



Developing a Community Land Trust

**HOME-LANDS
TOOLKIT**

2022



Developing a Community Land Trust

Purpose and Outcomes

- To provide an introduction to Community Land Trusts (CLTs).
- To highlight the potential role of CLTs in First Nations housing and lands governance.
- To offer initial support in developing a CLT for First Nations housing and lands.

Overview

This is one module within a broader toolkit intended to facilitate the goals and projects of First Nations communities related to housing and homelands governance. Each module can be used individually in connection with other supporting modules, or in conjunction with the toolkit as a **whole-system approach**.

This module has been created to introduce the idea of the Community Land Trust (CLT) as a potential legal framework upon which First Nations communities and individuals can control and steward their lands and homes for collective well-being. As Indigenous jurisdiction comes to be recognized by the Crown in British Columbia as a result of different land and self-governance claims and negotiations by First Nations, there is an identified need for novel ways in which First Nations communities can govern those lands which are consistent with their values and visions for sustainable economic futures and housing.

What is a Community Land Trust?

CLTs are non-profit, arm's length, community-based organizations that own land and property in trust for the benefit of a community or First Nation. In British Columbia, this has typically meant that CLTs are in fact non-profit societies established under the BC Societies Act. Through **shared-equity based ownership** and financial relationships, CLTs are concerned with balancing the housing and land interests of individuals with those of the collective community.

As a result, CLTs can offer appropriate legal structures for First Nations communities via a suite of options that span the gap between rental and full-ownership housing models. This enables them to be consistent with the values of collectivity, stability, and inheritability that are important to many First Nations, as opposed to solely individual wealth creation.

The legitimate home-lands interests of individuals include:

- Security
- Earned equity
- Transferable legacy

The legitimate home-lands interests of the community include:

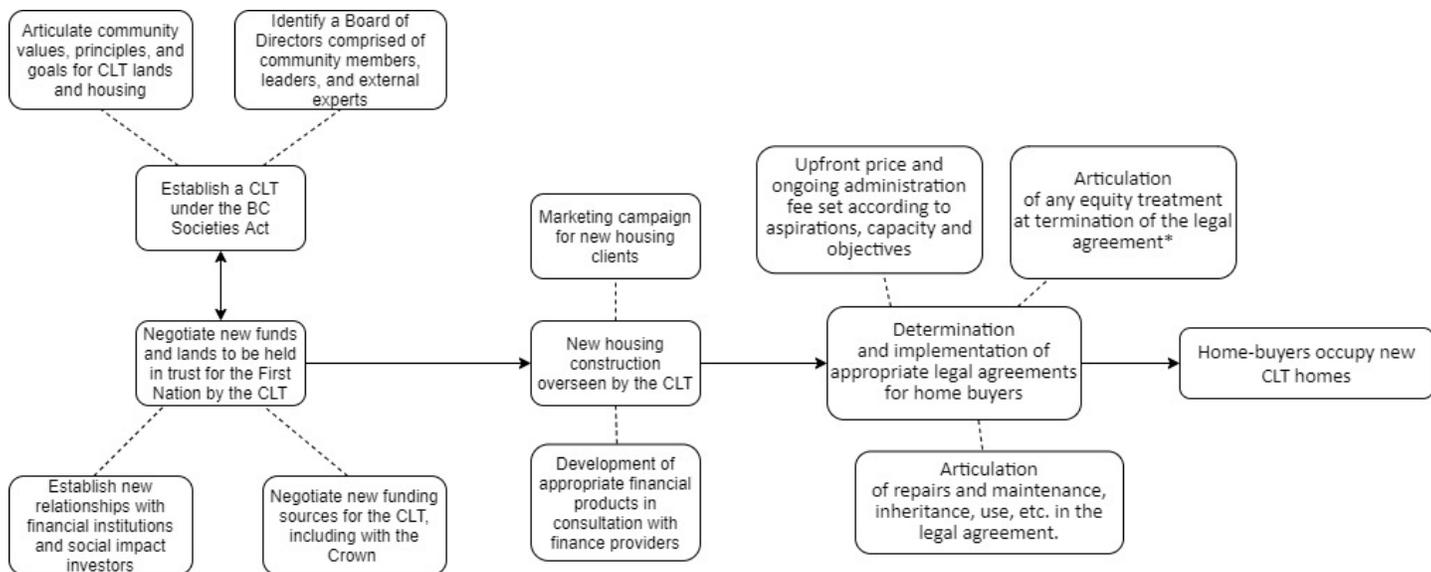
- Affordable community access
 - Community fairness
 - Retaining traditional lands
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Benefits and Challenges of a CLT model

POTENTIAL CHALLENGES WITH FIRST NATIONS CLTS	POTENTIAL SOLUTIONS
<p>Initially, a CLT will require external financial support to ensure long-term stewardship, until a sustainable economy of scale is reached.</p>	<ul style="list-style-type: none"> • Up-front funding support for CLT housing could be negotiated into land claims and reconciliation agreements between First Nations and the Crown • There is a growing interest from social impact investors in the potential for CLTs • Multiple communities or Nations working together to form a CLT can quickly reach an appropriate economy of scale. • CLT lands can be used not only for housing, but also leased for commercial economic purposes, offering a financial stream that is reinvested into the stewardship of the CLT (community) land and housing assets.
<p>Lands designated to a CLT are no longer under the control of First Nation councils or governments.</p>	<ul style="list-style-type: none"> • If designed appropriately, a CLT can be a legal embodiment of the First Nation collective, governed by a community-represented Board of Directors, and constituted in a way that advances community values and stewardship goals.
<p>If local housing markets are thin, meaning a low volume of buyers and sellers to generate a market, then equity (wealth) gains will be limited.</p>	<ul style="list-style-type: none"> • Housing markets cannot be artificially created, but the desire of First Nations individuals to return to their homelands coupled with the stewardship functions and trust instilled by a CLT are likely to increase demand in CLT governed housing. • Although limited equity gains mean less wealth accumulation for the individual, they do ensure affordability is passed onto the next owners.
<p>Financial institutes will still have difficulty lending for CLT housing since they cannot seize the land asset as a security.</p>	<ul style="list-style-type: none"> • The CLT should have an ongoing reserve to cover any necessary buyouts from residents in the event of default of loan or failure to resell. • Potential for the bank to repossess and even transport a dwelling-structure, as opposed to the land, could create more financing opportunities.

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<p>CLTs do not eliminate many of the common challenges with on-reserve housing, including low incomes of individuals and poor upkeep of homes.</p>	<ul style="list-style-type: none"> • CLTs can create programs to work with low-income individuals on homeownership and financial management skills. • It is possible to implement a 2-year pre-purchase period in which households participate in a forced savings mechanism for the initial down payment and to clear all debt. This serves as a testing period for the household's responsibilities. • Maintenance of homes are shared between the CLT and the homeowner, lowering the burden of responsibility of individual ownership.



Potential Pathway to a First Nation CLT in British Columbia

The establishment of CLTs by First Nations for the achievement of their desired housing, lands, and economic futures is a new and novel idea in British Columbia. Below are some of the key steps that might need to be carried out.

Next Steps

- Reach out to the Indigenous Home-Lands initiative at Ecotrust Canada. We're ready to offer support to First Nations partners interested in establishing a CLT within their territories. To learn more, contact us via <https://ecotrust.ca/priorities/home-lands/>