



## Cleveland Spaces Vital Places Workshop: Community Land Trusts

### Sustainable Cleveland Vital Neighborhoods Working Group

### Glossary and Resources

**Community Land Trust:** Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. Community land trusts can be used for many types of development, including green space preservation, urban agriculture, preservation of farm land, commercial and retail spaces. There are about 250 community land trusts in the United States and several more around the world. Most CLTs in the U.S. focus primarily on ensuring long-term housing affordability. To do so, the CLT acquires land and maintains ownership of it permanently. With prospective homeowners, it enters into a long-term, renewable lease instead of a traditional sale. When the homeowner sells, the family earns a portion of any increased property value. The remainder is retained in the home, preserving the affordability for future low- to moderate-income families. Many CLTs also own rental properties or lease land for affordable rental projects. (adapted from <https://community-wealth.org/strategies/panel/clts/index.html>)

**Conservation Land Trust:** A conservation land trust is a charitable organization that acquires land or conservation easements, or that stewards land or easements, to achieve one or more conservation purposes.

The conservation purposes may include protecting natural habitat, water quality, or scenic views; ensuring that the land is always available for farming, forestry, or outdoor recreational use; or protecting other values provided by open land.

Conservation land trusts work cooperatively with landowners to complete real estate transactions, sometimes purchasing property interests and sometimes accepting donations of those interests.

Conservation land trusts also work to ensure that land previously acquired or placed under easement is properly conserved. They seek to bring lasting conservation benefits—permanent improvements—to communities. (from <https://conservationtools.org/guides/150-what-is-a-land-trust>)

**Land Bank:** Land banks are governmental entities or nonprofit corporations that are focused on the conversion of vacant, abandoned, and tax delinquent properties into productive use.

Vacant, abandoned, and tax-delinquent properties are often grouped together as “problem properties” because they destabilize neighborhoods, create fire and safety hazards, drive down property values, and drain local tax dollars. In some sense, these are properties the private market has altogether rejected.

Land banks, in essence, are a direct response to this growing trend of vacancy and abandonment, created to strategically acquire problem properties and convert these liabilities into assets. In short, land banks are intended to acquire title to these problem properties, eliminate the liabilities, and transfer the properties to new, responsible owners in a transparent manner that results in outcomes consistent with community-based plans.

Most land banks have special powers that enable them to undertake these activities more effectively and efficiently than other public or nonprofit entities. When thoughtfully executed, land banking can resolve some of the toughest barriers to returning land to productive use, helping to unlock the value of problem properties and converting them into assets for community revitalization. (From: <https://www.communityprogress.net/land-bank-faq-pages-449.php#What%20is%20a%20land%20bank?>)

**Real Estate:** Ownership of a piece of property is sometimes described as a ‘bundle of sticks’ in that real estate is composed of the land itself, any improvements (buildings, landscaping, fences) on the land, air rights above the land, and underground rights below the land (mineral rights). Sticks in the bundle can be parceled out in different ways. Real estate law is codified in state statutes and can vary state by state.

**Fee Simple Ownership:** Sometimes call fee simple absolute, this is considered the strongest form of ownership, with the most ‘sticks’ in the bundle. CLTs own the fee simple interest in properties that they may then lease out to individuals or groups. Note that even a property owned fee simple may have restrictions on it, especially in cities. Taxing authorities can re-possess property for non-payment of taxes. Zoning laws restrict what type of uses are allowed on the property. Building and fire codes will require certain safety features of any improvements on the property. And utility companies may have easements that give them an ongoing right of access to the property to service gas meters or electric lines. If a property owner has mortgaged their property to finance an improvement, they also give a security interest in the property in return for the funds. Although these are not ownership interests, they strongly impact a fee simple owner’s continued rights to ownership if obligations are not met.

**Leasehold Interest:** A type of ownership interest in a property created when a fee simple owner enters into a ground lease with a lessee. With CLTs, typically, the leasehold interest is 99 years, renewable for another 99 years. In homeownership situations, this creates a secure

enough interest such that banks are willing to make leasehold mortgages to CLT buyers. See **ground lease**.

**Ground Lease:** A long-term lease between a fee simple owner and a lessee that creates a legal interest in a property. The ground lease (or, more commonly, a memorandum of lease) gets recorded with the county recorder. This is a different and more secure type of lease than a rental lease, which does not create any property interest. Under Ohio law (remember, real estate law is state-by-state) all of the ownership rights are included in the terms of the ground lease. Whatever state you're in, it's the ground lease that covers all of the issues of the relationship between the CLT and the lessee – typically for 99 years! Thus, it must be crafted carefully. For CLT homeownership projects, there is a national model CLT ground lease that is widely recognized by lenders and used by CLTs across the country.

<https://groundedsolutions.org/tools-for-success/resource-library/model-ground-leases>

For green space and urban agriculture projects, there is no national model lease currently. But there are examples out there. Equity Trust, Inc. (EquityTrust.org) has a model lease and commentary for working farms and their affordable resale.

(<http://equitytrust.org/category/publications/>)

## For More Information

**Grounded Solutions Network**, <https://groundedsolutions.org/>, is the national intermediary for community land trusts. There are many resources, including a start-up hub related to CLTs on their website.

Check out these resources on GSN's website:

Several studies related to CLTs and Urban Agriculture (and Commercial Development): <https://groundedsolutions.org/tools-for-success/resource-library/agricultural-and-commercial-community-land-trusts>

CLT Start-Up Hub: <https://groundedsolutions.org/start-upclthub>

CLT Technical Manual: Chapters on all aspects of CLT development and in-depth organizational information. <https://groundedsolutions.org/tools-for-success/resource-library/community-land-trust-technical-manual>

Chapter One of the CLT Technical Manual is a great history of the origins and evolution of CLTs in the United States: [https://groundedsolutions.org/sites/default/files/2018-10/Community%20Land%20Trust%20Technical%20Manual\\_0.pdf#page=7](https://groundedsolutions.org/sites/default/files/2018-10/Community%20Land%20Trust%20Technical%20Manual_0.pdf#page=7)

**Center for Community Progress**, <https://www.communityprogress.net/land-bank-headquarters-pages-446.php>, is the national intermediary for land banks.

**Community Land Trusts Compared to Land Banks:** Check out this resource for a compare and contrast of community land trusts and land banks:

[https://shelterforce.org/2014/10/02/answer\\_land\\_banks\\_land\\_trusts/](https://shelterforce.org/2014/10/02/answer_land_banks_land_trusts/)

**Equity Trust, Inc.** <http://equitytrust.org/>. Equity Trust is the national expert on land leasing and deed restrictions/easements for retaining affordability in farms from generation to generation. Their Farms for Farmers program and Revolving Loan Fund help accomplish this. They have model ground lease and easement documents relation to affordability of farmland.

“**City Farms on CLTs**”, a publication of the Lincoln Institute of Land Policy. Several good case studies:

[https://www.lincolnst.edu/sites/default/files/pubfiles/2376\\_1716\\_city\\_farms\\_on\\_clts\\_0414ll.pdf](https://www.lincolnst.edu/sites/default/files/pubfiles/2376_1716_city_farms_on_clts_0414ll.pdf)

**Dudley Neighbors, Inc.**, the CLT of the Dudley Street Neighborhood Initiative in Boston. Check out the video on their greenhouse project on CLT land, “Officials Visit Agriculture Program,” on this page: <https://www.dudleyneighbors.org/suggested-reading--other-material.html>

**NeighborSpace**, a CLT for community gardens in Chicago, <http://neighbor-space.org/>

**Neighborhoods Gardens Trust**, a CLT for community gardens in Philadelphia, <https://www.ngtrust.org/>

**Athens Land Trust**, a CLT with a dual mission of permanently affordable housing and land conservation in support of urban agriculture, <https://athenslandtrust.org/>