

BELLEVUE NEIGHBORHOOD COMMUNITY LAND TRUST

A Community Land Trust (CLT) is a community-based organization designed to ensure community stewardship of the land. A CLT can be used for many types of development in Bellevue and Ward 8 in DC but are primarily used to ensure long-term housing affordability and community wealth.

How a CLT Works

The first community land trust in the US was started in rural Georgia in 1970 to help black farmers. A property is acquired by a CLT through purchase, donation or other means. There may be a home or other structure on the property, or the property may be developed for commercial or residential use. A ground lease¹ or a covenant² is agreed upon and a signed, detailing precisely what can be expected in the CLT depending on what restrictions are placed in the terms of agreement.

Many CLT's exist within their community as an entry way for their citizens to get into home ownership and build personal wealth. The CLT allows the person or family to purchase a CLT home at a less than market value price. The CLT maintains ownership of the land while the person or family owns the home, they live in. Over time equity³ builds in the home, circumstances change, and the home is put up for sale again. The equity in the home has increased by \$100,000 from when the home was first purchased. This equity will be split and divided at an agreed upon percentage amongst the person or family and the CLT. That split could range between 25% and 75% depending upon the terms of your agreement. This means that your share of the \$100,000 of equity could range from \$25,000 up to \$75,000.

Why don't you get all the equity in the home? Because the CLT allowed you to purchase the home at below market value and absorbed other financial burdens along the way, this is how they recoup some of their investment. Keep in mind the purpose of the CLT is to get people who might never own a home into a house so they can build their wealth and create a more stable future for their family. To get you into that house, the CLT may have sold a home valued at \$400,000 for \$325,000. The person who can already afford a market rate home would not be eligible for this program.

A CLT is a steward of the property and ensures all requirements are achieved long into the future. The benefit to the community comes in the way of keeping homes affordable while maintaining the *charm* and *quality* of life of neighborhoods. Essentially, it works to help keep gentrification at bay. Some examples of successful Community Land Trusts include:

<https://www.dclt.org> | <http://clam-ptreyes.org> | www.oakclt.org

¹ An agreement that allows a tenant to develop leased land while the landlord typically owns the developed property.

² An agreement, usually formal, between two or more persons to do or not do something specified.

³ The monetary value of a property or of an interest in a property in excess of claims or liens against it

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How does a community land trust work?

Various sources of public and philanthropic capital...

- Private donors
- Federal housing subsidies
- City-owned property
- Community foundations
- Anchor institutions

...are used by community land trusts...

CLT

...to acquire homes in a geographic focus area.



Community land trusts tweak the normal process of homebuying...

A new resident buys their house outright...



...but leases the land underneath from the CLT.



They pay an annual fee to the CLT to support its operations...

CLT

...and the CLT retains permanent ownership of the land.

Why CLTs Matter

Although the first community land trust in the US was started in rural Georgia in 1970 by civil rights leaders to help poor black farmers, today, the majority of the country's nearly 250 community land trusts are today located in urban areas.

CLTs create affordable housing while still allowing low-income residents to build equity as homeowners. Moreover, because the CLT retains ownership of the underlying land, this housing remains permanently affordable, even as the original beneficiaries of an affordable home price sell and move on. This long-term, continuing benefit makes CLTs an especially efficient use of affordable housing subsidies.

By locking in permanent access to affordable housing, CLTs can play an important role in countering the market-driven displacement associated with gentrification. And by stewarding neighborhood land for the public good, not speculative profit, CLTs have played an equally important role in stabilizing communities by preventing unnecessary foreclosures.

...to make housing permanently affordable.

Current resident sells their house at a price set by the CLT, earning a portion of the increase in value of their home...



CLT
...while the CLT retains the land.

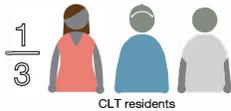


A new resident buys the house at a price that's been kept affordable...



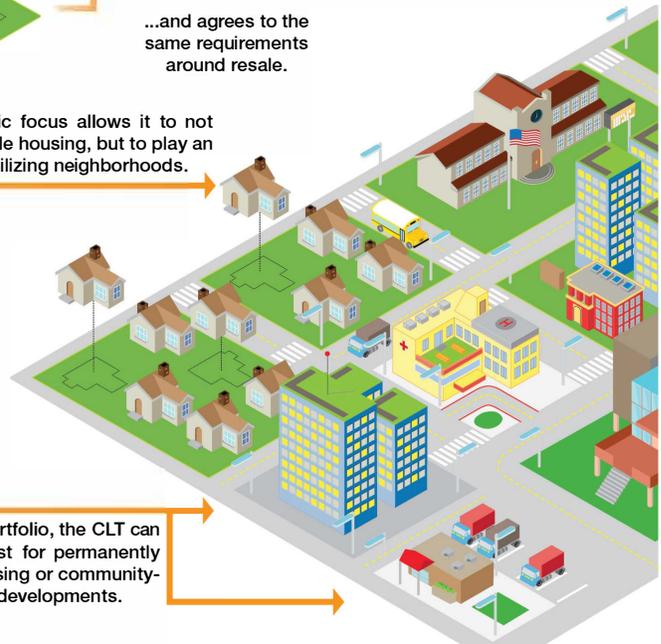
...and agrees to the same requirements around resale.

CLTs are typically governed by:



CLT

The CLT's geographic focus allows it to not only provide affordable housing, but to play an important role in stabilizing neighborhoods.



As it diversifies its portfolio, the CLT can also own land in trust for permanently affordable rental housing or community-focused commercial developments.

For more information on Community Land Trusts, see: community-wealth.org/clts
Designed by Benzamin Yi



For more information please contact us at: (202) 379-4806 or bnca20032@gmail.com