

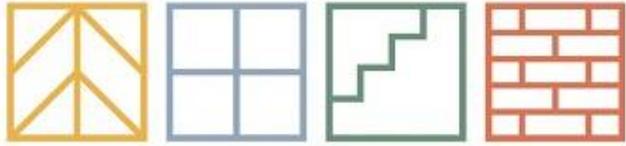


**Displacement is
Preventable**
Community Land Trusts Preserve
Land for the Community



Mark Perlman
Malcolm Harris

Selina Mack
Jeff Washburne



National Community Land Trust Network



Research | **Policy** | **Training** | **Technical Assistance**



Agenda

- Introduction
 - What is a Community Land Trust?
 - Case Studies of CLTs in Communities at Risk of Displacement
 - Q&A
 - Wrap-up
-



INTRODUCTIONS



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Research & Policy Associate
National CLT Network



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Durham Community
Land Trustees



INTRODUCTIONS



Jeff Washburne
Executive Director
City of Lakes CLT



Malcolm Harris
Director of Programs
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T.R.U.S.T. South L.A.



SMART GROWTH BENEFITS CITIES

- Sustainability
 - Investment
 - Livability
 - Attractive to new residents
 - Attractive to businesses
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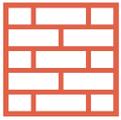
BENEFITS WITH A COST

Increased density and access to transit or amenities leads to increased land values (value premiums):

Transit¹:

- Up to 32 percent value premium for single-family homes
- Up to 45 percent increases in rents

Increased land values can lead to displacement and exclusion.



HOW DOES A CLT WORK?



Armstrong Townhomes
102 units, San Francisco



Single-family homes
Albuquerque, NM

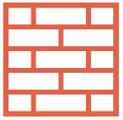
“Classic” CLT Model

CLT (501c3) owns the land

Homeowner purchases just the improvement (the home), and leases the land from the CLT for a nominal fee via a 99-year ground lease

The 99-year ground lease outlines the rights and responsibilities of the CLT and the homeowner, allows the homeowner use of the land, and sets the resale formula that will keep the home affordable after sale

This is known as “shared equity” ownership



WHAT IS A COMMUNITY LAND TRUST?

A Community Land Trust (CLT) is a private, non-profit organization that acquires and stewards land for the development of lasting community assets, most often permanently affordable ownership housing.

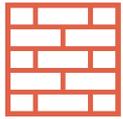
- Over 250 CLTs in 46 states with about 10,000 units
- Serve primarily low- and moderate-income residents
- In addition to housing, provide commercial spaces, urban agricultural sites and land conservation



Nova Townhomes
15 units, Seattle



Single-family homes
Durham, N.C.

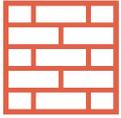


SHARED EQUITY HOMEOWNERSHIP

The benefits of home price appreciation are shared between the low-income subsidy recipient and the public or private entity providing the subsidy.

Forms of shared equity homeownership other than CLTs include:

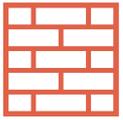
- Deed-restricted housing (such as inclusionary housing)
 - Shared-appreciation loans
 - Limited-equity cooperatives
-



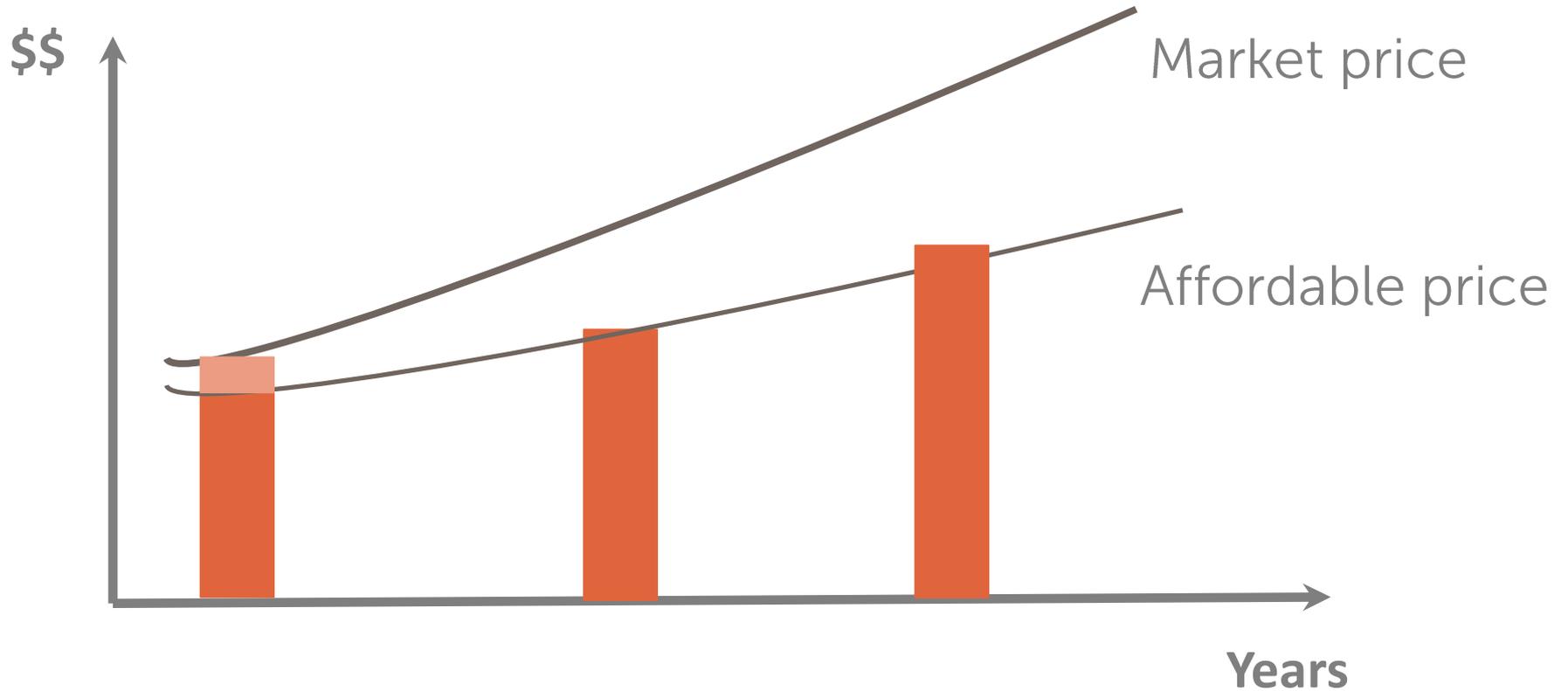
SUBSIDY RETENTION

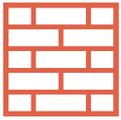
Programs maintain affordability while eliminating the need for further subsidy

- INITIAL SALE:** The program secures subsidy that can cover the difference between the cost of buying/ developing a home and what the buyer can afford. The homebuyer takes out a mortgage based just on what they can afford.
- OCCUPANCY:** The homebuyer makes affordable monthly payments on the mortgage including all taxes, insurance and utilities.
- RESALE:** Homebuyer sells the home at a resale restricted price that ensures that the home will be affordable to the next homebuyer without any influx of new subsidy.

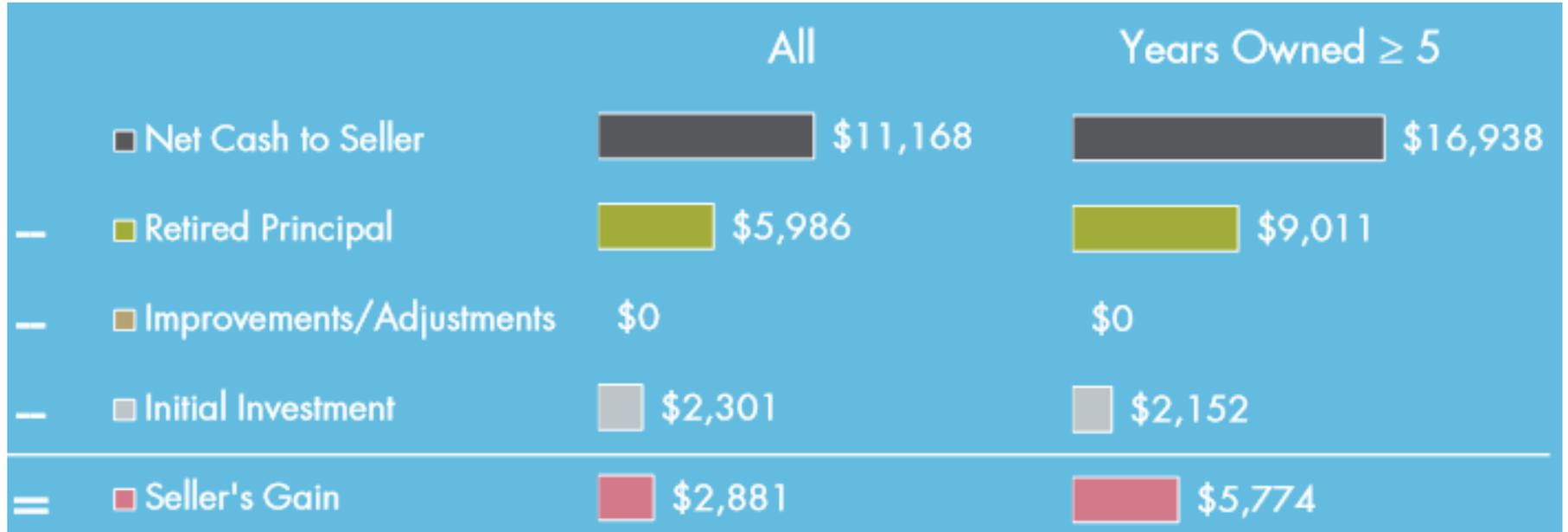


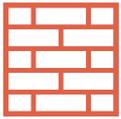
SUBSIDY RETENTION CONT'D





HOUSEHOLD WEALTH IS CREATED

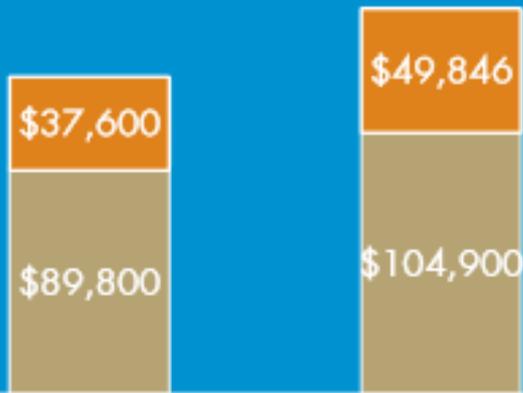




HOMES REMAIN AFFORDABLE

All Resale Transactions

Components of Market Value at Sale



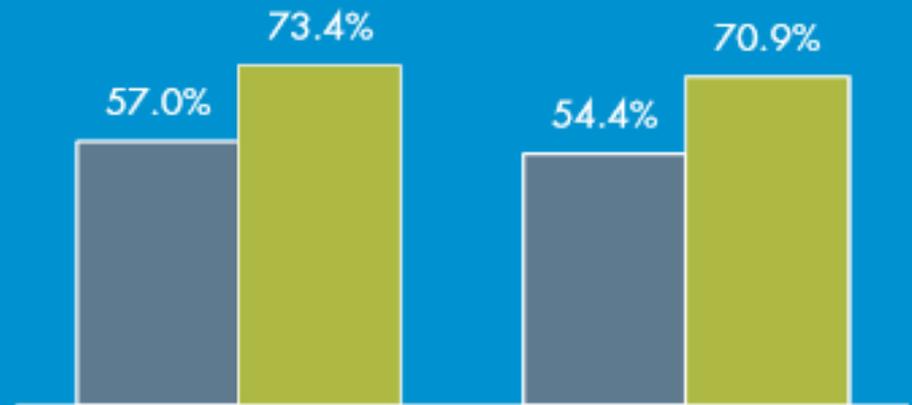
Prior Purchase

Resale

Community Investment

Subsidized Price

Affordable to Whom (% of AMI)

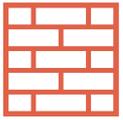


Prior Purchase

Resale

Program

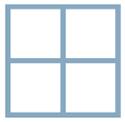
Market



STEWARDSHIP

THE STEWARD...

- ❖ **PROMOTES** success of residents
 - ❖ **PROTECTS** affordability
 - ❖ **PRESERVES** use and condition of properties
 - ❖ **PREVENTS** loss of public investment
-



Questions?



Homeowners from Champlain Housing Trust
Burlington, VT