

2024 Conference



California
community
land trust
network

Los Angeles
Sept 12–13, 2024

New Resources from the CA CLT Network

Donations & Bargain Sales Project Handouts

- Educate sellers on their options
- Support CLTs in vetting opportunities
- Help CLTs navigate challenging negotiations

Considering Donating or Selling Property to a Community Land Trust?

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The donation or discounted sale of real estate to a **Community Land Trust (CLT)** is a profoundly impactful way of leaving a legacy in the local community. A CLT is a charitable organization whose mission and specialty is the stewardship of permanently affordable housing and community facilities in accordance with the values of the local community. CLTs throughout California have built up a network of professionals and experts who support each other to further this mission with care and integrity. For more information see: <https://www.cadnetnetwork.org/california-clt-definition/>



Interested in Donating or Selling Property to a CLT?

There is a broad spectrum of options for property owners who want to transfer their property to a CLT. They can donate the full value or sell for a discount (bargain sale). They might choose to donate/sell today or to do so at some point in the future. Listed below are some of the more common scenarios which address a variety of donors' situations and needs.

Options for Structuring the Value of the Sale or Donation

- **Gift of Property.** The owner donates full title to the property to the CLT. The donor may be eligible for a tax deduction based on the value of the property donated. Donors should consult with their tax advisors about tax benefits.
- **Give your home, but continue to live in it.** In some circumstances, a homeowner and a CLT may find it mutually beneficial for the homeowner to make a partial gift of their property to the CLT during the homeowner's lifetime, with the remainder of the property to be transferred after their death. This might be accomplished through one of a few legal mechanisms:
 - **Life Estate.** A "life estate" occurs by executing a special kind of deed that provides one person the rights to use a property for the duration of their life, and on that person's death, the property automatically goes to the owner of the "remainder" interest in the property. A homeowner would hold a "life estate" while giving the "remainder" rights to a CLT. Typically, the holder of a life estate pays for property taxes, maintenance, insurance, and other expenses associated with maintaining the property for the duration of their life.
 - **Gift of Land Only.** Another mechanism for donors or sellers who want to remain in their home for some time would be for a donor or seller to keep title to their home while gifting or selling the underlying land to a CLT. The CLT and homeowner would enter into a ground lease of the land under the home. A typical CLT lease lasts 99 years and contains covenants which restrict future sales of the home to

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Strategies & Advice for CLTs Receiving Donated & Bargain Sale Properties

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The following strategies and tips are intended as a high-level overview for **Community Land Trusts (CLTs)**, rather than a detailed "practice guide", and as such are intended to provide jumping off points for CLTs to further develop policies and tools for pursuing donated and bargain sale properties.



Messaging and Interfacing with Potential Donors

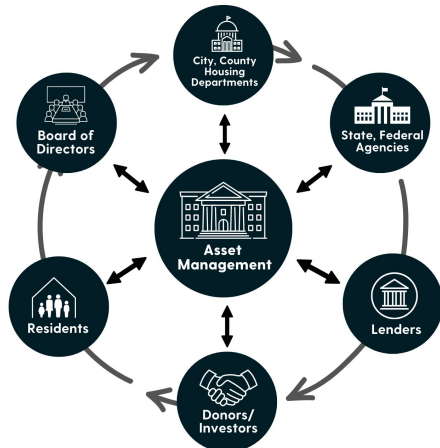
- **Focus on building community enthusiasm and motivating potential donors.**
- **Initial Donor Contact Guidance:**
 - Your interest is in the impact of the gift to the community, not financial or tax implications for the donor.
 - Your duty is not to advise the donor on the inheritance and tax implications of planned giving. Lawyers and financial advisors do that.
 - Always recommend the donor consult with their own advisors (CPA, attorney, etc.) to ensure that they fully understand and agree with the documents that your organization's real estate advisors are putting together. Having one attorney (and/or CPA) representing both the donor and your organization can lead to conflicts of interest and potentially even prompt legal challenges to a donor's will or trust.
 - Your job is to excite the donor about the opportunity to leave a lasting legacy they can be proud of, that carries their values and connections forward. Your job is to inspire the donor.
 - When you visit with prospective donors, you have two objectives:
 - Bring out information about the donor's experiences, values, worries, needs, desires, financial needs, relationships, and the condition of their financial/legal/tax/retirement/estate plans.
 - Learn what the donor wants to do in the world, what the donor wants to give to future humankind, and how your organization might accomplish any of those things.
- **It never hurts to pitch a bargain sale to every seller with whom you are negotiating an acquisition.**



Preliminary Phase Feasibility Assessment

- **Establish a basic level of commitment from the donor to sift out casual or ambivalent inquiries, and isolate potential projects with a higher likelihood of success.** One way to do this could be to outline a written agreement with the donor (such as an MOU, gift agreement or a letter of intent) and at a certain threshold, require donors to execute the agreement before the CLT spends more resources on investigating the feasibility of the anticipated gift or transaction. While a typical agreement would be non-binding, this still shows parties are taking the process seriously.

Asset Management Manual



As can be seen above, the accountability of **Asset Management** in CLTs extends in multiple directions—to the Board, to government partners at all levels, to financial stakeholders, and most importantly, to the residents and community the CLT serves.

This broad spectrum of accountability requires a multifaceted approach,



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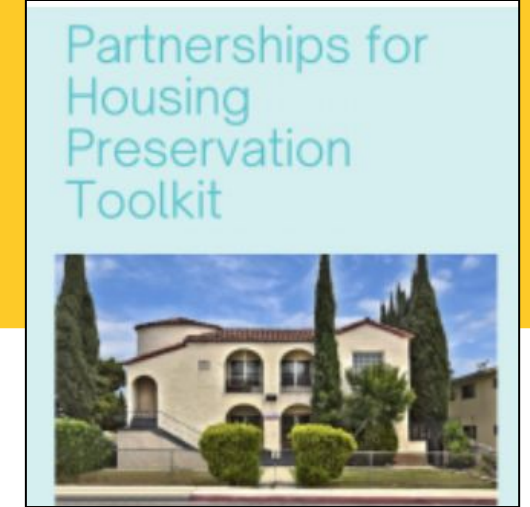
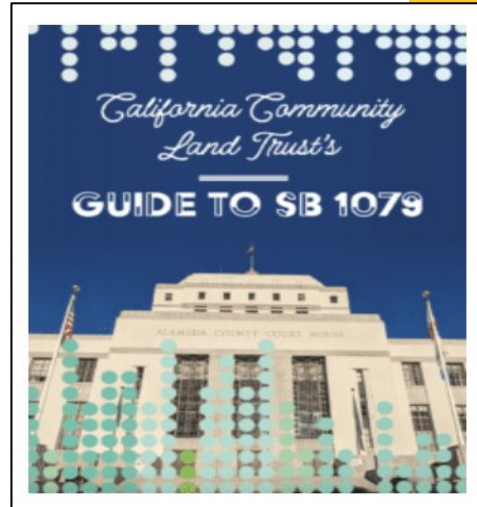
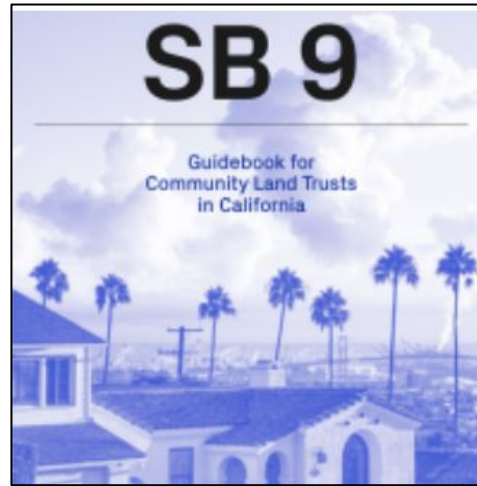
ASSET MANAGEMENT

Resources for Community Land Trusts

By **Keith Cooley** in partnership with the **California community land trust network**

- Extensive guidance on principles and practices that are critical to the successful stewardship of the CLT portfolio so that properties remain sustainable, affordable, and high-quality for generations
- Intended for CLT staff, board members, and volunteers
- Includes practical advice, proven methodologies, and real world examples that align with the unique mission and operational models of CLTs

More New Resources



How to Get Involved: CACLTN Working Groups

Curriculum Committee

- Assess CLT capacity building needs
- Plan out CACLTN Workshops
- Vet and develop new materials



Policy Committee



- Advocacy Coordination
- Legislation development
- Campaign-to-campaign learning

Accessory Dwelling Unit (ADU) Working Group

- Group learning
- Learning from each other's projects
- Developing resources, legislation, and workshops



CLT Financing Working Group

- Building on the work of the FIHPP working group
- Bank and lender advocacy



Undocumented Communities Working Group

- Sharing best practices on meeting the needs of undocumented households on CLTs
- Developing strategies to support CLTs in working with undocumented households



Tenant Opportunity to Purchase Working Group

- Cross-campaign coordination and strategy development



Property Tax Working Group

- Developing legislation including AB 2897
- Outreach to assessors and the board of equalization

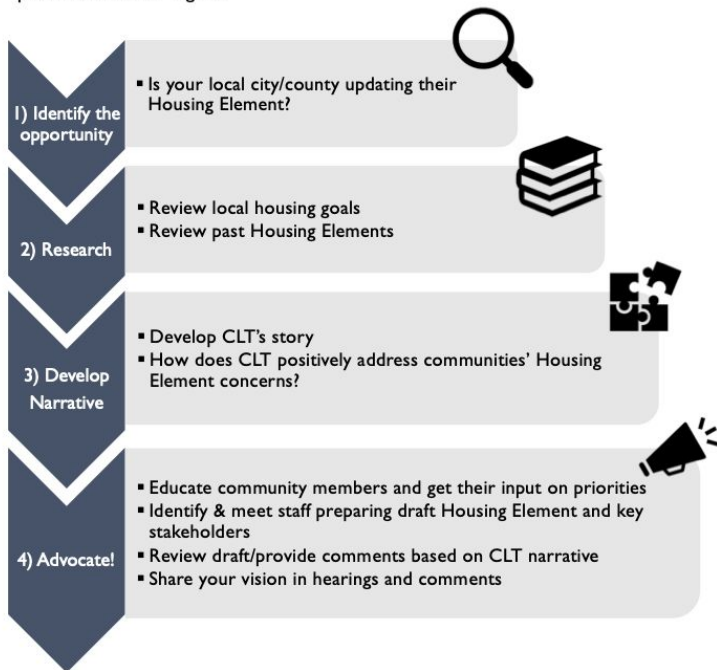


Housing Element Advocacy

How to Advocate for CLT's, Community Ownership, and Permanent Affordability



Every city and county in CA is required to update a "Housing Element" every 8 years. The Housing Element identifies the city/county's housing conditions and needs and establishes the goals, policies, and programs to create housing across the income spectrum. Housing Element updates provide CLTs and their allies with an opportunity to engrain permanent affordability and community ownership in the core guiding document for housing production in their region.



Public Lands Working Group

- Implementation of Surplus Lands Act
- Advocacy on transfer of underutilized public property to community ownership
- Housing Element advocacy

Get Involved with a Working Group Through the Conference Evaluation



Via the Whova App or through
his QR code

Plan for the Day

Fri, Sept 13, 2024

Breakfast and Welcome 8:00am

Workshop Block 2 9:40am

- | We In This Thang Breh: Imprinting CLTs into the LA Housing Ecosystem
- | Community Organizing to Activate Vacant Lots
- | Forming Housing Cooperatives on CLT Land
- | *BIPOC CLT Leadership Space*

Fri, Sept 13, 2024

Workshop Block 3 11am

- | Creating Abundance not Scarcity: Increasing CLT Capacity & Resources Collectively
- | "Thorny Issues" Roundtable for Established CLTs
- | Community Ownership In the San Joaquin Valley
- | *CLT Residents Mixer*

Fri, Sept 13, 2024

Workshop Block 4

1:10pm

- | CLT Project Financing: The Current Landscape & Emerging Needs
- | CLTs for Decarbonization and a Just Transition
- | Bringing Residents into the Asset Management Equation

Fri, Sept 13, 2024

Workshop Block 5

2:30pm

- | CLTs for Artists & Artists for CLTs
- | Are We Ready for the Next Crisis? Scenario Planning for the Future of the CLT Movement
- | *CLT Board Members Mixer*
- | CLT Homeownership: The Equity-Building Challenge

Closing Session

3:40pm

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