Community Land Trusts

Community land trusts are community-based organizations whose missions include permanent stewardship of land for community benefit and perpetual preservation of the quality and affordability of housing on that land. Community land trust (CLTs) make it possible for limited-income households to own homes on land that is leased from the CLT through long-term (typically 99-year), renewable ground leases. Each CLT homeowner receives deed and title to his or her home and leases the land on which the home sits from the CLT. In exchange for financial assistance provided to enable them to purchase a home they would not otherwise be able to afford, CLT homeowners agree to limit the price at which they can sell their homes, so that the home remains affordable to another limited-income household – without requiring the investment of additional public or private subsidies to make the home affordable again.

- In communities experiencing economic growth, the price of buying a home tends to rise faster than annual earnings of low- and moderate-income households – creating a crisis of *housing affordability*. In these situations, CLTs ensure that homes made initially affordable through the investment of public and private resources remain affordable, without additional subsidies, from one homeowner to the next.

- In communities experiencing economic decline, there is little incentive, especially for low- and moderate-income homeowners, to invest in maintenance, repairs and replacement, resulting in a crisis of *housing quality* for local communities. CLTs, in these situations, ensure that homes in their portfolios maintain their quality and condition.

- In either economic condition, low- and moderate-income households face a crisis of *housing security*. When housing prices rise faster than wages, houses of limited means have a harder time making their mortgage payments. Alternately, when housing values fall, homeowners are left owing more on their mortgages than their homes are worth, forcing them to make a no-win choice between continuing to make payments on devalued homes or to default on over-priced mortgages. CLTs, in either scenario, assist and 'backstop' their homeowners *after* they move in, helping them to manage their risks, to remain in their homes as long as they wish, and to make successful transitions should they ever choose to move on.

- Community land trusts preserve quality, affordably priced housing as community assets, ensuring access and affordability to this housing from one generation to the next. At a time when needs in our communities significantly surpass the availability of public and private resources to address these needs, protecting and leverage these limited resources – and the community assets they've created – is the fiscally and socially prudent choice. Accordingly, community land trusts are increasingly becoming the preferred public policy choice in communities across the country.