



April 28, 2022

HPD CLT Initiatives



Agenda

1. What is a CLT?
2. CLT Project Structure
3. Why CLTs?
4. CLT Landscape
5. HPD's CLT Initiatives



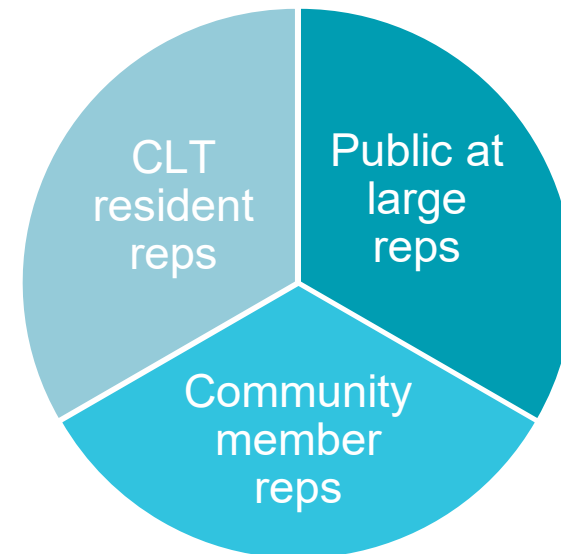
Source: The New Economy Project

What is a CLT?

- CLTs that work with HPD are **nonprofit HDFCs** that **own and steward** land for affordable housing in **perpetuity** for the public's benefit.
- CLTs separate the ownership of their land from the ownership of structures on the land, entering into **long-term ground leases** with building owners typically for terms of 99 years or more.
- CLTs are often governed by **tripartite boards** of directors, that include representation of CLT residents, the surrounding community, and the public at large. HPD requires at least 20% of board members to have **real estate or housing experience**.

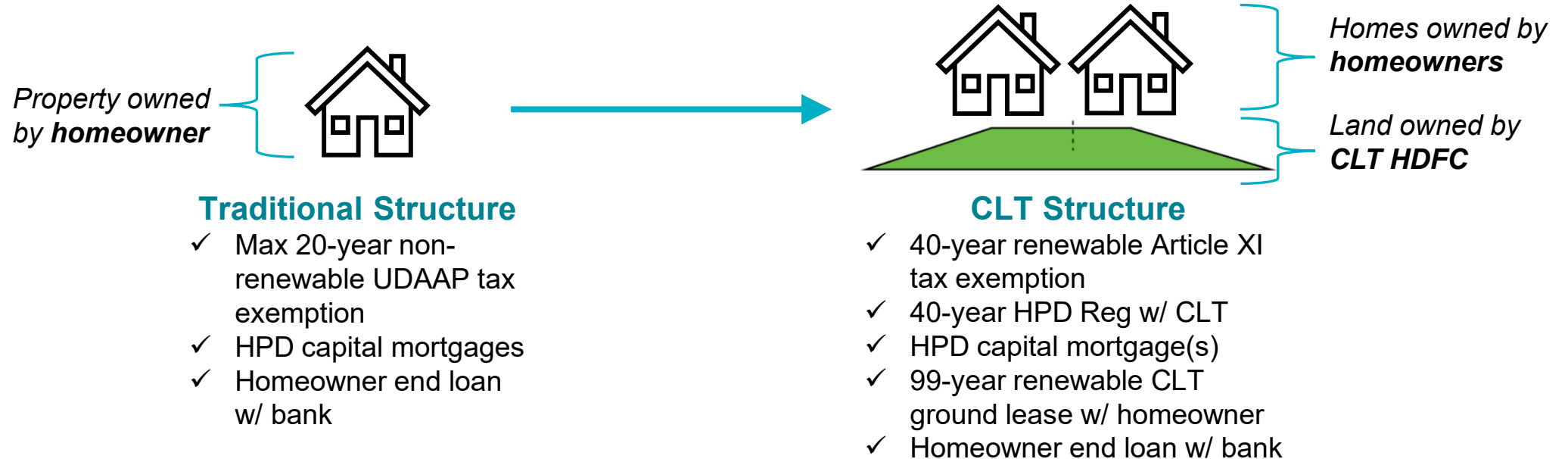


Source: Oakland Community Land Trust

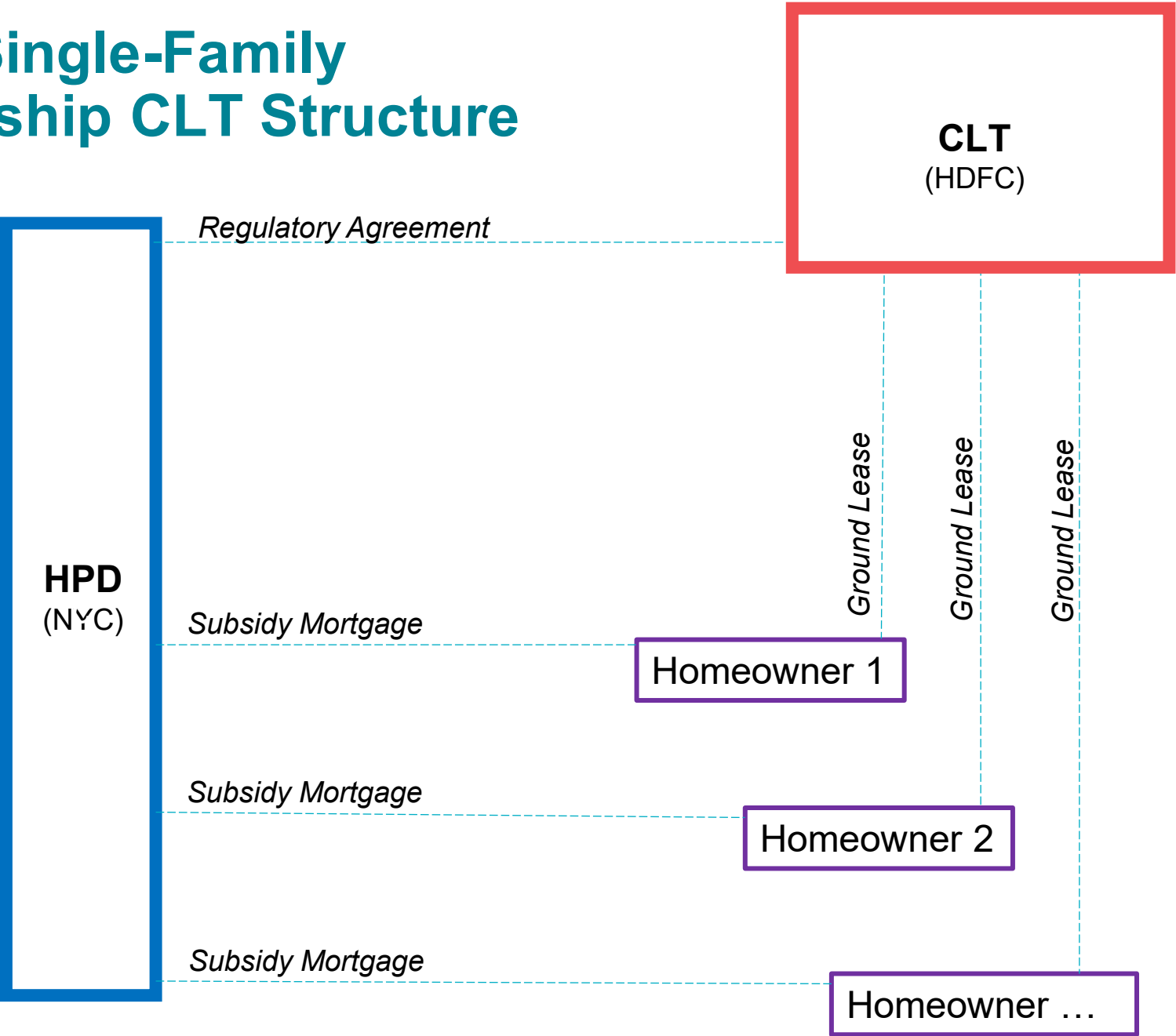


How are CLT projects structured?

For **single-family** and other small homes:



Affordable Single-Family Homeownership CLT Structure



Why CLTs?

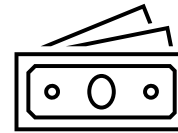
- HPD uses many tools to ensure long-term and permanent affordability, including long-term and permanent regulatory agreements, balloon mortgages, reverter provisions, third party monitoring requirements, and deed restrictions. While **one tool in HPD's toolkit**, the CLT model is useful in certain scenarios, especially for homeownership projects like those expected in Edgemere.



The bifurcation of property ownership enables the CLT to **enforce affordability** and other requirements in collaboration with HPD.



National evidence shows that CLTs help **reduce foreclosures** among low-income households, with ground rent serving as an early warning signal for deeper distress that CLTs may help remedy.



CLTs help ensure low-income homeowners are successful by pooling **ground rent** to provide home repair loans & emergency mortgage assistance, training, counseling, high risk loan prevention, etc.



The CLT's tri-partite board is an entity with **checks and balances** that helps the CLT be effective and fair as it oversees project requirements and provides services to households living on its land.

Why CLTs?



CLTs are a way to formalize community control of land, providing an avenue for residents to influence the governance of land used for affordable housing and related amenities.



This benefit may be particularly meaningful in Edgemere, Queens, where HPD is seeking a partner to establish a CLT to help decide how to program and steward 55 vacant, city-owned lots reserved for public open space.

CLTs Across the U.S.

- In 1969, Black farmers in southwest Georgia established **New Communities Inc**, which is considered the United States' first CLT.
- There are now **nearly 300** CLTs operating in almost every state. It is estimated that 10-15,000 homeownership units and close to 20,000 rental units are located on land owned by these CLTs.
- The **Champlain Housing Trust**, the country's largest CLT, stewards more than 3,100 affordable housing units in northwestern Vermont.
- The **Grounded Solutions Network** provides technical assistance to many CLTs across the U.S.

Sources: [Champlain Housing Trust](#), [Center for American Progress](#)

Southwest Georgia Farmers Benefit From Cooperative Farm

ATLANTA, Ga. — Take the money, said the farmer, and take the money. A group of black farmers in southwest Georgia has received a grant from the U.S. Department of Agriculture to help them start a cooperative farm. The grant is for \$100,000 and will be used to purchase land and equipment for the farm. The farmers are the members of the New Communities Inc. cooperative farm. The grant is the largest ever made by the U.S. Department of Agriculture to help black farmers start a cooperative farm.

The remainder of the \$100,000 loan will be used to purchase land and equipment for the farm. The farmers are the members of the New Communities Inc. cooperative farm. The grant is the largest ever made by the U.S. Department of Agriculture to help black farmers start a cooperative farm.



REV. CHARLES SHERROD, founder of the 6,000-acre black-owned New Communities cooperative farm in Georgia. This is the largest consolidated black farm in the country and is an attempt to help black farmers stay on the land.

Franklin D. Roosevelt's New Deal was a landmark in the history of the United States. It was a time when the government began to take an active role in the economy. One of the most important parts of the New Deal was the creation of the Social Security Act. This act provided a safety net for the elderly and the unemployed. It was a major step towards social justice and economic security for all Americans.

Rev. Charles Sherrod is a prominent leader in the black community. He has spent his life working to improve the lives of black people in the South. He is a strong advocate for economic justice and self-reliance. His work with the New Communities cooperative farm is a testament to his commitment to the community. He has inspired many other black leaders to follow in his footsteps and to work for the betterment of their people.

NYC CLT Landscape

- Beyond the **Cooper Square CLT**, use of the model has been limited in NYC, as the City has relied on other regulatory mechanisms.
- In 2017, HPD released an RFEI for proposals to set up CLTs in NYC. HPD selected 9 respondents to participate in a 2-year **Learning Exchange**.
- These and other groups currently organize under the umbrella of the New York City Community Land Initiative (**NYCCLI**) with support from the **New Economy Project**.
- Many of these groups are working to build the **capacity and partnerships** needed to support affordable housing projects.
- HPD has facilitated grants from **Enterprise** (AG settlement funds) and the **City Council** that have paid for operations, technical assistance, predevelopment, acquisition, and capital costs.



Source: NYCCLI

HPD CLT Projects

HPD has provided financing or is in the predevelopment phase for more than **1,000 units** of affordable housing on CLTs:

- March 2020: HPD provided the **Cooper Square CLT** with rehab funding and a new tax exemption to preserve the long-term affordability of over 300 units of housing on the CLT's land in the East Village.
- November 2020: HPD provided \$7.5 million in rehab financing and 4 city-owned buildings to the **East Harlem/El Barrio CLT** to create a 36-unit mutual housing association rental project.
- February 2022: HPD Provided the **Interboro CLT** and its partner Habitat for Humanity with nearly \$4 million in construction financing and a 40-year Article XI tax exemption to facilitate the new construction and gut rehab of 16 single-family homes on 13 parcels of land formerly owned by NYCHA.



Source: Cooper Square Committee



Source: Picture the Homeless



Source: Habitat for Humanity

Edgemere CLT RFEI

- In July 2021, HPD released the [Edgemere CLT RFEI](#) seeking proposals to establish a CLT that will own up to 8 acres of city-owned land.
- The RFEI stems from recommendations made in HPD's [Resilient Edgemere Community Plan](#), published in 2017.
- Climate-vulnerable parcels will be used for [public open space](#) and more resilient parcels will yield [affordable homeownership](#) opportunities.
- HPD is currently reviewing submissions and will select a winning proposal in the coming months.



THANK YOU!