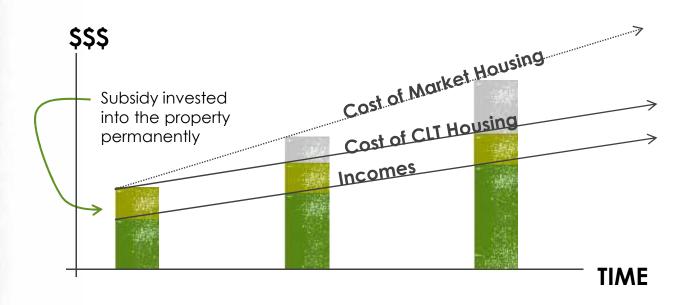
CLT MODEL: SUBSIDY RETENTION

- Preserves
 affordability
 over time with a
 one-time
 subsidy
- When buyers resell, they do so at a predetermined price to an incomequalified buyer



HOW DOES IT WORK? THE CLT CYCLE

Land is owned and preserved by the community through the CLT

Homebuyers own the home and lease the land at an affordable price The separation of land from housing reduces the cost of purchasing the home

Absentee landlords, vacant properties, & deteriorating conditions decrease while low-income households maintain a stake in their neighborhoods

When homeowners resell they do so at a predetermined price to another income eligible family

Sellers recover their down payment as well as a portion of the appreciation

HOUSING REMAINS AFFORDABLE FOREVER THROUGH ONE INITIAL PUBLIC SUBSIDY

APPRAISAL BASED RESALE FORMULA EXAMPLE

- Original Value (by appraisal) = \$170,000
- Original Purchase Price = \$140,000
- Owner's Share of Appreciation = 25%

Resale

- Value at Resale (by appraisal) = \$210,000
- Increase in Value (\$210,000 \$170,000) = \$40,000
- Owner's share (\$40,000 x 25%)= \$10,000
- Resale Price = \$150,000
- **(\$140,000 + \$10,000)**

THE CLT MODEL IS FLEXIBLE & WORKS WITH MANY AFFORDABLE HOUSING STRATEGIES

Permanently Affordable:

- Inclusionary Zoning (IZ)
 - CLT units developed with in-lieu fees
 - IZ produced units sold through a land trust
 - CLT manages resale of IZ unit
 - By design, CLT's well suited to administer IZ programs.
- Rental Housing
 - Land leased to rental development to ensure permanent affordability vs expiring LURA
- New Construction
 - Surplus land can be developed for affordable housing
 - Commercial or residential
- Acquisition & Rehabilitation
 - Redeveloped units sold or rented through a CLT