

Starting a Community Land Trust

ORGANIZATIONAL AND OPERATIONAL CHOICES

Service Area

CLTs are place-based organizations. They develop their projects and draw their members from a community that is geographically defined. This service area may be small or large, urban or rural. It may encompass a single neighborhood, several neighborhoods, an entire city, an entire county, or, in a few cases, a multi-county region. This chapter considers the advantages and disadvantages of service areas of different sizes.

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This is one chapter of an introductory manual, *Starting a Community Land Trust: Organizational and Operational Choices*, prepared by John Emmeus Davis, a Partner in Burlington Associates. The full manual is available on-line at the ***Burlington Associates CLT Resource Center***: www.burlingtonassociates.com.

SELECTING A CLT SERVICE AREA: OPTIONS

Until recently, the geographic area served by the typical CLT was a single neighborhood, a single redevelopment district within a larger metropolitan area or, in more rural areas, a single valley or town. Neighborhood-based CLTs, serving a relatively small geographic area, remain popular today, accounting for roughly 25% of all CLTs. Old ones continue to operate and new ones continue to be created in urban, suburban, and rural settings.

An increasing number of CLTs, both old and new, have begun staking out a much larger area, however. A few long-established CLTs that started out with a neighborhood focus have expanded their service areas in recent years. Many newer CLTs have chosen to serve an extensive territory from the very start. Some acquire lands, develop projects, and draw members from an area encompassing an entire city or county. Some define a service area that is regional in scope, operating across the political boundaries of multiple counties, cities, and towns. A couple of CLTs have even organized themselves on a state-wide basis, with the intention of coordinating and supporting the development of local CLTs throughout an entire state.

Regional CLTs, covering either a county-wide or multi-county service area, now make up nearly 30% of all CLTs and are found in both metropolitan and non-metropolitan areas. In the latter, a relatively small population is often scattered among many villages and towns, making it necessary for a CLT to organize and to operate regionally rather than locally. No single town within these areas is large enough to qualify as an entitlement city under federal programs like CDBG or HOME. If a CLT is to receive public funds for its housing and community development work, it must look to county government or to state government and, as a precondition of such support, must serve an entire county, parts of several counties or, in a handful of special cases, an entire island. Examples of regional CLTs serving a *non-metropolitan service area* include:

- ◆ Central Vermont Community Land Trust (Barre, Vermont)
- ◆ Clackamas County Community Land Trust (Milwaukee, Oregon)
- ◆ Gulf County Community Land Trust (Port St. Joe, Florida)
- ◆ Housing Land Trust of Cape Cod (Centreville, Massachusetts)
- ◆ Laconia Area Community Land Trust (Laconia, New Hampshire)
- ◆ Middle Keys Community Land Trust (Marathon Florida)
- ◆ OPAL Community Land Trust (Orcas Island, Washington)
- ◆ Orange Community Housing and Land Trust (Carrboro, North Carolina)
- ◆ Story County Community Land Trust (Ames, Iowa)

CLTs that operate in an urban or metropolitan environment, by contrast, can usually look to a single city for much of their support, although they may also derive funding for their operations and their projects from county and state sources. In deciding how large an area they will serve, these CLTs have made three kinds of choices. They have concentrated their efforts at the level of the local neighborhood, they have selected a

service area that is city-wide, or they have extended their service area to include the entire metropolitan region. Each of these choices is described more fully below.

Urban CLTs with a Neighborhood Service Area

The most common service area among urban CLTs has long been one that defines a single neighborhood – or several adjoining neighborhoods – as the place-based “community” that a CLT will serve. Examples include:

- ◆ Albany Community Land Trust (Albany, New York)
- ◆ City of Lakes Community Land Trust (Minneapolis, Minnesota)
- ◆ Community Land Cooperative of Cincinnati (Cincinnati, Ohio)
- ◆ Durham Community Land Trustees (Durham, North Carolina)
- ◆ Dudley Street Neighborhood Initiative/Dudley Neighbors Inc. (Boston, Massachusetts)
- ◆ Figueroa Corridor Community Land Trust (Los Angeles, California)
- ◆ Homestead Community Land Trust (Seattle, Washington)
- ◆ New Columbia Community Land Trust (Washington, DC)
- ◆ North Camden Community Land Trust (Camden, New Jersey)
- ◆ Sawmill Community Land Trust (Albuquerque, New Mexico)
- ◆ Time of Jubilee (Syracuse, New York)

In every case, these are organizations that see in the CLT not only a mechanism for the production of housing and the preservation of affordability, but a vehicle for the comprehensive revitalization of a targeted neighborhood. Housing development and community development go hand-in-hand, with an emphasis on a neighborhood’s residents exercising long-term control over both.

Urban CLTs with a City-wide Service Area

Several urban CLTs have selected a service area that corresponds to the boundaries of the city in which they are located. These cities may be large or small, ranging in size from Chicago, Illinois to Concord, New Hampshire. Examples of CLTs organized on a city-wide basis include:

- ◆ Chicago Community Land Trust (Chicago, Illinois)
- ◆ Concord Area Trust for Community Housing (Concord, New Hampshire)
- ◆ Delray Beach Community Land Trust (Delray Beach, Florida)
- ◆ Highland Park Community Land Trust (Highland Park, Illinois)
- ◆ Irvine Community Land Trust (Irvine, California)
- ◆ Madison Area Community Land Trust (Madison, Wisconsin)
- ◆ Northern Communities Land Trust (Duluth, Minnesota)
- ◆ Portland Community Land Trust (Portland, Oregon)

These are CLTs for whom the production of housing, the preservation of affordability, and the retention of subsidies are predominant. Resident control over any housing developed on the CLT's land and community control over the CLT itself may be key features of these citywide CLTs, but that "community" is not confined to a single neighborhood. Projects are sited throughout the city. Members are drawn from every neighborhood.

Urban CLTs with a Metropolitan Service Area

A few CLTs have staked out an entire metropolitan region as their service area, encompassing not only the region's urban core but the county (or counties) surrounding it. A few examples:

- ◆ Champlain Housing Trust (Burlington Vermont) – formerly the Burlington Community Land Trust
- ◆ Church Community Housing Corporation (Newport, Rhode Island)
- ◆ Community Housing Trust of Sarasota County (Sarasota, Florida)
- ◆ Cuyahoga Community Land Trust (Cleveland, Ohio)
- ◆ First Homes (Rochester, Minnesota)
- ◆ Kulshan Community Land Trust (Bellingham, Washington)
- ◆ Northern California Land Trust (Berkeley, California)
- ◆ South Florida Smart Growth Regional Community Land Trust (Miami, Florida)
- ◆ Thistle Community Housing (Boulder, Colorado)

Although most of the CLT's activity, in each of these cases, is concentrated within a single city or within one or two targeted neighborhoods, housing development opportunities are aggressively pursued region-wide. For example, the *Champlain Housing Trust* (formerly the *Burlington Community Land Trust*) has played a leading role in the redevelopment of Burlington, Vermont's federally-designated "Old North End Enterprise Community." At the same time, CHT has developed affordable housing in the surrounding suburbs and two adjacent counties. Siting limited-equity cooperatives and limited-equity single-family homes in communities that have long had a dearth of affordable housing, CHT and these other metropolitan CLTs have enabled low-income households not only to move upward on the housing tenure ladder (vertical mobility) but to move outward from the center city, choosing the place they want to live (horizontal mobility).

Two CLTs with a State-wide Service Area

In Rhode Island and Delaware, CLT organizers have envisioned a service area that spans the entire state. The *Rhode Island Community Housing Land Trust* is a cooperative venture of half-a-dozen community land trusts and community development corporations scattered across Rhode Island. These organizations look forward to the day when the

Land Trust can provide development, marketing, and administrative support for all of the state's nonprofit developers of resale-restricted, owner-occupied housing. Similarly, the *Diamond State CLT*, being organized by the Delaware Housing Coalition and the Delaware State Housing Authority, will support the development of local CLTs, while acting as the steward of affordability for publicly-assisted, owner-occupied housing throughout the state. This will include CLT homes on leased land and deed-restricted houses and condominiums that are not located on lased land.

SELECTING A SERVICE AREA: PROS & CONS OF GOING BIG

Citywide or region-wide service areas have a number of advantages over service areas that are neighborhood based. There are also disadvantages, since the strengths and benefits that a CLT derives from serving a smaller, more narrowly defined “community” can be diluted – or lost.

Advantages of a Larger (Non-neighborhood) Service Area

- ❖ **MOBILITY.** Affordable housing that is scattered throughout a region provides more choices for low-income people who are seeking better housing, better schools, and/or better jobs.
- ❖ **FAIR SHARE.** “Opening the burbs” to affordable housing, thus penetrating residential enclaves that have historically excluded low-income people and people of color, can become an important part of the CLT’s purpose and program. This can broaden a CLT’s base of political support, deepen its social mission, and strengthen its legal argument for a tax exemption under IRS rules. (“Eliminating prejudice and discrimination” is one of several “charitable” purposes recognized by the IRS in granting a 501(c)(3) designation to nonprofit organizations.)
- ❖ **DEVELOPMENT.** A wider service area may present more opportunities to find and to acquire sites on which affordable housing can be developed. Land costs, in particular, can be considerably lower outside of the urban core, making scarce dollars for affordable housing go much further.
- ❖ **SELECTIVITY.** A wider service area provides a deeper pool of applicants for CLT housing, allowing the CLT to be more careful and more selective in filling its units.
- ❖ **CONSTITUENCY.** A wider service area allows the CLT to cultivate a more diverse membership and to build a broader constituency for affordable housing.

- ❖ **COLLABORATION.** There is usually more necessity – and many more opportunities – for collaboration with other nonprofit providers of affordable housing and social services when a CLT encompasses a larger service area.
- ❖ **FUNDRAISING.** A wider service area is preferred by many funders, public and private. It can also make grassroots fundraising easier by giving the CLT access to more people as possible contributors.
- ❖ **SMART GROWTH.** Working region-wide, a CLT may become a major player in mitigating the negative impacts that anti-sprawl and land conservation measures can sometimes have on the cost of land and the price of housing in residential neighborhoods inside the growth boundary.

Disadvantages of a Larger (Non-neighborhood) Service Area

- ❖ **COST OF MANAGEMENT.** Sites and projects that are widely scattered throughout a region can make for difficult and costly property management.
- ❖ **LOSS OF ACCOUNTABILITY.** It is harder to keep the CLT accountable when its “community” embraces dozens of projects, hundreds of leaseholders, and thousands of members that are scattered across a wide geographic area. Leaseholder participation, in particular, may become harder to promote and sustain.
- ❖ **CLT AS LANDLORD.** A more distant CLT, operating housing that is widely scattered, risks being perceived by leaseholders as an absentee landlord instead of a benign, community-based partner in the provision of affordable housing.
- ❖ **COMPETITION.** Staking out a wider territory can place the CLT in competition with other nonprofit providers of affordable housing that are operating in the same service area. Competition for public funds, private donors, prospective homebuyers, potential members, and developable sites can become quite intense, when one nonprofit expands into another’s “turf.”
- ❖ **NOT IN MY BACKYARD.** The more jurisdictions and venues within which a CLT attempts to develop housing for low-income people, the more likely it becomes that the CLT will find its projects and itself under political attack by people who oppose affordable housing in “their backyard.” When its own base is thinly spread across a wide region, moreover, it becomes less likely that the CLT will be able to muster local support to rebut such opposition in every place where it wants to develop affordable housing.
- ❖ **SPRAWL.** Searching for the least expensive land on which to develop affordable housing can lead a CLT far afield of settled areas. A CLT can find itself

politically aligned with private interests that are promoting sprawl rather than curbing it.

- ❖ **LESS COMMUNITY ORGANIZING.** A service area that cuts across multiple jurisdictions can make grassroots community organizing more difficult – and less common. A regional membership is more likely to be recruited and mobilized to raise funds for the CLT, not to empower people and communities which the CLT has pledged to serve.
- ❖ **LESS COMMUNITY DEVELOPMENT.** Organizations with a wider service area tend to elevate housing development over community development. The revitalization of a particular neighborhood becomes a much lower priority.