



DELRAY BEACH COMMUNITY  
LAND TRUST





# Community Land Trusts

Community Land Trusts (CLTs) separate ownership of land from the building

Nonprofit organization holds title to the land, developer/owner develops/rehabs multifamily units and ground lease provides permanent affordability

Nonprofit organization holds title to the land, sells the home on the land and administers a ground lease that keeps the home affordable for one family after the next using a shared equity model





# Delray Beach CLT



**Established:** In 2006 as a proactive measure to mitigate future pressure on housing prices and preserve public investment within the city limits and CRA neighborhoods



**Partnerships** – startup and ongoing: The City of Delray Beach provides land donations, in-kind donations, SHIP funds. The Delray Beach Community Redevelopment Agency provided startup funding and ongoing operational support, land donations, acquisition and construction loans, purchase assistance.



**Housing Portfolio:** Consist of 97 plus owner-occupied units, and management of 49 rental units (40 owned by the Delray Beach Community Redevelopment Agency)

# Delray Beach Community Land Trust

## People & Place

- Who are we: 501 (c) (3) non-profit, member-based organization, commissioned to preserve affordable housing in perpetuity
- Mission: “To create healthy communities through the provision and preservation of affordable housing for very low- to moderate-income households.”
- Governance: a twelve (12) member board of directors with one-third Homeowner representation, one third General Community and one-third Public. Set and establish policies and procedures in accordance to our mission and goals.
- Who we serve: Very low-, low-, and moderate-income households within the city limits of Delray Beach, Florida
- We Are: One of more than 300 community land trusts nationwide and one of approximately seven in the southeast Florida region
- Why: Revitalize our communities without Displacement. Provide the opportunity for the underserved population to enhance their quality of life, stabilize existing neighborhoods minimizing displacement of long-time residents, make available a continuum of affordable housing development that preserve community character (race/ethnicity).



# Delray Beach Community Land Trust: Simplified

- The homebuyer will own the structure and the improvements, purchase below market value.
- CLT holds title to the land & administers a 99-year ground lease that keeps the home affordable for a family, and the next or heirs. Lease purchase options and provide rental housing.
- Mortgage lender finance the home purchase as leasehold mortgage.
- Owned properties can be:
  - Green spaces
  - Commercial spaces
  - Agriculture
  - Rental
  - Lease purchase units
  - Townhomes/condos/single-family homes



# CLT Key Benefits



Create a permanent sense of pride and place



Financial stability – able to save without fear of rent increases or loss of housing



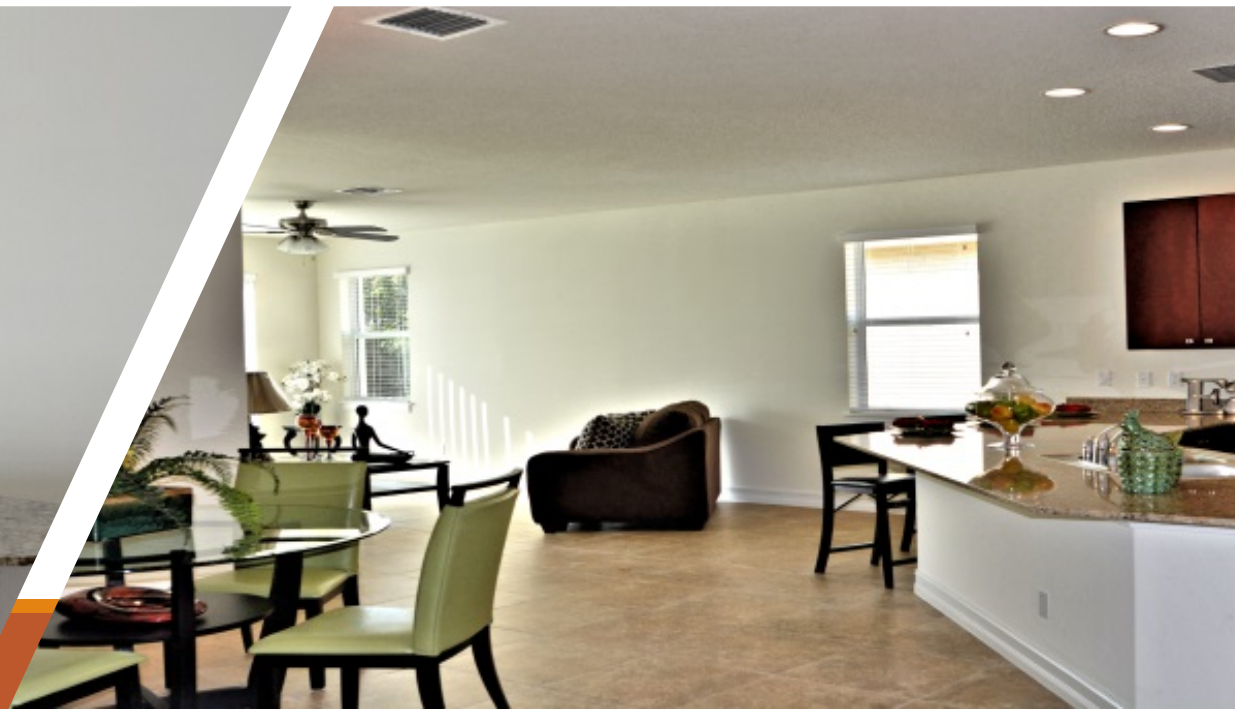
Enhanced quality of life



Return of equity upon resale







# FEE SIMPLE VS LEASEHOLD OWNERSHIP

## FEE SIMPLE OWNERSHIP:

- The property is in your care
- You own the home and the land. Fewer restrictions on the uses.
- You may be restricted by homeowner covenants
- You can do anything on the property you find enjoyable, as long as it's legal.
- You have the right to sell the property, or otherwise transfer ownership (either temporarily or permanently).

## LEASEHOLD OWNERSHIP:

- Ownership of the land is retained by the Community Land Trust.
- The Community Land Trust leases the land to homebuyer for 99 years .
- You can use the property in much the same way as if you owned it, so long as you abide by the terms of the lease.
- All CLT homebuyers are required to sign a Ground Lease Agreement.
- The 99-year lease functions as a legal agreement, and the CLT does **NOT** serve as a landlord
- The separation of ownership, removing the value of the land from the home purchase, is what makes the home purchase affordable.





# Delray Beach CLT: Ground Lease Agreement

## **Ground Lease Provisions**

- Income eligibility restrictions
- Use restrictions (primary home)
- Taxes – who is responsible (more later)
- Inheritance – yes (with caveats)
- Ground lease payments
- CLT right to purchase

## **Resale Formula**

An agreement as to how the CLT (the nonprofit) and the CLT homeowner share in the sales price paid by the next buyer

- Appraisal-Based Resale Formula
- Fixed-Rate Resale Formula
- Indexed Resale Formula

