

auri research brief

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Implications of Introducing and its Applying the Community Land Trust System in Korea

The purpose of this study was to consider the domestic characteristics of the Community Land Trust(CLT)¹⁾ system, examine the possibility of introducing it in Korea, and present a concrete operational plan for implementation. We also proposed a policy direction for the introduction and application of the CLT system, and suggested ways to improve it during policy implementation.

The main research questions for this study were as follows.

- ① What are the current issues and conditions requiring the introduction of the CLT system, specific to the Korean policy contexts?
- ② What are the constraints on the introduction and application of CLTs?
- ③ What are the CLT system utilization strategies linked with the urban regeneration policy?
- ④ What are the national policies and institutional improvements for efficient and effective implementation of the CLT system?

1) Community Land Trusts(CLTs) are a form of Community-led housing, set-up and run by ordinary people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces.

What are the current issues and conditions requiring the introduction of the CLT system, specific to the Korean policy contexts?

In this study, we examined the applicability of the community land trusts by analyzing the current conditions of the domestic legal system. To grasp the various field issues, we reviewed five domestic cases, focusing particularly on the necessity and reasons for introduction. As a result, we were able to derive the reasons why the differentiation and institutionalization of community land trusts are necessary. These include trust management, utilization, organization and authority, asset conversion, maintenance, and tasks related to land and housing.

Main discussions for expert FGI

	Discussion range	Main discussion
1	Possibility of introducing the concept of the CLT system	<ul style="list-style-type: none"> – Pan-institutional situation – Domestic state
2	Evaluation of possible applications of the CLT system	<ul style="list-style-type: none"> – Composition of the CLT consultative group – Financial support – Ownership of house and land – Various tax benefits
3	Benefits of applying the CLT system	<ul style="list-style-type: none"> – Improvement of the local living environment – Enhancement of the local economy – Local job creation – Community activation (contribution to neighborhood improvement) – Contribution to other areas – Community cooperation strengthening – Housing-related problems solving – Promotional support – Education/consulting support
4	Constraints on introducing the CLT system	<ul style="list-style-type: none"> – Tax benefits – Financing – Public perception – Constraints according to the Public Trust Act – Constraints according to the Real Estate Investment Company Act – Constraints according to the Framework Act on Cooperatives
5	Necessary additional policy and system improvements	Open question

In the case studies, completion of urban regeneration projects led community management of private shared assets, activation of cooperative-type housing supply, expansion of portfolios of shared REITs, and sustainable operational management of land, buildings, and facilities. It was possible, then, to confirm the implications of the introduction of the CLTs for site-related issues such as trust operation. The need to introduce CLTs through expert FGI has been a major issue in the housing policy sector. CLTs have provided a cheaper housing supply and less expensive means of operation, the establishment of community-shared space management and a community activation base, sustainable land management, and a response to gentrification. In addition, one of the government's primary tasks for the new Korean central government, "Urban Regeneration New Deal for Strengthening Urban Competitiveness and Improving Quality of Life", was developed as a major response to the introduction of community land trusts.

What are the constraints on the introduction and application of community land trusts?

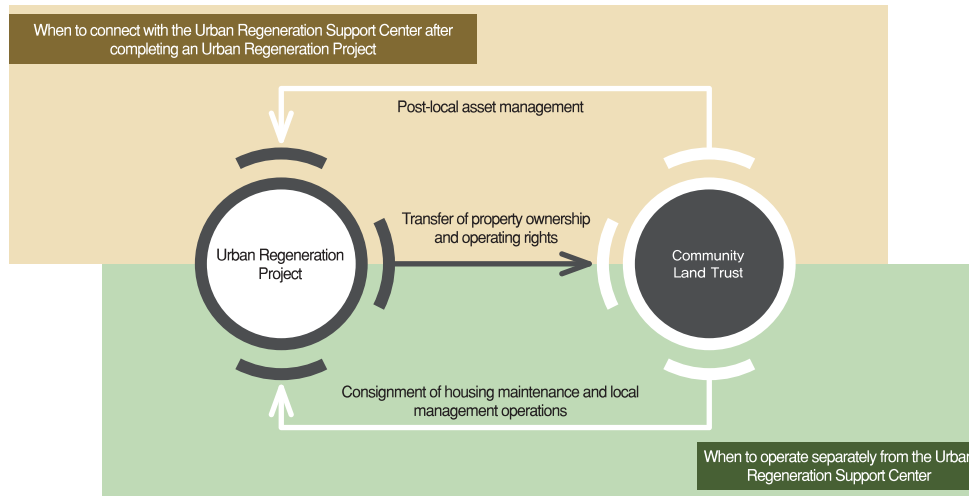
In this study, the introduction of community land trusts and related factors were examined based on the implications of their incorporation in the field, an analysis of current policy issues, and the opinions derived from the expert FGI. As a result, the supply and management of low-priced housing (such as public lease houses), in connection with the housing policies, have emerged as an area that might benefit from their introduction. In connection with the Urban Regeneration New Deal Policy Project, residential area management and maintenance were commissioned after introduction of the common resources. From this, the possibility of using the idle assets to comprise a group portfolio in connection with empty and small-house maintenance was derived.

In addition, this study considered issues related to the maintenance and management of the housing supply sector, addressing topics such as mutual cooperation, repurchasing, capital procurement, and tax benefits that serve as constraints on the introduction of CLTs. Fundamentals for the introduction and settlement of the CLT system were divided into matters related to the formation of CLT assets, topics associated with member cooperation, and aspects of operation and maintenance.

What are the CLT systems utilizations strategies linked with the urban regeneration policy?

In this study, we reviewed the utilization plan for promoting the urban regeneration policy, based on an overseas case review, implications derived from case studies in Korea, and the opinions of our expert FGI. As a result, two community land trusts - one supporting

urban regeneration management and the other commissioned with the housing and regional management divisions - were prioritized as major considerations. In addition, this work proposed a method for assigning CLTs to particular assets, via five types of urban regeneration.



Plan for connecting Urban Regeneration Projects and local Community Land Trusts

What are national policies and institutional improvements for efficient and effective implementation of the CLT system?

Analysis results of policy cases and expert opinions from our FGI can be classified into five categories: pilot application and proliferation, establishment of institutional infrastructure, strengthening of residential capacity, financial support, and long-term issues. As a way of improving the system and being ready for the introduction of CLTs, the ‘Community Asset Trust Act’ was enacted as a new law, and was separated from the institutional improvement approach that had previously linked CLTs to existing related laws by integrating them as a public benefit trust system approach. In order to promote understanding of the new legislation, this research suggested the general community and members of the community asset trust be encouraged to establish and operate a board of directors and support the revitalization of regional asset trusts.

It should once again be emphasized that the CLTs can serve as a collaborative effort to enhance housing stability, prepare for gentrification, and pursue sustainable and community-led regional management in conjunction with local regeneration. We wish that the initial steps for introducing and utilizing CLTs proposed by this study will be pursued. We expect the public

and community sectors and civil society to realize the value in promoting sustainable regional management through community asset capitalization and community-led trust operations, in order to spread common values.

Keywords : Community Land Trust, Gentrification, Neighbourhood Management, Affordable Housing

