

Community Land Trust vs. Municipal Land Bank: A General Comparison

		Community Land Trust	Municipal Land Bank
Organization	Corporate status	Private, not-for-profit corporation	Public agency or quasi-public municipal corporation
	Enabling act	A state enabling act is usually <i>not</i> required to create a CLT. Most CLTs are incorporated under a state's existing nonprofit statute.	Unless housed within an existing city department or urban redevelopment authority, a state enabling act <i>is</i> usually required to create a city land bank.
	Board composition	Tripartite board made up of leaseholders, community representatives, and public representatives.	Board composed entirely of political appointees. A few seats may be reserved for community representatives, but these are usually hand-picked by city hall.
	Voting membership	Yes. All leaseholders and any resident of the CLT's targeted "community" may become a voting member.	No
	Board selection	2/3 of directors elected by members; 1/3 of directors appointed to seats reserved for "public" representatives.	Board appointed by mayor, city council, or county commission.
Ownership	Acquisition of property	Purchase on open market; private land donations; bargain sales; receipt of "surplus" public property.	Purchase on open market; receipt of "surplus" public property; or forced sale (eminent domain).
	Use of eminent domain	No	Yes
	Property tax exemption	No	Yes
	Duration of ownership	Land is owned by the CLT "forever." Buildings are sold to private owners as soon as buildings have been constructed or rehabilitated.	Title to land and any buildings on the land is held by the land bank for a short period of time, usually three - five years.
	Transfer of property	Buildings are sold to private owners at an affordable price. Title to the underlying land is retained by the CLT. The land is leased to the owners of buildings on the CLT's lands, using a ground lease that is long-term, inheritable, and mortgage-able.	Lands and buildings are both sold to private owners, usually for the highest price the market will bear, after the land bank has cleared title, removed contaminants, demolished dilapidated buildings, and (in some cases) developed necessary infrastructure.
Operation	Recycling of the public's investment	Subsidy retention. Subsidies invested in acquiring and developing lands are locked into the property, lowering the price for future homebuyers (or other occupants).	Subsidy recapture. Subsidies invested in acquiring and developing lands are claimed by the land bank on the sale of the property.
	Permanent affordability of land and buildings?	Yes. The CLT retains an option to repurchase homes (and other buildings) whenever their owners decide to sell. Homes are repurchased and resold for a formula-determined price that keeps homes affordable forever.	No. A public land bank typically imposes no affordability restrictions on lands and buildings that are removed from the land bank's inventory and sold on the open market.
	Permanent responsibility for homes & homeowners?	Yes. The CLT has a right (via the ground lease) to require leaseholders to keep their buildings in good repair. The CLT also has a durable right to intervene in cases of a mortgage default to prevent foreclosure.	No. A public land bank typically imposes no conditions on the upkeep of buildings sold out of the land bank's inventory. Nor does it intervene, should the owner of one of these buildings later face foreclosure.