

# Community Land Cooperatives

## A Bottom-Up Model for Neighborhood Governance



Lancaster Future of Governance, September 20, 2018



Ecovillagers  
Alliance

# Introductions

## RETROFIT

insulation & window upgrades  
vertical unit additions  
basement & rooftop buildouts  
living walls  
de-fencing & re-landscaping

## COMMONS

community lounges & BBQ  
banquet room and kitchen  
children's playroom  
theater & game room  
tiny house for visitors  
community garden & playground  
business offices & incubator  
production & maker spaces

## GROWING

regional fruit trees  
raised-bed plots  
rooftop vegetables  
rooftop beehives  
indoor aquaponics  
rooftop henhouse  
vertical gardens  
managed compost & soil

## SHARED INFRASTRUCTURE

solar water heating  
solar power  
rainwater catchment  
greywater capture  
biodigestion power  
geothermal heating & cooling



# Neighborhood Self-Serve Speakeasy



"Bilco," Lancaster, Pennsylvania

# Ecovillagers Alliance

An educational nonprofit whose mission is the creation and success of **Ecovillagers Cooperative**,

a Real Estate Investment Co-op for the Mid-Atlantic region dedicated to the organization of **Ecovillage Neighborhoods** developed, owned, and democratically governed as **Community Land Co-ops**.



Sustainable neighborhoods  
from the grassroots.



# Ecovillagers' Three Core Concerns

Received from:

- “Triple Bottom Line”
- Permaculture



Sustainable neighborhoods  
from the grassroots.



# The Problem of Ecological Democracy

A homeowner can decide:

- Furnishing
- Non-commercial uses of indoor space
- Amenities available to a household
- Management of a parcel's land
- Petition for zoning variants per parcel

City government can decide:

- Size of homes
- Number of living units
- Uses of outdoor space
- Commercial uses
- Amenities available to a city
- Management of a city's land



Sustainable neighborhoods  
from the grassroots.



# The Problem of Ecological Democracy

Big property owners decide:

- Major adjustments to a neighborhood's housing
- Coordination of a neighborhood's commercial and residential activities
- Amenities available to a neighborhood
- Management of a neighborhood's land



Sustainable neighborhoods  
from the grassroots.



# The Problem of Economic Democracy

## Double Wealth Gap:

- Rising value of housing vs. labor
- Rising population of non-homeowners

## Commodified Habitat:

- Absentee ownership
- Flipping
- Displacement forced by gentrification

IS CAPITAL INCOME DISPLACING LABOR INCOME? ONLY IF YOU COUNT HOUSING  
Net Capital Income as Shares of Total Private Domestic Net Value Added in the  
U.S., Canada, Germany, France, UK, Italy, and Japan  
1948-2010\*



"Deciphering the Fall and Rise in the Net Capital Share"  
Matt Rognlie (MIT), Brookings Institution



Sustainable neighborhoods  
from the grassroots.



# A Cooperative Solution

A Real Estate Investment Co-op  
for the Mid-Atlantic region  
dedicated to the organization of  
Ecovillage Neighborhoods developed,  
owned, and democratically governed as  
Community Land Co-ops.



Sustainable neighborhoods  
from the grassroots.



# What is an Ecovillage Neighborhood?

- First and foremost a kinship fabric
- Democratically owned and stewarded
- Retrofit from existing human habitat
- Integrated with existing human habitat
- Contributing to society
- Emerging through incremental evolution
- Managed as an organic whole



Sustainable neighborhoods  
from the grassroots.



# What is an Ecovillage Neighborhood?



# 300s College Ave Today



Lancaster, Pennsylvania

# 300s College Ave Today



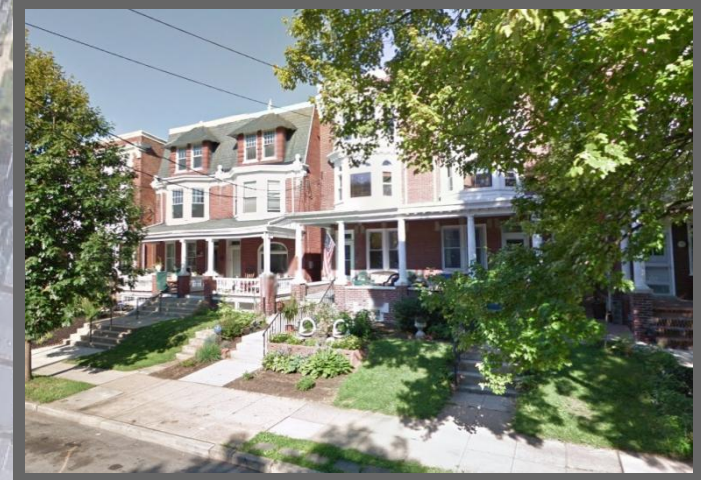
# Retrofit Cohousing

- + cluster of 25 houses
- + cluster of 9 houses
- + cluster of 10 houses
- + cluster of 24 houses

**68 houses** in all.

Up to **200 bedrooms**.

**300** with additions.



# Permaculture Commons

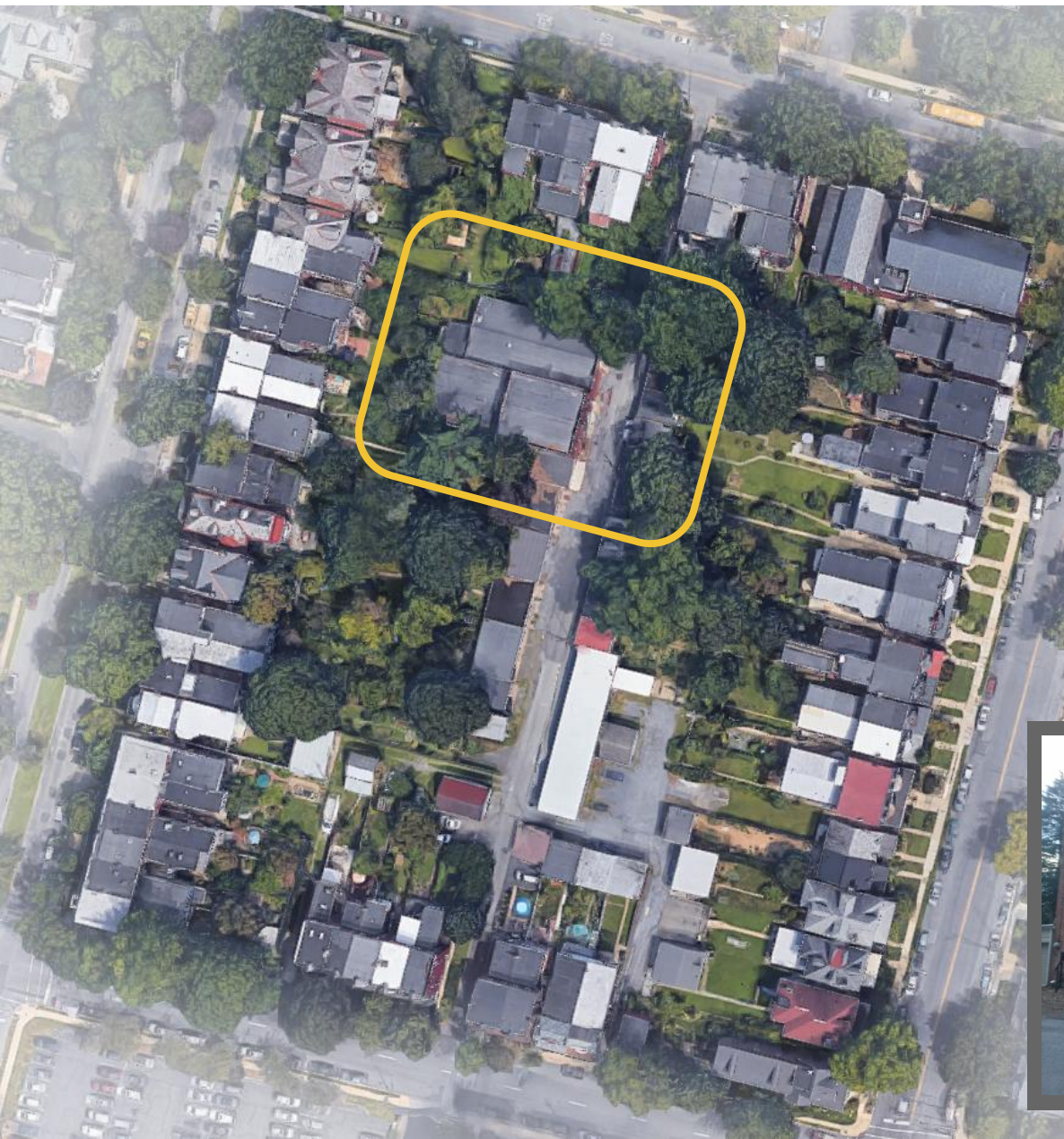


- + back yards
- + basements
- + carriage houses
- + roof tops

These can become:

- + **edible forest garden**
- + **playground**
- + **dining hall**
- + **gathering spaces**
- + **tool library**
- + **bike shed**
- + **guest rooms**
- + **water management**
- + **rooftop food growing**
- + **geothermal well**
- + **power generation**

# Mixed Use



Industrial space and carriage houses:  
+ **commons facilities**  
+ **food hub or co-op**  
+ **social enterprises**  
+ **mushroom farm**  
+ **vertical agriculture**  
+ **micro brewpub**  
+ **nonprofit offices**  
shared by community  
businesses/co-ops



## RETROFIT

insulation & window upgrades  
vertical unit additions  
basement & rooftop buildouts  
living walls  
de-fencing & re-landscaping

## COMMONS

community lounges & BBQ  
banquet room and kitchen  
childrens' playroom  
theater & game room  
tiny house for visitors  
community garden & playground  
business offices & incubator  
production & maker spaces

## GROWING

regional fruit trees  
raised-bed plots  
rooftop vegetables  
rooftop beehives  
indoor aquaponics  
rooftop henhouse  
vertical gardens  
managed compost & soil

## SHARED INFRASTRUCTURE

solar water heating  
solar power  
rainwater catchment  
greywater capture  
biodigestion power  
geothermal heating & cooling



# What is a Community Land Cooperative?

- A landlord owned by its tenants
- A way to rent and own at the same time
- A way to own shares instead of properties
- Integrated decision-making for homes and businesses sharing our block
- Permanent democratic ownership of our block's land and buildings



Sustainable neighborhoods  
from the grassroots.



# Principles



## Cooperative Ownership

Renters are owners. Owners are renters.  
We're in this together.



## No Flipping

We can buy and sell shares,  
But our habitat is not a commodity.

## Egalitarian Decision-Making

One owner,  
One vote.

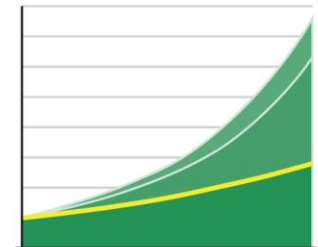


## Local First

A portion of dividends will always be re-  
served for community resilience.

## Slow Growth

It should be as easy for future generations  
to stay or to leave as it is for us today.



## Social Finance

Equity strengthens our community network.  
So we prefer equity to debt.



# What is a Real Estate Investment Co-op?

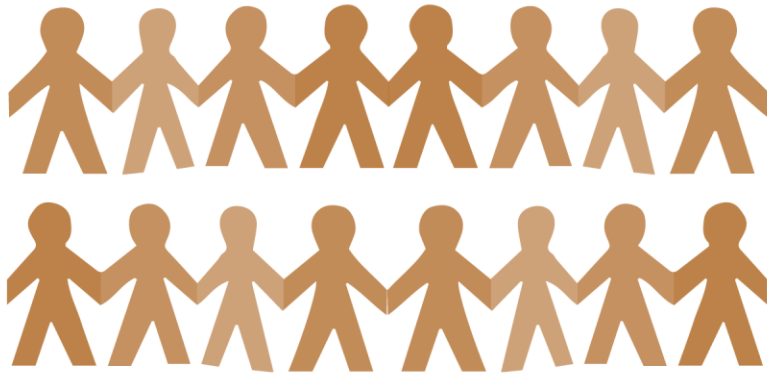
- A club for pooling our money to invest it together
- A democratic way to invest in real estate
- A network of Community Land Co-ops (CLCs)
- A way for non-tenants to invest in CLCs
- A way for any member to invest in many CLCs
- A way to keep cooperative investment liquid
- A way to divest then reinvest in community



Sustainable neighborhoods  
from the grassroots.



# Step 1: Ecovillages Begin With Ecovillagers



Voting  
Shares



This is the REIC (investment co-op).  
It covers the whole region.



Sustainable neighborhoods  
from the grassroots.

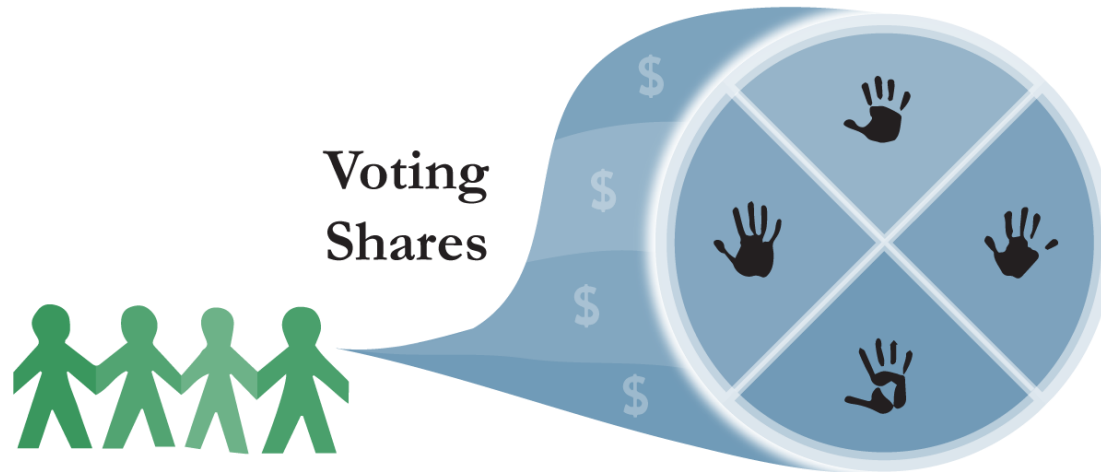


## What We Want

A way to own and guide our neighborhood as a whole.

To share the costs, benefits, and stewardship of our land and buildings.

The ability to plan for our community's long-term needs.



## How We Get It

Instead of owning patches of land, we own a Community Land Cooperative (**CLC**).

We each buy one voting share. We each get one vote on CLC decisions.

The CLC represents our shared interest and enables us to act as a community.

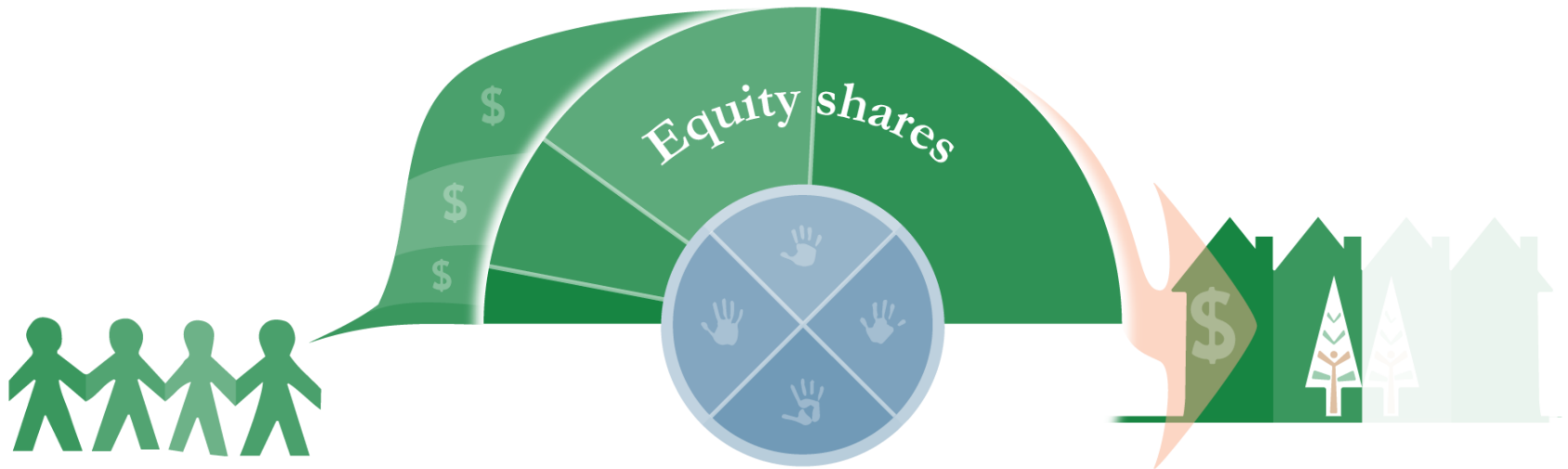
# Shared Equity

## What We Want

Money to buy property and make our ecovillage.

Ownership in the place where we live and do business.

Flexibility for different members to invest different amounts.



## How We Get It

We buy equity shares in our CLC, as much or as little as each of us chooses.

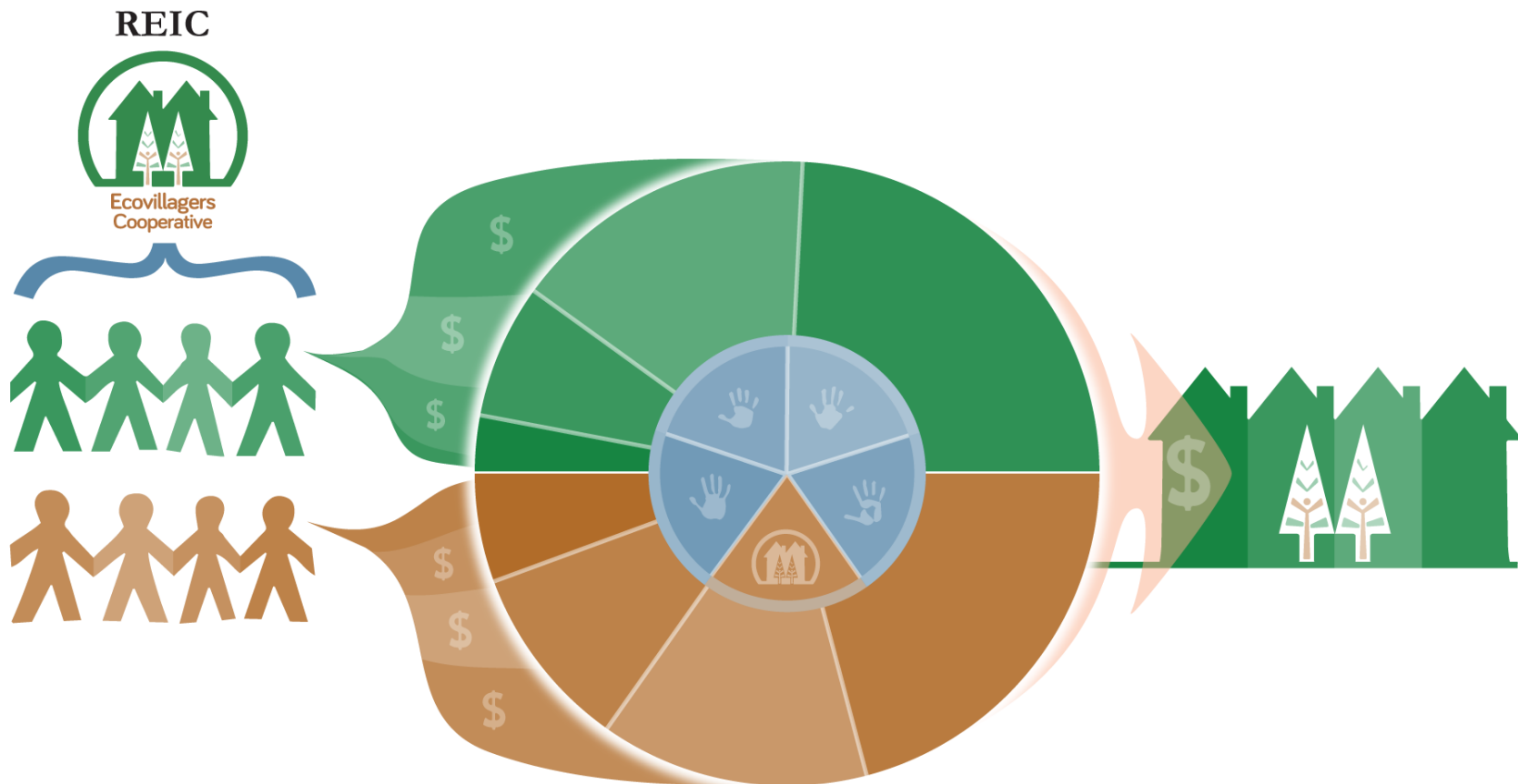
Equity share purchases give our CLC money to spend on real estate.

Equity shares are non-voting. We each still have one voting share and one vote.

# More Shared Equity

## What We Want

More money to develop more real estate, so there's room for every tenant-owner.  
Freedom from banks' fees and limitations on green building.

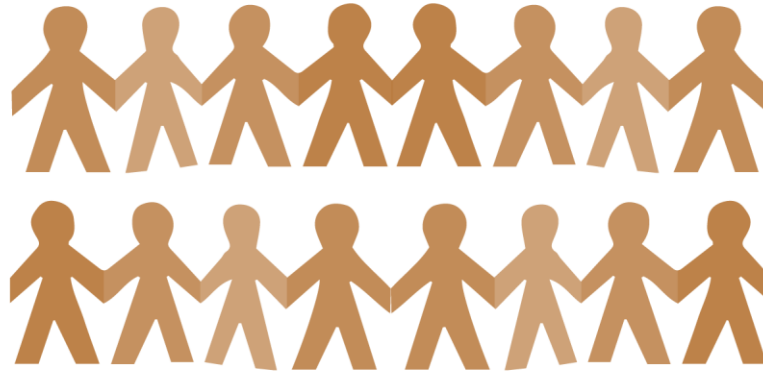


## How We Get It

Our CLC and its members are part of a Real Estate Investment Co-op (**REIC**).  
Some REIC members invest in our ecovillage with no plans to be tenants.  
The REIC sends a voting delegate to represent non-tenants' interests in CLC decisions.

## Step 2: Ecovillagers Co-op Holds Assemblies

- Assemblies are regional, periodic, and fun
- Assemblies bring together all stakeholders



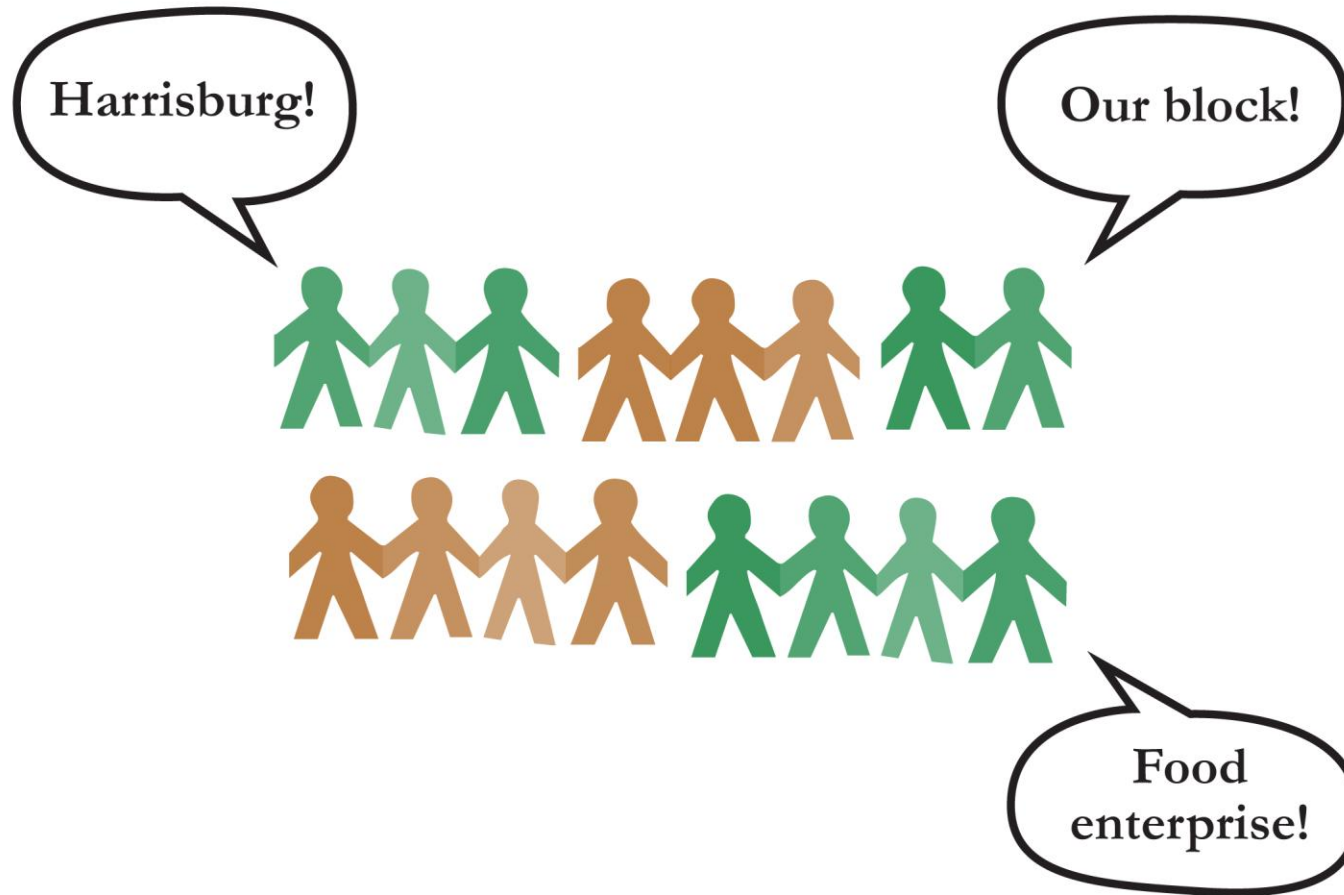
- Assemblies provide workshops, personal support, and quality assurance for ecovillages in incubation



Sustainable neighborhoods  
from the grassroots.



# Step 3: Study Circles Propose Ecovillages



Sustainable neighborhoods  
from the grassroots.





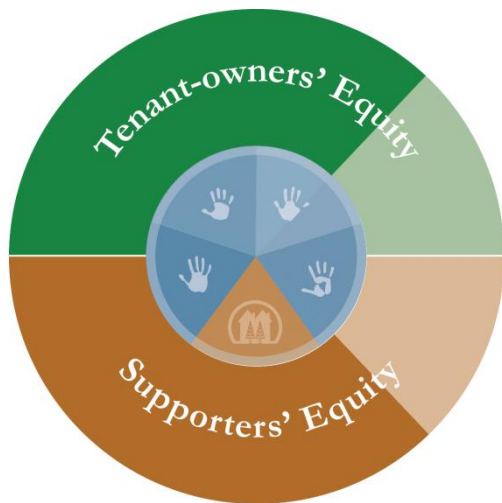
Likely First-Round Study Circles

# Step 4: Successful Proposals are Incubated



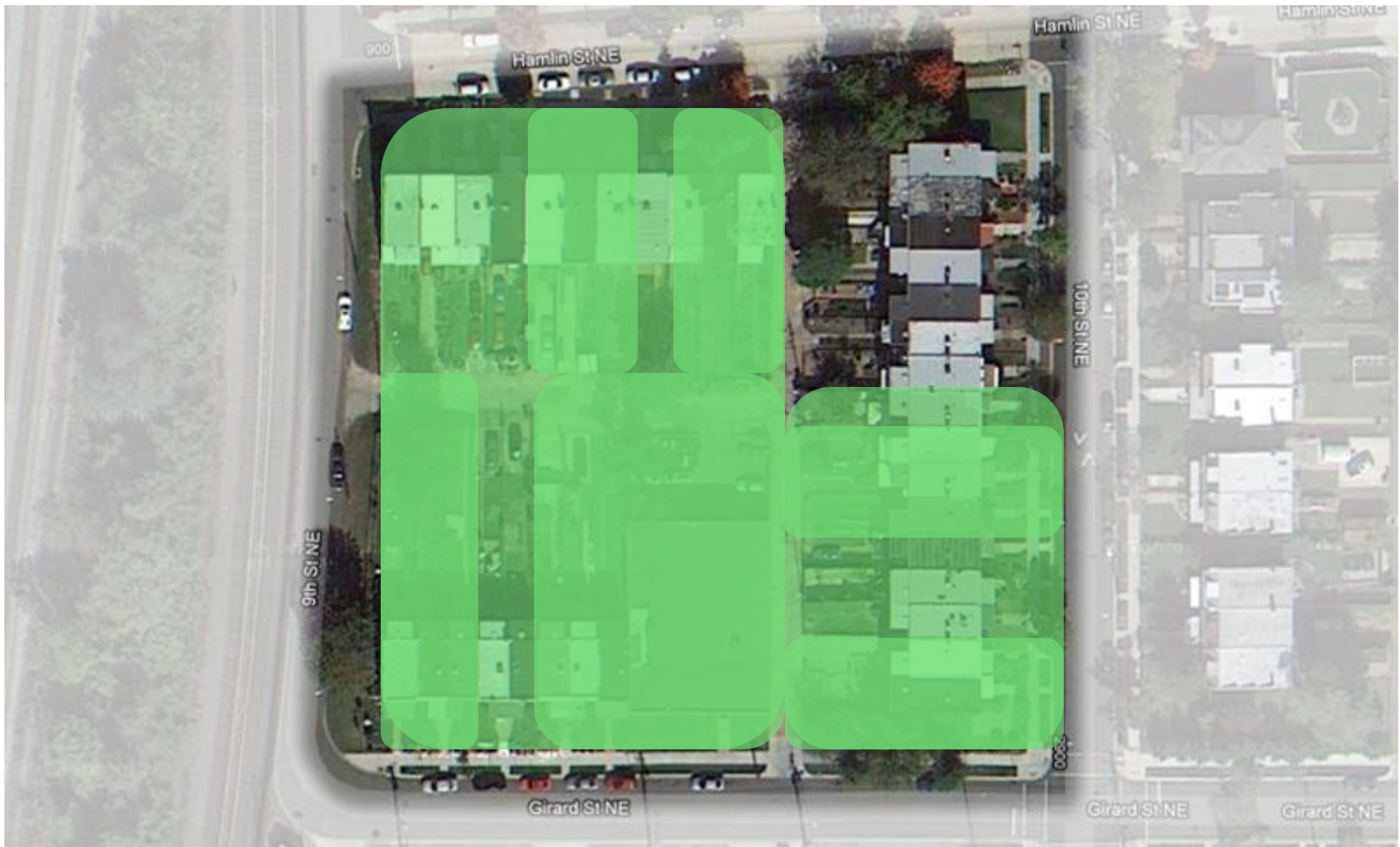
Incubator groups work toward common milestones to build:

- Tenant-owner membership
- Tenant-owner know-how
- Investor-owner commitment
- A viable site selection
- A viable development plan
- A viable management plan
- Enough equity for a first phase
- Approval to incorporate a CLC



## Step 5: CLCs Are Developed In Phases

- Property is added as it becomes available
- Equity capital for development is waiting at the ready



# Step 5: Tenant-Owners Start Leases

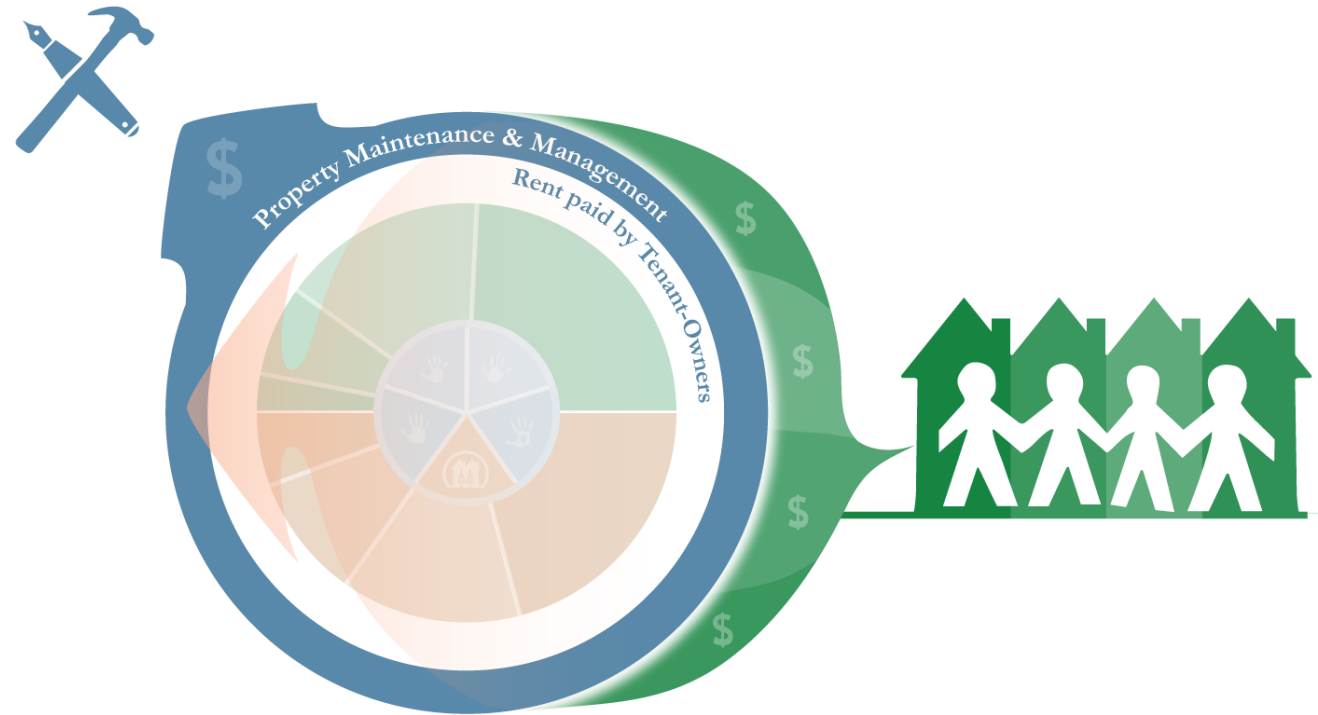
- Tenant-owners move in as units are occupancy-ready
- Rent creates CLC dividends (“surplus distribution”)
- Property development phases continue at the same time



# Rent and Revenue

## What We Want

Cash flow, so we can afford to take care of our land, buildings, and systems.  
Residents can up-size, down-size, or leave, without having to sell anything.  
Tenant-owners can buy or sell equity without having to move.



## How We Get It

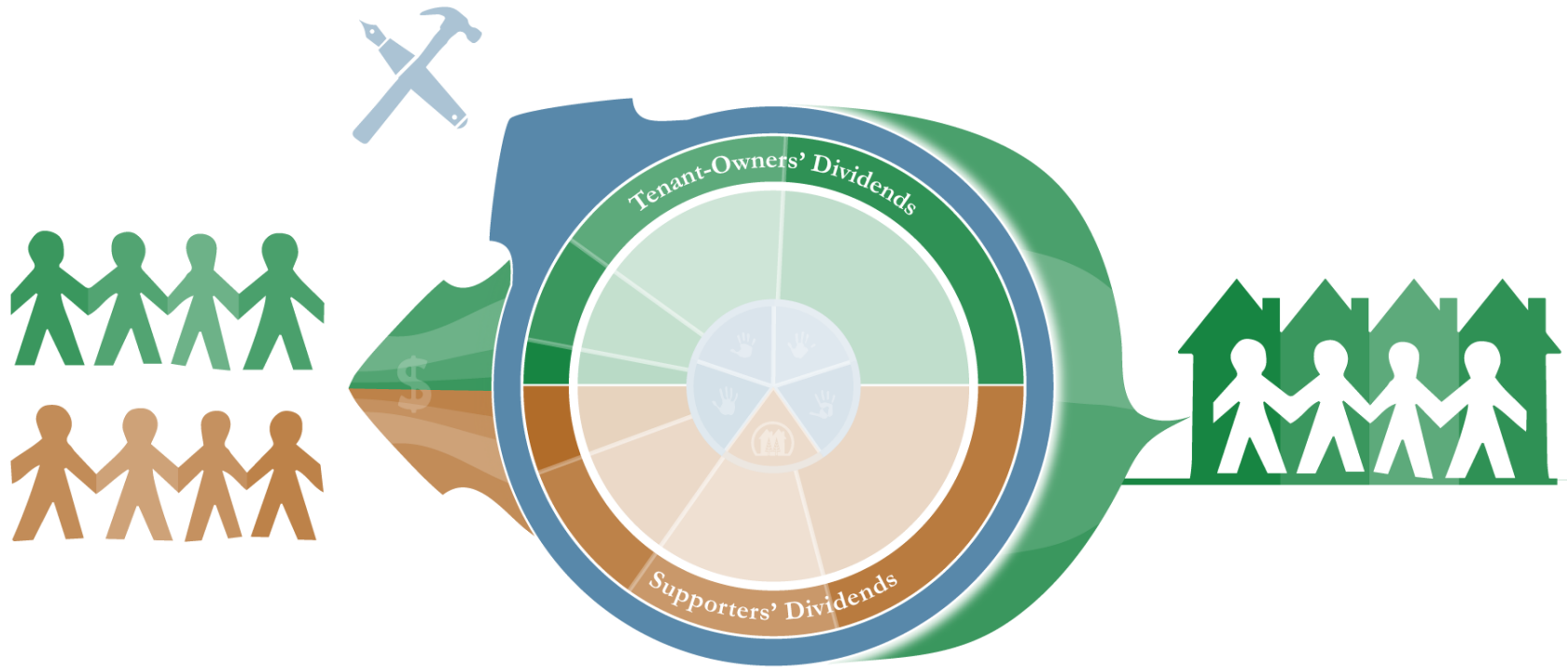
Residential and business tenants pay rent.  
Our CLC puts rental revenue first toward taxes and cooperative property management.  
Tenants lease the property they need, and can switch when their needs change.

# Dividends

## What We Want

A return on our investments.

Instead of an incentive to sell, an incentive to stick together.



## How We Get It

CLC revenue left after property management makes a surplus for dividends.

Share owners receive dividends regularly, proportional to their shares.

Instead of principal and interest to a bank, we pay perpetual dividends to ourselves.

# Every Co-op Member's Journey is Unique



# Antonia's Process: **Renter to Tenant-Owner**



Joins or starts a local Study Circle

Joins Ecovillagers Co-op  
(buys a voting share)

Helps an idea through the Incubator

Joins the investors in her neighborhood  
(buys equity shares)

Is first in line for a unit in her new CLC  
(starts a lease)



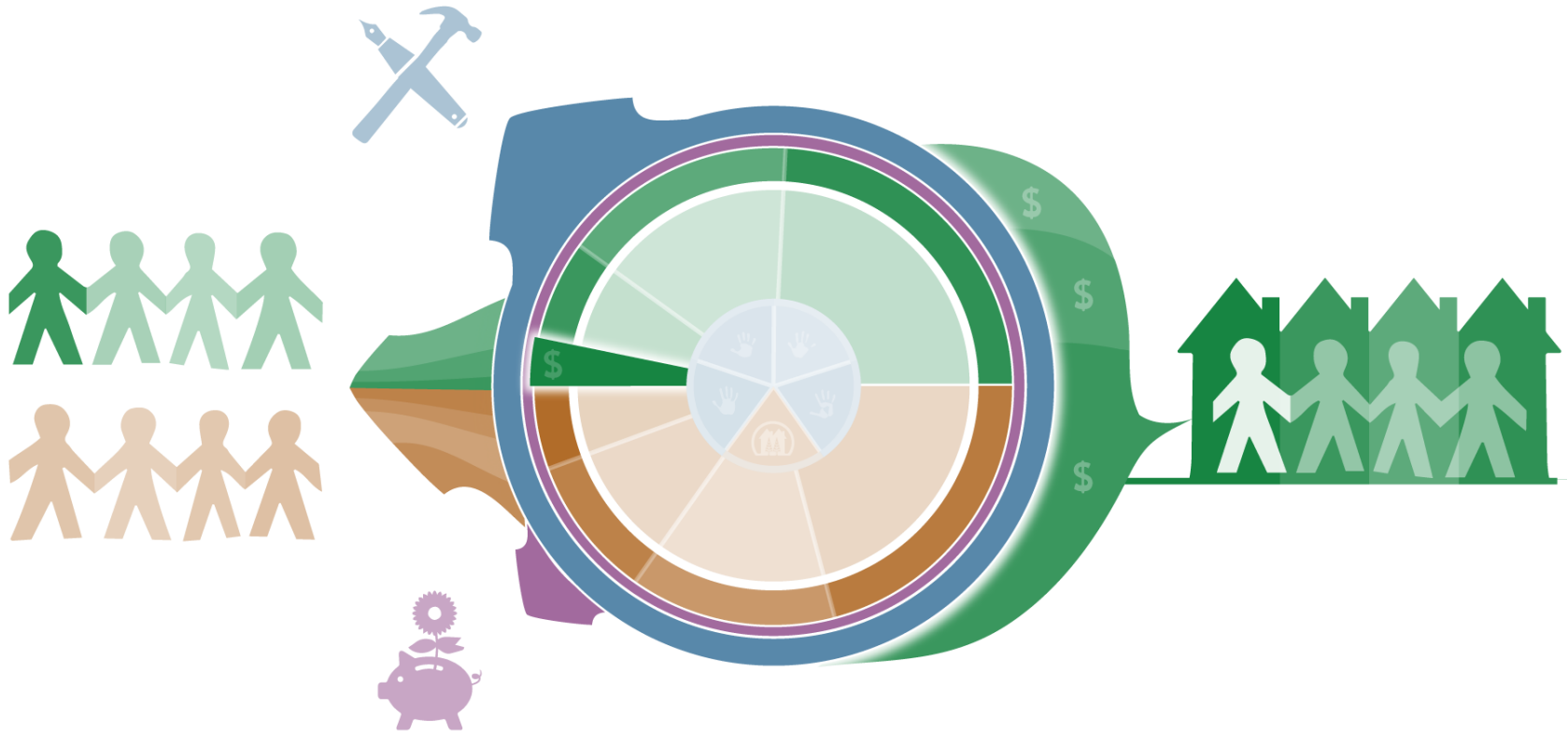
Sustainable neighborhoods  
from the grassroots.



# Rent to Own

## What We Want

Tenant-owners can build equity gradually.  
The community rewards members for staying long-term.  
The equivalent of paying down a mortgage over time.



## How We Get It

Tenant-owners can pay extra rent to purchase extra shares a little each month.  
New CLC shares are created only for these “rent to owns” or to add new units.  
CLC shares exclusively represent investment in our place or in our people.

# Charles's Process: Owner to Tenant-Owner



Joins or starts a local Study Circle

Joins Ecovillagers Co-op  
(buys a voting share)

Joins Incubator group and says,  
“duplex my house!”

Sells house to his CLC for equity shares

Downsizes to the downstairs unit  
(starts a lease)



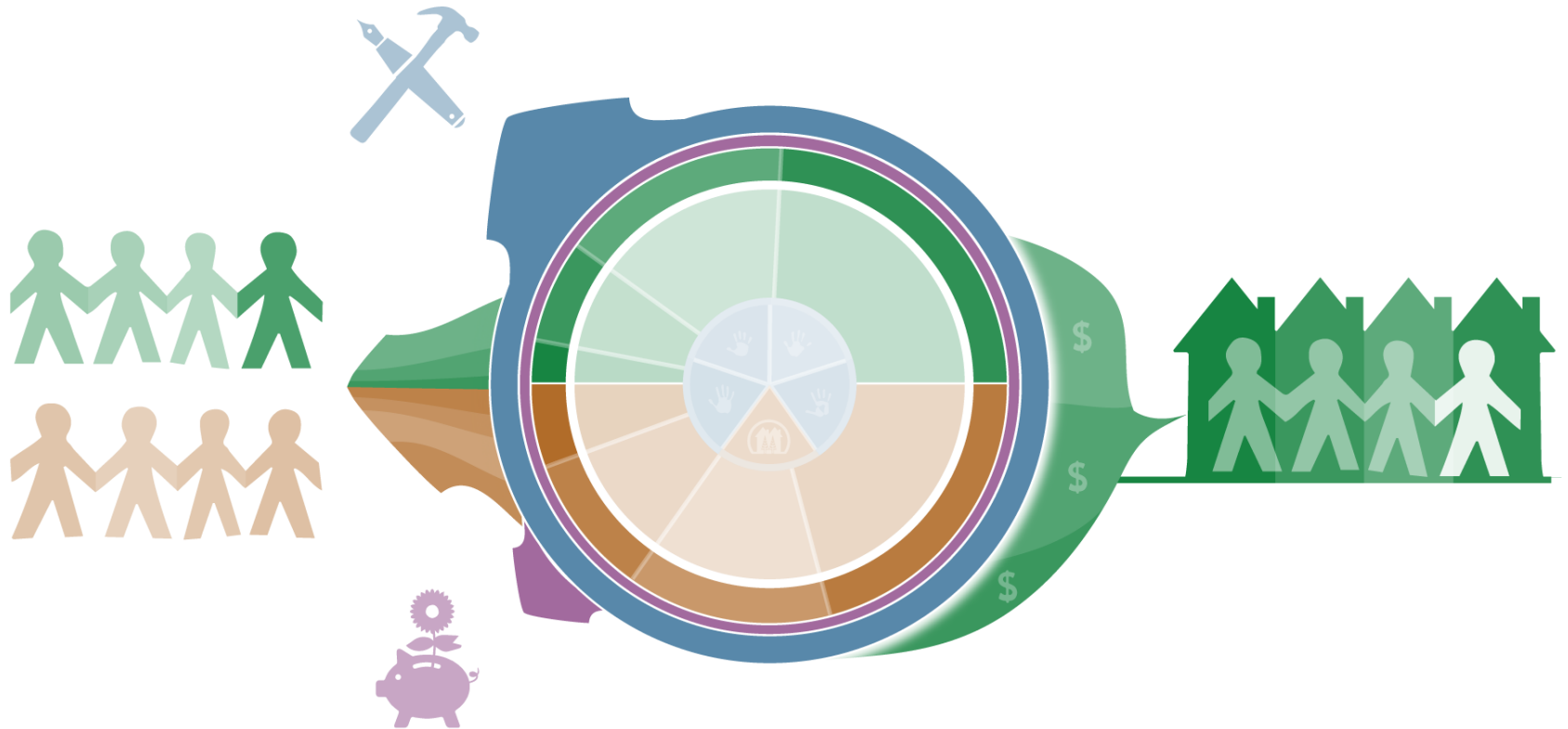
Sustainable neighborhoods  
from the grassroots.



# Adjusted Rent

## What We Want

Lower cost of living for tenant-owners who've invested a lot.  
Financial security for retired community members.  
The equivalent of owning a house free and clear.



## How We Get It

A tenant-owner may opt to under-pay rent instead of receiving dividends.  
One whose dividend would equal half his rent can opt to just pay half that rent.  
One whose dividend would equal her whole rent can opt to pay no rent.

# Hannah's Process: Investing in Community



Joins or starts a local Study Circle

Joins Ecovillagers Co-op  
(buys a voting share)

Checks out Incubator groups at  
the Ecovillagers Assembly

Buys equity shares for two future CLCs

Earns reinvestment ROI right away

Earns dividends once leases start



Sustainable neighborhoods  
from the grassroots.

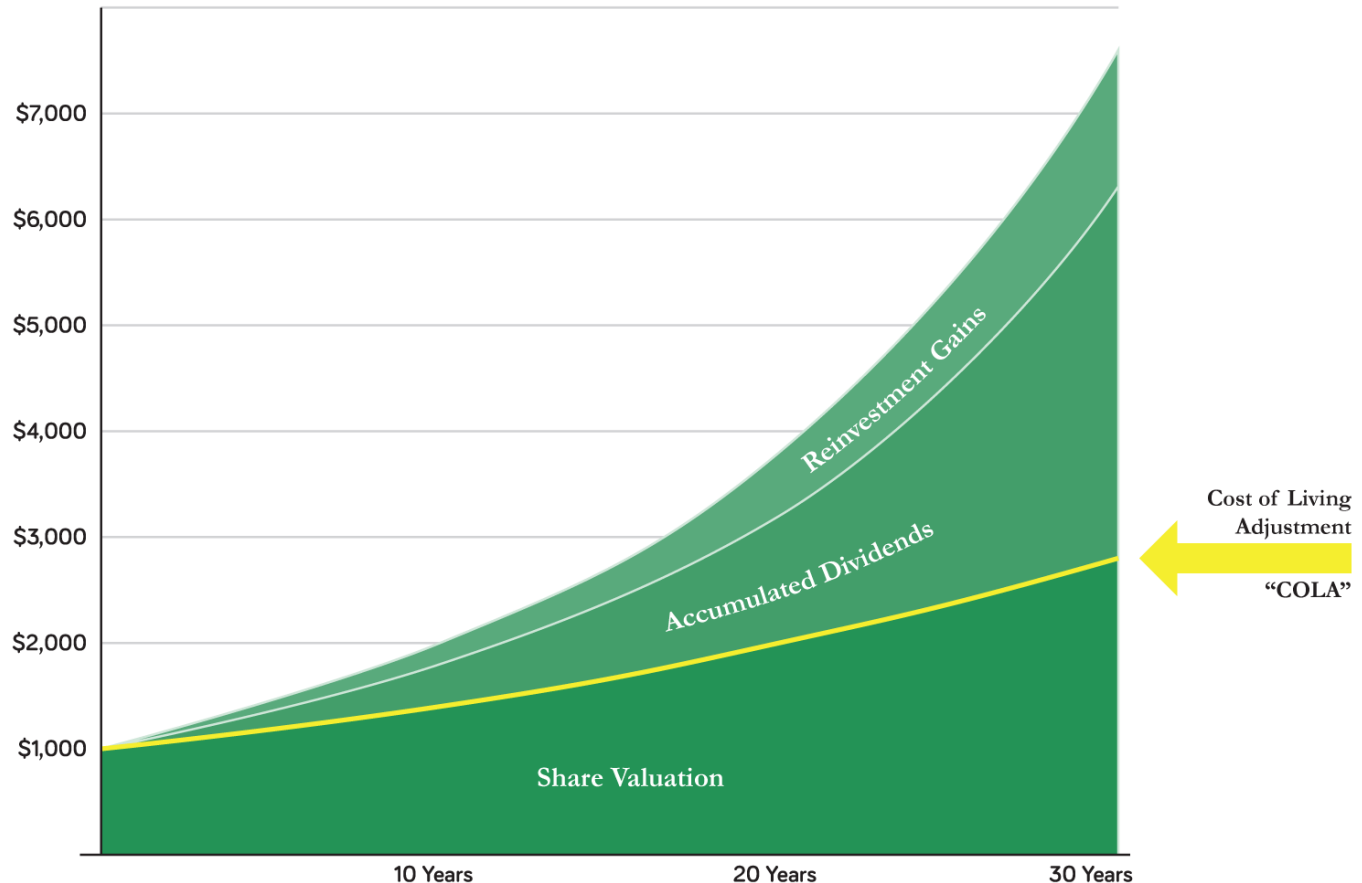


## What We Want

Community wealth building over time.

Tenant-owners can afford homes about as easily in 20 years as we can today.

All owners can afford shares about as easily in 20 years as we can today.



## How We Get It

All CLC owners can roll our dividends into a responsible mutual fund for extra gains.

CLC policy limits rent inflation to a real-world Cost Of Living Adjustment (**COLA**).

The basic price of a CLC share increases in lock step with the COLA.

# Sociocracy

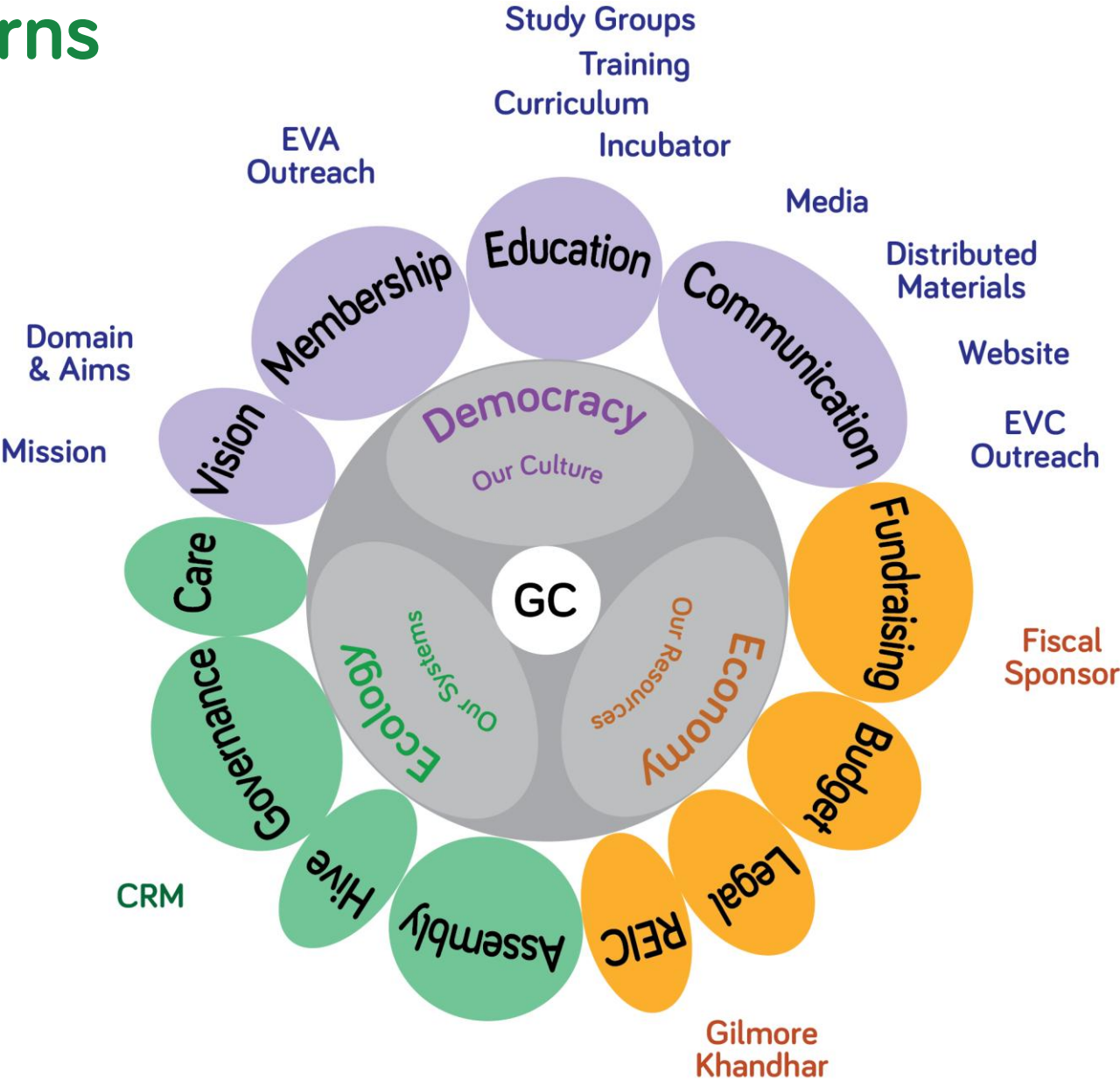
- “Governance By Peers”
- Organizational model for complex cellular systems
- Decision-making process for consent and equity
- Must be learned by all
- Must be taught to all



Sustainable neighborhoods  
from the grassroots.



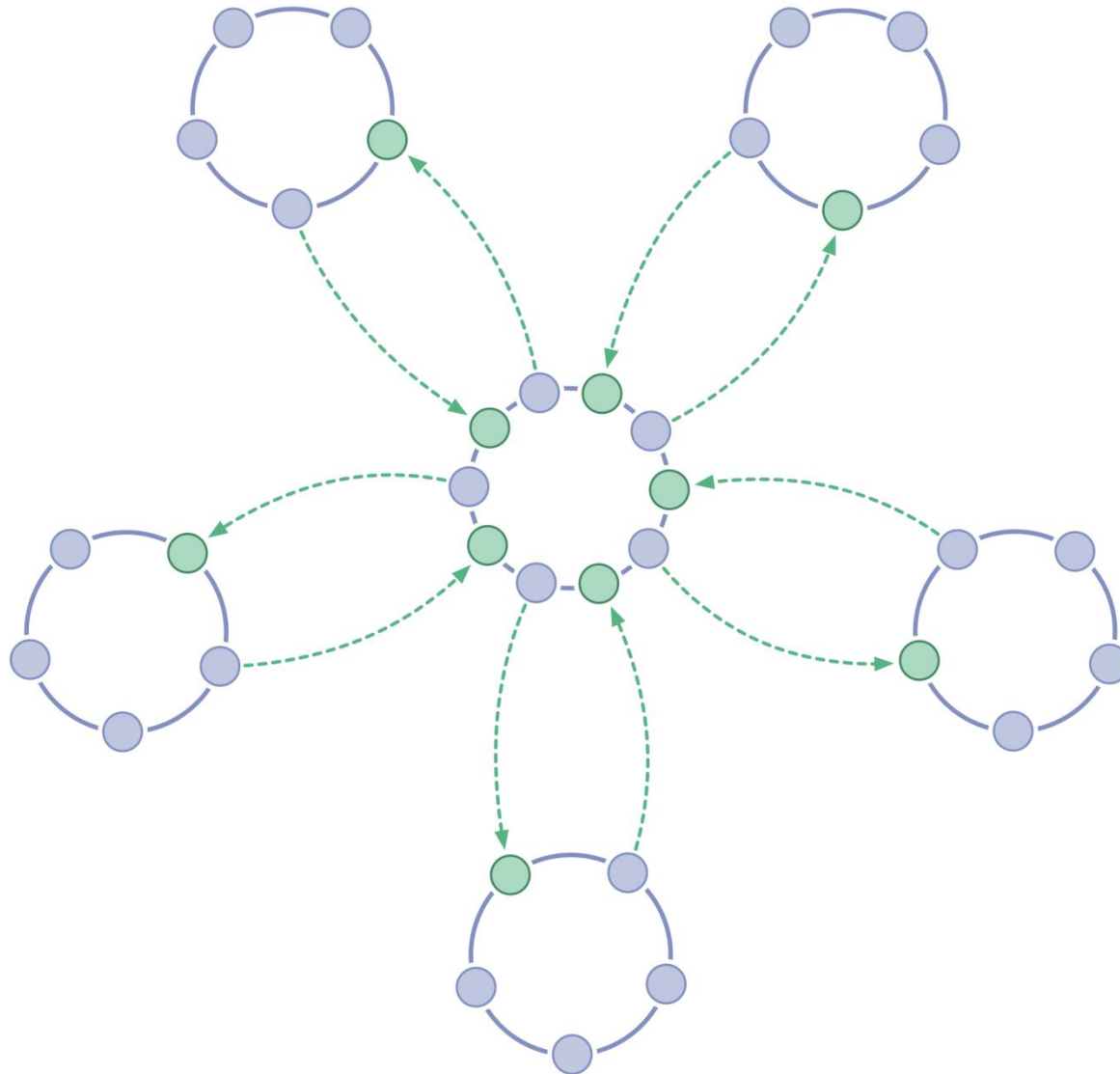
# Ecovillagers Alliance and the Three Core Concerns



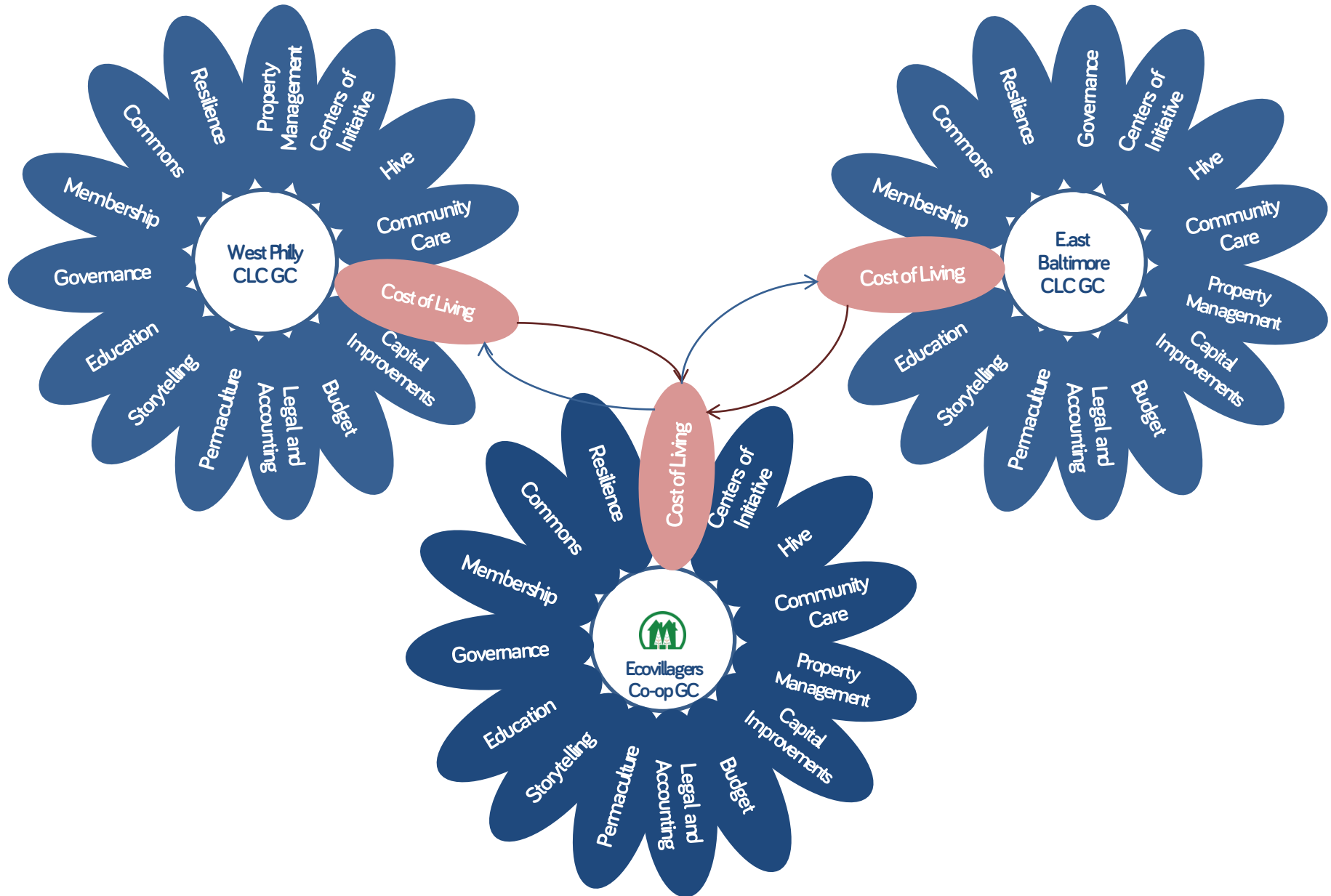
# Circles & Domains: Ecovillagers Cooperative



# Sociocracy: Double-Linked Circles



# Ecovillagers Co-op and CLCs' Double Links



# Ecovillagers Co-op and CLCs' Linked Domains

## “Cost of Living” Circle:

- CLC circle decides rents
- EVC circle decides equity share valuation

## “Resilience” Circle:

- CLC circle decides how to use its Resilience Fund
- EVC circle decides what kinds of uses are allowed



Sustainable neighborhoods  
from the grassroots.



# Questions and Discussion

## RETROFIT

insulation & window upgrades  
vertical unit additions  
basement & rooftop buildouts  
living walls  
de-fencing & re-landscaping

## COMMONS

community lounges & BBQ  
banquet room and kitchen  
children's playroom  
theater & game room  
tiny house for visitors  
community garden & playground  
business offices & incubator  
production & maker spaces

## GROWING

regional fruit trees  
raised-bed plots  
rooftop vegetables  
rooftop beehives  
indoor aquaponics  
rooftop henhouse  
vertical gardens  
managed compost & soil

## SHARED INFRASTRUCTURE

solar water heating  
solar power  
rainwater catchment  
greywater capture  
biodigestion power  
geothermal heating & cooling

