-50% (Choi et al., 2018; Northwest Community Land Trust Coalition, 2017). Yet there is a common misunderstanding that CLTs deal only in land subsidies, that they remove only the land costs from a housing purchase transaction. As Michael Brown, consultant for Burlington and Associates in Community Development, explains,

“If somebody gives a CLT a plot that’s worth \$60,000 on which to build a home and that’s the only subsidy, then [the CLT] can reduce the purchase price by \$60,000. But frequently – particularly in high-cost housing markets – that’s not enough” to decrease the price to an amount that qualified CLT homebuyers can actually afford (BACD, 2024). Typically, CLTs secure a series of subsidies to reduce the purchase price of the homes in their portfolio down to an amount that is within 30% or less of a buyer’s gross household income. The vast majority of these essential subsidies are funded by public and private sources. The subsidies, in turn, are increasingly impactful over time. To use a Burlington Associates in Community Development hypothetical example: if a CLT were to invest \$18 million to reduce the purchase price of 31 below-market homes, \$580,645 of subsidy per house may seem exorbitant for affordable housing subsidies. However, the average tenure in a CLT home is 10 years; accordingly, over the next one hundred years, the original investment of subsidies may end up serving nearly 310 households, which brings the per-home subsidy down to \$58,064. For less than \$60,000 per home, a CLT can keep 31 homes permanently affordable for a century (ibid). In addition, this basic example does not account for the subsidies’ further potential impacts in areas with rising costs of living, where the sale price of a CLT house can decline over time relative to the increase in AMI².

Fourth, why focus my study on rural CLTs in the Pacific Northwest? There is a naturally occurring variety of established, relatively established, and newly founded rural CLTs

² In an illustrative example shared by the executive director of the Moscow Affordable Housing Trust: “We are about to sell our first CLT house to its second owner... When the first buyer purchased [the home], her household of four with one income was under 80% AMI. Now... a household of two might be able to purchase the same 3-bed, 2.5-bath, 1-car garage house. This is a combination of the original subsidy... having a compounding impact as AMI changes relative to the maximum sales price formula [set by the CLT]. Our housing market has soared since 2020... There is another curious thing happening... The house in question is estimated to have a \$185,000 price at its second sale in July 2024. In Feb 2024, MAHT sold a 2-bed, 1-bath house for \$185,000, meaning that we are going to have a portfolio of houses of different sizes at overlapping price points. The other way to look at this is that the [first] house could move to lower AMI households over time.”

throughout Alaska, Idaho, Oregon, and Washington. One of the oldest CLTs in the U.S. is OPAL Community Land Trust on Orcas Island, WA, which was founded more than thirty-five years ago. Several of the study's sites were founded seven to ten years ago, while others are among the newest CLTs in the country. Many CLTs in the Pacific Northwest have also formed in communities that closely resemble Krannich et al.'s (2011) definition of rural eco-regions "formerly dominated by single extractive industries" that have experienced rapid growth due to amenity migration (127). These rural "gateway communities" (Stoker et al., 2020) in the Pacific Northwest are also frequently situated in both naturally and legislatively constrained geographies (on islands and peninsulas, in remote valleys, along popular waterways, in states with strict land use laws, etc.). In such bounded physical geographies, rural communities often experience acute pressure from amenity migration and resulting affordable housing scarcity, rising home prices, and displacement of low-income households. These challenges are only exacerbated by the mobility of salaried remote workers who — both before and during the COVID-19 pandemic — further drive up housing prices and costs of living (Stoker et al., 2020).

As a consequence of such amenity and remote-work-motivated migration, many rural Pacific Northwest communities today are in the midst of a housing crisis not only for low-income but also for workforce and even middle class households. A household is considered cost-burdened if they spend more than 30% of their income on rent or mortgage. The average home prices in all nine site communities in this study exceed that which those earning 100% of area median income (AMI) can afford. Furthermore, in half of the study's site communities, the average home price exceeds that which households earning 150% AMI can afford. I focus on rural Pacific Northwest CLT sites because they experience many similar conditions that both create and exacerbate their affordable housing crises. While there are rural CLTs in many other

states (including but not limited to communities in Vermont, Kentucky, West Virginia, and Minnesota), rural Pacific Northwest CLTs have contextual geographies and socio-economic realities in common.

Finally, how do I define “capital”, and what are the distinctions between public and private sources of capital? “Capital” is funding and/or land that is available to CLTs with which to broadly implement and sustain programs, accomplish goals, and fulfill organizational missions. I focus on two specific sources of capital: public and private. Public sources “generally refer to any government allocation—federal, state, or local—whether in the form of a grant, contract, or line-item appropriation” (Vaughan and Arsneault, 2014, 192). Private sources of funding are “all-nongovernmental revenues, including private donations, foundation and nonprofit grants, and proceeds from commercial ventures,” as well as bank loans, corporate donations, and market-rate transactions (ibid.). As private nonprofits themselves, CLTs can and do receive both public and private sources of capital in the form of funding and/or land.

Researcher Position

In constructivist grounded theory, Charmaz (2017) urges “methodological self-consciousness,” proposing sociological researchers should

“detect and dissect our worldviews, language, and meanings and reveal how they enter our research in ways we had previously not realized... [thus] examining ourselves in the research process, the meanings we make, and the actions we take each step along the way” (36).

In pursuing this research for my Executive Master in Public Policy degree, I both consciously and unconsciously make “decisions about the categories throughout the process, bring questions to the data, and advance personal values, experiences, and priorities” (Creswell, 2013, 88). As

such, it is important to acknowledge the goals and identity that I bring to this study and to the interpretative, subjective position I occupy.

My interest in this research topic is informed by my husband's work as a freelance architectural designer for a rural CLT in the Pacific Northwest. To date, this CLT has been funded solely through private philanthropic donations of cash and land, and these donations do not have any formal spending requirements or limitations. The CLT my husband contracts with has been celebrated within affordable housing development circles and in national media as one that quickly builds many more homes per capita than other rural CLTs. I also live in Central Oregon, where two different CLTs serve both rural and suburban populations with a combination of public and private sources of capital. I have observed that Central Oregon CLTs appear to build fewer homes at a slower pace than does the rural CLT for which my husband designs homes. This observation led me to question how various capital sources might affect individual CLTs in similar small communities.

In my current work as an administrator for a public community college, I also experience first-hand how land donations, public grants, and foundation awards shape higher education priorities, program designs, and outcomes. Some of the funding the college receives seems to require such arduous reporting or such stringent limitations on spending that the capital appears to inhibit rather than facilitate the recipient's success. In my professional frustration over higher education's obstructive funding requirements, I found myself curious as to whether the same might be true for rural affordable housing initiatives.

My identity as the spouse of an architectural designer for a successful rural CLT biases me in favor of the CLT model's utility and potential. My identity as a person raising a family in a region dominated by rural communities focuses my attention on challenges that may be unique to

such places. I also feel passionately that housing is a social justice issue; housing should be a right for all, not a privilege for some. I am interested in seeing successful, broadly funded, participant-driven solutions to affordable housing—ones that make effective, efficient use of every dollar. I am also a public employee who sometimes feels frustrated by the ways in which public funding requirements seem to undermine programs' potential successes and impacts. However, I am also cautious of a systemic overreliance on private philanthropy to address critical social welfare issues. Held together, these identities inevitably inform how I approach this study. In Charmaz's words, my position is an "interpretation," it is a "way of seeing" (Puddephatt, 2006, 10, 14).

Literature Review

The literature is in broad consensus that there are unique conditions contributing to the affordable housing crisis in rural communities. Wiener (2006) lists lack of organizational capacity, lack of credit and capital, lack of buildable sites and infrastructure, and lack of local political will and support as the main obstacles "confounding rural housing efforts" (360). He also argues that these conditions have largely persisted in rural areas for decades despite "the recent growth in the number of housing nonprofits serving rural communities" (360).

According to the National Low Income Housing Coalition and the National Rural Housing Coalition, additional challenges to rural affordable housing include a disproportionate amount of substandard housing and deteriorating infrastructure spurred by "years of declining investment in the renovation of existing homes and construction of new housing" (NLIHC, n.d.). More than 40% percent of rural households today are cost-burdened (meaning they spend more than 30% of their income on housing), and many rural families lack access to credit, limiting "funding for maintenance of existing units" (ibid.). Land and home speculation from second-

homeowners can also be common in some rural areas, especially those with high rates of tourism and amenity migration (Sherman, 2021). In addition, “because development does not generally occur at a large scale in rural areas, construction costs are often higher... compared to urban areas, which reduces the incentives for private investment” (NLIHC, n.d.).

There is also a profound disparity between the amount of private and public capital investments that rural areas receive versus non-rural areas. As Kubisch et al. (2023) report, “less than 7% of [private] philanthropic funding supports rural areas, and only a small number of foundations claim rural development as their mission” (513). The impact of this rural philanthropy is also disproportionately low; “the average real value per person of grants from large foundations to organizations in nonmetro counties was \$88 per person, less than half the average for organizations in metro counties” (NORC Walsh Center for Rural Health Analysis, 2023). Rural areas are also at a disadvantage when it comes to forging and sustaining donor relations, “particularly if they are not located in the same geographic area as philanthropies,” because in-person fundraising events and donor meetings are less likely to occur (ibid). The NORC Walsh Center for Rural Health Analysis (2023) and Pipa and Pietro (2023) also find that rural areas in particular struggle with private and public funders’ various typical requirements, including matching funds, demonstrating impact, and organizational capacity. Smaller communities often do not have the resources with which to match major gifts. Lower population densities mean that rural communities likely and inherently serve fewer people than urban areas. In addition, rural areas “may not have funds for salaries and administrative costs, business development activities, and recruitment and retention efforts for staff with skills in areas that are important to philanthropies, such as data collection, analysis, and evaluation” (NORC Walsh Center for Rural Health Analysis, 2023). Pipa and Pietro (2023) find that rural communities have

additional barriers to accessing available public capital. To-date, there are more than 400 federal capital programs available to rural places for their economic and community development (ibid). Yet these programs are not centralized, and are “instead spread throughout 13 departments, 10 independent agencies, and over 50 offices and sub-agencies,” with little consensus among their varying definitions of “rural” (ibid). This kind of bureaucratic complexity creates administrative burdens for rural communities that are difficult to overcome with the small staffs and volunteer elected officials that are so common in small communities. Pipa and Pietro (2023) cite a 2023 study by Fitzpatrick et al. that found “smaller jurisdictions... had markedly lower levels of confidence in their ability to find, apply for, and administer future state and federal grants than those with populations above 30,000” (ibid).

Rural communities in the Pacific Northwest states of Alaska, Idaho, Oregon, and Washington grapple with an additional subset of challenges — ones rooted less in stagnation than in the effects of rapid growth and development. These areas are “rural eco-regions characterized by extensive natural resource amenity values” in places “formerly dominated by single extractive industries” (Krannich et al., 2011, 9). These states saw a larger percentage increase in seasonal home development than the national average between 1990 and 2010 (25). In the 21st century, “the American West has been [further] characterized as a region experiencing especially high rates of growth as a consequence of ‘amenity migration’ (Gosnell and Abrams 2009; Otterstrom and Shumway 2003; Travis 2007)” (ibid). Amenity migration into rural Western areas known as “gateway communities” has been shown to result in “rising costs of living, economic displacement of vulnerable populations, growing social divisions and conflicts, an erosion of important social traditions and cultural legacies, and a suite of adverse environmental effects” (Krannich et al., 2011, 127). Yet these rural communities may lack the

“adaptive capacity” to successfully confront the challenges of such rapid growth, resulting in acute affordable housing shortages, especially for low- and moderate-income households (Stoker et al., 2020). The COVID-19 pandemic (2020-2022) put many rural communities’ adaptability to the test, as gateway communities experienced further exacerbated cost-of-living increases due to an influx of remote workers and their families. “We were inundated with remote workers during the pandemic,” recalls the executive director of CVHT. “Places that drew in people before for vacations and for these lovely scenic areas are now a mecca for any remote worker. They can live anywhere that has wireless connectivity, any place that has internet.”

As the nation’s affordable housing crisis has worsened over the last two decades, there has been a proliferation of research focused on shared equity homeownership models, including community land trusts. These studies have overwhelmingly focused on urban CLTs, and as Chapple et al. (2023) note, “the most well-studied example of a CLT [to-date] is the Dudley Street Neighborhood Initiative in Boston” (206). Despite the literature’s urban bias, CLTs have been widely shown to be an effective model for preserving long-term affordable housing, and such findings are broadening awareness of the model’s viability for investments within both the public and private sectors. Chapple et al. (2023) find that CLTs decrease the odds of neighborhood gentrification by 70%, and Choi et al. (2018) conclude the model can preserve long-term affordability, reduce speculative investments, and enhance neighborhood stability through its “protective affordability requirements and long-term commitment” (206). The model is particularly effective for people of color, seniors, women-led households, low-income households, immigrants, and other systemically marginalized households (ibid). Schneider et al. (2022) argue that CLTs are better-positioned to “disrupt patterns of race, gender, and class inequality in housing access and outcomes because they treat housing and land as a collective, or

social, matter rather than a private, economic one”. Some researchers have sought to understand whether CLTs, like other forms of affordable housing, influence social determinants of health. Rose et al. (2023) found “a clear pathway between CLT homeownership and mental health benefits for residents in the form of reduced stress and anxiety” (394). Most recently, CLTs have also emerged as a recurring response to climate-driven disasters like wildfires and flooding that decimate already strained housing supplies (Sommer and Kellman, 2024).

Yet the CLT model is not free from critique. Chapple et al. (2023) summarize recent research that found CLTs

“serve more moderate-income than lower-income households, which may limit their ability to prevent displacement of communities most at risk. In a 2011 survey of CLTs by Grounded Solutions Network, an organization that promotes affordable housing, researchers found that 55 percent of CLTs served households at 80 percent of the area’s median income (AMI), another 30 percent served households at 120 percent AMI, and none served those below 50 percent AMI (Thaden 2012)” (Chapple et al., 2023, 206).

Yet I will argue my findings suggest, rural Pacific Northwest communities with high costs of living have urgent housing needs for those earning 80-200% AMI as well as for those earning below 80% AMI, and the model’s documented ability to effectively serve moderate-income households may be hamstrung by the very requirements of the public capital CLTs receive.

Since the 1990s, most emerging CLTs have also increasingly narrowed their missions from that of New Communities, Inc. to focus specifically on affordable housing. These younger organizations often downplay the historical CLTs’ insistence on community control and hyper-local political action, in turn moving away from their roots as organizations focused on “powerful community empowerment and mobilization” (DeFilippis et al., 2018). DeFilippis et al. (2018) argue this trend “leads to the continued disempowerment” of the very communities the CLTs intend to serve. Cahen et al. (2022) suggest that CLTs may also perpetuate the negative

impacts of speculative private property markets (403). They write, “[The CLT] can fail to question the political economic forces that normalize precarity to begin with... Might CLTs gain more by explicitly challenging the speculative development that gives rise to a need for affordable housing in the first place?” (403, 407). In other words, DeFilippis et al. suggest, CLTs work and innovate within (and thereby may maintain and maintain) existing systems of inequity.

By design, CLTs also limit the amount of financial equity their homeowners can earn during their tenure as a resident. As research has shown, CLTs serve (or intend to serve) systemically housing-insecure and otherwise marginalized communities. While these populations may struggle to access affordable homeownership outside of a CLT, the model nevertheless constrains the amount of financial equity CLT homeowners can accrue, potentially perpetuating systemic financial inequities that disproportionately impact people of color, single mothers, disabled people, and the elderly (Williams, 2019). However, as Brown (2024) counters, suppressed equity accrual may be offset by the fact that CLTs maintain resale price affordability in perpetuity, guaranteeing equity to future limited-income households and assisting many more people over time than most other affordable housing programs.

There is a small amount of available research specifically on rural CLTs, and this literature is almost entirely focused on U.K.-based organizations (Paterson and Dunn, 2009; Satsangi et al, 2019; Gallent et al., 2011; Gallent et al., 2019; Moore, 2018; Moore, 2021). Yet despite its U.K. context, Moore’s (2018, 2021) work in particular provides important insights into rural CLTs’ approach to development and financing. Moore (2021) concludes that CLTs in rural areas are distinct from their urban counterparts in that these organizations “perform a dual role as affordable housing provider on one hand, and as a vehicle through which communities can be influential in local housing planning and delivery on the other” (23). Moore (2018)

summarizes the challenges faced by rural CLTs in the UK when accessing financial capital, noting that small, sparsely staffed organizations often lack the technical expertise and resources to independently apply for funding. He suggests this compels most rural U.K. CLTs to pursue partnerships with more established housing associations that can offer the necessary professional expertise and administrative support. Moore (2021) also observes that “different forms of place attachment motivate the formation of rural community land trusts and manifest in the individual voluntarism that underpins their growth and development” (2021, 23). In some cases, CLTs are able to acquire resources by leveraging such forms of place attachment, whether by galvanizing local connections, securing support from landowners, mobilizing community backing, or aligning with local values and attachments. These factors contribute to rural CLTs’ success in raising funds, acquiring land, and completing their housing development goals (26-27).

There remains a pronounced lack of literature investigating the different possible sources of land as a capital asset for housing nonprofits and whether (and how) such land awards might influence the program designs and goal outcomes of their recipient organizations. However, the influence of financial capital on nonprofit organizations — and on housing nonprofits in particular — is better understood. The source of a nonprofit organization’s funding—public and/or private revenue—has been widely shown to impact both operations and mission-oriented activities. Freedman et al. (2013) observe "funding levels can influence many aspects of program continuity" for nonprofits. Buechel et al. (2007) note that “multiple revenue streams have been shown to create inefficiencies for nonprofits... [such as] the impact of non-uniform administrative and reporting requirements” (as cited in Vaughan and Arsneault, 2014). Vaughan and Arsneault (2014) caution that “the potential risk [to nonprofit organizations] associated with the pursuit of resources is that it could lead to mission drift”. These authors outline the benefits

and limitations of both public and private funding. Of public funds, Vaughan and Arseneault observe:

“Government grants and contracts represent a carrot and stick approach to public policy implementation. Governments use the enticement of grant funds to encourage nonprofit provision of a prescribed set of public goods and services; likewise, governments attach requirements to the receipt of the funds to enforce compliance with a broad range of requirements” (214).

Meanwhile, regarding private funds, the authors add:

“Risks with major gifts may arise when the donor seeks too much control over the funds donated or when the donor stipulates a use of the donation that is contrary to the mission of the organization” (200).

Williams (2019) raises concerns that “the CLT model (as it is typically implemented) is not financially self-sustaining”. They argue that ground lease fees are insufficient to cover both operations and development; as a result, “funding a CLT’s operations then becomes one of the primary motivators of the organization” (ibid.). Williams (themselves a researcher and an executive director of a Midwest CLT) suggests CLTs must choose whether and how to pursue different sources of available capital, whether and how to invest this capital in development or operations, and with what goals in mind. They also caution that a nonprofit’s overreliance on public funds risks altering the organization’s goals and focus:

“Just the administrative burden of meeting the conditions of [public] funders requires paid staff, office equipment, budgeting software, and professional skill sets beyond the capacity of many grassroots organizations. Once they grow to the capacity to handle grant application and administration tasks, many organizations find their goals totally transformed to meet the goals of their funders and their energy for grassroots organizing channeled into bureaucratic work” (ibid).

Williams (2019) encourages communities interested in retaining control of their priorities and organizations to “look to innovative funding models that reduce their dependence on grants and instead source capital from community investors.”

Research specifically focused upon housing nonprofits provides clear evidence that financial capital can influence these organizations and their programs, goals, and outcomes. Developing affordable housing is often “accomplished by stitching together a complex array of subsidies and financing sources” (San Francisco Planning Department, 2020). Williams (2019) reports that as U.S. Department of Housing and Urban Development “funding dwindles, securing coveted HOME [Investment Partnership] or Community Development Block Grant (CDBG) awards has become a highly competitive process requiring formulaic objectives, exact budgets, and absurdly regimented financial record-keeping practices” (Williams, 2019). Wiener (2006) determined that “to survive in this highly competitive era of limited [federal, state, and local] resources,” many housing nonprofits make intentional operational changes to “development activities, staffing patterns, target populations and service areas in order to best respond to the new competitive challenges” (363).

Yet Davis (2010) argues that CLTs and other shared equity models are particularly well-suited to navigate a complex web of public funding sources because these organizations can “adapt to... shifting requirements”. Moore (2021) agrees, citing how rural CLTs can adeptly leverage “place attachment” (the organizations’ social, emotional, physical, and political connections to a particular community in a specific location) to “define and target beneficiaries and acquire resources to facilitate affordable housing development” from a diverse range of sources (21). However, several researchers have raised concerns that a CLT’s funding source(s) can and often do dictate the CLT’s mission, scope, and focus. Williams (2019) argues this susceptibility to influence is inherent to the CLT model itself. She writes, “the challenges faced by the CLT movement are primarily the result of two specific problems: the model’s dependence on external funding, and the stipulations for receiving that funding” (Williams, 2019). DeFilippis

et al. (2018) cautions that both government funding and private foundation funding may discourage or simply not allow for the community control of the CLT model's traditional governance structures. Schneider et al. (2022) observe that private donors might pressure small CLTs within a given region to merge, losing the organizations' hyper-local impact in their communities. But because these scholars have largely focused their research on urban CLTs, there remains a notable gap in the literature regarding the specific influence of different sources of both land and financial capital on rural CLTs — despite the substantial number of rural CLTs that have emerged in the Pacific Northwest alone in the last decade. In order for these organizations to be most strategic in what sources of capital to pursue for their operational and development needs, and in order for funders and donors to successfully accomplish the intended impact of their award or gift, we require a much better understanding of how sources of capital can and do influence rural Pacific Northwest CLTs.

Methods

As discussed above, my research methodology is rooted in constructivist grounded theory. Following Charmaz's (2006) recommendation of a "flexible, interpretive approach," I chose to triangulate my data to encourage discovery and avoid objectivist assumptions (Creswell, 87). My triangulation involved interviewing twelve subject-matter experts affiliated with nine rural CLT sites; observing and participating in NWCLTC's The Gathering '24, a professional development conference for Pacific Northwest CLT stakeholders; and analyzing both primary and secondary sources. I also validated my data in conversations at The Gathering conference, as well as by checking my findings and theories in earlier drafts against the presentations and data shared during specific conference sessions. Finally, I used member-checking to further validate my grounded theory by asking interviewees to review and provide feedback on an earlier draft of

this essay. Several participants responded to clarify their quotations, and those edits are reflected in this version. I am also particularly grateful to the BACD and MAHT interviewees for their close reads and their extensive, constructive feedback on drafts, much of which I also incorporated into this version.

Crabtree-Hayes (2023) notes that CLTs translate “broad community aspiration into a range of design, planning, and development outcomes” (169). Within the model, there are no fixed parameters of what must constitute a CLT’s program design, goals, nor outcomes. According to constructivist grounded theory, such “open, adaptable” categories are to be expected (Creswell, 2013, 90). Charmaz (2006) eschews “prescribed categories of information” in favor of definitions that are socially and systemically situated within larger contexts, relationships, and interactions (ibid). Throughout this study, the interview subjects defined their own organizations’ programs, operations, goals, and missions. I did not prescribe definitions of operational nor development-related concepts during the interviews. Such a “flexible, interpretative approach” best accommodates the wide variety among my nine rural CLT sites and allows the sites and subjects themselves to determine whether and how there is influence from sources of capital, and upon what aspects of their organizations (87). Throughout this study, the categories which CLT interviewees interpret capital influences upon their organizations are “local, relative, historically based, situational, and contextual” (Puddephatt, 2006, 9).

Per constructivist grounded theory methods, both my sites and my participant categories were emergent and flexible. I initially selected six representative Pacific Northwest rural CLT sites, and this first sample was purposefully incomplete. I then used a snowball method of additional sampling wherein I asked affiliates from the original representative sample to refer me

to additional sites and interview subjects³. In total, I interviewed seven rural CLT executive directors, two rural CLT staff members, one independent CLT consultant, one CLT board member, and one board member of the Northwest Community Land Trust Coalition (NWCLTC, the professional development, capacity-building, and legislative advocacy membership group for CLTs in Alaska, Idaho, Montana, Oregon, and Washington). The interviews were semi-structured (see Appendix B) and conducted over recorded Zoom video calls which I later transcribed and coded using Atlas.ti software.

All interview subjects consented to their full names and organizational affiliations being used in this study. It would have been difficult to successfully disguise the identities and affiliations of my interviewees, not only from curious readers but particularly from one another, as the Pacific Northwest CLT community is an intentionally tight-knit group, and most organizations have 6 or fewer staff members. CLTs affiliates are proudly a self-declared “open share community,” as the Chelan Valley Housing Trust (CVHT) executive director notes. “We have to share information and share best practices,” he says. “Or else it’s gonna be recreating the wheel every step of the way.” Because of the sites’ fundamental willingness to share knowledge and skills (such information, in both formal and informal capacities, is a main resource with which new CLTs often begin), my interview subjects were unanimously comfortable consenting to their full identities being revealed in this study. Yet nearly all subjects also told me, without prompting, that in their responses they were speaking for themselves about their organizations rather than speaking on behalf of their organizations. Many interviewees were also careful to acknowledge their responses were situated within a particular place (the state(s) in which their

³ See Appendix A for Subject Outreach and Consent Materials

Some Strings Attached (Kovitz)

CLT operates) and time (interviews were conducted in February through April 2024). For the reader's sake, I have assigned an acronym to each site or affiliate.

Table One: Interview Sites and Affiliate Interview Subjects:

Name of CLT or Organization (and acronym)	Location	Interview Subject Category	Number of Years CLT in Existence	Number of F/T CLT staff	Number of Homes for Ownership in Portfolio as of June 2024
ARCH Community Housing Trust (ARCH)	Blaine County (Ketchum and Sun Valley), ID	Executive Director	20	4	12
Big River Community Land Trust (BRCLT)	Hood River, OR and Klickitat, WA	Executive Director	5	1	0
Burlington Associates in Community Development, LLC (BACD)	N/A	Principal/Consultant	N/A	N/A	N/A
Chelan Valley Housing Trust (CVHT)	Manson and Chelan, WA	Executive Director	5	2	13
Lopez Community Land Trust (LCLT)	Lopez Island, WA	Executive Director	35	4	47
Methow Housing Trust (MeHT)	Methow Valley (Winthrop and Twisp), WA	Executive Director and Board Member	7	4.25	49
Moscow Affordable Housing Trust (MAHT)	Moscow, ID	Executive Director	15	0.5	9
Northwest Community Land Trust Coalition (NWCLTC)	N/A	Board Member	N/A	N/A	N/A

Olympic Housing Trust (OHT)	Jefferson and Clallam Counties, WA (Olympic Peninsula)	Staff Member	18	2	4
OPAL Community Land Trust (OPAL)	Orcas Island, WA	Staff Member ⁴	35	7	110
Sitka Community Land Trust (SCLT)	Sitka, AK	executive director	10	1.5	9

I was awarded a scholarship by NWCLTC to attend their event, The Gathering ‘24, from May 6-8, 2024 in Walla Walla, WA. The Gathering is an annual professional development conference for Pacific and Inland Northwest community land trusts, their affiliates, and their partners. The scholarship covered my full cost to attend the conference, two nights’ lodging in the conference hotel, and meals. Throughout The Gathering, I took field notes during six panel presentations, connected with interview participants for follow-up questions and clarifications, and took additional field notes during an informal round-table discussion to advise the new Lahaina Community Land Trust from Maui. The Gathering was an invaluable opportunity to conduct field research as well as both triangulate and member-check my data and emerging theories.

During data coding and analysis, I strove to avoid a positivist method that drifts towards “a single process or core category” (Creswell, 87). Charmaz (2006) cautions against coding for predetermined or “prescribed categories of information” in favor of adaptable, emergent

⁴ The OPAL staff member I interviewed is also an experienced consultant for CLTs across North America. As a result, she was able to provide responses that were sometimes specific to OPAL and sometimes more broadly in reference to rural CLTs and/or the CLT model at large. I made a concerted effort to ensure I understand when she was speaking about a specific CLT and when she was making more general points.

categories that are socially and systemically situated within larger contexts, relationships, and interactions (Creswell, 90). So while I began by open-coding my data to discover possible themes, patterns, causal conditions, and effects, I also encountered themes that a respondent or a panel during The Gathering conference made explicit that had previously been either implicit or presumed in my earlier analysis (Puddephatt, 2006, 14). Such interactions with new interview subjects led me back to new lines of inquiry and codes in my existing data. As a result, my interpretative data was iterative and exploratory, and I often member-checked my developing observations and inferences with other interviewees during our conversations to triangulate both my data and analyses.

Results and Analysis

The twelve interviews I conducted for this study reveal the rich potential variations within the CLT model. The table on page 29 shows the site organizations' varying time in operation, number of staff, and number of homes in their portfolios. While each site CLT operates as a 501(c)3 nonprofit, there are broad differences as to how they achieve their missions and accomplish their operational and development goals. As the executive director of Big River Community Land Trust (BRCLT) explains, "I think that's kind of the beauty of the [CLT model]. It can be flexible because you have to be. Every area is just a little bit different and people have a little different mindset about what they want to see and have in their community." While it's beyond the focus of this study's research question to provide an exhaustive summary of how each site operates, it's worth noting a few examples to demonstrate how no two sites deploy the CLT model in the same way, and to subsequently better understand whether and how sources of capital influence the site CLTs.

The executive director of Lopez Community Land Trust (LCLT) summarizes a theme evident in how most sites seemed to determine how they accomplish their goals in service of their missions: “We are opportunists. Within our purposes, we are opportunists and partners.” Some site CLTs limit their homes to those buyers earning 80% or less of area median income (AMI), while others cap their buyers’ AMI at 100%, 120%, or 150%. Several sites had residency requirements for homebuyers (typically bounded by county limits), while others did not. BRCLT is a rural CLT operating in two states (Oregon and Washington), and the Moscow Affordable Housing Trust (MAHT) is preparing to do the same (they currently operate in Idaho and plan to operate across the border in Pullman, WA). All other sites operate in a single Pacific Northwest state. To develop new homes, MAHT has partnered with the University of Idaho’s graduate architecture program to build and design several homes; Methow Housing Trust (MeHT) works with a local general contractor and issues RFPs (requests for proposals) from architectural designers; LCLT is their own general contractor to keep their costs down. Some sites like LCLT and Olympic Housing Trust (OHT) prioritize environmental sustainability in their home and community designs, while other sites like MAHT and Chelan Valley Housing Trust (CVHT) prioritize infill and higher density development. There are sites simultaneously operating both homeownership and home rental programs, some offering only homeownership programs, while others offer housing, commercial, and small-scale agricultural programs.

My interviews reveal remarkable variety among the strategies sites use to procure capital. MAHT’s executive director summarizes the importance of such strategies, saying “The two pivotal pieces are where does the land come from and where does the money come from? And if you can answer those, you can build housing. But those are two onions to unpeel.” A newly formed CLT, BRCLT has received “mostly private donations to-date”, while MeHT is unique

among the sites because it is 100% privately funded. A staff member at OPAL cautions, “If you're not prepared to fundraise, you're not going to be able to develop any housing. There are not enough public resources to get a single unit of housing on the ground. So you have to be prepared for some private capital investments.” She adds that at OPAL specifically, “the resources just haven't been getting any bigger, even though the costs have been skyrocketing... It used to be that, you know, you could layer a couple of sources of funding. And now we're layering dozens of sources of funding.” SCLT and BRCLT both receive donated land parcels from their local municipalities. At ARCH Community Housing Trust (ARCH), the executive director shares that they have “been partnering with large area employers [like the school district and the hospital system] to provide employee housing for them. And in those partnerships, we're typically looking for an agency that can provide either land or... financing, and we only have to bring the other half to the deal.” LCLT prefers to own land “free and clear.” To do so, LCLT’s executive director explains, “typically I have either reached out to people and asked them if we could purchase their land or a couple of people have come to us and said, ‘I have some land’”. CVHT acquired the largest piece of land in their portfolio by trading plots with a local developer who wanted to build a new community center. The Chelan-based nonprofit swapped two acres located on the regional highway for more than seven acres of flat, buildable land more conducive for a neighborhood.

Despite the many differences in how the sites operate, they share remarkably common goals and pursue similar missions. Most sites’ goals included language such as “permanent affordability,” “community-oriented,” “stability,” “stewardship,” and “home ownership opportunities.” MeHT’s executive director paraphrases their mission, and it can easily be a paraphrase for the other sites’ missions: “we're trying to create housing security for our

community and avoid displacement of people who otherwise have been able to thrive here until the housing market caused disruption” (Executive Director, MeHT). BRCLT’s goals closely resembles those of MeHT’s, as their executive director explains,

“Our mission is really to create a supply of housing here in the [Columbia] Gorge area that is attainable, affordable, however, you want to term it, for the people who live and work here so that they can actually remain in the community that they live, where their kids are going to school, where they're retiring, and just kind of keep the area diverse and vibrant... Specifically we're focused on serving those who earn too much for government subsidies but who are still priced out of the local housing market.”

CVHT more specifically defines who is being displaced and whom they are serve:

“Our mission is to build stable and secure housing for the wage earners of the Chalan Valley... We want to provide workforce housing. We're losing our workforce quickly and we need to keep that intact. We need to have housing for this in order to to be successful. It's very difficult to have a job for someone but not a place for them to live.”

MAHT’s goal is also to “create more houses faster for Moscow’s workforce.” Sites also focus their missions to create permanently affordable housing within delineated places and for the peoples who live within those places. For example, SCLT’s mission “is to create affordable housing ownership options for Sitkans, for people in Sitka” (emphasis mine). OHT’s mission is “to work to provide permanently affordable housing to communities of the North Olympic Peninsula” (emphasis mine).

While the CLTs in this study may pursue their operational and development goals using diverse strategies, there are nevertheless clear and recurring themes throughout the data. Results suggest a grounded theory of the robust, complex influences that sources of capital have on the site CLTs.

Public Sources of Funding

“One developer described funding for housing as a grain cart and [CLTs] are the barnyard animals that follow the grain wherever the funding is and whatever it leans toward. That's what

we do, 100%.” — Executive Director, ARCH

In all twelve interviews, participants are adamant that public sources of financial capital influence their organizations in multiple, specific ways. They unanimously cite limits on CLT homebuyers’ area median income (AMI) as the dominant influence upon their organizations and their ability to fully serve the spectrum of housing need in their communities. As the OPAL staff member notes, “We wouldn’t restrict our homes to 80% of median income if it weren’t for the funding sources. So I don’t think anyone can tell you that [public funding sources] don’t influence [CLT] program design because they *dictate* program design” (emphasis mine). The H.U.D. HOME Investment Partnerships Program is the largest federal block grant specifically intended to create affordable housing for low-income populations. Since the 1990s, the HOME program has restricted the use of its funds to “low-income populations,” those households with gross incomes at 80% AMI or less. The flexible HOME program awards “formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership” (H.U.D., 2024). Each state has a housing finance agency (HFA) that oversees and administers HOME fund allocations. A CLT applying for HOME funds, particularly those that operate in rural areas, will typically do so through their state’s HFA, and any CLT that receives these public dollars must ensure the grants are only applied towards programs serving homeowners who earn 80% AMI or less (Brown, 2024).

Yet as we know from the consequences of amenity migration, remote-work migration, and geographic constraints, the rural areas in this study have community housing needs that far exceed the 80% AMI cap. The NWCLTC board member interviewee says, “of course, there is a need for affordable home ownership for households below 80% [AMI]. But there’s a need from

80% to — given what the median home prices are, given what interest rates are, given how much of a down payment you would need — there is really a need up to 150% or 160% [AMI] to afford the median priced home” in growing Pacific Northwest rural areas. The CLTs in this study do not include specific AMI caps in their mission statements or goals; in fact, as we’ve seen, multiple sites name “workforce housing,” “workforce,” or “middle income housing” in their missions. Yet many interviewees admit that they are not able to serve workforce households in their communities because of public funds’ AMI limitations. The BACD consultant notes that federal and state money “constrains some of the [CLTs’] efforts in some of the more expensive markets,” particularly in rural areas. SCLT’s executive director says, “It’s easier to find [public] money for people who are earning less than 80% of AMI right? But our [housing] problem isn't at 80% [AMI] and lower, our problem goes up to 120% of AMI, our mission allows us to serve people up to 120% [AMI]... So the funding is better for people below who we need to serve.” In a project-specific example, the OHT staff member interviewee shares similar frustrations, explaining, “a household really must earn upwards of 200% in order to afford to buy a house in our housing market.” To meet these rapidly rising housing costs in their community, OHT wanted to expand the AMI of those they served with a new development called Dundee Hill, but were hamstrung by their public financing in-hand. Their staff member continues, “we want to do higher AMI projects and intended to do a higher AMI project with [our new] Dundee Hill project... But we'd already accepted, you know, hundreds of thousands [of dollars] based upon an 80% [AMI] limit” for the project. So the OHT Dundee Hills homes will not be available to buyers earning more than 80% AMI, despite the area’s critical need for housing for middle income earners. When sites accept public funding with AMI restrictions, they sometimes struggle to serve their target populations and thus fulfill their missions.

Several interviewees admit the AMI limits influence the very homes their organizations build and the neighborhoods they develop. CVHT's executive director explains,

“There are various grants that come down through the county or state that have stipulations that certain amount of homes [in a development], or, you know, half the homes [in a development] have to be for 80% AMI or less. And so as we're designing our [latest] community for 66 homes, as those [public] grants come in, that actually changes the designs of our homes. They go from, you know, 3-bedroom homes that are only buildable for a price that is obtainable to someone at 110% or 120% AMI. And now we can't build as many of those, because we have to meet the [AMI] criteria for this grant. And so now we have to build X amount of town homes that are 2-bedroom, 1-bath that can be built for a price that is obtainable to somebody at 80% AMI. And so as the grants change, our physical layout for our communities also change. And that doesn't necessarily fit what our community wants” (emphasis mine).

Yet with current high interest rates, rising labor and building material prices, and increasing infrastructure costs, it is more difficult for site CLTs operating in high-cost areas to keep their homes priced affordably for buyers earning 80% AMI or less. If an 80% AMI homeowner cannot purchase a CLT home already subsidized with public dollars because the cost to build the home is too high, then the CLT must look for additional subsidies (more and different funding sources) to lower the home's sale price to what the AMI-qualified buyer can afford. MAHT's executive director brought this issue to my attention, wondering,

“Can we actually construct the house for the cost that we must sell it? And one of the constraints is since we're doing it on trust land and that land is partly paid for with federal money, 80% AMI is baked in. If there wasn't the 80% AMI baked [in], then we could consider whether we could build for a different income group”.

To work around public funding's AMI cap, many sites are compelled to diversify their sources of capital. Over the last 35 years, OPAL's portfolio of homes has evolved to accommodate a wide variety of AMI requirements. Their staff member says, “We do not have a [single] AMI parameter. We have homes that have different AMI parameters because they have different funding sources in them.”

There are limited sources of public capital with higher AMI limitations, and the site CLTs made use of these sources whenever possible in order to serve the broader need. For example, during the height of the COVID-19 pandemic, states like Idaho and Washington used their American Rescue Plan federal dollars to prioritize housing stabilization and affordability. The executive director of ARCH recalls, “We were the largest recipient of our county's ARPA funding... So we received \$990,000 of ARPA funds and that is allowing us to serve up to 140% of area median income.” Since 2018, the rural island communities of Washington’s San Juan county have used a real estate excise tax “for financing acquisition, construction, and operation of affordable housing facilities for persons with low/moderate income or those with special needs” (WADOR, n.d.). OPAL and LCLT make use of these county funds, which have an AMI cap of 115%. For OPAL, this excise tax (paid for by market-rate homebuyers in the county) translates into “\$225,000 or so per unit” of subsidies for the Orcas Island CLT’s newest housing development. In Washington state, the Department of Commerce administers HOME funds via the state’s Housing Trust Fund. In the last year, the Washington State Department of Commerce increased the Housing Trust Fund cap for rural-specific housing programs from 80% to 100% AMI. OHT, OPAL, BRCLT, and CVHT all cite this recent 100% AMI cap increase for rural projects as a positive change that allows them to more successfully fulfill their missions in their unique communities. In fact, the staff participant from OHT notes he “was hired to write grants specifically for the Housing Trust Fund... the primary source of housing funding for home ownership” for OHT following the Washington Department of Commerce’s rural AMI cap increase.

In addition to the AMI requirements, federal public funding typically comes with rules regarding the vendors and contractors recipient organizations must hire and the populations they

must house. For example, HOME funds must adhere to Section 3, which “requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons” (H.U.D., 2024). This means that HOME funding recipients are required to hire registered Section-3-eligible contractors or adequately demonstrate that their region does not have sufficient registered Section-3 businesses to fulfill this requirement. Depending on the year HOME funds are awarded, they may also have requirements for recipients to provide state prevailing wages, sell homes to a percentage of women or minority buyers, or other similar rules. These stipulations are sometimes particularly difficult for rural CLTs to follow and report; small communities may not have any registered Section 3 businesses, or amenity migration may have gentrified the community to the point where there are fewer minority business owners and/or homebuyers. As the executive director of ARCH explains,

“We'll try to never not use Federal money, but every single year it gets harder... And it all comes from a rational, thoughtful idea... in Congress. But by the time it gets implemented, it's a heavy lift for us. So the Federal government requires their funds for housing prioritize Section 3. Great idea! Well, then, you have to fill out all this paperwork associated with it (even if there aren't any registered Section 3 businesses)... And it's well-intended, but wildly unhelpful.”

BRCLT's executive director shares similar experiences the influence of such public capital requirements on her nascent organization:

“In [public] funding these days, they wanna see a certain percentage go towards minorities. And it's not a bad thing. We want to make sure we are serving those populations... So that's also a big part of what I'm focusing on is trying to get input from those communities to get that engagement and just reach out and kind of share what we're looking to do, and also just building that trust. And building trust takes time. So sometimes getting that [public] funding and saying, 'Hey, this is what we're trying to do, but it's going to take us a little bit to get there'... But [not having these relationships with minorities in our community yet] can still stand in the way of us being able to get funding

in general, or as much funding as we would really need for a project.”

Section 3, AMI caps, and other federal funding requirements create substantial reporting and other administrative burdens for the site CLTs, their small staffs, and their volunteer boards. The executive director of ARCH shares, “You take the federal money, and that's when the real headache begins. It's like dancing with the devil.” She says that meeting the requirements of federal funding consumes a great deal of ARCH's four staff members' time. Almost every interviewee notes the research-, application-, and reporting-related workloads required when accepting public funding, particularly federal awards. The OHT's staff member explains,

“[Public funding] can severely limits our ability to generate housing quickly because of the process for which we have to go through to get it, and then the execution of it, and the reporting aspects of it, and all the other compounding effects of what it means to accept public money. They are just so much for our organization.”

SCLT's executive director estimates that the organization spends a third of their 1.5 FTE staff time on applying for and reporting on public funding. He recounts,

“The Alaska Housing and Finance Corporation...its programs are complicated. We've secured our first funding from them in recent weeks. And it was a ton of work to get a pretty small amount of money, but it's opening the door to other funding streams, and we're going to learn how because we have to.”

Public funding's AMI requirements and administrative burdens are among the primary motivations for MeHT to pursue a 100% private funding strategy; the only exception was when MeHT pursued a WA state Department of Commerce grant to cover some connection fees to local water and sewer. But as their executive director explains, MeHT only applied for that particular public grant “because it wasn't gonna limit who we could serve...and it basically doesn't require any sort of paperwork.” Public funding rules and requirements appear to constrain these nine CLTs in several tangible and impactful ways, including whom they can serve and how effective and efficient they can be.

Interviewees did share what they describe as beneficial influences of public financial capital on their organizations. During the course of this study, SCLT received a “potentially transformative” \$2.17 million in Congressionally Directed Spending (CDS) funds within the 2023 Consolidated Appropriations Act (a federal omnibus spending bill). U.S. Senator Lisa Murkowski of Alaska advocated for SCLT to receive CDS funds with which the nonprofit plans to build a rental apartment complex in Sitka. The rental income from this project is intended to be a major, sustainable funding source for SCLT in the long-term. Other site CLTs use public financial capital to hire staff. BRCLT was able to hire the organization’s first executive director (and sole staff member) following an award from Oregon Community Housing Services (OCHS). The new executive director explains, “[OCHS] actually funded my position for the first year. So that allowed [BRCLT] to be able to hire and bring me on board to move the program forward. And then I’m responsible — I have to find funding to keep myself going after this”. Notably, the public capital that sites use to hire new staff is not typically recurring, which may in turn contribute to the organizations’ administrative, fundraising, and staffing burdens in subsequent years.

According to interviewees, another positive influence of public financial capital is an ability to invest the funds in land development and infrastructure expenses. Participants unanimously agree that the costs related to land development and infrastructure (installing and/or connecting to water, sewer, stormwater, and electricity) are some of the greatest challenges their CLTs face in keeping their homes affordable for their homebuyers. In the sites’ geographically constrained rural areas, land development can result in the need for higher subsidies to make their housing projects feasible. As a result, several sites take advantage of state and federal grants specifically intended for land improvement projects. The executive director of MAHT explains,

“I gotta come up with the funding for land and the funding for all the improvements. And so it's just an expensive enterprise... We use federal SHOP [Self-Help Homeownership Opportunity Program] money.” MAHT put SHOP dollars towards their acquisition funds for a 17-lot parcel they purchased and developed. Meanwhile, in Washington state, there are both statewide and county-specific funds available for affordable housing land development. OHT's staffer mentions the 2021 Connecting Housing and Infrastructure Program (CHIP), which helps their organization fund various utility improvement projects through grants and incentivized fee-deferral programs administered by local cities and counties. In Washington's Chelan County, the Chelan County Board of Commissioners passed a 2021 law establishing the Cascade Public Infrastructure Fund (CPIF). CVHT's executive director speaks highly of this rotating fund, which is funded with existing revenues from the sales-and-use tax for public facilities, and which is distributed to a small number of qualifying providers who serve economic development and affordable housing needs in the county. Chelan County's CPIF funds enable CVHT's home pricing formula, as their executive director share,

“CPIF allows for land acquisition and infrastructure, but nothing vertical. You can't use it to actually build the home, but you can buy the land and put in the utilities and that kind of thing and get it build-ready, which is perfect for us, because once we're at build-ready, the financing from the bank to build landscape and plug into the utilities is the same as somebody can actually afford.”

For several sites, the specificity of public fund allocations for land improvement projects help the CLTs avoid otherwise prohibitively high land improvement and infrastructure costs, in turn requiring fewer additional subsidies necessary to price the home at an amount their qualified home buyers can afford.

Public Sources of Land

Several CLT sites in this study have received lands donated by their local municipality. Others purchase municipal land at a discounted rate from the seller. OHT, BRCLT, SCLT, CVHT, and ARCH have all procured land for their portfolios from public sources. The BACD consultant hypothesizes that local jurisdictions including counties and cities may have more flexibility awarding land than funding. Rural municipalities may also have more land than funding to contribute to their local CLT, especially if there are multiple housing nonprofits in the community competing for limited funds. SCLT's executive director believes that public jurisdictions also give land to CLTs because "a community land trust as a nonprofit is a more politically palatable place to put municipal and state land than a private developer where somebody's gonna make a lot of money." Public land-owning employers can also benefit by donating land to their local CLT. In Blaine County, Idaho, the public school district had 31 positions for which it could not recruit due to lack of affordable housing for potential employees (Nowlin, 2024). The school district partnered with ARCH, donating the land upon which the CLT built and now stewards rental housing specifically for district employees. When the site CLTs receive public land for free or at a deep discount, the organizations often then have more financial capital with which to invest in improving neighborhoods and communities. MAHT is building higher density housing on the public lands they have received from local jurisdictions. At CVHT, neighborhood improvement also manifests as higher density, higher quality housing in Chelan's downtown core:

"A lot of our projects have been infill in the downtown corridor. Removing homes that are in need of either a teardown or a massive remodel, and then putting in higher-density projects — taking out one home and putting in six...things of that nature. And so there's a lot of old-town Chelan that can use a little elbow grease, if you know what I mean. And so... we are really focusing a lot of these infill projects in the downtown corridor so people have the opportunity to walk to work, walk to mass transportation" (Executive

Director, CVHT).

Interviewees were clear that they deeply appreciate the public lands their organizations receive, and that many of their housing projects are predicated on such gifts and discounted sales. Yet many of the donated land parcels are not ideal, requiring mitigation efforts or legal disputes that cost the nonprofits time, money, and other resources. Environmental mitigation often prolongs the site CLTs' project timelines and increases their total project costs (in turn requiring the organizations to find more funding sources). BRCLT currently has one parcel of land in its portfolio, a small plot donated by the City of Hood River. Their executive director outlines why they accepted the donated plot of land from the City despite its less-than-ideal condition:

“It's just been sitting vacant, and it used to be part of the irrigation system for the county... I mean, as far as the piece [of land] we have right now, it's a really difficult piece to work with. And we're really trying to kind of squeeze a home on it and make it work because we just need to get one house in the program and kind of show people that we can do it. So we're kind of adjusting as we need to to make it work.”

The parcel, large enough for one home, required environmental cleanup prior to BRCLT building their first house. Their executive director continues, “there is a little shed that is full of asbestos. So we have to get that taken down. And then there is an irrigation pipe that actually runs underneath the lot. So we're trying to figure out how we need to manage that”. In addition, after the City of Hood River transferred the deed, BRCLT's Board of Directors discovered a deed gap between the city-donated parcel and the neighboring parcel, with a neighbor's driveway encroaching onto their newly received plot. It took BRCLT a year-long legal dispute with the neighbor to settle the deed boundary issue with an easement for the neighbor's driveway. While the City covered most of BRCLT's legal fees by using city attorneys for the case, the dispute

further delayed BRCLT's first home build and valuable opportunities for proof-of-concept fundraising.

In Sitka, the local municipality has donated several parcels of land to SCLT, including a plot of land that also came with challenges. "They gave us a large parcel and a report that said it was clean. It wasn't... At first we had to clean the contaminated site before we could install utilities...And so that took a couple of years just to get through" (Executive Director, SCLT). SCLT accepted the municipal land donation despite the required mitigation efforts, because, as their executive director recalls, "it was a level site with good access to schools and town and stores and level ground. This is a shortage here [of good land]...and they gave us a large parcel." However, for SCLT, it was "really hard to raise money to clean up contaminants put in by a municipality who won't help...That's a tough ask [of donors]."

Lack of infrastructure (water, sewer, electricity), infrastructure installation costs, and connection fees are additional factors that the site CLTs contend with when navigating publicly sourced lands. BACD's consultant admits that "a real consideration, especially in rural area communities, has to be given to public infrastructure or lack thereof." The executive director of ARCH asks and answers a key question, "When is free land not actually free? When you have to tunnel to the middle of the street and tap into the mains and all that, right? But it's still less expensive than buying the land, at least in our community." BRCLT cited their local jurisdictions' aging and insufficient existing infrastructure as major barriers to accepting parcels of land from city and county sources. On the one hand, BRCLT is focusing on building "housing around the already existing larger cities, partially for infrastructure, partially because that's where the jobs are, because we're trying to keep people closer to where they're working so they're not having to commute an hour one way" (Executive Director, BRCLT). On the other hand,

“a lot of these cities out here [in WA and OR Columbia Gorge] are needing to upgrade some of their infrastructure... So I know the City of White Salmon has been increasing in one of their water systems for more supply. There's a couple of the smaller cities around that need to do upgrades on sewer or water as well, but they just don't have the funding to do that either. And again, that just takes time. So we're having to be pretty picky and choosy about where we can build [on public lands]. Which really means there's not a lot of options” (ibid.).

The lack of infrastructure has deterred MAHT from pursuing projects in the most rural areas of their community. MAHT’s executive director recalls,

“I have met with the county commissioners a couple of time and one of them says to me, ‘Well, you really gotta get out here in the county and do stuff.’ And it's like, ‘I tell you what: only if [the land you’re giving us] has got municipal sewer and water systems.’ I'm not gonna burden a modest income household with the risk of either a failed well or septic... Whereas the municipality may have a failed sewer system, but there's federal money to bail them out... So yes, I'm willing to look out in the county... but they're not ready. Some of them don't have adequate sewers. Some of them don't have adequate water. Some of them don't have any zoning codes that a guy could work with. It's like, ‘I'll help you think about all those problems. But until you solve those problems, you're not gonna get any houses built’” (emphasis mine).

As I explore below, the influences of public lands on the site CLTs are similar in some respects to those of private lands. However there are notable differences between the influences of private funding and those of public funding.

Private Sources of Funding

“We’ve been able to move at a fast pace because we're not waiting for [public] funding cycles, because we're not waiting for inspections by the litany of people that inspect when you have public funding. We're not doing prevailing wages. We're not forced into bid processes that would exclude our local builders whom we can pay at a more affordable rate... And our price per square foot, I am positive, is two-thirds what it would be if we went for public funding. It would just be more expensive to build. And it would take a lot longer if we took public funding.”
— Executive Director, MeHT (interview and 2024 conference presentation)

“I would say that the increased bureaucracy around federal money has also encouraged us to move into the private funding space.” — Executive Director, ARCH

The private funding that site CLTs receive largely lacks the formal rules and requirements of public funding. Thus private funding typically affords the organizations more

flexibility and responsiveness within the communities they serve. Relatedly, the burdens caused by public funding requirements in turn pressure the site CLTs to seek out more private funding to subsidize their projects and operations. The BRCLT executive director reiterates this point: “I mean, the nice thing with private donations is that, typically, they tend to be unrestricted...they allow us to be more flexible in what we do.” The BACD consultant also speaks of flexibility as a key influence of private funding: “I think they [private donors] tend to be very flexible. They like the general concept [of CLTs]. They like the real potential outcomes, and they tend to say, ‘Go forth and do good work,’ so they often don't have the same sort of constraints” as public funding sources.

Importantly, several interview participants note private funding is the necessary seed capital used to jump-start their organizations. Both the staff member at OPAL and the BACD consultant share that potential and emerging CLTs will often use private foundation grants or philanthropy to pay for consultants’ technical services, the initial year of a first staff member’s salary, or other start-up operational costs. Other sites use private financial capital to create an initial proof-of-concept housing project to attract additional capital investments. OHT leveraged “direct outreach to a local donor base” to “generate enough unrestricted project-based donations” to support their Dundee Hill development, which their staff member describes as “a project to rally around and showcase our distinctive approach to housing development.” BRCLT is similarly using initial private subsidies to convince potential future private and public funders that their organization is a worthwhile housing solution. Their executive director outlines this strategy, “ We're mostly focusing right now on raising private donations so that we've got a bigger base to pull from. And we're looking at getting future funding from the states [OR and WA government agencies], so we're gonna have to show them that we have that community

support” with private donations. Similarly, once MeHT had built and sold their first CLT housing development using 100% private donations, it put MeHT “into a position to have credibility within our community. So when we have other asks of the community, they’re willing to step up and give again” (Board member, MeHT).

For some sites, including ARCH, MeHT, CVHT, and OPAL, private funding allows the organizations to serve homeowners earning above 80% AMI. “What we found,” observes ARCH’s executive director, “is that there are a growing number of households earning too much for federally funded housing, but not enough to live here, and so our only option is private [funding].” The OPAL participant agrees that private funding helps CLTs overcome the 80% AMI restriction so they can serve the true breadth of housing needs in their area. She says,

“I talk about the 80% [AMI] cliff a lot, right? Just because you earn \$10 more a year [than those earning 80% AMI] doesn’t mean you don’t need housing, right? And so we have these artificial boundaries that have been created. That’s where private philanthropy can understand their role in shifting the boundary.”

The private funds that help site CLTs overcome the AMI limitations are overwhelmingly philanthropic donations; however, regional and community banks also offer CRAs, or Community Reinvestment Act loans and donations⁵, which often have higher AMI caps. CVHT specifically takes advantage of CRAs because these funds allow for projects intended for homebuyers earning up to 120% AMI.

⁵ The Community Reinvestment Act was passed in 1977 to both prevent redlining and “to help rebuild and revitalize communities through sound lending and good business judgment that benefits the banks and the credit needs of the communities they serve,” with a specific purpose of including low- and moderate-income neighborhoods and individuals (Office of the Comptroller of the Currency, 2014). “CRAs”, as these loans and donations are commonly referred to, are important for CLTs for two reasons. According to a 2019 report by Grounded Solutions, “the primary way shared equity borrowers access mortgage financing on relatively small loans is through banks working to meet their CRA obligations. A substantial number of our member programs also receive critical corporate support in the form of charitable donations to create affordable housing and homeownership opportunities from financial institutions that are seeking CRA credit” (Grounded Solutions, 2020).

For some sites in this study, private funding allows the organizations to pursue more creative or more risky programs within their model. In MAHT's partnership with the University of Idaho's architectural program, graduate students designed and built several homes for the CLT's portfolio. The construction loan for this project was privately donated by a university alumnus after MAHT's executive director told his graduate school partner, "You've got to provide the lending because I don't know anybody who's gonna lend to this crazy scheme [of students designing and building the home]." He continues, "That took [the university] a couple of days, and they came back. So we got a lender, and he's a great guy. And that money is, you know, loosey-goosey compared to H.O.M.E. [HUD] money."

MeHT is funded entirely by private dollars, and the organization's executive director says that their private financing strategy allows them to be as responsive as possible. She reflects,

"We have so much freedom with that money to pivot. If we suddenly have an opportunity to acquire a piece of land that feels important, and we want to pivot rather than, you know, build the next three homes, or the next four homes that we had planned in the pipeline, we have a lot of flexibility to seize opportunities when they feel important in our community."

Her board member agrees, who notes MeHT's private funding has allowed the nonprofit to weather the recent rise in interest rates — and to help their homebuyers do the same: "If interest rates go up, that means so do [homebuyers'] costs. Therefore, we can reduce our home prices. So again, with that [private funding], we're able to flex." This same board member adds that private funding also subsidizes MeHT's commitment to incorporating high-quality design and energy efficiencies into their new construction, as well as helps MeHT sustain a fast pace of development for a rural community of their size.

Private financial capital also influences the site CLTs' land acquisition and improvement strategies. LCLT, MeHT, OPAL, ARCH, and MAHT all use private funding to purchase land,

much of it at market rate and often with cash to reduce the organizations' debt load. LCLT never uses public funds or loans to purchase land "so that we can own it free and clear, and then, you know, we can have more flexibility [with the land]" (Executive Director, LCLT). SCLT leverages private funding for critical infrastructure projects:

"We secured a grant from an Alaskan foundation called the Rasmussen Foundation. They gave us a half-a-million dollars to do the site work and install the utilities. And so that was what made the project possible. That [private funding] brought about \$35,000 per house of subsidy under the ground, and we could create affordable housing from the pad up."

Yet according to my interview subjects, private funding is not without its challenges. As addressed above, SCLT had difficulty raising money from private sources to help pay for the environmental mitigation work required on their municipally donated land. Similarly, OHT and CVHT work with donors who want to "give directly to a [housing] project" rather than to the CLTs' general operating fund or portfolio stewardship costs (Executive Director, OHT).

CVHT's executive director shares, "They [private funders] wanna know that what they're giving to is gonna benefit someone directly. They want to know, 'I'm buying you a garage, I'm buying you a kitchen, I'm buying you a bathroom.'" Part of CVHT's philanthropy efforts involve convincing these donors to give directly to their general fund instead so the CLT can "use it partly on projects and partly on operations, and partly wherever the money just needs to go" (Executive Director, CVHT).

Other interview participants share stories of the labor-intensive relationship-building required to match their CLTs' projects and mission with potential private funders' interests and goals. The OPAL staff member summarizes this kind of private donor relations in contrast to the labor required with public funding:

"They [donors] do ask a lot about our rules before they decide to give us the money. So I think that they're looking for a mission match and if it's there, then they invest. Which is

not really the same as the public funding, which says to us ‘This is what you got. Take it or leave it.’ ...So the private funders are looking at our mission and deciding if we are worthy of their investment, and with the public funders, we [the CLT] are looking at their limitations and deciding if we're willing to accept them.”

ARCH’s executive director adds to an understanding of the labor, outreach, and uncertainty required to obtain private funding:

“There’s less [private funding than public funding]. And it’s less clear on how you get it. It's not like private donors say, ‘Here, fill out this rubric and if you score higher than other people, you'll get the money.’ You have to sit [with them]. You go to lunches and you take people on tours of your properties and you write them letters. And you hope that your impact matters to them.”

MeHT’s board member credits “years of good work and building trust” with local donors to their organization’s ability to operate solely with private capital. Interviewees also credit the strength of their relationships with private funders for the near-total flexibility of the funds themselves. Yet LCLT’s executive director recommends that her organization balance trust with caution when choosing whether to accept a private donation. She notes,

“One has to be very, very careful about [accepting private funding], because it can also be rooted in the fact that you are just simply doing the bidding of those that have access to great wealth. I think it's like the frog in the water. You don't really know you're at this boiling point until somebody one time says exactly what they think and you realize, ‘Oh, my God! This is who I'm in bed with.’”

BACD’s consultant also admits that not every CLT’s pitch to a private funder is successful, even when the organization invests time and staff resources to develop the donor relationship. He says,

“We've also went to a couple of foundations asking for affordability resources to use to bring down the purchase price of for-sale [CLT] homes for ‘missing middle’ working households, and [the foundations] turned us down. They said ‘No, we don't think homeownership is the solution to workforce housing problems, we think that's multi-family rental.’ So it happens.”

Several participants also cite their CLTs’ specifically rural community as one of the reasons private donors give. ARCH’s executive director believes that newcomers and second

homeowners in Blaine County sometimes give to ARCH because they recognize the impact their own migration has on the area's workforce housing needs. OHT, OPAL, and MeHT are also able to raise substantial capital gifts from local private donors who have close ties to their respective rural communities. Yet private financial capital can also be difficult for some site CLTs to access because of their rural location. As MAHT's executive director reflects, not all rural communities have access to affluent donors. While all nine of the sites in this study are located in amenity-, recreation-, and natural resources-rich areas of the Pacific Northwest, the concentration of wealth, the number of potential and current donors, and the priorities of affluent potential donors vary across sites. The NWCLTC board member participant observes, "in some rural settings you will have pockets of affluence or concentrations of capital. But maybe not...and there's still a need for affordable home ownership there, even if... that's not being realized in donations to a community." The sites' donor pools are also smaller than in Pacific Northwest urban areas. In addition, even if a site has access to affluent philanthropists, their donor bases may not be deep. "We have three donors that give us 90% of our funding," shares the executive director of MeHT. With so few private donors giving the majority of a site's funding, an organization's revenue diversification is at risk. If one or more of these private donors passes away or leaves the community without continuing to donate, there may not be other sufficiently wealthy philanthropists in a rural community to fill the resulting funding gap.

Smaller and shallower donor pools in the sites' communities can also lead to undesirable competition among local housing nonprofits for private dollars. Some newer site CLTs experience competition because they are less well-known in their small, tight-knit communities, as the OHT staff member explains: "Here [on the Olympic Peninsula], the biggest name in housing development is Habitat [for Humanity], and that can be challenging for us to raise

considerable amounts of money. So there is some level of competition for private donor philanthropy.” Meanwhile, ARCH experiences competition in their valley in rural Idaho because, as the housing crisis has worsened in the community,

“there are more organizations or individuals looking at trying to solve the problem. So now there are other organizations out there trying to do a little bit of what we do and that presents challenges. First of all, it's confusing to donors, because now they wonder who these other people are and what they're doing. And secondly, there's also this underlying idea here that nonprofits should never compete, that we should all get together in one big hand-holding collaborative mission. But the reality is we're asking for the same land and the same money from the same sources. So how is that not competition?”

Overall, private financial capital allows all of the sites to be more flexible and responsive to their communities' needs than public funding; however, the private sources are not without their challenging influences and impacts.

Private Sources of Land

Private sources of land capital also allow the sites to be more flexible and opportunistic. According to the interviewees, site CLTs leverage privately donated land in several different ways. The CLTs develop private lands for housing projects (both for ownership and for rental income); they sometimes sell privately donated land to market-rate buyers to help finance their organization and its programs; they sometimes receive donated land from other nonprofit land trusts and land banks; they sometimes develop community gardens, small-scale commercial agriculture, or parks; they sometimes lease privately procured land to other housing nonprofits or municipalities to develop affordable housing outside the CLT model. In addition, many of the sites use financial capital (both public and private) to purchase market-rate and discounted land with cash, allowing the organizations to own their lands without debt on their balance sheets.

Several participants note that private land donations often inform or even dictate what the organizations will build or develop. As the MeHT Board Member explains,

“It's not like we said, ‘Oh, we wanna have forty homes and we wanna have twenty-five affordable rentals so therefore let's go find this land.’ We didn't do it that way. We said, ‘Let's find the land. Let's get the land. Let's bank the land even if we're not fully sure yet what would go on that land.’”

The OPAL staff member shares a similar land-first approach to their CLT's housing project design: “You know, [our executive director] is really good, she gets the zoning map out, and she's like, ‘Right. I'm gonna call Mr. Whatever-His-Name-Is and see if he would be willing to sell us that parcel.’” CVHT's executive director agrees, “Land is the most important driver of this entire conversation [with donors]. If you don't have land, you don't have anything.”

Private land capital also shares several influences and impacts with other forms of capital. For example, site CLTs must navigate private land donors' desires and expectations for land use and development. OHT received a parcel with a large, active community garden. The private donor was clear that the community garden needed to stay as a condition of the donation. As a result, says the OHT staffer, while the organization could have built five houses on the lot, they chose to build two homes and keep the community garden. The community garden aligns with OHT's commitment to food resiliency and so did not risk mission scope-creep for the organization. However, reflects OHT's staff member, “We really want to be developing projects, and we're maybe more than eager to bend to the wishes or potential wishes of a donor. But we really have to not bend too much for the gift.” MeHT also had to negotiate with a private land donor's vision for their donation. One of the MeHT neighborhoods was developed on a parcel of land donated by an individual who wanted CLT housing to be part of their larger community. MeHT's board member recalls, “[The land donor] had a grander vision of a mixed community with market rate homes and affordable homes... He's built community assets that will be shared assets. And now we're at an interesting inflection point with him on actually executing on his vision for the rest of that community.” The private donor has yet to develop the other aspects of

his planned community, and so this particular MeHT neighborhood is out on its own, farther away from the main Methow Valley towns. The board member continues,

“This property is complicated but, you know, incredibly generous. It’s just challenging now to figure out how to deliver on a vision that our Housing Trust homeowners thought they were buying into, and the shifting sands or moving target that the realization of that [donor’s] vision is struggling.”

In these two examples from OHT and MeHT, we see cases in which private lands are actually more restricted by donors’ wishes or preferred uses than private funds.

Private land donors may also not always think through the potential land use or environmental mitigation challenges of the parcels they give. As a result, private land sources can impact the site CLTs in ways similar to the impacts of public land sources. For example, CVHT recently discovered that the parcel they traded for with a private developer

“doesn’t have water capacity, doesn’t have water pressure either. So the City of Chelan has been working to try to get a booster pump built and a reservoir built up in the mountain so they can boost water up, and then let gravity create water pressure down. Until that’s done, we don’t have much of a project... we just won’t be able to build our full sixty-six homes until that’s done” (Executive Director, CVHT).

ARCH recently received a double lot gift in Ketchum that requires many resources. Their executive director explains,

“[The lot] currently has an old, single-family house in the middle of it, [and the house] has been deemed historic by the city of Ketchum. So we’re trying to get permission to move the house. We’re not gonna demo the house. We’re just gonna move it to a more logical single-family lot in Haley and then construct between ten and twelve units of housing on the lot. But we first have to appeal the decision of the Historic Preservation committee... So those things all take time and we’re a staff of four. But it’s such an amazing opportunity that we’ve let other things simmer while we focus on that [private parcel project].”

Some site CLTs may have to decline private property donations if the parcels do not yet have water or sewer connections because the organizations do not have the capital to pay for the expensive infrastructure installation or connection costs. Other sites feel pressured to accept

these less-than-ideal land donations because buildable plots are a scarce commodity in their communities. LCLT's executive director is honest with potential private land donors about what case-specific best uses might be:

“That [infrastructure] is always the first thing we look at, and it's always extremely expensive. A couple of pieces [of land], I just realize that by the time we did the infrastructure on them, I thought, ‘Gosh! We'd be \$300,000 into a free piece of land.’ And then it's beautiful, you know, waterfront property. No one could ever afford to live there [because of the property taxes]. So in those instances, we've just said, ‘Hmm. if you don't mind, we would appreciate selling [the plot] and getting the funds’”.

Private lands, like other sources of financial and land-based capital, impact the rural Pacific Northwest CLTs in this study in demonstrable ways that are shared across the sites.

Discussion, Policy Recommendations, Limitations, and Future Areas of Inquiry

Discussion

The research question I explore in this essay is whether and how different sources of capital influence rural CLTs in the Pacific Northwest. For the nine CLTs in this qualitative study, a grounded theory emerges that the various sources of capital they receive *do* impact the organizations and their development projects, programs, operations, budgets, strategies, and mission-oriented outcomes. All of the sites acknowledge that public financial capital influences whom they can serve in their communities, and that public funds' standard 80% AMI cap limits some of the CLTs' abilities to achieve their missions and address the true scale of housing market displacement in their areas. Public funding's AMI limits impact the kinds of houses and neighborhoods some sites develop, as well as forces nearly all of the sites to seek other sources of funding with fewer restrictions. The resulting price cap for AMI-qualified home buyers may also conflict with the real costs of land improvements and home construction, forcing the sites to seek additional subsidies in order to sufficiently lower their homes' sale prices to an 80% AMI-

qualified purchase value. Public funds also often require the CLTs in this study to work with specific categories of vendors and contractors, and the cost of doing so can further increase the amount of additional subsidies sites must acquire in order to price their homes affordably. Public sources of financial capital also typically come with burdensome reporting and administrative requirements that are difficult to manage with modest staffing. On the other hand, public funds can be transformative investments, supporting major projects or the hiring of critical staff. Public funding can also be allocated specifically towards land and infrastructure development, one of the sites' shared major challenges.

Meanwhile, private sources of financial capital largely lack formal rules and requirements, enabling sites to be far more flexible, creative, and responsive in how they serve their communities' needs and fulfill their missions. Significantly, with fewer (if any) AMI limitations, private funds help the sites overcome the AMI restrictions imposed by public funding. Private funds, typically in the form of philanthropic donations, are an important source of seed capital, enabling several sites to accomplish proof-of-concept projects with which to generate further capital support from diverse sources. Several of the sites also use private financial capital to purchase land with cash in order to limit the debt load on their balance sheets. Yet private funding also presents challenges to the site CLTs. Building and sustaining trustworthy private donor relations is a major priority for nearly every organization in this study, and these efforts require time, staffing, and other resources. Donor expectations and preferences can also be tricky to navigate successfully. Furthermore, these rural communities may simply lack the population to support a broad base of meaningful philanthropy, especially if there are more than one housing nonprofit competing for donations.

While there are many differences among the influences of public and private sources of financial capital, public and private sources of land capital share similar influences. Both sources of land can dictate the kinds of housing projects the sites build because of parcel size, location, zoning laws, and other factors. Both sources can also inadvertently burden recipient sites with expensive and time-consuming land improvements, infrastructure projects, environmental mitigation, and legal battles. Yet most interviewees cite a pressure to accept donations of land – regardless of the source or quality – because of the scarcity of viable, buildable land in their communities. As a result of the challenges imposed by their sources of land, most sites are slower to build homes and sell to qualified buyers. Municipalities tend to give more land than do private donors (perhaps simply as a result of these jurisdictions possessing more and larger tracts than private owners or because the municipalities are not as motivated by market-rate land prices). Public land donations can also benefit public employees and employers, such as when public school districts or the U.S. Forest Service give sites land upon which to build employee housing. As with private sources of funding, private land donations compel most sites to develop adept donor relations in order to navigate philanthropists’ expectations about the use of their parcels.

As I consider the findings of my research, an important follow-up question is whether these capital influences are something that all CLTs face, or whether this study might suggest unique conditions of capital influence for rural Pacific Northwest CLTs. The NWCLTC board member interviewee states, “Not every rural community can sustain a community land trust.” Why might this be true? Are there perhaps rural realities that exacerbate the challenges or benefits of different sources of capital? I believe there are.

One recurring theme among the nine rural sites in this study is the scarcity of viable, buildable land in their communities. Rural areas, particularly those in large Pacific Northwest states like Alaska, Idaho, Oregon, and Washington are often conceived in the popular imagination as wide-open spaces with land in abundance. Yet this study's sites are all located in geographically and/or legislatively constrained rural areas. From island and peninsular communities (SCLT, OPAL, LCLT, OHT) to those bounded by major rivers or lakes (BRCLT, CVHT) to those constrained by narrow mountain valleys and/or large tracts of public lands (MeHT, ARCH, MAHT), to those impacted by zoning and land use laws (CVHT, BRCLT), all nine site CLTs are located in restricted geographies with limited land available for development.

In such rural communities, zoning laws, aging or insufficient infrastructure, and inadequate water supplies all further reduce the types and availability of lands for CLT projects and programs. CVHT and BRCLT must pay high land improvements costs to bring water and sewer out to publicly and privately sourced parcels of land within city limits that lack existing or sufficient infrastructure. Rural municipal zoning often forbids septic systems or wells inside city limits, even on plots without existing sewer or water connections. Yet burdening a CLT-qualified homebuyer with the potential costs of a failed septic system or well would no doubt undermine the CLTs' goal of stewarding permanently affordable housing. Many of the CLTs in this study must develop housing projects more slowly as a direct result of aging rural municipal infrastructure in the communities in which they operate.

Another specific challenge these nine Pacific Northwest rural communities face is the ever-rising cost of living and home prices because of amenity migration and remote work migration. The "high demand from high earners from outside [the communities] compounds an already overall constrained supply of housing, leaving a negligible supply of market housing for

local households” (MVHS.org, n.d.). As a result, the real housing needs in these areas far exceed typical public funding AMI limits. These nine rural Pacific Northwest communities lack housing for residents earning anywhere up to 200% AMI (depending on the area), and yet current public funding rules largely exclude populations earning 80-200% AMI. While Washington has changed the state’s rural AMI cap for Housing Trust Funds to 100%, this cap is still too low to meet the true range of need in the Washington sites’ communities. The other states in this study also continue to struggle with a serious funding gap because of their high costs of living. The sites face pressure — from their boards, their funders, and their communities — to serve not only their areas’ lower income but also their “workforce” and “middle income” populations (80%-200% AMI), and yet there are few sources of capital currently available to these rural places with which to do so.

Rural communities have additional vendor-related barriers to accepting much-needed public financial capital. As discussed, some of the sites in this study cannot meet H.U.D.’s Section 3 requirements. CVHT’s executive director explains,

“We just flat-out don’t have a lot of the people around here that will meet those guidelines. I mean, we’re in a small area... If you’re in Seattle or Spokane or Tacoma or Bellevue or a major market where you have plenty of these workers, it makes sense. You start coming out to Chelan, and [the guidelines] don’t make any sense out here.”

Without builders or engineers who offer prevailing wages or who meet specific minority- or women-ownership contractor requirements, some CLTs in this study must forfeit public funds. Others must ironically and inefficiently compensate by raising additional subsidies to cover the additional costs incurred by meeting and reporting on the public funding’s requirements.

Most rural communities in this study also contend with smaller populations and thereby smaller and shallower donor pools than in urban areas. The NWCLTC board member cites this reality as one of the main reasons why he believes not every rural community can support a CLT.

“It’s just by definition,” he says, “a rural setting is going to have fewer people and thus a smaller wealthy donor pool”. As we see in the literature, rural communities are largely excluded from the philanthropic priorities of foundations and nonprofits, and this study’s sites operate within this reality of rural philanthropic inequity. The NWCLTC board member also notes that rural areas tend to have smaller tax bases. For CVHT and OPAL, municipal housing tax levies are one of their most impactful sources of public funding, particularly because these funds have higher AMI caps. Without a significant tax base upon which to raise such regional housing levies, other rural CLTs risk losing “one of the only tools we have” (ibid). Smaller rural populations also create increased competition for some of the sites, as there are sometimes more housing nonprofits than public or private resources can support. Yet OPAL and LCLT are important exceptions to this competition trend, with interviewees from both CLTs sharing they do not experience any real competition for public municipal affordable housing funds.

There also appear to be benefits from capital sources that sites enjoy specifically because of their rural Pacific Northwest locations. For example, several interviewees say their CLTs are successful private fundraisers in part because of the affluence of their regions’ second-home-owning philanthropists and specifically because of the guilt these donors seem to feel about contributing to their communities’ housing crises. In Washington, OPAL, LCLT, MeHT, OHT, and BRCLT can all access their state’s public HSA funds with a 100% AMI cap while their urban/suburban counterparts must continue to serve 80% AMI or less. The Washington Department of Commerce’s specific rules for rural communities helps these CLTs better meet their areas’ real housing needs and thus fulfill their missions.

From the grounded results of this study, a theory emerges that CLTs in the rural Pacific Northwest have significant and specific barriers to accessing and making use of different sources of capital. They also appear to be particularly susceptible to capital sources’ potential influences

and impacts *because* of their location. Such barriers and susceptibility are a direct result of the amenity-rich, geographically constrained rural communities in which these sites operate.

Policy Recommendations

Charmaz (2006, 2017, 2020) encourages researchers who employ constructivist grounded theory to explore the methodology's compatibility with participatory action research. According to Cornish et al. (2023),

“Participatory action research (PAR)... prioritizes the value of experiential knowledge for tackling problems caused by unequal and harmful social systems, and for envisioning and implementing alternatives. PAR *involves the participation and leadership of those people experiencing issues*, who take action to produce emancipatory social change, through conducting systematic research to generate new knowledge” (emphasis mine).

While a truly participatory action approach would have been beyond the scope of this essay, it is important to include the experiential knowledge and recommendations of the study's participants in any discussion of possible policy implications.

Interviewees unanimously agree that different sources of capital influence their organizations in meaningful and often challenging ways. However, they also all agree that both public and private funders are typically under-educated about the CLT model and its efficacy, as well as about capital sources' influences and how they may undermine attempts to create permanently affordable housing specifically in rural communities. LCLT's executive director advises, “I think rigorous community conversation needs to happen around” the potential and actual influences of capital on housing nonprofits and on rural CLTs in particular. The BACD consultant agrees, “CLTs, along with their public sector and private sector partners, need to keep pushing at the national level for priority.” Furthermore, participants often share frustration that neither public nor private funders take into account the specific circumstances of the rural Pacific

Northwest regions in which their CLTs operate. This neglect tends to perpetuate capital awards and donations that are not customized for these areas' unique housing crises nor for their most effective potential solutions. So in the spirit of participatory action research, we can “engage the participants as active collaborators” in possible policy solutions to the negative influences of capital on rural Pacific Northwest CLTs (Creswell, 2013, 26).

Interviewees often recommend creating and expanding consistent rural-specific funding rules as an essential policy tool for helping to solve their communities' housing crises. CVHT's executive director explains,

“They've [public funders] got protections in there for a reason. And I 100% agree with having those protections. We need to make sure there's oversight so that this money is not being spent inappropriately... But at some point we need to say ‘This does not make sense for this area. This only makes sense for certain areas.’ And in these other areas we need to have a separate set of rules work for them so that they can still function. And right now, we don't have that separate set of rules. *We're still being held to these rules that are created by people that live in cities, that are near cities, that are building in cities. Great. That's not us. We're not in the same situation and we're held to their rules*” (emphasis mine).

Unsurprisingly, participants advocate for raising public funding's AMI limits for rural communities so organizations can serve *all* residents who are being priced out of market-rate housing, not just those earning 80% AMI or less. For those participants who may have access to public funds with higher AMI caps (county or state-specific resources, ARPA funds, etc.), they are quick to recommend these higher caps be established permanently for regions with high costs of living. Several interviewees also observe a distressing trend of public funding's increasing number and complexity of restrictions (above and beyond the aforementioned AMI limitations). These restrictions are burdensome for the many reasons outlined above. As the OPAL staff member notes, “It would be nice if the [public] funders thought about it for a minute before they keep layering on new restrictions... Maybe someone could think about making our lives easier

instead of harder.” She is in favor of educating policymakers and bureaucrats to be proactive when thinking through the consequences of possible funding requirements prior to implementation: “I just feel like there's been more and more of those good ideas that become problematic, and so think about lowering burdens instead of continually increasing burdens. That would be refreshing.”

Study participants are also in favor of capital awards that empower organizational self-determination and self-reliance. Such sources of capital are extremely flexible, have fewer (if any) restrictions, and require little administrative effort; instead, these sources rely upon trust and the inherent ability of individual communities to best and most effectively meet their own needs. The OHT staff member offers,

“It’s very evident to me that much more affordable housing development can be built much more rapidly when ... a sufficient amount of money is provided to a trusted organization and in turn, they are able to utilize the funding to the best of their ability to meet the needs of the community — as those needs are defined by that community.”

LCLT’s executive director agrees, and when she fundraises, she tells donors who might be concerned how the organization will spend their money or use their land, “Don't worry about it. We will serve a community of people and unleash a power that would be beneficial to all involved, from the macro to the micro.” She admits she is uncomfortable with the inequitable level of self-governance that communities with large amounts of private funding can exercise relative to those without access to affluent philanthropists, and cautions a high level of due-diligence before any CLT accepts a privately sourced gift. According to many interviewees, we need more affordable housing policies and funders that trust rural jurisdictions to spend on infrastructure where and how they need it most.

An additional participant policy recommendation is for more public-private partnerships to source much-needed financing and land. The BACD consultant observes,

“I think another viable, significant source of housing affordability resources that is under-tapped is employers. While it varies among communities, school districts, hospitals, and private businesses have land. They've got really urgent [housing] needs [for their employees], and they may also have money to invest to help secure housing desperately needed to retain their employees.”

ARCH's executive director shares similar observations, and SCLT's executive director is exploring a partnership with the U.S. Forest Service on an employee housing project. Rural Pacific Northwest CLTs can help local jurisdictions hire and retain workers by building and stewarding housing on publicly owned lands. Private employers in amenity migration-related industries can also donate capital to their local CLTs with which to house (and thus better retain) their private sector employees. Several sites in this study (as well as an increasing number of CLTs across the Northwest, as I learned at The Gathering '24 conference) are benefitting from such partnerships with public and private employers, the early successes of which are encouraging.

This study also suggests an additional area of policy reform. Rural Pacific Northwest communities are in dire need of infrastructure investments and improvements. In 2024, Oregon's state legislature passed \$100 million in direct allocations to cities (many of them rural by the U.S.D.A.'s definition) to “update aging infrastructure or improve sewer systems, both of which can impede housing development” (Dake, 2024). Oregon Governor Kotek's administration says houses must be built within five years in all of the cities that receive infrastructure funding from the bill. While some analysts are concerned about the funding's lack of oversight, it is the kind of potentially transformative, empowering investment in rural communities that this study suggests might be most effective. The nine CLTs I investigate are all located in areas where substantial municipal infrastructure investments would enable the organizations to build more housing more quickly, and with fewer land development costs borne by the CLTs themselves (or their funders).

These infrastructure investments would also ensure housing-insecure populations are not disproportionately burdened with the long-term costs and risks associated with wells or septic systems. Rural communities need substantial public infrastructure investments in order to build more affordable housing quickly and cost-effectively. Infrastructure expansions and upgrades, like the CLT model itself, are a long-term affordability strategy, creating the scaffolding upon which communities can develop perpetually affordable housing.

More broadly, it is my hope that this essay may help inform private funders interested in supporting rural CLTs. As Kubisch et al. (2023) argue, “rural philanthropy can have the greatest impact by moving beyond traditional grant-making to emphasizing... building local capacity by enhancing and leveraging existing assets, and increasing the quantity and effectiveness of investments in rural areas” (513). Seen through this lens of capacity- and efficacy-building, this study can illuminate some of the greatest opportunities for rural CLT philanthropy, including higher quality land donations, high-flex gifts with no restrictions or parameters, covering the costs and other outputs required for land improvements, bringing private employers with available capital to the table, supporting rural real estate excise taxes for affordable housing initiatives, and advocating to county, state, and federal legislators for higher AMI caps for rural housing projects.

I also hope this essay may also help advise those seeking to apply the CLT model in other rural Pacific Northwest communities that share socio-economic and geographic conditions with the areas in this study. Extensive academic literature demonstrates the efficacy of the CLT model in both rural and urban environments, but as we see from the available research and from this study’s grounded theory, the model’s efficacy can be inadvertently challenged and even undermined by the impacts of different sources of capital, particularly in rural places.

Policymakers and community organizers who are considering supporting the CLT model elsewhere in the rural Pacific Northwest can take proactive steps based on this study's suggestive findings to mitigate or offset the negative impacts of available capital.

Limitations and Future Areas of Inquiry

There are, no doubt, limitations to this study, my methodology, and the broader applicability of my findings. For example, by using the U.S.D.A's definition of "rural", I chose to eliminate those Pacific Northwest CLTs headquartered in regions with larger populations that nevertheless steward projects in rural communities (i.e. Rooted Homes and Thistle & Nest in Central Oregon, Kulshan Community Land Trust in Bellingham, Washington, and most of the CLTs in Montana). My sample also includes more sites from Washington state than from any other Pacific Northwest state, while Oregon is the least represented in the study (and Montana, a member of NWCLTC, is not represented at all⁶). The predominance of Washington sites may skew my data to the priorities and concerns of rural CLT affiliates in that state. CLTs are universally varied, with no two organizations deploying the model in the same way. As a result, the nine sites in this study are quite different from one another, and a truly comparative sample is not possible. I would argue a replicable sample is also not possible because the sites will accept different capital from different sources in the future than they did during the course of my research. Finally, there were a few sources that were unavailable to me that I believe would refine my grounded theory. The McKenzie Community Land Trust is a new CLT operating in Oregon's rural and unincorporated McKenzie Valley, which was devastated by the 2020 Holiday Farm Fire. Yet this organization is too nascent for many of my research questions to apply. I

⁶ This is largely because I did not receive any responses to my interview requests from rural Montana CLT affiliates.

encourage future rural housing policy researchers to include this new CLT in their investigations. In addition, the International Center for Community Land Trusts and the Lincoln Institute of Land Policy will publish a mixed-methods report on municipal support of CLTs in the fall of 2024. I saw a limited preview of this report at The Gathering '24 conference, but it will be published too late for me to incorporate the findings into my study.

Following Charmaz's constructivist approach, any grounded theoretical conclusions developed in the course of my research are "suggestive and incomplete," warranting and welcoming further investigation (Creswell, 88). The influences of sources of land on housing nonprofits remains notably understudied. Land as capital for housing nonprofits warrants extensive further research in light of the increasing pressure on public and private sources to provide land for affordable housing initiatives. This essay also suggests the need for future mixed-methods and quantitative research into rural Pacific Northwest community land trusts. Site-specific quantitative data on number of houses built, number of households served, construction time, land development costs, cost-per-home built, cost-capital ratios among public and private sources, and other such information could provide important quantitative context for my qualitative findings. With this kind of rich data and grounded theory, policymakers, community organizers, and their housing nonprofit partners can make more effective use of public and private capital investments in rural affordable housing strategies.

Conclusion

"Being hillbillies and frontier workers, we let our dreams happen and let the mission drive the partnerships that support the projects." —Executive Director, Housing Authority of Okanogan County, at NWCLTC's The Gathering '24

"[CLTs] are doing just such good work... it's just very inspirational to meet and work with people who are genuinely committed to making their neighborhoods and communities better places, and who are willing to take this long-term view about what we want to be in 15 years,

what we want to be in 50 years, and who are devoting their time and energy and resources... It gives me hope.” —BACD Consultant

Governments, public jurisdictions, corporations, foundations, and philanthropic donors contribute billions of public and private capital annually in efforts to address the nation’s widespread affordable housing crises. Within these efforts, rural communities struggle with a unique set of circumstances that require customized solutions, one of which is the community land trust shared equity model. Rural CLTs accept diverse sources of public and private capital (funding and land) with which to develop and steward permanently affordable housing. For the nine rural Pacific Northwest CLTs included in this study, qualitative data suggests a grounded theory that various sources of capital can and do influence these organizations’ operational and development priorities — often to the detriment of the site’s efficiency and efficacy.

From the grounded results of this study, a theory emerges that CLTs in the rural Pacific Northwest have significant and specific barriers to accessing and making use of different sources of capital. They also appear to be particularly susceptible to capital sources’ potential influences and impacts *because* of their location. Such barriers and susceptibility are a direct result of the amenity-rich, geographically constrained rural communities in which these sites operate. These findings highlight the need for more flexible, rural-specific, and community-empowering public funding structures to better serve the full spectrum of rural housing needs. Results suggest that funding’s AMI limitations and land’s burdensome improvement and infrastructure costs are the greatest and most frequent negative capital influences that rural CLTs experience. This research contributes towards an understanding of effective funding dynamics in rural shared equity models and offers insights for policymakers and private funders alike to more successfully support rural communities through improved mechanisms for sustainable, effective investment.

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Appendix A: Subject Outreach and Consent Materials

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Appendix B: Subject Interview Questions

