National Community Land Trust Network:
2015 Member Report

December 1, 2015

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Background

The National Community Land Trust Network (the Network) is a national nonprofit membership organization of community land trusts (CLT) and other public or nonprofit organizations or programs that promote strategic community development and permanently affordable housing to benefit lower income families throughout the United States. The Network supports its members by:

- Raising public awareness of CLTs and permanently affordable housing;
- Providing training, conferences, technical assistance, and capacity building resources for nonprofits and governments;
- Researching best practices, innovations, and outcomes of membership organizations;
- Promoting public policies and partnerships that enable growth and expansion; and
- Developing the industry to advance its impact on families and communities.

Each year when members join the Network, they are required to provide basic information on their organizations and programs. This report summarizes the data gathered from the 2015 membership form as of November 13th, 2015.

Number & Location of Members

As of November 13th, 2015, the Network had 136 members. Members were located in 41 states (n = 132) and Ontario, Canada (n = 1). California and Washington each had 11 members, Massachusetts and New York each had nine members, Florida had six members, and Arizona, Colorado, Minnesota and Vermont each had five members. These nine states comprise 49% of Network members located in the United States.

Number & Percentage of Members by State

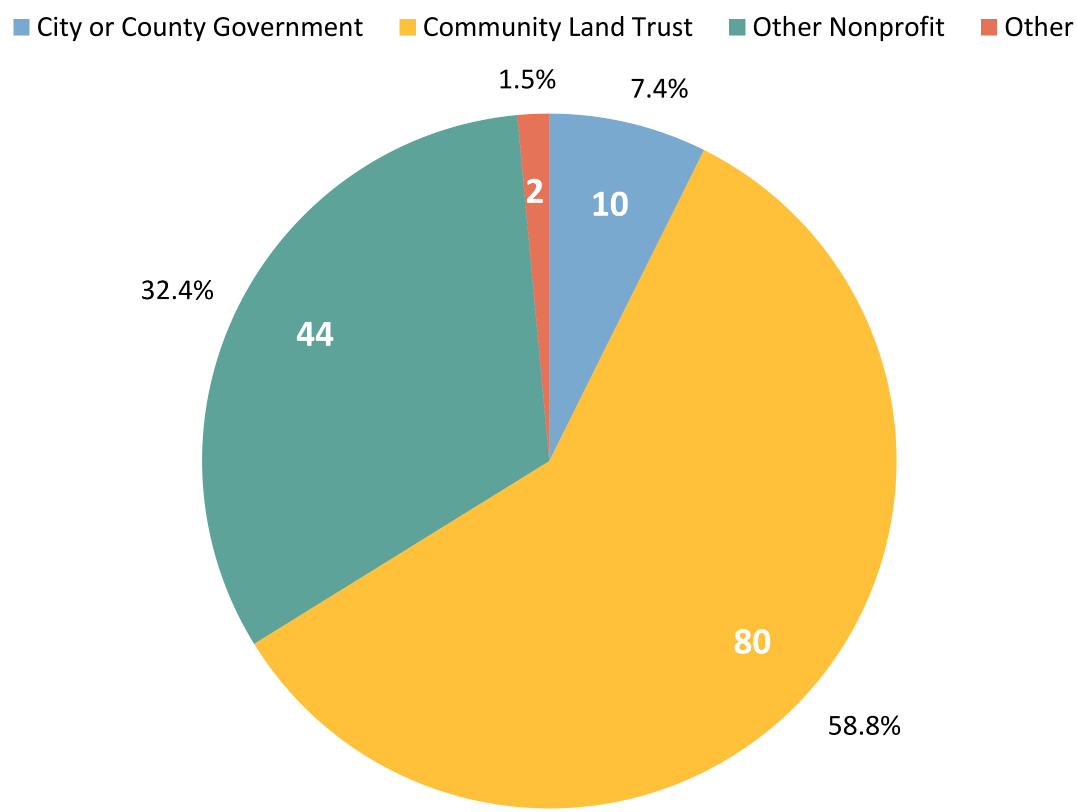
State	Number	%
AK	1	0.7
AL	2	1.5
AZ	5	3.7
CA	11	8.1
CO	5	3.7
CT	1	0.7
DC	2	1.5
DE	1	0.7
FL	6	4.4
GA	3	2.2
HI	1	0.7
ID	1	0.7
IL	4	2.9
KS	1	0.7
KY	1	0.7
LA	3	2.2
MA	9	6.6
MD	3	2.2
ME	4	2.9
MI	1	0.7
MN	5	3.7
MO	2	1.5
MS	2	1.5
MT	3	2.2
NC	4	2.9
ND	1	0.7
NM	1	0.7
NY	9	6.6
OH	4	2.9
OR	2	1.5
PA	4	2.9
RI	2	1.5
SC	2	1.5
SD	1	0.7
TN	2	1.5
TX	4	2.9
UT	3	2.2
VA	1	0.7
VT	5	3.7
WA	11	8.1
WI	2	1.5
Ontario	1	0.7

Types of Entities

Members were asked to select the type of organization that best describes their entity. Ten respondents selected city or county governments. Of those, three had community land trust programs and seven had inclusionary housing programs. The majority (n = 80) of members self-identified solely as a "community land trust" or some other type of nonprofit (n = 44). For those that selected "other" (n = 2), one was a subsidiary of a local foundation and one had an LLC and nonprofit.

Fifty-one percent (n=63) of these 124 non-governmental entities endorsed that they have a community land trust or a shared equity homeownership program or subsidiary within a larger organization. Notably, 32 of these respondents identified "solely as a community land trust" when describing their entity, while 28 chose "other nonprofit" and two chose "other."

Self-Identification of Members

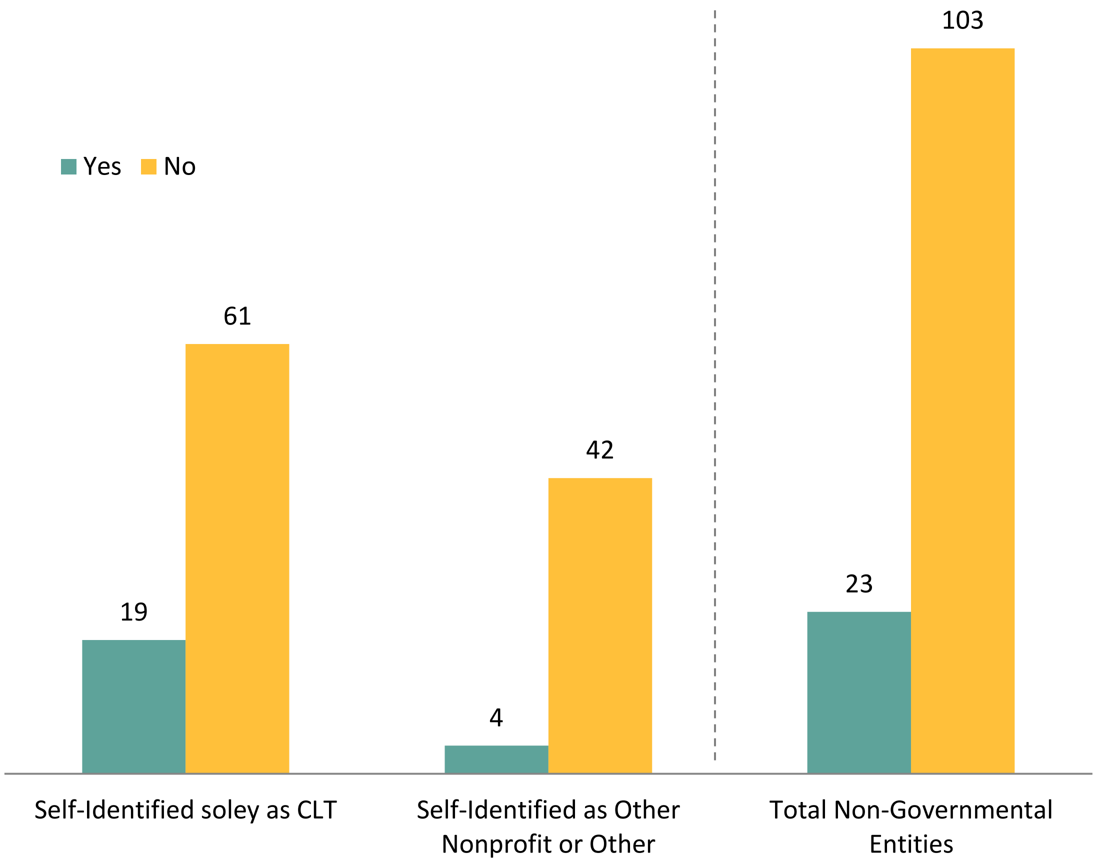


For non-government entities, 124 out of 126 provided information on whether their organization was a developer; 46% were developers (59 out of 124).

The “Classic” CLT Model

The definition of a “community land trust” is not consistent across the field and the member survey provides some insight into how closely the organizations that self-identify as a CLT meet the “classic” definition. The “classic” CLT model consists of a nonprofit structured as a community membership corporation and governed by a tripartite board, which consists in equal parts residents in CLT homes, dues-paying community members living in the CLT’s service area, and public representatives. This year, non-governmental members (n = 126) were asked to provide information on these “classic” CLT components.

Does the Member Have the “Classic” Corporate Community Membership *and* Tripartite Board?



Community Membership

Of the 126 non-governmental entities, 56% (n =70) reported that their organization is structured as a “community membership corporation”, defined as “the organization having annual dues-paying members, including residents living inside and outside of the organization’s housing, who elect the Board of Directors.”

Of the 80 entities that defined themselves “solely as a community land trust,” 61% (n = 49) endorsed having a corporate community membership. Of the 46 entities that defined themselves as “other nonprofit” or “other,” 46% (n =21) endorsed having a corporate community membership. However, very few entities actually had any members regardless of whether their entity met the definition of a “community membership corporation.”

For the 49 self-identified CLTs that endorsed having a corporate community membership, only 43% (n = 21) reported having any members as of December 31, 2014. Membership ranged from 2 to 435 members with a median of 197 and mean of 173. Seven had less than 50 members. For self-identified CLTs that did not endorse having a corporate community membership that fit the definition (n =31), 45% (n =14) reported the size of their memberships. It can be inferred that these entities had community members, but in some way, did not meet the definition. Their memberships ranged from 1 to 800 with a median of 61 and a mean of 140. Seven had less than 50 members.

Put differently, out of the 80 self-identified CLTs:
- 44% (n = 35) had any members of any kind;
- 26% (n = 21) had more than 50 members of any kind;
- 26% (n =21) had any members in a community membership corporation;
- 18% (n =14) had more than 50 members in a corporate community membership.

For the 46 members that self-identified as “other nonprofit” or “other” that endorsed having a corporate community membership (n =21), only four reported having any members as of December 31, 2014. Membership sizes were 6000, 500, 65 and 1. The remaining 25 entities did not endorse meeting the definition for a “community membership corporation,” but three reported membership sizes of 2000, 70 and 42. Notably, the latter three entities are known for their community organizing.

Put differently, out of the 46 non-governmental entities that did not solely identify as CLTs:
- 15% (n = 7) had any members of any kind;
- 11% (n =5) had more than 50 members of any kind;
- 9% (n = 4) had any members in a community membership corporation;
- 7% (n = 3) had more than 50 members in a corporate community membership.

Tripartite Board
Of the 126 non-government entities, 76% (n =61) reported that their organization had a “tripartite board structure”, defined as “a board composed of 1/3 residents living in the organization’s housing, 1/3 other residents living in the organization’s service area, and 1/3 public representatives.” For the 80 entities that self-identified as CLTs, 59% (n =47) reported having a tripartite board structure. For the 46 entities that self-identified as “other nonprofit” or “other,”31% (n=14) reported having a tripartite board structure.

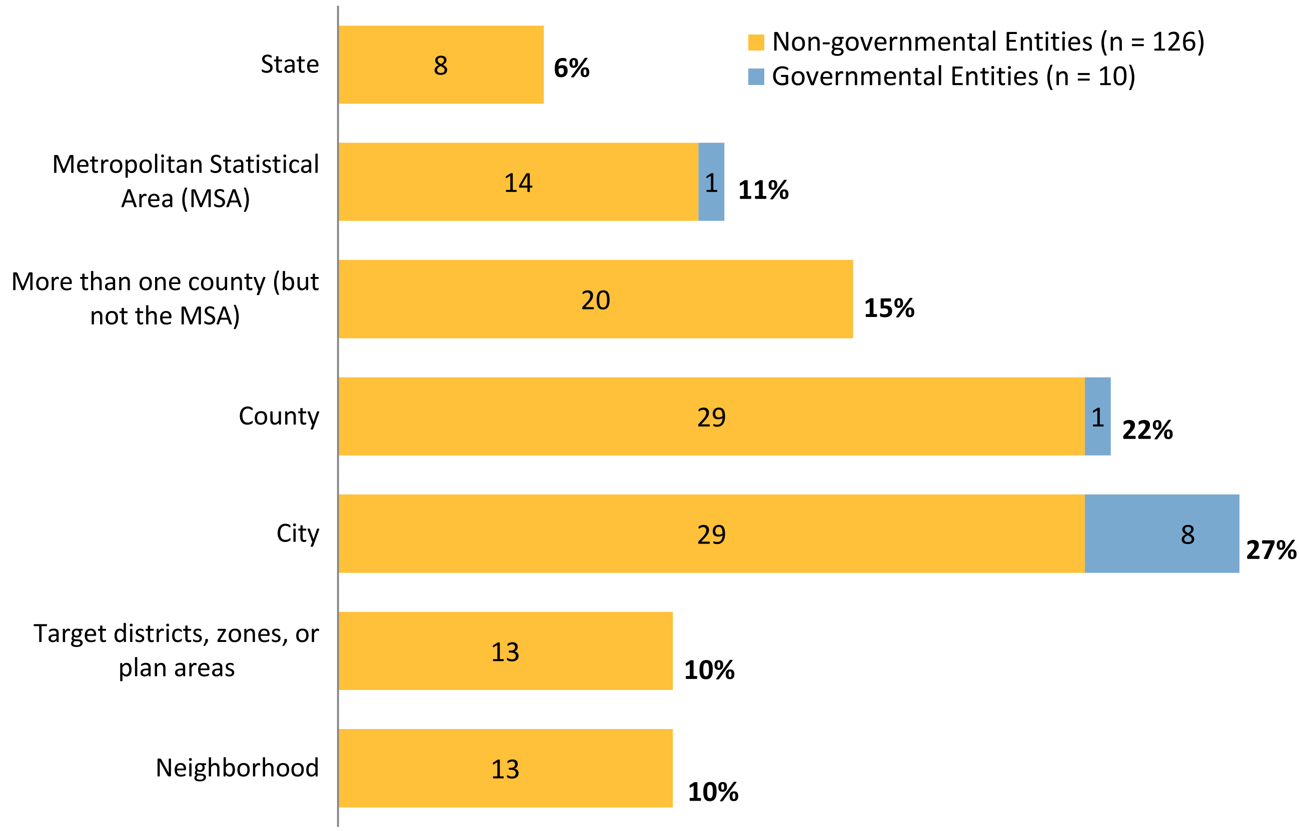
However, the “classic” CLT definition of a tripartite board is more stringent than the definition used on the Network’s 2015 membership form. Under the more stringent definition, one third of the board must be dues-paying community members from the corporate community membership who are not residents of properties in the CLT.

To operationalize which entities might meet this more stringent definition, the entity must have reported members within a corporate community membership and have endorsed having a tripartite board structure. Only 24% (n =19) of self-identified CLTs met this criteria. Only 9% (n=4) of entities that self-identified as “other nonprofit” or “other” met this criteria. In other words, only 18% of non-governmental entities appear to have a “classic” CLT tripartite board structure and corporate community membership.

Service Areas

Members were asked to select the best descriptor of their entity's service area and to identify whether the majority of their homes were located in rural or urban areas. Of the 132 members that provided a response, 76% (n =100) selected "urban" and 24% (n=32) selected "rural." Only one governmental entity identified as predominantly rural. Notably, only 17% (n =4) of members without any residential units identified as rural.

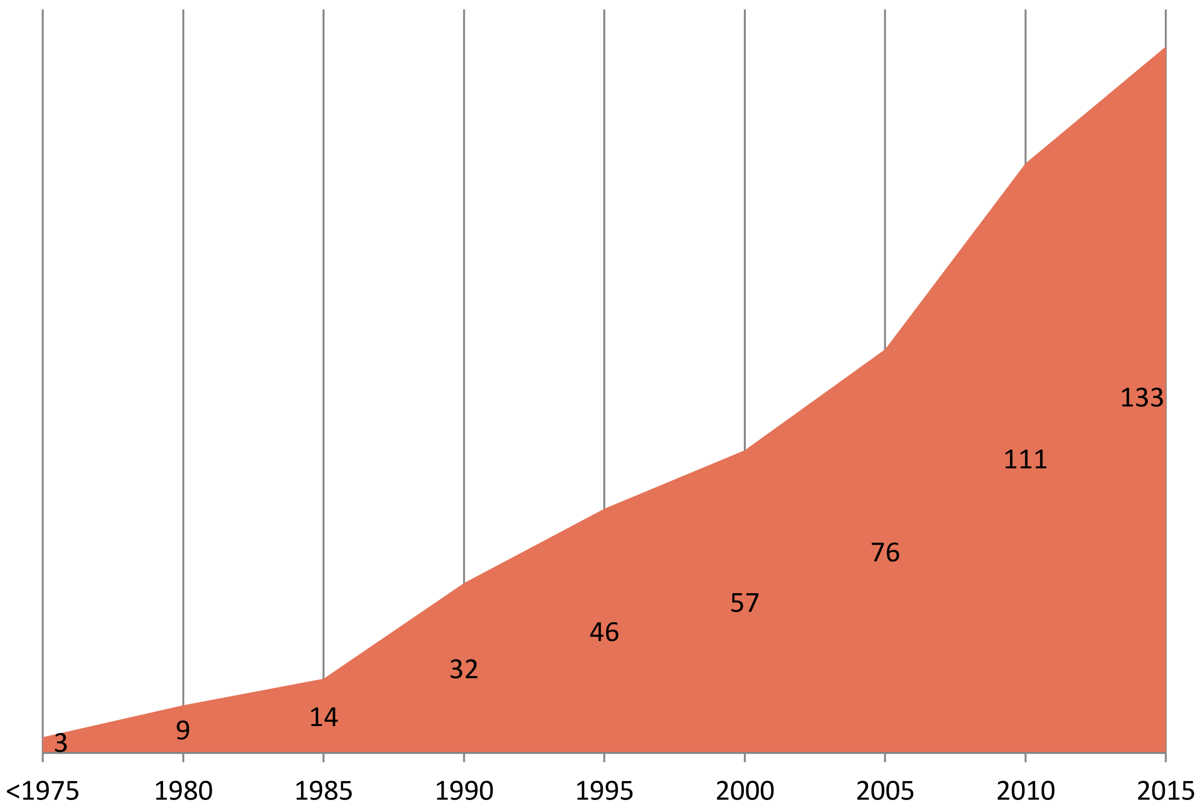
Service Area of Members



Years of Establishment

Non-governmental entities were asked their year of incorporation while governmental entities were asked the year when their inclusionary housing or CLT program was adopted. The oldest member was established in 1969; the mean year of establishment was 1999 and the median was 2002.

Year of Incorporation (or Program Adoption for Governmental Entities)



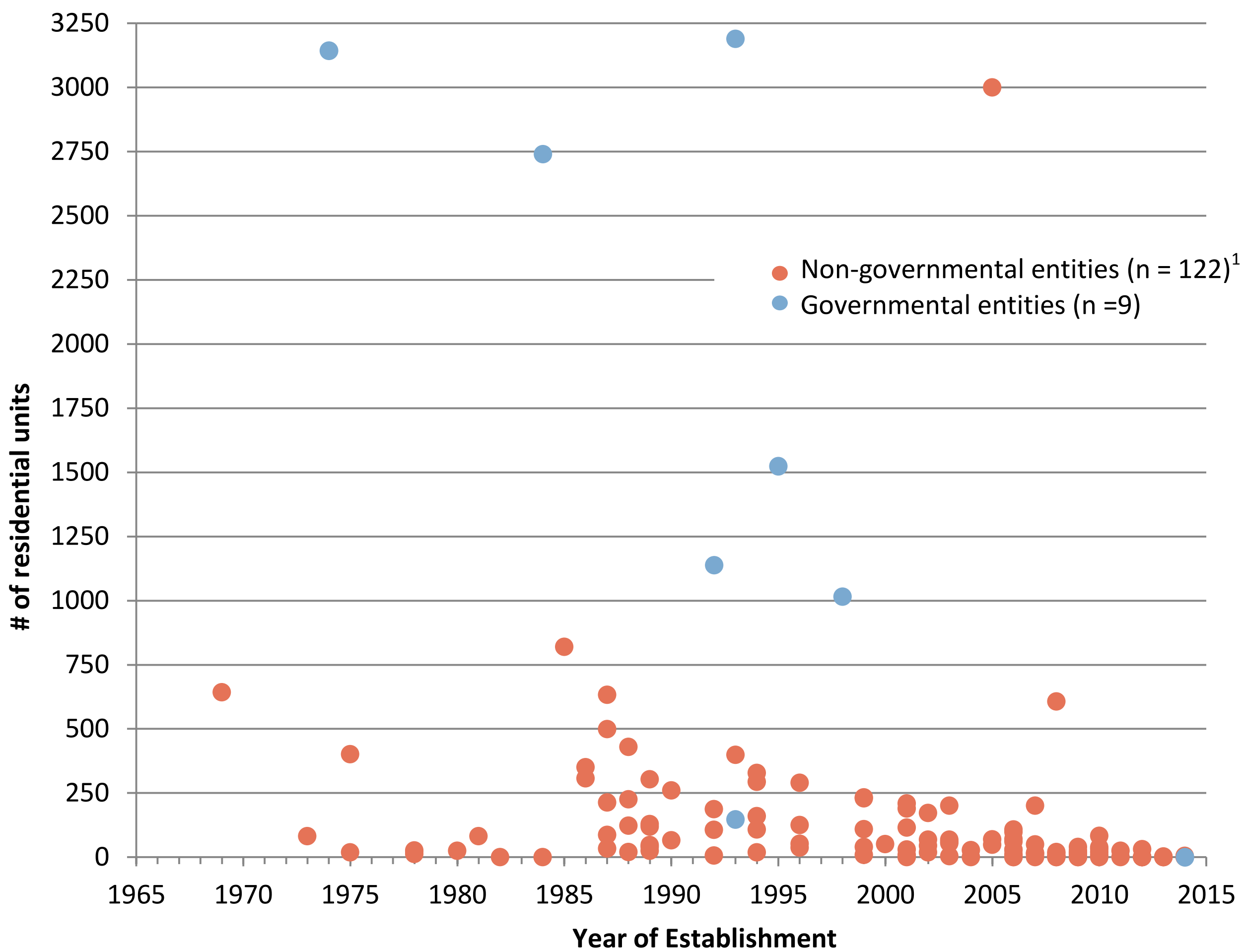
Members without Units

Of the 136 Network members, 24 had no residential units in their portfolios or were not monitoring/managing any residential units as of December 31, 2014 (Note: This does not include any units that were under rehab or construction as of the end of 2014). Of those, 16 self-identified solely as CLTs, one identified as a city government, and seven identified as an "other nonprofit."

The years of incorporation for the entities ranged from 1982 to 2014. Of the 16 that self-identified as CLTs, seven were established from 2010 through 2014. Six of the seven other nonprofits provided the year of incorporation, which ranged from 2001 to 2013; of those, three were established from 2010 through 2014. The one government program without units was established in 2009.

This implies that having no units may necessarily indicate that an organization is a "start-up," as 58% of entities without units were incorporated before 2010. What this may indicate is that these entities are pursuing the adoption of shared equity homeownership *programs* or CLT *programs*, rather than the establishment of a new organization.

Year of Establishment by Number of Residential Units (n = 131)



[1] For the sake of graphical presentation, this chart excludes one nonprofit established in 1975, which stewards 32,000 residential units.

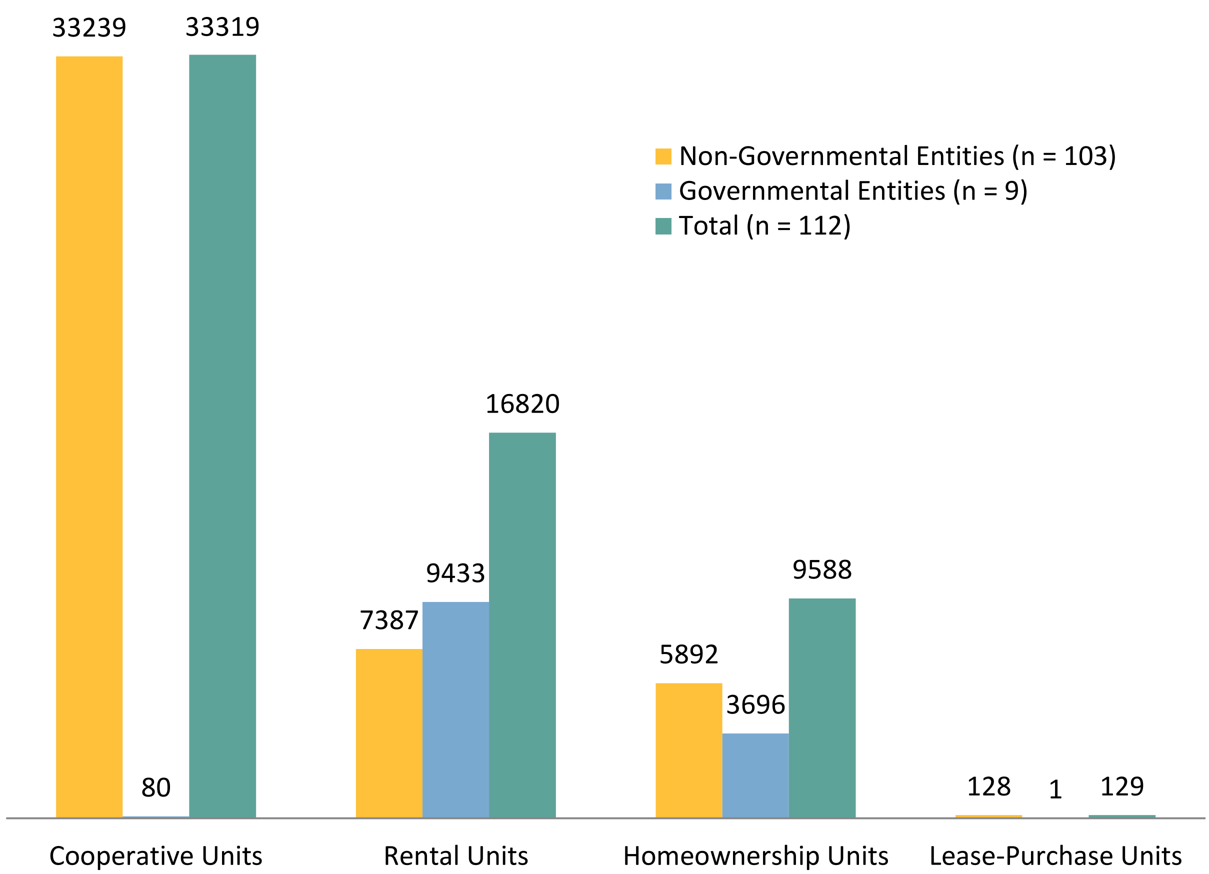
Portfolios & Stewarded Properties

Members were asked to report the number and type of properties within their portfolios or that they steward or manage as of December 31st, 2014. Members were asked to exclude residential properties that were being rehabbed or constructed on December 31st, 2014 in order to get a point-in-time count of completed units.

Residential Properties

Of the 136 Network members, 17.6% (n = 24) had no residential units in their portfolios or were not monitoring/managing any residential units as of December 31st, 2014. The remaining 112 Network members reported one or more residential units as of December 31st, 2014.

Residential Properties Owned or Stewarded by Members



Of members with residential units (n =112), one member stewarded 32,000 cooperative units, which accounted for 53.5% of all member units. Governmental entities with units, which comprise only 8% of Network members with units, accounted for 22.1% of all member units (n =112). The governmental entities with the smallest portfolio were those with CLT programs; one had a portfolio of seven owner-occupied homes and the other had a portfolio of 45 owner-occupied homes. Fifty percent of non-governmental entities had less than 50 residential units, and 23% of non-governmental entities had between 50-100 units.

Residential Portfolio by Self-Identified Type of Entity

Self-Identification	# w/ units	Minimum	Maximum	Median	Mean
CLTs	64	1	633	47	96
Other Nonprofit & Other (excluding outlier)[1]	39	1	32,000 (2,740)	60 (56)	1038 (224)
Non-Governmental Entities (excluding outlier)[1]	*103*	*1*	*32,000 (2,740)*	*51 (50)*	*453 (144)*
Governmental Entities	*9*	*7*	*3,190*	*1,138*	*1,468*

[1] The outlier is the nonprofit that stewards 32,000 cooperative units, which substantially skews the mean upwards.

Type of Residential Units Among All Members with Any Residential Units (n =112)

Unit Type	# entities w/ units	Total #	Minimum	Maximum	Median	Mean
Rental	62	16,820	1	3,000	39	271
Cooperative (excluding outlier)[1]	15	33,239 (1,319)	10	32,000 (430)	46 (45.5)	2221 (94)
Homeownership (excluding outlier)[2]	92	9,588 (8,187)	1	1,401 (800)	39 (38)	104 (90)
Lease-Purchase	16	129	1	28	5	8

[1] The outlier is the nonprofit that stewards 32,000 cooperative units, which substantially skews the mean upwards.
[2] The outlier is a government entity that stewards 1,401 homeownership units, which skews the mean upwards.

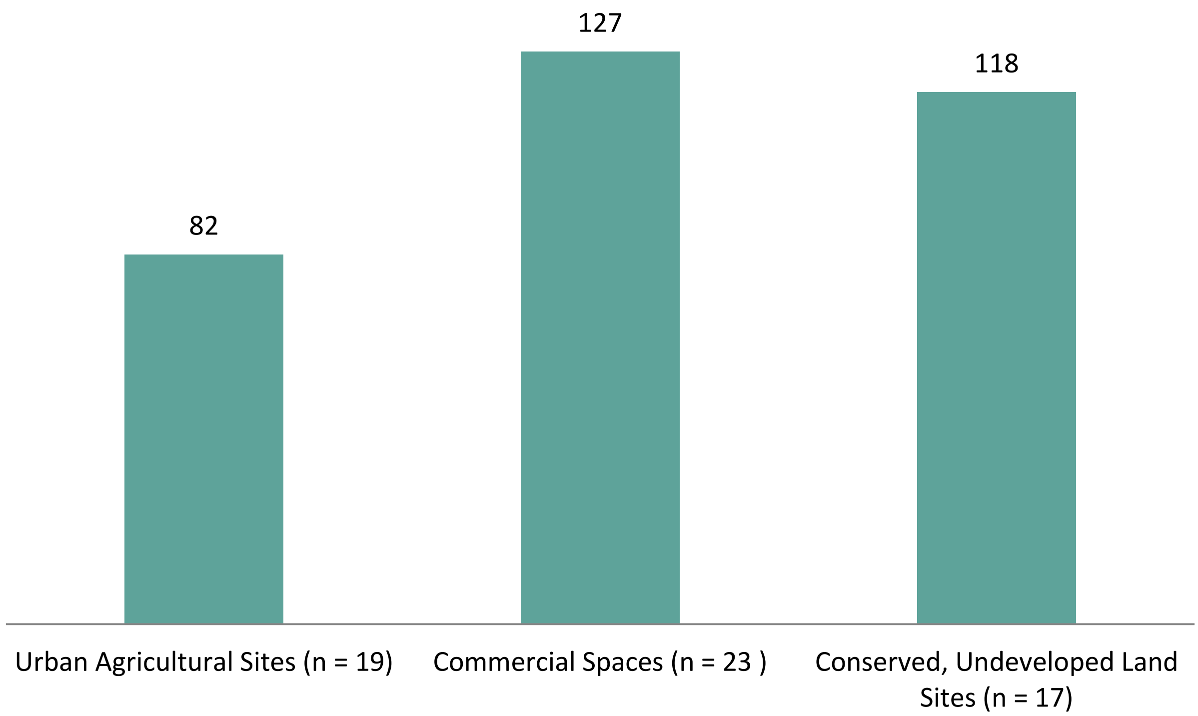
Resales on Homeownership Units

Of the 92 organizations with homeownership units (this does not include cooperative units), 58 reported at least one resale over the lifetime of the program, 30 reported having no resales, and 5 did not provide information. The total number of resales as of December 31st, 2014 was 3,636 within the 8,068 homeownership units that these 58 members represented. This number is inflated by one older program that has had 1,700 resales for its portfolio of 800 homes.

Members with homeownership units (n =92) were also asked how many resales occurred during 2014. Of those, 55 reported at least one resale within the last year, 33 reported no resales within the last year, and 4 did not provide information. The total number of resales during 2014 was 394 among the 8,274 homeownership units that these entities represented; in other words, 5% of their portfolios were resold during 2014. In effect, an additional 394 households were given the opportunity to become homeowners because these homes remained affordable.

Non-residential Properties
Members were asked whether they owned or stewarded non-residential land or properties, specifically urban agricultural sites, natural lands, or commercial spaces. Governmental entities did not report any non-residential activities.

Non-Residential Properties Owned or Stewarded by Members



Of the 19 members who reported stewarding urban agricultural sites, the majority were community gardens. Some respondents included additional detail on their urban agricultural projects, which included:

- Helping community groups get access to vacant publics lots to create community gardens, pocket parks, an community farms;
- Creating an organic community farm;
- Co-developing housing and community gardens;
- Preserving land for livestock and permaculture;
- Developing an organic CSA farm with community gardens, an orchard, and natural lands;
- Creating parks and preserving green space;
- Leasing land for urban farms and commercial farms; and
- Creating a community greenhouse.

In terms of the 17 members that conserve natural lands, one member reported preserving 13,505 acres. Others reported preserving smaller acreage from 1 to 90 acres.

Of the 23 members that reported developing and stewarding commercial properties, some provided detail on the businesses and resources these spaces provide. The vast majority reported that they owned their office space or provided office space for other nonprofits. Others reported that the commercial spaced housed:

- Small businesses, such as a bicycle shop, hair salon, bookstore, tax company, flower shop, ice cream store, clothing store, leather smith, coffee shop, restaurant, wine bar, and laundromat;
- Nonprofits, such as a food co-op, grower's co-op, art gallery, homeless organization, housing program for supporting home repairs and their volunteers, homeless shelter, and a nonprofit auto repair shop;
- Community centers, including a resource center. apartment clubhouse, community meeting space, and other community centers;
- Schools & Head Start locations; and
- Leased commercial warehouses;
- Dental and medical facilities.

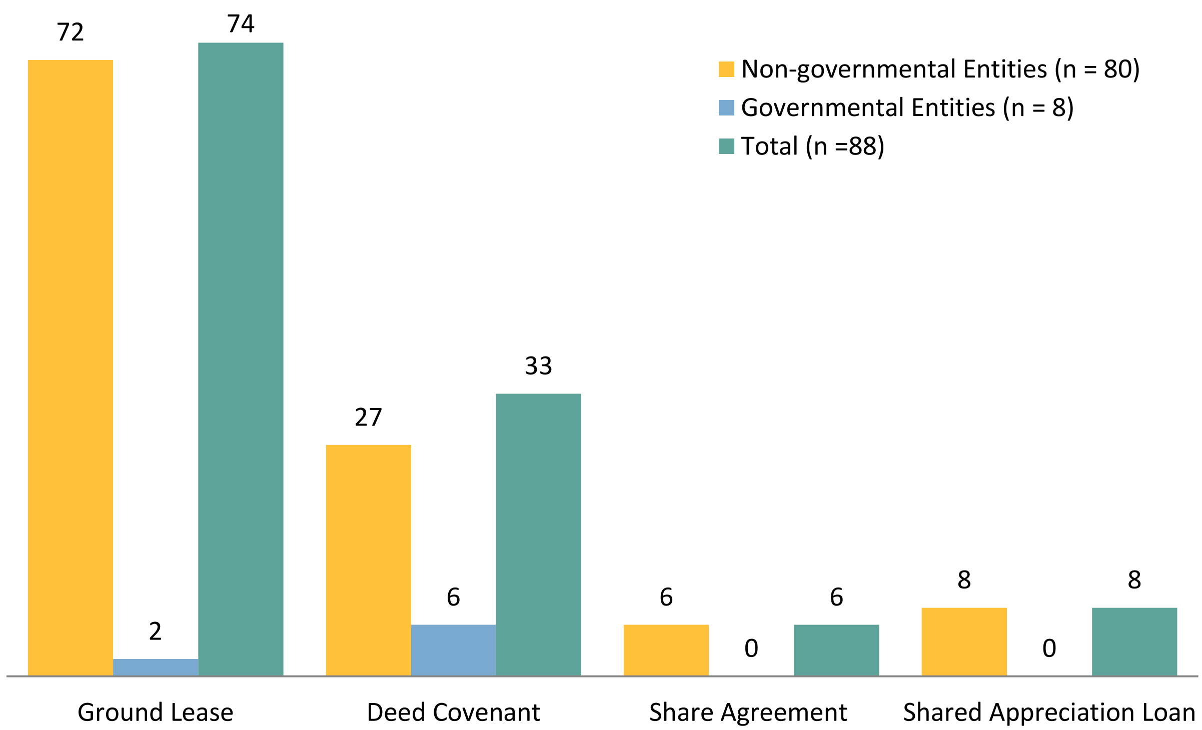
Homeownership Programs

The 92 members with homeownership units (excluding those only with cooperative units) were asked to provide more detailed information on their homeownership programs.

Legal Agreements

Eight-eight of these members provided information on the types of legal agreements their programs use. Of those, 67% reported using only one type of legal mechanism, 28% reported using two types of legal mechanisms (the vast majority were deed covenants and ground leases), and 5% reported using three types of legal mechanisms. Of the 80 non-governmental entities, 90% used ground leases, 34% used deed covenants, 8% used share agreements, and 10% used shared appreciation loan documents. Of those that self-identified as a CLT (n = 55), three did not utilize a ground lease and 32 only utilized a ground lease. Of the eight governmental entities, 25% used ground leases and 75% used deed covenants.

Types of Legal Agreements Used by Members with Homeownership Units



Pricing

Some shared equity homeownership programs technically sell homes at their market-rate values rather than below market-rate prices. Typically, in these instances a note and deed of trust secures the funds used to make home purchase affordable. It would be expected that programs reporting the use of shared appreciation loan documents would sell homes at the market-rate price.

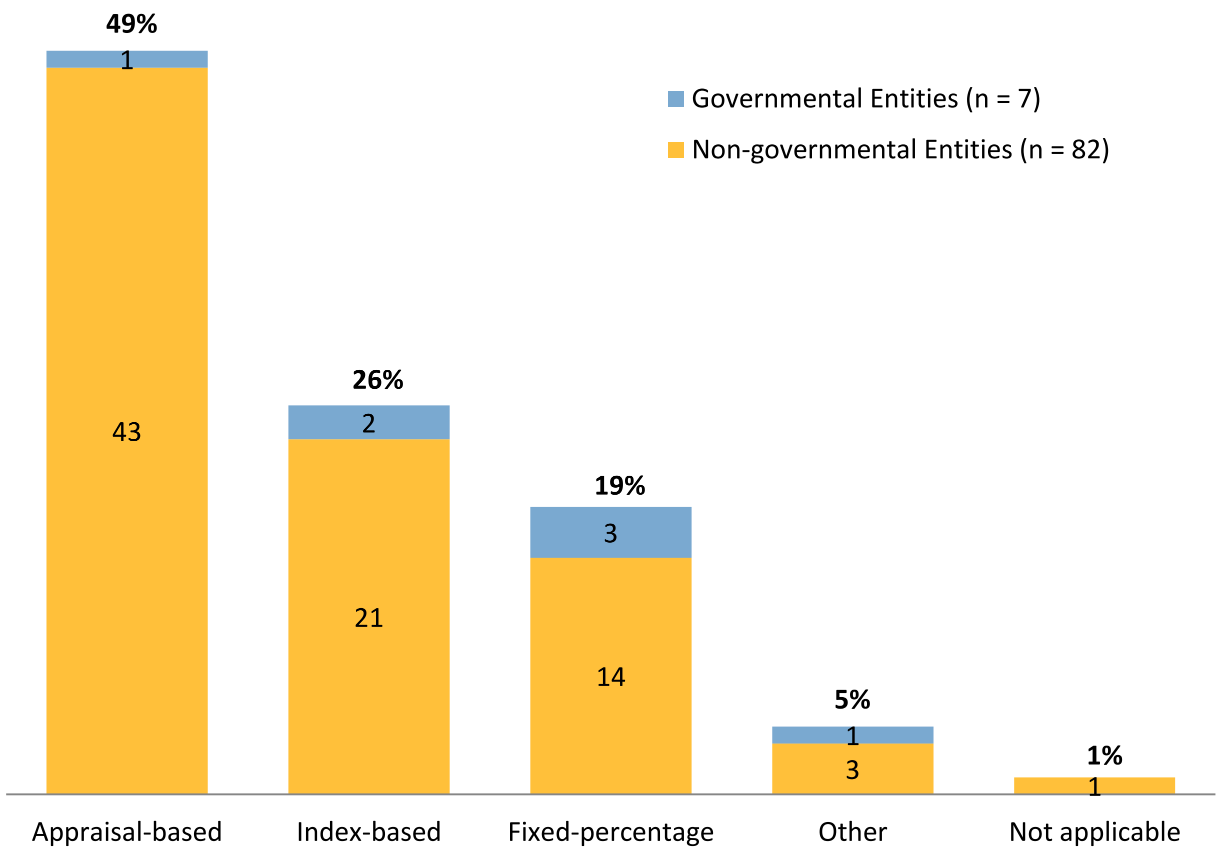
Eighty-nine members with homeownership units provided information on their pricing, and 16% (n = 14) reported selling homes at market-rate prices. None of the government entities priced their homes at market-rate values. Eight self-identified CLTs and six "other nonprofits" sold homes at market-rate prices. Notably, only three of these programs reported using shared appreciation loan documents, while eight reported that their homeownership program used only a ground lease. The remaining programs reported using more than one legal document but not shared appreciation loan documents.

Resale Formulas

The 92 members with homeownership units (excluding those only with cooperative units) were asked about the type of resale formula they currently use in their homeownership program. "Appraisal-based formula" was defined as a formula where the resale price is determined by adding to the original price a percentage of the difference between the home's appraised value at the time or purchase and time of resale. "Index-based formula" was defined as a formula where the resale price is indexed to changes in the area median income, cost of living, or some other metric. "Fixed-percentage formula" was defined as a formula where the resale price is determined by adding to the original price a predetermined percentage increase each year.

Eighty-nine out of 92 programs provided information on their resale formula. The one entity that selected "not applicable" was a Habitat for Humanity affiliate.

Type of Resale Formula Used by Members with Homeownership Units



Right of First Refusal

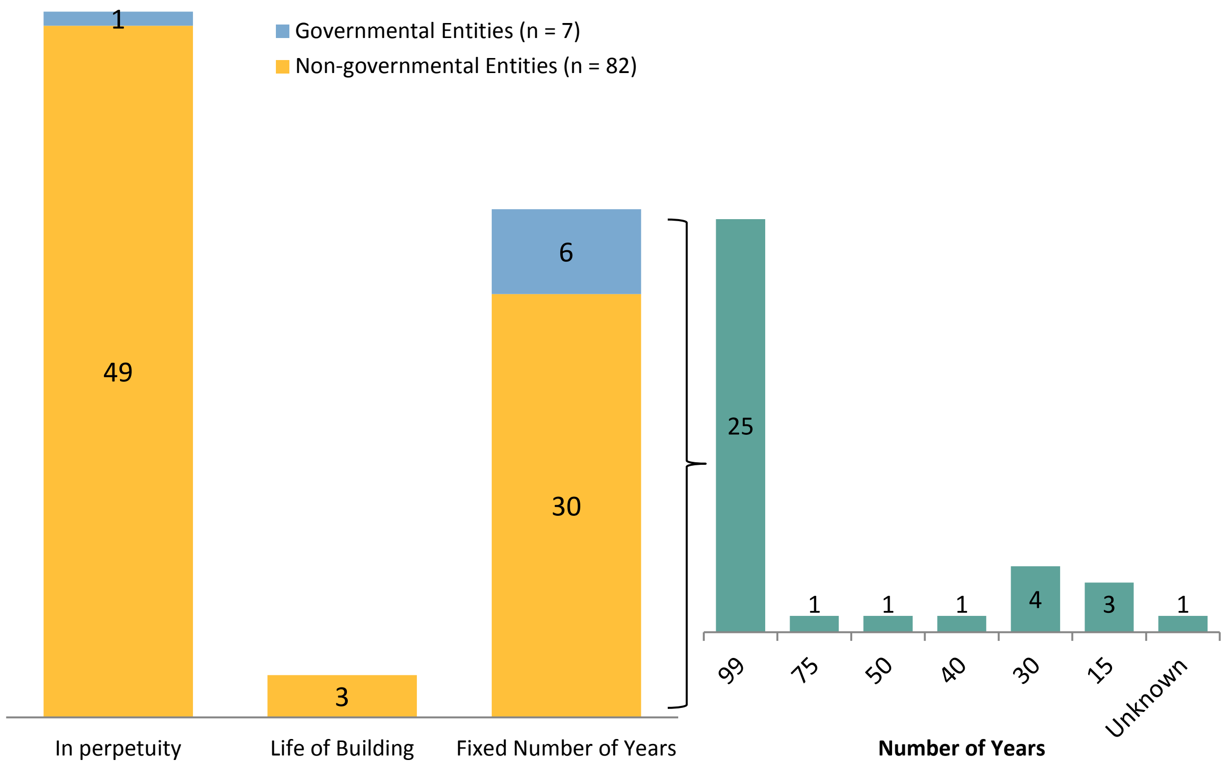
Members were asked, "Does the program have the right of first refusal/pre-emptive option to purchase the home upon transfer?" Of the 88 members with homeownership units that provided information, 97% (n = 85) have the right of first refusal. Only one government program and two non-governmental entities do not have this right.

Affordability Periods

Eight-nine members provided information on the affordability periods used in the legal documents of their homeownership programs. Fifty-six percent of programs (n = 50) reported that affordability was maintained "in perpetuity." One of these was a government entity. Three non-governmental entities reported their affordability term as "the life of building." Forty percent (n=36) of respondents had an affordability term for a fixed number of years.

Six governmental entities had a fixed affordability term. Three had 99-year terms, one had a 40-year term, and two had 30-year terms. Of the non-governmental entities with fixed affordability terms (n = 30), 22 had 99-year terms, one had a 75-year term, one had a 50-year term, two had 30-year terms, three had 15-year terms, one did not provide information. For those with affordability periods of only 15 years, two were Habitat for Humanity affiliates and one was a self-identified CLT.

Affordability Periods among Members with Homeownership Units



Members were asked whether affordability terms were re-established with every subsequent buyer of a home in their program. For instance, if the first homebuyer signs a 30-year deed covenant and the second homebuyer also signed a 30-year deed covenant, then this ensures that affordability is preserved despite the affordability period not lasting "in perpetuity." Seventeen percent (n =15) of the 89 programs that provided information reported that the affordability terms were *not* re-established with subsequent homebuyers. Of those, eight had affordability periods "in perpetuity;" therefore, the affordability of the homes would still be preserved over resales. However, of those with terms that were thirty years of shorter (n =7), three did *not* have terms that were re-established with every subsequent homebuyer; hence, the affordability of these homes is unlikely to last over time.

Partnerships & Affiliations

Members were asked to provide information on their partnerships and affiliations.

Nonprofit-Public Partnerships

Fourteen (11%) of the 124 non-governmental members who provided information endorsed that their entity stewarded, managed, or monitored inclusionary housing units for one or more governments.

The ten governmental entities were asked whether they contract or partner with a non-governmental entity to administer a large portion of their programs (either community land trusts or inclusionary housing). Of the nine who responded, all nine said yes. For those that provided explanation, one assisted nonprofit developers through administering a Housing Trust Fund for the development of affordable rentals; one partnered with a CDC to do pre-qualifications of homebuyers purchasing homes through their community land trust program; one partnered with a nonprofit to conduct homebuyer and program-specific education for their inclusionary housing program; and one partnered with the local housing authority to monitor affordable rental units in their inclusionary housing program.

Affiliations

Many Network members are also members or affiliates of other national programs or organizations. Notably, only 35% of Network members are using HomeKeeper, a homeownership program management system that substantially improves data tracking and workflow efficiencies. The Network has a vested interest in having more of its members adopt HomeKeeper to improve best practices as well as national data available for evaluating the performance of our members.

Membership & Affiliations

Affiliations	Non-Governmental Entities (n = 126)	Governmental Entities (n = 10)	Total (n = 136)
Habitat for Humanity Affiliate	18	0	**18**
HomeKeeper Member/User	46	1	**47**
Housing Partnership Network member	7	0	**7**
HUD Counseling Agency	17	0	**17**
NALHFA member[1]	1	0	**1**
NeighborWorks Affiliate	19	0	**19**
Partnership for Working Families	0	0	**0**
Right to the City	6	0	**6**

[1] National Association of Local Housing Finance Agencies