



City of Bridges

COMMUNITY LAND TRUST

Wilkinsburg
Community
Meeting

Ed Nusser, Executive Director



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agenda

- CLT 101
- CBCLT Background
- How we can help



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CLT 101

COMMUNITY LAND TRUSTS

- 50 year-old movement, began in Albany, GA
- A unique approach to affordable homeownership
- Attempts to balance preserving communal wealth with building personal wealth

The Earliest CLTs

- First CLT: New Communities Inc. Leesburg - GA 1969
 - Started by National Sharecroppers Fund to answer the question of security for African-American tenant farmers and sharecroppers who lacked the legal protections of industrial workers.
 - Largest African-American owned property in the US.
- First urban CLT: Community Land Cooperative of Cincinnati - 1981
 - Started by ecumenical association of pastors, priests, and nuns worried about gentrification and displacement.

CLT Organizations

- Nonprofit, geographic-based organization
- Operate in 47 States
- Governed by a tri-partite board of CLT residents, stakeholders, & practitioners
- Over 15,000 units of CLT housing exist throughout the U.S.

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TRUSTS

- A unique approach to affordable homeownership:
 - Change the structure of traditional home ownership
 - Cultivate long-term relationships with residents, occupants, and users
 - Create PERMANENTLY affordable homeownership

Structure of Homeownership

- CLT owns and holds title to the land forever, Homeowner owns home
- CLT conveys use of land to income-qualified homebuyer via a 99 year, inheritable, renewable ground lease
- Ground lease (to land) and deed (to home and land) are recorded with County Real Estate Dept.

Permanently Affordable Homeownership

- CLT homeowners, by signing the ground lease:

Agree to share with future homebuyers the affordability that was initially created for them

Agree to a resale formula that will be used to determine the price at which they can sell their homes

Resale Formula

- The key tool that allow CLTs to maintain permanent affordability and simultaneously allows homeowners to build equity
- Our Resale Formula, like other major ground lease decisions, was chosen by a steering committee of community members
- Can follow one of three options:
 - Fixed Rate of Return
 - Indexed

Resale Formula Example

- Buy a house at \$130,000
 - Put down \$1,500 down payment
 - Reduction in balance of the mortgage
 - Resale value grows 1.15% annually
 - In 5 years, resale value is: \$137,500
 - Equity built = ~\$19,000 – sale costs
 - In 10 years, resale value is \$145,500
 - Equity built = ~\$40,000 – sale costs

Comparison to Conventional Homeownership

- Key Differences:

- Restrictions on use and resale value
- Purchased through a leasehold mortgage rather than fee simple mortgage

- Key Similarities

- Responsible for all property taxes
- Eligible for all income tax benefits of traditional homeownership
- Fully inheritable

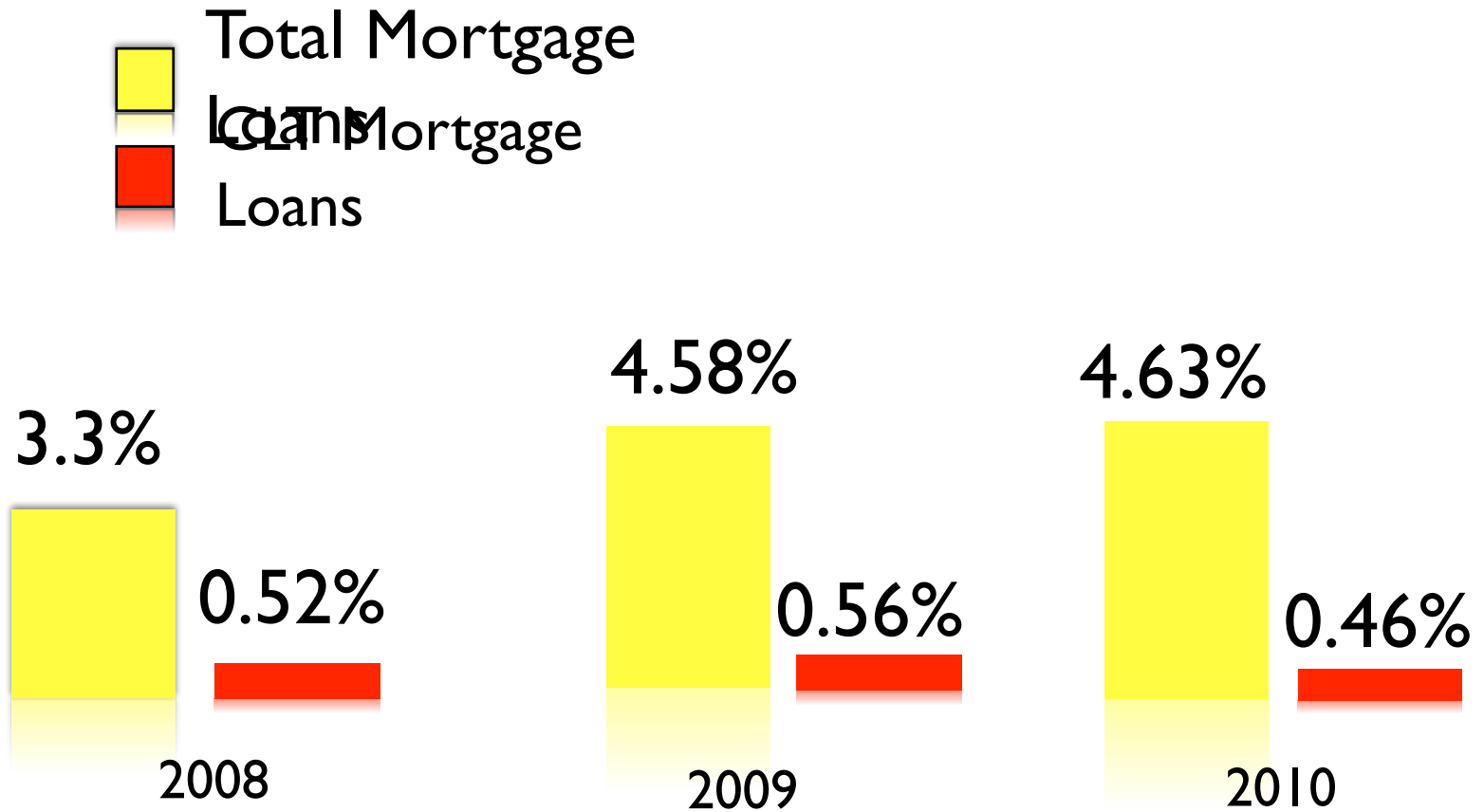
POST-PURCHASE STEWARDSHIP

- CLT lays out clear expectations - and monitors - and enforces - compliance
- CLT enters into long-term, mutually accountable relationships with homeowners
- CLT stands behind - and backstops - its homeowners, to ensure their success.

HOMEOWNER SECURITY

- Over 90% of CLT homeowners remain in their homes at least five years
- Historically, the average tenure of CLT homeowners is seven years
- Over 70% of CLT homeowners, when they sell their CLT homes, purchase an unrestricted, market-rate home

CLT Mortgage Performance



FORECLOSURE PROCEEDINGS



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CBCCLT Story



WE ARE

a new, **independent nonprofit** that works closely with community organizations and individuals.

We develop permanently affordable assets to strengthen community and improve the quality of our buildings and housing.

We connect people to resources and & empower more and better prepared homeowners.

We provide ongoing stewardship for long-term neighborhood stability and individual opportunity.

OUR VISION

City of Bridges CLT envisions diverse communities where people **thrive, build wealth, establish roots, and foster community ties without risk of displacement.**

OUR MISSION

City of Bridges CLT **builds community ownership** that preserves **permanent affordability, empowers individuals**, and ensures **responsible growth and stewardship.**

OUR VALUES

We demand **dignity and respect for people and community, and advocate against discrimination and displacement**

We empower people and lead the way - together

We are **courageous, credible, and worthy of trust**

We inspire **thoughtful and honest community participation, and activate community plans and values**

We advance **fairness, justice, and equity**

OUR WORK

Our goal is to create 100 units of permanently affordable housing over the next 5 years.

We pilot innovative programs and find new ways to bring permanent affordability to our communities, including:

Down payment assistance

Community-controlled commercial space

Homeownership incubation

Educating the region about the community land trust model

Advocating for permanently affordable housing in Pittsburgh and beyond

Get in touch with us: (412) 621-1811 or www.cityofbridgesclt.org



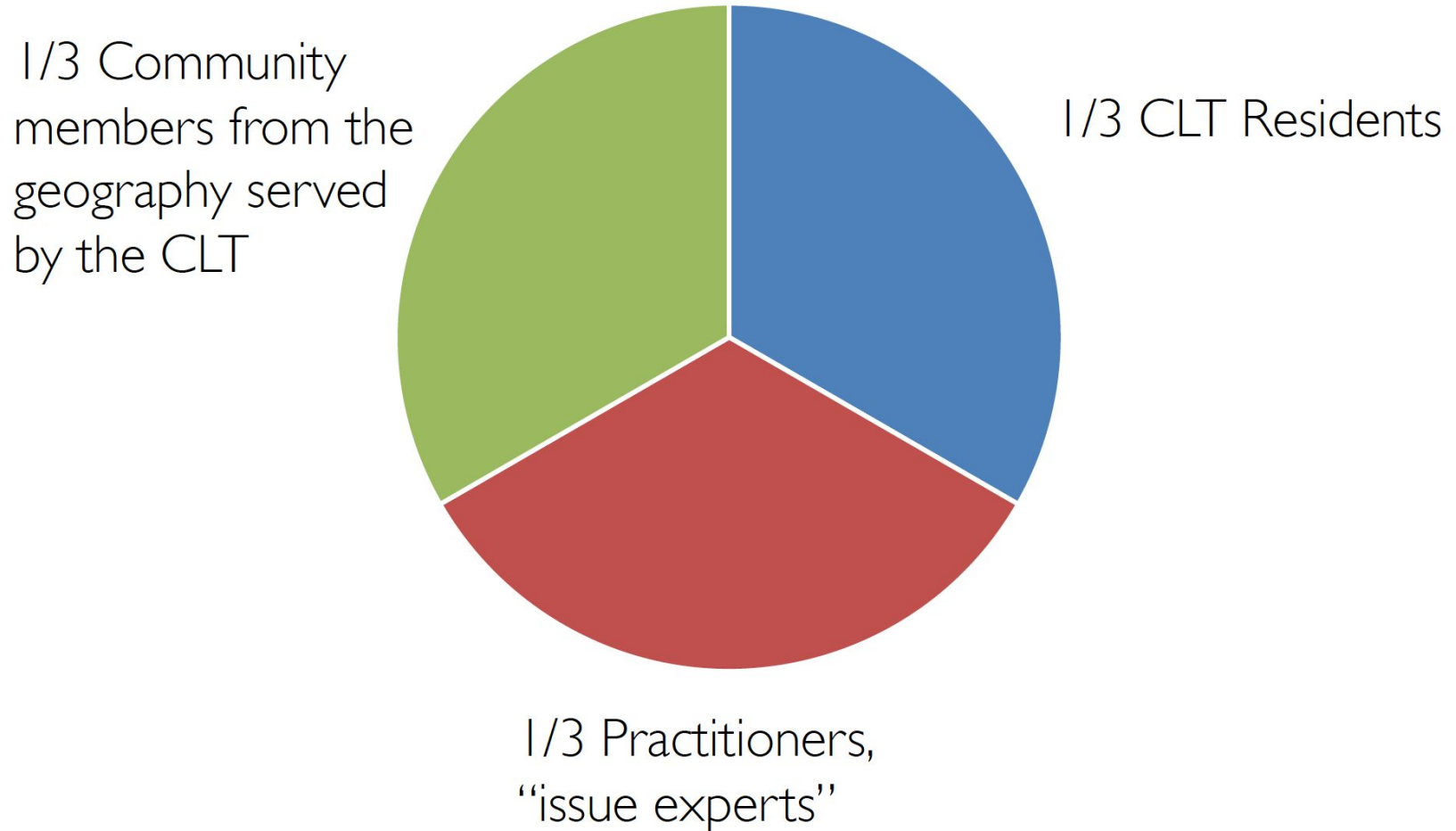
National Models

- Proud Ground – Portland, OR
 - 5 county service area
 - 280 homes
- City of Lakes – Minneapolis, MN
 - Serves the entire city of Minneapolis
 - 275 homes
- Champlain Housing Trust – Burlington, VT
 - 3 county service area
 - 620 single family homes, 2300 rental units

National Research Findings

- Growing geographic service area
- Dedicated Stewardship Staff
- Homeowner advisory committees
- Guaranteed governance by CLT residents
- Diverse portfolio
- Robust Partnerships

CBCLT Governance Structure





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CBCCLT
Programs

Paths to CLT-ownership

- CBCLT Developed Units
 - Have completed 14 homes to date
 - 6 new construction
 - 8 rehabs
 - 3 renovations currently in-progress
 - Breaking ground on 8 additional homes in April

Buyer Initiated

- Buyer Initiated Grant Program
 - Provides flexible grants of up to \$35,000
 - Available anywhere in Allegheny County
 - Eligible homes priced at \$165,000 or below
 - Can be used for down payment, closing costs, or repairs and updates to the home
 - Funds available for 5-6 more closings

Community Partnerships

- Buyer Initiated Grants can be stacked to broaden affordability of community real estate projects
- Exploring partnerships to support marketing and stewardship of community real estate projects



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Questions?