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**COMMUNITY LAND TRUSTS FOR AFFORDABLE HOUSING:
A CASE STUDY OF THE BURLINGTON COMMUNITY LAND TRUST**

by

CATHERINE L. HARDY, B.A.

**A thesis submitted to
The Faculty of Graduate Studies and Research
in partial fulfillment of
the requirements for the degree of**

**Master of Arts
Department of Geography**

Carleton University

Ottawa, Ontario

September 14, 1992

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A CASE STUDY OF THE BURLINGTON COMMUNITY LAND TRUST**

Submitted by Catherine L. Hardy
in partial fulfillment of the requirements for
the degree of Master of Arts

Thesis Supervisor

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ABSTRACT

This study, undertaken in partial fulfillment of a M.A. degree in Geography, was designed to explore the Community Land Trust Model as it has been applied in Burlington, Vermont. The purpose of the research was to examine the context within which the Burlington Community Land Trust was created and the extent to which this particular land trust can be considered successful in achieving certain land and housing objectives. This information was used to draw implications for further CLT application elsewhere.

The case study found that while community land trusts are unlikely to seriously challenge current national, regional or even city-wide patterns of landownership and land use in the near future, they can help ameliorate certain land and housing problems at the local level. While a unique convergence of events in Burlington and Vermont contributed to the formation and success of this particular community land trust, there is little reason to believe that similar initiatives could not be equally successful in other areas (provided certain basic "prerequisites" are met).

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1. INTRODUCTION

Many of the anti-poverty, housing, and community development programs in the United States, previously handled by the public sector, have recently been "privatized" by private for-profit and non-profit sectors. A decentralization of responsibility for social provisions to local levels of government (such as that evident in Reagan's "new federalism") has been intended to partially "give government back to the people" and to solve problems that central governments have been unable to resolve.¹ Jennifer Wolch terms the shifting of public service responsibilities to the voluntary sector (mainly at the local level) a "shadow state apparatus". Voluntary organizations such as community land trusts operate outside traditional democratic controls, yet "are strongly affected by state resources and constraints".²

A variety of arguments have supported increased voluntarism and local control. There have been ideological and pragmatic rationales for such a shift by authors of diverse academic and ideological persuasions. Overall support for an increased privatization of social responsibilities has been substantial enough to have resulted in public policy modifications. Whether or not this reorganization of the welfare state is a positive process is questionable. In her article entitled "The Shadow State: Transformations in the Voluntary Sector",

Jennifer Wolch expresses concern that voluntary organizations or "shadow state apparatus" could also lead to an "erosion of citizen entitlements to basic welfare program benefits, and an increasing statization of everyday life".³ Wolch uses the term statization to refer to the increasing control of state over social life. While active state involvement is formally reduced, she sees state control of social life to be affecting voluntary practices ever more deeply.⁴ The process described by Wolch has considerable relevance to the subject of this thesis: the Burlington Community Land Trust is one of the many voluntary organizations to have recently emerged in Vermont, largely in response to a decentralization of previously held government responsibilities in the housing sector.

CLTs are one of several land use planning innovations currently available to local citizenry in the United States. Environmentalists and preservationists have long been using land trusts to preserve distinct natural areas, historic landmarks, and open space. Perceived threats to these types of lands have often called for removal of the land from the speculative market so that they can be held "in trust" for future generations. The focus and organization of different land trusts vary considerably; however, they all share a common commitment to stewardship practices. While land trusts are not new to the United States, the community land trust model of land reform is one that has only recently been experiencing interest and

application. Like the conservation and preservation trusts, a community land trust removes land from the speculative market. The primary difference between these two types of land trust lies in the fact that a community land trust returns property to individual use, "attempting to balance the legitimate interests of the individual user and those of the surrounding community through a just allocation of equity".⁵

While housing and other types of "improvements" may be owned through a community land trust model of land tenure, the land underneath is owned "in trust" by the community land trust and is leased to individuals, families and community organizations. This separation of land and housing can make housing more affordable and accessible to people who would otherwise be excluded from the benefits of homeownership. The CLT model intends to allow leaseholders to enjoy security in their housing situations; to receive fair equity in their investments; and to have the option of passing on their housing and long-term leasehold to heirs. At the same time, the community is presumably enabled to help exercise effective control over its long-term development.

This research sought to further explore the community land trust model's apparent efficiency and effectiveness. A case study method of research was used to discover how the community land trust concept had been practically applied to the provision of affordable housing in a particular locality. Because the community land trust

movement has nearly entirely been restricted to the United States,⁶ it was necessary to observe the model's application in this context. Having conducted a literature review of the community land trust model and movement, exploring their nature, roots and recent development, the Burlington Community Land Trust in Burlington, Vermont was chosen to be the subject of in-depth study. The Burlington Community Land Trust was established with the same underlying principles outlined in the Community Land Trust Handbook (discussed below) in an effort to meet the housing needs of low and moderate income Burlington residents. Since its establishment, the Burlington Community Land Trust has been one of the most important non-profit organizations in the Burlington area, and indeed, in the entire State of Vermont.

The case study has identified some of the major strengths and limitations of the community land trust model as identified by the example of the Burlington Community Land Trust (it was presumed that these would affect the feasibility of further application in other communities). It examines the congruence between community land trust theory and the case-study example to see whether or not the conceptual model demonstrates pragmatic adequacy. The research objectives can be outlined as follows:

1. To examine the context within which Burlington Community Land Trust was formed
2. To examine the extent to which this particular community land trust has been successful in

achieving its land and housing objectives for Burlington

3. Based on my analysis of the Burlington Community Land Trust, to draw certain implications for further CLT application for affordable housing elsewhere.

The case study found that community land trusts appear to have been playing an increasingly important strategic role in the provision of affordable housing in the United States. Despite the legitimate concerns of Wolch and others regarding increased privatization of social responsibilities, it can be argued that voluntary groups such as community land trusts may be important mechanisms for progressive social change. CLTs in Vermont, for example, have already begun to raise consciousness and interest groups' expectations of the state, mobilizing some resistance to regressive government policies. CLT advocates, in conjunction with other local interest groups (e.g., conservation groups) have succeeded in lobbying for specific legislation and funding programs (e.g., not only has the State of Vermont embraced certain priorities of these groups, but the concerns of local groups have also resulted in the formation of such funding bodies as the Vermont Housing and Conservation Board and the Vermont Community Loan Fund). Non-profit organizations such as community land trusts have been vital to filling some of the gaps in social service delivery, responding to state funding shortfalls. Having become key providers of affordable housing in Vermont, community land trusts, together with other voluntary

organizations, have established preservation and perpetual affordability as moral imperatives and fundamental requirements for State spending in the housing sector and individual municipalities. They have also helped to influence the policies of other state agencies and institutions involved in finance.

Despite the fact that community land trusts dedicated to the improvement of housing conditions in Vermont and elsewhere have met with impressive success, they have been limited by political and economic forces in their ability to radically transform the prevailing free market system of housing allocation. Unless community land trusts succeed in gathering significantly more land and housing within their systems, popular consciousness and expectations of the state are unlikely to be dramatically altered.

NOTES

1. C. Cockburn, The Local State (London: Pluto Press, 1977).
2. Jennifer Wolch, "The Shadow State: Transformations in the Voluntary Sector" in Jennifer Wolch and Michael Dear (eds.), The Power of Geography: How Territory Shapes Social Life (Boston: Unwin Hyman, 1989), p. 198.
3. Ibid., p. 217.
4. Ibid.
5. John Davis, "Reallocating Equity: A Land Trust Model of Land Reform" in Geisler, Charles C. and Frank J. Popper (eds.), Land Reform American Style (New Jersey: Rowman and Allanheld, 1985), p.216.
6. A variation of the community land trust model has been adopted within the Canadian co-operative housing sector (see Communitas Inc., 1985). In addition, a CLT pilot project, based upon the CLT model of the United States, has recently been established in the Grande Plateau district of Montreal (see Evoy, 1991).

2. THE COMMUNITY LAND TRUST MODEL

Description of a Community Land Trust

The Institute for Community Economics defines a community land trust (CLT) as follows:

A community land trust is an organization created to hold land for the benefit of a community and of individuals within the community. It is a democratically structured non-profit corporation, with an open membership and a board of trustees elected by the membership. The board typically includes residents of trust-owned lands, other community residents, and public interest representatives. Board members are elected for limited terms, so that the community retains ultimate control of the organization and of the land it owns.¹

Central to community land trust theory is the assumption that land use decision-making is best undertaken by deciding upon mutually beneficial goals. Once determined, local residents can pool ideas and energy together to achieve these common goals.

CLT land is gained through purchase or donation and, upon acquisition, is meant to be permanently removed from the speculative market. The land trust retains perpetual title to the land, leasing it out according to need and in a manner deemed appropriate. Land may be leased to individuals, family households, cooperatives, community organizations, businesses, or for public purposes. Those who wish to become leaseholders must first agree to (1) use the land; (2) use the land in an environmentally and socially responsible manner; (3) pay regular lease fees

based upon the determined "use value" (not "full market value"); and (4) comply with a predetermined "limited equity formula" for property improvements upon termination of the lease. While leaseholders are unable to own CLT land, they are permitted to own any improvements upon the land. CLTs often assist leaseholders in acquiring ownership of buildings and other improvements. This is accomplished through a variety of means (e.g., by arranging low-interest loans or volunteer labour to assist in construction or rehabilitation). A leaseholder who decides to leave the land and terminate his/her lease may sell the improvements. In most cases, the land trust retains a first option to buy any improvements at the homeowners' invested cost plus adjustments for inflation, depreciation, and damage during the ownership period.

Figure 1 shows how a community land trust may make the purchase of a home more affordable, and therefore accessible, for a low to moderate-income purchaser by comparing the conventional purchase of a single-family dwelling to a purchase of the same dwelling through a CLT. It should be noted that the cost of land in Figure 1 is being assumed by the Burlington Community Land Trust (see pgs 96-103 for a discussion of BCLT's sources of financing). This significantly lowers the financing required by the home purchaser. Figure 2 examines the same property at the time of resale and compares this to a BCLT ground lease situation. This chart demonstrates how perpetual affordability for successive leaseholders may be

FIGURE 1. DEMONSTRATION OF HOW A COMMUNITY LAND TRUST MAY MAKE THE PURCHASE OF A HOME MORE AFFORDABLE THAN A CONVENTIONAL MARKET PURCHASE (Source: Burlington Community Land Trust, 1990)

Assumptions:

- \$100,000 market value (35% of this is land value)
- Mortgage financing @ 9%/30 years
- 5% down payment required
- Insurance costs of \$200/year
- Assessed Value = 70% market value
- Tax rate of \$2.25/\$100 of assessed value
- Land lease fee equals taxes on land + \$25/month administrative fee
- Median income (family of four) = \$32,300 (based on 1990 census data for the Burlington area)
- Monthly housing costs are 30% of monthly income

Conventional Transaction (House and Land)		Land Trust (House Only)
\$100,000	Purchase Price	\$65,000
5,000	Down Payment	3,250
95,000	Need to Borrow	61,750
764	Mortgage Payment	497
148	Taxes/Insurance	102
-0-	Land Lease Fee	71
912	Monthly Housing Costs	670
\$36,480	Annual Income Required to Make This Purchase	\$26,800
113%	Percentage of Median Income Needed for Purchase	83%

Note: All of the above information reflects an actual transaction in Burlington.

FIGURE 2: DEMONSTRATION OF HOW PERPETUAL AFFORDABILITY MAY BE ACHIEVED AT RESALE OF A CLT HOME (Source: Burlington Community Land Trust, 1990)

Assumptions:

- Annual inflation rates: Land 10%
 House 5%
 Taxes/Insurance 10%
 Wages 4%
 Lease Fee 4%
- Property is held for ten years
- No change in mortgage terms or underwriting guidelines

Conventional Transaction (House and Land)		Land Trust (House only)
\$196,660	Value at Resale	\$105,880
-100,000	Original Purchase Price	-65,000
96,660	Total Appreciation	40,880
96,660 (100%)	Owner's Share of Appreciation	10,220 (25%)
95,000	Original Amount Borrowed	61,750
84,958	Amount Still Owed	55,223
196,660	Sell Property for	75,220*
-84,958	Pay Lender	-55,223
\$111,702	End Up With	\$19,997
\$75,475	Annual Income Required of Next Buyer to Purchase	\$39,840
158%	Percentage of Then Current Median Income (family of four) Needed to Purchase	83%

* Original purchase price plus owner's share of appreciation

Note: All of the above information reflects an actual transaction in Burlington. The percentage of appreciation paid to the seller in this example (25%) is specific to the Burlington Community Land Trust. Other CLTs may choose different methods of setting the resale price, depending on a variety of factors.

guaranteed while maintaining a fair share of owner equity. In this way, no one seller is able to profit from "unearned" increases in the market value of a home or building and buyers are not priced out of the market from excessive increases. Any increase in value that is not due to a leaseholder's efforts is to remain with the CLT.² It should be noted that the validity of the conclusions that can be drawn from Figures 1 and 2 are dependent upon their assumptions and upon the CLT's ability to assume the land cost portion of the housing cost equation.

Contrary to typical free market operation, neither the CLT nor the leaseholder holds land as a commodity. The Community Land Trust Handbook describes the lease agreement as "the specific, flexible, legal means by which the legitimate interests of both the community and the individual leaseholder are explicitly described and protected in accordance with the policies of the CLT".³ These "legitimate interests" have been categorized according to the individual needs of security, access to earned equity, and legacy; and the community needs of access, community equity, and community legacy. Each of these will be summarized briefly below.

Individual Interests

Individual Security

Security in one's housing and use of land has traditionally been restricted to landowners. The CLT

model claims to be able to offer leaseholders the same fundamental security as that offered through fee simple ownership. This is accomplished through long-term leases and through a number of rights and responsibilities of both the leaseholder and CLT. Because CLTs are non-profit organizations, there should be no conflict between the profit motives of some individuals and the security rights of others. The CLT model is able to make both home ownership and long-term land use available to many people who could otherwise not afford these. Unlike the vulnerability experienced by the average tenant, CLT leaseholders, through the guarantee of long-term leases, have the assurance that they will not be forced from their homes or land by a landlord (provided that certain basic CLT guidelines regarding land use are adhered to and that leaseholders do not default or fail to pay property taxes etc.). Displacement is traditionally a common threat in areas of limited housing and during times of high inflation. The fact that CLT leases are based upon "use value" rather than "true market value" allows the user the security of knowing that rises in surrounding market values will not drive up their own housing costs beyond "affordable" levels.

As a member of a CLT, the leaseholder is able to participate in the operations and decision-making process of the organization. Leaseholders are also guaranteed a percentage of representation on the Board of Directors. It is assumed that these opportunities contribute to

individual security. Finally, CLTs help individuals achieve greater security through unique methods of financing. By joining together as a group, CLT members are able to acquire a greater amount of financing than they would have access to within the conventional housing market. Because CLTs tend to have broad financial bases, a CLT may be able to lower its lease fees well below regular market rates so that they are affordable to very low income households. CLTs may also be able to provide direct assistance to members in times of hardship.

Individual Equity

People have a legitimate interest in keeping whatever value they put into their homes, or into the land they occupy and use, when this value is derived from their personal efforts. If they improve their property either directly through their labour or by spending on it what they have earned elsewhere, they have an obvious and legitimate interest in retaining as equity the value of these improvements.⁴

A lack of equity is often referred to as the "renter's dilemma". By law, any improvements made by conventional tenants belong to the owner and remain tied to the property, thus denying the tenant an opportunity to build equity in their housing. Because most CLT leaseholders own their improvements on the land, they normally build equity for their investments of labour and capital.

Individual Legacy

As it has already been mentioned, CLT leaseholders

have the option of passing on their right to continue use of the land to their heirs. Thus, children who have grown up in homes on CLT land are able to continue living in the homes to which they may be sentimentally attached. Also, children who have grown up on farms on CLT land have the option of carrying on a family farming tradition. This potential for individual legacy can be contrasted with the situation of tenants who do not have the right to bequeath property to heirs.

Community Interests

Community Access

A community has a legitimate interest in maintaining continuing access to its land for all its members. The land and natural resources of a community are the necessary base for its economic and social well-being. Land must be available for housing, jobs, and social services if the community is to be healthy.⁵

Communities that lack access to their own lands also lack security for present and future generations of residents. Absentee ownership is one cause of community insecurity and lack of access, particularly in those areas with a valuable resource base. Land and housing for sale on the conventional market are often recognized primarily for their profit potential rather than the needs of the local community. Communities across the United States, especially those in the northeast, are becoming more aware of the fact that community security largely depends upon the retaining of local control over land use. Many of

these communities have explored or implemented the CLT model as a tool to retain partial control over land use and development. Because leaseholders are permitted to lease only the amount of land that they will use themselves, or that will be used for the direct benefit of the community, CLT land is not open to the possibility of either absentee ownership or monopolization.

Community Equity

A community can be said to be deprived of its equity when the economic benefits of community development (i.e., land, natural resource base) are continually "captured by a privileged few or drained away by outside interests".⁶ According to CLT theorists, the community has legitimate claim to such equity for two main reasons. First, the inherent value of the land is not regarded as something of human creation and thus cannot be rightfully thought of as personal property (and therefore income) of any individual. Second, the appreciated value of the land itself is regarded as the result of the activity and efforts of individuals and groups throughout the community and of economic forces outside of the community. "By holding land permanently in trust, a CLT preserves for the community both the original, inherent value of the land and any value that is added to it by the efforts of the community or larger economic forces".⁷ In this way, individuals who are leasing CLT land are able to retain the value of their own investments but may only take for

themselves a portion of that which is believed to belong to the community as a whole.

It is not uncommon for communities to unknowingly initiate or accelerate the market forces that will raise property values, property taxes and rents, thereby displacing local residents. This can occur in neighborhoods or municipalities when improvements are made in roads, parks, housing stock etc. Rural areas are also faced with problems of community equity erosion. In the latter, concern is more often related to preserving the community's agricultural economic base than it is with housing. Whether the situation be rural or urban, as large amounts of properties change hands, so also does the character of the community at large. Social networks can be broken and certain types of services may be lost altogether.

Because a CLT bases its lease fees upon the use value of a land parcel, leaseholders are not penalized for land uses which are consistent with the community interests but which are less profitable than the "highest" economic use. And as has been mentioned above, a CLT may also choose to lease land for a fee level below full market value so that it may be accessible to very low-income families or individuals. This may reduce the dependence of such people upon public assistance and subsidies, thereby also reducing the uncertain dependence of local communities on government policies and programs beyond their direct control.

In addition to individual equity, CLTs also strive to achieve community equity. The Community Land Trust Handbook likens many government subsidization efforts to assisting a hemorrhaging patient by administering repeated blood transfusions without any action to stop the bleeding:

Transfusions of public money - in such forms as acquisition and development funds, or rent and interest subsidies - offer short-term benefits to individuals and communities, but the value of the subsidy normally passes through the community, often quite rapidly. It is not retained, so the transfusion must be repeated over and over again at increasing expense or, as is the current trend, the community must be abandoned to its own limited resources.⁸

Community land trusts claim to act as highly effective recipients and administrators of such funds by retaining the public subsidy within the community for repeated use with multiple effect.

Community Legacy

Every community has a responsibility to preserve its environment and guide development in such a way that the legitimate interests of future generations are provided for. However, many critical land-use decisions are currently being made outside the local communities that they affect. While CLTs are subject to the same local planning and zoning regulations to which other landowners are subject, CLT decisions are meant to be guided and controlled by broad community interests. A CLT is potentially able to exercise effective community control over long- and short-term development through its

influence on land use decisions and its power to grant or withhold leases. Decisions regarding land use may be made democratically, with expert advice sought when necessary.⁹

Roots of the Community Land Trust Model

As a specific model, the CLT is still relatively new to the United States, with the earliest developments in the movement occurring in the early 1970s. Although the model appears to be new and revolutionary in many ways, it has in fact drawn from a variety of existing ideas, philosophies, and practices -- some of which are deeply traditional. Those that are believed to have been particularly influential to the founders of the CLT model will be discussed briefly below.

The underlying assumptions of the CLT model stem from the traditional Judeo-Christian view of the earth as something naturally given, or God-given, to all people in common -- a resource to be shared and not owned in any absolute sense by individuals. The Judaic doctrine of land possession is suggested in Leviticus: "The earth hath the Lord given to the children of men" and "The land should not be sold forever; for the land is Mine; for ye are strangers and sojourners (substituted with "aliens and tenants" in the New International Version) with Me".¹⁰ This concept of stewardship implies an innate duality between individual and community interests. The individual's right to extract value from land was limited

by certain conditions. For example during the Year of Jubilee (fiftieth year), every individual who had sold or lost his/her allotment of land would have it returned. This practice was to ensure that land would never be permanently "lost" to individual interests.¹¹

In its economic approach, the CLT model has drawn upon the work of social philosopher and self-taught political economist, Henry George. In his major work, entitled Progress and Poverty, George reasserted the principle that land is a common trust to be made available to all. He linked the persistence of poverty with the improper distribution of production income, attributing fault to the privilege granted to landowners to share in the rewards of production without having contributed to the production process. Henry George viewed land value as a social creation -- a collective product resulting from the growth and development of the aggregate community. To help resolve the problems of poverty and social distress of his times, George proposed a shift in the entire burden of taxation from the products of labour and capital to the socially created rental value of land. His "single tax remedy" would mean that a full ground rent would be collected from the holders of land in lieu of taxes on both land and improvements.¹² One can observe definite similarities between George's "single tax" and the lease fees of the CLT model.

As a practical tool, the CLT model was inspired by recent land reform policies in several other countries

including the Bhoodan movement in India¹³; the Jewish National Fund of Israel¹⁴; programs for trusteeship in Mexico and Tanzania; and land banking practices in various countries. Although the CLT model bears some resemblance to the above-mentioned ideas and practices, none of these land reform policies and landholding systems represent the community land trust model in its pure form, but rather they served as important sources of inspiration for the CLT model. The above list of examples is by no means exclusive, for CLT founders were influenced by additional practices and theory (e.g., the conservation land trust movement, Native North American concepts of land stewardship). However, the examples outlined above were perhaps most influential.

The Community Land Trust Movement in the United States

Community land trusts have emerged in scattered areas of the United States in response to a variety of housing and land issues. Most community land trusts have been formed in communities that have experienced disinvestment¹⁵ or extreme and/or rapid investment.¹⁶ Although the earliest applications of the CLT model occurred in the 1960s, it was not until the 1980s that the movement really began to flourish. This growing popularity was largely attributable to a deepening nationwide affordable housing crisis compounded by government cutbacks in social housing expenditures. Many

housing activists organized community land trusts as one grassroots attempt to meet the pressing need for affordable housing. Community land trusts appear to be quite successful in making affordable housing opportunities more readily available in various communities and neighborhoods across the United States, while at the same time, helping to stabilize these areas.

The community land trust model was developed in the 1960s by Ralph Borsodi and Robert Swann. Borsodi, a social philosopher and disaffected Wall Street economist, is sometimes referred to in CLT literature as the "grandfather of the community land trust model". His work entitled "Trustery and Property: The Possessional Problem", originally printed in his best-known work, Seventeen Problems of Man and Society, is considered by some to be one of the most thoughtful philosophical examinations of land use problems ever written.¹⁷ It was this article that formed the basis for the community land trust model and movement. In this work, Borsodi first examined the roots of the land problem and then proceeded to analyze a multitude of possible solutions, including that of land trustery. Borsodi played an instrumental role in founding several intentional communities that were based in part upon Georgist principles and were, in some ways, forerunners of today's community land trusts. The application of the model that emerged in the 1960s, however, was not limited to intentional communities. The community land trust itself was conceived as a

democratically-controlled organization that would hold land for the common good of a community, making it available to individuals within the community through long-term leases.

Robert Swann, a civil rights and peace advocate in the southern United States, was a professional builder with a long-time interest in shared land ownership. Having observed the concept of co-operative land ownership in action in the 1940s in Upper Southampton Township, Swann joined Ralph Borsodi in advocating land trustery as a useful tool for communities facing serious land tenure problems. While the possibility of urban land trustery had already been recognized in the United States, the emphasis at this time was mainly on rural land. Philosophically, both Borsodi and Swann were greatly influenced by the writings of Henry George. While George was viewed by many of his contemporaries as "one part crackpot and one part visionary", Swann considered him to be the most important American economist ever.¹⁸ Swann and Borsodi together visited Israel to study lease agreements of land owned by the Jewish National Fund. They also visited India, discussing the concept of community-owned land with the Bhoodan movement's leader, Vinoba Bhave.

In 1967, Robert Swann and Ralph Borsodi together founded the International Independence Institute (later renamed the Institute for Community Economics) as a vehicle for promoting the community land trust idea. This

institute has since become the United States' foremost promoter of the CLT model. A book entitled The Community Land Trusts: A Guide to a New Model for Land Tenure in America was prepared by the International Independence Institute as an introduction to the CLT concept. This text was published in 1972 and after several printings, remains in demand for those interested in CLTs. At the time it was written, however, the subject was almost entirely theoretical and there was very little practical experience to report.

Ralph Borsodi died in 1977 and Robert Swann resigned from the Institute for Community Economics in 1980 at the age of sixty-two to work with a CLT in Barrington, Vermont. Also in 1980, a "CLT book project group" was organized by Chuck Geisler of the Institute for Community Economics and Chuck Matthei of Cornell University's Department of Rural Sociology. This group arose out of a perceived need to publish the existing body of experience and information on CLTs. The resulting book, entitled The Community Land Trust Handbook, was intended to (1) provide a general introduction to the CLT model as it was currently implemented, (2) offer representative examples of existing CLTs and (3) act as a reasonable compact guide for people already establishing CLTs and those interested in doing so.¹⁹ At the time this book was written, there were only a handful of organizations in the United States that resembled the CLT model and all of these together held less than one hundred units of housing. Now the

number of land trusts in the United States and the number of units held by those land trusts have increased twenty-fold.²⁰ Since its publishing in 1982, The Community Land Trust Handbook has been put to practical use by many community organizers and has helped to increase the number and strength of community land trusts across the United States.

The first CLT in the United States was established in 1968 in the small town of Leesburg, Georgia with the creation of New Communities Inc., a non-profit farming collective. This initiative was formed in response to rural poverty and in conjunction with the black civil rights movement. It began when a group of lower-income black families organized together in an attempt to hold land as part of a community land trust for farming. The organization was later plagued with financial difficulties and was forced into foreclosure. Although a few of the early land trusts were not entirely successful, the failure rate for more recent land trusts is extremely small. This is due to the fact that internal sophistication of the trusts has been improved and because community support has increased.

Although the community land trust concept was conceived about twenty-five years ago, it has gained real momentum since the mid-1980s, when a combination of government cutbacks in social housing and real estate booms in certain areas provided the impetus for most new land trust activity. Chuck Matthei, Director of the

Institute for Community Economics since 1980, claims that there has been "a nationwide explosion of interest" in CLTs in the past few years.²¹ There are currently over 120 CLTs in the United States in various stages of evolution and new CLTs are being incorporated each month.²² The highest concentrations of these are in the Northeast (New England states) where development pressures have intensified and real estate prices have increased dramatically in the last decade.

The versatility and adaptability of the model is being demonstrated in places large and small; in major metropolitan areas (fifty of the 120 existing CLTs in the United States are located in thirty-five large urban areas such as New York City, Atlanta, Boston, Cincinnati, Chicago, Dallas, Philadelphia, Seattle, Washington D.C., and Minneapolis); in medium-sized cities such as Burlington (Vermont), Cincinnati (Ohio), Durham (North Carolina); and in numerous small towns across the United States. By January 1991, the CLT model was represented by at least one developing and/or operating CLT in twenty-five states.²³ As the number of CLTs has grown, interest in the model has also grown. The Institute for Community Economics currently receives at least fifty requests monthly for information about CLTs from other housing organizations, public officials and policy makers, religious organizations, the media and university academics.²⁴ John Davis, who previously worked with the Institute for Community Economics states: "We can really

begin to talk about a community land trust movement now, whereas ten years ago it was an aspiration, an ideal, but it was not yet a movement".²⁵

Institute for Community Economics

The Institute for Community Economics (ICE) is a national non-profit organization which works for economic justice by providing technical assistance and financing to community-based organizations working to produce and preserve affordable housing, jobs, and services in economically distressed communities. The primary recipients of technical and financial assistance are community land trusts; however, assistance is also given to limited equity housing co-operatives, community loan funds, and other grassroots organizations. ICE also provides information and educational material to the general public and conducts a considerable amount of research on technical matters affecting community land trusts (e.g., legal issues). The Institute of Community Economics has been the motivating force behind the community land trust movement in the United States, guiding groups in organizational efforts, offering assistance, pointing the way toward funding sources, and, in some cases, granting start-up loans for new corporations. ICE also publishes and distributes The Community Land Trust Handbook. In short, ICE's role has been to try to (1) knit these groups together so that they

are able to learn from each other, (2) act as a clearinghouse of information, and (3) interject a broad political/social vision into CLT activity.

In terms of technical assistance, ICE provides information and on-site support to various community groups and public agencies around the country in developing community land trusts and community loan funds. ICE offers advice to CLTs regarding community organizing, incorporation, application for tax-exempt status, property acquisition, property development, lease agreements, financial planning, property management, and negotiations with public agencies. Assistance may take the form of a single response or meeting with groups, or it may involve a long-term relationship in which ICE staff work closely with an organization and its community on an ongoing basis. ICE has assisted over eighty start-up land trusts to date.²⁶ ICE also regularly sponsors regional training on issues that are of concern to CLTs.

As mentioned above, ICE also offers financial assistance to CLTs and other grassroots organizations. This is primarily undertaken through what is called a "revolving loan fund": a fund established in 1979 for the purpose of addressing the critical need for community development capital. It is provided with capital by loans and donations from concerned individuals and institutions. These funds are then loaned by ICE to different community groups. The majority of loans are made for the acquisition and development of land and housing but some

go to businesses and community service organizations. Most loans are short term and "revolve" rapidly. They are often used as a leveraging tool so that additional financing can be acquired. ICE's Revolving Loan Fund has made more than 250 loans, totaling over \$18 million, to community-based groups in twenty-six states, with no losses to lenders.²⁷ In addition to the Revolving Loan Fund, ICE often helps borrowers arrange long-term financing and develop local sources of capital for future projects. The organization also assists in the development of community loan funds to serve specific geographical areas. ICE's Revolving Loan Fund, one of the oldest and largest community development loan funds in the United States, is currently capitalized at over \$10 million.²⁸

Overview

The above has described the CLT model, its roots and recent development. The CLT model of tenure can be seen to be in contrast with a free market system of property ownership in a number of ways. For example, while the rights to speculate and monopolize are considered to be standard prerogatives of landownership within a free market system, CLT founders argued that the valuation of land primarily for its exchange value rather than its use value could have serious social, economic and environmental consequences. CLTs, like other anti-speculation measures (e.g., anti-speculation taxes), attempt to remove profit

incentives from land and housing acquisition, thereby de-commodifying those resources. This is accomplished through limited equity restrictions placed upon CLT leaseholders (to be contrasted with regular property owners who, at resale, typically claim all of the increase in value accrued to their property). Within a free market system, land may be individually owned: CLTs, however, treat land as a common resource to be used and enjoyed by individuals but not individually owned.

While the CLT model leans more towards socialist notions of public ownership than it does towards capitalist ideology, the fact that it mixes qualities of both public and private ownership suggests that the model is somewhat of a compromise in the traditional "capitalist versus socialist" debate. The CLT model advocates a qualified type of public ownership, allowing for some individual capital gains but restricts the extent of these gains. The ideal does not appear to be a replacement of current institutions but rather, the development of mixed economies in which there exists a mix of public and private ownership.

NOTES

1. Institute for Community Economics, Community Land Trust Handbook (Emmaus: Rodale Press, 1982), p.18.

2. Ibid., p.19.

3. Ibid., p.19.

4. Ibid., p.6.

5. Ibid., p.7.

6. Ibid., p.23.

7. Ibid., p.24.

8. Ibid., p.26.

9. Ibid., p.26.

10. Leviticus 25:23.

11. This duality between individual and community that is firmly fixed in the Judeo-Christian tradition is found in many other religious and ethical traditions (see, for example, International Independence Institute, 1972, ch. 1).

12. This was seen to end the existing injustices of taxing users for the improvements made on their land and failing to collect full ground rent from speculating owners of unimproved land (George, 1966 revised edition).

13. "Bhoodan" refers to the voluntary surrender of a surplus of land to the landless. Vinoba Bhave, a disciple of Gandhi, toured India beginning in the early 1950s, begging for land for the landless and proclaiming that land, like air and water, should be the common property of all people and should be equitably distributed. Through Vinoba Bhave, the concept of bhoodan was realized in thousands of Indian villages and the movement continues to be felt in India today. An introduction to the Bhoodan movement in India can be found in Lindon, 198-.

14. The land stewardship teachings of Leviticus are observed today in Israel, where trusteeship is vested in the national government and where state-held land accounts for over ninety percent of the nation's land (Institute for Community Economics, 1982).

15. Disinvestment of a neighborhood or community occurs when capital and other important community resources are drained from a particular community. It can lead to the rapid degeneration of a neighborhood, particularly when homes and buildings are allowed to deteriorate and eventually become condemned or abandoned (Nozick, 1991).

16. Development pressure or "overinvestment" may occur when real estate investors, developers, and homeowners buy and sell land for the primary purpose of reaping large profits, thereby inflating land and housing costs. This often leads to the displacement of low- to moderate-income residents from certain areas (Nozick, 1991).

17. Gordon Lamey and Lydia Ratcliff, in Borsodi, Ralph, "Trustery and Property: The Possessional Problem" (Anand, India: Charotar Book Stall, 1977), foreword.

18. Ginny Wiegand, "Putting Their Trust in the Land" in The Philadelphia Inquirer, 6 October, 1988.

19. Institute for Community Economics, The Community Land Trust Handbook (Emmaus: Rodale Press, 1982), foreword.

20. Institute for Community Economics, "Information Sheet", 1992.

21. Peg Boyles,, "Civil Rights Spawned Land Trust" in Boston Sunday Globe, 4 September 1988.

22. Ibid.

23. Institute for Community Economics, "Information Sheet", 1992.

24. Institute for Community Economics, "An Interview With John Davis" in Community Economics, Fall 1990.

25. Ibid.

26. Institute for Community Economics, "Information Sheet," 1992.

27. Institute for Community Economics. "The Revolving Loan Fund" (pamphlet), 1991.

28. Ibid.

3. METHODOLOGY

Rationale for the Research Method

One of the best ways to determine the potential of the CLT model's application to affordable housing is to learn from established organizations that are based on the underlying principles outlined for CLTs in The Community Land Trust Handbook. The particular case example chosen was to be evaluated as a demonstration or illustration of the conceptual model. It was intended that this form of research be used as a means of discovering contingencies that could then be used as a basis for further questions and research.

In order to examine the credibility of the conceptual model, it was necessary to choose an appropriate case example. The Burlington Community Land Trust of Burlington, Vermont was selected for study because the available literature seemed to indicate that this community land trust had achieved a high degree of success in the eight years since its incorporation. BCLT's achievements were often showcased in ICE's promotional material. The fact that this particular land trust had been in operation longer than most other CLTs added to its attractiveness as a worthwhile case example for in-depth study since its impact upon the local community and the context within which it was formed could be expected to be

more visible than the impact of a more recently established land trust.

While conducting this case study has proven to be a helpful method by which to observe and describe events that have not been formally studied before (i.e., the context within which the Burlington Community Land Trust was formed and the extent to which this particular land trust has been successful in achieving its land and housing objectives), certain inherent limitations associated with this form of research were encountered. For example, not only are case studies limited in their representativeness and replicability, but it is also often difficult to draw causal inferences from findings. Because this case study has asked questions about one particular community land trust, the resulting conclusions were largely restricted to the Burlington Community Land Trust and could not be easily generalized to a wider population. Thus, it was perhaps more difficult to answer some of the initial questions that related to the third main objective (i.e., drawing certain implications for further CLT application elsewhere) than it was to answer questions relating to the first two objectives of (1) examining the context within which the Burlington Community Land Trust was formed and (2) examining the extent to which this particular CLT can be considered successful in achieving its land and housing objectives. Inferences that were drawn from the case study had to be approached cautiously since the identification of certain

contingencies from case study research could easily run the risk of being overly speculative and hypothetical.

Empirical Data and Their Collection

Documentary Sources of Information

A total of three research trips were made to the Burlington/Montpelier area. The purpose of the first trip was to gather any useful information that related to the research questions from available documentary sources. Background information was sought on the State of Vermont and the City of Burlington, with special attention given to recent social and economic trends and their impacts upon land, housing, and planning issues. Most of the documentary sources were obtained from the University of Vermont library in Burlington, although some were gained through the land trust's office. Documentary sources that were utilized included the local newspaper, magazine and journals, publications of municipal and state agencies, and material published by BCLT itself (e.g., annual reports, newsletters, promotional material). There was a constant effort during this information-gathering phase to generate questions about the reasons behind certain phenomena (e.g., why the land trust was founded, why the land trust had achieved the success it had) and concrete evidence was sought to back up intuition and reason. Not only did this first research trip help answer some of my

initial questions, but it also helped to shape and direct further phases of research. For example, the available literature helped identify some key people and/or organizations that would later be helpful sources of information in the interviewing phase.

Interviewing

Interviewing was seen to be one useful instrument of data collection. Material found in documentary sources was not in substantial supply and much of this had originated from the land trust itself. Because land trust material tended to over-emphasize the accomplishments and strengths of the land trust, it was deemed necessary to seek other perspectives in order to adequately assess the strengths and weaknesses of the case study example. It seemed appropriate to interview members of the local community within which BCLT operated in order to learn about land trust operations and the impact of these activities upon the local community. Not only was this expected to shed some light upon the context within which BCLT was formed, but it would also help in the analysis of whether or not BCLT could be considered successful in achieving its land and housing objectives in Burlington.

Selection of Participants

Careful consideration was given to the selection of interview participants. It was decided that a number of

people (as opposed to one or two) would be interviewed so that a range of perspectives could be analyzed. In identifying potential key informants, it was necessary to seek those who possessed a high level of knowledge of the Burlington Community Land Trust. As it was mentioned above, the available documentary sources provided some direction in this decision-making process, since many of those working closely on a professional basis with the Burlington Community Land Trust had been identified in the literature. Having compiled a list of potential sources, it was decided that local and state officials whose departments or organizations were related in some way with BCLT would be the most appropriate persons to interview. Six potential interview participants were initially contacted by letter. The name and affiliation of the researcher were introduced and the nature and purposes of the research were briefly described. The cover letters specified that each participant should have a considerable degree of knowledge of the Burlington Community Land Trust but must not be personally affiliated in any direct way with BCLT (i.e., being a member of BCLT or serving on its Board of Directors).

All six of the proposed participants accepted the invitation to participate in the research process. Their letters of acceptance were followed up by telephone calls for the purpose of scheduling interviews. The six interview participants were representative of the following local and state departments or organizations:

Vermont Department of Housing and Community Affairs, Vermont Housing and Conservation Board, Vermont Housing Finance Agency, Burlington Planning Commission, Burlington Housing Authority, and Burlington Community and Economic Development Office. A list of those interviewed, including a brief synopsis of their respective departments and organizations, is provided in Appendix 1 . Some of these agencies have been only loosely associated with BCLT (e.g., Burlington Housing Authority, Vermont Housing Finance Agency, Burlington Planning Commission) while others have played highly influential roles in the development of the land trust (e.g., Burlington Community Economic Development Office, Vermont Housing and Conservation Board).

Several measures were utilized in an effort to maintain the methodological soundness of the research findings so that meaningful conclusions could be drawn. Two such measures have already been mentioned; limiting direct contact with members of the land trust, particularly in the early stages of the research, and seeking interview participants who were not personally involved with the land trust. In addition, there was a conscious effort to not "lead" the interview participants in their responses. Interview questions were structured in such a way as to give the participants considerable freedom in the nature of their responses. An attempt was made to avoid asking restrictive questions, as this might have only supported the personal biases of the researcher,

rather than unveiling important information about the research questions.

Ethical Issues

The involvement of human "subjects" in the research process meant that certain ethical concerns had to be considered. The concept of informed consent is a basic ethical principle in research. Before any of the proposed interview participants were contacted, it was necessary to ensure that the research plan would stand up to ethical evaluation. An informed consent form was prepared to ensure that interviewed subjects were treated in accordance with Carleton University ethical guidelines. This two-page form, mailed along with a covering letter, described why the research was being undertaken and how it would be conducted. Enough information was provided to each prospective subject in order to enable them to make an informed decision about their participation. Samples of a covering letter requesting interviews and an informed consent form are found in Appendix 2. These were submitted to the Ethics Review Committee of Carleton University's Faculty of Graduate Studies and Research prior to the interviewing phase. The research proposal was found to be ethically acceptable and was granted approval.

The Interview Design

The interviews were designed to be semi-structured so that the interview would be guided to a certain extent, while allowing for interaction and considerable freedom in the nature of participant responses. There were times when the interview participant would lose sight of the original question(s). This straying from the interview format was not altogether discouraged -- in fact, much helpful insight and information was gained at such times.

The interview format was divided into five main sections, ordered in a comfortable sequence so that more in-depth questions were placed towards the end of the interview. The first section invited the participant to describe the nature of the relationship between his/her department/organization and BCLT. The second section included questions that related to BCLT's achievement of its objectives. Questions in the third section dealt with how well BCLT's activities have been received by the local public and by public officials at all levels of government. Section four included questions that related to the CLT model in general and its future potential. Participants were asked to identify their perceptions of the major strengths and limitations of the CLT model. Some participants were familiar only with BCLT and were therefore able to base their responses solely upon their observations of, and experiences with, this particular land trust. Others who had more experience with CLTs were

able to generalize more in their responses. The last section of the interview made room for additional information and allowed for any comments and/or questions. In some cases, the participant volunteered further sources of information, including documentary sources and additional potential contacts. Although there were certain standard questions that were asked of all interview participants, effort was also made to tailor other questions to the participant's experience and/or knowledge. A sample interview format is provided in Appendix 3.

The Interviewing Process

Six interviews with six different individuals (each representing a separate department or organization) were conducted over a three-week period. The interviews were conducted in person, with the exception of one interview which had to be undertaken by telephone due to unavoidable circumstances. Interviews took place at the participants' place of work at a time convenient to them. The interview questions were presented verbally to the participants and, with their consent, were recorded on audio tape.

Participants were given the option to not answer certain questions. Some participants expressed a feeling of being "unqualified" to answer certain questions, but aside from these instances, all questions were answered.

Participants were asked to try to speak on behalf of their

respective departments/organizations for some, although not all, of the interview questions. However, personal opinions were never discouraged. By asking participants to speak both from their own perspectives and on behalf of their respective departments or organizations, it was hoped that individual views would be adequately balanced with those represented by a much larger group of people. For example, in interviewing Mr. Lothrop of the Vermont Housing Finance Authority, I was not only interested in his personal opinions of BCLT and its activities in Burlington, but was also curious to know of the position(s) that had been taken by his department as a whole with respect to BCLT. Pat Peterson of Vermont's Department of Housing and Community Affairs admitted that her views relating to BCLT and other community land trusts would likely be different from those of other officials in her department (due to her active involvement with community land trusts). She therefore attempted to distinguish between her own views and those positions taken by her department as a whole.

Interviews lasted between forty minutes and one hour depending upon the length of responses and the amount of time available. Five of the six interview participants expressed an interest in seeing the final results of the study. Three offered to be of further assistance during the research process; for example, by mailing information that they felt might be relevant or by encouraging me to telephone them in the event that additional questions

arose.

There was some concern that by tape-recording responses, interview participants might answer differently than if a less obtrusive measure was utilized (e.g., note-taking or simply listening). However, due to the length of the interview sessions and the difficulties that could have been expected with mental and/or written note-taking, the recording of interviews on audio tape was deemed a necessary measure. There was no evidence that the taping of interviews had affected the nature of interview responses; thus, it is unlikely that the accuracy or validity of results was jeopardized. The fact that the research purposes were clearly outlined in the cover letter and informed consent form likely made participants feel relatively comfortable in sharing their information and/or opinions about the subject matter.

Organization, Analysis and Interpretation of the Data

All information that related in any way to BCLT, whether it resulted from direct observation, documentary sources, or interviewing, was recorded and arranged in a orderly manner. The large body of information had to be broken down into various sections so that a working outline could provide some structure for the classification of ideas and information. Key pieces of information (i.e., those that related to the research questions) were identified and irrelevant detail was

isolated. Interviews were transcribed from the original audio tapes so that they could be filed along with the other information. Various personal observations and thoughts were recorded on paper and dated throughout the research process. Newspaper, journal, and magazine articles were photocopied either directly from the original sources or from microfilm. Annual reports, newsletters and promotional material that were gathered from the University of Vermont and the land trust itself were also filed systematically.

The fact that interviews were spaced out over a three week period allowed me to subtly modify and improve the interview format and questions when considered appropriate. Although information was being analyzed throughout the research process, it was not until all of the information was gathered that I could adequately determine and communicate the importance of findings. The information was reviewed and scrutinized from a variety of different viewpoints. Efforts were made to keep an open mind during this evaluation phase, although it was recognized that preconceived notions and personal biases would help shape the research results. It is worth noting, however, that this "conceptual baggage" (i.e., personal questions and perceptions) became modified as the research progressed.

Much of the information (particularly that gained from interview responses and from BCLT material) was cross-referenced where possible to ensure its validity.

Strong conclusions were not based upon any one interview participant's response(s) unless such information was backed by additional sources. Opinions were not discarded altogether but were treated skeptically until substantiated by further evidence. The assumption was that these actions would help reduce the effect of potential personal biases upon the research results. Differences of opinion that arose among interview participants in response to certain questions could have been flavoured by a number of factors (e.g., degree of individual knowledge/experience about the subject, political biases etc.). Despite the fact that certain common questions generated differences of opinion among participants, there was undoubtedly more similarity than difference between interview responses. It seemed that an ample number of interviews was conducted for the purpose of gaining sufficient and reliable information. After the six interviews had been completed, a substantial degree of repetition was evident, enabling certain conclusions and generalizations to be made.

4. CONTEXT WITHIN WHICH BCLT WAS FORMED

Introduction

Since the early to mid-1980s, when traditional federal housing subsidies began to be withdrawn and when few incentives for the private sector to develop affordable housing remained, local and regional housing officials, housing advocates, and volunteers across the state have worked together in creating an impressive array of solutions to the affordable housing crisis.

Alternative financial and technical resources were actively sought at the local level, both to preserve and create more affordable housing. As a result, a variety of housing opportunities, including community land trusts have been made available to the wide range of people that have increasingly been excluded from the conventional housing market. Thus, recent reorganization of the welfare state has signaled the emergence of what Wolch has termed a "shadow state apparatus".

The Beginnings of a Community Land Trust in Burlington

The Burlington Community Land Trust was established in response to a shortage of affordable housing in Burlington and was instigated by Mayor Bernie Sanders and his Progressive Coalition. This section describes the nature of Burlington's affordable housing crisis and the

Sanders administration's response to this issue (which resulted in the formation of BCLT).

The city of Burlington is situated along the shores of Lake Champlain in Vermont's Chittenden County (see Figure 3 for location). Burlington's population of slightly over 38,000 makes it Vermont's largest city. The greater Burlington area, which includes many of the smaller population centers in the Chittenden county region, has an approximate population of 123,000, thereby accounting for over one-fifth of the entire population of Vermont.¹

Burlington, home to Vermont's largest academic, banking, real estate, medical and other professional communities, has undergone a major economic boom in recent years. Its unemployment rate in 1985 was a low 2.9 percent and large-scale development proposals had been common over the preceding decade, with little slow-down due to the recent economic recession.² This development pressure acted to increase competition for existing housing units and has encouraged real estate speculation, gentrification, and sky-rocketing land and housing values in many of Burlington's neighborhoods. As Burlington is home to the State university and to two colleges, its student population of over 10,000 has been competing for the already inadequate supply of rental housing. Burlington's traditionally low vacancy rate was found to be less than one percent in 1985.³

Rents in Burlington doubled between 1970-1980, and

again between 1980-1985 and Burlington real estate has been appreciating at a far greater rate than the median income level of its residents.⁴ A typical three to four bedroom home in Burlington purchased in 1979 for \$40,000 was likely to have sold for \$130,000 ten years later, in 1989.⁵ Homeownership was becoming increasingly out of reach for many low and moderate income residents, as the following, written in 1985, suggests:

According to the Vermont Housing Finance Agency, the average cost of a newly constructed home in Burlington is \$69,000; for an existing house--\$67,500. The median income family of four in Burlington earns \$29,100 and would need a \$19,000 downpayment to buy the average existing house and be able to afford \$680.00 per month in mortgage payments, taxes, and insurance [based on 28% of income for mortgage payment, taxes, and insurances; assuming a tax rate of \$1.80 per \$100.00, yearly insurance of \$360.00, 13% financing for 25 years].⁶

While the economic boom had fostered the creation of many new jobs in Burlington, most of these paid only minimum wage and were service-related. At the same time, only a small fraction of the housing being built in Burlington could be considered "affordable" by local standards. Not only were housing prices rapidly increasing, but speculative practices were creating a pattern of deferred maintenance on many of Burlington's houses and apartment buildings. Housing was being passed from owner to owner; each of them retaining some degree of profit and few investing anything back into the housing. Thus, a deteriorating housing stock was becoming evident. This type of ownership pattern remains a problem to a significant degree today.

In 1981, by a margin of ten votes, Burlington residents elected an independent socialist mayor named Bernard (Bernie) Sanders. The Democratic Party had been ruling prior to the 1981 election of Mayor Sanders -- then leader of the Progressive Coalition Party. This new Progressive administration and the community that supported it sought to shape a new progressive agenda for Burlington. Sanders realized that socialism was clearly unobtainable at the municipal level under the U.S. capitalistic economic system. However, he believed that traditional capitalistic patterns of ownership could at least be challenged through certain reforms. The assumption here is that by advocating grassroots participation and fostering alternative (i.e., non-capitalist) economic development strategies, politicians and community groups are able to challenge traditional values and institutions without uprooting them. Because capitalist values are deeply embedded in U.S. society, an approach that strives to adjust capitalism rather than attempting to replace these values is more likely to be acceptable.

One of the pertinent issues chosen by Sanders to frame his 1981 election campaign was Burlington's affordable housing problem. Sanders was interested in providing new housing for low and moderate income residents and he advocated rent control as the primary means by which to achieve this. Having won the election, Sanders went about trying to enact rent control measures

in Burlington. Two months after his election, the Sanders administration sought approval through a referendum for a housing commission that would be a precursor to rent control. When this referendum was defeated, Sanders and his administration realized that the problem of escalating rents, negative factors associated with gentrification, and housing needs of the student population would not be combated through rent control measures. The other traditional line of municipal involvement in affordable housing -- public housing -- was not considered to be a reasonable alternative to solving some of these housing issues. Not only was the local public housing authority in a terrible state of disorganization at the time (e.g., buildings were deteriorating, waiting lists were dysfunctional), but it would have simply been impractical for a new activist administration to use the local housing authority as a vehicle by which to approach the affordable housing crisis (mainly because there would be serious limitations to what could be accomplished via an authority that was answerable first and foremost to the federal Department of Housing and Urban Development). Thus, the two traditional types of progressive strategies for providing affordable housing -- rent control and public housing -- had been foreclosed.

Sanders began to search for alternative solutions to the housing problem in Burlington. In January 1982, the Institute for Community Economics (ICE) received an invitation from Sanders and one of his closest political

allies, requesting that one or more ICE representatives come to Burlington to discuss new ideas for affordable housing. Three representatives of ICE came from Massachusetts to discuss with Sanders the potential for a community land trust in Burlington. Although Sanders himself was initially skeptical of the land trust concept, it was finally decided by the Sanders administration that \$200,000 in surplus municipal money would be invested in the development of a land trust. Thus, in an effort to provide more affordable housing for its low and moderate income residents, Burlington - with its \$200,000 seed grant - became the first municipality in the United States to fund a community land trust. The Board of Aldermen agreed to support the land trust proposal, but because some of the Board members had expressed reservations about it, the Community Economic Development Office was given responsibility for the project and its funding.

The Community Economic Development Office (CEDO) was created in 1982 by Mayor Sanders. It has since played a very important role in a number of city planning and economic development issues facing the City of Burlington. The separation of community development functions from the City's Planning Commission was related to the fact that the Planning Commission was in conflict with the mayor on many issues. It also made practical sense to separate the two so that the Planning Commission would not be responsible for both development and the regulation of development in Burlington: there was seen to be an

inherent conflict between these two functions. The fact that CEDO was answerable to the mayor rather than a municipal Commission was a significant victory for Sanders, for as Soifer comments:

Most of the exciting, progressive, and perhaps even socialistically oriented initiatives of the Sanders administration, such as the Burlington Community Land Trust and the Burlington Local Ownership Development Project, have either originated with the Community Economic Development Office or have been fostered by it.⁷

Because the Progressive Party had won the mayoral election by such a small margin, the Progressives wondered how long they would remain in office. BCLT and other similar initiatives were seen to be one way of "institutionalizing" Progressive change outside of City Council; outside of the "fragile, precarious position" of the Sanders administration. The underlying assumption was that even if the Progressives were swept out of office, all of the gains that were brought about during their administration would not be swept out with them.⁸

John Davis points to another reason for the desired "institutionalization" of the land trust: "...Even if there remains to be an administration in power that is sympathetic to the goals/mission of the land trust, there are restrictions by law, by politics, by finances, by tradition etc. on what government is able to do [in affordable housing]". Thus, non-profits such as BCLT would be able to carry out many of the Progressive government's social and political goals, while operating in the "more acceptable, more free-ranging private

sector".⁹ CLTs are able to access certain sources of financing that are much more accessible to the private sector than the public sector. While the City has the authority to tax local residents, it does not have the freedom to use this money to fuel all of its special initiatives.

Recent Changes in Vermont

The socio-economic forces which provided the impetus for the formation of a community land trust in Burlington have not been exclusive to that city. In fact, the last three decades have witnessed a profound transformation in the State of Vermont as a whole. This transformation can be said to have begun in the early 1960s, when Vermont's population exploded at a rate seven times as fast as it had in previous decades.¹⁰ The recreation and tourist industry surged and certain areas, notably Chittenden County, experienced very high population growth and rapid, sizable industrial development. The expansion of ski areas and the growth of year-round vacation homes started to dramatically change the character of many of the state's small towns and rural landscapes. The pressures that growth brought contributed to rising land values, rising property taxes, large mobile home parks, strip development along major highways, and strained municipal services. Public concern over the past two to three decades has led to a number of government responses,

including scenery preservation efforts, land development control measures, and State government reorganization.

Although a slight slow-down occurred in 1989, economic growth in the state of Vermont ranked among the highest in the country in the five preceding years.¹¹ One result of this growth has been an increase in the number of jobs and expendable income for many residents. Fortunately, Vermont's environmental laws and ethics have helped maintain much of the beauty and uniqueness of its natural environment while at the same time encouraging growth, development and continued business investment. However, the rapid growth that accompanied economic prosperity has confronted Vermonters with new concerns. The accelerated rate of development occurring in Vermont is threatening its communities, values and natural resources. Among Vermont's recent growth-associated problems are the following: decline in community cohesion; increased loss of community control; an unequal distribution of economic development across the State; increased deterioration of natural land and historic resources; agricultural decline; and lack of affordable housing.

Vermont's Affordable Housing Problem

The following definition of 'affordability' is commonly used in Vermont state and municipal housing literature:

Housing is affordable when households with incomes below the county median pay no more than 30% of their

income on housing costs. Housing costs for renters consist of rent and utilities (including heat, hot water, trash and electricity). Housing costs for homeowners include principal, interest, property taxes, and property insurance.¹²

Rising housing costs have been an urgent problem in Vermont in the past few years, particularly in the most rapidly growing communities. Many low and moderate income families have been driven out from high-growth areas by inflated housing costs or have been forced to live in sub-standard housing because their incomes could not keep pace with rapidly escalating costs. Housing had reached such a crisis point by the early 1980s that it was no longer strictly a low-income issue but one that also applied to middle-income Vermonters. Large numbers of people in the local work forces of growing communities -- teachers, municipal employees, and those in expanding service industries -- were unable to afford living in the communities in which they worked. Many young people were finding it difficult, if not impossible, to purchase a home in the towns where they had been raised. The "American Dream" of homeownership was a quickly fading reality for many. Costs of homes have risen more rapidly than family income, creating a severe affordability gap.

Between 1986 and 1988, average housing costs in Vermont increased by forty-eight percent.¹³ According to a 1987 Vermont Housing Needs Analysis Summary Report, Vermonters of average income could no longer afford market rate rents or their first home mortgage. This study suggested that subsidies of nearly \$2.3 million annually

would be needed to bridge this "affordability gap" between what low-income tenants could afford in rent and market rate rents in Vermont.¹⁴

The lack of affordable housing has been contributing to a stratification effect of separating Vermont into two income classes, negatively affecting the economic diversity of Vermont communities. For example, in 1985, the average cost for a house in Stowe was \$101,091 and in Wolcott, it was \$34,367.¹⁵ The Governor's Commission on Vermont's Future expressed concern for this trend toward "two Vermont's; one for the rich and one for the poor".¹⁶

The causes of rapid increases in housing prices and rental costs are complex. Most of the perceived causes have been exhibited elsewhere in the Northeastern United States. Key factors include the following: (1) strength of the economy and income growth (both of these factors can be said to have placed upward pressure on the price of housing in the state); (2) the relatively low cost of Vermont land and houses compared to metropolitan areas of the northeast; (3) demographic trends¹⁷; (4) a growing second home market¹⁸; (5) certain implications of the 1986 Tax Reform Act¹⁹ and; (6) supply and demand factors.²⁰

The Impact of High Housing Costs

Home Ownership

In a report on ownership costs between 1975 to 1989, Arthur Woolf analyzes the cost of homeownership in

Vermont. This is accomplished through an examination of the two key cost elements of homeownership: home prices and the mortgage costs associated with financing a home. Incomes of Vermonters over this time period were also examined, since this factor is of vital importance to homeownership. While this particular report does not attempt to analyze patterns in rental housing affordability, Woolf implies that movements in rental costs should generally parallel those of housing costs.

Woolf's study found that the cost of homeownership as a percentage of income had undergone three main phases over the study period. Homeownership costs tended to be fairly stable in the late 1970s. High interest rates and slow income growth experienced in the early 1980s (a result of the 1980-82 economic recession) had an effect of making homeownership costs very high. Between 1985 and 1989, homeownership costs as a percentage of income fell below the levels observed in the early 1980s but were still higher than the historical average. Over the 1975- 89 period as a whole, homeownership costs were found by Woolf to be approximately ten to fifteen percent higher than they were in the early 1970s.²¹ This figure may seem low, given the general perception of recent escalations in housing prices. However, Woolf's study averages its findings for the entire State and does not attempt to break down these broad trends into various regions. Those areas that have experienced more serious development

pressures will undoubtedly have faced more dramatic increases in housing costs. For this reason, Woolf's conclusions can be somewhat misleading. Of course, those most affected by increases in the cost of homeownership have been low-income Vermonters, particularly since first-time homebuyers often lack the equity that is typically carried over from previous homes and used to finance a downpayment.

The median income for a Vermont family of four was \$31,600 in 1989. Even assuming that this average family were able to acquire a low-interest mortgage, an "affordable" home would cost approximately \$76,000. However, in 1989, the average sales price of a home was \$113,000, requiring a household income of approximately \$47,000.²²

Rental Housing

The Vermont Housing and Conservation Board claimed in 1991 that the rental housing market was continuing in a "state of crisis"²³, with average rents becoming increasingly unaffordable for low and very low-income Vermonters. A recent nationwide study found that Vermont is one of six states in which over half of the renters cannot afford the cost of an average apartment.²⁴ Another study, undertaken in 1990 found that the average renter at that time needed to earn nearly three times the minimum wage in order to afford an average one-bedroom apartment in Vermont.²⁵ Rapidly rising land values have encouraged

many owners of private apartment buildings and mobile home parks to sell their properties. These trends, combined with federal cutbacks in housing support have contributed to the incidence of homelessness in Vermont and have also resulted in a corresponding need for single room occupancy, transitional housing, and affordable rental units.

The Emergence of Non-Profit Organizations

Many non-profit organizations, including community land trusts, have recently emerged in response to the above-mentioned trends and are playing increasingly important roles in developing and preserving Vermont's affordable housing stock. The non-profit housing sector has been active through planning, advocacy, acquisition, development and housing program implementation. Often working in collaboration with local municipalities and private developers, Vermont's non-profit sector has been responsible for the acquisition, construction, rehabilitation, and management of thousands of units. Their active involvement in the housing sector is perceived by the State government as necessary in meeting Vermont's current and future housing needs. The following are the six basic types of housing non-profits in Vermont: Regional Planning Commissions; Local Housing Authorities; Community Action Agencies; Housing Development Corporations; Neighborhood Housing Service Programs; and Community Land Trusts. Additional non-profit groups work

to provide housing for 'special need' populations (e.g., senior citizens).

According to a recent State report, the community land trust model has been one of the most successful organizational models for the planning and development of affordable housing in Vermont.²⁶ There are currently seven CLTs in the state: Burlington CLT, Central Vermont CLT, Twin Pines CLT, Rockingham Area CLT, Rutland County CLT, Brattleboro Area CLT, and Addison County CLT. Each of these were formed between 1984 and 1990, with BCLT assuming the role of "pioneer" as Vermont's oldest and largest community land trust. Primary sources of funding for these community land trusts have included Community Development Block Grants, Vermont Housing and Conservation Fund grants, and private fundraising. All of Vermont's CLTs have acquired tax exempt status or have applied for it.

The above discussion has shown that CLTs in Vermont, including the Burlington Community Land Trust, have primarily been formed in response to an overall lack of affordable housing. CLTs elsewhere may be sparked by any one housing issue or by the convergence of many issues; in response to one particular time- or space-specific issue (e.g., the potential conversion or demolition of a multi-unit building) or around a general perception of a problem such as tenant instability or a lack of affordable homeownership opportunities (as in the case of Burlington). Whether or not the CLT model could be as

widely embraced in other areas as it has in Burlington and the rest of Vermont largely depends upon a community's social and organizational context.²⁷ For example, the existence of certain community organizations (e.g., voluntary organizations) in one community might be seen to adequately meeting any shortfalls in government-administered services and benefits. Like community land trusts, many religious institutions and local service clubs are committed to the provision of perpetually affordable housing, often performing functions similar to those of CLTs.

Although the flexibility of the CLT model allows it to be applied to a wide range of settings, both urban and rural, and to a wide range of situations, the suitability of the CLT model for a given community would also depend upon whether or not there exists a common perception of unmet need among community residents. For example, how is the provision of affordable housing generally perceived by local residents? If there is a widespread belief that housing conditions are sufficiently favourable or that existing organizations are already meeting any housing issues at hand, interest in, and support for, the CLT model may be lacking. Thus, the fact that the CLT model has received fairly widespread application in Vermont and other parts of New England does not ensure that the model will be equally appropriate for other communities. As the above has suggested, factors such as local housing needs, perceptions, existing organizational structures,

availability of necessary resources (financial, human, and technical) have implications for the suitability and potential effectiveness of the CLT model in communities elsewhere.

NOTES

1. Steven Soifer, The Socialist Mayor (New York: Bergin and Garvey, 1991), p.13.
2. Institute for Community Economics, "The Burlington Community Land Trust" in Community Economics, Winter, 1985.
3. Ibid.
4. Task Force for Affordable Housing, Report and Recommendations (Burlington, VT: City of Burlington, 1989), p.9.
5. Burlington Community Land Trust, BCLT News, Vol. 3, No. 1, Summer 1989.
6. Burlington Community Land Trust, Annual Report 1984-85, p.6.
7. Soifer, The Socialist Mayor (New York: Bergin and Garvey, 1991), p.69.
8. Institute for Community Economics, "An Interview with John Davis" in Community Economics, Fall 1990.
9. Ibid.
10. Governor's Commission on Vermont's Future, Report of the Governor's Commission on Vermont's Future: Guidelines for Growth (Montpelier, VT: Governor's Office, 1987), p.4.
11. Ibid., pgs. 8-11.
12. Vermont Non-Profit Housing Development Committee, Vermont's Housing Non-Profits (Montpelier: Department of Housing and Community Affairs, 1989), p.1.
13. Vermont Department of Housing and Community Affairs, "Homes Within Reach" (Montpelier, VT: Department of Housing and Community Affairs, 1990, p.1.
14. Ibid.
15. Governor's Commission on Vermont's Future, Report of the Governor's Commission on Vermont's Future: Guidelines for Growth (Montpelier, VT: Governor's Office, 1987), p.15.
16. Ibid., p.15.

17. By the early 1980s, the baby boom generation was reaching an age level and marital status at which Vermonters traditionally begin to purchase their own homes. However, the early 1980s were years of exceptionally high interest rates and a national economic recession. These factors combined made homeownership out of reach for many. The economic recovery that began in late 1982 in the United States allowed for growth in incomes but high interest rates kept the actual cost of housing high by historic norms. Woolf and others believe that there was a great deal of "pent up" housing demand in the early 1980s, manifesting itself in the middle and late 1980s, resulting in escalating housing costs during this time period. This was exacerbated by increases in the number of single person households and in the number of elderly people remaining in their own homes.

18. Economic growth in Vermont has been closely linked with regional growth in the vacation and tourism industry. The relatively low cost of land and housing in Vermont (compared to the metropolitan areas of the northeastern United States), combined with Vermont's scenic beauty, has resulted in a significant increase in vacation home construction. The recent growth in the second home market has put upward pressure on land and housing prices in many parts of Vermont.

19. The 1986 Tax Reform Act broadened what could be considered "taxable income" in an effort to lower tax rates. Many of the most significant tax benefits that remained in the tax code were directed towards homeowners. These tax benefits accompanying homeownership had an effect of increasing the attractiveness of housing as an investment.

20. The issue of supply and demand has been intensified by a dramatic decline in the degree of federal support for affordable housing. Federal support for housing programs experienced an eighty percent decline between 1980 and 1990. The Reagan administration's Tax Reform Bill further aggravated affordable housing shortages by eliminating tax incentives for real estate investment in, and development of, affordable housing. These factors combined meant that middle-income Vermonters were increasingly being provided for at the expense of the poor, elderly, and youth.

21. Arthur Woolf, The Cost of Homeownership in Vermont: 1975-89 (Montpelier, VT: Office of Policy Research and Co-ordination, State of Vermont, 1990), p.3.

22. Vermont Housing and Conservation Board, Report to the General Assembly (Montpelier: The Leahy Press, January 1991), p.3.

23. Ibid., p.3.

24. Ibid., p.3.

25. Vermont Department of Housing and Community Affairs, Vermont Housing and Conservation Board, and Vermont Housing Finance Agency, Homes Within Reach (Montpelier, VT: Department of Housing and Community Affairs, 1990), p.3.

26. Ibid., p.2.

27. The term "social context" refers to such factors as a population's age distribution, occupational distribution, distribution of tenure forms etc. A community's "organizational environment" refers to such considerations as the type and number of housing providers, social service delivery networks etc.

5. BCLT ORGANIZATION AND OPERATIONS

Focus and Objectives

BCLT's statement of purpose -- the foundation for all past, present and future decisions -- can be stated as follows: "The Burlington Community Land Trust, Inc. is a nonprofit housing development corporation formed to increase the number of affordable homeownership opportunities for families of modest means; to provide access to land and decent housing for low to moderate income persons; and to promote neighbourhood preservation and improvement through responsible use and management of the land".¹ These objectives were to be achieved by permanently removing land from the speculative market and placing it in trust for future generations and the community at large. The value of housing would be separated from the value of land and future homebuyers would pay only for their house, leasing the land underneath it. This would lower the purchase price considerably for purchasers and would also reduce the inflationary increase in value of the house. Land use decisions were to be made on a democratic basis by an open membership. A limited equity formula was intended to guarantee that CLT housing remained affordable for future purchasers.

Although the Land Trust's geographic focus was

initially limited to the City of Burlington, BCLT has since succeeded in amending certain bylaws in order to operate in other neighboring communities. Beginning in 1990, BCLT projects were developed in the nearby communities of Winooski, Colchester, Shelburne, and Williston (see Fig. 4). Most of the projects in these outlying areas have operated in partnership with other local non-profit developers and community land trusts. It was decided that such co-operative ventures between BCLT and other non-profits in Chittenden County were necessary in order to make the best use of limited state and local resources.

While BCLT has focused its efforts upon affordable housing, it also concerns itself with other types of projects that preserve and improve the character of the local community. In its early stages of development, the Land Trust focused its efforts on the preservation of affordable housing and neighborhood stability within the Old North End (discussed in further detail below and mapped in Fig. 4). It was useful at that time, with limited resources, to restrict efforts to one particular area such as this. The Old North End was given first priority for action since this area was perceived to have been under the greatest threat. While the Old North End remains a targeted area for land trust activity, increased levels of resources and funding have allowed the Land Trust to expand and diversify the scope and nature of its services.

Increasing homeownership opportunities, either through single family homeownership or co-operative ownership, has been a major priority of BCLT. But because some prefer to rent, the Land Trust has also maintained rental housing that is protected from the speculative market. The land trust would prefer its multi-unit buildings to eventually be converted to ownership co-operatives; however, this process has been occurring at a much slower rate than initially anticipated.

In meeting the broad objectives described above, BCLT has developed more tightly-focused plans of action, prioritizing activities according to defined timetables. Five-year and one-year work plans are developed regularly by the Board of Directors and are presented in the annual reports. Long term (e.g., five-year and further into the future) plans have tended to be fairly abstract. For example, the Land Trust's 1988 five-year plan set a goal of having five hundred units of housing within its portfolio by June 30, 1993 -- a goal that seems highly ambitious and likely unattainable. Even more unlikely is the achievement of BCLT's 1987 goal to own twenty-five percent of the residential property in Burlington by the year 2004.

BCLT's one-year workplans have generally been more realistic, helping to identify specific goals and guide annual development according to available resources. The fiscal-year workplans, outlined in the annual reports, describe Land Trust goals in a programmatic manner. These

workplans specifically describe how BCLT's broad mission are to be approached one year at a time. They normally contain fairly detailed recommendations for single-family homeownership, rental and co-operative property management, marketing, outreach, education and financing. These plans are formed around the annual budget, taking into account expectations for various forms and sources of income. Progress towards one-year workplans is tracked throughout the year by the Board of Trustees. Land Trust objectives are modified slightly from year to year. For example, the 1986 annual report signaled a new direction towards more multi-family housing. The primary reason for this change related to the high costs of acquiring single family dwellings in comparison with those associated with duplexes and multi-unit buildings.

Incorporation

Once the \$200,000 seed grant money had been obtained for the formation of a land trust, the Community and Economic Development Office together with Burlington's Public Health and Safety Office continued to research the land trust concept. The City, wanting to protect its investment in the Land Trust effort, was eager to secure the support of those local community members whose professional expertise and commitment to a long term affordable housing effort would ensure the operational integrity of a land trust. Three City of Burlington

employees were sent to ICE's Working Conference on Community Land Trusts and shortly thereafter, in November of 1983, all of those interested in housing and/or land preservation were invited to attend a public forum and ICE presentation in Burlington. Over fifty people, including bankers, realtors, lawyers, housing specialists, members of the religious community, and tenants crowded a local conference room. Out of that November meeting came over thirty volunteers who were interested in helping to set up a community land trust. This core group of committed individuals was the key to getting BCLT off the ground. Through weekly meetings, these people began working towards the incorporation of the Land Trust. The following were among the many issues that were discussed and researched at this time: legal issues, mortgage financing, capital formation, fundraising and investment strategies, community needs and expectations, organizational structure, housing rehabilitation, community development, income and demographic trends, and real estate values.

In April 1984, the Burlington Community Land Trust (BCLT) incorporated as a private not-for-profit corporation. As a non-profit corporation, BCLT was eligible for tax exempt status. BCLT's legal documents of incorporation consisted of articles of incorporation and bylaws of the corporation. The former of these established the existence and identity of the organization as a legal corporation. The bylaws defined the details of

BCLT's operating procedures, including the Land Trust's organizational structure, division of rights and responsibilities, decision-making processes, and methods of operation.

Shortly after incorporation, BCLT applied for tax-exempt status (later granted in February 1985). Significant advantages are offered to CLTs through federal tax exempt status under IRS Section 501(c)(3). Tax-exempt status makes a CLT eligible to receive grants and allows donors of land and/or money to receive charitable tax deductions for their donations. It also allows a CLT to not pay federal tax on any of its program-related income (e.g., lease fees). In most states, an organization that is granted a 501(c)(3) classification also qualifies for exemption from state income taxes. While BCLT is exempt from federal and state income taxes, it pays local property taxes, as do all other CLTs. Failure to contribute to the local tax base would place "an unfair burden on community residents...[and] over time this burden [could] become heavier and ultimately insupportable."²

Having incorporated, BCLT coordinators contracted with the Institute for Community Economics in Massachusetts for the services of a technical consultant. This consultant assisted the legal research team, worked on board training and development, and helped individual committees in the coordination of their six-month workplans.

Board of Trustees and Standing Committees

A nine-member Board of Trustees, or Board of Directors, was elected at BCLT's first annual meeting, held on May 22, 1984. BCLT's bylaws specify that three categories of representatives be contained on the Board of Trustees: (1) one-third of the directors are to be "leaseholder member representatives"; (2) one third are to be "general member representatives" (these may not be leaseholder members); and (3) one-third are to be "public representatives" (referring to those persons who will represent the public interest, including, but not limited to, individuals who are members of Burlington area charitable organizations, Burlington public officials, and individuals involved in other organizations serving the housing needs of low and moderate income persons).

Potential Board members from the "leaseholder member representatives" and "general member representatives" categories are nominated to serve on the Board. "Public representatives" are nominated by consensus of the Board. Board members are elected at the annual meetings of the membership: leaseholder member representatives are elected from the nominees by a majority of the leaseholder membership voting at the meeting; general member representative are elected by a majority of the entire membership voting at the meeting and; public representatives are to be approved by a majority of the general membership voting at the meeting. Each elected

member of the Board of Directors is to serve for a term of three years and cannot be re-elected for more than two consecutive full terms.

The structure of BCLT's Board of Trustees provides opportunity for broad participation of, and fair representation by, providers of affordable housing, users of this housing, and other interested community residents. The fact that BCLT's by-laws specify that a certain proportion of seats on the Board of Directors be reserved for the three main types of interest groups prevents one group of individuals from dominating the decision-making process and helps to serve tenants' rights. The limited terms served by individual Board members further helps to ensure that the interests of one or more individuals do not jeopardize the "legitimate" interests of a particular sector of the community and/or the membership.

The duties of the Board can be summarized as follows: to carry out the purposes of the corporation; implement decisions of the participating membership; be responsible for the general management of the affairs of the corporation; prepare annual reports; propose workplans; supervise the activities of all officers, employees, advisors, and committees of the corporation; determine by whom and in what manner deeds, contracts, and other instruments shall be effected on behalf of the corporation; acquire property and develop resources for the acquisition, rehabilitation, and use of land; convey the right to use land in accordance with BCLT's purposes

and by-laws; inspect and supervise the use of land in accordance with provisions of the lease (terminating leases when necessary) and; provide notice of meetings, minutes, and reports.³ Although the Board of Trustees is able to exercise a number of powers in conducting the affairs of the Corporation, it is unable to take action on any motion for the removal of Trustees, sale of land, amendment of BCLT's Articles of Association or by-laws, or disposition of assets in the event of dissolution without the approval of the participating membership.

Although it was necessary to hold more frequent meetings in the early stages of BCLT's development in order to deal with various organizational issues, the board now meets on a monthly basis. Members of the Land Trust may bring questions and concerns for consideration to Board members prior to these meetings. Also, all of those who are interested in attending the board meetings are invited to do so, unless the Board votes to meet in executive session.⁴ In addition to the annual and monthly Board meetings, occasional special meetings are held throughout the year. Special meetings of the Board may be called by the President, any three Board members, or by twenty BCLT members.

Four Standing Committees were established at BCLT's first annual meetings in 1984. These Committees, which include Finance, Outreach, Acquisition, and Legal, remain an important part of BCLT's operations. Although each of these Committees operate according to individually defined

responsibilities, all Committee decisions must be ratified by the full board.

BCLT's strong Board of Trustees and four Standing Committees have been important to the level of success that BCLT has achieved to date. Leadership positions have been filled by a diverse range of individuals: community leaders, housing activists, public and private housing administrators, academics, business people, religious representatives, and attorneys are among those who have devoted time and energy to such purposes. Many of these action-oriented individuals have served as community leaders in other realms outside of the Land Trust. The professional skills and talents of these people have helped the Corporation in many of its tasks. In addition, Board and Committee members have often introduced a network of contacts within the community that have proven to be useful. Also, the fact that certain prominent and respected community members have worked with BCLT has helped the organization earn local respect, acceptability, credibility, and a positive image.

Judging from the experience of BCLT, it appears that community land trusts require a significant number of committed individuals who are willing to devote a great deal of time and energy to the provision of affordable housing. Community participation and long-term commitment are central to a CLT's success. Without a core group of committed volunteers and a certain level of credibility, it is doubtful whether or not other communities would have

the base of support and leadership necessary for CLTs to become firmly established and to function effectively.

Paid Staff

There are currently six full-time and two part-time staff members employed by the Land Trust.⁵ Members of the Board, those serving on the Standing Committees, and volunteers also have played a crucial role in Land Trust organization and development. Although there has been a significant degree of turnover in the secondary or 'supportive' personnel (e.g. Board members), BCLT land trust has been fortunate to have had a continuous core of high-caliber leadership since its incorporation.

BCLT appears to have been understaffed for the amount of work and responsibilities that it has overseen. During the time of BCLT's most rapid growth, there were essentially only two full-time staff members. The Executive Director at the time was assuming a large amount of work, apparently attempting to get involved in all aspects of land trust activity. Limited staff has meant that in many instances, problems and opportunities have had to be dealt with and reacted to as they have arisen. It has also meant that BCLT has had to be very careful about the kinds of individuals that it hires for available positions.

In hiring staff, BCLT seeks those who possess general management and community organizing skills, particularly

those who have had experience with the public or private housing sector. Experience in finance and private fundraising are also strong assets. In addition to these types of practical skills, potential staff members are expected to share certain common commitments with the organization. Thus, both professional skills and personal commitments are considered to be equally important factors in the hiring process.⁶

Membership

BCLT's open membership is the foundation of the organization. The open memberships of community land trusts make them distinctive from earlier enclaves in the United States and various other types of land reform elsewhere. There are currently slightly over four hundred members of the Land Trust. Membership includes all persons sixteen years of age or over who have paid annual membership dues and who have expressed interest and support for the Burlington Community Land Trust Inc. and its purposes in a written application for participating membership. The Land Trust suggests the following reasonable and affordable categories for membership fees: individuals \$1.00 - \$5.00; individuals/families \$5.00 - \$25.00; households and organizations \$25.00 - \$50.00. Any member of BCLT may resign at any time through written notice. Membership automatically terminates if a member fails to pay the minimum \$1.00 annual membership fee or if

the member does not demonstrate a continued interest in the Corporation and its purposes. Membership may also be suspended or terminated by the Corporation for "just cause" (i.e., in the event that a member acts in a manner seriously detrimental to the Land Trust).

The membership population has been grouped into two main categories: "leaseholder members" (including all leaseholders and any other members who are members of the household or residential group of any leaseholder(s) and who are age sixteen or older) and "general members" (including all other members). Those members who live in BCLT's service area have the right to a voice and one vote on all matters that are put before the Corporation for consideration. They also have the rights to nominate, elect, and ratify members of the Board of Trustees, to serve on the Board or one of the Committees if chosen, and to view BCLT's annual reports and minutes (of annual membership meetings, Board meetings etc.). Those members residing outside of the Land Trust's service area are non-voting members but are still able to pledge their moral and/or financial support for BCLT's efforts. The assent of the membership is required before any action may be taken on major issues.⁷

Aside from annual meetings, the entire membership meets only periodically. Special meetings of the membership may be called by any three Trustees or by twenty participating members. While responsibilities for the daily management and development of BCLT is assigned

to the Board of Trustees, individual members can take an active role through service on one of the committees or through various other activities. Members are able to raise any concerns and/or ideas to board members in between the monthly board meetings. Many decisions on Land Trust issues are handled through mail and telephone surveys. BCLT News, the Land Trust's newsletter, continually updates the membership population on recent items of interest and includes brief articles on BCLT projects, upcoming events and meetings. It also provides news of board members, staff and volunteers and of recent donations/sources of funding.

Public Awareness Strategies

BCLT attempts to increase its membership population and public awareness through a variety of outreach techniques. Radio, newspaper, posters, brochures, fact sheets, targeted mailings, informational fora, and newsletters have all been implemented in an attempt to broaden local support and to encourage membership involvement. The Land Trust welcomes opportunities to speak with representatives of the local press and in the past has called press conferences around specific projects. It is important that BCLT continue to have a positive working relationship with the local media, since the media reaches a wide audience and can help improve the credibility of Land Trust operations. Although BCLT

received some negative press in its initial stages of development, more recent coverage generally has been positive. BCLT officials believe that many potential misconceptions can be avoided when the Land Trust is able to promote its side of a story.

BCLT officials seek opportunities to speak to various community groups. In addition, the Land Trust sponsors various community events (e.g., conferences, races) in order to help bring the membership community together and to invite other local residents to become involved with the organization. Not all of these events are planned for the purpose of fundraising; they are often designed to raise awareness of the Land Trust and its role and/or to unite land trust volunteers into a strong team effort. Community outreach can be seen as a positive mechanism by which CLTs such as BCLT may guard themselves against becoming isolated, self-serving interest groups, instead becoming active parts of the communities that they serve. While BCLT has strived to attract as broad a representation as possible to its membership and boards, and while it appears to have been quite successful in this task, it should be noted that there cannot be any absolute guarantee of broad public membership in a CLT.

Leaseholders, Lease Fees and the Leasehold Agreement

BCLT has a broad anti-discrimination policy for its programs and is committed to providing affordable housing

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to people who need it, regardless of their race, colour, religion, gender, sexual preference, age, handicap, or national origin. Because the Land Trust aims to meet the housing needs of low to moderate income people, an eligibility range has been enacted, restricting access for both homeownership and rental opportunities to those individuals and families whose income does not exceed eighty-five percent of the City's median income. A typical rent for a BCLT-owned rental property is affordable to families at or below sixty percent of Burlington's median income.⁸ A June 1992 profile of BCLT tenants indicated that two percent of all BCLT tenants had incomes between eighty and one hundred percent of the median income; twenty-seven percent had incomes between sixty and eighty percent of the median; seven percent had incomes between fifty and sixty percent; fifty-four percent had incomes between thirty and fifty percent of the median and; nine percent had incomes below thirty percent of the median.⁹

Leaseholders whose household income initially qualifies them to become CLT leaseholders are not required to leave their housing if their incomes increase substantially (i.e., to the point that their incomes would no longer fall within the targeted income area). Rather, they retain their leasehold rights to a long-term (typically a 99-year term) renewable lease, with the ability to pass their leasehold interest on to heirs. The assumption is that to do otherwise would deprive

leaseholders of their legitimate interests in housing security and legacy. The question that arises here is this: What is to prevent a leaseholder (or leaseholder heir) from misusing his/her rights, remaining in "subsidized" housing when they are economically able to participate in the regular market, while other more needy households are denied access to this affordable housing?

Brenda Torpy, BCLT's current Executive Director, does not consider this question to be an issue of particular importance at this point, claiming that (1) it has been uncommon for the incomes of "core need" households to rise to levels where they could afford to own housing on the regular market and (2) those leaseholders whose economic situations do improve are more likely to want to buy housing on the regular market than to remain in housing on trust-owned land (such households typically seek housing that is more appropriate for their changing needs/desires and that will allow for greater return on their investment).¹⁰

Whether potential misuse of the system has yet been viewed by BCLT officials to be a problem, the lease provisions that allow for long-term renewable and inheritable leases, regardless of leaseholder income, could be challenged on the grounds that these limit the degree to which BCLT can effectively administer its policy of facilitating access to land "by landless people and others in need of its use, with special concern to those whose need is greatest".¹¹ It could be argued that BCLT

housing should be restricted to a specific targeted group of people throughout the duration of the lease agreement, not just at the outset. Lease fees that are geared to income may be preferable to BCLT's standard lease fee, as this would act to lower the degree of benefit with rising incomes (those with higher incomes would pay market-level or near market-level lease fees). Shorter lease terms (e.g., forty or fifty year terms as opposed to ninety-nine year terms, or leases that last for the lifetime of the leaseholder) may be long enough to assure the leaseholder a reasonable amount of security of tenure. Leaving the renewability of leases to the discretion of the Land Trust (which could grant renewability only to those who fall within a targeted income category) or basing lease fees upon household income might be practical alternatives to the current practice of guaranteeing automatic renewability at the end of lease terms. Surely such provisions would help ensure a more just distribution of land use rights.

Another argument against long-term renewable and inheritable leases is that while they may well fulfill the CLT objective of individual security of tenure, it might be argued that this is done at the expense of the larger community, thereby limiting the extent to which community access (another "legitimate" interest which the CLT model seeks to fulfill) can be maximized. By removing land from the speculative market, CLTs such as BCLT claim to be preserving and protecting land and housing for the benefit

of the larger community. However, one might argue that by granting 99-year, renewable and inheritable leases to individuals, community access to that land is extremely limited. There appears to be little difference between this arrangement and fee simple ownership. Again, shorter lease terms would likely make more practical sense for the purposes of CLT objectives.

Leaseholders who are eligible to qualify for Land Trust housing are matched with housing that is considered appropriate for their individual needs. When more than one potential leaseholder is eligible for a given unit, priority is normally given to the individual/family of the lowest income. If a case were to arise where income levels were also equal, a family would have priority over one or more single adults. Although BCLT typically keeps pace with their waiting lists, there have been months when the number of applications for its housing have exceeded the supply of units. The fact that there are often times when demand for BCLT housing exceeds supply causes one to further question the current practice of allowing leaseholders whose incomes exceed a targeted level to remain in their housing at low cost. Should supply begin to exceed demand, the practice of granting perpetual, inheritable leases may be comparatively more acceptable.

Leaseholders currently pay a lease fee of \$25.00 per month for their use of the land. All leaseholders pay the same fee regardless of income, land use etc. Leaseholders must comply with a leasehold agreement -- a legal document

outlining how the land may be used and defining the responsibilities of the leaseholder. The lease gives almost total control of land use to the leaseholder, provided the leaseholder does not damage the land in any way. Leaseholders must also, of course, act in accordance with local zoning regulations. While there are no occupancy requirements that specify how many months per year a leaseholder must be using the land, the lease agreement prevents a leaseholder from becoming a landlord. Provisions have recently been made to allow those who are out of town for limited periods of time to rent out their homes in the interim, but this is not to be a profit-generating activity. The leasehold agreement also defines the mediation process that would occur should a disagreement arise between a leaseholder and the Land Trust. In such an instance, the issue at hand would first be brought before the Leaseholders Committee and then to the full board for resolution.

BCLT home buyers must agree to limit their profits upon sale of their homes in order to keep the units permanently affordable. Upon sale, owners receive the amount that they paid for their unit plus twenty-five percent of the increase in its value during the time of ownership. For example, if a home were bought for \$69,000 and is appraised at \$112,000 five years later, BCLT or another buyer would buy the unit for \$79,500 (the original \$69,000 purchase price plus twenty-five percent of the \$40,000 increase in appraised value).¹² The unit would

then be available to another low or moderate income household for a reasonable price. This price would include the \$79,000 paid to the seller, plus any necessary transaction costs, including legal fees. The general appraisal of a home is conducted separately from any calculations of improvements to that home (e.g., additions, new appliances, furniture, fixtures, and equipment etc.). BCLT policy regarding credit for capital improvements allows leaseholders, upon resale, to receive either one-hundred percent of the value added by their improvement, or the maximum value that will keep the home affordable to a household earning eighty percent of the then-current median income. Depreciation of added improvements is computed at a rate of 3.33% per year until the building is sold and is calculated over five-year periods using a straight-line method. Thus, if the cost of an addition to a land trust home were \$10,000, the depreciated value of that addition after five years would be \$8,455. Upon sale of the home (after five years), the owner would receive \$8,455, provided the home remained affordable to a household with an income of less than eighty percent of the then-current income (according to the above-mentioned definition of "affordability", households with incomes below the county median should pay no more than thirty percent of the then-current income on housing costs). Should the allowance for capital improvements cause the resale value of the home to exceed the affordability level (as defined above), the owner

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would be able to receive only that portion of the depreciated value which would bring the cost of the housing down to an affordable level.

Those leaseholders who are renting their housing units must give thirty days notice to the Land Trust prior to a move. If a homeownership leaseholder decides to move, the Land Trust is given a first option to buy the improvements. Should BCLT decide against buying the housing, it will attempt to sell it for the leaseholder. If the land trust is unable to find a buyer, the homeowner/leaseholder may also try to sell the home. The new buyer(s) must be eligible for the Land Trust housing and must agree to the terms of the lease.

Fortunately for BCLT, demand up until now has remained fairly constant for the Land Trust housing. BCLT has always experienced particularly low vacancy rates for its rental units since the quality of trust-owned buildings tends to be much higher, and costs lower, than regular market rental housing. However, it is imperative that the Land Trust consider future demand for its housing so that expansion and development continues at a reasonable rate of growth. It is difficult to predict whether or not past and present levels of demand will continue into the future. Certainly the demand for this type of housing was high in the 1980s when affordable housing was very scarce. Now, however, the Burlington Planning Commission is seeing fewer luxury housing development projects and an increased number of projects

that are geared towards the moderate-income bracket. Burlington developers are increasingly realizing the need to cater their development projects to housing need. The Land Trust is vulnerable to market fluctuations of supply and demand, yet unlike other types of landowners, does not have the option to sell off its property in times of low demand. These factors make it very difficult to ascertain a "safe" level of growth.

BCLT has been helping leaseholders to finance their homes through a variety of means. By working with potential buyers, the banks, and the Vermont Housing Finance Agency (see Appendix 2), BCLT has managed to expand the financing options open to prospective Land Trust buyers. By conducting meetings with all of the Burlington banks, BCLT has arranged for lenders in several local banks to be designated as Land Trust contacts. Because these 'contacts' have become familiar with the land trust model, each successive transaction has become easier.

Acquisition, Rehabilitation and Construction

One of the philosophical issues that BCLT initially had to wrestle with was the appropriateness of potential acquisitions for BCLT leaseholders. On one hand, the Land Trust sought to remove large amounts of land from the speculative market, particularly in the Old North End; on the other, it was evident that there were certain

properties, even within this targeted area, that for one reason or another were simply unsuitable for Land Trust acquisition (e.g., buildings that required excessive maintenance, single family dwellings that lacked suitable play space for children). So while intentions were good, BCLT acquired some "problem" properties and tenants due to some of its early enthusiasm. While land acquisition is a one-time event, the ongoing management of that property is a never-ending responsibility. Land Trust officials have since become more selective in their acquisition process in order to ensure that each property acquired meets their long-term goals and will not give rise to a future management burden.¹³ In acquiring property, BCLT takes a number of factors into consideration, among them: the amount of public benefit that can be anticipated if the property is acquired; affordability (i.e., whether or not a given parcel is reasonably priced and within the means of the Land Trust); and the degree to which the property is threatened (i.e., weighing the consequences if action is not taken). BCLT has also developed a loose geographic strategy, targeting certain neighborhoods.

Property is most commonly acquired through standard purchase, either through a real estate agent or directly with the landowner. However, some properties have been donated by landowners who are interested in other variables aside from the actual cash value of their land. The fact that BCLT is a non-government, local, non-profit organization appeals to many land donors. Property that

is donated to the Land Trust is recognized as revenue at its fair market value on the date of donation and can be used as a tax benefit to the donor. Another type of acquisition utilized by BCLT has been that of "bargain sales" -- a combination of outright sale and donation. In such a case, the landowner sells property to the land trust at a price below the appraised market value and treats the difference as a donation. Those who sell their property for an amount less than the appraised value may receive tax benefits since the IRS considers the donated portion a charitable contribution.

Property being considered for acquisition is first inspected and evaluated by members of BCLT's Acquisition Committee, comprised of volunteers from a variety of professional backgrounds. Those involved in building evaluation have typically included architects, realtors, contractors, energy specialists etc. After land use planning regulations are considered, committee members review the buildings for financial feasibility and structural integrity. Maintenance costs, repair costs, and any necessary conversion costs must be calculated and assessed before acquisition decisions can adequately be made.

Existing buildings that are acquired by the Land Trust require varying degrees of work. While some buildings require only minor alterations, others must undergo major rehabilitation and/or restructuring. Selectivity is important during the rehabilitation process

since an appropriate level of affordability must be maintained. Priority is given to major building systems such as roofs, wiring, and structure since these are considered to be the "vital organs" of a building and their health must be ensured.¹⁴ Not only is the Acquisition Committee responsible for assessing the value of particular buildings, but it is also responsible for drawing up specifications, supervising rehabilitation, and continuing to repair and maintain Land Trust property. This committee often coordinates and even joins volunteer groups in priming, painting, and landscaping newly acquired land trust properties. In short, the acquisition committee has developed in many ways that were not initially anticipated.

In rehabilitation and construction, BCLT strives to integrate its buildings with the surrounding built environment. When vacant land is acquired, new housing is constructed in such a way that it blends into the context of the local neighbourhood, both in terms of physical scale and architectural design of the building. Architects are often hired by the Land Trust to design buildings that will match the 'texture' of a particular neighbourhood. This type of architectural integration is very important to the Burlington Planning Commission and ranks high in planning policy.¹⁵

In cases where the Land Trust acquires vacant land, BCLT's goal in building new housing is to achieve the highest possible quality while maintaining an acceptable

level of affordability. BCLT homes are not built with such "extras" as expensive lighting fixtures, central vacuum systems, or garbage disposers. However, all homes are designed to be comfortable, well-built, and livable. Homes are normally finished to the point of being carpeted, landscaped etc.

BCLT has been known to work in conjunction with another non-profit organization called "Habitat for Humanity". Habitat for Humanity is a nationwide organization committed to building homes for those who would otherwise not be able to afford homeownership. Homes are made affordable through a sweat-equity program of volunteer labour. By working in partnership, BCLT and Habitat for Humanity have been able to (1) make homes more affordable initially and (2) ensure affordability longer than either organization could achieve on its own. BCLT's role in this partnership is normally in purchasing and removing land from the speculative market through the use of grant money and low-interest loans. Habitat for Humanity then provides volunteer labour and low (usually 0%) financing for the project. Once construction and/or rehabilitation are complete, the Land Trust assumes management responsibility for the property.

By March 1992, after eight years of operation, BCLT had removed 147 units of housing and sixty-seven parcels of land from the speculative market.¹⁶ To date, the Land Trust has not sold any of its acquired land as this does not conform with the philosophy or purposes of BCLT. Land

is not to be sold except in certain circumstances.¹⁷ BCLT's by-laws stipulate that land cannot be sold without the 2/3 agreement of the Board of Trustees, the approval of seventy-five percent of the members at a membership meeting, and the consent of any leaseholder(s) who would be directly affected by such sale.

Of the property acquired by BCLT, approximately forty percent has been rental-based, while the remaining sixty percent has been homeownership-based (co-operative housing accounted for six of the 147 housing units).¹⁸ The locations of these acquisitions are mapped in Figure 4. It can be observed that the majority of BCLT acquisitions are located in Wards 1 and 2 of the City. Each one of Burlington's six wards has been mapped because they have tended to be quite distinct from one another in terms of their socio-economic composition. Ward 1 (commonly referred to as the "Hill Section") is predominantly middle to upper-middle class and is dominated by most of the City's colleges, the Medical Center of Vermont, and large old houses. The Old North End, which encompasses Wards 2 and 3, is the poorest section of Burlington (this part of town will be further described below). Ward 4, known as the "New North End", is solidly middle-class and mainly contains single family homes. Ward 5, in the south end of Burlington can be described as a suburban-type area overall, although it is perhaps Burlington's most diverse ward, containing a range of income groups and ethnic representation. Finally, Ward 6 is known as Burlington's

Figure IV. Map Showing BCLT's Acquisitions

wealthiest ward.¹⁹

It has been suggested that BCLT's rapid rate of growth has been somewhat of a limitation to its efficiency. Although the Land Trust has managed to progress within the context of available staff and resources, it may be argued that the organization grew too fast too quickly and that this has led to certain management and organizational difficulties, particularly in the early years of the Corporation's development.²⁰

Although 147 housing units is a significant inventory for any non-profit corporation to own in a small city such as Burlington, the Land Trust has been able to challenge the existing tenurial system only within its own inventory of housing and property and therefore has had relatively little control over the overall nature of Burlington's development. BCLT would have to secure many times more property within its own system before it would be perceived as a real threat to current institutions of individual land ownership and land use decision-making structure. This obviously limits its role as an agent for change. So while the Land Trust has gradually been able to affect change in isolated pockets of the City, fixed sets of beliefs remain to be seriously challenged and modified.

Financing

As has been discussed above, initial funding for BCLT came in the form of a \$200,000 seed grant from the City of

Burlington. Once most of this money was expended, Land Trust officials realized that they would need to seek large amounts of money in order to continue in their efforts and to expand. Throughout its development, BCLT has been making proposals to public and private "investors" to help in its financing. Financing is accessed through a number of public and private sources including the following:

- grants and low-interest loans from the City of Burlington through the Community Development Block Grant program and the City's Housing Trust Fund
- grants and low-interest loans from the Vermont Housing and Conservation Board
- mortgage financing from Burlington banks and the Vermont Housing Finance Agency
- low-interest and no-interest deferred payment loans from the Lake Champlain Development Corporation
- low-interest loans from organizations and private individuals through a Revolving Loan Fund
- favorable lines of credit with the City of Burlington's Employees Retirement System and the Bank of Vermont
- grants from private foundations
- "bargain sales" which provide tax benefits to the seller
- contributions and grants from local individuals, businesses, and Neighborhood Planning Assemblies
- individual pledges through BCLT's "Equity Trust Program"

BCLT has been able to leverage money through Community Development Block Grants, loans at low-interest rates or with no interest from various church groups and

socially responsible investors, and donations and support from a wide range of sources including banks, businesses, churches, and realtors. As properties are acquired, the Land Trust acquires more assets against which it is able to borrow more money. The decision to mortgage BCLT-owned land requires the approval of two-thirds of the Board of Trustees and the consent of any leaseholder whose home is located on the land being encumbered.

In 1987, BCLT was selected for a Special Merit Award by the United Nations and HUD. One of seventeen U.S. Programs to be honoured with this award, BCLT was recognized for its work in creating affordable housing from an innovative, non-profit perspective. These awards were made as part of a world-wide focus on 1987 as the International Year of Shelter for the Homeless - an effort to promote global attention and action on the plight of the homeless and all people who lack decent and affordable housing. The publicity and recognition that surrounded the U.N. award helped boost BCLT's outreach and fundraising efforts. Once the Land Trust had a record of accomplishment within the community, other donors took notice and were more willing to participate in the efforts of a successful organization.²¹ Profile and favourable publicity have been particularly important in securing business donations.

The most important source of funding since BCLT began has likely been the Vermont Housing and Conservation Trust Fund (See Appendix 2). It became clear to BCLT organizers

fairly early on in the development of the Corporation that a very large amount of money was required to accomplish its goals and that private money alone was not in sufficient supply. Accessing money through the huge bureaucracy of HUD was virtually impossible. So when talks began at the State level to introduce the Housing and Conservation Fund, BCLT had a vested interest in the success of this Fund. While Vermont Housing and Conservation Board has become much more bureaucratic since it was first introduced, it remains the most flexible source of money available to BCLT, offering quick decisions on proposals and supporting not only individual projects but the capacity of the organization.

Another fund that has been supportive of BCLT's efforts is the Vermont Community Loan Fund (VCLF), incorporated in 1988. This fund was partially established to address the increasing need for low-interest loan capital in the affordable housing sector and serves as a resource for housing cooperatives, community development organizations, community land trusts, non-profit organizations which provide community services or promote local economic development, and other similar types of initiatives. Financial assistance is provided to corporations such as BCLT through a revolving loan fund. VCLF manages money that is loaned by individuals and institutions concerned with the social impact of their investments. By April 1990, having been in operation for just over two years, the Fund had received a total of

\$580,000 in loan money from sixty individual and institutional investors. Interest rates have ranged from zero percent to six percent for terms ranging from one to five and a half years. In addition to these investments, VCLF had received \$35,000 in capital grants and donations, over two-thirds of which had come from public sources such as Vermont Housing and Conservation Board and Vermont Housing Finance Agency.²²

The Vermont Community Loan Fund recently proposed to the State legislature that state income tax credits be provided for charitable investments in housing. This bill, passed in 1990 by the Vermont legislature was the first in the United States to provide tax incentives for low-interest loans to community loan funds and non-profit housing organizations. Lenders are able to receive tax credits equal to the difference between a "threshold" (based on the return from one-year treasury bills) and actual interest income received, with a three percent maximum credit on principle. Such a bill has the effect of encouraging more lenders to invest in a socially responsible manner and has served to boost the efforts of community land trusts and other non-profit organizations.

Another major source of BCLT funding has come from the City's Retirement Fund. When Burlington's City Council directed the Employees Retirement System to replace its South African-related investments with investments in the local community, several ideas were put forth for the \$1 million involved. It was finally

decided that BCLT would be given access to up to \$1 million in very low interest loan funds (with sufficient downpayment) while giving the Pension Fund a small share of the increasing value of those BCLT properties purchased with the money. This agreement was designed to give the Retirement Fund a fair return for its investments while allowing the Land Trust to expand its ability to provide low cost housing to local residents. In certain cases, this money would even be used to make low-cost mortgage financing available to BCLT members.

The details of this arrangement took over one year to refine. BCLT organizers were initially somewhat concerned about the affordability of Land Trust housing once the Retirement Fund was to claim its share of the appreciation value. However, a complex spreadsheet helped BCLT decide how much could be given to the Pension Fund for appreciation while maintaining the affordability of Land Trust housing. The arrangement was finalized once this had been determined and the Retirement Board had agreed to the level of growth return that could be expected. Pat Peterson of the State of Vermont's Department of Housing and Community Affairs believes that there was an important symbolic value attached to the \$1 million line of credit, claiming that this essentially "legitimized" the land trust and its efforts.²³ The fact that the Retirement Fund had invested in BCLT opened many more doors for the Land Trust. For example, it was likely to have been instrumental in attracting the president of the Bank of

Vermont to its Board of Directors, who in turn, proposed and acquired a three million dollar line of credit from the Bank of Vermont for the Land Trust.²⁴

BCLT's Revolving Loan Fund was established in 1985 with the help of the Society of St. Edmund and has grown through additional loans from individuals and organizations who are interested in putting their money to work for the social investment of affordable housing. The Fund has proven to be a crucial resource for many Land Trust homeowners in need of mortgage financing. BCLT's Equity Trust Program is one that encourages local community residents to help ease housing affordability problems by agreeing to donate part of the increase in value of their property to BCLT. This agreement is made through an "equity pledge": if the sale price of a home is greater than the amount of capital and labour actually contributed by the owner, an agreed-upon dollar amount or percentage of the "windfall" will be donated to help BCLT. The underlying assumption is that the owner is usually not responsible for significant increases in his/her property value. The Equity Pledge provides a way for homeowners to return a portion of their "unearned increment" to the local community.

BCLT's fundraising strategies are developed around the annual budget, which outlines how much money is needed to cover anticipated expenses. General operating expenses are calculated separately from revenues and funds for specific projects. Fundraising targets are then set and a

strategy for achieving these targets is drawn up. When appealing for funding, BCLT not only tries to increase general public awareness, but also targets particular groups that, for one reason or another, may be especially valuable to its efforts (e.g., certain business people, banking representatives, local and state politicians). Decisions are made about what types of techniques are best used in approaching these various groups/individuals (e.g., through brochures, fact sheets, letters, face-to-face meetings). Certain agencies, foundations and granting bodies require individual proposals for particular projects.

Fundraising has been one of BCLT's primary concerns since, to a large extent, the success of the organization is largely dependent upon the degree of funding that is achieved. Many of those interviewed expressed concern that BCLT relies too heavily upon government sources of funding. For example, the Land Trust has been heavily dependent upon grants through the CDBG program and the Vermont Housing and Conservation Board. BCLT's 1990/91 annual report indicates that over half of the organization's total revenues had come from these two sources of funding. The potential future decline of existing sources of funding and support places BCLT in a somewhat precarious position. While major government and quasi-governmental grants are important, increased support by individuals and businesses at the local level must continue to be emphasized. BCLT seems to have realized

its vulnerability in relying upon certain key sources of income and has tried to emphasize a diversity of funding sources. More must be done to further this effort so that BCLT is able to weather change and ensure its long-term stability. CLTs across the state should also consider establishing some form of emergency funding, either individually or corporately.

BCLT's mission to provide affordable housing for future generations is one that is continually challenged due to limited funding sources and uncertain market conditions. Recent difficult economic times have forced the Land Trust to examine the cost-effectiveness of its activities. Consciousness has been raised of its ability to provide a range of services within the limits of available funds. One of BCLT's 1992 fiscal year plans is to "aggressively look for new funding sources for both development projects and operations".²⁵ A special committee has recently been created for the purpose of developing a fund-raising strategy to deliver this plan.

Range of Project Types

"BCLT's vision for a healthy community is one that includes a variety of housing models, both owned and rented, affordable health care, and other community facilities...".²⁶ BCLT has demonstrated the potential flexibility and adaptability of the CLT model by applying the model to a wide range of housing opportunities and

land uses. To date, BCLT has been involved in rental housing, homeownership opportunities, co-operative housing, transitional housing, an emergency shelter, and a community health centre. The potential for additional types of CLT applications in meeting diverse community needs is virtually limitless, as are the opportunities for many types of co-operative partnerships between CLTs and other organizations or government agencies. BCLT has shown that a CLT is able to accommodate a range of specific programs while maintaining a focus for community organizing.

Neighbourhood Project

BCLT's "Neighbourhood Project" has been one effort to achieve its objective of protecting community land and residential units from Burlington's highly speculative housing market. This particular project is dedicated mainly to the preservation of existing affordable housing and to the preservation of neighbourhoods. The Neighbourhood Project has focused primarily on Burlington's historic Old North End (mapped on Figure 4).

The Old North End has been home to a large group of low and moderate income Burlingtonians over the years. In the past, this area was noted for its large supply of factory and worker housing. At one time, this area housed many minority groups, including Germans, Jews, and French Canadians. The majority of its residents worked in the

mills that were located on Lake Champlain. By the early 1980s, the Old North End district contained the last large mass of affordable housing in Burlington. However, problems that are commonly associated with gentrification were beginning to be evident. The close proximity of the Old North End to Burlington's central business district encouraged development pressures and many tenants were threatened with displacement. Throughout the 1980s, property in this area tended to pass rapidly through the hands of different owners, thereby eroding community control and neighborhood spirit.

By 1990, BCLT had purchased, renovated, and preserved forty urban land parcels, forty-four buildings, ninety-one housing units and three non-profit commercial spaces through the Neighbourhood Project.²⁷ (Figure 4 shows that Land Trust activity has concentrated primarily upon this area). In the process, a wide range of housing opportunities was made available to local residents. The Land Trust has concentrated its efforts on those blocks that have been most threatened by absentee ownership, neglect, and speculation. The Champlain/Peru Street neighbourhood, within Burlington's Old North End, was one such targeted area. By 1990, BCLT had acquired twenty-seven units of housing and one unit of commercial space in this neighbourhood alone.²⁸

"HOMELAND" Project

Providing opportunities for homeownership has been at the heart of BCLT's mission. HOMELAND is a special program that allows homebuyers to choose their own single family home or condominium for purchase at a reduced price. The program has specific income and price range guidelines. In order to qualify for the HOMELAND program, household income must not exceed eighty-five percent of the City's median income and properties must fall into a price range according to the amount of income an individual household can afford to borrow. Properties must also have a favourable energy rating in order to be approved under this program. In addition to the reduction in price, HOMELAND buyers have access to the same financing from the Vermont Housing Finance Agency and downpayment and/or closing costs as other BCLT buyers. The HOMELAND program is a collaborative effort of four different Vermont community land trusts, including BCLT.

Prior to the development of the HOMELAND program, BCLT had encountered some problems related to the marketing of its properties. Housing was normally acquired, rehabilitated, and subsequently sold to a leaseholder. This procedure meant that the Land Trust not only had to sell the CLT concept to potential homebuyers, but they also had to sell the property -- a dual task which often proved to be difficult. This issue has largely been resolved through the HOMELAND project since

potential homebuyers now have the opportunity to choose themselves the housing that they purchase.

Limited Equity Cooperative Management

Occupant control of housing units is a primary Land Trust goal. BCLT expects most or all of its rental property to eventually become occupant-controlled. The process of converting rental property to cooperative ownership is a long and drawn-out process and must begin with BCLT's disclosure in the lease agreement with each tenant of its intention to convert the building to cooperative housing. BCLT tenants are encouraged to participate in the formulation of house rules, planning for property rehabilitation, designing a rent structure to cover the building's costs, and the tenant selection process.

Land Trust tenants are given at least two opportunities to vote on cooperative conversion. The first is preceded by a series of meetings (normally sponsored by the National Association of Housing Cooperatives), explaining what a cooperative is and how one operates. Both negative and positive factors associated with cooperative housing are outlined and discussed. A fifty percent affirmative vote of a buildings' households is required at the time of this initial vote in order for cooperative formation to begin. Once this is achieved, a series of workshops are offered to tenant groups by Vermont Tenants, Incorporated. These

workshops are designed to assist tenants with the legal and financial issues associated with the formation of a housing cooperative and to give instruction on day to day operation and co-op management. After these meetings, a second vote among the buildings' tenants is taken, requiring a seventy-five percent affirmative vote for cooperative formation and for the purchasing of the building from the Land Trust. BCLT policy specifies that those who do not wish to participate in the co-operative conversion process be allowed a two-year time period to find alternative housing. Elderly and handicapped tenants are given up to four years to find new housing.

In May 1989, the City of Burlington and the City of Winooski's Co-operative Housing Program jointly hired a co-op organizer to assist in the conversion of existing rental housing into co-operatively-owned housing. This organizer is responsible for providing necessary technical assistance for tenants to go about buying their buildings from their landlords. The conversion process is a fairly complicated task, especially since the Cooperative Housing Ownership Act was only recently passed in January 1988 by the Vermont Legislature.

Cooperative living offers a number of benefits to BCLT leaseholders. Monthly payments replace rent and contribute to the mortgage, taxes, maintenance, and management of the building. Co-op members may remain in their homes as long as they wish, providing they continue to abide by the rules that were democratically established

at the time of the co-op's formation. Maintenance responsibilities are shared and co-op members may also organize themselves to provide such facilities as day-care, common laundry, etc. Because BCLT aims to keep building resale prices low in order to maintain long-term affordability, all of BCLT cooperatives have limited equity restrictions.

Once a co-operative has been formed and the ownership of the building has been transferred to its residents, the co-op members may receive additional training and on-going assistance through the Champlain Valley Mutual Housing Federation, an association for cooperatives in Chittenden County. This Federation is equipped to provide a variety of services ranging from financial management and oversight to assistance with certain types of maintenance problems. The Federation works closely with BCLT and other non-profit housing groups to ensure that these services are provided at a low cost to member cooperatives.

BCLT's first housing co-operatives were officially formed in the spring of 1990. These, along with a handful of other co-operatives under development in the State of Vermont were among Vermont's first housing co-operatives. There are currently only six units of co-operative housing on BCLT land.²⁹ Co-op conversion has been occurring at a much slower rate than initially anticipated: this is likely due to the fact that BCLT took over many existing buildings with existing tenants, many of whom did not want

to become homeowners. The fact that co-op conversion has not been occurring as quickly as originally planned has increased the management pressures of the Land Trust. Although property management companies are hired by BCLT to assume day-to-day management responsibilities for rental properties on trust-owned land, BCLT's management and administrative burden would be reduced if co-op conversion were occurring at a more rapid rate.

Community Health Center

The Community Health Center (located in the Old North End), opened to the public in 1986, was BCLT's first commercial venture. The Land Trust enabled the Center to significantly upgrade its facilities so that more and better care would be made available to local residents, especially the low-income residents of the Old North End. The Community Health Care Center is a family-oriented medical clinic offering such services as child and adult physical examinations, diagnosis and treatment of common illnesses, vaccinations, and health education. The primary goal of the Center is to provide personal and accessible care. A sliding fee scale helps to keep health care affordable for the growing number of local residents without insurance or Medicaid/Medicare. For thirteen years prior to its move to its present location, the Community Health Center occupied a substandard home and was subject to a slum landlord. The Center's housing

problem was solved when the Land Trust helped to buy an old nearby pharmacy building at a reasonable price. Low-cost financing was arranged through the Institute for Community Economics and this covered the additional costs of renovation. A number of businesses have generously contributed to help the Health Center pay off its mortgage debt.

Firehouse Family Shelter

The Firehouse Family Shelter (located in the Old North End) is an emergency shelter for homeless parents and their children. It was founded with the combined efforts of the Women's Consortium for the Construction of Housing (WCCH), BCLT, and the Committee on Temporary Shelter (COTS). WCCH is an organization that formed in 1986 under the auspices of the Burlington Women's Council to address the housing problems particular to low-income women, especially mother-led families, in Burlington. Emergency housing suitable for families was identified by the WCCH as a most pressing need. It soon became apparent that unless property was donated outright, the project would not be affordable. When WCCH organizers approached City officials for permission to use the long-abandoned firehouse, months of discussion followed and finally, the Burlington Board of Aldermen approved the transfer of the building to BCLT. WCCH was granted a long-term lease for the use of the building and was then responsible for

necessary rehabilitations and for the implementation of the shelter program. Extensive rehabilitation was needed to convert the space for family use and the project was finally completed early in 1988. Funds for rehabilitation were donated from a variety of sources. COTS has been responsible for administering the shelter program since the completion of the rehabilitation process. The shelter currently houses over one hundred families per year and also provides essential social services and assistance in securing permanent housing.³⁰

Transitional Housing

Plans for a transitional housing project began when BCLT and WCCH together decided to respond to the increasing numbers of mother-led families in Burlington who were in danger of becoming homeless and/or were forced to live in over-crowded and substandard housing conditions. Their transitional housing project was initially designed to help ten families by creating a link between emergency and permanent shelter and to also provide a comprehensive program of support services (e.g., child care, job development, peer support). The BCLT-WCCH plan for transitional housing for women and mother-led families came into effect following its selection by the Gannett Foundation's National Community Priorities Program for funding. A \$75,495 grant was received by BCLT in order to help address the issues of homelessness and

domestic abuse. In addition to the Gannett Foundation grant, many state and local organizations offered financial and human resources assistance, including \$60,000 in commitments from the City's Community Economic Development Office and the Lake Champlain Housing Development Corporation.

Sarah Cole Community House

The City of Burlington defines a "community house" as a house "occupied by healthy, unrelated, single people under the care of a non-profit agency and who have a problem that can be solved by living together".³¹ Sarah Cole Community House, a community house for homeless women in the Old North End, serves as yet another first step towards finding permanent housing. Despite some local neighborhood opposition to this project proposal, the Burlington Zoning Board of Adjustment voted that the house would not adversely affect the surrounding neighborhood and unanimously approved the project in February 1991. The house, which previously served as a boarding house, houses twelve women and one paid manager, who coordinates house activities and assists with any potential problems. All twelve women currently residing at Sarah Cole House are Section 8 subsidy recipients (receiving vouchers from the federal Department of Housing and Community Affairs).

Overview

Chapter 2 discussed the CLT model on a conceptual level, describing the context in which interest in the model began. Chapter 5 has presented the organization and operations of the Burlington Community Land Trust -- one practical application of these concepts. On the surface, BCLT appears to be less radical than its underlying theory suggests. BCLT organizers seem to have attempted to reduce the perception that the CLT model is a radical threat to the free market system. For example, the organization's marketing and outreach techniques stress the practicality of the model, proclaiming CLTs to be effective tools for meeting certain pressing needs at the local level. The reasons behind this relative conservatism will be further discussed at the end of Chapter 6.

NOTES

1. Burlington Community Land Trust, Annual Report 1990-91

2. Institute for Community Economics, The Community Land Trust Handbook (Emmaus: Rodale Press, 1982), p.172.

3. Burlington Community Land Trust, Corporation Bylaws, Article III, Section 6.

4. According to BCLT's bylaws, executive sessions are held for the purpose of discussing specific potentially-sensitive issues (e.g., grievances; the appointment, employment, or evaluation of an employee). These meetings are limited to the members of the Board, its staff, clerical assistants, its legal counsel, and in some cases, those who are the subjects of discussion or whose opinion/information is required.

5. Brenda Torpy (Burlington Community Land Trust), personal communication, March 1992.

6. Ibid.

7. According to BCLT's bylaws, those issues that are considered to be "major issues" include the following: the removal of members or Trustees; the sale of land; amendment of the Articles of Incorporation or BCLT by-laws and; the disposition of assets in case of dissolution.

8. Burlington Community Land Trust, Fact Sheet, June 1992.

9. Ibid.

10. Brenda Torpy (Burlington Community Land Trust), personal communication, March 1992.

11. This policy is stated in BCLT's bylaws.

12. Burlington Community Land Trust, BCLT News, Vol.3, No. 2, Winter 1989/90.

13. Michael McNamara (Burlington Housing Authority), personal communication, March 1992.

14. Burlington Community Land Trust, BCLT News, Vol. 3, No. 1, Summer 1989.

15. Ken Lerner (Burlington Planning Commission), personal communication, March 1992.

16. Brenda Torpy (Burlington Community Land Trust), personal communication, March 1992.

17. There may be certain instances where, for one reason or another, a property is no longer appropriate for affordable housing. Various ICE newsletters indicate that there have been situations when other community land trusts have found it prudent to sell a parcel of land; for example (1) exchanging land that is inappropriate for the CLT's purposes for land that is more suitable or (2) selling a portion of a property to avoid losing other land/housing.

18. Brenda Torpy (Burlington Community Land Trust), personal communication, March 1992.

19. Steven Soifer, The Socialist Mayor: Bernie Sanders in Burlington, Vermont (New York: Bergin and Garvey, 1991), p.23.

20. Ken Lerner (Burlington Planning Commission), Douglas Lothrop (Vermont Housing Finance Agency), and Michael McNamara (Burlington Housing Authority), personal communication, March 1992.

21. Pat Peterson (Department of Housing and Community Affairs), personal communication, March 1992.

22. Institute for Community Economics, "The Vermont Community Loan Fund" in Community Economics, No. 20, Summer 1990.

23. Pat Peterson (Department of Housing and Community Affairs), personal communication, March 1992.

24. Ibid.

25. Burlington Community Land Trust, BCLT News, Vol. 5, No. 1, Spring/Summer 1991.

26. Ibid., Vol. 3, No. 2, Winter 1989/90.

27. Ibid.

28. Ibid.

29. Brenda Torpy (Burlington Community Land Trust), personal communication, March 1992.

30. Burlington Community Land Trust, BCLT News, Vol. 2, No. 2, Summer 1987.

31. Laura Decher and Ann Dorian, "Board OKs Community House" in Burlington Free Press, 1 February 1991.

6. RESPONSE TO THE BURLINGTON COMMUNITY LAND TRUST
AND OTHER CLT ACTIVITY

Local Public Response

On the whole, BCLT has garnered broad support from all segments of the Burlington community. Those interviewed and a survey of the local media have indicated that the local public has generally been supportive of the land trust. Many newspapers and magazines were positive in their reporting of BCLT activity, often citing success stories of local residents who had benefited from its programs. For example, one article in the Burlington Free Press, headlined "Dream of Homeownership Comes True With BCLT Funding", praised the Land Trust for removing the barriers to homeownership in the real estate market.¹ Another article entitled "Affordable Housing Plan Gives Buyers A Choice", spoke of the merits of BCLT's HOMELAND project.²

But BCLT has not been entirely free of controversy, particularly during its early years of development. Some negativism was expressed in the local media during these early years, most of which was in reaction to the Land Trust's limited equity formula. Many felt that BCLT was creating a kind of "second-hand housing" for lower-income people and that this would only limit opportunities. Newspaper headlines such as "Land Trust Mocks the American

Dream", "Land Trust Home a Bad Deal", and "No Big Favors" appeared in the Burlington Free Press around the time of BCLT's incorporation.³

Some Burlington residents felt threatened by the land trust and considered it to be a violation of individual rights. The following was written by a Burlington resident and was subsequently published by the local newspaper:

If I believed that there should be no private ownership of land, I would be bragging to the world that in Burlington, Vermont, my wildest dreams had come true. I would proclaim that a vehicle designed to remove a substantial quantity of land from private ownership is operational in Burlington, called the Burlington Community Land Trust... If you believe that one of the most precious rights we, as individuals, have in our country is the right to own land, a right protected by our Constitution, then you should take a long, hard look at this land trust.⁴

The Burlington Free Press reported in October 1984 that a group of Burlington homeowners had written letters and picketed Land Trust meetings, denouncing it as "socialistic" and as "likely to undermine land values". There were even those who went so far as to brand the land trust activities "a communist revolution right here in our own backyards".⁵

Public opposition to BCLT was most active in 1984, when the Land Trust began plans to develop and manage forty homes on land donated by two Burlington developers. A complex deal had been negotiated between the Community Economic Development Office and the two developers: the developers were permitted to build two hundred high-priced condominiums on the condition that they also built forty

affordable houses, known as the Howe Meadows Project, in the City's New North End (location mapped in Figure 4). These affordable housing units were to be managed by BCLT. However, this plan met with considerable neighborhood protest. New North End homeowners who lived near the Howe Meadows site feared that the Land Trust presence would drive down their property values. They organized a group called "Homeowners Against the Land Trust" (HALT) in opposition to the Howe Meadows project. A protest was staged by twelve members of HALT prior to an aldermanic meeting about the project proposal. The protesters picketed outside City Hall, chanting slogans against the Land Trust while waiting to speak with the Board of Aldermen. BCLT officials responded to this negativism by speaking on a radio talk show, distributing informative leaflets, and sending a contingent to City Hall. Finally, a compromise was accepted which gave BCLT nine of the projects' lots. In the end, the project was very successful and HALT has not been heard from since. Nevertheless, this marked a difficult time for the Land Trust.

A more recent, less dramatic case of homeowner opposition to Land Trust activity occurred early in 1991 when, as mentioned earlier, the Burlington Zoning Board of Adjustment unanimously approved BCLT's proposal for "Sarah Cole" community house (described above). Opposition in this case, however, was directed more towards the nature of the proposed land use rather than the Land Trust

itself. There was some fear among neighbors that the project would be "disruptive" in this "family-zoned neighborhood" and that the character of the neighborhood as a family neighborhood would be threatened.⁶

Despite certain protests and negative expressions from local community residents, the general consensus among those interviewed was that public response to the Land Trust has been highly positive. While it must be realized that one's political orientation will often have some bearing on how they view CLTs, BCLT has received fairly broad support across the political spectrum. The four political parties represented in Burlington -- Republicans, Democrats, the Progressive Coalition, and a group known as the "Greens" -- have each shown support for BCLT in one way or another. John Davis of the Community and Economic Development Office says the following:

I would say that, with a couple of exceptions, the Land Trust has received pretty solid support from all of the political parties - all for different reasons. The Greens have supported it because they like the idea of local control and local neighborhood involvement. The Progressives have supported it because it is a cornerstone of [their] kind of general strategy of perpetual affordability and decommodification of private housing. The Democrats have supported it because it's been pretty successful and popular and they didn't want to be standing by the side of the train while the train left the station. And the Republicans have supported it because they see it as a basic efficiency of the public dollar. Many republicans have become convinced that if money goes into this kind of housing, affordability is retained perpetually. That's a good public investment.⁷

Individual community members have demonstrated their support for BCLT in a variety of ways. Many have

expressed their support and interest by voluntarily devoting time and/or energy to one of many Land Trust activities. This may be accomplished by serving on BCLT's Board or one of its committees, becoming a member, attending meetings, offering advice in areas of expertise (e.g., legal, financial), or by helping in the construction, rehabilitation and landscaping of BCLT properties. Others have supported the Land Trust financially by investing in BCLT's Revolving Loan Fund, making an "equity pledge" through the Equity Trust Program, or through the donation of land.

The fact that so many socially responsible investors have contributed to BCLT's efforts, especially through BCLT's Revolving Loan Fund, is one indication that public response to the Land Trust's activities has been quite favourable. Endorsements from well-respected local residents (e.g., the mayor, local business leaders) have greatly helped to establish BCLT's credibility. The fact that many such people have proclaimed the Land Trust to be a reputable organization working towards a legitimate cause has allowed BCLT to expand its network of support.

Favourable response to BCLT's efforts has also been observed among members of the business community. Many of the local bankers have been highly co-operative with the Land Trust. There appears to be a general consensus among the business community (with the exception of some realtors who remain apprehensive) that BCLT's activities

will not modify the marketplace to any significant degree and will only have a marginal impact on property values. This has significant implications for further CLT activity, both in Burlington and elsewhere. This suggests that CLTs can expect continued public support only as long as they are not seen to threaten prevailing patterns of landownership and land use. With this in mind, it is doubtful whether or not the reallocation of equity via a community land trust model of land tenure will ever gain widespread acceptance as an alternative to the status quo. Private, non-profit organizations such as CLTs are typically acceptable in the public eye so long as their primary role is in meeting public service shortfalls and solving emergent problems. However, should their efforts begin to interfere with regular market operations within the United States capitalist system, substantial public resistance could be expected.

The CLT model is undoubtedly a radical concept. In their underlying theory, BCLT and other community land trusts attempt to challenge the way people think about fundamental concepts of land use and ownership. Its orientation towards social benefit as opposed to individual gain gives the model a socialistic flavour. With reference to locally-based community action groups such as CLTs, Davis comments:

To the extent that these accommodative strategies impede or contest the more accumulative uses to which domestic property is routinely put - and to the extent that they also disrupt the capitalist domination of a community's physical development,

social relations, and social meanings -- these strategies contribute to what might be called "radical reform".⁸

In light of this radical nature, it is perhaps surprising that BCLT has not received a more negative reaction than it has. A number of reasons may be attributed to the relative lack of opposition to the BCLT.

First, while the underlying ideas of the CLT model may be radical, it is not normally these that are judged, but rather the actions and accomplishments of the Land Trust. People do not generally consider how BCLT and other CLTs fit into a larger movement of land reform (e.g., the removal of all housing from the speculative market). Instead, the model is seen to be actively fulfilling a pressing need for affordable housing in Burlington. The issue of affordable housing is one that most people understand. Because the recent housing crisis has affected such a wide range of people, including municipal workers, teachers, town officials, there has been increased recognition of the difficulty that many Americans are facing in securing affordable homes. The CLT model is recognized as one tool to address this issue, making more homes affordable at the present time. A second reason for BCLT's acceptance within the local community relates to the fact that the Land Trust is a non-governmental organization. The local public would likely have reacted differently to such an endeavor if it were government controlled since many people tend to distrust government agencies. Finally, widespread public

acceptance is also likely to be related to the fact that BCLT is a relatively small organization at this stage, owning less than two percent of the City's housing stock. As above discussion has already suggested, BCLT has not yet posed a significant threat to Burlington's "power elites" and most of those who might be expected to be against the Land Trust (developers, members of the real estate community, homeowners) have not yet been directly affected by it.⁹ Although it is difficult to predict how quickly BCLT will continue to develop and expand, it is probably safe to assume that the Land Trust will not pose a serious threat to such groups for at least many years to come.

Municipal Government Response

Burlington's local government has been highly supportive of BCLT since its beginnings. The City's initial seed grant made Burlington the first municipality in the United States to fund a community land trust. The seed grant from the City of Burlington's Community Development Block Grant program certainly helped BCLT get off to a promising start and allowed it to sustain its operations during its early years of development. "In nearly all cases where successful housing non-profits have formed [in Vermont], some organization, usually federal, provided the initial 'seed' or development money over a period of years".¹⁰ Local government support in the form

of staff assistance and the seed grant almost guaranteed the initial success of BCLT. Support from the local government also made the Land Trust initiative very difficult to block. In many other cities, people have had to fight their own city hall to acquire support for local land trusts. Churches and religious groups are often the initial instigators of land trust development. Now that Burlington's local administration has funded and promoted a land trust, many other U.S. municipalities have been looking to Burlington for information, guidance, and inspiration.

Now that BCLT has tapped into other reliable sources of funding, the City's CDBG share has declined in proportion to other BCLT sources of funding. However, municipal support continues to stabilize BCLT's development and will likely continue to do so for many years to come provided the Progressive Coalition remains in office. The Progressive Coalition has been very successful ever since 1981: following Sanders' resignation in 1989, Mayor Peter Clavelle (current mayor of Burlington) of the Progressive Coalition was elected and the party retained its six seats on the Board of Aldermen. Though it seems unlikely that the Progressive Coalition will lose its hold on power in Burlington in the near future, there is no guarantee that it will continue to win the allegiance of Burlington voters in future elections. Although the other parties have generally expressed support for the Land Trust, it is difficult to

judge how BCLT would be affected should a swing in political leadership occur.

The City has a vested interest in improving the cost effectiveness and social effectiveness of its land and housing programs, including the Land Trust effort. Having donated an initial \$200,000 in the form of a seed grant and numerous hours of staff support to BCLT, the City has sought to help assure the survival and success of the Land Trust. This has partly been achieved through the linking together of the municipality's land and housing programs with those of BCLT. In 1984, the City of Burlington's Community Economic Development Office issued a policy proposal entitled "The Burlington Community Land Trust as a Private Complement to Public Land and Housing Programs: A Policy Proposal". This proposal outlines the public benefits of the land trust model and makes specific recommendations for program linkages between the City of Burlington and BCLT. The City's six major municipal programs (Housing Rehabilitation, Housing Construction, Mortgage Assistance, Regulatory Assistance for Tenants, Undeveloped Municipal Lands; and Job Development) were each discussed in terms of their possible linkages with BCLT. Benefits of cooperation and costs of failing to cooperate were assessed.

The cooperation between BCLT and the City of Burlington has allowed each to help fulfill the other's objectives. While the City has financially and technically supported the Land Trust, BCLT, in turn, has

helped carry out the affordable housing objectives of the municipal government. Burlington's diverse range of municipal housing initiatives are guided by the three underlying policy goals of protection, preservation, and production: protection referring to those members of the community who, for one reason or another, find themselves vulnerable within the housing community (e.g., tenants, seniors, lower income families and individuals); preservation referring to the existing affordable housing; and production meaning the new construction of affordable housing.¹¹ The Land Trust objectives and initiatives have complemented these key policy objectives of the City. BCLT has protected many of those who are typically vulnerable within the housing community, namely by offering homeownership to tenants and thereby replacing shelter insecurity with security. The Land Trust has also empowered single parent families and homeless women through its emergency and transitional shelters. BCLT has assisted the City to achieve its goal of preservation primarily through its Neighborhood Project. John Davis, assistant housing director for the City of Burlington claims that the land trust has been one of the City's staunchest allies in the preservation of affordable housing and that whenever a measure was brought to City Council to protect the rights of tenants, "the land trust was right there testifying as an ally".¹² Finally, BCLT has worked to provide new affordable housing through its construction of new units.

BCLT's cost-effectiveness is seen to have been a major strength. There was a general consensus among those interviewed and the views expressed in the available literature that both municipal and state officials in Vermont consider CLTs, including BCLT, to be one of the best uses for the expenditure of public dollars. CLTs such as BCLT receive a high priority for public spending, mainly because they (1) serve low-income individuals and households, including those with special needs; (2) address the preservation and rehabilitation of existing affordable housing units; (3) encourage income-mixing and integration of non-profit housing into the surrounding community; (4) achieve perpetual affordability; and (5) demonstrate cost-effectiveness and therefore increase the capability of expanding the supply of affordable housing.

Because BCLT has been closely associated with the housing initiatives of the Progressive Coalition, first under the leadership of Mayor Sanders and currently under the leadership of Mayor Clavelle (also of the Progressive Coalition Party), the future of the Progressives' hold on power in Burlington is clearly of concern to the Land Trust. Presumably, Burlington's Community Economic Development Office would continue to operate in the event that another party's administration came into power; but whether or not it would include the same employees with the same commitments (e.g., to the provision of affordable housing) is uncertain. However, the fact that the Land Trust has already achieved a broad base of support and

popularity makes it much more stable than if it were still a struggling non-profit organization with a limited number of units. In many ways it seems that the ideas behind the Land Trust efforts have already worked their way into the fabric of how people think about an important social and economic issue. Concepts such as "perpetual affordability", protection, and preservation have recently become key housing policy objectives at both the municipal and state levels -- largely in response to pressure from voluntary action groups such as CLTs. For this reason, it is difficult to imagine a future withdrawal of municipal support for BCLT.

While Burlington's municipal government has played a highly influential role in the formation and development of BCLT, there is no reason to believe that this type of municipal support was a prerequisite for the formation of a community land trust in Burlington. There has long been an activist base of neighbourhood and community organizers in Burlington and as John Davis comments; "the same ferment and political activism that got Bernie Sanders elected is precisely the kind of social base that is needed to get a community land trust started".¹³ It would not be unreasonable to imagine that, even without Mayor Sanders, one or more community activists would have heard about the CLT concept sooner or later and formed a similar organization.

State Government Response

Community land trust objectives have been an integral part of state housing policy. This is likely to be linked to the fact that the State of Vermont, like the City of Burlington, contains a fairly active Progressive community. The governmental infrastructure that currently supports CLTs (e.g., Vermont Housing and Conservation Board) did not exist at the time of BCLT's formation but rather, evolved along with the development of the land trust movement. The fact that these two have evolved on parallel tracks is perhaps suggestive of the progressive potential of organizations such as CLTs. Vermont's experience indicates that CLTs and other non-profits with similar commitments are capable of altering popular consciousness and expectations of the state to a point of progressive change in government policy and infrastructure.

Talk of CLTs began at just the time when development pressures were getting out of control and when local and state governments were seeking viable solutions to the existing land and housing problems. Once BCLT had proven itself to be an effective mechanism for community control and planning, other communities across Vermont began to follow its lead and state support for CLTs increased. Thus, state housing policy and the land trust movement have developed together, supporting each other. Affordable housing is currently both a moral and economic

imperative of the State of Vermont, for it has become clear to public officials that the lack of affordable housing has threatened the State's economic well-being and stability. BCLT and the other six CLTs have been an important part of the solution to the recent affordable housing crisis.

The State government currently seeks to encourage an environment and economy where every Vermont household has decent and affordable housing. State housing policy guidelines identify the need to promote upward mobility within the housing market and to promote the preservation and rehabilitation of existing affordable housing units. Organizations and projects that promote these and other key State priorities for affordable housing projects (e.g., cost effectiveness, perpetual affordability) have gained funding priority over those projects that do not address the same priorities. BCLT and other CLTs in Vermont have assisted the State government in achieving its affordable housing objectives. At a recent statewide housing conference, CLTs were named as a key mechanism for future publicly sponsored housing development.¹⁴ Another recent State report on the role of non-profit organizations in housing proclaimed the seven community land trusts to have "taken the lead in providing permanently affordable homeownership opportunities".¹⁵

BCLT itself does not receive funding from the State of Vermont due to the fact that the City of Burlington is defined as a "Community Development Block Grant

Entitlement Community" under the HUD program. It is through this major federal program that cities, towns, and states receive a considerable amount of money in order to promote community development and provide affordable housing. The statewide program for affordable housing covers all of Vermont with the exception of Burlington. The City of Burlington receives CDBG money from the federal government and then apportions it to various groups such as BCLT. Although BCLT has not been receiving financial support from the state government, the Department of Housing and Community Affairs has supported it and the other Vermont land trusts both philosophically and in State policy direction. Because the State government considers CLTs to be one of the best uses for the expenditure of public dollars,¹⁶ a number of grants have been made to other affordable housing organizations across the State that are based upon the CLT model.

Federal Government Response

The federal government has had little involvement in the non-profit housing sector in the last decade and it has been difficult for non-profit organizations such as CLTs to gain access to federal funds outside of the CDBG grants, rental assistance and rehabilitation money through the Residential Rehabilitation Program. Despite the fact that the Institute for Community Economics has maintained contact with HUD over the years, no direct links have yet

been established between the federal government and CLTs. However, the federal government has started to take some notice of CLTs in the past few months. HUD recently published guidelines for how money for Title 2 (also known as the "Home Program") of the 1990 National Affordable Housing Act could be used, inviting the public to comment on these guidelines. Many responses were received from community land trust advocates across the country and in its final report, HUD commented on the need for the federal government to further explore the community land trust model.

Although the land trust movement has reached a point where it is difficult to ignore, there is yet no indication that the CLT movement will be able to affect change in national housing policy. For this to happen would likely require a new type of federal administration. The present right-wing, conservative administration is more interested in selling off its existing social housing than it is in increasing its involvement in the social housing sector. At the same time, few incentives exist for private real estate investment in, and development of, low-income housing. This is a politically difficult climate for the CLT movement to operate and develop within: the movement is limited in the type of progress it is able to make towards a "worthy" social goal within such a climate.

Overview

The above discussion of local public, municipal government, and state government response to BCLT suggests that the Land Trust would not have received the degree of success that it has without the co-operation and support it has received from both the public and private sectors. It would not have grown nearly as quickly as it did, nor would it have been able to carry out the diversity of projects that it has developed without this type of support network. These types of factors are important when one considers the potential success of CLTs in other communities. It would be unreasonable to assume that all CLTs elsewhere would receive similar levels of support and positive response from government and the general public; these factors are likely to vary among communities.

As long as voluntary organizations can be seen to effectively meet shortfalls in services and benefits resulting from reductions in state expenditures and as long as these groups do not radically threaten certain accepted values, practices, and institutions, their actions will likely be justifiable and considered beneficial. Government regulatory provisions and funding keep this "shadow state apparatus" (to use Wolch's term) operating at "acceptable" levels. Wolch believes that these constraints on local action may make voluntary groups "cautious and conservative"¹⁷, for "excessive activism can lead to curtailment of public support or loss

of [such benefits as] tax-exempt status".¹⁸ BCLT, for example, has gone to considerable lengths to establish credibility within the local community (reflected in its outreach strategies, efforts to win the support of well-respected groups and individuals within the local community, etc.). Such cautionary measures may, in effect, limit the extent and pace of change which can be advocated by CLTs.

NOTES

1. Michael Powell, "Mother's Dream of Homeownership Comes True with Land Trust Funding" in Burlington Free Press, 10 February 1985.
2. "Affordable Housing Plan Gives Buyers a Choice" in Burlington Free Press, 20 January, 1990.
3. Burlington Community Land Trust, BCLT News, Vol.1, No.1, Spring 1986.
4. Janet Dunn, "Land Scheme of Burlington is Dangerous" in Burlington Free Press, 28 May, 1987, letter to the editor.
5. Steven Soifer, The Socialist Mayor: Bernie Sanders in Burlington, Vermont (New York: Bergin and Garvey, 1991), p.133.
6. Laura Decher and Ann Dorian, "Board OKs Community House" in Burlington Free Press, 1 February 1991.
7. John Davis (Burlington Community Economic Development Office), personal communication, March 1992.
8. John Davis, Contested Ground: Collective Action and the Urban Neighborhood (Cornell: Cornell University Press, 1991), p. 315-316.
9. Steven Soifer, The Socialist Mayor: Bernie Sanders in Burlington, Vermont (New York: Bergin and Garvey, 1991), p.135.
10. Vermont Non-Profit Housing Development Committee, Vermont's Housing Non-Profits (Montpelier: Department of Housing and Community Affairs, 1989), p.20.
11. Institute for Community Economics, "An Interview with John Davis" in Community Economics, Fall 1990.
12. John Davis (Burlington Community Economic Development Office), personal communication, March 1992.
13. Ibid.
14. Vermont Department of Housing and Community Affairs, Planning for Affordable Housing (Montpelier, VT: Department of Housing and Community Affairs, February 1990, p.5.

15. Non-Profit Housing Development Committee,
Vermont's Housing Non-Profits (Montpelier, VT: Department
of Housing and Committee Affairs, April 1989).

16. Pat Peterson (Department of Housing and Community
Affairs) and Polly Nichol (Vermont Housing and
Conservation Board), personal communication, March 1992.

17. Jennifer Wolch, "The Shadow State: Transformations
in the Voluntary Sector" in Jennifer Wolch and Michael
Dear (eds.), The Power of Geography: How Territory Shapes
Social Life (Boston: Unwin Hyman, 1989) p.217.

18. Ibid., p. 211

7. SUMMARY AND CONCLUSIONS

Since its beginnings, BCLT has made impressive progress towards its task in Burlington. It has been pragmatic in offering an alternative land and housing model, proving the CLT model to be a promising remedy for many social and economic problems. By tapping into a broad range of financial and human resources, BCLT has been able to achieve most of its objectives with considerable success. All interview participants were united in the opinion that the Land Trust has played, and will continue to play, a very important role in Burlington's housing sector. BCLT has been one of Vermont's most successful and enduring non-profit corporations and has proceeded with a fairly solid reputation.

By removing the cost of land from the cost of housing and by helping individuals achieve greater security through a number of financing options, BCLT has made long-term homeownership and land use available to many who would not otherwise have had access to these. Individuals and families have experienced the same fundamental security in their housing that is typically restricted to landowners. Leaseholders have been able to build reasonable amounts of equity in their housing and also have the option of passing the long-term lease on to heirs. Thus, it can be concluded that BCLT has largely

been successful to date in meeting its objectives of increasing the number of homeownership opportunities for households of modest means and in providing access to land and housing for low to moderate income people. Whether or not this access will be restrained in the future (due to the renewability and inheritability of leasehold interest, regardless of income) remains to be seen.

While BCLT has demonstrated the potential ability for CLTs to help realize certain "legitimate" individual interests (individual security, equity, legacy), community benefits have perhaps been less visible. Certainly, the Land Trust has allowed Burlington residents -- particularly low and moderate income residents of the Old North End -- to gain increased control of their land and housing (especially "at-risk" housing), thereby reducing the drain of economic and social resources from the local community. This has been accomplished both by the removal of land from the speculative market and through a democratic process of decision-making. Neighborhood stability has been enhanced in scattered areas of Burlington through BCLT's efforts, and reductions in absentee ownership, residential transiency, and forced displacement have had noticeable effect.

Through its democratic structure, BCLT has, to a limited extent, helped facilitate direct participation by local community residents -- particularly those commonly neglected (e.g., low-income people, tenants) -- in the provision of affordable housing. In this way, community

land trusts tie in well with an emerging environmental philosophy that encourages local control over local needs. The Land Trust has also encouraged more direct dialogue between housing consumers and housing providers in the political discussion surrounding the housing-related responsibilities of local, state, and nationally elected officials. This has, in effect, increased local community control over land use and housing.

While in theory a community land trust could be formed virtually anywhere, this case study of BCLT has indicated that a number of factors (e.g., geographical factors, availability of necessary human, technical, and financial resources, public support, government support etc.) will partially determine (1) whether or not a CLT is feasible in a given context and (2) the level of success that can be anticipated of a particular CLT.

The fact that the Land Trust has already weathered a variety of challenges and has reached a certain level of growth (i.e., containing a large membership population, significant inventory of housing, and a fairly healthy support network) suggests that it has already moved beyond the experimental stages of development and will be able to maintain a satisfactory level of stability into the future. BCLT's ongoing expansion and development will largely depend upon the following factors: a continuation of demand; an ongoing supply of resources and support (financially, technically, philosophically); continual fine-tuning of its role and objectives; and its ability to

maintain and build a strong membership base. It is unlikely that CLTs such as BCLT will ever become the dominant form of land tenure in Vermont; however, they appear to be doing all that they can under present systems and conditions to provide affordable housing and community services to Vermonters, particularly those of low and moderate income.

While the CLT model has been shown to offer certain practical merits as a housing and land use planning tool in Burlington, it has been a slow, piecemeal method of land reform. This is largely related to the high cost of land acquisition, barriers to funds for acquisitions, the current political climate at the federal level, and the time required to modify fixed sets of beliefs. Each of these limits the extent to which BCLT and other CLTs are able to reach their ultimate philosophical objectives. It appears that those involved in the community land trust movement are still searching for ways of translating their ideas into action without entirely restructuring traditional institutions (e.g., private property). As John Davis notes, "the model makes no frontal assault on the large concentrations of property and power which already abound in the United States... The pattern of landownership and the institutional framework of land tenure in the rest of the country remain intact".¹

In terms of advancing the way land, housing, and community are viewed, BCLT and other CLTs across the United States have a long way to go yet. They have only

begun to challenge in any real sense the prevailing ideology of private property and individual landownership; the notion of housing as a commodity; and the adequacy of only prevailing decision-making structures for land-use to work in the best interests of the community at large. While it can be seen that CLTs, through redistributing equity, are capable of modifying traditional power structures, this has essentially only occurred within their own systems. Thus, traditional political and economic structures of the broader society are largely left untouched. On the other hand, as Jennifer Wolch notes, "while the behavioral latitude of many voluntary groups is constrained by structural political economic forces, the determination and persistence of individuals pursuing voluntary initiatives can also alter those constraints".² So while local communities have been bearing the brunt of the restructuring of the welfare system and are, in a sense, demonstrating "a shadow state apparatus" in which certain functions of a shrinking welfare state are assumed by voluntary organizations, this trend could allow for certain progressive changes. Vermont's experience suggests that the voluntary sector can potentially exert positive pressure on the State, while allowing for empowerment of individuals. Whether or not privatization of government programs for housing is capable of improving the positions of individuals and groups remains to be seen. This is largely dependent upon whether or not an appropriate level of state funding is

accessible to the private sector in the future for the purpose of delivering social and community development programs.

Until changes are made to banks, federal budget priorities, and to the business world, BCLT and other CLTs in Vermont will not be entirely able to attain their mission as a political movement for social change. Even if such changes were to be made and CLTs across the country were to flourish, BCLT and other CLTs would have to wrestle with some very difficult philosophical and practical issues. For example, what level of control can realistically be assumed by a community land trust? What types of inter-governmental strategies of relations would be developed (e.g., Would the local Planning Commission and State level continue to have dominant control over community development?). CLT literature does not define how the CLT's relationship to the state might be envisioned. It appears that CLT advocates see a continued role for the state, but in a context of decentralization of power to local communities. What role would other existing social service agencies play in the provision of affordable housing? How would a very large CLT balance its dual role of grassroots organizer and large-scale landowner? What would be the effect of large amounts of land trust property within one particular area upon regular market functioning?

Regardless of BCLT's apparent overall success to date, the fact that the organization has been operating

for only eight years suggests that only tentative conclusions about its success or otherwise can be drawn for at least another twenty years. Only then will it be possible to adequately analyze the long-term effectiveness of a CLT system of tenure. BCLT, like other CLTs across the United States, is still a fairly young organization. The present lack of long-term experience by which to go by makes it difficult, if not impossible, to extrapolate less than a decade of limited experience with community land trusts to long-term expectations.

Keeping the above in mind, it is possible that the community land trust model, or variations of it, could play a significant role in the provision and protection of affordable housing at the local level in various communities across the United States and in Canada in the future. Although CLTs are unlikely to have a major impact on national, statewide, or even city-wide patterns of landownership in the near future, CLTs are able to affect important change at the local level -- for example, reducing absentee ownership, resisting displacement of neighborhood residents etc. Despite limitations, the CLT movement holds potential for increased application and growth, particularly if it is able to effectively coexist with other types of land reform measures. The model at least deserves consideration by communities elsewhere, particularly those that are faced with similar land and housing issues to Vermont.

Because the concept is still quite new, many

important questions remain. For example: How will the idealism of those involved with community land trusts survive the long-term realities of operating land-owning enterprises? How might CLT advocates be able to work around the potential situations for misuse of the CLT system? How can CLTs attempt to ensure that they do not become "isolated islands of self-interest"? How might CLT objectives such as individual security and community access be more effectively balanced? How much larger will the CLT movement and individual CLTs become before they are perceived as radical threats to the free market system? How might CLTs guard themselves against being overly dependent upon state funding and regulatory provisions? How might CLTs be equally effective or more effective catalysts for progressive change in other regions?

It is important that alternative models of affordable housing provision, such as the community land trust model, be continually explored -- not to replace, but to complement existing practices. This thesis may supply a basis for further investigation and research. It would be useful to monitor and evaluate the ongoing development of individual CLTs such as the Burlington Community Land Trust and the CLT movement in general in order that stronger conclusions can be made about the practical design and long-term effectiveness of the CLT model.

NOTES

1. John Davis, "Reallocating Equity: A Land Trust Model of Land Reform" in Charles C. Geisler and Frank J. Popper, Land Reform American Style (New Jersey: Rowman and Allanheld, 1984), p.223.

2. Jennifer Wolch, "The Shadow State: Transformations in the Voluntary Sector" in Jennifer Wolch and Michael Dear, The Power of Geography: How Geography Shapes Social Life (Boston: Unwin Hyman, 1989), p. 218.

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APPENDIX 1. NAMES AND AFFILIATIONS OF INTERVIEW PARTICIPANTS

The following is a list of those who were interviewed, accompanied by a brief description of their respective departments or organizations. They are not listed in any particular order.

- (1) Polly Nichol
Project Development Director
Vermont Housing and Conservation Board
Montpelier, Vermont

The Vermont Housing and Conservation Board was established by the legislature of the State of Vermont in 1987 as a quasi-governmental entity, relying upon the State for funding. VHCB operates under a Board of Directors, with the Board supported by the State governor. This organization is concerned with the provision of affordable housing, the conservation of historic properties, and the protection of agricultural land and natural areas of Vermont. Recent collaboration between CLTs and land conservation trusts has been one of the most significant new developments in Vermont land trust activity. While housing and land conservation efforts typically operate in separate spheres, the formation of the Vermont Housing and Conservation Board demonstrates how the two can join together to achieve mutual goals.

VHCB administers the Vermont Housing and Conservation Trust Fund: a fund which awards grants and loans to municipalities, non-profit organizations, housing co-operatives and qualifying state agencies. These awards cover a portion of the costs associated with the protection of important natural resources including agricultural land and historic properties, and the preservation, rehabilitation, and development of perpetually affordable housing. Special encouragement is given to projects which meet both the affordable housing and conservation goals. In addition, the Board sponsors competitions for broad-based funding designed to promote organizational development and build capacity to undertake projects, particularly in those areas of the state where such capacity is limited.

The Vermont Housing and Conservation Trust Fund has been a critical source of support for those attempting to respond to Vermont's affordable housing crisis, especially in light of the absence of federal support and limited

local revenues from cities and towns. By 1990, the Trust Fund had allocated approximately \$20 million for 135 projects throughout the state, leveraging another \$69 million in other public and private resources. It had helped preserve approximately 24,000 acres of land and also helped create 1,270 units of perpetually affordable housing.

BCLT and other CLTs in Vermont have received a significant amount of funding from the Vermont Housing and Conservation Trust Fund. CLTs typically make separate applications for individual projects. However, VCHB also grants CLTs modest amounts of core funding for operational expenses (this is applied for on an annual basis and is not project related). This core funding is normally about \$30,000 - not enough to cover all staff expenses, but a substantial amount nevertheless. VCHB has been very committed to the community land trust model since the existing CLTs are viewed to be important players in Vermont's non-profit housing delivery system. About forty-seven percent of the projects funded by VCHB have been CLT projects (the percentage of money allocated to CLTs is much smaller however, since VCHB is involved in some much larger initiatives).

(2) Pat Peterson
 Director of Housing
 State of Vermont Department of Housing and Community
 Affairs
 Montpelier, Vermont

The Department of Housing and Community Affairs (DHCA) acts as a clearinghouse and co-ordinator for housing programs and policies in Vermont. The mission of DHCA is to enhance the capacity of local governments and regions to improve the economic, physical and social development of Vermont's communities. The Department also helps to provide safe and affordable housing for all Vermonters. The Department's three main functions can be described as follows: (1) the administration of grant programs and the provision of technical assistance; (2) the implementation of State policies; and (3) the implementation of State and federal statutes. Within these functions, DHCA has responsibility for community development, housing, and local and regional planning.

Among the various programs administered by DHCA are the Community Development Block Grant Program (under which the State receives federal funds for grants to municipalities, the Vermont Rental Program, Emergency Shelter Grants Program, and Supplemental Assistance to Facilities to Assist the Homeless. Through these, DHCA has assisted a wide variety of housing and job creation

projects in Vermont municipalities. It has also provided technical assistance and research support for a wide range of special projects.

The Department of Housing and Community Affairs has supported the CLT effort in Vermont, both by integrating CLT efforts into state housing policy and through financial backing. The State makes grants available to different municipalities for the purposes of CLTs and other non-profit organizations. The statewide program covers all parts of the state except Burlington. The Burlington program is treated separately since it is considered a Community Development Block Grant entitlement community (under the HUD program) and therefore receives money directly from the City of Burlington rather than from the State.

(3) Douglas Lothrop
Director of Operations
Vermont Housing Finance Agency (VHFA)
Burlington, Vermont

Vermont Housing Finance Agency was created in 1974 by the Vermont State Legislature to provide safe, decent and affordable housing for low and moderate income Vermonters. Since its establishment, VHFA has assisted more than 12,500 Vermonters with homeownership programs and has financed over 2,800 units of rental housing for elderly and low- to moderate-income households in ninety-seven developments across the State. This has been achieved through the sale of bonds and the allocation of federal tax credits. Because VHFA is a not-for-profit, self-supporting, public agency, it receives no appropriation from the State legislature nor from the federal government. VHFA's main goals can be summarized as follows:

- targeting low cost mortgage financing to those individuals who are not able to qualify for conventional financing;
- encouraging and stimulating additional affordable rental housing for low- and moderate-income Vermonters; encouraging, where possible, mechanisms to assure that this housing remains perpetually affordable;
- heightening general awareness of the housing needs of low- and moderate-income Vermonters;
- maintaining a sound fiscal structure.

VHFA's primary objective is to provide many forms of

financing to stimulate the preservation and development of affordable housing and to create homeownership opportunities in Vermont. This is primarily achieved through the interest and cooperation of private lenders, real estate professionals, builders, developers, nonprofit organizations and supportive individuals throughout the State of Vermont.

VHFA has supported land trusts by financing mortgages for CLT properties - however, this organization does not necessarily support the underlying ideologies of the CLT model. It is appropriate that VHFA assist CLTs in financing since land trusts have helped fulfill VHFA's objectives of facilitating homeownership for low income people. Income-eligible BCLT homebuyers are offered low interest rates, thirty-year financing and five percent down-payments. Also through VHFA, BCLT homebuyers may finance all or a portion of their closing costs.

- (4) Ken Lerner
Executive Director
Burlington Planning Commission
Burlington, Vermont

The basic responsibilities of the Burlington Planning Commission include providing guidelines for the City's long-term growth and monitoring growth through a development review process. The Burlington Planning Commission is responsible for the planning of housing, transportation, natural resources, the built environment, institutions, historical preservations etc. Extensive citizen participation is encouraged through issue task forces. Government planning funds, along with development review fees, provide the main sources of financial support for this department.

Burlington's Planning Commission deals with BCLT in the same manner as it does all other applicants. BCLT officials approach members of the Planning Commission with applications for renovations of older buildings and for new construction. The Land Trust's applications do not receive special treatment due to the non-profit nature of their efforts.

- (5) Michael McNamara
Executive Director
Burlington Housing Authority (BHA)
Burlington, Vermont

Burlington Housing Authority is Vermont's oldest and largest municipally-based public housing authority. It

was created in 1962 by a resolution of the City of Burlington Board of Aldermen to clear slum areas and to provide safe, decent, and affordable housing. It supports a network of active, committed non-profit organizations. The BHA is now Burlington's largest landlord, managing 433 units and subsidizing another 345 units in and around Burlington. BHA is a public body and is governed by a five member Board of Commissioners (each of these Commissioners are appointed by the Mayor to serve a five-year term). The Board is responsible for hiring an executive director, who acts as chief executive officer and as Secretary to the Board of Commissioners.

BHA does not require municipal tax dollars to operate and although it is technically a municipal corporation, it does not receive funding from the City of Burlington. Like all Public Housing Authorities across the country, BHA's operations are federally subsidized by the Department of Housing and Urban Development (HUD). Typically, sixty percent of BHA's operating expenses are covered by tenant rents, interest, and other income, with HUD subsidy accounting for the remaining forty percent. As BHA's primary source of government revenue, HUD is responsible for monitoring BHA's operation. This is largely done through management reviews and annual audits. BHA is also answerable to the City of Burlington, although to a lesser extent than to HUD.

Burlington's Housing Authority was clearly failing in the provision of affordable housing during the 1970s and 1980s. It was at this time that many of Burlington's grassroots efforts -- including BCLT -- were initiated. HUD's development programs had trickled down to almost nothing and there was a need at the time for alternative solutions to be sought. Some housing authorities in Vermont formed their own non-profits in the 1970s and 1980s in order to take advantage of other financing; however, BHA was not included among these. By the time BHA had become reorganized and re-activated, the other local non-profits had become quite successful in meeting the affordable housing needs of Burlington residents. For this reason, it was decided that BHA would be more effective if it were to work with the existing non-profits rather being "spun off" as a separate non-profit organization. BHA has since been working with a number of Burlington's non-profits, including BCLT.

Twelve of BCLT's rental units are subsidized by BHA through Housing Assistance Payments (a few more BCLT units are subsidized by the State Housing Authority). Tenants pay thirty percent of their income on housing and BHA pays the difference of the unit's cost to the landlord (BCLT). The Housing Authority also inspects the subsidized units in order to ensure that they meet certain HUD housing quality standards.

- (6) John Davis
Housing Director, City of Burlington
Burlington Community Economic Development Office
(CEDO)
Burlington, Vermont

The City of Burlington's Community Economic Development Office (CEDO) was formed in 1983 during the office of Mayor Bernard Sanders. The principal mission of its programs and activities has been in achieving social and economic justice for all of Burlington's residents. CEDO is responsible for developing and implementing comprehensive community and economic development strategies. Its main priorities currently include: affordable housing; good-paying and quality jobs for residents; a healthy environment; opportunity and accessibility for all Burlington residents; a strong human services sector; a high quality of life for Burlington residents; and a vibrant downtown.

The Community Development Program (within CEDO) addresses a wide range of needs and supports a variety of projects to improve the quality of life for all Burlington residents. The program encompasses three general areas: The Community Development Block Grant Program; Citizen Participation; and Neighborhood Revitalization. The City of Burlington uses the funds from the Community Development Block Grant Program for many types of services and projects, including those related to housing (BCLT is one recipient of the grant). CEDO's relationship to BCLT is further discussed in chapter 4.

APPENDIX 2. SAMPLE OF AN INTERVIEW REQUEST

Dear

I am a Canadian graduate student of the Department of Geography at Carleton University in Ottawa, Ontario. My M.A. thesis focuses upon the community land trust model as a planning tool for the provision of affordable housing. Because the community land trust movement is essentially a U.S. phenomenon, I am researching the model as it has been applied in a U.S. city. The Burlington Community Land Trust was chosen for study mainly because it has been in operation longer than the majority of community land trusts and because it seems to have achieved an appreciable degree of success. My primary purpose in the research is in discovering the merit of the community land trust model as an efficient and equitable tool for the provision of affordable housing and for long-term community planning, using the Burlington Community Land Trust as a case example.

I understand that you are familiar with the activities of the Burlington Community Land Trust and that your department has been instrumental in its development. I would like to ask your permission to interview one representative from your department -- either yourself or another suitable representative. A total of six Vermonters in planning-related positions (including yourself) are being asked to participate in the interviewing process, each being representative of a different department or organization. Your willingness and cooperation in this endeavor would be greatly appreciated.

The participant should have a considerable degree of knowledge of the Burlington Community Land Trust but must not be personally affiliated in any direct way with the BCLT (i.e., being a member of the BCLT or being on its Board of Directors). The type of information I am seeking from interview participants will relate to their knowledge and opinions of, and experiences with, the Burlington Community Land Trust. The enclosed "Informed Consent Form" further explains the nature of the research focus and interviewing process.

I will contact you by telephone following your receipt of the signed consent form to arrange any further details (e.g., interview times). I will be adhering to the research plan described on the attached page to the best of my ability and if there is any deviation, particularly regarding the use of information, participants will be contacted and given the option to

withdraw their participation. If you have any questions,
do not hesitate to call me at (613) 727-1885.

Thank you very much for your time and consideration in this
matter.

Sincerely,

Catherine Hardy

Informed Consent Form For Interview Participants

An "Informed Consent Form" is required by the Carleton University Department of Graduate Studies and Research in order to ensure that interviewed subjects are treated in accordance with the ethical guidelines of the university. It is only ethical that a researcher describe why the research is being done and how it is being conducted. It is important for the potential participants to be fully informed of the research focus so that they can accept or reject the invitation to participate.

Investigator: Catherine L. Hardy (613) 727-1885

Research supervisor: Dr. Fran Klodawsky (613) 788-6645

The above persons may be contacted for any reason (e.g., for further information about participation in the study). If you wish to speak to the Carleton University Ethics Review Committee, they can be reached at the following telephone number: 613-788-2516

Aim of the Study:

The researcher believes that the experiences of other communities - such as Burlington - offer certain planning techniques that could be applicable to Canada. The researcher's interest in the CLT movement in the United States provided the impetus for further exploration in the form of an in-depth case study of one particular application of the CLT model.

Through interviewing, the researcher is hoping to gain valuable feedback about the Burlington Community Land Trust from those who are more familiar with the land trust and who have witnessed its development over the past few years. This, along with other sources of information, will be used to determine the extent to which the BCLT has been successful in achieving its objectives (e.g., it's commitment to the provision of perpetually affordable housing; its interest in balancing the individual and community interests in equity, security, and legacy). The investigator seeks information about both the positive and negative elements of Burlington Community Land Trust activity.

Description of Participation:

Participation will involve one interview of an approximate duration of 45 minutes. Interviewing will likely be taking place during the first week of March. It would probably be most convenient for both participant and

interviewer if the interview were to be conducted at the participant's place of work. However, if this arrangement is considered inappropriate or inconvenient by the participant, alternative plans can be made.

Ideally, the researcher would like to tape record interviews. However, if you are not comfortable with this arrangement, alternative plans can be made. Please feel assured that your confidentiality and anonymity will be respected (e.g., if you do not wish to be named in any written material), as would your right to not answer all questions if you so choose.

The following are indicative of the types of questions I will be asking participants:

- Describe the nature of public response to the BCLT.
- To what extent do you feel that the BCLT has met the needs of its targeted group (namely low and moderate income people) by making housing and homeownership more affordable?
- To what extent do you believe the BCLT to have helped build community equity, security, and legacy?
- Do you feel that public officials in housing and planning-related fields view the Community Land Trust Model as one of the best uses for the expenditure of public dollars? Explain.

Eventual Access to Summary of Results:

The results from the interviewing will be analyzed for the sole purpose of the researcher's Master's thesis work. The final thesis will not be available in United States; however, if you are interested in seeing the analysis of results from the interviewing, a copy of the relevant parts of the thesis will be forwarded to interview participants upon request.

Signature of Researcher and Witness:

.....

Catherine Hardy
(Researcher)

Dr. Iain Wallace
(Graduate Studies
Supervisor)

Permission of Participant:

Please acknowledge one of the following options:

1) I agree to participate in this research as an interviewee.

Name (please print)

Signature

Professional Title and Name of Department/Agency

.....

NOTE: A participant's signature in no way constitutes a waiver of her/his rights. It is merely documentation that the subject was informed about what the research would entail, and, on this basis, agreed to participate.

2) Neither myself nor any other person within my department/agency wishes to participate as an interviewee in this research.

Signature

APPENDIX 3. SAMPLE LIST OF INTERVIEW QUESTIONS

SECTION 1 - YOUR DEPARTMENT AND ITS RELATIONSHIP TO THE BCLT

- 1) Could you begin by telling me about the primary functions of your department?
- 2) When did your department first come into contact with BCLT?
- 3) In what way(s) has your department been involved with the Burlington Community Land Trust? (e.g., in terms of financial support, technical assistance etc.)

In cases of financial/technical support (#4,5,6):

- 4) Why has your dept./organization chosen to support BCLT?
- 5) For how long has your dept./organization been extending support to BCLT?
- 6) How long do you anticipate this support being extended for?
- 7) Have there been significant differences of opinion about BCLT within your department/agency/organization?

SECTION 2 - BCLT'S ACHIEVEMENT OF ITS OBJECTIVES

- 1) To what extent do you feel that the BCLT has met the housing needs of its targeted group (namely low and moderate moderate and lower-income Burlington residents), making housing and homeownership more affordable?
- 2) To what extent do you feel that community equity and access in Burlington has been built through the BCLT?
- 3) To what extent do you feel that the Land Trust has succeeded in preserving at-risk affordable housing?
- 4) Do you feel that BCLT has significantly/moderately/hardly increased Burlington's stock of affordable housing?
- 5) In your opinion, has BCLT efficiently balanced the needs of both individual and community?

6) In what ways has the BCLT assisted the City of Burlington and/or the State of Vermont in carrying out its/their land and housing programs?

SECTION 3 - REACTION TO BCLT ACTIVITIES

- 1) How would you describe the general reaction of community members to BCLT activity?
- 2) Has BCLT gained interest and support from all levels of government?
- 3) How do local and state public officials rate CLTs in terms of the expenditure of public dollars? (e.g., in comparison with other non-profit initiatives). Explain.
- 4) Has BCLT received unanimous support across the political spectrum?
- 5) Although it has grown rapidly, BCLT is still relatively small at this stage. If it were to continue to grow until it owned a large percentage of all residential property in Burlington (perhaps 25%), would it then pose a threat to the interests of a significant number of Burlington residents?

SECTION 4 - THE POTENTIAL OF THE CLT MODEL

- 1) What do you consider to have been BCLT's main strengths?
- 2) What do you consider to have been BCLT's main limitations/weaknesses?
- 3) Having observed some of the strengths and limitations of BCLT, do you believe that the CLT model is worthy of more widespread application?

SECTION 5 - ADDITIONAL FEEDBACK

- 1) Is there anything you would like to add or ask?
- 2) Having seen the list of interview participants, do you feel that there are any gaps in this list of participants? Can you think of any other potential participants whom you feel might be useful in this research?
- 3) Can you think of any better or more clear questions to ask in future interviews?

END

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FIN