

The Community Land Trust:

What is it?

How does it work?

Why is it needed?

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Florida Community Land Trust Institute Primer

- 2015 update
- CLT overview and articles
- Model ground lease
- Sample SHIP strategy



The Community Land Trust:

What is it?

A community land trust (CLT) is...

- **A nonprofit affordable housing entity that is tax exempt under 26 USC s. 501(c)(3).**
- **A vehicle to separate ownership of land from ownership of the improvements on the land.**

The Community Land Trust:

How does it work?

- The CLT acquires and retains ownership of land for the benefit of the community.
- The CLT sells or leases the improvements on the land to income-eligible households.
- Homebuyers purchase the home and have the right to use the land under a 99-year lease agreement with the CLT.
- The ground lease includes restrictions on use and resale, which ensure the improvements continue to be affordable to subsequent owners in perpetuity.

The Community Land Trust:

How does it work?

Typical ground lease provisions include:

- Income eligibility requirements
- Use and resale restrictions
- Rental rate restrictions
- Taxes
- Inheritance
- Resale Formula

The Community Land Trust:

Why is it needed?

- To make homeownership more affordable
- To keep the home affordable forever
- Subsidy is retained
- Permanent stock of affordable housing is created
- A nonprofit is providing stewardship



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