

**Action Requested/Required:**

- ☒ Vote/Action Requested  
☐ Discussion or Presentation Only  
☐ Public Hearing  
Report Date: \_\_\_\_\_  
Hearing Date: \_\_\_\_\_  
Voting Date: 9/4/25

**Department:** Housing & Urban Development**Presenter(s) & Title:** Ken PattonHousing Initiatives Director**Agenda Item Title:**

Discussion and Possible Action to Approve the Articles of Incorporation and the ByLaws for the Canton Community Land Trust

**Summary:**

The Canton Housing Team heard presentations about Community Land Trusts and how they operate. A Community Land Trust is a nonprofit community-based organization that acquires, owns and stewards land permanently for the common good. CLTs are best known for providing affordable homeownership opportunities that last generations. They do this by retaining ownership of the land and selling the housing on the land to lower-income households (utilizes long-term land lease). In exchange for below-market prices, purchasers agree to resale restrictions that ensure the homes will remain affordable to subsequent buyers. The CLT model allows lower-income households to build wealth through homeownership, while providing the community with a stock of homes that will remain affordable for generations.

**Budget Implications:**Budgeted? ☐ Yes ☐ No ☒ N/ATotal Cost of Project:  Check if Estimated ☐Fund Source: General Fund ☐ Water & Sewer ☐ Sales Tax ☐ Other: **Staff Recommendations:****Reviews:**Has this been reviewed by Management and Legal Counsel, if required? ☒ Yes ☐ No**Attachments:**

1. Council Agenda Cover Sheet 2. Canton Community Land Trust Articles of Incorporation 3. Canton Community Land Trust ByLaws

**ARTICLES OF INCORPORATION**  
**OF**  
**CANTON COMMUNITY LAND TRUST, INC.**

**ARTICLE ONE**

**Name**

The name of the corporation shall be:

**CANTON COMMUNITY LAND TRUST, INC.**

**ARTICLE TWO**

**Perpetual Duration**

The corporation shall have perpetual duration.

**ARTICLE THREE**

**Nonprofit Corporation and Charitable Purposes**

- (a) The corporation shall be a nonprofit corporation under the provisions of the Georgia Nonprofit Corporation Code. It shall be organized, and at all times thereafter operated, exclusively for charitable uses, educational purposes and otherwise for purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (as from time to time amended), and the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such sections and provisions (the "11Code"), and in particular:
- (i) To support and contribute to the building of safe, decent and affordable housing for low- and moderate-income residents in the City of Canton Georgia ("Canton" or the "City"), consistent with the income guidelines established for affordable housing programs;
  - (ii) To preserve the quality and affordability of housing for future low-income and moderate-income residents of Canton, including but not limited to> preserving sustainable affordable housing opportunities in communities most likely to be impacted by public and private investment community redevelopment areas prioritized by the City Council of the City, and thereby lessen the burdens of government in respect thereof;
  - (iii) To promote the formation of neighborhood level community land trusts in furtherance of the goal of creating sustainable, affordable housing in Canton, and generally foster a favorable environment for the development of community land trusts;

- (iv) To foster and promote collaborative land use and community development with a view toward providing quality affordable housing opportunities in all neighborhoods of the City, with significant input from public sector, private sector and community participants;
- (v) To foster community revitalization and abate continued deterioration in economically disadvantaged neighborhoods by promoting (1) the development, rehabilitation, and maintenance of decent housing in such neighborhoods and (2) economic opportunities for low- and moderate- income residents of these neighborhoods, making land available for projects and activities that improve the quality of life and increase economic activity in these neighborhoods, and assisting residents of these neighborhoods in improving the safety and well-being of their community; and
- (vi) To serve the public welfare through engaging in the activities identified above, by promoting housing opportunities for low- and moderate- income people generally, and by educating individuals and the general public concerning housing for low- and moderate-income people.
- (vii) (h) To acquire, own, dispose of and deal with real and personal property and interests therein and to apply gifts, grants, bequests and devises and their proceeds in furtherance of the purpose of the corporation.
- (viii) To perform stewardship functions, consistent with the purposes set forth in these Articles of Incorporation and in the corporation's Bylaws, in neighborhoods within the City which do not have an active community land trust or where the capacity of any existing community land trust (whether financial, operational or otherwise) is insufficient to adequately serve as a durable steward for lands and buildings or to otherwise permit it to achieve the goals and objectives of a properly functioning community land trust.
- (ix) To do such things and to perform such acts to accomplish its purposes as the Board of Directors may determine to be appropriate and as are not forbidden by section 501(c)(3) of the Code, with all the power conferred on non-profit corporations under the laws of the State of Georgia.

## **ARTICLE FOUR**

### **Tax-Exempt Nonprofit Corporation**

The corporation shall be neither organized nor operated for pecuniary profit or financial gain.

(a) No part of the assets, income or profits of the corporation shall inure to the benefit of: or be distributable to, any member, director, officer, or trustee of the corporation, or any other private person; provided that nothing herein shall prevent the corporation from payment of reasonable compensation to any person for services rendered to, or for, the corporation, or from making payments and distributions in furtherance of the purposes as set forth in Article Three hereof.

(b) No substantive part of the activities of the corporation shall be devoted to the carrying on of propaganda, or otherwise attempting to influence legislation whether pursuant to Section 501(h) of the Code or otherwise. No part of the activities of the corporation shall be devoted to participating in or intervening in (including the publication or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

(c) Notwithstanding any other provisions of these Articles of Incorporation or the corporation's Bylaws, the corporation shall not carry on, or include among its purposes, activities not permitted to be carried on:

(i) By a corporation exempt from federal income taxation under section 501(c)(3) of the Code; or

(ii) By a corporation, contributions, transfers or gifts to which are deductible for federal income tax purposes under sections 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Code.

(d) In any taxable year in which the corporation is a private foundation as described in Section 509(a) of the Code, the corporation shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Code, and the corporation shall not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Code, (ii) retain any excess business holdings as defined in Section 4943(c) of the Code, (iii) make any investments in such a manner as to subject the corporation to tax under Section 4944 of the Code, or (iv) make any taxable expenditure as defined in Section 4945(d) of the Code. It is intended that the corporation shall have, and continue to have, the status of an organization which is exempt from federal income taxation under section 501(c)(3) of the Code. All terms and provisions of these Articles of Incorporation and the corporation's Bylaws, and all authority and operations of the corporation, shall be construed, applied and carried out in accordance with such intent.

## **ARTICLE FIVE**

### **Board of Directors**

(a) The Board of Directors of the corporation shall consist of such number of directors as provided in the corporation's Bylaws, as amended from time to time. The Board of Directors shall have general charge of the affairs and any property and assets of the corporation. It shall be the duty of the directors to carry out the purposes and functions of the corporation. The directors shall have the powers and duties set forth in these Articles of Incorporation and in the corporation's Bylaws to the extent that such power and duties are not inconsistent with the status of the corporation as a nonprofit corporation which is exempt from federal income taxation under section 501(c)(3) of the Code.

(b) Anything in these Article of Incorporation or in the corporation's Bylaws to the contrary notwithstanding, the corporation shall not be controlled, directly or indirectly, by one or more disqualified persons (as defined in section 4946 of the Internal Revenue Code) other than foundation managers and other than one or more organizations described in section 509(a)(1) or section 509(a)(2) of the Internal Revenue Code.

## **ARTICLE SIX**

### **Members**

The corporation shall not have any members.

## **ARTICLE SEVEN**

### **Dissolution of Corporation**

Upon dissolution of the corporation, the Board of Directors, shall, after paying or making provision for payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation by distributing those assets exclusively for the purposes of the corporation, in such manner as the Board of Directors shall determine to the extent consistent with these Articles of Incorporation and the corporation's Bylaws. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction for the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

## **ARTICLE EIGHT**

### **Registered Office and Registered Agent**

The initial registered office of the corporation shall be at 110 Academy Street, Canton, Cherokee County, Georgia 30114. The initial registered agent of the corporation at such address shall be \_\_\_\_\_.

## **ARTICLE NINE**

### **Principal Office**

The mailing address of the initial principal office of the corporation is 110 Academy Street, Canton GA 30114.

## **Article 10**

### **Definitions**

For purposes of these Articles of Incorporation, "charitable purposes" include charitable, religious, educational, literary, or scientific purposes within the meaning of section 501(c)(3) of the Code, contributions for which are deductible under section 170(c)(2) of the Code. All references in this Articles of Incorporation to sections of the Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such sections and provisions.

## **ARTICLE ELEVEN**

### **Limitation of Director Liability**

- (a) A director of the corporation shall not be personally liable to the corporation for monetary damages for breach of duty of care or other duty as a trustee, except for (i) for any appropriation, in violation of his or her duties, of any business opportunity of the corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for the types of liability set forth in Georgia Nonprofit Corporation Code Sections 14-3-860 through 14-3-864, or; (iv) for any transaction from which the director derived an improper personal benefit.
- (b) Any repeal or modification of the provisions of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation with respect to any act or omission occurring prior to the effective date of such repeal or modification.
- (c) If the Georgia Nonprofit Corporation Code or, by reference, if appropriate, the Georgia Business Corporation Code hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation<sup>1</sup> in addition to the limitation on personal liability provided herein, shall be limited to the

- fullest extent permitted by the amended Georgia Nonprofit Corporation Code or the amended Georgia Business Corporation Code, as appropriate.
- (d) In the event that any of the provisions of this Article (including any provision within a single sentence) are held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions are severable and shall remain enforceable to the fullest extent permitted by law.

## **ARTICLE TWELVE**

### **Amendments**

IN **WITNESS WHEREOF**, the Secretary hereby certifies that the attached Articles of Incorporation were duly adopted by the corporation effective as of the \_\_\_\_ day of \_\_\_\_\_.

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Secretary

# **Canton Community Land Trust BYLAWS**

ARTICLE I – GENERAL

ARTICLE II – MEMBERS

ARTICLE III – DIRECTORS

ARTICLE IV – OFFICERS

ARTICLE V – GOVERNANCE

## **ARTICLE I – GENERAL**

### **SECTION 1 – Name**

The name of the corporation is CANTON COMMUNITY LAND TRUST, INC. [L]  
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### **SECTION 2 – Purposes**

The purposes of the corporation are:

- A. Education, research, and the promotion of and appreciation for community access to land and other natural resources in Canton County and environs for sustainable:
  - 1. Affordable housing,
  - 2. Land conservation,
  - 3. Economic diversity, and
  - 4. Open space for recreation.
- B. Enhancement of the community by acquiring by gift or purchase land and interests in land in Canton County and environs so as to:
  - 1. Retain and convey interest in land in order to
    - a. Encourage access to land and other natural resources for community-defined purposes including affordable housing, land conservation, economic diversity and recreation,
    - b. Appropriately conserve the ecological resources of the land.
  - 2. Retain for the community any unearned increment in the market value of the land.
- C. Raising funds to further the objectives of the organization;
- D. And any other purposes allowed by law.

### **SECTION – 3 Offices**

The principal office of the corporation shall be in Canton, Georgia.



## **ARTICLE III – DIRECTORS**

### **SECTION 1 – Initial Board of Directors**

The incorporators of the corporation shall constitute the initial three-member Board of Directors. The term of one of the initial incorporators will end at the first Annual Meeting. The term of one of the initial incorporators will end at the second Annual Meeting. The term of one of the initial incorporators will end at the third Annual Meeting.

### **SECTION 2 – Successor Board of Directors**

#### **A. Size**

The Board of Directors shall consist of at least three members, but always in multiples of three with the same number of board members so as to maintain the staggered terms of office.

#### **B. Election**

After the term of office for each of the initial directors, and for each new director named thereafter, all directors shall be elected by the Board of Directors.

#### **C. Vacancy**

Vacancies on the Board of Directors must be filled within thirty days of the official notice of the vacancy.

#### **E. Terms of Office**

1. The term of office of a regularly selected member of the Board of Directors shall commence at the adjournment of the Annual Meeting at which he or she was selected.
2. The term of office of a member of the Board of Directors selected to fill a vacancy shall be the same as the replaced member.
3. Except as otherwise specifically provided for pursuant to the provision of these bylaws, each regularly selected member of the Board of Directors shall serve for a term of three years unless he or she shall be removed from office as hereinafter provided for.

### **SECTION 3 – Duties of the Board of Directors**

The Board of Directors shall:

- A. Be responsible for the general management of the affairs of the corporation;
- B. Determine the compensation and duties (in addition to those imposed by law and these bylaws) of the employees and agents of the corporation;
- C. Select all officers of the corporation; and
- D. Determine by whom and in what manner deeds, contracts and other instruments shall be executed on behalf of the corporation.

### **SECTION 4 – Powers of the Board of Directors**

The Board of Directors may:

- A. Create such offices in addition to those created pursuant to the provisions of Article IV of these bylaws as it may determine to be necessary and desirable for the conduct of the affairs of the corporation.
- B. Appoint the officers to fill such offices, establish the term of service, duties and compensation, if any, of such officers and discharge such officers;
- C. Create such committees as it may determine to be necessary and desirable for the conduct of the affairs of the corporation and delegate authority to such committees;
- D. Appoint the chairperson(s) and member(s) of any committee(s) so created;
- E. Borrow funds and issue promissory notes or other evidences of indebtedness and, except as limited pursuant to the provisions of Section 5 of this Article III below, to mortgage assets of the corporation as collateral security for the payment or satisfaction thereof; and
- F. Convey the right to use the land consistent with the purposes of the Corporation, and on such terms and conditions as will conserve the resources of the land and protect the environment of the community, but the decision to make such a conveyance shall require the unanimous assent of the members of the Board of Directors.

## **SECTION 5 – Limitation on Power of the Board of Directors**

Except as otherwise provided for pursuant to the provisions of Article III, Section 4.F above and except to give a purchase money mortgage, the Board of Directors may not sell or otherwise alienate or encumber any land or interest(s) in land except in accordance with the unanimous assent of the members of the Board of Directors expressed at two consecutive meetings of the Board of Directors.

## **SECTION 6 – Meetings**

### **A. Annual Meeting**

#### **1. Time and place**

The annual meeting of the Board of Directors shall be held on the 2nd Sunday of May of each year at the office of the clerk or at such a time and location as chosen by the Board of Directors. Notice of the annual meeting shall be afforded to the members of Board of Directors not later than 10 days prior thereto.

#### **2. Business**

At the annual meeting of the Board of Directors:

- a. The President shall report on the affairs of the corporation,
- b. The Treasurer shall report on the financial condition of the corporation; and
- c. The Board of Directors shall conduct such business as may properly come before it.

### **B. Regular meetings**

1. Regular meetings of the Board of Directors may be held at such times and places as the Board of Directors may establish at the annual meeting and notice thereof shall not be required.

### **C. Special Meetings**

1. The President, Treasurer, Clerk or any three Directors may call a special meeting of the Board of Directors and notice thereof shall be afforded each of the members of the Board of Directors not later than seven days prior thereto.
2. At a special meeting of the Board of Directors, only that matter or those matters for which the meeting was called, as stated in the notice of the meeting, may be called upon by the Board of Directors unless all of the Directors shall be present at the meeting and shall consent to taking action on other matters.

### **SECTION 7 – Quorum for Directors**

A majority of the members of the Board of Directors then holding office shall constitute a quorum for any meeting.

### **SECTION 8 – Action in Lieu of Meeting**

The Board of Directors may take any action which it might lawfully take at any meeting of the Board of Directors in the absence of such a meeting but with the same effect as if adopted or taken at such a meeting by causing notice to be given to each Board member and a written statement of the action to be entered into the records of the corporation over the signatures of each and every one of the members of the Board of Directors then in office, and the Board of Directors may specify the effective date of such action.

### **SECTION 9 – Removal**

The Board of Directors may remove a director at any time by a majority vote of all members of the Board of Directors.

## **ARTICLE IV – OFFICERS**

### **SECTION 1 – Designation**

The officers of the corporation shall include a President, a Vice President, a Treasurer, and a Clerk.

### **SECTION 2 – Duties of the President**

The President shall:

- A. Call to order all of the meetings of the Board of Directors and of the membership;
- B. Supervise the activities of the Clerk of the corporation in the conduct of that office;
- C. Act in the role of facilitator for consensus decision-making, and where necessary to decide when consensus is not achieved, and
- D. Perform such other duties as the Board of Directors may impose.

### **SECTION 3 – Duties of the Vice President**

The Vice President shall perform the duties of the President in the case that the President is unavailable to perform those duties, or must recuse himself/herself from discussion or a vote, or in the case of a vacancy in the office of the President.

### **SECTION 4 — Treasurer**

The Treasurer shall:

- A. Have custody of the funds of the corporation,
- B. Deposit all money of the corporation to the credit of the corporation in such

## Canton Community Land Trust, Inc. Bylaws

depositories as the Board of Directors may designate;

C. Maintain all assets of the corporation other than money in the name of the corporation;

D. Disburse such funds of the corporation as the Board of Directors may order and/or authorize and, if required, take proper vouchers for such disbursements;

E. Keep full and accurate accounts of receipts and disbursements in books of the corporation maintained for that purpose;

F. Render an accounting of his or her transactions as Treasurer and of the financial condition of the corporation to the Board of Directors at the annual meeting of the Board of Directors, at the regular meetings of the Board of Directors, and, whenever in addition thereto, the Board of Directors may require

G. If required by the Board of Directors, give the corporation a bond in a sum and with one or more sureties satisfactory to the Board of Directors for the faithful performance of duties of the office of Treasurer and for the restoration to the corporation, in the event he or she shall vacate the office of Treasurer, for any reason, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control that may belong to the corporation; and

H. Perform the duties of the President in the case that the President and Vice President are unavailable to perform those duties, or must recuse themselves from discussion or a vote, or in the case of a vacancy in the office of the President and the Vice President.

I. Perform such other duties as the Board of Directors may impose.

### **SECTION 5 – Duties of the Clerk**

The Clerk shall:

A. Maintain custody of the records of the discussion of and of the action taken on all issues coming before meetings of the Board of Directors;

B. Maintain the official records of the membership of the Corporation

C. Give notice or cause notice to be given of all meetings of the Board of Directors; and

D. Perform such other duties as the Board of Directors or the President may impose.

## **SECTION 6 – Tenure**

The officers of the corporation, unless removed as hereinafter provided for, shall hold office for one year and thereafter until their successors are chosen and qualified in their stead.

## **SECTION 7 – Removal**

The Board of Directors may remove any officer at any time by a majority of the Board of Directors.

# **ARTICLE V – GOVERNANCE**

## **SECTION 1 – Decision Making**

A quorum is required for all decisions. All actions taken by the Board of Directors shall require a majority vote of those present and voting.

## **SECTION 2 – Inspection of Records**

Any director or officer, either in person or by his or her agent or attorney, may inspect the books and records of the corporation for any purpose at any reasonable time.

## **SECTION 3 – Disposition of Corporate Assets in the Event of Dissolution**

In the event the corporation is dissolved, the assets of the corporation shall be distributed to a conservation land trust or other organization existing to serve the same purposes of the corporation.

## **SECTION 4 – Amendments**

Except as hereinafter otherwise specifically provided for, these Bylaws may be altered or amended, in whole or in part, by a majority of the members of the Board of Directors, but notice of a proposal to alter or amend the Bylaws at any regular or special meeting of the Board of Directors shall be afforded each of the members of the Board of Directors not later than seven days prior to the meeting at which it is proposed to take such action. [SEP] Nevertheless: [SEP]

- A. The provisions of Article III, Section 2 of these Bylaws relating to the size, composition, and selection of successor Boards of Directors may not be amended except in accordance with the unanimous assent of the members of the Board of Directors expressed at two consecutive Annual Meetings of the Board of Directors; and

- B. The provisions of Article III, Section 5 of these Bylaws relating to limitations on the power of the Board of Directors to sell or otherwise alienate or encumber any land or interests in land; and Article III, Section 5 of these Bylaws relating to the disposition of the assets of the corporation in the event of the dissolution of the corporation may not be amended.

## **SECTION 6 – Requirements of the State of Georgia**

- A. The corporation and individuals acting on behalf of the corporation with respect to employment and all other activities shall not discriminate in any regard to race, class, religion, gender, age, physical disability, sexual orientation, place of origin or heritage and nationality.
- B. The corporation shall not operate contrary to the confines and regulations of the Internal Revenue Code Section 501(c)(3) as they are not constituted or hereafter amended from time to time, or to allow any attempt to influence legislation, or intervene or participate in a political campaign on behalf of any candidate for public office.
- C. No permanent or temporary agent performing on behalf of this corporation shall receive any pecuniary benefit from the said corporation except such reasonable compensation for services rendered to the corporation.
- D. Any action taken by a member of the Board of Directors who has a real or perceived conflict of interest may be invalidated. Any member of the Board of Directors who perceives himself or herself as having a conflict of interest regarding any matter must disclose the existence of his or her conflict of interest to the Board of Directors. In such case, any member of the Board of Directors may call for full disclosure of said conflict of interest by the particular board member and abstention of voting on the matter.
- E. It is anticipated at this time that the members of the Board of Directors shall not be personally liable for any debt, liability, or obligation of the corporation. It is noted that all persons, Corporations, or other entities extending credit to, contracting with or having any claim against the Corporation, may look only to the funds and property of the Corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment, or decree, or of any money that may otherwise become due or payable to them from the Corporation. This provision of liability cannot be nullified by any provision in these Articles of Organization or the By-Laws of the Corporation.
- F. Indemnification if the Board of Directors, employees, or other agents of the Corporation and persons who serve as its Directors, officers, employees, or volunteers shall be provided by the Corporation to the extent of any liability insurance carried by the Corporation and covering the claim. Such

indemnification shall be on condition that the person claiming indemnification cooperates in all ways required by the terms of the liability insurance policy and the limitations of liability set forth in Massachusetts General Law, Chapter 180, Section 3, paragraph 3. The limits and coverage of such policy shall be in the sole discretion of the Corporation.

- G. The rights of indemnification is solely for the benefit of the person to whom indemnification is extended under the provisions hereof, and no other person or entity shall have any right or claim, including a third-party beneficiary or for reliance on such indemnification, in respect hereto. No person or organization has a right to join the Corporation as a party otherwise in a suit seeking damages from the person claiming indemnification or to sue the Corporation under this section.
- H. The Corporation may be a partner in any business enterprise, which said Corporation would have power to conduct by itself.
- I. The Corporation may make contracts of guarantee and surety ship, whether or not in furtherance of the contracting corporation's purposes; provided, however, that such contracts are necessary or convenient to the conduct, promotion or attainment of the Corporation.
- J. All assets obtained through the Corporation, financial and material, shall be used solely for the activities of the said Corporation as outlined in Article II of the Articles of Organization and upon dissolution, by vote of a majority of its Board of Directors of the Corporation, any assets remaining after payment of all lawful debts and responsibilities shall be used or distributed for its charitable purposes consistent with Section 501 (c) (3) of the Internal Revenue Code and the regulations thereunder as they exist or may be amended from time to time as responsibility by the Board of Directors or failing such responsibility by a court of competent jurisdiction.

## **SECTION 7 - STEWARDSHIP OF LAND**

- 1. Principles of Land Use.** The Board of Directors shall oversee the use of land owned by the Corporation and shall convey the right to use such land so as to facilitate access to land and affordable housing by low-income [or low and moderate income] people. In so doing, the Board shall be guided by the following principles:
- a. The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights.
  - b. The Board shall convey land use rights on terms that will preserve affordable access to land and housing for future low-income [or low and moderate income] residents of the community.
  - c. The Board shall convey land use rights in a manner that will promote the long-term well-being of the community and the long-term health of the environment.



**2. Encumbrance of Land.** The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of the Board of Directors. Any such encumbrance shall be subordinated to any ground leases relating to such land.

**3. Sale of Land.** The sale of land does not conform with the philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines.

a. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than sixty (60) days at the time the vote is taken, (ii) the parcel is not leased to any party, and (iii) the resolution states that the location or character of the parcel is determined to be such that the charitable purposes of the Corporation are best served by selling the land and applying the proceeds to the support of other activities serving those purposes.

b. In all other circumstances a parcel of land may be sold only with: (1) An affirmative vote by at least two thirds of the entire Board of Directors at a regular or special Board meeting, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal.

c. If any of the Corporation's land is to be sold to any person or entity other than a not for-profit corporation or public agency sharing the purposes of the CLT, any ground lessees on that land shall have the opportunity to exercise a right of first refusal to purchase the land that they have been leasing from the CLT.

## **SECTION 8 - OWNERSHIP OF HOUSING AND OTHER IMPROVEMENTS LOCATED ON THE CORPORATION'S LAND, AND LIMITATIONS ON RESALE**

**1. Ownership of Housing and Improvements on the Corporation's Land.** In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land by low-income [or low and moderate income] people. These measures may include, but are not limited to, provisions for the sale of housing to such people; provisions for financing the acquisition of housing by such people, including direct loans by the Corporation; and provision for grants or other subsidies that will lower the cost of housing for such people.

**2. Preservation of Affordability.** It is a purpose of the Corporation to preserve the affordability of housing and other improvements for low-income [or low and moderate income] people in the future. Accordingly, when land is leased for such purpose, the Board of Directors shall assure that, as a condition of the lease, housing on the land may be resold only to the Corporation or to another low-income [or low or moderate income] person and only for a price limited by a "resale formula" as described in Section 3 below. However, notwithstanding the foregoing, the Board of Directors may choose, for reasons consistent with the charitable purposes of the Corporation, to lease certain parcels of land for uses that do not require continued affordability for low-income [or low or moderate

income] people, and in such cases the resale restrictions described above shall not be required as a condition of the lease.

**3. The Resale Formula.** Whenever its purpose is to preserve affordability, the Corporation shall restrict the price that ground lessees may receive when they sell housing and other improvements located on the land that is leased to them by the Corporation. The same policy shall be applied in the case of condominium units stewarded by the Corporation, regardless of whether the land is owned by the Corporation. A policy establishing such restrictions in the form of a “resale formula” shall be adopted by the Board of Directors and the Regular Members of the Corporation, in accordance with the following principles:

- a. To the extent possible, the formula shall allow the seller to receive a price based on the value that the seller has actually invested in the property being sold.
- b. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low-income [or low and moderate income] people at the time of the transfer of ownership.

**4. Procedures for Adoption of the Resale Formula.** The adoption of the resale formula shall require:

- a. An affirmative vote by at least two thirds of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has set forth the proposed formula with an explanation thereof; and
- b. An affirmative vote by at least two thirds of the Regular Members present at any regular or special Membership meeting, a quorum being assembled, provided that written notice of such meeting has set forth the proposed formula with an explanation thereof.

**5. Procedures for Altering the Resale Formula.** The consistent long-term application of a resale formula is essential to the purposes of the Corporation. Accordingly, the resale formula shall not be altered unless the Board of Directors and Regular Members of the Corporation determine that the current formula presents an obstacle to the achievement of the purposes of the Corporation. In such event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors and a two thirds vote of the Regular Members present at a Membership meeting, as described above for the adoption of the formula.