Community Land Trusts
Origins and Evolution

Brett Joseph, Ph.D.
Cleveland Spaces, Vital Places Workshop
March 7, 2020

https://youtu.be/iWzmZjym8d4
What is a Community Land Trust?

The Idea is rooted in the American traditional ethic of stewardship:

Reflected in philosophies of Indigenous Americans, Thomas Paine, Thomas Jefferson, Abraham Lincoln

Prior to 1920, African Americans controlled 14% of the nations farmland, today only 1%

due to the great migration, discriminatory loan practices, and fragmentation of lands held in common when passed to heirs by someone who had died without a will.

Land Trust Alliance, Preserving African-American Land Heritage
What is a Community Land Trust?

The Idea is rooted in the American traditional ethic of stewardship:

- **land is treated as a common heritage:** encouraging ownership only by those who are willing to live on the land and to use the land, not accumulating more than they need;

- **emphasizing right use and smart development;** capturing socially created gains in the value of land for the common good.
Contrasted with the culture of “enclosure” and “land speculation”:

• Land as a commodity to be divided up, and sold to the highest bidder;

• Individuals with the means to buy land exercise their “god given” right to accumulate as much as they can;

• As the surrounding area grows, investments made towards community growth, are returned mainly to private land owners via increased property values.
Henry George, in *Progress and Poverty*, challenged the economic premises behind “landlordism”:

**He asked:** *Why does industrial growth and expansion always entail an increase in poverty rates?*

**His Conclusion:** *Poverty results from the ownership of land by a small cadre of landowners who are able to capture for themselves the “social increment” reflected in the appreciating value of land.*

Landlordism operates as a “hidden tax” on value created by the economic activities of others—

“social increment”

def. - real estate values are created, not by the investments of land speculators, but by the growth and development of the surrounding community

Ebenezer Howard, (1898) inspired by *Progress and Poverty*, developed the concept of “Garden Cities.”

These were communities formed along the boundaries of city and adjoining rural areas, on land leased from Municipalities under the stewardship of a municipal board of trustees.
Ralph Borsodi, a social philosopher inspired by the arguments of Henry George, went a step further and posited that only structural improvements should be considered “private property.”

His Argument: Labor when applied to the land creates wealth, but the land itself cannot be increased or decreased. Landlordism is parasitic, not a true source of economic value creation.

He called it “trusterty,” rather than “property”.

Borsodi founded a community called School of Living outside NYC.
Evolution of the CLT Concept
(Mid-Twentieth Century)

Arthur E. Morgan, president of Antioch College, and former head of the TVA during the Roosevelt Administration.

Created a planned community to house workers who were constructing TVA’s first dam.

He later wrote a very influential book, *The Small Community*, reinforcing the idea of community as a basic unit of societal value.
Bryn Gweled, started by a group of Quakers in 1940 after visiting the School of Living.

These experiments involved land ownership by a non-profit entity, leased out as individual parcels to residents, with all profits returned in trust to benefit the community itself.
Evolution of the CLT Concept
(During Civil Rights Movement)

Bob Swann (whose wife was an activist with CORE, the Congress of Racial Equality) and Slater King (a real estate broker and cousin of MLK)

Added an organizational component which “put the ‘C’ in ‘CLT’”.
Evolution of the CLT Concept
(During Civil Rights Movement)

The Albany Movement:
First mass movement of the civil rights era which had as its goal the desegregation of entire communities.

Koinonia Farm: a project outside Albany Georgia in collaboration with the non-profit organization that later would become Habitat for Humanity.

The emphasis was on holding land in trust for the poor.
How is CLT defined today?

The distinguishing features of the CLT can be grouped into three clusters pertaining to:

- Organization (C)
- Ownership (L), and
- Operation (T)
Land (ownership)

- Title to multiple parcels is held by a single nonprofit owner that manages these lands on behalf of a particular community, present and future.

- Land is removed permanently from the market, however, it is put to use by leasing out individual parcels for housing, food production, small business development, or the promotion of other activities that support individual livelihoods or community life.

- All structural improvements are owned separately from the land, by individual homeowners, businesses or community organizations.

- A long-term ground lease gives the owners of the structural improvements exclusive use of the land beneath their buildings, securing their individual interests while protecting the interests of the larger community.
Community
(organization)

• The landowner is a private, nonprofit corporation, with membership that is open to anyone living within the CLTs geographically defined “community”;

• A majority of the governing board is elected by the CLT membership;

• There is a balance of interests on the board, with seats allocated equally to:
  o Leaseholding residents,
  o Non-leaseholding residents, and
  o Directors representing the public interest.
Concept of trusteeship as shaped by Vinoba Bhave, successor to Ghandi’s spiritual leadership in India who started the Gramdan Movement of making gifts of land to the poor:

• Land and other assets should be held in trust for the poor;

• Institute for Community Economics (ICE)) advanced the principle that priority must be given to the development of basic social institutions, including local arts and crafts, local enterprises and industries, and local agriculture, and that these institutions should not be sacrificed to promote urban industrialism.

The classic CLT model, has a focus is on achieving balance:

In its **structure of ownership**, the rights and responsibilities of individual homeowners were balanced against those of the landowner.

In its **structure of organization**, the powers of governance are balanced between people living on the CLT’s land and people residing in the surrounding community.

In its **operation**, the financial rewards from reselling a home were fairly allocated, balanced between a CLT’s commitment to building wealth for the present generation of lower-income homeowners and its commitment to preserving affordability for future generations.
Defining features of the CLT:

• A two-party structure of ownership, with a nonprofit corporation holding land and leasing it out to the owners of any buildings.

• An inclusive structure of organization, with a two-part membership and a three-part board.

• A commitment to the stewardship of any housing constructed on the CLT’s land, with priority access for persons too poor to acquire a home on their own.

• Ensure the permanent affordability of these homes, achieved through the CLT’s management and enforcement of resale controls embedded in the ground lease.

• Assuming responsibility for helping its leaseholders to hang on to their homes and to keep them in good repair.
Urban CLTs

Eventually, the model was adapted to *urban settings*, one of the first being the *Community Land Cooperative of Cincinnati (CLCC)*- a project started by Chuck Matthei with assistance from ICE.
Urban CLTs

**Distinguishing features:**
- A product of grassroots organizing;
- Created as a vehicle for community empowerment;
- A means of controlling development and the fate of inner city neighborhoods;

- Directly involving neighborhood residents in the CLT’s activities and governance.
- Included permanent *contractual controls over the pricing and conveyance* of homes within the CLT land areas.

*Basically, the CLT served as a bulwark against urban gentrification*
“What the CLT does better than any other Organization is to preserve affordability when economic times are good and protect its homes and homeowners when times are bad.”

Housing and Community Development Act of 1992

Definition under federal law: a non-profit community housing development organization:

1. Established to:
   (A) acquire parcels of land, held in perpetuity, primarily for conveyance under long term ground leases;

   (B) transfer ownership of any structural improvements located on such leased parcels to the lessees; and

   (C) retain a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low- and moderate-income families in perpetuity;

2. With membership open to any adult resident of a particular geographic area, and

3. With a majority of its board members elected by the membership; with equal numbers of (i) lessees pursuant, (ii) corporate members who are not lessees, and (iii) any other category of persons described in the bylaws.
The National Community Land Trust Academy:  
(Founded in 2006)

• provides comprehensive training on theories and practices unique to CLTs, setting a high standard for practitioner competence; and

• Supports research and publication on the best practices emerging from the field.

https://community-wealth.org/
A revolving loan fund, and a source of models and best practices for developing CLTs

Facts and Figures about CLTs:

A national organization that provides technical assistance and cross-fertilization of ideas among practitioners, activists and others involved with CLTs and other related initiatives for affordable housing and community development
CDFI Certification is a designation given by the CDFI Fund to specialized organizations that provide financial services in low-income communities and to people who lack access to financing.

- include regulated institutions such as community development banks and credit unions, and non-regulated institutions like loan and venture capital funds.
- empower low-income and underserved people and communities to enter the financial mainstream.

https://www.cdfifund.gov/
Support from Municipal Governments

“Over the last decade, we see an increasing number of cities, counties, and towns where CLTs receive political support from municipal leaders, administrative support from municipal staff, and financial support from municipal coffers.

“In these places, the CLT has become a partner of local government, an ally rather than an antagonist.”

Why?

Because CLTs, in performing their stewardship functions, have proven successful at preserving and targeting public investments in affordable housing and vibrant neighborhoods.

Grassroots Gardens hopes to be first accredited Community Garden Land Trust in the country

Buffalo Rising Community Gardens Land Trust
THANK YOU!