



# Community Land Trusts

# Agenda

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- Define a Community Land Trust
  - CLTs for Rental opportunities
  - CLTs for Homeownership opportunities
  - CLT Stewardship
  - Help to get a CLT established



# What is a CLT?

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- The vehicle of separating ownership of the land from the improvements building
- Nonprofit organization that holds title to the land, administers the 99-year ground lease assuring
  - right of owner of improvements to use the land,
  - **one-time, relatively large** (but smaller over time) public subsidy is retained in the housing unit(s),
  - future low-income households will afford the unit.

# How Does a CLT Work for Rental Development?



# How Does a CLT Work for Rental Development?

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- Ground lease provides permanent affordability in contrast to expiring LURA
- CLT can provide compliance monitoring function for income eligibility of tenants and unit set-aside requirements
  - Provide stewardship to benefit of tenants such as planning for ownership, credit and homebuyer counseling, saving, etc.
- CLT can apply for construction financing as the Developer, or create a joint venture with a co-developer, or hire a Developer

# How Does a CLT Work for Homeownership?

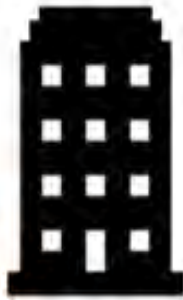
An eligible household buys the home at below market price



But leases the land from the CLT



CLT permanently owns the land



CLT

The homeowner pays a nominal monthly ground lease fee

The Ground Lease contains a "Resale Formula." This keeps the home affordable forever.

The current resident sells their house to an income-qualified buyer



The new buyer purchases the house at an affordable price and agrees to the same requirements for resale





# The Equity Ladder!

A Community Land Trust offers a critical rung

An effective alternative to renting for lower-income households seeking the stability of homeownership, particularly in markets experiencing high housing costs



# Community Land Trust - Stewardship

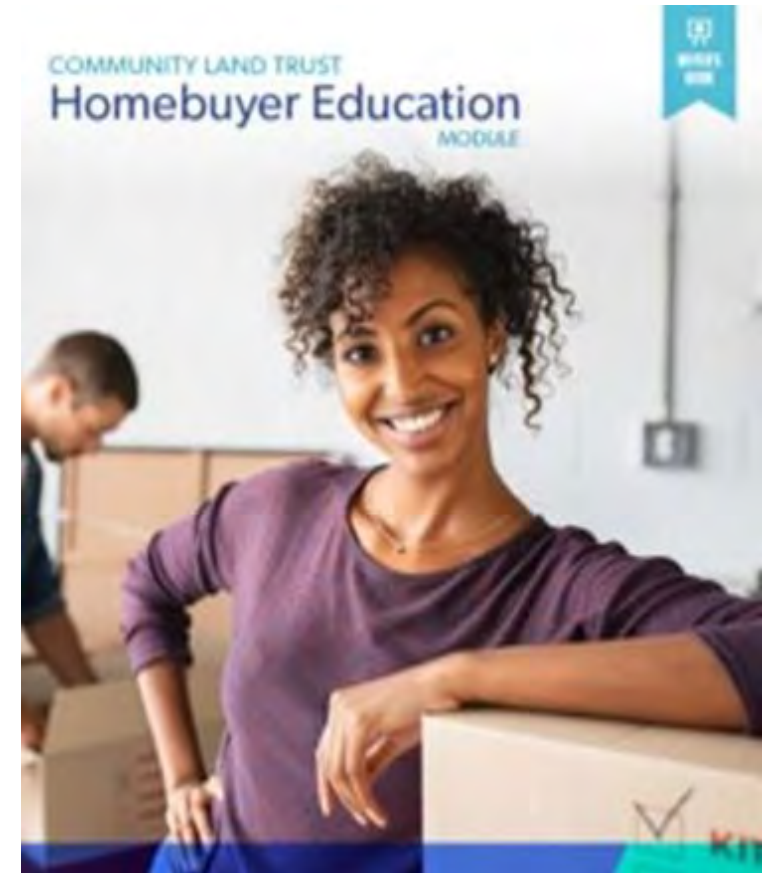
Stewardship - To manage and permanently preserve housing that is affordable to current and future consumers.

## Community Engagement

- Articulate the benefits of CLT in public forums especially for the end user
- Minimizes impacts of gentrification

## Homebuyer Education

- Opportunity to explain the differences between CLT homeownership and Fee Simple Homeownership
- Review a resale scenario part of pre-purchase education and counseling





# Community Land Trust - Stewardship

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## Home Maintenance

- CLT can come alongside owner to inform on the necessities of maintenance and repairs of a home

## Financial Planning

- CLT and buyer/owner develop a plan for moving to next rung in ownership

## Resale

- Sources the purchaser from pipeline of interested CLT buyers and assigns agreement
- Ensure big \$\$\$ subsidy is retained with the unit through the transaction

## Contingency

- Save owner and home from default (Tax sale, foreclosure, etc.)

# Florida Housing Coalition - CLT Consulting

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- Using best practices established in partnership with FNM & FMC we bookend consult on CLT establishment including:
  - Draft/Amending governance documents: Articles of Incorporation, Bylaws;
  - Procurement (RFQ/RFP) to establish/administer a community land trust;
  - Establishing ground lease to manage land, retain subsidy and preserve affordability
  - Identifying tax benefits including working with Property Appraiser's office to ensure assessments are in accordance with law
  - Creation of new lines of business e.g. development, leveraging subsidy, etc.
  - Certification of the operation of Community Land Trusts
  - NEW – Supports initial CLT operations thru development and occupancy of first unit

# Community Land Trusts Gaining Momentum

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Many examples in ALL areas of Florida

- Local Governments - City of Jacksonville, City of Tallahassee & Leon County, Hillsborough County, City of Tampa
- Housing Finance Authority – Marion County
- Non-Profits – Bright Community, Community of Hope,
- Habitat for Humanity – Pensacola, Marion Regional CLT, St. Lucie
- Housing Authority – Pompano Beach





# Community Land Trusts Throughout Florida



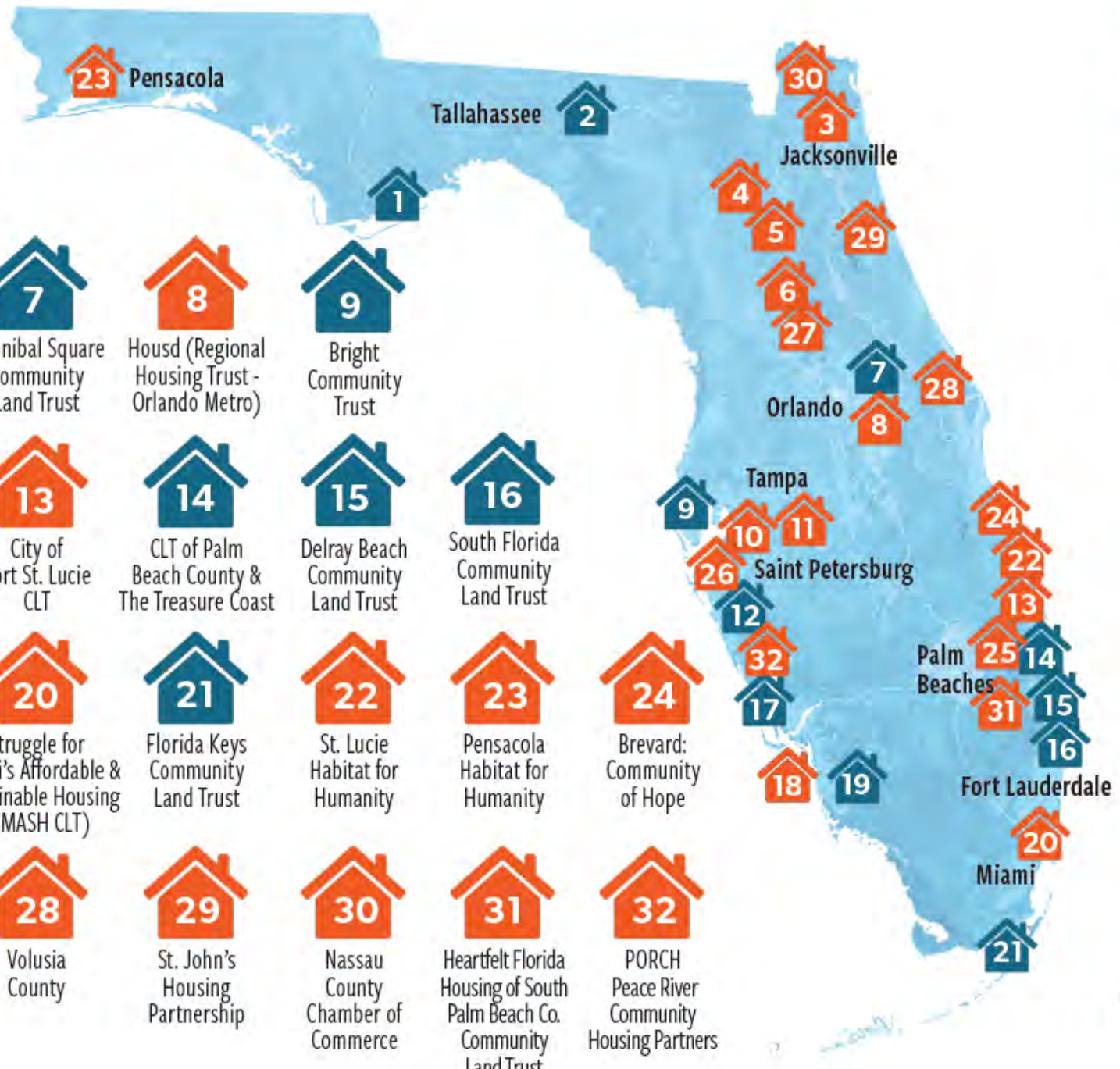
Newly Formed or Organizing



Established CLTs



florida community land trust INSTITUTE



Franklin County Community Development & Trust Corporation



Tallahassee Lender's Consortium CLT



City of Jacksonville CLT



City of Gainesville CLT



Communities that Care Community Land Trust



Habitat for Humanity of Marion County



Hannibal Square Community Land Trust



Housd (Regional Housing Trust - Orlando Metro)



Bright Community Trust



City of Tampa CLT



Hillsborough County CLT



Community Housing Trust of Sarasota



City of Port St. Lucie CLT



CLT of Palm Beach County & The Treasure Coast



Delray Beach Community Land Trust



South Florida Community Land Trust



Community Housing and Resources (Sanibel)



Collier County CLT



ROOF Housing Trust (Statewide)



Struggle for Miami's Affordable & Sustainable Housing (SMASH CLT)



Florida Keys Community Land Trust



St. Lucie Habitat for Humanity



Pensacola Habitat for Humanity



Brevard: Community of Hope



Neighborhood Renaissance



Manatee County CLT



Marion County Housing Finance Authority



Volusia County



St. John's Housing Partnership



Nassau County Chamber of Commerce



Heartfelt Florida Housing of South Palm Beach Co. Community Land Trust



PORCH Peace River Community Housing Partners

# Summary

- The nonprofit organization that holds title to the land, sells the home on the land, and administers the 99-year ground lease
- An excellent tool for preserving affordability and protecting subsidy
- An effective alternative to renting seeking the stability of homeownership,
- Stewardship sets CLT apart and provides opportunities to walk with members and guide a path to fee simple ownership
- Florida Housing Coalition can help establish a CLT to meet your goals and objectives
- Offer an opportunity to leverage [publicly owned] parcels and existing local government programs partner in the development of perpetually attainable housing

The keystone strategy to creating a  
PERMANENTLY ATTAINABLE HOUSING STOCK



# Community Land Trusts:

## A Long-Term Solution to Today's Housing Crisis



Christina Hewitt, Housing Manager  
Community Land Trust of Palm Beach County and  
the Treasure Coast, Inc.

# THE MISSION AND HISTORY OF THE CLT OF PBCTC



**The CLT of PBCTC is a 501(c)(3) non-profit affordable housing provider whose mission is to:**

- ❖ Increase the permanent supply of affordable housing in Palm Beach County and the Treasure Coast by undertaking the following activities:
  - Land acquisition
  - housing development; and
  - preservation.
- ❖ Create a permanent supply of both rental and homeownership opportunities.
- ❖ Develop the community land trust model as an effective tool in meeting the long term affordable housing needs of Palm Beach County and Treasure Coast residents.
- ❖ Create vibrant mixed-income communities.
- ❖ Undertake a client focused approach to community development.
- ❖ Create sustainable communities.
- ❖ Collaborate

## **The History of Our Founding:**

The Community Land Trust of Palm Beach County and the Treasure Coast, Inc. was formed in early 2006 to help address the need for affordable housing in Palm Beach County. The effort to create the organization was initially spearheaded by Palm Beach County as part of their "affordable housing toolbox," but quickly became a community driven endeavor. In 2021, the agency expanded its service area to include the Treasure Coast.

The founding members of the CLT of PBC represented a wide range of organizations including Gold Coast Builders Association, Palm Beach County League of Cities, Business Development Board, Business Forum of Palm Beach County, Florida Rural Legal Services, Community Financing Consortium, Adopt-A-Family of the Palm Beaches, Inc., South Florida LISC, We Help Community Development, Inc., Fair Housing Center of the Greater Palm Beaches, Urban League of Palm Beach County, Housing Partnership, North Palm Beach Chamber of Commerce, and the School District of Palm Beach County.

# SINCE 2006 THE CLT OF PBCTC HAS CREATED-

- 68 Single Family Homes and Townhomes
- 80 Multi-Family Affordable Rental Units
- Expanded Service Area to the Treasure Coast in 2021
- Developed Port St. Lucie's Affordable Housing Pilot Program
- 23 Single Family Detached Homes and Townhomes under development



# HOW A CLT FITS INTO YOUR COMMUNITY'S STRATEGIES TO ADDRESS LONG-TERM AFFORDABLE AND WORKFORCE HOUSING NEEDS?





WHAT LOW  
TO  
MODERATE  
INCOME  
BUYER'S CAN  
AFFORD

**THE  
AFFORDABILITY  
GAP**



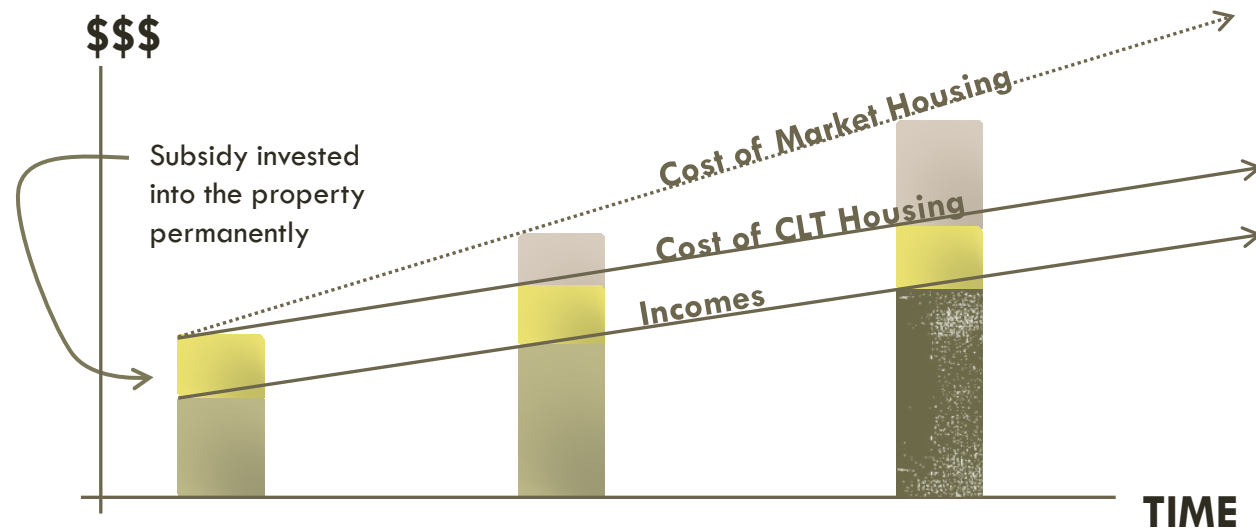
WHAT TODAY'S  
HOMES COST



# CLT MODEL: SUBSIDY RETENTION

Preserves  
affordability  
over time with a  
one-time subsidy

When buyers  
resell, they do so  
at a pre-  
determined price  
to an income-  
qualified buyer



# Return on Community Investment

A community land trust (CLT) is a non-profit community based organization that provides permanently affordable homeownership opportunities to families of low and moderate income. A CLT acquires land and legally separates ownership of the buildings (homes) from ownership of the land. Homebuyers in CLT programs purchase only the house and all the improvements and enter into a renewable 99-year ground lease for exclusive use of the land. **Removing the cost of the land from the transaction makes the home more affordable for the initial buyer. A resale formula in the ground lease sets the future sales price thereby ensuring the home will be affordable to all subsequent homebuyers.**

**\$8.5 Million**

CLT of PBC property  
value at purchase

**\$9.9 Million**

CLT of PBC property  
value in 2019



**\$1.4 Million increase in value**

**\$1.24 Million** retained for future affordability

with **\$3.45 Million** initially invested that is a

**36.8% Return on Community Investment**

Without CLT of PBC's resale restrictions only 38% of homes that are presently affordable would remain affordable to the 80% of AMI category.

As residential values in Palm Beach County continue to increase and incomes remain stagnant, without resale restricted homes larger affordability investments will be necessary to provide affordable home buying opportunities to low-income homebuyers.

For example, in 2014 a CLT of PBC homeowner purchased a home for \$110,500. The home's market value was \$136,000 at the time of purchase. By 2019 that home was worth \$177,508 per Zillow's Zestimate.

- ★ Having been in the home just under 5 years, 10% of the appreciation, or \$4,150, would be reserved for the homeowner.
- ★ The value of the original \$25,500 affordability investment made in 2014 grew to \$62,857.
- ★ Although the market value increased over 30% the home remains affordable for the next homeowner with a \$114,650 purchase price.

# 2022 EXAMPLE OF HOW MUCH AFFORDABILITY WAS PRESERVED

Initial Purchase Price of the Home in 2011 = \$89,000

Initial Appraised Value in 2011 = \$90,000

Estimated *Market Value* Today (Average of Zillow, Redfin, and Realtor.com) = \$376,060.67

Amount of the Increase in Market Value from 2011 to 2022 = \$286,060.67

Homeowner is Entitled to 25% of the Increase in Market Value = \$71,515.17

Sales Price to Next Homebuyer = \$160,515.17



## **DAVIS LANDINGS WEST**

County donated site -  
CLT of PBCTC built 16  
single family homes  
and 8 townhomes.  
HOME funding was  
provided as gap  
financing.





# Kirk Rd CLT Homes Project

Palm Beach County donated several road right of way parcels and provided HOME CHDO dollars



6 single family homes and one duplex was built



# CITY OF PORT ST. LUCIE

- Partnered with the City to develop their Affordable Housing Program
- Six homes were built by the City and placed into the CLT at closing through simultaneous transactions
- Buyer Qualifications for Initial Homes-
  - *Buyer and/or Co-Buyer Must Live and/or Work in the City of Port St. Lucie at time of application*
  - First-Time Homebuyer(s) or haven't owned real estate in the last 3 years
  - Household Income Can't Exceed 80% of Area Median Income and 2 Homes set aside for 50% AMI households
  - A special application window was held with the processing order for the 420 unique applications determined by lottery
- Implementing the first Buyer Initiated Program in the State of Florida soon



# DEVELOPMENT PROJECTS UNDERWAY



## Lake Worth Beach Cottage Homes

Three 3/2 Homes will be built in the City of Lake Worth Beach. The first 60 days of availability will be restricted to households that are 100% of Area Median Income.



## Davis Commons

Twenty 3/2.5 townhouse subdivision that is being developed in partnership with another nonprofit developer for 120% of Area Median Income households. Phase 1 is fully reserved.

# QUESTIONS?

Christina Hewitt  
Housing Manager  
4938 Davis Road  
Lake Worth, Florida 33461  
Office: 561.318.8442  
E-mail:  
[chewitt@cltofpbc.org](mailto:chewitt@cltofpbc.org)  
Web: <http://cltofpbc.org>





# DELRAY BEACH COMMUNITY LAND TRUST

Florida Community Development Association  
Training Conference  
Tampa, FL  
September 20, 2023

Presentation by:  
Gerecia Edmond, Housing Manager

“Opening doors to affordable housing”

[www.delraylandtrust.org](http://www.delraylandtrust.org)



# “HOW WE STARTED”



FAU/FIU  
**JOINT CENTER**  
*for Environmental & Urban Problems*

**Development Without Displacement  
Community Handbook**

**August 2001  
City of Delray Beach**



# THE DELRAY BEACH COMMUNITY LAND TRUST (DBCLT)



**Organization**-a 501 (c) (3) nonprofit formed to preserve long term affordable housing opportunities for low-moderate income households who are less likely to attain in the open market and other community uses

**Governance** – a twelve (12) member board of directors with one-third Homeowner representation, one-third General Community and one-third Public. Set and establish polices and procedures in accordance to program services

**We Share**-the vision to provide quality long-term affordable housing for very-low to moderate income households with the City of Delray Beach, The Delray Beach CRA, and Palm Beach County

**Who do we serve:**

Very low to moderate income households within the city limits of Delray Beach

**Why:**

To provide households the opportunity to enhance their quality of life, revitalize and stabilize existing neighborhoods

# “PARTNERSHIPS & AFFILIATIONS”

Our joint efforts are to ensure that quality, affordable housing is a reality for very-low to moderate income households







**With the support of the Delray Beach Community Redevelopment Agency, and City of Delray Beach we:**

***PROVIDE*** : affordable housing opportunities for very-low to moderate income households through ownership, lease purchase and rentals. Upward mobility for the household we serves, enabling them to build individual wealth

***SUSTAIN***: program services to ensure access to quality housing by expanding existing housing stock, and leveraging public-private resources

***CULTIVATE***: *an environment that builds pride and equality*

***REMAIN***: transparent, true to our mission and financially accountable

# AFFORDABLE HOUSING PROGRAM



The DBCLT property portfolio currently consists of the following :

- ❖ **96** - owner occupied units
- ❖ **3**-single family homes, under contract
- ❖ **7**-owned rental units
- ❖ **2**- properties dedicated for future development
- ❖ **40**-nonowned rental units managed



# HOUSING DEVELOPMENT

## HIGH QUALITY DESIGN & CONSTRUCTION

**Standard features in our homes that would easily be considered upgrades by many builder's such as:**

- Impact glass windows and doors
- All areas tiled
- Granite tops
- Quality cabinets
- Energy Star Appliances Included
- Garage with openers
- Ceiling Fans
- Wireless Alarms
- Green Building Components
- ADA Compliant
- Homeowner Warranties:  
1yr mechanical, electrical and plumbing

**Homeowners have the option of upgrading :**

- Cabinets & Counter Tops
- Appliances
- Flooring



**Detached Single Family**





# “CREATING CHANGE”

**BEFORE**



**AFTER**





# PROJECTS

**BEFORE**



***Atlantic Park Square Project  
25 single family homes  
3-4BR/2-3 Baths 1400-1720 sq ft.***



# PROJECTS

## Corey Jones Isle Project

10 single family homes

3-4 BR/2-2 ½ Baths 1800-2300 sq

ft.





# DBCLT PRODUCTION

*Infill Housing Development*



*Work Force Housing Development*





# “DREAMS COME TRUE”



“One of the things about the Land Trust is that they make sure you’re in a home you can afford. Having a home gives you that feeling of progress.”



“It’s the first time we’ve owned a home. You have more freedom when you own a home.”



“I wanted my kids to have a sense of security as far as having a roof over their heads. I look at my house and I just start to cry.”



“I love the home it self and I love the neighborhood, It’s peaceful and quiet.”

Deceased-Passed on to Heirs



*Thank  
you for your  
attention!*

*“Opening doors to affordable housing”*

[www.delraylandtrust.org](http://www.delraylandtrust.org)