

PARTNERS AGAINST DISPLACEMENT: COMMUNITY LAND TRUSTS AND COMMUNITY DEVELOPMENT

Banana Kelly Community Improvement Association

City of Lakes Community Land Trust

Grounded Solutions

LISC Research & Evaluation

New Economy Project

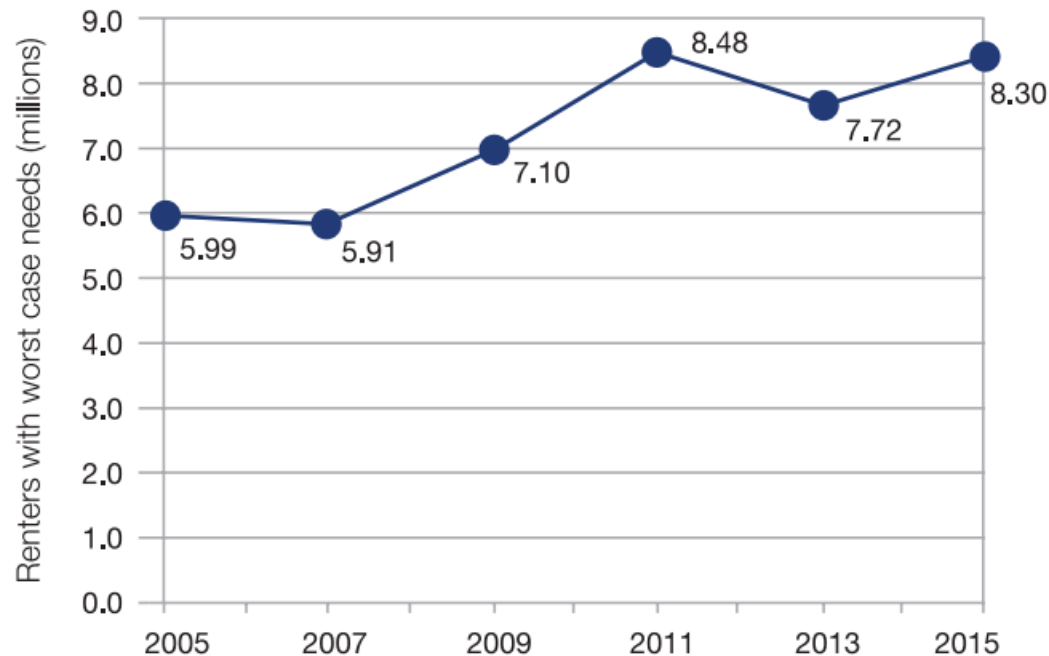
April 3, 2019

LISC, Research & Evaluation

Why explore partnerships?

Need and scale

Exhibit ES-1. Growth in Worst Case Housing Needs, 2005–2015



Source: HUD-PD&R tabulations of American Housing Survey data

Three forms of partnerships

Investments



Infrastructure



Public Policy



Taking a step back: the power of partnerships



Banana Kelly Community Improvement Association

About Banana Kelly Community Improvement Association



At our core, Banana Kelly believes that by creating and managing housing that is controlled by local residents, and helping residents develop critical skills to advocate for themselves, we can more effectively build and sustain safe and stable communities.



When we first began 40 years ago on Kelly Street in the South Bronx, residents fought back against abandonment, fires and planned shrinkage policies by turning to community ownership projects like sweat equity and urban homesteading.

Today as the threat of displacement grows due to real estate speculation and gentrification, we have had to "up our game" on community control using three main structures:



1. Converting ourselves into a Mutual Housing Association
 2. Helping to form the Joint Ownership Entity of NYC
 3. Pushing Community Land Trusts forward as the new normal
-

Mutual Housing Associations (MHAs)



A Mutual Housing Association is designed to ensure community control of the housing BK owns. We do this through organizing a Resident Council which serves as a steering committee for our work in the neighborhoods and in our buildings and also nominates members to BK's board of directors. Residents make up a plurality of our board members.

The Joint Ownership Entity of New York City (JOE NYC)



JOE NYC is a collection of community development housing groups from across NYC where members transfer Beneficial Title of at least some of their buildings into a joint pool.

This allows us to jointly leverage our assets to increase the purchasing power of non-profits, benefit from economies of scale, and better compete with the growing for-profit housing sector.

Community Land Trusts (CLTs) and the Southern Blvd Rezoning

We are using the Community Land Trust model in two main ways:

1. As a key component of our organizing around the proposed rezoning of Southern Boulevard. Our residents feel strongly that the more land we control through CLTs, the better chance we will have at fighting displacement.



Community Land Trusts (CLTs) and Banana Kelly's Portfolio



2. As a tool to increase the level of community control of land underneath our own buildings. This includes properties where *Beneficial Title* was transferred to JOE NYC. We are in the process of establishing a separate 501(c)3 Community Land Trust and will then transfer *Fee Title* for the land beneath the buildings that are part of JOE NYC. 10% of all cash flow from JOE buildings will help fund the CLT to work on cooperative economics and economic democracy.

Community Land Trusts (CLTs) and Putting the “Community” back in “Community Development”



CLTs also offer Community Development organizations the opportunity to more deeply engage their residents and community members in governance. Community control, shared governance and ownership models are not typically simple or straightforward. However, for groups that were often started by grassroots community leadership, the model can serve as a way to build those connections back up and create or re-establish legitimacy.

How Community Development organizations can support Community Land Trusts



And as CLTs gain momentum from community residents in organizing battles, they can greatly use the support of community development organizations who come from the same struggles – though often 30 or 40 years earlier. Community Development organizations can offer technical assistance, resources, economies of scale, and partnership in the ownership and governance of land.

City of Lakes Community Land Trust

A vertical decorative bar on the left side of the slide, composed of a series of hexagons in orange, blue, and green colors, arranged in a staggered pattern.

CITY OF LAKES
COMMUNITY
LAND TRUST



Staci Horwitz
Operations Director



About Us

Mission: To create community ownership that preserves affordability and inclusivity



- Serve City of Minneapolis / 80% AMI or less households
- 272 Homes + 65 Resales = 337 Households Served
- Varied Housing Types
- \$44,815: Average Affordability Investment
- \$36,571: Average Household Income (51.4% AMI)
- 56%: Single Female or Single Female with Children
- 55%: Communities of Color Households



Community Land Trust in 60 Seconds

- Bridge the difference between buyer's mortgage and cost of property
- Affordability Investment - typically tied to title of land via Ground Lease (Deed Restriction if Condo)
- If property sells, owner agrees to income + resale restrictions.
- Initial Sale:
 - \$200,000 property = \$140,000 buyer mortgage + \$60,000 CLT
- Resale:
 - \$200,000 property → \$240,000
 - New Buyer: \$240,000 = \$150,000 buyer mortgage + \$90,000 CLT
 - Past Owner: Equity + \$10,000 (25% change in value)
 - Community: \$60,000 + \$30,000 (75% change in value)

CLCLT Housing Types



210+
Single
Family
Homes

4 Rental Units



19 Townhomes



2 ADU's (+ 2 under construction)

24
Condos



7
Duplexes





Organization Progression

FIRST DECADE

- Not a developer / developer partnerships
- Homebuyer Initiated Program
- Low risk; not cash intensive

CURRENTLY

- Developing 3 to 5 vacant homes and 4 to 6 new construction annually
- Homebuyer Initiated Program
- Duplexes
- Accessory Dwelling Units
- Project: Sustained Legacy
- Higher risk; more cash intensive



Key Initiatives: Scale & Sustainability

HOME BUYER INITIATED PROGRAM

- Continues to be most requested program
- “Easiest” opportunity to grow in scale
- Deeper affordability investment needed in current market to continue serving lower-income households
- Ongoing puzzle to meet all funding post-purchase rehab requirements

PROJECT: SUSTAINED LEGACY

- Tax-forfeited Properties: Assisting current homeowner to stay or transition out of home
- Substandard Rental Properties



Key Initiatives: Scale & Sustainability

TECHNICAL ASSISTANCE

- Partnerships involving land ownership and/or stewardship of affordability
- Shared credibility and balance sheet – support other community-based initiatives



Challenges: Scale & Sustainability

- Limited resources
- Regulatory policies: Impact on CLCLT projects and homeowners
- Resistance to acknowledge amount of affordability investment needed to server lower-income households
- Lack of acknowledge of “true” cost to produce

New Economy Project

CLT Capacity Building & Collaboration

Julia Duranti-Martínez
New Economy Project

NYC
community land
initiative



Fighting for vibrant, equitable and sustainable housing and neighborhoods through community ownership of land



New Economy Project



New Economy Project's mission is to build an economy that **works for all**, based on **cooperation, equity, social and racial justice, and ecological sustainability**.

NYC Community Land Initiative



The NYC Community Land Initiative (NYCCLI) is a **citywide coalition** that fights to **preserve the right of low-income people to live in the city** by supporting Community Land Trusts and other community-led housing and neighborhood development.

Education & Outreach



Northern Manhattan CLT and East Harlem-El Barrio CLT facilitate a game of Trustville.

Policy Advocacy



NYCCLI members rally in support of the Housing Not Warehousing Act in 2017.

CLT Momentum in NYC

- Passage of first local CLT ordinance
- CLT Learning Exchange - capacity-building
- Citywide scale/coordination
- Emerging CLTs in all 5 boroughs
- Collaboration among CLTs, affordable housing developers, lenders, co-ops

THE Nation.

The Solution to Our Housing Crisis Is to Let Communities Own Property



NYC Just Made Its Biggest Commitment Ever To A Radical Affordable Housing Model

SHELTERFORCE

New York City Becomes a Hotbed of Community Land Trust Innovation

CITYLIMITS

The NYC Community Land Trust Movement Wants to Go Big

CLT Learning Exchange



Participating Community Groups



NYC
community land
initiative



Curriculum



A Curriculum Team works with the full-time CLT Learning Exchange Coordinator to develop content for sessions.

Activities



The Curriculum Team designed a board game to spark conversation on CLT capacity-sharing.

Outcomes



A group work planning activity modeled on the NYC subway lines helped clarify organizational next steps for their CLTs, as well as strengths and needs.

Early Takeaways from NYC



The Learning Exchange at site visits hosted by Cypress Hills LDC and the Community Solutions Brownsville Partnership.

Looking Ahead

Opportunities

- \$8 million in new Enterprise funding for CLTs statewide
- Deepen citywide collaboration between CLTs
- Skills-share and technical assistance pool
- Connecting with cooperatives, CDFIs, CDCs & neighborhood groups

Challenges

- Ongoing funding for staffing and start-up operations
- Land acquisition timelines
- Reaching deep affordability (<30% AMI)
- Campaign development and base-building



Fighting for vibrant, equitable and sustainable housing and neighborhoods through community ownership of land



Grounded Solutions



**GROUND
ED
SOLUTIONS
NETWORK**

strong communities
from the ground up

**Grounded Solutions Network cultivates
communities**

- equitable, inclusive and rich in opportunity –
by advancing affordable housing solutions
that last for generations.**



Introduction to Lasting Affordability (<i>free!</i>)	Introductory (000)	April 10 & 24
Program Design: A Municipal Perspective	Intermediate (200)	May 8, 15, 22 & 29
Homebuyer Selection and Fair Housing Considerations	Intermediate (200)	July 10, 17, 24 & 31
Affordable Pricing and Resale Formulas	Beginner (100)	October 23 & 30, November 6 & 13
HomeKeeper Basics and Beyond	Beginner (100)	December 4 & 11

Get details and register: groundedsolutions.org/events

- ▶ More resources available at groundedsolutions.org/tools-for-success, including a Resource Library, Membership information and much more.

Comments/Questions?



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