







CITY OF PORT ST. LUCIE

Neighborhood Services Department

MEMORANDUM

To: City Council
Via: Russ Blackburn, City Manager 
Thru: Teresa Lamar-Sarno, AICP, Deputy City Manager 
Carmen A. Capezzuto, Neighborhood Services Director 
From: Alessandra (Alex) Tasca, Neighborhood Services Deputy Director 
Date: July 12, 2021
Subject: Community Land Trust of Palm Beach County & the Treasure Coast (CLT of PBCTC) Pilot Housing Disposition Program

To further manage the City's Neighborhood Services Local Housing Assistance Plan (LHAP) objectives, enhance the housing program's sustainability, and sustain returns on housing investments funded by State and Federal grants, a CLT Pilot Housing Disposition Program is being planned for launch in the summer/fall of 2021.

The first projects that will be launched under this pilot program are the City's newly built 6 single family homes, funded by Neighborhood Stabilization Program (NSP) grant funding. Staff is preparing to present the program at a Special Council Meeting in August. If Council approves staff will move forward with the proposed rollout of the program beginning immediately after the meeting.

Approval of the item will result in two main steps for the rollout. First, the homes and applications along with the application process will be advertised to residents beginning the first day after approval. Second, the homes will be awarded to approved applicants on a first ready first served basis and the homes together with the surplus City owned lots will be transferred to the CLT of PBCTC as the managing entity and then the building improvements will be sold to the approved applicants at an affordable rate based on their Area Median Income (AMI) category.

Key points of the new pilot program:

- On Feb. 8, 2021 Council approved the awarding of Contract #20210015 for the creation of the Affordable Housing Disposition Plan to Community Land Trust of Palm Beach County, Inc. aka CLT of PBCTC (agenda item #2021-102)
- Staff together with the CLT of PBCTC consultants have developed a pilot program tailored to the City, the essence of a CLT model is that in exchange for buying a house at a below-market price, the seller agrees to limit the price at which they can sell in the future
- A CLT program looks to close the gap for low and moderate income households and retain those benefits in the community long term
- Grant investments in housing and closing the gap have been systematically lost in the market for decades



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- The governing authority for the State – the Florida Housing Coalition (FHC), promotes the CLT model as the best practice for all communities to retain housing investments
- Many other leading housing organizations like Habitat for Humanity of St. Lucie County are also adopting similar models
- Wealth building is still maintained as a strong component of this model
- The City's CLT Pilot Housing Disposition Program will begin with 6 newly constructed single family homes, built with NSP grant funding during 2020-2021
- Immediately following approval, the homes and a CLT educational program including in-person and virtual meetings, as well as open houses, and CLT homeowner education programs will be launched
- The CLT of PBCTC will solicit applications and provide support for residents interested in applying
- Applicants will be eligible for the program through specific income verification, credit worthiness, and ability to pay and sustain an affordable mortgage
- Applicants will be screened by CLT of PBCTC and approved on a first ready first served basis and deemed qualified buyers
- The CLT of PBCTC will continue to support applicants through the entire purchase process, including securing loans with partner banks, and continue to support homeowners in perpetuity as long term stewards of the land in the CLT
- The City will transfer the land to the CLT which in turn will sell the building improvements to the approved buyer and they will be tied to a 99-year ground lease between the CLT and the owner, reviewed and approved by our City Attorney's office, ensuring owner occupancy and responsible use
- A custom resale formula is built into the ground lease and is designed to keep homes affordable for subsequent buyers or approved heirs
- The City's contract agreement (dated Feb. 2021) with CLT of PBCTC defines our relationship, outlines responsibilities and provisions that the City can invoke to assume the lease and reassign it if the CLT of PBCTC fails to enforce it

A 1 min 38 sec informational video explaining how CLTs work is available online here:

<https://groundedsolutions.org/strengthening-neighborhoods/community-land-trusts>

All program details and the proposed timeline are outlined in the attachments. Please review and provide any feedback on the presentation of the pilot program, summary document, and FAQs. A presentation will be available for Council at the Special Council Meeting if requested.

Attachments:

- Port St. Lucie 8.16.21 Final Presentation
- PSL Council Summary 6.21
- PSL FAQ 6.21