

helping to raise community morale and becoming an important vehicle for community organizing and advocacy efforts. Through its lease-purchase program, DCLT makes homeownership possible for families who could not otherwise own homes — and keeps those homes affordable for future families.

#### **Institute for Community Economics (ICE)**

ICE, originator of the Community Land Trust model, has supported the growth of CLTs across the US and Canada for the past 20 years. ICE provides technical assistance to developing and established CLTs, sponsors conferences and training events, and assists the organized Community Land Trust Network to promote this national movement. ICE is also a certified Community Development Financial Institution with a \$13 million loan fund which provides project financing to CLTs. ICE's resources on CLTs include: *The Community Land Trust Handbook*; *The CLT Legal Manual*; *Managing the Money Side: Financial Management for Community Based Housing Organizations*, and the video *Homes and Hands: Community Land Trusts in Action*. Contact ICE for additional information, resources, and/or copies of this brochure (also available in Spanish).

*"I've been looking for a home for about 15 years now, and it's amazing to be helping to create one. Home is also about watching out for each other and the Land Trust offers a lot of that."*

— Ona Blue, Homeowner, Lopez Community Land Trust, Lopez Island, Washington

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#### **Local CLT Contact:**

Introducing

# Community Land Trusts

Community Land Trusts are a way for communities to:

- 🏠 Gain control over local land use and reduce absentee ownership
- 🏠 Provide affordable housing for lower income residents in the community
- 🏠 Promote resident ownership and control of housing
- 🏠 Keep housing affordable for future residents
- 🏠 Capture the value of public investment for long-term community benefit
- 🏠 Build a strong base for community action

# Why Community Land Trusts?

*A community land trust (CLT) is a non-profit organization created to hold land for the benefit of a community and individuals within the community. A common goal of most CLTs is to provide and preserve affordable housing on this land.*

#### **In Growing Communities...**

In many communities today, population growth and economic investment are driving up real estate prices so that fewer and fewer working people can afford to live in the communities where they work. Fewer still can afford to buy homes in those communities. Limited public funds are available to subsidize housing costs for lower income households, but the amount of subsidy needed continues to grow as housing costs soar.

To address this problem, community land trusts are being developed in a growing number of communities — in expanding metropolitan areas from Albuquerque, New Mexico to Portland, Oregon; in university communities from State College, Pennsylvania, to Boulder, Colorado; in expensive resort communities from the Florida Keys to the San Juan Islands of Washington State and in many other communities across the country. These CLTs control housing costs by permanently limiting land costs and “locking in” subsidies so that they benefit one homeowner after another and do not need to be repeated each time a home is sold.

#### **In Disinvested Neighborhoods...**

The problems of low-income neighborhoods typically revolve around disinvestment and absentee ownership. As homeownership declines, older buildings are likely to be bought by absentee investors who allow the buildings to deteriorate while charging high rents. The rent paid to these absentee owners leaves the community. It is not saved by the residents, not spent in local stores, not used to improve the community.

Even if residents organize themselves to improve their neighborhood, it typically is the absentee owners who reap the benefits of increased property values.

Through a CLT, however, residents themselves can capture the value they create so that it benefits

their own community rather than absentee investors. For instance, when residents of Boston's Dudley Street neighborhood organized to rebuild their community, they decided to establish a CLT so they would never lose control of what they had worked so hard to build. Their slogan, “Take a Stand, Own the Land,” could be used by many other communities because it resonates for many CLTs.

*“To address our shortage of affordable housing, we provided the CLT in Bloomington with city and federal funds to construct 29 single-family homes.”*

— Chris Spiek, Executive Director, Bloomington Redevelopment Department, Bloomington, Indiana



Staff and board members of the Sawmill CLT are proud of the comprehensive plan for their 27-acre site.

# Important FEATURES of a CLT

## Acquiring Land for the Community

Sometimes CLTs buy undeveloped land and arrange to have new homes built on it; sometimes they buy land and buildings together. In either case, the CLT treats land and buildings differently. CLT land is held permanently — never sold — so that it can always be used in the community's best interest. Buildings on CLT land, however, may be owned by the residents.

## Access for Low-Income People

The CLT provides access to land and housing for people who are otherwise priced out of the housing market. Some CLT homes are rented, but, when possible, the CLT helps people to purchase homes on affordable terms. The land beneath the homes is then leased to the homeowners through a long-term (usually 99-year) renewable lease. Residents and their descendants can use the land for as long as they wish to live there.

## Prices Stay Affordable

When CLT homeowners decide to move, they can sell their homes. The land lease agreement gives the CLT the right to buy each home back for an amount determined by the CLT's resale formula. Each CLT sets its own resale formula — to give homeowners a fair return for their investment, while keeping the price affordable for other lower income people.

## Owner-Occupancy Preserved

The land lease requires that owners live in their homes as their primary residences. When homes are resold, the CLT can ensure that the new owners will also be residents — not absentee owners.

## Multi-Family Housing

A CLT can work with various ownership structures for multi-family buildings. The CLT itself may own and manage a building, another non-profit may own it, or the residents may own it as a cooperative or as condominiums. In each case, the CLT will have provisions to ensure long-term affordability.

## Helping New Homeowners

CLTs can provide a variety of training opportunities and other services to first-time homeowners. They can provide crucial support if homeowners face unexpected home repairs or financial problems. In these cases the CLT can often help residents to find a practical solution, and may help to make necessary financial arrangements.

## A Flexible Approach

CLTs have been established to serve inner-city neighborhoods, small cities, clusters of towns, and rural areas. A CLT working in a small city neighborhood may be the only local housing group, though it may collaborate with city-wide and regional organizations. Other CLTs, serving larger geographical areas, may work closely with a variety of local organizations.

CLTs may develop or rehabilitate housing by themselves or with the assistance of other non-profit (and sometimes for-profit) housing developers. A CLT may also acquire existing housing that needs little or no renovation. Some CLTs have bought mobile home parks to provide long-term security for mobile home owners.

In addition to affordable housing, CLTs may make land available for community gardens, playgrounds, economic development activities, or open space, and may provide land and facilities for a variety of community services. In rural areas, CLTs may hold land for gardens, farming, timber and firewood, or conservation.

## Who Controls the CLT?

A CLT is democratically controlled by its members. All CLT residents are members, and other people in the community may also join.

The members elect the CLT's Board of Directors. Usually there are three kinds of directors on the Board — those representing resident members, those representing members who are not CLT residents, and those representing the broader public interest. In this way, control of the organization is balanced to protect both the residents and the community as a whole.



*"Don't lose hope of becoming a homeowner. Your dream can come true with the help of your CLT."*

— Gladys Lebron-Martinez, Homeowner, Holyoke Community Land Trust, Holyoke, Massachusetts

## CLT Profiles

### Burlington, Vermont

One of the largest and most influential CLTs is located in Burlington, Vermont, a university town of about 40,000 on the

shore of Lake Champlain. Since the early '80s, economic growth and progressive public policies, combined with an attractive setting, have made Burlington an increasingly desirable — and increasingly expensive — place to live. With active support from city government, BCLT was established in 1984 to produce — and preserve — permanently affordable housing for local residents.

In sixteen years, BCLT's holdings have grown to include nearly 500 units of housing, including single-family homes, housing cooperatives, condominiums, and varied rental options. In the process, BCLT has had a major impact on conditions in a low-income neighborhood, while expanding housing opportunities for low-income people in that neighborhood and in outlying suburban areas as well.

All of BCLT's housing is affordable, not just for the first residents but for all residents thereafter. BCLT Director Brenda Torpy says, "The first benefit of the CLT is its ability to retain public subsidies. It's a good use of public resources to have the housing on land trust land so that in the future we don't give away that subsidy with the first sale of the property."

### Albuquerque, New Mexico

Beginning in the 1980s, residents of Albuquerque's Sawmill neighborhood joined together to fight pollution from a nearby particle-board factory. At the same time, on the other side of the neighborhood, historic Old Town was becoming a leading tourist attraction. The resulting gentrification pushed home prices upward, and the Sawmill residents started to worry about their families' futures in a neighborhood where some had lived for generations. To address these challenges, they negotiated with the City to gain the right to develop 27 acres of vacant land once occupied by the old sawmill operation.

On this site they are now developing 99 housing units, including single-family homes, townhouses, and senior apartments, together with a plaza, park, community center, and projected commercial space. To make sure that this development continues to serve lower income residents of the community, the land will be held permanently in trust by Sawmill Community Land Trust.

### Durham, North Carolina

The Durham Community Land Trustees was organized in 1987 by residents of Durham's West End neighborhood, a predominantly African American, low-income community adjacent to the campus of Duke University. DCLT's housing program was launched with project financing from the Institute for Community Economics' Revolving Loan Fund, which supports CLT projects around the country. As development accelerated in recent years, financing has come from a growing number of sources, including the Federal Home Loan Bank, municipal bonds, and Duke University. Project subsidies and operating support have come from the City and the North Carolina Community Development Initiative.

By focusing its housing rehabilitation efforts on specific blocks, DCLT has had a significant impact on conditions in the neighborhood,

*Continued on the back panel.*

*Youngsters from Durham CLT chat on their new porch the day they move in.*

