Community Land Trusts
-Sustainable, Affordable Housing-

2018 Community Development Workshop
Introduction

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   Executive Director of the KCMO Land Bank since June of 2014
   Associate City Attorney for KCMO since 2001.

Kansas City MO

   Land Bank was enabled by statute in 2012, started in 2013
   www.kcmolandbank.org.
   Has a population of 460,000.
   319 Square Miles.
   Approximately 222,000 households.
Points I will cover:

Generally, what is a CLT?

- How is a CLT structured?

- What is the Homeownership structure?

- How do CLTs keep homes permanently affordable?

- Explain CLT Board Stewardship.
Community Land Trusts

- Corporate Structure:
Community Land Trusts

- Corporate Structure:
- Non-profit, community-based. 501(c)(3).
Community Land Trusts

- Corporate Structure:
- Most CLTs Non-profit, community-based. 501(c)(3).
- Governed by 3 part Board- Homeowner Directors, Community Directors, Public Directors.
Community Land Trusts

- Homeownership Structure: the trust legally separates the land from the structure.
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CLT retains land, owns that forever.
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Home is sold to qualified, eligible buyer.
Community Land Trusts

- Homeownership Structure: the trust legally separates the land from the structure.
- CLT retains land, owns that forever.
- Home is sold to qualified, eligible buyer.
- Home sold with affordability subsidies.
Community Land Trusts

- Homeownership Structure: the trust legally separates the land from the structure.
- CLT retains land, owns that forever.
- Home is sold to qualified, eligible buyer.
- Home sold with affordability subsidies.
- Land leased to HO with 99 year lease.
Community Land Trusts

- How CLTs keep homes permanently affordable?
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- How CLTs keep homes permanently affordable?
- HOs asked to share the subsidy they received with future HOs.
Community Land Trusts

- How CLTs keep homes permanently affordable?
- HOs asked to share the subsidy they received with future HOs.
- Agreement on lease/resale formula up front.
Community Land Trusts

- How CLTs keep homes permanently affordable?
- HOs asked to share the subsidy they received with future HOs.
- Agreement on lease/resale formula up front.
- Here is how that would work:
- Original Appraised Value $150,000
- Original Appraised Value: $150,000
- Minus Affordable Subsidy: ($40,000)
- Original Appraised Value: $150,000
- Minus Affordable Subsidy: ($40,000)
- Original Affordable Price: $110,000
- Original Appraised Value $150,000
- Minus Affordable Subsidy ($40,000)
- Original Affordable Price $110,000
- HO’s Appreciation share 25%
- Original Appraised Value $150,000
- Minus Affordable Subsidy ($40,000)
- Original Affordable Price $110,000
- HO’s Appreciation share 25%
- Appraised resale value $190,000
- Original Appraised Value: $150,000
- Minus Affordable Subsidy: ($40,000)
- Original Affordable Price: $110,000
- HO’s Appreciation share: 25%
- Appraised resale value: $190,000
- Increase ($190K - $150K): $40,000
- Original Appraised Value $150,000
- Minus Affordable Subsidy ($40,000)
- Original Affordable Price $110,000
- HO’s Appreciation share 25%
- Appraised resale value $190,000
- Increase ($190K - $150K) $40,000
- Owner’s Share (40K x 25%) $10,000
- Original Appraised Value $150,000
- Minus Affordable Subsidy ($40,000)
- Original Affordable Price $110,000
- HO’s Appreciation share 25%
- Appraised resale value $190,000
- Increase ($190K - $150K) $40,000
- Owner’s Share (40K x 25%) $10,000
- Resale Price (110K + 10K) $120,000
- Original Appraised Value $150,000
- Minus Affordable Subsidy ($40,000)
- Original Affordable Price $110,000
- HO’s Appreciation share 25%
- Appraised resale value $190,000
- Increase ($190K - $150K) $40,000
- Owner’s Share (40K x 25%) $10,000
- Resale Price (110K + 10K) $120,000

The benefit of the affordability subsidy is preserved for future generations.
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- CLT Board Stewardship
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- CLT Board Stewardship
- CLT commits to “backstopping” its Homeowners.
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- CLT commits to “backstopping” its Homeowners.
- Sets clear expectations & monitors compliance.
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- CLT Board Stewardship
- CLT commits to “backstopping” its Homeowners.
- Sets clear expectations & monitors compliance.
- Provides or arranges for support for HOs, re: maintenance and mortgage default.
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- CLT Board Stewardship
- CLT commits to “backstopping” its Homeowners.
- Sets clear expectations & monitors compliance.
- Provides or arranges for support for HOs, re: maintenance and mortgage default.
- CLTs= Equitable & Sustainable Development.