

A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, May 4, 2006

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Item #31

Briefings RECOMMENDATION FOR COUNCIL ACTION

Subject: Staff briefing on Community Land Trusts.

Additional Backup Material

(click to open)

[Memo to Council](#)

[CLT Draft Report](#)

For More Information:



City of Austin **MEMO**

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767

(512) 974-3100 • Fax (512) 974-3112 • www.cityofaustin.org/housing

DATE: April 21, 2006
TO: City of Austin, Mayor Will Wynn and Council Members
FROM: Paul Hilgers, Community Development Officer
RE: Resolution No. 20050526-021 (The Community Land Trust Report)

Attached is *The Community Land Trust Report II: Options and Implementation Recommendations (April 2006)* by Neighborhood Housing Community Development – Austin Housing Finance Corporation fulfilling the responsibilities under the directive of City Council's Resolution No. 20050526-021. The report includes the following: 1). Market Analysis; 2). CLT Sponsorship Options; 3). CLT Property Tax Options; 4). Stakeholder Issues and Recommendations; 5). Factors for Success in Austin, Texas; 6). Implementation Recommendations; and 7). CLT Project Opportunities.

The draft report was released for public review and comment on March 31, 2006. The CLT Stakeholder Participants provided two substantive comments: 1). Identify performance measures; and 2). Provide an analysis of CLTs and condominium developments. Performance measures have been incorporated into the final draft report. The analysis of CLTs and condos will be issued in a separate report within 30 days.

This report provides a foundation for moving forward with community land trusts as an option for creating more affordable housing in Austin.

NHCD-AHFC will present options and implementation recommendations to City Council on May 4, 2006.

Respectfully,

Paul Hilgers
Community Development Officer

Attachment – The Community Land Trust Report II (March 2006)

THE COMMUNITY LAND TRUST REPORT II:

OPTIONS AND IMPLEMENTATION RECOMMENDATIONS FOR AUSTIN, TEXAS

APRIL 2006

Prepared by:
The City of Austin, Neighborhood Housing & Community Development –
Austin Housing Finance Corporation

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Executive Summary
**The Community Land Trust Report II:
Options and Implementation Recommendations for Austin, Texas**

Background

On May 26, 2005, the City Council directed the City Manager *to prepare a report researching the various forms of land trusts for affordable housing currently in operation in the United States and evaluate the feasibility of the trusts under Texas law and the financial policies of the City of Austin.* (Resolution No. 20050526-021).

Pursuant to that directive, on July 26, 2005, Neighborhood Housing and Community Development, Austin Housing Finance Corporation provided "The Community Land Trust Report: Creating Permanent Affordable Homeownership Opportunities In Austin, Texas" to City Council. This report included recommendations from the Austin Community Land Trust Steering Committee initiated by the Austin Community Development Corporation, now PeopleFund. This report found that Community Land Trusts are feasible under Texas Law and are compatible with the City of Austin's financial policies.

On December 1, 2005, staff presented their findings regarding the feasibility of establishing a Community Land Trust (CLT) in Austin. Staff recommended the following: 1). A CLT should be established in Austin; 2). A formal CLT Stakeholder process should be implemented to expand community input and awareness regarding the feasibility of CLTs; 3). CLT land should be tax exempt from all taxing jurisdictions; and 4). A CLT Advisory Committee should be created for quality assurance, certification, and implementation of best practice methods for CLTs.

City Council directed staff to proceed with a stakeholder process to receive input from the community regarding the implementation of a CLT in Austin. The CLT Stakeholders include representatives of non-profit housing providers, developers and homebuilders, lenders, title companies, housing advocates, City board and commission members, and local funding foundations. (*See Appendix C, CLT Stakeholders Participants.*) From January to April 2006, staff met with the stakeholders to document their input. (*See Appendix B, CLT Stakeholders Issues and Recommendations.*) The CLT Stakeholder input is referenced throughout the report.

Summary of Report

This report is based on market analysis, case study research, analysis of the recommendations of the CLT Stakeholder participants, and technical assistance from Burlington Associates in Community Development, LLC. Staff is recommending the

enhancement of our housing affordability strategy by implementing programs to achieve the following policy objectives:

1). Preserve long-term affordability. The Community Land Trust model provides an opportunity for the City of Austin to preserve its investment in housing by developing permanently affordable homeownership opportunities for low- and moderate-income households.

2). Recycle public investment. The Community Land Trust model allows the public investment in affordable housing to be recycled. By design, the CLT is committed to preserving the affordability of housing – one owner after another, one generation after another, in perpetuity.

3). Mitigate gentrification. Permanent affordable housing also mitigates the negative effects of gentrification by alleviating the involuntary displacement of low-income residents.

Implementation Recommendations

While some issues remain outstanding, general consensus was reached by the CLT Stakeholder Participants on the following implementation recommendations. (See Appendix B, *CLT Stakeholders Issues and Recommendations*.) Staff, with input from the CLT Stakeholder Participants, recommends the following to implement a Community Land Trust program in the City of Austin:

1. Establish a Community Land Trust Program under a Government -- Non-Profit Sponsorship model:

Community Land Trusts (CLTs) are a unique tool to preserve affordable housing in perpetuity. The land trust acquires land and sells residential improvements on top of the land to qualified, low- and moderate-income homebuyers. Through equity limitations in a ground lease, the homeowner agrees to forego full equity in their home to make it affordable at resale to a future low- or moderate-income homeowner. The City of Austin would have the first Community Land Trust program in the State of Texas.

An Advisory Committee will be created for quality assurance, certification, and best practices of CLTs. The CLT Program will develop uniform standards for CLTs in Austin which will be owned and managed by the Austin Housing Finance Corporation and other non-profits or Community Housing Development

Organizations (CHDOs). Further, this program will allow the development of CLT units through financing of non-profit housing developers and through partnerships in S.M.A.R.T.™ Housing developments.

2. Establish a Community Land Trust Technical Assistance Program

Since the development of CLT housing requires specialized knowledge, the Austin Housing Finance Corporation will provide technical assistance to interested non-profits for the development of their CLT programs. This will include the expansion of homeownership counseling services and community outreach and education for non-profits. In addition, this program will work with lenders, appraisers, and title companies to educate the housing community about CLT transactions.

3. Explore S.M.A.R.T.™ Housing Policy Enhancements

Staff will develop options for enhancing the S.M.A.R.T.™ Housing Policy to provide increased incentives for permanently affordable housing.

I. MARKET ANALYSIS: THE NEED FOR PERMANENT AFFORDABLE HOUSING

The widening gap between median family income and home prices is creating an increasingly important niche for a Community Land Trust (CLT) in Austin. The continued broadening of this gap threatens to make market-rate homeownership out-of-reach for more and more low and moderate income households.

Three trends, prevalent in Travis County, suggest that the need for affordable, workforce housing will be particularly salient in the near future: 1). growing domestic and international immigrant communities; 2). increasing prominence of industries that offer low- or moderate-wage jobs; and 3). steadily appreciating home sale prices.

The first trend, a quickly and steadily growing domestic and international immigrant community, elevates the importance of workforce housing that has good access to citywide resources and is well integrated into broader social and economic networks.

The population of international immigrants in the Austin area has consistently risen since 2000. The U.S. Census Bureau estimates that from 2000 to 2005, Travis County became home to more than 41,000 new international immigrants, over 40% of the total population increase during this time.¹

IRS tax return data for 2004 confirm the importance of domestic immigration to Travis County's economic and population growth. First time 2003 filings from people relocating from other counties in Texas and other states in the U.S. represented 9.2% of all tax returns in Travis County in 2004. Of these, about a third relocated from counties outside Texas.²

Domestic and international immigration into the Austin area is one important component of the significant population growth demographers expect in the foreseeable future. Travis County's population doubled from 1940 to 1960, again in 1980, in 2000, and by some projections will double again around 2025. By that year, the City of Austin will likely exceed 1 million residents.³

The second trend, the growing prominence of industries in Travis County that offer low or moderate wage jobs, underscores the increasing importance of non-market

¹ The Bureau estimates Travis County lost nearly 20,000 internal (U.S. domestic) residents from 2000 to 2005, perhaps due to local recession especially in the tech industry. Internal immigration increased, though not as much as international immigration, between 2004 and 2005.

² IRS aggregated data for 2003-2004 supplied by the Capital Area Council of Governments.

³ City of Austin demographer Ryan Robinson provided the projections used in this population growth scenario.

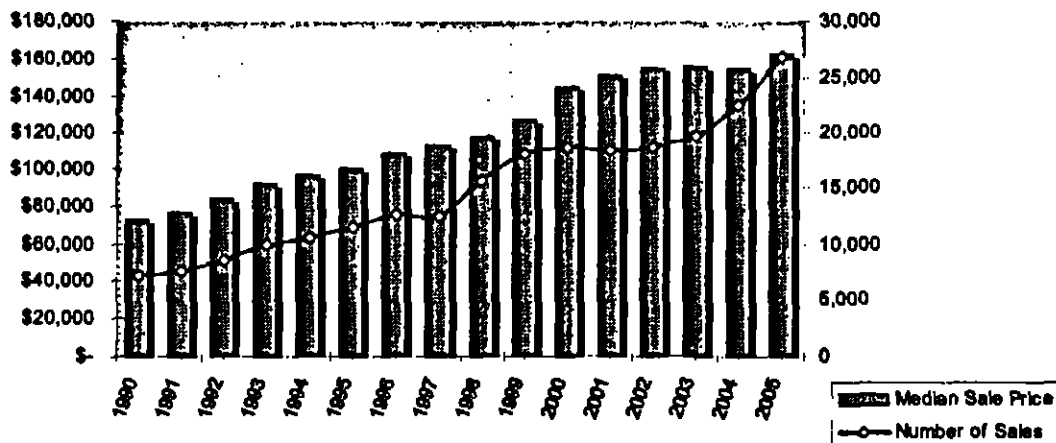
homeownership opportunities for low- and moderate-income families trying to build and maintain wealth in the area.

The Texas Workforce Commission estimates that the education, food services, and health care industries will gain the most jobs in the next six years. The Commission projects these, along with government, to be the largest areas of employment in Travis County by 2012 and expects them to supply over 260,000 jobs. Considerable growth in these industries suggests that demand for housing available to families below 80% of median family income (MFI) in Travis County will intensify in the near future.

The growing prominence of industries that offer low- or moderate-wage jobs is a potential contributing factor to the recent plateau in median family income (MFI) since 2003. Since then, the Housing and Urban Development Department's calculated MFI for Travis County has increased only \$2,700. In the five years from 2001 to 2006, the area MFI increased by less than 1.5% per year, lower than the yearly increase estimated in the Central Texas consumer price index.⁴

While median family income in the Austin and Travis County area has remained relatively stable, median housing prices have continued to appreciate steadily. The median residential sales price for Travis County increased from \$153,200 in 2000 to \$177,000 in 2005, and in Austin rose from \$159,800 to \$181,900 in the same time. Historic home sale prices for the Austin-Rock Rock area since 1990 reveal that this trend is not confined to Austin alone; median sale prices in the area have been increasing arithmetically for 15 years.

Home Sales In the Austin-Round Rock MSA, 1990-2005



Source: Texas Real Estate Center "Austin MLS Residential Housing Activity"

⁴ Central Texas consumer price index available through Baylor University Center for Business and Economic Research. Available: http://www.baylor.edu/business/economic_research/

The home sale trends discussed above are more pronounced in Austin's urban core, where housing prices are inflated additionally by high land prices and the higher cost of infill housing construction. In some areas in East Austin, median home sale prices have doubled since 2000.⁵

The CLT model provides a useful and important means to address the widening affordable housing problem by offering an investment strategy that promotes permanent affordability for low-income households.

⁵ *Community Preservation and Revitalization Report* delivered by Neighborhood Housing and Community Development Department to the Austin City Council, July 28, 2005, pursuant to Resolution #20050428-043.

II. COMMUNITY LAND TRUST SPONSORSHIP OPTIONS IN AUSTIN, TEXAS.

This section will discuss the advantages and disadvantages of the available CLT sponsorship options for the City of Austin. At this time, the following options exist for Community Land Trust (CLT) sponsorship for Austin:

1. Partnership of Government and Non-profit Sponsorship;
2. Government Sponsorship; and/or
3. Non-profit Sponsorship.

A. Partnership of Government-Nonprofit Sponsorship in Austin, Texas.

Government entities often have interests in producing and maintaining affordable housing stock. And, many non-profit housing organizations depend on public funding to acquire and develop affordable housing opportunities. Sarasota County has an emerging CLT that follows the Government-Nonprofit Sponsorship Model. (See Appendix A, Sarasota County). A public-private partnership offers the following advantages and disadvantages:

1) Advantages of Government-Nonprofit Partnership:

- **Tax Exempt Land:** If a government entity owns the land, the land may be tax exempt. The CLT homeowner in all sponsorship options will pay property taxes on the improvements. (See Appendix B, Stakeholder Issue #4).
- **Stable yet Flexible Structure:** A public-private partnership allows for the stability of government involvement, oversight, and funding, balanced with the flexibility of private, non-profit participation.
- **Leverage Financial Commitments:** While dedicated public funding commitments allow for sustained operations of the CLT, private funding can be leveraged to produce greater opportunities for CLT development.
- **Leverage of Staffing Resources:** City government has the ability to staff operations of the CLT program and assist non-profits to develop and implement CLT programs.

2) Disadvantages of Government-Nonprofit Partnership:

- **Policy Change/Non-Profit Direction:** Government involvement may be subject to policy change. Non-profit participation may be subject to competing directives.

B. Government Sponsorship In Austin, Texas.

In recent years, municipal governments have increased their interest in and sponsorship of CLT programs. Cities such as Chicago, Illinois and Flagstaff, Arizona have recently implemented city-sponsored CLT Programs. (See Appendix A). Government sponsorship has the advantages and disadvantages detailed below:

1) Advantages of Government Sponsorship:

- **Tax Exempt Land:** If a government entity owns the land, the land may be tax exempt. The property owner, in all sponsorship options, will pay property taxes on the improvements.
- **Financial Commitments:** A commitment of public funding may accompany government sponsorship. Federal and local public funds may assist the start-up CLT to establish its operations, acquire land, and develop homes. Dedicated public funding commitments allow for sustained operations of the CLT.
- **Staff Support:** City staff provides expertise in affordable housing acquisition, development, and construction.
- **Regulatory Enhancements:** Government sponsorship allows the CLT to benefit from municipal ordinances, such as access to surplus land under the S.M.A.R.T.TM Housing Initiative.
- **Organizational Niche:** A municipal sponsor should not create a CLT that competes and conflicts with the existing network of the City's non-profit housing organizations. The new CLT should be assigned a niche that complements the efforts of other components of a city's affordable housing infrastructure, programs, and plans.
- **Institutional Longevity:** Government sponsorship provides the requisite institutional longevity needed to administer a permanent affordability program.

2) Disadvantages of Government Sponsorship

- **Excludes potential for private fundraising efforts:** If a government entity sponsors the CLT, the ability to raise private funds is diminished.

- **Mistrust of Government:** Some people may have concerns about participating in a program sponsored by the government.
- **Changes In Policy Direction:** Local policy direction is subject to shifts in local economic and political environment.
- **Bureaucracy and Nimbleness:** A municipal government that provides the infrastructure for the CLT may not possess the nimbleness required for operations.

C. Nonprofit Sponsorship In Austin, Texas.

Traditionally, non-profit sponsorship has four basic forms: 1). Conversion of an existing non-profit, 2). Spin-off of an existing non-profit, 3). Program of an existing non-profit, and 4). Affiliate of an existing non-profit. These different forms have the following advantages and disadvantages:

1) Advantages of Nonprofit Sponsorship

- **Capacity:** A CLT created as a program of an existing nonprofit corporation that has staff with expertise in housing development may have the capacity to develop and market CLT homes.
- **Private Financing:** The CLT can benefit from the credibility that the nonprofit sponsor has with private foundations and public financing agencies.
- **Community Reputation:** A CLT associated with a nonprofit with a good community reputation can have the trust and confidence of the community and potential homeowners.
- **Diversification & Renewal.** A CLT program can strengthen an existing nonprofit by diversifying its portfolio, its constituency, and its funding base.

2) Disadvantages of Nonprofit Sponsorship

- **Lack of Institutional Longevity and Capacity:** Many non-profit sponsors are subject to funding, leadership, and mission changes that do not provide permanent stability for the administration of a permanent affordable housing program.
- **Divided Loyalties:** Most nonprofit sponsors of a CLT continue non-CLT activities. This can dilute the amount of attention and resources that the nonprofit can devote to CLT development.

- Property Taxes: Land owned by non-profits is not tax exempt; however eligible non-profits may qualify for partial tax exemption.⁶

⁶ See Texas Property Tax Code Sec. 11.1825(q), as amended.

III. COMMUNITY LAND TRUST (CLT) PROPERTY TAX OPTIONS IN AUSTIN, TEXAS

A. Property Taxation on the CLT Land (not Improvement) Value

If the CLT entity is responsible for paying taxes on the land, the amount of taxes due must be accounted for in the operating budget of the CLT entity. If the homeowner is responsible for paying taxes on the land, the amount of taxes due must be included in the monthly housing payment of the homeowner (PITI: Principal, Interest, Tax, and Insurance). Outlined below are two options for property taxation on the CLT land value. (See Appendix B, Stakeholder Issue #4).

1. AHFC Owns the Land

Texas Law gives Austin Housing Finance Corporation (AHFC) full property tax exemption.⁷ If AHFC served as landowner to the CLT, the value of the land would remain 100% tax exempt. AHFC could manage and operate CLT program functions; or AHFC could contract with another non-profit to manage the CLT program functions.

2. Income Method of Appraisal for Land

An eligible CLT that holds real property may use the income method of appraisal to establish the rental value of the leased land.⁸ Since the CLT charges the homeowner a nominal monthly ground lease fee, the annual rental income for the CLT is nominal as well. (Example: If the lease fee is \$25 per month, the annual rental income from a CLT lot would be \$300). Property taxes due may be based on the rental income and/or market value of the encumbered land and capitalization rate for similar properties.

B. Option for Property Taxation on the CLT Improvement Value

The CLT homeowners will be responsible for paying the property taxes on the improvements. The initial property tax should be based on the sales price of the home. Any adjustment to the value of the home for tax purposes should be based the restricted resale price of the home, instead of full market value.

⁷ See Texas Local Government Code Sec. 394.905; Texas Property Tax Code Sec. 11.11, 11.42(b), 11.43(a), as amended.

⁸ See Texas Property Tax Code Sec. 11.1825(q), as amended.

IV. STAKEHOLDER ISSUES AND RECOMMENDATIONS

On December 1, 2005, the Austin City Council directed staff to meet with community stakeholders. The stakeholder representatives met on January 6, 2006, January 20, 2006, February 3, 2006, and February 10, 2006. The process included education about the CLT model and discussion and input on the advantages and disadvantages of the model. Issues and areas of concerns expressed by CLT Stakeholder Participants are documented in the attached CLT Stakeholder Issues and Recommendations. (See Appendix B). These issues and areas of concern are cross-referenced by number in this report. The CLT Stakeholder participants identified issues in the following areas:

1. Ground Lease Provisions
2. Outreach and Education of CLT Homeowners
3. CLT Program Administration and Operation
4. CLT Structure
5. CLT Development Incentives

The CLT Stakeholders generally support the Government-Nonprofit sponsorship model outlined in this report. Specifically, the CLT Stakeholders want the CLT program to address the following concerns:

- The CLT Stakeholders recognized the importance of a comprehensive property tax strategy to achieve and maintain long-term affordability for CLT homes. The public, non-profit status of the Austin Housing Finance Corporation (AHFC) as owner of CLT land would reduce the tax burden on the CLT homeowner.
- The CLT Stakeholders iterated the need for homebuyer counseling and education as integral to the success of the CLT program.
- The CLT Stakeholders want the CLT program to ensure that CLT homes are marketable and that there will be a demand for the CLT product.
- The CLT Stakeholders recognized that as land and housing become more expensive, greater incentives and subsidies are required to meet affordability goals of the community. The CLT program stretches limited subsidy dollars further by creating permanent affordable housing.

In addition, after reviewing the draft version of this report, the CLT Stakeholder Participants requested an analysis of CLTs and condominium developments. This analysis will be presented in a separate report.

V. FACTORS AND KEY MEASURES FOR SUCCESS IN AUSTIN, TEXAS**A. Factors for Success**

Based on research and community stakeholder input, staff have identified ten factors to create a successful Community Land Trust (CLT) in Austin:

1. Ability to maximize both public and private investment by uniting the private sector, the public sector, the residents, and the community development and social services sectors;
2. Financial resources to own land debt-free;
3. Guaranteed operational funding for the five year start-up period;
4. Commitment to educating potential homeowners, lenders, and the community (See Appendix B, Stakeholder Issue #3, 12);
5. Commitment to and partnership with neighborhood-based non-profits and community housing development organizations (CHDOs) to produce permanent, affordable housing opportunities;
6. Ability to be nimble and flexible in order to acquire and dispose of real estate in the private market;
7. Ability to produce enough units over a five year period, in order to become self-sufficient;
8. Ability to provide a fair return on the CLT homeowner's investment, in order to provide incentives to participate in the program, while balancing the need to maintain an affordable resale price (See Appendix B, Stakeholder Issue # 2);
9. Ability to adopt a comprehensive property tax strategy to reduce the tax burden and prevent market-rate appreciation that would occur if the land and improvements were owned in fee simple without resale restrictions; and
10. Ability to offer *quality* housing throughout the City and in mixed-income developments that is more affordable than what is available in the private market.

B. Key Measures of Success

The CLT Program should be evaluated against key measures to determine the success of the CLT Program. Some of these measures can be quantified by entry and exit surveys given to CLT Homebuyers when they purchase and sell CLT homes. (See Attachment 1.) These surveys are being implemented by CLTs across the nation to provide a uniform method of data collection to track CLT performance measures. The CLT program should meet the following key measures:

1. Affordability over time

- a. CLT homes are affordable at resale to the same income level.
- b. No additional subsidy is required at resale of CLT homes.

2. Tax Strategy

- a. CLT homes remain affordable regardless of increases in property taxes.
- b. Community supports CLT's property tax strategy.

3. Homebuyer Education

- a. Potential homebuyers have access to homebuyer education, financial and credit counseling, and education regarding the CLT model.
- b. The CLT program has a pipeline of educated, qualified buyers to fulfill production goal levels.

4. Mixed-Income Communities

- a. CLT units are geographically dispersed throughout the City of Austin.
- b. CLT units are in mixed-income neighborhoods.

5. Fair Return to Homeowner

- a. CLT Homeowner receives a fair return on their investment when they sell their home.
- b. Some CLT Homeowners at resale are able to move into market-rate homes.

6. Quality Housing

- a. CLT homes are in good condition.
- b. CLT homes are available in a variety of sizes and in a variety of locations to serve the diverse needs of CLT homeowners.
- c. CLT homes are in safe, convenient neighborhoods with quality schools.

VI. IMPLEMENTATION RECOMMENDATIONS

Based on the research presented in The Community Land Trust Report (July 26, 2005) under the directive of City Council's Resolution No. 20050526-021, the technical assistance provided by Burlington Associates in Community Development, LLC, and feedback from the Community Land Trust (CLT) Stakeholder Group, staff recommends implementation of the following programs to maximize the capacity of governmental and non-profit entities to provide CLT housing opportunities for the City of Austin. These programs rely on the Government-Nonprofit sponsorship model. A partnership between the Austin Housing Finance Corporation (AHFC) and non-profit organizations offers the following major advantages of both government and non-profit sponsorship:

1. If AHFC owns the land, the land receives 100% property tax exemption. AHFC may retain management and administrative control of the community land trust. AHFC can also enter into management agreements with other non-profit organizations, or AHFC may enter into long-term ground lease arrangements with non-profits for the land. AHFC can also transfer land to a non-profit to manage.
2. AHFC partnership with non-profit organizations allows for the stability of government involvement with the flexibility of private, non-profit participation.
3. AHFC and private, non-profit organizations can maximize the leveraging of public and private funding.
4. AHFC can provide staffing resources and technical assistance to assist other non-profit organizations in developing and administering their CLT programs.

The programs are described below:

Community Land Trust Program: This program will develop permanently affordable housing units through financing of non-profit housing developers and through funding of S.M.A.R.T.TM Housing developments.

This program will allow for permanently affordable housing units through financing of non-profit housing developers and through partnerships in S.M.A.R.T.TM Housing developments. Eligible program activities will include: acquisition and development of

land and housing units, construction, demolition, rehabilitation, lead testing/abatement, construction financing, gap financing, inspections, and homebuyer loans and subsidies.

Staff recommends that a CLT Advisory Committee should be created for quality assurance, certification, and best practices of CLTs. The City will require CLT organizations to meet eligibility requirements to ensure the standardization of their CLT program. (See Appendix B, Stakeholder Issue #12).

For CLT development to be successful, non-profit housing providers must be financially stable, have the experience to develop quality housing, be responsive to the low-income communities they serve, and be knowledgeable about the CLT model. Since the CLT model will be new for the Austin community, non-profit housing providers must also have the capacity to educate homebuyers regarding the CLT model (See Appendix B, Stakeholder Issue #3). The eligibility requirements for CLTs will include, but are not limited to, the following:

- Non-profit status
- Non-profit audit with no findings
- Adequate reserve funds
- Adoption of standard ground lease
- Required home-buyer education and post-ownership education curriculum
- Leaseholder input to the Board of Directors
- Demonstrated housing operating experience
- Financial accountability

Community Land Trust Technical Assistance Program: This program provides technical assistance to non-profits to assist them in the development of their CLT programs.

The Community Land Trust (CLT) Technical Assistance Program will offer the following assistance to non-profit housing providers:

- Work Plan Development
- Board Training Materials
- Ground Lease Template
- Homebuyer Orientation Materials
- Marketing Plan and Marketing Materials
- Market Analysis Assistance
- Resale Formula Assistance
- Policy, Procedure, and Guideline Development

The CLT Technical Assistance Program will also provide education, training, and technical assistance to housing development professionals, including builders, lenders, title agents, home appraisers, and developers. This program also includes homebuyer

education and community outreach and education, including implementation of a "train the trainer" program. Non-profit housing organizations will be trained to provide CLT homeownership education to potential homebuyers.

S.M.A.R.T.TM Housing Policy Enhancements: The S.M.A.R.T.TM Housing staff will research and analyze enhancement options to the current policy to provide permanently affordable housing opportunities in the City of Austin.

The City of Austin is exploring enhancements to S.M.A.R.T.TM Housing to include a CLT option. (S.M.A.R.T.TM Housing is the City of Austin's housing policy, and stands for Safe, Mixed-Income, Accessible, Reasonably-Priced, Transit Oriented and meeting Green Building standards). Staff will work with internal and external stakeholders to determine the appropriate types of incentives. (See Appendix B, Stakeholder Issue #15).

VII. CLT Project Opportunities in Austin, Texas

Current CLT project opportunities in the City of Austin are:

1. **Austin Housing Finance Corporation (AHFC) Acquisition and Development Program**

The CLT Program's first development opportunity is a new infill subdivision in Montopolis, a neighborhood in Southeast Austin. The 81-unit subdivision will include 16 CLT homes, as well as homes developed by for-profit and non-profit housing providers such as Habitat for Humanity.

2. **Community Housing Development Organizations (CHDOs) and Non-profit/Private Partnerships**

Non-profit housing developers could develop CLT homes through independent financing and through funding from the CLT Program.

3. **Development Incentives**

The City of Austin has several development projects and incentives that could include incentives or requirements for affordable housing as part of market-rate housing development. These development incentives would encourage mixed-income development and provide opportunities for low and moderate income households to live in neighborhoods or in developments that they otherwise could not afford. One tool to accomplish these affordable housing goals is the CLT Program. Development incentives could be a part of the following: S.M.A.R.T.TM Housing, downtown housing developments, Vertical Mixed-Use (VMU), and Transit-Oriented Development (TOD) projects. (See Appendix B, Stakeholder Issues #14, 15, & 16).

4. **Robert Mueller Municipal Airport (RMMA) Redevelopment Project.**⁹

The RMMA redevelopment project has affordable housing requirements with goals to provide long-term affordable housing opportunities. The CLT Program provides an opportunity for RMMA to exceed its affordable housing goals and to preserve the affordability in perpetuity. (See Appendix B, Stakeholder Issue #16).

⁹ See Paul Brophy & Associates, *Final Report: Recommendations to Catellus: Mixed Income Re-Development of Robert Mueller Airport* (Austin: 2005).

APPENDIX A CASE STUDY RESEARCH

1) City of Flagstaff, Arizona ¹⁰

The City of Flagstaff, Arizona's Community Investment Division is in the process of creating a community land trust program to address the need for workforce housing. The City's Community Investment Division will provide staffing and administration of the CLT. The City will provide an annual general fund allocation for CLT operations, administration, and development. If created as proposed, the program will serve households at or below 150 percent of median family income (MFI). A Housing Commission, modeled after the model CLT Board, is proposed to advise City Council on CLT issues. The program's goals are to produce 16 units permanently affordable units during the first year and 26 units the year after.

The City of Flagstaff has a population of 62,000 people, and the average household income for a family of four in 2005 was \$54,200. The median home price in March of 2006 was \$325,000. The City wants to serve households up to 150 percent of MFI because a growing percentage of the City's workforce can not find affordable housing. During the past five years, home prices have increased 85 percent, and wages have increased 5 percent. Twenty-three percent of housing in Flagstaff is unoccupied, primarily used as second homes or investment property.

2) City of Chicago, Illinois ¹¹

The City of Chicago, with funding by the McArthur Foundation, announced the creation of a city-wide community land trust effort. The City of Chicago's Department of Housing provides staffing and administration for the community land trust, which has been created as a separate 501(c) 3 non-profit. A board appointed by the Mayor and approved by the City Council will oversee the CLT. The program's goals are to produce 50 units within the first year and 300 units within the next three years to become self-sustaining.

The City's Department of Housing acts as the developer of affordable housing while the city-sponsored CLT acts as the entity that preserves affordability, educates potential CLT homeowners, and manages properties in trust.

¹⁰ Phone Interview by Kate Moore with Sarah Darr, Land Trust Manager, City of Flagstaff, Community Investment Division, March 26, 2006.

¹¹ Phone Interview by Kate Moore with Molly Sullivan, Communications Director, Department of Housing, City of Chicago, March 28, 2006.

The City of Chicago has a population of 2,800,000 people, and the average household income for a family of four in 2005 was \$75,400. The median home price in 2005 was \$265,600, an increase of eleven percent from 2004.

3) Sarasota County, Florida ¹²

Sarasota County has a severe shortage of workforce housing. In 2004 and 2005, Sarasota had the best performing real estate market in the country. In 2004, the median home price increased 42 percent. In response to the growing need for affordable housing, Sarasota County Commissioners have committed \$250,000 a year in start-up funds for a Community Land Trust for three years. A task force, coordinated by Sarasota County, Office of Housing and Community Development, created the parameters of the new non-profit CLT, called the Community Housing Trust. In response to Sarasota's financial commitment, the Community Housing Trust has agreed to acquire \$100,000 a year in private financing from the community.

The Community Housing Trust has a goal to provide 3,000 housing units in the next ten years. Part of the funding for those units is expected to come from the recent sale of tax foreclosed lots that should earn \$20 to \$25 million in funds for affordable housing.

Sarasota County has a population of 325,000 and the average household income for a family of four in 2005 was \$58,400. The median home price in Sarasota County in February 2006 was \$314,000. Part of the reason for the large increase in home prices could be the large number of wealthy retirees in Sarasota County. Sixty-four percent of income in the County is non-earned income. This has left little affordable housing available for those that work in Sarasota County.

¹² Phone Interview by Kate Moore with Wendy Thomas, Housing Planner, Department of Housing and Community Development, Sarasota County, March 28, 2006.

APPENDIX B STAKEHOLDER ISSUES AND RECOMMENDATIONS

Issue Number	Issue
	Ground Lease Provisions
1	<u>Homeowner Residency Requirements:</u> The CLT model suggests that CLTs require homeowners live in the home 8 months out of the year. Should an exception be made for those deployed by the military?
2	<u>CLT Home Improvements:</u> How will the CLT credit the homeowner with improvements made to the home?
	Outreach and Education of CLT Homeowners
3	<u>Homebuyer Education:</u> How do we ensure a pipeline of qualified homebuyers for CLT? Potential homebuyers must have access to homebuyer education, financial and credit counseling if needed, and education regarding the CLT model.
	CLT Program Administration and Operation
4	<u>AHFC Ownership of Land:</u> Who will own the land, the CLT or the City? The land will be tax-exempt if owned by the City and leased to the CLT. This would require the CLT to have two leases: one with the homeowner and one with the City. These tax issues need to be finalized with TCAD. Will market rate homeowners resent the CLT's tax break? If a non-profit CLT develops CLT housing without public financing, will the City allow the non-profit to transfer the land to the City so it can be tax exempt? (See CLT Property Tax Options).
5	<u>CLT Involvement with Homeowners:</u> Should the CLT be allowed to inspect the land and the home? The CLT should balance the need to ensure that homes are maintained with respect for CLT homeowner's privacy.

6	<u>Market Study:</u> The CLT should do a market study to determine how much subsidy is required to make the home desirable to potential homeowners. A Market Study should be also be done at RMMA to determine the market effects of mixed-income housing and CLTs.
7	<u>Lenders:</u> The CLT needs to be able to communicate with the homeowner's lender. (One solution: CLT Loan Products have a form that gives the CLT permission to communicate directly with the lender regarding the status of the loan).
8	<u>MFI Level:</u> CLT homes could target lower than 80% MFI, but in the long-term it may not be practical to require lower than 80% MFI at resale.
9	<u>Estate Planning:</u> As part of estate planning, individuals could donate property to a CLT. Equity Trust is available to assist in those donations. Also other tax planning for CLTs, e.g., Tax Donations, 1031 exchanges to build property inventory.
	CLT Structure
10	<u>Commercial CLT:</u> Commercial CLTs could be used to provide affordable options for local businesses priced out of certain neighborhoods. The City of Austin has a similar arrangement with the Children's Museum, who leases City land for a nominal fee.
11	<u>Owner-Initiated CLT:</u> Should the City have an owner-initiated CLT? This could work well with the City's rehabilitation program. It will, however, take equity away from homeowners
12	<u>CLT Structure:</u> Should the City have multiple or just one CLT? If Austin has multiple CLTs, standards should be created to streamline coordination with lenders, appraisers, title companies, etc. For CLTs that use public funds, standards should be created for CLT organizations, CLT projects, ground leases, and resale terms.
13	<u>Use of CLT Model:</u> Other programs or market rate incentives may serve more people with the same amount of public subsidy?
14	<u>Condo Project:</u> CLTs could be a part of market-rate condo projects. Should CLT owners pay the same association fees?

CLT Development Incentives	
15	<u>Development Incentives:</u> The City could develop a program to provide density bonuses to commercial/office developments if they build affordable housing on or off-site. Example: Seattle. Vertical mixed-use is another opportunity for affordable housing, including CLTs.
16	<u>Mixed Use/Mixed Income Development:</u> CLT could be a good tool to provide mixed use/mixed income neighborhoods.

**APPENDIX C
CLT STAKEHOLDER PARTICIPANTS**

The following organizations participated in the CLT Stakeholder Group:

City of Austin Boards and Commissions

African American Quality of Life

Planning Commission

Robert Mueller Municipal Airport Plan Implementation Advisory Commission

Design Commission

Zoning and Platting Commission

Community Partners

Austin Community Foundation

Housing Works

PeopleFund (formally Austin CDC)

Housing Authority of the City Austin (HACA)

CHDO Roundtable

Community Development Commission

Texas C-Bar

Private Partners

Real Estate Council of Austin

Independence Title

Wells Fargo

Home Builders Association of Greater Austin

**APPENDIX D
GLOSSARY**

Affordable Housing - A household that pays no more than 30 percent of its income for housing.

Appraisal - A written valuation for a property, primarily based on an analysis of comparable sales of similar homes nearby.

Community Housing Development Organization (CHDO) - Nonprofit, community based organization whose primary mission is the production of affordable housing for low-income residents. Housing development is carried out through a number of activities, including preservation of existing housing, new construction, rentals and homeownership strategies.

Community Land Trust (CLT) - CLTs acquire and hold land and sell the residential improvements on top of the land to qualified low and moderate income households. The CLT holds title to the land in perpetuity and leases the land to the homeowner through a 99-year, renewable, ground lease. Through equity limitations in the ground lease, the homeowner agrees to forego full appreciation in their home to make it affordable at resale to another low to moderate income homeowner.

Equity - A homeowner's financial interest in a property. Equity is the difference between the value of the property and the amount still owed on its mortgage and other liens.

Gentrification - The restoration of deteriorated urban property by middle-class or affluent people, often resulting in displacement of lower-income people.

Ground Lease - A legal document between the Community Land Trust (CLT) and CLT homeowner that outlines the rights and responsibilities of the CLT homeowner.

Immigrant - A new permanent resident of a community.

Improvement- Any structure, usually privately owned, erected on a site to enhance the value of the property.

Infill - New development in existing urban areas where most public services are already available or in service.

Low to Moderate Income Households - Households that make less than 80% of Median Family Income as determined by HUD (Department of Housing and Urban Development). For 2006, 80% of Median Family Income for a family of four in Travis County, Texas is \$56,900.

Market Rate Homes – Non-subsidized homes available for sale.

Median Home Price – The middle value in the distribution of home prices in an area.

Median Household Income - The middle value in the distribution of household incomes in a community as determined by the Department of Housing and Urban Development.

PITI – The monthly payment made by homeowners that consists of the mortgage payment, interest on the mortgage, property tax payments, and insurance, e.g. principal, interest, tax, and insurance.

Recapture Policy – A policy that requires the homeowner to repay the subsidy when they sell the house.

Resale Formula – A formula in the CLT ground lease that determines the resale price of a CLT home.

Resale Policy – A policy that obligates the homeowner to resell the house to another low-income eligible buyer or at a fixed price.

S.M.A.R.T.TM Housing Initiative – The S.M.A.R.T.TM (Safe, Mixed-Income, Accessible, Reasonably-priced, Transit-Oriented) Housing Initiative is designed to stimulate the production of housing for low and moderate income residents of Austin. The housing meets the City's Green Building standards and is located in neighborhoods throughout the City of Austin.

Tax Exempt – An organization, according to law, that does not pay any taxes on property it owns.

Attachment 1 Entry and Exit Surveys

ENTRY Survey: CLT Homebuyer

Name of CLT employee/volunteer: _____ Date survey completed: _____

Please complete the entire survey, leaving no questions blank. For those questions asked directly of the homeowner, give assurances to the homeowner that all of his/her answers will be kept strictly confidential.

KEY IDENTIFIERS

- 1. Address of the home: _____
- 2. Name of the homeowner: _____
- 3. Type of home: ☐ Detached house ☐ Attached townhouse or duplex ☐ Condominium
☐ Co-op ☐ Mobile home
- 4. Date of purchase: _____

CHARACTERISTICS OF HOME & TRANSACTION

- 5. What is the APPRAISED VALUE of the underlying land?
(Fair market value of the land as if title were held in fee simple, without restrictions): \$ _____
- 6. What is the APPRAISED VALUE of the improvements? \$ _____
- 7. What is the PURCHASE PRICE paid by homebuyer for the improvements \$ _____
- 8. What is the out-of-pocket cash paid by the homebuyer to close on the home:
DOWNPAYMENT? \$ _____
CLOSING COSTS? \$ _____
- 9. MORTGAGE INFORMATION: Is there a mortgage on the home? ☐ yes ☐ no
If there IS a mortgage on the home, provide the following information:
1st Mortgage: principal: \$ _____; amortization period: _____ (months); interest rate _____ %
2nd Mortgage: principal: \$ _____; amortization period: _____ (months); interest rate _____ %
- 10. What is the MONTHLY GROUND LEASE FEE (excluding taxes) \$ _____
- 11. What is the MONTHLY CONDO ASSOCIATION FEE, if any? \$ _____
- 12. What is the ESTIMATED MONTHLY COST OF INSURANCE for this home? \$ _____
- 13. What is the ESTIMATED MONTHLY COST OF PROPERTY TAXES for this home? \$ _____
- 14. Value of any SUBSIDIES OWNED BY THE CLT which enabled the CLT to reduce the purchase price paid by the homebuyer to an amount less than the home's TDC:

Type of CLT subsidy	Value of subsidy
<input type="checkbox"/> Cash subsidies, specifically for this sale	\$ _____
<input type="checkbox"/> Non-cash subsidies, specifically for this sale	\$ _____
<input type="checkbox"/> Price reduction due to inclusionary zoning or other regulatory measure, for this sale	\$ _____
<input type="checkbox"/> Value of equity retained in land and improvements carried over from previous owner(s)	\$ _____
<input type="checkbox"/> Other:	\$ _____
TOTAL (Note: subsidies should equal the difference between appraised value of land(#5) plus appraised value of improvements(#6) minus purchase price of improvements(#7))	\$ _____

ENTRY Survey: CLT Homebuyer

- 15. Value of any GRANTS or LOANS given directly to the HOMEOWNER which reduced his/her closing costs in buying the home AND/OR reduced his/her principal & interest payment on the primary mortgage:

Type of homeowner subsidy	Value of subsidy
<input type="checkbox"/> Grant to homeowner for downpayment and/or closing costs (pocketed by the homeowner on resale)	\$
<input type="checkbox"/> Deferred-interest loan to homeowner (interest and 100% of principal due on resale)	\$
<input type="checkbox"/> No-interest loan to homeowner (100% of principal due on resale)	\$
<input type="checkbox"/> Assumable loan to homeowner (no repayment if resold to another eligible household)	\$
<input type="checkbox"/> Forgivable loan to homeowner (% repaid gradually declines with length of tenure)	\$
<input type="checkbox"/> Other (for example, interest-rate buy-downs, etc.):	\$

- 16. What is the **CONDITION** of the home at the time of purchase?
- ☐ Excellent/new (recently constructed) ☐ Fair (aging but adequate systems; bldg. needs minor repairs)
☐ Excellent/existing (recently rehabbed or well-maintained) ☐ Poor (some system replacement needed; major repairs needed)
☐ Very good (up-to-date systems; bldg. in good repair) ☐ Very poor (major system replacement and major repairs needed)
☐ Good (older, adequate systems; bldg. needs cosmetic repairs) ☐ Uninhabitable (total system replacement and gut rehab needed)
- 17. What is the **AGE** of the home at the time of purchase?
- ☐ Newly constructed (under 1 year old) ☐ 20 – 30 years old
☐ 1 – 5 years old ☐ 30 – 40 years old
☐ 5 – 10 years old ☐ 40 – 50 years old
☐ 10 – 20 years old ☐ Over 50 years old
- 18. What is the **SIZE** of the home at the time of purchase?
- ☐ 1-Single-room occupancy (SRO) ☐ 3-bedroom unit
☐ 1-bedroom unit ☐ 4-bedroom unit
☐ 2-bedroom unit ☐ 5+ bedrooms

CHARACTERISTICS OF HOMEOWNER

- 19. How many people living in the home at the time of purchase (adults and children)? _____
- 20. What is the age and gender of each person living in the home (adults and children)?

Person	Age	M/F
Head of HH		
Person 2		
Person 3		

Person	Age	M/F
Person 4		
Person 5		
Person 6		

Person	Age	M/F
Person 7		
Person 8		
Person 9		

- 21. What is the **RACE** or **ETHNICITY** of the head of household?
- ☐ Caucasian (non-Hispanic) ☐ African-American ☐ Native American
☐ Hispanic ☐ Asian ☐ Pacific islander
☐ Other: _____
- 22. What is the household's **ANNUAL INCOME** at the time of purchasing the CLT home? \$ _____
- 23. What **PERCENT OF AREA MEDIAN INCOME** does this annual income represent, adjusted for the size of the homebuyer's household? _____ %

ENTRY Survey: CLT Homebuyer

- 24. In the past 12 MONTHS, how many adults (age 18 or over) in the home received income or assistance from the following? *(Please list all that apply)*
- ☐ _____ # of adults - Full-time employment ☐ _____ # of adults - Part-time employment
☐ _____ # of adults - Self employed ☐ _____ # of adults - Food Stamps
☐ _____ # of adults - Public Assistance ☐ _____ # of adults - Alimony/child support
☐ _____ # of adults - Disability payments ☐ _____ # of adults - Retirement
☐ _____ # of adults - Social Security
☐ _____ # of adults - Other - please list: _____
- 25. At any time in the past SIX months, have any adults (age 18+) living in the home attended a technical school, junior college, college, or university? _____ yes _____ no. If "yes," how many:
- Part-time attendance, # of adults: _____ Full-time attendance, # of adults: _____

COMPARISON OF CLT HOME WITH HOMEOWNER'S PREVIOUS HOUSING

- 26. Where did the homeowner live immediately prior to moving into his/her CLT home?
- Street address: _____
- Town & state: _____
- 27. What type of housing did the homeowner occupy prior to moving into his/her CLT home? *(Check ONE only)*
- ☐ Owned a house, townhouse, or duplex, ☐ Rented a house, townhouse, or duplex
☐ Owned a condominium ☐ Rented a condominium
☐ Owned a mobile home ☐ Rented a mobile home
☐ Owned a co-op apartment ☐ Rented an apartment
☐ Lived with family or friends ☐ Lived in a shelter
☐ Other: _____
- 28. Have any of the adults in this household ever owned a home (i.e., house, townhouse, duplex, condominium, mobile home, or co-op apartment) prior to moving into their CLT home?

Person	Owned Home		If yes, how many years ago?
	YES	NO	
Head of HH			
Adult 2			
Adult 3			
Adult 4			

- 29. During the FIVE YEARS prior to moving into the CLT home, in how many DIFFERENT houses, apartments, or other dwellings did the homeowner and his/her family live? *(Check ONE only)*
- ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 or more

ENTRY Survey: CLT Homebuyer

- 30. What were the most important reasons for choosing to buy this particular CLT home? (Please rank them by placing a #1 beside the most important reason, a #2 beside the next most important reason, and so on. Leave blank any reasons that were NOT a factor in choosing this home.)

- | | |
|--|--|
| <input type="checkbox"/> Affordable price | <input type="checkbox"/> Close to school(s) for child(ren) |
| <input type="checkbox"/> Size or quality of home | <input type="checkbox"/> Close to college or technical school for adult(s) |
| <input type="checkbox"/> Size or quality of grounds surrounding home | <input type="checkbox"/> Close to shopping or services |
| <input type="checkbox"/> Quality of neighborhood | <input type="checkbox"/> Close to family or friends |
| <input type="checkbox"/> Commitment to the CLT's mission | <input type="checkbox"/> Close to park(s) or other recreation |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |

NOTE: The following questions 31 – 37 compare the **CURRENT** housing situation of the CLT homeowner with his/her **PREVIOUS** situation – i.e., the home and neighborhood that s/he occupied just before moving into the CLT home. (For each, question, please check ONE option only).

- 31. How does the **TOTAL SIZE** of the CLT home compare with the homeowner's previous home?
- ____ CLT home is **BIGGER**.
 ____ CLT home is **SMALLER**.
 ____ CLT home is about the **SAME SIZE** as the previous home.
- 32. How does the **CONDITION** (repair and maintenance of buildings and grounds) of the CLT home compare with the homeowner's previous home?
- ____ CLT home is in **BETTER** condition.
 ____ CLT home is in **WORSE** condition.
 ____ CLT home is in about the **SAME CONDITION** as the previous home.
- 33. How does the **MONTHLY COST** of the CLT home compare with the homeowner's previous home?
- ____ CLT homeowner has **LOWER** monthly housing cost than the previous home.
 ____ CLT homeowner has **HIGHER** monthly housing cost than the previous home.
 ____ CLT homeowner has about the **SAME** monthly housing cost as the previous home.
- 34. How does the **LOCATION** (convenience to services, work, or school) of the CLT home compare with the homeowner's previous home?
- ____ CLT home is in a **MORE CONVENIENT** location than the previous home.
 ____ CLT home is in a **LESS CONVENIENT** location than the previous home.
 ____ CLT home is in an **EQUALLY CONVENIENT** location as the previous home.
- 35. How does the **SAFETY** of the neighborhood compare with the homeowner's previous neighborhood?
- ____ The neighborhood in which the CLT home is located is **SAFER** than the previous neighborhood.
 ____ The neighborhood in which the CLT home is located is **LESS SAFE** than the previous neighborhood.
 ____ The neighborhood in which the CLT home is located is **JUST AS SAFE** as the previous neighborhood.
- 36. How does **overall** **NEIGHBORHOOD QUALITY** compare with the homeowner's previous neighborhood?
- ____ CLT home is in a **BETTER** neighborhood than the previous home.
 ____ CLT home is in a **WORSE** neighborhood than the previous home.
 ____ CLT home is in a neighborhood of the **SAME** quality as the previous neighborhood.
- 37. How does the **STABILITY** of the homeowner's present housing situation compare with his/her previous housing situation?
- ____ CLT homeowner worries **LESS** about losing his/her home and having to move.
 ____ CLT homeowner worries **MORE** about losing his/her home and having to move.
 ____ CLT homeowner doesn't feel less worried or more worried about losing his/her home and having to move.

EXIT Survey: CLT Homeseller

Name of CLT employee/volunteer: _____ Date survey completed: _____

Please complete the entire survey, leaving no questions blank. For those questions asked directly of the homeowner, give assurances to the homeowner that all of his/her answers will be kept strictly confidential.

KEY IDENTIFIERS

- 1. Address of the home: _____
- 2. Name of the homeowner: _____
- 3. Type of home: ☐ Detached house ☐ Attached townhouse or duplex ☐ Condominium
☐ Co-op ☐ Mobile home
- 4. Date of resale (i.e., closing date on resale to next homeowner): _____

CHARACTERISTICS OF HOME, HOUSEHOLD & TRANSACTION AT TIME OF RESALE

- 5. What is the APPRAISED VALUE of the underlying land at time of resale?
(Fair market value of the land as if title were held in fee simple, without restrictions): \$ _____
- 6. What is the APPRAISED VALUE of the improvements at time of resale? \$ _____
- 7. What is the RESALE PRICE of the improvements (paid to homeowner)? \$ _____
- 8. How much EQUITY did the homeowner earn on the resale of his/her home?
- | | |
|--|-----------------|
| Recovery of homeowner's original downpayment | \$ _____ |
| Retirement of principal on homeowner's mortgage(s) | \$ _____ |
| Credit for capital improvements made by homeowner | \$ _____ |
| Homeowner's share of appreciation | \$ _____ |
| TOTAL EQUITY EARNED ON RESALE | \$ _____ |
- 9. How many days lapsed between the date on which the homeowner gave the CLT his/her NOTICE OF INTENT TO SELL and the date on which the home was EVENTUALLY RESOLD (i.e., either resold to the CLT or resold directly to another homeowner)? _____ days
- 10. How many people are living in the home at the time of resale (adults and children)? _____
- 11. What is the homeowner's ANNUAL INCOME at the time of reselling the CLT home? \$ _____
- 12. What PERCENT OF AREA MEDIAN INCOME does this annual income represent, adjusted for the size of the homeowner's household at time of resale _____ %
- 13. What is the CONDITION of the home at the time of resale?
- | | |
|---|---|
| <input type="checkbox"/> Excellent, new (recently constructed) | <input type="checkbox"/> Fair (aging but adequate systems, bldg. needs minor repairs) |
| <input type="checkbox"/> Excellent, existing (recently rehabbed or well-maintained) | <input type="checkbox"/> Poor (some system replacement needed; major repairs needed) |
| <input type="checkbox"/> Very good (up-to-date systems; bldg. in good repair) | <input type="checkbox"/> Very poor (major system replacement and major repairs needed) |
| <input type="checkbox"/> Good (older, adequate systems; bldg. needs cosmetic repairs) | <input type="checkbox"/> Terrible (total system replacement and substantial rehab needed) |

EXIT Survey: CLT Homeseller**COMPARISON OF CLT HOME WITH HOMEOWNER'S SUBSEQUENT HOUSING SITUATION**

- 14. What will be the homeowner's new address after leaving his/her CLT home?

Street address: _____

Town & state: _____

- 15. What type of housing does the homeowner expect to occupy after leaving his/her CLT home?

(Check ONE only)

- | | |
|---|---|
| <input type="checkbox"/> Own a house, townhouse, or duplex, | <input type="checkbox"/> Rent a house, townhouse, or duplex |
| <input type="checkbox"/> Own a condominium | <input type="checkbox"/> Rent a condominium |
| <input type="checkbox"/> Own a mobile home | <input type="checkbox"/> Rent a mobile home |
| <input type="checkbox"/> Own a co-op apartment | <input type="checkbox"/> Rent an apartment |
| <input type="checkbox"/> Nursing home or medical facility | <input type="checkbox"/> Move in with family or friends |
| <input type="checkbox"/> Other: _____ | |

- 16. Why did the homeowner decide to resell his/her CLT home?

(Please check all that apply.)

- | | |
|---|--|
| <input type="checkbox"/> Buying another CLT home | <input type="checkbox"/> Moving out of the area |
| <input type="checkbox"/> Buying a market-rate home | <input type="checkbox"/> Moving so kids can go to better school(s) |
| <input type="checkbox"/> Moving into rental housing | <input type="checkbox"/> Moving closer family or friends |
| <input type="checkbox"/> Getting married | <input type="checkbox"/> Moving closer to employment |
| <input type="checkbox"/> Getting divorced | <input type="checkbox"/> Dissatisfaction with neighborhood |
| <input type="checkbox"/> Death, incapacity, or infirmity of homeowner | <input type="checkbox"/> Financial burden of owning a CLT home too great |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |

In the following questions (17 – 23) the NEXT housing situation of the CLT homeowner (i.e., the home and neighborhood s/he will occupy after leaving the CLT) is compared with the home and the neighborhood s/he occupied while living in a CLT home. (For each, please check ONE option only).

- 17. How does the **TOTAL SIZE** of the next home compare to the CLT home?

- ____ Next home is **BIGGER** than the CLT home.
 ____ Next home is **SMALLER** than the CLT home..
 ____ Next home is about the **SAME SIZE** as the CLT home.

- 18. How does the **CONDITION** (repair and maintenance of buildings and grounds) of the next home compare to the CLT home?

- ____ Next home is in **BETTER** condition.
 ____ Next home is in **WORSE** condition.
 ____ Next home is in about the **SAME CONDITION** as the CLT home.

- 19. How does the **MONTHLY COST** of the of the next home compare to the CLT home?

- ____ Next home has **LOWER** monthly housing cost than the CLT home.
 ____ Next home has **HIGHER** monthly housing cost than the CLT home.
 ____ Next home has about the **SAME** monthly housing cost as the CLT home.

EXIT Survey: CLT Homeseller

- 20. How does the **LOCATION** (convenience to services, work, or school) of the next home compare to the CLT home?
- ___ Next home is in a **MORE CONVENIENT** location than the CLT home.
 ___ Next home is in a **LESS CONVENIENT** location than the CLT home.
 ___ Next home is in an **EQUALLY CONVENIENT** location as the CLT home.
- 21. How does the **SAFETY** of the next neighborhood compare to the neighborhood in which the homeowner lived while occupying a CLT home?
- ___ The next neighborhood is **SAFER** than the neighborhood in which the homeowner's CLT home is located.
 ___ The next neighborhood is **LESS SAFE** than the neighborhood in which the homeowner's CLT home is located.
 ___ The next neighborhood is **JUST AS SAFE** as the neighborhood in which the homeowner's CLT home is located.
- 22. How does **overall NEIGHBORHOOD QUALITY** of the next neighborhood compare to the neighborhood in which the homeowner lived while occupying a CLT home?
- ___ The next neighborhood is a **BETTER** neighborhood than neighborhood in which the homeowner's CLT home is located.
 ___ The next neighborhood is a **WORSE** neighborhood than neighborhood in which the homeowner's CLT home is located.
 ___ The next neighborhood has about the **SAME** quality as the neighborhood in which the homeowner's CLT home is located.
- 23. How does the **STABILITY** of the homeowner's next housing situation compare with the stability experienced by the homeowner while occupying a CLT home?
- ___ Compared to living in a CLT home, the homeowner worries **LESS** about someday losing his/her home and having to move.
 ___ Compared to living in a CLT home, the homeowner worries **MORE** about someday losing his/her home and having to move.
 ___ Compared to living in a CLT home, the homeowner doesn't feel less worried or more worried about someday losing his/her home and having to move.

EVALUATION OF CLT EXPERIENCE

- 24. If the departing homeowner is planning to buy a **market-rate** home after leaving the CLT, why is this possible now when it wasn't possible before? What changes occurred in the person's life during his/her time as a CLT homeowner that enabled him/her to make the leap into market-rate homeownership? (Please check all that apply.)
- | | |
|--|--|
| <input type="checkbox"/> Built personal savings while owning a CLT home | <input type="checkbox"/> Earned equity from reselling CLT home |
| <input type="checkbox"/> One or more members of household got a job | <input type="checkbox"/> Got married, so now have a two-income household |
| <input type="checkbox"/> One or more members of household got a better job | <input type="checkbox"/> Better credit history than before owning a CLT home |
| <input type="checkbox"/> Gained confidence and skills as CLT homeowner | <input type="checkbox"/> Other: _____ |
- 25. How would the homeowner describe the amount of **EQUITY** s/he received when reselling the CLT home? (Please check only ONE.)
- ☐ **More** than I had expected to receive; a very good return on my initial investment.
☐ **Equal** to what I had expected; a fair return on my initial investment.
☐ **Less** than I had expected, but still okay because of the other benefits of owning a CLT home.
☐ **Less** than I had expected – and NOT okay; I was **mildly** disappointed.
☐ **Less** than I had expected – and NOT okay; I was **greatly** disappointed.
☐ **Not sure or no opinion.**

EXIT Survey: CLT Homeseller

- 26. How would the homeowner describe the amount of **PERSONAL CONTROL** that s/he was able to exercise over his/her own home (e.g., occupancy, improvements, subletting, financing, etc.) while owning and occupying a CLT home? (Please check only ONE)
- ☐ I had nearly all of the independence and control of a "traditional homeowner"; the CLT did little to limit my use or improvement of the home, until it came time for me to sell.
- ☐ I had less independence and control than a "traditional homeowner," but this was acceptable.
- ☐ I had less independence and control than a "traditional homeowner." This was mildly irritating.
- ☐ I had less independence and control than a "traditional homeowner." This was greatly irritating.
- ☐ Not sure or no opinion.
- 27. During the homeowner's occupancy of a CLT home, did his/her involvement in activities and organizations aimed at improving conditions in the surrounding neighborhood increase, decrease, or stay about the same, as compared to the amount of neighborhood involvement prior to buying a CLT home? (Please check only ONE.)
- ☐ Neighborhood involvement increased by a lot.
- ☐ Neighborhood involvement increased by a little.
- ☐ Neighborhood involvement stayed about the same.
- ☐ Neighborhood involvement decreased by a little.
- ☐ Neighborhood involvement decreased by a lot.
- ☐ Not sure or no opinion.
- 28. **ADVANTAGES.** What were the **THREE** things about owning and occupying a CLT home that you liked the most? (Please select up to **THREE** choices and then **RANK** them by placing a #1 beside the most important, #2 beside the next most important, and #3 beside the next most important.)
- | | | |
|---|---|---|
| <input type="checkbox"/> Low downpayment | <input type="checkbox"/> Opportunity to own a home | <input type="checkbox"/> Quality/safety of neighborhood |
| <input type="checkbox"/> Affordable monthly costs | <input type="checkbox"/> Ability to alter and improve home | <input type="checkbox"/> Proximity to schools, services, stores |
| <input type="checkbox"/> Size of home | <input type="checkbox"/> Stable and predictable housing costs | <input type="checkbox"/> Support of CLT's staff |
| <input type="checkbox"/> Condition of home | <input type="checkbox"/> | <input type="checkbox"/> Involvement in the CLT |
| <input type="checkbox"/> Other: _____ | | <input type="checkbox"/> Other: _____ |
- 29. **DISADVANTAGES.** What were the **THREE** things about owning and occupying a CLT home that you liked the least? (Please select up to **THREE** choices and then **RANK** them by placing a #1 beside the most important, #2 beside the next most important, and #3 beside the next most important.)
- | | | |
|--|---|--|
| <input type="checkbox"/> Monthly mortgage too high | <input type="checkbox"/> Monthly utilities too high | <input type="checkbox"/> Monthly lease fee too high |
| <input type="checkbox"/> Size of home | <input type="checkbox"/> Quality of neighborhood | <input type="checkbox"/> Too much oversight/control by CLT |
| <input type="checkbox"/> Condition of home | <input type="checkbox"/> Quality of schools, services, stores | <input type="checkbox"/> Personal responsibility for repairs |
| <input type="checkbox"/> CLT's limits on resale equity | <input type="checkbox"/> CLT's limits on subletting | <input type="checkbox"/> CLT's limits on improvements |
| <input type="checkbox"/> Other: _____ | | <input type="checkbox"/> Other: _____ |
- 30. How would the homeowner rate his/her **OVERALL EXPERIENCE** in owning a CLT home?
- | | | | | |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------------|
| <input type="checkbox"/> VERY GOOD | <input type="checkbox"/> GOOD | <input type="checkbox"/> FAIR | <input type="checkbox"/> POOR | <input type="checkbox"/> VERY BAD |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------------|

- | | | |
|---|---|---|
| <input type="checkbox"/> Affordable monthly costs | <input type="checkbox"/> Ability to alter and improve home | <input type="checkbox"/> Proximity to schools, services, stores |
| <input type="checkbox"/> Size of home | <input type="checkbox"/> Stable and predictable housing costs | <input type="checkbox"/> Support of CLT's staff |
| <input type="checkbox"/> Condition of home | <input type="checkbox"/> | <input type="checkbox"/> Involvement in the CLT |
| <input type="checkbox"/> Other: _____ | | <input type="checkbox"/> Other: _____ |

→ **29. DISADVANTAGES.** What were the **THREE** things about owning and occupying a CLT home that you liked the least? (Please select up to **THREE** choices and then **RANK** them by placing a #1 beside the most important, #2 beside the next most important, and #3 beside the next most important.)

- | | | |
|--|---|--|
| <input type="checkbox"/> Monthly mortgage too high | <input type="checkbox"/> Monthly utilities too high | <input type="checkbox"/> Monthly lease fee too high |
| <input type="checkbox"/> Size of home | <input type="checkbox"/> Quality of neighborhood | <input type="checkbox"/> Too much oversight/control by CLT |
| <input type="checkbox"/> Condition of home | <input type="checkbox"/> Quality of schools, services, stores | <input type="checkbox"/> Personal responsibility for repairs |
| <input type="checkbox"/> CLT's limits on resale equity | <input type="checkbox"/> CLT's limits on subletting | <input type="checkbox"/> CLT's limits on improvements |
| <input type="checkbox"/> Other: _____ | | <input type="checkbox"/> Other: _____ |

→ **30. How would the homeowner rate his/her OVERALL EXPERIENCE in owning a CLT home?**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VERY GOOD	GOOD	FAIR	POOR	VERY BAD