

Special Shelter Issue

July/August 1981

\$1.75

Canada \$2.00

# New Roots

SOLAR HOUSE  
KITS



In

Land

we



Trust

★ Community Land Trusts in the Northeast ★ The Affordable House  
Appropriate Technology College Directory ★ Turning Point for the Modern Age



# In Land We Trust

Community Land Trusts are an affordable alternative to private land ownership and a means to place land in stewardship forever.

By Rob Eshman

All Mrs. Maxwell could find to rent in Cincinnati for herself and her 10 children was a "rathole" — six rooms, one door, broken windows, rusted plumbing. It cost \$350 per month. It would have to do.

Mrs. Maxwell paid the rent and looked for another house. Finally she found one that exceeded her dreams — sturdy, dry, nine rooms, a backyard, a good neighborhood, \$11,000. But Mrs. Maxwell couldn't find the money to buy the house. Where could she get credit? The place wouldn't stay on the market long, and with land speculation raising Cincinnati property values almost weekly, a good house for \$11,000 may never come up again.

Mrs. Maxwell's housing quandry is common in Cincinnati as in many areas of the country. In Cincinnati, the Rev. Maurice McCrackin and seven other church leaders considered housing the foremost problem in the city's neighborhoods, but they couldn't decide what to do about it until Mac's friend Chuck Matthei came to Cincinnati to explain the community land trust.

Chuck Matthei of the Boston-based Institute for Community Economics,



Pam Roberts, Valley Community Land Trust

Robert Laramie

explained how neighborhood residents could incorporate as a non-profit trust and pool their resources to finance Mrs. Maxwell's house. They could put the land the home rested on in trust, to be held by the trust in perpetuity and off the speculative market. Mrs. Maxwell would receive a 99-year renewable lease to use the land. She would make monthly payments on the house and pay the trust a monthly lease fee for the land. The trust would retain a first option to buy Mrs. Maxwell's home and any improvements should she decide to sell (after all, she's a home owner, not a renter). That way, the trust will be able to keep Mrs. Maxwell's home affordable to other families in need.

In 6 weeks, neighborhood residents had incorporated as the Community Land Cooperative of Cincinnati (the word "trust" can only be applied to banks under Ohio law). The Institute for Community Economics advanced the group a \$10,000 loan from its revolving loan fund.

And a day later Mrs. Maxwell moved into her very own home.

Across the country, community land trusts are helping rural and urban communities address the same kind of issues which confronted Mrs. Maxwell. Even by the most conservative estimates, there are more than a dozen CLTs in the Northeast, and about 45 nationwide. Robert Swann and the late Ralph Borsodi developed the CLT concept in the mid-1960s, drawing on the economic theories of Henry George, the Gandhi-inspired *Gramdan* movement in India, the Jewish National Fund in Israel, and native American land-use traditions. In 1968, Swann and Borsodi helped organize the first community land trust in the United States, *New Communities* in Lee County, Georgia. Soon after, CLTs were organized in several Northeastern states.

The foundation of the community land trust is the separation of property — such as buildings or gardens produced by human effort — from what Borsodi called "trustery" — resources which were here when humans arrived and will be here long after we're gone, the air, the waters, the land. The CLT enables a community to retain local control over its property while maintaining a stewardship of its "trustery" so that future generations can use and enjoy it. The underlying idea is

## The underlying idea is that if land isn't owned and controlled by everyone, it should be.

that if land isn't owned and controlled by everyone, it should be.

**T**he community land trust structure is flexible enough to apply to urban and rural places, small or large groups. According to Chuck Matthei, whose Institute helps CLTs nationwide, a community land trust differs from other land trusts in that it is a "democratically structured locally-based organization with an open public membership, an elected board of trustees, and a commitment to ongoing land acquisition." It is not primarily a land preservation group, such as a conservancy trust, or a limited-membership, single-focus group such as urban garden or open space trusts.

A community land trust acquires land through purchase or donation. The trust retains title to the land in perpetuity, and typically offers lifetime or 99-year renewable, inheritable leases to families, groups, individuals or businesses interested in using the land or the structures on it. The leases may require property owners not to use their land in a way harmful to the community. "Not common ownership," wrote Bob Swann, "but ownership for the common good."

As in Mrs. Maxwell's case, the trust will usually retain the right to buy back any buildings or improvements on the land from the owner at the owner's original cost, adjusted for inflation and depreciation. These steps remove the land from the speculative market, and prevent the owner from cashing in on inflated land values.

Critics argue that a CLT limits the profits for leaseholders who sell their property, and that leaseholders must still pay often increasing property taxes. Matthei admits that in a "boom realty market" CLT leaseholders sacrifice speculative profits. But in return for this sacrifice, he says, they can reduce the cost of housing access for their children and future residents. And while there may be an increased tax burden, the CLT can spread the burden across its ownership base. It can also finance tax burdens, because as a corporate body a CLT will usually have more resources, and more credit at the bank, than most low- or moderate-income families can muster. Most importantly, the CLT offers ownership to families who today could not otherwise afford it.

Community land trusts can be particularly effective in urban neighborhoods. Cincinnati's West End, the neighborhood in which Mrs. Maxwell has lived for 42

years, is losing its housing stock to speculators, condominium conversion, and urban beautification. Gentrification — the return of upper-income people to the city and the subsequent displacement of lower-income residents — is closing up the West End's housing market just as it has made much of metropolitan Boston and Washington, D.C. financially and often socially off-limits to low-income people. The choice for many low-income residents facing gentrification, as Mrs. Maxwell realized, is to move to the suburbs, where there are no jobs and no transportation, or to remain in the city and pay \$450 per month for a 'renovated' apartment which used to cost \$75 a month.

The Cincinnati group now has an elected board of directors, a dues-paying, community-wide membership, and three paid staff. It recently acquired its second property, a multi-unit apartment building with a community center on the first floor.

In Boston's Roxbury neighborhood, residents face displacement from the city's aggressive "revitalization" program. For the mostly black, low- and moderate-income Roxbury residents, this program has meant the destruction of housing and

the creation of high-priced condominiums and townhouses. Helen Forman, president of the **Lower Roxbury Coalition for a Community Land Trust**, says her organization wants to "keep people in this neighborhood in this neighborhood." In a community where only 26 percent of all houses are owner-owned, their goal is elusive. The group is now fighting for control of a multi-unit federal housing structure threatened with demolition. They want to place the building's property in trust and lease its units to displaced elderly. The group has received support from a local Catholic church, but their proposal is still being considered by city officials.

The **Central Roxbury Community Land Trust** figures its neighborhood will

*Right: Robert Swann, god father of community land trusts. Below: Lloyd Harding, Beverly Kinch & Chuck Matthei on the threshold of the first property acquired by the Central Roxbury Community Land Trust.*



Kerry Mackin



David McCauley

**"Not common ownership," wrote Bob Swann,  
"but ownership for the common good."**

be completely "gentrified" within four years. The group has recently acquired its first tract of land, with a 4-unit apartment building. Since formation it has maintained community support by organizing community gardens, clean-up campaigns and playground maintenance. Such visible activities are helpful in establishing a community land trust, says Peter Stein, who manages urban land programs for the **Trust for Public Lands**. The Trust for Public Lands provides assistance and training for forming land trusts. Its work in New York City has included organizing neighborhood clean-up campaigns and citizen public safety groups. Stein says such activity solidifies a community and helps attract funding for land acquisition.

**U**rban land trusts have their counterparts in rural areas, where people face similar problems of rising land values, speculative infringement, and the influx of wealthier people into the countryside: rural gentrification. The "back-to-the-land" movement has had the subsidiary effect of making land too expensive for rural residents. This trend, coupled with increasing residential and business development of the Northeast's agricultural lands, makes the rural Northeast an important "proving ground" for the effectiveness of land trusts.

One rural community land trust in the Northeast with a reputation for proving itself is **H.O.M.E. Coop/Covenant** in Orland, Maine. In 1970, Sr. Lucy Poulin left a Carmelite convent in Concord, New Hampshire and moved, with a small group of Sisters, to Hancock County, Maine. Sr. Lucy, a Maine native, saw an opportunity to create extra income for families in this economically depressed region by organizing a craft cooperative. With the help of some local churches and residents, Sr. Lucy formed Homeworks Organized for More Employment. Over the next 10 years, H.O.M.E. added its Learning Center, then vocational shops, a livestock supply program, a social outreach program, and a free wood delivery service to shut-ins. But H.O.M.E. members soon realized that lack of land was the crux of the rural poverty they were fighting. In 1978, they began a self-help family farm

project and incorporated the Covenant Community Land Trust.

The H.O.M.E./Covenant trust is not a welfare service. Through homeownership, small-scale farming, animal energy and wood energy, the group helps local families achieve self-reliance. If there is any dependency Sr. Lucy wants the CLT to foster, it is interdependency. "I want to keep a sense of family going among the homeowners and the community," she says.

Covenant has built three houses. The third, completed this summer, is a 1200-square foot house with wood heat, an attached greenhouse, enclosed woodshed and a foot of fiberglass insulation. Because Covenant has mostly volunteer labor, the cost of the house, including land, was \$17,800. The house shares 17 acres of timber and farm land with another Covenant house completed last winter. Funding for both houses came from a local bank loan and other private financing.

The people who live in these houses pay Covenant a monthly fee for the land and monthly mortgage payments on the house. Jack and Melody Hovey, who had been renting in the area before buying a Covenant house, will get full equity in their house in 15 years.

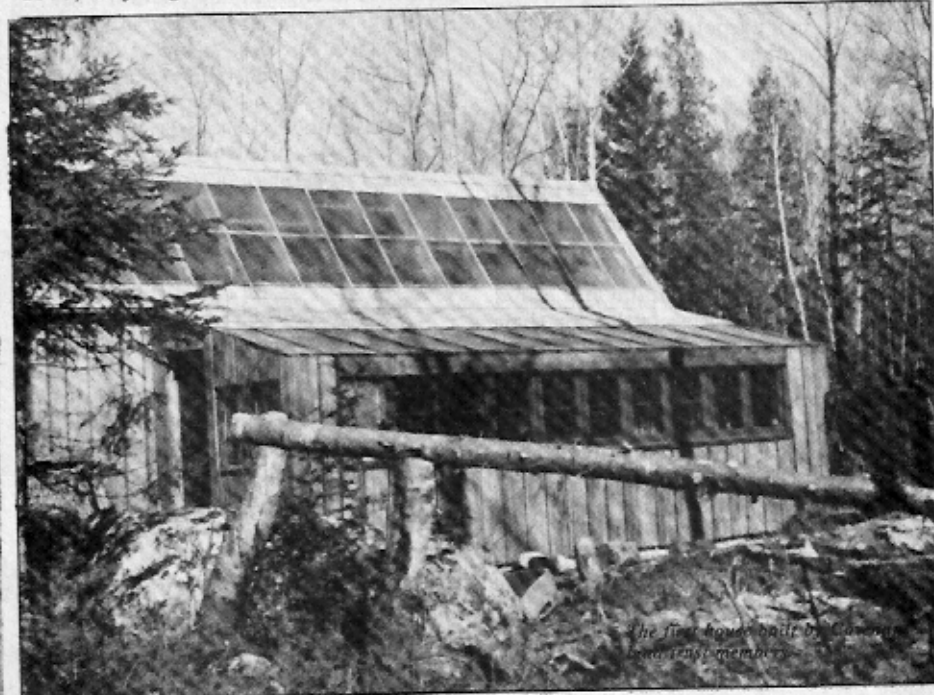
In what the Institute for Community Economics considers a precedent-setting case, Covenant this year convinced the federal Farmers Home Administration to approve a financing package for one of



H.O.M.E./Covenant



Earthbridge Community Land Trust



The first house built by Covenant land trust members.

H.O.M.E./Covenant

## The "back-to-the-land" movement has had the subsidiary effect of making land too expensive for rural residents.



Robert Laramie

Valley Community Land Trust.

covenant's houses. Covenant pointed out that its volunteer-built houses cost less than conventionally-built houses, so the FmHA can finance more homes and still keep within its budget. As Chuck Matthei says, a community land trust can reduce land, housing and transfer costs, and thus represents an effective use of public funds.

Covenant pointed out to the FmHA that a community land trust can use and re-use an initial grant or loan by "investing" it in a perpetually held property and making that property accessible to meet current as well as future needs. Religious institutions seeking socially responsible investments have begun to see this quality in CLTs. Both Covenant and the Cincinnati land trust received grants and loans from various religious orders. The Institute for Community Economics' revolving loan fund, which provides start-up and developmental capital and offers investors a constructive outlet for their monies, has been growing steadily.

The community land trust can also provide a solid base for local economic development. H.O.M.E./Covenant has purchased a small sawmill to provide lumber for its self-help family farms and now employs local people in both the construction and lumber businesses. New Communities, the nation's first CLT, has provided farm employment to many of the Lee County, Georgia poor. Their capacity to ensure a stable land base allows CLTs to promote such development.

Following is a sampling of three other community land trusts in the Northeast:

**The Ottauquechee Regional Land Trust** in Woodstock, Vt., formed in 1977 to reduce the cost of Vermont farmland, protect it from development, and make it available to local farmers. Ottauquechee now owns restrictions on some 3,000 acres of land. These restrictions enjoin users from using the land for purposes other than farming or wildland preservation.

In January, Ottauquechee acquired, with credit loans from about 50 community members, the 328-acre, \$1-million residence of the now-defunct Woodstock Country School. The trust plans to lease the agricultural land to a local farmer, and make the building available for housing and offices.

"A 'dream of community' led to creating the **Monadnock Community Land Trust** in southwestern New Hampshire. Families met for two and a half years, once a month, to map out a working model. With advice from Bob Swann, the families formed the trust and bought 90 acres of land in nearby Wilton. They plan to build homes for twelve families. So far they have built a road, laid electrical cables and water pipes, and cleared much of the land for farming and future community building sites.

The **Monadnock CLT** hopes to form a forest land trust in conjunction with the Society for the Protection of the New Hampshire Forests. A forest land trust would allow small, individually owned timber tracts to be managed as a single large tract, under the supervision of a land trust and a resource management organization. The returns on the timber harvest would be divided among the landowners, while the forest would benefit from professional, long-term management techniques.

The **Earthbridge Community Land Trust** in Putney, Vt. was incorporated in 1973 to blunt land speculation on farmland. Earthbridge now has 500 acres of land in trust and 35 members. Its projects have included solar energy development, food production, a health clinic, and other community-related programs. Earthbridge hopes to organize cooperative communities on the land. ■

*The first comprehensive book on community land trusts will be published next year by Rodale Press. Rob Eshman helped the Institute for Community Economics conduct research for that book.*

## COMMUNITY LAND TRUST RESOURCE LIST

"Information and money are the two things which separate a private developer from those who live in the neighborhood," says Katherine Bachman, a real estate lawyer for Boston's Hale and Dorr with experience in advising community land trusts. Bachman recommends that anyone interested in forming a community land trust find out what land is on the market, what local bylaws say about land trusts, and what financing plans can be arranged. In some cities, organizations can assist groups in this task, such as Boston's Boston Urban Gardeners and Boston Natural Areas Fund. Also, the Real Property Department, or its equivalent in most city halls, will have information on land acquisition.

There are only two national organizations involved primarily in assisting communities organize land trusts. Both organizations suggest that communities come to them well-informed on local matters.

**THE INSTITUTE FOR COMMUNITY ECONOMICS**  
120 Bolyston Street, Room 419  
Boston, MA 02116

**THE TRUST FOR PUBLIC LAND, INC. (Northeast Regional Office)**  
254 West 31st Street  
New York, New York 10001

Here is a list of community land trusts in the Northeast. If you live near one of them and are interested in its current circumstances send an inquiry.

**Southern Berkshires Community Land Trust**  
Owen DeRitis  
RFD 3  
Great Barrington, MA 01230

**Earthbridge Community Land Trust**  
Box 203  
Putney Vermont 05346

**Fenway Community Land Trust**  
167 Massachusetts Avenue  
Boston, MA 02115

**H.O.M.E. Coop./Covenant CLT**  
Box 161A Star Route  
Bucksport, ME 04416

**Lower Roxbury Coalition for a CLT**  
81 Mt. Pleasant Avenue  
Roxbury MA 02119

**Monadnock Community Land Trust**  
150 Murphy Road  
Peterboro, NH 03458

**New York City CLTs**  
Contact Trust for Public Lands/  
Urban Land Program

**Ottawaquechee Regional Land Trust**  
39 Central Street  
Woodstock, VT 05031

**Valley Community Land Trust**  
Rd 1 Box 162 D  
Colrain, MA 01340

**We Can Neighborhood Improvement Program**  
643 Washington Street  
Dorchester, MA 02122

**School of Living**  
P.O. Box 3233  
York, PA 17402

**Sam Ely/Maine CLT**  
136 Maine Street  
P.O. Box 116  
Brunswick, ME 04011