

**Action Requested/Required:**

- ☒ Vote/Action Requested
☐ Discussion or Presentation Only
☐ Public Hearing
Report Date: _____
Hearing Date: _____
Voting Date: 7/3/25

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

Discussion and Possible Action to Approve the Canton Housing Team Recommendation that the City Create a 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. Mr. Dyer memo 3. Canton Land Trust Income Sheet 4. Canton Resale Formula
5. Canton Land Trust Articles of Incorporation 6. Canton Association By-Laws

Create a Community Land Trust (CLT). The initial Board of Directors can be members of the City Staff and/or members of the housing committee.

Transfer the land to the CLT. The transfer can include a condition that the City Council has to approve any proposed development and that any purchasers of homes would have to meet certain qualifying income standards.

Qualifying income level would be up to 120% of AMI as determined by HUD: For 2025 the amounts for a single person household and a four-person household:

1 person \$95,928
4-person \$137,040

Purchasers would enter into a long-term lease with the CLT (50+ years). The Purchaser will pay an amount equal to the cost of the structure and other improvements (driveway, sidewalks, etc.) for the right to occupy the leased land. The purchase price would be the actual cost of constructing the structure and other improvements, including builder profit.

The CLT will issue requests for proposals from developers/builders for constructing the houses on the land. The CLT would choose the proposal that would provide housing that a qualified person can afford to buy (meaning: qualify for a loan) in a development plan acceptable to the CLT and the City Council. There has been some indication that builders believe that there would have to be townhouses to get enough units to make any money on the project.

The lease would provide that the CLT would have to approve any modifications to the home that require a building permit. The purchaser will be required to live in the home as a primary residence. The CLT would have to consent to any sale, with the restriction that the next purchaser also has to meet the income limit qualification. There would be no restriction on the sale price or how much the homeowner can retain from the sale, as the income limit on the next buyer will ensure that the house will sell for an affordable price to the next buyer, since the next buyer can only qualify for a loan up to a certain amount based on income. The price may or may not be market value for the home.

There would have to be sufficient education as to the nature of the transaction so that the homeowners understand the limitation on who they can sell to and the impact of that restriction.

CANTON COMMUNITY LAND TRUST

Applicable Household Income Limits

The table below shows the household income limits applicable to the Down-Payment Assistance Program.

Income Limits by Household Size for the City of Canton, Georgia,

2025 Home Income Limits

Area Median Family Income = \$114,200

Household Size		Household Income Limits 2025	
Size of Family	60% of Median	80% of Median	100% of Median
1	\$48,000	\$64,000	\$80,000
2	\$54,840	\$73,120	\$91,400
3	\$61,680	\$82,240	\$102,800
4	\$68,520	\$91,360	\$114,200
5	\$74,040	\$98,720	\$125,600
6	\$79,500	\$106,000	\$137,000
7	\$85,020	\$113,360	\$148,400
8	\$90,840	\$120,640	\$159,800

Source: U.S. Department of Housing and Urban Development, Income Limits for Atlanta-Sandy Springs-Roswell GA. HUD Metro 2025

Note: Income limits are subject to change annually

Maximum Purchase Price

The maximum purchase price is as follows for the Atlanta-Sandy Springs-Roswell GA. HUD Metro, Cherokee County (2025):

Unit #	HUD Homeownership Sales Price Maximum
1	\$403,000.00
2	\$516,000.00
3	\$625,000.00
4	\$774,000.00

Notes About Income Calculations

Total annual household income cannot exceed 80% of the area median income figure, depending on family size, to be eligible for assistance. The total household income is determined by adding up the annual wages, salaries, governmental and non-governmental benefit disbursements, court

ordered child support, alimony, and stock dividend payments of each member of the household listed on the application where these items apply. This also applies to children who are employed full or part-time.

If any individual whose name(s) appear on the application has custodial responsibilities for other member(s) of the household, submission of a "Custodial Order" from the appropriate court, granting full custodial responsibilities to the applicant, will be required at the time the application is submitted. This is necessary to accurately document the number of people in the applicant's household.

**** INCOME WILL BE CALCULATED ACCORDING TO HUD'S GUIDELINES****

Canton Community Land Trust

The Canton Community Land Trust is created to provide secure affordable access to housing for the benefit of the community. The terms of the ground lease place limitations on the resale of the home – preventing resale to a household that does not qualify within income guidelines and limiting the sales price to keep the home affordable.

The ground lease resale formula will be equal to the purchase price paid by the homeowner for the home (minus the land) plus a share of the increased market value of home (minus the land), if any. There is zero percent (0%) if sold with two (2) years or less from the date of purchase; or three percent (3%) for each completed year of ownership if sold after two (2) years from the date of purchase.

Sample:

Resale Price Formula = Appraised value (new appraisal) – original purchase price x 3% x years of ownership

Home purchased for \$100,000

New appraised value is \$175,000

Increased market value is \$75,000

3% of \$75,000 = \$2,250

of years in house = 4 x \$2,250 = \$9,000

If you purchased a home for \$100,000 and the new appraised value and decide to sell in 4 years, your resale price would be \$109,000.

OR

If you purchased a home for \$100,000 and decide to sell in 18 months (less than two years) your resale price would be \$100,000.

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 Amended and Restated 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 corporation¹ 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 _____.

Secretary

CANTON ASSOCIATION BY-LAWS

Article 1 - General

Section 1. Purposes

The Association is a not-for-profit association whose purpose is the planning and carrying out (supervising) the Land Use Plan (attached) for Canton land in conjunction with the Canton Community Land Trust. The members of the Association, individually and collectively hold an interest in said land based on lease agreements with the Community Land Trust, the owner of the land. The intent of the supervision of the Association shall be to facilitate its members' use of the land in accordance with the terms of the leases and in such a way as to conserve the land's resources, protect the environment for all concerned, facilitate the social welfare of the community of lessees, including inter-relationships of residential, recreational, forestry, cottage industry and the natural aspects of the land, and establish methods and forms of cooperation within the membership.

Section 2. Offices

The offices of the Association shall be at Canton.

Article 2 - Membership

Section 1. Members

All leaseholders of Canton land from the Canton Community Land Trust and all adult household members of Canton land shall be members of the Association.

Section 2. Requirements

All leaseholders of Canton land from the Community Land Trust or residents of houses at of Canton for six months or longer are required to become Canton Association members at signing of the lease or occupation of a house or building. All members of Canton Association shall maintain membership in the Canton Community Land Trust.

Section 3. Rights

- A. Members have a final voice in decisions of the Association and in the appointment of the Management Committee.
- B. All members have access to the commonly managed land of the Association for the purposes of recreation, gardening, and any other accepted activities.
- C. The Canton Association shall enter into an agreement with the Community Land Trust which would give its members the right of first refusal to purchase any units that may become available through the Land Trust at Canton.
- D. Each of the 18 (eighteen) leaseholds at Canton is entitled to one (1) vote on decisions before the Association.
- E. All members have the right to call a meeting of the Association for discussion of policies relating to the land by forwarding a letter to each member.
- F. All members may receive such written material as Association meeting minutes and newsletter.
- G. All decisions of the Association are to be made by majority vote. In order to be a formal meeting, all meetings will require a two-thirds (2/3) quorum.

Article 3 – Responsibilities

Responsibilities of Association Members Leasing Sites from the Canton Community Land Trust.

- A. Leasehold members are responsible for all improvements including parking area, water systems, electrical service, lawn upkeep, sewage and garbage disposal at their particular building site. Roads, water systems, electricity, and sewage system serving all 18 units at Canton are the joint responsibility of all 18 leaseholders. This joint responsibility shall be met by timely payment of the maintenance fee assessed each leasehold by the Community Land Trust in accordance with the lease agreement on the site. Canton Association may assume responsibility for repair, maintenance or upkeep of any of these facilities by entering into a contract for same with the Community Land Trust where appropriate and/or with individual leaseholders where appropriate.
- B. Leasehold members as individuals are responsible through lease arrangements

with the Canton Community Land Trust for payment of taxes
on their own residential units as assessed by the City of Canton.

C. Leasehold members are responsible jointly through lease arrangements with the
Canton Community Land Trust for payment of liability
insurance for the commonly used property at Canton and for the payment of
taxes due on the commonly used land as assessed by the City of Canton.

Section 2. Responsibilities of the Association

A. Planning and carrying out (supervising) the Land Use Plan for Canton in
conjunction with the Community Land Trust. This includes estimates of cost for
developing recreational facilities on Canton

B. In conjunction with the Canton Community Land Trust
negotiating with the City of Canton regarding municipal needs.

C. Maintain all commonly held facilities or tools of the Association.

Article 4 - Duties and Powers

Section 1. Duties of the Association

A. Be responsible for the general management of the affairs of the Association.

B. Determine by whom and in what manner deeds, leases, contracts and other
instruments shall be executed on behalf of the Association.

Section 2. Powers of the Association

A. Create such positions or committees as it may determine to be necessary and/or
desirable for the conduct of the affairs of the Association.

B. Designate the use of the land in keeping with the governing lease agreements
held by members of the Association with the Canton Community Land Trust and on such terms as
will conserve the resources of the land
and protect the environment of the community. Such decisions will require the
unanimous consent of the members of the Association.

C. To take such actions as necessary to raise and disburse funds to meet the needs of
the Association.

Article 5 - Management Committee

Section 1. Selection, Structure and Tenure

A. The Association will select four of its members at the first annual meeting to act as a Management Committee to carry on the day-to-day business and responsibility of the Association.

B. The management Committee will select one of its members to act as the Association representative to the Board of the Community Land Trust and to act as a public liaison person. The Management Committee will also appoint one of its members to act as the coordinator to act on a day-to-day basis and to chair all meetings.

C. Each Management Committee member will serve for a period of two (2) years, except that those terms will be staggered so that two members' terms will expire each year. This will necessitate staggered terms of one (1) and two (2) years at the onset of the Committee.

D. The Management Committee will be selected at the Association's annual meeting, except that in the event of a resignation or other need for replacement, a special meeting may be called.

Section 2. Duties of the Management Committee

A. Be responsible for the management of the day-to-day affairs of the Association.

B. If no consensus is reached by the Management Committee on an issue before it, the issue will be presented to the Association at a special meeting.

C. All decisions of the Management Committee are subject to the advice and consent of the Association and may be appealed.

Article 6 - Meetings

Section 1. Annual Meeting

A. Time and Place: The annual meeting of the Association shall be held on the second Saturday of September of each year at such a place as the Association may select and notice thereof shall be afforded each of the members of the Association not later than ten (10) days prior thereto.

B. Business: At the annual meeting of the Association:

1. The Management Committee shall report on the affairs of the Association;
2. The Treasurer shall report on the financial condition of the Association;
3. The Association shall conduct such business as may properly come before it.

Section 2. Regular Meetings

Regular meetings of the Management Committee may be held at such times and places as the Management Committee may establish at the annual meeting or any regular meeting, and notice thereof shall not be required.

Section 3. Special Meetings

The coordinator, members of the Management Committee, the Treasurer, or any three Association Members may call a special meeting of the Association and notice thereof shall be afforded each of the members of the Association not later than seven (7) days prior thereto.

At a special meeting of the Association, that matter or those matters for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Association unless all of the Association Members shall be present at the meeting and shall consent to taking action on other matters.

Article 7 - Officers

Section 1. Designation of Treasurer

The Association shall appoint a Treasurer.

Section 2. Duties of Treasurer

The Treasurer shall:

- A. Have custody of the funds of the Association;
- B. Deposit all money of the Association to the credit of the Association in such depositories as the Management Committee may designate;
- C. Maintain all assets of the Association as the Management Committee may order and/or authorize and, if required, take proper vouchers for such disbursement;
- D. Keep full and accurate accounts of receipts and disbursement in books of the Association maintained for that purpose; and
- E. Render an accounting of his or her transactions as Treasurer and of the financial

condition of the Association to the Management Committee at the annual meeting of the Association, and at regular meetings of the Management Committee, and whenever in addition thereto the Management Committee may require.

Section 3. Secretary

The Association shall appoint a Secretary.

Section 4. Section 4 - Duties of the Secretary

The Secretary shall:

- A. Have custody of all the records of the Association.
- B. Maintain minutes of the meetings of the Association and the Management Committee.

Article 8 - Miscellaneous Provisions

Section 1. Dissolution of the Association

In case of the dissolution of the Association, the assets shall be distributed to the Canton Community Land Trust for the purpose of holding these assets in trust for the common benefit of the residents of Canton.

Section 2. Amendments

Except as otherwise provided for, these by-laws may be amended by consensus or subsequent voting procedures of the leaseholds constituting the Association. A notice of a proposal to alter or amend the by-laws shall be afforded each of the members of the Association not later than seven (7) days prior to the meeting when such a proposed action would take place.

Section 3. Policies

The Association shall compose a list of policies regarding use of Canton land. Such policies shall be in conformity with the intent of Association members' leases with the Canton Community Land Trust governing use of the land.