

COMMUNITY LAND TRUSTS

AN INNOVATIVE APPROACH TO SECURING
LAND TENURE AND ENABLING PARTICIPATORY UPGRADING IN
INFORMAL SETTLEMENTS



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The Problem: Upgrading Processes Lead to Gentrification and Displacement

Informal settlements are home to one in four urban dwellers in the world. Such places are often characterized by precarious tenure and living conditions that are in urgent need of public intervention to upgrade dwellings and infrastructure. But these urban neighborhoods also embody memory, identity, strong social ties, self-management, and community resourcefulness. These social characteristics are precious and deserve to be preserved and strengthened.

Individual land titling has been promoted by many governments and international development agencies as the preferred strategy for formalizing tenure and upgrading sub-standard conditions in informal settlements. This has often led, however, to the displacement of their residents, especially in settlements that are favorably located. Rising land values, rising taxes, and increased service costs make remaining in place increasingly difficult, while also undermining customary forms of collective tenure. Households who have recently received individual title for the land beneath their homes are pressured or incentivized into selling their properties to outside investors. Too often, these buyers then demolish entire blocks to build market-priced real estate or repurpose existing houses for short-term rentals, displacing their original residents and pushing them into another cycle of precarious housing.



Penha favela - photo by Catalytic Communities

The challenge for policies and initiatives endeavoring to promote development *without* displacement lies in securing land tenure and investing in infrastructure while simultaneously managing the inevitable rise in land values. The goal is to prevent these gains from translating into higher rents and service costs, economic pressures that commonly uproot the communities who were meant to benefit from such interventions.

To achieve this goal, programs aimed at land regularization and/or infrastructure upgrading in informal settlements must guarantee long-term security of tenure for the original residents. Individual titling has failed in this regard in too many communities and countries.

An Innovative Solution: The Community Land Trust

Community Land Trusts (CLTs) have proven to be a promising strategy for achieving development without displacement in informal settlements. The CLT's unique arrangement combines collective landownership with individual homeownership, enabling future increases in real estate values -- usually generated by public investments -- to remain within the community. This land is permanently removed from the market, enhancing the security and prosperity of the local community. At the same time, CLTs empower communities and strengthen self-management practices, fostering a shared responsibility between governments and residents in neighborhood upgrading or land regularization processes.

Structure & Performance of the CLT: The CLT is an innovative strategy for the ownership and stewardship of land, housing, and other community assets. A non-profit, non-governmental corporation acquires ownership of parcels of land, which can be scattered in a single neighborhood, an entire city or region. These parcels are permanently removed from the real estate market, but they are made available for secure use by residents who receive either a surface rights deed for parcels of land beneath their homes or a long-term, inheritable lease for exclusive use of this land. Existing homes are kept affordable for low-income and moderate-income households, safeguarding access to adequate housing by vulnerable populations and preventing their displacement, even when an area's infrastructure and services are improved, which elsewhere would lead to gentrification processes.

One of the key causes for the rapid worldwide dissemination and success of CLTs across countries with a diverse array of laws, customs, and policies is the model's flexibility. There are many variations and uses of CLTs, but nearly all of them share these basic features:

- **Separation of the ownership of land and buildings.** Parcels of land are collectively owned and managed on a community's behalf by a nonprofit entity (the "Land Trust"). Buildings that are located on those parcels are owned individually by homeowners, cooperatives, businesses, farmers, etc.
- **Long-term stewardship.** The CLT is an active, watchful guardian of housing and other buildings located upon its land, ensuring the permanent affordability, quality, and security of all the land-based assets entrusted into its care.
- **Community participation and leadership.** The governance of the CLT includes the residents and local key stakeholders who guarantee that the community's interest is considered in all the CLT's negotiations and partnerships with public authorities, in its decisions about land management, infrastructure and housing development, etc.

Background and dissemination: Historically, CLTs in the form that we know today emerged in the United States in the late 1960s, rooted in the Civil Rights Movement. The model was pioneered by Black community organizers in a rural area of southwest Georgia. They were inspired by existing forms of communal land tenure, such as the ejidos in Mexico, the Gramdan villages in India, the ujamaa vijijini in Tanzania, the moshavim in Israel, and the Garden Cities in England. CLTs soon found their true potential and wider adoption in urban settings, expanding rapidly across the USA during the 1980s, before spreading globally.

Today, established CLTs are stewarding permanently affordable homes, businesses, facilities, and farms across all 50 states in the USA. They are also fully operational in various cities in Belgium, Canada, Kenya, Puerto Rico and the United Kingdom, and exist under similar models in France (OFS) and Denmark (FONDEN). CLT initiatives are under development in Australia, Brazil, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, and South Africa.

CLTs in informal settlements: There are established CLTs in Voi, Kenya and in the Caño Martín Peña area of San Juan in Puerto Rico. The latter won the 2015 Gold World Habitat Award for their success in applying the CLT model on a large-scale informal urban settlement of more than 12,000 families. Through documentation of their work, international recognition, and peer-exchanges, the Caño Martín Peña CLT has inspired community activists and policy makers in other countries to explore the CLT approach, particularly in Brazil, Bangladesh and South Africa.

International guidelines about CLTs: The dissemination and adaptation of CLTs, structured and applied in diverse ways and in multiple countries, has led to their formal recognition by UN-Habitat in the **New Urban Agenda** (2016). In September 2025, the **UN's Open-ended**

Intergovernmental Expert Working Group on Adequate Housing for All promoted the use of CLTs in its thematic recommendations to fulfill inclusive, sustainable, and community-led urban development and informal settlements upgrading.

UN-Habitat (2025):

www.unhabitat.org/meetings/second-session-of-the-open-ended-intergovernmental-expert-working-group-on-adequate-housing-for-all

Norwegian Refugee Council (2022). *Community Land Trust: an insight into the existing legal frameworks and legislative reforms in Africa, Asia and America.*

www.onlinelibrary.iihl.org/wp-content/uploads/2025/02/2022-Norwegian-Refugee-Council-Community-Land-Trust-an-insight-into-the-existing-legal-frameworks-and-legislative-reforms-in-Africa-Asia-and-America.pdf



Indiana favela - photo by Catalytic Communities

Lessons from CLT Initiatives in the Global South

The experience of the Caño Martin Pena CLT, combined with insights generated by peer exchanges between leaders of that CLT and community activists from various countries in the Global South who are working in informal settlements, highlight a sequence of practical steps to follow when considering the CLT as a strategy for land regularization and/or upgrading.

Launch a community-led process of planning–action–reflection

- A CLT should not be imposed or presented to residents as the only option for upgrading and/or land regularization. It is essential to ensure that residents have the necessary knowledge about all available strategies and tools and then decide for themselves whether a CLT is, in fact, the best option for meeting their needs. This requires a participatory planning process in which residents go through several cycles of planning, action, and reflection.

This process ensures that the decision to adopt the CLT is the result of an informed decision by the residents, based on their critical assessment of all available options, their context, and their objectives.

Design a Governance Structure and Operational Policies and Procedures

Once residents decide that a CLT is the appropriate strategy for meeting their community's needs, they must make several key decisions regarding how the CLT will be organized and operated. These decisions include:

- The composition and selection of the governing board;
- Priorities for acquiring, using, and developing the CLT's lands; and
- Policies and procedures for setting the resale price of privately owned homes that are located on those lands and for carrying out a CLT's many other duties of long-term stewardship of lands and buildings entrusted into its care.

A multi-disciplinary team of technical allies can assist residents in designing the CLT's structure and operational framework. These technical allies—planners, architects, engineers, social workers, and lawyers— should provide supporting expertise, not directives. Their role is to expand possibilities, foster inclusive participation, and help to maintain a comprehensive

perspective, while recognizing that core knowledge and decision-making rests with the community.

A community-led process tends to take longer to complete, but it is important to go slowly enough to ensure that chosen structures, priorities, policies, and plans are aligned with the history, challenges, and aspirations of the residents. The support of technical allies is crucial at this, but it is important to ensure that residents are kept at the forefront of the process.

Clarify Legal Options and Develop a Legal Strategy

Only when the community's goals and preferences are clear should lawyers and legal experts be retained to identify existing legal instruments that will enable and secure collective landholding through a CLT. In some countries, moreover, it will be necessary to design new legal mechanisms or to adopt new enabling legislation.

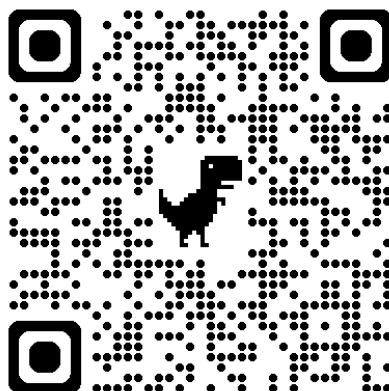
Establish the CLT

Guided by community residents and assisted by legal experts, the CLT must then be legally established as a nonprofit corporation with bylaws and policies that reflect the residents' decisions. This corporate entity must be put in place to receive property titles or other land rights as soon as they become available.

Contact us to support you in establishing CLTs in Informal Settlements

In Africa, Asia, and Latin America, the [International Center for Community Land Trusts](#) and [El Enjambre Colectivo PR](#), a technical assistance organization based in Puerto Rico, are collaborating with civil society organizations and community organizations in over a dozen countries to explore seeding and supporting CLT formation in the Global South.

The International Center for CLTs also runs a dedicated **Global South CLT Initiative**, which offers targeted support for training, legal analysis, and feasibility studies to assist in applying the CLT model to upgrading and/or regularizing land without the displacement of vulnerable populations in informal settlements. **CONTACT US FOR MORE INFORMATION**



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