MIT CoLab
COMMUNITY INNOVATORS LAB

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A GUIDE TO TRANSFORMATIVE LAND STRATEGIES:
Lessons from the Field

Photo by: Katherine Mella

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EXECUTIVE SUMMARY

This moment of COVID-19 and Black Lives Matter mobilizations demonstrates that ecosystems of economic democracy and community governance are critical for a just recovery and a just economy. The top-down responses to the pandemic are exacerbating the racialized gap in ownership of land and wealth, lack of democratic control over what happens on land inhabited by communities of color, and the power of extractive finance to determine development patterns. Many frontline communities seeking to secure democratic control of development have turned to models of collective ownership, such as community land trusts (CLTs) and permanent real estate cooperatives, as one part of a platform for land and housing justice. **This guide synthesizes the strategies of transformative community land organizations (TCLOs): those that share the guiding principles of decommodification of land, racial justice, economic democracy, and transformative politics.**

The CLT model has gained considerable traction over the last 20 years: the number of CLTs across North America is estimated to be about 300[1]. With growing interest comes both a new wave of organizations with stronger grassroots connections and accountability, and the danger of organizations co-opting or losing the model's values rooted in the Civil Rights Movement. Getting to scale is not an adequate end-goal if the commitment to the practice of democratic governance, and the organizing and political education to support it, are left by the wayside. CLTs should be a space for people to actually practice the governance and distribution of resources in the places where they live, work, and feel they belong. In this moment of economic fallout from the global pandemic and mobilizations of the Movement for Black Lives, CLTs and other CLOs have an opportunity as well as a responsibility to work towards a truly transformative approach to land governance. The organizational practices highlighted in this guide serve as examples of the important work that is especially needed to emerge from today's crises and uprisings with tools for transforming systems of land ownership and development.

To understand what common strategies and practices TCLOs are developing and implementing to advance transformative community ownership and governance of land, the authors at MIT CoLab primarily focus on nine organizations with whom we had extensive conversations in preparation for this report: Oakland CLT; Jane Place Neighborhood Sustainability Initiative; Mott Haven-Port Morris Community Land Stewards; Parkdale Neighborhood Land Trust and Parkdale People's Economy; East Bay Permanent Real Estate Cooperative; Fruit Belt CLT; Chinatown CLT; Struggle for Miami's Affordable and Sustainable Housing (SMASH); and the Bronx CLT. The report is organized into four sections: 1) practices and tools for participatory planning, 2) land acquisition, 3) non-extractive finance, and 4) strategies that complement those in the other areas:

Participatory planning highlights

- By generating buy-in and fostering intentional design, community plans can advance land acquisition campaigns, hold spaces for ongoing democratic discourse, and ensure that future decisions are made with accountability.

- Cultivating intergenerational, ongoing political education, connection to economic democracy ecosystems, and respect for people's time is critical to the quality of community planning and the maintenance of community governance.

- Successful TCLOs tend to focus on developing a strong base, develop multiple broader classes of membership, and build trust between the board and the membership through co-developing shared analysis.

1. See this list and map compiled in 2020: "CLTs in the US and Canada" Center for Innovative CLTs. https://bit.ly/3hTFFtf

Land acquisition highlights

- Developing strong relationships across grassroots and mainstream organizations is the key to land acquisition for TCLOs, as campaigns for land acquisition are most successful when technical capacities align with community leadership and momentum.

- Successful TCLOs tend to layer formal and informal relationships with a variety of organizations to distribute decision-making power as well as leverage their networks to support land acquisition.

- TCLOs can grow their land holdings by acting as connective tissue between actors with different types of assets and capacities, including grassroots organizations, government, small landlords, and local, regional, and national coalitions.

Non-extractive finance highlights

- TCLOs need to create their own systems of underwriting to democratically "retune" calculations of risk and credit, interest rates, and rates of return.

- Community equity funds that offer investors 0% to 3% annual dividends are a significant opportunity for TCLOs avoiding high-cost debt.

- Community investment funds like those managed by EBPREC and Boston Ujima enable the most democratic governance of assets, and can come in a wide variety of legal forms.

- Scaling the movement will require nationally networked assets from accountable institutional investors with localized democratic distribution of funds.

Complementary strategies highlights

- There is widening interest in, and practice of, growing CLO networks, sharing technical knowledge, and cultivating leaders who can apply that knowledge in their local context.

- TCLOs have benefited from shifting narratives grounded in the lived experience and immediate concerns of community members, whether or not they seem directly related to the work of the TCLO.

- To act quickly and with accountability, TCLOs should do as much of the legal, technical, and political groundwork as possible ahead of the critical moments in land acquisition.

In this moment of crisis, there is a renewed level of energy to build workable alternatives and ways to generate and secure shared wealth for people of color, and we believe this report can be useful to anyone - organizers, practitioners, advocates, educators, students - starting, developing, or growing a transformative community land organization. In the spirit of transformation, we offer this as a resource for discussion, adaptation, and cultivation of leadership to experiment with these ideas and practices in your community.

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MIT CoLab

The MIT Community Innovators Lab (CoLab) is a center for planning and development within the MIT Department of Urban Studies and Planning. CoLab supports the development of knowledge from marginalized communities to deepen civic engagement, improve community practice, inform policy, mobilize community assets, and generate shared wealth. CoLab builds strategic partnerships and works to implement strategies that enable communities to harness their existing assets and capture the value they create to promote inclusive economic development that is environmentally sustainable, socially just, and deeply democratic.

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Milky Way Garden at Parkdale Neighborhood Land Trust, Toronto, April 2018 Photo by: MIT CoLab

01

INTRODUCTION

SECTION HIGHLIGHTS

Ecosystems of economic democracy and community governance are critical for a just recovery and a just economy after COVID-19.

With a growing interest in community land trusts (CLTs) comes both a new wave of organizations deeply committed to transformation and the danger of losing the model's radical politics.

This guide synthesizes the strategies of transformative community land organizations (TCLOs) that share the principles of decommodification of land, economic democracy, racial justice, and transformative politics.

Preamble: A vision for community land

It's January 11, 2050. Tonight is the Annual Membership Meeting of a nearby community land organization (CLO). Thirty years ago, following the suffering of COVID-19 and the subsequent global political and economic upheaval, this community demonstrated its resilience and capacity for mutual aid. In solidarity with diverse communities at the regional, national, and international scales, the community increased its ownership and governance of its resources outside of the system of private property. Not just through the CLO: through pushing systemic change that put people and planet over profit, through building structures where marginalized people own their money, labor, and housing.

The community has changed, but the people most impacted by the pandemic defined the course of this change: by developing and preserving buildings and spaces; by creating comprehensive neighborhood and regional plans that a community land coalition maintained; by deliberating and taking action together through packed neighborhood assemblies, centering and loving Black and Brown lives and voices; by demanding an end to homelessness because housing is a human right; by asserting that public resources requires social accountability. Those who might have otherwise been subject to targeting for predatory and high-interest lending on the basis of race, gender, sexuality, immigration status, and class, have built wealth sustainably through investing in shares in a local community investment fund and their limited equity housing cooperative. As a result, parts of the CLO's network have weathered economic downturns better than the shrinking speculative market. People feel their quality of life, their health, and the future for their blood and chosen families have improved because they took part in the difficult work of showing up, making decisions, and being empowered through practices of economic democracy to make change in the places where they feel a sense of belonging.

The Annual Meeting starts with a celebration of the opening of the CLO's latest project, designed for and with community members: a 100-unit cooperative built with a social housing fund, with intergenerational assembly space, a rooftop farm, a multi-stakeholder food coop, and collective space for artists and makers. The next item is a report on finances showing the health of the CLO's mutual reserves fund that has prevented 30 residential foreclosures as well as the closures of 15 small businesses, three community gardens, a school, a hospital, and a library in the last five years. Then, an update on how the 10-year plan passed in 2040 had nearly reached its goals of neutralizing its carbon and waste footprints. Next, a discussion about the CLO's main source of revenue, ground lease fees. Had they become too high for small business leaseholders, and if so, who or what should subsidize a decrease? Finally, the election of a new board begins with each nominee answering the question, what should happen here next?

Why transformative land strategies, practices, and tools now

The global crisis of COVID-19 is deeply intertwined with the existing global crisis of wealth inequality. Centuries of violent extraction of Black bodies in slavery and the theft of Indigenous land manifests now as a racialized gap in ownership of land and assets, a lack of democratic control over what happens on the land inhabited by communities of color, and an increase in the power of extractive finance and real estate to determine development patterns. The median white household has ten times the volume of wealth as the median Black household.[2] Communities of color and of the working class are facing a displacement crisis, where in most North American cities, the units available at an affordable rate for the average low-wage worker or person of color are dwindling by the year. At this point in the United States, 47% of renters are spending more than 30% of their income on housing.[3] Because of an unjust healthcare system and environmental racism, Black, Latinx, and Indigenous people are dying from COVID-19 at much higher rates.[4] The exclusion of Black- and Brown-owned businesses from emergency Paycheck Protection Program (PPP) loans highlights the unequal finance and economic development systems and the public infrastructure that supports them.[5] All of these underscore the importance of democratic governance: **for a just recovery and a new economy after COVID-19, there must be democratic decision-making and collective ownership of resources by frontline communities.** This time of widespread disillusionment with and disruption of the current political-economic system could be the critical moment for making transformative change.

In response to this confluence of factors that was devastating even before COVID-19, **a growing coalition of organizers and advocates has been advancing a vision of an economic future that involves democratic community ownership and governance of resources.** This generative vision for a transformation of economic structures and institutions has many names: solidarity economy, social economy, cooperative economics, new economy, and economic democracy. These efforts are the stirrings of a movement to restructure the political economy around democratic or cooperative ownership and collective governance, increasing the most impacted communities' control over economic assets. These are not wholly new ideas: **there is a rich tradition of Black cooperativism in the United States**, from W. E. B. Du Bois to Ella Baker to Fannie Lou Hamer. Noni Session at East Bay Permanent Real Estate Cooperative (EBPREC) reminded us that "cooperatives were actually the seed of the Civil Rights Movement, not the other way around." Though sadly, as Jessica Gordon-Nembhard's detailed history of the Black cooperative movement in the United States shows, many historical Black cooperative establishments were denied loans, intentionally sabotaged, or otherwise cast aside or hidden by mainstream government and financial institutions.[6] In the contemporary movement following the eruption of protests after the murder of George Floyd by police, Black Lives Matter and abolition movement voices are calling for community control of land and housing, alongside other resources, to support Black self-determination.[7]

2. Darity Jr., William, Darrick Hamilton, Mark Paul, Alan Aja, Anne Price, Antonio Moore, Caterina Chiopris. 2018. "What We Get Wrong About Closing the Racial Wealth Gap." Samuel DuBois Cook Center on Social Equity, Duke University. bit.ly/2X4Hifn

3. U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Table B25070

4. Parra, Daniel. 2020. "More Questions Than Answers About the Racial & Ethnic Skew in COVID-19 Deaths." ***City Limits,*** bit.ly/2ZJmiMP

5. Center for Responsible Lending. 2020. "The Paycheck Protection Program Continues to be Disadvantageous to Smaller Businesses, Especially Businesses Owned by People of Color and the Self-Employed" bit.ly/3grq8Ag

6. Gordon-Nembhard, Jessica. 2014. *Collective Courage: A History of African American Cooperative Economic Thought and Practice.* Penn State University Press.

7. See M4BL platform including housing cooperatives and land trusts at bit.ly/2Y15lwf; and 8 to Abolition calling for more support for CLTs at bit.ly/2C-4mKvr

The movement for community land is historic and varied, with many examples of justice-oriented property-owning collectives that continue to inspire the movement today, such as Koinonia Farm,[8] Fannie Lou Hamer's Freedom Farm Cooperative,[9] and the housing cooperatives that started as squats in New York's Lower East Side.[10] We, as the authors, do not wish to overlook the many singular efforts for community ownership and governance of land, but **we focus this guide on strategies that can be easily replicated, networked, and scaled so that larger swathes of land can be secured for community ownership long-term.** The most prominent strategy in the contemporary community land movement to this end is the community land trust (CLT), a not-for-profit model that takes land off of the market for the long-term use of low-income people. CLTs work by separating the ownership of land from the structures on the land, and are typically governed collectively by their residents and the broader community.

Many CLTs today center racial justice and economic democracy, stemming from an understanding that **land ownership is both a critical locus for economic and political transformation and a historically significant tool of white supremacy.** These leaders see the CLT as a model to ensure that people of color can stay in the neighborhoods they built. "If we don't have control of land, our people will continue to be displaced. We needed to start taking over the assets of our community," Edward of the Bronx CLT told us. Breonne DeDecker of Jane Place Neighborhood Sustainability Initiative (JPNSI) in New Orleans said, "The right for marginalized and poor communities to stay, as cities gentrify, is an inherently political conversation." Most of the CLT leaders we spoke to in the course of writing this guide, in a variety of market contexts, named gentrification and displacement as major motivations for starting their efforts. Getting to scale, in the broad sense of growing to the optimal size for the efficient operation of an organization, is not an adequate end-goal if the commitments to collective ownership and democratic governance are left by the wayside. However, in addition to economies of scale, there are clear reasons why CLTs continue to be an "expansionist" model. One of strengths of CLTs is the aggregation of ownership rights to defend against speculation and to be deployed in various proactive campaigns, a strength enhanced by the growth of its land holdings in an area.

That most urgent reason why CLTs are growing across North America is also one of the movement's greatest challenges. Over the past decade, the price of private land has grown significantly in most metropolitan areas in North America, while the stock of public land that CLTs might acquire shrinks as governments sell to private developers. Funding issues for organizations in this austere environment lead to mission drift, deprioritizing non-housing uses, and less focus on democratic ownership and community organizing.[11] And there are few places to turn to access non-extractive or democratic capital. **Some CLTs that have deprioritized ongoing organizing and political education find an urgent need to educate a second generation of community members on the CLT's mission and on cooperative economics.**[12] Yet this is excluding one of the core strengths of the model: CLTs should be spaces for people to actually practice the governance and distribution of resources in the places where they live, work, and feel they belong. In this moment of economic fallout from the global pandemic and mobilizations of the Movement for Black Lives, CLTs and other CLOs have an opportunity as well as a responsibility to work towards a truly transformative approach to land governance. We

8. "Brief History." Koinonia Farm. https://www.koinoniafarm.org/brief-history/
9. "Fannie Lou Hamer Founds Freedom Farm Cooperative," SNCC Digital Gateway, SNCC Legacy Project and Duke University, https://sncdigital.org/events/fannie-lou-hamer-founds-freedom-farm-cooperative/
10. Starecheski, Amy. 2016. *Ours to Lose: When Squatters Became Homeowners in New York City*. University of Chicago Press.
11. Williams, Olivia. 2019. "Are We Diluting the Mission of Community Land Trusts?" Shelterforce. bit.ly/2TEuBG7
12. Green, Jarrid. 2018. Community Control of Land and Housing. Democracy Collaborative, p. 52

highlight TCLOs in this guide that have been practicing transformative work already, so that they may serve as examples for CLOs re-evaluating their goals, impacts, and strategies in response to this historical inflection point.

What and who is in this guide

This context of both growth and challenges for CLTs is why many who are starting new CLT programs are looking for examples of strategies, practices, and tools to learn from and to adapt in their own context and cultivate in their own organizations. In the midst of political and social upheaval, the shifting context for this work is uncertain, and some of the assumptions below (like the capacity of local governments) will be changing in real time. This is why this guide is critically important today: this movement needs to make transformative change now, when the status quo is disrupted.

This guide was developed with the wisdom and practices of community-based organizations that aim to own land in perpetuity with the shared **guiding principles:**

1. ***decommodification of land***
2. ***racial justice***
3. ***economic democracy, and***
4. ***transformative politics.***

This guide isn't strictly about organizations that call themselves CLTs, because there is such a wide variety within that model, and many organizations outside of the CLT model adhere to these four guiding principles. **Generally, throughout this report, we refer to the broader category of land-owning organizations that share these principles as transformative community land organizations (TCLOs).** We primarily focus on nine organizations with whom we had extensive conversations in preparation for this report:

- Oakland CLT in Oakland, CA
- Jane Place Neighborhood Sustainability Initiative in New Orleans, LA
- Mott Haven-Port Morris Community Land Stewards in the Bronx, NY
- Parkdale Neighborhood Land Trust and Parkdale People's Economy in Toronto, ON
- East Bay Permanent Real Estate Cooperative in Oakland, CA
- Fruit Belt CLT in Buffalo, NY
- Chinatown CLT in Boston, MA
- Struggle for Miami's Affordable and Sustainable Housing (SMASH) in Miami, FL
- The Bronx CLT in the Bronx, NY[13]

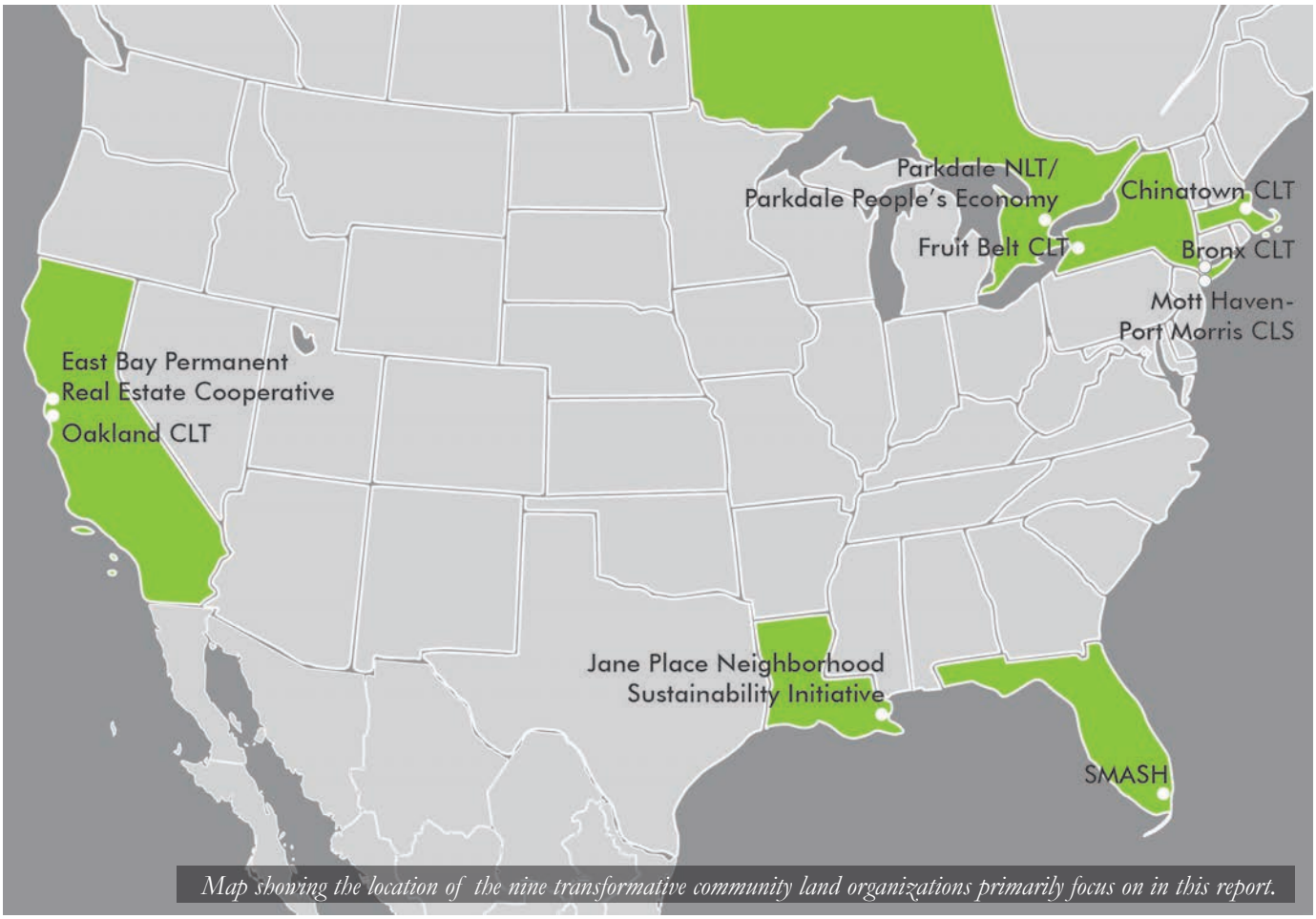
Most of the organizations we talked to are members of the Right to the City Alliance's Homes for All campaign, which demands community ownership and control of land by frontline communities.[14] We are focusing on these newer, grassroots organizations to emphasize the emerging goals and strategies of the newest wave of movement-oriented CLOs who are diverging from more mainstream community development approaches to permanent affordability. This report highlights this new wave of CLOs in part to avoid duplicating the rich array of inspiring materials available on many more established CLTs that people across the movement have long emulated, especially at Dudley Street Neighborhood Initiative in Roxbury, MA, Champlain Housing Trust in Burlington, VT, and Cooper Square CLT in New York, NY.

Of the nine organizations listed, seven currently own land, with those seven each holding between one and 25 properties. All were incorporated between 2008 and 2020, and eight out of the nine are CLTs. The only non-CLT entity we formally interviewed for this report is East Bay Permanent Real Estate Cooper-

13. Disclosure: Author Nicholas Shatan is a board member of the Bronx CLT.
14. "The Pledge," Homes For All. https://homesforall.org/pledge/

ative (EBPREC), a TCLO with an innovative structure that responds to the challenges within the CLT model by using equity from community members to buy and develop properties that the cooperative members will collectively own and keep affordable in perpetuity. The growth of a broader movement-wide interest in this *permanent land cooperative* approach is apparent, from Ecovillagers Alliance's (EVA) work to develop community land cooperatives funded by a regional real estate investment cooperative (REIC) in the Mid-Atlantic region,[15] as well as New York City Real Estate Investment Cooperative's (NYCREIC) creation of a community financing mechanism for cultural institutions who promise to keep their property perpetually affordable.[16] **We honor the emerging interest in the community land movement around cooperative ownership and community investment, so we attempt to generalize our analysis and guidance beyond CLTs to hold space for emergent practices and models.**

15. See their website, https://www.ecovillagers.org/. Disclosure: Author Olivia Williams is a Servant-Leader at Ecovillagers Alliance
16. See their website, http://nycreic.com/



Map showing the location of the nine transformative community land organizations primarily focus on in this report.

Community land trust movement at an inflection point

Community land ownership is only one part of an ecosystem that can catalyze the transformation of the economy; under a democratic economy to come, there will be a diversity of approaches to land tenure and ownership of housing, labor, and money. CLTs are also only one part of the solutions needed to address the intertwined issues of displacement, gentrification, and affordability, where they are critical because they can add democratic governance and permanent community ownership of land to a comprehensive platform that includes policies such as rent control and the elimination of exclusionary zoning.

Pioneered in 1969 by Black civil rights leaders at the agricultural New Communities land trust in Albany, Georgia, **the CLT model has gained considerable traction: the number of CLTs in the United States is now over 276, and approximately 24 CLTs have been developed across Canada.**[17] This year, two Democratic presidential candidates included CLTs in their platforms: unsurprisingly given his impactful support of CLTs as mayor of Burlington, Bernie Sanders proposed $50 billion in support for CLTs and other shared-equity ownership models; Elizabeth Warren's plan to start a HUD Innovation Lab also involved further studying CLTs.[18]

Yet this rapid growth and mainstream acceptance of CLTs has come at a cost. As with the community development movement before it, CLT organizations that become increasingly focused on professionalized housing development tend to **lose some of the original intentions of proponents of the model, including community governance and decommodification of land.**[19] Therefore, the CLT model, on its own, is not inherently transformative.[20] In other words, the model does not in itself subvert and replace oppressive institutions of the dominant development power structure—extractive financial institutions, austerity-minded governments, and the racialized and individualistic system of homeownership—and may in many cases simply build on those existing institutions to make life marginally better for low-income people.

Along these lines, Zach Murray from the Oakland Community Land Trust (Oak CLT) told us to be wary of the mandate to scale,

> *"...because CDCs at one point owned the same language that the CLTs do of community control and community self-determination. And the federal government came and gave them money and then they started becoming about how to get the money still… There's always that risk of co-optation that even government money brings, if we're not doing the deep level of really ensuring and perfecting democracy."*

CLTs, stripped of their political education and organizing capacities, can serve to reinforce the status quo relations of the economy, if in a somewhat reformed manner. In other words, there is a risk that, without centering transformative politics and democratic practice, CLTs will become just another tool in the affordable homeownership toolkit, without fundamentally changing the power and conditions of low-wealth communities of color. Edward Garcia from the Bronx Community Land Trust (BXCLT) told us, "I'm worried about CLTs just becoming a regular developer. It's easy to stay away from the organizing, which is the vitals."

17. "CLTs in the US and Canada" Center for Innovative CLTs. https://bit.ly/3hTFFtf
18. "Housing For All." Friends of Bernie Sanders. bit.ly/2XwaPO6; "Protecting and Empowering Renters." Warren Democrats. bit.ly/3ehmlnk
19. DeFilippis, James, Stromberg, Brian, and Williams, Olivia. "W(h)ither the community in community land trusts." *Journal of Urban Affairs* 40(6): pp. 755 - 769; Williams, Olivia. 2019. "Are We Diluting the Mission of Community Land Trusts?" *Shelterforce*. bit.ly/2TEuBG7
20. DeFilippis, James, Olivia Williams, Joseph Pierce, Deborah Martin, Rich Kruger, Azadeh Hadizadeh Esfahani. 2019. "On the Transformative Potential of Community Land Trusts in the United States." *Antipode* 51(3): 795–817.

Guiding principles and questions

A core tenet of the CLT and broader movement for community land ownership is permanent affordability through ***decommodification of land*****,** meaning that the land and the uses on it will be shielded from speculation by taking it off the private market. Noni Session from EBPREC told us, "We want to see structures and organizations that really understand that **commodified land and housing is a sure way to continue to destroy and dismantle communities' history, cohesion, and safety."**

TCLOs are a tool that can support ***economic democracy***, which we at MIT CoLab have defined as "a socio-economic system in which those most impacted democratically own and govern wealth, resources, and other assets."[21] When we discuss democracy in this report, we are referring to democratic practices that aspire to meet Michael Menser's definition of *Maximal Democracy*: a type of deep, participatory democracy that involves collective determination; capacity development and delivery of economic, social, and political benefits to members or constituents; the replacement of unequal power relations with relations of shared authority; and the construction, cultivation, proliferation, and interconnection of movements and organizations with overlapping normative frameworks.[22]

We define ***racial justice*** as the collective work of dismantling and rectifying structures of violence and exploitation on the basis of race. Zach from Oak CLT noted that "CLTs are not reparations but a model worth reparating into." In other words, CLTs and other TCLOs are not a silver bullet for achieving racial justice, but **an important strategy within a movement and an ecosystem that aims to make the economy racially just.** Without racial justice and social justice, "community" can be used in service of nativism, a structure meant to exclude people of color and immigrants from white places and spaces. The definition of "community" in "community land trust" also becomes complicated in the context of gentrification: it may refer to a cultural group or historical population rather than a neighborhood's growing demographic. Some of the organizations we spoke to have expanded their membership catchment area or their definition of "directly impacted" because so many community members have had to leave their neighborhood. This is why, when we talk about community land, we have to talk about racial justice, social justice, and economic justice.

Political and economic ***transformation*** is a thread that runs through each of these frameworks, and the organizations we focus on in this guide generally consider transformation to be an important goal for their work. Adrian Alberto Madriz from SMASH Miami told us, "transformation means we are really shifting the dynamics of power to favor groups of people that have historically been shut out of decision making processes [...] **The end goal really has to be that we transform people's thinking about how they relate to the systems of power and the decisions that are made about their neighborhood.**" Even though these CLTs sometimes have to position themselves as reformists, they are in the struggle to empower marginalized communities to take ownership and make decisions about the places where they live.

Starting from this understanding of the types of practices we wanted to lift up and disseminate within the contemporary context, and questions we have heard from people involved and interested in the community land movement, CoLab generated the following guiding questions:

- What common understandings, strategies, and practices are TCLOs developing and implementing to advance transformative com-

21. MIT CoLab. 2015. "Economic Democracy Training Series," bit.ly/2X-CPnHc
22. Menser, Michael. 2018. We Decide! Philadelphia, Pa: Temple University Press. pp. 57 - 59

munity ownership and governance of land?

- What's the land acquisition strategy the movement needs to scale?
- How can TCLOs overcome reliance on external funding that can compromise their values?
- What role should participatory planning play for TCLOs?

By defining these questions, we're also defining the questions we're not asking and answers we're not providing here, including some that are very important. We are leaving aside for now the questions of the relationship of TCLOs to the theft of Indigenous land across this continent, what "community" means, the ideal relationship of TCLOs to the government and public assets, and understanding how TCLOs relate to the commons. We are also not trying to provide a step-by-step manual on how to build a TCLO, recognizing that a number of such resources exist, and that the real work of movement building is in cultivating leadership within a community to adapt relevant strategies, practices, and tools to a local context and to build the power to actualize them.

The following sections explore and analyze these strategies, practices, and tools. We arrange these under three general themes: participatory planning, land acquisition, and non-extractive finance.

Bronx CLT mapping exercise Photo by: MIT CoLab

02

PARTICIPATORY PLANNING

SECTION HIGHLIGHTS

By generating buy-in and fostering intentional design, community plans can advance land acquisition campaigns, hold spaces for ongoing democratic discourse, and ensure that future decisions are made with accountability .

Cultivating intergenerational, ongoing political education, connection to economic democracy ecosystems, and respect for people's time is critical to the quality of community planning and the maintenance of community governance.

Successful TCLOs tend to focus on developing a strong base, develop multiple broader classes of membership, and build trust between the board and the membership through co-developing shared analysis.

Democratic, comprehensive planning and visioning

Several of the TCLOs we spoke to were either involved in participatory neighborhood planning, or utilized democratically created plans to advance their agenda. Democratically producing a comprehensive plan for your neighborhood or a vision for a site you're thinking of acquiring is not only good because it's aligned with the values of your organization, **it's also useful for developing and advancing strategies for land acquisition.** Such plans are a clear expression of community voice to hold local government stakeholders accountable, help generate community buy-in, and foster intentional design. Some of the activities that go into participatory planning include visioning, identifying community needs, asset mapping, and identifying sites that should be preserved, sites that should change, and sites that could be acquired by the TCLO.

Plans give TCLOs some democratic control over their future growth, so when they get out of planning mode and into action mode, they have a clear mandate and much of the work is already done. Parkdale People's Economy (PPE) in Toronto had developed early on both a comprehensive neighborhood plan, and plans for particular sites around the neighborhood.[23] These plans were leveraged when the political moment arrived and local leaders were asking for proposals. The associated Parkdale Neighborhood Land Trust (PNLT) could talk to city council members about what the neighborhood actually wanted for a particular site because they had put more time into asking that question than others. **Having a documented narrative of neighborhood residents' goals enabled PNLT to act quickly to take control of a shifting narrative and acquire a site, using a vision created years before on their own development timeline.**

Boston's Chinatown has created a community master plan every 10 years since 1990, with community groups taking increasing control of the process and the product. Lydia Lowe from Chinatown CLT told us, "**the way we looked at the mission of the CLT is to use the community ownership of land to implement the vision of the Chinatown master plan**." She noted that it's difficult for the City to say no to something like their plan, which nearly the whole community has supported. Similarly, at the end of SMASH Miami's process for visioning on its first development site, neighborhood residents voted 89% in favor of the proposed design. Adrian from SMASH said, "That was a huge victory for us, because it spoke very loud and clear that the neighborhood was totally on board with making this happen."

Comprehensive planning means looking beyond the land uses and functions of a neighborhood in silos (housing, retail, transportation, etc.), to actually generating a proposal for what the community should look like as a whole. Even for TCLOs focused primarily on housing, this can be a useful resource to refer to. It's especially useful for mixed-use TCLOs and multi-issue organizations. The Bronx CLT is being incubated by the Northwest Bronx Community and Clergy Coalition (NWBCCC), which organizes campaigns on a variety of issues including housing, education, health, and economic development, and is being supported by the Bronx Cooperative Development Initiative, which is developing a Bronx-wide plan for economic democracy. The Mott Haven-Port Morris Community Land Stewards (MHPMCLS), also in the Bronx, NY, determined through community visioning sessions that their organization needed to propose a center dedicated to health, education, and the arts. **These types of plans recommit groups to all of the most important issues of their members and to the overall goal of economic transformation.**

23. "Community Economic Development," Parkdale Neighborhood Land Trust. bit.ly/3c8SsnR

Undertaking intergenerational political education

A necessary step as part of undertaking participatory planning named by most TCLOs is political education, especially among people with a variety of backgrounds, identities, and experiences. Political education is the process of collectively arriving, through skilled facilitation, how political processes work, and what the tools and strategies are that will achieve an organization's goals. As a starting point, both the Bronx CLT and the Fruit Belt CLT (FBCLT) in Buffalo host "CLT 101" sessions to educate their communities on the CLT model. India Walton from FBCLT told us that before deciding to go ahead with the land trust model, it was crucial to work with older community members to build trust and understanding in what a CLT is and can do. A key lesson from organizing and movement building is that leadership needs to be cultivated, and similarly, a participatory plan will be stronger and more useful with members who have a cultivated understanding of how decisions in their neighborhoods are made, building from their own lived experience. Breonne from JPNSI told us, "having a small nonprofit whose staff are making these arguments is one thing, but being able to build the capacity of community members to also make these arguments and believe in these arguments is really powerful." When working on a plan or vision with other community members, these leaders will be a great asset; **when it comes time to present a plan or vision to local elected officials, having many community members sharing a collective vision will make the case stronger.**

Cultivating a relationship to economic democracy ecosystems

The mix of uses that arises from comprehensive planning is useful for groups that are deeply involved in building an economic democracy ecosystem, as **the different sectors and functions of that work all require some permanently and deeply affordable non-residential space**. Every organization we spoke to is tied into these ecosystems in some way, with varying levels of involvement. Some are intertwined with organizations that build the infrastructure for economic democracy, while others are trying to develop cooperative businesses and connect to existing social enterprises. Some have tool libraries and community fabrication centers, others are building community-owned energy micro-grids. For example, Cooperation Jackson explicitly links its CLT to its broader goals in their Sustainable Communities Initiative. Cooperation Jackson's Fannie Lou Hamer CLT currently owns a community center, urban farm, at least 40 residential parcels, an industrial space for their Fabrication Laboratory (Fab Lab), and recently acquired a strip mall for the purposes of growing their broader ecosystem.[24]

Connecting to the lineage of economic democracy is crucial both for membership development and for ongoing political education. Noni, now EBPREC's director, was initially connected to the work through a reading group she co-founded on Jessica Gordon-Nembhard's *Collective Courage*. The Bronx CLT was an initiative raised after the NWBCCC went through an Economic Democracy Training Series and adjusted its mission to include racial justice and economic democracy, leading to its investment in "fight forward" strategies like CLTs. **Understanding this**

24. "2019 Year in Review: Resistance and Reflection," Cooperation Jackson. bit.ly/3d84n6H; Cooperation Jackson, and Ajamu Nangwaya, eds. 2017. *Jackson Rising: The Struggle for Economic Democracy and Black Self-Determination in Jackson, Mississippi*. Daraja Press.

lineage helps shift the narrative from "fight back" measures like rent control, which are vital but do not advance shared ownership or collective governance of assets, towards planning for the future using cooperative economics. As Kali Akuno of Cooperation Jackson is known to say, we must fight, but also build. Relaying a similar sentiment, Mychal from MHPMCLS said,

> *"[O]ur self determination is so important to our survival and our ability to sustain in our community. Looking at historical fights or historical struggles, in our own community, you can go back to the struggles of the Young Lords and the Black Panthers, for trying to just create more self-determination and community sustainability from the ground up. Because we were not getting it from the top down*."

Cooperation Jackson, NWBCCC, TRUST South LA, EBPREC, and Oak CLT all have practices in place for cultivating cooperative values in their members and residents, which both provides political education and supports the future smooth functioning of collective ownership. Zach at Oak CLT highlighted political education as a central component of building out economic democracy, and insisted that CLTs have a responsibility to educate the public:

> *[I]f we build out democracy we can get what we want. And the reality is that we have to re-create these [structures] of democracy because the public imagination has been shot. Public housing was used to shatter the public imagination about what was possible with housing and the government's responsibility and role in that. And so we're up against that reality. We have to own that reality. And then get involved in educating people about what's possible and about what even some of the problems of some of those previous models were. And how they can be redeemed. So [we need to take] a very active role in that education and organizing.*

Developing membership classes

Two common practices for establishing democratic visioning and planning practiced by TCLOs are: (1) establishing the people or base(s) to whom your organization is going to be accountable, and (2) developing different membership classes, including solidarity membership for those outside of the community or outside of the most directly impacted groups. The TCLOs we spoke with prioritize three types of overlapping communities: those most directly impacted by displacement; Black people, Indigenous people and people of color in the community as self-determined; and people who have lived in a specific neighborhood for the longest time or for generations.

To some extent, all of these communities should be participating in planning for transformative land strategies, but in practice, TCLO strategies may have to focus on one community or base at a time. Adrian from SMASH Miami noted that while they had initially intended to build a base primarily with those most impacted by the practices of slumlords, the reality was that this is a difficult community to reach because of its transience and precarity. They have not given up on reaching out to this base, but have shifted their focus to those with the deepest ties to their neighborhood (Liberty City). People in this neighborhood belong to marginalized groups, are threatened with the force of gentrification, and have some existing community bonds. Similarly, JPNSI was founded after Hurricane Katrina devastated New Orleans and the Mid-City neighborhood where the CLT is located. Breonne said JPNSI is "**dedicated to making sure that working class low-income renters, which are predominantly Black folks in New Orleans, would be able to stay in the neighborhood as it recovers, as it rebuilds, and as it gentrifies**." Considering accountability, base, and membership is one of the practices in this guide that is most specific to a city's or neighborhood's context.

Almost all of the TCLOs we interviewed for this report, and in fact almost all of the CLTs we're aware of, have multiple board and membership categories (if they have a membership).[25] In a classic CLT tripartite board, each third of the board is made up of residents or leaseholders on the CLT, broader residents of the service area who do not live on CLT land, and public interest members. The broader membership will necessarily be making different types of decisions than the board, which is legally responsible for, and to, the organization. Across a range of CLOs, participatory planning, visioning, advocacy and policy decisions are made by the base, while acquisition and financial decisions are made by the board.

A number of organizations have taken this model and modified it to their needs with a variety of membership classes. Some organizations (SMASH, EBPREC, Cooperation Jackson) have a membership category for staff of the organization (EBPREC is essentially a multi-stakeholder cooperative with a worker-owner class of members). Some, taking a practice from typical grassroots base-building organizations, have a general dues-paying membership category. Bronx CLT is coordinating with a steering committee developed by the NWBCCC, made of the latter organization's grassroots members. NWBCCC Executive Director Sandra Lobo told us, "We have aspirations to engage a borough-wide base but have launched with the NWBCCC's base, given that is the entity that gave birth to the CLT and currently has a base with which it is accountable." **TRUST South LA has a clear pipeline for developing any community resident into a board member, of whom 80% must be low-income people from the South LA area.**[26] Sacramento CLT is organizing neighborhood-based caucuses and identity-based caucuses, including a caucus for those experiencing homelessness.

Democracy is time-consuming. This is a challenge for any grassroots organization, and there are other resources that cover this topic from an organizing standpoint. CLTs tend to struggle with this even more because the model can appear overly complex, abstract, or distant from people's immediate needs. Adrian from SMASH recommends the long-established organizing practice of offering food and childcare at meetings and situating meetings as close as possible to the sites you're organizing and planning for. SMASH set up a tent on the vacant land they'd acquired and made it so "simple to be able to make it to attend these meetings, that there's no reason that you wouldn't be there." **No matter what your outreach methods, there will always be certain kinds of people who show up more and others who show up less.** EBPREC realized that white members had started making up more of the people showing up to their community circles, and they decided to start moving their circles to East Oakland and West Oakland, closer to their base. TCLOs have to respect and work to maintain their observance of the organizers' and social workers' dictum to meet people where they're at. On the topic of membership outreach for planning and campaign development, Ana Teresa Portillo from Parkdale People's Economy told us, **"We can ask them for their input to help in our fights but the question is always: what are we offering them?"**

25. Although the "traditional" CLT model involved having a community-based membership, surveys of CLTs in recent years have shown that many do not actually have a membership beyond their leaseholding residents. See Thaden, Emily, and Jason Webb. 2015. *National Community Land Trust Network: 2015 Member Report*.

26. "About Us," TRUST South LA. https://trustsouthla.org/about-us/

Photo by: Northwest Bronx Community and Clergy Coalition

03

LAND ACQUISITION

SECTION HIGHLIGHTS

Developing strong relationships across grassroots and mainstream organizations is the key to land acquisition for TCLOs, as campaigns for land acquisition are most successful when technical capacities align with community leadership and momentum.

Successful TCLOs tend to layer formal and informal relationships with a variety of organizations to distribute decision-making power as well as leverage their networks to support land acquisition.

TCLOs can grow their land holdings by acting as connective tissue between actors with different types of assets and capacities, including grassroots organizations, government, small landlords, and local, regional, and national coalitions.

The inside/outside strategy as the key to land acquisition

Organizations in different cities and regions in North America are realizing that given the rising cost of private land and dwindling availability of public land, the TCLO movement needs a new strategy for expanding its land holdings. As CoLab's Yorman Nuñez asks, "What land acquisition strategy does the movement need to scale?" **CLTs have long focused on gaining control of public land or of buildings developed with public funds to preserve them from privatization, so in the context of increased austerity, it's clear that organizations need to diversify their strategies.**

Again and again, we have heard the same solution: **TCLOs can best position themselves to acquire land through the inside/outside strategy**. This means developing strong relationships, understanding, and positionality both inside (government, landlords, developers, established community development organizations) and outside (grassroots mobilization organizations) of mainstream institutions. Like some of the other practices in this report, this has long been a strategy employed by social movements. **What's different is that TCLOs are suited to holding this inside/outside space precisely because of their position, their tradition of economic democracy and self-determination, and their transformative politics. "We're building something outside of what currently exists," as India from FBCLT put it.**

While much has been written about the ways CLTs can and should work with local governments,[27] the "inside" can be a challenge for TCLOs to break into, and may not in itself produce the desired results. The inside strategy involves not just the development of a power analysis, but also the development of technical abilities and savvy and the cultivation of leadership that can move fluidly between the inside and outside of the halls of power and the centers of capital (we cover this more in-depth in the Complementary Strategies section of our report). Newer and more grassroots TCLOs are faced with an added layer of difficulty in persuading governments to enter into acquisition deals with them. Adrian from SMASH told us that local government officials are "never going to give you that property if you're a legitimate grassroots organization. If you are already the biggest developer in town, and you need surplus property, and you can already pay for it, it's so ironic, but they will give that to you more quickly than they will give it to our organization that actually has no ability to pay for it."

JPNSI has primarily taken the outside strategy. "A lot of our ability to survive has been because we've positioned ourselves strongly with our critiques of capital and our ethics around community control of land and the democratization of development," Breonne said, adding that the outside strategy can be smart because while players on the inside change frequently, a community power base can be strengthened continuously.

Still, it helps to have connections on the inside. As Steph Wiley, a worker-owner at Brooklyn Packers and member of the New York City Network of Worker Cooperatives (NYCNoWC) who has gotten involved in community land efforts through that work, said, "You need advocates, allies and champions [...] have some allies in high places and people who get what you're talking about." **But the inside/outside strategy is not easy.** Lydia from Chinatown CLT said,

> *We've spent the last 10 years on how to do the inside/outside thing […] Back in the day [before the CLT was created by the Chinese Progressive Association (CPA)] we [the CPA] didn't have to worry, because we just protested the hell out of everything, but now*

27. See, for example: Davis, John Emmeus, Rick Jacobus, and Maureen Hickey. 2008. *Building Better City-CLT Partnerships: A Program Manual for Municipalities and Community Land Trusts*. Lincoln Institute of Land Policy.

it's complicated, playing different roles. But it's an important strategy.

One of the most powerful stories to come out of the inside/outside strategy is the victory of Moms 4 Housing, a group of families occupying vacant real estate-owned housing in Oakland who were evicted by militarized force.[28] The ensuing pressure forced the investor, Wedgewood Properties, to sell the home to Oak CLT, through negotiations with the City. Zach from Oak CLT said, **"it took Moms 4 Housing literally putting their lives on the line in front of AR rifles and SWAT people in order for them to move up the damn development queue.**" While Oak CLT had relationships with the City and local elected officials as well as the real estate knowledge and skills to make the inside part of the campaign work, their acquisition relied on the direct action of the Moms, with organizing support by Alliance of Californians for Community Empowerment (ACCE). Zach told us,

> *[Oak CLT] lent our real estate expertise but really the will that enabled this to open up as a possibility came from the organizing of ACCE on the ground working with the Moms, Moms 4 Housing, [...] the will was activated also by the terrible imagery that was generated from the sheriff's department so violently evicting the moms with militarized force. On the weekend before Martin Luther King Day! [...] it was very bad for reflection of deployment of government resources. And so what it indicated is, if there's a will there's a way. [...] the moms really created political will, in a way that it didn't exist before.*

Zach was adamant that "everybody's got a responsibility to organize" in the spaces they can. For Oak CLT, that means being available to grassroots organizers' needs while the CLT facilitates advocacy and discussions with the government and funding partners, "otherwise nothing will happen if we're not going to the city housing and community development department [...] with community, and going to the state housing finance agencies, and the state housing development departments, and saying, here's what's needed on the ground."

Beyond the role of TCLOs and grassroots organizers, Zach said this "inside game" advocacy and organizing "needs to happen in the money rooms. In the foundations. At the banks. In the city halls. And we have to get all partners who are in those spaces to latch on to doing that kind of thing."

Key relationships of the inside/outside strategy

The majority of CLOs are in a number of formal and informal partnerships and relationships with public, private, and grassroots organizations, and also through layering different types of organizations within their ecosystem. Some TCLOs are very closely or formally related (via board, fiscal sponsorship, ownership, or other membership) to an organizing entity, a social service entity, a membership or shareholding entity, and/or a charitable entity. When using programs like Low Income Housing Tax Credits or taking advantage of affordable housing tax benefits in places like New York, the TCLO may have to partner with another developer or create a subsidiary developer to comply with regulations. Some TCLOs (Cooper Square, Communauté Milton Parc, San Francisco CLT, One DC, and others) are layered with or have mutual board relationships with the mutual housing associations or housing cooperatives they lease to.[29] **This creates more distributed and overlapping forms of democratic ownership between the broader community and the people who live in the TCLO, while ensuring permanent affordability, mutual-**

28. "Oakland Moms Who Occupied Vacant Property to Highlight Housing Crisis Celebrate Unexpected Victory." 2020. *Democracy Now!* bit.ly/2BbfEoJ

29. For a review of some of the benefits of pairing CLTs and housing cooperatives, see: Ehlenz, Meagan M. 2014. Community Land Trusts And Limited Equity Cooperatives: A Marriage of Affordable Homeownership Models? Lincoln Institute of Land Policy. Working Paper. bit.ly/2U0on3F

ism, and pooling of resources.

Relationships with grassroots organizations

As mentioned above, most of the nine TCLOs in this study are successfully partnering with grassroots mobilization organizations to advance land acquisition campaigns. These partnerships and strategic mobilizations take a few different shapes, but **one common thread among them is that the grassroots organization often incubates or helps start the CLT**. Lydia, now Executive Director at Chinatown CLT, was initially a volunteer staff coordinator of the CLT, working for the grassroots organization that started the CLT, the Chinese Progressive Association (CPA). Similarly, FBCLT received their first set of funding through a subgrant from PUSH Buffalo. Some incubating organizations choose to maintain a formal relationship or a board seat, while others become formally separate while maintaining informal ties.

Oak CLT also has had a close relationship with ACCE from the start. As Zach said,

> *They're a community partner. And so because they're organizing community power, and organizing tenants, organizing a Black tenants' union as an example, they're on the ground, and open up and provide us with access essentially to what the properties are where the need is. So* ***our model is very dependent on the strength of their organizing.***

The successful land acquisition campaigns coming out of these partnerships tend to be either foreclosure resistance, squatting, and/or rent strikes (ACCE and Moms 4 Housing in collaboration with Oak CLT, City Roots CLT in partnership with the Rochester Citywide Tenant Union and Take Back the Land Rochester), settlements or agreements with developers or banks (RTC Boston and NE United for Justice won an agreement with a developer and helped transfer it to the Chinatown CLT), or pressure on the local government to dispose of public land. Grassroots organizations also benefit from partnerships with TCLOs. As Edward Garcia told us, "We [at NWBCCC] have noticed, that no matter how successful or effective we've been in our housing justice organizing, we have still seen our people getting displaced and **have noticed missed opportunities where we could've been fighting to take ownership** instead of begging for repairs and maintenance improvements."

TCLOs with close relationships with a grassroots organization advise creating a strong but flexible line between the organizers (who are often tenant organizers) and the TCLO (which may have to act as a landlord). For example, both the Parkdale NLT and Parkdale People's Economy initiative come out of the systems change office at the Parkdale Activity-Recreation Centre, so they work closely together while holding necessary boundaries. It is a complex situation, but when we spoke with staff from both organizations, they agreed it is best for the organizers and TCLOs to be at the same table even when there is some information that should not be shared between them. **This reflects a lesson learned from the trajectory of the community development movement, whose organizations tended to choose development or organizing as their focus, and have since missed opportunities because of these silos.**[30]

Relationships with government

In general, successful CLTs have had some sort of relationship with the government, either to directly transfer public land, subsidize the acquisition of private land, or finance the development on the land.[31] Yet there is also an irony here, as **CLTs often arise in places with significant public sector**

30. INCITE! Women of Color Against Violence, ed. 2007. *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex*. Cambridge, Mass: South End Press

31. We're leaving aside the question of municipally founded and operated CLTs here

neglect, a factor that has only been made worse by COVID-19. India from FBCLT told us, "Government has already failed the people who live here." JPNSI, which we mentioned above has mostly taken the outside strategy as an organization, has funded its development side with HOME, CDBG and State of Louisiana housing dollars. Even in places where it has become more scarce, public land is still a major focus of land acquisition campaigns.

The lesson learned from working with government is to be very careful about the details of the agreements and push for policies and practices that are more conducive to TCLOs where possible. The Bronx CLT, among other CLTs in New York, is facing red tape that limits affordability levels, ownership structures and non-housing uses. FBCLT's first project was a partnership with the City of Buffalo and Habitat for Humanity, but they had to buy the parcels from the City (a practice unheard of in more expensive cities). **As CLTs grow and raise their profile, they will likely gain more know-how, traction, and recognition in negotiations with local governments.** Oak CLT, for example, recently succeeded in advocating (with the help of ACCE) for the new Preservation of Affordable Housing Fund created in 2019 by the City of Oakland for CLTs and limited equity housing cooperatives.[32]

The experience of Parkdale NLT suggests a certain pathway for new TCLOs to grow local government support. First, PNLT produced high-quality Community-Action Research reports, and "then intentionally used this knowledge to build public awareness and political will to act," PNLT's Joshua Barndt told us. "As a small community organization it's hard to get government to act on the issues we identify." **A persistent advocacy campaign eventually persuaded local politicians to act in support of the mission.** This initial support came in the form of a pilot project. Now that the pilot has seen success, local elected officials from communities elsewhere in Toronto could be more willing to support a broader program.

Working with small landlords

Many of the TCLO acquisitions from small landlords appear to be "random," but are actually the result of carefully constructed relationships. These TCLOs are generally not purists: their transformative, anti-capitalist politics do not prevent them from partnering with small landlords, especially because many of them are community members. In fact, to the contrary, homeowners retiring or leaving the neighborhood can consider their below-market sale or, more rarely, donation, a legacy to their community. "They didn't want to contribute to the further gentrification of New Orleans so they sold their property to us at the price they had purchased it for years prior," Breonne from JPNSI told us."It's been exciting for some donors and some property owners to be involved in removing land from the speculative market."

Building these relationships can reduce the lack of access to information and quick capital that prevents community land organizations from acting to acquire from the private market. It's worth knowing people with property, or who might know about properties coming on the market, says Noni from EBPREC, "because we know we take probably two to six months to really pull together the capital to support the development for a project. […] We'll miss the acquisition if we have to compete on that timeframe." **This is just one of the ways in which the land acquisition strategies for TCLOs are about buying time with relationships.**

CLTs can take advantage of shifts in the market and in submarkets and use research to find small landlords in financial distress to collaborate with. After Chinatown CLT successfully pushed for a stronger short-

32. Steve King. 2019. "New $12M Muncipal Fund for Resident-Led CLT Housing Preservation Projects." Oakland CLT bit.ly/3eeoOzj

term rental ordinance in Boston, they negotiated the purchase of two properties from a landlord who had been using Airbnb in the units. After the Ghost Ship fire tragedy in Oakland, the local landlord of a similar property who didn't want the liability offered the property to its tenants through right of first refusal. Those tenants went to the People of Color Sustainable Housing Network (POCSHN), who connected them to Oak CLT. "Oak CLT was able to figure out how to maneuver city resources, city dollars and some of our own organizational equity [...] to basically buy down the affordability so that the residents could stay in the building at affordable rents, and be working towards a cooperative model of ownership," Zach told us. SMASH Miami found their first property by looking for small landlords who weren't involved in any unethical practices and who were struggling with property liens, as the county waives liens for buyers proposing to build affordable housing.[33] They plan on using this strategy again, with the power of a Freedom of Information Act request.

Partnerships with established community land trusts, community development organizations, and mission-aligned developers

Newer CLTs looking for development experience do so through partnerships with the organizations nearest to them geographically and/or in values: established CLTs, community development organizations, and mission-aligned developers. **Because of the trajectory of the CLT movement, many places that have a newer TCLO also have a CLT that is longer-established and/or more "mainstream" (using the inside strategy and reformist politics).** Adrian from SMASH often takes advantage of the proximity of the South Florida CLT to ask questions about pro formas and other development techniques. **"I would recommend for any start-up land trust, if they can get a good relationship with the other land trust in the area, it really is worth their time."** JPNSI has received some grant support from the Crescent City CLT. Many larger cities and regions have networks of all of their CLTs for knowledge exchange and policy advocacy, like SHARE Baltimore, the Toronto CLT Network, the New York City Community Land Initiative, Northwest CLT Coalition, Greater Boston CLT Network, the Minnesota CLT Coalition, Bay Area Consortium of CLTs, and the California CLT Network.

Many CLTs look for close development partnerships, rather than leaving that work to an external organization, because they want to pursue the path to becoming their own developer. EPBREC is partnering with more experienced developers (including Oak CLT) on its first two properties, and "**we're behaving like apprentice developers for them, we're still managing the projects.**" CLTs also partner with mission-driven, for-profit developers, as long as the development meets the permanent and deep affordability principles of the CLT. JPNSI has partnered with Alembic Community Development, and the Bronx CLT is partnering with Ernst Valery at SAA|EVI.

33. Leon, Hortense. 2019. "Community Land Trusts in the Age of Climate Change." *Shelterforce*. bit.ly/3c805L5

EB PREC Founding Staff Collective at Dec 2018 Coop Launch Party Photo by: East Bay Permanent Real Estate Cooperative

04

NON-EXTRACTIVE FINANCE

SECTION HIGHLIGHTS

TCLOs need to create their own systems of underwriting to democratically "retune" calculations of risk and credit, interest rates, and rates of return.

Community equity funds that offer investors 0% to 3% annual dividends are a significant opportunity for TCLOs avoiding high-cost debt.

Community investment funds like those managed by EBPREC and Boston Ujima enable the most democratic governance of assets, and can come in a wide variety of legal forms.

Scaling the movement will require nationally networked assets from accountable institutional investors with localized democratic distribution of funds.

The contemporary context

Another strategy arising in the field of transformative land strategies is the pursuit of creative sources of funding for land acquisition and development. The rapidly rising value of land, especially in urban areas, has made efforts to acquire it more difficult for TCLOs in the last 5 to 10 years, while austerity has made fewer government grants available.[34] In this section, **we'll review the current context to demonstrate the need for non-extractive financing strategies, and discuss a few approaches TCLOs are taking to address the need for finance.**

There is a growing body of research on both the recent financialization of the global economy and the historic role of banks and financial institutions in perpetuating racial inequality in the United States.[35] Increasingly, the money behind real estate is driving its most vicious practices in displacement, and in response, organizers and advocates are developing methods of cutting through the shrouds of financial data to target bad financial actors.[36]

TCLOs are not exempt from this financial context. "**The ways that the finance and the dollars that we have to go after are written, even sometimes within the public money, are anti-democratic, and reinforce white supremacy, frankly.** And are structures that require a high level of skill and investment in that skill," Zach at Oak CLT said. Indeed, these problems have long been articulated in movement literature, most notably in the book by INCITE!, *The Revolution will not be Funded.*[37] However, in the realm of real estate, large amounts of money are needed to purchase property and permanently maintain it as deeply affordable, and some level of professional asset management and/or development skills are needed to create and maintain residential properties.

A variety of organizations and networks within the movement for community land have recognized **the need for lower interest rates, more publicly accountable financing options, and more capital available to economic democracy and cooperative enterprises in general.** In a 2019 Proposal to Grow Financial Resources for Community Controlled Land and Housing, The Right to the City Alliance declared:

> *To realize our shared vision of #HomesForAll and #HousingIsAHuman Right, we will need to contest for, democratize, and redistribute substantial amounts of financial capital. While financial capital has been weaponized against our communities for decades, it is also an essential resource that we must collectivize and learn how to steward in service of housing, climate, gender, racial, and ecological justice.*

Many of the TCLOs we spoke to, from FBCLT in Buffalo to Chinatown CLT in Boston to Oak CLT, named the ability to control their own finances through instruments like revolving loan funds and cooperative equity as one of their long-term goals. For example, the Bronx CLT's partner, the Bronx Cooperative Development Initiative (BCDI), is currently working on a 10-year capitalization strategy and a feasibility study for its Bronx Fund, a community-controlled financial institution that is part of BCDI's infrastructure for economic democracy in the Bronx. BCDI is considering soliciting investment from philanthropic sources as well as public and labor pension funds.[38]

34. "History of Slashing HUD Budget Fact Sheet." Women's Economic Agenda Project. bit.ly/2M6jz8s; "Fiscal Year 2020 Budget in Brief." U.S. Department of Housing and Urban Development. bit.ly/2zBN9zV

35. Taylor, Keeanga-Yamahtta. 2019. *Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership.* University of North Carolina Press; Baradaran, Mehrsa. 2019. *The Color of Money: Black Banks and the Racial Wealth Gap.* Harvard University Press.

36. Stein, Kevin, and Zach Murray. 2019. "To Address Displacement, Start by Asking 'Who's Financing It?'" *Shelterforce.* bit.ly/2A9APa1; Jost, Gregory. 2019. "To Stop Displacement, Disclose the Data!" *Urban Omnibus.* bit.ly/2Xc49pD; Stein, Kevin. 2018. *Disrupting Displacement Financing in Oakland and Beyond.* California Reinvestment Coalition. https://bit.ly/3c8jmft

37. INCITE! Women of Color Against Violence, ed. 2007. *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex*. Cambridge, Mass: South End Press.

38. Casper-Futterman, Evan. 2019. *We Are What Comes Next: Organizing Economic Democracy in the Bronx.* Doctoral dissertation, Rutgers University.

Noni from EBPREC summarized the goals of this wave of community finance when she told us EBPREC's origin story. They started when their fiscal sponsor, the Sustainable Economies Law Center (SELC) was "looking to support new legal structures that could bring in money for community-led cooperatively governed land and housing situations, so that communities didn't have to depend on commercial developers, so that communities could access more democratized versions of investment, so that we can think about how to overturn a private property regime that keeps people of color excluded."[39]

Furthermore, for groups that aim to keep land affordable for options beyond housing, fewer financial resources and less programming exists for subsidizing commercial or community spaces. A common practice for cooperatively owned mixed-use developments is to charge market-rate rents for commercial space to supplement below-market rents for the housing above it. This might work well for those organizations primarily focused on housing, rather than on holistic neighborhood planning and economic transformation. But for TCLOs who see commercial gentrification as another element of the problems they wish to combat, **keeping commercial space affordable can be difficult to initiate or financially risky long-term**.[40] Keeping open land available for gardens can also be a difficult pitch for CLTs that focus primarily on housing. As Zach at Oak CLT said, "The commercial piece is a lot harder I think because there aren't public dollars set up for that purpose yet, in Oakland, to help support non-profits and commercial spaces that need to stay." These challenges make obtaining more flexible funding sources even more important for pursuing more comprehensive neighborhood needs beyond housing.

The still-vital role of "free" money

Even as interest in alternative financing strategies emerges, it's important to recognize that "free" money (grants and donations that do not have to be paid back, especially without significant red tape or strings attached) is the most impactful in making a project affordable. Indeed, the more "free money" an organization has access to, the more it can "buy down" the affordability of a project, make it more accessible to lower-income residents, and provide services those residents need.

Most (if not all) of the organizations we interviewed have solicited donations from mission-aligned organizations as well as community members. Chinatown CLT has raised about $200,000 so far for its rowhouse preservation fund capital campaign to buy down affordability, and Lydia said, "**If we do anything creative, we need our own money.**" Adrian at SMASH Miami told us, "I think every development has to go through a capital campaign, but they don't necessarily emphasize the large quantity of small individual donors as part of their overall strategy, and we said no, we think this is a real opportunity for Miami as a whole to take ownership of this project." They raised $325,000 in two months on a crowdfunding platform (Start Some Good) for their recent project, over ten times the amount they expected to raise. Similarly, Detroit People's Platform raised enough money in 2015 to buy 15 houses in a tax-foreclosed property auction for the Storehouse of Hope CLT and to keep residents in their homes.[41] Oak CLT, similarly, conducted a crowdfunding donation campaign in 2018, raising $90,000 to assist in buying a commercial building with community-oriented tenants.[42]

39. See EBPREC, Letter to Investors: bit.ly/2X6lCzB
40. Rosenberg, Greg, and Jeffrey Yuen. 2012. "Beyond Housing: Urban Agriculture and Commercial Development by Community Land Trusts." Working Paper. Lincoln Institute of Land Policy. bit.ly/2TGLcZO.
41. Savitch-Lew, Abigail. 2016. "How Community Land Trusts Can Fix Detroit's Foreclosure Mess." Yes! Magazine. bit.ly/2XzgeUx
42. Trent, Sarah. 2018. "In Oakland, Community-Owned Real Estate Is Bucking Gentrification Trend." Locavesting. bit.ly/3gq2zYC

Some TCLOs also offer a donation option for supporters to donate monthly as "sustainers." Cooperation Jackson has utilized this funding option for years, which allows for more predictable operational funding. The Sogorea Te Land Trust encourages locals to donate as a "land tax" for living on Chochenyo and Karkin Ohlone land in the Bay Area.[43] Oak CLT has been explicit that their $2 million donation from an anonymous individual has given them a considerable leg-up in being able to help groups acquire property at the right moment and bring them into the CLT. Having a base of private donations can lower the barriers to purchasing desirable land in a hot market.

Because federal grants are dwindling, many CLTs, like other community organizations, have turned to private philanthropic foundations, which has produced mixed results. Part of the problem is that philanthropic funders have avoided using some of their more powerful tools in the TCLO space, including program-related investments, capital campaigns, and general operational support. Still, the TCLOs we spoke to named a number of worthy philanthropic partners: local and regional foundations like San Francisco Foundation, Metcalf Foundation, and Haymarket People's Fund; new economy funders like Solidaire and community development funders like Catholic Campaign for Human Development; and community development intermediaries like Enterprise Community Partners and LISC. **For TCLOs, the main problem with philanthropic funding is when it impinges upon community self-determination**. As Noni at EBPREC told us: "One of my goals was to keep us from having our arms tied behind our back from donor needs which are often not just structural, they're cultural and they're social. It changes how you can really serve your community and serve your own sense of self-determination."

Non-extractive financing

This section is focused primarily on less extractive financing options—involving patient capital, greater community accountability, and attempts to never leave the recipient worse off than before—after all the "free" money has run out.[44] Some of these financing strategies involve more upfront legal securities compliance work than others. Working with a willing lending institution may be much easier to initiate than doing a share offering to community investors, for example, but an offering may ultimately be less restrictive. Most of the organizations we spoke with are either actively implementing these financing strategies or planning to pursue them. The options for accessing capital are extensive and varied, and we provide a succinct, non-exhaustive list of some options here, which we hope will serve more as an entryway to further research and potentially legal consultation for TCLOs interested in these options. Ultimately, the options below are not all perfect; they exist on a spectrum of extraction and control. Noni at EBPREC told us her goal for the broader movement: "We want to see enough government and private capital moving toward the vision of transferring it back to communities non-extractively. And **it can scale because there's a lot of charity capital out there and it only takes a few simple steps to make it permanent, non-repayable money.**"

Lenders: public and private, old and new

A variety of public and private lenders, including housing trust funds, CDFIs, and credit unions, already exist who have some experience with lending to cooperatives or other organizations working toward economic democracy. **An urgent need remains for financing with lower interest rates, fewer strings attached, and more possibilities for communi-**

43. "Shuumi Land Tax," Sogorea Te' Land Trust. https://sogoreate-landtrust.com/shuumi-land-tax/

44. See an overview of principles related to non-extractive finance by Seed Commons at bit.ly/2NblOb8

ty-based decision-making for how to direct new investments, through a variety of institutional forms**.**

In the public sphere, hundreds of municipalities and at least a few states have adopted **affordable housing trust funds** that offer deferred or forgivable loans for affordable housing acquisition and rehabilitation, with some specifically prioritizing permanently affordable housing. The vast majority of funds deployed by the Housing Trust Fund in Burlington, VT, since it was created in the 1980s have been toward CLT and cooperative housing, making permanent affordability and community ownership the norm in the affordable housing landscape in Burlington.[45] The Baltimore 20/20 Vision for Just Development and Fair Development Roundtable has been pushing their city's housing trust fund to prioritize CLT and cooperative housing in this way as well. In Oakland, Oak CLT and ACCE were successful in pushing for a separate $12 million revolving loan fund in 2019 specifically for CLTs and housing cooperatives called the Preservation of Affordable Housing Fund after an infrastructure bond measure was approved by voters in 2016 for anti-displacement efforts.

However, many public debt sources are not structured to be easily accessible by TCLOs that do not fall neatly into a rental or homeownership category. Breonne at JPNSI voiced frustration at the limits of public financing available in New Orleans when she said, "The City has yet to actually fully invest in community land trusts as a model [...] they release funding to develop affordable rental housing and release funding to develop homeownership housing, but [...] we can't use homeownership funding for CLT homes based on how they've structured the money as forgivable soft-second mortgages for buyers. It's incompatible with the land trust model where the subsidy stays with the house rather than the buyer. We've only been able to compete for funding that's explicitly for rental housing."

In the absence of widely available and accessible public lending for TCLOs, or in order to fill gaps, many organizations turn to CDFIs. Many of the TCLOs we spoke with named CDFIs among their more useful partners, though CDFIs remain under-resourced for the needs of their communities,[46] and the funding they receive from federal sources has been criticized for being inflexible and requiring unnecessary paperwork for recipients.[47] Furthermore, **small nonprofits receiving funding from CDFIs often have to pay interest rates of about 6-7% on their CDFI loans while for-profit developers borrow from big banks at lower rates**. As Noni Session of EBPREC emphatically noted, "the [federal government] deploys that capital to CDFIs at 0-3%. Most CDFIs sell it back at 6-7% so it goes from reparative right back to extractive before it gets on the ground to communities that need it."[48]

Part of the problem for TCLOs is the ways that traditional lenders view risk in their underwriting practices. As Noni said, "You're going to be hard-pressed to name a grassroots community endeavor that would qualify as low-risk enough for that loan to be deployed to them. Because risk, even the definition of risk, which is really important, is racially classed, gender based." With these biases of traditional finance in mind, there's an urgent need for TCLOs and their networks **to create their own systems of underwriting to democratically "retune" calculations of risk and credit, interest rates, and rates of return.**

45. Clavelle, Peter A. 2000. *Ten-Year Report for the Burlington Housing Trust Fund 1989-1999*. City of Burlington Community and Economic Development Office. bit.ly/2TK3rxk

46. Our Economy! Conference (CUNY, 2019) session on CDFIs and community banks.

47. US House of Representatives, Committee on Financial Services. 2010. *Community Development Financial Institutions: Their Unique Role and Challenges Serving Lower-Income, Underserved, and Minority Communities,* pp 99-102: bit.ly/3dayc6i

48. At the Affordable for Whom Conference in August 2019, Women's Community Revitalization Project, which has financed some of its projects without any debt, asked, "Why is a CDFI offering us a loan at 7% interest, while slumlords and developers are borrowing at 4.5% or lower?"

Some of this work of creating more relevant underwriting practices is already being done by **cooperative lenders** who are providing technical assistance, building long-term relationships with recipients and developing revolving loan funds.[49] Revolving loan funds can also potentially run into challenges related to sensitivity to inflation, the timing of lending and repayment, and the depletion of the original funds that can make meeting the costs of operations difficult.[50] Still, prominent cooperative lenders that have been impactful in the field include Southern Reparations Loan Fund, Shared Capital Cooperative, Local Enterprise Assistance Fund (LEAF), the Cooperative Fund of New England, and Seed Commons (a network of 25+ cooperative lenders).[51]

In the specific field of community land ownership, ROC-USA and UHAB have both created their own CDFIs oriented toward their member organizations. ROC-USA's capital comes from loans from Ford Foundation, Bank of America, Prudential and other big lenders, and has developed a network of lending partners to reach a scale that matches their vast national organizing capacity to turn private mobile home parks into resident-owned communities.[52] UHAB partnered with more mission-aligned lenders, funders, and technical assistance providers, like LISC, the Grounded Solutions Network, and the National Cooperative Bank, as well as Ford Foundation, to start their CDFI, which they aim to grow to a national scale with time.[53]

The use of any debt-based strategy is considerably more risky for TCLOs than using equity-based strategies we discuss below: **debt financing gives lenders much more legal power than equity investors would have,** and properties can be repossessed by a lender in the event of a default. As Noni told us, "the idea of working for debt just didn't appeal to me and didn't feel revolutionary." This is why we focus more below on equity-based community funds, which can ensure more distributed control over development while building real collective ownership among people usually excluded from ownership and investment.

Community financing

Another strategy for accessing non-extractive capital is community financing.[54] Community financing can involve a variety of methods, which we will briefly describe below. But all community financing involves investment where even individuals considered non-accredited by the Securities Exchange Commission (SEC) can put money into projects they believe in. "Accredited" investors (in the US, those who have a net worth of $1 million or more and make $200,000 a year as an individual or $300,000 as a married couple) are assumed to be wise investors and have very few restrictions on what they can invest in. "**Non-accredited" investors, or everyone else, have a lot more red tape to cross if they want to put a piece of their savings into community projects, but there are a few avenues for non-accredited community investors to do so, which we explain below.**

Another crucial aspect of community financing as a governance practice is that it prioritizes the needs of frontline communities.[55] While "impact investing" has gained momentum in the financial industry, investors' needs still tend to be prioritized over workers or communities, so "impact-washing" of publicly traded corporations is often the norm.

49. This is not a new idea, with its precedent in the rotating savings and credit associations of many immigrant communities.
50. "Revolving Loan Funds" Council of Development Finance Agencies. bit.ly/2zBQleV
51. See also the ways the Buen Vivir Fund in Bolivia, is experimenting with transformative approaches to community lending: bit.ly/3gsnZo3
52. "Lenders and Donors." ROC USA. https://rocusa.org/about-roc-usa/lenders-donors/
53. UHAB. 2017. *UHAB Annual Report 2017*. bit.ly/2B4x8TF
54. The National Coalition for Community Capital (or "NC3") defines "community capital" as capital that comes from the community and goes to the community, https://comcapcoalition.org/what-is-community-capital/
55. Beckon, Brian, Amy Cortese, Janice Shade, and Michael H Shuman. 2020. *Community Investment Funds*. National Coalition for Community Capital. bit.ly/2TO7KrM

From the receiving entity's side, community investment strategies offer an exceptional amount of flexibility. Rather than being locked into a traditional loan with a 6% annual interest rate, organizations may choose to offer shares for a modest 1.5% in annual dividends (with options for investors to pick a 0% return), as EBPREC has done. **Rather than assuming extractive profit to be the goal, community investment vehicles can demonstrate the value of slow growth to meet community needs, working at the pace of democratic participation and within a community's ethical standards.** While community investment may be seen as "risky" by traditional financial advisors, it involves a political commitment and literal community buy-in that goes beyond the logic of investor profit-seeking. As Noni noted,

> *The CDFI comes at rates that mean that you can't do anything but focus on profit as opposed to focusing on people and one of our major points of unity is that we move at the pace of community and not capital. Capital changes how you can build an organization because it wants such a high rate of return, it wants to move so quickly, and it can't account for what it takes to rebuild community trust when the interest rates are very high and the timeframes are very tight and returns on investment are very rigid.*

EBPREC has been gaining considerable attention in the real estate community financing world for their initiatives to acquire land in the East Bay with equity investments of members. EBPREC is incorporated as a cooperative in the State of California. Due to legislative lobbying by SELC a few years ago, California cooperatives may now collect equity investments of up to $1,000 from their members (as long as those members reside within the state of California). On these membership investments, members can opt to ask for a 0% return in annual dividends, up to 1.5% on their investment. EBPREC is pursuing other instruments of community finance as well, which will be discussed below.

The Boston Ujima Project is another organization that has gained notoriety in the community finance world. Their community controlled charitable investment fund, started in December 2018, has four different types of notes for both accredited and non-accredited investors. The notes provide a variety of opportunities for return rates between 0% and 3% either annual or at maturity and different investment levels, starting at just $50. The fund is specifically controlled by communities of color to invest in community enterprise in gentrifying Boston neighborhoods.

We draw heavily on the examples of EBPREC, Boston Ujima, and a few other organizations pursuing community financing in this section. Although the field is relatively young, there's clear emerging interest in these practices, especially around real estate investment. Please note that community financing practices **require consultation with legal advisors** to navigate securities laws,[56] and this section is not legal advice and cannot substitute for direct legal advice. Every organization may be in a different strategic position and encounter different state securities laws based on their situation that requires legal expertise to navigate. Most groups that come to rely on community financing will make multiple offerings over the course of years to fulfill different purposes. A smaller organization may want to start with an option with lower start-up costs and work its way into making larger offerings that require more work and capital to initiate. We offer a summary of a few common strategies that are either exempt from federal securities regulation or strategically positioned in securities law to work for community financing, with references for readers who wish to take a deeper dive.[57]

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56. Securities laws govern investment contracts in the United States, and the specifics of the laws are known to change frequently. The definition of what qualifies as a security is somewhat complex. We recommend working with a law firm that specializes in securities law with knowledge of making offerings to non-accredited investors.
For an introduction to securities, see http://communityenterpriselaw.org/financing-topics/securities/

57. Perhaps the most comprehensive summary of community financing options and securities law is: Sustainable Economies Law Center. 2017. *Grassroots Financing Guide for California Farmers*. https://www.theselc.org/grassroots_finance_for_farmers.

Private Offerings

One place to start with community investors, especially if a group is on a tight timeline, is to do a private offering.[58] Offerings qualify as "private" if they involve a one-on-one conversation with someone you have a pre-existing relationship with. Most venture capital firms rely on private offerings to raise capital, and they have a common set of practices to ensure their investors legally meet these qualifications.[59] However, venture capital firms focus on making private offerings to accredited investors. Making offerings to non-accredited investors requires more paperwork and attention, and there are caps on how many non-accredited investors you can make a private offering to.[60]

Private offerings may not be the most community-oriented financing option since they cannot be widely publicized.[61] But some mission-oriented groups have found private offerings to be helpful, particularly because filing fees tend to be relatively low, they are quicker than other options to initiate, and there is no cap on the amount of capital they can raise. **EBPREC found that issuing a private offering allowed them to raise an additional $40,000 from members who wanted to invest more than the $1,000 they were allowed through the California cooperative law.**[62] Oak CLT also issued about $600,000 in private securities in their campaign to buy Hasta Muerte's building.[63] EVA is also considering private offerings in multiple states for Mid-Atlantic REIC members in the creation of community-financed, locally controlled, community land cooperatives.

Intra-state and multi-state direct public offerings

If an organization primarily works within one state, or a few states, and wants to reach a wider audience of investors within that/those state(s), an intra-state offering or direct public offering (DPO) is another potentially viable option.[64] It can also be a starting place for small projects before expanding to do a national offering eventually. Every state will have different laws for intra-state offerings, and different costs and anticipated lengths of time for registering.

The preparation process can take months and upfront legal fees can cost $30,000 to $40,000 before even receiving a permit to begin making offerings. But intra-state offerings tend to be cost-effective for campaigns for raising $250,000 or more. Unlike with RegCF or SCOR (see below) there is no cap on the investments a group can collect using an intra-state offering. Administration of investors' equity invested and returns can be done in-house on a spreadsheet. This finance strategy is beginning to gain traction in the TCLO movement, though it has been utilized in the worker cooperative field for much longer. EBPREC is currently working on paperwork for filing an intra-state offering in CA.

58. Private offerings typically have fewer securities compliance obligations because private funds are exempt under both the 1933 Securities Act and the 1940 Investment Company Act.

59. Some rules-of-thumb include making sure you have three substantial conversations with someone within a set period before offering an investment opportunity.

60. Each private offering may only include a limited number of non-accredited investors within 12 months, and those investors must receive specific paperwork including a detailed explanation of the risk involved in the investment. The specific number of non-accredited investors allowed in a private offering will depend on the state, but typically it is around 35. Speak with a lawyer to determine specific laws around private offerings by state.

61. If a group were to send an email to 1,000 friends or post on its website that it wanted them to invest in its entity, it would likely be considered a "general solicitation" and subject to more red tape than a private offering. Still, with the advice of a lawyer and intentional organizing practices, an organization may be able to cultivate membership with an onboarding process that allows members to qualify as individuals to which private offerings can be made.

62. Abello, Oscar Perry. 2019. "A New Kind of Cooperative in Oakland Fights Against Speculative Development." *Next City*. bit.ly/3d9kOiN

63. Abello, Oscar Perry. "A Worker Cooperative and a Community Land Trust Bought a Building Together." *Next City*. bit.ly/3cffzgA

64. The federal SEC does not require securities offerings within one state to be registered federally, so they are exempt from federal securities legislation, but they still must be registered with the state's securities office. For this federal SEC exemption to be true, a list of requirements must be met to satisfy Rule 147A. A multi-state offering would still be exempt from federal SEC oversight, although it must comply with multiple states' securities laws, with their explicit approval.

For entities incorporated as corporations or LLCs in the US and Canada, another cost effective option for multi-state offerings is available in a regional registration process specifically designed to reduce barriers to small businesses seeking investors. The Small Company Offering Registration (SCOR) requires approval of a simple form for a coordinated regional group of states to review.[65] SCOR offerings have no cap on the number of investors, although there is a $1 million cap within 12 months for the capital that can be raised. This option is more cost effective than registering in multiple states individually,[66] so SCOR is potentially a good option for entities that would like to raise $1 million or less in a year, and who would like to advertise the offering publicly. EVA is considering a SCOR offering to be able to gather investments from member-investors in multiple states in the Mid-Atlantic region.

Regulation Crowdfunding (RegCF)

Regulation Crowdfunding (RegCF) is a new avenue for community financing that went into effect in 2016, and has been slowly growing as an avenue for community financing.[67] RegCF allows groups to offer investment opportunities to mission-aligned, non-accredited investors across the US through certified online portals. Not to be confused with donation-based crowdfunding platforms, RegCF involves actual equity investment, resulting in some level of ownership and returns for investors. **It is a faster and often more cost-effective strategy for community financing than DPOs.** Groups doing RegCF are exempt from securities regulation as long as they work through a certified portal. This means they don't have to take the time to register in each state where they want investors, like they do with an intra-state, multi-state, or regional offering.[68]

RegCF portals charge a modest fee up front, plus take a percentage as a success fee.[69] As of this writing, RegCF allows groups to raise up to $1 million per project, although in March 2020 the SEC proposed raising the limit for RegCF to $5 million.[70] Still, if a project listed on a RegCF portal does not receive $50,000 in investments, then the funds are returned to the investors and not disbursed at all. **One complaint organizations have raised about RegCF is that the legislation allows for no solicitation outside of the portal,** so you may not publicize your RegCF offering on your own website, but instead you must point to the portal without giving details about the campaign outside of the portal. The portal does, however, allow space for a description of a project and video, and gives a project access to a pool of investors who are already members of the website.[71]

Overall, RegCF is a fairly straightforward and cost-effective option for groups looking to raise around $100,000 to $1,000,000 from a national audience of investors, and as it is tweaked over time, it might become an even more viable strategy for accessing community-sourced capital on community-sourced investment terms.

Charitable Exemptions

Nonprofits may want to explore the option of making offerings under the charitable exemptions to

65. The US is grouped into four SCOR regions. See: Washington State Department of Financial Institutions, "Small Company Offering Registration." bit.ly/2ZKuTPw
66. SCOR could be as low as $500 per state
67. "The Crowdfund Act." 2013. Community Enterprise Law. bit.ly/36FocQ7
68. The RegCF compliance process is relatively straightforward: an organization must make sure its articles of incorporation and bylaws allow for this kind of offering (and they may have to make amendments) and provide a business plan with a financial analysis for potential investors to see. Law firms specializing in securities typically help with the document preparation and filing the necessary items, including Form C, with the SEC. It can take a month or a few months to get the necessary documents in order, and up-front legal costs are typically between $5,000 and $15,000.
69. Most RegCF portals take a success fee of about 5 to 6% of the capital raised.
70. U.S. Securities and Exchange Commission. 2020. "SEC Proposes Rule Changes to Harmonize, Simplify and Improve the Exempt Offering Framework." *Press Release*. https://www.sec.gov/news/press-release/2020-55
71. Some examples of reputable RegCF portals are: smallchange.co, buytheblock.com, and wefunder.com

federal securities laws.[72] Charitable exemptions, when applicable, can provide more flexibility than some of the approaches listed above, including less up-front compliance and legal work, and fewer rules about the caps on the number of investors or the amount of money that can be raised.

Boston Ujima Project pursued a charitable exemption in offering a variety of notes to accredited and non-accredited investors. Its Offering Memorandum is explicit that it did not register with federal securities offices and it spells out the risks investors undertake to invest in the fund. The offerings are notes with 3 to 7 year terms, where investors may choose a 0-2% or 0-3% rate of return.[73] Nonprofit entities can offer notes to investors at a fixed rate of return, but their investors' returns can't be linked to the profits of the business they're investing in. Effectively, this means that nonprofits cannot offer equity investments, but they can offer debt notes at low risk to the organization.

The NYCREIC is also a not-for-profit organization that used a charitable exemption.[74] They applied for and received a "no-filing letter" with the Attorney General of the State of New York's Real Estate Finance Bureau, Syndication Section to confirm their permission to make offerings to accredited and non-accredited investors within the state. **Because of the charitable exemptions, NYCREIC was able to set their own terms for how their investments would work.** NYCREIC wrote in its application for a "no-filing letter" that it would plan "to cap its fundraising efforts at $10,000,000 over a 10-year period," which is a much less restrictive funding cap and timeline than the other options detailed above provide.[75]

Concluding thoughts on community finance

This section is a simple introduction to some options for offering securities as a TCLO. **Within the options above, a variety of offerings can be made, including debt and equity, for terms a TCLO sets itself (within the legal constraints).** More possibilities are also plausible beyond these options as well. Some states, like Minnesota and Wisconsin, furthermore, have cooperative laws that exempt member investment in a cooperative from securities regulations. This option to incorporate as a cooperative offering common stock has allowed real estate investment cooperatives (REICs) Riverwest Investment Cooperative[76] (RIC) in Milwaukee and Northeast Investment Cooperative[77] (NEIC) in Minneapolis to collect investment funds as common stock from members with no explicit cap, with the board and/or bylaws determining the dividend return rate for surpluses each year.[78] No matter the incorporation form, groups deciding to 'go big' in making offerings to non-accredited investors might consider Regulation A, which allows for large campaigns of up to $50 million at the national level, though it requires more up-front legal work, costs, and ongoing reporting. Even among the exempt options listed above, if the effort raises $10 million or has over 500 non-accredited investors, your group may be required to report to the SEC.

Overall, raising funds through community financing strategies can give a TCLO much more flexibility than they would get from a bank or credit union, while reducing the risk to the organization. For TCLOs pursuing creative ideas that traditional banks and credit unions might not know how to underwrite, the options above can additionally offer a way to source funds from community investors who wish to be "in

72. Charities are exempt from the 1933 Securities Act and the 1940 Investment Company Act, and additional registration exemptions were granted under the 1995 Philanthropy Protection Act. Most states may have specific registration or notification requirements, so work closely with an experienced securities lawyer.
73. "Invest in Ujima," Boston Ujima Project. https://www.ujimaboston.com/invest
74. NYCREIC is incorporated as a not-for-profit corporation, not a cooperative, so it is eligible for this exemption.
75. "Invest," NYCREIC. http://nycreic.com/invest/
76. Riverwest Investment Cooperative. http://riverwestinvest.com
77. NorthEast Investment Cooperative. http://www.neic.coop/
78. Alberta has similar exemptions for cooperatives. See: LaVecchia, Olivia. 2020. "Investment Cooperatives." *Institute for Local Self-Reliance*. bit.ly/2X-Z00FO

it" with the TCLO. Sourcing funds through community financing means that community trust allows the TCLO to raise the funds in the first place and to say what kinds of projects are "valuable." Community financing, then, changes the definition of a "valuable" investment and subverts the expectation to get a "good" return, changing the overall goals of investing by putting the needs of frontline communities first. As Noni at EBPREC said, "**it's democratized access to investment.** And so communities are investing in us on the basis of the mission we share with them. When I say 'share,' I don't mean 'tell them about,' I mean, 'have together, build together, envision together.'"

Governance structure matters critically for community finance; otherwise it is very easy to follow investing norms that prioritize the investor classes. Real estate can be a highly profitable asset and industry, so those who wish to invest in real estate may not feel they get the benefits of "investing" if their return is a "non-extractive" 1.5%. Even with community finance, equity investors may also expect a significant say in organizational governance, but this potentially classist dynamic can be subverted by the deliberate prioritization of tenants and frontline communities in TCLO decision-making.

This brings us back to the question of who decides and who benefits. Traditional, extractive Real Estate Investment Trusts (REITs) allow for decision-making proportional to investment amount, which can heavily favor the most wealthy. REICs like RIC and NEIC move in a more democratic direction from the REIT model and are incorporated as cooperatives so that investors' ownership of a single "member share" allows for a full vote in decisions, regardless of how much capital stock they buy from the REIC. But conventional REICs are still governed solely by their investors. EBPREC, Boston Ujima Project, NYCREIC, and the community land cooperative model in development by Ecovillagers Alliance[79] **all institutionally de-emphasize or create balances on the power of investors to make governing decisions about the neighborhoods they are investing in.** They all do this in different ways, with different membership classes and governing structures, which we will not discuss at length here. But the key is to build mechanisms into organizational governance from the start to empower traditionally marginalized voices to control community wealth.

In addition to structuring membership and governing systems with these concerns in mind, requiring all investors to sign onto justice-oriented principles can go a long way to challenge the norms of investing and set the stage for investor expectations. As Noni at EBPREC said, "[W]hen folks invest in us they invest because they commit to our mission. So everyone who invests in EBPREC actually has to sign an eight points of unity document. So we won't accept your money if you don't agree to that." The points of unity include language like:

> *We prioritize people, planet, and future generations over profits. We move at the pace of community, not capital. [...] We build productive capacity for disinvested BIPOC communities through community education and networks of cooperatives. EBPREC helps communities manifest vision into reality on the community's terms.*

Boston Ujima's Offering Memorandum is similarly explicit that: "The Noteholders will have no mechanism for acting collectively with respect to the Fund," and that "The notes are intended for investors whose primary motivation is charitable and who wish to align their investments with the promotion of economic justice and democracy for all, and the elimination of the racial wealth divide in greater Boston."

79. Williams, Olivia. 2019. "Community Land without Grants and Debt." *Ecovillagers Alliance*. bit.ly/2zBHPfV

Still, the process of developing guiding principles and criteria for investment should be honed by community-based visioning processes, perhaps in conjunction with neighborhood comprehensive planning discussed earlier in this report. Mara Kravitz of NYCREIC called their investment criteria "idealistic" and shared how the organization is having trouble finding projects to invest in. Though they have created the investment structure and did the legal work to be able to make securities offerings, NYCREIC may need to hone its project selection criteria,[80] or be adaptive in other ways to be more useful to the community. In this way, NYCREIC is demonstrating the iterative work of experimentation to respond to community needs.

In sum, **there is no silver bullet to creating a functional, democratic, non-extractive community-financed fund.** To explore the options more deeply, we recommend the 2020 how-to guide for Community Investment Funds published by the National Coalition for Community Capital[81] as well as the 2017 Grassroots Financing Guide for California Farmers published by SELC.[82] Ultimately, the work of transforming real estate finance and control of capital is a long road that requires experimentation with multiple strategies and efforts within, and beyond, community finance. As an ultimate goal, Noni said, "We want to see [financial] infrastructure consider itself incomplete unless communities and residents are the owners of their own futures and their own assets."

Financial approaches for scaling the movement

What kinds of financial networks are needed? How might non-extractive financial infrastructure scale to support the transfer of vast amounts of land into community hands, with the community invested in the process? We see the seeds of scalable change being planted in the TCLO movement today, and offer a few ideas for how the financial infrastructure may grow and evolve.

Seed Commons offers one model for how financial resources can be linked nationally and utilized for non-extractive purposes in a variety of localities.[83] Having invested $7.8 million nationally so far, Seed Commons is a national fund with 25+ local member loan funds that can request funds from the national pool (Boston Ujima and BCDI are both members of Seed Commons, as examples).[84] The networked structure of loan funds allows the general fund to grow faster and reduces the risk on each local fund. The network also engages in peer learning and shared back-end administrative services. The local members each have a steering committee to represent communities accessing the fund, and they may also source funding outside of Seed Commons. Seed Commons is dedicated to non-extractive finance: they allow for flexible pay-back, making sure the recipients of loans are bringing adequate surplus before they make payments. Seed Commons also requires no collateral beyond the assets their loans helped to secure. In this way, they ensure that even if a project fails, the recipients of loans are not financially punished for failure. While Seed Commons has primarily been in the business of worker cooperatives, they are beginning to make investments in real estate, and the Seed Commons model could either grow to incorporate more real estate transactions or be emulated for a land acquisition networked fund.

One could imagine a national or regional networked loan fund, similar to Seed Commons, with funding from non-accredited community investors all over the United States using a Regulation A offering

80. "Invest," NYCREIC. http://nycreic.com/invest/

81. Beckon, Brian, Amy Cortese, Janice Shade, and Michael H Shuman. 2020. *Community Investment Funds*. National Coalition for Community Capital. bit.ly/2yIfDHU

82. Sustainable Economies Law Center. 2017. *Grassroots Financing Guide for California Farmers*. bit.ly/3eoWPfR.

83. "Peer Network," The Working World. https://www.theworkingworld.org/us/peer-network/

84. "About Seed Commons," Seed Commons. https://seedcommons.org/about-seed-commons/

with a $50 million cap. EVA's ultimate goal is to develop the infrastructure with an investor membership of that magnitude, supporting a regional or national REIC with locally-managed community land cooperatives (CLCs). The REIC would support the administration and disbursement of funds, as well as technical assistance services and peer education, enjoying the economies of scale that could encourage growth and replication of democratically-controlled and affordable local CLCs. The REIC-CLC network would also allow financial resources to flow from localities of excess to those with more expensive real estate.

As more TCLOs and their partners come to realize the goal of supporting non-extractive networked lending for real estate, funds may come from a variety of sources: donors, foundations, accredited and non-accredited individual investors, and even the member organizations' own assets. Some cooperative housing entities already make a habit of investing their reserves into mission-aligned loan funds to support more cooperative development, for example.

More broadly, redirecting financial assets into TCLOs will require a large-scale change in how investment vehicles prioritize entities worthy of investment. The larger infrastructure of pension funds and private investment funds directed by employers, like 401(k)s, needs to make an intentional and radical shift toward community-focused projects and non-extractive goals.[85] Pension funds incorporate extractive real estate investments as part of their portfolios,[86] with public pension funds becoming the largest contributors to private equity funds within the last five years.[87] For example, the NYC Employees Retirement System has REIT investments valued at $3.1 billion, plus $721 million in the venture capital funds of Blackstone, notorious for its displacement practices.[88] These investments contribute to the market inflation of housing prices and encourage the oppressive practices of REITs and private equity firms for the benefit of their investors.[89] While the return and risk assumptions baked into the investment industry may be difficult to shake, unions may be able to push leadership to divest from extractive REITs and private equity funds and invest in TCLOs and non-extractive lenders, if they build the structures of accountability and collective control to demand the shift. In Québec, the creation of union-backed funds for the solidarity economy has been critical for its growth.[90] The second largest trade union federation in the province, the Confédération des syndicats nationaux, established a development fund in 1996, now worth $2.4 billion CAD, that prioritizes enterprises with participatory management, collective ownership, and sustainability. Another model from Québec is the Caisse d'économie solidaire Desjardins (a type of financial cooperative for the solidarity economy) which has $982 million CAD in deposits, 21% of which are from unions and 15% from cooperatives. 64% of enterprise financing of the Caisse d'économie solidaire goes to social and community housing.[91]

Ultimately, these strategies could be complemented with legislation that supports publicly-backed low-interest loans for community ownership, possibly through a public bank. The cooperative housing movement in Canada has seen that public support for cooperative development has significantly impacted the number of cooperative units developed, but "the co-op movement has come to be marked by the top-down approach of housing professionals and gov-

85. As an immediate step in this process, The Next Egg was launched in 2019 as a project of SELC to support individuals starting solo 401(k)s to direct their personal retirement funds to invest in community projects. However, solo 401(k) s require their owners to operate their own businesses or use contracted income to invest. See https://www.theselc.org/thenextegg

86. Jacobius, Arleen. 2019. "REITs Dig Back into Good Graces of Investors." *Pensions & Investments*. bit.ly/2YanasW

87. Kromrei, Georgia. 2020. "Pension fund money is getting tangled in some controversial housing deals." *The Real Deal* bit.ly/2CnpmF7

88. New York City Office of the Comptroller. 2020. "NYC Employee Retirement System (NYCERS) Holdings Data." Jan 30.

89. For more about REITs, see Mari, Francesca. 2020. "A $60 Billion Housing Grab by Wall Street." *The New York Times*. https://www.nytimes.com/2020/03/04/magazine/wall-street-landlords.htm.

90. Mendell, Marguerite, and Nancy Neamtan. 2008. "The Social Economy in Quebec: Towards a New Political Economy." bit.ly/2ClhkfN; "Giving Money Meaning." Fondaction. https://www.fondaction.com/english.php

91. Caisse d'économie solidaire. "2019 Rapport Annuel." 2020. bit.ly/2CeGKLT

ernment, facilitated by a national co-op housing lobby group," laments cooperative advocate and writer Josh Hawley.[92] Therefore, any influx of public funding must come with a commitment to community governance of funds and projects, and non-extractive lending practices.

92. Hawley, Josh. 2019. "Housing Co-Ops: Citizen Control of Social Science." In *Villages in Cities: Community Land Ownership, Co-Operative Housing, and the Milton-Parc Story*, eds. Josh Hawley and Dimitrios Roussopoulos. Montreal: Black Rose Books, 98–117.

Photo by: MIT CoLab

05

COMPLEMENTARY STRATEGIES

SECTION HIGHLIGHTS

There is widening interest in, and practice of, growing CLO networks, sharing technical knowledge, and cultivating leaders who can apply that knowledge in their local context.

TCLOs have benefited from shifting narratives grounded in the lived experience and immediate concerns of community members, whether or not they seem directly related to the work of the TCLO.

To act quickly and with accountability, TCLOs should do as much of the legal, technical, and political groundwork as possible ahead of the critical moments in land acquisition.

Cultivating and sharing technical knowledge and skills

Sharing information is sharing power, and in the spirit of cooperation, many CLTs are already doing this, either through one-on-one relationships, regional CLT networks, or national organizations. **To extend the sharing that is already being done, broader, more formalized networks and programming could be cultivated for TCLOs focused on multi-faceted uses (beyond housing), political organizing, and community financing.** Many of the people we spoke to mentioned the need to have knowledge and technologies that are owned by the movement, to transfer these practices across organizations and within organizations to community members. Zach from Oak CLT proposed the development of a public code on how to build community-controlled housing that is "consistent, practical, understandable, and feasible."

Dissatisfied with the cost of construction, Adrian from SMASH is similarly envisioning an affordable construction technology owned by the movement for the benefit of the movement. Parkdale NLT has also shown a deep desire to share knowledge by publishing a CLT toolkit, available online, but only fully to people affiliated with CLTs.[93] "We need to be creating networks of these types of communities that help build skills we can visit and go to and learn from that some people can be a part of," Steph Wiley told us. However, as we noted above, context is critically important, and **CLTs should be wary of directly applying the practices of other organizations (including those in this report) without adapting them to their own community and cultivating the community leadership to undertake learning.** Zach told us, "We could pass on the manual [...], but then there's the real [thing] about: 'okay, let me understand the context where you are, and let's envision what can be possible and what the potential actions are.' That's a real need. And that's movement."

In fact, a common practice of successful transformative CLTs is learning while doing, and it can be both difficult and necessary given capacity constraints. When asked what the most useful tool for CLT practitioners is, India from FBCLT said, "the question mark." In a similar pursuit of exploratory learning, NYCCLI hosted a two-year Learning Exchange for the dozen CLTs in its Network that involved guests from CLTs across the country. Chinatown CLT, MHPMCLS and the Bronx CLT have all been involved in Participatory Action Research projects with institutional partners. Partners and consultants can be great resources for learning while doing, and a sometimes overlooked resource in this practice is giving staff and leaders the time and the space for their technical skill development. This applies to everyone in the movement: as the staff in Parkdale told us, "**All the people here need to be able to answer the hard questions.**"

There is a need to grow the pipeline of people who, like many of the people we interviewed for this guide, have the practical skills and experience, the ability to build relationships, a commitment to transformative politics and racial justice, and an understanding of how to run an organization cooperatively. Cooperation is not easy or simple, and the way the current economy works forces us into a mindset counter to cooperation. In a moment of humorous but honest reflection, Noni said:

> *Internally, everybody wants to be in a coop until it's time to cooperate. Cooperation is [expletive] hard! You know what I mean? We spend 50% of our time building infrastructure, governance, non-violent communication, and that doesn't mean just sitting there working with spreadsheets, that means having conflict resolution conversations, right? Having to stop meet-*

93. "Starting a CLT," Parkdale Neighborhood Land Trust. http://www.pnlt.ca/clt-tool-kit/starting-a-clt/

ings because there's some emotions brewing that haven't been dealt with right? It's some [expletive] hard, grueling emotional work that most people will really shy away from. But if you're doing a radical transition, the power sharing, doing a radical transition to new kinds of organizations, that's our third pillar, our third mission pillar is #HealPeoplePower. You can't argue that you're seeding a radical transformation in your community if you're not seeding a radical transformation in yourself, your internal relationships and your professional relationships. Please believe me, I screw up every single day but my mission commitment is to change the world around me and that means me too.

Cooperation as well as technical knowledge, for the most part, have to be learned through experience. The rich networks, formal and informal, for sharing skills and advice are essential to the broader movement.

Grounding common experience to shape narrative

Shaping narrative is a necessary component of nearly any strategy to build movement power, and the organizations we spoke with ground those narrative shifts in the lived experience of their members. From the beginning, have a sense of what you want to change and how it will change through narrative and actionable knowledge. **Parkdale NLT has hired community researchers to document neighborhood tenants' stories and invited local elected officials to publication launches to support their land acquisition and policy campaigns.** "Telling our story from our perspective" was an important resource named by India of FBCLT, especially given that doing so shifted the way people saw gentrification happening in the neighborhood, and motivated them to support the CLT.

There are narrative-related pitfalls to avoid. In telling the stories of certain members in their capital campaign, EBPREC has been "navigating this idea of using Black and Brown bodies, their suffering if you will—to activate folks with money and capital." Organizations shifting their language to meet the needs of funders is unfortunately not an uncommon practice. Breonne from JPNSI said, "I have noticed these trends where you hear people talking about CLTs as a stepping stone to traditional homeownership or a model that just works better for 'certain people' […] all of this weird goopy language where it feels really tested to make it more palatable in the dynamics of the current market logics we live under. But **part of the whole point of CLTs is that we don't think everyone wants to or should have to live under the current market."**

TCLOs have built trust and support for their growth through campaigns that, while they may not seem directly related to the CLT model, are grounded in the actual concerns of people in the community. Both JPNSI and Chinatown CLT grew in prominence through campaigns against short-term rentals in their cities. Picture the Homeless in New York City and the Women's Community Revitalization Project in Philadelphia both produced reports and campaigns that started from ground-truthing vacant properties. And the origin story of FBCLT involves an important victory in a campaign for parking permits for neighborhood residents.

Building long-term infrastructure to reconcile the urgency of the need with the speed of community cooperation

Multiple people we interviewed expressed frustration that they could not do more to deliver for their people. "Do not tell these people that you're going to have housing built for them any time soon. Do not," Adrian from SMASH said. Zach from Oak CLT told us,"It's a frustration as a Black person to be in a space where we provide housing and have no ability to pro-

vide housing to the tens and hundreds of Black people I know who have an immediate need for housing. And these are all good folks, you know? That's a trauma that a Black person in this space has to live under. And it's not recognized."

Many said that the world of development is even more uncertain and manically paced than they had expected. The Bronx CLT acknowledged they are finding difficulty trying to simultaneously co-create a comprehensive vision with members, launch a compelling organizing campaign, and advance complex processes for multiple development opportunities with their current capacity. Zach from Oak CLT suggests developing processes that enable organizations to "not just be operating in the chaos of the moment." As a specific example, PPE and PNLT staff suggested making model legal contracts ahead of time to be able to act on opportunities within the organization's values. Part of the solution is to do as much work as possible to build the infrastructure for land acquisition ahead of time.

Milky Way Garden at Parkdale Neighborhood Land Trust, Toronto, September 2019 Photo by: MIT CoLab

CONCLUSIONS

In the spirit of transformation, we hope you discuss, adapt, and cultivate leadership to implement these practices in your community. We are heartened to see the movement for community land growing. We believe that the strategies we explored in this guide — on participatory planning, inside/outside strategies, community finance, movement-owned knowledge, narrative shifting, and infrastructure building — can help community ownership of land grow in the direction of economic democracy and self-determination. As Zach from Oak CLT told us, "It's infrastructure, it just has to be communicated as such in the community. And to all the powers that be. **This is needed infrastructure and we don't have a choice.**"

The devastation of COVID-19, and the political and economic crises following it, have only further demonstrated the need for a transformative infrastructure of community land. As eviction moratoria end, the infrastructure to provide affordable housing to the unhoused is critical. As mortgage payments resume and foreclosures ensue, the infrastructure to direct these properties to the community and away from the speculative market is critical. As businesses, institutions, green spaces, and public spaces are forced to restructure their operations, the infrastructure for democratically determined mutual relief and planning is critical. As cities and states are forced to sell off their land, to privatize their assets, or sell liens they hold (if they haven't already), the infrastructure to maintain these assets as social goods is critical.

What needs to be done on local, regional and national levels to build the infrastructure of community land, especially in this moment of crisis? Echoing what we've discussed above: align neighborhood plans with specifics of transferring land to TCLOs; strengthen bottom-up networks of skill sharing and policy advocacy; and building alliances across movements, especially in the solidarity economy and housing cooperatives; nationally networked community funds and financing, supported by strengthening the accountability of institutional investors like public and labor pension funds; and growing a national coalition for TCLOs, building from the work of Right to the City Alliance.

To move this vision forward, it's going to take a lot more than those of us already in the movement for community land. If you're in the tenant movement, fight for Tenant Opportunity to Purchase legislation and build connections with TCLOs near you. If you're in the labor movement, campaign to make sure your pension dollars support TCLOs instead of displacement through real estate investment. If you're a planner or civil servant, support understanding and prioritization of TCLO models within your agencies and oppose the disposition of public land for private gain. If you're a funder or community investor, reconsider your assumptions of risk and return to support permanent community ownership.

These strategies could transform community ownership of land into a powerful, networked infrastructure, where TCLOs and their partners are among the obvious answers to questions about how we should deal with foreclosed homes, how we should structure the accountability and benefits of economic development, how we should approach the governance of post-disaster recovery, and how we should reverse decades of anti-Black policies in neighborhood planning and the ownership of land and housing. **In this moment of crisis, there is so much energy to be building community ownership and governance of resources right now, and we hope this report can be useful to anyone starting, developing, or growing a transformative community land organization.**

APPENDIX: POLICY RECOMMENDATIONS

Here we draw on the work of many aligned organizations to highlight policies that can especially help to expand the work of TCLOs. This work is ever-evolving and this list will necessarily be incomplete, but we offer it as a starting place to propose policies at municipal, state, and national levels to support the work in the movement for community land. The policy recommendations below should be partnered with an emergency response to COVID-19 including rent and debt forgiveness,[94] direct assistance to individuals, rent control, and a wide range of other proposals we will not get into detail about here. We assert that proposals for immediate relief should be linked to funding for permanently affordable, democratically controlled land. We focus on the necessary medium- and long-term necessities for land ownership, which we believe should involve the following policies, listed in order of approximate level of political will needed:[95]

1. Support legal and technical resources for community land organizations and tenant associations.
   - In 2019, the New York City Council dedicated $850,000 to CLT education, organizing, and technical assistance through the Community Land Trust discretionary funding initiative.96 Although this was needed and unprecedented, more funding is needed for this effort in New York and everywhere.

2. Provide direct assistance to CLOs in the form of grants and deferred, forgivable, or low-interest loans (with input on design of programming by local organizations), to:
   - Support rent relief of low-income tenants
   - Encourage organizing and capacity-building in operations and staffing
   - Aid in land acquisition for community ownership and permanent affordability. Ilhan Omar's proposed Rent and Mortgage Cancellation Act would support acquisition, operations, and maintenance funding specifically for democratically controlled affordable housing at the national level, if adopted.97

3. Develop a fund specifically for permanently affordable community-controlled property, and/or prioritize permanent affordability and CLOs in existing funding streams, like the Preservation of Affordable Housing Fund in Oakland,[98] the Affordable Housing Trust Funds in Baltimore[99] and Burlington,[100] or the federal acquisition fund currently proposed by Rep. Ilhan Omar.[101]
   - Invest in CLO ownership of deeply affordable multi-family rental housing, and non-housing uses, on top of the traditional homeownership CLT model.
   - Prioritize CLO acquisition funds for areas where residents are most at risk of displacement.

4. Pass Tenant Opportunity to Purchase Act (TOPA) and, if necessary, remove state pre-emptions to do so.
   - TOPAs allow for a tenant right of first refusal: Tenants are required to be notified if an apartment building goes up for sale. If tenants say they are interested, the landlord must comply. In Washington, DC, a TOPA ordinance has been in effect for about 40 years, allowing for the creation of thousands of limited equity cooperative units. The Douglass CLT recently helped acquire a building as a cooperative this

94. See Ilhan Omar's proposal, H.R. 6515, the Rent and Mortgage Cancellation Act, bit.ly/2MarpO5
95. See the call to stabilize small and medium multifamily housing stock in Los Angeles County written by community organizers at bit.ly/2TJ2MMX
96. Spivack, Caroline. 2019. "Community Land Trusts Score Crucial Funds in City Budget." Curbed. bit.ly/30TiXvt
97. H.R. 6515, the Rent and Mortgage Cancellation Act
98. City of Oakland. 2019. "We win $12 million in FY 2019-21 budget for community land trusts to preserve affordable housing!" News. bit.ly/2X8jTdd
99. City of Baltimore. 2020. "Affordable Housing Trust Fund." Baltimore City Department of Housing & Community Development. https://dhcd.baltimorecity.gov/nd/affordable-housing-trust-fund
100. Community and Economic Development Office. 2020. "Housing Trust Fund." The City of Burlington. bit.ly/2TN0hce
101. See Ilhan Omar's proposal, H.R. 6515, the Rent and Mortgage Cancellation Act, bit.ly/2X8Pqvj

way.102 There are efforts to pass similar legislation at the state level in New York,103 and the City of Minneapolis is currently researching options for a TOPA.104

- An alternative Community Option to Purchase (COPA) was passed in San Francisco in 2019 wherein pre-selected nonprofit housing organizations have a chance to bid on multi-family buildings before they go on the open market or to match an existing offer.105

5. Implement changes in tax structures to:
   - Provide property tax relief and exemptions to organizations offering permanent affordability and democratic ownership of land. Many states still require CLT homeowners to pay full property taxes as if their home were valued at the full market rate.
   - Reduce or eliminate capital gains liability or real estate transfer tax when a property owner sells to a CLO.106
   - Use property tax surcharges to fund affordability. Boston voters implemented a 1% property tax surcharge for a Community Preservation Fund that includes affordable housing.

6. Remove any zoning or code requirements that restrict the development of cooperatives, such as caps on the number of non-related people who can live in one household and minimum parking requirements.[107] Efforts by housing cooperative advocates to change zoning codes in Boulder, CO,[108] and Madison, WI remain underway.

7. Develop practices for public land disposition that:
   - Prioritize the transfer of tax foreclosed and public surplus properties to CLOs (rather than selling to for-profit developers by default). Seattle developed a 2013 resolution for the Disposition of Surplus Properties that prioritized affordable housing over any other use.109
   - Use a public land bank as a holding entity to time property transfer to CLOs when they are ready to develop.110 Philadelphia's land bank incorporated these goals from the beginning.111
   - Implement moratoria on public land disposition during planning processes, as in the case of Fruit Belt in Buffalo.112

102. Dubb, Steve. 2019. "Community Land Trust in Nation's Capital to Purchase 65-Unit Property." Nonprofit Quarterly. bit.ly/36CEo4K
103. Pereira, Sydney. 2020. "Tenants Would Get Priority To Buy Their Landlord's Building Under New Bill." Gothamist. bit.ly/2ZKzFMW
104. Lee, Jessica. 2019. "Minneapolis Council Members Want to Give Tenants the Chance to Purchase Rental Properties." MinnPost. bit.ly/3eoXM7V
105. Dubb, Steve. 2019. "SF Supervisors Vote 11-0 to Give Nonprofits First Shot at Housing Purchases." Nonprofit Quarterly. bit.ly/3cfkRIY
106. See National Consumer Law Center. 2015. *Manufactured Housing Resource Guide*. bit.ly/3enQ3Hg
107. Pathways to a People's Economy. 2020. "Pathways to Affordable Housing." bit.ly/3eurEQb.
108. "Legalizing Cooperative Living - NASCO Institute." 2014. NASCO. bit.ly/3eurHLR.
109. City of Seattle. 2013. *Procedures for Circulation, Public Outreach, and Public Hearings for Disposition of Surplus Properties Amendment A*. bit.ly/3gvF6oQ
110. Thaden, Emily, Kim Graziani, and Annie Stup. 2016. "Land Banks and Community Land Trusts: Not Synonyms or Antonyms." *Shelterforce*. bit.ly/2B0gQuL
111. Feldstein, Jill. 2014. "Winning a Land Bank We Can Trust." *Shelterforce*. bit.ly/2XFprL0.
112. Schulman, Susan. 2018. "City lifts Fruit Belt moratorium after adopting strategic development plan." *Buffalo News*. bit.ly/3hPmMb8

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