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**Exploring Community Land Trusts as an Alternative to Mainstream Models of Affordable  
Housing and Envisioning a CLT in Lewiston, Maine**

A Senior Thesis Presented to the Faculty of the Department of Environmental Studies  
Bates College

In partial fulfillment of the requirements for the Degree of Bachelor of Arts

By  
Sophie Eva Landes

Lewiston, Maine

May 2021

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## **Abstract:**

Community Land Trusts (CLTs) are non-profit organizations that create perpetually affordable housing through decommodification of the land. CLTs essentially serve as community stewards of land by acquiring the land that the housing is on and maintaining ownership of it through a ground lease document and use of a resale formula to determine a fair sale price of the home. Initially founded in the United States by Black farmers and civil rights activists in rural Georgia in the 1960s as a response to structural racism excluding people of color from accessing land, there are now over 200 CLTs in the US alone today, with many of them located in urban areas. Through an analysis of the different ways that CLTs choose to operate, this project attempts to understand what factors contribute to CLTs with an enhanced ability to provide fully democratized housing for residents on top of just an affordable home to live in. This thesis explores what conditions lead to CLTs that are able to empower residents in all aspects of decision making processes. Findings indicate that CLTs are most effective when they collaborate with actors both inside and outside of traditional systems which often looks like partnering with both grassroots organizations and city government. Rooted in place, the goal of this thesis is to provide resources for anyone assisting in the process of starting a CLT in the Tree Streets Neighborhood of Lewiston and apply CLT best practices to the context of Lewiston. While it is necessary to acknowledge the ways that CLTs are forced to operate under the constraints of capitalism, hindering their ability to transform in certain scenarios, the CLT model does provide a viable alternative option to more mainstream affordable housing models. The process of establishing a CLT is time consuming and involves many actors, but hopefully this thesis will serve as a baseline resource for anyone interested in taking up the project of establishing a CLT in Lewiston.

## **Introduction:**

In the United States today, there is a major lack of easily accessible, affordable housing options for residents. This is in part due to the real estate industry's choice to prioritize profits over meeting basic human needs when designing, selling, and renting out housing options to potential residents. Far too many renters pay more than 30%, the recommended maximum amount, of their income on rent each month. Another contributor to the lack of access to housing is historical factors like redlining that has prohibited people of color in this country from even accessing homeownership opportunities in the first place for decades. Environmental health hazards like lead paint, poor air quality, and proximity to toxic waste sites continue to disproportionately impact people in predominantly Black neighborhoods. So, while homeownership is the primary way to build wealth in this country, many are left out of the system entirely and instead have no choice but to revert to unsafe, overpriced, and unsustainable housing options in the form of public housing, housing vouchers, and inclusionary zoning policies provided by the private rental housing market. The majority of mainstream affordable housing programs are underfunded (e.g. public housing), have lengthy waitlists (e.g. housing vouchers), fail to match the scale of the problem (e.g. inclusionary zoning), come with societal stigma, and ultimately have failed citizens in the past. It is time to bring new, alternative models of affordable housing into the conversation.

There are a variety of alternatives to mainstream affordable housing models, but this thesis focuses in on the Community Land Trust model. First implemented in the United States by Black farmers and civil rights activists in the 1960s, CLTs create perpetually affordable housing for residents by separating housing from the land that it is on. Under certain conditions, CLTs are uniquely positioned to combat gentrification because of their resale formulas that ensure homes

are sold for a fair price to the next residents if CLT homeowners ever decide to sell their home. Today there are over 200 CLTs operating within the United States, and CLTs are thought to be more democratic than other types of housing because of their three-part board structure consisting of 1/3 residents, 1/3 community members, and 1/3 experts.

This thesis attempts to understand both the purpose of housing and more specifically the conditions that enable CLTs to be more or less transformative for residents. What are the modes, values, and paradigms that motivate specific types of housing? Under what conditions do CLTs effectively counter gentrification? How do CLTs compare to more dominant forms of affordable housing? What would the implementation of a CLT in Lewiston look like?

After providing an overview of CLTs and other forms of affordable housing in chapter 1, this thesis aims to assess the feasibility of a potential CLT in the Tree Streets Neighborhood of Lewiston, Maine. This paper, along with other relevant materials located in the appendix, will be given to project consultants, Craig Saddlemire and Amy Smith, two people who are involved in affordable housing initiatives in the Tree Streets Neighborhood. If there is interest behind starting a CLT in Lewiston, these materials will hopefully provide useful information for Craig, Amy, or anyone else involved in the process.

The findings for the results section of this thesis were collected primarily through a document analysis of CLTs throughout the country and a small sampling of interviews with CLT staff members. Chapter 3 of this thesis provides comprehensive information on the technical aspects of operating a CLT including member eligibility guidelines, board structures, ground leases, resale formula and taxation information, grassroots organizing and land acquisition, funding and institutional support, and community involvement and transformative, democratized housing. Chapter 4 of this thesis utilizes results section findings to discuss best practices for the

context of Lewiston and provide some recommendations. In the event that there is community interest, preferably from the ground up, in starting a CLT in Lewiston, the results and discussion section of this thesis along with resources located in the appendices will hopefully serve as a jumping-off point for those involved in establishing the Lewiston CLT.

While the CLT model is not necessarily transformative for residents and surrounding communities on its own, there are individual aspects of CLTs that contribute to a more democratized housing model for all involved. CLTs formed due to the activism of grassroots organizations are more likely to be all-encompassing, providing CLT members with both a safe, affordable home and a strong community network. Figuring out how to fund a CLT is a major hurdle to overcome, but research shows that CLTs that take advantage of community funding sources are likely to have more freedom over how they can allocate their funds leading to a greater potential to transform. This literature review will begin with an overview of the U.S. housing crisis and common affordable housing approaches and then move on to an in-depth overview of CLTs.

## **Chapter 1: Literature Review and Theoretical Framework**

### **1.1 The U.S. Housing Crisis**

Samuel Steins' *Capital City Gentrification and the Real Estate State* gives an overview of the affordable housing crisis in the United States focusing on challenges that arise with city planning underneath the structures of capitalism. The global real estate industry is now worth \$217 trillion dollars which has led to planners attempting to balance working for the “best interests” of the community with the pressures of inflating real estate values for profits (Stein, 2019, 3). Statistics surrounding the affordability of housing are concerning. Homeownership is currently at a fifty-year low in the US, and there is not a single county where a full-time minimum wage worker can afford the average two-bedroom rental apartment (Stein 2019, 3). People of color are disproportionately impacted by housing inequalities. For example, in predominantly Black neighborhoods an average of 44% of households are spending more than 30% of their income on rent (Stein, 2019, 4).

Access to safe, affordable housing is a racial justice issue. This is in large part due to racist housing policies including exclusionary zoning, discriminatory housing practices on the part of brokers and lending institutions, and disparate toxic facility siting decisions (Bullard, 1990, 8). During the middle of the twentieth century, the federal government was complicit in segregation through racially explicit laws, regulations, and government practices that created a system of urban ghettos surrounded by majority-white suburbs (Rothstein, 2017, XII). Historically, banks discriminated against Black families by refusing to give them mortgages through “redlining” or banks giving Black families more expensive loan options when compared to white families (ibid). Another structural factor contributing to segregated neighborhoods is

real estate brokers steering clients to certain neighborhoods based on their race (ibid). These policies and practices work both separately and in combination with one another to uphold racially segregated neighborhoods leading to Black people facing a multitude of barriers for entering into the housing market both back in the middle of the twentieth century and today.

The way that the US housing crisis is often described can make it seem like it is a crisis that is confined only to recent years. We must understand that for many people in this country including low-income people, people of color, people with disabilities, LGBTQ+ communities, undocumented people, and seniors, accessing safe and affordable housing has historically not been accessible (Gordon et al., 2018). Acknowledging the deep roots of structural housing inequalities is the first step towards creating a better system, but real, lasting change will only occur if when the most heavily impacted communities lead the discussion surrounding visioning of a better system and gain decision-making power (ibid).

### *Home Ownership in the United States*

During the 1970s, the Federal Housing Administration (FHA), a part of the Department of Housing and Urban Development (HUD), put an end to redlining practices and turned its focus to new practices that would encourage and enable low-income African Americans to achieve homeownership (Taylor, 2019, 3). These new programs that utilized federal subsidies to make homeownership more accessible and affordable to low-income communities of color symbolized the transition from *exclusionary* policies to *inclusionary* policies which came with many problems (ibid). The aftermath of these new policies can be described as “predatory inclusion,” African Americans were given increased access to housing, yet their ability to fully

take advantage of this newfound access was hindered due to the ways that racist policies and practices are embedded into the system (Taylor, 2019, 8).

In the first chapter, *Crabgrass Frontier: The Suburbanization of the United States* declares, “Housing is an outward expression of the inner human nature; no society can be fully understood apart from the residences of its members” (Jackson, 1985, 3). Therefore, it is no surprise that underneath capitalism, we have a housing system in the United States that continues to exploit and exclude based on race and socioeconomic status. Historically, homeownership in the United States is seen by American citizens as desirable due to its connection to the quintessential American dream and idea of homeownership as a means of accumulating wealth in society (Jackson, 1985). The ideals of suburbia are ingrained within contemporary American culture and inherently involve relying on a car, upward societal mobility, the nuclear family, and residing in a community that is built upon racial and economic exclusion (*ibid*). Under the current, private-market system, homeownership is simply not attainable for everyone, especially considering the factors of race and class.

Mortgage access is often difficult to obtain due to the constraints of wealth, income, and credit (Acolin et al., 2016). Additionally, race is a major factor in statistics surrounding homeownership with homeownership rates historically have been higher among white households (Haughwout et al., 2020). In 2019, white households had a 73.1% homeownership rate, Hispanic households had a 46.6% rate, and Black households had a 40.6% rate (*ibid*). These statistics highlight structural societal inequalities because homeownership is one of the primary mechanisms for accumulating wealth under capitalism in the United States. Housing equity, the difference between the amount you owe on your mortgage and the amount that your home is worth, is worth a cumulative \$15 trillion dollars and accounts for around 16% of total wealth per

household in the United States (ibid). The current system is not sustainable, especially considering how 18 million people now put more than 50% of their income towards housing when the recommendation is that you should be spending less than 30% of your income on housing (Velasco, 2020).

### *Housing and Environmental Health*

Black people along with other economically disadvantaged groups are concentrated in neighborhoods with higher pollution rates compared to predominantly white neighborhoods (Bullard, 1990, 6). Due to racism that is ingrained into policies, toxic waste sites are more likely to be placed in minority neighborhoods (ibid). Historically, vulnerable communities are more likely to be a location for toxic dumping sites because these communities have fewer resources and less ability to resist toxic environments when compared to wealthier neighborhoods (ibid). In the United States Black people are 75% more likely to live in areas next to environmental hazards like oil and gas facilities, toxic pollutants, and harmful traffic emissions when compared to white people leading to higher risks of cancer among other health problems (Fleischman, 2017).

Safe and affordable housing options are important in influencing environmental health outcomes. It is proven that segregation, lack of housing mobility, and homelessness are all associated with adverse health outcomes (Jacobs, 2011). In the United States, the aging housing stock is responsible for a variety of public health problems including respiratory infections, asthma, lead poisoning, injuries, and mental health issues (Krieger and Higgins, 2002). In 2000, 80% of US homes had detectable levels of dust mites, 46% had levels associated with sensitization, and 24% had levels associated with asthma morbidity (Jacobs, 2011).

Promoting environmentalism as a non-class/race issue is dangerous because one's point of environmental care shifts depending on social and geographical factors (Grunewald, 2003). For example, lack of jobs, poor housing, racial discrimination, and crumbling cities are environmental problems that require more urgent action for those being inflicted compared to the issue of climate change (ibid). Housing is a basic need and heavily equated with one's overall health, so until adequate housing is easily accessible for all people, it will be difficult to achieve full participation in and attention to other social movements.

## **1.2 Rights to the City Framework**

The main framework used in this paper is Henri Lefebvre's "Rights to the City." Lefebvre's "Rights to the City" emerged in the 1960s in France during a period of protest surrounding the struggles in urban life (Brenner et al., 2012). Lefebvre argued that the urbanization process leads to the disillusion of the city with urban life turning into a commodity (ibid). Today, progressive academics utilize Lefebvre's Rights to the City framework to discuss and analyze many aspects of the city including gentrification, immigration, housing, citizenship, urban public space, and social exclusion (Attoh, 2011).

In action, the rights to the city framework looks like meeting people's basic needs of shelter, food, water, and healthcare (Brenner et al., 2012). Lefebvre's "Rights to the City" addresses capitalism's role in city life arguing that capitalism influences people's ability to have their needs met and participate fully in a democratic society. The force of capitalism makes it difficult for people to participate in democracy and other parts of civic life including non-governmental functions. To live under capitalism means to subject yourself to a place where two forces, the inalienable rights of private property and the profit rate, produce cities that are filled

with inequalities, alienation, and injustices (Harvey, 2003). Harvey explains how questioning the rights to the city requires taking an active stance. Citizens can make a different city more in line with what the heart desires as Harvey puts it, “if our urban world has been imagined and made, then it can be re-imagined and re-made.”

The New Urban Agenda is a set of guidelines adopted at the United Nations Conference on Housing and Sustainable Urban Development in Quito, Ecuador in 2016 (New Urban Agenda, 2017). The document highlights the right to the city principles, “a vision of cities for all, referring to the equal use and enjoyment of cities and human settlements, seeking to promote inclusivity and ensure that all inhabitants, of present and future generations, without discrimination of any kind, are able to inhabit and produce just, safe, healthy, accessible, affordable, resilient and sustainable cities and human settlements to foster prosperity and quality of life for all” (ibid). This thesis will discuss and analyze models of affordable housing, specifically the community land trust model, with the rights of the city goals at the forefront.

### **1.3 Affordable Housing Approaches**

To explore more radical forms of affordable housing, it is necessary to understand the primary modes of providing housing in contemporary neoliberal US cities. In the United States today, privately-owned housing dominates with 96.3% of the housing stock falling underneath the privately-owned housing category and the remaining 3.7% categorized as social housing which is mainly made up of public housing along with not-for profit housing including limited equity cooperatives, Low Income Tax Credit housing, and the focus of this thesis: community land trusts (Bratt et al., 2016). This section will begin with an overview of more mainstream methods of affordable housing and then move into an overview of social housing.

Right now, the dominant public-private affordable housing program in the US is the Low Income Housing Tax Credit (LIHTC) program. LIHTC provides a subsidy to private developers who build or rehabilitate rental housing with maximum tenant incomes, meaning that the rent will not exceed more than 30% of household income and rents for the duration of 30 years (Erikson and Lang 2020). 90% of newly built affordable housing is done through the LIHTC program (Gowan and Cooper, n.d.). However, LIHTC is not scaling up quickly enough and is only on track to meet the current need for affordable housing by 2070 (Herz, 2021). The LIHTC program is too small and not efficient; it provided only \$300 per rent-burdened household with a total investment of \$8 billion (Gowan and Cooper, n.d.).

Public Housing is a solution that the United States has largely disinvested in over the past 40 years, even though public housing remains one of the only available housing options for low-income people in this country (Gowan and Cooper, n.d.). This disinvestment is due to the creation of laws that do not allow for a net increase in public housing. In 1999, the Faircloth Amendment was added to the Housing Act of 1937 mandating that limits on new construction of public housing be placed if the number of new units would result in a net increase in the number of units that the Public Housing Agency owned (HUD, 2021). 250,000 public housing units have been demolished in the country since the 1990s (Gowan and Cooper, n.d.). There are two million public housing units now which is not sufficient for a country of 320 million people, creating a situation where even people who qualify as officially poor cannot access public housing in certain cities (ibid). Additionally, because of a limited number of public housing units necessitating extremely low-income cutoffs to qualify for public housing, rents remain low leading to budget problems for city and federal governments (ibid). The factors outlined above combined with the socioeconomic segregation and the stigma that comes with living in public

housing has led to a program that in theory has the potential to improve housing options, but it has not lived up to its goals.

Another prominent mainstream affordable housing program and alternative to public housing is HUD's housing choice voucher program, created by Congress in 1974, which allows low-income families to lease or purchase privately owned properties with an aim of increasing access to "higher opportunity neighborhoods" for low-income households (Tighe et al., 2016). The housing choice voucher program is federally funded, but the actual distribution of housing vouchers is done by local public housing authorities (Teater 2009). Research shows that voucher holders are often unable to move to higher opportunity neighborhoods because most cities and states still have laws in place that allow landlords to discriminate based on one's source of income (SOI) (Tighe et al., 2016). A recent survey found that 53% of waiting lists for the Housing Choice Voucher program were not accepting new applicants and 65% of those waitlists had been closed for over a year (Aurand et al., 2016). Additionally, 25% of Housing Choice Voucher program waitlists had a wait time of three years or more (ibid). It is clear from these statistics alone that the Housing Choice Voucher program is not serving the number of low-income people that need housing assistance. Therefore, the housing voucher program has largely been a failure because it does not account for discrimination or provide users with adequate information on their housing options and is severely underfunded.

Inclusionary zoning creates affordable housing options through laws requiring a certain percentage of housing units in given neighborhoods to be sold or rented at lower market prices in an attempt to create more racially and economically integrated neighborhoods (Ramakrishnan et al., 2019). Inclusionary zoning laws differ depending on state, with the most common variations being whether the law is mandatory or voluntary, the set-aside percentage required to be

affordable, whether the law applies to rental or sale properties, how the law defines eligibility (i.e., income cutoffs), term limits, whether the law applies to the whole jurisdiction or just specific types of housing or locations, opt-out payments, and incentives (ibid).

These variations on the policies matter. For example, in cases where the law is not mandatory, developers can pay a fee that often is less than one an affordable housing unit would cost, to forgo building an inclusionary zoning property. An analysis of New York City's mandatory inclusionary zoning plan called by Mayor DeBlasio "the largest, fastest affordable housing plan ever attempted at a local level," found that the program ended up constraining opportunity for some New Yorkers through raising rent prices leading to the displacement of residents without access to new buildings being built through the program and in general, failed to combat discrimination because the new housing was still too expensive for 57% of Black and 62% of Latino New Yorkers (Stein, 2018). Because inclusionary zoning only mandates that a certain percentage of homes be built as affordable, the lowest income group, those making less than 30% of the area median income, still do not get their housing needs met (ibid).

The widespread failure of these mainstream, neoliberal affordable housing models and the abandonment of public housing as a viable alternative to the private market's failures to create an adequate and accessible affordable housing stock in the US indicates the heightened need for new social housing programs. This includes Community Land Trusts, among other models, that take a multi-faceted to housing with a strong emphasis on empowering communities and advancing racial justice efforts.

## *Democratizing Housing*

If one thing is clear, thinking about solutions to the ongoing affordable housing crisis requires looking beyond traditional housing markets existing within society's capitalistic structure. To understand the role of community land trusts within the greater realm of affordable housing nationwide, it is necessary to explore other forms of non-market affordable housing. Non-market housing is defined as housing that is protected from market forces. I will provide a brief explanation of the following models below. The strategies outlined below are not the only solutions out there, but they represent a brief introduction to some of the many different tools and approaches

A prominent example of progressive urban planning in action is "Red Vienna" which was in place in Vienna, Austria from 1919-1934 (Duma and Lichtenberger, 2017). After World War I, there was a housing crisis in Vienna, so the government took it upon themselves to build emergency housing for people who needed it (ibid). The housing consisted of apartment-style living spaces as well as an increase in available social services including health care, education, childcare, and cultural reform efforts (ibid). While the "Red Vienna" period has been over for a long time, even today 60% of Vienna residents live in non-market homes (Herz, 2021). Today, half of Vienna's social housing is in the form of cooperatives and the other half is public housing. The resources Vienna has put into its public housing stock have significantly decreased any sort of stigma surrounding public housing for those living in the country.

Social housing, which is the policy associated with "Red Vienna" is well on its way to becoming a more mainstream policy in the US today (Herz, 2021). Social housing, an all-encompassing term that typically involves multiple types of nonmarket housing options including housing co-ops, land trusts, and nonprofit housing corporations, is categorized as

accessible to people with a wide range of incomes (ibid). Better public housing can be a reality in the US if more funding is put into buying, acquiring, and building public housing (Stein, 2018). Another suggestion working towards creating a fairer housing system is reworking tax codes. For example, policies that change the relationship between real estate and taxes could go a long way in addressing inequalities in neighborhood services (ibid).

One possible implementation that falls between mainstream and radical solutions on the spectrum of affordable housing tools is universal rent control. Rent Control tends to be a foundational demand of the tenant rights movement (Gordon et al., 2018). But, while important, rent control is not future-minded because it does not advance shared ownership or collective governance (Williams, 2020). Rent control only impacts certain people who are lucky enough to pay rent that is not raised in conjunction with inflation rates. Rent control does, however, bring up the critical question of every consideration related to housing and land as secondary to profit-maximization and the interests of property owners by departing from the norm of increasing rent as values increase (Gordon et al., 2018). An offset of rent control, arguably more radical, are the recent laws banning evictions during the Covid-19 pandemic.

These strategies mentioned above, along with the community land trust model are hardly the only solutions to offer. Instead, they serve as a brief introduction to some of the many different tools and approaches that have been tried or are currently being used to create social housing options. This thesis is not advocating for Community Land Trusts or any other more democratic form of affordable housing as the only solution, but instead, it is an exploration of potentially feasible options for increasing safe, affordable housing in the United States.

## 1.4 The Community Land Trust Model

The first community land trusts (CLTs) were established in the United States in the 1960s as a product of the civil rights movement (Davis, 2010 ). New Communities Inc. in Georgia, documented as the first official CLT in the US, was founded in 1969 by Black farmers and civil rights activists including Robert Swann of the Institute for Community Economics, Marion and Slater King who were relatives of Martin Luther King Jr., Fay Bennet from the National Sharecroppers Fund, and Charles and Shirly Sherrod of the Southwest Georgia Project (Davis, 2010; Green 2018). New Communities Inc. CLT was formed to give Black farmers access to productive land for farming (Meehan 2014). New Communities INC. converted 6,000 acres of land in Albany, Georgia to be a “cooperatively managed farm and planned residential community to be located on land that was leased from a community-controlled non-profit” New Communities INC (Green and Hanna, 2018). As an organization fighting for economic independence and community stability for communities of color in the south, New Communities INC. did face discrimination from white supremacist groups that advocated to block access to promised federal funding (ibid).

It is important to note that the modern-day CLT movement, founded by the farmers and activists listed above, drew on the ideas of land reform efforts including the Bhoodan movement for land distribution in India, the Jewish National Fund *moshavim* settlements in Israel, and precapitalist forms of land control including the practices of indigenous groups (Meehan, 2014). Today, CLTs can take on many different forms including CLTs located in rural communities with the purpose of farming, urban CLTs, large vs. small CLTs, CLTs for wealthy residents vs. poor residents, and commercial non-profit CLTs (N. Williams, 2021). This thesis, however, will

primarily focus on urban CLTs because urban CLTs are most relevant to the context of Downtown Lewiston.

It was not until the 1980s that Urban Community Land Trusts became more feasible and widely recognized by the greater CLT movement. The first Urban CLT, while never officially established as a permanent CLT, was the Columbia Heights Ownership Project in Washington, D.C. (Meehan, 2014). The Columbia Heights Ownership Project served as an indication that CLTs could potentially work as a relevant mechanism for solving the unique problems facing urban communities including affordability of housing, displacement, and redlining of residents in inner-city neighborhoods (ibid). Urban CLTs quickly became a phenomenon in the 1980s spreading to Cincinnati, Ohio (1980); Minneapolis, Minnesota (1981); Trenton, New Jersey and Atlanta, Georgia (1982); Dallas, Texas (1983); Burlington, Vermont (1984); Camden, New Jersey and Boston, Massachusetts (1985); Norwich, Connecticut (1986); and New York, New York (1988) (ibid). There are over 250 CLTs in the United States today including more than 6,500 affordable units (Ehlenz, 2018).

At its core, the CLT model is about the decommodification of the land that housing is built on (Peredo and McLean, 2020). CLTs typically acquire land through a donation or purchase and then lease or sell that land to individuals while maintaining affordability through a ground lease (Choi et al., 2018). The three distinguishing features of a CLT are evident in its ownership, organization, and operation (Davis, 2010).

In terms of ownership, land is treated as a common entity and not as an individual possession because CLT land is removed from the market and not able to be resold by the entity that owns it (Davis, 2010). Collective land ownership is a key tenet of CLTs, and CLTs are most successful when they can steward land on behalf of the community for uses that are agreed upon

as desirable for the majority of CLT residents (Velasco, 2020). While homeowners in a CLT do not technically own the land that their home is on, the relationship between the homeowner and landowner is fundamentally different than the relationship between a landlord and renter. To give an example, in a mainstream housing model when a tenant is facing financial difficulties, the landlord likely would evict that tenant. With the CLT model, there is more ability to meet the individual needs of CLT residents, and flexibility with CLT members going through a difficult financial situation is common. In addition to this, since CLTs are often designed with affordability in mind, they are less likely to set rents or other fees that are unsustainable for tenants to pay.

In terms of organization, CLTs are typically governed by a board composed of CLT leaseholders, non-lease-holding residents of CLTs, and professionals or public officials with “expert knowledge” (Kruger et al., 2020). Splitting board members between these three groups provides a balance of individual experiences helping to ensure that decision-making power is shared more evenly among CLT members and non-affiliated community members with specific forms of knowledge. The three part board structure gives residents of the CLT and other community members a say in their own community. Other methods of affordable housing are more likely to ignore the concerns of residents and make decisions with a lack of democratic process giving people who traditionally don’t have as much power a say in decision making. It is, however, important to note that not all CLTs follow a three part board structure (Williams, 2020). Some CLTs choose to have a two part board structure because they feel that involving “experts” in the process often is a code word for people of a high socioeconomic status and undermines the autonomy of actual members of the CLT and local community.

In terms of operation, *The Community Land Trust handbook* published in 1982 serves as an initial guide for how to successfully operate a CLT through utilizing the experiences of early rural CLTs in Cincinnati, Maine, and East Tennessee as examples (Davis, 2010). *The Community Land Trust Handbook* emphasizes the importance of perpetually affordable housing in urban areas, grassroots organizing, the “moral necessity” for CLTs to take on lower-income residents, and ensuring permanent affordability of owner-occupied housing through resale formula found in the ground lease document (Davis 2010, 23). Many CLTs trace their roots back to grassroots organizing movements including Rights to the City Alliance, Home for All campaign, and Take Back the Land movement. The community organizing aspect of CLTs is essential in operating land trusts that do more than just contribute to the affordable homeownership tool kit (Williams, 2020). CLTs without organizing capabilities aren’t transformative and lack the ability to change power and wealth structures for low-income communities of color (ibid).

Many CLT leaders indicate that they initially entered the movement because they see CLTs as a potential solution to the rampant problems of gentrification and displacement (Shatan and Williams, 2020, 10). There is debate in academic literature over how to define the complexities of gentrification, but for the purpose of this paper we will define it as the physical or special restructuring and dimensions of social, cultural, political, economic, and institutional significance leading to the displacement of residents, removal of affordable housing, and unsustainable speculative property price increases (Choi et al., 2018; Lees et al., 2008).

A 2018 study titled *Can Community Land Trusts Slow Gentrification* including the full set of functioning CLTs in the United States found that in many cases CLTs can counter gentrification. The CLT model allows for counteracting displacement, preserving affordability, building community assets, and stabilizing the speculative increase of property values (Choi et

al., 2018). The study findings identified that CLTs counteracting effects on gentrification include increased racial diversity, stabilized income level, increased affordability, decreased owner-occupied housing rates, and stabilized housing price (ibid). When it comes to CLTs countering gentrification, specific conditions matter. So, a CLT that can successfully preserve long-term affordable housing, enhance neighborhood stability by increasing length of residency and frequency of displacement, and contribute to community assets all at the same time will be more successful in countering gentrification than a CLT that is only focused on one or two of the necessary functions (ibid). Additionally, a 2019 study found evidence that CLTs both significantly contribute to family wealth creation and increasingly serve people of color with the potential to lessen the racial-wealth gap (Wang, 2019).

A report titled *Development without Displacement* states, “Only when residents and communities are stabilized in the places, they call home and included in the decisions shaping their neighborhoods will the “improvements” made to their environments be truly healthy and sustainable. Preventing displacement may be the single greatest challenge and the most important task in our collective efforts to create healthy communities for all” (Causa Justa :: Just Cause 2014, 54). This thesis defines CLTs as one, but not the only, affordable housing model for resisting displacement and gentrification and offering residents more autonomy in their housing.

## **Chapter 2: Methods**

This thesis was completed with the support of two community partners in Lewiston: Craig Saddlemaire of Raise-Op Housing Cooperative and Amy Smith of Healthy Homeworks. Findings for this thesis were gathered primarily in two ways: through semi-structured qualitative interviews and an in-depth document analysis of both CLTs that are currently operating and resources available to assist in the process of starting a CLT. This combination of qualitative interviews and other sources providing firsthand perspectives on different ways of operating a CLT with the technical aspects of what starting and running a CLT entails created a compilation of information on establishing and operating CLTs, with the aim of applying these findings to the context of Lewiston.

### **2.1 Study Site**

This study focuses on the steps that must be taken before a potential founding of a CLT in Lewiston, Maine. The City of Lewiston, Maine, with a population of 36,000, faces housing and environmental health problems that are similar to the rest of the country. In downtown Lewiston, approximately 90% of properties were built before the year 1970 (Harvard Community Development Project, 2014). One of the most pressing environmental health issues in Lewiston is lead paint in housing because the majority of the housing stock was built before lead paint was banned in 1978 (Harvard Community Development Project, 2014). Other housing challenges in downtown Lewiston include a decreasing housing stock, tightening rental market, discrimination in the housing process, and health and safety issues with rental units (Raise-Op Report, 2018). 96% of households are renters in the Tree Streets Neighborhood and

over half of all households are currently living in poverty (Healthy Neighborhoods Planning Council, 2019).

It is important to understand the demographics of the downtown Lewiston neighborhood. In downtown Lewiston, 48% of the population lives below the poverty line and more than half of residents are people of color, including a large population of New Mainers primarily coming from Somalia and other countries in East Africa and Central Africa (City of Lewiston and Community Concepts inc. 2018). Considering how this thesis is focused on what a CLT in Lewiston might look like, understanding the context of Lewiston in terms of environmental health and housing is critical. Lewiston is an ideal location for a CLT because, as of right now, the city is classified as falling between the stagnation/decline and revitalization/gentrification stages on the cycle of initial development, decline, and gentrification. Establishing a CLT in Lewiston could go a long way in improving housing conditions in the neighborhood without displacing residents.

## **2.2 Interviews and Project Partners**

Two semi-structured interviews with CLT staff members from City Roots CLT in Rochester, NY City of Lakes CLT in Minneapolis, MN were conducted for this project. These two CLTs were initially chosen because they are located in cities that, like Lewiston, are home to a large population of East African immigrants because I was hoping that they would have information on how CLTs work with Islamic banking. It turned out that although both CLTs have Muslim members, neither CLT had experience with Islamic banking. A list of interview questions can be found in appendix B. Both interviews were conducted over the zoom platform, recorded, and later transcribed into a document.

Starting a Community Land Trust is a lengthy and time-consuming process. While Craig and Amy are both interested in the possibility of establishing a CLT in Downtown Lewiston, this process will take many more interested actors than just the two of them. Hopefully, the informational materials gathered (see appendix D) along with the results and discussion section of this thesis will be useful to anyone interested in taking up the project of establishing a CLT in Downtown Lewiston.

### **2.3 Document Analysis Process**

Document analysis was utilized in this thesis to identify common themes as well as anecdotes surrounding the best practices for starting and operating a CLT in order to support results section findings. CLTs were chosen to represent a diversity of locations and organizational operation style. The specific CLTs used in the document analysis process include Waterville Community Land Trust in Waterville, Maine, Champlain Housing Trust in Burlington, Vermont, Struggle for Miami's Affordable and Sustainable Housing (SMASH) in Miami, Florida, East Bay Permanent Real Estate Cooperative in Oakland, California, Cooperation Jackson in Jackson, Mississippi, Chinatown CLT in Boston, Massachusetts, Dudley Neighbors CLT, which is a part of the Dudley Street Neighborhood Initiative in Boston, Oak CLT in Oakland, California, Cooper Square CLT in New York City, and Mott Haven-Port Morris Community Land Stewards CLT in South Bronx, New York.

### **2.4 Limitations**

It is necessary to acknowledge the shortened time frame for this project as one major limitation to the research process specifically in terms of conducting interviews. Due to this

project taking place over the course of 4 months there was not enough time to conduct an adequate number of interviews. Ideally, more interviews with CLT staff would have been conducted. It also would have been useful to have the opportunity to interview residents and community members affiliated with CLTs in order to incorporate their unique perspective on the CLT model into this research. The interview questions located in appendix B may be useful to a researcher interested in continuing this project with more interviews. Because I was not able to conduct a sufficient number of interviews, this thesis relies heavily on already existing research on CLTs. Additionally, it is important to note that due to the ongoing Covid-19 pandemic, I was not able to visit nearby CLTs in person which likely would have benefitted this research.

## **Chapter 3: Results**

This section of the thesis consists of an analysis of a sampling of CLTs that are currently operating in the United States. The results section will focus on technical aspects of CLTs including eligibility guidelines, board structures, the ground lease, and where funding comes from. In addition, this section will provide information on best practices and potential challenges for operating a CLT utilizing past experiences of established CLTs through information on grassroots organizing and community involvement. The purpose of the results section is to provide comprehensive information that attempts to answer critical questions. What conditions make CLTs most successful at effectively preventing gentrification through the creation of perpetually affordable housing? What are the conditions in which CLTs democratize all aspects of housing, both the process of accessing affordable housing and actually living in affordable housing, for residents?

### **3.1 Eligibility Guidelines**

An important part of the process of starting a CLT is identifying who your CLT will serve. This question ties into different available options for determining CLT membership eligibility. Criteria for who is eligible to become a member of a community land trust varies across different CLTs. Some CLTs target households with incomes less than 50% of the area median income while other CLTs are focused on households that would not be considered low-income with an annual income less than 100% of area medium income (Davis, 2007). As one example of an income-based eligibility guideline, Waterville Community Land Trust guidelines state that members must have an income of 80% or less than the median income for the area (N. Williams, 2021). To give another example, City Roots Land Trust asks that potential

homeowners have a household income of 60% of the Monroe County area median income. It is also possible for CLTs to prioritize other characteristics like need, age, disability, or residency along with income, but this is less common because fair housing laws place limits on prioritizing anything other than income (Davis, 2007).

If potential tenants have poor credit scores, some CLTs have programs they refer their members to that can help them improve their financial situations. For example, Champlain Housing Trust offers a class called, “Ready, Set, Rent,” that provides residents with credit education and money management skills so that they can build their credit scores in preparation for filling out the application (Davis, 2007). City Roots Land Trust mandates that potential CLT homeowners attend their CLT 101 and CLT 102 workshop sessions. City of Lakes CLT in Minneapolis’s website states that residents must qualify for a conventional mortgage, and there is no information on the website about whether financial education programs for potential residents exist. However, during our interview, the staff member from City of Lakes said that City of Lakes CLT tries to remain flexible in how households can demonstrate their financial status.

### **3.2 Board Structure**

As discussed in chapter 1, traditionally, CLT board structure consists of  $\frac{1}{3}$  residents of the CLT,  $\frac{1}{3}$  residents of the area who don’t live on CLT land, and  $\frac{1}{3}$  public interest members who might bring a specific “expertise” (Williams, 2020). The board is typically responsible for financial and acquisition decisions relating to the CLT while participatory planning, visioning, advocacy, and policy decisions are made by the base of the CLT, primarily residents and some staff members (ibid). City Roots CLT chose to follow the traditional CLT 3 part board structure and has 12 spots on their board of directors consisting of “lessee representatives,” “general

representatives,” and “public representatives.” They do, however, include a clause in their bylaws section of their lease that states that one-third of their board is maintained for residents of low-income neighborhoods, other low-income community residents, or representatives of a low-income neighborhood organization.

While many CLTs choose to utilize the three-part board structure, organizations are able to modify the traditional board structure in ways that they see fit. Struggle for Miami’s Affordable and Sustainable Housing (SMASH), East Bay Permanent Real Estate Cooperative (EBPREC) which is actually not a CLT but utilizes a similar organizing structure, and Cooperation Jackson have a separate board membership category for staff of the organization (Williams and Shatan, 2020). TRUST South LA has a goal of filling 80% of their board with low-income residents of South LA and created a pipeline to assist in turning community residents into board members (ibid).

One important point brought up in thinking about board structures is the variety of barriers to an individual’s ability to participate in board meetings and other functions. To give an example, Adrian from SMASH discusses the importance of offering food and childcare at meetings to make them more accessible (ibid). Making sure that meetings are in locations that are accessible for as many members as possible is another strategy for increasing participation (ibid).

### **3.3 Ground Lease**

The ground lease is a document that signifies a 99-year agreement between homeowners and the community land trust (Grounded Solutions 2021). Grounded Solutions, a national network providing resources on affordable housing solutions which also encompasses the

National CLT Network, offers a ground lease template that many CLTs across the country utilize. I reached out to Chinatown CLT in Boston, MA to inquire about their ground lease and learned that they borrowed a lot of content from sample ground lease documents found on grounded solutions, but at the same time were able to customize the lease to specifically meet the needs of Chinatown CLT. Please see Appendix B for an overview of ground lease sections and their purposes that was created for Craig Saddlemaire.

### **3.4 Resale Formula and Taxation**

The CLT resale formula is designed to ensure perpetual affordability by establishing an upper limit on the price that a CLT home may be resold for (CLT technical manual). The goal of the resale formula is to both allow the current owner to receive a fair return on their investment and ensure an affordable price for the next owner (Burlington Associates). The resale formula is typically included in a section of the ground lease (CLT technical manual). While the ground lease usually follows a universal template, the resale formula is one area where CLTs have full autonomy over their choice; the resale formula is an opportunity to depart from the norms in a more radical way.

Burlington Associates is a national consulting cooperative that provides technical assistance to community land trusts throughout the United States (Burlington Associates 2012). They identify that the most commonly used resale formulas are the indexed and appraisal-based formulas shown below.

#### **Indexed Formula**

Original Purchase Price + [Purchase Price x Change in Index] = resale price

Index refers to a measure of incomes in the CLT's service area (change in median income) or a measure of rising costs (ibid).

### **Appraisal-based Formula**

Original Purchase Price + [(Appraisal #2 – Appraisal #1) x (Owner's share of appreciation %)].

Appraisal 1 refers to market appraisal at the time of purchase and appraisal 2 refers to appraisal at the time of resale (ibid).

City of Lakes CLT's resale formula gives the homeowner 100% of the equity that they have earned plus 25% in market equity which encompasses any changes in market value for their home. During our interview, Jeff from City of Lakes said that it is easier for CLCLT to be more flexible on the resale as opposed to the front end where there needs to be a demonstration of mortgage ability and qualification from the potential homeowner. City Roots CLT states in their bylaws that as a condition of their lease, housing on CLT land may only be sold back to City Roots or to a low or moderate-income person. The formula that City Roots uses allows the owner of the property to sell for a price that is based on the amount they invested into their property. At the same time, their formula limits the price of the property to ensure that is maintaining affordability.

A 2019 report by Grounded Solutions found that CLT owners typically gain 14,000 dollars through the resale process and that shared equity sellers accumulated wealth even during the housing bust period (Wang et al. 2018). This is promising considering that underneath more traditional models, lower income homeowners typically experience a higher likelihood of negative equity during periods of economic instability (ibid). A study with a section on CLTs and the shifting meanings of homeownership quotes one homeowner saying, "I am happy to be participating in something that-if we ever do sell the house, which we're not necessarily planning

on doing, if we do I'd be giving it to somebody else who would be benefitting in the way that I did. So, that's just-it's like a win-win," (DeFilippis et. Al 2019, 808). Another CLT homeowner in the study said, "the fact that, like, that lack of appreciation, in a way, means, the next person gets an even better deal... it's like, you can't quite wrap your head around what that means, but it's, *I mean, imagine if everything worked that way...*" (ibid). What this respondent is touching on is the way that the CLT model simultaneously allows for sellers to gain equity from their home while also ensuring that the next homeowner receives the home for a fair price. Especially for people who have historically been excluded from accessing housing, this system offers them a chance to build wealth through homeownership.

In terms of taxation, CLTs must operate within the context of local taxing policies and because most CLTs are incorporated into 501(c)(3) non-profit organizations they sometimes are exempt from paying taxes on their land (Greenstein et al. 2006).

### **3.5 Grassroots Organizing and Land Acquisition**

Many CLTs have deep ties to different grassroots organizing movements. Relationships between grassroots organizations and CLTs take on a wide range of forms, but a common characteristic of the CLT and grassroots organization relationship is that grassroots organizations are often involved in the start of a CLT (Williams and Shatan, 2020).

It is common for grassroots organizations to partner with CLTs on land acquisition campaigns through techniques including foreclosure, resistance, squatting, or rent strikes (Williams and Shatan, 2020). One example of this can be seen through City Roots CLT. During our interview, the staff member from City Roots discussed the founding of City Roots in 2016. He said that City Roots was formed out of a local Rochester, NY community movement called

Take Back the Land, emerging out of the 2008 financial crisis, as a way to use community organizing and direct action to stop foreclosures and evictions from taking place. The Rochester City-wide tenant union was also involved with the founding of City Roots (ibid).

Another strategy used by CLT and Grassroots Organization partnerships comes in the form of settlements or agreements with developers or banks (Williams and Shatan, 2020). One example of this is seen through Chinatown CLT which was started with help from the Chinese Progressive Association (CPA) (ibid). The Right to the City Alliance Boston and New England United for Justice, two grassroots organizations out of 54 different organizations listed as Chinatown CLT partners on their website, won an agreement with a developer to acquire land and helped transfer it to Chinatown CLT (ibid).

One of the most difficult aspects of starting a CLT is figuring out how to navigate gaining institutional support. A longtime best practice for land acquisition and funding is the inside/outside approach (Williams and Shatan, 2020). This approach entails a CLT developing strong relationships both inside institutions like city government and established community development organizations as well as outside of mainstream organizations through grassroots mobilization efforts (ibid). Inside relationships are often more difficult for CLTs to develop because of how CLTs are seen as a radical, transformative entity (ibid). The forming of Oak CLT provides an example of the inside/outside approach in action. Moms 4 Housing, a grassroots group of families occupying vacant real-estate-owned housing in Oakland, were evicted by militarized force which put pressure on Wedgewood properties, the investor, to eventually sell the evicted home to Oak CLT (ibid). In terms of the inside aspect of the approach, Oak CLT also had a relationship with the city and elected officials as well as real estate knowledge, but it was the direct action push from Moms 4 Housing that made their land acquisition successful (ibid).

Sometimes collaboration between grassroots organizations and inside entities is necessary to create a change.

Another example of an effective combination of grassroots organizing and support from local government is seen through Cooper Square CLT. Cooper Square CLT was started in 1991 due to three decades of residents of the neighborhood protesting an urban renewal plan created by Robert Moses that they feared would lead to a lack of affordable housing in the neighborhood (Angotti and Jagu, 2007). In 1991, the Cooper Square Mutual Housing Association (MHA) was created in conjunction with Cooper Square CLT, and it was decided that the land trust would own the land that MHA buildings resided on to ensure perpetual affordability (ibid). A 2007 study found that Cooper Square CLT was successful directly due to the combined factors of decades of political organizing around the dangers of gentrification on the Lower East Side and eventual support from New York City government that made it easier to gain access to land and financial resources (ibid).

### **3.6 Funding and Institutional Support**

Figuring out where the funding will come from is one of the most complicated aspects of starting a CLT. Right now it can be difficult for local, state, and federal governments to support CLTs because of regulatory barriers that exist in the housing sphere (Velasco, 2020). Nevertheless, forming a relationship with local government remains a critical step for a CLT in working towards financial sustainability. Some ways that local governments can be supportive of CLTs are through the initial feasibility phase, and business planning and growth stages by using their power as a trusted entity to assist with private-sector funding (ibid

During our interview, the staff member from CLCLT talked about how funding is a complicated hurdle to overcome in terms of reaching the point where a CLT is self-sustaining. The staff member suggested finding a funder who is willing to fund the CLT for the first five years as the CLT is starting up as one potential strategy. CLCLT was not started through the public sector, but if they were to go through the process again, they would begin by trying to create a partnership with the city. Starting a CLT through the city is especially effective because there will automatically be staff from the city to work on the CLT. However, collaboration with the public sector comes with many challenges including high rates of turnover for government workers due to changes in administrations. Eventually, the CLCLT staff member believes that CLTs are best managed by a non-profit, but a partnership with local governments is initially a recommended option for establishing financial sustainability.

One CLT that found success in partnering with city government is Burlington Community Land Trust. BCLT, one of the oldest urban CLTs in the country, initially started out with a \$200,000 grant from the city (Green and Hanna, 2018). They spent the two decades following acquiring and rehabilitating residential properties to create affordable housing for low and moderate-income renters and homeowners (ibid). In 2007, BCLT and LCHDC merged to form Champlain Housing Trust (CHT) (ibid). Today, CHT manages 2,200 apartments and 600 owner-occupied shared equity homes (ibid). This illustrates how even a small amount of financial support from the city at the beginning of establishing a CLT can lead to sustained growth and success of a CLT down the road.

The staff member from City Roots CLT provided a different perspective on funding in our interview. They acknowledged that funding is one of the biggest issues with CLTs, but once your organization proves that it is doing good work people will be more likely to willingly give

you funding. One challenge that City Roots, which is heavily rooted in community organizing work, faces is the fact that most funders are more hesitant to fund community organizing work. Despite this, City Roots has had success acquiring land for housing through Rochester's land bank for an affordable price. Rochester sells City Roots land parcels for 8,000-10,000 dollars. However, now City Roots has a new project and is trying to acquire parcels of land for community gardens, but the city is not willing to give them this land because they would prefer that it be used for housing which has a greater economic value.

CLTs are increasingly turning to a sampling of non-extractive financing methods. Non-extractive financing methods are a useful tool that more and more CLTs are looking into because they can give organizations more flexibility than they might receive from a bank or credit union and are especially helpful for more creative projects that a traditional bank might struggle to understand and underwrite (Williams and Shatan, 2020).

The first of these options is public or private lenders which include housing trust funds, and community development financial institutions (CDFIs) (Williams and Shatan, 2020). Some states have developed affordable housing trust funds with one example being Oak CLT pushing for a \$12 million dollar revolving loan fund specifically for CLTs called the Preservation for Affordable Housing Fund (ibid). The issue, however, is that public debt sources can be difficult to access in places that have yet to invest in community land trusts as a viable affordable housing model (ibid). When public lending is unavailable, CLTs often utilize CDFIs although they are typically underfunded, and the funding that they do receive from federal sources is less flexible (ibid). CDFIs do require interest rates of 6-7% on loans which are higher than what a for-profit company using a traditional bank might receive (ibid).

Grassroots organizing work is seen as high risk, partially due to risk being a term that is classed and racialized, making it more of a challenge to access loans (Williams and Shatan, 2020). One entity that is working against the existing biases in banking is cooperative lenders who provide technical assistance and build lasting relationships with recipients through developing revolving loan funds (ibid). Resident Owned Communities (ROC-USA) and Urban Homesteading Assistance Board (UHAB) are two organizations that have created their own CDFIs that are specifically geared towards cooperative housing efforts (ibid). The strategies outlined above can be useful in certain situations, but community financing options outlined below are a better option for building tangible collective ownership among CLT members because they are equity-based strategies and not debt-based strategies, which gives lenders more legal say (ibid). Equity based strategies are often a preferred method because they do not require for the funds to be paid back overtime through loans in the way that a debt strategy might.

In recent years, funding trends for the CLT movement have begun to shift away from the push for community control of land and instead focused primarily on providing affordable homeownership opportunities (Defilippis et al., 2019). This is in part due to the difficulty of acquiring funds that allow CLTs to freely make decisions without pressure from higher up institutions that donate and lend money to CLTs. In some cases, this shift in focus is combined with CLTs departing from incorporating grassroots activism into their overall mission (ibid). Therefore, community financing is a particularly appealing option that poses an alternative option to recent CLT funding trends. Community financing allows for those who are considered non-accredited by the Securities Exchange Commission, meaning they don't have a net worth of \$1 million and make 200,000 a year individually, to put their money into projects that they believe are important (Williams and Shatan, 2020). Community financing is known to prioritize

the needs of frontline communities instead of prioritizing investor's needs over workers and the communities as is done in impact investing (ibid). Three well-known organizations in the world of community finance are The Boston Ujima Project, NYC Real Estate Investment Cooperative, and East Bay Permanent Real Estate Cooperative (ibid). One potential barrier to community financing endeavors is that they require a significant amount of legal consultation in order to ensure compliance (ibid).

One category of community financing comes in the form of “free money” through grants and donations that do not have to be paid back (Williams and Shatan, 2020). Most CLTs solicit donations from both mission-aligned organizations and community members as a part of the way that they acquire money (ibid). This type of fundraising is especially crucial for sustaining creative and innovative projects and preferred to receiving money from private philanthropic foundations which can sometimes prevent community self-determination (ibid). A staff member from SMASH Miami said that they raised \$325,000 through a simple crowdfunding platform which was 10 times more than what they expected to raise (ibid). Along the same lines, OAK CLT raised \$90,000 through a crowdfunding campaign that helped them buy a struggling commercial building with community-oriented tenants (ibid). A slightly different strategy that Cooperation Jackson utilizes is a monthly donation option for supporters who are “sustainers” of their work which helps Cooperation Jackson acquire more consistent operational funds (ibid). As evident from the varying financial sources that CLTs utilize, there is no one set way to finance CLTs, and as time goes on more options are becoming available.

### **3.7 Community Involvement and Transformative, Democratized Housing**

Under the right conditions, CLTs have the power to cultivate transformative living situations for residents. This type of democratization of housing is not normally seen in mainstream models of affordable housing or even in all CLTs depending on specific circumstances. Since CLTs provide an affordable housing option that is centered around homeownership, the CLT model has the ability to narrow the racial wealth gap. A 2019 study of shared equity housing performance found evidence that CLT homes significantly contribute to family wealth creation and are increasingly serving families of color (Velasco, 2020). This illustrates the ability of CLTs focused on making homeownership available to low-income people to be financially transformative for those that have historically been excluded from homeownership and wealth building opportunities.

Participatory planning is an important way for CLTs to involve community members and residents in the planning process. One issue to keep in mind when thinking about participatory planning, however, is that it can easily turn apolitical when people with political power use it as a way to make it look like their decisions are coming from the ground level even when that is not the reality (Stein, 2019). Nevertheless, producing a comprehensive CLT/neighborhood plan through participatory planning is good for both aligning values with your organization and can also work as a technique for advancing land acquisition efforts (Williams and Shatan, 2020). Components of crafting a successful comprehensive plan through participatory planning include visioning, identifying community needs, asset mapping, and assessing sites as to whether they should be preserved, change, or be acquired by a CLT (ibid).

While all CLTs are primarily focused on the shared goal of housing, participatory planning makes it necessary for CLTs and connected organizations to think beyond fixed

categories like housing, retail, and transportation and instead envision what the community needs holistically (Williams and Shatan, 2020). As an example, through a participatory planning process, The Mott Haven-Port Morris CLT learned that they needed to propose a center dedicated to health, education, and the arts through their visioning process (ibid). Participatory planning is most effective when combined with political education and participation from community members involved in the planning. When community members are present to support and share a collective vision with elective officials, there is a greater likelihood of a positive outcome for the proposed CLT (ibid).

Community involvement and community-based initiatives are key aspects in CLTs that do more for residents that just offer up a place to live. City Roots CLT indicates that members have the opportunity to participate in governance and the day-to-day work of the organization through voting for members of the board of directors, joining a member committee to work on CLT projects, and chairing a member committee. Dudley Street Neighborhood Initiative, one of the oldest and most well-known CLTs, built 225 new homes and established public green spaces and an urban farm contributing to an increase in collective assets for the neighborhood (Urban Omnibus 2018).

Mott Haven-Port Morris Community Land Stewards CLT, formed in 2016, is focusing its efforts on areas that are most in need. The co-founder of the CLT states, “We’re a peninsula community of 90,000 people that have no access to the water that surrounds us. We’re trying to create opportunities and create solutions from the ground up,” (Urban Omnibus, 2018). Thus, Mott Haven-Port Morris CLT aims to address environmental, economic, and social injustice caused by historic inequities in their location through improving green spaces and community facilities for neighborhood residents (ibid).

Research “On the Transformative Potential of Community Land Trusts in the United States,” found one CLT member living in a neighborhood with a large Native American Population who said on the appeal of non-ownership of land, “The model is really resonant with native communities ‘cause it’s saying you don’t own the land. You’re kind of just renting it, more or less. Long term! 99-year leases, which are the land trust. But that is really in tune with our traditional cultural understanding of the earth. We don’t own Mother Earth. We’re just here for a short time” (Defilippis et al., 2019). This offers an example of how the CLT model can work in ways that are more culturally appropriate mainstream models of affordable housing.

Another example of transformative politics of CLTs in action from the same research is seen through an art project “This Home is not For Sale” started by homeowners at City of Lakes CLT (Defilippis et al., 2019). A CLCLT homeowner moved into a home that had recently been acquired and was still filled with the previous owner’s items (ibid). The new homeowner worked with an artist friend to set up a public art installation that took place in the form of picnics to bring attention to what it means to be a homeowner (ibid). These picnic events took place at the homes of 8 different CLCLT homeowners which contributed to a greater sense of community for both members of the CLT and their non-CLT member neighbors who attended the events (ibid). At the same time as building up the community, these events had a hidden political agenda through outwardly bringing attention to failures of the mainstream real estate market (ibid).

Many of the CLTS researched for this thesis take advantage of their ability to partner with both other CLTs through regional CLT networks and organizations, including the grassroots movements previously mentioned, doing different types of work with a similar underlying mission to the CLT. For example, on its website, Dudley Neighbors CLT lists the Ford Foundation, National Community Land Trust Network, The Trust for Public Land, Urban

Farming Institute, Food Project, Coalition for Occupied Homes in Foreclosure, Chinese Progressive Association, Goulston and Storrs law firm, and Boston Department of Neighborhood Development amongst its partners and supporters (Dudley Neighbors CLT, 2021). The wide depth covered by these organizations shows Dudley Neighbor's commitment to seeking assistance from specialists in the forms of either financial support or resources that can assist with CLT operations and services for residents. CLTs that have more partnerships will likely have more bandwidth to adopt new projects and initiatives outside of only the goal of providing affordable housing for residents. Broader, more formalized sharing of resources through networks and programming is a critical strategy in expanding the CLT movement, both in the number of CLTs and in an individual CLT's ability to focus on multi-faceted initiatives including political organizing and community financing (Williams and Shatan, 2020).

There are some circumstances where CLTs are more focused on the main goal of providing affordable housing and less focused on the CLT as a potentially transformative model for communities. Under these circumstances, CLTs do not provide members with what is defined as community control or a strong network of involved people who care about the wellbeing of each other. Part of this relates to the spatial layout of CLTs because while certain CLTs are condensed in a particular neighborhood, there are others that span across neighborhoods (Kruger et al., 2019). One resident interviewed in *The Production of Community in CLTs* study alluded to this phenomenon saying, "I feel like I have found my community, and it's not fellow leaseholders, it's the people I lived surrounded by. And I strongly suspect that lots of other leaseholders are very community-minded too but their community is right where they live, not this abstract thing about somebody else who went through the CLT in order to get their house" (ibid, 9). Despite the spacing of a CLT influencing whether or not there is a strong community,

the direct practices of an individual CLT are what determines its ability to cultivate a strong community for members at the end of the day (ibid). Along with some of the practices outlined above, resident engagement programs including homebuyer education, financial counseling, and support with home repairs strengthens the organizational goals of a CLT (ibid). It was also found that many CLT homeowners felt strong ties to the future members of the CLT who will benefit from affordable resale formulas (ibid).

While the CLT model offers an alternative compared to the more mainstream methods of affordable housing, it is not automatically transformative on its own. Some CLTs actively try to stay away from the political nature of the model. To give an example, research done on eight CLTs in Minnesota shows that some CLT staff and board members actively downplay the idea that there is anything political about their work, which challenges the CLT as a transformative entity (Defillipis et al., 2019). This shows that the transformative nature of a CLT connects back to organizational values and partnerships. CLTs that partner with grassroots organizations are more likely to be transformative for members.

## **Chapter 4: Discussion**

The discussion section will focus on connecting the findings above to discuss the feasibility of Lewiston as a location for a CLT. Best practices from the CLTs outlined in the results section represent just a small sampling of the more than 200 CLTs located in the United States. Nevertheless, these CLTs provide an abundance of useful strategies for envisioning a CLT that offers residents a community-focused, democratized environment and more than just an affordable home to live in.

When I started this project, I initially had the idea of categorizing CLTs used in the thesis on a spectrum of conventional to radical or transformative. I now realize that the organizational nuances in how CLTs as entities function are much more complex than something that can be easily categorized on a spectrum from conventional to radical. The CLT on its own is not a transformative model but within the model, there are practices that can be described as more or less transformative for CLT residents and community members. The CLT model at its core is about discarding any previously conceived notions surrounding how owning a home is an individualized occurrence. If we want a more just housing system, we have to make fundamental changes to the current system and incorporate a sense of collective. While CLTs as a solution can seem more conventional in the ways that it is forced to operate underneath the system of capitalism in the United States, CLTs ultimately challenge the traditional notions of what homeownership means and work towards the ideal of perpetual affordability through collective ownership.

The best practices outlined in the results section are a good place to start in envisioning what a CLT in Lewiston could look like, but it is important to be careful about applying these best practices without first considering and adapting them to the community that the CLT will be

in. As a staff member from Oak CLT said, “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” (Williams and Shatan, 2020). Therefore, this section will be deeply rooted in place considering the context of Lewiston and the Tree Streets Neighborhood of Lewiston more specifically.

#### **4.1 Healthy Neighborhoods Transformation Plan**

The Healthy Neighborhoods Transformation Plan established with the City of Lewiston, Community Concepts, Lewiston-Auburn Community Housing, Lewiston Housing Authority, and The John T. Gorman Foundation, and Tree Streets Residents and Community Members was established between April 2018- April 2019 by understanding the existing conditions of the neighborhood, establishing a vision and guiding principles, and developing strategies and a plan for implementation (Healthy Neighborhoods Planning Council 2019). The Healthy Neighborhoods Transformation Plan was written in response to Lewiston receiving a Choice Neighborhoods Planning and Action Grant from the U.S. Department of Housing and Urban Development (HUD) (ibid). A summary of issues and opportunities in the report includes addressing the deleterious effects of lead, the desire for a clean safe neighborhood people can be proud of, the lack of trust and tolerance, the stagnant housing market, coupled with a lack of housing choice, the need for greater levels of ownership and community control, the drive for improved health and wellness, the need to support young people, the value of lifelong learning, and the path to economic mobility and a stronger local economy (ibid).

While CLTs are not specifically mentioned in the plan, many goals outlined in the report could be achieved through the establishment of CLTs. For example, the report mentions

increasing the number of long-term homeowners and community-controlled homes through increasing accessibility of financial coaching and supporting the expansion and creation of more housing cooperative like Raise-Op. It also mentions strengthening tenants' voices, supporting community-based programming, redeveloping sites in the Choice Neighborhood with different types of homes and selective density, ensuring that all voices are heard and have power, working to better understand multiculturalism, and developing of resources for creating safe, healthy housing with existing properties (Transformation Plan 2019).

The Growing our Tree Streets Plan was created through a community-led approach to planning, which as noted in the results section, is also a key aspect of planning a more transformative CLT. The community-led planning approach was multifaceted including interviews with 27 stakeholders, mapping workshops with over 150 community members ranging from seniors to teens, an open house-style public forum to raise awareness about Choice Neighborhood planning efforts, housing focus groups for Maple Knoll residents, Portuguese-speaking residents, French-speaking residents from both the Democratic Republic of the Congo, and French-Canadian heritage, Somali-speaking residents, parents, local landlords, and neighborhood leaders, targeted outreach to community members, a second public forum, and ongoing community events (Healthy Neighborhoods Planning Council, 2019). If there is movement behind starting a CLT in Lewiston, the extensive community-led approach to planning for the transformation plan could be emulated to ensure that all residents and community members have a say in the planning process.

Due to The Healthy Neighborhoods Tree Streets Transformation Plan's variety of initiatives, there are already many community-based programs in Lewiston that a CLT could tap into and potentially expand upon. For example, the Healthy Neighborhoods Mini-Grants

program provides funding for Lewiston residents and organizations with ideas for creating change in the community. Examples of past grant projects include pop-up community gardens, telehealth mental health services during Covid-19, support for healthy lunches in the Lewiston Public Schools, trash amnesty and education, and a Kennedy Park Block Party hosted by Maine Inside Out (Healthy Neighborhoods, 2021). These projects are similar to projects that the CLTs mentioned in the results section have used to create stronger communities and expand upon the universal CLT goal of providing affordable housing for residents. Therefore, the fact that a lot of these programs already exist is a promising sign that a CLT in Lewiston would have the ability to provide more than just housing for residents through utilizing already existing programs.

While it is important to eventually gain the support of the Healthy Neighborhoods Planning Committee because of their experience and knowledge of Lewiston, there is the potential for pushback from certain members of the committee due to the ways that CLTs depart from traditional notions of homeownership. While becoming a homeowner is beneficial in many ways, especially considering how it contributes to wealth building, homeowners are still vulnerable to shocks and forces in the market (e.g. the 2008-10 foreclosure crisis that hit some homeowners- especially poor homeowners of color- particularly hard). Due to the ground lease and resale formula, the CLT model is better positioned to protect homeowners from unpredictable forces compared to a traditional system. The stakeholders that collectively comprise Healthy Neighborhoods and the Planning Committee operate within a variety of traditions and perspectives in terms of how the economy should operate and what the role of the state versus the individual is in markets. Due to the fact that the stakeholders operate within different paradigms, specifically considering how to achieve affordable housing, some of the stakeholders might only understand achieving homeownership and building equity through

standard models. It is possible that assumptions might prevent certain stakeholders from seeing the radical potential of CLTs or that the potential of CLTs may be seen as too radical for others. As evident from the results section, pushback and confusion is a normal part of the process when establishing a CLT because it is a non-traditional model. Hopefully, this research will bring clarity to those who are more hesitant about the idea of CLTs.

## **4.2 Partnerships**

It is clear from the results section that partnerships, specifically partnerships with grassroots organizations and other CLTs, are essential in creating mobilization around starting a CLT and eventually in sustaining a CLT. Because CLTs are often underfunded and under-resourced in terms of staff members and the amount of work they have the capacity to complete, partnering with organizations and taking advantage of CLT networks and resources goes a long way in lessening the load for an individual CLT. Based on my experience conducting interviews and asking questions of those involved in the CLT sphere, it is clear that the majority of CLT affiliates are more than willing to share their experience and resources with others involved in the CLT movement, especially when they are located nearby. Therefore, it would be beneficial for the group working to establish a CLT in Lewiston to connect with other CLTs in Maine including Waterville CLT and Land in Common who both have expressed interest in assisting with the process of starting up a Lewiston CLT.

Below is a list of Lewiston, Maine, or New-England-based organizations or networks that I have identified as potential partners or resource providers, apart from those involved with the Healthy Neighborhoods Transformation Plan, for a CLT in Lewiston along with a brief overview of the organization. This should be thought of as a non-exhaustive list, but these

organizations were chosen because of their similarities to the types of organizations that already existing CLTs tend to partner with.

#### [Maine Black Community Development](#)

- Maine Black Community Development has a mission of improving the quality of life for Black Maine residents through advancing racial equity and justice for all people living in Maine. Their work primarily focuses on Health Equity and Food and Land Justice, so while not directly related to housing access, these areas are still relevant to the push for more safe, affordable housing options in Maine.

#### [Maine People's Alliance](#)

- Maine People's Alliance, with 32,000 members, is the largest community action organization in the state. They work to provide Maine people with the tools to become more involved in decision-making processes. They list racial justice, housing, and environmental justice underneath the our issues section of their website showing that the work they engage in aligns with CLTs.

#### [Maine Initiatives](#)

- Maine initiatives is a progressive foundation committed to advancing social, economic, and environmental justice from grassroots up. They are a public foundation meaning that they make grants with money raised from the community through pooling donations from both large and small donors together. Every year they support different organizations in Maine that are committed to racial justice and equity through their Grants for Change Grantees program. This could serve as a potential funding source for a Lewiston CLT centered on racial justice.

#### [Tree Street Youth](#)

- Since Tree Street is such a vibrant community space within the Tree Streets Neighborhood, hosting CLT education events at Tree Street might be a good way to get families interested in becoming a member of the CLT.

#### [Housing Justice Maine](#)

- Housing Justice Maine is a coalition that includes Maine Immigrant Housing Coalition, Maine People’s Housing Coalition, Maine People’s Alliance, Presente! Maine, Raise-Op Housing Cooperative, Southern Maine Workers’ Center, and Maine Equal Justice. Housing Justice Maine would be an important organization for beginning any type of grassroots organizing for a CLT because they serve as an important connection for many organizations with an interest in advocating for affordable housing for Maine residents.

#### [Maine Volunteer Lawyers Project](#)

- The Maine Volunteer Lawyers Project might be a useful contact for low-income potential CLT members to seek legal advice from.

### **4.3 Operations**

In terms of CLT operations connecting back to the technical aspects of the results section, it is necessary for ground lease accessibility to be a major point of consideration when thinking about what a CLT in Lewiston might look like. Since the ground lease is the single document that ensures perpetual affordability in a CLT, processes must be put into place to make sure that all residents are given an opportunity to fully understand what they are signing on to. The ground lease, by nature, is a long and complicated legal document that is difficult for anyone without a legal background to fully grasp without time and assistance. Thinking about Lewiston, one idea could be to ensure that the ground lease is translated into commonly spoken languages in the

Tree Streets Neighborhood. Another idea is to hold meetings in easily accessible locations for people thinking about signing a lease that breaks down each section of the ground lease in an easier-to-understand format than the full lease document.

In terms of funding the CLT and partnering with a financial entity to offer to mortgage services to members, there are a variety of options. In Lewiston, The Community Credit Union, which is a CDFI, is working on a variety of programs to make banking more accessible to people living in the Tree Streets Neighborhood. I spoke to a staff member at CCU, and while they said that CCU has not been involved in mortgage programs for land trusts before, they are interested in learning more about CLTs. Additionally, an executive at CCU is currently in the process of researching Sharia-compliant banking programs which is especially relevant given the demographics of the Tree Streets Neighborhood. Another financing-related option to look into is Coastal Enterprise Institute (CEI) which Waterville CLT has worked with previously to assist residents who might not be eligible for a mortgage because CEI offers resources on how to improve your credit score and provides information on owning a home.

Another potential option, especially when looking for ways to establish a CLT that centers around community needs, is community financing initiatives which are proven to give the CLT more autonomy over decision making instead of playing into the desires of lenders and donors.

The following are organizations mentioned in the thesis that provide alternatives to traditional banking models:

[Roc-USA](#)

[UHAB](#)

[The Boston Ujima Project](#)

[NYC Real Estate Investment Cooperative](#)

## East Bay Permanent Real Estate Cooperative

Lastly, it is necessary to decide what the structure of the CLT board will look like. While many CLTs do utilize the three-part board structure, it is not something that all CLTs use and there is a lot of flexibility when deciding board structures. The board is an important place to make the CLTs mission known to the broader community because it is central to the CLT decision-making process.

A board that is composed of primarily CLT residents and members of the local community with firsthand knowledge of specific issues facing the community is more likely to be transformative. One example of ensuring that boards are more representative of their community could be creating a clause that makes it necessary for a certain percentage of the board to identify as a person of color or as a low-income person. This clause indicates that the CLT is giving a platform to community members whose needs are not always represented and listened to within more traditional boards. While 1/3 of the CLT board is traditionally composed of “experts” in the community, organizations need to be explicit in how they are defining an expert and what the criteria for those members of the board are. For example, a lawyer who has no experience living or working in the community where the CLT is located might not be the best choice for the board, but a lawyer who is from the neighborhood or works in the neighborhood would make more sense. Along the same lines, it is important to think about who you are formally hiring as CLT staff members. People who have strong roots in the community will likely be most successful in advocating for social change through their work of running a CLT.

### **4.3 Role of Local Government**

The results section highlighted collaborations with local government as one easy way to gain the support of institutions with power, especially early on in the process of establishing a CLT. In Lewiston, this would look like developing a partnership with Lewiston Housing Authority and Lewiston City Government.

### **4.4 Additional Recommendations**

There are additional recommendations to consider before beginning the process of establishing a CLT in Lewiston. It is clear from the results section that CLTs are most successful when there is buy-in from both potential residents and the community as a whole. Community outreach is an important tool in order to gain a sufficient amount of support from the community for the CLT. This type of outreach could look like creating one-pager resource sheets on what a CLT is and placing them in heavily trafficked areas of the community (see Appendix E for sample), holding open meetings, and info sessions for community members to learn about CLTs and ask relevant questions, and surveying the community to assess whether there is enough resident interest in the project. Since the CLT model essentially challenges all preconceived notions about homeownership, extensive outreach and education initiatives are necessary in order to reach the population that typically has more limited options for housing.

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In the status quo, far too many people, in Lewiston and all throughout the country, deal with years-long waiting lists to access public housing programs due to the shortage, discrimination based on race, and exploitative tenant-landlord power dynamics among the many

other barriers to accessing housing referenced in chapter 1. Clearly, the option for more alternative models is necessary. While Lewiston has a number of ongoing initiatives in support of more safe, affordable housing, a CLT in Lewiston, specifically one that is focused on empowering residents to make decisions on the future of their neighborhood through community control, has the potential to change the narrative around housing in Downtown Lewiston. Residents of Downtown Lewiston deserve an accessible, feasible path to homeownership. They deserve the chance to utilize and enjoy increased amenities without worrying about an eventual displacement due to gentrification. Even more so, they deserve yet another opportunity to have a say in what their community looks like through participatory planning that is centered around elevating community member's voices.

## **Chapter 5: Conclusion**

It is evident that in some ways, the CLT movement of today has departed from its original goal of pushing for community control of land and founding roots out of the civil rights movement. This is in large part due to the economic, social, and political climate of 2021 influencing the ways that CLTs are forced to conform to the norms of operating underneath the structure of capitalism in the United States. Thinking broadly both about the future of CLTs in the United States along with the overall future of affordable housing in this country, advocating for a wide variety of policies, with a few outlined below, is a necessary next step. If we want to depart from mainstream models of affordable housing, grassroots activism and advocacy that leads to meaningful policy change provides a clear path forward.

### **1. Changes in tax structures**

Changes in tax structure such as making tax exemptions to organizations like CLTs that offer permanently affordable housing could further incentivize CLTs as a more widespread affordable housing model (Williams and Shatan, 2020). In 2017, New York City passed a bill exempting CLTs from certain taxes (Boone et al., 2020). Right now, however, most CLT homeowners pay the same property tax rates they would pay if their home was not in a CLT (Williams and Shatan, 2020). In a lot of ways, the current taxation system does not make sense because it places CLT homeowners in the same category as regular homeowners even though CLT homeowners will inevitably sell their homes for below-market rates due to the resale formula. Another idea for changing tax structures could be implementing tax surcharges that require a certain percentage (i.e. 1%) of money raised through taxes to contribute to a community preservation fund (Williams and Shatan, 2020). In the context of Lewiston which

has an already over strained tax base, CLTs should not pay zero property taxes. But the rate of property taxes CLTs pay should be reflective of their social and communal benefits. In order for this to happen, CLTs should be appraised on the resale value determined by the limited equity resale formula and not their market value.

## **2. Remove Zoning that Restricts the Development of Cooperatives**

Certain locations currently have laws that restrict the establishment of housing cooperatives by putting caps on the number of people who can live in one household and placing minimum requirements on parking (Williams and Shatan, 2020). In these scenarios, changing zoning codes would make it easier to start new housing cooperatives or CLTs. Zoning laws need to reflect the fact that CLTs and other models of shared-equity housing are becoming more widespread. If we want CLTs and cooperatives to further expand in scale, passing new zoning laws that remove any possible barriers for a CLT or other more communal model of housing must be done.

## **3. Increase in Financial Assistance**

There is a pressing need for more financial resources to assist with both the costs associated with starting a CLT and affordable loans for low-income families interested in purchasing a CLT home. One solution comes in the form of expanding or creating new government grants (Baiocchi, 2018). Access to grants specifically meant for perpetually affordable housing would make the process of starting a CLT more feasible for those involved in the strategic planning process. Another policy option is government or non-profit financial institutions to expand access to low or no-interest loans specifically for the development or mortgaging of homes that are for restricted resale (ibid). One way to achieve this goal could be

through establishing more public banks that are in a better position than traditional financial institutions for meeting community needs (ibid).

#### **4. Tenant and Homeowner Protections**

More policies are needed to ensure that tenants are not displaced and homeowners can afford all of the upkeep that comes with owning a home. Some examples of policies to protect tenants included expanding rent control through setting maximum annual rent increases and providing tenants with clear ways to dispute a rent increase, expanding fair housing policies that ensure that landlords cannot discriminate against tenants, and eliminating criminal background checks to allow formerly incarcerated people to access housing (Baiocchi, 2018). Examples of policies to protect homeowners include making taxes more affordable for long-term residents who are low-income, increasing efforts to support maintenance and rehabilitation for low-income homeowners, and preventing code enforcement violations from forcing longtime homeowners out of their homes (ibid). In the context of CLTs, it is important for CLT staff to treat all members as individuals and do as much as they can to make things easy for members if they are going through periods of financial uncertainty. Due to the way the CLT model is set up, CLTs are in a unique position to create policies that fully protect both tenants and homeowners compared to the way that landlords traditionally operate. Because CLTs are typically small in size, they can operate at a scale that prioritizes relationship-building. Yes, CLTs do have contractual agreements between parties, but at the same time, they offer an element of human connection which is part of what makes them more than just a housing organization. This deep human connection goes a long way in creating flexibility.

## **5. Land Acquisition**

More policies that make it easier for CLTs and other affordable housing models to acquire affordable land are needed. One example is to enact disposition policies that mandate the donation of land. This way, land that would typically go up for purchase could be donated for the purpose of long-term affordability of housing on that land through a CLT (Baiocchi et al., 2018). Another potential policy is “First Right of Refusal” which gives preferential treatment to existing tenants or homeowners to make purchases at a fair price for buildings or properties that they reside in (ibid).

## **6. Restructure Democratic Processes**

While participatory planning, already occurring in Lewiston, is one step in the right direction, more policies that further strengthen democratic processes for decision-making need to be implemented. Participatory budgeting would allow for community members to have a say in how public money is allocated in terms of the development of more affordable housing options including CLTs (Baiocchi 2018). These policies could be instrumental in elevating the voices of those who are often not represented in important discussions and decisions.

## **7. Reparations**

Chapter 1 of this thesis explicitly referenced the ways in which racist, white supremacist land and housing policies in the United States have historically discriminated against vulnerable populations. The harm that has taken place through these policies includes but is not limited to the expropriation of native land, denial of land to formerly enslaved people, redlining, restrictive covenants, defunding of public housing, and loss of Black and Latino wealth through subprime loans scams (Baiocchi et al., 2018). Policies that support reparations for groups that have been impacted by unjust housing processes must be implemented. One strategy in support of

reparations is to create more CLTs that are exclusively centered around racial justice and work to make homeownership opportunities more accessible to people who have been left out of access to affordable housing in the past. When discussing, implementing, and operating CLTs, their founding as a response to white supremacy in the U.S. must remain central to the movement. Under the right circumstances, CLTs are a form of reparations as seen from their very start as a way for Black farms to gain access to rural land (Boone et al., 2020).

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This thesis does not argue for CLTs or other shared equity models of housing as the only solution for improving access to housing in this country. While our public housing system is flawed right now, improving it and incorporating practices of social housing as seen through the example of Red Vienna would likely lead to a better situation for more people. There is no one solution for the housing crisis. It all comes back to the purpose of housing. The most pressing purpose of housing is to provide shelter from the elements, especially considering the large number of unhoused people we have in this country. But, there are layers to this purpose of housing circling back to Lefebvre's Rights of the City. People deserve stability and the ability to participate in all aspects of democratic life: housing is central to these pillars. Housing cannot be separated from transit, and urban form, because where you live in the city matters. Your location influences your ability to fully participate in the life of your city and access all the resources that you need. Considering the ways that people of color and low-income people have been excluded and discriminated against in our housing system historically, new models, like CLTs, need to do everything in their power to equalize the playing field and make up for decades of housing related harm.

Specific to Lewiston, grassroots mobilization of community members around the topic of CLTs and other social housing options including more housing co-ops is one good strategy for making traction on the potential establishment of a CLT in Lewiston. Residents of the Tree Streets Neighborhood must be involved in the planning and implementation of a CLT in Lewiston throughout every aspect of the process. Active participation in advocating for a CLT can be achieved through participatory planning initiatives, showing up at town hall meetings, and calling local representatives. Full inclusion from those on the ground who will benefit from a CLT in the decision-making of process of developing a CLT is possible. The most effective, transformative housing policies can only become a reality with active participation from everyone involved. Putting pressure on local representatives through phone calls, meetings, and protests could go a long way in creating a space that allows CLTs and other alternative models of affordable housing room to grow and thrive.

Despite this, all models of affordable housing operating in the current landscape have flaws. Making homeownership more accessible to some people through CLTs is not a sufficient response to systemic racism historically and currently evident in our housing system. However, expanding CLTs into new locations, like Lewiston, is a starting point in the journey to a fairer housing climate for all people in the United States.

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## **Appendix A: Interviewees and Project Consultants**

### **Project Consultant- Amy Smith**

Founder and President, Healthy Homeworks

### **Project Consultant- Craig Saddlemire**

Cooperative Development Organizer, Raise-Op Housing Cooperative

### **Project Consultant- Ethan Miller**

Organizational Development Coordinator, Land in Common

### **Interviewee**

City Roots Community Land Trust

### **Interviewee**

City of Lakes Community Land Trust

## **Appendix B: CLT Interview Questions**

1. How did your CLT start?
  - a. What types of groups, organizations, and individuals were involved in forming your CLT?
2. What are the primary aims and objectives of your CLT?
  - a. How successful have you been in meeting those goals?
3. What barriers, if any, has your CLT faced?
  - a. What are the strategies, coalitions, and partnerships that you see as a place to overcome these barriers?
4. What has been successful for your CLT and what conditions contributed to success?
5. How has your organization evolved overtime?
6. Talk about your organization structure. How is your organization staffed and funded?
7. Is there anyone else you recommend I research or speak to in the CLT field?

## **Appendix C: Ground Lease Overview**

### **General Notes to Keep in Mind**

- The ground lease can take on many different forms, you can use the grounded solutions template that many CLTs use but you can also customize the ground lease to make it fit the needs of your community
- The majority of CLTs end up using the Grounded Solutions Network's model lease because it is the one that Fannie Mae and Freddie Mac require
  - Under Fannie Mae and Freddie Mac's Duty to Serve plans, they offer mortgages to homebuyers who typically might not qualify for one. If the housing program is a nonprofit or resale-restricted program (i.e. CLT), provides homeownership opportunities to very low, low, or moderate-income households, utilizes a legal agreement that establishes resale restrictions through a document such as a ground lease, promises to keep the home affordable in the legal agreement, has a resale formula that limits homeowners' proceeds, and states that the program must approve any refinancing in the legal agreement
  - Therefore while the ground lease can be customized, the resale formula is where the most variation/flexibility occurs
- Accessibility is a major concern with the ground lease because you want residents to be able to easily understand it but at the same time it is a large legal document, how do you strike a balance? Maybe you need to have your lease translated to different languages?
  - Font and layout can be helpful in making the lease more accessible

### **Common Sections of Ground Lease from grounded solutions template**

#### **Recitals**

This section contains introductory statements about the purpose of CLTs, information on the leased land, and what entering the lease entails for the homeowner.

#### **Definitions**

This section contains definitions of legal terms that are frequently used throughout the document. This is an especially important section because the homeowner likely does not have a legal background, and it is important to make the lease accessible for them.

#### **Article 1: Homeowner's letter of agreement and attorney's letter of acknowledgment**

This section contains two attached letters stating the homeowner's understanding of the lease and the attorney's review of the lease with the homeowner.

#### **Article 2: Leasing of rights to the land**

This section is pretty self-explanatory essentially outlining the rights that the homeowner has to the land.

#### **Article 3: Term of Lease, change of landowner**

This section includes the term of the lease which is typically 99 years for CLTs and states that the homeowner can renew the land for one additional period of 99 years. There is also a section stating that if the CLT transfers the land to any person or institution that does not share goals outlined in the recitals section, the homeowner will have first right of refusal.

#### **Article 4: Use of leased land**

This section states 7 possible uses of leased land: homeowner may only use the home for residential purposes, the homeowner must use leased land responsibly and in compliance with the law, the homeowner is responsible for how others use the land, the homeowner must occupy

the home for a certain number of days per year, leased land can't be subleased without CLT's permission, CLT has right to inspect the leased land, and the homeowner has a right to quiet enjoyment of the leased land.

#### **Article 5: Lease fee**

This section includes information on the monthly lease fee amount, when the lease fee must be paid, how the land use fee amount is determined, CLT's ability to suspend lease fee to improve affordability, lease fee increases, fees can be increased if restrictions are lifted, charging interest for late lease fees, and CLT collecting unpaid fees when the home is sold.

#### **Article 6: Taxes and assessment**

This section contains information on the homeowner's responsibility for paying taxes and assessments, how the CLT passes on tax bills that it receives to homeowners, the homeowner's right to contest taxes, lease fee increases if the homeowner fails to pay taxes, and the party that pays tax must show proof.

#### **Article 7: The home**

This section specifies principles related to all aspects of the home. It states that homeowners own the house and any improvements that they make to leased land, homeowner purchases the home when they sign the lease, any construction must meet certain requirements, liens are not allowed, the homeowner is responsible for any repairs that need to be made, repair fund is established for the purpose of assisting with cost of future repairs, and when lease ends home ownership is transferred back to the CLT.

#### **Article 8: Financing**

This section includes the following mandates: homeowner can't mortgage the home without the permission of the CLT, signing the lease means that CLT has permission for original mortgage, homeowner needs permission for refinancing, CLT is required to permit a "standard permitted mortgage," a permitted mortgage has certain obligations under the lease, permitted mortgage has certain rights under the lease, and if there is a foreclosure proceeds will go to the CLT.

#### **Article 9: Liability, insurance, damage and destruction, eminent domain**

This section includes the following requirements: homeowner assumes all liability, homeowner must defend CLT under claims of liability, homeowner must reimburse CLT, homeowner must insure the home against loss and maintain liability insurance if home is damaged or destroyed homeowner will take necessary repair steps if some or all of the land is taken for public use the lease will terminate if part of the land is taken the lease fee can be reduced if the lease is terminated CLT will help CLT homeowner buy a different CLT home.

#### **Article 10: Transfer of the home**

This section discusses what happens when ownership of the home changes. There are four variations on what might happen depending on the specific resale formula used, whether homeowner has absolute right to select an income-qualified buyer and relationship of base price to market value of the home.

## **Article 11: Reserved**

### **Article 12: Default**

This section includes information on what happens if the homeowner fails to make payment deadlines, what happens if homeowner violated terms of lease, what happens if homeowner defaults because of the judicial process, how a default gives CLT the right to terminate the lease, and what happens if a CLT defaults.

### **Article 13: Mediation and Arbitration**

This section states that mediation and arbitration can be used to resolve disputes, and the homeowner and CLT will split the costs for this.

### **Article 14: General Provisions**

This article includes provisions related to the following: homeowner membership in CLT, when notices should be given, no brokerage, severability and duration of the lease, right of first refusal in lieu of option, waiver, CLT's right to prosecute or defend, construction of the lease, headings and table of contents for lease, governing law, and recording rules.

## **Sample Leases in this Folder**

- Grounded Solutions 2011 Model Ground Lease
  - This is the template that the majority of CLTs base their ground lease off of.
- Chinatown CLT
  - Chinatown CLT based their lease off of the grounded solutions model, but they do have some sections that are different
    - Instead of having rules for improvements fall under the home section, they have made improvements into a separate category
    - They have purchased a condominium, so they have a separate section related to that
- Land in Common Model Ground Lease
  - Land in common's lease is the lease that departs from norms out of this group
  - According to Ethan it is still a work in progress but has been a two-year process to create working collaboratively with everyone involved with land in common
  - Their land acknowledgement section is especially important and not something that you typically see in a land lease
  - Their definitions section is comprehensive and goes a long way in making this legal document more accessible to potential homeowners
- Madison Area Community Land Trust Sample Ground Lease
  - Madison Area CLT lease is pretty typical in that it also follows the grounded solutions template

## **Appendix D: Helpful Resources for Establishing and Operating a CLT**

### [Burlington Associates Community Land Trusts 101](#)

- The resources section of this site is particularly helpful for learning about the resale formula and how to finance CLT homes.

### [Grounded Solution](#)

- Grounded solutions is a hub of resources for affordable housing solutions
- The CLT section of this site contains resources like a startup CLT hub and the community land trust manual that is cited in the results section of this thesis.

### [Local housing solutions CLT overview](#)

- This site provides a useful overview of CLTs and links to different technical resources.

### [Community Wealth](#)

- The community wealth CLT page provides an overview of CLTs, list of best practices gathered from different CLTs, research resources, and a CLT tool book.

### [Center for Community Land Trust Innovation](#)

- Center for Community Land Trusts is a nonprofit organization that collects material documenting the evolution of the CLT movement worldwide, conducts both academic and non-academic research, produces case studies, guides and other educational materials, and provides training and technical assistance for CLT practitioners.

### [Madison Area Community Land Trust Resources Page](#)

- This page provides resources for applicants and potential homebuyers, current homeowners, general resources about specific CLTs, links to noteworthy CLTs, and list of other organizations that partner with and support CLTs.

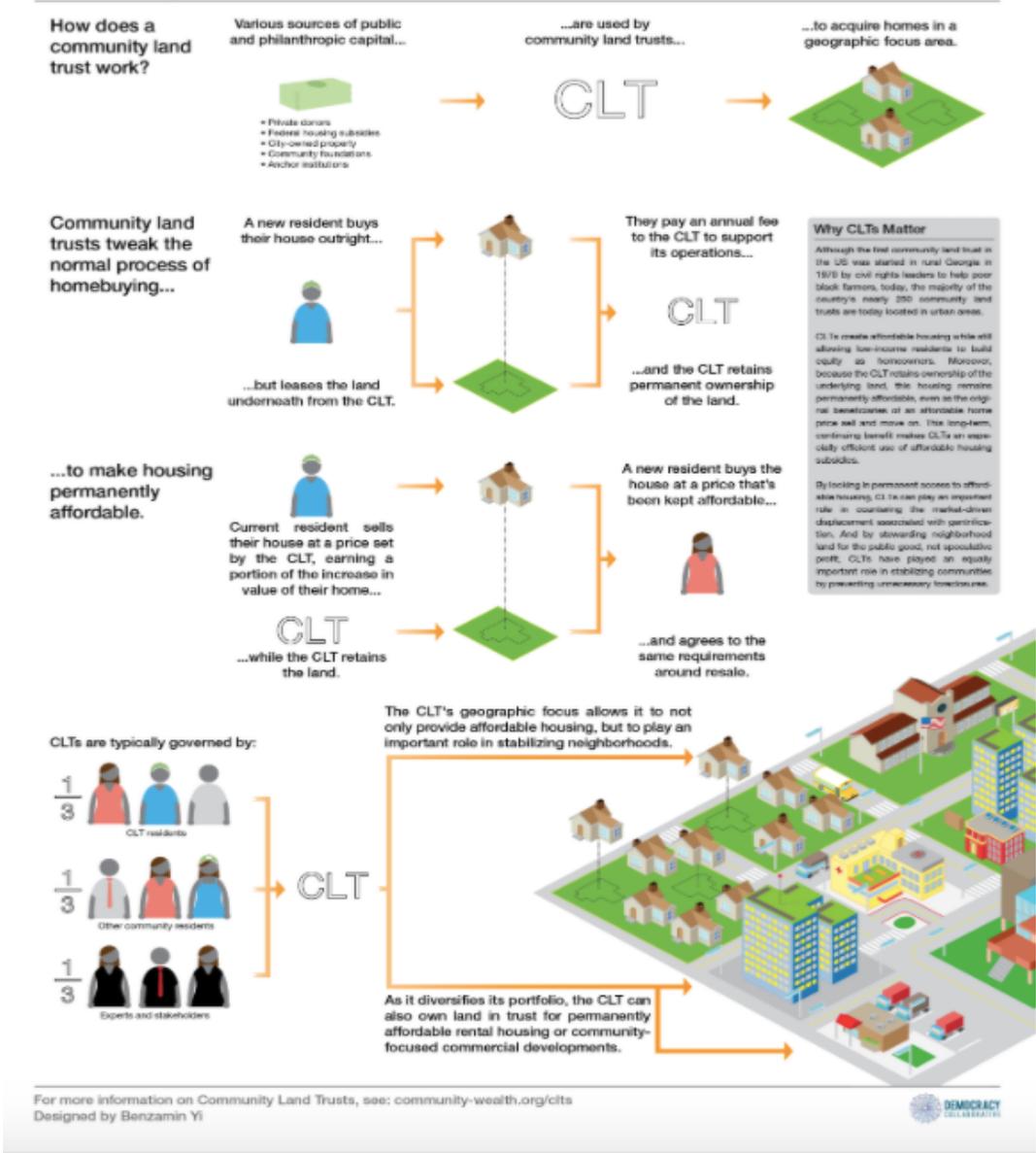
### [Florida Housing Coalition CLT Homebuyer Education Model](#)

- This page offers resources on CLT homebuyer education.

<https://thenextsystem.org/learn/stories/community-land-trust>

# Appendix E: Sample CLT Education Pamphlets

## Community Land Trusts



Graphic from : (Community Wealth)

## Community Land Trusts (CLTs)

A community land trust (CLT) is a nonprofit corporation that develops and stewards affordable housing, community gardens, civic buildings, commercial spaces, and other community assets on behalf of a community.

### How do CLTs work?



Land is owned by the CLT, which is governed by a non-profit board.



Buildings (residential or commercial) are owned by individuals or organizations. Because they pay only for the structure, and purchasing the building is more affordable.



A 99-year ground lease between the CLT and the owner ensures owner-occupancy and responsible use and outlines fees paid to the CLT.



A resale formula built into the ground lease is designed to keep homes affordable for subsequent buyers.

CLTs can be used for many types of developments, such as homeownership, commercial, and agricultural. CLTs are also designed to improve the normal process of homebuying, making housing permanently affordable.

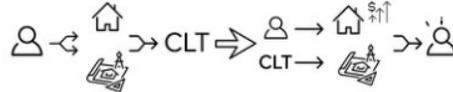


For more information on Community Land Trusts, visit: [www.dudleyneighbors.org](http://www.dudleyneighbors.org), [www.dsn.org](http://www.dsn.org)

### Home ownership on a CLT

A new resident buys their house outright, but pays the CLT to lease the land underneath.

A current resident can sell their home at a price set by a predetermined resale formula, while the CLT retains the land.



They pay an annual fee to the CLT to support its operations, and the CLT retains permanent ownership of the land.

A new resident buys the house at a price that's been kept affordable, and agrees to the same requirements around resale.

### Why do CLTs matter?



#### STABILIZE NEIGHBORHOODS & COMMERCIAL SPACES

- Permanently affordable housing
- Decreased barriers to homeownership
- Protection against foreclosure and displacement



#### SECURE LAND FOR AGRICULTURAL AND RECREATIONAL USES

- Decreased barriers for urban farmers
- Long-term land tenure for urban farms, community gardens, and open community spaces



#### BUILD SOCIAL CAPITAL & WEALTH

- Create networks, resources for residents
- Homeowner agrees to sell the home at a restricted price to keep it affordable in perpetuity, but they may be able to realize appreciation from improvements they make while they live in the house.
- Access to stable housing increases individuals ability to access other opportunities and resources



For more information on Community Land Trusts, visit: [www.dudleyneighbors.org](http://www.dudleyneighbors.org), [www.dsn.org](http://www.dsn.org)

Graphic from: (Dudley Street Neighbors)