

Community Land Trusts

How does a community land trust work?

Various sources of public and philanthropic capital...

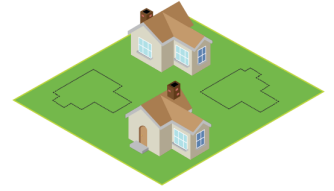


- Private donors
- Federal housing subsidies
- City-owned property
- Community foundations
- Anchor institutions

...are used by community land trusts...

CLT

...to acquire homes in a geographic focus area.



Community land trusts tweak the normal process of homebuying...

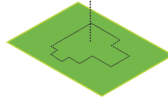
A new resident buys their house outright...



They pay an annual fee to the CLT to support its operations...

CLT

...but leases the land underneath from the CLT.



...and the CLT retains permanent ownership of the land.

...to make housing permanently affordable.

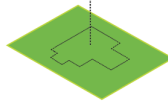
Current resident sells their house at a price set by the CLT, earning a portion of the increase in value of their home...



A new resident buys the house at a price that's been kept affordable...



CLT
...while the CLT retains the land.



...and agrees to the same requirements around resale.

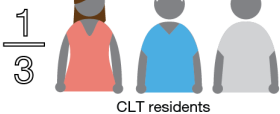
Why CLTs Matter

Although the first community land trust in the US was started in rural Georgia in 1970 by civil rights leaders to help poor black farmers, today, the majority of the country's nearly 250 community land trusts are today located in urban areas.

CLTs create affordable housing while still allowing low-income residents to build equity as homeowners. Moreover, because the CLT retains ownership of the underlying land, this housing remains permanently affordable, even as the original beneficiaries of an affordable home price sell and move on. This long-term, continuing benefit makes CLTs an especially efficient use of affordable housing subsidies.

By locking in permanent access to affordable housing, CLTs can play an important role in countering the market-driven displacement associated with gentrification. And by stewarding neighborhood land for the public good, not speculative profit, CLTs have played an equally important role in stabilizing communities by preventing unnecessary foreclosures.

CLTs are typically governed by:



CLT

The CLT's geographic focus allows it to not only provide affordable housing, but to play an important role in stabilizing neighborhoods.



As it diversifies its portfolio, the CLT can also own land in trust for permanently affordable rental housing or community-focused commercial developments.