

AN INTRODUCTION TO COMMUNITY LAND TRUSTS



What is a Community Land Trust (CLT)?

- A CLT is a nonprofit, community-based corporation committed to the stewardship and affordability of land housing and other buildings used for community benefit in perpetuity.
- Most CLTs target their programs and resources toward charitable activities like redeveloping blighted neighborhoods, open space or providing housing for lower-income people.



What does a Community Land Trust do?

- Acquires and retains land in trust for the community and never sells it.
- Provides a very long-term lease of land, typically 99 years, for the exclusive *use* by individual homeowners, cooperative housing corporation(s), nonprofit developers, and other entities.
- Offers a deed (right of ownership) for the building or structure on trust land
- Generally retains an option to repurchase these buildings upon subsequent resale of property at a price, which is lower than the building's market value, but gives the seller a fair return on investment.



How do Community Land Trusts work?

- A CLT is a member controlled nonprofit consisting of lessees of land and other stakeholders in the geographic boundaries of the CLT.
- Variety of organizational structures including new, autonomous corporations; successors; affiliates; and programs of another nonprofit organization.
- The ground lease is a general characteristic of all community land trusts, although some CLTs retain ownership of the underlying land and the buildings, other CLTs do not own the underlying land, only a right to repurchase these the buildings at an affordable price.



How does a Community Land Trust start?

- CLTs are formed by individuals or organizations that come together to form a new nonprofit corporation or to change the structure and mission of an existing nonprofit.
- Organizers of a CLT must build a base of community support, drawing into the membership and founding board a broad range of stakeholders, including political leaders, community activists, philanthropic institutions and residents of the community to be served by the CLT.
- Key start-up issues in creating a CLT include: defining the organization's service area; deciding what roles the CLT will play and what types of projects the CLT will pursue; and educating the community about this unusual approach to the ownership of land and housing.



Where are Community Land Trusts most effective?

- CLTs have been formed in large cities, small cities, suburban towns, and rural areas. Some CLTs have a service area confined to a single inner-city neighborhood. Others have a service area encompassing an entire city, an entire county, or a multi-county region.
- CLTs have been used to provide affordable housing, both renter-occupied and owner-occupied, to preserve mobile home parks, to develop small business opportunities and nonprofit facilities, and to preserve community gardens, forest land, farmland, and open space.



How do Community Land Trusts provide community benefits?

- **Housing:** CLTs provide permanently affordable housing through below-market pricing and long-term contractual controls over the sub-letting and re-sale of owner-occupied homes.
- **Jobs:** CLTs provide jobs through the development of small businesses, the use of local contractors, and through cooperative agreements with local banks.
- **Environmental Quality:** CLTs provide environmental benefits through cleaning up toxic sites, rehabilitating blighted properties, and constant attention to environmentally sound housing design and materials.
- **Community Spaces:** Many CLTs develop and manage vest-pocket parks and community gardens. Some have developed public facilities like community centers, job training centers, and incubators space for nonprofit service organizations, all located on the CLT's land.
- **Ownership Opportunities:** Most CLTs develop housing that is owner-occupied, subject to long-term controls over occupancy, condition, subletting, and resale.



How do Community Land Trusts further equity principles?

- ***Development without displacement. Investment without disenfranchisement.*** CLTs enable this principle by reviving and reconstituting existing underutilized buildings within neighborhoods and making them available and accessible to low-income residents as the mission of the organization.
- ***Public action and public investment for public benefit.*** CLTs effectively engage public benefit organizations in the renewal of communities with support by public, private and governmental entities.
- ***City & public assets are the people's assets. Residents have a right to the City.*** CLTs impose the public's will in the determination of how public lands are used.
- ***Equitable distribution of burdens, benefits and decision-making power.*** CLTs mandate community control and resident leadership. CLTs harness the reinvestment in the neighborhood as a tool to build community wealth, revitalize the environment and empower the residents.
- ***Housing is a human right*** CLTs make housing available to populations who were otherwise disenfranchised.
- ***Community control of land use under resident leadership*** CLTs use resident engagement and democratic process among the members and governance to reach decisions on the best good for the larger community.
- ***Long-term community vision and stewardship of community assets*** CLTs are designed to provide community benefits in perpetuity, allowing for long-term visioning and effective stewardship of community assets.



What are the main criticisms/challenges of CLTs?

Although CLTs enable lower-income people to gain access to property and to improve their financial situations, they are sometimes criticized for not allowing homeowners to claim all of the appreciating value of their property, thereby limiting the build-up of individual wealth. CLTs are also unusually effective for ***preserving*** the affordability of housing, but the challenge becomes ***producing*** affordability in the first place – i.e., funding to acquire and develop.



Where are CLTs being used?

There are over 200 community land trusts operating across the country, serving a diverse array of urban neighborhoods, rural towns, and suburban communities. See the attached map.

CLT RESOURCES



What are some of the key resources for CBAs?

What organizations are working on CLTs?

- National Community Land Trust Network- www.cltnetwork.org
- Lincoln Institute of Land Policy- <http://lincolninst.edu>
- PolicyLink- www.policylink.org/EDTK/CLT
- Equity Trust - www.equitytrust.org/
- The E. F. Schumacher Society- www.CommunityLandTrust.org
- Burlington Associates in Community Development LLC- www.burlingtonassociates.com

Who are some of the people working on CLTs?

- John Emmeus Davis -- BurlAssoc@aol.com
- Rick Jacobus-- www.rjacobus.com
- May Louie & John Barros, Dudley Street Neighborhood Initiative, Boston, Massachusetts
- Selina Mack, Durham Community Land Trustees, Inc.

What are some useful resource materials on CLT's

- Abromowitz, David M. 2000. "An Essay on Community Land Trusts: Toward Permanently Affordable Housing." In *Property and Values*, Charles Geisler and Gail Daneker (eds.), 213-231. Washington, DC: Island Press.
- Chasnoff, Deborah and Helen Cohen. 1998. *Homes & Hands: Community Land Trusts in Action*. Video produced for the Institute for Community Economics by Women's Educational Media, distributed by New Day Films, Hohokus, NJ (www.newday.com).
- *CLT Resource Center*. On-line educational materials, legal documents, and technical resources for CLTs, nearly all of which can be downloaded free of charge: www.burlingtonassociates.com
- Davis, John Emmeus. 2006. *Shared Equity Homeownership: The Changing Landscape of Resale-restricted, Owner-occupied Housing*. Montclair, NJ: National Housing Institute.
- Davis, John Emmeus. 2006. *Starting a Community Land Trust: Organizational and Operational Choices*. Available on-line at "CLT Resource Center": www.burlingtonassociates.com
- Greenstein, Rosalind and Yesim Sungu-Eryilmaz. 2007. "Community Land Trusts: A Solution for Permanently Affordable Housing." *Land Lines, Newsletter of the Lincoln Institute of Land Policy* 19 (1): 8-13.
- Institute for Community Economics. 2002. *Community Land Trust Legal Manual*. Springfield, MA: Institute for Community Economics.