

EQUITY TRUST NEWS

December 2023

Fighting back against predatory lending

Equity Trust has been working with communities for over thirty years to create frameworks that help disadvantaged people become economically stable and build wealth – chiefly by creating pathways to access or acquire land affordably. We do that, in part, by providing opportunities for people who are already economically stable to lend a hand. In last year's newsletter, we reported on our self-reflection about our mission and our awareness of a need for renewal. We identified several areas deserving of greater effort, including making our services more accessible to BIPOC and immigrant communities, lowering barriers to capital, avoiding loan terms that extract wealth, and collaborating with like-minded organizations. Two recent projects have allowed us to explore innovations



Now that a community-funded loan has replaced predatory credit card debt, Albita's Tailoring Shop in Turners Falls, MA can focus on serving the local community with ever-growing services including alternations, resizing, repairs, and custom made clothing. (photo © Alba Agudelo)

beyond our usual practices in ways responsive to many of those goals, with rewarding results.

It started when we were asked to help organize financing for an immigrant family who wanted to buy a community land trust home but were unable to apply for a bank mortgage loan. A dozen neighbors and other community members were willing to pool modest amounts of their own savings into a single very low interest loan that added up to enough for the family to buy the house. Equity Trust agreed to assemble and administer the loan on their behalf – and now that family is living in their own CLT home!

Fresh off that happy story, we became aware of another immigrant family whose startup business had been upended by the pandemic, putting them on a credit card treadmill that looked endless even though they were making steady payments. While many of us take access to money for granted, others don't have that privilege. The interest and fees charged by banks and credit card companies can consume so much of any payments that catching up feels like an impossible dream – and that's if you are even able to get a loan or a credit card. BIPOC, immigrant, and refugee families are often the most disadvantaged in this regard.

Although providing financing not associated with property reform is not our customary role, we wanted to help. Based on our experience with the community-



A community-funded loan helped this family purchase a CLT home. (photo © Jacobo Bartolon)

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Community Land Trusts see resurgence

Property & Values

Community Land Trusts (CLTs) are in a period of growth. The number of CLTs in the US has grown from 162 in 2006, to 225 in 2018, to 315 today, according to our friends at the Center for Community Land Trust Innovation as cited in a July New York Times article. That's growth of nearly 70% in less than two decades and a remarkable 40% in just the last five years.

This represents an urgent and critical response to mounting income inequality and rising property prices driven by the ever-expanding role of speculative investors. In these circumstances, it is easy to see the benefits of an approach to housing that combines community control and permanent affordability with wealth-building opportunities for individual families through home ownership. With its origins in the civil rights movement and its democratic, grass-roots governance structure, the CLT model has also caught the imagination of communities seeking to regain control of their land to address the deep racial inequities in property ownership in the US.

In one example of this growth, we are pleased to be collaborating with a number of community housing efforts throughout the Connecticut River Valley in Western Massachusetts. CLTs are not new to this region. The Institute for Community Economics, which promoted

the CLT model nationally, was based in Western Mass for many years, and Valley CLT, founded in 1977 in Franklin County, is one of the oldest CLTs in the country. Other small CLTs were started decades ago and operated for a period before being wound down. Now a recent resurgence of interest mirrors the national trend.



Equity Trust's recent work with Valley CLT is described earlier in this newsletter. We have also provided technical support for the Amherst Community Land Trust, in Hampshire County, since its incorporation in 2014. Across the river in Northampton, we have helped a small housing co-op to create a ground lease with affordability restrictions for a duplex home intended to become part of a future CLT. To the south, in Hampden County, we are partnering with Wellspring Cooperative and Neighbor to Neighbor to organize the Lower Valley Initiative, envisioned as a CLT for the cities of Springfield and Holyoke and surrounding communities.

Two other similarly focused groups in the region are Franklin County CLT, "made up of community members... who have come together because we believe that land and housing should not be treated as commodities," and Willow PREC, a queer and trans BIPOC-led cooperative business that is introducing the Permanent Real Estate Cooperative concept—a community-based property ownership model developed in Oakland by the Sustainable Economy Law Center—to Massachusetts.

A year ago representatives from all these groups, including Equity Trust, began meeting to explore how we can learn from one another, collaborate and provide mutual support. A recently announced grant award from the Massachusetts Department of Health to these groups, and additional partners, will support more intensive work aimed at building the necessary organizational infrastructure to grow these complementary initiatives to an effective scale.



Cooperative housing, (sub)urban farming, and community service through neighborhood bike workshops, bike lending library, and biker rest/service area are common themes of some of the CLT homes we are working with including these in Northampton and Amherst Massachusetts. (photo credits: above: Gábor Lukács; top right: Flo-op Cooperative)

Equity Trust welcomes Terry Gibson

Land and Survival

Please welcome Terry Gibson, who joined our staff as Project Manager in August. We first met Terry through joint work initiating a community land trust that he has been helping to lead in his role as Cultural Organizer with Neighbor to Neighbor Massachusetts. He continues to work with Neighbor to Neighbor while transitioning gradually to a fulltime position at Equity Trust.

In July 1980, John Trudell, an Indigenous poet and activist, gave the speech "We are Power" at the Survival Gathering hosted in the Black Hills, South Dakota. The conference would be known as the largest gathering of Natives in modern history and aimed to strengthen the communications of Indigenous people across forty countries. Following the conference's theme, Trudell's speech covered the threats of unbound capitalism, technology, and nuclear expansion while drawing the participants' attention to their individual and collective power to overcome them. One of the foundational sources of that power is the land, which Trudell saw as paramount for survival.

I've often read this speech over the years, finding deeper resonance with it each time. The refrain of "we are power" and "we are energy" has become part of my radical mantra and liberatory lens, especially as my relationship with the natural world grew deeper. I was born in Silver Springs, Maryland, living in public housing projects where we didn't have much access to the land. In my early teens, we moved out of the city to a house in the small town of Harwood, on the banks of the Patuxent. As kids, my brothers and I caught fish and helped to care for the little garden where my grandmother grew vegetables. Through these experiences, I began to see how the land and survival were connected.

Many years later, my family moved to central Florida, where I would pick up summer jobs on cattle farms and spend weekends in spring-fed pools or canoeing the Silver River. My love and connections to the land were abundant. After Hurricane Katrina, I witnessed how fragile and powerful our environment can be as the storm tore through many Gulf Coast communities, including New Orleans. Among the human losses and the millions displaced was the environmental impact as crude oil, sewage, and storm debris streamed into the Gulf of Mexico. In communities throughout the Gulf Coast, floodwaters left a thick layer of toxic sediments



Neighbor to Neighbor's community garden in Holyoke, MA.

that contained heightened levels of lead and biotoxins. When I moved to Pittsburgh in my mid-twenties, I was drawn into environmental organizing and working alongside stewards and land protectors. Whether supporting the growth of community farms or housing initiatives on vacant properties, I worked with various groups for over five years. However, a combination of social and environmental concerns motivated me to move to Western Massachusetts, where my passions and interests have motivated me to join in community organizing efforts concerning the accessibility, affordability, and community control of land and housing. With the Equity Trust, I look forward to increasing land access and use for community-centered projects while growing in my own personal connection with the Earth.

A version of this newsletter with links to the organizations and projects mentioned in the articles is available at www.equitytrust.org/2023-newlsetter.

Loan Fund Partnership Helps CLT Take Off

Equity Trust Fund

The Southeastern Connecticut Community Land Trust took several big steps this year, obtaining their first loan from our Southeastern Connecticut Fund for Land Equity, receiving a commitment of American Rescue Plan Act (ARPA) funds from the city government in New London, and hiring a new executive director. Having remained connected to that region and local allies since we were based there in our early years, Equity Trust has had a front row seat to these efforts. We are impressed with what they have accomplished and pleased to be able to collaborate.

For many years, we used local loan funds to finance a variety of projects in Southeastern Connecticut with deep community benefits, while working to establish a community land trust that could permanently steward some of the property acquired with our loans. That endeavor came to fruition in 2020, when a loan to Saint Francis House enabled the acquisition of a permanently affordable home that would become the CLT's first property. Saint Francis House is an intentional community that has incubated many grassroots organizations in New London and was our original partner in administering the funds that eventually became the Fund for Land Equity. After welcoming new homeowners to that property and completing its incorporation, the CLT assumed the role of local partner in that loan fund, helping us identify and evaluate community projects for financing while also searching for its own next project. With this year's loan they now have one, purchasing a home that they will spruce up with ARPA funds. They will soon have a second permanently affordable home to offer, the sale of which will repay our loan.

While putting the pieces together for that project, the CLT was also collaborating with a local philanthropist to acquire a farm in nearby Salem. With Equity Trust's

assistance, they will begin developing an agricultural ground lease for the farmers who will use the land and buy the farm infrastructure. Though loan funds were not needed this time, their availability provided a backup plan that allowed the parties to negotiate with confidence.



Barn warming party in Salem, CT.

Not pausing for breath, the CLT is now laying the groundwork to acquire a commercial property in New London and make the building available to nonprofit and community-based groups, further diversifying the CLT's portfolio and enabling it to reach even more people through the building's eventual lessee.

Community lending builds wealth *(Continued from p. 1.)*

funded mortgage, we knew there were people in the area willing to pitch in, so we teamed up with local alternative economy nonprofit Common Good to refinance the debt with a zero-interest loan. We've invited our networks to participate with a donation or co-loan (anyone can do so at any amount with a few clicks on Common Good's website). The response from our community has been very positive and this small business is now back on its feet. Common Good and Equity Trust share a belief that our entire community is harmed when local businesses are put at risk by extractive lending, but also that we have the capacity to create a better system. These projects are examples of how we've been experimenting with broadening how we understand and implement our mission to do just that.