

Building a Livable Boston:

The Case for Community Land Trusts

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Purpose

This report outlines current challenges and opportunities in Greater Boston to support permanently affordable housing and community controlled development through community land trusts and provide policy recommendations for the City of Boston.

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Preface

This report was authored by members of the 2016 Tufts Field Project team in partnership with the Greater Boston Community Land Trust Network. It extends on the work of the 2015 Field Project report, [*Development Without Displacement: The Case for Community Land Trusts*](#), authored by Ben Baldwin, Marie Gay, Rachel Nagin, Victoria Kulwicki, and Joel Wool.

The [Tufts Urban and Environmental Policy and Planning Field Projects](#) is a semester long course that provides graduate students the opportunity to work on challenges in their areas of interest with real-world partners.

The Greater Boston Community Land Trust Network

The Network convenes community organizations that have existing CLTs, are building capacity for CLTs, or exploring CLT implementation as part of broader strategies to prevent eviction and displacement. The Network facilitates cooperation and resource sharing among members and jointly advocates for supportive policies.

Current Member Organizations

Alternatives for Community and Environment
Boston Tenant Coalition
Chinatown Community Land Trust
City Life/Vida Urbana
Coalition of Occupied Homes in Foreclosure
Greater Bowdoin/Geneva Neighborhood
Association
Dudley Neighbors, Inc.
Mattapan United
New England United for Justice
Right to the City Boston

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Cover photo: July 2014 Groundbreaking of the Garrison-Trotter Farm in Dorchester, the first urban farm under the new "Right to Farm" ordinance in Boston. The project is a partnership between The Trust for Public Land, the City of Boston, the Urban Farming Institute of Boston, and Dudley Neighbors Inc. Photo credit: Travis Watson

Inequality Threatens Boston

With soaring housing costs, Boston is becoming unaffordable for all but the most wealthy. A recent study by the Brookings Institute found that **Boston has the highest income inequality of any major city in the country**, due in part to the lack of affordable housing.¹ There are 40,000 households on the Boston Housing Authority's waitlist for 15,000 subsidized units and according to the Metropolitan Boston Housing Partnership, the Section 8 waitlist is currently 11 years long.² The demand for affordable housing in Boston far exceeds the city's supply.

Meanwhile, **Boston's hot real estate market is only getting more expensive**, driven by a 40% increase in land prices since 2000.³ In 2016, the luxury condo market reached a record high with an average unit sale of \$2.3 million in Boston's central, upscale neighborhoods. The resulting gentrification is not only impacting downtown character, but also increasing housing costs for low and moderate income populations who have historically been the heart of Boston's neighborhoods.



Michelle Rubiera and daughter, Athena. Michelle is a Dudley Neighbors Inc. (DNI) homeowner and Dudley Street Neighborhood Initiative (DSNI) board member. Photo credit: DSNI

Real median household income has remained stagnant for over a decade up only 1.4 percent since 2000. The combined effects of stagnant income and rising cost of housing has led to an increase in families that are housing cost burdened. According to the *The Greater Boston Housing Report Card* for 2014-2015, more than half of renters spend greater than 30% of their income on housing, and 25% of this group spends more than 50% of their income on housing. Meanwhile 38% of homeowners are paying greater than 30% of their income in mortgages and taxes, up from 27% in 2000.

Increasing Housing Unaffordability

- 40,000 households waitlisted for 15,000 affordable units
- 40% increase in land prices since 2000
- 50% renters, 38% homeowners cost burdened with rent, mortgage

Although neighborhood revitalization can bring improvement and economic growth to a neighborhood, **the lack of suitable affordable housing options leads to displacement** of low and moderate income residents. Displacement tears the social fabric of communities whose residents may no longer be able to afford to stay in their homes. Neighborhoods become destabilized as more people become priced out and vulnerable to evictions.

Community Land Trusts: A Proven Solution

What is a Community Land Trust?

“CLTs are nonprofit organizations—governed by a board of CLT residents, community residents and public representatives—that provide lasting community assets and permanently affordable housing opportunities for families and communities. CLTs develop rural and urban agriculture projects, commercial spaces to serve local communities, affordable rental and cooperative housing projects, and conserve land or urban green spaces. However, the heart of their work is the creation of homes that remain permanently affordable, providing successful homeownership opportunities for generations of lower income families.”⁴



*Members of the Chinatown Community Land Trust board.
Photo credit: DSNi*

This crisis of unaffordable housing and inequality is spurring community residents and City leaders to look for effective solutions and take action. Mayor Walsh’s [*Housing A Changing City: Boston 2030*](#) report sets out ambitious goals to meet a wide range of housing needs. The report recommends exploring community land trusts (CLTs) as an innovative approach to building strong neighborhoods and addressing gentrification and foreclosures. Most recently, the City’s Housing Innovation Lab (I-Lab) has announced its intention to support CLTs as one of four priorities for meeting the Mayor’s housing goals. At the state level, the Special Senate Commission on Housing’s March 2016 report, *Facing Massachusetts’ Housing Crisis*, also points to CLTs as a proven but underutilized tool for addressing gentrification.

CLTs have been in existence for more than 45 years. There are over 270 across the country today from Albuquerque, New Mexico and San Francisco, California to Minneapolis, Minnesota and Burlington, Vermont.

Boston does not need to search far for an exemplary model. Roxbury’s very own community land trust, Dudley Neighbors, Inc. (DNI), is one of the nation’s oldest and most acclaimed urban CLT. Created in 1988 by the Dudley Street Neighborhood Initiative during a period of devastating disinvestment, DNI now owns more than 30 acres of land with 226 units of affordable housing, an urban farm, a greenhouse, a charter school, several parks, and a town common.

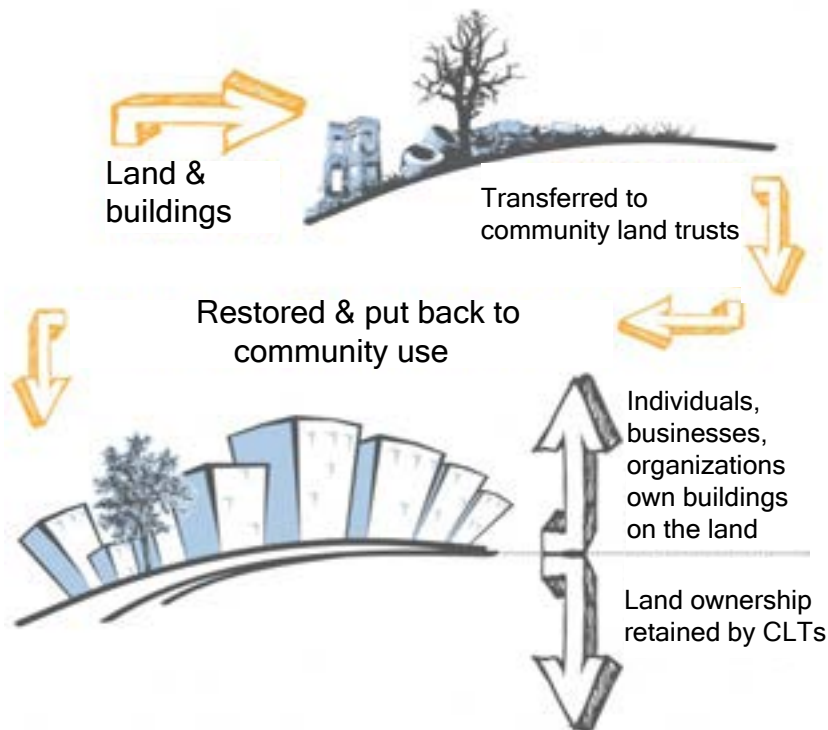
CLTs successfully

- Create and preserve permanent affordable housing
- Prevent gentrification
- Stabilize communities from foreclosure
- Create jobs and support local business



Residents celebrating the 25th anniversary of DNI on Dennis Park on DNI with a day of activities organized by residents. Photo credit: Travis Watson

How Do CLTs Work?



CLTs own and steward land to support a range of community uses including homeownership, local business and agriculture. CLTs maintain long-term stewardship over the land by issuing long-term (99 year) leases with affordability requirements to the homeowners, business people or farmers. Deed restrictions and other long-term affordability mechanisms can also be used by CLTs for additional flexibility. Because the land is not owned by the homeowner and is under a long-term lease, the land cannot be “flipped” by speculators who buy undervalued land with the intention of selling it for profit. In essence, the CLT keeps the value generated by public and collective investments in the hands of the community.

Working Models:

CLTs In Action

In 2005 the **San Francisco Community Land Trust** aided low income senior residents who were faced with an immediate building-wide eviction to successfully stabilize a 21-unit property in San Francisco's Chinatown, and convert it to permanently affordable housing.

The **Coalition for Occupied Homes in Foreclosure (COHIF)** offers an alternative to eviction by keeping residents who are in, or at risk, of foreclosure in their homes. COHIF plans to transfer their properties in the Greater Four Corners area to a CLT to enhance community control and permanent affordability. They are considering expanding their model to other parts of Boston in the future.

DSNI's CLT, **Dudley Neighbors, Inc. (DNI)**, was created to address racial disparities around access to land, homeownership and wealth creation and now hosts 226 units of affordable housing on its land. DNI helps families build wealth by taking land in the neighborhood out of the speculative market and selling homes to income-qualified homeowners at affordable prices.



DSNI and DNI using public art to engage residents in planning on one of the last vacant parcels transferred to the DNI land trust in the Dudley Triangle.

The **Urban Farming Institute (UFI)** is a resident-led organization working to secure long-term access to land for urban farmers in Roxbury, Dorchester and Mattapan. UFI provides a vocational training program for beginning urban farmers and is working with the City to develop three urban farms in Boston that will be owned by DNI. The CLT model can help UFI secure long-term access to affordable land for urban farmers, create community green spaces, and provide opportunities for life and job enhancement.

The **Chinatown Community Land Trust (CCLT)** was formed in 2015 by a group of residents, business owners, and activists in response to growing gentrification and displacement in Chinatown. CCLT aims to stabilize Chinatown as a neighborhood for working class families and a regional hub for the Greater Boston Chinese community by preserving historic row houses, increasing affordable commercial space, and buffering the impacts of gentrification. The CLT model is being leveraged in Chinatown to preserve an invaluable cultural corridor and to help the community to remain in place.

The CLT Movement is Growing

Momentum for CLTs is building in Boston.

Government agencies and community-based organizations alike are harnessing the growing interest in, and demand for, this particular affordable housing strategy.



Seven farmers who graduated from Urban Farming Institute's training program last year. Photo credit: Paul Dunn

The Greater Boston Community Land Trust Network and its member organizations are collectively working to increase affordable housing and strengthen community resilience. In addition to the working models described on page 6, Mattapan United (MU) is developing a gentrification mitigation strategy and acquiring community-owned land before the market becomes unaffordable.

Currently, the impact of these organizations is limited by staff capacity, land availability and other technical resources that the City may be able to provide.

If provided with ample support, these organizations and others can accelerate and secure the equitable development of Boston neighborhoods.

Partnerships between CLTs, community development corporations (CDCs), and financial institutions are key to building a strong CLT network in Boston. CDCs and CLTs can work to complement one another. For example, CLTs can provide preservation and stewardship services to the properties that CDCs help to develop. Moreover, CLTs can find homebuyers and renters for CDC-developed homes, while ensuring long term affordability and longevity of public subsidies. Dudley Neighbors, Inc. has done just that by partnering with Dorchester Bay EDC and Nuestra Comunidad Development Corp. to develop affordable homes on their land using the development expertise of each CDC.

CLTs in Boston are also actively building relationships with financiers to diversify and bolster their sources of funding. Through partnerships with social investors, financial institutions and city agencies, CLTs can become a key player in the development of affordable housing resources for Boston residents.

Synergy between shared public goals and community capacity can be achieved by acknowledging the unique and important assets each partner contributes. The extensive political and community-based engagement on CLTs positions Boston well to take action now and address the affordable housing crisis head on.

Recommendations for Boston

1. Prioritize public land and homes for CLT stewardship
2. Provide sufficient and flexible financing
3. Support CLT infrastructure



Giselle Flowers, a business on land owned by DNI. DNI is building another commercial property space to provide affordable rent for local small businesses.

As momentum around CLTs build, there are key challenges that can be addressed by City policy and resources. These include:

- Acquiring land and homes for stewardship
- Accessing sufficient and flexible financing
- Building CLT organizational infrastructure

The following recommendations can help the City of Boston advance CLTs as a significant strategy towards meeting its 2030 housing goals:

1. Prioritize public land and homes for CLT stewardship

The City of Boston can establish a transparent and inclusive land disposition process of city-owned parcels so CLTs and other relevant organizations are solicited to submit a request for proposal. Points can be awarded for applications that provide the longest term affordability and the highest level of resident and community ownership, stewardship, and support.

When developing new affordable homes through the Mayor's Neighborhood Homes Initiative, the City can provide the opportunity for CLTs to incorporate these affordable and middle-income homes as part of their land base. The City can transfer ownership to the CLT to ensure long term affordability and longevity of the City's subsidies.

The City's Inclusionary Development Policy (IDP) funds can be prioritized for CLTs. When developers elect to build IDP required units off-site, CLTs could be offered the opportunity to work with the developer to build or preserve affordable units on their land trusts.

2. Provide sufficient and flexible financing

The City of Boston can establish a loan fund for CLTs to acquire, develop, preserve and rehabilitate affordable housing. The new loan fund or line of credit should be interest free or low interest, and should include a higher subsidy per unit than the current

\$70,000 offered by the Acquisition Opportunity Program. These attributes will allow CLTs and low-budget borrowers to effectively take advantage of these funds and acquire land or homes without needing additional outside resources.

The availability of funds can also be expanded to support the post-development, post-purchase stewardship of publicly subsidized, privately owned housing with long-term affordability controls. Funding can again be prioritized for projects that ensure the longest term affordability and provide the highest level of resident and community ownership, stewardship, and support.

3. Support CLT infrastructure

The City of Boston can establish an emerging community land trust pilot program to cultivate the success of organizations as they develop new CLTs. The pilot program would support CLT staff time as well as provide funds to pay for legal services and business planning, which are currently outside the scope of many non-profit budgets. CLT staff members in a pilot program would be able to expand their outreach and education efforts and gain technical assistance as they incorporate as a 501c3, set up ground leases, and plan for future economic sustainability.



Students learning carpentry skills at Madison Park Technical Vocational High School and building a home on DNI. The project is in partnership with YouthBuild and Boston Carpenters Training Apprentice.

The City can provide funding and technical assistance to explore establishing a citywide CLT “central server”. A central server would act as a resource hub for, and connection between, CLTs and municipal agencies. A central server streamlines and standardizes routine tasks of maintenance, marketing, education and acquisition of financial resources. Such a model would increase efficiency and effectiveness of each individual CLT through time and financial savings, otherwise spent on creating and discovering this information independently. The central server could provide specific functions such as those provided by the BACCLT.

The Bay Area Consortium of CLTs (BACCLT) includes CLTs in 5 counties in the Bay Area. BACCLT provides a means for established and emerging CLTs to collectively share efforts, technical support and resources to efficiently facilitate marketing, resale listings, and access to additional mortgage financing. BACCLT supports the development of new local CLTs, provides tenant and homeowner support, education and community building. The Consortium works on shared policy advocacy. After a \$50,000 grant from the Federal Home Loan Bank AHEAD Program, the Consortium hired a shared stewardship coordinator. The Consortium has a revolving loan fund for member CLTs, and over \$100,000,000 in total community assets among all member CLTs.

These recommendations have been successfully implemented in cities across the country. The following page details examples of a range of successful City-CLT partnerships.

City-CLT Partnerships

Examples

Public land disposition

In Delray Beach, the Community Redevelopment Agency conveys its vacant parcels to the Delray Beach CLT and conveys other parcels at a discounted price. Cleveland conveys tax-foreclosed parcels to their local CLTs.

Irvine and Petaluma, CA and Burlington, VT have incorporated CLTs into inclusionary zoning policies. Irvine's redevelopment agency donates land and provides funding for the local CLT and places inclusionary housing units into the CLT's portfolio. Petaluma has offered developers the option to convey homes to the Housing Land Trust of Sonoma County to meet its city-mandated inclusionary requirements. In Burlington, the Champlain Housing Trust stewards over 100 units of inclusionary zoning units, and the City of Chapel Hill pays the local CLT to steward inclusionary units.

Municipal financing for CLTs

Bellingham, WA committed \$10 million in public funds to help subsidize the first 1,000 units of housing developed by a district-wide CLT. And, Minneapolis, MN and Lawrence, KS have established interest-free deferred loans with 30 year term municipal loans to local CLTs. In Minneapolis, the loans are forgiven at maturity as long as the CLT consistently meets the city's performance standards.

Highland Park, IL, Burlington, VT and San Francisco, CA have all established local housing trust funds that contribute to CLTs. San Francisco established a Small Site Acquisition Fund for acquisition of units between 5-25 units in 2009, with the recent annual budget at \$18 million and expected increase to \$20 million.

CLT infrastructure

The City of Chicago covers the cost of staffing the city's CLT, pays for overhead and administrative costs during the CLT's first few years, and provides legal services from a city attorney.

Sarasota, FL, Albuquerque, NM, and Delray Beach, FL are a few examples of cities that have provided funding for CLTs to contract consultants for a wide range of capacity building and technical services. Sarasota pledged annual operating grants of \$250,000 for the first four years to enable the Community Housing Trust to build organizational capacity, develop a homeownership program, and launch its first projects. Albuquerque provides Sawmill CLT with annual grants of \$200,000 from Community Development Block Grant money that is used for staff salaries, predevelopment work, and building organizational capacity.

The Time to Act is Now

The City of Boston has ample political support and civic capacity to address its housing challenges. With growing interest in and development of CLTs, this model is an important, proven and compelling component of the solution. **CLTs promise a variety of social and economic benefits:** permanent affordable housing, stable and supported communities, and economic opportunity for Boston residents. Land trust projects take time to plan and build, and there is urgency to act now if the City's housing goals are to be met by 2030. City agencies can prepare for a successful future for Boston's neighborhoods by taking decisive and committed action to support community-driven development and the creation of sustainable, secure, affordable housing.

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Youth residents of Roxbury develop empty lots in community gardens through the Roxbury Environmental Empowerment Project of Alternatives for Community and Environment. They are in the process of planning to transfer these gardens to a community land trust to preserve them permanently and provide access to healthy, fresh, food.

Benefits of Community Land Trusts

Buffer Against Gentrification

When a community owns the land through a CLT, that land cannot be sold or “flipped” to the highest bidder. This means that CLTs preserve and create affordable housing while alleviating pressure from development that results in higher housing costs.

Preserve Permanent Affordability

The resale price of CLT homes is capped and sales are restricted to income-eligible buyers so that homeowners earn equity on their homes while also ensuring that affordability is extended to future families.

Ensure Strong and Stable Neighborhoods

CLTs increase the civic engagement by organizing residents to develop and implement a collective vision for community land. CLT boards include leaseholders, community members, and elected officials. This model strengthens the civic capacity of neighborhoods, and facilitates collaboration between municipalities and other partners.

Help Families Build Wealth

With lower housing costs, CLT residents are able to save and invest in their future such as for a college education or to start a small business. Families living in a CLT home build wealth by paying off a mortgage and building equity.

Reduce Foreclosures

During the recent recession, CLTs locally and nationally showed a foreclosure rate of less than 1%.⁵ Of the 95 homes on the DNI land trust at the time, there were no foreclosures during the foreclosure crisis despite severe impacts in the surrounding neighborhood.

Support Economic and Community Development Goals

CLTs provide access to diverse economic opportunities such as low-cost commercial space, farming, green space, and schools, which allow residents and communities to enjoy continued economic growth without displacement. CLTs can be especially effective for urban agriculture where the guarantee of long-term access and investment is key. Urban farmers also transform blighted or vacant land into productive space for community

Support Successful Homeownership

CLTs provide a built-in network of support for homeowners by helping to secure home financing and providing pre and post-purchase education. Additionally, CLT stewardship programs offer a range of support including home repair and maintenance, refinancing and credit counseling, and energy-saving programs.



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