

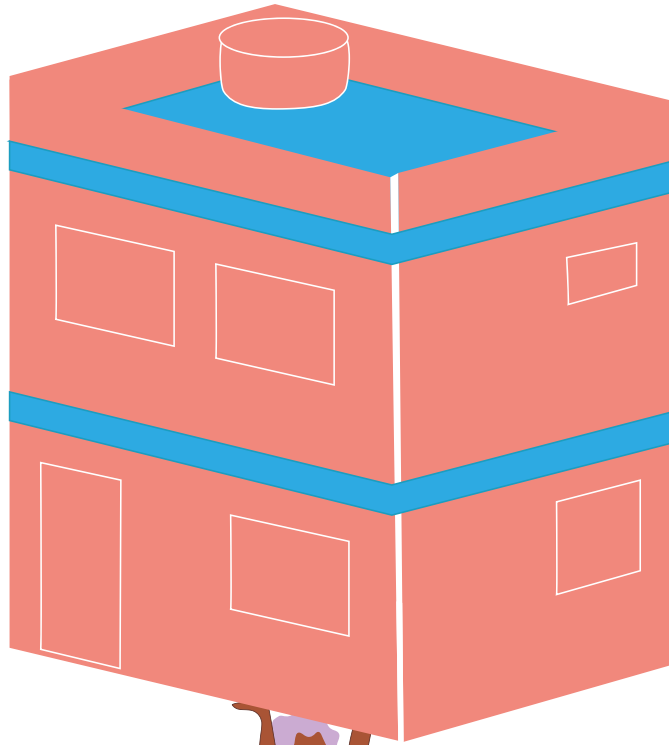
# WHAT IS A FAVELA COMMUNITY LAND TRUST?



**CatComm**  
CATALYTIC COMMUNITIES



**Favela  
Community  
Land Trust**



The Community Land Trust is a model of collective land management in which the land itself belongs to the community—through a legal entity established for this purpose—while the houses belong individually to the residents. Its main objective is to provide affordable housing for perpetuity, ensure the permanence of communities in their territories, and promote resident-led community development.

## Booklet

In this booklet, we present an overview of the Community Land Trust (CLT), sharing the most foundational aspects of the model.

We will cover:

- (i) history of the CLT;
- (ii) basic features;
- (iii) legal structure; and
- (iv) potential of the Favela-CLT for Brazil.

# HISTORY OF THE CLT

## Emergence in the rural US

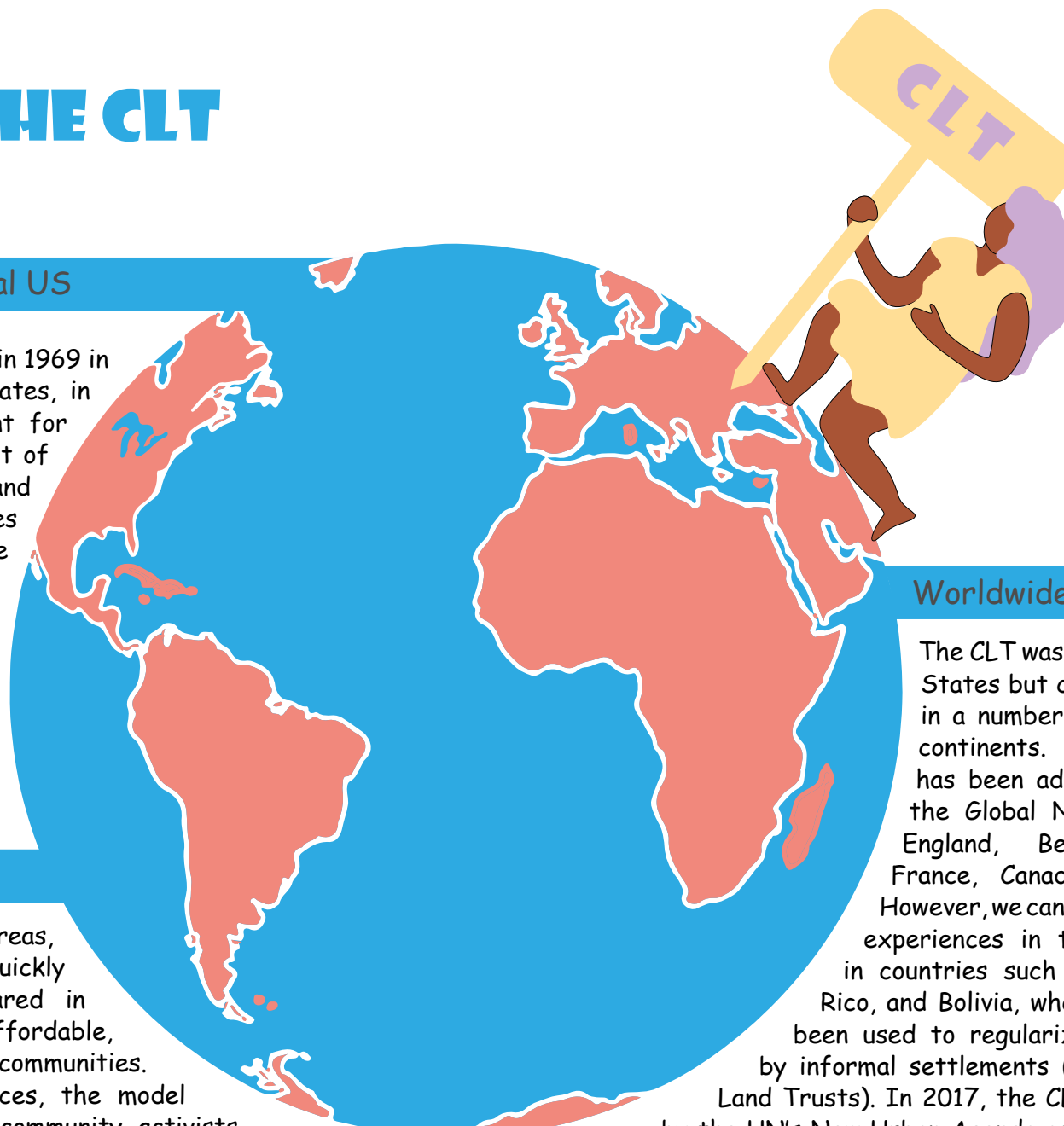
The Community Land Trust (CLT) was born in 1969 in rural Georgia, in the southern United States, in the context of the civil rights movement for racial justice. The first CLTs were thought of as mechanisms for acquiring agricultural land for the subsistence of black communities marginalized by segregation policies. The guiding principle of the first experiences was to ensure a land model that would guarantee both economic development and the maintenance of the land in the hands of the community.

## The move to cities

Despite its emergence in rural areas, CLTs gained visibility and developed quickly in cities. The first urban CLTs appeared in the 1980s, implemented to ensure affordable, permanent housing for vulnerable urban communities. Following the success of early experiences, the model gained relevance and acceptance among community activists and some supportive legislators, and spread rapidly across the United States, which currently has over 270 CLTs in operation.

## Worldwide dissemination

The CLT was born in the United States but can today be found in a number of nations, on all continents. Historically, it has been adopted primarily in the Global North: in the US, England, Belgium, Germany, France, Canada and Australia. However, we can also find important experiences in the Global South, in countries such as Kenya, Puerto Rico, and Bolivia, where the model has been used to regularize areas occupied by informal settlements (Favela-Community Land Trusts). In 2017, the CLT was recognized by the UN's New Urban Agenda as a sustainable and affordable housing option to be encouraged by States.



# FOUNDATIONAL FEATURES

One of the most important features of the Community Land Trust is its flexible nature, adaptable to different scenarios, from informal settlements in Puerto Rico to European capitals. However, five fundamental features must be observed in any CLT.

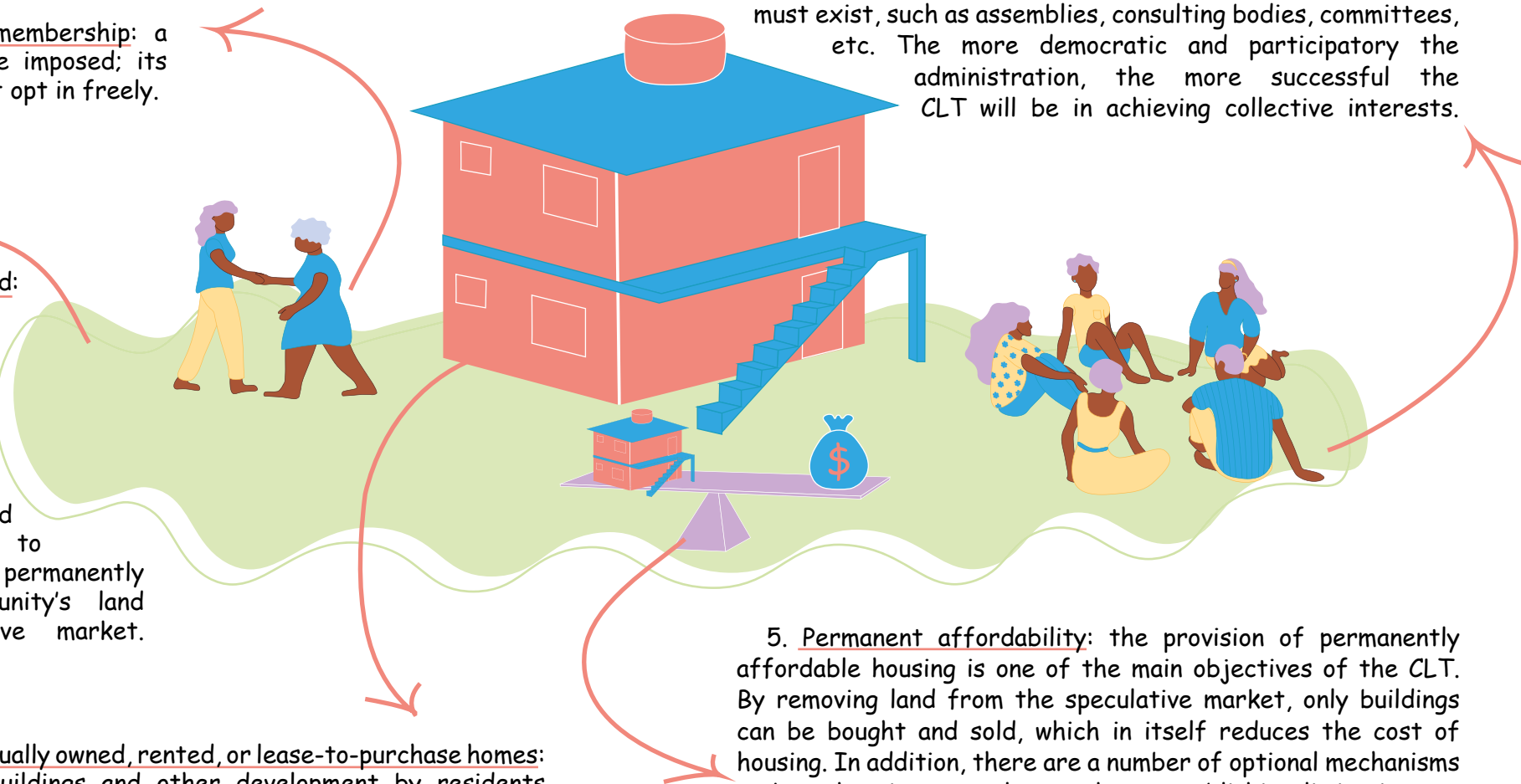
1. Voluntary membership: a CLT cannot be imposed; its residents must opt in freely.

2. Community-owned land: every CLT is set up as a non-profit, community-based organization composed of and managed by its residents. The CLT will own the land and will be unable to sell it, in effect permanently removing the community's land from the speculative market.

3. Individually owned, rented, or lease-to-purchase homes: homes, buildings and other development by residents belong to each resident individually (including backyards). This guarantees freedom in the management of homes, allowing residents to sell, rent or leave them for their children, among other uses.

4. Collective land management: this is perhaps the most important feature of the CLT model. In this arrangement, land management is carried out collectively by residents. A board is elected, which may be composed of residents and outside technical allies in an arrangement to be defined according to the demands of each community. In addition to the role of the board of directors, other participatory tools must exist, such as assemblies, consulting bodies, committees, etc. The more democratic and participatory the administration, the more successful the CLT will be in achieving collective interests.

5. Permanent affordability: the provision of permanently affordable housing is one of the main objectives of the CLT. By removing land from the speculative market, only buildings can be bought and sold, which in itself reduces the cost of housing. In addition, there are a number of optional mechanisms to keep housing costs low, such as establishing limitations on the sale and rental cost of homes, establishing requirements for potential buyers, and making the CLT the preferred buyer.

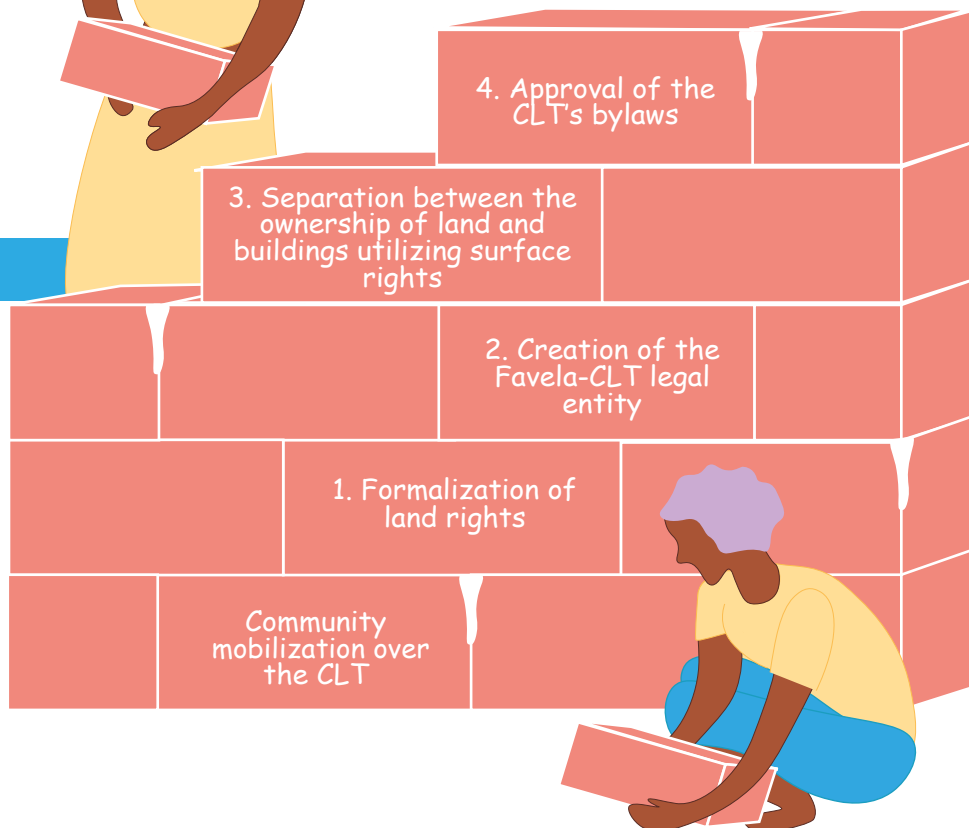


# LEGAL STRUCTURE OF THE FAVELA-CLT

One of the benefits of the Favela-Community Land Trust is that it can be implemented in accordance with current Brazilian legislation. However, the approval of specific CLT legislation makes it easier to apply, giving greater legal stability to early applications of the model.



We can sum up the legal structure of the Favela-CLT in the following image:



## SHALL WE CONSIDER EACH STEP?

### Formalization of land rights: private property established through titling

One of the greatest challenges of any CLT is to acquire land. This can happen by taking out loans to buy property, property donations by the owner, among other options. However, in the case of informal settlements, the main path is through the formalization of land rights, which today mainly takes place through the individual titling of residents. Whatever the legal tool adopted—adverse possession (individual or collective), “tenure legitimation” (legitimação de posse), “land legitimation” (legitimação fundiária), etc.—the final result of the process must be the ownership by the Favela-CLT legal entity.



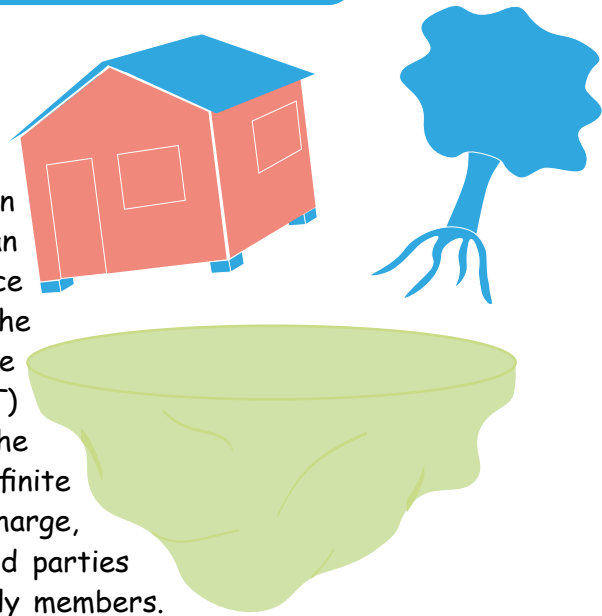
### Creation of the Favela-CLT legal entity

Here we have several possible legal arrangements, such as an association, foundation or cooperative. Choosing the ideal option will depend on the specifics of each case. However, it is important that the organization be non-profit, and created exclusively for the Favela-CLT. It must have mechanisms of democratic and participatory governance, allowing residents to wield an active voice on the guidelines of land management.



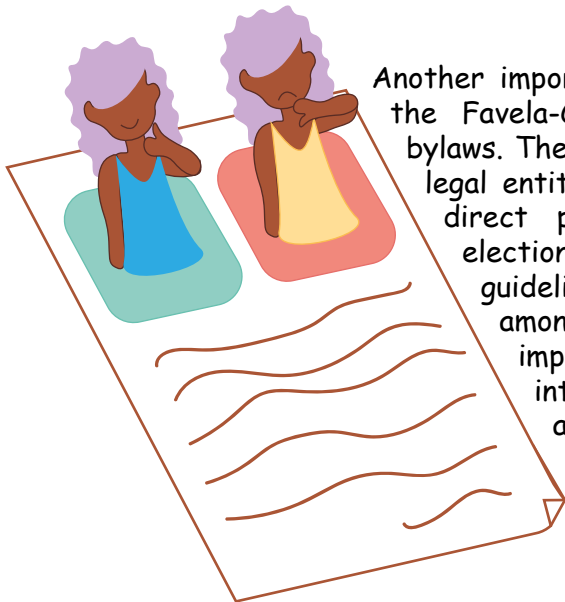
## Separation between the ownership of land and buildings utilizing surface rights

To formalize the separation between land and buildings, we can use the legal definition of "surface rights." These are granted by the owner of the land (in this case, the legal entity of the Favela-CLT) to the holder of the right (the resident), for a fixed or indefinite term, at a cost or free of charge, and can be transferred to third parties and left as inheritance to family members.



## Institution of the CLT's bylaws

Another important step towards formalizing the Favela-CLT is the definition of its bylaws. The bylaws will establish all of the legal entity's governance rules, tools for direct participation, composition and election of the board of directors, guidelines for land management, among other definitions. The most important thing here is that the internal rules are defined through a democratic process and carried out by residents. The bylaws must be notarized.



## POTENTIAL OF THE FAVELA-CLT IN BRAZIL



Based on an arrangement that balances individual and collective interests, the Favela-Community Land Trust introduces new ways of addressing the need for housing. Often more important than building new homes is the need to ensure the right of people to remain in their neighborhoods (especially in the case of low-income families) and the strengthening of communities. We can list at least five elements that illustrate the potential of the Favela-CLT in guaranteeing the right to housing and, more broadly, to the city itself:

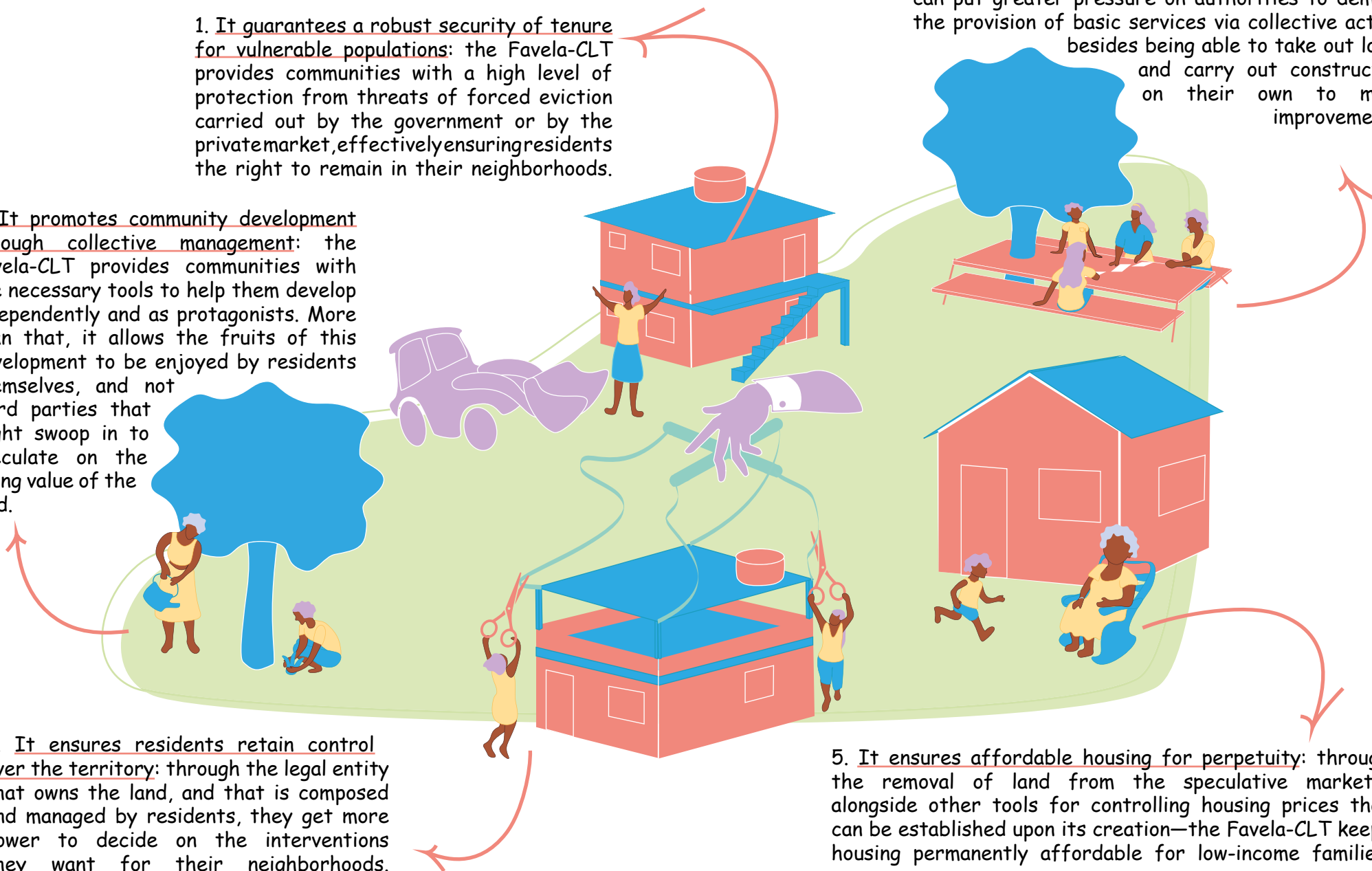
# POTENTIAL OF THE FAVELA-CLT IN BRAZIL

1. It guarantees a robust security of tenure for vulnerable populations: the Favela-CLT provides communities with a high level of protection from threats of forced eviction carried out by the government or by the private market, effectively ensuring residents the right to remain in their neighborhoods.

2. It promotes community development through collective management: the Favela-CLT provides communities with the necessary tools to help them develop independently and as protagonists. More than that, it allows the fruits of this development to be enjoyed by residents themselves, and not third parties that might swoop in to speculate on the rising value of the land.

3. It ensures residents retain control over the territory: through the legal entity that owns the land, and that is composed and managed by residents, they get more power to decide on the interventions they want for their neighborhoods.

4. It increases bargaining power in dealings with the government and private agencies: the moment that residents collectively become the owners of a large city area, their bargaining power increases. They can put greater pressure on authorities to demand the provision of basic services via collective action, besides being able to take out loans and carry out construction on their own to make improvements.



5. It ensures affordable housing for perpetuity: through the removal of land from the speculative market—alongside other tools for controlling housing prices that can be established upon its creation—the Favela-CLT keeps housing permanently affordable for low-income families.



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