

Milwaukee Community Land Trust



Background

- Department of City Development was allocated \$1.5 million in 2021 budget to support creation of alternative housing/home ownership models – e.g., community land trusts and housing cooperatives
- Goal was to support models that create permanent affordability and community ownership of property

Community Land Trusts (CLT's)

- CLT's are non profit organizations who provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on the land
- CLT's sell houses at below-market prices to make them affordable, often to families who don't currently qualify for conventional homeownership
- In exchange, owners agree to limit the price at which they can sell in the future, and pass on "affordability" to future purchasers, while still being able to receive market appreciation during their tenure
- Over 275 CLT's operating throughout the country

Community Land Trusts - Goals

- Provide affordable home ownership to families who might not currently be eligible for conventional home ownership
- Can be “springboard” to conventional homeownership
- Addresses growing “affordability gap” as home prices increase and prevents displacement
- Community control of real estate – when houses are sold, they remain under control of the CLT - and are maintained as affordable home ownership opportunities

Community Land Trusts - Goals

- Provides support for its members – financial counseling, maintenance training, connections to community resources (e.g., during foreclosure crisis, CLT owners were 10 times less likely to experience foreclosures)
- Preserve limited resources – subsidies are recycled for new families keeping homes affordable and protecting against displacement

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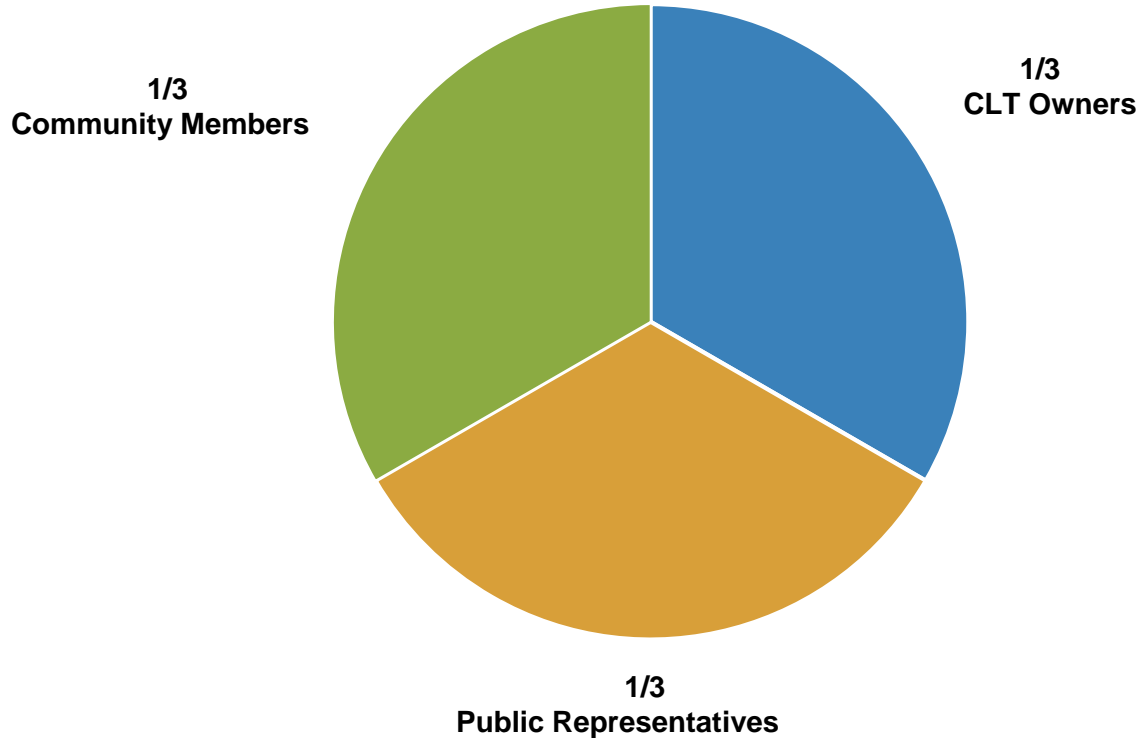
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- Incorporated as non-profit 501 (c) (3) organization
- Have been working to create organizational structure for success
- Board of Directors in place
- Hired Executive Director
- Secured Technical Assistance
- Operating funding in place

Milwaukee Community Land Trust Governance – Board of Directors



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- Partnership with Via CDC for first two land trust houses in Lindsay Heights neighborhood (renovated City tax foreclosures)
- Identified lenders for purchasers
- Working with partners to educate residents on model
- Outreach to neighborhood organizations

Milwaukee Community Land Trust – How it Works



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- CLT will provide subsidy so homeowner is able to purchase home at affordable purchase price – prioritizing families with incomes at or below 40% of Area Median (\$33,500 or less)
- When original homeowner decides to sell, house remains in control of MCLT, ensuring next buyer is a homeowner with a stake in the neighborhood (not an out of area investor or flipper)
- Original subsidy stays with property, making it affordable to next homeowner (not “lost” after five years)
- Original homeowner still receives equity and return on investment

Resources for Milwaukee CLT



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- \$200,000 – will help create affordability for first 5-8 houses
- Houses will be marketed and sold for affordable homeownership
- Milwaukee CLT will provide a stewardship program for its buyers, to help insure their long term success as homeowners
- Milwaukee CLT will work with local neighborhood stakeholders in selection of properties/neighborhoods for their activities
- Potential future collaboration with City – e.g., In Rem Initiative