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Advancing Racial Equity Through Community Land Trusts

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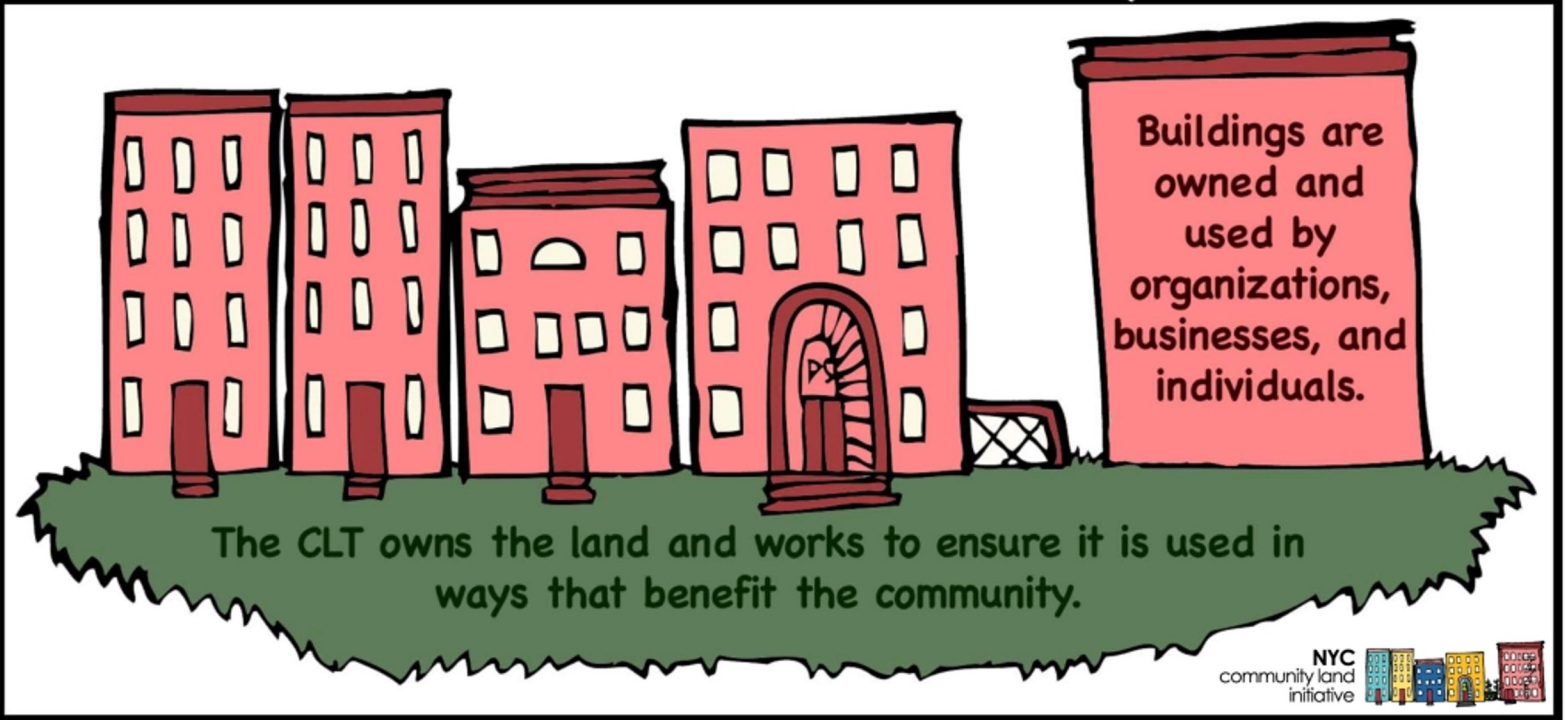


**Shared-equity
homeownership**

**Long-term housing
affordability**

**Preserve
community assets**

Community Land Trusts (CLTs) are non-profit organizations that treat land as a public good



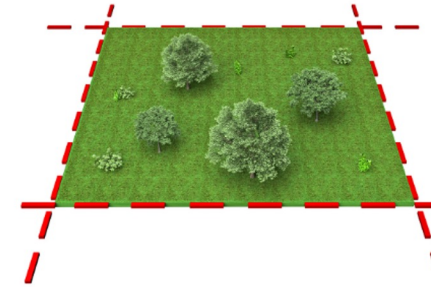


Community Land Trusts

Nonprofit Organization

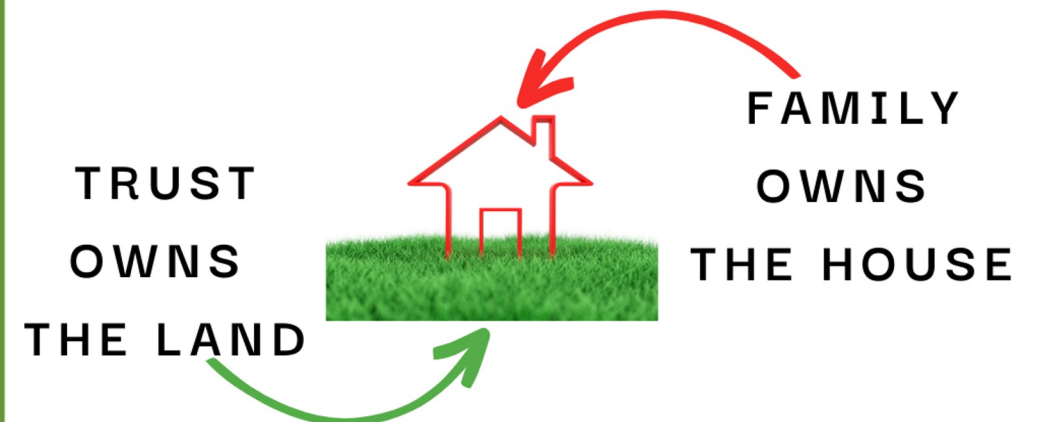
- Board of Directors
 - Community members
 - Private stakeholders
 - Public representatives
 - CLT residents

REIMAGINING HOME OWNERSHIP



- LAND PURCHASED BY MUNICIPALITY OR COMMUNITY GROUP

- ESTABLISHED IN A LEGAL TRUST AND DESIGNATED FOR AFFORDABLE HOME OWNERSHIP





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HOME OWNERSHIP IS MORE
AFFORDABLE AND ACCESSIBLE
TO LOWER INCOME FAMILIES

WHEN THE FAMILY SELLS THEIR
HOME TO A NEW OWNER, PROFIT IS
MADE ON IMPROVEMENTS AND
INCREASED VALUE OF THE HOME



LAND REMAINS IN THE TRUST
WITH A HOME RESALE FORMULA
THAT MANDATES THE PERPETUITY
OF HOUSING AFFORDABILITY

Community Land Trusts

Many applications:

- Rural and urban
- Agricultural development
- Land preservation
- Commercial spaces
- Rental properties
- Housing cooperatives

**Retaining permanently affordable
homeownership opportunities for
low-income families**



Community Benefits of CLTs

- Preserve affordable housing in rapidly gentrifying neighborhoods
- Offer a pathway to home ownership for low-income families
- Provide housing security and stability in ever-changing market
- Retain affordable housing in perpetuity
- Resident informed and directed
- Land as a collective, social asset rather than a private, economic resource

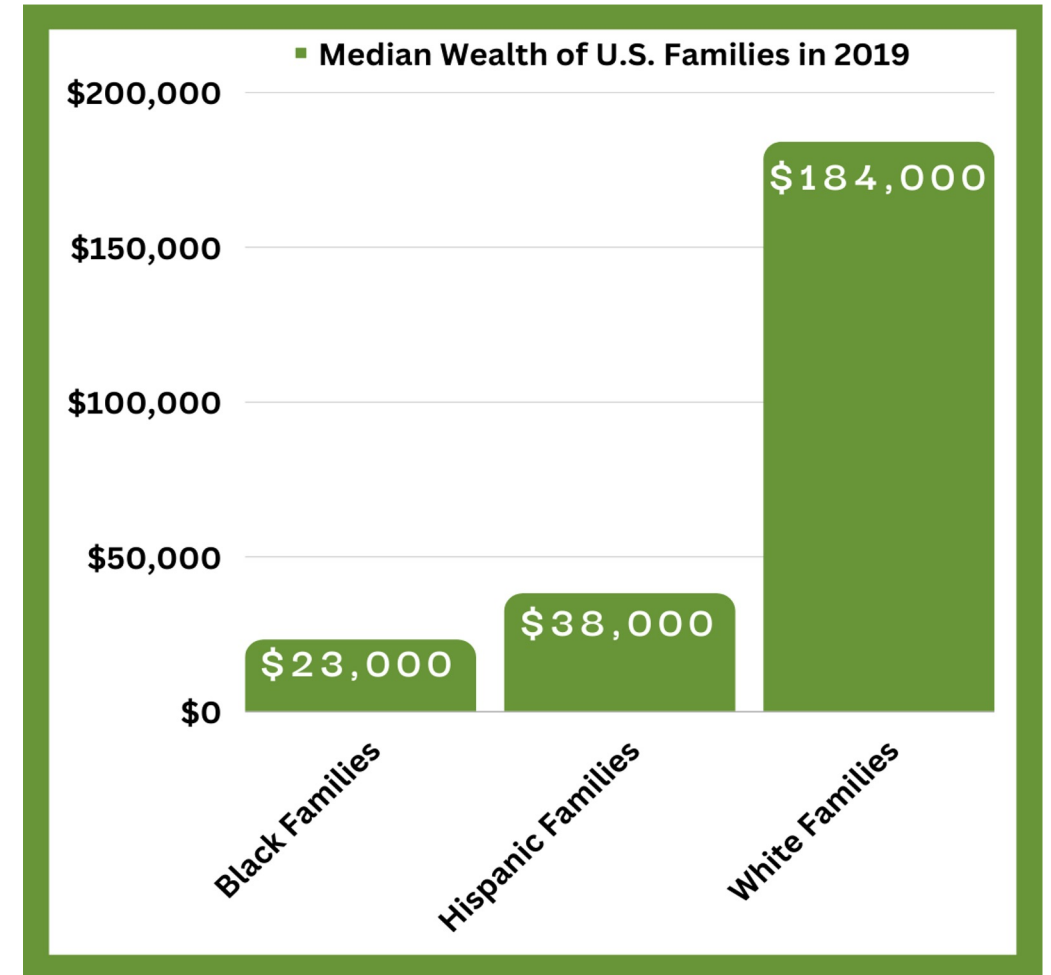


The Racial Wealth Gap

Housing Discrimination

- Segregation
- Eminent domain
- Restrictive covenants
- Redlining
- Predatory lending
- Mortgage denial
- Discriminatory home appraisals

African Americans historically restricted from building wealth as a result of barriers to homeownership.



*Federal Reserve Bank of St. Louis



Racial Discrimination & American Policy

Color-Blind Policy

Fair Housing Act of 1968

- Prohibits housing discrimination based on race or color, religion, sex, national origin, familial status, or disability.
- Maintains established inequities

Race-Forward Policy

- Policy approach that addresses historic, systemic inequalities through strategic allocation of power and resources to populations that have faced discrimination and barriers to wealth building
- Disrupts inequities and redistributes resources equitably



CLTs & the Civil Rights Movement

New Communities Inc.

- African American farmers land reclamation
 - Farming mechanization
 - Retaliation against Black voter registration
- 1970 - 5,735 acres purchased
 - Cooperatively managed farms
 - Planned residential communities
 - Leased from community-controlled nonprofit
 - Largest parcel of land in U.S. owned by African Americans at that time





Racial Equity & CLTs

Racial Equity is Both an Outcome and a Process

Outcome

“A person’s racial identity does not determine their life opportunities and results.”

Process

People of color are actively leading and creating policies and programs that impact their own lives.

White people are acknowledging and actively working against their personal racism and larger systemic structures of discrimination.



Community Land Trusts for Racial Equity

Centering the Black community in Board leadership and governance

- **Ensuring Black representation on CLT Board**
 - Especially with CLTs in historically Black neighborhoods established within predominantly white communities
- **CLT Board must be resident led and governed**
 - Engage with and listen to residents of color in all aspects of planning, development, and administration of CLT
 - Centering community interests and needs



Community Land Trusts for Racial Equity

Affirmatively market to the Black community

- **Strategic and Intentional Marketing**
 - Media: Radio, Television, Print, Social Media
 - Organizing: Community events, Public meetings & Knocking doors
 - Partnering with community organizations
- Fair and transparent access to information through community-centered sources



Community Land Trusts for Racial Equity

Maintain Affordable Homeownership in Perpetuity

- Prevents displacement of pre-existing residents who may otherwise be displaced by gentrification as development occurs and home prices increase
- Increases value of lower-income communities by providing pathway to home ownership, therefore creating more investment and stabilization of community



Community Land Trusts for Racial Equity

Home resale formula ensures owner accrues wealth *and* housing remains affordable

- Protects owner from racial bias and discrimination in home appraisal and lending process
- Offers transparency and protections to homeowners
- Mandates affordability for future owners



Columbia, MO

- In 2015, the Columbia City Council purchased land and allocated \$200,000 to develop affordable housing under a CLT model.
- A year later, an ordinance was passed creating a nonprofit CLT organization in Columbia.





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Board of Directors

Community
and Business
Leaders

Neighborhood
Representatives

Program
Participants



Strengths

- Monthly mortgages are just \$750 a month, which is more affordable than many rental properties.
- They offer homebuyer education, credit counseling, and loan underwriting.
- All of this helps to mitigate the risk of foreclosure and ensure that homes can be passed on generation after generation.





Wealth Building

- CLTs provide an opportunity to narrow the racial wealth gap.
- In Columbia, the average CLT buyer will build \$25,000 of equity in their first 10 years, and these CLT buyers are more likely to be people of color.





**“THE STRUGGLE FOR BLACK LIVES AND
LIBERATION IS INSEPARABLE FROM THE
STRUGGLE FOR BLACK LAND.”**

JULIA DURANTI-MARTÍNEZ



Community Land Trust References

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Envisioning Community Land Trusts

A Toolkit for Public Dialogue



The policies and market forces that shape housing production in the United States have led to massive failures and injustices, including but not limited to crises of housing affordability and eviction; extreme wealth inequality mapped onto patterns of segregation by race, ethnicity, and social class; and communities displaced both by disinvestment and by gentrification.

The Community Land Trust (CLT) model emerged out of the Civil Rights Movement as one means by which

<https://csd.wustl.edu/items/envisioning-community-land-trusts/>

<https://www.youtube.com/watch?v=ZFwNqZxdrZI&t=2s>



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