

The Case for a Community Land Trust (CLT) for the Hamilton area/Waikato



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Executive Summary

In the words of Phil Twyford, Minister of Housing and Urban Development in the report *A Stocktake of New Zealand's Housing*, "It is time to take bold action to stop the stress and disruption the housing crisis is causing our people, and especially our kids."¹ He states that, "This Government is committed to fixing New Zealand's housing crisis," so that is hopeful.

In Hamilton, there are a growing number of community housing and social service organisations, local funders, Councillors, and staff within the City and Regional Councils who are also committed to "bold action" and finding sustainable solutions to the housing crisis and working together to bring those solutions to fruition. Bold action means thinking outside of the box that got us into this crisis and considering models that work in other countries that could be adapted to New Zealand.

The Community Land Trust (CLT) is such a bold solution which has a half a century of success in the U.S. and UK and is gaining momentum in other countries. It is time for New Zealand to take note and consider this model which can work in tandem with other proposed housing solutions.

One of the problems highlighted in the Stocktake report that affect housing is "land banking". The CLT takes land price out of the housing cost equation and recognizes land as a community asset, to be stewarded for the good of the community, which is also in alignment with the Maori traditional understanding and practice of land as a community asset.

In addition to remedying the cost of housing and opening doors to homeownership and affordable rental for the lower-middle income bracket that would otherwise be excluded, the CLT facilitates community empowerment and local governance, stabilizes the local workforce, curbs gentrification, and repurposes underutilized land and buildings.

This report spells out the CLT model in detail, enabling and inhibiting factors to its success and makes recommendations and offers resources to successfully implement the model in Hamilton. The CLT model is not a quick-fix solution rather it is a collaborative and on-going community building process that has sustainable, long-term benefits for not only housing affordability and supply but for the community as a whole.

¹ *A Stocktake of New Zealand's Housing*, by Alan Johnson Philippa Howden-Chapman, Shamubeel Eaqub, Feb 2018

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Purpose of the Report

In October 2017, Shama submitted a proposal to the Wel Energy Trust's call for proposals to seed or contribute to a creative response towards addressing housing issues in the Waikato region. The grant was targeted to support organisations, projects or initiatives that address issues around the affordability, availability and/or quality of housing.

Wel Energy Trust provided funding for an initial feasibility study in 2018 which was conducted between June-December 2018. The research was to:

- Outline the conditions that an ideal land needs to fulfil
- Identify land that could be converted into community housing and mixed use
- Identify a process for negotiating with landowners for sale or donation of land
- Identifying potential funders, identifying trustees.
- Set the process and guidelines for meeting with the community to determine needs
- Develop a clear understanding of the housing typology that would align to community needs
- Develop an understanding of other community services that could be established on the CLT (such as food gardens, cottage industries, etc,)
- Determine the legal and financial structures to govern the CLT

In the course of the research, it became clear that the question of land needed to be broadened to "property" to encompass the possibility that the CLT could acquire land that already had buildings on it. The legal and financial structures and possibilities are extensive so are covered in detail within three CLT manuals but are touched on in this document with reference to a financial calculation tool resource link. The questions of housing typology and community services would be better determined when a location is chosen although considerations have been discussed in this report.

Defining the Problem

System Failure

There was a time, in the not-so distant past, when housing was affordable and buying a house to raise your family was not the unobtainable dream it is today. With homeownership now at a 60-year low and families forced to live in overcrowded houses, it is clear New Zealand's housing system is failing too many people. That an unknown number of children are living in cars and thousands more are admitted to hospital every year with preventable illnesses caused by poor housing, is nothing short of a tragedy.²

Exponential Housing Costs

The deterioration in housing affordability is a result of housing costs increasing at a faster rate than household incomes. House prices have increased around double the annual average compounded rate of growth as household incomes whereas rents have increased at between 1.1 and 1.0 percentage points per annum faster than household incomes. These trends have had an impact on key affordability measures over time.³

Land Banking

According to the Stocktake of New Zealand's Housing, many developers land-bank, or work with land-bankers. The incentives are strong, as land prices have appreciated the most of all components of house prices. The evidence of the extent of land-banking is patchy, but there is a disconnect between planning rules, land supply and house building. We need better evidence on the extent of land-banking, concentration of land holdings, use of restrictive covenants and pilots of what policies work (for example charging rates on land value to encourage the highest and best use of land).⁴

Hamilton Area Specific

The population of Hamilton is projected to increase by 36% over the period from 2013 to 2033. The increasing migrant diversity and family-types brings demand for a greater variety of housing options and housing availability.

Other challenges that the CLT could address include: lack of quality built homes, neighbourhood and house designs that foster isolation, inability of families to access housing finance, house prices increasing yearly more than income increases, gentrification,

² *A Stocktake of New Zealand's Housing*, by Alan Johnson Philippa Howden-Chapman, Shamubeel Eaqub, Feb 2018

³ *Housing Demand and Need in Tauranga and Western Bay of Plenty*, Research Report, Nov 2017

⁴ *A Stocktake of New Zealand's Housing*, by Alan Johnson Philippa Howden-Chapman, Shamubeel Eaqub, Feb 2018

lack of community voice and agency in the development and ownership of their own community resources, no long-term affordable housing models.

An additional problem is the lack of relevant quantitative as well as qualitative data about affordable housing and homeownership and land availability in the Hamilton area on which to make appropriate decisions.

Definition of Affordable

Currently in NZ, the term “affordable housing” used by the government doesn’t correlate to a particular income level but is rather calculated on an income average for an area and percentage of the market rate. This definition of affordable used by the government is vague and there are many people who want to get into homeownership but cannot afford to buy in or are finding rent more than they can afford, including many full-time working people.

So, many community housing providers are seeking out new definitions of affordability.

Community Affordable

This means a home where the household is able to spend less than 35% of gross household income on rent or mortgage repayments. Affordability measures are usually adjusted by size of household to accommodate a range of variables.⁵

Affordability

The ability of a household to service a large enough mortgage to purchase appropriate housing. In New Zealand, the standard assumption has been that a household can afford to commit 30% of gross household income to mortgage servicing. The Auckland Regional Affordable Housing Strategy uses a somewhat different approach for low income households. Its assumption, for households in the bottom 40% of household incomes, is that they can afford to commit up to 30% of income on housing related costs which would include not only mortgage servicing, but, rates insurance and necessary maintenance.⁶

Intermediate Housing Market

BRANZ (Building Research Association New Zealand) wrote a report in August 2015 on the Intermediate Housing Market entitled, “Can Work, Cannot Afford to Buy, the Intermediate Housing Market.” In their report, the intermediate housing market is defined as private

⁵ Mayoral Housing Affordability Taskforce report for the Queenstown Lakes District

⁶ Community Land Trusts: A Scoping Report, A report prepared for the Taupo District Council, McKinlay Douglas Limited, 2017

sector renter households with at least one member in paid employment who are unable to affordably (using no more than 30% of their gross household income to service mortgage expenses) purchase a dwelling at the lower quartile house sale price.

According to the report “The Intermediate Housing Market in New Zealand”⁷, there were 18,000 households in the Waikato that were considered in the “intermediate housing” band. Given the increase in population in the Waikato as well as the increased house prices relative to income over the last 5 years, this number would certainly be higher in 2018.

The BRANZ report goes on to state that the intermediate housing market is the fastest growing segment of the housing continuum and focuses on the households, who, under current market conditions, are unable to purchase a dwelling. The number of households in the intermediate housing market has increased over the past 24 years by approximately 102% nationally and 182% in the Auckland region. The report states that the growth in the intermediate housing market has implications for both central and local government. What this means for the CLT model is that as local and central governments start to respond to this research with policies, planning and funding changes, this could support CLT implementation to succeed.

According to the CLT Scoping Report written by McKinlay Douglas Limited in April 2007,

Traditionally, governments, and the societies they govern, have accepted a context for housing policy in which the major public challenge is dealing with people who are significantly disadvantaged, and likely to remain so, with the housing needs of the remainder of the community being left to market arrangements. The assumption was that, if you were above the income level which made you eligible for social housing support, then you could look after yourself. This no longer appears to be the case. The result is a growing focus on how societies meet the needs of households whose incomes are too high to qualify for conventional social housing assistance but too low to enable them to purchase appropriate housing through the market.

It is this *intermediate housing market* that is the target population that the CLT aims to serve for homeownership because the families who buy a CLT house still need to qualify and be able to repay a bank mortgage albeit at a substantially lower cost due to the price of land being removed from the equation and perhaps the addition of a shared equity subsidy. The CLT can also offer low-cost rentals which could serve a lower-income earning bracket. Renters could have the opportunity to buy a CLT house if the CLT offers a rent-to-buy

⁷ The Intermediate Housing Market in New Zealand, prepared by DTZ NZ for the Centre for Housing Research Aotearoa New Zealand, 2008

option—which is something that the Queenstown Lakes Community Housing Trust (QLCHT) and the Housing Foundation offer (more on these two providers later in this report).

Demand for affordable and social housing in Hamilton

The following information is taken from the Habitat for Humanity's proposal to develop a housing development through the Special Housing Areas act in 2018 in Hamilton.

Demand for affordable and social housing in Hamilton City is evidenced against multiple criteria.

Affordability when connected to home ownership

The house-price-to-income multiple is a simplified, yet internationally recognised measure of housing affordability. It is covered in Agenda 21, Chapter 7 of the United Nations Framework and it is defined as the ratio between median house price and median annual household income, otherwise known as the median multiple. The World Bank also says this ratio is "possibly the most important summary measure of housing market performance, indicating not only the degree to which housing is affordable by the population, but also the presence of market distortions".

Based on this official work, it seems to have become accepted that a median multiple of 3.0 times or less is a very good marker for housing affordability. Much of the work in support of the 3x standard is based on US research on the US housing market. In New Zealand we commonly use a 5x standard which is nearly twice the internally recognised benchmark and still our housing affordability exceeds this ratio.

Hamilton, as at Aug 17, sits at 6.34 based on a median house price of 540,000 and a household income of 83,486. Houses in the \$350-450K bracket are urgently needed, both to supply first home buyers and as a source of rental properties.

Affordable rental

Using household income data again, but this time indexing it to 30% of gross income and applying to the rental market current data, suggest a lack of affordable rental properties. The median rental for Hamilton city is \$400 per week and upwards, which again presses up against the affordability target of 30%. The provision of affordable rental properties forms part of the mixed tenure model of this development. Habitat has received in excess of 100 inquiries in the last 12 months for rental and affordable ownership products in Hamilton city.

Social rental

Likewise, demand is strong with MSD providing purchasing intentions to support the acquisition of 170 additional dwellings for the period through to 2020. The vast majority of this demand is for 1 and 2-bedroom units¹

Social Housing versus Housing as Infrastructure

The following is taken from the CLT Scoping Report written by McKinlay Douglas Limited (MDL) for the Taupo District Council, April 2007

In 2006, MDL gave a presentation to the Council on affordable housing. In the course of the presentation they drew a sharp distinction between what they termed "social housing" and "housing as infrastructure". They argued that the crucial factor in "housing as infrastructure" was the need to ensure that the local economy could access (recruit and retain) the mix of labour skills it required. The basic points made, including the role of local government, were:

Social housing

The focus is on meeting the housing needs of disadvantaged households (via the government's redistribution mechanisms). The rationale is social justice – using the taxing and other powers of the public sector to provide assistance to less well-off households by redistributing resources from better off households. The role is properly one for central government as 'owner' of the major tax bases (income-tax and GST).

Housing as infrastructure

The focus is on the prerequisites for meeting the ongoing labour requirements of the local economy. The challenge is how to address the structural imbalance between housing affordability and earned incomes. The objective is to ensure an ongoing supply of labour for those occupations that will continue to be relatively low paid but are essential to the local economy.

The local authority should have a natural interest in the provision of housing as infrastructure in much the same way as it has in other essential infrastructure. This does not necessarily imply the local authority either acting as a funder or a provider. There are instances, such as water and sewerage, where local authorities undertake both roles. There are others, such as broadband, where the role has primarily been one of advocacy.

The basic assumption is that housing is just as important an infrastructural concern for employers individually and for the local economy as is water, sewerage, energy, telecommunications or roading. The main reason it has not had to be an issue is that, until comparatively recently, it was possible to believe that the combination of housing assistance through government agencies, primarily the Housing Corporation in its various

manifestations, and the operation of the private market would provide an adequate range of housing choice. Clearly, that is no longer the case in a number of New Zealand localities including Taupo.

The Roots of the Problem

In Bryan Bruce's documentary, *Who Owns New Zealand Now?*⁸ Bruce investigates the roots of the housing crisis and shines the light on factors that have not been discussed in the media when affordable housing is written about. According to Bruce, deregulation of the banking system, successive governments and immigration are the key factors contributing to the housing crisis.

The following excerpt is taken from an article written by Colleen Hawkes about the documentary in Stuff on 11 September 2017:

Signs of why house prices have soared while rate of home ownership fell, Bruce said, can all be traced back to the 1980s and '90s, when New Zealand switched from a regulated economy to a market-driven one.

Fairfax said, Bruce pointed out that successive governments have embraced competition and that deregulation of the banking system has had a "dramatic effect on who gets to own their own home today, and who doesn't".

Another factor that contributed to the housing crisis was immigration – with an absence of data and just of a lot of anecdotal evidence, the report said.

"The Government is not collecting information on who is buying how much of New Zealand, where, what kind of value or even where these people are coming from," Bruce said.

The documentary said there are alternatives to traditional home ownership, and New Zealand needs to embrace - schemes like institutional investment from sources, such as KiwiSaver and the NZ Super Fund and ACC.

But first, Bruce said, we need data. Then we can create the "essential" infrastructure, the Fairfax report said.

⁸ *Who Owns New Zealand Now?*, produced by Bryan Bruce, a NZ On Air-funded documentary released on 12 September 2017

The Community Land Trust Solution

What a Community Land Trust is

Community Land Trusts (CLTs) are non-profit organizations—governed by a board of CLT residents, community residents and public representatives—that provide lasting community assets and permanently affordable housing opportunities for families and communities. CLTs develop rural and urban agriculture projects, commercial spaces to serve local communities, affordable rental and cooperative housing projects, and conserve land or urban green spaces. However, the heart of their work is the creation of homes that remain permanently affordable, providing successful homeownership opportunities for generations of lower income families.

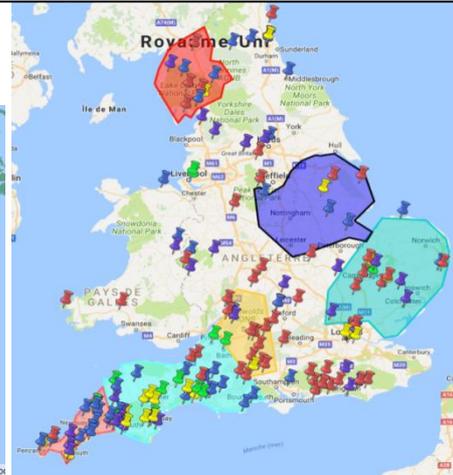
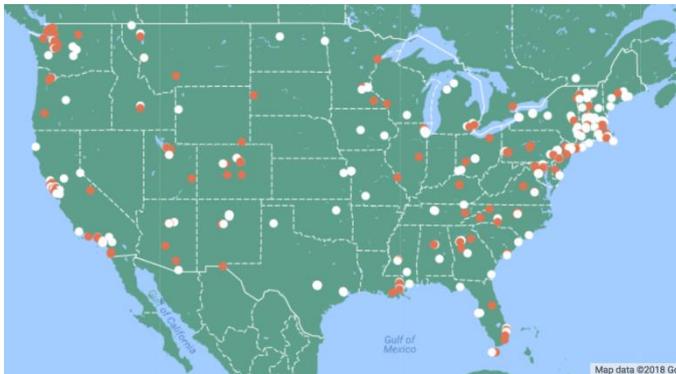
CLTs successfully

- Create and preserve permanent affordable housing
- Prevent gentrification
- Stabilize communities from foreclosure
- Create jobs and support local business
- Empower local communities and enhance local governance

CLTs Internationally

There are over 540 operating CLTs in the U.S., Canada, and the UK combined with tens of thousands of home units with various types of tenure models from rental to full home ownership. It is a model that has decades of proven success of providing long-term affordable housing, below are some examples of this.

CLTs in the US and UK



Successful Examples

In the Proof of Concept: Community Land Trusts, there are 12 case studies from the UK showcased which demonstrate the success and variation in Community Land Trusts. On both the Grounded Solutions and National Community Land Trust websites, there are dozens of case studies with a few listed below.

Hamilton Community Land Trust (HCLT)

In Hamilton, Canada, a CLT has been developing over the last decade although it only acquired its first property in the last year. The following information is taken from their website:

The HCLT formed in January, 2014 after a research report applied the community land trust model to Hamilton. Members of the Beasley Neighbourhood Association and other community volunteers decided that the idea was worthy of further research and community conversations. They hosted a public launch in April, 2014 to introduce the idea to the Hamilton community and gather support and feedback. The event was well-attended by large selection of key stakeholders in the city.

The HCLT acquired possession of their first property at 278 Wilson in the late fall of 2017.

The HCLT partnered with Habitat for Humanity Hamilton to create an affordable housing initiative, based on input gathered in our community visioning sessions in 2014.

Now, just a year from acquiring possession, the site has been transformed from an empty lot in the downtown core into a beautiful new home.

In the supporting materials, two documents give the HCLTs history and future plans:

- Community as Developer A Beasley CLT Background Report Prepared by: Allison Maxted, November 2013
- Owning Hamilton's Future Together, CLT Action Plan 2016-2020

Champlain Housing Trust (CHT)

The following information is taken from the CHT website, www.getahome.org

The Champlain Housing Trust, founded in 1984, is the largest community land trust in the U.S. Throughout Chittenden, Franklin and Grand Isle counties, CHT manages 2,200 apartments, stewards 565 owner-occupied homes in its signature shared-equity program, offers homebuyer education and financial fitness counselling, provides services to five housing cooperatives, and offers affordable energy efficiency and rehab loans. In 2008, CHT won the prestigious United Nations World Habitat Award, recognizing its innovative, sustainable programs.

History

Burlington Community Land trust (BCLT) and Lake Champlain Housing Development Corporation (LCHDC) were each founded in 1984 with the financial support of the city of Burlington in partnership with neighboring communities and citizen groups.

BCLT focused on neighborhood improvement and expanding homeownership and LCHDC focused on rental housing production. Both groups were charged with producing and maintaining permanently affordable housing - be it rental or homeownership - for low income individuals and families. By merging in 2006, they combined their strengths to form Champlain Housing Trust to comprehensively serve the affordable housing and community development needs of Chittenden, Franklin and Grand Isle Counties. Permanent affordability and community ownership through our membership structure are hallmarks of the community land trust model that BCLT developed and modeled nationally and that we proudly carry forward in CHT.

Beyond just being an affordable housing provider, the Trust has a number of values which add additional value to their community including energy conservation and smart growth, diversity and inclusion for CHT employees and beneficiaries, as an employer they are committed to a livable wage and welcoming workplace, and they provide wraparound programmes through partnerships with social service agencies.

How CLTs Work

CLTs own and steward land to support a range of community uses including homeownership, local business and agriculture. CLTs maintain long-term stewardship over the land by issuing long-term (99 year) leases with affordability requirements to the homeowners, business people or farmers. Deed restrictions and other long-term affordability mechanisms can also be used by CLTs for additional flexibility. Because the land is not owned by the homeowner and is under a long-term lease (leased at a “peppercorn” rental rate), the land cannot be “flipped” by speculators who buy undervalued land with the intention of selling it for profit. In essence, the CLT keeps the value generated by public and collective investments in the hands of the community.

A community land trust can improve quality of life for working people.



The community's essential workforce — people employed in public safety, healthcare, education, local government, farming and small businesses — powers the local economy, but they can be priced out of housing near their workplace, public transportation and schools.

COMMUNITY OWNED LAND enables locally controlled permanently affordable housing for community members.

← single family → multi family →



- Community Land Trust residents own their homes but lease the land.
- Leases are for 98 years, inheritable and allow owner equity in improvements.
- Leases can set terms for occupancy that serve community goals.
- Resale restrictions in the lease ensure community control and affordability.

A community land trust owns land on behalf of the community to ensure permanent access, control and affordability for local residents.

communitylandtrust.org

Who Controls a CLT?

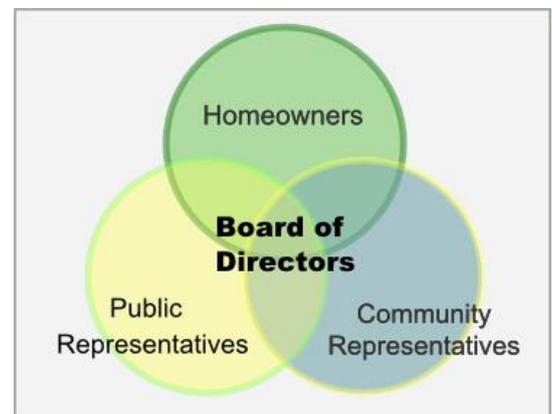
A typical community land trust is a non-profit run by a board, staff, and community members. The community land trust’s structure helps to balance the interest of its residents, the broader community, and the public interest to promote wealth building, retention of public resources, and solutions for community needs.

A CLT can either be a stand-alone organisation or can be started within an existing organisation. Some CLTs start from a neighbourhood association taking on affordable housing and then form into a non-profit organisation. In a few cases, even the local government can be the holding entity for the Trust.

For example, the Chicago Community Land Trust (CCLT) was founded in 2006 to address the increasingly limited supply of funding for affordable housing. It is a non-profit corporation, with a board of directors that is appointed by the Mayor with Chicago City Council consent. The Land Trust operates citywide and is administered and staffed by the Chicago Department of Planning and Development. Once the CCLT acquires 200 homes, one-third of the Board will consist of CCLT homeowners.⁹

The CLT Board of Directors

A CLT has a 3-part board that includes homeowners, public representatives and community representatives. Usually, there is a steering group that starts the process of building awareness and interest in the CLT model. Some of these steering group members could become board members. There are three CLT Manuals/Handbooks written that include detailed information on board formation. The question of who actually sits on the board depends on whether the CLT is created as a new entity, where board membership would be broad and inclusive, or is started from within an existing organisation where the board members would be a higher percentage from the originating organisation.



The CLT model relies on active enforcement, with the structure of the community land trust itself being designed to avoid the risk that, if the majority of people involved in governance were homeowners, they would have an incentive to relax the covenants in their own self-interest. The Davis report¹⁰ is strong evidence for the proposition that retaining owner-occupied housing within a pool of affordable housing requires both careful design of the property rights held by the homeowner, and ongoing monitoring and oversight to ensure that the housing remains within the affordable pool regardless of changes of ownership.

Resources for starting and managing a CLT

There is no need to reinvent the wheel when it comes to the process of starting and managing a CLT but adaptations are needed to make the model specific for the NZ context

⁹ City of Chicago, Chicago Community Land Trust webpage: www.cityofchicago.org/CCLT

¹⁰ Davis, John, *Shared Equity Homeownership: The Changing Landscape of Resale-Restricted, Owner-Occupied Housing*, report for the US National Housing Institute, 2006

nationally and even per region, particularly when considering local development ordinances, local Council's buy-in and participation, land and property availability, local funding partnerships, local community housing organisation partnerships, and relationships with local financial lenders.

CLT National Networks

Grounded Solutions in the U.S. and the National CLT Network in the UK have a lot of resources for helping CLTs to start and stay successful. Assistance for starting up and growing a CLT is best done through membership with either or both of these networks where, for a reasonable yearly fee, some services are provided free and others at a reduced rate. The basics for what are offered are listed below with details of cost and extent of the service found on the respective websites.

- Resources library
- Learning events
- Technical Assistance
- Annual professional conferences
- Start-Up Hub Guide (On the Grounded Solutions website)
- Templates

Grounded Solutions (U.S.)

Membership of Grounded Solution in the U.S. has the following benefits:

- Access to technical advice through their Help Desk, a type of call-in consultation
- Peer-to-peer connections
- Access to member-only trainings and resources
- Discounted registration fees for our national conference and other events
- Ability to apply for scholarships to conferences and other trainings
- Ability to apply for grants, technical assistance awards, and event sponsorships (organizational members only)
- Opportunity to serve on member-only committees
- Opportunity to nominate oneself as a candidate for the Board of Directors
- Opportunity to vote on Board candidates

Membership dues range from USD \$550 for large non-profits to USD \$100 for start-up organisations and USD \$150 for individuals.

Grounded Solutions technical assistance and expertise

In terms of the types of technical assistance and expertise available through Grounded Solutions:

Making Programs that Work:

- Detailed Policy and Program Designs
- Program Implementation, Evaluation and Refinement

Housing Planning and Strategy:

- Comprehensive Housing Strategy Formation
- Integrating Lasting Affordability into Policies and Investments
- Affirmatively Furthering Fair Housing
- Market Research and Financial Feasibility Analysis
- Resident Displacement Prevention
- Revenue Generation and Housing Trust Funds
- Affordable Housing Preservation Strategies

Inclusionary Housing Policy Design:

- Best Practices and Case Studies
- Financial Feasibility Analysis
- Custom Inclusionary Housing Calculators
- Incentive Zoning, Cost-Offsetting, and Voluntary Policies
- Impact Fee and Commercial Linkage Fee Programs
- Market-Sensitive Policy Design
- Administrative Procedures Manuals
- Program Assessments

Homeownership Program Design:

- Affordable Pricing and Resale Formula Design or Review
- Legal Instrument Customization or Review
- Monitoring, Compliance, and Stewardship
- Policy Manual Customization or Review
- Shared Equity Business Planning

- Fee and Revenue Analysis
- Shared Equity Program Adoption Analysis

Research:

- Case Studies of Housing Programs and Policies
- National Field-Building Reports
- Client-Tailored White Papers

The National CLT Network (UK)

The National CLT Network have four membership packages to suit a wide range of groups, organisations and individuals wanting to play a part in the CLT movement. Membership costs range from yearly dues of £530 for organisations with a large operating budget to £49 for a start-up and even though that aren't yet connected to a CLT can join as an associate for a small fee. The services offered for each type of membership can be found on the National CLT Network website, www.communitylandtrusts.org.uk

In addition, the National CLT Network in the U.K. offers legal services to its members at a discounted rate and free legal advice.

Legal advice packages through the National CLT Network, for a fee, include the following:

- land acquisition
- development advice and negotiating agreements
- construction contracts
- board training
- dealing with complaints or disputes
- health and safety
- housing management
- governance issues

Australian Expertise:

Louise Crabtree from Western Sydney University, who is an expert in CLTs, came to New Zealand to present about the CLT model at the Community Housing Aotearoa-IMPACT Conference in 2015. She is co-contributor for the Australian CLT Manual.

In addition there is the **CLT Associates** located in Australia which is a new housing social enterprise. One of the directors of CLT Associates, Gary Flomenhoft, has the intention to move to New Zealand in 2019 and so will soon be starting the process of investigating the financial and legislative environments in New Zealand for successful CLT development. At this point he's only familiar with the Australian context which is different from NZ in regards to the ability to hold land in a trust. The Australians have gotten around that with how they word their documentation but it functions, for all intents and purposes, like the conventional CLTs of the U.S. and UK.

CLT Handbooks, Manuals, Guides

- *The CLT Technical Manual*, edited by Kirby White, 2011
- *The CLT Handbook*, a resource for UK based organisations
- *The Australian CLT Manual*, co-written by multiple authors including Louise Crabtree, February 2013.

CLTs for Housing Affordability

The first tier of affordability that a CLT provides is the ability to buy a house without buying the land under and around the house. As previously mentioned, the CLT owns in perpetuity the land on which the housing sits which is only leased at a small fee to the homeowner.

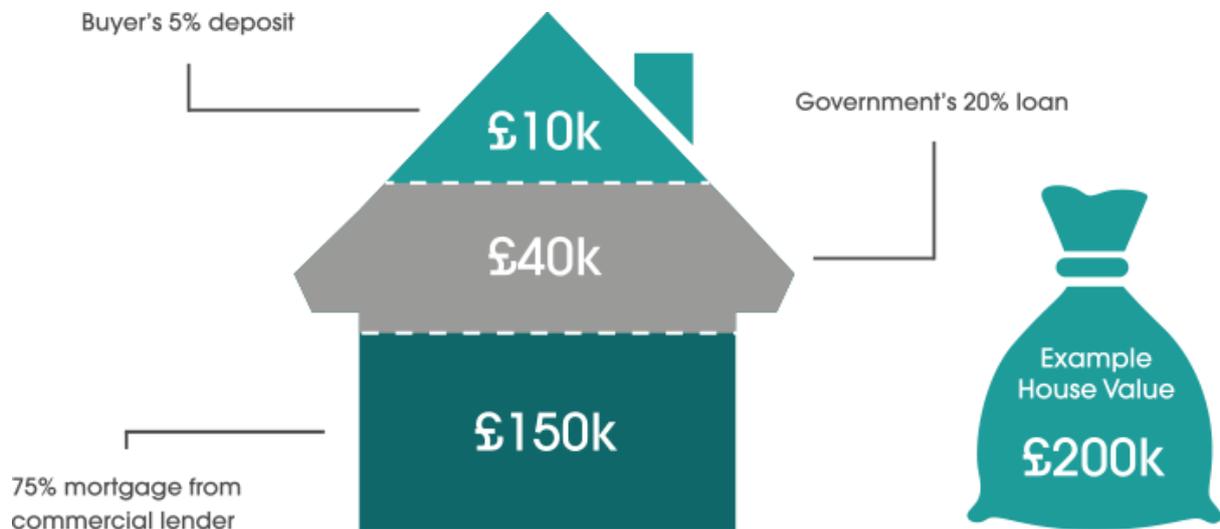
Shared Equity

The second tier of affordability comes from the CLTs potential to secure and allocate equity funding/subsidy towards the cost of the home. And, because the CLT controls the resale of the house sale through the agreed resale formula (see example below), it means that the subsidy applies to the home itself rather than to the family that owns the home and then can continue to serve future families. In essence, the homeowner receiving the subsidy is "paying it forward."

In the U.S. and the UK, subsidies and funding for both land and shared equity finance come in many forms. In the U.S., the report "The City-CLT Partnership" and in the UK, the report "Community-Led Housing, A Role for Local Authorities" both lay out numerous opportunities and strategies for local government to support CLTs and community-led housing as well as providing many successful stories from a diversity of communities.

The image below shows how the shared equity works with the homeowner only needing to take a mortgage for 75% of the house cost and come up with a 5% deposit because the CLT

has leveraged a government loan (or subsidy) for the other 20% and negotiated with the financial lender for the low deposit amount.



The following information on ground lease and resale formula has been taken from the Housing News Network, Volume 30, Issue 3, November 2014.

Ground Lease

A central feature of the model is the dual ownership structure whereby the CLT owns the land, but the homeowner owns the home on the land. The homeowner holds a long-term (99 year) renewable ground lease, which contains a resale formula that ensures affordability in perpetuity, and gives the CLT the right to repurchase the home in the event of default. The ground lease is equally protective of the individual homebuyer's interests, providing long-term security, while at the same time providing an opportunity to build equity and benefit from a portion (typically 25 percent) of the appreciation on the home, should property values increase.

Resale Formula for Selling a CLT House

CLTs use what is known as a resale formula to determine what a CLT owner can sell their home for when they wish to move. Most Community Land Trusts use what is known as the "appraisal method" for setting the resale price. When a CLT buyer wishes to sell, an appraisal is conducted to determine the current value of the home, not including the value

of the land. The initial sales price of the home is subtracted from the appraised value at resale to determine the amount of appreciation. Resale formulas allow the seller to retain a percentage of the appreciation, usually 25 percent. The resale price is then set at an amount that covers the initial sales price, minus any subsidy, plus 25 percent of the appreciation. The premise is that incomes will have risen during the time the seller owned the house, allowing the next income-eligible buyer to purchase the home without any subsidy.

Example of the appraisal-based resale formula at work

In the example below, a household earns \$39,180, is considered low-income, and lives in a community where it is difficult to find homes below \$180,000 (except for those in need of substantial repair). As we can see from the Table below, the family needs almost \$34,000 in subsidy to qualify for a mortgage to buy this home.

Initial Borrower Income	\$39,180.00
Loan Term (months)	360
Market Price	\$180,000.00
Value of Dwelling	\$144,000.00
Value of Land	\$36,000.00
Down Payment	\$2,880.00
Subsidy to purchase dwellings	\$33,949.08
First mortgage (value of improvements less down payment and subsidy)	\$107,170.92

Fast forward 10 years and the original buyer is ready to sell. If we assume an average annual appreciation in housing prices of 4 percent, the home will be worth \$199,832, or \$55,832 more than the original price. At sale, the seller will receive 25 percent of the appreciation, or \$13,958. During the 10 years of ownership the seller will have paid off \$23,238 of the first mortgage. So, at sale, the seller will receive a total of \$40,076 (their share of appreciation plus the equity they have in the home, plus their initial down payment).

So how does this keep a home affordable? In this model, instead of a home being sold for the maximum amount it can get on the market, the resale price is determined by the resale formula – or how much is needed to pay off the outstanding principal on the first mortgage, provide the appreciation share and equity to the buyer, and sometimes a fee to the CLT. In our example, at resale in year 10, this home could sell for as little as \$124,009, as shown in the Table below.

Original Sale Price	\$144,000.00
First Mortgage amount	\$107,170.92
Down Payment returned to seller	\$2,880.00
Seller’s outstanding First Mortgage principal	\$83,933.32
Seller’s equity	\$23,237.60
Appreciation share to seller	\$13,958.24

Resale Price (sum of outstanding mortgage principal, seller's equity, share of appreciation to seller, and seller's original down payment)	\$124,009.16
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Let's assume that over the 10 years our original buyer held this property, incomes rose 2 percent annually. At the time of resale, our family that was earning \$39,180 would be making \$47,760, and still be considered low income. Depending on the interest rate at the time of resale, the next income-eligible homebuyer with an income comparable to the seller's could qualify for a mortgage on this home without any additional subsidy. Like any affordable housing program, Community Land Trusts use subsidy to make the initial home purchase affordable. The difference is that by limiting the resale price, subsidy is not needed for a subsequent buyer, creating a supply of permanently affordable housing.

Moving on from a CLT House

A common question is "how will a family fare when they sell their CLT house which has a capped resale to buy into the "market" where house prices will have risen way more than the CLT resale price?" There are other factors to consider in terms of value added to the CLT homeowner family which is not the case when a home is considered an "asset" as it is on the conventional market. CLT homeownership is not suitable for every person or family, for instance it wouldn't be suitable for a person who is only temporarily living in the area, who is looking for an investment home, or the unemployed who cannot repay the home loan. It is a means for a low to medium income family (those within the intermediate housing price range) to get their first start in homeownership, build equity, have stability, live where they work and have a sense of community, and to be able to put down roots.

- A CLTs target beneficiary group are those who are settled in the area of the CLT and plan to live and work there for good or for a considerable amount of time.
- The family situation could change over time so that the same size house needed when the family had small children needing many bedrooms is different after the children have moved out of the house and the couple only need a one or two bedroom.
- The house equity can be used to leverage finance for other life goals like university education of the children, finishing one's studies, being able to have one parent be a stay-at-home parent, ability to save more and finance other life goals.
- Homeowner education before and during buying a CLT house includes understanding finances, saving, and what capped resale means.
- If there are other CLTs in the country, a family can move to a house in another CLT.
- Over time, a family has the opportunity to grow professionally and increase their income in other ways.

Funding and Finance for CLT Organisations and Projects

Funding Assistance for the CLT and the homeowner

The third tier of housing affordability that a CLT can provide is in the form of helping the homeowner secure housing subsidies and perhaps other subsidies, funding and wrap around services.

Each of the manuals (U.S., UK, and Australia) listed in the resources section above, have an entire chapter dedicated to the matter of funding and financing CLT projects—from the starting the organisation to acquiring the land and financing of the homes. There are so many options and avenues to learn from that could be adapted for the New Zealand context.

In the U.S. and UK, where there are hundreds of successful CLT projects over decades of operation, securing funding and finance is easier to attract than it would be here in NZ where the concept is new but if funders and financial institutions can learn about the CLT successes in other countries, they perhaps would feel more assured to back the model here. The Grounded Solutions and the National CLT Network as well as the three CLT manuals offer suggestions and leads as well as templates for funding and finance.

The following excerpts are taken from the document, *Investing in Community Land Trusts: A Conversation with Funders of CLTs*, By Miriam Axel-Lute, October 2010. This information provides a bit of context about some of the concerns that funders have had and how they have navigated through these concerns.

“Community land trust funders have come to work with CLTs along a variety of paths, engaged with them on different levels, and chosen to support them for very different reasons. But one unifying thread among all the CLT funders we spoke with was that they saw it as an exciting model that had the potential to take a much larger role in affordable housing and neighborhood stabilization/revitalization work.

For others though, the idea was completely new to them or their board when the first grant request came in. CLTs’ unusual approach to housing and equity building sometimes took a little time to understand and get used to. The Field Foundation, for example, was first approached about funding a CLT in 2004 by the West Humboldt Park Community Development Council, on Chicago’s near west side. “We were familiar with rural, open-space preservation land trusts in our environmental portfolio,” says program officer Kim Riordan, “but the concept of an urban land trust for permanently affordable housing was completely new to us. We were intrigued by the idea. We did have some concerns about whether they would be able to pull it off, attract other funders, work in an urban setting. But historically our funding has focused on seed funding for new, innovative ideas, so we

saw it as an innovative solution worth taking a risk on. It was a disappointment to us that other larger private funders didn't join us."

The Walter & Elisa Haas Fund actually chose not to fund CLTs the first few times they applied. "They had come in through the asset-building door," explains Amanda Feinstein, "but in our asset-building work we've homed in on small business development, financial education, access to financial services and savings strategies." This means Haas thought of CLTs more as affordable housing than an asset-building proposition. Now, however, they are funding the Oakland Community Land Trust as part of a foreclosure response strategy, where it supports their goal of preserving affordable housing in communities hard-hit by foreclosure—and, as a bonus, builds wealth as well.

The Field Foundation had also supported advocacy for subsidized housing, so "the permanent affordability, as opposed to a subsidy that would expire and having to take up that mantle all over again," was especially appealing.

"The permanent affordability feature of the CLT is very appealing to us, more so than other nonprofit approaches that are only affordable to the first family going in," says Erik Torch of the Northland Foundation. "Now that we're seeing resales, we can see that the model is working the way it was intended to work. Many of the families moving out of the CLT are moving into market-rate housing. And those homes are now open to new low-income families going into their first homeownership opportunity."¹¹

In fact, beyond a larger role for the model, several funders saw the values and methods of CLTs as potentially influencing the whole housing sector and housing paradigm.

"The CLT model is a critical piece of the whole housing continuum to move families and communities forward," says Walz. "If we can keep them healthy and thriving, CLTs are in a unique position to stabilize the whole sector for us. They are, in a way, building the leadership for the future." "They have all these wonderful statistics behind them," notes CCHD's Mattingly-Paulen. "I would like to see land trusts coming together and building their power, so they can get funds from the national level, the federal government. They have a great story to tell and they need to lift themselves up as a solid model that works." "If advocates for the CLT model engage in this conversation," Brown adds, "they can reframe the current housing dialogue. But CLTs have to be aggressive and push us all to rethink the policies and programs we support."

¹¹ Investing in Community Land Trusts: A Conversation with Funders of CLTs, By Miriam Axel-Lute, Prepared for the Neighborhood Funders Group Annual Meeting Minneapolis, MN September 29 - October 1, 2010

CLT Fund

In the UK, there is the CLT Fund which was established in 2008 to assist in the development of CLTs and is funded by the Tudor Trust, the Esmee Fairbairn Foundation, the Charities Aid Foundation and the Nationwide Foundation¹². The brochure for this fund is provided in the supporting materials for this report. It provides grants and loan capital and is split into four tranches, to reflect the different stages in establishing and developing a CLT:

1 Feasibility Fund – one day of guidance and support from an expert in Community Land Trusts.

2 Technical Assistance Fund (TAF) – Grants of up to £5,000 for CLTs to help them buy in professional or technical advice.

3 Investment Fund – pre-development finance – support for organisations that have definite ideas about their development but lack the finance to undergo the planning process and associated preparation. If the scheme proceeds the sum borrowed must be repaid plus 25%. If it fails to proceed, the loan can be written off.

4 Investment Fund – development finance – The CLT Fund offers development capital loans for building affordable housing of up to £300,000 to top up commercial development capital already secured from banks and other investors. At this stage we would expect to see a business plan, designated land with planning permission and architectural drawings of an affordable housing project. Interest rates for development capital loans are typically 7% and secured by at least a second charge over the land and building.

The Charities Aid Foundation also has CLT Fund information on their website¹³

The CLT Fund provides two distinct types of financing to support community housing schemes in the UK. We provide pre-planning finance from £20,000 to over £60,000 and development finance from £200,000 to over £400,000 that can be used for:

Pre-planning finance - Unsecured loans from £20,000 to over £60,000 (the final amount offered is dependent on the risk of the scheme and the number of affordable homes being constructed). The loan has an annual interest rate of 10% payable when capital is repaid. If planning permission for the scheme is refused, we may write off the loan.

Development financing - Loan financing from £200,000 to over £400,000 to finance construction costs of affordable homes. The loan takes second-charge which enables the leveraging of the secured finance (eg from a bank). The loan has an interest rate of 7.5%.

¹² Delivering Affordable Sustainable Housing, Community Land Trust Fund, leaflet

¹³ The CLT Fund, Charities Aid Foundation, www.cafonline.org/charities/borrowing/social-investment/community-land-trust

Additional information on funding for CLTs in the UK can be found on the National CLT website.

Financial Appraisal Tool

This tool can be downloaded from the National CLT Network website and will help a CLT develop a financially viable affordable housing project. It can be used as a 'living' document and should be updated as the project develops.

This free Financial Appraisal tool, developed by Jon Watson Consulting, helps a CLT produce a robust project appraisal. Project managers can take it to funders and other partners to demonstrate the project is viable and to help them understand the business case.

A member of the Board, Committee or Steering Group might take responsibility for managing the financial appraisal tool or one may prefer to use it under the guidance of a suitably qualified advisor or consultant.

Government Support for CLTs

Government Support for CLTs in the U.S. and UK

As seen from the dozens of case studies reviewed for this report, where the CLT has the best chance of success is where it has support in helping get established from local government. In the City-CLT report¹⁴, they state that:

Until recently, most municipalities were willing to commit significant resources to a CLT's projects and operations only after the land trust had been established. Today, many jurisdictions either take the lead in creating the CLT or become closely involved soon after neighborhood leaders begin the planning process. Given their early participation and investment in CLT projects, local governments have begun to pay closer attention to the decisions and tasks that lay the foundation for the land trust's success.

The critical period in a CLT's start-up phase is the year immediately preceding incorporation and the first two years of operation. Local governments can bring a full range of support to the table during this phase, from playing a modest role in publicizing the shared goals of the CLT to making major investments in its portfolio and operations.

From the Proof of Concept: Community Land Trusts¹⁵, they outline **the role that government can play to help CLTs succeed**. Below is an excerpt from that document:

If a CLT is to be successful some of the required actions by government include:

- To value public benefit and social impact when disposing of public land and property assets.
- To provide timely and proportionate public investment to emerging CLTs and their support organisations.
- To create fiscal measures, e.g. tax breaks and investment tax relief support to encourage private investment finance into the affordable housing sector.

¹⁴ The City-CLT Partnership: Municipal Support for Community Land Trusts, by John Emmeus Davis and Rick Jacobus, a Policy Focus Report of the Lincoln Institute of Land Policy 2008

¹⁵ Proof of Concept: Community Land Trusts, by Dr Bob Paterson and Professor Karl Dayson, University of Salford, Manchester, led by the Community Finance Solutions, 2011

- To encourage mainstream finance and mortgage providers to support the sector with commercial products.
- To continue to promote the concept that local people are able to manage and control community owned assets as a step towards creating resilient communities.

CLTs for Community Empowerment & Local Governance

In the publication, *Empowering Local Communities? An International Review of Community Land Trusts*¹⁶, the writers state that shifts in government policy have enabled communities to provide better for their housing needs. The excerpt below details some of the ways that local government shifted towards a “localism” approach to housing.

CLTs are of increasing interest in English housing policy and have received pronouncements of political support since the election of the Conservative-Liberal-Democrat UK Coalition government in 2010 (HM Government, 2010)

In England, a national CLT demonstration programme, funded by charitable bodies ran from 2006-2008, leading to the creation and development of over 80 CLTs around the country by 2011 (National CLT Network, 2011)

Upon election, a commitment was made to create new trusts that will make it simpler for communities to provide homes for local people (HM Government 2010)

Planning policy reform, with a shift from regional strategic planning to the micro-local level, has been central to the application of localism to housing and planning and also to the government’s attempts to facilitate CLTs.

In particular, the creation of a Community Right to Build (CRTB) in the Localism Act aims to allow community consensus to determine the outcome of local planning decisions, an avenue CLTs may exploit to deliver affordable housing (CLG, 2010) The CRTB has been framed as a mechanism to return power and decision making from the perceived bureaucracy of the public sector planning system to local communities, who are seen as best equipped to identify and meet local housing needs.

The CLT approach has a real future. With less money in the government coffers, the CLT approach provides a way of communities delivering their own services, housing, pubs, community enterprises. I really think it’s the way of the future’ David Graham, Chair, Lyvennet Community Trust. The Trust was incorporated in 2009 in the UK, after a

¹⁶ Empowering Local Communities? An International Review of Community Land Trusts, by Tom Moore and Kim McKee, Housing Studies Vol 27, No 2, p.280-290, Mar 2012

community housing meeting where local Councillors and community members came to hear the outcomes of a local housing survey and to explore provision of local affordable homes via a CLT.

Community-Led Housing (CLH): a Key Role for Local Authorities

Community Land Trusts are a form of Community-Led Housing. In 2017 a report on Community-Led Housing: A Key Role for Local Authorities was compiled in the UK¹⁷. The importance and ways that local authorities can support CLH for affordable housing are quoted in the below paragraphs:

The Commission on Community-Led Housing

The Housing Commission (www.ccinhousing.co.uk) was set up in September 2016 by the Cooperative Council' Innovative Network (CCIN), led by Croydon Council, to encourage and enable local authorities in England, Scotland and Wales to foster and support co-operative and community-led solutions to the housing crisis. The Commissioners include representatives of local authorities, campaigning and support organisations, policy experts and leaders of community-led organisations.

Community Led Housing can provide a way for local people to achieve their aspirations for an area. It fosters accountability and ownership and, in turn, helps to mobilise support for development. People who come together to decide what housing goes where and acquire a role in the ownership, stewardship or management of the homes, develop a strong sense of community. This is associated with taking responsibility for their neighbourhood, high satisfaction levels and low anti-social behaviour. This benefits not only the people involved in developing and managing the homes, but the wider community too. CLH can develop skills in the community in the construction and management of new homes, and provide jobs and training for local people involved in renovating empty properties. The Commission is advocating CLH precisely because we recognise the shortage of public sector resources for housing. All forms of delivery are going to be needed if we are to meet the challenge of increasing housing supply, and CLH can help. We encourage a strategic approach that adds CLH to the housing mix and considers how it can expand the supply of affordable housing.

Political and senior officer leadership in local authorities can provide the crucial first step to support CLH. They can do this by recognising that it can contribute to the supply of housing and adopting a coherent corporate approach to CLH.

¹⁷ Community-Led Housing: A Key Role for Local Authorities, by the Cooperative Councils Innovation Network, 2017

How local authorities enable or support Community-Led Housing

The support authorities give to CLH varies greatly, depending on their local circumstances and priorities. They can enable CLH through policy and support it with resources. Authorities named in brackets refer to case studies in this report.

1. Leadership

Ideally this would include both a political champion with the ambition to support CLH and an officer champion to link up the ambition with the authority's strategy and processes across the organisation (East Cambridgeshire).

2. A policy environment supportive of CLH

Aligning planning, corporate asset management and housing policies can create opportunities for CLH schemes. Housing policies that enable CLH would include a housing strategy that includes CLH schemes as part of its approach to affordable housing delivery (Lewisham); an empty property strategy that includes CLH resources to tackle empty homes (Leeds); and an allocations policy that identifies potential CLH residents from households in housing need.

3. Land made available through planning policy

A review of sites can assess their suitability for CLH and the local plan can make provision for CLH schemes (Brighton and Bristol). Planning policy can allow development on rural exception sites with the presumption that it is to be community-led, and a supplementary planning document can set out clearly what is required of CLH projects in order to increase the chances of their obtaining planning permission (Cornwall, East Cambridgeshire).

Resources 4. Council assets provided through sale or asset transfer

Authorities may identify small sites not appealing to larger developers. Granting a long lease at a peppercorn rent increases the CLH organisation's asset base, enabling it to borrow more resources for the project (Brighton, Leeds, Lewisham). Some authorities in low demand areas transfer empty properties at nil or discounted value to CLH groups in order to regenerate a neighbourhood (Hull, Liverpool).

Sales at less than best consideration are possible under certain conditions where the disposal is likely to contribute to economic, social or environmental wellbeing and the undervalue is less than £2m. Even if an authority cannot dispose of an asset at a discounted value, offering a deferred payment arrangement or an exclusive option to buy for one year could enable a group to raise the loan. (Leeds, Bristol). If a site is designated for affordable housing, the CLH group may be able to afford the market value.

5. Funding by local authorities

Some authorities fund CLH by using sources such as Right to Buy receipts (Leeds, Hull), prudential borrowing, second homes Council Tax, commuted section 106 sums and the New Homes Bonus. The Community Housing Fund has enabled some English authorities to support CLH for the first time. The Welsh Government co-operative housing programme includes revenue funding to develop 19 pilot CLH schemes, delivered through Welsh Cooperative Centre (Carmarthenshire). Revenue funding includes start up grants to meet the costs of constituting a group, and revolving loans funds for pre-development costs, as well as support for fundraising (East Cambridgeshire). Capital funding includes grants and revolving loans to support the costs of purchase, site remediation, construction and property refurbishment (Chichester, Cornwall, Hull, Leeds). A revolving loan provides up-front capital to buy sites and reduce the risk to groups. Loans are repaid as the new homes are sold or transferred.

6. Enabling support

Depending on the expertise of its members or staff, CLH schemes will need support and advice through the five stages of a project: forming the group; securing a site; planning, designing and financing the scheme; building; and managing the completed homes. Enabling support can be provided by a local authority or through a national or regional CLH support organisation. Some authorities have helped to set up CLH enablers or umbrella CLTs and subsequently worked in partnership with them (East Cambridgeshire, Bristol, Cornwall). Authorities support CLH through partnership work. They connect new community groups with more experienced ones or with a local housing association committed to developing CLH schemes. East Cambridgeshire has set up a development company to provide an experienced partner for CLH groups. Councils also facilitate the exchange of information on potential development sites or empty homes (Brighton, Hull). They provide guidance on the planning process and support funding bids. Some raise awareness of CLH in the community to foster the development of new CLH groups (Chichester).

The City–CLT Partnership: Municipal Support for Community Land Trusts

A similar report to the Community-Led Housing report from the UK is the City-CLT Partnership¹⁸ report from the U.S. as to how the local municipalities could support affordable housing and Community Land Trusts. The following excerpts are from that report.

¹⁸ The City-CLT Partnership: Municipal Support for Community Land Trusts, by John Emmeus Davis and Rick Jacobus, a Policy Focus Report of the Lincoln Institute of Land Policy, 2008

While community land trusts (CLTs) have existed since the 1980s, their numbers started to increase rapidly over the last 10 years as local governments contributed their support. Among other accomplishments, these public–private partnerships have helped to expand the nation’s stock of permanently affordable homeownership housing. This report is intended to provide guidance to local officials about the most effective ways to invest in CLT start-ups, projects, and operations to achieve this end.

Two key policy needs are driving this new interest in CLTs, particularly in jurisdictions that put a social priority on promoting homeownership for lower-income families and a fiscal priority on protecting the public’s investment in affordable housing.

- Long-term preservation of subsidies. With local governments now assuming greater responsibility for creating affordable housing, policy makers must find ways to ensure that their investments have a sustained impact. CLT ownership of the land, along with durable affordability controls over the resale of any housing built on that land, ensures that municipally subsidized homes remain available for lower-income homebuyers for generations to come.
- Long-term stewardship of housing. Preserving affordability requires long-term monitoring and enforcement, an administrative burden that local governments are neither equipped for nor generally interested in taking on. CLTs are well positioned to play this stewardship role by administering the municipality’s eligibility, affordability, and occupancy controls, while also “backstopping” lower-income owners to protect subsidized homes against loss through deferred maintenance or mortgage foreclosure.

Municipal support comes in a variety of forms, depending on how well established the CLT is. For example, local governments may offer administrative or financial support during the planning and start-up phase, followed by donations of city-owned land and grants or low interest loans for developing and financing projects. They may help a CLT acquire and preserve housing provided by private developers to comply with inclusionary zoning, density bonuses, and other mandates or concessions. As the CLT builds its portfolio, municipalities may provide capacity grants to help support its operations. Finally, local jurisdictions may assist CLTs by revising their tax assessment practices to ensure fair treatment of resale-restricted homes built on their lands.

As welcome as their support has been, local governments may inadvertently structure CLT funding and oversight in ways that undermine the effectiveness of the very model they are attempting to support. The challenge lies in finding the most constructive ways of putting municipal resources to work in pursuit of common objectives.

Based on analysis of selected city–CLT partnerships across the country, it is clear that there are many effective methods and mechanisms to support the projects and operations of a community land trust while also providing prudent municipal oversight of performance.

The report presents many options for local government assistance during a CLT's start-up, early growth, and mature phases of development, as well as for taxation and regulation of CLT land and homes. Highlighted within each set of options are "model practices" that offer the greatest promise for creating CLTs that are accountable, productive, and sustainable.

Strengths for Establishing a CLT in Hamilton/Waikato

Conditions for CLT success

Why are some areas in the U.S. and UK doing really well with CLTs? According to an article by Tom Moore in the Greater Manchester Housing Action website in July 2018, he says, “If you look around the country, the CLT ‘hotspots’ are in areas where there is a community-led housing hub or enabling service – basically an organisation or group of people that are there to support communities form and develop CLTs.”

According to Dr Bob Paterson and Professor Karl Dayson in the *Proof of concept: Community Land Trusts*, November 2011, for CLTs to be successful, the essential tools and conditions include:

- A strong commitment from the community to drive the project from the start, all the way to the completion of the homes or assets and beyond;
- A ready supply of specialist technical advice and support throughout the process to convert an ambition into homes on the ground;
- A local authority that is prepared to think imaginatively about land or asset disposal or the use of their funding (the New Homes Bonus and the Community Infrastructure Levy), valuing the wider social and economic benefits that community-led housing can bring. This is critical if we are to see CLTs take off in cities.

There are a number of organisations in New Zealand that are already philosophically aligned to the CLT model and have either indicated their support for the establishment of a CLT in New Zealand or would be able to share information and knowledge that would further the establishment of the CLT.

Hamilton City Council: Affordable Housing through Special Housing Areas

According to an article in Our Hamilton, an online news service of the HCC, on September 2018 the Hamilton City Council has moved to better assure a supply of affordable homes under developments in designated Special Housing Areas (SHAs). Below is an excerpt from that article.

“The Council yesterday unanimously signed off an affordability policy saying at least 10% of homes in SHAs must be deemed ‘affordable’ – that is they must be sold at no more than 90% of the average Hamilton house price (which would equate to a price of approximately \$500,000 at today’s prices).

The motion passed by the Council aims to have at least 10% of homes available to first home buyers if at all possible, depending on the criteria the Government is prepared to accept when it comes to signing off on Hamilton SHAs.

The Council wasn't obliged to have an affordability policy but setting it at the "at least" 10% level helped ensure a stronger supply of lower-priced housing.

Hamilton City Council Social Housing Funding

Hamilton City Council passed a resolution as part of the Long Term Plan process in June 2018 to commit \$2m seed funding over the next 5 years toward social housing projects undertaken by community groups, according to Sandra Larson, Funding Advisor for the HCC. Samantha was asked by Sandra in September 2018 to give input as to how the money could be spent and what the HCC could do to support affordable housing, the recommendations are found in the Opportunities & Recommendations for Establishing a CLT section. Since the meeting with the Funding Advisor and other HCC Community Advisors and as of the writing of this report in January 2019, there is no further information available on the HCC website about how this funding will be used.

Aligned & Enabling National Community & Housing Organisations

Community Housing Aotearoa (CHA)

Community Housing Aotearoa's Senior Programme Manager Mark Slade has stated that CHA is very keen to support a CLT model for New Zealand. In an email dated 21 February 2018, Mark stated, *CHA is supportive of the work you are doing investigating the feasibility of the Community Land Trust model in Aotearoa New Zealand. This would align nicely with a piece of policy work we are doing – 'Treating the land differently' – as a mechanism to retain the value in land for the community, promoting both housing affordability and community empowerment and resilience. We would be extremely interested in collaborating with you in any way possible on this project.*

Queenstown Lakes Community Housing Trust (QLCHT)

The most successful model that exists in New Zealand that is closest to the CLT model for housing affordability is the Queenstown Lakes Community Housing Trust. Their "Secure Home" programme, which has just started getting rolled out, operates for the most part like a CLT. They have been successfully providing affordable home ownership to eligible families in the Queenstown District for the past decade and are now moving closer to the CLT model

in that they are capping the resale of their homes, providing shared equity finance, and moving the housing provision into a Trust. The QLCHT have a list of their resources, agreements, reports, and community surveys which can be downloaded from their site.

QLCHT has a range of housing programmes, each designed to assist eligible low to moderate income households, who contribute to the social, economic and environmental wellbeing of this District and are genuinely struggling to commit to the area because of the housing affordability issue. Below is information taken from their website.

Governance

QLCHT is presided over by a board of six Trustees, who between them provide a wide range of expertise and skills. It is well represented by all the relevant professions including legal, financial and property professionals as well as people who know and feel the heartbeat of the community.

Stakeholders

QLCHT is engaged with a wide range of stakeholders including our households, developers, the community, Council and the Crown.

Sources of Funding

QLCHT has received funding through grants from Housing New Zealand and also through ongoing contributions of land, buildings and/or funds from private local developers who have committed support for community housing as part of the up-zoning process of their land. QLCHT receives the bulk of its funding by way of developers' contributions, through the Inclusionary Zoning process.

Eligibility Criteria

In order to be eligible for housing assistance through the Queenstown Lakes Community Housing Trust, your household must meet the following criteria:

You must have lived in the Queenstown Lakes District for a minimum of six months and have made this your permanent home.

At least one adult member of your household must have New Zealand Residency or New Zealand Citizenship.

At least one member of your family must be working fulltime.

You must not own, or have shares, in any property or land, anywhere in the world.

You must not own or be a beneficiary of a business or trust that has adequate income and/or assets that enable you to enter into home ownership independently.

Your total household income from all sources cannot exceed our income caps, as set out below:

Once your eligibility is established, you will go immediately onto our waiting list. Should a housing opportunity arise, the housing programme you enter into will be based on your financial capacity at that time (your household income and deposit).

Housing Programmes

Once QLCHT has decided how best to develop the land, suitable and eligible households are then invited to submit their application under a specific housing programme, determined by QLCHT.

You can register your interest at any time to receive a phone call from QLCHT and have your eligibility for any of QLCHT's housing programmes assessed.

Below are the various QLCHT housing programmes (please note that QLCHT will decide in its sole discretion which housing programme to offer household, based on economic and financial factors).

*Shared Ownership

*Affordable Rental

*Senior Housing

*Starter Loan

*Rent Saver

*Secure Home

The QLCHT works with two banks for their shared equity programme--SBS and ASB banks. When the Hamilton CLT is established and clear about the exact financial arrangements it will be offering its homeowners and renters, it would be helpful to speak with these two banks about their experience in shared equity lending as well as get the agreements they have made with the QLCHT to use as a guide and support for building a relationship with banks in the Hamilton area.

Habitat for Humanity (HFH)

In terms of shared equity housing finance models, Habitat for Humanity has a track record of providing a "revolving fund" to assist homeowners with finance around the world and in

New Zealand. They also have a great programme for on-boarding and educating prospective homeowners and helping homeowners to maintain their properties. In the U.S. and UK, HFH regularly takes advantage of the CLT model to provide even more affordable home ownership.

Most recently, Habitat for Humanity submitted an application to the Hamilton City Council for a housing development on land owned by the Gallagher Trust under the Special Housing Areas (SHA) Act. The conditions were similar to a CLT in that the cost of the buildings would be separate from the land, with the land being held by the Gallagher Trust.

An excerpt from the HFH SHA application in 2018 is below:

The proposed development will be entirely residential meeting criteria 15b of the SHA Policy. Dwellings will be designed and built emphasising the need for high quality and affordable homes for Hamilton. The initial concept for this site will involve establishing a mixed tenure community on land held by the trust. As evidenced in international examples of this model, this allows for the delivery of affordable housing by removing prohibitive land cost. The development of a retained affordability mechanism is the subject of further work. The community will be multi-unit in its design with up to 42 (exceeding criteria 15e minimums of 10, dwellings) and will offer a range of tenures.

These may include:

- social rental
- affordable private rental
- affordable home ownership and
- sell to market properties.

Each unit will be 'simple and decent' with a design informed by urban design protocol. In particular, these will be 'healthy homes' which are free from crowding and which are 'suitable', i.e.: meet tenants' needs and enable them to access employment, education and infrastructure. As such the number of rooms per dwelling will be established based on need and demand data and will range from 1 to 4 bedrooms. Ideally they will also facilitate low ongoing costs (e.g. low-energy houses).

HFH's SHA proposal was approved by the HCC but the project has not gone through on this piece of land as the Gallagher Trust, in the end, because it wanted to keep the industrial land earmarked for potential industrial use and thought that its proximity to industrial activities might not be suitable.

The New Zealand Housing Foundation (NZHF)

The NZHF is a not-for-profit, charitable trust delivering affordable housing for low income households, and supporting many other community providers whom also provide affordable housing in neighbourhoods that work for low income and disadvantaged households.

The NZHF has already completed a number of residential developments across Auckland where their 'Affordable Equity' programme (which offers shared home ownership of the house between you and The Housing Foundation) has proven very popular for first home buyers. They also have an 'Affordable Rental' programme which can be tailored to meet the needs and circumstances of the organisation.

The Housing Foundation has the backing of some leading philanthropic organisations within New Zealand like The Tindall Foundation and they are supported by central and local government in many of their developments and programmes.

As an organisation they are focused on developing communities and growing strong, safe neighbourhoods. They are committed to not only building houses, but also strong communities and futures.

At the time of writing this report, there was no communication with the Housing Foundation about using the CLT model. The Housing Foundation might be operating in the Waikato in the near future so a conversation with Paul Gilberd, the Director, to find out the possibility of the Foundation using the CLT model is an area for investigation.

Rural Land Trusts

Two other organisations in New Zealand that are aligned with the CLT model are Kotare Ecovillage and the Land Trust New Zealand although they are located in the rural areas. Both are navigating the political, legislative, and financial challenges that CLTs face and could offer insights for aspects of an urban, housing CLT. Sharing best practices, wins, legal counsel, financial partnerships, and perhaps sharing advocacy work could assist the urban or housing CLT to succeed.

The Ecological Land Cooperative

In English and Wales, an organisation has been created to facilitate the rezoning of agricultural land into homesteads through an innovative programme that combines housing and livelihood creation. It is similar to the CLT model in that the Cooperative retains the ownership of the land to be able to provide affordable use of the land in perpetuity. There is a lot of rural or agricultural land just on the outskirts of Hamilton so considering how Hamilton-area rural/agricultural land could be transformed for living and livelihood is

another avenue for exploration that could enhance the CLTs ability to serve an additional population and area.

Quoted from their website,

The Ecological Land Cooperative develops affordable, low impact, smallholdings for ecological agriculture. The high costs of land and rural housing make it nearly impossible for new entrants to farming to establish a farm business. By providing affordable and secure smallholdings, we are helping to address this crisis.

Our solution and core business is the creation of small clusters of three or more affordable residential smallholdings. As well as land, we provide smallholders with permission to build their own sustainable home, and with off-grid utilities and road access. Our model allows us to keep costs low, both through buying larger sites at a lower price per acre, and through distributing the cost of infrastructure, planning applications and subsequent site monitoring across a number of smallholdings. The model allows the smallholders to work and learn together and to provide mutual support. Our cooperative retains the freehold on each smallholding in order to protect it for affordable agricultural and ecological use in perpetuity.

Beyond this, our vision is one where land is valued and used as a means to enhance our collective good. At present land in the UK is the target of financial speculation; in contrast, our model champions a collective, ecological and cooperative vision of land ownership and land use.

Kotare Ecovillage

The below information is taken from the Kotare Ecovillage website. They are located in the Hawkes Bay area. One of the reasons for the success of this CLT and ecovillage is that it has the support of its District Council.

KCLT is a non-profit organization whose mission is to actively work to conserve the land by perpetual stewardship. It will use the land to develop Kotare Village, a self-reliant community, where we honour the land and respectfully regenerate its 'Mauri' (life force) such that it can nourish and sustain its members and those that follow.

Most eco-villages are held on the free market and prices are allowed to swing wildly and sometimes out of control. The free market is a major barrier to entry to most hard working families who find it impossible to enter the real estate market with current valuations. Thus, Kotare village will be held by a Community Land Trust (CLT). This is a non-profit community-based ownership of land which not only allows permanent tenure,

democratic governance, but most importantly affordability for housing, farms and businesses as it takes the speculative market out of the equation.

The Landtrust New Zealand

This organisation is set up for Intergenerational Land Guardianship for organic and sustainable farming purposes. The following information is from their website. At the time of this report, there was no communication with the Landtrust.

Their objectives are:

- To preserve New Zealand farmland for food production rather than speculation.
- To make land accessible for new entrant farmers & growers who don't have the means to acquire land
- To encourage rural ecology, soil preservation & enrichment for future generations

National Initiatives in Housing Solutions

National Science Challenge: Building Better Homes, Town, and Cities (BBHTC)

New Zealand is also in a rapidly changing environment regarding housing such as how the central and local governments are considering their part to play in providing affordable housing, changes in legislation regarding funding for housing and development ordinances and zoning regulations. The central government wants to find creative solutions to housing issues and so has created the National Science Challenge: Building Better Homes, Town, and Cities. It has finished phase 1 of funding and is starting phase 2. Lessons learned and research outcomes from both phases will inform government as to how it can better support affordable housing opportunities.

An excerpt from the Challenge's website www.buildingbetter.nz states:

However, there are significant difficulties in New Zealand's built environment which the BBHTC Challenge seeks to address. These issues include our housing supply, the quality of our housing, and the vulnerabilities and underperformance of some of our urban environments.

Challenge Vision - Ka ora kainga rua: Built environments that build communities

Challenge Mission - Manaaki tangata: Co-created innovative research that helps transform people's dwellings into homes and communities that are hospitable, productive and protective.

Following renewed investment from the Government, BBHTC is releasing its investment process for phase two. There is a research budget of up to \$3.3m per annum to invest in research activities that align with the phase two strategic direction. The Challenge will invest in four research programmes of 3-5 years in duration.

This research outcomes have the potential to support the CLT model so it is recommended that the CLT start-up team liaise with the researchers for this next phase to see where synergies could develop.

Maori Land and Housing

There are also shifts taking place within the Maori housing space which could influence or provide for solutions that could be adapted to non-Maori housing development and land ownership models. The Maori Housing Conference was held in Hamilton in November 2018. The conference website states, *The conference provides an opportunity for the regions to show case their leadership and contribution in the “housing space” context and provides a platform for Maaori and stakeholders to share ideas, information, network and to formulate strategies to assist Maaori into quality affordable housing.*

In addition New Zealand has a unique land status for the Maori people based on Maori customary land “tenure”. This community-owned tenure model seems very well suited to the CLT model. At the time of this research, no communication was made with anyone from the Maori Housing Conference or Maori Housing Network about the Community Land Trust model.

Papakainga

The papakainga model is a tenure model that iwi are using in order to accommodate many families to share one piece of Maori land. “Papa” means house site and “kainga” means village. The word is used both to describe the ancestral home of a Maori kinship group and more recently used in housing solution discussions to be “housing development for Maori on their ancestral land.” The papakainga model is becoming more well known as a few housing developments on papakainga land have been written about in the media and even covered on local television. The policies and financial arrangements that facilitate papakainga to be available for medium density housing could be transportable to the CLT model in urban and rural areas for non-Maori. The partnering with iwi and how it can work within the Maori-owned lands is an area for further research. (The Community Land Trust model is mentioned in an article in Maori Law Review, Nov 2012 as a possible tenure model for housing development on Maori land but with no further mention of it being actually implemented.)

Affordable Housing Development Summit

There was an affordable housing development summit held 21-23 August 2018 in Auckland but community-led housing and the CLT model were not a part of the 3 days of presentations or workshops. And, the cost to attend the event was also not very affordable for community-based organisations—at around \$2000 for a ticket. At that price, most community members interested in affordable housing or community-led housing would not be able to afford to attend and meet the role players that could have helped them to gain access to affordable housing networks and tools, and strategies.

What is of interest to note are the various role players that could play a part in advocating for the CLT model, housing associations that could benefit from the model, financial institutions that could be amenable to lending to the CLT (land and/or shared equity), and developers who might like to partner on new builds where a portion of the build be a CLT. Obviously, the price of attending did keep a large number of people, community groups, and organisations from being able to attend so who “else” could be included in the discussions is an area for further research.

Local Governments Taking Leadership for Housing Affordability

Taupo District Council

In 2007, the Taupo District Council engaged a consultant to review the feasibility of setting up a Community Land Trust as a means of providing perpetually affordable housing. The consultancy, McKinlay Douglas Limited, who wrote the report was not able to comment on why the District had chosen not to advance with the CLT model nor did he give a contact name of the person in the District who commissioned the report.

The main impetus of the report was to find a way to make housing affordable for the essential work force in Taupo who were being squeezed out of the market by outside investors. The researcher’s explains that the plus side of the CLT model is that allows the housing subsidy to be passed along to future homeowners thereby making the best use of the subsidy.

Below is an excerpt from that report.

Why should the Council promote the establishment of a trust to develop the intermediate housing market, using sections from its own developments as the catalyst, when it could simply decide to make sections available from its own developments, to defined categories of workers, at a discount to assist them build their own homes?¹⁹

Community Land Trusts: A Scoping Report by McKinlay Douglas Limited, 2007

First, there is an important allocative function. Almost certainly, there will be more applicants than there will be sections or other forms of assistance available. Making the allocative function the responsibility of a separate trust will help depoliticise the allocative function and relieve the Council of a potentially significant pressure.

Second is the question of how to get best value from the subsidy the Council is providing. If the Council simply made sections available at a discount, that would be a one-time subsidy to the household receiving the section. When that household sold, it would capture the whole of the sale price, including the subsidy element.

Much greater value can be obtained if the subsidy element is recycled, with a portion of the sale price being retained by the subsidy provider. This requires not only a long-term relationship with the individual households that receive assistance. It also requires quite close monitoring, and detailed contractual arrangements to protect the interests of both parties.

The typical way in which this kind of subsidy is passed on to individual households is through a shared equity arrangement under which the household makes no payment on the subsidy element, whilst it remains owner of the property, but repays the subsidy element together with an agreed additional amount, usually expressed as a share of the capital gain on the sale. The arrangement also normally requires that the property is used as the principal residence of the household, and restricts any subletting.

The researcher's reasoning for why the name Community Land Trust might be an impediment for its purpose of affordable housing and why it might not be the most suitable model was two-fold.

Firstly, he stated that when selling the CLT house on to a second family that, if the resale/buying price was based on appreciation rather than on the actual income and need of the family, that perhaps the second family would be receiving more financial assistance than it needed. He states, "The failure to apply a serviceability test to Household Two almost certainly means it has received more assistance than required, thus reducing the ability of the community land trust to help other households." This points to the need for the CLT to do a serviceability test to households to ensure best use of its resources.

Secondly, he stated that the concept of taking land off the market might be in contradiction to what the Kiwi mind-set would be comfortable with. From his report, he states, "for CLTs, land is not a commodity, but a fundamental resource in which the community as well as the users have interests. This objective is an entirely appropriate one for a community organisation, but would not satisfy the normal tests of public policy for a tax or rate payer

funded organisation unless there were a broad community consensus, and associated willingness to pay, that land should be ‘taken out of the market’. There is no such consensus within the New Zealand community at the current time.”

If the process of community engagement is followed in setting up a CLT, and considering that the housing crisis has worsened since this report was written in 2007, this could very well not be true in 2018. In fact, feedback from a recent affordable housing event held in Hamilton in Nov 2018 showed that there is appetite within the New Zealand community for taking land out of the market.

Wellington City Council

The following information is taken from the Report of the Mayor’s Housing Taskforce written June 2017²⁰.

Housing is a complex issue, and there will be more than one solution needed. We need to be pulling on every lever and be brave enough to try new things.

Three key pillars for Council to deliver on the Taskforce housing objectives. The Taskforce believes that success is most likely to occur where the issues of housing are collectively addressed, therefore a collective impact approach is recommended. The objective of this initiative would be to lead and co-ordinate the housing solutions for Wellington which involves all parties.

The Council is in a position where it can provide leadership on this issue and has a number of critical roles which can catalyse change across the housing continuum and provide the environment for change. The Taskforce encourages the Council to take a strong leadership role based on the following three key strategic planks:

1. Leadership within the sector Develop a Wellington Housing Strategy and associated Action Plan, to adopt and give effect to the Taskforce vision of “All Wellingtonians Well Housed”, to define all parties’ interpretation of what housing affordability means in Wellington and to clearly articulate the Council’s role in, and approach to, increasing housing supply across all aspects of the housing continuum, with specific projects, programmes, incentives, investments and policy changes to be included in the 2018-28 Council Long Term Plan.

²⁰ Report of the Mayor’s Housing Taskforce (Wellington), June 2017

2. A partnership approach with Central Government Negotiate an agreement (a “city deal”) to ensure a partnership approach with Housing New Zealand Corporation and other Government agencies on the development and provision of additional social and affordable housing opportunities over the next thirty years. This will also include advocacy to central government on potential regulatory and legislative changes that would have an impact on the provision of housing opportunities in Wellington.
3. A partnership approach with Iwi Partners, the Community Sector and private sector partners including developers, builders and other key parties To deliver the vision of “All Wellingtonians Well Housed” that Council take a collective impact approach and work with Iwi Partners, Community Housing Providers and the private development sector to grow the capacity of the housing sector to deliver and manage more social and affordable housing opportunities.

Some of their proposed actions which point toward CLT-type interventions include:

- Identify and work with partners who can develop and introduce a range of tools such as shared equity, rent to buy, co-housing or other affordable housing mechanisms into the Wellington housing market.
- Investigate the potential of a range of measures to promote the development of affordable housing including inclusionary zoning to incentivise mixed developments.
- Refocus the Housing Accord to ensure that future developments with Special Housing Area designations include affordable housing.

Queenstown District Council

The Council formed a working party to address housing affordability and created the HOPE strategy in 2005. One of the recommendations of the strategy was for the formation of a Trust that could implement the strategy. The Trust formed was the Queenstown Lakes Community Housing Trust (QLCHT).

The provision of affordable housing in the Queenstown District is outlined in the MOU between the Queenstown District Council and the Queenstown Lakes Community Housing Trust in Oct 2015. The document states that “The Council and the Trust recognise each other as partners in addressing the housing issues in the District. The Trust is able to operate autonomously and is expected to be both innovative and responsive in delivering housing solutions that meet the needs of the community but at all times being mindful of the broader Council policy.”

The Mayoral Housing Affordability Task Force Report, Queenstown Lakes District, written in October 2017 shows the power of how an affordable housing initiative such as the QLCHT can have a large, long-term impact in an area if it is partnered with the local Council and

other key leadership. It is this collaborative approach with local Council and financial institutions that ensure the best success for a Hamilton-area CLT.

The following information is taken from the Mayor's Housing Affordability Task Force Report²¹:

For the Queestown Lakes District, their vision is: Helping committed residents of the Queenstown Lakes District into decent affordable housing with secure tenure. Their mission is: All of our workforce will be able to own or occupy a home in our District at a cost that allows them to live within their means by 2048, with an initial target of 1000 Community Affordable homes with secure tenure by 2028.

Accessing new funding tools and affordable product offerings will be essential to achieve these goals. It will take innovation from the efforts of the building and development sectors; Council will need to ensure the regulatory system and infrastructure provision are up to the task and that enough land is zoned; QLCHT will need to develop new affordability product offerings and attract investment suited to delivering affordable homes. Instead of any single party bearing sole responsibility, the approach will require all partners to work with each other.

Along the Housing Affordability Continuum, the taskforce endorsed development of two new offerings:

1. An affordable ownership programme, provisionally named "Secure Home" by QLCHT delivering secure tenure through using leasehold land, with the community benefit of long-term retention of affordability
2. A Shared Home Equity Product (SHEP) that utilises private investment, primarily for households sitting outside of the current Trust eligibility, and without longterm retention of affordability.

The Taskforce reached the view that such offerings should be **delivered by a trust**, with the express purpose of ensuring the long-term retention of all community investment, whether that be from resources contributed by the Council, as value uplift from the District Plan/inclusionary zoning, or from other public investment. This approach will ensure those resources are available to deliver perpetual affordability, meaning that we build up a stock of housing over time to meet needs across the housing affordability continuum (in particular for assisted rental and assisted ownership, and possibly for social housing by accessing the Income Related Rent Subsidy with up-front capital payments when available from Ministry of Social Development).

²¹ Mayoral Housing Affordability Taskforce Report for the Queenstown Lake District, Oct 2017

Dunedin City Council

Dunedin City Council's website has information, excerpted below, on their approach the affordable housing called the Better Homes pathway. What is different from this Council's plan from other Council housing plans is that it specifically mentions meeting the needs of migrants for housing: "work with Welcoming Dunedin team to consider Settling In actions in relation to housing, such as provision of Dunedin-specific housing information for migrants."

The Better Homes pathway recognises that adequate, warm and affordable housing is a key area of social wellbeing need for many in Dunedin. As with the other pathways, significant economic gains can also be made through this implementation stream.

A coordinated Council approach to housing quality and affordability issues for the city, working toward a whole-of city approach, is the basis of the Better Homes pathway.

Community Interest and Engagement

Community interest

Shama and the Kirikiriroa Intentional Communities group hosted a Connected and Affordable Living event on 22 November to raise awareness and grow the network for the affordable housing and connected living models that are gaining popularity overseas and even in New Zealand and which facilitates more social connections between neighbours through intentional design.

Shama's interest in the Community Land Trust model and affordable housing and connected living stems from its work in community-led development and social cohesion—looking at projects which put people at the creative helm of their development and that bring people together in connecting ways. Also, Shama helps migrant and ethnic families to settle into their new life in New Zealand so being able to afford a decent home in a welcoming neighbourhood and where women feel connected and included is one of the components for successful communities.

The event showcased and inspired attendees to what is possible here. Presenters at the event came from across New Zealand to share how these solutions for more intentional and community-led housing solutions are spreading across New Zealand like wildfire.

The event attracted more than 200 people from all walks of life and representatives from various government departments and community organisations also attended.

Some of the recurring language threaded throughout the presentations included ideas like “housing is a human right,” “housing is more than an asset,” “everyone deserves a decent home,” “community-led housing,” “gentrification displaces low-income residents,” and “housing for people not profits.”

Feedback from the participants showed that there is a large interest in housing models beyond what is conventionally offered. When it came to people's level of interest in various housing models:

- Ecological and sustainable housing ranked highest at 78%,
- Next an interest in co-housing and tiny homes at 74%, and
- Community land trust and shared equity models at 64%.
- Rural and cooperative housing around 60%.

A large amount of people, 46%, said that “finding others” was a challenge for them to be able to live a more connected or affordably. Another 40% said that policies and legislation as well as cost of land were barriers. And one third said that the cost of housing and availability of land were the challenges.

When asked what gems participants got from the event, some responses:

- “There is a solution for everybody, the status quo is not working”
- “I learned that affordable living is not just about living, it’s about connection and community living, having that community support.”
- “The passion and knowledge the people/speakers share here in NZ and especially looking at other models. Finding out about tiny homes”
- Visions of what co-housing can offer was brilliant. The Te Awa—thoughtfulness of future local development. The HCC presentation—good to get context.
- CLT housing—the housing cost of living is very affordable in cooperative developments
- People discussing alternative ways of living and helping to reduce social isolation and hopefully mental issues.
- Housing projects where type and set up and ideas are specific and coordinated and varieties of prices and styles.
- Really enjoyed the passions for social and affordable living futures

Towards the end of the event, one of the panellists asked the audience if they would be happy or willing to own a house on land that they did not own, referring to the various models presented like the CLT. Almost every hand in the room went up. The mind-set of the Kiwi or at least those not already with a foot in the door of home ownership and affordable seems to be shifting away from the conventional mind-set of needing to own land to one that is willing to sacrifice 100% ownership of everything to be able to live in a way that is more affordable, connected, collaborative, and ecological.

Process and guidelines for meeting with the community to determine needs

For this study, there was no one piece of land determined for the CLT although potential land and partnerships have been identified. So, there are two layers of community needs, the first being the community of Hamilton as a whole and understanding the intermediate housing needs of the city and the second being the various populations and potential beneficiary groups within the city (those within a certain income bracket, migrants, single mothers, retirees, etc).

Some CLTs focus on the essential workforce of the city and providing housing for people in those professions. Some CLTs focus on inner city areas that are suffering from gentrification. Some CLTs are focused on racial inequality where particular racial groups have been disproportionately affected. In some cities, the focus comes from a particular neighbourhood group that champions a CLT model for their neighbourhood. In the case of Raglan and Queenstown Lakes, these cities have identified that the tourist and holiday housing markets are squeezing out locals.

For Hamilton, it has been determined by the Waikato Regional Plan Housing Working Group, formed in 2018, that there is a lack of data on housing affordability and how households are being affected both financially and in other ways by housing affordability and availability. More data will be coming through this Working Group which will be very helpful in determining the populations and areas that are most in need of CLT intervention.

In addition to the Working Group, community housing organisations do have some data on the needs of the populations they are serving but they also recognise that more qualitative information needs to be collected. Keeping in conversation with these organisations as the CLT takes shape to both share and gather information about establishing a CLT for Hamilton will give key information that will direct the CLT to serve where there is a need and support.

The **Whaingaroa Raglan Affordable Housing Project** conducted community housing needs as part of their feasibility study through a survey which is included as part of this report's supporting documentation. The project was funded to contract with an independent data collection company to conduct the data collection and analysis. When the study has been published, the data collection methodology can be used as a guide for Hamilton.

In addition, the Hamilton City Council has been meeting with groups to get community groups' input on how the Social Housing grant that HCC received from central government could be used. The results have not yet been published for this but the information collected will also be relevant for understanding community housing needs.

The following information on engaging community members is taken from the National CLT Network Handbook and can be used as a guide for engaging with the Hamilton community. Only a portion of the chapter was included here but the manual, included as supporting documentation with this report, can be consulted for the details of how to successfully engage with community.

The best method to use to engage with the wider community will depend on the reason for making contact.

For a CLT, some reasons for engaging with the community might be:

- Informing – getting a message across that doesn't require feedback or comment

- Seeking views and information – finding out what people think, what their concerns are, getting information about their circumstances
- Recruitment – inviting people to volunteer, become members, join a working group
- Consultation – provides choice between pre-determined options
- Participation – from getting people together simply to meet and to get to know and talk to each other, to discussing views and making decisions together and agreeing a course of action
- Partnership – working with other groups and agencies, and acting together to make decisions and carry through the action agreed

In addition, there is a range of useful information about these methods and many other aspects of community engagement available on the Community Planning website at www.communityplanning.net

Weaknesses & Threats for Establishing a CLT

What challenges might the CLT face?

Regarding the fallibility of the CLT model, there is very little information available on the Internet on cases where the model itself has failed. As the model is now over 50 years old, having been applied in hundreds of communities of various sizes and typologies, serving a variety of different beneficiary groups, a professional body of best practice has developed. New and established CLTs can make use of the membership benefits from either of two National CLT Networks that provide expertise on all things CLT so, providing that a new CLT starts small and within its capacity, accesses all the available resources and follows all the advice given, it has a great chance of success.

If a CLT is to fail, it will not be the model but rather local constraints (political or legislative) and challenges that keep the CLT from succeeded to its full capacity. Where CLTs have the greatest success is where it is championed or has strong support from the local authority (Council) and strong partnerships with community groups, community organisations and funders.

There are many possible reasons for success variation, including staff resources and skills; differences in mission; financing arrangements; ability to receive donations of land; and the strength or weakness of the local land and housing market.

Hamilton City Council Support for Affordable Housing

Unlike the other Councils mentioned in this document below, at the time of writing this report, the HCC does not have a Housing Affordability Task Team or Working Group and therefore no clear strategy, values, or vision for what the Council hopes to achieve in the way of ensuring affordable housing in Hamilton. At the time of this report, the only means and talk of affordable housing comes in the form of the Special Housing Areas act but it is still vague about what is “affordable,” how it was determined that \$500K is affordable and for whom, and the HCC does not have a set goal for a certain amount of provision of affordable housing for the city within a certain timeframe as do other Council affordable housing reports.

In an article in Stuff on 19 November 2018, entitled “Frustration is mounting as solutions to city's affordable housing crisis are delayed,” Hamilton is not faring well with rolling out its affordable housing plans and some Councillors are questioning whether the amount of \$500K is really affordable.

As quoted from the article:

This month, Hamilton City Council, on advice from the Ministry of Housing and Urban Development, revoked a September decision on housing affordability criteria - making it the third time elected members had the topic in front of them in two years.

Upon revoking the decision, council voted to put the affordability criteria into private developer agreements but that requires sign off from the ministry, too. And there is no guarantee it won't get knocked back again, said council's City Growth general manager Jen Baird.

Cr Angela O'Leary, who questioned Baird on the delays, later said she was frustrated with the slow progress. "In every step we tried to work with the Government and give them what they want, even putting my personal feelings of there no longer being an affordable home for new home buyers aside," O'Leary said.

"We've tried to take a step forward and every time, the minister's office has pushed back. That's frustrating to me because we are trying to deal with a policy that is not going to achieve what the Government wants it to achieve."

Hamilton's three SHAs - Te Awa Lakes, Rotokauri North and Quentin Dr - will build 10 per cent of its houses under Hamilton's criteria. The homes must be sold at 90 per cent of city average home value, to first home buyers and be on fee simple title.

O'Leary said the current affordability level of about \$486,000 is still too high.

"I just question whether we will ever be able to influence the developers to build affordable homes," she said. "Unless the government moves with getting the banks to lower deposits and really getting stuck in that way, it's really unattainable for the average person on an average income."

Cr Mark Bunting asked if the criteria would be watered down as a result of the latest move but Baird said existing agreements would be strengthened and all future agreements will include the full criteria. Council voted unanimously to revoke the September decision on Housing Affordability Criteria and shift it to policy.

Limited Government Funding for Alternative Housing Models

All central government housing funding is currently earmarked to go into either KiwiBuild or Housing NZ with very little leeway to incorporate funding for other innovative housing solutions identified by community housing organisations and local communities. Kiwibuild is seen as still unaffordable by many within the community housing sector and does not have long-term affordability built-in and Housing NZ is only for supplying low-cost renting

within the social housing sector—both missing the mark of meeting the need for the “intermediate” housing population.

Limited Government Regulations on Housing Market and Financial Lending

According to Bryan Bruce, investigative journalist with an interest in the housing crisis, government deregulation is an impediment to home ownership because banks are not regulated in what they are offering in terms of financial lending. “Bruce points out that successive governments have also embraced competition and the deregulation of the banking system, which has had a "dramatic effect on who gets to own their own home today, and who doesn't".²²

In the U.S., the central government stepped in to play a part in expanding home ownership lending. It is something that could be advocated to the NZ Central Government but with particular attention paid to the pitfalls that these agencies have experienced so as not to repeat their failings. The following excerpt is taken from the Federal Housing Finance Agency’s website, highlighting how government involvement with institutional financial lending:

Fannie Mae (Federal National Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage Corporation) were created by Congress. They perform an important role in the nation’s housing finance system – to provide liquidity, stability and affordability to the mortgage market. They provide liquidity (ready access to funds on reasonable terms) to the thousands of banks, savings and loans, and mortgage companies that make loans to finance housing.

Fannie Mae and Freddie Mac also can help stabilize mortgage markets and protect housing during extraordinary periods when stress or turmoil in the broader financial system threaten the economy. The Enterprises’ support for mortgage lending that finances affordable housing reduces the cost of such borrowing.

Risk-Averse Financial Institutions for Lending Alternatives

At the moment, most financial institutions are unfamiliar with the shared equity model for housing finance and there is very little variation on the 20% deposit requirement. With so few financial lenders in New Zealand, there is little opportunity for those with anything less than a 20% deposit to get their foot in the homeownership door.

This report did not investigate the possibility of international lenders or funders assisting with CLT finance.

²² Article from Stuff online, 12 September 2017

Opportunities & Recommendations for Establishing a CLT

Recommendations for the Hamilton City Council (HCC)

Urban Development Authority (UDA)

This report recommends that the HCC consider developing an Urban Development Authority for strategically positioning affordable housing within the context of urban development strategy. In the *Case for Urban Development Authorities in New Zealand*²³, UDAs have the potential to be a valuable policy tool to assist in achieving a range of improved urban outcomes. The use of UDAs for urban regeneration has implications for central and local government. They provide a mechanism to increase the diversity and quantity of housing from within the existing urban area, which is often too complex and risky for the private sector.

As quoted from the report,

UDAs can have an impact on the supply of affordable and social housing. These outcomes are directly influenced by their scale and whether their goals and objectives require them to include social and affordable housing.

Davison et al, (2012) cite a number of policy arguments relevant to pursuing affordable housing through the urban renewal/regeneration process including:

- The need to minimise and offset the impact of planning and residential development processes on the availability of existing low cost housing;
- The need for the planning systems to facilitate greater housing diversity, through spatial strategy and design regulation to achieve spatial equity and support economic prosperity;
- The potential to leverage more substantial housing stock for low-income people, in preferred locations by making affordable housing inclusion a requirement of development (though construction costs and reasonable land acquisition may be met through government incentives and subsidies); and
- The opportunity to recapture some of the gain associated with planning decisions, or create additional gain through incentives, and to apply this profit to achieving public objectives such as a dedicated new affordable housing supply

²³ The Case for Urban Development Authorities in New Zealand, by Ian Mitchell of Livingston and Associated Ltd, Funded by the BRANZ Research Levy, Dec 2016

Developing a Housing Affordability Taskforce

The Hamilton City Council can increase its leadership in the realm of housing affordability following in the footsteps of other Councils in New Zealand that have appointed Housing Affordability Task Forces and commissioned reports to find creative solutions to housing stock and affordability.

- Form a task team for housing affordability and create a report with recommendations such as QL and Wellington
 - Set a vision and a goal for affordable housing targets like QLCHT “all our workforce will be able to own or occupy a home in our District at a cost that allows them to live within their means by 2048”
 - The task team will make recommendations...
- Continue to raise awareness of other stakeholders of the Community-Led Housing and CLT models and that we do our work to learn as much as we can from the U.S and UK examples and QLCHT model.
- Form an organisation to handle all affordable and community housing donations and delivery—such as the QLCHT. I would recommend the name Hamilton Community Housing and Land Trust.
- Advocating for a Hub (funding, staffing, website) for all community-led housing-related services such as Grounded Solutions or the CLT Network in the UK. This is where partnering with National Govt would be beneficial. This could be for national roll-outs or could capacitate the Waikato Housing Hub to be that locally.
- Hold a Community-Led Housing capacity building day-long or two-day long workshop/conference, like in the UK or in the U.S. Bring in experts from historically successful initiatives.
- Take advantage of the SHA review to revamp the policy to include Community-Led Housing support and developers contributions going to a Housing & Land Trust
- Create a “housing report card” (with data and statistics) for housing affordability in Hamilton There were also surveys done by the QLCHT that we could emulate.
- Check out synergies with the National Science Challenge: Building Better Homes, Towns & Cities—there should be some good data coming from that research that will support this case.

Funding & Finance Recommendations

Set up a national or local CLT Fund

The QLCHT is able to fund its operations out of the development contributions that developers are mandated to pay for any new development in the area. The District Council has an MOU with the QLCHT to be the affordable housing developer for the region and allocates all of the development contributions to the Trust.

Beyond development contributions, it is recommended that local and central government as well as local funders contribute to the CLT Fund in order to build capacity for the CLT movement to thrive in NZ and that the CLT model be recognized as a preferred affordable housing provider for Hamilton and around New Zealand.

Register the CLT as a Social Housing Provider to Access Funding

In order for the QLCHT to help homeowners and renters access government funding, it is a registered social landlord through the Community Housing Regulatory Authority and is able to provide homes assisted with the Income Related Rent Subsidy (IRRS).

Considerations for On-Boarding CLT Homeowners

Affordability Criteria

To qualify for a CLT house, the CLT will need to establish the affordability criteria for homeownership, for instance, a minimum and maximum income level for the number of people in the family. The family must not earn so little that they qualify for government provided housing but not earn too much where they could afford to purchase on the open market. QLCHT, HFH, and the Housing Foundation have eligibility criteria that could be used as a guideline.

Inclusion of diversity

Along socio-economic criteria for CLT homeownership, cultural, intergenerational and accessibility can also be considerations in order to be truly inclusive to any population needs. With a value of inclusivity, the CLT can ensure that it reaches out to a range of diverse populations to raise awareness of the CLT model and attract members. Most people surveyed over the past year on their housing needs have indicated that cultural and other forms of diversity are important when considering creating community neighbourhoods. In

the past two years since “affordable housing” has been the hot topic, most affordable housing conversations were more focused on those requiring social housing assistance.

Homeowner Selection and Education

Once a property has been taken into ownership by the CLT, based on the number of houses that are currently on the property or how many will be built, the CLT can then publicize the opportunity for people to apply and what the criteria for selection is. Publicity can be through organisations that serve middle-low income residents, through the media, social media, faith institutions, etc.

To ensure residents are very clear about the financial details of their homeownership, to repay their loan to the bank for their mortgage, to maintain their property, and what the capped resale amount would be upon selling, as well as any other obligations of being a CLT home owner, it is imperative that there is ongoing workshops for residents both pre-sale and once established in their home.

It is recommended that the CLT partner with a community housing organisation that is already successful at doing homeowner selection and education to help the CLT. For instance, Habitat for Humanity and the QLCHT are successful at this.

Acquiring the Land/Property for a CLT

This feasibility study has been investigating what could be the first property that the CLT will pilot. Given that the concept of a CLT is new in New Zealand and there is no working model yet, it is recommended that the CLT start small and build up in its capacity over time to steward more properties in the area, keeping in mind that the properties a CLT owns do not have to be contiguous.

The original study was looking at the CLT land tenure model as a means to provide perpetually affordable home ownership in the Hamilton area but additional information gained in the research has expanded the scope to consider Council areas that border the Hamilton City Council and also the question of how the CLT model can learn from or enhance what is unique to New Zealand which is the Maori population and Maori ancestral/iwi land ownership model.

At the beginning of the study, one of the research questions was “setting the conditions that an ideal land needs to fulfil.” Although most CLTs steward/own the land on which housing and other structures are acquired or built, a CLT’s scope is broader than just land and can include apartments within a building (condos) and it can acquire land on which structures already exist.

CLT property ownership/stewardship can include:

- Renovating or re-purposing existing buildings
- Greenfield/unused land development (new building)
- Units within a building (condos)
- Community gardens and farms
- Open spaces
- Historic buildings and sites
- Small businesses

There are particular benefits and challenges to each of the types of properties that a CLT can own. For the purposes of this feasibility study, we will explore the first two—repurposing/renovating and greenfield/unused land development.

So, this research will address the broader question as to “what are the conditions that the ideal property needs to fulfil as well as what are the enabling and inhibiting factors to consider for a CLT to acquire property.”

Acquiring Land Affordably

As quoted from the Taupo scoping report, the basic assumption underlying the community land trust movement is that the major factor making housing increasingly unaffordable for low and middle income households is the increase in the price of land. The response is to take land out of the price equation. Because it is a non-market response, it inherently relies on non-market means of achieving the objective. Land is made available by donation, or through planning gain effectively negotiated with a local authority.²⁴

The following information from the Proof of Concept: Community Land Trust²⁵, speaks to the success of the CLT’s land acquisition needing to be outside of the market rate for it to be financially viable but that it might mean starting with a less than ideal piece of land.

But the common thread is that none of the land used in the case studies was purchased at open market rates. It was granted, or offered at an agreed rate (purchased at agriculture land prices that is later used to build housing) or cross subsidised. The land came from both the private and public sector but it was still not at an open market rate. Examining the business models within the case studies, we are unsure whether CLTs can prosper if they have to pay full market rates. Unfortunately, they do not have land banks that can be drawn on for new developments, whereby land is purchased when prices are low. Neither do they have access to land parcels that were transferred when various public institutions were privatised, such as that held by Network Rail. This means CLTs have to spend time

²⁴ CLT scoping report for Taupo District Council, April 2007

²⁵ Proof of Concept: Community Land Trusts, by Dr Bob Paterson and Professor Karl Dayson, University of Salford, Manchester, Nov 2011, led by the Community Finance Solutions

identifying potential sites and persuading the land owner to sell at a sub-market rate. On many occasions CLTs get no further than this partly because the landowner is not willing to sell and, partly that the CLT becomes focussed on a particular site and cannot move on if the landowner says no.

Successful CLTs are entrepreneurial in that they are opportunistic and develop sites that are available, even if that does not match their ideal requirements. They recognise that one successful project builds local credibility and may lead to other landowners coming forward with offers.

In England, although some land has been made available to community land trusts by private donation, the major emphasis is on accessing land through the intervention of public bodies. There are two principal strategies:

Acquiring land on the fringe of urban settlements and then obtaining a rezoning from rural to residential use. The nature of the English planning system is such that the zoning change provides a very significant value enhancement, effectively capitalising trusts which have been able to take advantage of that.

Accessing land through so-called Section 106 agreements. These are agreements entered into between local authorities and developers, as part of the conditions attached to development approvals, requiring a proportion of developed land to be set aside for affordable housing in the expectation that the housing itself will be developed by a registered social landlord, community land trust or similar entity.

If there is Council support, as there is in the U.S. and UK, land can be acquired from the local government either by donation or for a small fee. The same could apply for funders or other land owners. For transferring title of the land to the CLT, it can be done through “Deferred Settlement” although the legal issues and considerations for this would need further research.

Where is the need & opportunity for a CLT in the Hamilton area?

A CLT can offer opportunities for a multi-layered approach to not only providing affordable housing but solving a number of urban issues such as:

- Gentrification, where lower socio-economic residents in a deteriorated urban area are displaced by the influx of middle and upper socio-economic residents and activities. A CLT can buy some of the properties in those areas to keep local residents from getting displaced by rising rates and other costs.

- Abandoned buildings and parcels of land that would otherwise attract and foster deviant behaviour can be bought by a CLT and renovated and resold.
- When there are new builds planned in a city but they are not affordable for lower-middle income people, a CLT can negotiate and lobby the local authorities and developers to make a certain amount of the new homes affordable through the CLT.
- If an organisation, business or private person is holding property (land and/or buildings) and wants to make that property available for housing or other community purposes, it can transfer the land into a CLT.
- Where the government or funders have a limited amount of funding that they can contribute to housing, the CLT makes good use of that funding to serve much more than the initial homeowners who receive the subsidy/grant. The CLT ensures that the subsidy/funding can serve future generations through the means of taking the land price out of the resale equation and ensuring the house resales at a capped resale rate making it affordable for the next eligible family.
- If community organisations serving the needs of certain populations are finding it hard for their beneficiaries to have adequate housing, the CLT model can be incorporated into existing or new housing to make the homes even more affordable.

Greenfield/Brownfield/Unused Land Development

The pros of building on land not previously developed for housing development is that the houses and layout of the development can be purposefully built to the needs of the community it is serving. For instance, it can create a housing development that has green spaces for children to play, areas for food gardens and fruit trees, use environmentally friendly building materials, and make provision for intergenerational living, amongst other design specifications. Thoughtful consideration can be put into a new development to accommodate the various needs of the community socially, economically, culturally, and creatively.

The cons are that new developments have more “moving parts” because they are developing housing from the ground up which requires expert development knowledge and skills. Te Runanga, a social service provider who took on an affordable housing development project in Hamilton, learned the hard way about the extra work involved with being both developer and social provider by becoming financially indebted and almost losing their housing project. For the CLT to manage a new build on its own, that might be beyond the capacity of a new organisation. In this case, it is recommended that the CLT partner with an existing housing organisation (such as Habitat for Humanity) that has the capacity to do house building.

A consideration for a greenfield/brownfield development is to create a community of people that is diverse socio-economically, a recommendation which is highlighted in HFH's recent SHA proposal. This balance of socio-economic community creates more equilibrium, stability, and community regulation than a community made up of only those families that require a housing subsidy or who fall below a certain income level. This can be achieved through a variety of housing and tenure types which could include houses for families that do not need any subsidy to partially subsidized home ownership from conventional renting to rent to own properties, from retirement homes to family homes.

Acquiring existing buildings

The pros of acquiring a property with existing houses or other structures is that there would be less work and less time put in from the CLT before home owners could move in. In most cases, these homes will need some renovation and upgrades but a far less expense and logistics than building from scratch. It also could be used as a form of urban renewal if the homes are in parts of the city that are suffering from deterioration or neglect. In the case of where the land under the homes can be bought, it means that existing dwellers have the opportunity to stay in their homes either renting or buying it through the CLT.

Special Housing Areas (Inclusionary Housing or Zoning)

A CLT can make use of inclusionary zoning local ordinances which requires a market-rate developer to include a certain percentage of affordable housing in the development in exchange for a density bonus. In Hamilton, there is something similar to this known as the Special Housing Areas act in Hamilton. In this case, a developer can turn to the CLT to steward the affordability requirements and may purchase the units or just steward the resales.

So, to clarify, if there is a 10% requirement for a developer to build "affordable" housing below the market rate, the CLT could buy the parcels of land underneath those houses and the homeowners who buy those homes would need to be CLT members and agree to all the terms and conditions of CLT homeownership.

Grounded Solutions has a separate site for understanding more about inclusionary housing and there are many resources for those wanting to advocate for and manage inclusionary housing which can be found at www.inclusionaryhousing.org. The resource *Delivering on the Promise of Inclusionary Housing: Best Practices in Administration and Monitoring*, which can be found on that website, is included in the supporting materials of this report.

An excerpt from this report states why adequate planning and resources are very important if the inclusionary housing is to meet its intended outcomes of delivery to those in need of affordable housing. The image below is from the inclusionary housing website.

Experience has shown, however, that inclusionary housing programs, like any other housing program, require a certain level of ongoing administration and oversight in order to effectively produce and preserve affordable housing opportunities. When these administrative responsibilities come as a surprise, program managers often find it difficult to respond to developer needs and to track and monitor the affordable units that are produced. Failure to provide adequate staffing and systems for ongoing administration can result in loss of affordable units either directly through illegal sales, subletting, or foreclosure or indirectly by undermining public support for the inclusionary housing program. There have been a small number of well publicized cases where understaffed local governments have literally lost track of affordable units after requiring developers to produce them.



Hamilton Area Partnership & Property Opportunities:

Momentum Waikato Community Foundation

Momentum Waikato's Director, Kelvyn Eglinton, indicated an interest in potentially wanting to use the CLT model to convert their Houchins Street retreat property in the Glenview area into a housing property given that there are already a number of buildings on the property that could be converted to housing and a building which could serve as a community house. They want to be able to provide affordable housing while also using a model that can be replicated to other areas nearby. Momentum Trust is in alignment with the values of the CLT model, understands how it works in the U.S. and UK, and likes that it provides for perpetual affordability and is replicable.

Habitat for Humanity (HFH)

Habitat for Humanity's Director Nic Green and trustee John Gallagher indicated their interest in perhaps using the CLT model for their next greenfield development in Hamilton. They put together a proposal to do a Special Housing Areas (SHA) development in the Melville area on a piece of land owned by the Gallagher Trust but due to the nature of the site, the development didn't progress. It was, however, approved by Council as an SHA and HFH worked with a financial company to create the financial plan where different costs could be plugged into the spreadsheet to calculate the financial inputs and outputs with variations—depending on the tenure and house type, whether a subsidy was applied, etc. A significant amount of work has been done towards the financial aspect of the housing development so they are at the stage of looking for acquiring land to make it happen. As the financial calculation programme has been created for HFH, it is something that the CLT could also use for any other developments.

Tiny Home Community

A CLT can make use of land that is not attractive for the conventional housing market or that is not currently zoned for residential use. In the case of Hamilton, the Council has identified a piece of land in the Rototuna as being unsuitable for "conventional" development so have offered it to Belinda Gelston for consideration as land for a Tiny Home community. Belinda has created a design for a potential Tiny Home community for the piece of land that Council has offered her and is in the process of meeting with stakeholders to progress the idea. Because those living in a Tiny Home do not necessarily want to own the land underneath their Tiny Home (some are built on wheels and so are considered a vehicle), the CLT model would be ideal for a Tiny Home community.

Peacocks Land

The Peacocks area has potential to include some land and housing within a CLT. At the time of the report, it is understood that developers need to have a certain percentage of affordable housing with their portfolios so the CLT could help these developers steward the affordability requirements. The affordability requirement will need to be enforced through the Council's SHA programme. See above resources for managing the SHA affordable housing.

Te Awa Lakes

Simon Perry of the Perry Group has started developing the Te Awa Lakes new development in the north of Hamilton. According to the SHA he is required to provide a certain amount of "affordable homes." He has indicated that the CLT model is a consideration for helping provide this and he has also indicated that this model could possibly apply to other pieces of land held by the Perry Trust. Again, this refers back to the SHA affordable housing recommendation of oversight needed to ensure the houses remain affordable (see above section on SHA and Inclusionary Housing). At the time of writing this report, properties owned by the Perry Trust in addition to the Te Awa Lakes development have not been identified.

Disabled-Incorporated Community

There is a group of people that wants to create an intentional community where a percentage of the residents are people with disabilities. They are looking for suitable, affordable land either in Hamilton or wherever it is most affordable (through donation or otherwise.) They are very interested in using the CLT model and believe it could help them attract funding for the community given that the land would be held safe in the Trust and it would make the homes affordable to a population that is particularly vulnerable. Nan Jensen is a lawyer with children with disabilities who is heading up the research of this special housing development. Their board is considering the CLT model for this.

Additional Potential CLT Supporters, Partners, or Members

There are a number of like-minded organisations supporting similar initiatives or that could form a support network for the CLT (including potential board members) and benefit from having a pilot CLT to emulate in other parts of the country

Within the Waikato area

Waikato Plan Regional Housing Initiative Working Group

In addition to national shifts in housing, there is a local “think tank” called the Waikato Plan Regional Housing Initiative Working Group made up of a diversity of role players from the housing, funding, government and non-profit sectors that are getting together monthly to revise housing provision and come up with new strategies and solutions to the housing crisis. This means that what might be barriers or challenges at the moment to the CLT model having a successful uptake both locally and nationally, could turn into opportunities and open doors in the near future based on advocacy work, research, and data collection being done by members of the working group. An excerpt from the working group minutes reflects its developing mission:

A draft vision statement was proposed. ‘For every person and every family in our region, an appropriate and affordable home’. The group suggested further themes to be considered or weaved into the vision statement. These include: timely, quality, safe, adaptable, safe, warm and dry, security, accessible, every person well house.

Additions were suggested to the section ‘why are we developing a regional housing stock profile’ to include an acknowledgement of the stress/distress across the housing continuum. There is a need for more flexible housing options with pathways for alternative models and which are adaptable to different ways of living (accessibility and adaptability).

A greater understanding of housing requirements is needed such as, for example, single mothers, the elderly and those on limited incomes. The region wants to work well with national objectives and to get the job done, there needs to be agility in creation of capital for housing supply and consideration of new ways of provision.

For both the draft key messages and vision statement, the project team will re-craft these and bring these back to the working group for further consideration. Note that the key messages will be a live, working document.

This working group could be an instrumental role player in a few ways to advance the CLT model:

- Data collection for the “intermediate” housing need
- Advocacy to central and local governments for funding, conducive legislation, and other support
- Connecting to potential homeowners
- Finding and securing suitable land

Maori organisations

Tainui and other iwi who hold land as well as those embarking on housing development on a papakainga seem to be the most likely to adopt the model as community owned land fits within the Maori world-view.

Nga Rau Tatangi (Maori Housing Foundation) & Te Runanga

Taken from the Te Runanga website:

OUR MISSION

Building Homes for whanau

We achieve our mission by;

- Creating a housing environment where low income peoples' predominantly of Maori and Pacific descent view access to quality housing and wrap around service support as a right not simply a privilege of wealth*
- Seeking opportunities to increase the supply of secure, high quality, affordable housing*
- Facilitating access to affordable, sustainable and innovative housing options*
- Providing proactive and responsive property and tenant management*

Te Runanga started a community housing development on Shakespeare Road in the Fairfield area of Hamilton but the cost of the land and house building exceeded their project budget and resale house cost so they had to downsize from the number of houses originally planned to be built. For future developments, if the land were not a part of the house cost, they would be at the affordable price they set out to make the houses at the start of the project.

The Kirikiriroa Intentional Communities group

There is a growing group of people, from all walks of life, who are interested in the connected living and affordable housing movement. Some in the group have indicated an interest in the CLT model and there are many within the group who would fit within the affordability criteria.

Funders

In addition to the Momentum Waikato Foundation mentioned previously in the report, there are a number of funding organisations who have expressed an interest in the CLT model.

Wel Energy Trust

Wel Energy Trust believes that there is merit in the CLT model and its potential to provide affordable housing and so funded the first CLT feasibility study for the Hamilton area.

DV Bryant Trust

Lindsay Cumberpatch, CE of the DV Bryant Trust, says that the CLT model is in alignment with the late DV Bryant's vision for making land perpetually affordable for farmers in the Waikato. The Trust held land in the Trust for this purpose for a number of years. Lindsay organised a meeting in November 2018 at the Trust's office to create awareness and explain the CLT to other funders

The Tindall Foundation

The Tindall Foundation is funding the NZ Housing Foundation to roll out affordable housing in the Auckland area and other areas of the country.

Trust Waikato

Trust Waikato's CE, Dennis Turton, attended the presentation at the DV Bryant Trust in November and showed a real interest in the CLT model and its viability.

Gallagher Trust

John Gallagher is on the board of Habitat for Humanity and so understands and supports affordable housing and the shared equity model for homeownership. In a meeting with Nic Greene of Habitat for Humanity in December, he indicated an interest in supporting the model.

Within New Zealand

CLOser Developments

CLOser Developments, located in Tauranga, want to create a connected, affordable housing model that can be replicated nationally. Their first housing development is in KatiKati where they got support from the Bay Trust for the original idea. They are also considering using the CLT model for land tenure.

OHU: Office of Holistic Urbanism

OHU, operating out of Christchurch, is supporting the development of the concept community-owned assets which includes supporting the CLT movement nationally. There is a lawyer on their board who is familiar with the CLT model of land tenure and is who is very interested to support CLT development.

Local Government New Zealand

It would be another stage in the feasibility research to connect with leaders within the Councils that are doing innovative work for affordable housing to learn from and leverage their new ways of creating affordable housing. Standardizing how Councils provide and support affordable housing is an area of growth that the CLT model can assist with. For instance, working through the Local Government Association (LGNZ) can help to bring best practices in housing affordability to all Councils.

The Urban Advisory

The Urban Advisory's Director, Green O'Donnell, attended the Connected Living and Affordable Housing event in Hamilton in November and is very interested in promoting the CLT model. Her company has the passion and expertise to be able to contribute to the research and development of the CLT model. The following excerpt is taken from the Urban Advisory website.

The Urban Advisory exists to unpack the complexities of city-making, promote sustainable urbanism, and deliver integrated neighborhoods - so that all cities become places that are good for all people. We believe the built environment industry needs deeper insights, greater collaboration, fresh thinking and new approaches. We are a young company with lots of ideas, a desire for change and the ability to make it happen.

We work with research agencies, government and local authorities, developers, architects, urban planners and community groups who are committed to delivering world-leading urban outcomes that promote well-being. Our multi-disciplinary team, and network of partner organisations, is made up of built environment researchers, social scientists, regeneration and development specialists, architectural and urban designers, strategic planning and project management professionals, as well as governance, legal, community and stakeholder engagement experts. This enables us to contribute to each of the policy, planning, design and delivery phases of urban development projects and to work across each of the city, neighbourhood and dwelling scales.

Homes for People

This organisation is another potential user of the CLT model as some of their beneficiaries fall within the "intermediate housing" band. They are also an organisation to learn from as they forge partnerships with financial lenders for their shared equity programme. The following excerpt is taken from the Homes for People website.

Homes for People is a local Housing Association response to the growing housing need in provincial New Zealand.

A community response is needed to improve the transition of households along the housing continuum, starting with the supply and management of emergency housing moving through to improved affordability in the private market.

Homes for People, with housing at its core, is prototyping a model which has the potential to be replicated in other parts of New Zealand.

Our vision, to empower and transform community by working with residential partners, offers stable and secure home tenure. This contributes to improved social, physical, emotional and financial health outcomes.

Homes for People provides models for Kiwis working together to increase the accessibility of home ownership within our communities.

Shared Equity and Affordable Rental Products

New Zealand Housing Foundation has partnered with Homes for People allowing use of their proven housing programmes, recognised and approved by some of New Zealand leading banks.

Next Steps

Recommendations: The Low Hanging Fruit

- Hold a workshop or mini-conference, facilitated by experts in the CLT sector, with government and financial lenders to educate them about the CLT model, answer questions and concerns these entities will have, and brainstorm solutions collaboratively.
- Hold a community forum, using the techniques listed above in the community engagement section of this report and in the National CLT Network Manual which has further details for organising a successful community engagement action.
- Use the power of precedence where applicable, leveraging wins in other areas of New Zealand to get the buy-in of local authorities and lenders (such as with the success the QLCHT has with their financial lenders and District Council.)
- Collaborate and form a coalition of like-minded organisations such as the QLCHT, the Landtrust New Zealand, Community Housing Aotearoa, Housing Foundation, and perhaps iwi organisations such as Tainui, to leverage the power of a collective to advocate and secure financial and funding opportunities.
- The quickest way to create housing would be to start where there are existing buildings that can be repurposed (houses or flats). Momentum Waikato has indicated an interest in converting their Houchins Retreat into housing so pursuing their interest and commitment in using the CLT model for this conversion is important, as well as their interest in sitting on the board of the CLT.
- Habitat for Humanity has also indicated an interest to use the CLT model for their next greenfield development so pursuing their interest and commitment in using the CLT model for this conversion and also their interest in being on the CLT board is recommended as a next step.
- The CLT will have an easier start if it is located within a Council that is willing to be open-minded, think differently about policies, zoning, developer contributions, which could make land available at a fraction of the market rate, and where the Council is willing to take on some leadership. The success of the Queenstown Lakes Community Housing Trust is directly linked to the Mayoral Team's leadership and support of the QLCHT. So, either more advocacy and on-boarding work needs to be done to get the HCC's full buy-in and/or discussions with bordering Councils, like Waipa, is recommended.
- Working with developers who are using the SHA act with requires them to include a portion of affordable housing would be another "easy" way to apply the CLT model— with the CLT offering them the opportunity of helping them manage that component of

their affordable requirement. In the U.S., this is called “inclusionary zoning” so lessons can be learned as to how the CLT can use it with developers and the SHA legislation here.

Once there is a local CLT established in the Hamilton area, the model can be replicated to other areas and for other housing organisations. There is an affordable housing feasibility study being conducted for Raglan that is also very keen on the CLT model as a solution for its housing issues.

CLT Capacity Building

In order to build the knowledge and skills needed for setting up and maintaining a successful CLT organisation in Hamilton and to help the movement to spread across New Zealand, it is recommended that a Community-Led Housing and CLT capacity-building conference be held in the Hamilton area within the next year. In the U.S. and UK, they have professionalized the community-led housing and CLT expertise. In both countries, they run conferences for these professionals to deepen their knowledge and skills and build upon successful cases. The programmes for these conferences including topics and presenters, which could be used as guides for the first CLT conference in NZ, can be found on both the Grounded Solutions and the National CLT Network websites.

Beyond holding a conference to build widespread capacity building, those professionals who are wishing to build their organisations and personal capacity to support a CLT can explore the learning areas and sources of inspiration which can be found on the Grounded Solutions website and the National CLT Network website.

Topics & Opportunities for Capacity Building/Professional Development

- Inclusionary zoning/housing
- Shared equity homeownership
- Community-led housing
- Attending on-line learning events hosted by both national networks
- Joining the networks to receive discounted advisory services and updates of learning opportunities
- Attending a community-led housing conference in the U.S. or UK (see the Grounded Solutions and the National CLT Network websites for dates of the next conferences.)
- Liaise with Community Housing Aotearoa to get regular updates on what other housing initiatives are going on around the country and attend networking events hosted by CHA

Advocacy for Government Support

For a new CLT project in New Zealand to get off the ground, the biggest obstacle to getting financial support from government, funders, and financial institutions is the lack of awareness and familiarity of the CLT model. Based on discussions with HFH's Director Nic Greene, the QLCHT's Executive Officer Julie Scott, and CLT Associates Founder Gary Flomenhoft, there is a risk aversion within the financial lending institutions as well as local Councils and even central government to support new housing models. It seems that many funding organisations in Hamilton are starting to catch on that the CLT model is viable and reliable but the financial lenders and governments will need a workshop on how CLTs function and have their concerns answered. Subsequently, it is envisioned that there will need to be a certain amount of lobbying these entities before they will come on board. As with most new ideas, people want to see a working model to really believe it will work and invest money in it but there is no working CLT yet in New Zealand.

Lobbying to central and local government for the legislation and funding needed to make CLTs work will open doors. The Waikato Plan Regional Housing Initiative Working Group has identified lobbying and advocacy to central government as one of its top roles to play in. For instance, Habitat for Humanity is considering having a staff member based in Wellington to play a more active role in meeting with politicians and legislators to expand their housing solutions beyond KiwiBuild and Housing NZ.

Some advocacy recommendations

- For more inclusionary housing policies
- Recognition of need for lower development contributions for CLT builds
- Subsidies made available to CLTs to give a once-off subsidy for the first home's purchase and/or land
- Redirection of development contributions to the CLT
- Defining the term "affordability" to include a spectrum of affordable options for people along the socio-economic spectrum
- Advocating for similar funding and support mechanisms as what is available for CLTs and community-led housing in the U.S. and UK.

Roadmaps

There are a number of "road maps" that have been put together for those who are wanting to start a CLT. On the Grounded Solutions website, the online roadmap includes links to further information, templates, examples, and other useful information. By using the Grounded Solutions Start-Up Hub webpage, one will get access to not only all the steps needed to develop the CLT but also links to 30 files, 6 videos, and 4 tools. So many

templates and examples have been uploaded to this Hub that it can be a matter of tweaking the existing tools to suit the NZ context.

The UK National CLT Network has a resource page of their website that has basic guidance and links for the following knowledge areas:

- Start a CLT
 - Setting up and building membership
 - Business planning, tenure, land, planning
 - Building homes, including self-build
- CLT Handbook
- National CLT Network model, rules, sponsorship, service
- Developing non-housing assets
- Financial appraisal tool

The following roadmap and questions and activities which follow are from the U.S.

Grounded Solutions website: <https://groundedsolutions.org/start-upclthub>



Below are important questions and activities that will guide your way, with tools and resources to help you create a successful and sustainable community land trust.

1. Does your community have a shared vision for the change you want to see?

A community vision is a shared image of how your community will look in the future. The often time-consuming process of crafting this image is not just about informing community residents of what is being proposed in the neighborhood; it is the process of gathering

ideas, refining them and ultimately having the community decide what is best for itself. Your shared vision will provide a solid foundation for your community land trust initiative and will lay the foundation for strong support from City government, funders, and other partners because the community land trust (CLT) and the community will be speaking with one voice.

Coalition Start-up Tools

Start building a powerful coalition by exploring Coalitions Work's start-up tools.

The Community Tool Box

Learn how to build consensus around a shared community vision through the Community Tool Box by the Work Group for Community Health and Development at the University of Kansas. Along with visioning tools, Chapter 3 has tools that will help you assess local needs and resources.

Sources of Inspiration

Stay inspired by learning more about communities that have implemented this planning and organizing approach with some great results

2. Have you decided who your CLT will serve and how?

Determining who you want to serve and how is the critical next step in your CLT's development. Your decisions will be informed by the discussions you had with the community in the first step along this roadmap and now it's time to dive deeper into the details. It is important to know that some of the decisions you make now will change as your community and CLT evolve. The tools below will help you talk through some of the most common CLT options.

Initial Choices

Dive into the second chapter of the 2011 CLT Technical Manual looks at a set of interrelated questions that CLT organizers must address early in the organizing process. Some of the questions covered are: Who should plan and launch the CLT?, What area will the CLT serve? How will the CLT relate to other organizations? Who should control the CLT and through what corporate structure?

Community Land Trust Business Planning Worksheet

Walk through and answer critical questions that will serve as the basis of your initial business plan. This worksheet is designed as a group activity and, remember, your decisions may change over time as you gather more information and experience.

Understanding your market

Get to know your local market by using tools provided by the U.S Small Business Administration on topics such as economic indicators, employment statistics, and income and earnings reports.

Additional CLT Resources

Explore all of these additional resources that will help you learn more about the CLT model and explore what role a CLT could play in your community as you start to really think about who, what, where, why and when of your work.

3. Have you decided on an organizational and governance structure for your CLT?

Now that you have spoken to your community, formed a shared vision and started to think about who your CLT will serve and how you can now start to dig into the nuts and bolts of starting your initiative. There are a lot of different ways that you can structure your new CLT. From creating a program within an existing organization to starting a new nonprofit organization you have a lot of options to consider. Unfortunately (or fortunately, CLTs are not a “one size fits all” kind of organization and so these resources will help you decide on the best way to structure your CLT. Do note, that as you learn more, you may decide to amend and revise the decisions that you had previously made. Don’t worry—this is to be expected!

The Diverse World of Community Land Trusts, Chapter 1 of Starting a CLT: Organizational and Operational Choices

Learn about the key features of the “classic” CLT along with the model’s most common variations when it comes to how CLTs are structured in this e-book by John Davis of Burlington Associates.

Chapter 3: Incorporation and Basic Structural Considerations

Consider the structural issues involved in establishing a CLT as an independent not-for-profit corporation as outlined in the third chapter of the 2011 CLT Technical Manual. For the most part, these are issues that must be addressed whether the organization is to have the structure of a “classic” CLT or one of the variations described in the previous manual chapter on initial choices.

Chapter 4: CLT Bylaws Considerations

Learn more about the basic considerations involved in drafting bylaws for various types of CLT organizations by reading the fourth chapter of the 2011 CLT Technical Manual.

Additional Resources about organizational and governance structures

Now that you have spoken to the community, come up with a plan and vision, and started to think about how you wish to start-up your CLT, we start to dig into some of the nuts and bolts of starting your new organization. With any new nonprofit, understanding the options on how to structure it is extremely important. These additional resources will help you

decide on the best way to structure your CLT.

Sponsorship, Chapter 3 of Starting a CLT: Organizational and Operation Choices

Written by John Davis of Burlington Associates, this chapter talks about sponsorship, which in this context refers to the entity that provides the impetus for a new CLT and plays the leading role in getting it organized.

Chapter 5A: Model Classic Bylaws

A piece of the 2011 CLT Technical Manual shows an example of bylaws that are structured as a “classic” CLT.

Chapter 5-B: Model Classic CLT Bylaws Commentary

This commentary walks through the above model bylaws and explains each section of the document. This commentary comes from experienced existing CLTs as they implemented and “lived with” their bylaws.

Champlain Housing Trust Board Book

The Champlain Housing Trust in Burlington, Vermont is the largest community land trust in the world. They have generously made available their entire Board Book of organizational contracts, policies, and procedures.

Rules of Engagement for Recruiting and Retaining Community Volunteers

Written by John Davis of Burlington Associates. This resource gives some tips on how to recruit and retain community volunteers that include board members.

4. Do you have an execution plan for the next 12 months? 5 years?

By this point in the process, you have had a lot of conversations and have made quite a few decisions when it comes to your new CLT. Now is the time to create a business plan that will take all of those decisions your group has made and package them in a form that supporters, funds, lenders, and others will understand. Most groups that embark on a business planning process work with a consultant or expert to help facilitate the process and to bring an outsider’s perspective. We encourage you to use the tools and examples as a starting place and to reach out to a staff person on our Capacity Building team for more information and support.

Business Plan Example

Take a look at a sample business plan for a start-up CLT. A good business plan is a fluid

document that continues to be evaluated and updated based on new assumptions and real life situations.

CLT Start-up and Implementation Task List

Dig into this task list, developed by Burlington Associates and refined by Grounded Solutions Network, that details the most common tasks that are needed to start and operate a CLT. This task list is designed for the Board of the CLT to decide if the individual CLT, a collective group, or someone else outside of the organization should be responsible for completing a certain task.

Stewardship Standards for Homeownership Programs, Chapter 1 Program & Business

Planning

Review chapter 1 of the Stewardship Standards for Homeownership to see what business planning practices you should think about as you are setting up your new organization. The Standards were developed collaboratively by a number of national organizations, practitioners, and experts for the purpose of providing an educational resource and measurable framework to help affordable homeownership programs achieve excellence and maximize impact.

The City-CLT Partnership, Municipal Support for Community Land Trust

Find out about cities and counties that have chosen not only to support existing CLTs, but also to start new ones in this report written by John Davis and Rick Jacobus.

5. Have you determined what kind of resources you will need for execution?

Now that you have your written business plan, it is time to put numbers to all of those great ideas. These tools will help you create an organizational budget for your start-up CLT and a development budget for your proposed first project. An organizational budget is a plan or forecast of outgoing expenses and incoming revenues for a specific time period. A development budget is a plan or forecast of the resources needed through loans (financing), grants (funding) and how those funds will be expended to create affordable housing. And remember, while financial resources are always helpful, you will need community, political and other types of non-monetary support as well.

Start-up CLT budget template

Take a look at a sample business plan for a start-up CLT. A good business plan is a fluid document that continues to be evaluated and updated based on new assumptions and real life situations.

Accounting Handbook: Quickbooks for CLTs

Save yourself a lot of time and aggravation by reading this great introduction to QuickBooks

from the Community Land Trust Alliance of the San Juan Islands before you set up your books.

Advocacy Tool Kit

Don't forget to build wide support for your CLT. Advocacy is critical to sustaining and growing your community land trust and permanently affordable housing field more generally. This toolkit will help clarify the role of nonprofits in political advocacy (what you can and cannot do) and help you and your organization become more effective advocates.

6. Have you laid the groundwork for your first project?

After completing all of the steps above, you've successfully developed your CLT organization. Now, you need to focus on building out your program which includes critical decisions like customizing your ground lease, selecting a resale formula and recruiting lenders to provide mortgage financing to your future homebuyers (if appropriate). While this section focuses on homeownership, many CLTs have projects that include a rental urban agriculture or other non-residential programs.

The 2011 Model Ground Lease

Get to know one of the most important legal documents when it comes to operating a Community Land Trust—the ground lease. This document lays out the agreement that the CLT and a new homeowner or lessee will follow.

Video Learning Series – How to Set an Initial Affordable Price & Design a Resale Formula Grasp key resale formula concepts in only 60 minutes!

Watch our video learning series on setting an initial affordable price for a home and selecting a resale formula—both of which make all the difference in whether a home stays affordable or gets lost to the market.

Additional Resources for laying the groundwork for your first project

Explore all of these additional resources that will help you learn more about laying the groundwork for your first project.

- Explore our resources on affordable pricing and resale formulas.
- Chapter 12 of the 2011 CLT Technical Manual explores resale formula design.
- Chapters 2 and 5 of the Stewardship Standards for Homeownership outline affordable pricing and resales respectively.

Supporting Documentation & Resources

CLT Manuals

The Australian CLT Manual, co-written by multiple authors including Louise Crabtree, 2013

CLT Technical Manual, edited by Kirby White, 2011

The Community Land Trust Handbook, edited by Catherine Harrington, National CLT Network and Rose Seagrief, Wiltshire CLT

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Champlain Housing Trust: www.getahome.org

City of Chicago, Chicago Community Land Trust: www.cityofchicago.org/CCLT

Hamilton Community Land Trust: www.hamiltonclt.org

Grounded Solutions: www.groundedolutions.org

Inclusionary Housing: www.inclusionaryhousing.org

Kirikiroa Intentional Communities Group: (on Facebook)

Kotare Ecovillage: www.kotarevillage.org.nz Maori Housing Conference 2018:
www.nationalmaorihousingconference.co.nz

National Science Challenge: Building Better Homes, Towns, Cities: www.buildingbetter.nz

Te Runanga o Kirikiriroa: www.terunanga.org.nz

The CLT Fund: www.cafonline.org/charities/borrowing/social-investment/community-land-trust

The Ecological Land Cooperative, <https://ecologicalland.coop>

The Landtrust New Zealand: www.landtrustnz.org

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Mayoral Housing Affordability Taskforce Report for the Queenstown Lake District, report produced by Community Housing Aotearoa, Oct 2017

Proof of Concept: Community Land Trusts, by Dr Bob Paterson and Professor Karl Dayson, University of Salford, Manchester, led by the Community Finance Solutions, 2011

Report of the Mayor's Housing Taskforce (Wellington), June 2017

The Case for Urban Development Authorities in New Zealand, by Ian Mitchell of Livingston and Associated Ltd, Funded by the BRANZ Research Levy, 2016

The City-CLT Partnership: Municipal Support for Community Land Trusts, by John Emmeus Davis and Rick Jacobus, a Policy Focus Report of the Lincoln Institute of Land Policy, 2008

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Shared Equity Homeownership: The Changing Landscape of Resale-Restricted, Owner-Occupied Housing, by Davis, John, report for the US National Housing Institute, 2006

Who owns New Zealand now? New doco tackles our housing crisis, article in Stuff, by Colleen Hawkes, 11 Sep 2017

Who Owns New Zealand Now?, film produced by Bryan Bruce, a NZ On-Air funded documentary released on 12 Sep 2017

Additional Helpful Resources and Materials

Community As Developer: A Beasley CLT Background Report, prepared by Allison Maxted, Nov 2013

Community Land Trusts from Grassroots: Neighbourhood Organisers Become Housing Developers, by Miriam Axel-Lutte and Dana Hawkins-Simons, article in Land Lines, July 2105

Community Land Trusts: Saving Land to Which We Belong, by David Harper, article in Land Trust Alliance, Summer 2007

Community Led Housing Conference 2017 programme: available on the National CLT Network website

Delivering on the Promise of Inclusionary Housing: Best Practices in Administration and Monitoring: www.inclusionaryhousing.org

Owning Hamilton's Future Together, CLT Action Plan 2016-2017

Steps to setting up and maintaining a CLT, from the CLT Associates

Survey results from the connected living and affordable housing event

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