Democracy In My Backyard

SHARED OWNERSHIP OF HOUSING IS NECCESARY TO STOP RESIDENT DISPLACEMENT

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If you rent, you may be skeptical of nice things in your neighborhood. If your neighborhood gets a new park, bike lanes, or even a Trader Joe's, it may cause you and your fellow renters to worry. Your neighborhood has long needed these improvements, and you will enjoy them for a few months. But you dread the day you need to renew your lease, as there is a good chance your rent has increased beyond your ability to pay. You know this process as gentrification, and its becoming more common in neighborhoods throughout your city. (Axel-Lute, 2021).

Gentrification is associated with material improvements in a traditionally under-invested neighborhood (Axel-Lute, 2021). If a food desert gets a trendy grocery store, it may cause more concern than relief. These things are enjoyable: the problem is, they are also enjoyed by people with more money than you. Material improvements to a neighborhood create "neighborhood demand,": wealthier people choosing to move to traditionally underinvested neighborhood is associated with an increase in rents (Smith, 1979, p. 539). Displacement is an inherent part of gentrification, preventing renters with limited incomes from enjoying the material improvements in their own neighborhoods.

Improvements to neighborhoods are associated with displacement; however, they are not the root cause. Even though increased neighborhood demand attracts a wealthier demographic, the people interested in living in your neighborhood cannot displace you and your neighbors. If gentrification is the transformation of a working-class neighborhood to meet the needs of the wealthy, we need to understand which specific wealthy people actually have the power to displace residents (Axel-Lute, 2021). Who are the “gentry” in gentrification?

The gentry are not the young, white professionals moving into your neighborhood. The gentry is your landlord, and their main “need” is to raise your rent. Landlords use their power as private housing owners to replace current residents with tenants who can pay a higher rent. To halt the displacement associated with gentrification, we must democratize our housing system.

The term "gentrification" is a direct reference to the "gentry," an economic class of land-holding elites (Wyman, 2020). These types of individuals can be found throughout history: Roman nobles who owned vineyards, medieval European landholders who collected rent from peasants, and plantation owners who amassed their wealth through the enslavement of others. The most important characteristic of the gentry class is that their wealth is derived from the ownership of physical and economic assets (Wyman, 2020). Unlike billionaires who make their wealth from stocks, bonds, or other financial assets, the gentry owns land, buildings, or the equipment needed to create a product (the mills used to make flour, for example) (Wyman, 2020).

Because their assets are rooted in their physical location, the gentry tends to be local elites; they typically do not wield power in the country's political capital but instead reside in smaller cities (Wyman, 2020). This is the noble who may have a large influence in Nice but must still grovel before the King in Versailles. The gentry holds significant political power in these smaller localities, as they utilize their wealth to donate to political leaders or secure government positions themselves (Wyman, 2020).

The gentry did not die out with kings and queens; they still wield major influence in the modern United States. Similar to the historical gentry, the American gentry will not be at the top of the food chain: they usually have millions of dollars, not billions (Wyman, 2020). However, just like the historical gentry, their wealth is directly tied to the ownership of physical assets. The American gentry owns beef-processing plants, car dealerships, McDonald's franchises, and houses (Wyman, 2020).

If you rent, you interact with a member of the gentry class every month. Landlords do not earn money through a salary; instead, they charge tenants to live in their homes and generate a profit from their rental properties. While there are billion-dollar corporations that rent out housing, the smaller “mom-and-pop landlord” is also responsible for resident displacement. The main need of the gentry class is to increase the value of their assets (Wyman, 2020). Landlords contribute to gentrification by leveraging their power as housing owners to replace their current tenants with new residents who can afford higher rents.

It is common knowledge that the United States is facing a housing crisis, and even landlords acknowledge that the high cost of rent is a significant problem for everyday people (Cotto, 2022) (National Multifamily Housing Council, 2021, p. 11). Real estate industry groups emphasize that housing affordability is a key pillar of their advocacy campaigns, and they position themselves as partners in creating affordable housing (National Multifamily Housing Council, 2021, p. 2). However, their solutions to the housing crisis are based on their belief of what causes of the crisis. A common narrative that landlords promote is that the price of rent is determined by supply and demand, and a rise in rent is simply a reaction to market forces (National Multifamily Housing Council, 2021, p. 12). (Cotto, 2022) If the rent in a neighborhood is increasing, it is likely due to a shortage of housing supply.

This theory of rent prices comes from the school of Neo-Classical economics, the type of economics you were probably taught in high school. This school of thought believes the price of an object is directly tied to supply and demand (Colon, 2023). Let’s say you want to buy a gallon of milk: you will probably buy more milk if it costs $1 a gallon, less milk if it costs $10 a gallon, and zero milk if it costs $100 a gallon (Colon, 2023). A farmer wants to sell milk, but how much milk she produces is dependent on how much people will pay for it: she’ll make a lot of milk if it sells for $100 a gallon, less if it sells for $10 a gallon, and zero milk if it sells for $1 a gallon (Colon, 2023).

Eventually, through a series of hypothetical haggling, you and the farmer agree on a dollar amount that suits both of your needs: this is called the equilibrium price, more commonly referred to as the market price (Colon, 2023). In theory, this price is discovered through a series of exchanges on the open market. However, changes in supply and demand can affect the equilibrium price (Colon, 2023). An increase in demand will raise the price of milk: if you don't pay $10 a gallon, somebody else will, so the farmer can justify selling at that price. A decrease in supply will do the same. You don’t want to pay $10 for a glass of milk. Still, there are only eight gallons available: the farmer has to cover the costs of producing the milk, so you either pay that much or dunk your cookies in water (Colon, 2023).

This silly example is a microcosm of how a supply and demand theory of rent works. Landlords, the housing seller, need to make a certain dollar amount to justify the costs associated with producing a house to rent out. You, the housing buyer, need a place to live in order to stay alive. The rent is the price you are willing to pay for housing and the price that will justify the cost of maintaining a house. However, what makes the housing market unique is that it is relatively challenging to increase supply. In the supply and demand theory, this is what causes rent increases (National Multifamily Housing Council, 2021, p. 12). Displacement in a gentrifying neighborhood is due to the rise in demand, and since new housing takes a long time to build, the demand to live in the neighborhood will be greater than the supply of available units in the neighborhood. The demand had shifted, and so must the price: you can't pay $2,500 a month to live in the landlord's house, but someone else can.

Supply and demand seem like a natural phenomenon. When demand for housing exceeds supply, landlords must adjust prices to match market demand. This is why landlords who view themselves as advocates of affordable housing champion an increase in housing supply as the main solution to keeping rents affordable. There is some truth to this claim: Austin, Texas has seen a decrease in rent prices due to an increase in housing supply (McGlinchy, 2024). However, solutions to housing affordability that focus solely on increasing the housing supply underplay the landlord's role in contributing to unaffordable housing. Landlords have more control over the price of rent than they like to let on.

Let's look at some economics you probably weren't taught in high school: Administered Price Theory. This price theory originates from the Institutionalism school of economics; economic thought that focuses on how legal, business and cultural institutions influence economic activity (Colon, 2023). According to this theory, prices are not determined by market forces; business owners decide them during the production process (Colon, 2023). The price of a good is determined by the direct costs of producing it, combined with a markup to cover the indirect costs related to running a business (Colon, 2023). If our farmer wants to sell milk, she must have cows, milking machines, and empty jugs. These items cost money, and the farmer must recoup the cost of producing a gallon of milk when she sells one. The farmer also has to pay for indirect costs, including farm insurance, electricity, cow feed, and most importantly, profit: the whole reason she started selling milk in the first place (Colon, 2023). This markup is combined with the direct costs to create the final selling price of a gallon of milk.

Crucially, a key focus of Administered Price Theory is the demand for a good does not affect the costs needed to produce it (Colon, 2023). The owners of a business have control over the final selling price. Their power is limited, as they do not control the price of the materials they need to produce their goods and stay in business. However, the owner does have direct control of the markup, and this is where demand plays a more central role. If it costs the farmer $1 to produce a gallon of milk, she may mark it up to $3 to cover indirect costs and make a profit. The direct costs required to create a single gallon will not change whether 100 people want milk or 1,000 people want milk. However, an increase in demand means there might be someone willing to pay $5 a gallon: the farmer increases the price even though her costs remain the same. The price of milk only increased because the farmer *decided* to increase it. Since landlords own the housing, they have control over the price of rent.

In housing, there are development costs, operational costs, and a surplus (National Multifamily Housing Council, 2021, p. 20) (Wolff, 2012, p. 2). Development costs include the items needed to construct a new house. One must purchase the plot of land where the house is going to be located, buy the materials needed to build the home, and hire the labor required to construct the building (National Multifamily Housing Council, 2021, p. 20). There are also indirect costs associated with development: an architect needs to design the house, a construction manager needs to plan the building process, and a lawyer needs to manage the series of permits required for new construction (National Multifamily Housing Council, 2021, p. 20). Even if a landlord buys an existing house, these development costs are recaptured during the sale. Development costs are one-time expenses that are typically financed over time.

Operational costs are recurring expenses required for the building to remain in livable condition. One of the major recurring costs is financing, which includes repaying the loan for development costs and the interest on that loan (National Multifamily Housing Council, 2021, p. 20). Utilities and insurance fall into this category, along with any maintenance or property management service the landlord may use to maintain their property. Any reoccurring tax will also fall into operational costs: municipal property taxes are the most common (National Multifamily Housing Council, 2021, p. 23). Finally, landlords may hire a team of support staff to help them manage their property business: accountants, lawyers, etc. (Wolff, 2012, p. 80).

Finally, the landlord makes a surplus, which is the markup after deducting the costs of maintaining a house (Wolff, 2012, p. 2). The amount of money they bring in from rent must exceed the development and operational costs for each building they own, as this is how the landlord generates a profit (Wolff, 2012, p. 2). Development costs, operational costs, and surplus are the factors that make up your rent, but only one of these is affected by an increase in demand.

If you woke up tomorrow and 10,000 new people were interested in living in your neighborhood, would the interest rate on your landlord's mortgage increase? Would your property manager demand a higher salary? An increase in demand does not affect the costs of financing and maintaining an existing home[1]. It only affects the markup, introducing the landlord to a new potential rent price (Smith, 1979, p. 543). Your landlord knows that there are more people interested in living in their building, and these new people may have the resources to pay a higher rent. When your lease is up for renewal, the rent increases: you can't pay $2,500 a month to live in the landlord's house, but someone else can.

The displacement that comes with gentrification is not a natural phenomenon dictated by market forces. Any rent increase that surpasses the costs

[1] Property tax is usually affected by the market value of a home, and this may increase with neighborhood demand (Cook County Assessor's Office, n.d.). There are arguments that property tax does contribute to gentrification and displacement, but that is a topic for another paper. However, even landlord organizations even admit that tenants pay for property taxes through rent (National Multifamily Housing Council, 2021, p. 22).

of housing is a choice the landlord makes. Supply and demand may influence how much they can mark up the rent and still find a tenant willing to pay. However, your landlord is still the one who decides to increase the rent beyond your ability to pay. The gentry needs to ensure that their assets continue to generate wealth (Wyman, 2020). As long as they retain control of housing, tenants will always be replaced with someone who can afford to pay the landlord more money. Landlords not only profit off of neighborhood demand, but they also have the power to create it.

All businesses keep a portion of their surplus as profit, but some of the surplus is reinvested in the firm to increase its value and productivity (Wolff, 2012, pp. 88-90). Landlords do this, too. They may reinvest surplus into physical improvements and charge a higher rent for a nicer unit. However, rehabbing a building will only increase the demand to live in that specific building; it won't increase the demand to live in the neighborhood where the building is located. The material improvements that create neighborhood demand come from created from outside investment, and depending on how much money they have, that may be outside of single landlord’s ability (Smith, 1979, p. 540).

An individual member of the gentry is limited in their political sway. While they often influence their local communities, sometimes greater resources are needed to ensure the value of their assets. However, the gentry has learned the value of collective action and pooled their resources to achieve shared goals

(Wyman, 2020). These groups may be organized by location; a Chamber of Commerce, for instance, will likely include business owners across multiple industries who advocate for business-friendly policies in their neighborhood (Chicagoland Chamber of Commerce, 2025). They may also be organized by industry; this is primarily done through trade associations. These organizations have national weight and deep pockets: the National Association of Realtors (NAR) spent around $ 86 million on lobbying in 2024 alone (Open Secrets, 2024). Landlords invest some of their surpluses to join these associations, and in return, these association advocate for development projects that increase neighborhood demand. They also lobby for policies that will ensure their housing investments remain profitable.

Even when material improvements benefit working-class residents, landlords know that the resulting neighborhood demand will give them an excuse to raise rent. A Chamber of Commerce may advocate for better public transit: a BRT system or a new subway stop can help all members of the community. But it is often related to an increase in rents (Turrentine, 2018). Improved public transit in a neighborhood raises property values: the NAR refers to this as a "transit premium" (National Association of Realtors, 2014). Schools are a historic example of material improvements that can lead to gentrification. In the 1960s, a gentry-led organization in Chicago's Uptown neighborhood lobbied for the city to build a community college in the area. This organization openly admitted they believed the college would encourage business development; the college also ended up demolishing the homes of hundreds of poor residents. (Guevarra & Reddy, n.d.)

Industry-friendly policy can also encourage outside investment in projects that boost the value of the gentry's assets, and trade associations usually take the lead in lobbying for this policy. The National Multifamily Housing Council (NMHC) is a trade association that represents the owners, managers, and developers of rental apartment buildings. They openly advocate for the expansion of "Opportunity Zones": areas of cities that are determined to be under-resourced, and, if someone invests in real estate projects in the zone, the return on their investment will be free from capital gains tax (National Multifamily Housing Council, 2025) (Good Jobs First, n.d.). This is touted as a way to increase housing supply and reduce rent; however, since the organization is comprised of rental building owners, there is an implication that private landlords will primarily own these new projects.

These groups also promote a shared narrative that protects their wealth. In the housing industry, numerous trade associations argue against rent control. The NMHC has published papers claiming that rent control raises the price of housing (National Multifamily Housing Council, 2021, p. 106). Limiting the amount of rent a landlord can receive will discourage future housing investment, thereby limiting the overall housing supply. They also for stronger tenant screening procedures and against eviction protections: policies that benefit landlords and harm tenants (National Multifamily Housing Council, 2025).

Trade Associations cost money to join: the minimum payment to join the NMHC is $6,500 a year (National Multifamily Housing Council, n.d.). For landlords however, this is an investment. Development projects in neighborhoods often receive public funding, and the policy they lobby for can increase the value of their home. Landlords are only able to do this because of their class position: they gain wealth from their property and use that wealth to influence local development and policy that further increases that wealth. Your rent and tax dollars are funding your displacement.

The gentrification cycle is relentless. When housing is under private and for-profit ownership, the neighborhood exists primarily to generate wealth for its owners. Landlords use their legal status as housing owners to raise rents when neighborhood conditions improve. Landlords then use that surplus rent money to lobby for policy and construction projects that create neighborhood demand, which gives them an excuse to raise rents again in the future, which then allows them to replace their current tenants with wealthier ones. Gentrification will continue as long as there is a gentry class.

Private ownership of an economic asset is the source of the gentry's power and wealth; private ownership of housing is what enables landlords to raise rents and evict tenants (Smith, 1979, p. 541). To prevent displacement, the ownership of housing must be radically transformed. It is possible to replace the landlord with Community Ownership of Housing: an ownership model in which land and housing are owned by the people who live in the house and reside in its neighborhood (Office of Equity and Racial Justice, 2023, p. 16). Shared ownership of housing can prevent displacement, as housing will be controlled by the people who live in it.

Shared ownership means multiple stakeholders control an economic asset. This is different from businesses that are owned by more than two people: in shared ownership, all the people who use the asset have a direct say in how the asset is managed. This includes how any surplus from the asset is used and reinvested (Wolff, 2012, p. 166). This is known as Democratic Management. For example, a worker cooperative is a business owned collectively by its employees. Instead of a boss directing workflow and collecting a profit, the workers vote on workplace operations and control what is done with the surplus money (Office of Equity and Racial Justice, 2023, p. 18) (Wolff, 2012, p. 166).

Community Ownership is a model of shared ownership that recognizes community residents as equal members of the management process (Office of Equity and Racial Justice, 2023, p. 16). A community grocery store may have a managing board with equal representation from both shoppers and employees. Community ownership also focuses on community wealth. Instead of measuring the sum of the wealth of individual households, community wealth measures the shared wealth of multiple households and whole communities (Office of Equity and Racial Justice, 2023, p. 16). Wealth is not necessarily measured by money but by how accessible community assets are to community residents, regardless of their socioeconomic status. If a health clinic was community-owned, a person would not be turned away if they could not pay upfront. Health services would be subsidized at the point of use.

Community ownership and wealth prioritize community needs over profit, as ensuring a community asset can improve residents' quality of life is the most important factor. This is especially true in community ownership of housing. Land and homes cannot be tools for rent-seeking and speculation, they are used for living in. The goal of community ownership should not be to expand the membership of the gentry class but to ensure that permanently affordable housing is available for current residents and future generations. It may be difficult to imagine what a housing system without profit-driven landlords would look like. However, there are existing organizations that serve as models of shared housing ownership. Community Land Trusts and Mutual Housing Associations are nonprofit organizations that collectively own land and housing and are managed democratically by their residents.

Community Land Trusts (CLTs) are nonprofit organizations that buy, own, and manage land for community benefit (Axel-Lute, 2021). The primary goal of CLTs is to ensure that housing is permanently affordable, and holding land in Trust is the main method of achieving this. Once the CLT acquires land, it will not be resold on the market: CLTs separate the ownership of land from the ownership of the buildings on the land (Axel-Lute, 2021). When someone wants to buy a home from a CLT, they only pay the development costs of the house and do not pay for the cost of the land. This structure enables CLTs to sell homes at a below-market price, and depending on the location, this can lower the price of a home by 20–50 percent (Axel-Lute, 2021). CLTs work with single-family or multifamily dwellings and sometimes work with nonprofits that rent units to tenants.

In exchange for a lower purchase price, the homebuyer must agree to price limits when they decide to resell (Axel-Lute, 2021). The homeowner is allowed to include any physical improvements they added to the property (if they added a porch, for example). However, homeowners are typically limited in the amount of equity they receive from the sale of their home (Axel-Lute, 2021). This is one of the primary ways homes on CLT land can remain permanently affordable. The homeowner technically rents the land from the CLT, and their lease may have some restrictions on what can be built on the land. However, the lease lasts 99 years and can inherited by a person of the homeowner's choosing (Axel-Lute, 2021). While the CLT does not change the rent, the homeowner pays an annual membership fee to contribute to CLT operations (Douglass CLT, n.d.). This also allows the homeowner to have voting rights CLT for officer positions, a say in how land is managed, and the opportunity to be elected to leadership positions.

CLTs are governed by a board of directors that members elect. Typically, CLT boards consist of three equal parts: current leaseholders, community representatives, and representatives of public interest (Hovde & Krinsky, 1996, p. 33). Leaseholders consist of residential members of the CLT who are currently living on CLT land. The leaseholder could own their home or rent it; it does not matter as long as they live on CLT land. (Axel-Lute, 2021) Community members are non-leaseholders who live near the CLT land and support the Trust's mission. This can include neighborhood advocates or representatives from local businesses. CLTs offer a "corporate community membership" option, where non-leaseholders can pay dues and have a proportional say in policy management (Axel-Lute, 2021). Public interest representatives can be anyone who supports the CLT; however, these members typically possess valuable technical expertise or represent political or nonprofit institutions (Axel-Lute, 2021).

CLT members vote for two-thirds of the board: leaseholders and community representatives. The elected board members appoint public interest representatives (Axel-Lute, 2021). The CLT board is responsible for policy that affects all members of the Trust. This often includes issues related to paying shared costs, land-use policy, and management of financial resources (Hovde & Krinsky, 1996, pp. 31-33). Every CLT is different, and residents adapt policies to meet their current needs. The main constant is that land is permanently affordable and democratically controlled by its residents. CLTs only focus on land; Mutal Housing Associations focus on buildings.

Mutual Housing Associations (MHA) are nonprofit organizations designed to develop high-quality, affordable housing and keep it accessible for everyone, especially low-income residents (Hovde & Krinsky, 1996, p. 2). In a strategy similar to CLTs, MHAs build or purchase housing and permanently hold onto it. The units in the building are not sold for profit to owners but are leased to tenants (Hovde & Krinsky, 1996, p. 3). A common goal among MHAs is to charge tenants no more than 30% of their monthly income to live in the building (Hovde & Krinsky, 1996, p. 4).

Resident-led management is a core feature of MHAs. The organizations also have a board of directors. Often, MHAs require a majority of their board members to be current residents of the community (Hovde & Krinsky, 1996, p. 32). However, MHAs also seek the participation of non-residents on the board so they can gain access to technical expertise and remain accountable to the broader community (Hovde & Krinsky, 1996, p. 32). The board of directors oversees policies and procedures that impact the lives of all association residents, including the resident selection policy, management of financial resources, and tenant protections (Hovde & Krinsky, 1996, p. 31).

Since the tenants themselves are designing tenant protection policies, MHAs have stronger protections than traditional leases. These organizations are slower to evict tenants who cannot pay their housing charges and often make special arrangements with residents facing financial hardship (Hovde & Krinsky, 1996, p. 6). Some MHAs have proprietary leases, similar to CLTs, which are long-term and can be passed down to an heir (Hovde & Krinsky, 1996, p. 24). Tenants also have power over the regular maintenance and policy of their buildings. This often covers the bland but important decisions: who clears snow off the sidewalk, which residents get the parking spaces, what quiet hours are, etc. (Hovde & Krinsky, 1996, pp. 54-56). Building management duties are often shared by building residents and the board. For example, residents can vote that they will shovel snow themselves. However, if the residents would rather hire someone to do it, they must ensure the MHA has the funds available or if the building will have to pay extra to hire someone.

CLTs and MHAs provide a new model for renting and homeownership. CLTs balance the need for affordable land with the desire for personal homeownership, helping to ensure that land remains accessible for current residents and future generations. Tenants in MHA properties have better affordability, security, legacy, and control than those in private rental housing. MHAs built on CLT land combine the affordability of each ownership model. Community ownership of land and housing can lead to a better quality of life and protect residents against the threats of displacement.

When the community owns the land and housing, it has control over the rent price. This means that increased neighborhood demand does not lead to higher rent, thereby preventing the displacement associated with gentrification. Private landlords use their legal status as housing owners to raise the rent well beyond the cost of housing. When land is owned through a CLT, the “rent” only needs to cover the cost of land maintenance and property taxes (Douglass CLT, n.d.). Furthermore, residents have a say in what is built on shared land and can advocate for the things they need (Axel-Lute, 2021). The building of new parks, public transit, and affordable grocery stores do not increase the cost of rent and displace residents.

When a tenant rents from a landlord, the rent price is comprised of housing costs plus a markup, which includes a profit for the landlord. Since MHAs operate outside of the profit motive, rent is replaced with housing costs. The money the tenants pay each month covers utilities, financing, and other operational expenses (Hovde & Krinsky, 1996, p. 3). Monthly payments will still include a markup, but the markup does not go to a personal profit. The markup may contribute to indirect costs, like a savings account for housing project reserves (Hovde & Krinsky, 1996, p. 3\). With democratic management, tenants get to decide how much money each person pays each month and what that money is used for. Increasing the rent beyond the cost of housing is a choice. When the community owns the land and property, they can choose not to mark up rent.

CLTs and MHAs not only provide a defense against displacement, but they can also help lower operational costs through economies of scale. Instead of individual units buying their goods or services, all residents in the MHA pool their money together to increase their purchasing power and buy services in bulk (Hovde & Krinsky, 1996, p. 3). In retail, suppliers are more likely to offer a lower per-unit price to a customer who places 1,000 orders rather than a customer who only places 100. The concept applies to a housing organization that owns multiple buildings rather than just one. This can lead to a lower cost burden for each unit for items such as insurance, maintenance, and management services, as well as legal fees or any other services the MHA decides they need (Hovde & Krinsky, 1996, p. 3).

Shared ownership of housing can also secure future housing security. Since MHA tenants pay below-market rents, they can save money for a down payment for their own future home. CLTs not only provide a lower purchase price for homes, but evidence suggests that homes on CLT land have a lower rate of foreclosure than homes bought on the private market (Thaden, 2010). However, the benefits of shared ownership come with an additional responsibility: community ownership means you can’t just think about yourself. The structures of CLTs and MHAs are inherently designed to preserve affordable housing for future generations; however, members of shared housing organizations also have a responsibility to expand affordable housing opportunities for all community members.

Just as landlords use a portion of their rental surplus to lobby for policies that increase their wealth, shared housing organizations may decide to use a portion of their housing markup to empower their members. A notable example is housing retention, which helps new homebuyers stay in their homes. Some CLTs provide home buyer education classes, which allow new potential homebuyers to understand how the CLT works, how to budget for home maintenance projects, and best practices for obtaining a mortgage (Thaden, 2010). CLTs may even set aside money to fund mortgage assistance if a member is facing financial hardship (Thaden, 2010).

CLTs and MHAs may also dedicate some of their funds to expand their housing and land portfolios or even partner with a developer to build their housing from the ground up (Hovde & Krinsky, 1996, pp. 43-44). The Trust or Association may even team up with housing advocates to find potential tenants to live in the new units. This is not charity; it is mutual aid. Expanding the capacity of shared housing not only expands affordable homeownership to other community members but also strengthens the housing organization's financial reserves and purchasing power. By partnering with other political organizations that share their interests (such as Tenant and Labor Unions, nonprofit housing developers, or progressive politicians), CLTs and MHAs can build a broad base of support for their work and potentially gain access to resources they could not obtain on their own (Hovde & Krinsky, 1996, p. 61).

Some CLTs and MHAs are involved in larger advocacy projects and use a portion of the housing costs to help fund political movements that support shared needs. This can include lobbying for increased funding for affordable housing, rent control, and just-cause eviction protections (Hovde & Krinsky, 1996, p. 65). However, advocacy does not need to be limited to lobbying or even be directly related to housing. Residents can vote to dedicate money to projects that improve their neighborhood: grocery stores in a food desert, job training for low-income neighbors, and affordable childcare for working parents (Hovde & Krinsky, 1996, p. 62). Rent isn't the only thing that leads to displacement, and land ownership reform can't fix every problem. However, democratized and affordable housing may be the first step in creating greater change.

The gentry is more than just your landlord. It includes business owners, private utility companies, bankers, and local politicians who use their political power for financial gain. These private interests employ similar strategies to landlords, utilizing the wealth generated from their physical assets to lobby for policies that will further increase their wealth. The National Restaurant Association is a trade association for restaurant owners who are often opposed to minimum wage increases (National Restaurant Association, 2023). Car Dealerships join together to lobby against emissions regulations (National Automobile Dealers Association, 2025). Gas & Power Companies use the money you pay in utilities to block renewable energy projects (Yoder, 2023).

Expanding shared ownership across multiple industries is a starting point for ending exploitation. Community Wealth Building is an approach to economic development that emphasizes community ownership and democratic management of essential economic assets (Office of Equity and Racial Justice, 2023, p. 16). The ownership models in CLTs and MHA need to be expanded to include other assets that communities require to thrive and flourish. Businesses, utilities, banks: these need to be shifted to forms of community ownership and not used to create private wealth. This involves adopting new economic models for the things we use every day: businesses become worker cooperatives, utilities become consumer cooperatives, banks become credit unions, and private land becomes a community land trust.

There's no single answer, and no single approach will work for every community. However, a change in power structures and a democratization of wealth will enable you and your neighbors to determine how to enhance your lives. Local politics cannot fix all of the world's problems: inflation, pandemics, and structural racism are issues well beyond a CLT's ability to solve. But working with your neighbors to improve your community is the first step in creating a better world. Democracy begins in your backyard.

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