# DRAFT FOR DISCUSSION
# Donating or Selling Your Home to the Columbia Community Land Trust

The Columbia Community Land Trust makes homeownership possible for people who would otherwise be priced out of the market. It does this by

- building or acquiring good houses,
- selling them at dramatically reduced prices to people with limited incomes, and
- preserving their affordability and quality for all subsequent buyers.

Even when housing prices are climbing, Community Land Trust houses remain *permanent*ly affordable for working class people and families. Many generous Columbians have made cash contributions to support the work of the CCLT, but this is not the only way to give. Some Columbians are now planning to donate their houses instead.

Why would these Columbia homeowners choose to donate their houses? Some explain that they have put a good deal of labor and love into their home. They think of it as something more than a nondescript "asset" to be sold on the open market. They want it to live on as a good home for people who otherwise might have to settle for much less. Some donors have explained that they are thinking of their neighbors and their neighborhood. By putting the house into the Trust, they can prevent it from falling into the hands of speculators or landlords who may not have the neighborhood's best interests in mind.

If you are interested in adding your house to the CCLT portfolio, there are several ways of doing so. Five of the most obvious are described briefly below. Should you decide to use any of them, you should probably seek advice from your attorney and tax advisor.

## Options for CCLT supporters who plan to move elsewhere

1. Outright Gift. Owners can donate full title to their property to the CCLT. Doing so may make them eligible for a tax deduction based on the property's appraised value.

2. Charitable Bargain Sale. Owners can sell their property to the Trust at a discounted price. The difference between the market value and the "bargain" price then becomes a charitable donation.

## Options for CCLT supporters who plan to continue living in their houses

3. Will or Trust. Donors who want to retain ownership during their lifetime may find it easiest to write the gift of their house to the CCLT into their will or trust document.

4. Beneficiary Deed. Beneficiary deeds, which can automatically transfer ownership to a charity like the CCLT when the owner dies, are filed with the Boone County Recorder's office. They can be revoked if the donors change their minds.

5. Gift (or sale) of the Land Only. This option shifts ownership of the land to the CCLT immediately and permanently, but the donor continues to own the house. When the donor-owner decides to sell the house, the CCLT will be ready to buy it at its appraised value.

## Understanding the CCLT's Needs and Considerations

While offers of donated and discounted-sale properties are profoundly appreciated by the CCLT, not every property is a good fit. Because the Trust becomes a permanent steward of the property, it needs to consider such questions as

- Will the house need environmental remediation (for example, because of the presence of lead paint or radon gas)?
- Might the cost of rehabilitating the property be more than the Trust can afford, either in the long run or the short run?
- Is the house suitable for households with low to moderate incomes? (For example, is it located in an accessible area? Might maintenance or utility costs exceed a low-income buyer's budget?)
- Is there any possible confusion about the title? Are their any liens on the house?

If your house seems to fit the CCLT's needs and if donating it fits with your charitable intentions and life situation, let's talk. We'll work together to form a plan that clarifies in plain language the terms of your donation. Such a written document can help us avoid misunderstandings down the road and also give us reason to celebrate a new partnership in a worthy cause.

You can begin the conversation by emailing Columbia's Office of Housing and Neighborhood Services (HousingPrograms@CoMO.gov).