What is a Community Land Trust?
- Private, non-profit corporation
- Acquire and hold land for the benefit of the community
- Provide affordable and permanently protected access to land and housing for community residents

What does a CLT do?
- Prohibit speculation and absentee ownership of land and housing
- Promote ecologically sound land-use practices
- Preserve long term affordability of housing by splitting ownership of land and housing:
  - reducing land-related costs of housing.
  - reducing property tax assessments.

CLT Movement
- RECENTLY DISCOVERED HISTORY: The histories of the founding of the CLT movement and Habitat for Humanity are connected from the beginning with both being “conceptualized” at Koinonia Farm in the mid-1960’s.
- There are more than 200 CLT’s in the US, with rapid growth in recent years related to the increase in the number of cities adopting inclusionary housing ordinances.
CLT's and Foreclosure

- In 2007, 0.06% of CLT homes were in foreclosure (National CLT Network).
- In the 4th quarter of 2007, 2.04% of single family homes in the US were in some stage of foreclosure (Mortgage Bankers Assoc) -- a rate 34 times greater than for CLT homes.
- The CLT model is robust, and resistant to downward turns in the national housing market.

What makes the CLT model different?

- Commitment to local control
- Dual ownership
- Protects long term affordability
- Flexibility -- works with almost any type of development you can imagine -- housing, conservation, agriculture, retail, business incubators, artist's coops, etc.

Shared Equity Housing

- There are different ways to keep housing affordable for the long-term -- and still provide a reasonable rate of return to the homeowners: deed-restrictions, limited equity coops, and ground leasing
- The vast majority of CLTs use a ground lease as a mechanism for permanent affordability.

Our Founder, Sol Levin
Madison Area CLT

- Founded in 1991 -- due to the passion and efforts of Sol Levin.
- We have built/renovated 65 homes -- of these, 41 have been built in the last 5 years.
- Neighborhoods include:
  - Anniversary Court
  - Camino del Sol
  - Troy Gardens

How We Do Housing

- Affordability
  - Remove the land from the purchase price
  - Lease the land to the homeowner
- Sustainability
  - Resale formula that passes savings on to the next owner
  - Right to repurchase
  - Subsidy keeps working forever creating a stock of permanently affordable housing
  - Ecologically friendly building practices

Ground Lease

- In Wisconsin, we use a 98-year renewable ground lease -- based on the national model CLT ground lease
- It was developed for single-family housing -- and has been adapted for condominiums
- And it even works for mixed-income housing
- Ground lease fee covers cost of post-purchase support -- each home creates an annuity for program operations
- To be honest, MACTL fees are high (compared to other CLTs): $75/yo for single-family, $50/yo for condo
- Balanced out by reduced property taxes -- through indexing lease fee to property tax assessment

Resale Formula

- If you decide to sell, you receive what you paid for it plus 25% of the appreciation
- Example:
  - Original price: $100,000 / Appraisal: $115,000
  - 5 years later home appraises at $155,000
  - 25% of $40,000 (appreciation) is $10,000
  - New price: $110,000
  - Share your appreciation with the next buyer
Property Taxes
- Pay taxes on land and improvements
- Improvements assessed at discounted sale price (subsidy buried in the land)
- Land does not increase once caps are reached
- Annual increase on improvements is 25% of surrounding area

Benefits of Owning a CLT home
- Purchase a home you might not otherwise be able to afford
- Create a legacy for your family
- Guidance before, during and after you buy your home
- Assistance with financial problems and foreclosure prevention
- Feel good knowing your home will be permanently affordable to future generations

Building Wealth vs Quality of Life
- Building equity through market appreciation is great if:
  - You sell your home someday
  - You refinance your home or take out a home equity loan
- But this comes at a price
  - higher property taxes,
  - less income for day to day living

Funders Want Money to Work Harder
- Funders are increasingly being drawn to models of permanent and/or long-term affordability because
  - one subsidy/grant works for 10-15 years
  - cost of replacing lost affordable units rises every year
  - recycling subsidy results in net decrease in affordable housing units
- For Madison's IZ program, it is estimated that it will require the subsidies from 3 to 4 IZ units when they are recycled to create one new unit of affordable housing
Troy Gardens

- Neighborhood-based planning process built upon excellent community organizing by the Northside Planning Council.
- MACLT purchased 31 acres in 2001
  - 26 acres leased to Friends of Troy Gardens
  - 5 acres reserved for housing development

Awards/Recognition for Troy Gardens

- AARP/NAHB Livable Communities Award
- Lincoln Institute for Land Policy -- Troy Gardens is the first case study of a community land trust they have undertaken.
- Wall Street Journal article on innovative approaches to housing for seniors, including Troy Gardens (May 2008)
- UW-Madison Chancellor’s Award

AARP/NAHB Livable Communities Award Video

WHAT'S NEXT?

Tuesday, April 29, 2008
Community Agriculture Center
(Sketchup is Awesome)

Resources

- MACLT website:
  www.affordablehome.org
- Troy Gardens Case study:
  www.troyparks.net
- National CLT Network:
  www.clnetwork.org