

# Community Land Trust

**Community Development & Neighborhood Connections**  
**September 9, 2025**



# What is a Community Land Trust?

A community land trust (CLT) is a structure that allows land to be held “in trust” for community needs, outside of the influence of market pressures. The CLT model connects income-qualified homebuyers with **perpetually affordable**, quality homes using the national **Community Land Trust model**.

# Community Land Trust Model

## The CLT will:

- 
- Acquire property in a focused area from various sources
  - Facilitate rehab or new construction
  - Set sales price to ensure permanent affordability\*
  - Find qualified buyer and provide supportive services

CLT Ownership

## CLT Sells Structure to Buyer

## CLT Still Owns Land

Provides 99-year Lease to Buyer



## If owner wants to sell:

- CLT sets new sales price to ensure affordability\*
- Previous owner recoups original investment and gains some equity based on appreciated value
- New income-qualified owner is able to afford property

Land remains perpetually in CLT ownership

Income-Qualified Owner

Future Income-Qualified Owner(s)

\* CLTs subsidize the cost of new construction or rehabilitation primarily using philanthropic or governmental funding, which is how CLTs are able to offer homeownership at an affordable price. This subsidy stays with the property forever, underwriting the purchase price again and again for generations to come.

# Benefits of Community Land Trust Homeownership



Purchase price set significantly **below market** to be affordable to qualified buyer(s)



Buyer(s) purchase **home only** and **lease land at a nominal rate** from CLT for a period of time (often 99 years) creating perpetual affordability of the land and protects Town investments.



Property taxes assessed only on value of the home making tax bills **substantially lower than market-rate homes.**



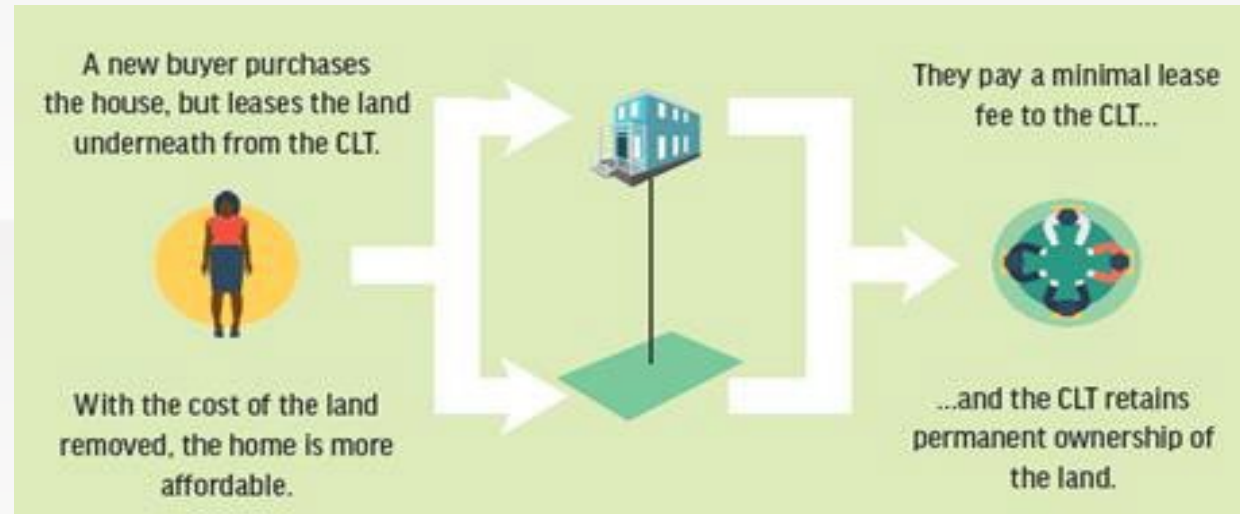
**Resale price** of home is restricted to ensure the home remains affordable to subsequent buyers.



**Opportunity to build individual/family equity** for those typically not able to access homeownership.

# Community Land Trust (CLT) Example

CLTs use long term land leases (99+ years) to lower costs for renters and homeowners.

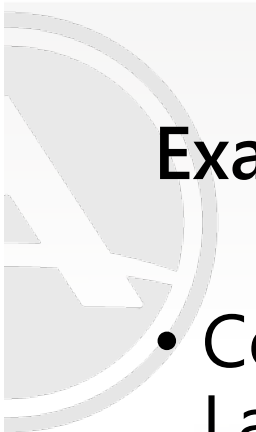


Homeownership Example


	CLT Ownership	Regular Ownership
Initial Sale Price	\$459,000	\$459,000
Assessed Value of Land	-\$100,000	\$100,000
Total Purchase Price	\$359,000	\$459,000

# CLT Examples in North Carolina





## Examples (continued)

- Community Home Trust (Chapel Hill) and Durham Community Land Trust are the oldest and largest of the NC CLTs. Each of these two has more than 300 units each.
  - Most boards include a mix of residents and community members
  - For Durham (DCLT), 1/3 of the Board is public representatives, 1/3 is community representatives, and 1/3 is resident representatives
    - Not every CLT has a balanced board
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# Government-Led CLTs



CARVER COUNTY  
COMMUNITY  
DEVELOPMENT  
AGENCY



CITY OF  
**FLAGSTAFF**

**FAHP**

**Flagstaff Affordable  
Homeownership Program**

Community Land Trust and Deed Restriction Programs



CHICAGO  
**HOUSING**  
TRUST

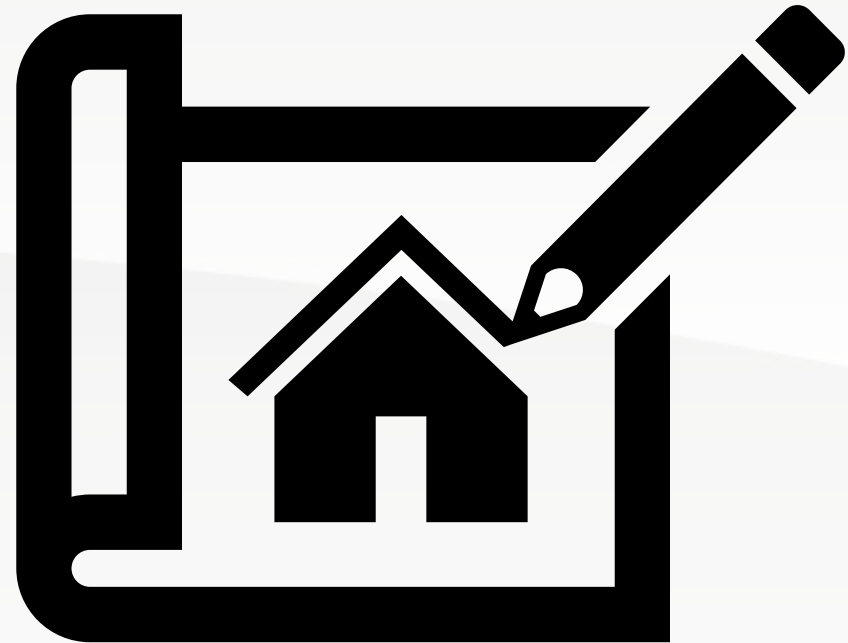


HARRIS COUNTY  
**HOUSING  
FINANCE  
CORPORATION**



# Town of Apex Choices – and Controls to Achieve the Goals

- Affordable housing on Town property
  - What is affordable? Low and moderate income (LMI)
  - Options include:
    - construct affordable housing;
    - convey property by private sale directly to LMI persons;
    - convey property by private sale to be “developed” into LMI housing
  - **CLT is another Town option**
- How does the Town control and assure that the CLT will achieve the affordable goal long-term?



# The Town Sets the Rules for the Apex Community Land Trust

- Set-aside of affordable units
- Qualifying households
- Affordability levels and price limits
- Timing and phasing of construction of the housing units
- Eligibility for purchase and transfer controls – first sale and later sales
- Control period – lease term



# NC law requires affordability controls

- Section 160D-1316
  - Private sale at fair market value
  - Affordable housing to persons of low or moderate incomes
  - Conveyance covenants or conditions to assure affordability
  - Procedures and standards set by the local government
- Section 160A-279
  - Nonprofit buyer – conveyance condition and covenants - public purpose



# CLT Legal Framework - Next Steps

## CLT Legal Framework – Formation and Governance

- Form the CLT as a North Carolina nonprofit corporation
- Obtain a Federal tax identification number
- **Appoint and seat a Board of Directors**
- Approve and adopt bylaws, conflict of interest policy, and elect officers
- **Approve and adopt mission, vision, and initial land development program, with direction and support from the Town of Apex**
- File for 501(c)(3) tax exempt status – form 1023 application with the IRS



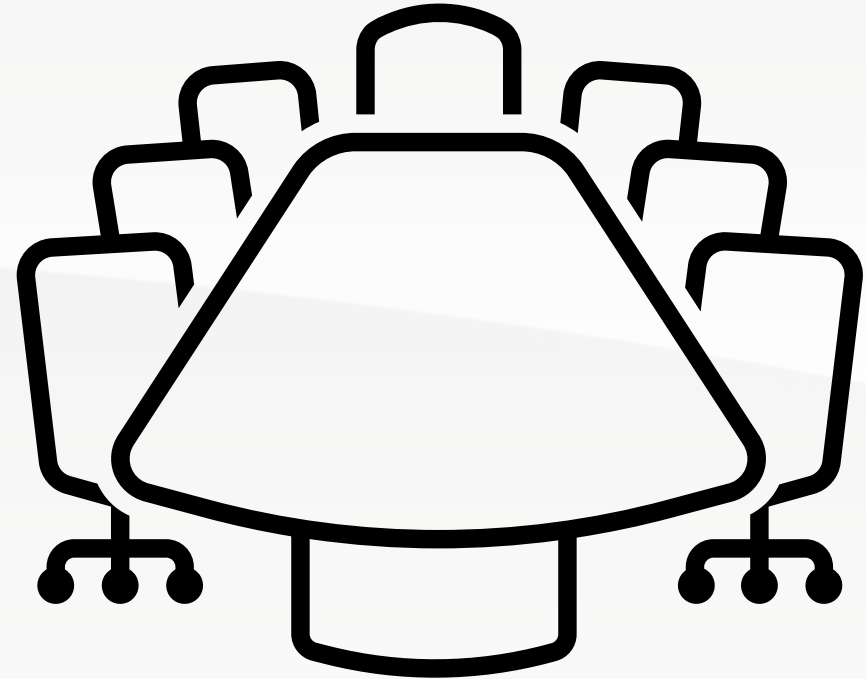
## Initial Land Development Program



- Prepare and Issue RFPs for a 3<sup>rd</sup> Party Management Entity and Development Partners
- Prepare development agreements, ground leases, grant and loan agreements
- Prepare declarations of affordability covenants

# CLT Board of Directors – model for governance, accountability

- The initial Board members should be selected and appointed by the Town; bylaws will provide for number and successor directors
- The “classic CLT model” provides for Board seats in three equal parts:
  - One third of the seats to be held by members of the CLT households living in the community created by the CLT – community members
  - One third of the seats to be held by residents of the Town of Apex surrounding the CLT community – public members
  - One third of the seats to be held by public officials, local funders, nonprofit providers of housing and social services – public interest members



# Key Milestones for FY2026

1. Form CLT and obtain tax ID number – **November 2025**
2. Appoint and seat Board of Directors – **February 2026**
3. Develop governance documents – **May 2026**
4. RFP for 3<sup>rd</sup> Party management entity – **June 2026**

