

## 5 Minutes:

# Real Estate Investment Cooperatives for Community Land Trusts

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**CONTEXT:** This is the script that Caroline Woolard read during a five minute presentation at the Municipal Art Society's *Committee for Urban Entrepreneurship* gathering that took place on March 5, 2015 at Civic Hall. It was drafted by Caroline Woolard and edited by Paula Segal, lead facilitator at 596Acres. If you are interested in this work, please consider pledging membership in the real estate investment cooperative: <http://goo.gl/forms/ML1hj1iNzX>

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In 2008, a bunch of friends and I built out a studio space and managed it together. We signed a 5 year lease with a 3 year option, and hoped for the best. We wanted to make our work and to innovate. This meant taking risks and failing often to finally discover new ideas and make new work, and we needed low overhead (low rent) to make this happen. Most of us got involved in the space to save money, but quickly the space became an emotional and intellectual home for some of us, and certainly for me. When I realized that over 8 years, we would pay our landlord \$960,000 for a dilapidated 8,000 square foot studio space that we built out with our own money and sweat equity for years, only to be kicked out and priced out of our neighborhood, not eligible for commercial loans to purchase a building of our own, I became obsessed with affordable, equitable ownership models. I want to stay put in NYC, so I started learning about ways to preserve affordable space.

But let's back up. What do we do in a financial crisis, a networked information era, and a moment in history where there are more creative people than doctors, lawyers, and police officers combined? Remember: There are enough creative people in our nation that if we organized, we'd be larger than the US military! We should keep in mind that even if our bank accounts evaporate overnight, we will still have skills to share with one another. Those don't go away. Imagine it like this: the next time a group of you think about applying for a grant, choose to make each other's projects happen instead. Take the 40 hours you were about to spend on a grant you likely won't get, and use it to work on someone else's project, and let them work on yours. This way, you will get a grant, but it's one of mutual respect rather than institutional visibility. This is the resource sharing that I love and live for.

After co-founding and co-directing resource sharing networks OurGoods.org and TradeSchool.coop since 2008, I've seen how non-profit sharing economy platforms build resilience and mutual aid for those of us on the privileged side of the digital divide. I've also seen that online platforms are not enough. We need affordable space, so that we can take risks and fail. This is the only way innovation can occur. And so I started thinking: how might we utilize the strengths of a networked information era to produce options to cooperatively finance, acquire, and manage space?

Taking inspiration from the Cooper Square Committee's Community Land Trust, I saw that community based organizations insure that spaces remain affordable, in perpetuity. The Community Land Trust is a resilient and proven model, one that is thriving in the Lower East Side. The question is, how do we make room for more? I recently learned about real estate investment cooperatives. In Minneapolis, a membership

share in a cooperative costs \$1000; and member-owners also have an opportunity to invest additional funds. They've been able to buy multiple buildings this way, and support cooperative and local businesses.

This is a way to leverage relatively small investments made by a large group of people to purchase properties and put them into community land trusts. By becoming investors in the physical infrastructure of our communities, lots of people get a stake in the present and future of those communities. Consistent with the principles and spirit of the cooperative movement, real estate investment cooperatives make long-term, stabilizing, and transformative investments for the mutual benefit of members and our cities.

Cooperatives can make decisions consistent with the values of their members about whether particular properties are more valuable for their present or potential uses, or for the amount that they can fetch on the market. Banding together with neighbors, people act on the faith that using space in the city is more important than selling space in the City to the highest bidder. We can choose to buy land and buildings, start businesses in them, live in them and hold them together in trust for the present and the future.

I am inspired by affordable space options in NYC like Spaceworks and Manufacture NY, pictured here with a rendering by the thread collective, by the New York City Community Land Initiative's capacity-building for the expansion of New York's Community Land Trusts, which give its member-owners protection against market fluctuations, and by 596 Acres, a land access advocacy organization that facilitates the collaborative public use of land that is already publicly owned. So my big ideas for urban entrepreneurship are these 3:

1. Support real estate investment cooperatives that can stabilize our neighborhoods. NYC can create a Small Business Services Center, or EDC-run Incubator specifically for forms of shared real estate ownership.
2. Support the creation of community land trusts, so that land purchased by real estate investment cooperatives can be preserved for its use value in perpetuity. Integrate worker cooperatives and shared ownership across the city's economic development infrastructure, as urged by the Democracy at Work Initiative, by creating a Mayor's office of Economic Inclusion, tasked with integrating shared entrepreneurship and ownership, including worker cooperatives, housing cooperatives and land trusts, into economic policy and programs across the city administration.
3. Where we already have space we hold in common, prioritize making that space perpetually responsive to the needs of our innovative and risk-loving communities. Transfer vacant city-owned land and buildings that have been sitting unused in our municipal portfolios waiting for development for decades to community land trusts.

30 hours ago, Paula Segal and I made a survey to gauge interest in a NYC real estate investment cooperative. We already have over \$450,000 of pledges!<sup>1</sup> If we organize, we can stay put. I have hope for NYC with community ownership, as community land trusts and real estate investment cooperatives give member-owners protection against the market fluctuations, creating neighborhood resilience on a level that online resource sharing platforms can only dream of. I don't want to be displaced, and neither do you. We hope that you'll consider joining us.

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<sup>1</sup> As of Sunday, March 8th, pledges are at \$710,000. If you are interested in this work, consider pledging membership in the real estate investment cooperative: <http://goo.gl/forms/ML1hj1iNzX>