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?

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