



621 32nd Street: recently completed Northwood Renaissance CLT home in West Palm Beach.

Community Land Trusts are Springing up in Florida

BY GLADYS SCHNEIDER
FLORIDA HOUSING COALITION

It seems like community land trusts are springing up like mushrooms all over Florida but it takes a lot more than manure and water to get one going. As we go to print, there are 30 land trusts in Florida that are either already formed or being considered. Of these, 17 are either fully operational or in the incorporation stages and 13 are under discussion. Here's a look at just what gets a land trust going, moves them along faster, and some of the sticky issues that arise such as funding, finding sources of operating funds, agreeing upon the resale formula and other issues that require analysis and debate to find the right match for each community.



the community land trust session was attended by over 70 people and over 40 participated in a roundtable discussion.

FLORIDA HOUSING FINANCE CORPORATION SUPPORT FOR COMMUNITY LAND TRUSTS

Traditionally, the land trust model is a grassroots phenomenon. A neighborhood or community group seeks to preserve an area or there is a specific cause that brings people together to form a land trust. In Florida, while some have come from a grassroots effort, more often community land trusts are incubated by local governments. While difficult to categorize, roughly 12 are community based and 18 are government initiated.

The Florida Community Land Trust Institute and the Florida Housing Coalition have been providing intensive community land trust technical assistance throughout Florida. The Florida Community Land Trust Institute has published the Community Land Trust Primer and FAQ brochure, and the Coalition has developed and offered workshop training, on site assistance, and facilitated a statewide network of community land trusts. At the Coalition's 2006 statewide annual conference,

The Florida Housing Finance Corporation has issued two funding cycles for land acquisition for land trusts with over \$5 million in funds made available in demonstration loans. There have been nine successful respondents whose projects should yield about 93 homeowner units. Of these nonprofit organizations who are sponsoring the projects, four can be said to be community based land trusts and five government initiated. The Florida Housing Coalition is the technical assistance provider dedicated to these projects. Goodhomes of Manasota is one such recipient having been funded in both cycles for a total of 20 homes. Laura Carter of Goodhomes is working closely with Martina Guilfoil, director of the newly formed Sarasota Community Housing Trust. "We've

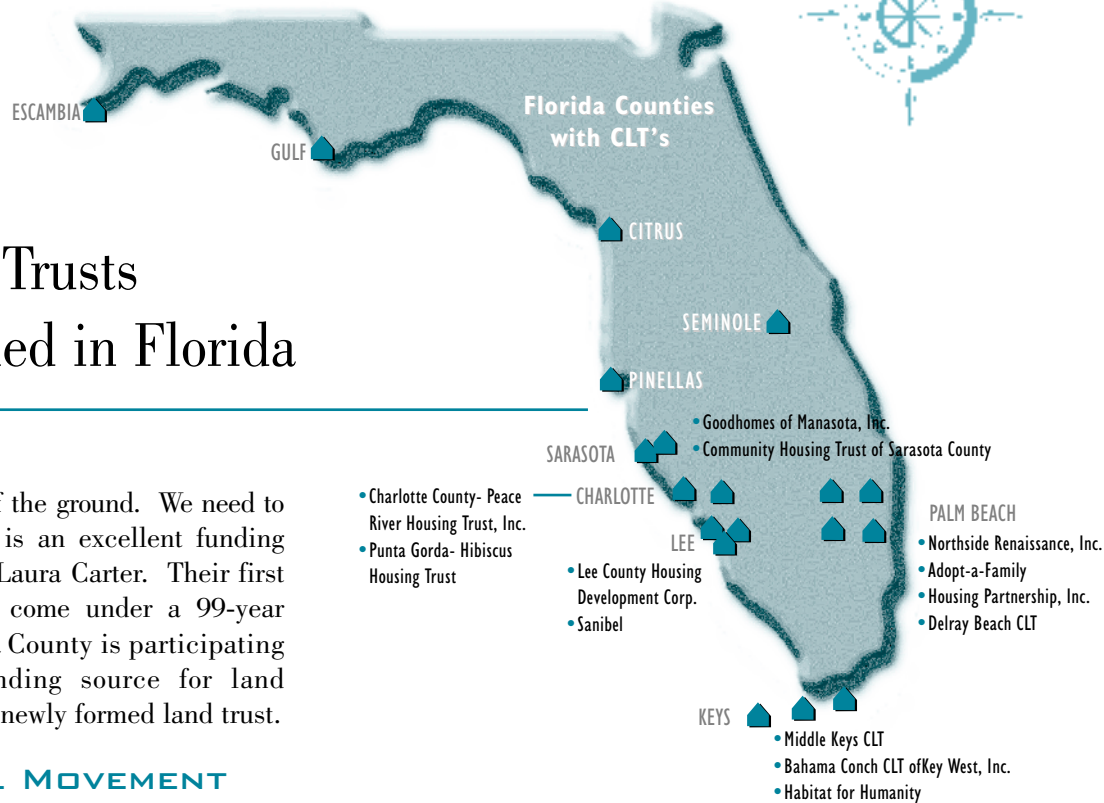


Community Land Trusts Already Established in Florida

got land trust homes coming out of the ground. We need to put all the pieces together. This is an excellent funding source for land acquisition,” said Laura Carter. Their first home is scheduled to close and come under a 99-year ground lease in November. Sarasota County is participating by providing a significant funding source for land acquisition and operations of the newly formed land trust.

A STRONG LOCAL MOVEMENT MOVES TOWARD COLLABORATION

If land trusts are sprinkled around Florida, they are pouring into Palm Beach County. There are three land trusts which are community based, one formed by a community redevelopment area, and one being formed by the county itself. According to Patrick McNamara of the Housing Partnership, several initiatives are occurring simultaneously. The emphasis is based on locality and mission. The Housing Partnership is a nonprofit serving unincorporated Palm Beach County. The Northwood Renaissance Community Land Trust focuses on West Palm Beach and is holding an open house for its first 13 homes to introduce buyers and the community to the land trust model. Recognizing that “one size does not fit all,” Ripley Harrison, with Northwood Renaissance, hopes to show the community this alternative to owning and encourage land trust owners to become members of the land trust organization. Adopt-a-Family is centered around Lake Worth. The Delray Beach land trust grew from the Community Redevelopment Agency. The Palm Beach County Department of Community Development is starting a land trust to serve households up to 140% of area median income and will work with nonprofits countywide. CHDO set aside funds will be used to help with administration costs. A collaborative of land trusts is being started so these groups can network.



LAND ACQUISITION AND OPERATING FUNDS FOR COMMUNITY LAND TRUSTS

The earliest land trusts, including Bahama Conch Village in Key West, Middle Keys Community Land Trust and Hannibal Square in Winter Park provide a backdrop to those thinking about the model. Each of these has a specific mission that reflects the character of their community. The Middle Keys Community Land Trust is working toward supporting its operations by providing professional services such as income certification and annual report assistance for two local governments. The Middle Keys CLT is currently funding its operations with cash flow from a rental development.

Along with Sarasota County, Lee and Charlotte Counties are providing a significant local government funding contribution for land trust operations and land acquisition. This goes beyond the normal housing subsidy range. These counties realize that until a land trust has a large portfolio of leases (over 300), it does not have a great deal of revenue from which to operate. Since land trusts are basically a holding or property management company, development subsidies go into the construction of the

OPERATING FUNDS FOR COMMUNITY LAND TRUSTS

From a national survey of the ten community land trusts listed below, it appears that operating funds are generated from myriad sources. Approximately 50% of operating funds come from a combination of public funding, development fees from the CLT housing, and/or private grants. The other 50% comes from a variety of sources, including resale fees, rental income, ground lease fees, membership fees, corporate sponsorship, fundraising events, and fees for consulting services and homebuyer application fees.

The ten CLTs surveyed:

Kulshan CLT- Bellingham, WA

Opal CLT- Orcas Island, WA

Orange Community Housing and Land Trust- Carrboro, NC

Highland Park CLT- Illinois

Northern Communities Land Trust- Duluth, MN

City of Lakes CLT- Minneapolis, MN

Thistle CLT- Boulder, Colorado

Burlington CLT- Vermont

First Homes CLT- Rochester, MN

Portland CLT- Oregon



Goodhomes of Manasota's Laura Carter, Executive Director, and Nancy Crawford, Housing Case Manager, Goodwill Industries-Manasota, Inc., in front of the rehabilitated land trust home.



One of the ten homes built for and sold by the Hannibal Square Community Land Trust in Winter Park



Treva Gilligan, Lee County Housing Development Corporation for Lee County Community Land Trust

units. In a survey of the largest land trusts nationwide, the Coalition found that the two largest sources of operating funds were from public sources or from fundraising and membership funds. Certainly fund raising by Florida's housing non profits is important, but most are accustomed to using developer fees to operate.

Because the community land trust model takes the land out of the speculative market through ownership by a nonprofit organization in perpetuity, the land must be purchased for or donated to the community land trust. This makes the local government and private sector role critical in providing land or the monies to purchase land to the community land trust. As subsidies are growing larger and land prices increase, the need to preserve the subsidy for future buyers becomes even more apparent. This creates a good rationale for bettering the public good, which justifies

local governments working closely to make surplus land available for land trusts.

Charlotte County has provided a community land trust set aside in its Hurricane Housing Recovery Plan. The county is providing operating funds to assist the formation of the land trust. The Peace River Housing Trust has been formed and will develop its first seven homes this winter. Homebuyer orientation has already begun. Potential applicants are presented scenarios of home costs in the traditional manner and as a land trust. The land trust is presented as an "alternative to renting," rather than an alternative to home-ownership, says Brenda Bala, executive director of Charlotte Housing Development Corporation, the non profit developer of the homes that will be placed into the Peace River Housing Trust. The lower estimated mortgage payment is attractive and applicants can decide which program is best for them.

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Charlotte County partners- Loraine Hebler of Charlotte County and Brenda Bala, of Charlotte County Housing Development Corp. for the Peace River Housing Trust



Northwood Renaissance Community Land Trust BBQ & Open House: Pictured left to right: Linda Raybin, Community Foundation for Palm Beach & Martin Counties; West Palm Beach Commissioner Kimberly Mitchell; CLT homebuyer Jeannetta Watts; Abraham Raymond; and Annetta Jenkins, Sr. Program Director, South Florida LISC


TRAINING AND TECHNICAL ASSISTANCE FOR COMMUNITY LAND TRUSTS


The Florida Housing Coalition has assisted most of the community land trusts, both formed and under review, as well as potential lending partners, and the Florida Housing Finance Corporation.


The FHFC has made rule changes necessary to support the community land trust model. For example, SHIP and HOME subsidies, whether in the land or the improvements, must be assumable by the subsequent buyer to keep the purchase price affordable. Local SHIP programs must also ensure that the Local Housing Assistance Plan allows for assumable subsidies upon transfer to another eligible buyer.

Many banks in Florida are willing to provide financing for land trust home buyers. Community banks have the option to include the mortgage in their portfolio but commercial banks rely on a Fannie Mae rider to land trusts that allow the loans to be marketed to the secondary market. Fannie Mae has resolved some problems with the rider, such as third party notification, but it is important to ensure that the ground lease resale restrictions survive foreclosure. The Coalition is working with Fannie Mae in financial institutions to address this.

A FEW COMMON IMPORTANT ISSUES TO BE ADDRESSED

 **Marketing and education:** Buyers must be fully aware that in choosing a land trust home they must adhere to the resale formula established by the land trust. There are also other restrictions on alterations to the property, transfer to heirs, and membership in the land trust.

 **Maintenance and major modifications:** The community land trust resale formula can impact whether and how the home is maintained. For example, if the resale formula provides the same resale price to the homeowner whether the home is in good repair or disrepair, there may be a disincentive to maintain the home. Conversely, if the home has been gold plated with a spa, pool and tennis court, the new buyer won't be able to afford the home. Consideration of the consequences of the resale provisions and reaching the proper balance for maintenance and major modifications is a thoughtful process.

 **Price points:** Setting the purchase price for affordability and the target market are often debated by newly formed land trusts. While workforce housing seems to be the new sweet spot for politically correct affordable housing, some communities have found that higher income households who can manage a traditional home purchase would not choose to buy a community land trust home. For lower income households the



(Top) Middle Keys Community Land Trust rental housing (Bottom) Middle Keys Community Land Trust home

community land trust may be the only alternative to renting other than moving elsewhere. For those earning upwards of 140% of the area median income, there may still be traditional mortgage opportunities.

The success of community land trusts will depend on a careful review by each community to develop a consensus on funding commitment, resale formulas and long term operating viability. Unlike mushrooms, community land trusts need a lot of sunshine and daylight to blossom. For more information on community land trusts, The Florida Housing Coalition invites you to attend our Catalyst Workshops, sponsored by the Florida Housing Finance Corporation, or call the **Florida Housing Coalition** at 800/677/4548 for a site visit or telephone technical assistance.



GLADYS SCHNEIDER is a Technical Advisor for the Florida Housing Coalition. Most recently she served as the vice president of Operations for Habitat for Humanity of Lee County providing for planning and finance needs for both homeownership and rental housing for families and seniors. From 1996 through 2002

COMMUNITY LAND TRUSTS IN FLORIDA

REGION	Status	Community Land Trust RFP funding from Florida Housing Finance Corp.
NORTHEAST		
NORTHWEST		
Escambia County Community Land Trust, Inc.	Formed	\$205,000
Gulf County Community Land Trust	Formed	
City of Destin	Exploring	
Bay County	Exploring	
CENTRAL		
Citrus County-Florida Low Income Housing Associates, Inc.	Formed	\$1,570,000
Pinellas County	Exploring	
St. Petersburg Neighborhood Housing Services, Inc.	Formed	\$440,000
Hannibal Square- Winter Park	Formed	
Brevard County	Exploring	
SOUTHEAST		
Palm Beach County-Northside Renaissance, Inc.	Formed	
Palm Beach County- Adopt-a-Family	Formed	
Palm Beach County- Housing Partnership, Inc.	Formed	\$1,314,000
Palm Beach County	Exploring	
Palm Beach County- Delray Beach Community Land Trust	Formed	
Middle Keys Community Land Trust	Formed	\$1,756,920
Bahama Conch Community Land Trust of Key West, Inc.	Formed	\$1,137,644
Florida Keys Community Housing and Land Trust-Habitat for Humanity	Formed	\$1,757,030
St. Lucie County	Exploring	
City of Hollywood	Exploring	
Martin County	Exploring	
Broward County	Exploring	
City of Homestead	Exploring	
SOUTHWEST		
Lee County	Formed	
Collier County	Exploring	
Lee County Housing Development Corp.	Formed	\$150,000
Sanibel	Formed	
Charlotte County- Peace River Housing Trust, Inc.	Formed	
Punta Gorda- Hibiscus Housing Trust	Formed	
Goodhomes of Manasota, Inc./Community Housing Trust of Sarasota County	Formed	\$1,000,000
Cape Coral Housing Development Corp.	Exploring	

she also served as a Technical Advisor with the Florida Housing Coalition. During this time, she developed a variety of housing demonstration models that provide affordable housing opportunities for people with disabilities. She has designed training in many areas of affordable housing including introduction to housing, housing for special needs, accessibility, predevelopment, and recovering affordable housing properties. Gladys has worked extensively with developing capacity for nonprofit community based organizations in resource development and strategy implementation. Gladys has a graduate degree in urban planning and has worked extensively with local governments in affordable housing and historic preservation.