

### **What is a Community Land Trust (CLT)?**

A CLT is a nonprofit, community-based organization that removes land from the speculative real estate market with the intent of preserving long-term housing affordability and other community benefits. A CLT can acquire land and homes through purchase or donation, from public or private entities.

### **Are CLTs a new idea?**

CLTs have been around for a long time. There are numerous CLTs operating in Pennsylvania and more than 300 across the nation. As the housing crisis continues to grow, CLTs have emerged as a critical piece of organizational infrastructure needed to preserve long-term affordability of homes in areas of high demand.

### **How do CLTs work?**

In a CLT, a homebuyer is able to purchase a home, but not the land it sits on. The land is leased from the CLT under a 99-year (renewable) ground lease, which provides long-term protection to the homeowner and makes the home more affordable. The ground lease requires owner-occupancy and responsible use of the premises. Further subsidies are layered in to ensure the property is affordable for the homeowner.

### **How will the CLT ensure permanent affordability?**

In exchange for buying a CLT home at an affordable price, the homeowner agrees to sell the home at an affordable price. The sale of CLT homes is governed by a resale formula, which allows residents to capture a portion of their home's appreciated value while maintaining affordability for the next homeowner. Resale formulas are often appraisal-based, a fixed interest rate approach, or utilizing some recognized index formula.

### **What are the advantages of owning a land trust house versus renting?**

In addition to the long-term stability and affordability of a land trust home, homeowners are able to access the tax advantages of homeownership while building a modest equity.

### **Why do we need CLTs?**

Homeownership has slipped out of reach for an increasing number of low and moderate-income earners in our communities. Housing costs have risen sharply over the past decade. Simply put, wages haven't kept pace with the cost of housing. Additionally, many communities are rapidly experiencing gentrification, seeing significant outside investor ownership of housing, and affordability for existing residents is increasingly difficult to secure in the community.

## CLT Basics

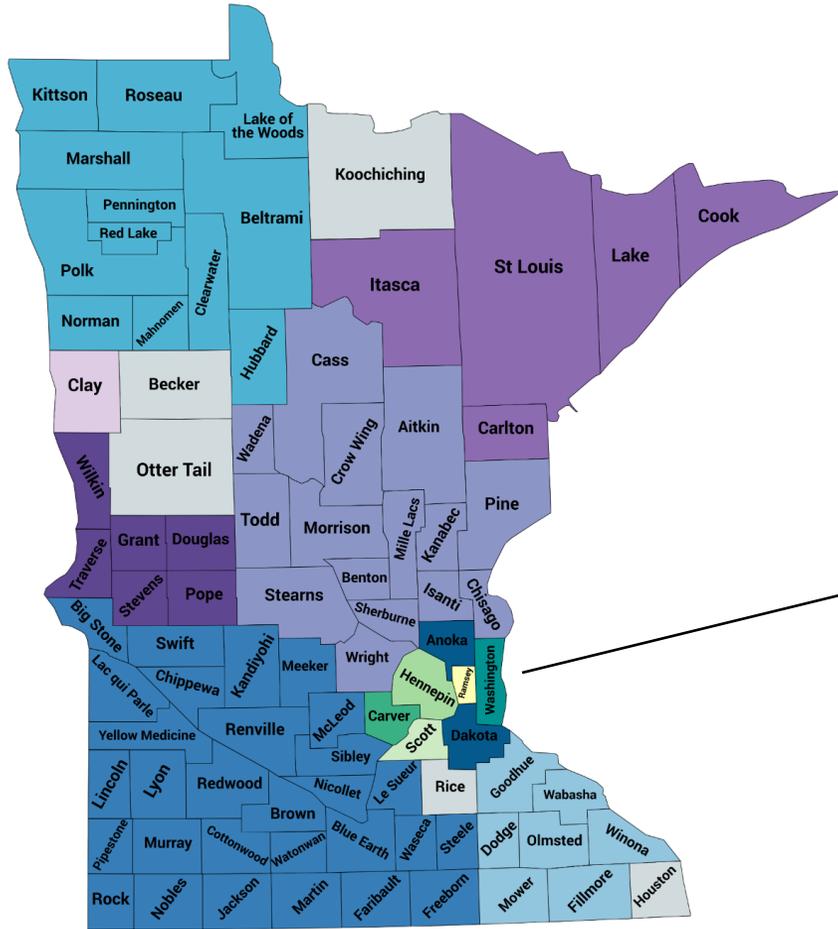
A homebuyer contributes what they afford for the home purchase, usually in the form of what they could qualify for through a standard mortgage. The CLT affordability grant helps cover the rest of the home's purchase price, bridging the difference between what a buyer can obtain via a mortgage and the total cost of acquiring the property. With financial assistance lowering the cost of the home for the buyer, the CLT permanently captures that affordability by placing the land beneath the home "in trust". With the land beneath the home held in trust, the buyer household would join a community of homeowners who share land ownership with the community land trust. All CLT homeowners agree to pass on the affordability of their home to future buyers: both by limiting its resale price to an affordable amount set out in the Ground Lease – and by agreeing to sell to a buyer with a modest income who can deeply benefit from that affordability in the future. If a CLT homeowner never decides to sell their home, it can be passed down through inheritance to their spouse, partner, or children without any restrictions. CLT homeowners can leave their home to anyone, provided they are on the ground lease or are income-qualified. Even though homeowner's share ownership with the community land trust, they have the exclusive right to use and enjoy the land beneath their home for as long as they live there, while taking on the responsibilities of paying taxes, utilities, and upkeep of the home just as any other homeowner would in traditional homeownership. The advantages of CLT homeownership are plenty, but a few significant benefits include:

- Potential renters who cannot afford to purchase a home can use CLT to become homeowners.
- The CLT typically provides up to 20%-50% of the purchase price in subsidy to purchase a home.
- These options provide opportunities for folks to acquire equity to eventually purchase market-rate homes if they choose to.
- This approach creates perpetually affordable homes that will now be affordable for future generations of under-resourced buyers.

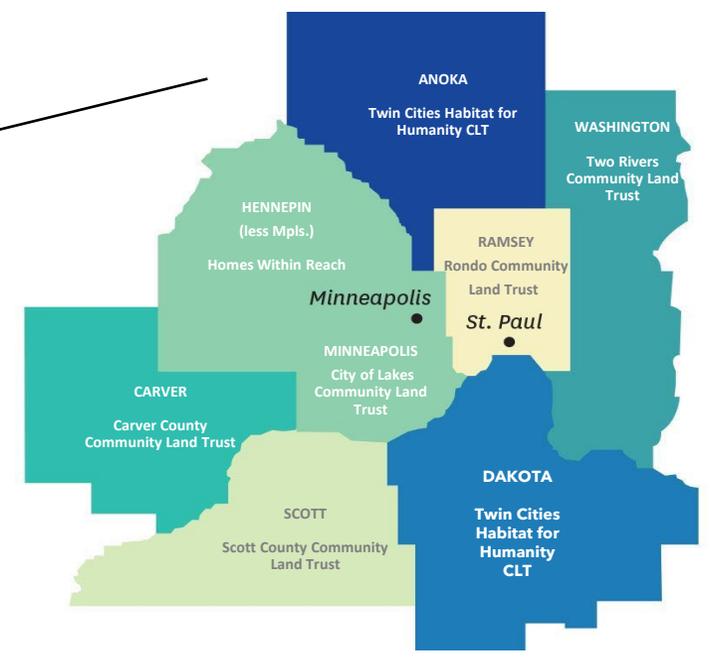
# Minnesota Community Land Trust (CLT) Ecosystem

- MN CLT Coalition
  - Formed in 2005, 501c3 Nonprofit
  - 14 CLTs in MN
  - 7 in Twin Cities Metro and 7 in Greater MN
  - Serve Households of Color at rates of 2x to 6x the rate of Household of Color homeownership rates for respective CLT service areas
  - 82 of 87 MN counties served by CLTs
  - 1,800+ Homes in Trust & 7775+ resales (as of 12/31/2025)
  - 160 Homes in Trust added and 40 resales in 2025

# Twin Cities Metro Community Land Trusts



- Minnesota Community Land Trusts**
- Southwest Minnesota Housing Partnership
  - First Homes
  - West Central MN Community Action
  - Cass-Clay CLT
  - NorthStar CLT
  - One Roof Community Housing
  - Central MN Housing Partnership
  - Twin Cities Habitat for Humanity
  - Two Rivers CLT
  - Rondo CLT
  - City of Lakes CLT and Homes Within Reach
  - Carver County CLT
  - Scott County CLT



# State of MN Affordable Homeownership Funding

