Alliance for Housing Justice

Social Housing Models: Community Land Trusts

What is a Community Land Trust?

A Community Land Trust (CLT) is an independent, non-profit, community-controlled entity that owns and cares for land and housing on behalf of its low- and moderate-income community members. Housing built on this land is sometimes owned by the CLT and sometimes owned by the residents themselves. Central to their mission, CLTs work to create and sustain long-term affordable housing opportunities by ensuring that land that they steward for their members remains permanently affordable. This ensures current and future generations can access affordable homes and wealth-building opportunities they might not otherwise have, and that community land and housing are not lost to financial speculation.

How Does a Community Land Trust Create Long-Term, Community-Controlled, Affordable Housing?

At the core of their approach, CLTs acquire and hold land long-term, typically under 99-year leases held "in trust" for community members, who decide how to use it and help ensure long-term affordability. Some CLTs also acquire, rehab, and sell homes, serving a role similar to that of a non-profit developer. While the CLTs own the land, often residents own their homes at affordable prices. These homes can be single-family homes, apartment rentals where the CLT owns the building, condominiums, or co-operatives. In exchange for an affordable home and a say in how the community develops, resident owners agree to make less profit if they sell their house to ensure that housing remains affordable for the next owners.

What is the History of CLTs?

The first modern Community Land Trust was New Communities, Inc created in rural Lee County, Georgia, in 1969. New Communities grew out of the civil rights movement as a new tool for Black farmers to shape their own communities in a hostile political and economic environment. The 5,735-acre property was purchased with a $50,000 grant from the National Sharecroppers Fund and a $1 million loan.

Since New Communities, CLTs have purchased more than 14,200 homes, ensuring long-term affordability and community control over land use.

How are CLTs Formed and Governed?

Usually, CLT governing boards include residents, community members, and others with relevant expertise, such as non-profit experts and developers. Community members ensure the CLT meets their needs by providing services and community spaces or supporting small businesses. Non-profit experts and developers can help access funding and support residents.

Organizing is essential to creating CLTs. Tenant leaders and community organizations have worked to create CLTs across the country by informing residents, securing funding, and achieving community control. The initial investment in purchasing buildings and land is usually supported with government and philanthropic support and favorable lending.

How are CLTs Different From Other Housing?

- Ensure permanent affordability
- Separate land ownership from homeownership, preventing land speculation:
    - In many places like San Francisco, San Jose, LA, and Boston, land value is more than 50% of a home's total value, but even in more affordable cities like Buffalo, Omaha, and Cincinnati, land still accounts for 20% of the value
    - CLTs lower the cost of housing vs. market based housing
        - In current market-based housing, increasing value of land means owners are driven to cash out on skyrocketing prices.
        - Home prices and rents are higher when investors believe they can charge more or build luxury unaffordable housing.
        - The Houston CLT lowered home costs in Black communities, such as the Third and Fifth Wards, by $150,000. This allowed community members to pay $75,115 to own their home. At the same time, home prices in the same neighborhoods were increasing by 28% and 17%.
- CLTs serve as a strong tool for anti-displacement, ensuring that homeowners can stay in their homes
    - Default rates for CLT homeowners are ten times lower than default rates for market-rate homeowners
    - CLTs provide support, financial counseling, and resources to keep housing affordable for low-income homeowners
- Serve as a tool for racial justice
    - More than 50% of CLT homeowners are people of color
- Foster self-determination

    - Rather than wealthy individuals and developers determining what businesses can afford rent in a neighborhood or how much a home costs, community members get to decide how the land in their neighborhood is used.

How CLTs are Working Across the Country

Community Land Trusts are already working across the country. There are 346 shared-equity homeownership models, or CLTs, at various stages of development.

- Africatown CLT in Seattle worked to establish mixed-use spaces that support Black-owned businesses and affordable rental housing in a historically Black neighborhood.
    - Recently, Africatown acquired the Liberty Bank Building, which has more than 100 affordable rental units and retail space reserved for Black-owned businesses
- Tenants in California worked with San Francisco CLT and Oakland CLT to buy their buildings
    - Filipino and Latino residents living in 285 Turk, a 40-unit building in the Tenderloin District, organized to prevent a 70% rent increase. Organizers educated residents about creating a co-operative and were able to purchase their building for $10.4 million with favorable loan terms, private financial support, and expertise from the San Francisco CLT. Now tenants can control their housing.