



CLTs Can Help Build Community

One of the most generous things you can do with your home is to use that asset to help create affordable housing for the Marin community. A Community Land Trust removes housing from the speculative market and creates equitable, sustainable homes that are permanently affordable community assets. By holding and stewarding these homes for future generations we put people and the community first.

These are some of the proven options available to Senior Homeowners:

Outright Donation of Property: Owner donates a home, building, or vacant parcel to the Land Trust which can then be used for affordable/work force housing.

Gifting land to the CLT is an excellent way to create a legacy in the community you call home, ensuring that there will always be affordable housing for vital community members who may not otherwise be able to live here. Owners who donate their property outright are typically entitled to an income tax deduction based on the property's fair market value and will avoid paying the capital gains taxes that would be owed if they were to sell the property.

Donate in the Future: Owner leaves the property to the CLT in Will, Living Trust or other Beneficiary Designation.

Similar to an outright donation, designating Mt. Tam CLT as a beneficiary in your estate planning is an amazing way to cement your legacy in the community. Donating in this manner allows the bequest to remain in your control until your passing and can be structured in many ways. You can leave a specific asset or an amount, leave a percentage of your estate, or even make the gift contingent on specific criteria. By designating the CLT as a beneficiary you may allow you and/or your heirs to avoid paying estate and/or income taxes on those assets. While the impact of this gift is less immediate, this type of future planning is essential to the CLT's long-term goal of removing as many properties as possible from the for-profit speculative market.

Sell Your Home at a Discount: Owner sells property to CLT at a below market rate price, either now or in the future, and gets a charitable deduction on their taxes for the difference between sales price and market value.

This is a wonderful option if you do not want to contribute to the speculative market but need to realize some return on the sale of your property and could use an income tax deduction or want to negate the capital gains tax burden on the sale.

Donate Your Home Today and Live there as Long You Want: This is known as a Retained Life Estate (RLE). Owner sells the “remainder interest” to the CLT but continues to own the “retained life estate” and live in the property for an agreed upon length of time, which could be for the remainder of the RLE owner’s life. CLT pays owner for the retained interest in the property (using specific IRS formulas and independent appraised “fair market value” of the property). Further if owner agrees to transfer the property at a price below fair market value owner may qualify for a tax deduction for the difference.

RLE is a good option for owners who want to live in their house for either a short or long term but need some cash in the meantime. This can be a better option than “reverse mortgages” which are often laden with fees and can result in the transfer of your home to a bank or mortgage lender.

As you think about the different ways you can use your home or assets to help ease the workforce housing crisis there are many factors to consider:

- 1) **Legal & Tax Consequences:** Once you have made a decision about what to do with your home – TALK TO YOUR ATTORNEY AND TAX PROFESSIONAL. It is vital that you talk to independent counsel who can help you make the best decision for you and your family.
- 2) **Impact on your Family:** in addition to speaking to an attorney and/or tax professional, you should discuss this with your heirs/family members to ensure that they will agree with the ultimate disposition of your assets.
- 3) **Lender/Mortgage Broker:** If there is a mortgage or other debt on your property you will need to contact the lender before you transfer ownership. Any debt on the property will need to be addressed prior to transfer. (The CLT may be available to assist in any debt resolution required)

For more information consult our website: mttamclt.org