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CITY OF SAINT PAUL

Community Land Trusts



What is a Community Land Trust?

- First community land trust (CLT) was organized by civil rights activists in the late 1960s
 - Black sharecroppers in Lee County, Georgia lost their homes and jobs for registering to vote
 - They established a farm collective that became one of the original models for community land trusts
- The modern community land trust model emerged in the 1970s in Burlington, VT
 - A “land trust” is governed by a mix of CLT leaseholders (homeowners, renters, and commercial tenants), community residents and public/private sector representatives – effectively ensuring the land is “community owned”
 - The homeowner (in homeownership cases) owns the building, or “improvement”



How does a Community Land Trust work?

Bridge the gap between what a buyer can get a mortgage for and the cost of the property

CLT typically invests between 20%-50% of the total purchase price of the property

CLT takes title to (owns) the land and leases land back to buyer; Buyer takes title to (owns) the improvement or building

If the property is sold, owner agrees to income and sale restrictions





Community Land Trusts Create Affordability Today

Conventional Transaction

\$250,000 value

\$240,000 loan (assumes \$10K DPA, 5% interest)

- Principal + Interest = \$1,288
- Taxes = \$250
- Insurance = \$150
- Mortgage Insurance = \$198
- Ground Lease Fee = \$0

Total Monthly Cost: \$1,886

CLT Transaction

\$250,000 value

\$175,000 loan (\$75K from CLT, 5% interest)

- Principal + Interest = \$939
- Taxes = \$250
- Insurance = \$150
- Mortgage Insurance = \$0
- Ground Lease Fee = \$20

Total Monthly Cost: \$1,359

CLT Transaction Saves:

- \$527 per month
- \$31,620 over 5 years



Community Land Trusts Retain Affordability Tomorrow

Initial buyer's CLT price	\$175,000
Plus initial buyer's share increase	+ \$10,000 (\$25% of value increase)
<u>New CLT buyer purchase price</u>	<u>\$185,000</u>

OR, ANOTHER WAY TO LOOK AT A RESALE

New value	\$290,000
Less CLT share of value increase	- \$30,000 (75% of value increase)
<u>Less initial affordability investment</u>	<u>- \$75,000</u>
<u>New CLT buyer purchase price</u>	<u>\$185,000</u>



Rondo Community Land Trust

- Rondo CLT's mission is to provide and advocate for permanently affordable, sustainable housing for families and individuals with low to moderate incomes.
- Serves Saint Paul and suburban Ramsey County
- Founded in 1993, Rondo CLT was the first residential land trust in the state
- Became the first commercial land trust in the state in 2019
- Named after Rondo Avenue, the main commercial corridor in the historic Rondo neighborhood that was renamed Concordia Avenue during the construction of Interstate 94



Rondo Community Land Trust

- Rondo CLT currently includes 94 units of housing and 9,300 sq. ft. of affordable commercial space
- New leadership in 2022 has resulted in a significant increase in staff and capacity
- Goal over the next 5-6 years is to add 500-700 units and expand commercial CLT work

Thank you!

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