

Community Land Trusts

Strategy description

A community land trust (CLT) is a private, nonprofit corporation created to provide access to secure, affordable housing for community members. Community land trusts improve housing affordability by separating the ownership of land and housing. The CLT has permanent ownership of the land, which is leased to low- and moderate-income households. The land may also be used for affordable rental housing and other purposes. Members of the CLT board can include both residents who occupy CLT housing and other local residents who have an interest in the CLT's activities, such as neighbors or citizens concerned about the availability of affordable housing in the community.

History of the strategy

Founders of the Institute for Community Economics developed the Community Land Trust model in the 1960s. The first CLT in the United States, New Communities, Inc. was established in 1968 in Georgia.

Target population

CLTs target low- and moderate-income renters and homebuyers.

How the strategy is administered

- CLTs are generally member organizations with a board of directors elected by the members. Members can include any community member with an interest in the housing needs of the community.
- CLTs vary widely in their geographic scope. Some serve entire metropolitan areas, often including surrounding suburbs; others serve particular neighborhoods.
- CLTs often purchase the property that is held in the land trust on the open market. As tax-exempt organizations, they also sometimes receive gifts of property from individuals or corporations and acquire city or county-owned property from local governments.
- CLTs sometimes construct the housing units held in the land trust.
- CLTs rent property, often with renewable 99-year-leases, and either rent or sell the buildings to low- and moderate-income families. When a purchaser sells the property, the buildings are either sold back to the CLT or to another low- or moderate-income family, at a price determined by the CLT. In establishing a resale price, CLTs often use "appraisal-based" formulas that set the maximum price as the sum of what the seller paid for the home plus a percentage of any increase in market value as measured by the appraisals. The formula may also reflect part or all of the value of improvements made by the homeowner.

- Several organizations, including the Institute for Community Economics, the National Community Land Trust Network, and the Champlain Housing Trust provide technical assistance to communities establishing a CLT.

How the strategy is funded

CLTs are funded with grants from government programs, contributions of property from both public and private sources, volunteer labor, and loans.

Extent of use of the strategy

- CLTs are widely used in all types of communities throughout the country. The Community Land Trust Network, established in 1999, is a coalition of more than 100 CLTs and other grassroots organizations that work collaboratively to advocate and to advance the CLT movement nationwide.
- As of 2006, at least 185 CLTs nationwide had been created.

Examples of locations where the strategy is being used¹⁵⁹

Examples of the numerous community land trusts include:

- The Champlain Housing Trust in Burlington, VT, created in 1984, is the largest in the nation.
- The Durham Community Land Trust, in Durham, NC, was organized in 1987 by residents of a low-income, predominantly minority neighborhood next to Duke University as part of an effort to rehabilitate their neighborhood.
- In 1997, the Sawmill Community Land Trust in Albuquerque, NM formed to buy 27 acres from a particle-board factory and develop it as a 99-home neighborhood, the latest phase of which includes artist loft apartments.
- Started in 1995, the Bahama Conch Community Land Trust of Key West is Florida's oldest community land trust.
- Other locations include Portland, OR, Cleveland, OH, Boulder, CO, Rochester, MN, Southwest Washington Community Land Trust, the Orange CLT in NC, the Dakota Land Trust in the Black Hills in South Dakota, and other locations in Florida, including the Florida Keys, Sarasota County, and Hannibal Square.

Strategy results¹⁶⁰

- One estimate puts the number of units in CLTs at about 10,000 nationwide.¹⁶¹
- Burlington's CLT has built more than 270 apartments and 370 condos and owner-occupied houses since its inception in 1984.
- The Durham CLT has built or rehabilitated more than 100 homes since 1987.

- The Bahama Conch Community Land Trust of Key West has restored and sold seven homes, and converted another into a rental property, in the city's predominantly minority Bahama Village neighborhood.
- Established in 2000, the Middle Keys Community Land Trust in Marathon, FL has acquired a 14-apartment building and built and sold four houses and four town houses.

Pros and cons to using the strategy and/or types of markets where the strategy is more or less effective

Pros:

- Can help create partnerships by bringing together various members of the community, including developers, affordable housing advocates, government officials, and low- and moderate-income households.
- CLT staff can provide expertise on financial resources for affordable housing to city planners and private developers.
- Provides for long-term affordable housing needs, as the CLT owns the land and keeps the housing affordable long-term, often in perpetuity.
- Can counter neighborhood disinvestment by introducing resident control over land.
- CLTs often work in conjunction with other local strategies, such as a housing trust fund, demolition taxes, or inclusionary zoning ordinances, creating a synergistic and multifaceted approach to affordable strategies.

Cons:

- It can be challenging to align political forces, secure financing, and develop organizational capacity.
- Community land trusts may face organized resistance from various political or ideological perspectives.
- Recruiting potential homeowners and educating them about the special features of the CLT model can be challenging.
- Dual ownership leases can create a disincentive for investment.
- It can be difficult and/or expensive to acquire developable land, particularly in gentrifying areas.
- CLTs generally cannot offer a sufficiently deep subsidy to allow low-income families to purchase homes.

Sources of information about the strategy

- National Community Land Trust Network website. Available at: <http://www.clnetwork.org/>.
- Equitable Development Toolkit: Community Land Trusts. A publication of *PolicyLink*. Available at: <http://www.policylink.org/EDTK/CLT/>

- Sungu-Eryilmaz, Yesim, and Rosalind Greenstein, “A National Study of Community Land Trusts,” Lincoln Institute of Land Policy, working paper, July 2007.
- Champlain Housing Trust website, <http://www.champlainhousingtrust.org/>
- Durham Community Land Trustees website, <http://www.dclt.org/>.
- Sawmill Community Land Trust website, www.sawmillclt.org
- Bahama Conch Community Land Trust website, <http://bcclt.blogspot.com/>
- Middle Keys Community Land Trust website, www.mkclt.org
- Institute for Community Economics website, www.iceclt.org

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