

Community Land Trusts in the Rental Market:

Practices, Challenges, and Opportunities

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Report Overview

Across the United States, the annual loss of tens of thousands of affordable housing rentals through contract expirations, abandonment, and market forces worsens an already historic housing crisis. According to the National Housing Preservation Database, more than 350,000 rental units are at risk of losing affordability by 2030. One key focus of many preservation strategies is the Low-Income Housing Tax Credit (LIHTC) program, the nation's largest subsidy source for affordable rental housing development. Hundreds of thousands of LIHTC rentals are at risk, and though most are required to remain affordable for a period of at least 30 years, a significant number are at high risk of being lost to the market.

Grounded Solutions Network and its partners are addressing this challenge through preservation that prioritizes "Lasting Affordability," using models, best practices, and policies that maintain affordability for a minimum of 40 years and, whenever possible, in perpetuity—far beyond the typical spans of 5, 10, or 30 years that most housing programs mandate.

While developing and stewarding homeownership opportunities represents the core work of most CLTs, the 2022 Census of Community Land Trusts and Shared Equity Entities in the United States found that the creation and management of rental units account for 44% of total residential units stewarded by shared equity programs throughout the country.

To define the specific characteristics of CLT rental housing programs, we interviewed representatives from a cohort of 18 CLTs that manage rental portfolios. Our cohort includes a diverse sample of nonprofit organizations varying in size, location, age, and experience operating a rental portfolio.

In the cohort, the organization with the largest rental portfolio is Champlain Housing Trust in Burlington, VT. For context, this decades-old housing provider has an extensive staff, including 70 in property management. On the other end of the spectrum is People's Housing+ in New Orleans, which had two rental units in their portfolio at the time of the interview. They alerted us that by August 2025 their team of seven will have added seven more units to their portfolio.
CLT programs typically ensure lasting affordability through various legal arrangements as a foundation to successful community preservation strategies. For example, within our study sample, we found that roughly 56% of CLTs are in LIHTC partnerships to maintain permanently affordable rentals. Forty-five percent of organizations we spoke to manage properties in-house, while 33% hire outside firms. Twenty-two percent of the organizations use a combination of approaches, depending on the

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property type and other factors. The size of rental portfolios varies widely, from two units to more than 2,500 units, with a median unit count of 87.

CLTs develop and preserve affordable rentals based on community-driven priorities, often in response to market failures, helping to stabilize households and prevent displacement. Affordable rental portfolio growth and stable operations can also support CLT financial sustainability through a steady source of revenue.

The CLTs interviewed typically rely on a combination of external partnerships and internal expertise to acquire and develop rental portfolios. In some communities, rather than developing new rentals, CLTs may preserve privately and publicly held existing housing stock as an effective response to an inadequate supply of affordable rentals.

Based on our interviews, CLTs employ various ownership structures, which depend on unit type/composition, staff capacity, mission and goals, and the local context. Thirty-nine percent of those interviewed are partners in joint ownership ventures, intentionally created to access funding sources such as low-income housing tax credits.

CLTs that outsource rental property management identified staff capacity, program complexity, strategic decisions, and the availability of property management firms as key decision factors; those that manage rentals in-house raised cost and quality control, lack of qualified contractors, and the ability to maintain direct relationships between the CLT and its tenant families.

The CLTs we interviewed interact more regularly with rental tenants than homeowners. Some provide direct services designed to support tenants' general financial health. CLTs also partner with financial institutions to offer benefits to tenant families.

Nearly all CLTs interviewed have programs to support renter families that want to transition to homeownership. More than half of the CLTs have successfully transitioned at least one tenant into homeownership. However, success is not fully predictable due to significant variables, including tenant household financial barriers, lack of interest in becoming homeowners, and the use of rental programs by some CLTs as a business strategy rather than a pathway to homeownership.

More than half of the interviewees have converted or plan to convert at least one rental unit to affordable ownership. Those not actively pursuing such conversions seek to provide and steward a permanent stock of affordable rentals, linked with the sustainable ongoing revenue generation resulting from significant rental portfolio operations.

The primary barriers to CLT rental portfolio growth include escalating development costs and limited access to highly sought-after funding, as well as organizational capacity limits.

The CLTs we spoke with have rental portfolios ranging from two units to more than 2,500. Most organizations have a relatively even mix of multifamily and single-family rentals, though none have exclusively single-family rental homes.

The CLTs in our study cohort mostly serve low- to very-low-income families, reflecting income restrictions tied to funding sources. About half of the CLTs we interviewed operate mixed-income properties in which higher rents cross-subsidize lower rents, a common strategy in affordable housing. To maintain lasting affordability, some CLTs have legal mechanisms; others rely on retaining ownership and active management responsibility to ensure affordability.