



## **ENABLING LOW-INCOME FAMILIES TO BUY THEIR OWN HOMES WHILE HOLDING THE LAND IN TRUST FOR THE COMMUNITY: THE POWER OF BALANCE BURLINGTON COMMUNITY LAND TRUST (BCLT)**

“I think private ownership of the land is a really bizarre concept. It makes no sense. It makes no more sense than private ownership of water.”

Mary Houghton, Co-Director, Burlington Community Land Trust

The Burlington Community Land Trust was trying to get everything right. Having recently incorporated, it was working out the details for a radically different concept of homeownership: one that emphasized equity-sharing over equity-building. What it was designing was a system of co-ownership—the homeowner would own the actual house, the Land Trust would own the land—whereby low-cost housing could be kept low by reducing the equity that owners could take with them when they sold. One quarter of any appreciation in property value would go to the homeowner, but the remaining 75 percent would go back to the Trust and be reinvested to keep housing costs low.

It sounded great in theory. But in the midst of early organizing discussions a fateful thing happened: the first willing homebuyer actually showed up. A teacher and single mother, the buyer was due to lose her subsidized apartment and wanted to buy a house. “So, she was there and it’s going to be real and it’s going to be her home,” says Brenda Torpy, current Co-Director of BCLT and an early BCLT organizer. But at that point, about all that BCLT had to sell was pie in the sky. Even though the Land Trust and the buyer negotiated a purchase and sale agreement for a house, Land Trust officials were still deciding a variety of details for how the deal would ultimately be structured, which meant the buyer couldn’t move in.

Undeterred, the teacher began taking care of the house. She mowed the lawn and then, as the months went by, raked the leaves. Finally, she put her foot down. As Torpy

This leadership story was written in 2005 by Erica Gabrielle Foldy and Jonathan Walters. Erica Gabrielle Foldy is an Associate Professor at New York University’s Robert F. Wagner School of Public Service and researcher for Leadership for a Changing World’s Research and Documentation Component at NYU Wagner’s Research Center for Leadership in Action. Jonathan Walter is a writer and journalist. Additional co-researchers for this leadership story were Leadership for a Changing World award recipients Mary Houghton and Brenda Torpy of the Burlington Community Land Trust. The leadership story is intended solely as a vehicle for classroom discussion, and is not intended to illustrate either effective or ineffective handling of the situation described.

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remembers, she came into the office and laid down an ultimatum: “She said, ‘I’ve been mowing the lawn, I’ve been raking leaves. I’ll be damned if I’ll shovel the snow there before I get in.” So, the board of the Land Trust decided to stop planning and start selling.

While that first sale represented something of an adventure, the Land Trust is now a well-established affordable housing and community development organization. But it is an organization born of interesting conundrums: How do you take a radical idea and sell it in a way that it would have broad acceptance without undermining the original organizational vision for real social change? How do you stay accountable to a grassroots base while accruing enough power to actually have an impact?

Often, one force wins out at the expense of the other. Some organizations become large institutional players that lose a dynamic connection with their community. Some lose focus on the visionary goals that first motivated them. Others choose to remain small enough to maintain their grassroots links and radical edge, but then don't develop the clout or the reputation for effectiveness that can make them effective players in their communities.

The Burlington Community Land Trust has managed to be both a powerful player in Vermont community development, yet stay accountable to the communities it serves. It remains committed to a fundamentally different—some might say radical—way of thinking about land ownership, yet makes a difference in the lives of thousands of individuals and families. “That’s what’s great about the Land Trust,” said Meg Pond, a fellow housing professional at Lake Champlain Housing Development Corporation. “It’s not just a visionary organization. It’s going to make it work.” John Davis, who works with land trusts around the country, believes the Land Trust can be a national model: “This is not an abstract model. It’s something that works on the ground in a real community.”

But besides being a model of a successful strategy for encouraging home ownership among low-income residents, the Land Trust offers concrete lessons in how a growing, successful and powerful organization can stay tuned to the community, be true to the vision that originally inspired it, and continue to be a powerful player in local housing and community development.

### **A New Vision**

The Land Trust was founded in 1984, during a lively period in Burlington’s political and cultural history. Bernie Sanders, a self-described socialist, had just been elected mayor and was encouraging more citizen participation in city programs. Brenda Torpy, then the city’s housing director, brought in John Davis, a staff member with the Institute for Community Economics, as an organizer and consultant. The Institute was disseminating a new model for affordable housing and community development, a Land Trust model.

A cousin of conservation land trusts, community land trusts involve both buildings and land. Under the model, the land is owned and controlled by a community organization

with a membership and board of directors, while the house on that land actually belongs to the individual homeowner. Under the model, low-income homebuyers are encouraged to find a property they would like to buy. BCLT provides financial support for a down-payment, just as other home buying programs do. But the homebuyer buys only the house, not the land on which it sits. The Land Trust buys the land and leases it at minimal cost to the homebuyer. If and when the homebuyer decides to sell the house, he or she gets 25 percent of its increased equity; the other 75 percent goes to the Land Trust, which uses its share of the profit to keeping the cost of the house low for the next homebuyer. Thus, properties owned by BCLT remain perpetually affordable.

The Land Trust began with a dual mission: homeownership and neighborhood revitalization. As part of its neighborhood strategy, BCLT acquired and rehabilitated many residential properties for rental, homeownership and cooperative ownership throughout the 1980s. In the 1990s, it started to also develop properties for non-profit community organizations and then moved into larger community development projects, transforming blighted properties into neighborhood and community assets. Under the leadership of Mary Houghton, the Land Trust's Co-Director, who came on staff in 1987, and Torpy, also a Co-Director and one of the Land Trust's founders, the organization has grown exponentially. As of 2004, it had a budget of \$1.7 million, assets of about \$20 million and 31 staff. It has developed 320 moderately priced single-family houses and condominiums and helped more than 400 families buy their own homes. The Land Trust has even developed affordable housing on Burlington's waterfront, an area generally reserved for luxury homes. It also has developed 300 apartments, with the conventional grant and subsidy programs used by other nonprofits. Furthermore, The Land Trust has developed a variety of commercial properties in and around Burlington, including artists' co-ops, retail outlets and office space for a wide variety of nonprofit organizations.

### **Visionary Pragmatism**

From the start, the BCLT's success has hinged on its ability to bring a very radical strategy for home and land ownership and develop it into a mainstream program. Both Torpy and Houghton say they are motivated by a commitment to bring about fundamental social change, but they combine that drive with a savvy strategic sense that enables them to reach and bring together varied constituencies to get real deals done. The BCLT was able to diffuse potential opposition and sweep in more "mainstream" allies from the very start by being politic in its approach to the policies it was pushing, say outside observers. According to Howard Dean, Vermont's former governor, The Land Trust was able to overcome potential opposition "by being very politically skillful and not being in your face and not being self-righteous about how they were right and you were wrong."

Arguably, the fundamental vision of the Land Trust is radical. The Land Trust movement is, after all, about sweeping land policy reform, challenging the whole notion of land ownership. "For me, I think private ownership of the land is a really bizarre concept," says Houghton. "It makes no sense. It makes no more sense than private ownership of

water, which now people are actually talking about. For me, land reform is about changing the way people think about their relationship to the land.”

As radical as the BCLT model of home ownership might be, the whole idea of leasing the land on which a house is located is actually inherently practical and thrifty. Traditional homebuyer subsidy programs give homebuyers an outright grant for the down-payment. When the homebuyer sells the house, he or she takes every dime of the increased equity and walks away, which means that the house is much less likely to be affordable to the next buyer. The limited equity model used by BCLT ensures that their houses stay perpetually affordable because 75 percent of the increase in the property's value stays with the property. Radical, perhaps, but inherently sensible, says Dean. “The Land Trust wanted to make those subsidies permanent for whomever needed the affordable housing. I think it’s the way the federal government should do housing.”

The model appeals to both radicals and conservatives, say Houghton and Torpy. John Davis noted, “It becomes a very strange mix of politics here. Grassroots activists get it because of community control, but very conservative people get it because it’s a good use of public wealth.” Land Trust leaders have also been careful in how they described the model to the public. Peter Clavelle, Burlington’s current mayor, said that the term “land reform” was rarely used: “We speak about the de-commodification of housing. And that housing in this community is not a commodity that ought to be sold like oil or stocks, but a basic right.”

BCLT’s pragmatism is also reflected in their diverse support base. While its priority has been low- and moderate-income communities, they consider wealthier individuals to be not only a source of financial support, but part of their broader community. “One of the successes of the Land Trust has been that they really have been able to be very inclusive,” says John Ewing, former President of the Bank of Vermont. For example, says Ewing, in developing a small park in a low-income neighborhood, the Land Trust did reach out to a wealthier constituency for help. “So I think the Land Trust really does have a very strong capability in terms of being inclusive. They don’t come across as just representing one segment.”

Another example of drawing in unlikely allies, noted several Land Trust supporters, involved cleaning up and developing brownfield sites in downtown Burlington. “That got people organized top to bottom and that was fun,” says Michael Monte, director of Burlington Community Development. The project appealed to environmentalists, including conservatives who became Land Trust supporters. It matched money to grassroots activism. Wealthy people interested in changing environmental policy supported the neighborhood residents who needed the new law to improve their city blocks. The donors also gave generously to BCLT’s campaigns to build community facilities, homes and a park on these former brownfield sites. The project led to a new state law protecting developers who cleaned up polluted properties from certain liabilities, as well as opened up these city blocks to private and public investment.

Finally, another example of the Land Trust's visionary pragmatism is that, though it has the legal standing as a nonprofit to do so, it never requested tax-exemption for its properties. The Land Trust's leaders decided, "These are properties that are owned for residences and they should pay their fair share of taxes for city services, for school services," says Monte. "I think that was a very good judgment call. Obviously it would have made things easier financially not to pay taxes. But maintaining a place in the community and getting respect and acceptance of other parts of the community was an example of a very good sense of community and a good political judgment call." Choosing to pay taxes reflected BCLT's commitment to community, to being a good neighbor, and has brought long-term gains even as it has meant continuing financial costs.

### **Balancing Acts**

As the BCLT has grown in both size and influence, significant challenges have emerged around balancing divergent interests. One has been balancing the growth and influence of BCLT with grassroots accountability. Another has involved balancing the lofty vision of a new philosophy behind land, home ownership, and equity with the practical impacts of getting economically viable deals done in and around the city. According to BCLT activists, there are three key ways that it manages these balancing acts: by institutionalizing democracy; hewing to what BCLT calls "visionary pragmatism;" and encouraging healthy continued discussion and debate—even disagreement--among its leaders.

Probably the key to the successful balancing act is that the Land Trust is structurally a highly democratic organization. As BCLT has grown and become a powerful player, it has developed a number of mechanisms and strategies for staying tied to its members and the communities in which they live. Among those mechanisms and strategies is the configuration of the board, its role in the organization, and the Land Trust's grassroots membership development and community organizing activities.

All residents with BCLT, whether they are homeowners, co-op members or tenants, are automatically members of the Land Trust with voting rights. "If somebody gets a Land Trust home, the next thing, there's somebody knocking on their door saying, 'Will you serve on our board? Will you be on the committee? Will you come to the annual meeting?' So there is a continual relationship with the people who have been served by us, asking them now to give something back," says John Davis, a long-time organizer and supporter.

Non-residents – that is, the general public – are also welcome to join. All Land Trust members vote for the board. The board has 12 seats, with four seats reserved for residents of BCLT properties, four seats for what are called "general members" (people who have joined BCLT but do not live in their properties), and four seats for so-called "public members," who represent the public interest, including elected officials, representatives of other nonprofits, etc. As Joe Bootin, President of Merchants Bank says, the board is "a pretty direct manifestation of democracy in the organization."

Given the technical nature of the organization's work, board members can't all be expected to understand all the intricacies of how the organization operates, nor be ready to make decisions on major projects. Some members, particularly leaseholders who come in with little or no technical background on housing or community development, usually need to be brought up to speed in order to carry out their responsibilities. Bob Robbins, the current board president and a BCLT homebuyer, remembered his early days: "I was very intimidated by the initial board, as many leaseholders would be. Housing development is an incredibly complex business. And your initial feeling is, 'What can I possibly contribute to this discussion?' And yet consistently, the staff here has made sure that the leaseholders have as much information as they need. They turn to us consistently for the voice of the leaseholder membership. They actually educate you very well."

Under the Land Trust's structure, board members make all the substantive program decisions. For example, Land Trust board members serve on the loan committee, which makes decisions about lending to Land Trust homeowners, renters and others. Given the technical nature of the work, many organizations might relegate such a critical, ongoing job to staff, but BLCT keeps it as a board function. "The organization views the money not as agency money we're doling out to clients but as money belonging to the membership," says Robbins. It is disbursed by the membership to other members. There's a communal view that is very different from staff administering funds. The money is viewed as a resource that is controlled by the membership for the benefit of the membership." This level of board accountability is possible because the organization invests in its leaders by providing technical training along with leadership development, ensuring that board members--not just staff--are familiar with the technical aspects of the work and are ready to step up and make key decisions.

Investing in the board's technical training and education pays another dividend. As board members roll through the organization, it creates an ever-expanding cadre of educated, aware experts in the area of community development and housing, many of whom remain active and involved after they've left the board. This serves to build an ever-expanding community constituency for, and connection to, the work of the Land Trust. "To maximize your usefulness, you really have to get some education and support and that's difficult to do for everybody in the town. So you work through people. And given the number of people who will flow through the board, you've reached a lot of folks over time," says Ken Sassorossi, a board member.

## **People Power**

But BCLT's real power base is derived from its 2,500 members who are not just seen as sources of funds, but as sources of activism and energy. The organization pays serious attention to growing, broadening and involving its membership in the Land Trust's work. For example, before the Land Trust takes on a project in a new community, it holds a membership drive in that community in order to identify local leadership and develop a grassroots base. It's an approach that pays off because Land Trust members, especially leaseholders, tend to take their role as members very seriously: "The thing that I think distinguishes us as leaseholders is that we don't view ourselves as recipients of services.

We really do view ourselves as activist members of a movement. And we do feel ourselves as part of a community,” says Robbins.

The Land Trust also reaches potential members through NeighborWorks, a national homeownership program run by the Neighborhood Reinvestment Corporation, a national non-profit focused on community and housing development. BCLT’s Homeownership Center serves people of all incomes in the state’s three northwest counties. The organization also leads a statewide fundraising campaign for all five of Vermont’s Homeownership Centers. As part of their general homebuyer education programs, the Centers also let people know about the Land Trust’s unique approach, which has proved to be a very effective recruiting tool for their homeownership program. “NeighborWorks gives you a lot of resources to do homebuyer education,” says Brenda Torpy. “The Homeownership Center now has become one of our primary vehicles for finding new members.”

Another way that the Land Trust builds grassroots involvement into its structure is by involving community members directly in the development process. In the first place, the Land Trust only works in communities where it has been invited in, and then it builds off that initial invitation.

“If we’re going to go to work in a community, we really try to draw some leadership from that community,” says Amelia Demetrowitz, Project Developer for BCLT. “We always make sure we have a board member in the community, and through them we’ll do presentations to the city council. We’ll target certain events to that neighborhood. We think, ‘If we’re going to go and recruit and work with a new community, how do you make that meaningful?’”

The Land Trust also holds neighborhood meetings in the immediate area of a development project in order to solicit community input. That willingness to sit down with community members and really listen was key to one of the BCLT's most ambitious projects to date, the Bus Barns, which included 25 affordable rentals, a laundromat and market, and a garage that fixes donated cars and sells them at below-market rates to low-income buyers. “The BCLT goes the extra mile to make sure that the residents or the community members have a voice,” said Hal Colson, board member. “We really wanted to make sure that the community understood what the project was about. What are their questions or concerns? We went through that process for several meetings to make sure people had that opportunity to understand and be heard. We even got people who lived in the neighborhood involved in selecting the architect,” noted Polly Nichol, one of the Land Trust’s funders.

### **Keeping it Lively**

A final way the Land Trust balances opposing poles is that it isn’t afraid of disagreement and conflict. In fact, it works to ensure a diverse mix of opinions on its board and encourages debate. For example, one activist, Sarah Carpenter, now Executive Director of the Vermont Housing Finance Agency, described early debates around how much

equity Land Trust homeowners should be allowed to keep when they sold their house. Some people argued for zero. “No one should make equity. It’s evil,” is how one person characterized their arguments. Others said that homeowners had to have some stake in maintaining and improving their home. As Carpenter noted, “We always had this balance and that’s why those debates went on for so long. When we talk about the board, that’s one of the striking things: people could disagree and not fall apart. The disagreement actually acted more as a bond around: ‘We have to get it right.’”

Other debates occurred around how much risk the organization should take in the types of projects it tackles. Several members recalled the early days of the group when the first director, “had this huge vision. Tim MacKenzie represented a lot of the radical left wing people who liked the community ownership idea, but they wanted to take on the most troublesome building and the most risky project and just figure, ‘God will provide’” says Don Dickson, founding board member. But there were also more cautious voices around the table. “Several of us called for more analyzing of the risk, measurement of the risk, and discussion of ways to cover the risk if the worst happened,” says Dickson. “It was a really good partnership, a good interaction between the sort of nuts and bolts conservatives and the visionary people.” Again, say those involved in the Land Trust, the mix of radical and conservative and visionary and practical has time and again proved to be a great source of organizational strength, actually helping bring about better decisions rather than miring the organization in perpetual disagreement.

## **Deep Roots**

Most simply put, BCLT activists recognize that the organization derives its power from multiple constituencies, viewpoints and operating philosophies and works hard to maintain that organizational diversity. Meanwhile, its sheer physical presence on the landscape – properties developed, buildings built, homes made available – flat out makes the Land Trust a significant player in Vermont community development, as do the financial and staff resources at its disposal. Its connections with powerful people in state and local governments also give it clout.

But the organization also knows that being accountable to a grassroots base is, at the end of the day, its greatest source of institutional strength and power. In 1993, when the Land Trust was threatened with a significant cut in its city funding, it responded with the Quilt Project. Each square of the quilt was done by a different individual, so “they could put on each square what home meant to them,” says Don Jamison, former homeowner and board member. “We just organized the whole community. And there were people in homeless shelters who did squares. Elderly people who were in senior housing did squares. Also other organizations donated squares.” The area Quilting Society then sewed them all together.

“This was a base the organization already spent ten years building, so in a moment of crisis, they could reach back into this deep, rich pool of support,” says Davis. “It wasn’t something that they even had to organize. All they had to do was mobilize what had



already been organized.” When the banners were unfurled at the key city council meeting, the message came through loud and clear and the BCLT was spared any cuts.

“What I feel best about the organization is the sense of ownership the community has of the Land Trust and the sense of relevance we have to the community,” says Brenda Torpy. “When we started, we actually were perceived as kind of ‘out there.’ And without losing our core of mission or losing our soul, we’ve become even more a part of the community.”

## Enabling Low-Income Families to Buy: Leadership Story

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