The “Classic” Community Land Trust (USA)

How does a community land trust work?

Various sources of public and philanthropic capital...

- Private donors
- Federal housing subsidies
- City-owned property
- Community foundations
- Anchor institutions

...are used by community land trusts...

CLT

...to acquire homes in a geographic focus area.

Community land trusts tweak the normal process of homebuying...

A new resident buys their house outright...

...but leases the land underneath from the CLT.

Current resident sells their house at a price set by the CLT, earning a portion of the increase in value of their home...

CLT

...while the CLT retains the land.

They pay an annual fee to the CLT to support its operations...

CLT

...and the CLT retains permanent ownership of the land.

A new resident buys the house at a price that's been kept affordable...

CLT

...and agrees to the same requirements around resale.

Why CLTs Matter

Although the first community land trust in the US was started in the early 1970s in response to black farmers, today, the majority of the country's nearly 1,000 community land trusts are being located in urban areas.

CLTs create affordable housing while also allowing low-income residents to build equity as homeowners. Moreover, because the CLT retains ownership of the underlying land, the housing remains permanently affordable, even as the benefit of an affordable home price is passed on. This long-term, continuing benefit makes CLTs an especially effective use of affordable housing subsidies.

By locking in permanent access to affordable housing, CLTs can play an important role in countering the market-driven displacement associated with gentrification. And by stewarding neighborhood land for the public good, not speculative profit, CLTs have played an equally important role in stabilizing communities by preventing unnecessary foreclosures.

Infographic designed by Benzamin Yi, Democracy Collaborative.