



# Tools to Create Affordable Housing

## **Community Land Trust (CLT):**

- Land is the most expensive part of developing housing
- A CLT owns the land and allows the land to be used for moderately-priced housing to be developed.
- Residents would buy or rent the unit not the land which helps maintain the high costs.
- This tool can be used to preserve long term affordability of the housing.

## **Inclusionary Zoning:**

- Local municipalities can use this tool to require developers to create a certain percentage of affordable housing.
- Density bonuses allow developers to create more units in a space in order to make a percentage of those units more affordable.
- For example if zoning allows a 10 unit development, the developer could get a bonus to develop 12 units, but a percentage (determined by the community) must be affordable.

## **Affordable Housing Trust Fund:**

- A fund created by local municipalities to help promote the development of affordable housing through having a pool of money available for its development.
- The fund can be replenished by a variety of sources; some communities have used real estate transfer taxes, demolition fees and many others.
- The fund can be used for land acquisition, construction costs or other cost associated with the development.
- Some of these funds can be used to help low income renters and owners.

## **Land Banks:**

- Similar to a CLT a land bank is a system of setting aside land specifically for affordable housing development.
- The land for these banks can come from open unused land within the community, land that is donated to the Land Bank, other land within the community.
- The land will be held and maintained by the Land Bank until a group is able to develop workforce housing on the land, the land is then turned over to the group at a moderate price to keep the cost of the housing down.

## **Other Community Solutions:**

- Are there open rental units within your community that are unused (i.e. coach houses, garage apartments, etc.)? Can those be turned into rental units that create income for the owners and provide housing for the workforce within the town?