

SHOULD THE CA COMMUNITY LAND TRUST NETWORK LAUNCH A 501(C)4?

+

For consideration of the CACLTN Membership

6/25/21

The logo consists of a green outline of a house shape. Inside the house shape, the text "California Community Land Trust Network" is written in black, stacked vertically.

California
Community
Land Trust
Network

Perpetual Home Affordability-Stewardship-Community Control

HOW HAVE WE BEEN PURSUING ADVOCACY AS A COMMUNITY OF CLTS?

- AB 2818, SB 196, AB 1206: CLT and LEHC property tax legislation
- SB 1079: Leg up in preserving homes at auction
- Foreclosure Intervention Housing Preservation Program
- Tenant Opportunity to Purchase initiatives
- Disposition of Public Lands
- More!

OUR TOOLS
FOR
ADVOCACY

Our time!

Our allies and partners

Legislative Advocates - Amy Hines-Shaikh and Christina Oatfield

CACLTN staff

WE ARE DOING A SUBSTANTIAL AMOUNT OF LOBBYING

What counts as lobbying?

- + Amy Hines-Shaikh's time
- + Some of Christina Oatfield's time
- + Some of Leo's time

...It's not just meetings with electeds, it's time spent on lobbying communications (like tweeting, drafting memos, etc.)

Lobbying activities cannot exceed 20% of CACLTN's overall expenditures, **but we are on pace to exceed 20% this year.**

IRS Definition of Lobbying:

“Attempting to influence legislation ... An organization will be regarded as attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting, or opposing legislation, or if the organization advocates the adoption or rejection of legislation.”

501(C)3 VS 501(C)4

Our current Non-Profit Status is a 501(c)3 organization

- A 501(c)3 nonprofit organization is typically created for religious, charitable, educational, and/or scientific intent. They are tax-exempt, can conduct research, and are limited to an amount of lobbying, advocacy, or political activity.
- Donations to 501(c)3 organizations are tax-deductible.

The board proposes incorporating a sister 501(c)4

- A 501(c)4 is a “social welfare group” that can advocate for causes and propositions, like 501(c)3s. However, 501(c)4s
 - Can do a lot of lobbying
 - Can publish candidate score cards
 - Can endorse specific candidates
 - Do not receive tax deductible donations

501(C)4S ARE ALLOWED TO BECOME FAR MORE POLITICALLY INVOLVED AND PARTISAN THAN 501(C)3 ORGANIZATIONS

- Similar to 501(c)(3)s, 501(c)(4)s are considered social welfare organizations. They are tax-exempt from federal income taxes and aim to push their mission to the forefront of the public's consciousness.
- 501(c)(4)s are unlimited in their abilities to lobby for and against legislation, as well as support and oppose ballot measures.
- Both 501(c)(3) organizations and those with 501(c)(4) status are able to advocate publicly for their causes, but because 501(c)(4)s are allowed to lobby and advocate in ways that 501(c)(3)s can't, 501(c)(4)s have more flexibility in advancing their issues. They can pay for costs necessary to a political organization, compare their own mission with a candidate's, ask candidates to sign pledges on any issue, and back candidates that reinforce their mission.
- As a 501(c)(3), the nonprofit can host a debate between all candidates to bring their views on race and equality to light, but they cannot endorse their candidate of choice. As a 501(c)(4), they would have the ability to endorse a candidate whose views align with their mission, support his or her campaign, and focus on getting out the vote efforts. However, donations to their cause – should it have 501(c)(4) status – would not be tax-deductible.

THINGS WE CAN
DO THRU A (C)4
ORGANIZATION
THAT WE
CANNOT DO
THRU OUR (C)3

✓ **CONTINUE TO DO LEGISLATIVE ADVOCACY AT
OUR CURRENT PACE**



- ✓ Put out a legislative score card, scoring each legislator based on their voting record in a legislative year
- ✓ Hold a candidate's forum and issue an endorsement of a candidate at the end based on how that person responded to our questions
- ✓ Distribute a candidate questionnaire and post the candidate's answers on our website with a recommendation on how to vote
- ✓ Establish a Political Action Committee (PAC fundraising account) and put money in it to distribute to our legislative champions
- ✓ Ask candidates to sign an "anti-displacement pledge" that they will uphold their responsibilities to our communities

THINGS WE CAN
DO THRU A (C)4
ORGANIZATION
THAT WE
CANNOT DO
THRU OUR (C)3
CONT.

CLTs working on a local or regional campaign could work through the c4

As long as...

- The c4 pays the 501(c)3 CLT for the time of the staff &
- Staff track their time on c4 work

HOW WOULD THE C3 AND C4 WORK TOGETHER?

- It is common for a nonprofit to provide direct services and advance their mission as a 501(c)(3) organization, while also advancing their mission in the political arena by establishing a separate 501(c)(4) organization that aligns with their mission.
- One 501(c)(3) that also has an action fund (aka a c4) is Planned Parenthood. While the organization itself is a nonprofit, advocating “for policy to expand access to health care,” the nonprofit also has an action fund arm: Planned Parenthood Action Fund (PPAF). Through this PPAF, Planned Parenthood is able to “fight to advance and expand access to ... health care and defend reproductive rights,” as their mission states.

LONG STORY SHORT...

CACLTN is currently doing an unsustainable amount of legislative advocacy based on lobbying limitations for 501(c)3s.

By creating a sister 501(c)4, CACLTN could continue its current level of advocacy activities.

A CACLTN (c)4 – “California CLT Action” – could also be a vehicle for local advocacy efforts for Network members.

Creating a (c)4 also opens up other advocacy opportunities like endorsing candidates.