

**CHAPTER SEVEN**

**COMMUNITY LAND TRUSTS:  
USING HISTORIC PRESERVATION FOR  
AFFORDABLE HOUSING IN THE FLORIDA KEYS**

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Charles Kuralt (1995) said of Key West, "It is a speck of rock in a pastel sea. Palms whisper. Songbirds sing. The place has never known a frost. People spend their days at rest in wicker chairs on gingerbread verandas. Flowers bloom all year and love is free. Without a hint of irony, everybody calls it Paradise" (36). This diminutive island has survived devastating hurricanes, political turmoil, and economic hardships; however, the turmoil over housing conditions has plagued Key West for decades. Hemingway recognized the harsh realities of poverty and housing on the island in *To Have and Have Not*, the former islander's only novel set in the United States:

What they are trying to do is starve you Conchs out of here so they can burn down the shacks and put up apartments and make this a tourist town. That's what I hear. I hear they're buying up lots, and then after the poor people are starved out and gone somewhere else to starve some more they're going to come in and make it into a beauty spot for tourists (Hemmingway in Williams, 2003:179).

Though shacks are not burning, affluent newcomers are systematically displacing island natives, workers, and other middle-to-low-income residents. One Indiana columnist noted the overwhelming influence of the island's upper class, joking that "Street talk has it that the billionaires are now buying out the millionaires" (Degler, 2006, np).

Citizens of this increasingly expensive tourist town, aware of the crisis, rank housing cost issues as the city's top priority in its strategic plan; managing homelessness ranks second (City of Key West, 2005). Many fourth and fifth generation natives left for the mainland in the 1970s after selling their "Conch" houses as chic vacation homes for the well-to-do. Partly due to the island's appeal, part lack of expansion capacity, Key Westers have been hit with uncommonly high assessed property values (Hettinger, 2005). The most recent available statistics on housing costs in Key West place the average property sale at \$557,000 in 2003 (Dolan-Heitinger, 2004). Even a family earning \$57,200 per year, the area median income, would need close to 60% of their income to afford a typical twenty percent down payment. With such high costs associated with homeownership, it is not surprising that 54% of the population rent, with at least 35% of those renters paying 35% or more of their income to cover the cost of housing (U.S. Census Bureau, 2000). The city's response, a revised housing ordinance and the construction of some affordable units, has proven insufficient; less than 500 affordable housing units exist in the city today, with an estimated deficit of 4,556 units by 2010 (Dolan-Heitinger, 2004).

Fueled by the island's dire housing situation and determined to hold onto their neighborhood, five concerned residents of Bahama Village, an historic African-American neighborhood on the island, responded to the housing crisis by organizing and incorporating the Bahama Conch Community Land Trust of Key West, FL Inc. (BCCLT) (Sawyer-Atanda, 2005). Since its inception, BCCLT has fostered a sense of community

for its low-to-moderate-income residents by establishing a cultural history museum, establishing community education programs, and participating in city-wide events.

Communities throughout the United States and Canada use this versatile community land trust model to address a variety of issues. Portland, Oregon's CLT has used the model to complement the city's smart growth initiatives, mitigating problems arising from gentrification and skyrocketing housing costs (Institute for Community Economics, 2002). Community land trusts such as the Central Vermont CLT also address the rural context, preserving family farms by ensuring affordable access to land and housing for low-income farm workers (Peck, 1993). Boston's Dudley Street Initiative has used a land trust to help redevelop the residential and commercial core of an economically distressed neighborhood. In Rochester, Minnesota, the Mayo Clinic committed over \$7 million towards workforce housing in a community where its employees were systematically being priced out of the housing market.<sup>1</sup> Finally, land trusts like the BCCLT can provide successful models of environmental and historic preservation.<sup>2</sup> Today, over 160 models of community land trusts exist in 38 states and the District of Columbia (Greenstein, 2005).

### **Evolution of the CLT Concept**

Although the details of community land trusts have been tested and modified over time, the concept of preserving affordability has generally remained the same. It began as part of an initiative known as the Boodan or the Land Gift movement in 1960s India (Benello, 1997:23). Organizers walked from village to village in rural India gathering people and asking those with more land than they needed to donate a portion to the poor (Oommen, 1967). Many of the new landowners, unable to afford the necessary tools and seeds to plant their new plots, became discouraged with land that was useless to them; they were then forced to sell their property back to large landowners and return to the cities. Upon seeing that this program was unsuccessful, the organizers altered it to a Gramdan or Village Gift system where all the donated land was held by the village and then leased to those able to work it; if the land went unused, it reverted back to the village.

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<sup>1</sup> The Rochester Area Foundation's First Homes (Rochester First) initiative, launched in 1999, was created to alleviate a severe housing shortage. Rochester First is in the process of completing 600 single-family homes and 275 rental town homes over a five-year span. With pledges of \$1 million from the Rochester Area Foundation and \$4 million from Mayo Clinic and more than \$14 million from community residents, businesses and organizations, First Homes is well on its way toward its goal of 875 new residences. Of the 420 single-family homes constructed, more than four-dozen are community land trust properties sold to homebuyers having an annual income that is below 80 percent of the state median income (First Homes, 2006).

<sup>2</sup> Although the BCCLT is the only existing trust in Florida to use historic preservation, other communities in the state have adopted the community land trust model, including the Middle Keys Community Land Trust, the Escambia County Community Land Trust, the Delray Beach Community Land Trust, the Community Housing Trust of Sarasota County, and the Winter Park – Canton Community Land Trust.

The Gramdan movement anticipated the establishment of community land trusts in the United States (Witt and Swann, 1995:4). The first U.S. trust, also established in the 1960s, provided African-American farmers in the South access to farmland. The protocol for this initial trust was based on a program used in Israel, a country with an established history of leasing land to individuals, cooperatives, and intentional communities such as *kibbutzim*. With the assistance of Martin Luther King, Jr., New Communities in Albany, Georgia, purchased a 5,000-acre farm, developed a plan for the land, and leased it to a group of African-American farmers.

Community land trusts today operate as 501(c)(3) organizations created with the goal of rehabilitating existing housing or building new units (Finkel, 2005: 24). Under this model, trusts retain ownership of the land where the homes are built, thereby decreasing the overall cost to the homeowner. Trust agreements also often contain resale restrictions that help to maintain the affordability of the property. When the properties are sold, the separate market values of the land and the improvements to the property are appraised. The sale price is then determined by a previously agreed upon formula, with the value of the improvements going to the homeowner. This separation of title and reversionary interest is not unique to the CLT model as commercial property transactions use similar lease terms (Singer, 1997); however, in the context of a CLT, properties are sold only to income-qualified buyers and the land remains with the trust in perpetuity.

Community land trusts are often formed as a grassroots response to some local need ranging from affordable housing to environmental issues (Peterson, 1996). These non-profit organizations often bring together diverse groups in the community to collaborate in the decision-making process (Finkel, 2005). Community land trusts are governed by a board of directors that oversee the operations of the organization (Peck, 1993). Membership on the board is open to land trust residents, homeowners from the surrounding community, and area stakeholders such as foundation members or local government officials (Hovde and John, 1997). In this way, CLT's contribute to sense of community.

The relationship between the organization and the residents, as well as the degree of control allowed the residents, is beneficial to the community. "Making resident control real requires that training and organizing help develop the skills and knowledge residents need to make informed decisions about their housing and overall organization" (Hovde and John, 1997:2). Thus at the initial stages, these organizations often provide pre- and post-purchase counseling, helping buyers to acquire mortgages and ensuring their ability to make payments and maintain their homes. Further, trust boards are structured to include homeowners in the surrounding communities, stakeholders such as government and foundation officials, and most importantly land trust residents, thus providing a venue that "allows concerns to be aired and creates a lasting community bond" (Finkel, 2005:24). Finally, community land trusts provide a method of supplying affordable housing to people in the community with special needs, including, but not limited to housing for the elderly, the homeless and the mentally ill (Engle, 2002:3).

## Funding a Community Land Trust

Funding for community land trust start-up costs and property acquisition costs usually come from sources similar to those used by other affordable housing programs (PolicyLink, 2005). These sources may include grants from government programs or national non-profits or direct donations of property from public and private sources (Peck, 1993). Strong local support for low income housing often results in a greater potential for local allocation of resources to community land trusts. Finally, trusts mitigate start-up costs with contributions of time and money by local supporters, many of whom are low income themselves.

At the federal level, the 1992 Housing and Community Development Act makes specific provisions for CLT funding under the federal HOME program, which provides block grants to municipalities and states to be used for affordable housing programs in their jurisdictions (Housing and Community Development Act, 1992). The Act defines CLTs as community housing development organizations. It provides for support and assistance for the education of low-income homeowners and tenants, the promotion of maintenance, rehabilitation and construction of housing for low-income and moderate-income families, operational expenses, and expenses associated with the training, technical, legal, engineering and other assistance to the board of directors, staff, and members of the organization (Housing and Community Development Act, 1992).

In addition, the federal Community Development Block Grant (CDBG) can also provide significant assistance (Peck, 1993). The CDBG program directly funds entitlement cities and counties and competitively funds small communities. CDBG funds can be used for the purchase of land, infrastructure development costs, rehabilitation costs, and other housing development costs benefiting low-income households.

Support for rural-based land trusts at the federal level is provided by the Rural Housing Service (RHS), a program formerly administered by the Farmers Home Administration through the U.S. Department of Agriculture (Peck, 1993). RHS offers Section 515 rural rental housing assistance, which provides very-low, low and moderate income families mortgage loans for a period up to 30 years at an effective 1% interest rate amortized over 50 years (U.S. Department of Housing and Urban Development, 2002). Through this program, tenants pay either basic rent or 30% of their adjusted income, whichever is higher, for affordable, multi-family rental housing. Further funding for rural land trusts is available through RHS Section 502 housing loans that provide lower-income people living in rural areas with funding to acquire, build, rehabilitate, improve, or relocate dwellings in rural areas (Direct Single Family Loans and Housing Grants, 1999). The interest rate on these loans can be subsidized at rates as low as 1 percent for 33 to 38 years.

Federal tax credits are another available source of CLT funding. Pursuant to Section 42 of the Internal Revenue Code, tax credits can be received for income-producing, low-income housing projects. In the context of a CLT, because the land

beneath the home continues to be leased to the homeowners, the credit still applies to the trust property. The Low Income Housing Tax Credit (LIHTC) requires an extended period of affordability, including an initial fifteen year compliance period where the taxpayer must own the low-income housing project followed by an extended fifteen year low-income use period during which low-income unit rents cannot be raised beyond maximum levels unless the relevant state or local housing agency fails to obtain a purchaser at a minimum statutory price. Land trusts retaining and rehabilitating historic structures may also take advantage of the Historic Rehabilitation Tax Credit (HRTC) in addition to the LIHTC.

State and local governments, pleased with the community land trust model's perpetual affordability also have adopted special methods and mechanisms for supporting this type of third sector housing (Davis and Demetrowitz, 2003).<sup>3</sup> These strategies may include prioritizing funding for the construction and rehabilitation of CLT properties, providing assistance for daily operations, establishing regulatory incentives, assigning powers usually reserved for public entities (i.e. eminent domain) to these organizations, and providing a legal framework for such operations. Other government-based funding may include dollars from the Federal Home Loan Bank, state housing finance agencies, housing trust funds, tax increment financing, municipally mandated "donations" by private developers, and local development fees (Institute for Community Economics, 2002).

When the BCCLT first organized, several options for financing the organization's start up costs were considered. Part of the BCCLT's start-up costs were locally provided; the organization received a \$2.5 million bond from the City of Key West for the initial acquisition of properties for resale. The Athens Community Land Trust in Georgia, in operation since 1994, represents another example of combining resources to implement program goals. It has completed the rehabilitation of three historic homes and is in the process of working on four more. On two of the organization's current projects, the Trust is applying for a tax freeze with the State Historic Preservation Office and as part of that process they are nominating the neighborhood as a district to the National Register of Historic Places.<sup>4</sup>

Because sufficient government funding for affordable housing is not available, private funding is also an important resource for the non-profits that manage land trusts. For example, the Land Cooperative of Cincinnati, Ohio (Coop), receives no federal, state,

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<sup>3</sup> The term "third sector housing" or "social housing" refers to alternative models of private, non-market rate housing that seek to preserve the public and private subsidies that are used to bring private housing within reach of people of low to moderate income; these models include deed-restricted, owner-occupied housing, community land trust housing, limited equity condominiums, limited equity cooperatives, mutual housing associations, and multiple forms of non-profit rental housing (Davis and Demetrowitz, 2003). These models, although different in their legal and organizational means, provide housing that is privately owned, socially oriented and price restricted.

<sup>4</sup> The National Register of Historic Places was created as a result of Title I of the National Historic Preservation Act of 1966. The Secretary of the Interior through the National Park Service maintains the list of properties, including "sites, buildings, objects, districts, and structures significant in American history, architecture, archaeology and culture" considered "worth keeping" (Murtagh, 2006: 51).

or local funding for its operations. Instead, the Coop runs on funds donated entirely by local religious organizations (Hastings, 2006). The Institute for Community Economics (ICE) (2001) also provides much needed financial and technical support to developing community land trusts. A key contributor to developing the concept in the 1960s, this organization has supported the growth of trusts in urban, suburban, and rural communities across the country. Since the ICE developed its Revolving Loan Fund in 1979, it has provided more than \$34 million to community organizations in 30 states for the financing of land acquisition and improvement, construction, and housing rehabilitation. The Florida Community Land Trust Institute<sup>5</sup> is a similar organization at the state level that provides start-up trusts with assistance in understanding the terms of the ground lease, options for resale provisions, capacity building, homebuyer counseling, internal operations and marketing, legal questions, and tax and financing issues (Ross, 2004).

Other sources of private funding for CLT operations include, but are not limited to private financial institutions, pension funds, private foundations, and private land donations (Institute for Community Economics, 2002). It may also be the case that the CLT's daily expenses are paid for by the actions of the trust itself. Monies from rental income, lease fees, and transfer fees can be collected for current expenses or future acquisitions (Institute for Community Economics, 2002). Finally, trusts typically find another source of operational funding through grassroots fundraising.

### **The Ground Lease**

The central tenet of the community land trust model is the ground lease, which gives the lessee/homeowner the right to use the land (Institute for Community Economics, 2002). The lease attempts to balance the rights and responsibilities of the homeowner with the trust. The primary purpose of the agreement is to provide the legal basis for the trust's maintaining title to the land, while granting homeowners a leasehold interest for the property beneath their home. A typical ground lease grants the property to the lessor for a period of 99 years in exchange for a nominal fee, thus providing long-term security and access to the property for the homeowner (Harmon, 2003). The fee generally covers the trust's administrative, pass-through, and land use costs; surpluses may be used for community improvement projects (Peck, 1993).<sup>6</sup> Community land trust

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<sup>5</sup> The Florida Community Land Trust Institute is a result of collaboration between two statewide 501(c) (3) organizations, 1000 Friends of Florida and the Florida Housing Coalition.

<sup>6</sup> Administrative charges cover the cost of employing a staff to conduct the daily operations of the trust including the maintenance of records, collecting lease fees, paying the trust's expenses, monitoring the property for prohibited uses or other lease violations, and maintaining communication with lease holders to assist households that may have financial troubles. Pass-through costs are the expenses associated with directly running the trust, including property taxes, other assessments and insurance fees. Finally, there is the option to pass the cost of acquiring the properties on to the homeowners, which also helps a CLT build up a reserve of funds for future purchases or to provide a buffer for residents with future financial troubles (Peck, 1993).

ground leases are renewable by the lessee or his heirs for an additional 99-year term, allowing the family to hold on to the home at an affordable price in perpetuity.

A typical ground lease may also contain a provision for the responsible use of the property (Institute for Community Economics, 2002). This may include such requirements as using the property solely for residential purposes, repercussions for negligence, avoiding the creation of nuisances, and generally complying with applicable laws. Owner occupancy is also required in order to prevent properties from becoming vacant for extended periods of time. Although the trust does not own the home located on their land, some ground leases contain inspection clauses, which reserve the right to inspect the premises or the improvements with adequate prior notice. However, there may also be a requirement for quiet enjoyment providing that the CLT's role should be limited so as not to interfere with the lessee's enjoyment of their property. These restrictions are intended to contribute to a lessee's sense of pride in home ownership and sense of belonging to a community.

The ground lease may also include a lease fee, typically a modest amount, in exchange for access to and use of the underlying leased premises. In situations of hardship, the trust may reserve the option to reduce, delay, or waive the ground lease fee. Fees for trust properties are periodically reevaluated to ensure a fair and affordable value based on changes in the market or in what is affordable to the lessee. Taxes and assessments on the property may be paid by the homeowner and escrowed by the land trust or just paid by the land trust with the costs passed through to the owner of the improvements via the ground lease fee. Finally, the ground lease should contain a provision approving the lessee's mortgage agreement as an addendum.

Once an income-approved homeowner is selected, it is necessary to secure mortgage financing. The CLT's fee simple interest in the land is not mortgaged, but the lender can have a claim on the borrower's house and leasehold interest (Institute for Community Economics, 2001). In cases of loan default, the community land trust will often request that the lender provide a thirty-day advance notice to give the trust ample time to cover missed payments.

When land trusts first appeared, banks were hesitant to provide loans to home purchasers for properties that did not also include land. Today, however, CLTs help members better negotiate mortgage agreements that address the concerns of lenders while allowing the CLT to prevent foreclosure and the sale of the property on the open market (PolicyLink, 2005). In recent years, FHA has insured those leasehold mortgages and Fannie Mae, state housing finance agencies, and banks have purchased them (Institute for Community Economics, 2001). Community land trusts also allow banks to meet their community lending and investment goals under the Community Reinvestment Act because they operate in low and moderate income areas and provide for affordable housing (Engle, 2002).

In instances where historic buildings are being used, historic preservation restrictions, such as a conservation easement in the ground lease or a deed restriction, can

be included. Easements are voluntary legal agreements commonly used to protect significant historic, archaeological, and cultural resources. When an easement is recorded, it becomes part of the property's chain of title and "runs with the land" in perpetuity, thus providing assurance to property owners that the intrinsic values of the historic property will be preserved by subsequent owners. Owners that donate preservation easements to charitable or governmental organizations may claim a charitable deduction on the value of the easement, equaling up to thirty-percent of the taxpayer's adjusted gross income, from Federal taxes, and the excess value may be carried forward up to five years.

### **Selling a Community Land Trust Home**

In order to preserve the affordability of land trust homes, the ground lease also contains resale restrictions such as restrictions requiring transfers to income-qualified people, with any other transfer considered null and void. Further, lessees of community land trust properties must notify the trust of their intent to sell and inform the trust of their preference for a buyer, if any, for resale. Despite preferences on the part of the homeowner, ultimately the trust holds the right of preemption or first refusal, which creates a specifically enforceable right for the CLT to purchase the property whenever the owner desires to sell it (Singer, 1997). This provision allows the CLT to find a new buyer who meets the CLT's qualifications if the homeowner's choice is not appropriate and removes the property from the speculative market to keep it affordable in the future (Peck, 1993).

Resale restrictions also include price limitations that require owners to sell their home at an equity price arrived at based on a predetermined formula (Abromowitz, 2000). Resale formulas seek to maintain affordability while still allowing the owner a fair return on investment. Secondary goals include encouraging long term occupancy, avoiding incentives for quick resale, promoting mobility, providing incentives for maintenance and useful improvements, avoiding future disputes, and accommodating easy implementation of the CLT's goals (Peck, 1993).

There are three potential resale formulas: the itemized formula, the appraisal-based formula, and the indexed formula (Peck, 1993). The itemized formula adjusts the original purchase price by adding or subtracting the amounts associated with the increase or decrease in value of the improvements due to factors including, but not limited to deduction for depreciation, penalties for unusual damage to the property, and inflation.<sup>7</sup> This formula provides the homeowner equity for his personal investment over time. With the appraisal-based method, homeowners may recover the difference between the market appraisal at the time of purchase and the market appraisal at the time of sale; in this formula, appraisals are done for the building alone, not the combined value of the building and the land (Harmon, 2003). The indexed formula adjusts the price based on

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<sup>7</sup> In this context, the term "improvements" is defined as the addition of any permanent structure on real property, or any work on the property (such as planting trees) which increases its value, not maintenance or repairs to the structure.

factors such as household income; however, it does not account for many factors affecting affordability, such as current interest rates (Abromowitz, 1991).

### **Enforcing Ground Lease Provisions**

The elements of the ground lease are not self-enforcing; rather, land trust administrators should be in a position to monitor adherence to any agreed upon terms (Abromowitz, 2000). When a homeowner breaches the lease agreement, the CLT must seek to have a judgment of default declared against the lessee. This allows the homeowner the opportunity to remedy the problem; however, if he fails to meet the terms of the agreement, the trust may seek a number of available remedies. For example, because the ground lessee's right to occupy the land hinges on compliance with lease provisions, failure to meet these obligations may result in their eviction from the land. At its most extreme, default of the lease agreement can result in the forfeiture of title of the improvements back to the CLT and a merger of the estates.<sup>8</sup> The CLT will often buy back the building at the formula-determined resale price at the time of the termination of the lease. In instances where the homeowner's actions are not as egregious, lessor remedies for failure to meet the requirements of the lease agreement may include damages or injunctive relief.

Although many community land trusts are too new for an assessment of enforcement provisions, by the end of 2002 the Burlington Community Land Trust had overseen the resale of 97 of its properties (Davis and Demetrowitz, 2003). Established in the early 1980s, the Burlington Community Land Trust (BT) is one of the first and certainly one of the largest community land trusts. Its large portfolio of resale-restricted housing allowed a large enough sample to assess the success of the BT in delivering and balancing individual and community benefits. A study found that the trust had been successful in providing affordable housing (Davis and Demetrowitz, 2003:4). In fact, when the homes were first built, they were sold to individuals who earned 62 percent of the area median income; however, on resale, the homes were affordable to those earning 57 percent of the median income (Davis and Demetrowitz, 2003:16). Public subsidies that were initially invested in these properties stayed with the community at the time of resale except in two cases where the subsidies were lost. Often, these subsidies increased. At the initial time of sale, the subsidies amounted to \$1,525,148; on resale, the retained subsidies amounted to \$2,099,590 (Davis and Demetrowitz, 2003:11). The goal of residential stability was also achieved as land bought by the trust was rarely removed from its portfolio with 95 percent remaining with the trust (Davis and Demetrowitz, 2003:13). Here, residents' quality of life was improved by the appreciation of property values.

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<sup>8</sup> Under the common-law, a "merger of estates" is the absorption of one estate into another, where a greater estate and a lesser coincide, meeting in one and the same person or entity without any intermediate estate; the lesser is then immediately merged or absorbed in the greater (Whiteside v. Sherman, 1960).

## **The Community Land Trust Model – Affordable Housing and Historic Preservation**

A question often arises as to whether it is fair to restrict resale prices for low-to-moderate-income CLT homeowners when conventional homeowners can sell their homes for market-rate prices, further segregating the two classes. The idea that this brand of third sector housing is “second rate” because of this limitation is usually refuted by the claim that most CLT homebuyers would otherwise be unable to buy decent housing through conventional channels (Kenn, 1995:84). The Burlington Community Land Trust supports this claim. Not only did it contribute to the larger community, but also to the individuals that bought homes on trust property (Davis and Demetrowitz, 2003). All of the householders served by the trust earned less than the median income. Further, when reselling their homes, most of the homeowners made a profit. Although the equity gains were modest, around \$6,184, this is still a return on investment that is not realized by renters. Finally, mobility is also realized at a rate similar to that by those owning market rate housing. Seventy-four percent of the sellers went on to purchase market rate homes within six months of selling their limited-equity houses and condominiums (Davis and Demetrowitz, 2003:18).

The Burlington Community Land Trust also has benefited from historic preservation efforts in its work at the Sarah Cole House located in Burlington's "Hill" section (Policy Link, 2005). This part of the city is home to a number of large 19<sup>th</sup> century mansions built by lumber barons and merchants for their families when Burlington was an important port town (Peterson, 1996). In the last thirty years, this historic area changed dramatically as the homes have been converted to college offices, dorms, fraternity houses, apartments, and rooming houses, bringing the problems of noise, traffic, overflow parking, and poor maintenance. BCLT responded to the decay of one home by developing and managing a single-room occupancy project that would serve homeless, low income, single women. Initially, neighbors saw it as an assault on the character of their neighborhood; however, this concern was addressed through an appropriate site plan, staffing plan, and house rules.

The Cincinnati Land Cooperative (Coop), run by executive director David Hastings, was founded in 1980 in response to the threat of additional families’ being displaced as a result of historic preservation efforts in a Cincinnati neighborhood. It sought to preserve both available housing for the poor and the historic houses themselves. The neighborhood was composed of the lowest wage earners in the city. Over a period of 80 years, what had historically been a residential neighborhood was transformed into an industrial area with an interstate running through it. Two large public housing projects were constructed in the area. The Coop acquired 35 separate properties consisting of 42 units. All of these wood frame homes are over 100 years old.

The Coop managed to secure financing without any funding from the federal government or from historic preservation tax credits. Grants from local religious organizations, corporations and private sources have provided the Coop’s sole financial support. Although the neighborhood includes some moderate-income families, most

residents earn from 50-80% of median income. Between 95% and 98% of residents are African-American.

Hastings (2006) cited skepticism and mistrust about change as major obstacles the neighborhood must overcome. Residents perceive wealthy newcomers who are increasing in number, as people who do not care about their community. They partially blame preservation efforts for this. They see class issues and race issues arising because they believe people interested in historic preservation do not want low-income people in these newly rehabilitated neighborhoods. Nevertheless, Hastings foresees more historic rehabilitation in the future and says that whereas guidelines for preservation were seen as obstacles in the past, people are beginning to appreciate the character, quality and financial appreciation that historic development has brought to the community (2006).

### **The Bahama Conch Community Land Trust**

Norma Jean Sawyer-Atanda (2006), executive director for the Bahama Conch Community Land Trust (BCCLT), echoed David Hastings's concerns. The Bahama Conch Community Land Trust was incorporated in 1995 as a way to utilize land that had been released to the community from the Naval Air Station at Key West. Fearful that redevelopment would wipe out the existing community, the land trust sought to provide affordable housing and to revitalize historic property in the area. Located near the docks, the area dates back to the days of slave trading. Some of the properties in Bahama Village are part of an African-American community established around 1919 and were not associated with the naval base. After spending several years planning, the trust began to acquire properties in the historic Bahama Village in 2001. Funding was provided by the Overlook Foundation, the Trust for Public Land Investigation and the city. As in Cincinnati, BCCLT did not initially rely on federal funding or historic tax credits.

The directors of the Coop and BCCLT recognize the historic attributes of their respective neighborhoods but their comments suggest a good deal of difference in the nature of the community land trusts. In Cincinnati, residents had been driven out of their neighborhoods by the influx of industry into what once had been a primarily residential neighborhood. David Hastings, director of the Cincinnati Coop, clearly identified the fears that tenants expressed about how the incursion of affluent white preservationists capitalizing on opportunities for property appreciation connected with the acquisition of historic property in this African-American neighborhood would deprive them of their homes. They appeared to be experiencing what Glynn (1981) identified as the loss of sense of belonging associated with the erosion of their community. Thus, the establishment of the Cincinnati land trust was in response to threats posed by historic preservation instead of attempts to use preservation to bring the community together.

The Key West neighborhood, on the other hand, had a rich heritage of African-American settlement in the area around the port. As a result, when encroaching gentrification, fueled by the island's dire housing situation, threatened their neighborhood, five Bahama Village residents responded by organizing and incorporating

the Bahama Conch Community Land Trust of Key West, FL Inc. (Sawyer-Atanda, 2005). In fact, Norma Jean Sawyer-Atanda, Key West director, indicated that many residents of BCCLT homes in Bahama Village have become more actively involved in the local community, the housing community, the African American cultural community, the environmental community and the historic preservation community.

Over objections from residents who believed that newcomers to their neighborhood did not care about the area or did not want low-income people living there, Hastings has had to persuade residents and members of the Coop of historic preservation's benefits. Slowly, the Coop trust leadership is starting to realize that preservation adds a tremendous amount of character to the community. As Hastings (2006) notes, "They don't make [houses] like they used to." He remains concerned, however, over the lack of social cohesion in the neighborhood.

In Key West, the majority of residents in the BCCLT are African-Americans – many of them locals with deep ties in the community going back three or more generations (Sawyer-Atanda, 2006). Since adopting the community land trust model in 1995, the BCCLT has successfully rehabilitated seven homes. The BCCLT has also worked with the Community Redevelopment Authority, and is seeking to secure development rights for the adjacent property that affects trust land. The city itself has become intricately involved in plans that would blend new development with that in the historic Bahama Village community. Existing cultural events and classes that help young residents with homework and research projects as well as encouraging the study of African-American authors and crafts seem to suggest a sense of social and cultural cohesion that is absent in Cincinnati.

The BCCLT seeks to prevent the gradual loss of the neighborhood to gentrification and the physical deterioration of the housing stock by purchasing historic properties, renovating and rehabilitating them as needed, and then selling or leasing the homes to income-qualified individuals with the idea of "helping the community become the beneficiary of change, rather than the victim" (Sawyer-Atanda, 2005). To date, the BCCLT has managed to preserve seven historic homes for single-family use and two additional multi-family buildings, located in the Key West Old Town Historic District. These homes, all constructed prior to 1950, house 31 low to moderate-income residents, combining the sometimes competing goals of historic preservation and affordable housing.

Clients earn very low-to-moderate incomes, with the majority earning just 30% of area median income and must be income-qualified. The land trust is open to assisting financially struggling clients; 50% of tenants were homeless at one time and currently three are receiving some kind of financial assistance from the trust. BCCLT also assists potential buyers in securing financing for properties.

The organization has been able to foster a sense of community by becoming deeply involved in local activities and affordable housing efforts, the African-American cultural community, the environmental community and the historic preservation

community. The BCCLT is represented in the Homeless Assistance League, Last Stand (an environmental organization), the National Trust for Historic Preservation, the Florida Trust for Historic Preservation, the African American Preservation Alliance, the Florida Voters League Association, and the Old Key West Preservation Foundation (Sawyer-Atanda, 2006).

Sawyer-Atanda's (2006) comments reflect the sense of pride she shares with tenants in BCCLT homes. She notes that historic preservation was and remains a goal of BCCLT, and that the organization continues to seek out historic properties to purchase and restore, though financing for such endeavors is tight. The area is rich in African-American culture and tradition. Community organizations such as the African-American Preservation Alliance and the Florida Voters' League Association work to keep members aware of the area's rich history as does the Old Key West Preservation Foundation, which, among other activities, provides tours of the African-American cemetery there.

Despite the many advantages of preservation and the best efforts of federal and state agencies, local governments, housing providers, and the preservation community in general, balancing neighborhood revitalization without risking the displacement of low-income families poses a challenge. Striking a balance between preservation and affordability, however, BCCLT has been able to save the historic buildings of the Bahama Village, preserving community, historic resources, *and* affordable housing.

### **Success of the Community Land Trust Model**

Whether initiated due to smart-growth to anti-gentrification measures, community land trusts have been instrumental in providing low-to-moderate-income residents with opportunities for homeownership. Trusts have also been integral in preserving affordability, retaining community wealth, enhancing residential stability, helping low income families make the transition from renting often sub-standard housing to owning a home, creating individual wealth, promoting community involvement, and enabling residential mobility (Harmon, 2003).

Further, land trusts have a substantial impact on resident quality of life and sense of community. Land trusts serve to help communities organize and strengthen neighborhoods by providing a source of community control in disinvested areas (Finkel, 2005). Often, when neighborhood homeownership declines, absentee investors may acquire older buildings and allow them to deteriorate while charging higher rents. Forced to move to a more affordable location, residents then leave the community, taking money from local stores and other resources used to improve housing and the community. Land trusts have been able to prevent this by filling empty homes and by establishing standards of maintenance. When residents organize to improve their neighborhood, the absentee owners also benefit from increased property values.

Community land trusts across the country from Burlington, Vermont, to Seattle, Washington, have demonstrated that historic structures and affordability innovations can

be used to further the cause of permanently affordable housing. Unfortunately, the nature of preservation as a tool for community revitalization often leads it into older, often run-down neighborhoods where low-income people and businesses can afford to live and operate (Werwath, 2001). Although neighborhood gentrification is detrimental to the affordable housing stock, oftentimes the success of an historic preservation project requires the removal of existing residents and businesses and replacing them with households and companies with deeper pockets. If this fails to occur, early investors may lose their investment due to a lack of demand in the area. Land trusts like BCCLT have been able to counter this problem successfully; however, fears of gentrification can be seen in comparing the administrator impressions in two similar organizations, the BCCLT and the Cincinnati Community Land Cooperative. Although low-to-moderate income individuals have fewer choices as to residential location, in the context of a community land trust, the existing housing stock, in particular the historic housing stock, can offer quality affordable housing and a sense of community that is lacking in many newer neighborhoods.

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