An aerial photograph of a modern park. The park features several large, circular water features with multiple jets of water. The walkways are paved with light-colored, patterned tiles. There are numerous green trees and shrubs throughout the park. Several people are seen walking and sitting at tables in the park. The overall scene is bright and sunny, with shadows cast by the trees and people.

2016–2017 Annual Report

Finding answers in land



LINCOLN INSTITUTE
OF LAND POLICY

MESSAGE FROM THE CHAIR OF THE BOARD & PRESIDENT



On the global stage at Habitat III in Quito, Ecuador, in October 2016, the Lincoln Institute of Land Policy emerged as the world authority on land policy and related scholarship. Our reputation has been built on 71 years of rigorous, independent, nonpartisan research and training. Since Quito, requests have poured in for research, policy advice, and technical assistance from governments at all levels seeking to mitigate and adapt to climate change, reduce urban poverty and informality, strengthen municipal fiscal systems, and leverage the value of land to finance urban infrastructure and city services. These demands for our attention affirm our commitment to use land policies to address vexing global economic, social, and environmental challenges.

When we relate our mission to others, they invariably ask what land policy is. The answer is both simple and complicated. Simply put, land policy defines the relationship between people and place, dictating what we can do with, on, under, or even above land. Land policies can be formal rules, like zoning laws, building codes, or conservation easements. Or they can be informal, customary practices, like burning grasslands to prepare them for new growth. Land policies delimit what we can extract from land through mineral or water rights. Or they can enable us to harness the value of land by, for example, empowering local governments to collect property taxes.

Historical or cultural designations tell us whether we can remove buildings from protected land. Policies like eminent domain dictate when the state can take our land from us. Land policies can be codified in national or state constitutions, local statutes, or legislative actions. They can be tacit agreements among members of indigenous communities that are never written, but assiduously followed.

All land policies have a logic that connects actions to goals. This is where our work begins. We confirm people's goals related to places and help them to determine whether specific land policies or tools can further these objectives. Together with an impressive network of experts from around the globe, we evaluate the efficacy of various tools and policies to accomplish specified tasks. We have scoured the planet for innovative tools, policies, and practices that generate intended economic, social, or environmental outcomes, and we document those efforts for others.

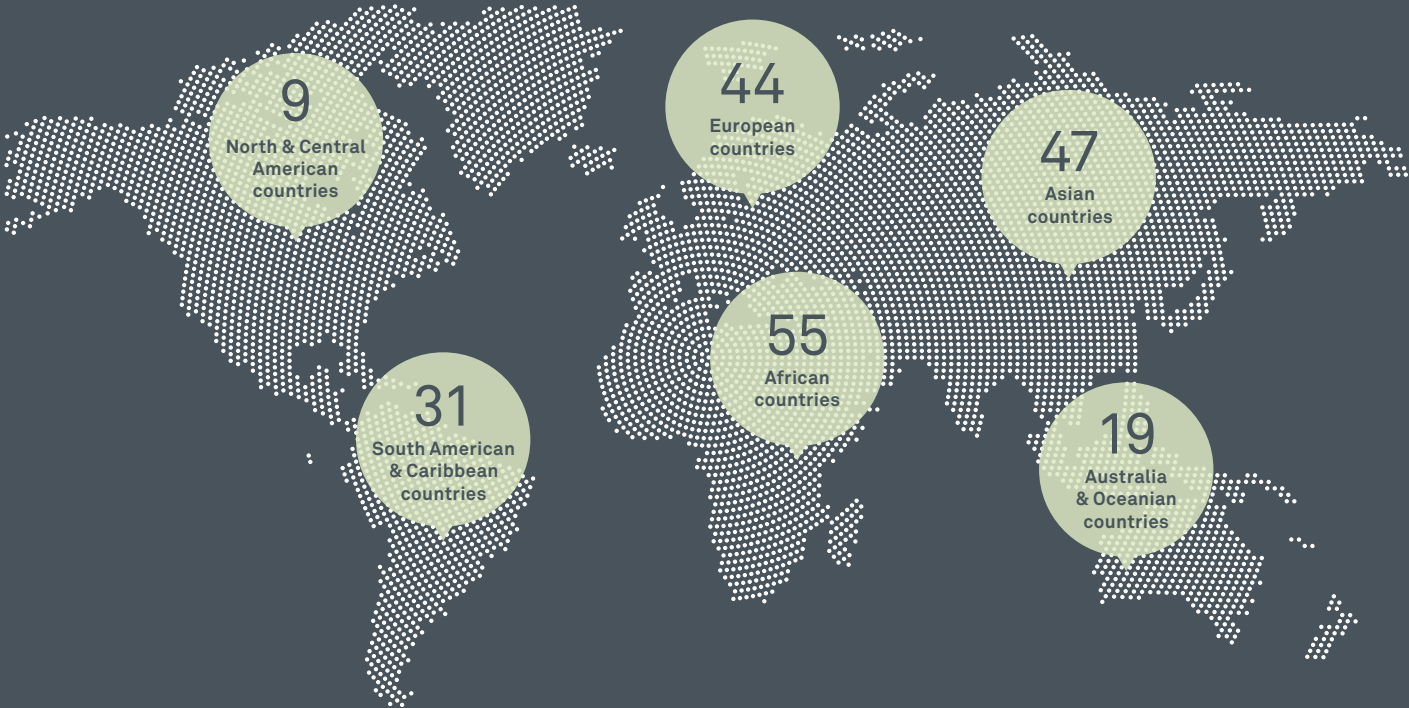
Our founder, John C. Lincoln, endowed us with a substantial gift of stock in the Lincoln Electric Company to pursue our mission. We managed our portfolio with care and discipline to position ourselves to serve this mission in perpetuity. While our resources are substantial, the global challenges we face dwarf our assets and those of many governments. That is why we seek partnerships with people and organizations whose goals align with ours. We are always ready to commit our own time, effort, and resources. But we are eager to stand shoulder to shoulder with others who understand the power of land policies and practices to address many of the pressing challenges facing humanity. We hope that you will join us in finding answers in land.

GEORGE W. McCARTHY *President and CEO*

KATHRYN J. LINCOLN *Chair of the Board and CIO*

Our Global Reach

The Lincoln Institute of Land Policy seeks to improve quality of life through the effective use, taxation, and stewardship of land.



Our global reach includes places where the Lincoln Institute has worked with governments and NGOs; developed training programs; led research; conducted in-person and distance education courses, workshops, and conferences; and engaged scholars to conduct surveys and write case studies.

Source of regions: United Nations, *World Statistics Pocketbook 2016 edition*.

KEY AREAS OF IMPACT

- Municipal Fiscal Health
- Urban Poverty & Spatial Inequality
- Climate Change
- Value of Land

Our research and technical assistance helps leaders worldwide:

- conduct better long-range planning
- make strategic use of public financing
- address dysfunctions in land markets
- promote sustainable economic development
- create affordable housing tools



We work to improve municipal fiscal health.

The quality of life for billions of people rests on the ability of local governments to deliver public services and invest for the future.

In recent decades, dozens of U.S. municipalities have filed for bankruptcy as local governments struggle to make ends meet. In rapidly urbanizing regions of the world, cities are also grossly underinvesting in preparing for billions of new residents. Land policy can play a central role in improving the fiscal strength and quality of life in cities today and in helping them prepare for a sustainable future.

Our Impact

Journalists Forum

Annually, the Lincoln Institute convenes leading writers and editors to promote land policy as a solution to some of the world's most challenging problems. In 2016, journalists gathered to discuss global municipal fiscal health and how to detect, analyze, and report fiscal stress. Participants explored how land-based finance tools, such as land value capture, can be used to fund infrastructure and public investments. The 2017 Forum focused on cities and equity in an era of growing isolationism and nationalism.

www.lincolninst.edu/2017JournalistsForum

Beijing Forum

In 2016, the Lincoln Institute cosponsored panels at the Beijing Forum on global megacities and regional development. Participants discussed the challenges of creating fiscally stable, sustainable, and efficient megacities in developed and developing countries, especially rapidly urbanizing countries like China. Lincoln Institute experts presented a strategy for monitoring the implementation of the Habitat III New Urban Agenda and led discussions on equitable development in megacities.

Champion Mayors Initiative

To help mayors around the world create strategies for sustainable organization, equitable development, and accountable governance, the Lincoln Institute has partnered with the Organisation for Economic Co-operation and Development (OECD) on the Champion Mayors for Inclusive Growth Initiative to organize a range of activities, including workshops and events. The Champion Mayors Initiative builds on long-standing OECD and Lincoln Institute work on inequality, local economic development, and urban policy to improve the economic and social well-being of people around the world.

oecd.org/inclusive-growth/champion-mayors/



Multimodal, Seattle, WA. Photo: Plainurban/Flickr CC-BY-2.0.

Municipal Fiscal Health Campaign

How can cities balance their books and still provide the services their citizens depend on?

We launched the Municipal Fiscal Health Campaign to help equip policy makers and public officials with tools to address their communities' fiscal challenges by mobilizing transnational research, providing training, and fostering regional and international dialogue. The campaign engages members of Congress, leaders within the United Nations, practitioners, and officials at the national, state, and local levels here and abroad. We coordinated a fiscal track at the 2017 American Planning Association conference, developed curricula on public finance, hosted a roundtable on housing markets and urban fiscal health with the Urban Institute, and commissioned research for measuring the fiscal health of cities included in our FiSC database.

Fiscally Standardized Cities Database (FiSC)

Our signature interactive Fiscally Standardized Cities (FiSC) database makes it possible to compare the public spending, revenues, and debt of 150 of the nation's largest central cities. Popular uses of the database include comparing property tax revenues between two cities, ranking all local governments by school spending, or seeing which cities are most reliant on state funding. lincolninst.edu/research-data/data/fiscally-standardized-cities-fisc



We work to reduce urban poverty & spatial inequality.

The story of people marginalized in metropolitan regions—whether living in slums worldwide or in low-income communities in developed countries—begins with land.

Current trends suggest that the planet will be 70 percent urbanized by 2050, with cities adding some 2.5 billion people.

As the world's cities expand at an un-precedented rate, the disparity in the quality of life for city dwellers increases. Today, one-quarter of all urban residents around the globe live in unplanned, informal settlements often lacking basic services such as clean water and sanitation.



In the United States, legacy cities from Youngstown to Detroit struggle with vacant land, budget deficits, and job losses after decades of decline, while rising costs in booming U.S. cities displace longtime residents who cannot afford to live there.

Our Impact



Habitat III session on municipal finance. *Photo: Sam Moody.*

Habitat III Leadership on Municipal Finance

In October 2016, the Lincoln Institute seized a once-in-a-generation opportunity to shape the conversation around global urbanization at Habitat III, the third United Nations Conference on Housing and Sustainable Urban Development, a meeting held once every 20 years. More than 30,000 people from 167 countries came together in Quito, Ecuador, to adopt the **New Urban Agenda**, an international agreement to guide the growth of cities in the coming decades.

With the World Bank and the assistance of policy specialists, Lincoln Institute experts cowrote the policy paper, “Municipal Finance and Local Fiscal Systems,” which recommends how the world will pay for the New Urban Agenda.

The Institute held a series of events on land value capture, inclusionary housing, the property tax, and municipal finance. Since then, we have received requests for technical assistance and training from several governments, including Peru, Argentina, Paraguay, Qatar, Georgia, and Myanmar. habitat3.org

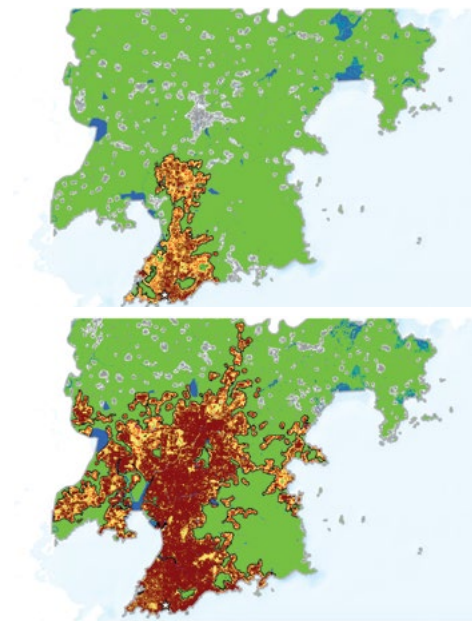
NEW TOOL

2016 Atlas of Urban Expansion Captures the World’s Attention

The product of our partnership with UN-Habitat and New York University, the Atlas is an open-source tool for monitoring the spatial growth of cities worldwide with maps, satellite images, and data on spacial changes in cities. It features a global sample of 200 cities, representing the universe of all 4,231 cities and metropolitan areas in the world that had populations of 100,000 or more people in the year 2010.

atlasofurbanexpansion.org

The Atlas allows users to select a location to reveal changes over time in population, density, urban extent, exurban area, open space, added area, blocks, and roads.



“The best thing about the [Habitat III] conference.”

— *The Economist Espresso* blog, on the unveiling of the expanded Atlas of Urban Expansion

Our Impact



A transit-oriented, mixed-use development in Oakland, CA.
Photo: Christopher Ulrich, SPUR/CC BY-SA 2.0.

NEW RESOURCE

Inclusionary Housing Website for Healthier Communities

Lincoln Institute's commitment to affordable and accessible housing prompted our collaboration with Grounded Solutions Network to launch a website that provides practical resources to help municipalities design affordable housing programs. An online worksheet walks practitioners through inclusionary housing policies, the structure of the programs, and the types of incentives to offer developers to determine the right fit for each community. inclusionaryhousing.org

"The exchange of ideas with colleagues and experts made possible by the Lincoln Institute is hugely valuable to me as a planner and someone committed to public service."

— John Rahaim, San Francisco planning director

NEW CENTER

Center for Community Investment

Despite interest from philanthropists and impact investors who seek social and environmental returns as well as financial gains, disadvantaged communities often lack capacity to put money and land to work to achieve their economic, social, and environmental priorities at scale. With support from The Kresge Foundation, the John D. and Catherine T. MacArthur Foundation, and the Robert Wood Johnson Foundation, the Lincoln Institute launched an initiative to help communities harness available resources and promote more equitable use of land. centerforcommunityinvestment.org



**Center for
Community
Investment**

The Center focuses on developing leaders and supporting local systems change, with an initial emphasis on climate and health.

Urban Poverty in Latin America

Lincoln Institute's work throughout Latin America and the Caribbean focuses on increasing affordable housing, urban infrastructure, and services through the property tax, land value capture, and other land-based tools to promote urban development.

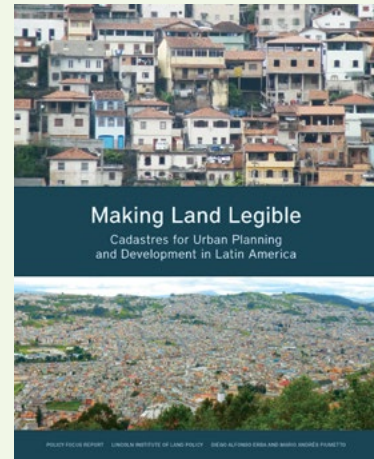
The key to our impact is the extensive network of colleagues in our distance education program; our professional development courses, seminars, and workshops; and our funded research on land policy and urban development. We offer a host of pedagogical tools including webinars, booklets, and games.

Over the past 22 years, we have conducted in-person and distance education courses, seminars, workshops, and conferences in Latin America and the Caribbean for more than:



7,000

PROFESSIONALS



POLICY FOCUS REPORT

Making Land Legible: Cadastres for Urban Planning and Development in Latin America

Diego Alfonso Erba and Mario Andrés Piumetto

This report describes how the traditional cadastre—a public land registry used to track ownership and property taxation—is being reimagined throughout Latin America as a powerful tool to promote fiscal stability and guide urban planning initiatives in the face of climate change. *Available in English and Spanish.*



Playing GIROS, a game about the effects of land market transactions on urban development. *Photo: Anne Hazel.*



We work to combat climate change.

Land policy is a powerful lever for reducing greenhouse gas emissions and strengthening resilience to climate change.

The effects of climate change are intensifying even with global efforts to reduce greenhouse gas emissions. The Lincoln Institute works toward land policy that will prevent the most catastrophic effects of climate change and help cities adapt to the unavoidable impacts.

Our efforts focus on how land policy intersects with urban planning and resilience, land conservation, and water sustainability.



Our Impact

NEW NETWORK

International Land Conservation Network (ILCN)



The Lincoln Institute launched the International Land Conservation Network (ILCN) to build capacity and accelerate private and civic land conservation around the world. To date, the ILCN has worked directly with individuals representing 34 countries to share successes and explore replicable models of stewardship, governance, finance, and policy. landconservationnetwork.org

European Private Land Conservation Network (ELCN)

Inspired by the ILCN's first Congress in Berlin in 2015, the European Commission's LIFE Programme called for proposals to develop a European Private Land Conservation Network (ELCN). A group of participants from that gathering submitted a successful proposal and will now work together to develop a robust European private land conservation network. The ILCN will be a key partner to help the ELCN explore international models and identify best practices.

"I want to commend the ILCN for their leadership in the global land conservation movement. By connecting and empowering nonprofit and private land conservationists around the world, you have the power to make a major impact."

— United States Senator Tim Kaine of Virginia

Sponge City Pilot Project in Shenzhen

Urban development in China has expanded so rapidly that runoff from increasing rains has caused life-threatening floods throughout its cities. In response, the government has endorsed using Shenzhen as a pilot site to develop a city that functions like a sponge to channel 70 percent of all rainwater into underground reservoirs for conservation and flood management. We are collaborating with The Nature Conservancy, the Shenzhen government, and the Chinese Paradise Foundation to develop strategies and financing mechanisms for this project. gochengdu.cn



A "sponge city" is a municipality with an underground water system that operates like a sponge to absorb, store, and purify rainwater to release it for reuse when necessary.

Graphic: Jiang Rong, designer/www.gochengdu.cn, *Chengdu Daily*.

Our Impact



BOOK

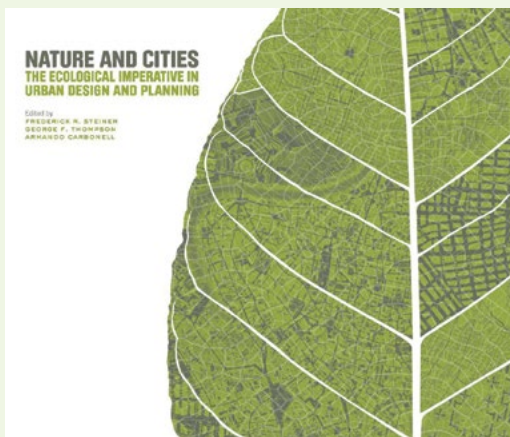
Nature and Cities: The Ecological Imperative in Urban Design and Planning

Edited by Frederick R. Steiner, George F. Thompson, and Armando Carbonell

Named one of the American Society of Landscape Architects' Best Books of 2016, *Nature and Cities* calls for the integration of nature in urban design and planning to make cities and urban infrastructure truly green, sustainable, and resilient.

"A stirring manifesto for sustaining beauty and a new public works agenda based on resilient infrastructure."

— Adrian Benepe, former New York parks commissioner and currently at the Trust for Public Land



BOOK

After Great Disasters: An In-Depth Analysis of How Six Countries Managed Community Recovery

Laurie A. Johnson and Robert B. Olshansky

The New Zealand government quoted this book in their assessment of the recovery efforts following the Christchurch earthquakes. The authors offer lessons from six countries—China, New Zealand, Japan, India, Indonesia, and the United States—that employed a range of management approaches to disaster recovery.



NEW CENTER

Babbitt Center for Land and Water Policy

Named for Bruce Babbitt, former Arizona governor, former secretary of the interior, and longtime Lincoln Institute board member, the new Center will focus on integrating water sustainability into improved land use planning, management, and decision making.

Initially, the Center will develop, evaluate, and share best practices; create new data and mapping tools; facilitate regional dialogues; and track and report on conditions throughout the Colorado River Basin. The Center will connect the people and practices of the arid American West to practices worldwide. lincolninst.edu/about-lincoln-institute/departments-programs/babbitt-center-land-water-policy

“It has been said that water is the new oil, and if we want to ensure that future generations have adequate supplies, we have to understand the intimate connection between land and water.”

— George W. McCarthy, president and CEO, Lincoln Institute of Land Policy

NEW PROGRAM

Resilient Communities and Watersheds

Our program with the Sonoran Institute, previously called Western Lands and Communities, has been reoriented to better integrate land use planning and water management at the local level. The Gates Family Foundation granted \$100,000 to kick off the Colorado Communities Assistance Program for research, community training, and capacity building to help communities use land and water effectively in the Colorado River Basin.



Black Canyon, Lake Mead, NV. Photo: 4kodiak/iStock.



We work to harness the value of land.

Land plays a central role in both the financing of infrastructure and the maintenance of basic city services for metropolitan regions throughout the world. The Lincoln Institute is the global go-to source for expertise on the property tax and land value capture.

The property tax is a fair, democratic, transparent, and efficient source of local revenue. Property tax systems are well established in North America, Europe, Australia, and Latin America, and are under development in Eastern Europe, Africa, and China.



Over \$500 billion is generated annually by property taxes in the United States. This is a critical source of funding for schools, police and fire protection, and other public services.

Our Impact

Property Tax

RESOURCES

Property Tax in Latin America

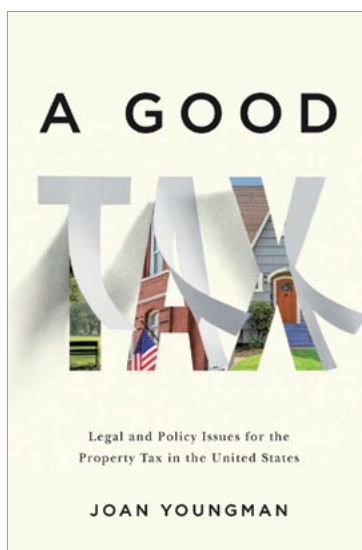
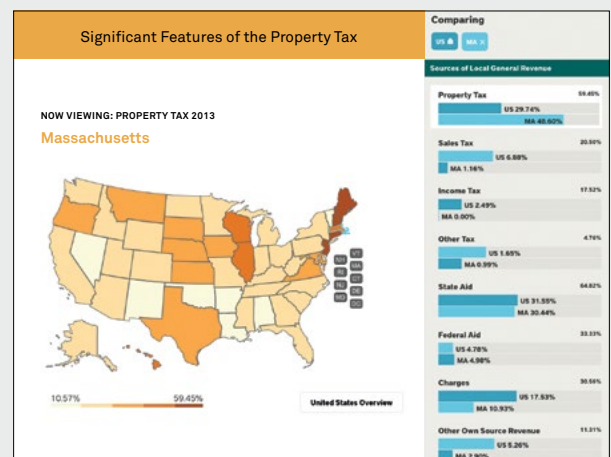
Property taxation in Latin America is a long-standing source of revenue to finance public services at the local government level. However, property tax administration among Latin American nations varies widely, and most countries do not have an effective system for collecting taxes. In 2016, the Lincoln Institute published a comprehensive book devoted exclusively to local jurisdictions and the property tax in Latin America. Other available resources include tools, databases, comparative analyses, a glossary, and a bibliography in English, Spanish, and Portuguese. datatoolkits.lincolninst.edu/subcenters/property-tax-in-latin-america/

ONLINE TOOL

State-by-State Property Tax at a Glance

In 2016, the Lincoln Institute released the State-by-State Property Tax at a Glance narratives and visualization tool for policy makers, analysts, journalists, and home owners. A complement to our Significant Features of the Property Tax database, Property Tax at a Glance illustrates the variety of ways states use the property tax. The narratives, drafted by state experts, cover all 50 states and the District of Columbia.

This interactive tool allows the user to summarize and compare property tax statistics in different states.



BOOK

A Good Tax: Legal and Policy Issues for the Property Tax in the United States

Joan Youngman

The property tax is the subject of continual controversy. Yet, it is a fair, democratic, stable, and efficient source of local revenue, argues author Joan Youngman, an attorney and international property tax expert.

“Drawing on her encyclopedic knowledge of the property tax, the author clearly explains both the pros and cons of the tax and, more importantly, lays out potential solutions to the policy challenges inherent in administration.”

— Kim Rueben, senior fellow, Urban Brookings Tax Policy Center



Detroit Property Tax Reassessment

In 2014, Detroit was bankrupt and public services were suffering. Lincoln Institute research revealed a structural problem with Detroit's property tax: assessments were high and, in some cases, inaccurate. Following media reports of our research, the City announced a reassessment process. This prompted *The Economist* to remark in February 2017, "*Signs abound that Detroit has turned the corner. . . . The rate of payment of property taxes has increased from just 68 percent during the city's bankruptcy to 82 percent, in part thanks to a fairer assessment of the tax burden.*"

Payments in Lieu of Taxes (PILOTs)

Since the publication of our first report on PILOTs in 2010, the Lincoln Institute has become a leading expert on PILOTs—payments made voluntarily by tax-exempt nonprofits in place of property taxes. After Rhode Island policy makers asked us for information on PILOTs, revenue from PILOTs became part of the reforms that resolved Providence's fiscal crisis. Lincoln Institute researchers have presented on PILOTs in various cities, and our work has been featured on WGBH TV's *Greater Boston* program and in hundreds of articles, including in *The Economist*, the *New York Times*, and *Governing*.

BOOK

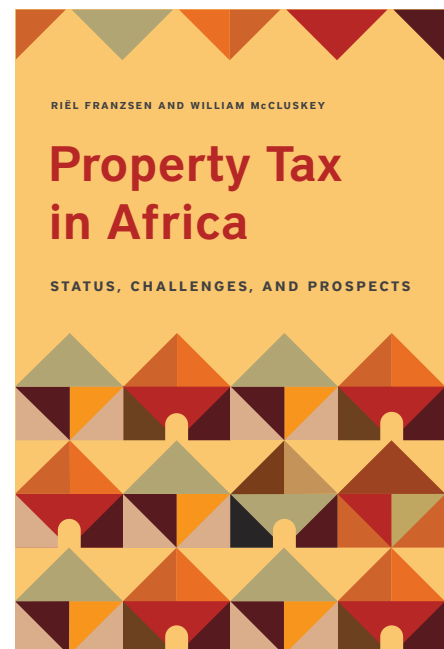
Property Tax in Africa: Status, Challenges, and Prospects

Riël Franzsen and William McCluskey

This is the first comprehensive study of the property tax systems in 29 African countries. The authors offer in-depth discussions of key issues, including the tax base, the tax rate, valuation and assessment, exemptions, collection, and enforcement.

"This one-of-a-kind study is an indispensable source . . . that pertains to the majority of countries . . . engaged in developing a property tax."

— John Norregaard, former member of IMF Tax Policy Team



Our Impact

Land Value Capture

Land value capture encompasses a range of land-based financing tools designed to ensure that the public benefits from land value increases generated by government investments in infrastructure or changes in land use regulations.

Recovering this land value increment can help finance new infrastructure, affordable housing, and other amenities that improve the quality of life for all residents.

Global Land Value Capture Campaign

In 2017, we launched a new global campaign on land value capture as an avenue to finance infrastructure. We convened a group of international scholars and practitioners to examine the range of value capture applications and issues worldwide. Our team examined the current and potential uses of land value capture devices under United States law. We are also engaging partners in new geographies, such as South Africa, to build the capacity of local governments to use land value capture tools.



Monorail, São Paulo, Brazil. Photo: Anne Hazel.

Parlatino in Ecuador

Following our high-profile role at Habitat III, the Ecuadorian National Assembly invited Lincoln Institute specialists to present land value capture as a tool to finance equitable and sustainable development at a special gathering of the Parlatino, an association of national legislatures from across Latin America. Training sessions for government officials have been programmed since this event.

Mexico City Airport & Land Value Capture

When Mexico's federal government announced plans to build a new international airport, city officials invited Lincoln Institute experts to address how best to finance redevelopment or remediation of the former airport site. Institute staff proposed leveraging development rights and other value capture tools to fund the project. This would ensure that the former airport site is a model of social, environmental, and fiscally responsible planning and urban development.

Financial Summary

Fiscal year July 1, 2016–June 30, 2017*
(Numbers rounded to thousands)

Assets

Operating Cash	\$280,000
Investments	\$556,896,000
Buildings and Equipment	\$19,019,000
Flexible Spending Account Deposits	\$12,000

TOTAL ASSETS: \$576,207,000

Liabilities

Loan Account	\$23,001,000
Deferred Excise Tax	\$3,070,000
Deferred 403(b) Payment	\$40,000

TOTAL LIABILITIES: \$26,111,000

Net Assets

\$550,096,000

Total Liabilities & Net Assets

\$576,207,000

Revenues

Net Investment Revenue (net of direct investment expenses of \$2,358,000)	\$93,615,000
Grants Received	\$1,531,000
Publications and Other Revenue	\$83,000

TOTAL REVENUE: \$95,229,000

Expenses

Program	\$15,222,000
Operations and Administration	\$3,991,000
Investment Management, Operations and Administration	\$999,000

TOTAL EXPENSES: \$20,212,000

Change in Net Assets for the Year

\$75,017,000

Net Assets, Beginning of Year	\$475,079,000
Net Assets, End of Year	\$550,096,000

Grants Committed to Lincoln Institute \$11,251,000

* This information is based on preliminary numbers that are subject to audit.





Our History

In 1946, Cleveland industrialist and inventor John C. Lincoln established the Lincoln Foundation to support other institutions in the teaching, research, and publication of ideas inspired by Henry George, the nineteenth-century political economist and author of the seminal book on land ownership and taxation, *Progress and Poverty*.

Created as a school in 1974, the Lincoln Institute of Land Policy became the Foundation's primary grant recipient, focusing on property valuation and taxation policy, urban planning and development, land economics, and property rights. In 2006, the Lincoln Foundation and the Lincoln Institute of Land Policy merged to become a private operating foundation.

Our Mission

The Lincoln Institute of Land Policy seeks to improve quality of life through the effective use, taxation, and stewardship of land. A nonprofit private operating foundation, the Lincoln Institute researches and recommends creative approaches to land as a solution to economic, social, and environmental challenges. Through education, training, publications, and events, we integrate theory and practice to inform public policy decisions worldwide.

For more information, please contact:

Anthony Flint, Director of Public Affairs

anthony.flint@lincolninst.edu | 617.661.3016 x116



Smart land policy can have lasting impact on a wide range of economic, social, and environmental challenges.

With locations in Cambridge, Massachusetts, Washington, D.C., Phoenix, and Beijing, we organize our work in seven major areas:

- Planning and Urban Form
- Valuation and Taxation
- International and Institute-Wide Initiatives
- Latin America and the Caribbean
- People's Republic of China
- Babbitt Center for Land and Water Policy
- Center for Community Investment

Our publications portfolio includes books, Policy Focus Reports, Policy Briefs, working papers, and a quarterly magazine, *Land Lines*.

www.lincolnst.edu/publications

FRONT COVER

Hudson Yards Park, New York City.
Photo: Alex S. MacLean

BACK COVER

Montana, near Glacier National Park.
Photo: Laura Johnson



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