

Community Land Trusts

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Purpose: This memo summarizes what a Community Land Trust is, and how it can be used as one mechanism among many for accessing land to grow food.

Community Land Trust (CLT)

Community Land Trusts are nonprofit organizations that take land out of the market by purchasing and holding land to ensure long-term and affordable access to place-based communities. CLTs often create affordable homeownership, but may lease land for a variety of uses. CLTs differ from other land trusts--e.g. conservation land trusts--because of their investment in the community. CLTs involve leaseholders, non-leaseholders who live in the community, and public interests in decision making. This approach allows community members to have control over their land and balances both private/public and current/future interests.

Development of Community Land Trusts

The first CLT, New Communities, developed during the Civil Rights Movement and was formed in 1969. White-controlled systems oppressed Black communities by restricting their ability to access and hold land--a crucial resource for building wealth--and maintaining inequitable sharecropping systems. Consequently, New Communities developed a plan with the intent for a comprehensive community to be built out over decades by providing Black communities secure land access for homesteads, cooperative farms, and processing enterprises. The original site was lost in the 1980s, due to discriminatory lending and resource withholding practices at the USDA that became the focus of the Pigford class action suit. The resulting settlement to New Communities provided funds for some restitution to all participating families, as well as the seed funds for the development of the Resora farm and retreat center in Albany, Georgia. The inclusive governance system of New Communities provided a useful model used by many future CLTs. Today, most CLTs enforce affordability, maintain property conditions, and provide resources to leaseholders.

How a CLT works

A CLT acquires and holds land to lease to individuals or groups for a variety of purposes. The user usually purchases any structures on the parcel, then pays a lease fee for use of the land.

For example, a housing CLT acquires land with a house on it. If a household meets income qualifications, they may purchase only the home for its appraised value, while the land remains with

the CLT. The homeowners sign a 99-year, transferable ground lease that requires a small monthly fee for exclusive use of the land, allowing the household to stay and build wealth while in the CLT. The ground lease often also requires that the home is resold based on a resale value formula that retains affordability for the next buyer.

If the homeowner decides to move, they receive equity (the down payment and the amount of mortgage paid off). In addition, they are associated with a percent--often around 25--of any increase or decrease in the value of the home. This allows a household that requires assistance in reaching homeownership to purchase the home. The remainder of an increase in value goes back to the CLT, which will use the funds to maintain or expand affordable housing.

Benefits of CLTs

There are numerous benefits to using CLTs, which provide sustainable and secure land access that is more affordable for people of low and moderate incomes. In addition, community-governance gives people control over their land and the long-term reliability of CLT land access allows users to accumulate wealth. Increases in value are often caused by community-level assets, whether social or material. Because of this, it is more equitable for the CLT to retain the majority of any appreciated value and invest it back into the neighborhood, rather than an individual gaining it and investing it elsewhere. This process helps build more resilient communities.

Twin Cities Community Agricultural Land Trust (TCALT) Role

While CLTs are often associated with housing, some CLTs exist for other purposes. TCALT's focus is on integrating food production into the urban and peri-urban landscape. Since land in the city is particularly costly, TCALT is working to make land for food cultivation more accessible. This could involve TCALT holding land, utilizing easements, and facilitating the leasing of land to growers.

References

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