Community land trusts are a cooperative land ownership model to ensure permanently affordable housing. Originally born from land reform movements, land trusts provide a path to home ownership outside of the private real estate market by holding land collectively and limiting home resale prices. In doing so, community land trusts challenge the commodification of property and its role in wealth accumulation under capitalism. Originally utilized to collectively organize agricultural land, community land trusts have emerged as a popular mechanism to grow access to affordable housing in urban areas.

### HOW COMMUNITY LAND TRUSTS WORK

Community land trusts 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, separating land ownership from building ownership.

Land trusts 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 homeowner wants to move, they sell their property back to the land trust. Thus, housing in a community land trust portfolio is removed permanently from the conventional housing market.

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

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

### USING COMMUNITY LAND TRUSTS IN PARTNERSHIP

Community land trusts are a powerful tool and they can become even more effective in partnership with other tools and organizations.

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

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 community land trusts 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 turning to NeighborSpace as a model.

Community Land Trusts and Green Infrastructure

Land trusts that focus on homes and those that focus on green space almost always operate separately. This is due to a number of factors, including organizational capacity, limited housing resources, tax law considerations, and the relative infrequency of urban green space land trusts like NeighborSpace. However, one can imagine opportunities for community land trusts to coordinate land and property acquisition with green space revitalization.

Acquisition

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

Location vs. Quantity

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

Institutionalization

As community land trusts become at once both further entrenched in city policy and increasingly beholden to philanthropic organizations to finance their nonprofit efforts, many have moved away from their radical roots. This is particularly noticeable in watered down communal decision making and community participation, two practices which combat the disenfranchising impacts of gentrification.

Securing Loans

Banks usually provide loans based on speculative value; because land trusts remove land from the speculative market and set caps on resales, financial institutions are often hesitant to provide loans, either denying loan applications all together or stipulating less favorable conditions. Furthermore, at a basic level, banks may be unfamiliar with structuring home loans to suit cases where the recipient is not a land-owner. Problems with securing loans can increase building costs and set a barrier for prospective home buyers, particularly low-income individuals who already have trouble qualifying for loans in the first place.