

# **Pre-Publication Peek at the Forthcoming Policy Focus Report**

## **Cities, Counties, and CLT, Collaborating to Create Homes that Last**

**Municipal Partnerships with Community Land Trusts**

**Rick Jacobus, Kristin King-Ries & Dev Goetschius**



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OF LAND POLICY**

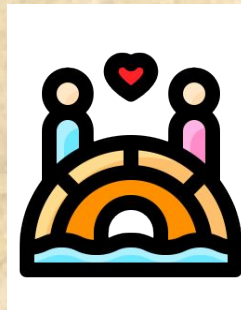


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COMMUNITY LAND TRUSTS

Established in 2018 as the “Center for CLT Innovation”  
to support **community-led development** on  
**community-owned land** of housing and other assets  
that remain **permanently affordable** in countries  
around the world.



**Information**



**Connection**



**Innovation**





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- A free library of technical and educational materials:

[www.cltweb.org](http://www.cltweb.org)

#### Resources



Community  
Land Trust  
Bibliograph  
y



Hall of  
Fame



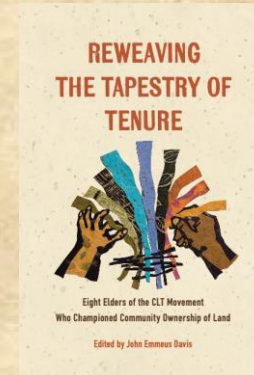
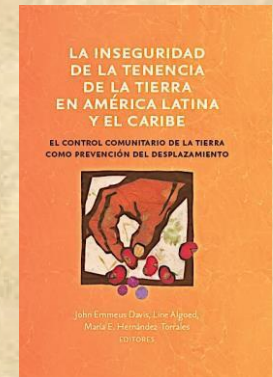
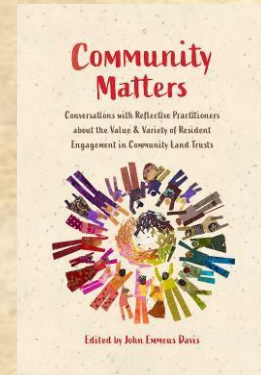
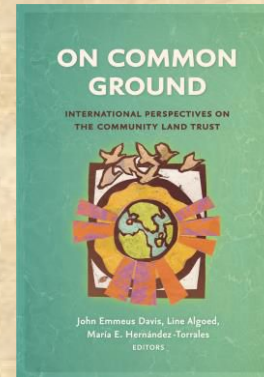
Interviews



Land  
Tenure for  
Urban  
Farming



Manuals  
and Guides



- Webinars and sponsorship of **World CLT Day**



- Books & monographs published by **Terra Nostra Press**

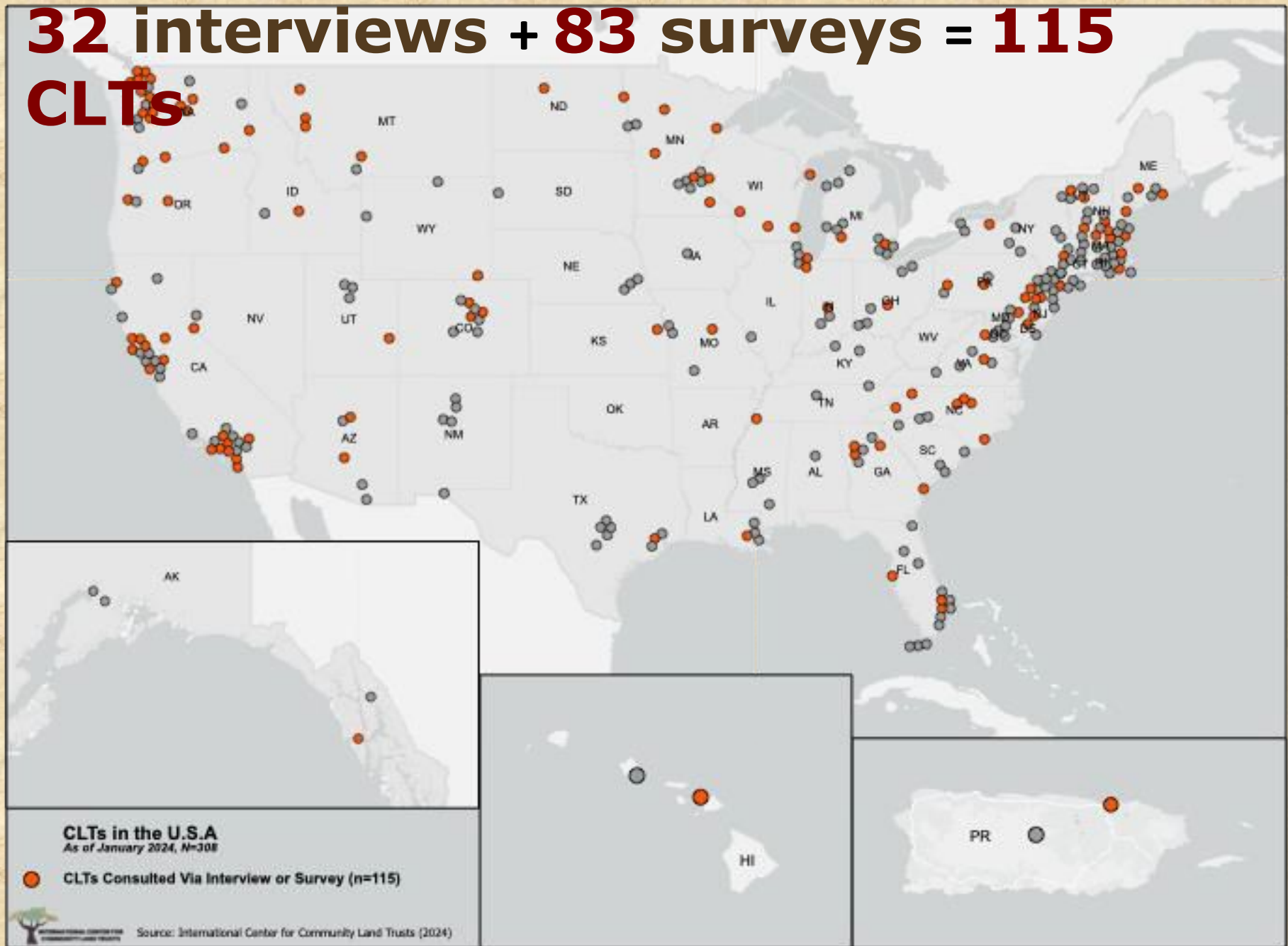


# As of January 2024, the Center's directory listed 308 CLTs in the USA



**Around  
320 CLTs  
Today!**

**32 interviews + 83 surveys = 115  
CLTs**





# The Preservation Partnership



**A special shout-out to all of YOU  
who contributed to our report**



**Thank you!!!**

***Rick Jacobus***  
***Principal, Street Level Advisors***







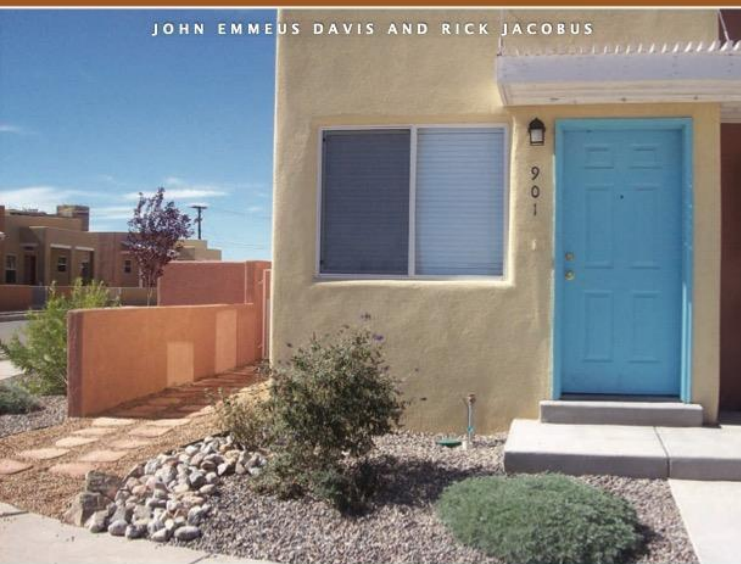
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# Updating & Expanding 2008 Report



**The City-CLT Partnership**  
Municipal Support for Community Land Trusts

JOHN EMMEUS DAVIS AND RICK JACOBUS



Policy Focus Report • Lincoln Institute of Land Policy

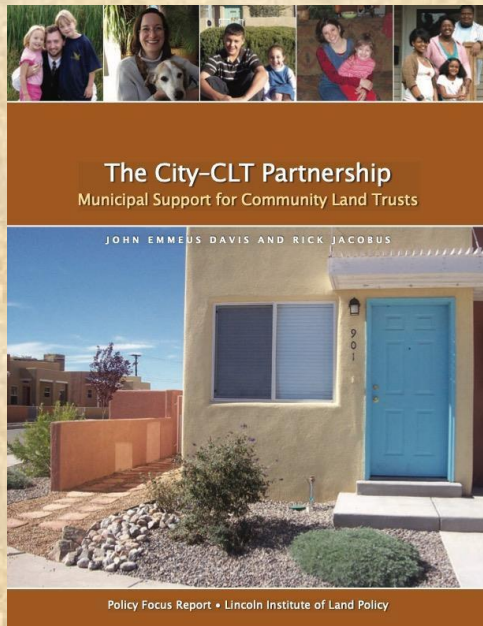
- Information and examples are 16 years out of date
- Many new CLTs since 2008
- Many more cities and counties partnering with CLTs
- Better understanding of what works well – and what does not.





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# How's the 2024 report *different* than the 2008 report?



✓ **Broader definition of CLTs**

✓ **Broader definition of “city”**

✓ **Inclusion of state government**

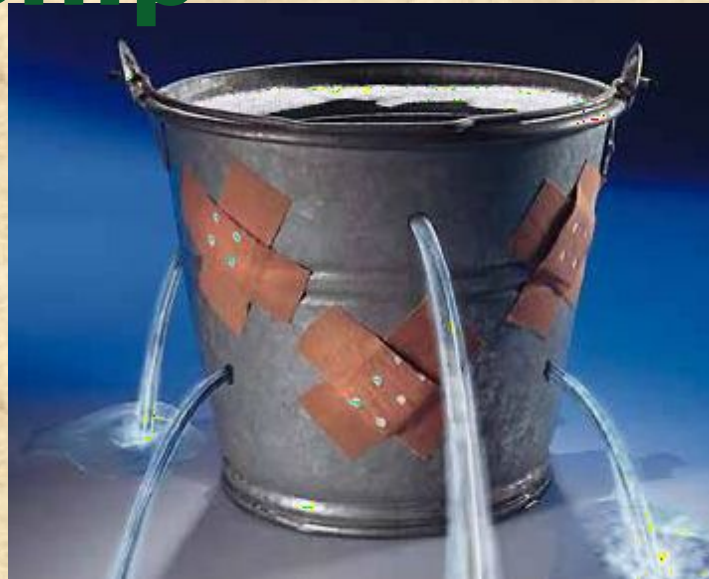
✓ **More emphasis on STEWARDSHIP**





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# The *Preservation* Partnership



**Tenure + Stewardship = “Homes that Last”**





# "Homes that Last"

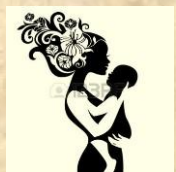
## Land and housing entrusted to a CLT



- **Preserve affordability** – ensure access to land and housing for low-income and moderate-income people



- **Preserve quality** – keep buildings in good repair; promote durability and energy efficiency



- **Protect security of tenure** – keep people in their homes, in good times and bad





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## Focus on Homeownership

- Ownership single-family houses, duplexes, and townhouses
- Ownership of single-family condominiums
- (Co-ops as a special case)

## Why these types & tenures?

- Main activity of 92% of CLTs
- Main reason for **municipal** support
- Main argument for the “value added” by a CLT: tenure + stewardship





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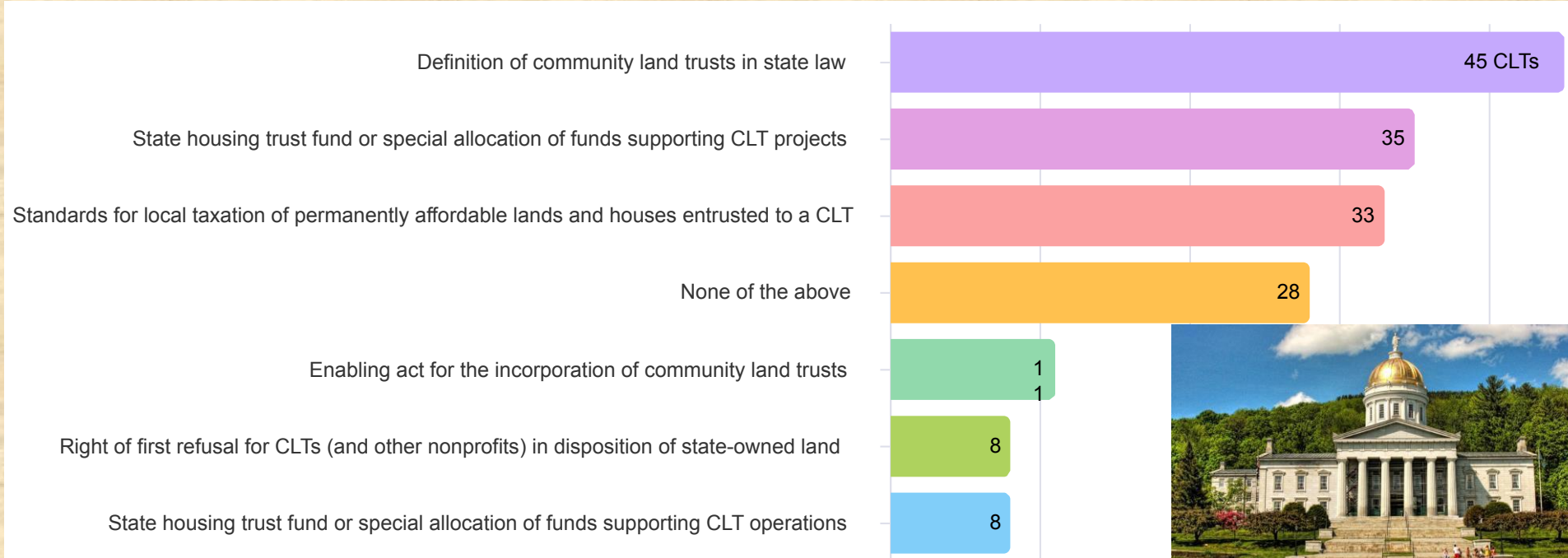
## *Trends in Governmental Supp*





# State support for CLTs

**Number of CLTs who Reported each Response:**



*A CLT may give multiple responses.*

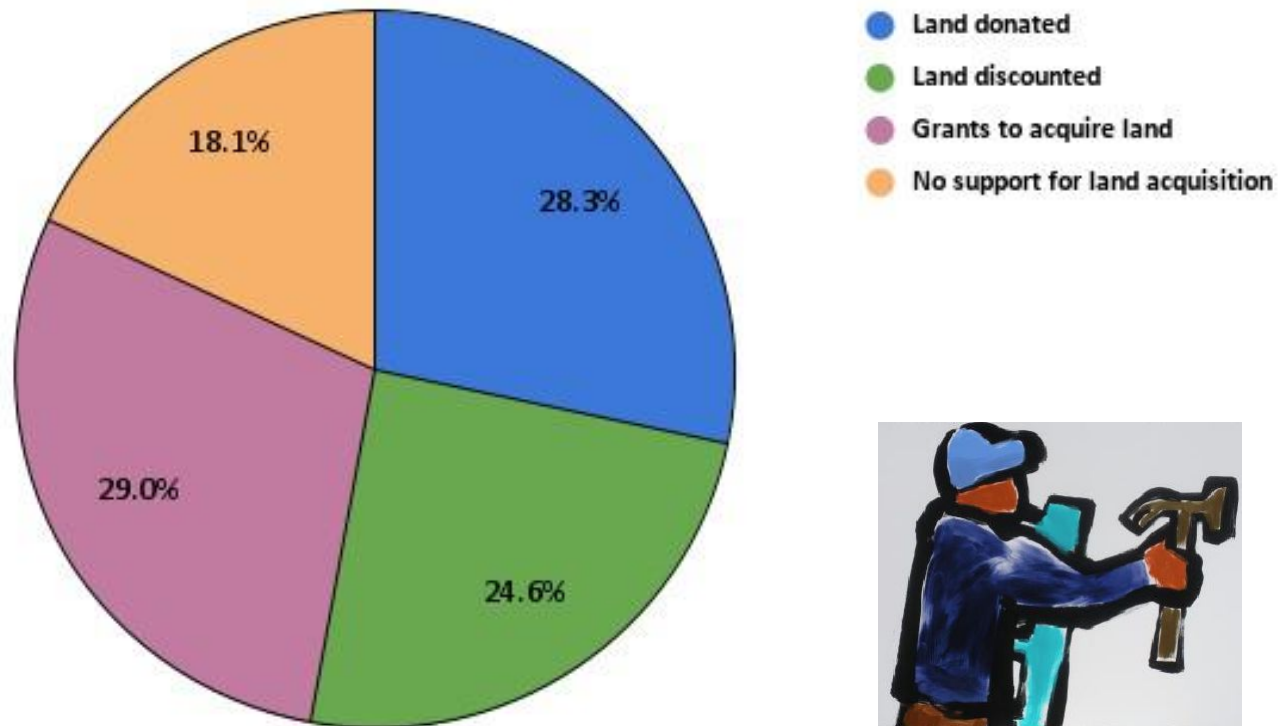




# Municipal help in acquiring land:

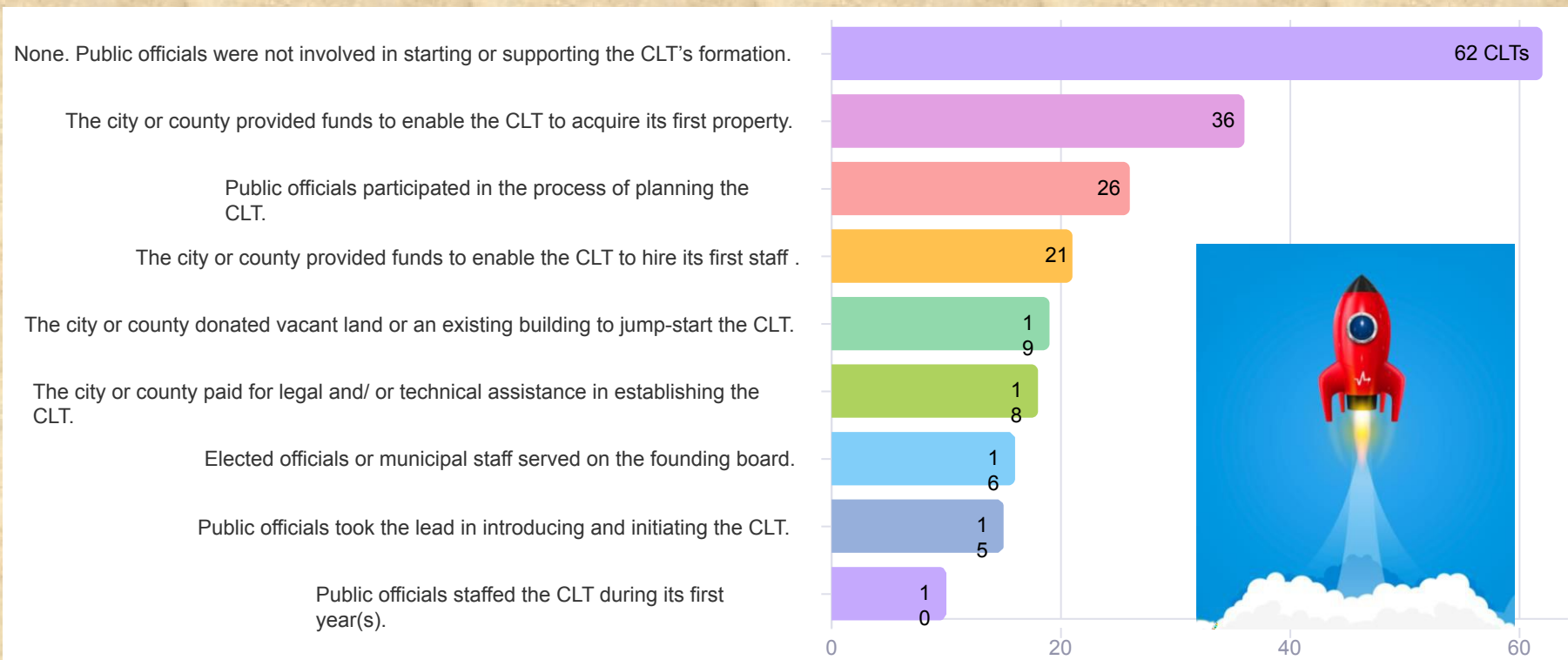
*Donations, Discounts & Grants*

CLTs Receiving Municipal Support for Land Acquisition



# Municipal initiative/municipal support for CLT start-ups

**Number of CLTs who Reported each Response:**



*A CLT may give multiple responses.*

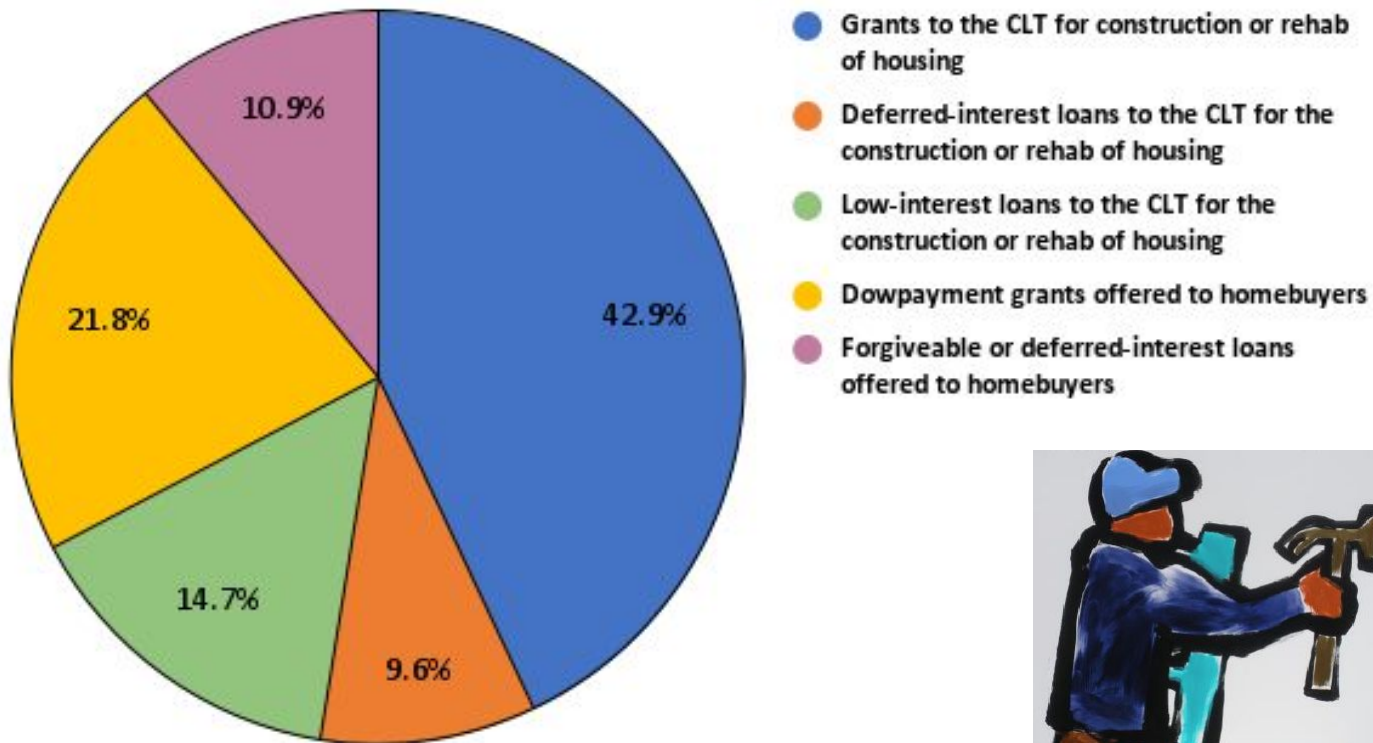




## Project development:

### *Grants & loans*

**Municipal Funding for the Development of CLT Housing**

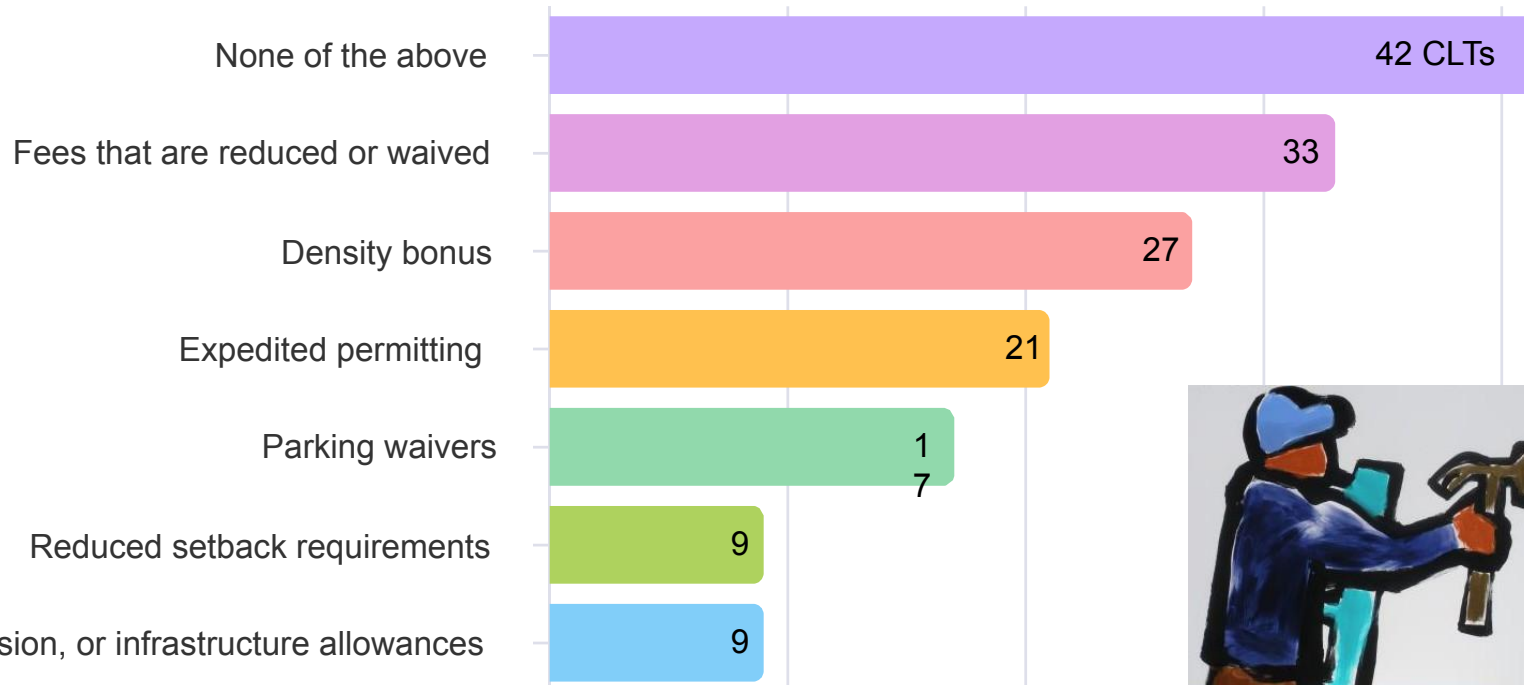




## Project development:

### *Regulatory benefits*

Number of CLTs who Reported each Response:



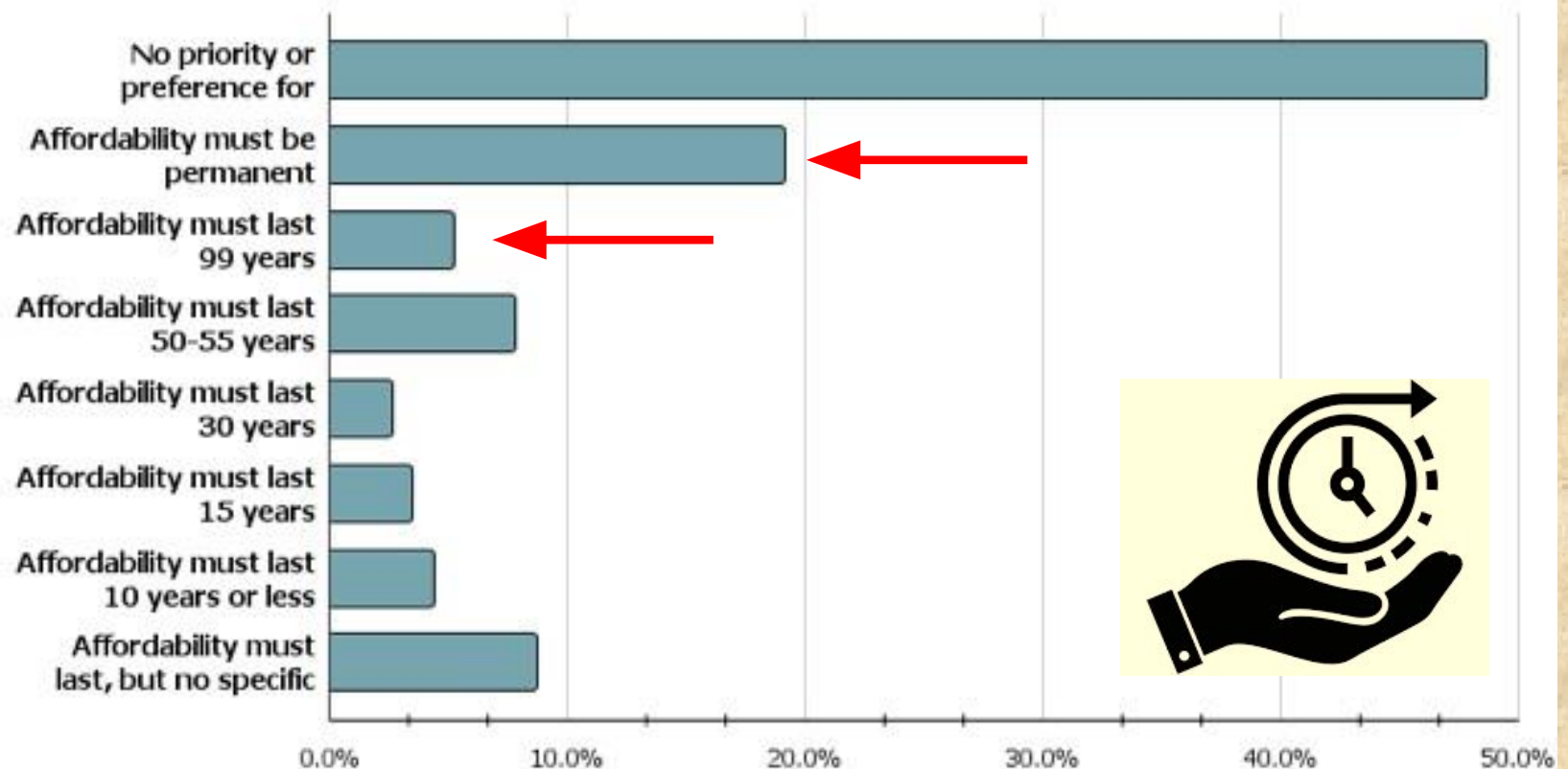
*A CLT may give multiple responses.*





## Priority for lasting affordability




**Length of Affordability Period to Qualify for a Municipal Preference or Priority in Awarding of Funds or Lands**



## Priority for active stewardship

### Three faces of stewardship



	<b>Prepurchase</b> <i>Preparing homes and homeowners</i>	<b>Occupancy</b> <i>Supporting homes and homeowners</i>	<b>Resale</b> <i>Transferring homes to new owners</i>
 <b>Preserve affordability</b>	<ul style="list-style-type: none"> <li>• Maintain a waiting list of income eligible buyers for homes that are offered for sale.</li> <li>• Inform prospective buyers of resale restrictions and other conditions encumbering the home they are about to buy.</li> </ul>	<ul style="list-style-type: none"> <li>• Secure equitable taxation of resale-restricted homes.</li> <li>• Regulate the renting/subletting of homes (if permitted at all). Set the maximum time a homeowner may be temporarily absent and the maximum rent a homeowner may charge.</li> </ul>	<ul style="list-style-type: none"> <li>• Calculate the maximum resale price/transfer value of the ownership interest when notified of a homeowner's intent to leave.</li> <li>• Manage the process of transferring ownership of the home, either repurchasing it or overseeing its resale to an income-eligible buyer at the formula-determined price.</li> </ul>
 <b>Preserve quality</b>	<ul style="list-style-type: none"> <li>• Install durable materials and energy-efficient systems as a home is being constructed or renovated.</li> <li>• Prepare homebuyers for the maintenance responsibilities that will come with homeownership.</li> </ul>	<ul style="list-style-type: none"> <li>• Review/approve post-purchase capital improvements proposed by the homeowner.</li> <li>• Periodically inspect the condition and repair of homes.</li> <li>• Admonish poor maintenance; reward good maintenance.</li> <li>• Maintain a "stewardship fund" for helping homeowners with major repairs and system replacements.</li> </ul>	<ul style="list-style-type: none"> <li>• Calculate the value of post-purchase capital improvements credited to the seller's equity.</li> <li>• Inspect the home during resale, overseeing any necessary repairs or rehabilitation.</li> </ul>
 <b>Protect security</b>	<ul style="list-style-type: none"> <li>• Review and approve all mortgages, preventing predatory lending.</li> <li>• Match the cost of buying and operating a particular home to the prospective buyer's ability to carry this financial burden.</li> </ul>	<ul style="list-style-type: none"> <li>• Verify occupancy as the homeowner's primary residence, preventing absentee ownership.</li> <li>• Review/approve refinancing.</li> <li>• Ensure that owners have adequate insurance coverage.</li> <li>• Monitor the payment of taxes, utilities and insurance.</li> <li>• Correct violations in affordability covenants, ground leases, etc., before they linger too long or loom too large to be easily corrected.</li> <li>• Intervene to cure mortgage defaults and prevent foreclosures.</li> </ul>	<ul style="list-style-type: none"> <li>• Assist in marketing homes that are offered for resale so that sellers can collect their equity and move on to their next home.</li> </ul>



# Covering the cost of stewardship

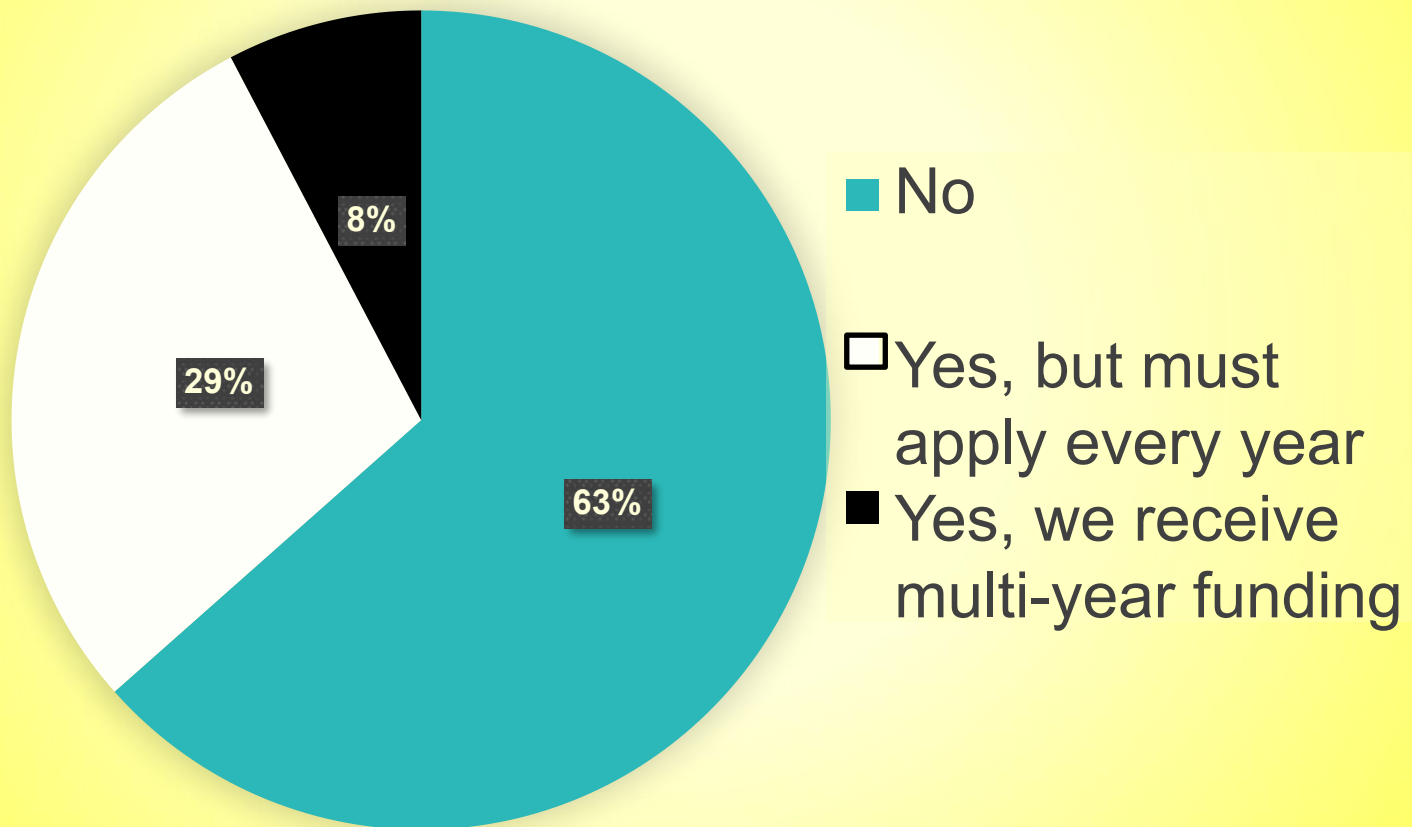
## Main sources of operating revenue

- ❑ **Ground lease fees: 88 CLTs**
- ❑ **Charitable donations: 85 CLTs**
- ❑ **Development fees: 55 CLTs**
- ❑ **Transfer fees: 36 CLTs**
- ❑ **Membership dues: 22 CLTs**
- ✓ **Grants/fees from local government for stewardship: 6 CLTs**





## Operational Funding from a Local Government





*Trends in  
Governmental  
Support*



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# **Municipal support for CLT projects**

*Best Practices*

**Good land/bad land**



**Good money/bad money  
(and loose change in between)**



# Q&A





***Kristin King-Ries  
Attorney, King-Ries LLC.***





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## *Trends in CLT Development*








## **Bigger portfolios**

- Housing stewarded by CLTs in our sample: 18,298 units
- Most CLTs (67%) have fewer than 100 units
- 38 CLTs steward more than 100 homes
- 23 CLTs steward more 200 homes
- 9 CLTs steward more than 500 homes

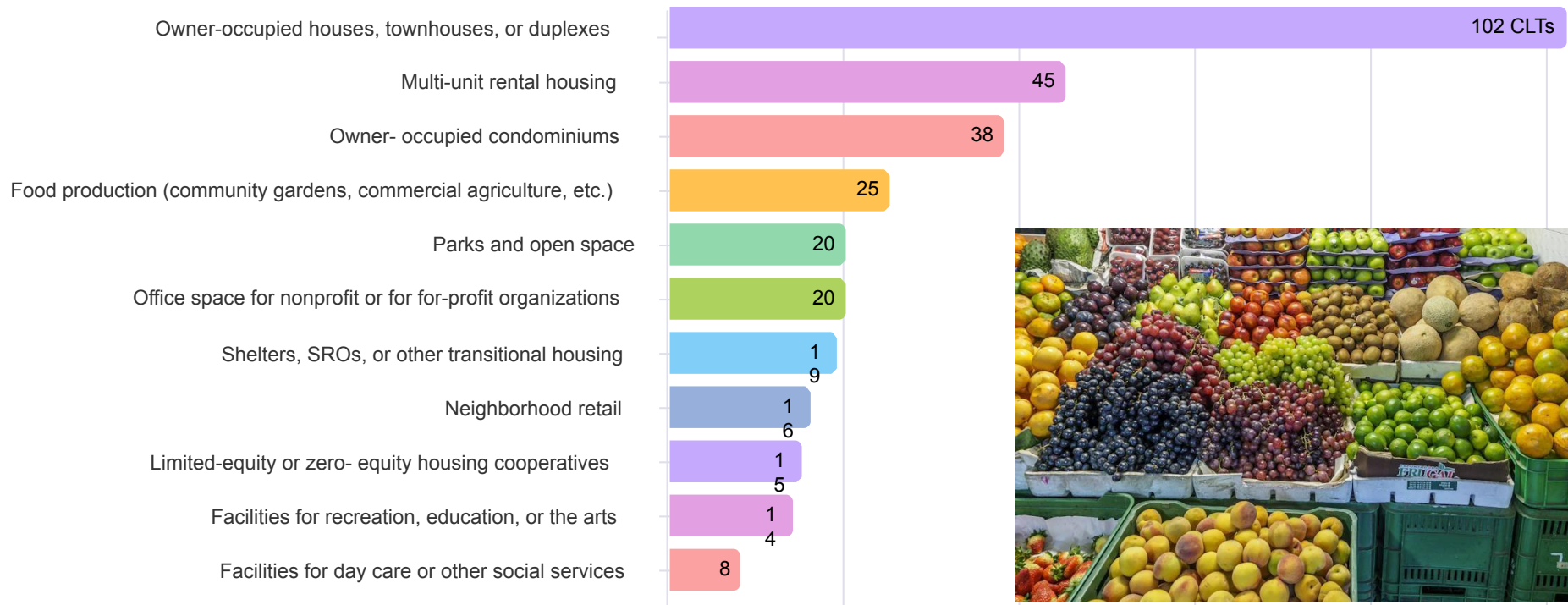
*scale ≠ impact* 

*impact ≠ scale*



## More diverse portfolios

**Number of CLTs who Reported each Response:**



*A CLT may give multiple responses.*





## More diverse portfolios

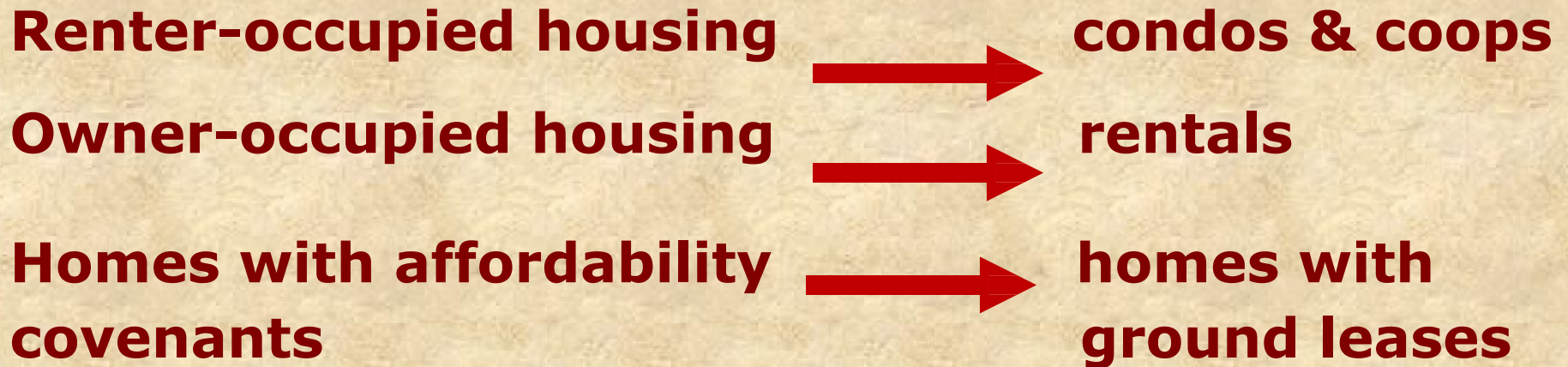
- ✓ Single-family houses, townhouses, duplexes: **90%**
- ✓ Multi-family condos & coops: **44%**
- ✓ Multi-family rentals: **42%**
- ✓ Sheltering the unhoused: **17%**
- ✓ Bldgs. for retail or office space: **32%**
- ✓ Bldgs. for education, social services, or arts: **22%**
- ✓ Open space (parks, gardens, commercial ag): **40%**







# **More frequent transitions from one form of tenure to another**







## Bigger service areas

**85%** of the CLTs in our sample serve a large geographic area:



- ✓ City-wide
- ✓ County-wide
- ✓ Multi-county
- ✓ State-wide





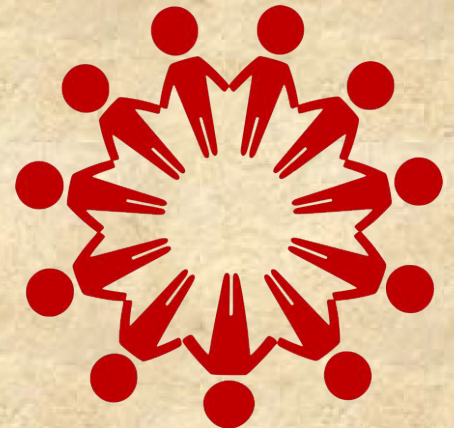
## Multiple CLTs in the same area

Even within larger service areas, the C in CLT remains strong.



CLTs sharing the same (larger) geography are finding ways to affiliate, to cooperate, and to coordinate their efforts.

- ✓ County-wide coalitions
- ✓ State-wide coalitions
- ✓ Regional coalitions







## More variation in organizational structure

- ☐ A **dozen** CLTs in our sample are nested within another organization:
- ☐ CLTs as corporate subsidiaries
- ☐ CLTs as internal programs







## **Racial equity**

### CLTs addressing historic injustice . . .

- ✓ The Dishgamu Humboldt Land Trust and the Sogorea Te' Land Trust
- ✓ Chinatown CLT in Boston; Chinatown CLT in LA
- ✓ Champlain Housing Trust's downpayment program for BIPOC households buying CHT homes.
- ✓ Community Home Trust's "Budget Your Way Home," remove barriers for BIPOC homebuyers.





## Disaster recovery

CLTs rebuilding neighborhoods and preventing land grabs by “**disaster capitalists**” . . .

✓ **HURICANES**: Houston (Harvey), New Orleans (Katrina), Puerto Rico (Maria) and Florida Keys (Irma)

✓ **WILDFIRES**: Lahaina CLT on Maui; Housing Land Trust of the North Bay in California, Methow Valley Housing Trust in Washington



## Disaster prevention

**1/3** of CLTs in our sample are building “long-term thinking” about climate change into projects.

- **Net-zero housing**: Island Housing Trust, the Lopez CLT, RootedHomes, the Homestead CLT
- **Hurricane resistant homes**: Florida Keys CLT
- **Transit-oriented development**: Urban Land Conservancy
- **Solar energy**: Lopez CLT, Urban Land Conservancy, Champlain Housing Trust





## Examples of Land Bank-CLT Partnerships

### ✓ **Transaction Partnerships**

e.g., Women's Community Revitalization Project; Elevation CLT

### ✓ **Agreement Partnerships**

e.g., Atlanta Land Trust; Albany CLT

### ✓ **Program Partnerships**

e.g., Houston CLT; Maggie Walker CLT

### ✓ **Subsidiary Partnerships**

e.g., Central Ohio CLT; Plank Road Community Land Bank & Trust

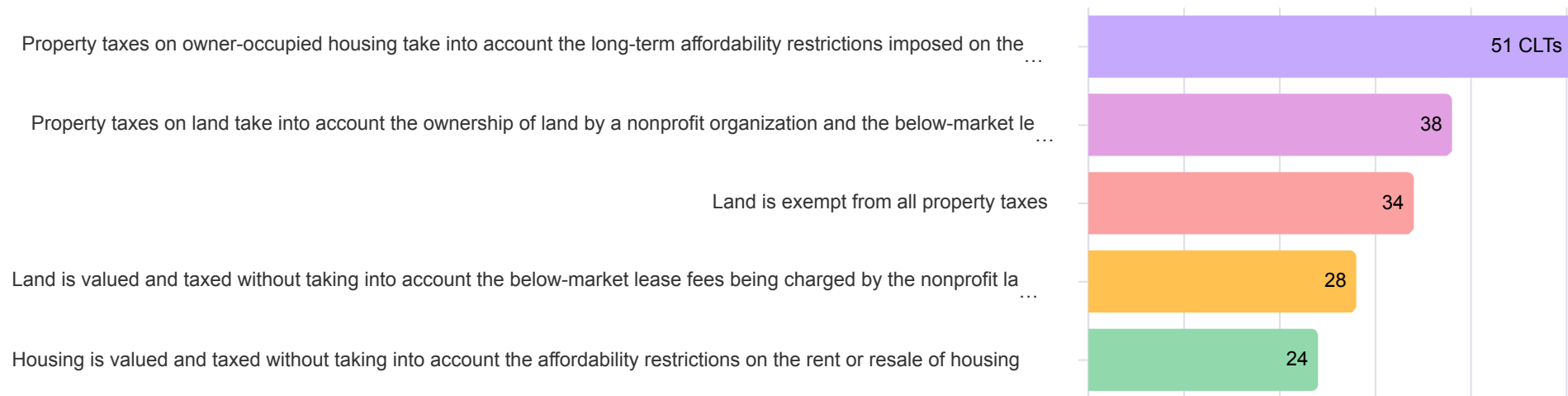




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# Equitable taxation

## Number of CLTs who Reported each Response:



*A CLT may give multiple responses.*





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# ***Inequitable taxation***



- ❑ CLT lands taxed without accounting for nonprofit ownership and below-market lease fee: **28** (33%)
- ❑ CLT homes taxed without accounting for long-term restrictions on resale: **24** (21%)



# California Property Taxes:



## **AB 2818 and SB 196**

- ❑ **AB 2818:** Amended Revenue and Taxation Code section 402.1(a) to require county assessors to recognize qualifying restrictions on owner-occupied homes controlled by community land trusts.
  - All CLT homeowners in California now pay property taxes based on the sales price of the home to them rather than the fair market value.
  
- ❑ **SB 196:** Introduced a welfare exemption for CLTs. The CLT is now exempt from paying property taxes while it is holding property to construct affordable housing.
  - For construction of low and moderate income housing
  - Exempt for up to 5 years



# The Preservation Partnership



## NEXT STEPS

- 1. Publish the report in print & digital formats**
- 2. Prepare commentaries outside the USA**
- 3. Distribute report & commentaries**
- 4. Present & teach findings**
- 5. Commission practice briefs on topics given short shrift in the report**



# Q&A

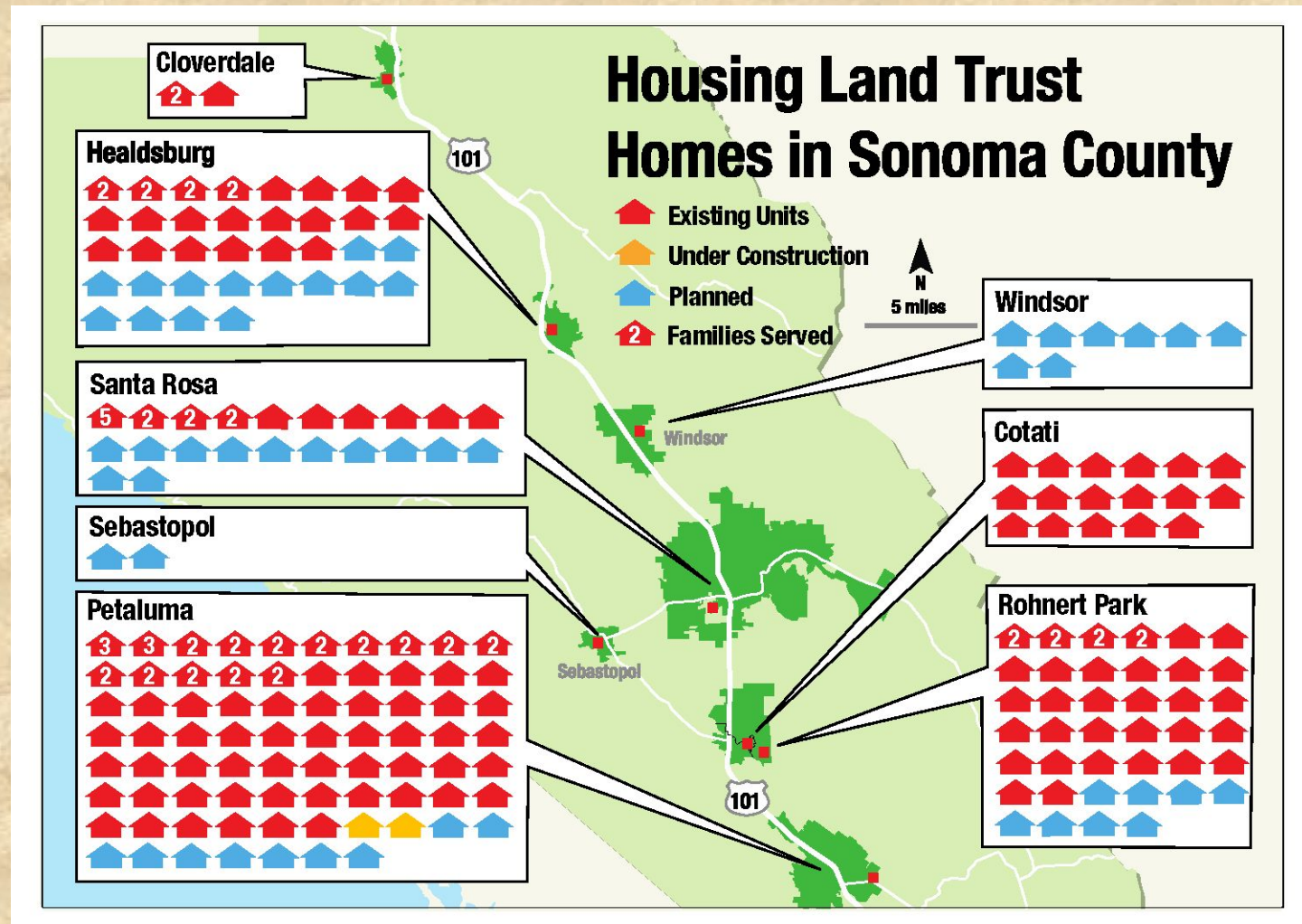




***Dev Goetschius***  
***Executive Director,***  
***Housing Land Trust of the***  
***North Bay***



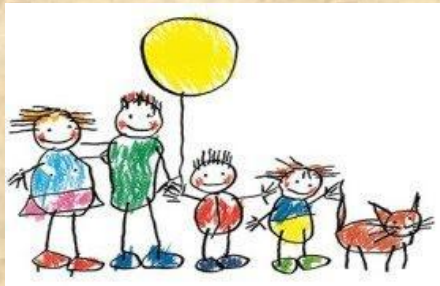
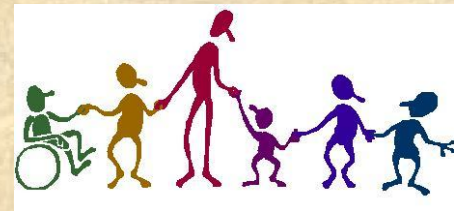
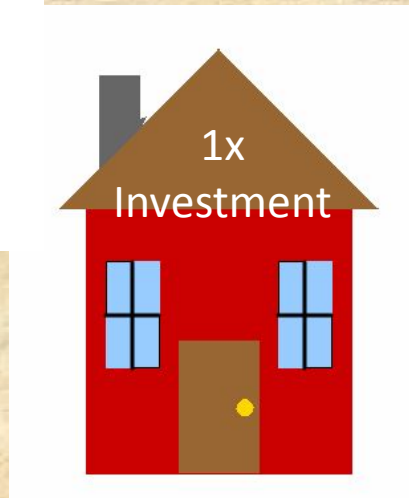
# Government – CLT Partnership – A California Example





# A Proven Working Model

**1x Community Investment serves to keep the Home as affordable to subsequent buyers as it was to the 1<sup>st</sup> Buyer - for example a house built in 2005 in Santa Rosa has now served the 5<sup>th</sup> buyer**



# ***Ways to Partner with Government***

## ***Land***

- ☐ **Inclusionary Housing - 7 Cities and County of Sonoma**
- ☐ **Surplus Lands Act – Currently working with 1 City**
- ☐ **Partner on Infill Development – Recently completed project with 1 City**



# ***Ways to Partner with Government***

## ***Funds***

- ❑ **Annual contracts for stewardship of existing affordable housing stock – 2 Cities**
  - **At resale, existing affordable housing stock will be converted to CLT**
- ❑ **Funding Sources for project development and construction – City, County, State**



# Thank you!

