

Developing A Community Land Trust

Richmond Association of REALTORS®



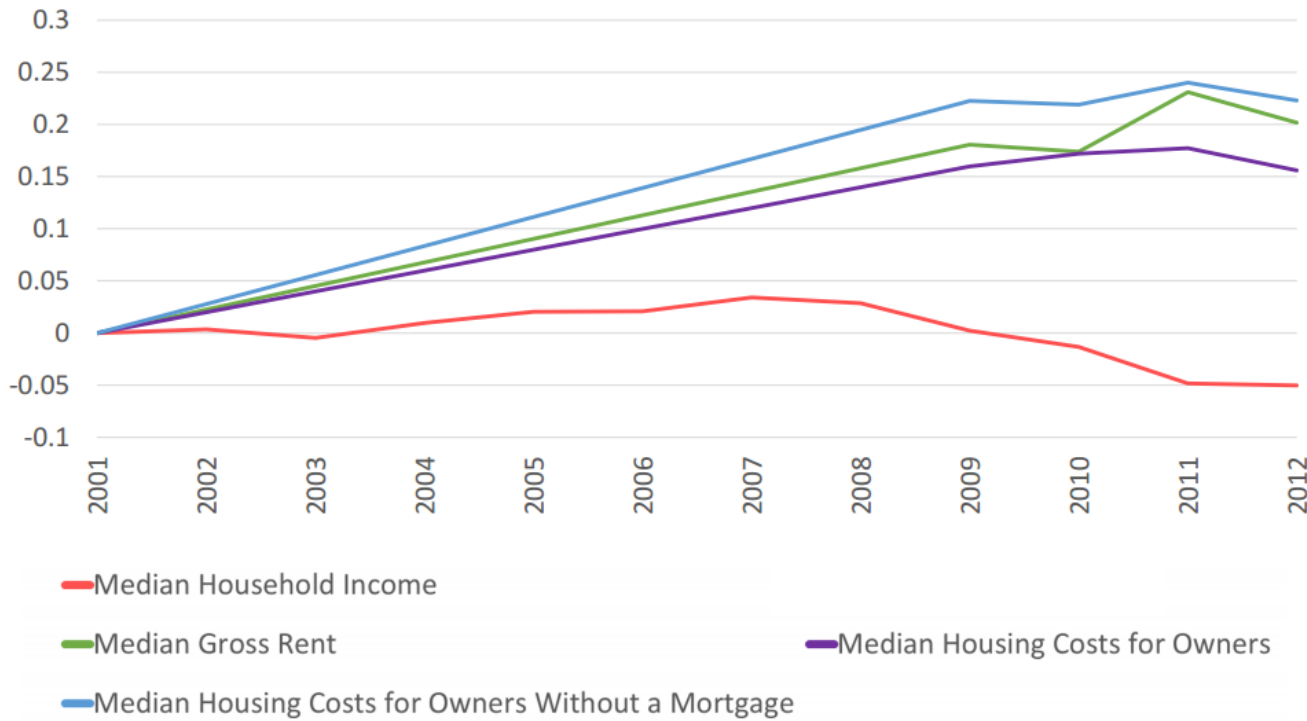
What is a Community Land Trust?

- A nonprofit corporation acting as a developer and steward of permanently affordable housing
- How does the housing remain permanently affordable?
 - Land trust owns the land
 - Homeowner owns the improvement
 - The two parties share in the equity
- CLTs fill a gap in the housing market, providing opportunities for homeownership to people who would otherwise be unable to buy
- Benefits the community by placing vacant building back into productive use
- Currently over 250 CLTs in the United States

But why?

Change in Real Incomes, Wages, and Housing Costs

Data Source: U.S. Census 2000-2012, Decennial Summary Files and American Community Survey



Source:

Virginia Center for
Housing Research
at Virginia Tech

Maggie Walker Community Land Trust

- Spearheaded by the Richmond Association of REALTORS® and its partner non-profit, The Partnership for Housing Affordability
 - Leveraged existing partnerships with local government, philanthropic groups, nonprofits, and community members

Goals:

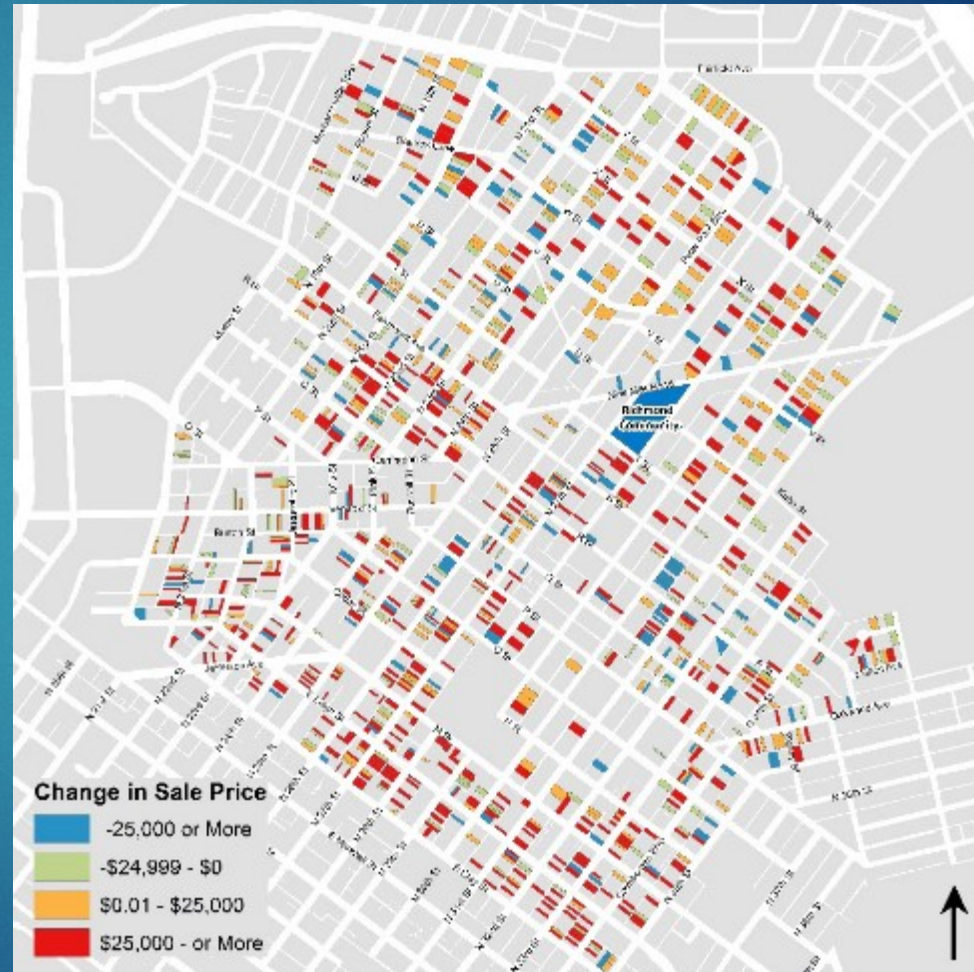
- Provide high quality, permanently affordable housing in the City of Richmond
- Build a bridge to homeownership by filling an existing gap
- Prevent displacement from rising housing costs
- Eliminate blight
- Ensure community stability

Church Hill Neighborhood

- The MWCLT will seek to acquire tax delinquent, vacant parcels from the City of Richmond
- Partner with a housing non-profit to renovate the existing structure or construct a new home
- Houses will be available for purchase by households earning between 50% and 115% of AMI
- MWCLT will retain ownership of the land
 - If owner sells, the cost of the land will be removed from the sale price and an appraisal based resale formula will be used to determine the final sale price
 - Equity (profit) from the sale will be shared 50/50 between the home owner and the MWCLT

Why Church Hill?

- Escalating housing costs
- Flat household income growth
- Historic neighborhood
- High residential property turnover
- High concentration of blighted, tax delinquent, vacant lots



The gap is a community problem

- Benefits for our members:

- Blighted buildings negatively affect property values across neighborhoods
- Isolated pockets of poverty harm school district quality

- Benefits for homebuyers:

- Revitalized and desirable neighborhoods
- Mixed income communities

- Benefits for our association:

- Builds positive community relationships
- Fortifies a healthy local real estate market

Results

- Allows for the next purchaser to purchase the house affordably
 - Permanently keeps price significantly below the prevailing market rate
- Eliminate blight
- Stimulate revitalization
- Prevent displacement
- Break up concentrated poverty
- Return non-performing assets to the City's tax role
 - Especially important in land locked city like Richmond