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Date October 1, 1985

A COMMUNITY LAND TRUST MODEL PROCESS AND THREE CASE STUDIES OF EAST TENNESSEE COMMUNITY LAND TRUSTS

A Thesis

Presented for the

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Degree

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Michael W. Wood

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This thesis

is dedicated

to my family.

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ABSTRACT

A community land trust (CLT) is a legal entity chartered to acquire and hold land in the area it serves. The CLT concept was studied to verify its use as a way for communities in East Tennessee to plan and control development. The research for this thesis began in July 1984. The data collected during the study included secondary sources of information, such as books, periodicals, files and legal documents for the three selected community land trusts. Interviews with two members of the three community land trusts in East Tennessee was the primary source of information. Three types of research methods were used in the study. The first research method was a literature review of general data sources concerning the concept of community land trusts in order to develop a model process. The second research method was the use of historical and comparative analyses to highlight the backgrounds of the selected community land trusts. Unstructured interviews were used to update the historical reviews and test the application of the model to the three selected community land trusts. The model process developed from the literature review was applied to the case studies developed from the historical backgrounds and interviews. From the data comparison, four guidelines were identified for use in developing a community land trust. After applying the findings of the study to the literature review, the model process was also modified to make it more practical for local application.

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CHAPTER 1

INTRODUCTION

A community land trust (CLT) is a private, nonprofit organization established to serve the needs of low and middle income citizens of a specific community. Its major purpose is to acquire and hold land that will be used by groups and individuals within the community. The CLT is typically composed of community residents, community leaders, and representatives from the community.

Models of CLTs described in handbooks are abstract and do not provide enough detail, such as Internal Revenue Service (IRS) 501(c)(3) Tax Exempt Status. There is some literature that also presents case studies of various CLTs in the United States; however, there are no studies of how actual case studies apply to theoretical models for the development of CLTs.

A CLT provides three major benefits to the community it serves. It makes long-term land use or homeownership available to people who could not otherwise afford them. It enables community residents to take an active part in local land use planning. It also decreases the need of government funding for certain amenities and services.

This thesis is primarily a literature review and comparative case studies. Both primary and secondary sources of information were used in developing this thesis. Interviews constituted the primary information source; a literature review provided secondary sources. The following research questions focused the research effort.

1. What is a community land trust (CLT)?
   a. What are the general purposes of a CLT?
   b. What are the major elements of the CLT process?
   c. Is a CLT an innovative tool for land use planning?
2. How do CLTs in East Tennessee compare with a hypothetical CLT model process?
   a. What were the backgrounds of the selected CLTs?
   b. What were the similarities and dissimilarities between the three organizations?
   c. What issues were of importance to the CLTs?
   d. What constraints or barriers did the CLTs encounter?

The first task was to develop a model CLT process based on the literature review. This model process identified and analyzed the four elements of a CLT. The first element is incorporation. This element includes researching, organizing, establishing, and operating a non-profit organization. The second element is financing. Funds must be focused in order to maintain the day-to-day operation of the CLT. Financing is also needed for the final two elements, acquisition and development. Acquisition and development involve acquiring the land and determining its appropriate uses. There are a number of techniques for acquisition: (1) donation, (2) bargain sales, (3) conservation easements, or (4) limited partnerships.

The second task was to develop case studies of three area CLTs. The first CLT, the East Tennessee Land Trust (ETLT), is an example of an urban land trust. The ETLT is located in Knoxville, Tennessee,

and was formed at the end of 1983 as an extension of the East Tennessee Community Design Center. The second case study was of the Woodland Community Land Trust (WCLT). The WCLT is located in Clairfield, Tennessee and was established in 1978 to provide housing and economic development for a poor Appalachian area. The third CLT was the Foothills Land Conservancy (FLC) located in Blount County. The FLC was organized in 1985.

The East Tennessee Community Design Center provided all the background material (documents, correspondence, etc.) for both the ETLT and the WCLT. This data was used in developing the case studies of these two organizations. Since the FLC was in the early stages of development, most of the background data came from interviews.

The third task was to compare the case studies of the three CLTs with the hypothetical model process. General questions for the interviews were developed from the model and literature. Each person interviewed had been involved with at least one CLT. The people interviewed were:

1. East Tennessee Land Trust
    a. Robert Wilson, President
    b. Jim Ullrich, Treasurer
2. Woodland Community Land Trust
    a. Marie Cirillo, Executive Director
    b. Dorothy Metzler, President

3. Foothills Land Conservancy
   a. Gail Harris, Steering Committee
   b. Frank Wier, Steering Committee
4. Others
   a. Bob Allen, Field Representative with TPL
   b. Leonard Lessor, General Counsel from Washington, D.C.
   c. Annette Anderson, Executive Director of the East Tennessee Community Design Center

The final task of this study involved:

1. Identifying barriers and issues involved in each of the three area CLTs;
2. Offering solutions to these barriers and issues; and
3. Modifying the abstract model to make it more practical and useful for the East Tennessee CLTs.

Due to the flexibility of the CLT concept, it can be applied in a variety of environments. In some urban environments, a CLT is an effective tool for the improvement and utilization of vacant or substandard lots. In urban and rural areas, it has been useful as a mechanism for dealing with the problems created by absentee landlords. It can also help rural communities preserve agricultural land.

Chapter 2 presents a model of a CLT process. This process includes four major elements: incorporation, financing, acquisition, and development.

Chapter 3 describes the three selected CLTs in East Tennessee from their initial organization to the end of 1984. This chapter uses

historical data in studying each of the organizations. The summary of this chapter includes a matrix that describes a variation of the model process in Chapter 2. This matrix has four elements: (1) organization, (2) financing, (3) management, and (4) activities.

Chapter 4 used unstructured interviews to develop three case studies for the selected CLTs. These case studies supplemented the historical reviews in Chapter 3.

Four guidelines a CLT may follow are identified and explained in Chapter 5. The model process from Chapter 2 is modified in the final chapter.

CHAPTER 2

LITERATURE REVIEW

Introduction

The Roosevelt Administration's New Deal sparked a nonviolent revolution in the 1930s. The New Deal programs encompassed a wide spectrum of physical, social, and ecological concerns. A major tenet of the New Deal was the concept of decentralization, the dispersion of functions and powers from a central authority to regional and local authorities.

In 1933, Ralph Borsodi expanded the idea of decentralization to private ownership or the distribution of property in lands, buildings, and other forms of "capital" among the people in opposition to concentrating ownership in big business.[1] The working basis of this concept was a sociological experiment in Dayton, Ohio that involved colonization of individual homesteads. Each homestead unit was to be a small colony, which would loan money to the homesteaders to establish their property.[2]

Today, as in the 1930s, this concept of decentralization is somewhat radical. It cuts across a very tough American grain, private ownership of land.

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[1]Ralph Borsodi, Flight from the City (New York: Harper and Row, 1933), p. xvii.

[2]Ibid., p. xix.

Saul Alinsky wrote that an organizer of a radical concept must consider and begin with the present environment. In other words, radicalism must work in the system.[3] He also stated that a social change involves the question of means (how you get something) and ends (what you want).[4]

Today's environment is an ever-changing one. A CLT is a mechanism to be used in social change. The ends of a CLT are the goals of the people it serves. The means to achieve these goals are the subject of this thesis.

Areas served by a CLT can be either urban or rural. Most urban CLTs use their land for public open space, recreation areas, or housing sites. Some major purposes of rural CLTs are acquiring land from absentee landowners, housing, economic development, or preserving farmland. Sometimes, a CLT is established in answer to some immediate problem. In other situations, the CLT is the idea of a group of interested individuals in a particular community.

In From Max Weber: Essays on Sociology (1925), a conceptual model is defined as an ideal type. This ideal type is compromised of the essential qualities of a social phenomenon. This literature review is a summary of a conceptual model of the process of developing a CLT from incorporation to operation. The process has four major steps which are:

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[3]Saul Alinsky, Rules for Radical (New York: Random House, 1971), p. xix.

[4]Ibid., p. 224.

1. Incorporation,
2. Financing,
3. Acquisition, and
4. Development.

Definition

The concept of CLTs emerged in the late 1960s. In the early 1970s, this idea moved from concept and was put to practice. In 1972, Robert Swann, Director of the International Independence Institute, and a group of colleagues wrote the first handbook for developiong a CLT. In this guide, the authors defined a CLT as a legal entity, a quasi-public body, chartered to hold land in stewardship for all mankind, present and future, while protecting the legitimate use-rights of its residents.[5]

The CLT concept has been modified by new ideas of stewardship to meet the needs of the 1980s. Today, in a mechanistic, crowded, and urban age, the concept of stewardship has become broader than the careful husbandry of ancestral acreage. It is now more comprehensive; no longer concerned primarily with agricultural land, it can embrace the entire landscape.[6] Taken in the context of a CLT, stewardship is a group's responsibility to manage property with regard to the rights of

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[5]Robert Swann, The Community Land Trust: A Guide to a New Model for Land Tenure in America (Cambridge, Mass.: Center for Community Economic Development, 1972), p. 1.

[6]C. Little and R. Burnap, Stewardship (New York: Open Space Institute, 1965), p. 15.

others. The CLT can be referred to as a trustee or a legal body which is responsible for the acquisition of property to be held for the benefit of a community.

Since the International Independence Institute published The Community Land Trust; A Guide to a New Model for Land Tenure in America, the concept of a CLT has changed. In 1982, the Institute for Community Economics expanded the concept of CLTs. The Community Land Trust Handbook defines a CLT as an organization created to hold land for the benefit of a community and of individuals within the community. It is a democratically structured nonprofit corporation with an open membership and a board of trustees (directors) elected by the membership.[7]

Since a CLT can be developed in any community, large or small, all CLTs have the same general goals. A CLT has four basic purposes:

1. To acquire and hold land.
2. To maintain and develop land according to the principles listed in its incorporation purposes.
3. To realize an income from the land or property, as long as the money is spent for the nonprofit purposes for which the CLT was incorporated. These purposes include the acquisition of more land, maintenance, and development of existing properties, staff salaries, and community project grants or services.

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[7] The Community Land Trust Handbook (ICE, Rodale Press, 1982), p. 18.

The CLT may not earn a profit; it must use all the money it receives for public benefit.

4. Lobby for good land use, providing this does not result in an expenditure of more than 20 percent of its donated funds.

Incorporation Process

Before a CLT can begin financing, acquiring, and developing land, it must be a legal entity. Therefore, the logical first step for all CLTs is incorporation.

The incorporation process consists of the following steps:[8]

1. Organize a group that will take responsibility for forming the land trust. Once the incorporation process starts, the group will nominate and elect the board of directors. The original board is usually six to ten people from the organizing group.
2. Establish the purposes of the land trust and list them in the articles of incorporation and by-laws. Changes in the articles require state approval, but the by-laws may be amended at any time by the board of directors.
3. File the articles of incorporation and by-laws (plus the required number of copies with a fee) to the appropriate state office.
4. Obtain a Corporate Seal with the name of the land trust corporation on it.

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[8] Vacant Lots Recycling Handbook (Knoxville, TN: East Tennessee Community Design Center, 1980), pp. 33-34.

5. Apply for IRS tax exemption by filing IRS Form 1023, "Application for Federal Tax Exemption as a Nonprofit Organization."

Once an organizing committee has been established, the first task is to develop the articles of incorporation. The articles of incorporation consist of:

1. Name of the corporation,
2. Address of the corporation,
3. Purposes,
4. Names and addresses of the directors, and
5. Names and addresses of three "incorporators" or subscribers (can be the same as the directors).

After the articles of incorporation are written, the by-laws are developed. The by-laws are an expanded and detailed version of the articles of incorporation. By-laws are concerned with the day-to-day operation of the CLT. They are adopted and periodically modified by the board of directors.[9] By-laws specify the CLT's format for membership, officers, dues, meetings, board of directors, committees, and other related topics of concern.

Tax Exemption

The best time to apply for tax-exempt status is when the board of directors is establishing the purposes of the CLT. Throughout this process, it is important that the group follow the guidelines in IRS

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[9] Forming a Conservation Foundation (Nashville, TN: Tennessee Secretary of State Office, 1980), p. 15.

Publication 557, "How to Apply for and Retain Exempt Status for Your Organization." This document deals specifically with the IRS's requirements for nonprofit groups to be considered as tax-exempt. IRS Form 1023 requires the answers to the following questions:[10]

1. What are the land trust's funding sources and what percentage does each source represent in total funding?
2. How is the funding to be obtained, will there be solicitation of the general public or submission of grant proposals to private foundations or governmental agencies?
3. What activities are anticipated to further the exempt purposes?
4. What other organizations have given aid to the CLT, particularly if a director of that organization is also a director in the land trust?

Two major points need to be emphasized. IRS 501(c)(3) status is only for exemption from federal taxes; however, most states exempt CLTs that have federal exemption. CLTs do pay local (property) taxes. Another point worth noting is the need for legal counsel throughout the incorporation process. Because tax exemption and land acquisition involve a number of legal matters, a lawyer should serve on the board or be a member of the CLT. If this is not the case, many local communities have legal aid societies that offer free service to nonprofit organizations.

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[10] Land Trust Handbook (San Francisco: Trust for Public Land, 1982), p. 14.

Financing

During or immediately after incorporation, a CLT would begin the funding process. This process includes financing for the management and operations of the organization, as well as funding for acquisition and/or development of land. This section will provide an outline of the three major components of financing a CLT's management and operation. These are (1) the treasurer's responsibilities, (2) internal funding, and (3) external funding.

Treasurer's Responsibility

The treasurer's responsibility most relevant to a CLT are:[11]

1. Keeping financial records: The treasurer is responsible for seeing that reliable records are kept. Even if someone else is delegated the task of accounting, the treasurer is legally responsible.
2. Preparing accurate and meaningful financial statements: Since these reports are prepared for the board and membership, they should be concise and straightforward.
3. Budgeting and anticipating financial problems: The budget is the principal tool for the financial planning of the organization. Forms range from very simple to very complex depending on the size of the CLT.

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[11] Gross and Warshauer, Financial and Accounting Guide for Nonprofit Organizations (New York: Ronald Press, 1979), pp. 4-8.

4. Safeguarding and managing the organization's financial assets: This includes protecting the CLT's funds from theft. It also includes the investing of any extra money into other projects that serve the purposes of the CLT.
5. Complying with federal and state requirements: Since a CLT is a tax-exempt organization, this is one of the most important responsibilities.

Internal Funding

Some of the most beneficial internal funding sources of a CLT include membership dues, land-related funding, and grassroots fund-raising.

Membership dues are the most lucrative way of raising money for CLTs, because they produce dependable income that will help build the organization and pay for the CLT's programs.[12] A good method in determining annual dues is a sliding scale.[13] For example, there could be three categories of membership: (1) those with income of less than $10,000, (2) those with incomes greater than $10,000, and (3) other organizations or sponsoring groups, such as churches.

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[12]Joan Flanagan, The Grassroots Fundraising Handbook (Chicago: Swallow Press, 1977), p. 49.

[13]Ibid., p. 56.

Land-related fundraising is a pass-through approach. The CLT asks a landowner, someone who owns a specific piece of property, to donate it to the CLT.[14]

In The Grassroots Fundraising Handbook, Joan Flanagan describes three levels of special events a CLT can hold to raise funds. The first level of special events is appropriate for new organizations. This level needs few workers and little seed money. Examples include rummage sales, raffles, and potluck dinners.[15] The next level of special events is good for groups that have some experienced fundraisers with $50 to $500 in seed money. Such events include auctions and bazaars.[16] The final level is more complex than the others. It requires leaders with fundraising experience and $200 to $2,000 in seed money.[17] A good example of this is an ad book. CLT members sell advertisements to businesses and individuals and then sell or distribute the books to members and community residents.[18]

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[14]Lee and Tabell, Land-Related Fundraising (San Francisco: Trust for Public Land, 1983), p. 35.

[15]Flanagan, p. 171.

[16]Ibid., p. 207.

[17]Ibid., p. 241.

[18]Ibid., p. 242.

External Funding

There are a number of external sources of funding available to CLTs. These include grants, loans, and venture capital.[19] Using loans and other external techniques will require professional assistance. Such funding sources should not be used until the CLT is in good financial condition. This section will discuss three types of external funding sources: (1) government grants, (2) corporate grants, and (3) individual grants.

> The CLT is an appropriate vehicle for public investment because the appreciation in value of the subsidized property accrues to the community, rather than to a private developer or private landlord. . . . They are usually given on a one-time basis for a single aspect of a specific project. . . . Grants are seldom given to sustain an ongoing project.[20]

Anyone attempting to raise money for a CLT should explore their eligibility for federal funding.[21] There are a number of guides on federal funding sources, such as The Catalog of Federal Domestic Assistance.

Corporations give in two ways; through (1) separately established foundations and (2) corporate contribution programs operated within their companies.

> These foundations are tax-exempt, nonprofit bodies legally detached from the commercial enterprise and operated exclusively for giving. Generally, grants are given within the

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[19] CLT Handbook, pp. 188-193.

[20] CLT Handbook, p. 189.

[21] Carol Kurzig, Foundation Fundamentals: A Guide for Grantseekers (New York: Foundation Center, 1980), p. 11.

> community where the company is located and serve to show the goodwill of the industry towards the community in which it does business. Currently, the bulk of these grants are being given to community funds and higher education.[22]

Corporate contributions represent the greatest potential growth field in the philanthropic sector.[23]

Individual grants represent the largest single source of philanthropic dollars.[24] Individual donations range from time and services donated to the CLT to large cash endowments.

> In determining a fundraising method the land trust will use to gain support from individuals, keep two factors in mind: (1) work from the inside of the organization outward, and (2) acknowledge the importance of public relations to the success of the effort. . . . Start each campaign or strategy at the board level . . . then move outward, step by step, to the advisory board, committee members, other volunteers, families of volunteers, past donors, people who directly benefit from the land trust's work, and communities that are geographically close. . . . An important motivating force that advances suspects to prospects, and prospects to donors, is the publicity and recognition that the land trust is able to attract from local media.[25]

To apply for any type of grant, a CLT must submit a proposal. Proposals introduce the CLT and specifically state what is being requested. There are ten basic elements that should be included in the proposal:[26]

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[22]Joseph Demure, The New How To Raise Funds from Foundations (New York: Public Service Materials Center, 1979).

[23]Kurzig, p. 13.

[24]Ibid., p. 14.

[25]Cheri Bryant, Traditional Nonprofit Fundraising for Land Trusts (San Francisco: Trust for Public Land, 1985).

[26]Kurzig, p. 24.

1. Cover letter,
2. Table of contents,
3. One-page summary of the proposal,
4. Organization's qualifications,
5. Statement of the problem,
6. Goals and objectives of the program,
7. Methods to achieve the objectives,
8. Evaluation criteria to measure effectiveness,
9. Budget, and
10. Future funding sources and plans.

Land Acquisition

Land acquisition is the primary function of a CLT. This section will describe two types of acquisition approaches: (1) fundamental and (2) supplementary. The first approach, fundamental acquisition, consists of three basic ways a CLT can acquire land. The second type, supplementary techniques, describe some of the other techniques available for CLTs to use to acquire land.

Fundamental Techniques

The fundamental acquisition techniques are:

1. The cash sale approach.
2. The donation approach.
3. A combination of the sale and donation approaches called a bargain sale.

With the first technique, the property owner receives the full cash value of the land, and the CLT receives the title to the property.[27] Even though the land owner gets full payment for the land, there are two disadvantages. With a direct sale, the landowner will have to pay taxes. They do not receive any charitable deduction from the donor income, even if the organization is tax-exempt. This type of acquisition can be funded in many different ways. For example, Atlanta's Freedom Center raised the money to purchase three lots by holding community flea markets and bake sales.[28]

With the donation approach, the land owner gives the property as a gift to the CLT. By using this approach, the landowner can realize a reduction in taxes and receives a charitable deduction allowance (now and in the next five years). The disadvantage is that the person does not receive any cash from the transaction.[29]

> In Oakland, California, Trust for Public Land assisted nine neighborhood land trusts to get donations of land from local savings and loans that had acquired the property when the owners defaulted on their mortgage payments. There were no buyers for the property, and the savings and loans were willing to donate the lots to upgrade the community.[30]

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[27] CLT Handbook, p. 178.

[28] Charles Bolton, Citizen's Action Manual: A Guide to Recycling Vacant Property in Your Neighborhood (San Francisco: Trust for Public Land, 1980), p. 10.

[29] CLT Handbook, p. 178.

[30] Bolton, p. 10.

The last approach, bargain sale, is a partial gift and a partial sale. In such an approach, the property owner sells some percent of the land to the CLT and donates the other percent. They receive (1) a partial reduction in taxes, (2) cash for a percent of the property value, and (3) a charitable deduction equal to the percentage donated. The only disadvantage with this approach is the property owner does not receive cash from the portion of the property that was donated. Generally, the owner sells the property for a price lower than the market value, thus in effect donating that portion of the property's market value that is not paid for.[31]

> In Grennlaw, Tennessee, the CODE NORTH organization has acquired several houses through a variation of the bargain sale technique. They pay the owner the full price for the property, then he gives them a check for the cash value of the donated portion.[32]

Supplementary Techniques

A CLT can use a wide array of supplementary techniques to acquire property. The following discussion concentrates on those acquisition tools that are the most beneficial to a CLT.

An installment purchase is sometimes referred to as a land contract. This arrangement allows the buyer to pay for the property

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[31] CLT Handbook, p. 179.

[32] Bolton, p. 10.

through a series of agreed-upon payments over an extended period of time.[33]

Life tenancy is an agreement that the original owner will be allowed to continue to use the property for the rest of his life. It is based on the condition that the original owner will have exclusive rights or may share the use of the land with the CLT or with CLT leaseholders.[34]

A land trade enables a CLT to exchange nonconservation land, held by the trust, for land that requires protection. The CLT must have a developable parcel of land that can be traded to a landowner with another property that has conservation value.[35]

In some cases, a sale-and-leaseback arrangement is similar to life tenancy. The original owner will continue to occupy or use the land. However, this person is then considered a leaseholder with the rights and responsibilities of other CLT leaseholders rather than a private owner.[36]

Conservation easements are another important acquisition tool. A conservation easement takes the development rights to a parcel of land and conveys them to the CLT. An increasingly important use of

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[33] CLT Handbook, p. 179.

[34] Ibid.

[35] Lee, p. 41.

[36] CLT Handbook, p. 179.

conservation easements is estate planning. This is particularly useful in the preservation of qualified agricultural or timber land.[37]

Lease Agreements

The link between acquisition and development of CLT property is the lease agreement. The lease agreement is the means by which individual interests are protected and the individual's and the community's interests are balanced.[38] The CLT lease is a very flexible agreement.[39] It is a tool which creates an alternative to conventional public or private ownership. Six basic factors should be included in the legal document.[40]

The term of the lease is the lifetime of the leaseholder, or its equivalent which is limited to a specified number of years but is automatically renewable. The CLT agrees to issue a similar lease to a designated heir.

The lease contains a general statement of how the land is to be used. The lease will limit what uses are allowed. A lease fee is identified in the agreement. This amount is based on the use value of the land rather than its market or speculative value. The lease fee should represent the leaseholder's underlying and continuing

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[37] TPL 1983, p. 3.

[38] CLT Handbook, p. 209.

[39] Ibid., p. 210.

[40] Ibid., pp. 210-212.

responsibility to the community. The lease should include a statement about the responsibilities of leaseholders. The CLT normally requires that leaseholders occupy or use the land themselves. They must also maintain the land in a responsible manner. The CLT lease agreement should allow for termination of the arrangement if the leaseholder fails to live up to the terms of the agreement. In case of a dispute between the CLT and a leaseholder, the lease should provide an arbitration procedure. This procedure involves an arbitration panel for which the CLT and the leaseholder each appoint one member from the CLT. These two members select a third panel member. In the lease, both parties agree that the decision of the arbitration panel shall be final.

Planning and Development

Once land acquisition is started, the CLT board must decide whether the organization will act as a planner and/or developer. The CLT may be "directly responsible for specific land-use planning."[41] If the CLT carries out the implementation of those plans, then it is also acting as a developer.[42] Within the context of a CLT, the issue of planning revolves primarily around land use, site, and social factors.[43]

> Any design should begin with the analysis of the two underlying parameters: (1) site and (2) purpose. . . . Site and objectives cannot be studied independently but only in

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[41] Ibid., p. 195.

[42] Ibid.

[43] Swann, p. 56.

relation to each other, the purposes indicating what aspects of the site are relevant and the site analysis influencing the goals which are possible or desirable. The statement of site and purpose will also be modified throughout the development of the design, since the design process is itself an exploration of site and goal possibilities. Despite this circularity, the first-round analysis of situation and purpose is the beginning step.[44]

Next a detailed program is prepared, springing from basic objectives and resources, and influenced by the site and the knowledge of technical possibilities. It furnishes a quantitative schedule of facilities to be provided in the new development, and may be modified as design proceeds.

It is also customary at this time to review other site plans of similar objectives, in publications but especially on the ground, to see how they fitted plan to purpose, and with what success.[45]

If the CLT does plan and develop its land, there are some basic questions that should be answered. These questions are:[46]

1. For what uses is the land itself best suited?
2. For what uses are existing improvements best suited?
3. What effect will neighboring land use have on a particular piece of land?
4. What effect would particular uses have on the community and the environment generally?
5. How is the use of the land affected by public policies?

The site planning process includes CLT members, community residents, community leaders, and other interested individuals. In some

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[44]Kevin Lynch, Site Planning (Cambridge, MA: MIT Press, 1971), p. 115.

[45]Ibid., p. 116.

[46]CLT Handbook, pp. 196-198.

cases, a CLT will seek aid with planning and development from professionals who volunteer their time and services to the CLT, public agencies, and other nonprofit groups, such as a community design corporation. The typical site planning process consists of:[47]

1. Defining the problem,
2. Programming and the analysis of site and user,
3. Schematic design and the preliminary cost estimate,
4. Developed design and detailed costing,
5. Contract documents,
6. Bidding and contracting,
7. Construction, and
8. Occupation and management.

In Caring for the Land, Bruce Hendler has developed a process that emphasizes the environmental aspects of site planning. His plan consists of five parts.[48]

The first section of his process is a natural resources inventory. This inventory includes studies of the:

1. Geologic resources,
2. Slopes and soils,
3. Land cover, and

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[47]Lynch, p. 11.

[48]Bruce Handler, Caring for the Land: Environmental Principles for Site Design and Review (Chicago: American Planning Association, 1977), pp. 8-9.

4. Hydrology.

The second inventory is of the social-economic factors including:

1. Housing,
2. Transportation,
3. Economic resources,
4. Recreation,
5. Population,
6. Taxation, and
7. Land uses.

The third section deals with special environmental considerations. This inventory analysis includes data on:

1. Scientific/historic areas,
2. Ecologically sensitive areas (hazardous areas),
3. Scenic areas and visual resources,
4. Valuable natural resources,
5. Recreational opportunities,
6. Important habitats, and
7. Public access routes.

Once these three inventory analyses are completed, the opportunities and limitations for the development are identified. The CLT then establishes goals and sets priorities for desirable development based upon the information revealed in the inventories. This process establishes the basic framework for decision-making. The fifth step in the process is the final stage. All the previous studies and decisions by the community are developed into a community action plan.

CHAPTER 3

HISTORICAL/COMPARATIVE ANALYSES

One form of an unobtrusive research method is the historical/comparative analysis. It is a qualitative study in which the researcher studies many aspects of organizations. This type of methodology is appropriate because organizations generally provide documentation of their activities. Because this chapter is a study of the development of three CLTs, various information, such as official documents, charters, by-laws, minutes, notes, and communications were examined.

For the ETLT, the major data sources were letters, minutes, articles of incorporation, by-laws, and notes. All the materials were located in the files at the ETCDC. The information was organized by VISTAs Janie Mantooth in 1983 and Michael Wood in 1984. Data sources for the WCLT include legal documents, communications, and special and annual reports. Vista Tammy DeRidder organized all the available material on the WCLT into a document entitled New Traditions in Housing for Appalachia: Resource Notebook. The FLC is in the process of organizing, so the background came from two local newspaper articles and interviews.

East Tennessee Land Trust

The initial idea for the East Tennessee Land Trust was developed by a committee of the East Tennessee Community Design Center

(ETCDC). They researched and compiled an inventory of design alternatives for poorly used, unused, or misused urban land.

From 1977 until 1982, the ETCDC conducted a number of studies of various approaches to using vacant, urban lots. These included reports on (1) livable cities, (2) demonstration projects for revitalizing inner city neighborhoods, and (3) the use of narrow lots, community gardens, and open space. In 1982, work began on organizing a land trust for the Knoxville area. Other agencies involved in the process included the Metropolitan Planning Commission (MPC), the Office of Community and Economic Development (OCED), the Community Action Committee (CAC), and the Tennessee Valley Authority (TVA).

The first meeting was held on January 17, 1983. City and neighborhood representatives attended the meeting to voice their opinions on local issues and needs, such as revitalizing vacant, inner-city lots and production and rehabilitation of low-income housing. Peter Stein and other representatives from the Trust for Public Land (TPL) discussed opportunities and benefits a CLT could provide for Knoxville. At this meeting, the following committees were formed: (1) organization/structure, (2) program/project, (3) outreach and awareness, and (4) fundraising.

After the first meeting, each committee met separately to prepare a plan for the immediate future. In March 1983 the program/project committee prepared a request for projects that required land acquisition. This request was sent to other charitable community groups and development cooperatives in Knoxville that might work with the ETLT. The request was intended to act as a survey for the ETLT to help identify

an initial project. It stated that the first project should have a relatively short time frame and involve the acquisition of land or property to be held for the good of the community. The application requested the following information:

1. Name of the group,
2. Names, addresses, and signatures of three officers or designated members who will be responsible for the project,
3. Location of the project,
4. Description of the project,
5. Description of the construction methods to be used if construction is to be done,
6. Estimated length of time to complete the project,
7. Kind and number of people who will benefit from the project,
8. Long-term maintenance required by facility, and
9. Maintenance to be done.

On April 7, 1983, Jim Mansfield, Acting Chairman, wrote to the ETCDC asking "for assistance and support" in the "investigation of forming a Knoxville land trust." The request was accepted by the ETCDC; a VISTA worker was assigned to act as a staff person for the organizing group. On April 11, 1983, a general meeting was held. At this meeting, it was decided that the land trust would be a 501(c)(3) organization. A new committee was also formed to research and draft the by-laws.

Four general purposes were incorporated into the by-laws:

1. To acquire and hold land for community purposes,

2. To cooperate and facilitate with neighborhood, community, and special interest groups to carry out their own local land-use projects,
3. To educate the public about land trusts, and
4. To prohibit the selling of any trust-owned land.

Another general meeting was held on May 9, 1983. At this meeting, draft by-laws were reviewed, and it was decided that legal counsel was needed to complete the by-laws. The incorporators were also selected at this meeting. The people selected had been involved with the organization of the ETLT since the early part of 1983. The incorporators had also been involved with the drafting of the by-laws. The incorporators were: Jim Ullrich, Robert Wilson, Barbara Simpson, Jim Mansfield, and Curtis Buttram. John Austin, an attorney, agreed to file the charter with the appropriate state office for the ETLT by the end of June.

A third general meeting was held on July 11, 1983. It was decided that the incorporators would serve as the interim board until the November election. Also at this meeting, the final draft of the by-laws was approved and goals were set for the remainder of the year. The two major goals were (1) to obtain 501(c)(3) status by December, and (2) to start land acquisition by the end of December.

From the end of August to the end of September, the incorporators held three meetings. During this month, the incorporators amended and reapproved the by-laws. Other activities centered on acquisition techniques and the board of directors nominees and election.

A fourth general meeting was held on November 15, 1983. This was also the first official membership meeting of the ETLT. At this meeting, there was a panel discussion with an answer period; the panel was made up of:

1. John Davis, Cincinnati Land Cooperative,
2. Marie Cirillo, WCLT,
3. Frank Turner, MPC, and
4. Peter Scheffler, TVA.

The twenty-eight people attending this meeting elected the group's first board of directors. The board members elected were: Robert Wilson, Barbara Simpson, Jim Ullrich, Bob Allen, Frank Turner, Kristopher Kendrick, Jean Moorefield, and James Robinson. The ETLT received final approval by the state of its articles of incorporation and was chartered on December 30, 1983.

During January 1984, a board of directors meetings were held each week. During this period, officers of the board were selected. The officers were: Robert Wilson, President, Barbara Simpson, Vice President, Jim Ullrich, Secretary, and Frank Turner, Treasurer. The board also began discussing ways to approach the county and the city regarding obtaining surplus property. Other discussion during each meeting concerned obtaining 501(c)(3) status and the organizational structure and potential funding. Three initial projects were also introduced during this time.

The first project involved a study of the reuse of the Park Lowery School as housing. Along with an ETCDC task force, board members

completed a site review, preliminary plans, and an economic feasibility report. Based on this study, the board decided not to try to acquire the property. The large acquisition, construction, and other costs made the project unfeasible.

A second project was a study of a group of vacant lots in common ownership in the Fourth and Gill neighborhood. The community wanted to see the lots (the Bowers' estate) used for a public park, swimming pool, or low-income housing. The third project was a request from the Parkridge Community Organization (PCO) to aid the residents with acquiring two vacant lots for use as playgrounds. After the January meetings, the board of directors did not meet for six months. This break was primarily due to the lack of a VISTA worker as a staff person.

Beginning in August 1984 the board of directors resumed holding meetings on a monthly basis. The Parkridge project took precedence over the Fourth and Gill project. The ETCDC task force began meeting with Parkridge residents to plan a strategy to acquire vacant lots and to develop plans for neighborhood parks.

In September, the board decided to begin approaching the city regarding acquisition of lots after the task force had developed plans for the two privately owned sites. Each site was located in the Parkridge neighborhood, and both sites were corner lots. They were located on opposite ends of Glenwood Avenue, which is the northern boundary of the neighborhood.

In October, the task force decided a small, substandard, city lot might be a better choice for the first project. This parcel measured fifty feet by fifty feet and was relatively level. It was located on Chestnut Avenue off East Fifth Avenue, near the center of the Parkridge neighborhood. This smaller lot would be easier to maintain since maintenance of lots is a problem in Knoxville and a major concern of local government. Since this lot was city-owned, the task force felt that acquisition would be easier and more feasible.

The task force prepared a proposal to the city for acquisition of the parcel. This proposal explained (1) what was wanted, (2) the improvements proposed for the lot, (3) the responsibilities of participating groups, and (4) a statement regarding how maintenance would be accomplished. In November, the board reviewed the proposal and suggested modifications to the proposal. The board's major concerns were with (1) how the community would maintain the lot and (2) how they were going to insure it.

The second major topic of discussion during the five remaining meetings of 1984 was obtaining federal tax exemption. In September, it was apparent from communications with the IRS office that the purposes in the ETLT charter did not meet with the requirements for tax-exempt status.

During the six-month break (from January to June) in between meetings of the board of directors, the application for tax exemption was filed with the IRS. The IRS bases its decision for tax exemption on the purposes stated in the articles of incorporation and the application. Very little emphasis is placed on the by-laws until an

exemption has been granted to an organization. Then they are used as guidelines to insure that the organization is not doing anything beyond the exempt purposes in the charter.[1]

In the ETLT charter, there were four purposes for which the corporation was formed:

1. To educate the public about the land trust,
2. To support the principles and idea of land trusts in general, and to cooperate with all other land trusts whenever possible and appropriate,
3. To cooperate with and assist neighborhood, community, and special interest groups in carrying out their own land use projects, and
4. To acquire, hold, sell, or lease land for community and charitable purposes.

The ETLT's application was very detailed and included a large amount of background material on the land trust concept and the city of Knoxville. The application contained more data than was needed or required by IRS Form 1023. The IRS found several problems with the application and the charter. On August 29, 1984, the IRS sent a letter to the ETLT stating that the "corporate charter does not limit the purposes to those under section 501(c)(3) of the code. Neither does it contain a proper dissolution clause." An organization is not considered

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[1]Leonard Lessor, interviewed by Michael Wood (Knoxville, TN), January 1985.

for tax exemption if the charter "does not contain a proper disposition of assets upon dissolution."

In addition to these problems, the IRS needed more information on the activities that were stated in the application. The IRS wanted to know which uses would be given priority for acquired land. In the case of housing, a detailed description of the entire process for transactions needed to be explained. This included (1) the selection of tenants and (2) the financing of the acquisition and development of the land. There were also questions about the other uses of acquired property and the specific privileges granted to the land-user. These included (1) the procedures used in the selection of the land and the tenants, (2) the financial arrangements, and (3) the conditions placed upon the land-user. The application was deferred for three weeks so the board could meet in order to amend the application in accordance with the IRS's requirements.

On October 1, 1984, Robert Wilson, President of the ETLT, wrote to J. E. Griffith, Chief of the IRS Exempt Organizations Rulings Branch. In the letter, Wilson stated that the board wished "to withdraw the current application which you have before you." Wilson explained that the board members could "best communicate our intentions for the operations of the Trust by revising the entire application."

In the last two meetings of 1984, the board members spent a majority of their time discussing the board's responsibilities for the Parkridge project. At the beginning of 1985, exactly what role the

ETLT would play in this project was still unclear. It seemed that the task force would have to make a decision whether to deal directly with the city or through the ETLT.

Insuring improvements, such as playstructures on urban lots, is difficult. Day-care centers and churches are covered under umbrella policies. However, some nonprofit organizations, such as a CLT, cannot insure such liabilities as easily.

Woodland Community Land Trust

The Clear Fork Valley lies between the Pine Mountains of Kentucky and the Cumberland Mountains in Tennessee. This valley lies within two counties (Campbell and Claiborne) in Tennessee. A number of small settlements lie within the valley. Some of the settlements are: Clairfield, Roses Creek, White Oak, Elk Valley, Pruden, Newcomb, Morley, and Duff. The city of Jellico serves as the central market place for the valley.

During the first half of the 1900s, the Appalachian region was a positive contributor to the American economy. This mountainous area was abundant in coal, and coal was needed for energy. In upper eastern Tennessee, "coal camps" were prosperous, and the people were able to make a living from coal mining. However, in the 1950s and 1960s, there was a major drop in coal consumption. During this period, the out-migration of residents, as well as the decrease in employment presented serious problems. Problems, such as a loss of revenue in the local economy, caused a decrease in services to residents. The coal

companies did not need as many miners, so the entire Appalachian area suffered from the decrease in coal mining activity.

In the mid-1960s, the Johnson Administration initiated a National War on Poverty. This program (along with others, such as the Peace Corps and VISTA) provided funding to poor people to organize needed services. In theory, this provided an incentive to poor people to help themselves. Marie Cirillo, Executive Director of the WCLT, explains how these programs benefitted the depressed Clear Fork Valley.

> In 1967 the Government initiated 'poverty programs' allowed for a community center to open in the Clairfield community. That was what it took to prime the pump, forever since then local energies have been bubbling up to work for improving conditions within the Clear Fork Valley. . . .
>
> . . . . . .
>
> Seventeen years of active community efforts have yielded an abundance of accomplishments. Most noteworthy of these are in the arenas of improved health services, emergency relief, community education from preschool and infant care to college level, new infrastructure development, particularly water, and community land trust.[2]

All WCLT land is currently located in the Roses Creek community of the Clear Fork Valley. The area is very rural; nearly half of the families still draw their water from wells or springs. In Clairfield, a general store, gas station, and clinic serve the needs of the Roses Creek residents.

In the late 1970s, the major problem was that 80 percent of the land in the valley was owned by absentee landowners, particularly coal

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[2]Marie Cirillo, "Approaches That Work--Clear Fork Valley Project," presented at the International Exposition on Rural Development, Dehli, India, 1984, pp. 1-2.

companies. The WCLT was formed in 1978 to deal with the inaccessibility of land to people in the Clear Fork Valley.

> To find a way to have some rights to the lands of our community is vitally important for our survival and for sustaining our primal identity. To overcome this burning issue a community land trust was organized to acquire lands needed by residents of the community. Once the barriers of communication, suspicion, and misperceptions between the Appalachian community and the absent landowners are overcome, funds are acquired to purchase needed lands. Once property is in the hands of the CLT, they lease parcels to residents for a short time or a life time, depending on the person's intentions. Any development or improvements on the land (for example, the building of a house) belongs to the leaseholder. . . .[3]

> For the first few years, the Trust members put their minds to learning the skills of land acquisition, development, and management. In order to keep the land in the hands of local people, WCLT designed a plan whereby the Trust would retain title to the land, giving it to individual families as lifetime leases on land requested for personal needs.[4]

Since 1980, the WCLT has acquired approximately sixty-five acres in Roses Creek. In 1982, Annette Anderson and Marie Cirillo developed the New Traditions Self-Help System. This system is intended to be a flexible way to make home ownership affordable for people in Clear Fork Valley. Annette Anderson, Executive Director of the East Tennessee Community Design Center, feels that the document defines the responsibilities of the WCLT and the occupants of the houses on WCLT land. The guidelines of the system involve agreements through which families

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[3]Ibid., p. 5.

[4]New Traditions 1984: Woodland Community Land Trust (Knoxville: East Tennessee Community Design Center, 1984), p. 2.

are assisted by WCLT in building and owning homes. It also includes joining with other families to preserve, improve, and use land to improve the quality of community life. The land trust's lease with each family is negotiated individually; however, all the families residing on WCLT land will abide by the following agreements:

1. Responsibilities of WCLT

   a. Advice and assistance to family on design and selection of an appropriate house for the family's size, budget, and way of life.

   b. Arrangement of loan for construction financing.

   c. Management of site development, purchase of supplies and materials, work scheduling, tool assembly, contracting and provision and supervision of labor needed to supplement the work time provided by the future owner.

   d. Assistance in obtaining permanent mortgage financing.

   e. Assessment of potential self-help owner's skills, abilities, and time in relation to feasible work time commitment and agreement to self-help work contract.

   f. Provision of training and supervision of self-help workers, and inspection of work.

   g. Record keeping and labor credit accounts and reports.

   h. Credit of up to $3.50/hour for self-help training and construction in computation of final value/cost of house. The initial self-help credit will be $2.50/hour with increases based on weekly evaluation and negotiation.

2. Responsibilities of Self-Help Owner

   a. Realistic agreement with WCLT about number of hours of work the owner can provide for construction of the house.

   b. Complete information about family finances, budget, job status, debts, etc..

   c. Assessment of potential self-help owner's skills, abilities, and time in relation to feasible work commitment and agreement to self-help contract.

   d. Commitment to honor all agreements about work hours and financial obligations.

   e. Attendance and participation in all training and informational programs provided for construction training and land trust principles and operations.

   f. Participation in all land trust programs, and cooperation with other leaseholders in maintenance and operation of common land.

   g. Conformity to operational rules and record keeping of WCLT.

3. Resolution of Potential Problems and Differences

   a. If owner-builder is unable or unwilling to fulfill original commitment for labor to build house and assume permanent financing according to initial agreement the WCLT will attempt to provide alternative labor and/or financing as requested by prospective owner. If WCLT is unable to

develop a feasible alternative to the original agreement, WCLT retains ownership of the finished or unfinished structure without compensation to the original owner-builder.

b. If disagreements about fulfillment of agreement between owner-builder and WCLT arise, the disagreement will be described in writing by either or both parties to the disagreement and presented to the WCLT Board. A grievance procedure for resolving the disagreement will be arranged, managed and monitored by the WCLT Board.

c. In the event the grievance procedure does not resolve the disagreement the arbitration process described in the WCLT lease will be used.

In 1982, the construction of two homes was completed. That same year, construction of two more houses and a factory/warehouse building were began.

On May 25, 1983, Patsy Murphy, WCLT Secretary, made a formal request to the ETCDC for assistance to continue the New Traditions construction project. She wrote that the WCLT would receive additional funding through a Discretionary Service grant from the Office of Community Services of the Department of Health and Human Services (HHS). The total project allocation from the Office of Community

Services was $107,300, with a combined in-kind match pledged to the project of $119,075.[5]

The 1983 Progress Report stated that construction of the third house began in early November. It reported that

> . . . decisions affecting the development of WCLT property and the overall thrust of the organization were amply handled by the Board of Directors comprised of: Dorothy Metzler (President); Patsy Murphy (Secretary); Joyce Schmidlin (Treasurer); Harold Osborne; Michael Brown; Marie Cirillo; and Frances Leach. . . .
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> . . . . . .
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> Primary staff positions were filled again this year by veteran staff-people: Harold Osborne (Land Manager) responsible for directing the site planning and site development of WCLT property; Michael Brown (Production Manager) responsible for the overall construction project, as well as for legal and financial matters related to the development projects; and Marie Cirillo (Organizational Manager) responsible for staff and board development, fundraising, and comprehensive community planning.

This report also provides a summary of the various funding sources that the WCLT has relied on for the past six years.

> The WCLT has also received significant grant funding from the Committee of Religious Treasurers of Tennessee, Ohio, and Kentucky, from TVA's Office of Economic and Community Development, from Appalachian Community Development funds of the Diocese of Nashville, among others--in addition to the grant for the production facility from the St. Francis Fund.
>
> Additionally, the housing development project has benefitted from the commitment of investment loans from a variety of sources, including: the Diocese of Nashville, the Institute for Community Economics Social Investment Fund, the Sisters of Charity of Nazareth, Kentucky, the Sisters of Loretto, Kentucky, the revolving loan fund of Appalachian Community Arts, and others.

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[5] 1983 Progress Report (Clairfield, TN: Woodland Community Land Trust, 1983), p. 3.

In 1984, the WCLT and the ETCDC published the New Traditions 1984: Woodland Community Land Trust. This document says that two additional houses were constructed, bringing the total to five homes completed. The WCLT leased one-acre lots to families for $10 per month for 99 years.[6] By the end of the year, the WCLT had developed four houses with some areas in common. These common areas included a garden, compost bins, an orchard, a play and picnic area, parking, and a driveway. Along with this forty-four acre site, another seventeen acres have been developed around the WCLT office. Included on this site is a camping area and a fifth house. This structure serves as a demonstration of a house suitable to the Appalachian environment. It also serves as a temporary home for families who are constructing their own homes on WCLT land. The master plan includes the construction of seven more homes, a vegetable garden, a laundry, and a workshop.

Foothills Land Conservancy

The problem of diminishing farmland in Blount County prompted a group of residents to find a way of preserving such land. On February 28, 1985, The Knoxville News-Sentinel reported that "prime farmland is disappearing at a rapid rate." Gail Harris, a resident, said

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[6]Jan Maxwell Avent, "'Progress' Gobbles Up Blount Farms," The Knoxville News-Sentinel (February 24, 1985), p. B1.

that "TVA estimates that within forty years at the present rate, all our farmland will be gone." The article states that the land is being swallowed up by subdivisions and industrial development, and the land trust may be a way "to promote economic progress" that will not destroy the area's environment.

In the article, Gail Harris explains how a land trust can help preserve the rural character of the county.

> The state looks at the land in terms of its highest potential value and assesses it for that. If the land has restrictions that it can only be used for agricultural purposes and cannot be developed into condominiums, then the assessment is on an agricultural level rather than on what it could be.

The sponsoring agencies in the formation of the FLC were: Alternatives for Blount County, the Maryville branch of the American Association of University Women, the Blount County Chamber of Commerce, the Blount Soil Conservation District, and the Vision Committee of Homecoming 1986.

The idea for a land trust interested a number of people in Blount County, and there seems to be no opposition to the concept. As Gail Harris explains in the article,

> Some people might think, 'Oh no, government again,' but this is strictly a nongovernment approach. . . .
> . . . . . .
> Local trusts are completely autonomous and run by a community-generated board of directors. It doesn't require any legislative or other public action.

On March 1, 1985, The Daily Times reported on the first organizational meeting held the previous evening. The article explained how the FLC might conduct a general transaction.

> A property owner can place on his or her land such use restrictions as public access to recreation areas to protect the habitat, to protect open space and scenic areas, for historic preservation, or for preservation as agriculture use as well as others. The trust must see that the restrictions are observed, making them more binding than being in a deed which can be changed at least after the owner dies. . . .
>
> . . . . . .
>
> Another option is for the owner to place conservation easements on his or her property and donate these restrictions to the trust which must also make certain they are carried out. The seller can deduct the loss in land value resulting from the restrictions from his federal income tax. This method also reduces the amount of inheritance tax due when the property is transferred upon the owner's death.
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> A steering committee is expected to be established in Blount County, said Gail Harris who has been a leader in the founding of Alternatives for Blount County and in the local land trust movement. That group will then proceed toward establishing a trust with a seven to eleven member board of directors.

Summary

Each of these CLTs started for different reasons. However, all the people involved with each of the organizations feel that a CLT can be an useful tool for a community. Table 1 on the following page graphically shows a comparison of the three CLTs.

The first point listed under elements is organization. Organization is divided into two types: (1) community or neighborhood and (2) conservation. This is a new distinction that is being made by some agencies.[7] In a recent interview, Bob Allen, Field Representative with TPL, explained that the agency's staff is beginning to divide land trust

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[7]Bob Allen, interviewed by Michael Wood (Knoxville, TN), July 8, 1985.

Table 1

A Matrix of the CLTs and Model Elements Comparison

Elements	Community Land Trusts		
	ETLT	WCLT	FLC
Organization			
Community	x	x	
Conservation			x
Financing			
Internal sources	x	x	x
External sources		x	x
Management			
Board of directors	x	x	x
Membership		x	x
Staff	x	x	
Volunteers	x	x	x
Programs			
Acquisition		x	
Development		x	

into two types: (1) groups organized for conservation purposes or (2) those concerned more with social or community development purposes. He stated that the distinction is still not clear within the TPL organization.

The four main purposes for a conservation land trust are for: (1) preservation, (2) open space, (3) recreation, and (4) agricultural uses. It must yield a significant public benefit to meet the IRS's requirements for tax exemption. According to Mr. Allen it was easier for conservation land trusts to meet the IRS's "public benefit test" than for community land trusts.

He explained the definition of a community (neighborhood) land trust. A CLT established for more social purposes is different from the conservation land trust for three reasons:

1. It is more concerned with the larger, societal purposes.
2. It has a more ideological attitude about how to control the earth's resources.
3. Its main purpose is to remove land from speculative development.

Mr. Allen said that it is harder to obtain tax exemption if the trust mixes conservation and community purposes. If there is any chance that public nonprofit status could be used for private gain, then the IRS will deny exemption. He explained that words like farming, gardening, and housing will require a full explanation of the selection criteria which must benefit low-income people.

From the definition of the two types of land trusts, two of the CLTs in East Tennessee can be described as community land trusts. The FLC is a conservation land trust. The organizing group feels that the trust will only acquire and hold the land and will not engage in any development.

The WCLT is the only area CLT that has used both internal and external sources of financing. Membership dues, donations, grants, and loans comprise the sources of income for the WCLT. Since its incorporation, the ETLT has not had any continual source of income. It has been operating on small donations that were made by individuals. It did receive a small donation ($120) from another charitable organization that was being terminated. The FLC is planning on using both internal and external sources of funding.

Concerning management, all three of the area CLTs have board of directors and have employed volunteers. Each organization uses or plans to use volunteers in support of their activities. Both the ETLT and the WCLT have staffs. Through various funding schemes, the WCLT has been able to provide a staff with full-time and part-time workers. For the past two years, the ETLT has been assigned a VISTA from the ETCDC to act as a staff person.

The WCLT has an active membership and relies on its support for both money and labor. The FLC is also planning on having an active membership. The ETLT is in the process of deciding whether to be an

organization with members or an advisory board for other nonprofit organizations.

Of the three CLTs, only the WCLT has acquired and developed land. When land is acquired, the ETLT board members are also planning on developing some of the trust's lands. The FLC plans on only acquiring, holding, and selling land. Mr. Allen explained that the FLC, as a conservation trust, could seek a land donation from a farmer, put a conservation easement on it, and then sell the parcel to a conservation-minded farmer. The money made from the sale of the land could be used to acquire more land.

CHAPTER 4

CASE STUDIES

Introduction

Unstructured interviews were used to collect the data for this chapter. They are more appropriate to field research, because they are flexible enough for the study of social sciences.[1]

> An unstructured interview is an interaction between an interviewer and a respondent in which the interviewer has a general plan of inquiry but not a specific set of questions that must be asked in particular words or in a particular order. An unstructured interview is essentially a conversation in which the interviewer establishes a general direction for the conversation and pursues specific topics raised by the respondent. Ideally, the respondent does most of the talking.[2]

The format for this chapter is identical to the preceding chapter's organization where each land trust is studied separately. The concluding section is an analysis of the data from the interviews.

East Tennessee Land Trust

Robert Wilson, President of the East Tennessee Land Trust (ETLT), in his interview provided a brief overview of the ETLT's history. The ETLT grew out of a group of forty people who were concerned about inner-city problems, such as maintaining vacant lots

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[1]Babbie, p. 253.

[2]Ibid.

and the need for an organizational structure to combat these problems. Wilson said that a great deal of the board's time and energy had been spent on the Internal Revenue Service (IRS) application. In March 1985 Robert Wilson met with Bob Allen and Jenny Gerard, both with TPL, concerning the barriers that the ETLT had encountered in the past year. They reemphasized the point that the language used in the charter and the application must be carefully worded so it followed the IRS guidelines.

Wilson felt that the Park Lowery School project, which was researched in the spring of 1983, was not a realistic activity, but did provide a valuable learning experience for the board members. This project was good because it introduced the members to economic feasibility analyses, conducting surveys, and developing plans for a project. Since 1984, Parkridge has consumed nearly all the efforts of the board members. This project involved acquisition of two privately owned lots for neighborhood playgrounds.

According to Wilson when the Parkridge project started some private lots were identified by an East Tennessee Community Design Center (ETCDC) task force to be used as playgrounds. The board members saw the ETLT's role as acting as a conduit to obtain the two parcels. The ETCDC task force decided to try to acquire a city-owned lot instead of dealing with the people who owned the other lots. The ETCDC task force felt that the smaller city-owned lot could be acquired by donation. The task force members also felt that the

Parkridge Community Organization might be able to obtain a small grant from the city to develop the site.

When the ETCDC task force decided to concentrate on acquiring the city-owned lot, the ETLT's role became unclear. The Parkridge Community Organization could now deal directly with the city regarding acquisition of the lot. Since the ETLT was not needed to acquire land, it had no basis for continuing with this particular neighborhood project.

In Wilson's opinion, the ETLT board has put too much focus on administrative matters, mainly obtaining IRS tax-exemption status. He felt that the ETLT should focus on a project which can be implemented and then work out the administrative details. He said a project should be developed first and then the board could develop the organization.

He said a major problem for the city is absentee landowners. He would like to see the board acquire an identifiable open space and develop the lots to benefit the community. This was the intent of the Parkridge project; but the residents' organization, Parkridge Community Organization (PCO), was able to deal with the city without the assistance of the ETLT.

He said the focus should be on inner-city problems. He cited Mechanicsville, a predominately black, inner-city neighborhood, as an excellent target area. There are a number of vacant lots and dilapidated houses in this neighborhood. Wilson feels that the ETLT should develop a strategy to acquire a group of lots in Mechanicsville, which will help the organization better define its purpose. The past

projects have been too narrow, so the ETLT is now at a standstill and needs to be reviewed.

Jim Ullrich agreed with Robert Wilson that if the city owned the land in the Parkridge case, then the ETLT's role was superfluous. He felt the primary mission for the ETLT was to acquire and hold land. The land would then be leased to various community groups which would do the actual development and management of the land.

Both men are concerned with what role the ETLT can play in the Knoxville area. Wilson said that a major concern of his is that there are no resources to be used for maintenance activities. He said that two possible roles the ETLT could play would be as a facilitator trying to combine public and private development or as a community development specialist.

As a facilitator, the ETLT would work with private developers and community development projects. Ullrich feels a major problem with the facilitator role would be proving projects were economically feasible for developers.

If the ETLT decided to act as a community development specialist, then Wilson feels that Mechanicsville would be an excellent neighborhood to use as a project. There is a continuous problem dealing with vacant property in Mechanicsville. If approached as a system, then the ETLT board could identify ways to assemble vacant properties that could be developed as open space, recreation areas, or low-income housing sites in this inner-city neighborhood. Ullrich feels that the best role the

ETLT can play in redeveloping inner-city neighborhoods would be as a community development specialist.

Wilson explained what role the ETLT would play as a community development specialist. This role would include (1) owning the land, (2) removing it from the tax roll, (3) making planning determinations, and (4) finding a use for the acquired vacant lots that would benefit the entire community, city and ETLT. If the properties were not being used properly, then the land would go back on the tax roll. In this case, the ETLT would be responsible for the tax payments which means funds would have to be available if tax payments were to be resumed.

Ullrich expanded on this concept by saying that part of ETLT's role would be to create a demand for the lots. To do this, the ETLT would have to develop a cooperative arrangement with other nonprofit organizations. In other words, the ETLT would produce developments including targeting and acquiring the vacant lots, financing projects, and marketing developments. Ullrich also felt that at the present time, there is no demand for land in Mechanicsville. However, because of the growth of Knoxville, this cycle might be broken if new interest in the area can be stimulated.

Some cities have put large amounts of money into CLTs, according to Wilson. He feels that if the ETLT was able to take on long-term management of fifteen to thirty lots with plans for the reuse of those sites, that ensured taxable feasible developments, then the ETLT may be able to get some funding from the city. He visions the ETLT as an

entity that would obtain ownership of the land and then would determine and control the development of that land.

Wilson and Ullrich agreed that the Mechanicsville project would offer the most potential as a focus for a successful project in the next year. In July 1985, at a regular meeting, the board members also decided that the role of community development specialist would be the most appropriate one to use as a basis for redefining the purposes of the ETLT. The preliminary strategy for the next year's activities includes assembling a group of vacant lots in Mechanicsville. The primary mission of the ETLT in this new role would be to acquire a group of lots and develop low or no cost maintenance activity for the short-term uses of the lots.

The ETLT board of directors have begun restructuring their direction; they agree that it will be better for the ETLT to begin with a particular project. Once the project is underway, the board members will formulate the purposes of the organization and state the criteria to be used in (1) the acquisition and development of the land, (2) the selection of land trust tenants, and (3) funding.

Woodland Community Land Trust

Since 1982, the Woodland Community Land Trust (WCLT) has been implementing its community development plan. This plan includes a self-help housing construction system between the WCLT and its tenants. The WCLT has relied on funding from the Catholic Church and volunteer time and labor for the development of the trust-owned

land. Marie Cirillo said that WCLT's primary mission is to promote redistribution of land to community residents. She also stresses the need for strong leadership. The WCLT board of directors has provided a great amount of leadership to the membership.

Along with the board of directors, the WCLT also has administrative staff offices including development office, land management office, office of the clerk, and office of the coordinator. Cirillo defined the components for the WCLT's program as housing, gardens, landscaping, communications, and finances.

According to Mrs. Cirillo, when the WCLT was formed, the board did not want to build houses, although they were supportive of this kind of development. However, the board realized that they would not be able to get the residents to construct the houses. She said besides acquiring and holding the land, the board decided the purposes should also include development of the land.

Dorothy Metzler, President of the WCLT, said the organization was initially formed to acquire seventeen acres of land from a defunct non-profit organization, a folk art school. She and other residents were very excited about the WCLT concept, because now some of the land was being turned over to local people. She stated that the initial concept of the WCLT was to lease land to the people so they could construct their own homes. However, due to skepticism of local residents, the WCLT had to build the houses even though it was a more expensive approach.

Cirillo explained that in addition to housing, the WCLT has also developed and managed an educational activity which consists of a summer camp which has been in existence for three years. She said the first year it was a one week program. It increased to two weeks in the second year, and this year the camp was scheduled for a six week period.

During the summer camp, urban teenagers gain an appreciation for land. She said this is accomplished by having the city teenagers work with the local rural teenagers on the land. They do manual labor, such as clearing the land for the campsite and gardens, planting the gardens, and cutting firewood. She said that this type of activity will give the WCLT a better basis for obtaining grants, because the group is educating the general public about the benefits of a CLT.

Cirillo said that it has been an up-hill battle trying to find funds for the WCLT. In the first two years there was no money, so the three incorporators paid the expenses. In the third year, they received a church grant for $3,000 for a staff person; the first staff person was a local man, Michael Brown. That same year the WCLT also received a $5,000 loan from a man who did not pay his taxes as a type of resistance to the draft and Viet Nam War. The condition for this loan was that the man could get the money back if he needed it.

According to Metzler, a majority of the WCLT financing has come from the Catholic Church. In the fourth year, the organization received a $5,000 grant from the Church. Besides this grant, they also got another $12,000 donated from the Church as well as a $3,000

bank loan. During this time, the WCLT was assigned a VISTA worker to act as a staff person. In the fifth year, the Catholic Church made another $15,000 donation to build the workshop facility.

The WCLT existed on a Discretionary Service grant from the Office of Community Services of the Department of Health and Human Services for $107,300 for financing and constructing the houses, according to Cirillo. Sixty thousand dollars was used to pay for staff positions, such as the Land Manager, Production Manager, Organizational Manager, bookkeeper, and construction workers, and to continue the housing construction. The remainder of the grant was tied up in the financing of the loans and mortgages for the houses.

Both Dorothy Metzler and Marie Cirillo agree that the WCLT should be a 501(c)(3) organization. They also agreed that applying for this status was a very difficult process and is a problem that must be solved. Cirillo said that the board members have been in contact with a lawyer, who said that the WCLT board must first organize all their financial statements from the previous years. They hope to be able to start this activity by the end of July 1985 and then go on to the next step.

Cirillo explained that a lawyer from TVA had volunteered his services to help organize the WCLT's legal matters and explain its purpose to local government officials. The WCLT's application will emphasize the usual CLT activities. such as housing and education, as well as mortgage financing. If the WCLT is not eligible for tax exemption, then the

board may try to set up an extension of the WCLT that will be a non-profit, tax-exempt organization.

At the present, the WCLT does not have any money to continue its activities. The board has sent out a number of proposals for funding, but they have not had a positive response. In addition, the board is working on obtaining some loans from two other church groups.

The WCLT's board of directors are local residents elected by the membership. Membership is divided into two categories. The first one is participant members; these members live on the trust's land, but are not board members. They are required to attend the annual meetings and do vote on all matters that come before the WCLT for consideration. The second group of members are supporters of the WCLT. These are people who are committed to providing annual support to the organization. They pay $50 per year which helps cover the basic management expenses. Cirillo feels the fact volunteers can be recruited is an encouraging sign.

The New Traditions Self-Help housing construction system started in 1981, according to Cirillo. She said this concept was developed to adaptthe traditional housing designs to new technology. The designs were supposed to be sensitive to ecological factors. She explained that the first house was designed by the Association of Nonprofit Housing in Appalachia. This design seemed to be the most sensible and feasible type to use for the first home because it was designed to fit into the Appalachian environment.

TVA helped with the designing and building of the second house. The third house's design concentrated on a housing form most suitable for the Appalachian region. The fourth house was a prefab design, which was built in three days emphasizing the barn-raising tradition in Appalachia. The last house constructed was actually started first, but completion was delayed until the other houses were developed. The design also incorporated some passive solar techniques.

The five houses were built by a local women's construction crew, and three of the five houses had basements that offered the potential for small family businesses. Cirillo said that besides the housing, garden sites have been leased to eight families, three of whom live on trust property. Development on the forty-four acre site had been limited to twelve houses with gardens for each site, a community garden, recreation area, workshop, and parking, because this was the maximum amount of development that could be built and still allow the people to live comfortably.

According to Cirillo, there is a chance that more land can be acquired. Another eighteen acres is available for $15,000; it is being held for two years until the WCLT board can determine a way to finance the acquisition.

Another activity that the WCLT is involved in is is cultivating a model garden. A VISTA worker last year developed a garden that uses deep plowed beds and french intensive gardening techniques. They are also working on a new cash crop for the residents to raise, as well as growing and cutting timber for firewood and housing materials.

There are five major priorities for the WCLT in the next few years.

1. To stop building more houses and pay back the previous loans, because there is no mortgage financing at the present time,
2. To develop gardens for the houses that have already been built,
3. To concentrate on funding,
4. To obtain mortgage financing and money to begin more land development, and
5. To find money to pay a lawyer to help with the legal issues.

There have been only two problems with WCLT leaseholders. One family will not pay their rent and conflicts have arisen between them and the board. Metzler said the WCLT is planning on having their lease revoked. A second family had some conflict about their responsibilities with the board, and they threatened to sue. However, since then, they have moved. Except for these two minor incidents, there have been no major barriers, except obtaining financing.

The WCLT has accomplished quite a bit for the people of the valley. In addition to the development of the houses, workshop, and gardens, some people have been hired to fill positions for a Land Manager, bookkeeper, and part-time construction workers.

When the new housing construction system was being developed, the county planning commission had to have an official survey. The

commission suggested cluster housing as the best approach to development. When the WCLT registered the deed, the plan was considered a subdivision. However, a few years ago when the plan was first introduced, it was not identified as a subdividion. The board therefore must convince the planning commission that this development is not a subdivision because if it is found to be a subdivision, then the deeds cannot be registered under the CLT. Cirillo feels that this incident is a good example of the difficulty the WCLT has dealing with the local government. Even though the WCLT is functioning in a role that is usually taken by the government, Cirillo feels that the WCLT will not be in a position to challenge the government if a major problem should arise. She feels that it will probably take another ten years before the WCLT will be able to prove itself to the local government.

Foothills Land Conservancy

The steering committee for the Foothills Land Conservancy (FLC) has been working since 1985 to have the organization chartered. The group has been making steady progress over the past year. They hope to have the FLC chartered and in operation by 1986.

Gail Harris said that the impetus for the FLC came from Alternatives for Blound County. Ironically, the steering committee could not get the Farm Bureau to help; she said that they were afraid of anything new. She explained that the Alternatives for Blount County is a nonprofit, tax-exempt organization that promotes growth in the community. Alternatives for Blount County was formed about eight years

ago when some developer wanted to build a theme park in Townsend. The hotels and other buildings surrounding the park would have been visible from the Great Smokey Mountains National Park. Alternatives for Blount Countty was formed as a vehicle to protest this development and provide a means for controlling future development. Today, the Alternative for Blount County produces a newsletter that is distributed to all the county commissioners and its members.

The steering committee feels that the FLC will be a useful tool for planning, because the county commissioners are not acting to bring about zoning or other ways to protect environmentally sensitive land. According to Harris, Bob Allen was an original board member of the Alternatives for Blount County. When he left for a position with the Trust for Public Land he had already begun the organization of a CLT.

She said that the steering committee has been meeting regularly. Since March 1985 they have applied for their state charter and have written and approved their bylaws; the next step is to obtain 501(c)(3) status. The organizers also plan on having the board selected by the Fall and want to be ready to schedule a workshop with Bob Allen and Jenny Gerard of TPL by the end of the fall season.

Frank Wier explained the purposes in the charter. He said they were stated in legal language, and that Marty Black, an attorney who is on the steering committee, said that the language should emphasize that the FLC will take its direction from public policies, statutes, or a planning agency. Therefore, the charter is written in order to acquire and hold land in stewardship to be used for scientific, productive, scenic,

and agricultural purposes. The general idea is to prevent development, rather than foster it. The FLC would be appropriate for a situation, such as in Wear's Valley in Sevier County, where many of the farms are owned by elderly people. When they pass away, there is tremendous pressure on the families to sell and/or develop such farm land.

According to Harris, the domain of the FLC will be all the lands (foothills) surrounding the Great Smokey Mountains National Park. She said that whether the FLC will also develop the land is an open-ended question to be answered by the board in the future. She said that one way the FLC might operate is to acquire a piece of property and resell a portion of it for development. The portion that was resold would be nonscenic parcels that could be sold at market value. The money from the sale would then be used to acquire more land.

At this point, the steering committee has not even discussed any funding strategies yet. When they get their tax-exempt status, then a board member will be sought who is knowledgeable regarding fundraising. She feels that the FLC will probably use grassroots funding and "creative" financing.

According to Wier, all elements in drafting the articles of incorporation were included to make obtaining exemption easier. The board has agreed on the purposes of the FLC, and they are now waiting for the approval of the charter. He said that obtaining 501(c)(3) status is the FLC's first priority. The steering committee does not want to begin acquisition of land until the FLC can offer benefits to the donors. However, he cautioned that other factors, such as membership and

financing, were also important considerations for the board. Wier would like to see the development of a strong advisory committee to provide background data and another initiative to the board. Wier feels that the development of the FLC will be a very slow process. He thinks the FLC will be a good tool to use for preserving farmland in Wear's Valley. However, many residents of Sevier County are opposed to any type of land management.

Harris said the membership will be open to everyone. She said that the membership dues will be used to pay for the management of the organization. She is aware that some CLTs do not have memberships, but she feels that the FLC would have a stronger influence if the concerned citizens were directly involved. Harris feels that the FLC is not at the point of determining how to acquire land. This will be left up to the board; however, today their major tasks are (1) setting priorities and (2) choosing land to acquire.

There is no reason for anyone to oppose the CLT, according to Harris, because it is a very straightforward concept. Most of the people are concerned and are glad to see some means for protecting farmland being instituted.

Summary

The organization for this section is based on the four elements of the CLT process: organization, financing, management, and programs. The WCLT and the ETLT were organized for community purposes. The FLC was organized to assist with conservation activity. A CLT

organized for conservation purposes only acquires and holds land. A CLT with a larger community or social purpose will be directly involved in development of the land.

All three of the organizations followed the typical incorporation process. Two of the CLTs, the ETLT and the FLC, have incorporated without having a definite project to undertake. The ETLT was formed to provide a way to obtain and hold land for low-income people in an urban area. The FLC was organized to aid in the planning and control development in the foothills that surround the Great Smokey Mountains National Park. The WCLT was formed so that seventeen acres of land could be acquired from a defunct organization. Because of IRS guidelines, a defunct nonprofit can only turn over its assets to another nonprofit organization.

Bob Allen of the Trust for Public Land suggests that a CLT target land and begin acquisition proceedings for the initial project before the incorporation process is started. Through a survey, the TPL discovered that those CLTs that began working on a particular problem in their community were more successful.

Robert Wilson and the ETLT board of directors agreed with this idea and are in the process of changing the direction of the organization. They feel that the ETLT must first concentrate on a particular Knoxville neighborhood, such as Mechanicsville, and begin acquiring groups of vacant parcels. Allen thinks that Mechanicsville would be a good project for the ETLT to undertake. This area has a great deal of

historical significance, because it is Knoxville's first black neighborhood.

Marie Cirillo said that there is some validity to starting with a project, then incorporating. However she said there are problems with this approach. She said that every community behaves differently, because of people's attitudes and government support. Therefore it is difficult to say one approach is right and the other is wrong.

Only the WCLT has had an active funding strategy even though it has been limited in that a majority of the WCLT's funds have come from the Catholic Church. As Annette Anderson of the East Tennessee Community Design Center points out, Marie Cirillo is an employee of the Catholic Church and has been working through the Diocese of Tennessee for the past eighteen years.

The WCLT has also used loans and mortgage financing in the construction of five houses on trust land. Another major funding source for 1984 was the Department of Human and Health Services grant that was used to pay for personnel costs and continue some mortgage financing. The dues and rents from houses are minimum and are used to pay for WCLT's operating expenses.

The ETLT and the FLC have no planned fundraising activities; however, the ETLT has received a small amount of money from donations. All three organizations have problems with funding. Currently, none of the organizations have fixed funding sources, and all the persons interviewed agreed that trying to find money to run a CLT in East Tennessee is very difficult.

None of the organizations studied are tax-exempt, and all the people interviewed felt that dealing with the IRS is difficult. Neither the WCLT or the FLC have applied for tax-exempt status, but both groups are beginning to organize their records to complete such an application.

The ETLT has applied to the IRS, and it was denied tax-exempt status because its purposes did not meet the IRS's requirements. For the ETLT, Robert Wilson feels that too much emphasis has been given to this matter. The ETLT decided to withdraw their application and will resubmit it when the ETLT is operating more effectively.

All three CLTs have a board of directors. The WCLT has an active membership. The ETLT does not have any members. The board is not sure whether the ETLT will be an organization with a membership or operate as an advisory agency.

All of the groups have relied on the support of volunteers and plan on using volunteers for future tasks. Only the WCLT has a regular staff. The funding for these staff positions has come from grants from the Catholic Church and the Department of Health and Human Services grant.

For the past three years, a VISTA worker has been used as a staff person for the ETLT. Their tasks include: (1) keeping notes for all the meetings, (2) doing clerical work, and (3) serving as the liaison for the ETLT on other ETCDC projects, such as the Parkridge project.

CHAPTER 5

SUMMARY AND CONCLUSIONS

As stated in the first chapter, this thesis would be guided by two major research questions.

The first set of research questions is concerned with the general definition of a CLT including:

What is a community land trust (CLT)?

a. What are the general purposes of a CLT?

b. What are the major elements of the CLT process?

c. Is a CLT an innovative tool for land use planning?

The second set of research questions deal specifically with the three selected CLTs including:

How do CLTs in East Tennessee compare with a hypothetical CLT model process?

a. What were the backgrounds of the selected CLTs?

b. What were the similarities and dissimilarities between the three organizations?

c. What issues were of importance to the CLTs?

d. What constraints or barriers did the CLTs encounter?

Since a CLT is formed for the benefit of the public, the articles of incorporation must specifically state that the CLT is organized for "public" purposes.

> Make it clear that the CLT is not a homeowners association or an organization primarily concerned with the personal interests of a limited group of members--that it has a commitment

> to the well-being of the community as a whole. In general terms, such public purposes might include: providing access to land and decent housing for low-income people, conservation and responsible management of land and natural resources, development of an economic base in and for the local community. It should be made clear that the activities of the CLT will go beyond the business of real estate acquisition and management, and will include education, community service, and support for cooperative development throughout the community.[1]

From the literature review, the model process for CLTs had four elements. These elements were: (1) incorporation, (2) financing, (3) acquisition, and (4) development. After the case studies of the three selected CLTs were conducted, the four elements were modified. The model CLT process of this thesis includes: (1) organization, (2) financing, (3) activities, and (4) management.

In 1965, Paul Davidoff stated that the difficulty with current participation programs is that citizens are more often reacting to agency programs than proposing needed activities and programs.[2] In the mid-1960s, reaction was a common means of participation. However, in the mid-1980s, citizen participation, such as a CLT, is concerned with proposing programs and projects. Today, participation means action, not just reaction. People have learned that if they organize and work together, then they can get things done.

Paul Davidoff stated that the social responsibility of planners is to support the notion of redistribution.

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[1] CLT Handbook, p. 164.

[2] Paul Davidoff, "Advocacy and Pluralism in Planning," in Reader in Planning Theory, ed. by Andreas Faludi (New York: Pergamon Press, 1973), p. 285.

> It is important to recognize that the organization of professional planners, the AIP, has adopted as a part of its Code of Professional Ethics, a strong affirmation of the duty of planners to act in a redistributive manner. The Code calls for planners, in all their actions, to aim to expand the opportunities of the disadvantaged and to take action against policies that work against that goal. . . .[3]
>
> All planning issues have a distributive impact. There is no neutral turf on which one can stand to avoid enlarging, maintaining, or redistributing the relative shares of a good possessed by different population sectors. And regardless of our political disposition, as supporters of open, nonarbitrary planning, we should all agree that planners, as a part of their responsibility to the public, should provide the reasons behind the distributional choices they make.[4]

Since a CLT is concerned with a responsibility to providing redistribution and management of land, it is a valid approach to planning implementation. The CLT model process developed in this chapter demonstrates that a CLT can be an important tool for planning.

The WCLT has acquired over sixty acres of land and has developed all but eighteen acres. The WCLT board has devised a community development plan that includes twelve housing sites with gardens, a large community garden, a campground, a workshop, and recreation areas. Since its incorporation, the WCLT has implemented about half of the plan and will continue development when financing can be acquired.

The ETLT has conducted a number of studies of possible projects. However, it has not acquired any land and probably will not do so in

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[3]Paul Davidoff, Planning Theory in the 1980s, ed. by Robert Burchell and George Sternlieb (New Brunswick, NJ: Rutgers University, 1979), p. 71.

[4]Ibid., p. 72.

the near future. The FLC steering committee feel that they are not ready to begin acquiring land. Once the board is formed, new strategies will be developed.

The WCLT is the only CLT of the three that had an actual project in mind when it was incorporated. The ETLT and the FLC felt that the incorporation process and obtaining tax exemption had to be completed before any land was acquired.

The ETLT and the WCLT were organized for community purposes, and the FLC was organized for conservation purposes. The ETLT and the FLC followed the model process described in Chapter 2. Neither of the two CLTs have acquired any land. The WCLT is the only one of the three CLTs that has had an active funding strategy. None of the selected CLTs have IRS tax-exempt status.

The major issues of importance raised by all the interview respondents concentrated on (1) obtaining IRS 501(c)(3) Tax-Exempt Status and (2) financing. The respondents felt that solving these two problems would make the management of their CLTs much easier.

Funding sources such as membership dues, individual donations of land and money, and other no cost land acquisition techniques are accessible to new CLTs. The Trust for Public Land recommends that younger CLTs concentrate more on internal funding schemes and to choose projects with minimum development and maintenance costs. Once a CLT gains experience, other external funding sources like govenment grants, can be used for more large scale projects or the organization's management.

However, some CLTs may be able to obtain grants from the government, federal agencies, and other nonprofit organizations. If CLTs cooperate with more experienced nonprofit or charitable groups, then the larger organizations may contribute time and money to a CLT to develop its initial project.

An outline of the modified model process indicates how the model process from the literature review was incorporated into it. The modified model process includes four elements and each element's components. These four elements are incorporated into the flow chart of a model CLT process (see Figure 1).

1. Organization
    a. Community or conservation purposes
    b. Incorporation process
2. Financing
    a. Internal sources
    b. External sources
3. Programs
    a. Land use planning
    b. Acquisition
    c. Lease agreements
    d. Development
4. Management
    a. Board of directors
    b. Members
    c. Volunteers

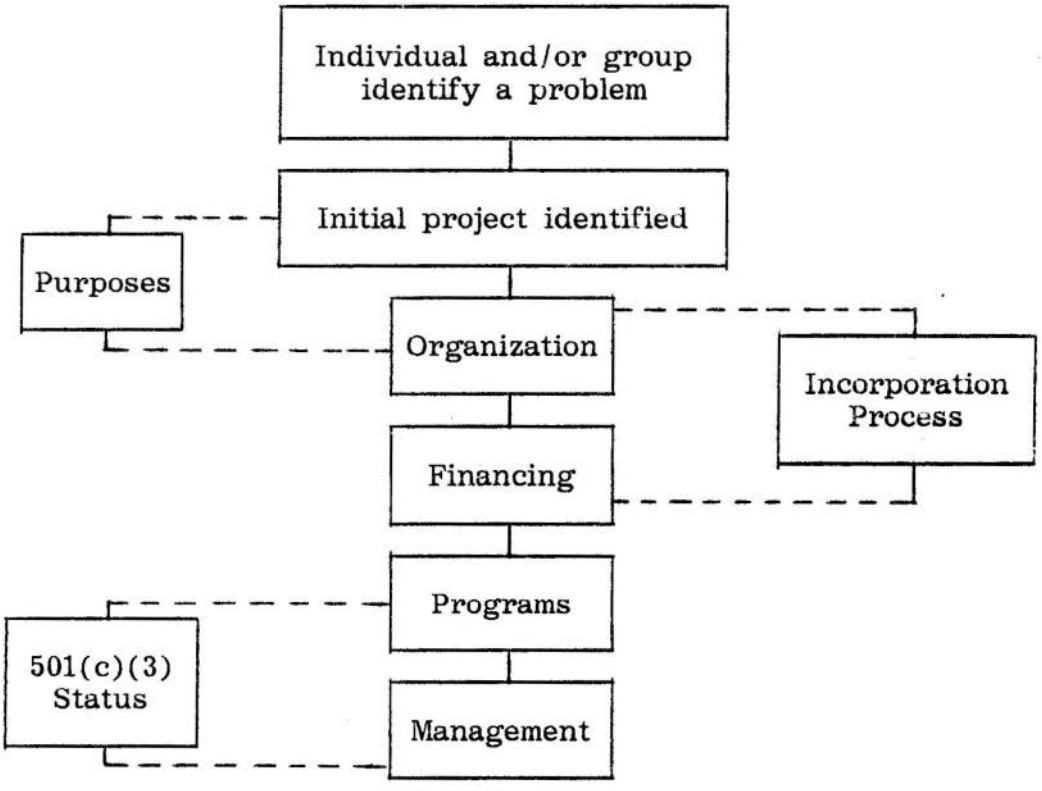

Figure 1

Flow Chart of the Model CLT Process from Conception to Operation

d. Staff

e. 501(c)(3) status

A CLT is formed because a need exists that is not being filled by the local government. The first step of a model CLT process is to identify problems, such as the need for low income housing or inner city open space, that involve land acquisition. The initial idea for a CLT is introduced by an individual or a small group of people who are concerned about an issue. In most cases, the idea for a CLT comes from a concerned citizen who emphasizes the need for local residents to plan and control the future development of their communities.

Determining the CLT's initial project is the second step in the model CLT process. From this decision, the organizing group then has a basis to develop the CLT's purposes and begin acquisition and/or development of its initial project.

The third step, organization, is started after the initial project has been identified. Organization includes making the distinction between whether the CLT will operate to serve conservation or community (social) purposes. Once the purposes are defined and agreed upon, the articles of incorporation can be written, and the organization can be chartered.

Financing is probably the most important step in this model process, because it is crucial that a CLT have the funds for operation and acquisition of land. Locally based revenue sources, such as membership dues and donations of cash and land, are the best approaches to financing. Older organizations may want to use foundation grants

for the organization's programs. However, foundation grants generally will not support land acquisition.

Programs refer to the planning, acquisition, and/or development of the land. All CLTs will act as site planners; if the CLT also assists in the implementation of its plans, then it will also be responsible for the development of its lands. Included in this step is the lease agreement. This will be the legal documentation of a CLT's transaction with its tenants.

Management covers the basic operation of a CLT; this element is comprised of the (1) board of directors, (2) membership, (3) volunteers, (4) staff, and (5) 501(c)(3) status. This final step will become increasingly important as the CLT grows. The quality of the CLT's program depends on the people who make up the organization. Therefore, it is vital that a CLT have a strong leadership and members who are dedicated to the purposes of the CLT.

Four guidelines have evolved from this study which may help the initial operation of a CLT. The four guidelines for a CLT are:

1. It is better to start with a particular project then begin with the purposes and incorporation process.
2. Whether a CLT will simply acquire and hold land or also include development in its scope will depend on whether the board of directors choose to operate for purposes of conservation or as a community development organization.

3. Obtaining IRS 501(c)(3) status is not as important to the successful operation of a CLT as targeting a particular project and developing a strong membership.
4. Continued funding for the management of a CLT and its programs is dependent on strong leadership and the full commitment and support of its members.

A major tenet for a successful CLT is citizen participation. Therefore, the most important part of the CLT concept is the people who are the members and volunteers. Once a CLT has become stronger and the board of directors and members become more experienced, the benefits like a sound funding strategy will be recognized from their actions. The completion of individual projects and their effectiveness cannot be determined in the short term. The CLT process must be carefully managed and nurtured for the long-term benefits to be realized. From the Trust for Public Land survey and the case studies, it is concluded that a CLT should be established around an initial project, that has been identified, before it focuses on the remainder of the model CLT process.

In this summary of the thesis, a model CLT process and guidelines for new CLTs to follow have been introduced. It was modified by combining the results from the interviews with CLT leaders. Based on this funding from the thesis, the fifth and sixth steps, programs and management, will need further research as CLTs gain experience and creditability.

Since development of acquired land is a new idea for land trusts, a future concern for CLTs will be the availability of land to acquire and hold, particularly in urban areas. The relationship between the availability of land and the future success of CLTs is a subject in need of further study.

Along these lines an analysis of the effectiveness of land uses which have been implemented by CLTs would also be beneficial. CLTs across the nation have implemented a variety of land development programs ranging from open space and community gardens to an entire community development project. A study aimed at defining the effectiveness of these projects would be a welcome addition to the literature.

Before individual projects can be studied, the criteria by which they are evaluated needs to be developed. A problem with proving the effectiveness of CLTs to local and state governments, businesses, and individuals is that there are no set standards for CLT's programs or management. The way to test a CLT's success or effectiveness is an area which will need to be studied.

Availability of land, effectiveness of a CLT's land uses, and the means to determine those project's effectiveness are only three issues of a CLT that will need future research. Other issues, such as ways for continuous funding and recruiting volunteers, offer other avenues to people who find the idea of a CLT as a useful tool for local planning. These and other questions regarding the operation of a CLT will need to be answered to improve the overall quality of a CLT's action. Even though the CLTs in East Tennessee have had some difficulties, each

organization has made progress towards providing a better mechanism for controlling development in local communities. The interview respondents feel that any present problems can be solved, and each of their respective CLTs will improve and benefit the residents in the future. If the CLT concept is introduced to the community properly, residents will realize the potential a CLT can offer and will more readily support and participate in local land use planning.

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