

THE CAÑO'S TAKE ON COLLECTIVE LAND OWNERSHIP

Below are some of the specific mechanisms the Caño Martín Peña CLT has established:

- 1) Those families that don't already have an individual title will receive a surface rights deed and will be entitled to register it, mortgage it, sell it and bequeath it if they so choose.
- 2) In terms of the resale provisions, they will apply depending on how the structures have been acquired by the CLT members: those members who receive surface rights initially as a way to legalize their relationship to the land they've been occupying will not be subject to equity limits when/if they sell their house. However, the property will have to be sold at market value and the Caño CLT will have first right of refusal.
- 3) When the CLT develops housing units relying on subsidies or other outside funding or when it resells a housing unit, a resale provision will be included in the surface right deed issued to the new owner. This also applies to those residents who have been relocated to make way for the dredging of the Caño.
- 4) If a parcel of land owned by the CLT is currently being leased by a government agency, the price will be a nominal \$1 if such agency is directly serving the Caño community. Otherwise, market prices will apply.
- 5) The Caño CLT might target specific parcels for development and put them up for sale if it considers that the profits from such sale will greatly benefit the community.

(Source: Interview with Lyvia Rodríguez - September 17, 2013 / Email from Lyvia Rodríguez - November 5, 2013)

EXCERPTS FROM THE CAÑO CLT REGULATIONS (2009)

Translation provided by ENLACE

By virtue of Law 489 [the original law that created ENLACE and the CLT] (...), ENLACE was invested with the ownership of all the lands located in the Special

Planning District of the Caño Martín Peña ¹which at the time of the statute (...) were under the administration, custody, domain, renting or possession of any public agency.

Law 489 also created the Land Trust of the Caño Martín Peña, with independent juridical personality and with the purpose of administering, owning, and guarding in perpetuity the lands that were transferred to the Corporation under Law 489 and any other possession acquired in the future, for the benefit of the residents of the District.

The Land Trust is a private non-profit organization, with independent juridical personality and perpetual existence.

The reigning organism of the Land Trust and the fiduciary agent of the trust estate will be the Board of Trustees. (...) The members of the Land Trust shall be the owners or lessees of structures, or housing units or non residential commercial premises located partially or completely within the lands owned by the Land Trust, that meet membership requirements established in these Regulations.

The Land Trust will have the following goals:

- a) Contribute in resolving the ownership problems of many of the District's residents through the collective possession of the land.
- b) Avoid involuntary disintegration or displacement of the community.
- c) Heed with fairness the physical or economic displacement of low income families or individuals that reside within the District that is an outcome of urban reconstruction projects.
- d) Guarantee affordable housing within the District.
- e) Possess, own, watch over and administer lands in benefit of the community, to increase local control over the land and avoid decision-making by absentee owners.
- f) Facilitate participation of the residents and the strategic investment of the private sector, such as the redistribution with fairness of the increase in property value through participation certificates once it is feasible by law and regulations adopted for such purpose, thus diversifying the families' sources of income and the District's reinvestment. Any distribution of the revenues will be subjected to the warranty of the perpetual existence of the Land Trust.

¹ The Special Planning District, created in 2002, totals approximately 200 acres and includes the neighborhoods of Barrio Obrero, Barrio Obrero Marina, Buena Vista-Santurce, Parada 27, Las Monjas, Buena Vista-Hato Rey and Israel Bitumul.

- g) Recuperate the economic investment of the State in the urban reconstruction of the District to create a revolving fund that allows reinvestment in the District or in other places with similar purpose. Any reinvestment outside the District will take place only when it benefits the development of the District or when all needs of the District have been fully seen to.
- h) Maximize the community's patrimony and attain the full potential of the Land Trust to generate wealth, maintaining the economic and financial solvency of the Land Trust and protecting the lands over which there exists a transfer limitation.

The Corporation will prepare the first Registry of Members of the Land Trust in a period no greater than 300 days from the date that these Regulations take effect.

All members will be notified and heard in relation to the decisions taken by the Land Trust which may affect their rights and they will have access to all documents and reports related to the Land Trust's activities. (...) The right to be heard will not be limited to the holding of assemblies or public hearings, but will include all mechanisms that guarantee a broad and full participation of the members in the decision-making processes of the Land Trust.

The Board of Trustees will call an assembly of its members when at least 25% of the members with voting rights request it in a written statement in which they describe the matters to be discussed.

The Board of Trustees will be the governing organism, of the Land Trust and the fiduciary agent of the trust estate, which it will manage, own and guard for the benefit of the communities that make up the District and its residents.

[It] will be made up of nine regular trustees and two by invitation, for a total of eleven trustees with speaking and voting rights, that will be chosen as follows:

- a) Four will be voting members chosen in a members' assembly. These four trustees will be distributed as follows: 1) One member that resides in the northern communities of the Caño; 2) One member that resides in the southern communities of the Caño; 3) One member that resides in, operates a business or carries out non-profit activities in the northern communities of the Caño; 4) One member that resides in, operates a business or carries out non-profit activities in the southern communities of the Caño.
- b) Two regular trustees will be appointed by the G-8.
- c) One regular trustee will be chosen by the Board of Directors among those members that do not represent either the G-8 or the central or municipal government.

- d) Two regular trustees will be private citizens appointed by the Board of Trustees.²
- e) [The Governor will be invited to appoint] one representative of the Central Government.
- f) [The Mayor will be invited to appoint] one representative of the municipality.

To be eligible or appointed as a trustee, as it may apply, the candidates (may) not have been a candidate for any elective political office, nor have occupied, chaired in committees or political action groups during the four years previous to their appointment as trustees or during the appointment's lifespan.

² The Regulations state that the candidates in this category will be private citizens who "have extensive knowledge and experience in matters related to the Land Trust's mission, preferably in managing assets and real estate and the creation and implementation of financial strategy, with the goal of complementing the knowledge and experience of the rest of the members of the Board of Trustees."