

A Community Land Trust...



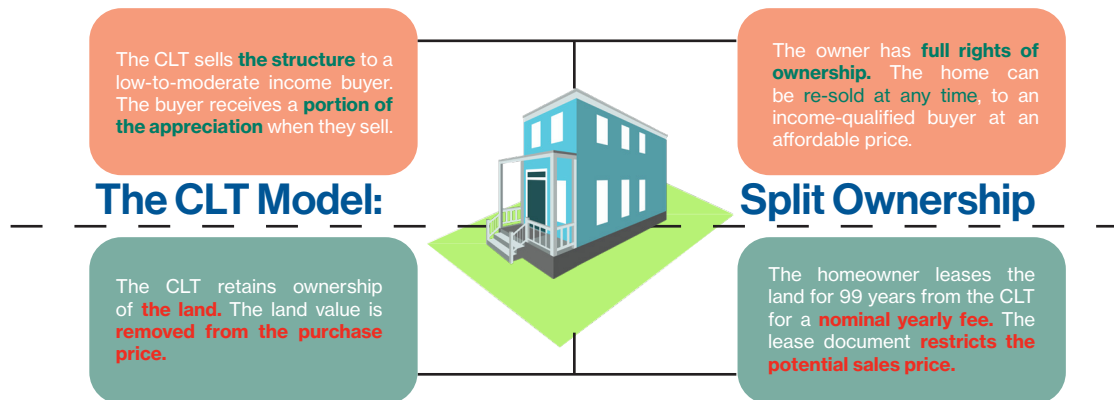
...reduces the cost of  
homeownership and...



...keeps the home afford-  
able for future buyers.

## What is a Community Land Trust (CLT)?

- A new way to help families afford homeownership now and in the future.
- A neighborhood asset that ensures there will always be an affordable option.
- A path to inclusive generational wealth-building.



## How does it work?

- Community Land Trusts modify the normal process of homebuying to make housing permanently affordable.
- The homebuyer purchases the house, and pays \$100 a year to lease the land under a 99-year lease.
- In many ways, CLT homeownership is like conventional homeownership:
  - *The homeowner earns equity through the down payment and monthly mortgage payments.*
  - *The homeowner is responsible for all maintenance and taxes on the home.*
  - *The house is inheritable.*
  - *When the homeowner is ready to move, they can sell the home to an eligible buyer.*
- Much like a condominium structure, CLTs involve both private and common ownership.
  - *In a condominium structure, the homeowner owns the interior of a unit but not the building or the grounds; they often share access to and maintenance responsibility of common areas with other owners.*
  - *A CLT homeowner owns the entire home and has full access to the land. The homeowner is fully responsible for maintenance of both home and land.*

CLTs have origins in the civil rights movement of the 1960s. They have been used for decades to provide wealth-building opportunities for households excluded from the traditional housing market.

### How can someone become a CLT homeowner?

- Applicants must be income qualified in order to purchase a CLT home.
- In order to prepare for success in homeownership, CLT homebuyers must participate in homeownership education and orientation.
- Homebuyers need to work with a pre-approved lender.

### Can a homeowner make improvements to CLT properties?

- Yes -- but some improvements need to be approved by the board, depending on the scale. The process is similar to that of a Homeowners Association.

### What happens when a homeowner sells a CLT home?

- In the same way that the initial homebuyer must be income qualified, CLT homes require that future buyers meet the same eligibility requirements as the first.
- The resale price is determined by a formula in the ground lease, which ensures that the new sales price remains affordable to future buyers. The homeowner receives a portion of the appreciation, as well as any equity they have accrued through their downpayment and regular mortgage payments.
- A new household has access to affordable homeownership through the CLT model.

### Can a CLT homeowner pass their home to a relative?

- Yes! CLT homeowners can pass their home to immediate family members who will make the home their permanent residence.

**We all deserve safe, quality housing within our means. Housing costs are rising, preventing many households and families from becoming homeowners.**

**Community Land Trusts provide a path to homeownership by lowering costs and ensuring that future households will have the same homeownership opportunities.**

