



Stroud Common Wealth Community Farm Land Trust Project

Article

Community land Trusts in the USA

By Martin Large, Jan 2004

Land for People

We abuse the land because we regard it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect. Aldo Leopold, *A Sand County Almanac*

When King Henry VIII wanted cash, he dissolved the monasteries and sold off their land. Soon, land became a commodity to be bought and sold on the market, rather than a commons which communities had the rights over. Echoes of these ancient land rights still survive today, for example in the form of grazing rights on commons or rights of way on footpaths.

Native Americans were astonished at the land hunger of British colonists. They believed that a place 'belonged' to a particular people only to the degree that people belonged to the place. Rights were gained by long use and were communal, not individual rights. In the 1620's, Massasoit of the Wampanaog asked his friends the Plymouth colonists, 'What is this you call property? It cannot be the earth, for the land is our mother, nourishing all her children, beast, birds, fish, and all men. The woods, the streams, everything on it belongs to everybody and is for the use of all. How can one man say it only belongs to him?'

The commodification of land led to the displacement of peasants off the land through the enclosures. These English clearances prepared the way for the Scottish clearances. Today, we are seeing the continuing enclosure of the commons by 'the market', with the commodification of water, the air and our genetic inheritance for private profit.

But there are limits to the property market. Currently, escalating house prices exclude people from affordable rentals and home ownership. Since 1999, British house prices have almost doubled. In 2003, average house prices rose by about £30,000-far more than many people's salaries. The results? People have to commute long distances, live in costly rentals, family life suffers, and those at the heart of a community are displaced. Consider the story of a London bus driver who sleeps on his bus and commutes weekly to his home over 200 miles away, or the Stroud District Council workers who commute 100 miles daily.

Many people earn too much to be eligible for social housing, yet can hardly afford to rent, let alone consider buying a house. Cara Wilson of To Gwyrdd or Green Roofs' - says that in her hometown of Newport, Pembrokeshire, the need for affordable housing is acute. "In winter over 40% of houses in Newport are empty 'second

homes'. We want to build eco-friendly housing in a way that maximises their beneficial impact on the local economy, and to support local employment and skills, especially for young people who want to stay.'

But what can be done? Consider the inspiring story of Eigg Heritage Trust, where the islanders bought their island, or Gabriel's Wharf and the Oxo Tower on London's South Bank, which were developed for the community by Coin Street Builders. These are examples of trusteeship, of communities reclaiming land from the market for lasting benefit. In the US, community land trusts offer an inspiring option for land trusteeship.

So what is a community land trust? Like the village green, land or property is held in trust forever for the community. The key principle of a CLT is to separate the value of the land from the cost of the house itself. Under present market conditions, the land value goes up, even though the price of the house standing on it goes down with wear and tear. One purpose of a CLT is to develop perpetually affordable homes-affordable, because the land is taken out of the market and held in trust. Land trusts for farms, workspace, housing and conservation have developed successfully in the USA for over 30 years. CLTs are non-profit, democratic membership organisations with an elected board.

Permanent affordability is a unique feature, so that the cost of a CLT home over the years becomes much lower relative to the market. How is this achieved? CLTs use gifts of land or public grants to secure the freehold of the land. They then build new houses or renovate old ones, so as to agree the leasehold on homes with homebuyers. The house's resale price is then kept low, by the CLT keeping the freehold on the land. Whilst the homeowner can sell the house, the land cannot be sold, because it is held freehold and in trust by the CLT. By taking land out of the market, the CLT reduces housing costs considerably.

Here is how the community land trust works

1. CLT buys the land, and builds a home on it
2. The house and land are valued separately
3. A qualified buyer purchases the house and leases the land from the land trust
4. The homeowner gets ongoing education (advice, financial, maintenance, etc)
5. When the homeowner wants to sell, the house (not the land) is again valued
6. When the homeowner sells, they get a share of the house's increased value (not the land) The CLT keeps the land

How does the CLT retain land ownership?

The homeowner owns the house, with a 99-year renewable lease for the land from the CLT. The ground lease is the legal tool that limits resale value to keep the home affordable and in good condition. It is a way of balancing the interests of the individual homeowner, with those of the community-which does not want to see empty homes, for example. The resale formula is part of the ground lease. However, there are a variety of resale formulas ranging from a share of the market increase of the home to a resale formula based on the cost of rebuilding the house.

When CLT pioneer Bob Swann and Susan Witt of the E.F.Schumacher Society, set up the Community Land Trust in the South Berkshires, Mass., in 1980, the market connection was cut by valuing the home for resale at the cost of rebuilding, less deterioration. The land value remained with the CLT on resale.

Examples of Community Land Trusts

There are over 150 CLTS in the USA, located in urban and rural areas. The most developed is Burlington CLT in Vermont. It is a non-profit community based organisation of 2500 members. BCLT holds 270 rentals and 370 shared appreciation homes, as well as over 100 co-operative homes. It aims to provide housing to modest income people, promote neighbourhood improvement, create and preserve housing that will stay affordable. It 'owns' parks, workspace, a Community Health Centre, Legal Aid Centre, an artist co-operative and offices for NGO's.

BCLT got its 1983 start up funding from Burlington. Mayor Peter Clavelle wants to remove homes from speculative markets by, 'Creating a mind set and programmes that say housing is not a commodity that can be bought and sold like oil, or stocks. It's a basic right that everyone's entitled to and we ought to protect that right.' He also actively supports the development of a vibrant local civil society, as well as an effective third sector of NGO's to keep the community fires burning. Presidential candidate Howard Dean was a founder member, and Clavelle hopes to become the Governor so as to implement progressive policies throughout Vermont.

In Vermont, conservation, farm and community land trusts work closely together in a unique statewide coalition. This helped the state legislature set up the Vermont Housing and Conservation Board to both develop affordable housing, conserve the environment and working farms. Funding comes from another Bob Swann idea-a tax on every Vermont home purchase. The VHCB provides loans, core funding, advice, technical help, networks and encourages community engagement so that land trusts get the support they need.

Boston's Dudley Street CLT is transforming an inner city run down neighbourhood. Dudley became practically a waste dump, with speculators burning down houses to force out people. Community activists, with City support, are revitalising Dudley with 144 new homes, workspace and amenities. They gained the power of eminent domain, so that they can compulsorily purchase empty properties for renovation or rebuilding according to a land use master plan.

OPAL CLT (Of People and Land) on Orcas Island, one of the San Juan Islands off the west coast of Washington, provides affordable homes for 50 families in three beautiful neighbourhoods with woods, communal gardens and conservation land. The homeowners would otherwise have been displaced by escalating resort house prices, or suffer an endless 'island shuffle' of insecure, short-term rentals.

Director Lisa Byers describes the CLT as, ' an effective, practical solution to an intractable problem. It provides homes for diverse income groups. If a home is part of the American Dream, then a CLT home provides access to those who would otherwise never have it. ORCAS Island people feel proud of OPAL. Homeowners find it offers stable, secure, child friendly, quality, housing- they have more choices about their lives.'

The origins of community land trusts

Robert Swann (1918-2003) invented the original community land trust concept. Passionately committed to social justice, he built affordable homes as a carpenter. No matter how hard he tried to lower building costs through good design and workmanship, the final price of the homes rose regardless. This led to the insight that it was the inflation of land prices that was the key factor, not building costs. So landowners gain an 'unearned increment' from land price rises.

He studied the land reform ideas of Tolstoy, Ruskin, Henry George, Vinova Bhavé's Boodhan or land gift movement in India and the Jewish Land Fund in Israel. He noticed that often land reform was unsuccessful because succeeding generations changed the rules by which land was held in trust, and then sold off the land for private gain. So he developed the community land trust model to make sure that this did not happen-that such assets would remain in trust as commons. His aim was to enable access to land by means of a social contract, rather than by market forces.

Swann started the first CLT with Slater King, Martin Luther King's cousin, during the Civil Rights movement. Southern blacks needed access to affordable farmland, so New Communities was founded in 1967. Chuck Mathei of the US Institute of Economics further developed the CLT model for affordable housing in the 1980's.

'A quiet revolution of community land ownership'

Community land trusteeship is also a British tradition with examples like the Bournville Village Trust and John Ruskin's original vision for the National Trust. Nature conservation land trusts such as the Woodland Trust or the RSPB are growing. Small innovative land trusts are developing. For example, Stonesfield Community Trust was founded in 1983 in an Oxfordshire village. Land was gifted, and eleven energy efficient houses for rent, a telecottage, post office and playgroup were built. Stroud Common Wealth leases a theatre, a social enterprise centre and is exploring land trust solutions in Gloucestershire. Bob Patterson of the Wessex Reinvestment Trust is developing a village property trust at High Bickington, Devon for farming, workspace and 40 homes. A Welsh Land for People network is now developing as a result of a 2003 conference.

But Scotland is leading the way with, 'a quiet revolution of community land ownership' according to Andrew Anderson of the Community Land Unit, Inverness. '...We see numerous cases where people's increased confidence and the community control of assets then create sustainable social, environmental and economic benefits-and-most important of all-healthy communities with sustainable futures.' Highland communities now have the right to buy, assisted by the CLU and £10million from the National Lottery Fund. They are buying land back from the lairds-for housing, workspace, amenity, forestry and farming, thus starting to reverse the clearances.

To conclude, the community land trust model offers both deeply grounded principles and practical tools for land trusteeship. This is an option for very village, town and neighbourhood as an alternative to the land market. But the Native Americans have the last laugh. Someone from Minnesota told me the story of when he once explained land trusteeship principles to a Native American who then said, 'You folks have finally got the message, though it took a while!'

References

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January 2004: Martin Large researched American CLTs in Autumn 2003 on a Winston Churchill Travelling Fellowship.