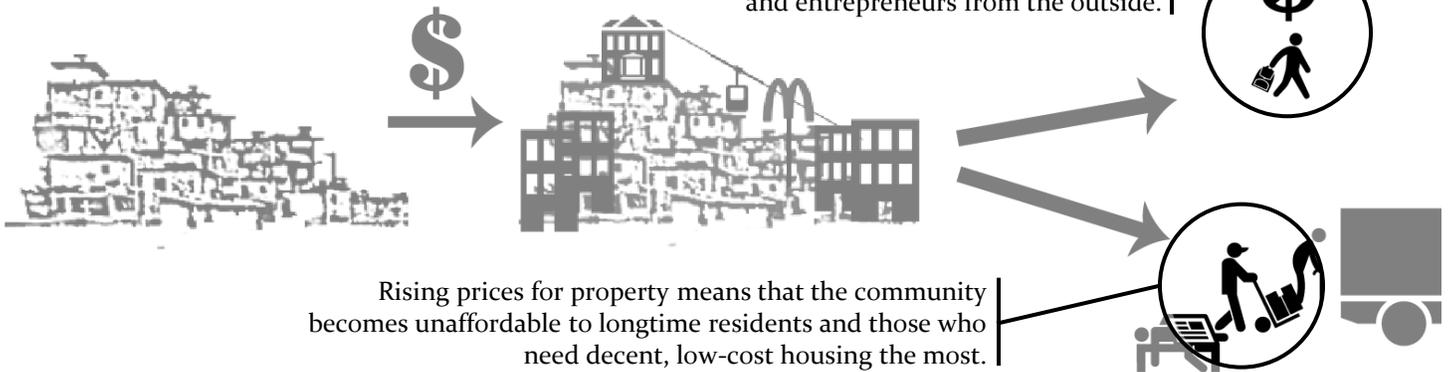


## Investment without Displacement

### What is the matter with community upgrades and individual titling?

Public and private investment in a community can be a double-edged sword.

Access to goods and services arrives, but much of the economic payoff goes to a few residents with well-located plots, newcomers moving in and entrepreneurs from the outside.

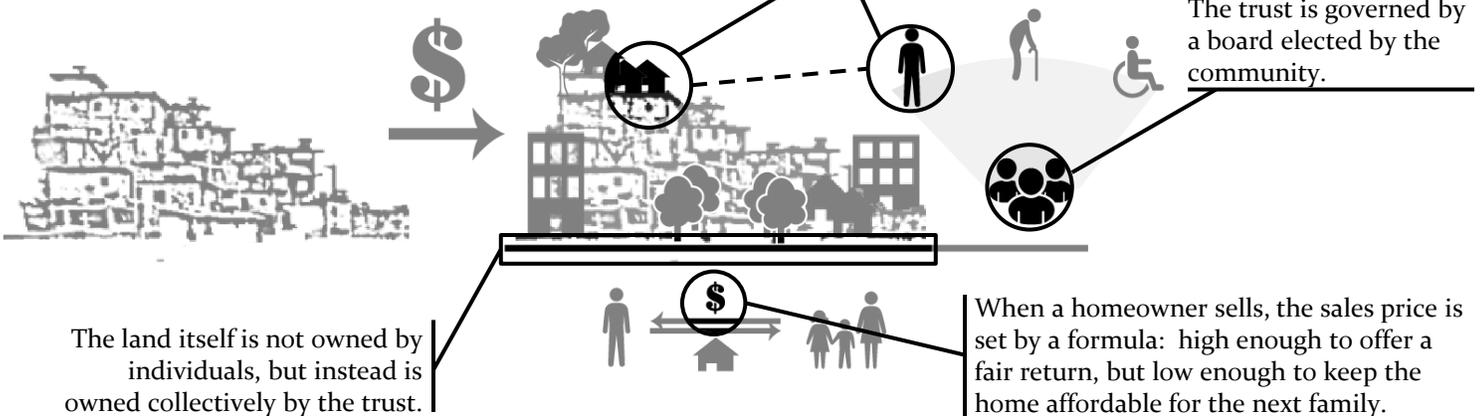


### How do CLTs offer a way out of this dilemma?

With community land trusts, the benefits of improvement remain in the community.

As before, each household gets private ownership of its own home.

The trust is governed by a board elected by the community.



### What are the primary advantages of a CLT?

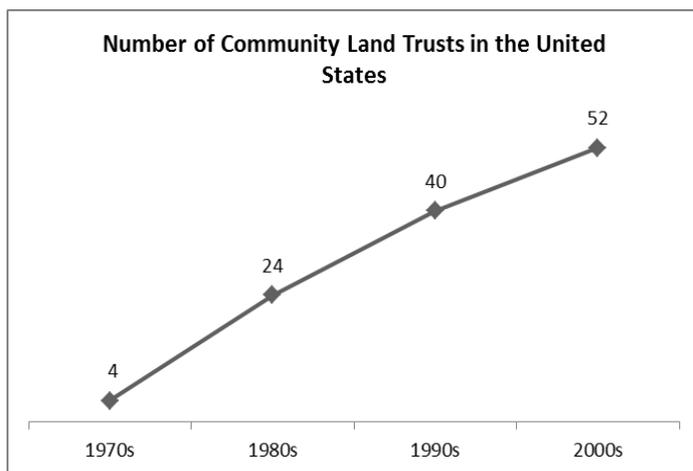
- They are a way of preserving and developing housing with **community goals in mind**.
- The community can **keep homes affordable** by setting limits on their resale value.
- In an up market, **real estate speculation is avoided** because the profits from buying and selling homes are limited.
- In a down market, a CLT can **acquire unused land to develop** more affordable housing or other amenities.



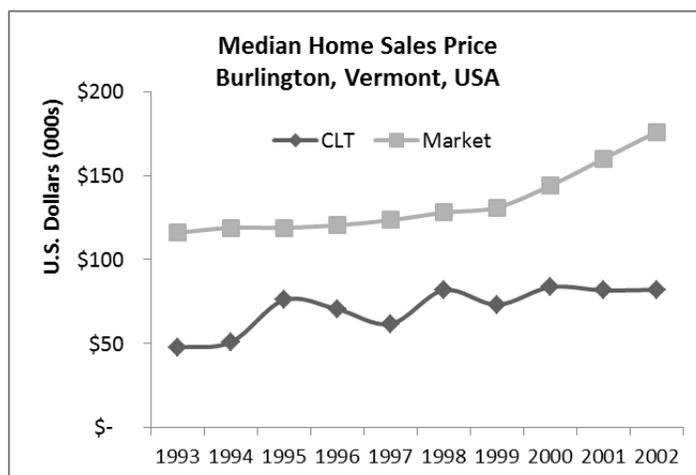
Nova Townhomes, Homestead Community Land Trust  
Seattle, Washington, United States.

## What is the track record of CLTs?

CLTs are gaining in popularity in the United States and the United Kingdom as an alternative to government housing programs (see below left). CLTs have been established in major urban centers such as Chicago, New York, Boston, and London, as well as in smaller cities and rural environments. A typical CLT enjoys **home resale prices at about half that of the surrounding residential market** (below right). After the 2008 housing crisis in the United States, **fewer than 1 percent of CLT mortgages were in foreclosure**.



Source: Sungu-Eryilamz and Rosalind Greenstein. 2007. "A National Study of Community Land Trusts." Lincoln Institute of Land Policy Working Paper.



Source: David, John Emmeus and Amy Demetrowitz. 2003. "Permanently Affordable Homeownership: Does the Community Land Trust Deliver on its Promises?" Burlington Community Land Trust report.

## How do CLTs compare to other programs in Brazil?

The table below compares community land trusts with:

- Conventional freehold titling
- Áreas/Zonas Especiais de Interesse Social
- Programa Minha Casa Minha Vida
- Programa Minha Casa Minha Vida – Entidades
- The informal community tradition of *mutirão*

	Freehold titling	AEIS / ZEIS	PMCMV	PMCMV -E	mutirão	CLT
Enables the construction of new affordable housing		√	√	√	√	√
Preserves existing affordable housing		√				√
Initiated by the grassroots and controlled by the community				√	√	√
Does not depend on government appropriation of funds	√	√			√	√
Builds wealth for some homeowners	√		√	√		√
Builds wealth for first-time, low income homeowners			√	√		√
Guarantees housing affordability indefinitely				?		√
Fosters community cooperation, distributes risks and rewards collectively				√	√	√
Lays the groundwork for other community initiatives						√

## Why are CLT's the right solution for Rio?

- Freehold titling, while good for some, threatens to shut out renters and other low income people and **opens a community up to gentrification**, as is currently happening in more and more favelas.
- Government-built housing has failed time and again to offer a reasonable alternative to favelas. While small-scale participatory projects such as Minha Casa Minha Vida – Entidades can help, **starting CLTs now will avert the loss of the much larger quantity of affordable housing** that works well today.
- CLTs build wealth for all homeowners, not just a select few, while keeping housing affordable and their community intact, cooperative, and vibrant over the long term.