Telosa

Land Value Return

Building Shared Prosperity from the Ground Up

A Telosa Foundation Policy Brief

At Telosa, we believe in building communities where a higher quality of life and greater opportunity lead to shared prosperity.

Land Value Return (LVR) is a simple but transformative idea: when public action and community investment make land more valuable, part of that value should flow back to the people who helped create it. This principle is not only about fairness - it's about creating stronger, more resilient communities. By reinvesting these gains into the essential building blocks of prosperity - **housing, infrastructure, health and wellness, education, and job training** - everyone has a stake in the city's success. When growth benefits all, cities can thrive, creating a more equitable and sustainable future.



Land as a Reflection of Our Values

How we use land reveals who we are and what we value. Land use policy can either leave people behind or help everyone thrive. Every street, park, and zoning decision reflects a collective choice about fairness, about who benefits when our communities grow, and how to generate sustainable growth for everyone.

Land is not a neutral commodity; it is a shared resource shaped not only by public infrastructure, zoning, and investment, but also by the social and cultural significance that communities attach to a place. When a city builds a light-rail line, upgrades a school, or allows new housing near jobs and transit, the value of nearby land often rises. Communities also elevate a place's value through social networks and the sense of belonging that makes it a neighborhood people want to invest in. Those gains are created not by individual owners alone but by society as a whole.

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Economists have long recognized this phenomenon. John Stuart Mill, and later Henry George, described the "unearned income"-the portion of rising land value that accrues to private owners but is generated by collective public action. The principle behind Land Value Return (LVR) is simple: when public investment increases land value, part of that increase should return to the community that created it.

Traditional property tax systems do not distinguish between land and buildings; they tax improvements and location. This approach can discourage development, reward speculation, and widen inequality. By contrast, Land Value Return focuses on the underlying value of land—the value created by everyone's contributions—and uses it to fund shared benefits like housing, parks, and infrastructure.

Our values show up in who benefits from growth. With LVR, prosperity generated by the community flows back to the community.

What Land Value Return Means

Land Value Return is not a single policy but a family of tools that ensure public investments generate public returns. It asks a simple, fair question: **If our collective actions make land more valuable, how do we capture some of that gain to reinvest in everyone's well-being?**

Under LVR frameworks, public actions, such as new transit, green infrastructure, or rezoning, raise land values in their vicinity. A portion of that value increase is then "returned" to fund community priorities. The mechanisms vary: some cities adjust property tax rates to place more emphasis on land than on buildings; others use targeted assessments or long-term public leases. But the principle remains constant—growth pays for growth, and community wealth fuels community progress.

This concept builds on decades of research from the Lincoln Institute of Land Policy and others. Their studies show that capturing even a modest share of land appreciation can fund essential community needs such as housing, transit, and green space without raising income or sales taxes.

LVR turns the local economy into a virtuous circle: public action leads to value uplift, which funds further public benefit. At Telosa, our LVR model is called Equitism.

How Traditional Property Taxes Differ

Traditional Property Tax

- Taxes both land + buildings together
- Penalizes improvement; rewards holding idle land
- Revenue grows slowly and unevenly
- Encourages sprawl and speculation

Land Value Return (LVR)

- Taxes or captures land value only
- Encourages building and reinvestment
- Revenue grows with public investment
- Funds shared benefits – housing, parks, transit

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Why It Matters Now

Across the country, cities face widening inequality, rising housing costs, and shrinking public budgets. At the same time, speculation and sprawl continue to push development outward—raising environmental costs, reducing affordability, and strapping the city with the expensive requirements to maintain the repairs for decades.

Traditional property and sales taxes are inherently reactive; they tax what already exists rather than capturing new value created by public effort. Land Value Return is proactive. It closes the loop between public investment and public benefit and more efficiently aligns economic incentives for positive development.

When cities neglect to capture rising land values, the gains flow almost entirely to private landowners, often those least in need of assistance. When they implement LVR, the same forces that drive urban growth can finance affordable housing, resilient infrastructure, and inclusive neighborhoods.

Consider an example: a city builds a new light-rail station. Property values near the station rise dramatically. Without LVR, those windfalls go solely to adjacent landowners. With LVR, part of that increase funds the very transit system **improvements**, affordable housing, and public amenities that make the area vibrant in the first place.

Land Value Return (LVR) addresses sustainability and resilience by changing the financial incentives that often drive sprawl, land speculation, and development in high-risk or ecologically sensitive areas.

LVR discourages land speculation and rewards productive, community-serving land use. Because holding underutilized land becomes less profitable, it becomes more financially attractive to pursue infill, adaptive reuse, and mixed-use development in existing town and village centers. This pattern reduces the pressure to convert farms, forests, wetlands, and floodplains into new subdivisions, helping communities protect the ecological systems that reduce climate risks, store carbon, filter water, and support food production.

LVR strengthens the connection between public investment and public return by helping communities reinvest land value into sustainable and resilient local priorities and projects. This can include green infrastructure, riparian and river-corridor protection, affordable and workforce housing, broadband and clean energy infrastructure, regenerative agriculture, and conservation of working lands. In this way, LVR supports a regenerative land-use system, where increases in land value are returned to the community and used to strengthen long-term adaptive capacity.

Sustainable land use also requires public trust. LVR can strengthen civic confidence by demonstrating a fairer use of land-based wealth: instead of growth being concentrated in the hands of a few and leaving the community, value from public investment and zoning decisions is shared transparently and reinvested for public good. This can deepen public engagement and reduce conflict around land use decisions, allowing communities to navigate change with stronger community connections and shared purpose.



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How It Works in Practice

In practice, Land Value Return begins by assessing land and buildings separately. A higher tax or fee rate is applied to the land portion—where value increases most from public action—while improvements are taxed more lightly. This encourages reinvestment, discourages vacancy, and broadens the tax base.

Alternatively, cities may use **value-capture mechanisms** such as special assessments or betterment levies, which collect a share of land appreciation near public projects. Others, like **ground-lease or leasehold models**, keep land in public or nonprofit ownership and reinvest lease revenue into community services.

LVR can take many forms depending on local priorities, governance structure, and community readiness:

MECHANISM	HOW IT WORKS	BEST USE CASES	TRADE-OFFS
Split-Rate Property Tax	Higher rate on land, lower on buildings	Cities seeking revitalization, infill	Requires accurate land valuation
Value Capture Tools	Recoup public investment (e.g., TIF, betterment levies)	Infrastructure corridors, transit	Can be complex to administer
Leasehold / Ground Lease Models	Public retains land, private develops improvements	Redevelopment districts, new towns	Limited in existing built-out cities
Impact Fees / Exactions	Developers pay fees linked to land appreciation	High-growth areas	Works best with clear valuation rules
Community Land Trusts	Nonprofit owns land, residents own homes	Affordable housing	Limited scalability
Urban Wealth Funds	City-managed portfolio reinvests land proceeds	Long-term wealth building	Requires governance capacity
Telosa's Equitism Model	Community retains land value to fund shared amenities	New city development	Demonstration phase

Emerging models also explore **tokenized land value, dynamic zoning,** and **digital registries** that make land equity more transparent and tradable.

Regardless of the tool, the revenue is reinvested visibly—into affordable housing, transit, green space, flood mitigation, or local infrastructure. Transparency is essential. When residents see how community-created value is returned to public benefit, support for LVR grows.

Traditional tax systems reward holding land idle. LVR rewards using it well.

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Key Takeaway

No matter the method, the goal is to turn land-value gains from public action into reinvestment that strengthens communities.

Examples from Cities

Around the country, cities that have embraced Land Value Return are proving that fairness and growth can go hand in hand. From funding transit and affordable housing to strengthening civic trust, these models show how returning value to the community can create more opportunity, stability, and shared prosperity.

HARRISBURG, PENNSYLVANIA

In the late 1970s, Harrisburg was struggling with vacant lots, declining downtown investment, and fiscal distress. By adopting a "two-rate" property tax—lower on buildings and higher on idle land—the city made redevelopment more appealing. Within a decade, more than 4,000 building permits were issued. The resulting growth funded parks, libraries, youth employment programs, and affordable housing rehabilitation. Harrisburg's experience demonstrates how LVR can convert speculation into reinvestment.

CHARLOTTESVILLE, VIRGINIA

In 2023, Charlottesville overhauled its zoning to encourage "missing-middle" housing and tie up-zoning to affordable housing and transit improvements. By linking new density to value-capture requirements, the city ensures that the benefits of growth are shared with long-term residents.

PORTLAND, OREGON

Portland's "EcoRoof" and "Green Streets" programs use zoning incentives and fee reductions to promote green infrastructure and stormwater retention. Developers who integrate these features receive floor-area bonuses, while the city reinvests system charges into flood-risk reduction projects that benefit vulnerable neighborhoods.

PHILADELPHIA, PENNSYLVANIA

Philadelphia's Longtime Owner Occupants Program (LOOP) helps residents in gentrifying areas avoid displacement by freezing or reducing property tax increases caused by rising assessments. Coupled with Community Land Trusts (CLTs), which decouple land value from speculative markets, the city is testing ways to combine value capture with anti-displacement protections—ensuring that inclusive growth remains truly inclusive.



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WASHINGTON, D.C.

When Washington, D.C. expanded its Metro system, property values near new stations rose sharply, often by 10–20% within a few years. To capture part of this public-created value, the city adopted transit-oriented development policies and joint development agreements with the Washington Metropolitan Area Transit Authority (WMATA). Developers leasing or purchasing land near stations help fund infrastructure upgrades, affordable housing, and public spaces. Projects like the NoMa–Gallaudet Station demonstrate how reinvesting transit-driven land value gains can create thriving, equitable, mixed-use communities.

DENVER, COLORADO

The Union Station redevelopment used a public-private partnership and value-capture district to channel land-value increases from new transit lines into public improvements. The project leveraged roughly $500 million in private investment to finance infrastructure, affordable housing, and civic spaces—transforming underused railyards into a vibrant mixed-use district.

SINGAPORE

Singapore's government retains ownership of most land and leases it on long-term terms through the Singapore Land Authority. Revenues from these leases fund major infrastructure, public housing, and transit expansions. By systematically reinvesting land value, Singapore maintains affordability, high public investment, and long-term fiscal stability—a large-scale demonstration of land-value return in action.

Experience shows that LVR works best when combined with zoning modernization, equity safeguards, and community engagement.

MYTHS	FACTS
LVR is a new tax	It's a fair return on shared investment
LVR discourages development	It supports equitable growth
LVR is too complicated to implement	It has been successfully used worldwide

Barriers and Misunderstandings

Despite growing evidence, LVR remains underutilized in the United States. Political resistance from powerful property interests and misconceptions about "new taxes" have slowed progress. Many states also impose constitutional or statutory constraints that limit local authority to differentiate between land and improvement values. Perhaps most importantly, many jurisdictions lack modern land assessment systems or the technical capacity to manage them.

To move forward, advocates must emphasize that LVR is not a tax increase—it is a fairness mechanism. It simply reclaims a portion of community-created wealth for the common good, expanding opportunity, strengthening public finances, and building social trust. By linking public investment directly to public return, LVR helps cities grow stronger without growing inequities.

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Growing Momentum

The **City of Detroit's 2024 proposal to adopt a split-rate tax** drew national attention and helped build momentum by reintroducing the concept into mainstream policy discussions. **Cities such as Pittsburgh, Harrisburg, and Altoona - early adopters of similar two-rate systems - have also shown measurable gains over the years in redevelopment and fiscal stability.** Academic institutions, think tanks, and equity-focused organizations are exploring modern applications of land value return as part of broader conversations about housing affordability, climate resilience, and fiscal reform.

The timing is different now. Mounting housing pressures, generational inequality, and local fiscal stress have made the case for LVR stronger than ever. **With renewed attention to fairness, sustainability, and community wealth, Land Value Return is shifting from an abstract ideal to a practical framework for shared prosperity.**

Telosa and the Future of Land Value Return

The **Telosa Community Foundation** was established to advance a simple but powerful idea: the prosperity of a community should reflect the contributions of all who live within it. Land Value Return translates that principle into economic design and is core to Telosa's new model for society. Under this model, land is **acquired and donated to the Telosa Community Foundation** and leased to residents and businesses through **long-term ground leases**, ensuring that appreciation and income from the land are **reinvested directly into enhanced social services** such as education, health, housing, and jobs training. This structure creates a **virtuous cycle of shared prosperity**. Telosa's philosophy of **Equitism depends on mechanisms like LVR to ensure that community created value is continually reinvested to expand opportunity and enhance quality of life for all residents. As the city does better, its residents should do better because they are the ones who create its value.** Telosa is working to prove that principle through research and partnerships. By engaging cities, universities, and civic innovators, the Foundation aims to show how modernized Land Value Return (LVR) can underpin the financial and social infrastructure of equitable and sustainable communities.

Telosa's Work to Prove the Model

Telosa's current initiatives focus on translating concepts into practice. The Foundation is working with Polco on a Community Connections Index to measure trust and social capital as key precursors to public acceptance of reforms like LVR. Its partnerships with leading academic and non-profit institutions including Dartmouth and The Henry George School of Social Science, are helping to educate local leaders and establish pilot programs with city officials and residents that demonstrate how equitable land policy can strengthen communities.

A forthcoming **LVR Calculator and Toolkit** will allow city officials to estimate fiscal impacts, model equity outcomes, and design communication strategies. The foundation is also exploring collaborations with partners to build a modern knowledge base for policy experimentation. Together, these efforts aim to demonstrate that Land Value Return is both financially sound and socially beneficial. By aligning **land stewardship with inclusive growth,** Telosa seeks to create a **replicable framework** that any city can adapt, **delivering impact for cities today while building a new model for the cities of tomorrow.**



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A Call to Action

Cities stand at a crossroads. They can continue to rely on outdated systems that reward speculation and concentrate wealth, or they can adopt approaches that link prosperity to fairness and shared purpose. Land Value Return provides the framework for that shift by turning public investment into public good.

City leaders can begin by exploring pilot projects or assessments to evaluate potential impacts in their jurisdictions. Researchers and practitioners can join Telosa's learning network to advance the evidence base and refine implementation tools.

Residents and advocates can ask an essential question: **How can the value our community creates be used to serve us all?**

The answer lies in a renewed understanding of ownership, fairness, and shared prosperity. Through innovation, collaboration, and leadership, we can design cities where growth benefits everyone, not just those who own the land beneath it. By aligning prosperity with purpose, we can ensure that as our cities flourish, their residents flourish with them.



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