Community Land Trusts Seek to Scale Up to Meet Neighborhood Stabilization Demand
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More than 200 people from across the country attended the annual National Community Land Trust Network conference, a four-day event held December 2nd to 5th in Boston, Massachusetts. Sponsored by the Lincoln Institute of Land Policy and hosted by Dudley Neighbors, Inc., a community land trust founded two decades ago in the Roxbury community of Greater Boston, participants focused on ways to boost neighborhood stabilization in the midst of the nation’s worst housing crisis since the Great Depression.

The community land trust movement has long lived in the shadows of community development corporations and other affordable housing developers. Nationally, the estimated number of community land trust housing units in the country is only around 6,000. However, a recent national survey found that community land trust housing had a foreclosure rate of 0.06% in 2007 – a rate that is 30 times lower than the national average. This stellar record has brought the Network new partners, including NeighborWorks America, NCB Capital Impact, the Annie E. Casey Foundation, and Habitat for Humanity. A major challenge for the movement is to scale up operations to meet the demand while maintaining the community stewardship that has made land trust housing such an effective neighborhood stabilization and foreclosure prevention strategy.

Julie Willett, Executive Director of Habitat for Humanity, noted that there were now 40 partnerships between local Habitat for Humanity chapters and community land trusts nationwide. “The land trust seems like an obvious and perfect solution” to ensuring permanent affordability, Willett observed. Willett acknowledged that the partnerships were not without their tensions. “Our board is very focused on wealth building, so the idea that [homeowners] can’t earn [as much of] a profit off of the sale of the house is a concern…[but] I think the land trust should be the model. I’m also concerned about [conserving] the money we give in subsidy.”

At the conference, the foreclosure crisis was addressed in detail at a breakout session. One area of discussion centered on ways to utilize the $3.92 billion Neighborhood Stabilization Program (NSP), a program approved by Congress this summer to enable cities to redevelop foreclosed property. The legislation also encourages “permanent affordability” through land banking, which places community land trust housing advocates in a particularly favorable position.

Boston attorney and land trust advocate David Abromowitz noted that the foreclosure crisis is like “a hurricane going on and one well-built structure in the middle is still standing. Those are the CLTs [community land trusts].” Abromowitz advised participants to acquire land now while land prices are down, since it is next-to-impossible to predict when the market will truly “hit bottom.” Colin Bloch, Director of Champlain Housing Trust in Burlington, Vermont, concurred, emphasizing that there is an “opportunity for local nonprofits to participate in the workout to
recycle the [housing] asset and put it back into serviceable use and support your own organization." The cost of not intervening and leaving a house vacant, Bloch observed, can run more than $1,000 a month.

Marge Misak, Executive Director of the Cuyahoga Community Land Trust, discussed the impact of the foreclosure crisis in Cleveland, Ohio. Citing recent survey data developed by Case Western Reserve University, Misak pointed out that 84 percent of all foreclosures since 2005 in Cleveland have resulted from subprime loans. In effect, Misak argued, the shift to subprime, non-bank lending, amount to “structural efforts to extract equity from neighborhoods.” The City of Cleveland estimates that 10,000 structures need to be demolished. Misak noted that in “weak market” cities like Cleveland that have severely depressed housing prices, the focus of land trust work is less about assuring affordability and more about how to “re-imagine land uses [such as] urban agriculture [to promote] sustainability for the long-term.”

Jeff Washburne, Director of City of Lakes CLT in the Minneapolis, noted that in early 2007, their CLT was able to buy a home from a woman who had recently divorced and hence lost the income to own a home. By moving it into the land trust, they were able to separate the land ownership from the building, and sell back the building to the homeowner, governed by a shared equity arrangement through a land lease. This action, Washburne explained, “kept her in her home by converting a deed simple house into a CLT. Now it can’t work due to declining values.” But the land trust has had success in accessing Neighborhood Stabilization Program dollars and is partnering with area community development corporations, thereby expanding the available stock of land trust housing.

Robert Burns of NeighborWorks America noted that NeighborWorks is developing “more efficient cost effective ways to transfer properties for sale or rent.” The organization hopes to start a pilot program in five-to-seven communities in fall 2009 to move the disposal and reuse of foreclosed “REO” (real estate owned) properties up to “some level of scale.” Burns also emphasized the importance of broader policy intervention to forestall a feared additional wave of foreclosures that could stem from adjustable rate mortgage “reset problems that otherwise are on track to happen in 2010 and 2011.”

Two public officials addressed the conference, with both expressing strong support for increased utilization of community land trusts as a way to reduce foreclosures and ensure permanently affordable housing. Tina Brooks, the state of Massachusetts housing policy chief, noted that the Commonwealth had already prioritized land banking and land trust housing in its initial Neighborhood Stabilization Plan. Brooks said that the main items on her policy “wish list” were foreclosure prevention, community stability, and low mortgages. “Community land trusts respond to each and every thing on my wish list,” she added. Evelyn Friedman, Boston’s Director of Neighborhood Development in Mayor Tom Menino’s office, noted that Boston had “over 1,000 foreclosed units,” but that affordability remained an issue in the city. “Prices have declined 6 percent,” this past year, Friedman said, but, “they had climbed 60 percent over the last six years.” DSNI [Dudley Street Neighbors, Inc. community land trust] values are controlled and thus it is still affordable and will be in perpetuity. Hopefully DSNI and others can use the community land trust model as the city acquires foreclosed properties.”
The conference also acknowledged some of the leaders of the community land trust movement. Among those recognized was the Lincoln Institute of Land Policy, which not only sponsored the conference, but also provided assistance in the development of the National Community Land Trust Network itself. Rosalind Greenstein, in her acceptance speech for the Institute, addressed the broader context faced by the land trust movement. “Two months ago,” said Greenstein, “Larry Summers noted that over the last 29 years, those in the top 1 percent [of income] have gained $600 billion while those in the bottom 80 percent have lost $600 billion. That translates to $500,000 more per person per year in the top 1 percent and for the bottom 80 percent that translates into $8,000 less per person per year. This is a history not of spreading the wealth but of hoarding the wealth. This affects people’s lives… Increasing and strengthening the middle class is good social insurance against civil and political unrest. Community land trusts, by helping middle class citizens, strengthen and deepen our political democracy.” Also recognized at the conference were Susan Witt, co-founder of the Schumacher Institute community education center in Great Barrington, Massachusetts, and Ellie Castanopolis, a member of the Covenant Community Land Trust in Orland, Maine, and Executive Director of Equity Trust, a loan fund that has prioritized making lending available to African-American communities in the South.

One other key theme at the conference was the launching of the National Community Land Trust Network’s Heritage Lands Initiative, which is exploring ways to counter land loss and to foster land stewardship in African-American communities and how community land trusts can be most useful when working with these communities. (After 18 months, the group will consider expanding the initiative beyond the African-American community). At a plenary session panel, four African-American community land trust leaders examined these issues.

John Barros, Executive Director of Dudley Neighbors, Inc., acknowledged that Americans tend to avoid discussions of race, but argued that, “race has got to be more prevalent in our discourse nationally and in the CLT movement. What are the stories, visions, narratives told of how people succeed in communities of color? What’s the narrative? Moving on up. Out of the ghetto. Getting to a different place. Buying a home so you can accumulate wealth. In short, it is economic development from the standpoint of a singular individual. And that is dangerous. It’s got to be our responsibility to change those narratives. We need advocacy for collective wealth building as well as individual wealth building.”

Walt Dixie, Executive Director of Jubilee Homes of Syracuse in New York State, applauded “the Network for highlighting race. Dixie told the story of a vacuum cleaner salesman who sold a vacuum cleaner to his mother. “He didn’t sell the vacuum cleaner; he sold the relationship,” Dixie related. Organizing in communities of color requires a similar ethic of relationship building, Dixie said. “That’s the way it is with black and Hispanic communities.”

Norma Jean Sawyer, Executive Director of the Bahama Conch Community Land Trust of Key West in Florida, relayed the story of her group’s history and its unusual name. Key West, Sawyer explained, has long been home to a large African Bahamian and Afro-Cuban community. As tourism gained ground in Key West in the 1980s, that community was “pushed from waterfront on the west all the way to the east where we are now. There were five housing projects: there was a plan about moving all of the people to other Keys [islands] and make the neighborhood a resort area. We refused. In the mid-1990s, we began the community land trust.
We worked to preserve the 1860 African American cemetery. We developed a museum that told the story of the Africans and Bahamians and Cubans. We woke people up. The Conks are white people, who also came from the Bahamas. We had a loving caring community and that was worth saving. We decided to call it the Bahamian Conk CLT. Everybody is included in our CLT and the work that we do in Key West.”

Joseph Gray, Executive Director of Del Ray Beach CLT, also in Florida, noted that outside support was critical for developing a community land trust; Gray himself initially got involved as a planning consultant. After the city had redeveloped downtown, the largely African-American West Side remained impoverished. The City promised the West Side would be “next,” but what that meant remained unclear. “The initial plan was mainly just dollars for social programs,” Gray noted. “Our response was, ‘This will not solve your problems.’ Gus Newport [from Dudley Street land trust in Boston] came by and the message was delivered that you got to be concerned about displacement. The community adopted the Dudley mantra of ‘development without displacement’ … There was a double bottom line: build up the community and the people.”

*For more information on the National Community Land Trust Network, see:*  
http://www.cltnetwork.org