COMMUNITY LAND TRUSTS

Community Land Trusts are a cooperative land ownership model to ensure permanently affordable housing. A tactic of land reform movements, CLTs provide a means for home ownership outside of the “free market” by holding land collectively and limiting home resale prices. In doing so, CLTs challenge the role of property in capitalist growth by removing the speculative element. Originally utilized to collectively organize agricultural land, CLTs have emerged as a popular mechanism to offer access to affordable urban housing.

HOW COMMUNITY LAND TRUSTS WORK

CLTs are non-profit entities that maintain land holdings “in trust” on behalf of the community in perpetuity. Even though the land is held collectively, property on the land is owned individually, effectively separating land ownership from property ownership.

CLTs sell housing at below-market rates under a long-term ground-lease; buyers purchase a home but lease the land underneath it. Buyers are restricted by income limitations so as to benefit those who may not otherwise be able to afford home ownership. The sale process also involves wrap-around financial services.

When a CLT homeowner wants to move, they sell their property back to the land trust. Thus, housing in a CLT portfolio is removed permanently from the private housing market.

A CLT maintains affordability from one owner to the next by capping rates at which the property can be sold, known as limited equity ownership.

Traditionally, CLT operations and organizational changes are voted on by a membership board consisting of both CLT home owners and other community members.

USING COMMUNITY LAND TRUSTS IN PARTNERSHIP

CLTs are a powerful tool - and they can become even more effective in partnership with other tools and organizations. Some innovative CLT ideas include:

- Limited equity cooperatives can put their buildings into a land trust, pairing cooperative land ownership and cooperative property ownership.
- Land banks can use their governmentally-derived powers to acquire foreclosed or blighted properties, and then sell the property to a CLT.
- Cities may choose to transfer affordable housing management to CLTs, taking advantage of the technical expertise and support services they provide.
- CLT homes have historically been out of price range for extremely low income households, but this is changing. One example is in New York City, where the East Harlem-El Barrio CLT is targeting its services at families at risk of homelessness in partnership with a housing association.
- Building working relationships between CLTs and Community Development Corporations can allow CLTs to access community development financing.
CONSIDERATIONS

 Acquisition

Buying property is an expensive endeavor, particularly for a non-profit with limited financial resources. This means that CLTs are limited by access to capital.

 Location vs. Quantity

CLTs have to make tough decisions over where they purchase (or build) housing: should they buy a single home in a more desirable neighborhood or should they buy 4 homes for the same price at the city edge?

 Spotlight on NeighborSpace (Chicago)

NeighborSpace uses the land trust model to preserve and affordably lease green space and community gardening land in Chicago. This is different from most open space land trusts which operate in rural areas and focus on large agricultural properties or large-scale restoration efforts. Just as residential CLTs incorporate services like financial planning and technical assistance, NeighborSpace provide resources including a tool lending library, environmental education, and garden planning assistance. The organization also serves as a fiscal agent for groups that want to fundraise for their plot or garden space. As access to urban agriculture becomes increasingly difficult to sustain long-term, particularly in places with high land values, other cities are increasingly turning to NeighborSpace as an example.

 Institutionalization

As CLTs become at once both further entrenched in city policy and increasingly beholden to philanthropic organizations to finance their nonprofit efforts, they have been forced to adjust their politics. This can undermine communal decision making and community participation, both of which combat the disenfranchising impacts of gentrification.

 Securing Loans

Banks usually provide loans based on speculative value; because CLTs remove land from the speculative market and set caps on resales, financial institutions are often hesitant to provide loans both for building construction and to prospective home buyers. This can increase building costs and exclude low-income individuals who cannot qualify for loans.

 Community Land Trusts and Green Infrastructure

As of now, land trusts that focus on homes and those that focus on green space operate fairly separately. This is due to a number of factors, including organizational capacity, limited housing resources, and the relative infrequency of urban green space land trusts. However, one can imagine opportunities for CLTs to coordinate land and property acquisition with green space revitalization.

 LEARN MORE

Visit the Resources page at create.umn.edu to find a CLT near you, examples of other CLTs around the country, and to learn more about other tools that pair well with the land trust model.

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