

General Recommendations

1. Under its fiscal umbrella, NeighborWorks Montana would sponsor the creation of the new statewide 501(c)3 corporation, Trust Montana, whose purpose would be to promote permanent land stewardship for a variety of community needs.
 2. A preferred structure for the statewide CLT would be a “federated” model where local CLTs, old and new, community-based CDC’s, HRDC/CAA’s, RC&D’s, Public Housing Authorities¹, CHDO’s, and HFA affiliates that are interested in operating CLT-style programs could become members of the Trust.
 3. Some CLT functions could be conducted at the local level and others could be conducted on a statewide basis by Trust Montana. (See Table A.)
 4. Trust Montana would serve the entire state of Montana and function in the following ways:
 - In those areas of the state where there are existing local community-based nonprofits that already are CLT’s or are willing and able to provide CLT services, those local nonprofits would, if they so chose, own and lease the land underlying CLT housing and could participate in the statewide CLT as members;
 - All housing provider members of Trust Montana would agree on joining the trust (if they already were not) to become members of the National CLT Network and conform to its membership criteria (see Table B)
 - Founding non-profit members of Trust Montana, would create standardized CLT procedures, policies and documentation. Future CLT members would agree to conform to these organizational procedures and would receive any centralized supporting services and any financial support the Trust was able to provide.
 - In those areas of the state where there are no local nonprofits available or none that are able or desirous of providing CLT services, Trust Montana could, through the invitation of a local individual of entity, own and lease CLT land and provide CLT services, either directly or by contract.
 - Participating nonprofits that receive services, funds or other benefits through Trust Montana could agree to make the Trust the default recipient of CLT holdings if the nonprofits were unable to continue operations -- thereby further credentialing themselves with potential funders/contributors by having the statewide trust “backstopping” their land stewardship role.
 - Collectively, the Trust will promote public, private, and non-profit investment in permanently affordable, owner occupied and other housing, community facility buildings (and eventually, agricultural and conservation lands preservation, and stewardship of historic properties and landscapes, that adopt a permanent land stewardship model).
 - The Trust will provide an added level of organizational security for local participating organizations through technical assistance, community facilitation and other support in times of crisis.
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Start Up -- Structural Recommendation

1. Establish a new 501(c)3 corporation that has a different board structure than NWMT but is able to operate under its fiscal agency while seeking independent status.
2. The Trust Montana founding board should seek funds to contract with NWMT for staffing and administrative services.

Founding Membership

Trust Montana would initially have three classes of members:

1. Organizational Members (1/3):

Nonprofit organizations that operate land stewardship or CLT-style programs would become the founding organizational members of Trust Montana. These organizational members would have to meet certain operating, program, and performance standards and agree to use standard documents and procedures. They would grant Trust Montana a durable power to intervene if there were problems that threatened dissolution or that threatened the loss of permanently affordable housing or conservation improvements located on leased land.

2. Individual members (1/3):

Members would include individual CLT advocates and representatives of government.

3. Stakeholder members (1/3)

Leaseholder owners (or their elected leaseholder representatives) of Trust Montana owned land. (Initially, the NWMT BOD would appoint these seats until a sufficient number of residents were created in the program.)

CLT Credentialing

The National Community Land Trust Network (NCLTN), following in the footsteps of the Institute for Community Economics, is the umbrella organization supporting member CLT organizations across the country. As such, it has become the central credentialing authority for CLT's, as well. The Trust Montana roles and board membership outlined in the sections above would suggest that it be a hybrid organization that is well within the criteria mentioned in the following NCLTN table.

TABLE A

KEY FEATURES	CLT CLASSIC*	CLT VARIATIONS
PURPOSE	A CLT has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, with a primary purpose of meeting the needs of “charitable” populations.	The organization has among its purposes the provision of decent housing that is affordable to low-and moderate-income populations whose housing needs are not being met by the private market.
CORPORATE STATUS	A CLT is a private, nonprofit corporation that: (i) has a 501(c)(3) or (4) tax exemption; (ii) is not sponsored by a for-profit organization; and, (iii) reserves no more than a third of its board for appointees or employees of a local government	The organization is a private, nonprofit corporation that is not sponsored by a for-profit organization.
LAND OWNERSHIP	A CLT acquires parcels of land that are: (i) owned in perpetuity by the CLT; and (ii) conveyed under long-term ground leases.	The organization acquires parcels of land that are either: (i) owned in perpetuity by the organization and conveyed under long-term ground leases; or, (ii) sold to another party subject to deed covenants regulating the land’s use and resale in ways similar to a CLT ground lease.
HOME OWNERSHIP	For owner-occupied housing, a CLT transfers ownership of structural improvements that are located on leased parcels of land to homeowner/lessees	For owner-occupied housing, the organization transfers ownership of structural improvements located either on land that is leased from the organization or on land that is sold to another party, subject to deed covenants. Alternatively, the organization retains ownership of both the land and improvements, but conveys to the housing’s occupants essential rights and responsibilities of homeownership using a long-term, inheritable lease
PERMANENTLY AFFORDABLE	A CLT retains a preemptive option to purchase any structural improvements at a price determined by formula that is designed to ensure the improvements remain affordable to low- and moderate-income persons in perpetuity.	The organization controls the resale of residential property through a durable contractual mechanism designed to ensure such property remains affordable to low-and moderate-income persons in perpetuity.
SERVICE AREA	A CLT serves any particular geographic area specified in the bylaws of the organization.	The organization serves any particular geographic area specified in the organization’s bylaws or in policies adopted by the organization’s board of directors.
CORPORATE MEMBERSHIP	A CLT has a corporate membership that is open to any adult resident of its service area and to any other class of members defined in the organization’s bylaws.	The organization is structured and operated to remain directly accountable to the residents of its service area.
BOARD COMPOSITION	A CLT’s board of directors is composed of equal numbers of: (i) lessees; (ii) corporate members who are not lessees; and (iii) any other category of persons described in the bylaws of the organization.	Included among the organization’s directors, making up at least a third of the board, are representatives of the population being served by the organization’s projects and programs.
BOARD SELECTION	A majority of the directors on a CLT’s governing board are elected by the corporate membership.	The directors of the organization’s governing board may be elected by the corporate membership or by other members of the board, as long as some structure exists to ensure the board’s accountability to the residents of its service area.

Participant Roles

The roles that Trust Montana would assume and the tasks it would be expected to perform depend on both the type of project and the capacity (and preferences) of the local affiliates. The predisposition of Trust Montana would be to encourage local control wherever practical, while standardizing and centralizing only those services that are necessary to the efficient operation and stewardship of CLT activity. The following matrix explores some primary CLT functions and suggests possible allocations of responsibility between Trust Montana local affiliate members:

Table B

	If a competent local partner were available would Trust Montana perform this function?	If a competent local partner were un-available would Trust Montana perform this function?
Land assembly	Unlikely	Yes
Recipient of donated land and buildings	Possibly	Yes
Housing developer	Unlikely	Perhaps, through an RFP
Ownership of land	Possibly (plus default possibility)	Yes
Responsible lessor	Possibly	Yes
Market CLT homes	Unlikely	Yes
Educate CLT buyers	Unlikely	Yes
Pre-purchase counseling	Unlikely	Yes
Monitor ground lease compliance	Unlikely, unless contracted services	Yes
Service leaseholders	Unlikely, unless contracted services	Yes
Collect lease fees	Unlikely, unless contracted services	Yes
Manage re-sales	Unlikely, unless contracted services	Yes
Standardize documents	Yes	Yes
Standardize policies,	Yes	Yes

procedures, practice		
Standardize financing	Yes	Yes
Standardize or “approve” re-sale formulas	Yes	Yes
Educate lenders, appraisers, realtors, assessors, attorneys	Yes (in partnership)	Yes
Educate public officials	Yes (in partnership)	Yes
Advocate public policies and public funding for CLT activity	Yes (in partnership)	Yes
Backstop stability of affiliate and CLT members	Yes	N/A