

IMAP Implementation Committee**Progress report****Action 5.2 Affordable Housing – Community Land Trust Project**

BACKGROUND

1. At the IMAP Implementation Committee meeting in February 2014, the Committee noted the scope for Phase 2 of the Community Land Trust project.
2. This Phase has two core tasks:

a) identify and research appropriate financial products for the establishment of CLTs in Australia

This task involves the team working with banks and other lending institutions to develop appropriate loan products for residents looking to buy a leasehold or shared equity interest in CLT housing. This will include identifying the criteria and conditions that would enable lending to households without exposing the household or the housing organisation to unacceptable risk.

This will include the possibility for the housing organisation to be notified upon arrears and default, and the possibility of fixed-rate loans. Insurance and guarantee issues will also be addressed. It is intended that the work will include the creation of an acceptable pro forma lending instrument.

b) perform in-depth case studies

This task involves the completion of up to four in-depth case studies in a range of locations and scenarios. These will involve financial modelling based on case studies' target communities and intended housing stock, as well as identification of the appropriate legal mechanism and governance concerns. Case study organisations must:

- have a demonstrated commitment to starting a CLT;
- seek or contribute their own legal advice for their own situation (see Note below); and,
- contribute to funding the case study (commensurate with their level of financial resources).

UPDATE

3. Work commenced on the project in November 2014. The Memorandum of Understanding between the University of Western Sydney and all other parties has been finalised. IMAP and the City of Port Phillip have both contributed \$10,000 to Phase 2 of this project.
4. *Financial Products*: Discussion has been undertaken with intermediaries who consult to the financial sector. As a result the project team is preparing a "risk matrix" to identify how risk will be managed to assist financial institutions in their consideration of this proposal.
5. *Case Studies*: Four case studies have been identified, managed by the following organisations:
 - Mount Alexander Community Land Ltd.
 - St. Kilda Community Housing
 - Tasman Ecovillage
 - Committee for Lorne

This range of case studies provides the project with a diversity of sites, organisational structures and market conditions.

6. The project Steering Group represents government, private and the private not-for-profit sectors.

The research team consists of the following:

- Dr Louise Crabtree, University of Western Sydney
- Professor Peter Phibbs, University of Sydney
- Professor Carolyn Sappideen, University of Western Sydney
- Dr Hazel Blunden, University of Western Sydney

The Project Steering Group includes:

John Enticott	St Kilda Community Housing
Doug Falconer	Mount Alexander Community Land Ltd
Leo Foley	Hobart Ecovillage
Jon Purcell	SEMZ Property Group
Gary Spivak	City of Port Phillip
Karen Weldrick	Tasman Ecovillage
Elissa McElroy	Inner Melbourne Action Plan
Jill Nolan	Hobart Ecovillage
Catherine Gilbert	University of Sydney

RECOMMENDATION

7. That the IMAP Implementation Committee resolves to note the progress with the Community Land Trust Project.