



# CENTRAL MINNESOTA COMMUNITY LAND TRUST (CMCLT)

A Subsidiary of  
Central Minnesota Housing Partnership, Inc.

# WHAT IS A COMMUNITY LAND TRUST?



A Community Land Trust (CLT) is a nonprofit organization that owns land, with the goal of **ENSURING LASTING AFFORDABILITY** and community control of housing and other community assets. CLTs typically achieve this by acquiring land, developing it with affordable housing, and then leasing the land to residents under long-term, renewable leases.

CLTs primarily serve low- and moderate-income families, often targeting those who would otherwise struggle to afford homeownership in a specific community. They aim to provide stable, long-term affordable housing, ensuring these families can build assets through homeownership and resist displacement in increasingly expensive areas.



- Central Minnesota Housing Partnership, Inc. (CMHP) is a regional non-profit 501(c)(3) organization originally created and incorporated in May 1993. Soon after incorporation, the organization received its non-profit designation. In February 1994, CMHP was designated as a Community Housing Development Organization (CHDO) by the Minnesota Housing Finance Agency. Pauline Carlson, CMHP's inaugural Executive Director, was instrumental in creating CMHP, as well as growing the organization to what it is today.
- CMHP was created with the goal of preserving, improving, and increasing the affordable housing stock in Central Minnesota. These goals have been achieved over the years through a variety of innovative programs and services that have developed and provided affordable housing to low and moderate-income households. We continue to strive to achieve the same goals today that was set from the start.



## COMMUNITY LAND TRUSTS HELP COMMUNITIES:

### Gain

- Gain control over local land use and reduce absentee ownership.

### Provide

- Provide affordable housing for lower income residents in the community.

### Promote

- Promote resident ownership and control of housing.

### Keep

- Keep housing affordable for future residents.

### Capture

- Capture the value of public investment for long-term community benefit.

### Build

- Build a strong base for community action.

# IS THE COMMUNITY LAND TRUST A NEW CONCEPT?

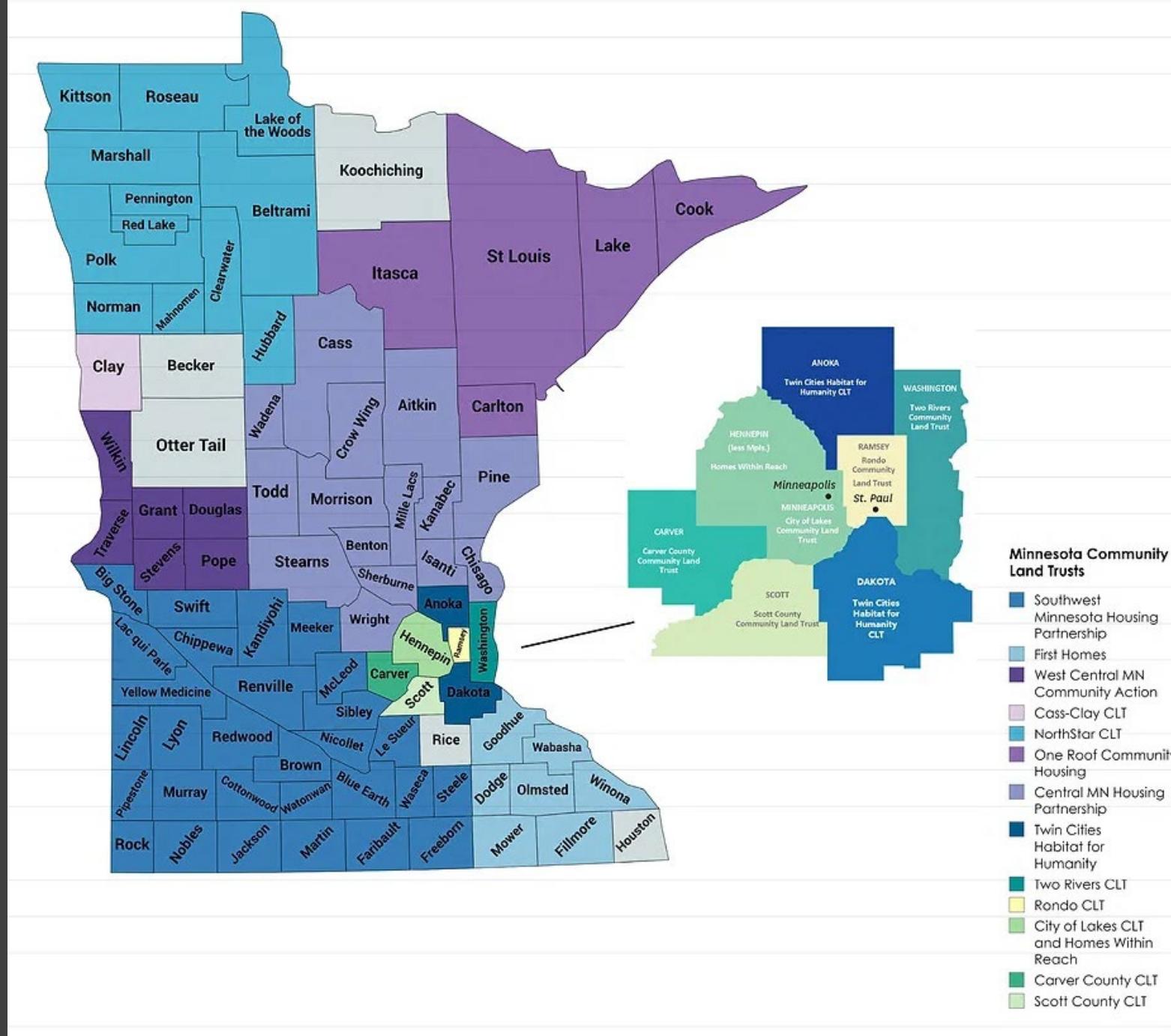
New Communities was a 5,700-acre land trust and farm collective owned and operated by approximately a dozen black farmers from 1969 to 1985. Once one of the largest-acreage African American-owned properties in the United States, it was situated in Southwest Georgia.

The first CLT in the United States was New Communities, Inc., established in 1969 in Lee County, Georgia

These CLTs provide over 15,000 units of homeownership

Currently there are over 225 CLTs across the U.S. in 46 states and the District of Columbia

There are 13 CLTs in Minnesota with over 1,500 homes



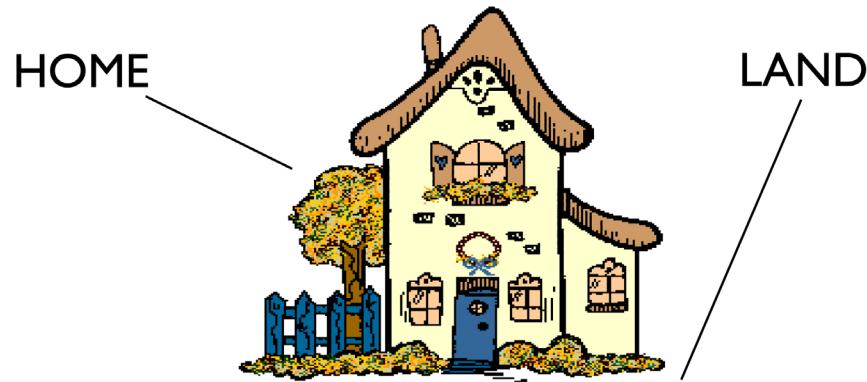


## CMCLT BACKGROUND



- CMCLT was incorporated in the State of Minnesota in January of 2005. The organization operates as a subsidiary of Central Minnesota Housing Partnership, which is an affordable housing non-profit with a sixteen-county service area in central Minnesota.
- CMCLT was created to provide an affordable homeownership option to low-and-moderate income households and create long-term perpetual affordable housing.

## Community Land Trust Fundamentals



Community separates ownership of land from home  
Community (CLT) retains ownership of land  
Homeowner buys - and owns - his/her home  
Community (CLT) leases land to homeowner

Community Land Trust  
owns the land

A ground lease  
outlines the rights and  
responsibilities of the  
homeowner and the  
CLT

Homeowner owns the  
home/improvements

CLT retains an option  
to repurchase a home,  
should the owner  
choose to sell

# CLTS...A BRIEF REVIEW

- CLT homeowners pay 25+% less than market value for their homes (depending on the market)
- Can make improvements to the home as they see fit
- Can landscape and garden as they like
- Can stay as long as they like regardless of change to income
- Can leave the homes to their heirs (depending on funders requirements and local CLT decisions about income eligibility)
- When they decide to sell, the ground lease resale formula must be used to assure affordability for next buyer



# COMMUNITY LAND TRUST GROUND LEASE

The key to achieving permanent, long term housing affordability

99-year term

Designed to give the present homeowners a fair return on their investment

Ensures the home is affordable to another low-to-moderate income household

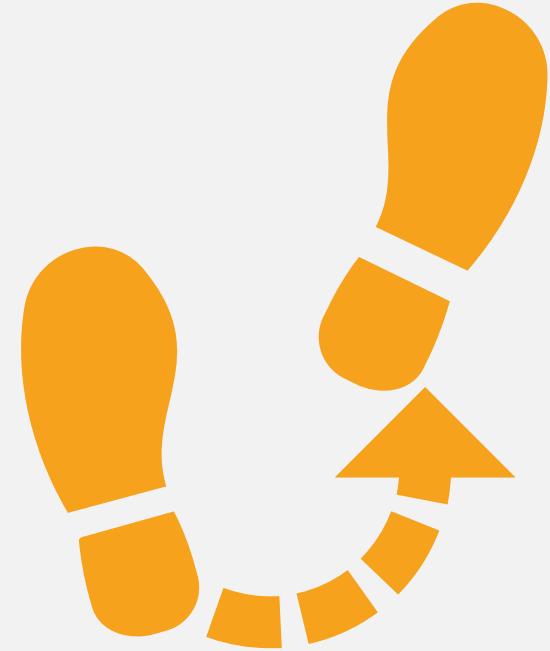
Gives future homebuyers fair access to affordable housing



# CMCLT PROGRAMS

- **Homebuyer Initiated Program (HIP)** - The CMCLT Homebuyer Initiated Program (HIP) is a buyer-driven program that provides additional buying power to low-and-moderate income homebuyers to affordably purchase a home of their choice in Central Minnesota.
- **New Construction Development** - CMCLT works with builders and developers to create new construction CLT homes. This may be full development projects or scattered site infill lots.
- **Acquisition/Rehab/Resale** – CMCLT purchases existing homes, addresses needed repairs and sells to eligible homebuyers as a CLT home.

*\*Note: Programs are in planning stages and not yet available.*





## BENEFITS OF BEING A CENTRAL MINNESOTA COMMUNITY LAND TRUST HOMEOWNER

 You own your house creating household stability

 You lease the land and have the right of quiet enjoyment of the land

 You are eligible for all the legal and tax benefits of homeownership

 You receive ongoing communication and support to help you succeed as a homeowner

 When you sell your home, you regain all your earned equity, plus a 25% share of the home's increase in value

# CMCLT PURCHASE EXAMPLE

Market Sale Price \$300,000

Affordability Gap/Down Payment Assistance \$25,000

CLT Land Funds \$50,000

CLT Price/Buyer Finances \$225,000

Total Subsidy \$75,000

Principal and Interest  
(6.9% 30 yr.) \$1,482

# CMCLT RESALE EXAMPLE 5 YEARS

Original Market Price of Home \$300,000

Current Appraised Value (3% appreciation) \$347,000

Value Increase \$47,000

Seller's Equity Share/Ground Lease  
25% of appreciation plus 100% \$11,750  
of Capital Improvements value

Resale Price  
(Original CLT Price Plus Equity) \$236,750



CENTRAL MINNESOTA  
COMMUNITY LAND TRUST  
(CMCLT)

QUESTIONS?



# CENTRAL MINNESOTA COMMUNITY LAND TRUST (CMCLT)

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