

Community Land Trust – What is it?

A Community Land Trust (CLT) is a community-based membership non-profit housing organization run by an elected Board of Directors. The board is made up of people who live in land trust sponsored housing; members of the broader community; and people with specific skills to keep the CLT in good working order.

A CLT buys properties to develop affordable home ownership and preserve the affordability of existing housing. The CLT keeps ownership of the land, but sells the buildings and other “improvements” to the residents, who own, manage, and maintain them. The CLT provides a 99-land lease to the co-op. The CLT sells the buildings to the residents below market because the value of the land is removed. Income restrictions reserve these homes for lower-income residents who could not otherwise own their own homes. The CLT continues to provide oversight and technical assistance to help these properties stay well-managed and affordable. Residents can build up equity in their homes but that equity is limited, so the property remains affordable for future residents.

Advantages of the Community Land Trust

The CLT model has four advantages compared to other affordable housing models.

First, most non-profit developed affordable housing is rental housing. Yet, many people would like the stability of owning their own homes. **The CLT develops affordable housing that allows lower-income people to own their own homes.** Most programs for affordable home ownership are geared towards single family home ownership, offering a one-time subsidy to an individual homeowner for down payment assistance. These subsidies can give a windfall profit to an individual, but are often not recaptured by the city to insure future affordability when the home is resold. The CLT model limits the resale price, thereby assuring long term affordability.

Second, since it retains title to the land, **the CLT can provide oversight and training, promoting a healthy, stable community and insuring permanent affordability.** At the same time, people who have never been home-owners before have access to the expertise and technical support they need, and thus have the opportunity to learn to manage and maintain their own properties.

Third, **the CLT is a flexible model** which can be used for different types of housing, and many types of ownership structures. In some areas, CLT projects are primarily condominiums or single family homes. However, the combination of Housing Cooperatives within the context of a CLT is a particularly strong and sustainable model and an effective way to increase affordable home ownership. The CLT provides long-term support for the co-op and remains accountable to the co-op residents.

Fourth, **a CLT is one of the few types of affordable housing organization that is accountable to local community control.** A CLT is a membership organization, governed by a Board of Directors elected by the members. Typical CLT by-laws require one-third of the Board members to be elected from residents of CLT projects, while others may be community activists or people with specific expertise such as an architect or attorney.

This fact sheet about Community Land Trusts is brought to you by:

Bay Area Community Land Trust, P.O. Box 2652, Berkeley, CA 94702

email: info@bayareactl.org * *phone:* 510-545-3258 * *website:* bayareactl.org