

# Community Land Trusts: Case Study

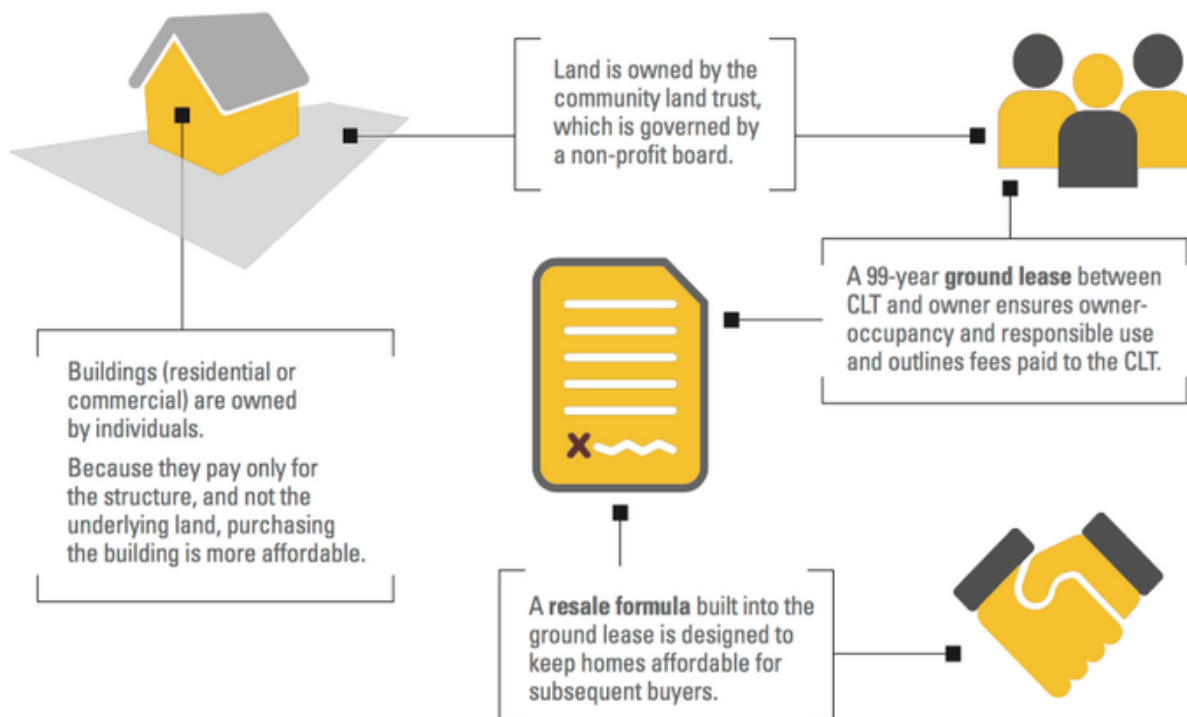
## WHAT IS A COMMUNITY LAND TRUST?

"A community land trust is a nonprofit, community-based organization whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in the houses built on that land."

- The Lincoln Institute

The most expensive part of buying a home, particularly in Colorado, is the land. By purchasing the land and therefore removing it from the value of a home, CLTs create permanently affordable housing and increase the viability of homeownership. CLTs not only offer permanent affordable housing, but also improve community development, planning, and local power.

## COMMUNITY LAND TRUSTS - HOW DO THEY WORK?

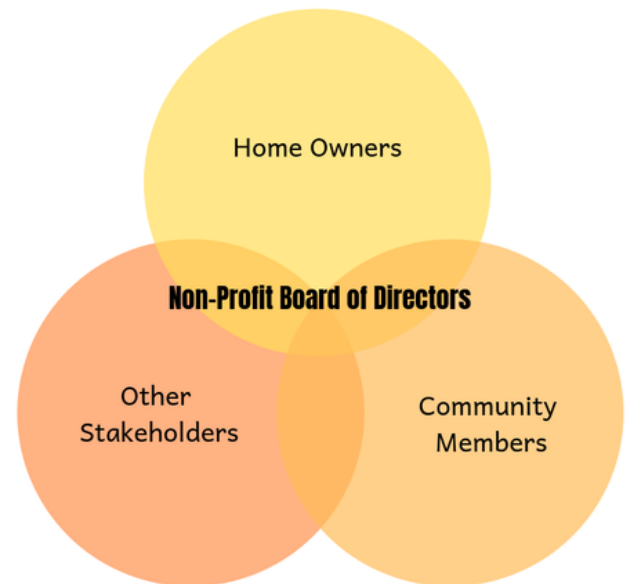


## Governance

A CLT board is created and run by different stakeholders, including but not limited to:

- Those who live in the leased housing
- Those who live in the targeted land area
- Local government representatives
- Nonprofits
- Funding agencies
- Advisors

Traditionally, those who own or rent CLT homes have the largest number of representatives on the board. Community engagement, buy-in, and organization is essential for a CLT to succeed.



<https://www.palmettoclt.org/clts-101>

### HUD Grant Programs:

- HOME Investment Partnership Program
- Self-Help Homeownership Opportunity Program (SHOP)
- Community Development Block Grant (CDBG)

## Funding

Most funding for CLTs comes from state and national grants. Certain states, such as California and New York, have allocated hundreds of millions of dollars to provide in grants to CLTs. However, many organizations need to rely primarily on funding from the Department of Housing & Urban Development (HUD) and private donations.

## Services

### Resale Formula

Each CLT determines a resale formula that ensures if a home increases in value due to owner-initiated improvements, inflation, or nearby development, the home value will increase but at a capped amount. The formula keeps the house affordable to future buyers but also ensures that current owners gain some wealth when they sell their home.

### Community Development

CLTs dramatically benefit the towns they are located in because it decreases population turnover and promote community activism and involvement in local politics.

