

# Rocky Mountain Land Use Institute/ DU Sturm College of Law Western Places / Western Spaces Conference

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# What is Colorado Community Land Trust?

CCLT is a 501 (c) (3) corporation that provides home ownership

CCLT owns the land under the home

CCLT leases the land to the home owner

Home owner has a 99-year leasehold to the land and a deed to the home

The land lease contains certain requirements regarding

- control over who can make a mortgage to a home buyer and what types of mortgages a home buyer can use
- Owner occupancy, no renting of the home
- Resale price determined by appraisal based formula so that home remains affordable to target market over time

At present there are 189 homes in the Program, 11 under construction and 14 more to begin construction in 2018.

Began selling homes in 2004. In that time, 62 homes have been resold and they have been resold more than once for a total of 117 resales.

As compared to a traditional deed restriction or covenant affordable program, CLT's perform Stewardship of the land and the home.



# What is Stewardship?

Stewardship is a set of practices designed to help households maximize allowed home appreciation, while protecting the program and its community investment. The CCLT works with buyers before and after they buy their homes to ensure that buyers are well-prepared for homeownership, financially responsible, and can maintain the property. Public investment is protected through monitoring the physical asset and enforcing program requirements over time.

- Through sound development practices and Stewardship, no homeowner has lost their home to foreclosure.
- Home buyer classes and counseling is required
- CCLT works with home owners who experience financial difficulties toward
  - Loan modifications
  - Outright purchase of the home by CCLT in event there is no options for preserving home ownership
- Working with Home Owner Associations on issues such as
  - Budgeting
  - Fair and consistent HOA dues collections
  - Property management agent selection





# What Types of Mortgages can Home Buyers Qualify for?

CCLT developed a “lending infrastructure” prior to any homes being developed

- FHA approval of the land lease and the Program under applicable mortgagee letters
- Fannie Mae approval
  - Desk top underwriting
  - Specific appraisal requirements for CLT leasehold loan to value determination.
- CHFA approval of program and adoption of Fannie Mae appraisal requirements



## What Incomes are Served?

The majority of homes are sold to households at or below 80% Area Median Income (AMI) but a few can be sold to households up to 100% AMI

At this point, average income served at time of purchase is 67% AMI (\$30,000- \$55,000, depending on family size)

Average age of buyer is 39 years

Average household size is 2



		Colorado Community Land Trust Sample Transaction			
		Three Bedroom Townhome Lowry			
	Fee Simple Market	Home Sale Price	Buyer Cash To Buy	Mortgage	
Buy Date 12/1/2004	\$275,000.00	\$142,000.00	\$7,856.00	\$137,740.00	
			Seller Cash Back	Mortgage Pay Down	Allowed Appreciation
Sale Date 4/1/2015	\$308,000.00	\$158,119.00	\$35,037.00	\$21,406.00	\$5,775.00
	Fee Simple Market	Home Sale Price	Buyer Cash To Buy	Mortgage	
Buy Date 4/5/2005	\$262,000.00	\$142,000.00	\$7,775.00	\$140,888.00	
			Seller Cash Back	Mortgage Pay Down	Allowed Appreciation
Sale Date 5/27/2008	\$300,000.00	\$155,669.00	\$16,385.00	\$9,735.00	\$6,650.00

# Thank You



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[www.coloradocclt.org](http://www.coloradocclt.org)