

Community Land Trusts

What They Are and What They
Mean For Home Buyers





Outline

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Intro to Community Land Trusts

CLTs in Mt ICCF + Frankfort

Common Questions

Q&A

Contact Information

Well, hey there!



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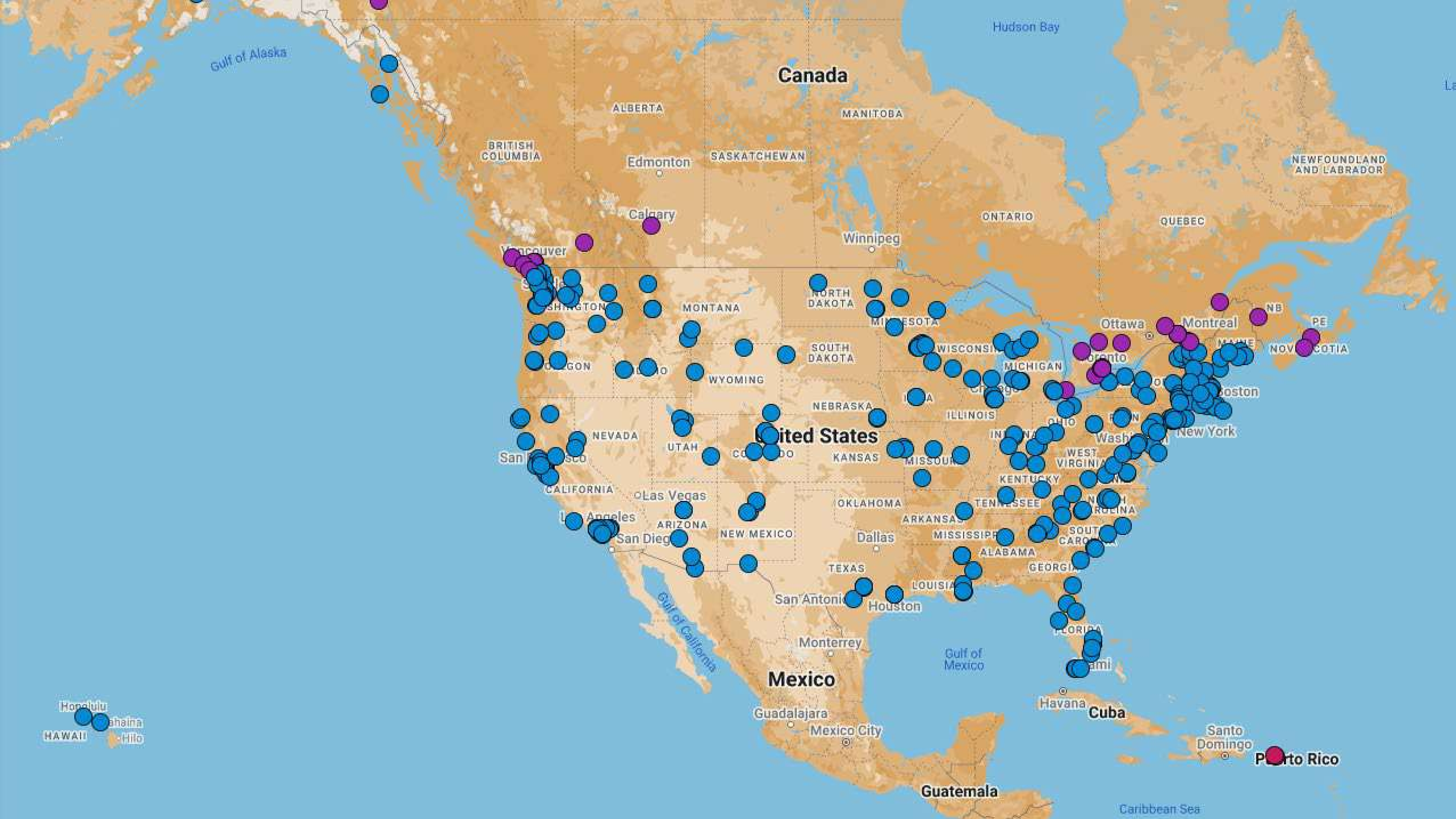
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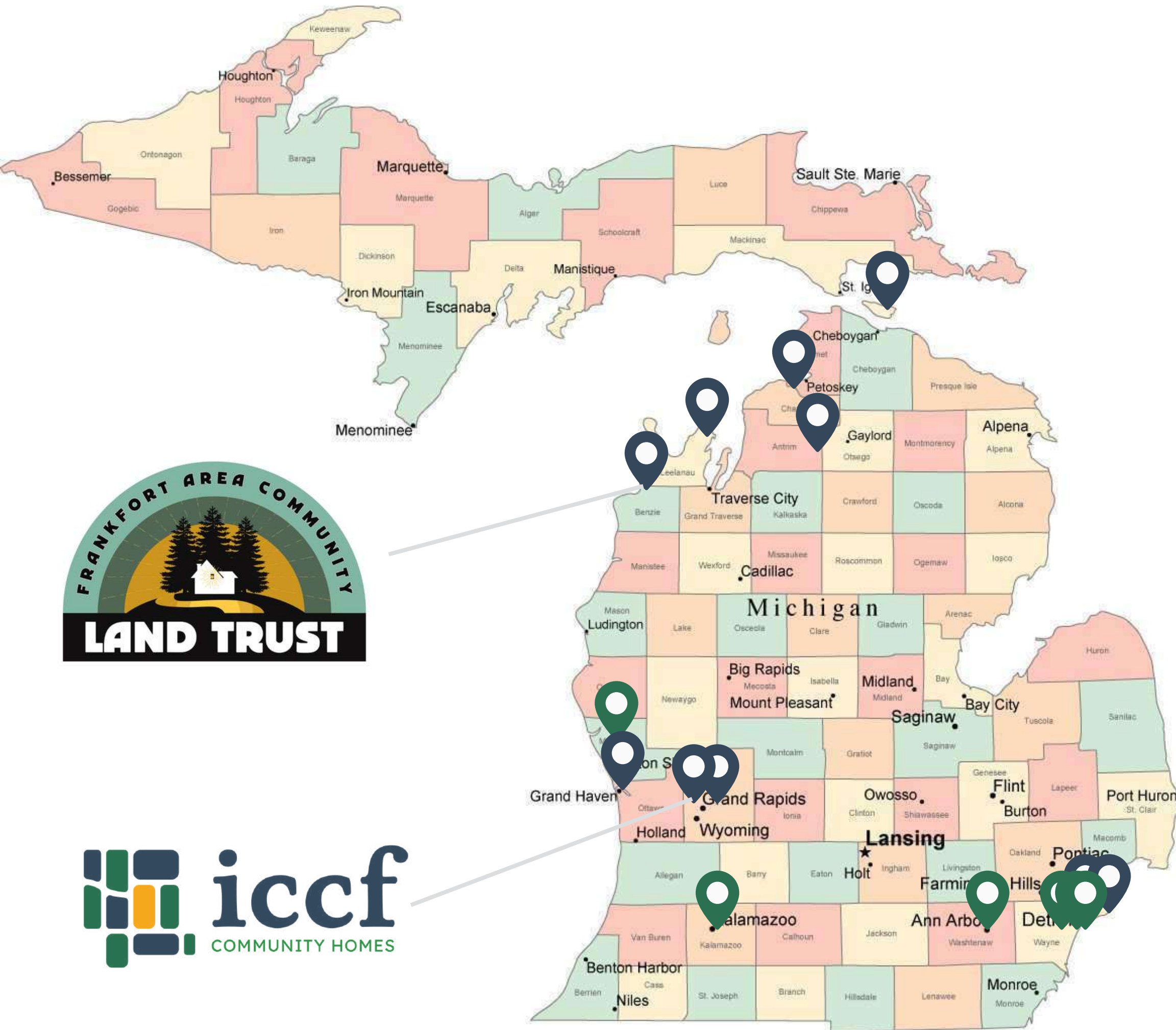


Community Land Trusts

Community Land Trusts (CLTs) are nonprofit organizations that seek to provide lasting community assets and affordable homeownership opportunities the communities they serve.

There are over 300 CLTs nationwide with over 40,000 homes among them.





The Michigan CLT Coalition, established in 2023, serves as a vital nexus for Community Land Trusts (CLTs) as well as those in the process of building new CLTs in our state.

Our mission is to foster collaboration, share knowledge, and advocate for Michigan-based CLTs to enable them to thrive and expand their community-driven housing initiatives. By connecting CLTs and enthusiasts alike, we aim to facilitate the growth of CLTs and promote long-term equitable access to affordable housing across the state.

Together, we are building stronger, more resilient communities through the transformative power of Community Land Trusts.

60 Years of CLT History in the US



LAND SHARING
GLOBALLY



CIVIL RIGHTS +
AGRICULTURE



NEW IDEAS ON
HOUSING



SPREADING THE WORD

Leaders travel abroad to learn from communities sharing land. Black farmers fought back to keep land and build opportunities. CLTs led to the birth of Habitat for Humanity. CLTs Spread to Urban + Rural Communities alike.

Community Land Trusts Were Created to...

Serve a Specific Community

CLTs usually focus on serving a specific geographic area, ranging from a couple of blocks to entire states.

Empower Community Decision Makers

CLTs engage residents, neighbors, and stakeholders in decision making processes related to land use and development, fostering community involvement in governance.

Steward Opportunities Long Term

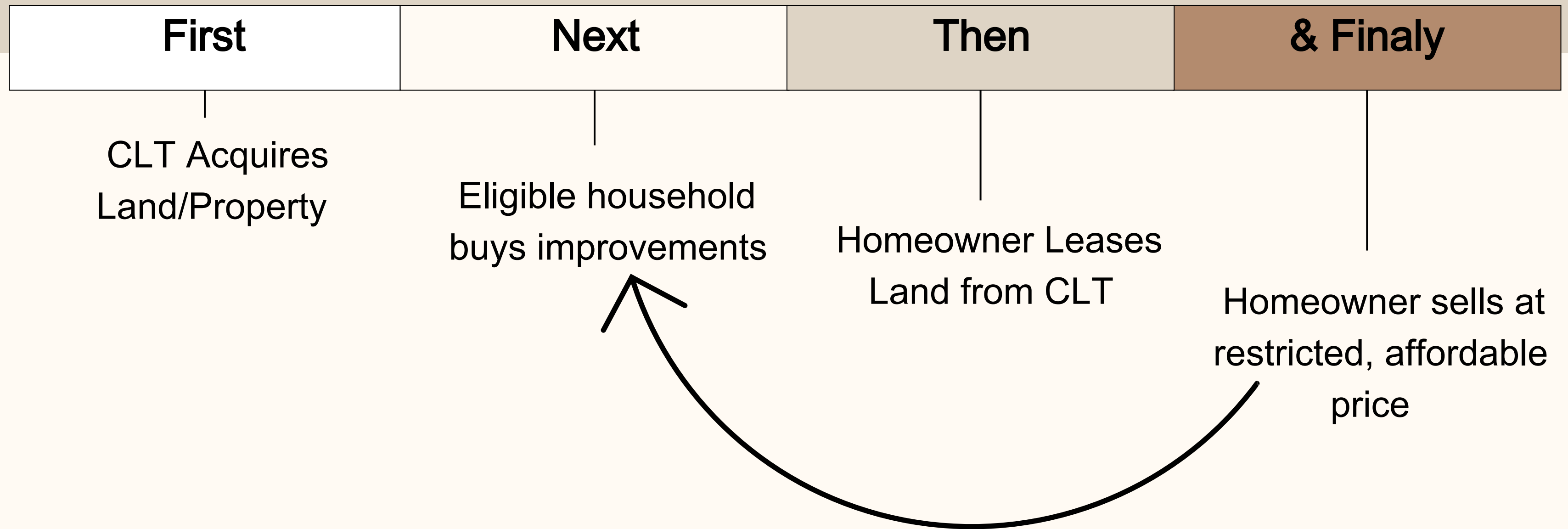
CLTs focus on long-term land stewardship, often for affordable housing and community development. Here in Michigan, that term can last up to 89 years.

Provide Affordable Homeownership

One of the primary purposes of CLTs is to provide and preserve affordable housing.

How CLTs Work

Most CLTs have a general format for how they preserve affordability in their communities.



How do CLTs Preserve Affordability Permanently?

Improvements & Land

After a CLT acquires land, they will sell the “improvements on the land”, or the home, to an eligible buyer. The owner still retains full rights and responsibilities of the land.

Ground Lease

The CLT will grant that homeowner full use of the land beneath their home through a ground lease which, in Michigan, can span 89 years.

Shared Equity

Sharing any appreciation - *the increase in home value from the time of purchase to the time of selling the home* between the homeowner and land trust.

How is it Different from Traditional Homeownership?

The Same

- Homeowner has a mortgage with a bank.
- Accumulates equity by paying down their mortgage and the increase in market value of their home.
- Pays property taxes (on the land and home).
- Maintains their own home.
- Can make improvements.
- Can will the home to their heirs.
- Can sell at any time.

Different

- Buyer will purchase at a lower price than FMV
- The CLT retains ownership of the land beneath the home.
- CLT leases the land, via any ⁸⁹year ground lease to the owner of the home for a monthly fee.
- There may be some stipulations around capital improvements, renting vs primary residence, etc
- When the current owner is ready to sell, they sell to another eligible household at a ⁹⁰pre-agreed price.

Why Would Someone Buy a CLT Home?



Affordability

CLT homes are more affordable than homes purchased on the open market.

Most CLTs price their homes at 75-50% of the market value sometimes even more!



Lower Risk

Compared to the open market, most CLTs have “lower” stakes. Our program is a first-qualified, first-served program which means you will not compete.



Stability

Homeownership provides stable housing costs and security from eviction. This stability provides a solid foundation for homeowners, allowing them to pursue other goals and invest in their personal lives.

Why Would Someone Buy a CLT Home?



Community

CLT homeowners are members of a larger mission and community. The CLT is there to provide the connections and support homeowners need to be successful and thrive.



Support

CLT homebuyers have the support of the CLT and its staff both before and during homeownership. Services can include agent representation, connections to contractors, help reviewing taxes, etc.



Giving Back

When CLT homebuyers purchase their homes, they agree to pass on the same opportunity they received to the next buyer- to purchase a home at an affordable price.

Shared Equity Resale Formula

When buyers purchase a CLT home, they agree to pass on the opportunity to purchase a home at an affordable price to the next buyer.

When buyers decide to sell their CLT home, they sell it to another eligible household at a set price using the CLT's "Resale Formula." All CLTs are unique but many use the AppraisalBased Resale Formula.

In the AppraisalBased process, the buyers receive **the full original purchase price PLUS their share of the equity of any value increase** in the home

- The increase is calculated from the difference between an appraisal or CMA created before the initial purchase to a new appraisal or CMA

The remaining percentage of the value increase is used to help the next household purchase the home at an affordable price.

Here is the process in motion

INITIAL PURCHASE

The buyer becomes eligible and purchases an affordable home from the CLT.

Original Purchase Price
+ CLT Subsidy

\$150,000
+\$50,000

Original Full Market Value

\$200,000

DECIDING TO SELL

Some years later, the buyer informs the CLT that they would like to sell. The CLT will order a new appraisal to learn the new market value of the home.

New Full Market Value	\$300,000
- Original Full Market Value	- \$200,000

Change in Home's Value	\$100,000
<i>(Appreciation)</i>	

FINAL PRICE

The buyer receives their share of equity (in this example 25%) of the change in home value. 25% of \$100,000 is \$25,000. They would add that amount to the original purchase price for the new sales price.

The Original Purchase Price	\$150,000
+ Their Share of the Value Change	+ \$25,000
<hr/>	
New Sales Price	\$175,000

Shared Equity Notes

- CLTs only share appreciation, NOT depreciation
 - This means that the buyer **will almost always** receive 100% of their original investment
- CLTs create “safeguards” to prevent foreclosure
 - [Less than 1% of CLT homes sold have been foreclosed on](#)
 - Between long-term homeownership support and the CLT program itself, CLT homeowners are statistically more likely to succeed in their homeownership goals
- In Michigan, CLT homes will have two tax assessments - one for the land and one for the home. CLTs at this time cannot pre-determine land values, so owners pay for both land and home through their bank's escrow account.
 - Taxes can be cheaper if the buyer is under 80% AMI, their taxes will be based on their first mortgage amount, NOT the assessed value

**Use this Website to
Estimate Tax Savings!**





ICCF's Community Homes Land Trust

The Community Homes Land Trust provides affordable homes for income-qualifying families to purchase while ensuring that those homes remain affordable forever!

ICCF Community Homes established the Community Homes Land Trust (CHLT) in 2019 to create lasting opportunities for West Michigan neighbors to purchase safe and affordable homes for them to grow and thrive in.



Our Progress So Far

25

As of February 2025, 25 neighbors had purchased homes in the CHLT. We have 16

\$143k

The average home sales price for CHLT homebuyers. The Average home price in Kent Co. in 2024 was \$361,846

54%

The average CHLT household income compared to the current Area Median Income.

29%

The average savings our buyers receive when they buy a CHLT home. We price our homes at around 71% of the full market value!

3.20

The average family size of our homeowners. We have sold homes to single individuals and households of 13!

75%

The percentage of our homeowners who identify as people of color.

Funding



- Purchased homes below market value - rehabbed and sold at still a discounted rate
 - Revolving Line of Credit with a private donor
 - “Donated” \$2.5 million, we used but had to replenish when the homes sold
 - MSHDA Missing Middle - did not work for our SFHs
 - HOME (local and county)
 - Condo Deal - MSHDA Missing Middle, HOME, HUD allocation, MEDC RAP (ARPA), Brownfield, Housing TIF
-

The Future

- Have 14 homes under construction as part of our Seymour Condos Development (27 homes in total)
 - Serving 80-120% AMI Buyers
- 2 single family homes under construction using HOME fund
- Purchased a lot in Wyoming, MI to build 8 new townhomes to add to the CHLT - start construction in the fall if successful
- Applying for funds to build 2 SFHs on vacant lots we own in



Frankfort Community Land Trust



- The FACLT is a Community Land Trust (CLT); a non-profit created to provide attainable homes for the benefit of our existing community.
 - Formed from a small group of city officials and volunteers in Frankfort formed an ~~Abc~~ Housing Committee in 2018
 - Filed Articles of Incorporation in late 2020
 - Developed bylaws in 2021
 - Received its 501 (c) 3 status in early 2022.
 - Built and sold 4 homes in 202024
-

Funding

- MSHDA Missing Middle Program
- Certificate of Deposit with a local banks + neighbors who contributed
 - banks offered a 3.75% rate with a \$25,000 minimum deposit on a 1-year CD.
 - Needed \$500,000 to fund construction - set up a line of credit at each bank of \$250,000.
- Benzie County Grant - \$120,000
- Generous community - \$75,000 - \$200,000 raised annually



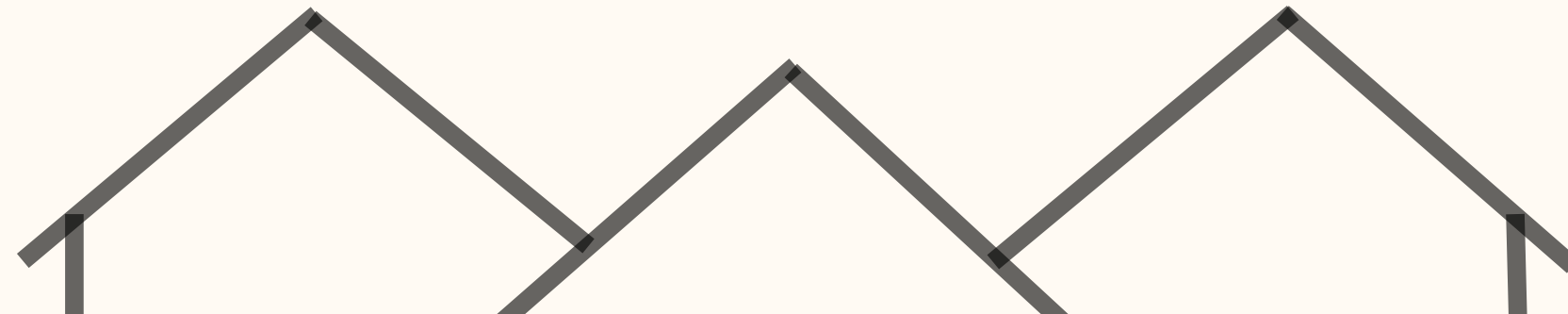
The Future

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- The purchase a vacant lot from a local church for 4 more homes is in process
 - Construction is slated to start next Fall
 - Rebranding to Housing Trust of Benzie
 - Focused on building a stronger and sustainable organization.



Q&A

Time to hear from you!



Thank you



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