

Community Land Trust

Increasing Affordable Housing Stock and Homeownership

Community Land Trust

Promoting Affordable Home Ownership & Neighborhood Revitalization

- Legally recognized owner of resale-restricted, owner-occupied housing
- Steward of land held in Trust in perpetuity
- Nonprofit developer of housing – new and old
- Community Development Leader, acting on behalf of the entire community
- Owned and managed through a democratic process that allows a broad range of homeowners and citizens to give input into the decisions impacting the CLT.
- The CLT provides Homebuyer Education and Foreclosure Prevention Services to help homeowners to achieve success in the long run.

How the CLT will Provide a Flexible, Sustainable Organizational Solution to Local Housing Problems

- The CLT provides a vehicle for accepting foreclosed houses from financial institutions and puts them back on the market in a short time period.
- By customizing solutions to each problem, the CLT acts as a collaborator with nonprofit, for-profit developers, and mortgage servicers.
- By acting as an active community leadership organization, the CLT helps local government achieve goals that are desired by taxpayers.
- By keeping records on local needs, the CLT acts as a policy expert and helps achieve realistic changes in local housing programs.

Help Banks Achieve Their Community Reinvestment Act Responsibilities.

- Banks can:
 - provide Community Development Loans for acquiring and renovating homes.
 - offer individual mortgages to homeowners.
 - make investments in the CLT in the form of equity, local targeted bonds and grants.
- Bank Executives can provide Board Service to the CLT, teach Financial Education and Homebuyer Seminars for the prospective owners.

Differences Between a Community Land Trust and a Land Bank

- A CLT is a legal, self governing entity that owns land in perpetuity in a trust upon which affordable homes are purchased and owned by a qualified homeowner.
- The homeowner has all of the rights and privileges of an owner of a fee simple deed, except that he/she does not own the underlying lot upon which the home was built.
- ❖ A Land Bank, a municipal agency, governed by elected officials, acquires and repurposes abandoned and foreclosed properties in a way consistent with community values.
- ❖ A Land Bank removes blight through demolition of abandoned properties and management of real estate for potential new development culminating in tax revenue.

More Differences Between a CLT and a Land Bank

- A CLT works with banks, foundations, governments and donors to acquire, develop and rehabilitate real estate and land for perpetual ownership.
- The CLT is governed by a board which includes homeowners and community leaders.
- The CLT facilitates the house purchase by a qualified homebuyer through a financial institution, using a mortgage.
- ❖ Sell, lease, manage property with terms that are determined for the best interests in the land bank.
- ❖ Convey property for reasons that are not necessarily financial.
- ❖ Use local taxing authority financing tools to achieve goals.
- ❖ Support local planning department priorities in the management of Land Bank.

CLT Management – Steps and Key Categories for Action

- Develop the organizational infrastructure for the CLT, including legal fundamentals, policies, procedures, board members and staff.
- Develop the fundraising plan.
- Assemble the first set of houses to include in the CLT
- Develop home rehabilitation and mortgage sale process.
- Develop Management System, including:
 - Governance
 - Financial Controls
 - Fundraising Development
 - Engineering
 - Land Management
 - Building and Rehabilitation

Recommended Sources of Funding for CLT

- HOME Funds and other local, state and federal programs
- Housing and Urban Development Grant Funds
- Neighborhood Stabilization Program (or similar national program) Funds
- Community Development Block Grant Funds
- Donations by individuals, foundations, endowments and **financial institutions.**
- Grant Applications to Federal Home Loan Bank
- Low Income Housing Tax, Historic and New Market Tax Credits
- NeighborWorks, LISC, Enterprise Community, RCDC and other national organizations.



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Questions

Thank you