



# INVESTING IN COMMUNITY

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Socially responsible investing has always left me with an uncomfortable feeling. Like a bridge that doesn't quite make it to the other shore. Stocks, bonds, and money games are set up and controlled by pros to make money for themselves, not me. Corporate structure, based solely on maximizing financial imbalance in a community, has felt utterly wrong, regardless of how many points are earned on an accountability scale.

I had to start dealing with this world, however, when my parents died, leaving a small nest egg of investments. My discomfort grew with investment advisors' always confident and rationally detailed projections of profit being followed a couple of years later by the complacent, "Oh, well, things do go down." Didn't hurt them any. Fortunately, some of my own ignorant decisions worked out way better than recommendations of professional advisors.

Socially responsible mutual funds seem to end up doing less than the market. Inside trading, investment bubbles, stockholders only getting a small share of returns; golden parachutes, pillaging employee retirement funds, squeezing family farms out of existence. The whole thing feels icky. Do we try to band-aid that world because we can't conceive of another?

My wife kept saying, "Invest in our community." I agreed, but, "How?" Neither of us had a clue. There didn't seem to be a way set up. Which should have been the obvious answer – where something *is* set up, it's usually a "set-up" for others to make profit off of you. What truly supports us is all around us, quietly asking to help.

So we kept wondering. And slowly, answers appeared. One of the kids who grew up with our boys needed a loan for his homestead/farm. Property values had gone up enough that it was secure, so we gulped and made the loan. Another organic farmer needed to build some greenhouses for year-round production so he didn't have to lay off his help every fall. We put the word out, some friends showed up, and each of us loaned enough to add up to what he needed without too much risk for each of us. It's good, if times get bad, to have some growers beholden to you!

The next thing that happened was different. We were setting up a conservancy land trust, when the last farm on the estuary between our towns came up for sale. Wetlands restoration, a sanctuary for elk that calve on the estuary islands, salmon stream restoration, community gardening. The only out was for several of the board members

to use some of their retirement savings for a down payment, with one of them putting up a CD for security for a loan from a local bank. It looked like we would be OK even if the Trust couldn't raise the money to buy from us for what we paid for the land. And to show there was no funny business, we wouldn't charge interest.

It worked. And blew people away that people would be willing to really invest in their community in that way. The Trust is thriving now, with other properties, and a pride of the community. Land prices have gone up so much that you can hardly buy a single house lot now for what we paid for the whole 55 acre farm. And its value as green space raised the property values of surrounding homes far more than any tax loss to the county.

After that, we started working on affordable housing, urgently needed in our area. As a start, we pulled more money out of the stock market and went in with a friend to purchase a standard 1970s 3-bedroom ranch house, remodeled it into "flex-housing" which now accommodates six people with room for them to work, in varying combinations of rooms and spaces. At the same time, we did an energy upgrade to show what can be done with existing housing. Wood heat, super-insulation, upgraded windows, efficient lighting and appliances, and super-low-flush toilets. It's doing great!

But now we were out of reserves, my eyes had gotten bad and I had trouble doing my architectural work. Our housing ideas had evolved into doing a housing trust (aka community land trust or CLT) that holds land in perpetuity, with resale restrictions on the houses, to keep public investment working and housing affordable forever. We knew inflation doubled housing costs every 20 years. And finance costs equal the construction costs of a home. Plus, energy operating costs already are as great again.

We realized that a CLT owning the homes could pay off the mortgages in 20 years, cutting housing costs in half. Trust-owned houses wouldn't inflate, so would cut costs in half again. We can now design them as zero-net-energy homes, bringing energy operating costs down near zero. And the CLT could be a vehicle for people to invest in housing in the community. Showing how to get eighty percent reduction in housing costs? Wow!

But we needed land. Prices were running up like a bill at the gas pumps. Global warming is threatening to flood half of the land in our communities. Then one morning, a realtor friend showed us a 10 acre property just coming on the market. It cost "only" \$208,000, but we had to get an offer in immediately or lose it.

Amazingly, we didn't even blink. We went to the bank, mortgaged our house for a quarter of a million dollars, and locked up the sale. A moment of panic – "Wait a minute, we don't have any income." Somehow they approved it. We're going to pass the land through to the new housing trust, but this time charging interest on our loan. Turns out we could probably make a half-million dollars if we split it into view homesites. But homes for thirty or forty hard-working families in our community being pushed out of their homes feels incomparably better. And we can even do sustainable forestry on half the site, to repay the trees used in construction. Who was it that said qualitative differences are the ones so big that they can't even be compared, while quantitative ones are differences so little that they're almost alike?

We're learning what it truly means to invest in community. To invest in a future, with homes that don't use energy, to minimize global warming, to provide livelihood and homes, to take action based on caring and sharing and taking profiteering out of how

our needs are met. Getting things down to the scale where we know personally what works and what needs to be done. For our communities to be alive, we need to invest in generating life, not draining it from the community. And, yes, we *can* change corporate charters to require that they give, not just take.

Dear friends, I can't tell you how great the rewards of this kind of investment are in our hearts, in the love within our community, and in the true well-being we feel. It's living in a totally different world!