

THE COMMUNITY LAND TRUST MODEL AND SMART GROWTH PRINCIPLES AS A
MEANS TO PROVIDE AFFORDABLE HOUSING IN THE FACE OF GENTRIFICATION

By

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To my mother and father.

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LIST OF ABBREVIATIONS

AMI:	Area Median Income
BCLT:	Burlington Community Land Trust
CBD:	Central Business District
CLT:	Community Land Trust
CRA:	Community Redevelopment Agency or Community Redevelopment Area
EPA:	Environmental Protection Agency
FHDC:	Florida Housing Data Clearinghouse
FLUE:	Future Land Use Element
GOP:	Goals, Objectives, and Policies
HAP:	Homeownership Assistance Program
HE:	Housing Element
HOME:	Home Investment Partnerships Program
HSCLT:	Hannibal Square Community Land Trust
HUD:	Department of Housing and Urban Development
ICE:	Institute of Community Economics
IRS:	Internal Revenue Service
LIHTC:	Low Income Housing Tax Credit program
NIMBY:	Not In My Back Yard
SCLT:	Sawmill Community Land Trust
SFMRB:	Single Family Mortgage Revenue Bond
SGN:	Smart Growth Network
SHIP:	State Housing Initiatives Partnership
WCED:	United Nations World Commission on Environment and Development

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The social and economic consequences of too few housing options for households at lower income levels plague even the most progressive urban planning efforts in communities across the country. To combat this increasing problem, professionals and academics continually develop affordable housing mechanisms with the hope of finding a lasting solution.

Gaining recognition for its potential to create permanently affordable housing, the Community Land Trust (CLT) model is a development strategy that reduces the cost of housing and maintains the affordability of each unit by separating ownership of land and residence. The organization owns the land and leases it to residents. This dual ownership enables low-income residents to own, or in some cases rent, while the organization retains unit affordability. Consequently, CLT residents have limited equity available to them as opposed to traditional home ownership. However, the benefits of permanent affordability seem to outweigh the shortcomings. This study examines the structure of the CLT model, the CLT's implementation in general and within the context of a specific community, and the extent to which CLT relates to Smart Growth principles that incorporate affordable housing.

Once the CLT model and its relation to Smart Growth are explored, the case study of the Hannibal Square Community Land Trust (HSCLT), located in the Community Redevelopment

Area of Winter Park, Florida, allows an opportunity to examine these relationships. The HSCLT was incorporated in 2005 to protect original citizens of the historic African-American community from the threat of gentrification. An analysis of the HSCLT demonstrates the organization's success in creating affordable homeownership opportunities, albeit on a small scale. The CLT model is further analyzed in its relation to the Smart Growth movement by assessing the HSCLT's incorporation of Smart Growth principles in its operations. The case study further shows that the CLT model has the potential to integrate Smart Growth principles while providing affordable housing options. The findings of this case study provide strong evidence that further research on the relationships among CLTs and planning strategies such as Smart Growth is needed to better understand of the CLT model and its applicability to solving affordable housing challenges. Revisiting the HSCLT after resales occur would allow for more in-depth analysis of the organization's ability to perpetuate housing affordability.

CHAPTER 1 INTRODUCTION

Affordable housing is difficult to create, obtain and preserve. As demand grows for affordable housing, outpacing affordable housing supply at increasing rates, creative ways for providing such housing must be engineered. Examining successful affordable housing programs and discovering ways to improve such programs is an increasingly important task for finding solutions to the challenges of affordable housing development.

This study will explore how the Community Land Trust (CLT) model is used to meet the affordable housing needs of a community by examining the implementation of the model in Winter Park, Florida. The Hannibal Square Community Land Trust (HSCLT) will be analyzed using a case study methodology to describe the functions of the organization and its impact on the Winter Park community. Furthermore, an assessment of the incorporation of Smart Growth principles into the management of the HSCLT will demonstrate the proposed benefits of integrating Smart Growth principles into the CLT model within the context of the case study area.

Problem Statement

Lack of affordable housing affects the social and economic climates of communities across the nation. Much of the current stock of affordable housing is grouped within isolated pockets, resulting in neighborhoods of concentrated poverty. Households living in high-poverty areas face social issues such as poorly-maintained infrastructure, limited job choices, and restricted life opportunities. Lower-income households that avoid living in such areas are either fortunate enough to find the few affordable options in other areas or choose to live above their financial means. The economic problems linked to the affordable housing crisis affect more than the individuals in need of such housing. Neighborhoods with concentrated areas of affordable

housing may experience a cycle of disinvestment. Individuals and families capable of moving up to market rate neighborhoods tend to leave populations with fewer financial resources. Lower income neighborhoods are more likely to have absentee landlords and vacant properties, perpetuating disinterest by investors and developers in the area. As the population in need of affordable housing continues to grow, assisting these households will require greater financial support through government subsidies. The cost of providing assistance will be passed on to the general public through taxes and reduced economic productivity. In sum, the consequences of not providing affordable housing are detrimental to society and the economy from the local to the national level.

Affordable housing is defined by the Department of Housing and Urban Development (HUD) as a safe and decent living environment available to households with varying levels of income, without creating a cost burden. A household is cost burdened when it must devote more than 30% of its income to pay for housing. The level of housing affordability depends on what populations with given percentages of the area median income (AMI) are able to pay the standard housing related costs. The terms extremely low-income, very low-income, low-income and moderate-income households relate respectively to 30% or less, 50% or less, 80% or less, or 120% or less of AMI.

Recent trends in the real estate market have made obtaining affordable housing more difficult despite historically low mortgage rates. The affordable housing crisis has graduated from an issue discussed in political, academic, and professional forums to a topic of debate in the mainstream media. Articles appear regularly in business magazines signifying the influence of affordability on the economy. Companies have formed to meet the demand for affordable housing by offering below market rate apartment search services on the internet. The number of

terms to describe affordable housing has grown significantly as both advocates and opponents of affordable housing initiatives promote their viewpoints.

Although knowledge of the lack of affordable housing has increased, a universal solution has yet to be developed. Historically in the United States, many approaches to provide affordable housing have been implemented since the issue was first addressed by the federal government in the 1930s. For the next three decades, affordable housing was primarily provided through the creation of public housing. Public housing was designed by the government, funded at the national level and administered at the local level, to produce subsidized rental housing for economically disadvantaged citizens. However, lack of continued financial and political support and physical maintenance resulted in blight and despair.

Affordable housing development in the last 50 years has focused on the need for a larger stock of units, as the increasing demand has outpaced production. Several large-scale programs have tried to address the demand. The Low Income Housing Tax Credit (LIHTC) program uses financial incentives to encourage developers to construct or rehabilitate affordable rental housing for low-income households. Programs such as the federal Home Investment Partnerships Program (HOME) and Florida's State Housing Initiatives Partnership (SHIP) program also use government support to forge public-private affordable housing development partnerships. In both cases, the money is administered by the state and given to local governments in an attempt to more flexibly meet local needs. Inclusionary zoning and density bonuses are regulations that either require or reward private developers who produce affordable housing units when constructing new developments.

While the national models for affordable housing, like the examples mentioned above, have been successful, the supply of affordable housing still falls woefully short of the demand.

Most of the programs are tied to government funding, which can be greatly affected by changes in administration and political agendas. Another broad criticism of many of the affordable housing programs is their inability to secure permanent affordability. The LIHTC program requires affordability of the units for 15 years, after which a unit can return to market rate unless they are recaptured at an additional cost. Inclusionary zoning regulations vary in terms of length of affordability compliance, but there is no standard to ensure perpetual affordability.

Recent movements in the field of urban planning acknowledge the importance of affordable housing in reaching their overall goals. Smart Growth incorporates measures to include housing choice. Smart Growth recognizes that in order to achieve all of its objectives, providing housing opportunities to citizens is a critical component. Other objectives cannot be fully achieved if housing is not available, such as creating a positive quality of life or improving the economic health of a community. Smart Growth has been criticized for not addressing the housing needs of the “hard to house” population. However, the movement has the potential to serve as a mechanism to graduate affordable housing needs from a local issue to a regional one by incorporating it into planning decisions (Harmon, 2004).

Case Study Context

First settled in the late nineteenth century, Winter Park is a distinctive Florida community located in one of the fastest growing counties in the state. Orange County has a sizable tourism-based economy with a significant hospitality job market. Early in Winter Park’s settlement, the neighborhood of Hannibal Square was established to house the city’s African-American community. Through the 20th century, the city grew into a mid-sized Orlando suburb. Winter Park has become a preferred location for higher income populations. The city initiated a redevelopment effort with the creation of the Community Redevelopment Agency (CRA) in the early 1990s. According to the mission statement of Winter Park’s CRA, the redevelopment

efforts have been designed “[t]o preserve and improve the residential neighborhoods through activities that empower residents, and to improve commercial areas through activities that promote controlled economic growth” (City of Winter Park CRA, 2007, p. 4). The CRA’s efforts have been extremely successful economically and aesthetically, making Winter Park a model for urban planners interested in community revitalization across the state (Briggs, 2007).

However, the investment into business development, historic preservation, and cultural activity has further escalated living costs and home prices, resulting in land speculation. With an average value for homes in Winter Park at \$340,804 in 2005, nearly double that for Orange County and the City of Orlando, gentrification became a widespread concern (Florida Housing Data Clearinghouse, 2007). Many of the long-term residents were priced out of the housing market (Briggs, 2007). The large increase in rent rates and appreciation in appraised home values leading to high taxes forced both renters and homeowners to search for more affordable housing outside of the city. The opening of parcels formerly occupied by lower-income households enabled auxiliary redevelopment. Mansions and high-end businesses pushed further into the economically depressed and politically underrepresented west side neighborhoods, including Hannibal Square.

Acknowledging the challenge associated with increased living costs, city officials made the creation of new affordable housing and preservation of existing affordable units a priority for its Planning and Community Development department. Four affordable housing projects commenced in the early 2000s. An affordable housing neighborhood developed by the city, the reconstruction of railroad apartments, a partnership with Habitat for Humanity, and the creation of the Hannibal Square Community Land Trust (HSCLT) were all initiated with the intent of increasing or preserving the affordable housing stock.

The incorporation of affordable housing into the redevelopment efforts of the City of Winter Park brings up several critical questions. In an area with limited physical space and escalating market prices for land and housing, how does a city provide affordable housing? Additionally, in an affluent community with strong economic growth, why would its citizens support expenditures on affordable housing? The money, human capital, and critical land necessary to build affordable housing could be directed toward further high-end development. Affluent communities rarely support low-income development, as evidenced by the prevalence of NIMBYism throughout the country working against such initiatives. Is it possible that the residents and officials of Winter Park recognize the social and economic benefits of diverse, mixed-income communities? Is it a reaction to a grassroots effort of the lower-income residents? Are the efforts of Winter Park the most efficient use of resources to accomplish affordable housing goals?

The focus of this study is on the implementation of the Community Land Trust model in the Winter Park neighborhood of Hannibal Square. The Hannibal Square Community Land Trust (HSCLT) was incorporated in 2004. The first project completed by the HSCLT was a development of 10 affordable homes on a block in west Winter Park. In 2007, a groundbreaking ceremony was held to commence an extension of the HSCLT with four additional affordable homes. The implied success of the CLT model in Winter Park due to its expansion suggests community support for the shared-equity approach to creating affordable housing for low-income households. By exploring the formation and structure of the HSCLT, an examination of Winter Park official's efforts to provide permanently affordable housing, combat gentrification, and integrate principles of Smart Growth is conducted.

The case study of Winter Park's HSCLT employs two approaches for analysis. First, the HSCLT is described in detail, particularly its organization and methods of operation. Second, the study includes an assessment of the extent to which Smart Growth is currently used to guide HSCLT and of the potential for further incorporation of Smart Growth principles by the organization.

Significance of Study

This case study contributes to a greater understanding of the CLT model in the context of providing affordable housing to a specific community. The study can add to the body of knowledge of affordable housing methods in general, and the CLT model specifically. The information resulting from this study may guide other communities interested in forming a CLT. For CLTs already in existence, this study may provide insight into how Smart Growth can be included in their operations. Finally, this study could be used by the HSCLT to guide its future decisions in the operations and leadership of the organization.

Organization of Study

The following study uses the descriptive case study method to assess the CLT model in Winter Park, Florida, and measures HSCLT's incorporation of theoretical urban planning strategies for the development of affordable housing. Chapter Two includes a review of background literature with definitions, examples, and theoretical exploration of the Smart Growth movement, sustainable and mixed-income development, and the CLT model. The methodology of the case study is presented in Chapter Three, which is based on published studies of CLTs. The fourth chapter begins with a historical overview of the city of Winter Park, a description of the affordable housing challenges its residents face and why the city chose to use the CLT model, and an explanation for selecting the HSCLT as the case study subject. Chapter Four also includes the findings of the analysis following the process outlined in the

methodology. The fifth chapter concludes the case study by relating the findings presented in Chapter Four to urban planning in the macro context, and suggests areas for future research.

CHAPTER 2 LITERATURE REVIEW

Before examining Winter Park's approach to providing affordable housing, a review of relevant literature on the structure of the CLT model and its ability to incorporate Smart Growth principles is presented. This chapter begins with definitions of Smart Growth, sustainability and mixed income development. The CLT model is described in detail, and the potential benefits and disadvantages associated with the model are addressed. Throughout the chapter, the role of the CLT model to meet affordable housing needs is reviewed.

Smart Growth and Sustainability in Land Use Planning

Smart Growth promotes development that mitigates impacts on the environment, society and the community's health. Yet, the term Smart Growth embraces a variety of concepts in theory and in practice, so it should be perceived as an "evolving" term (Harmon, 2003).

The Smart Growth Network (SGN), a national organization sponsored in part by the Environmental Protection Agency (EPA), is dedicated to promoting the principles of Smart Growth and its best practices (Sustainable Communities Network, 2004). The SGN asserts "[g]rowth is smart when it gives us great communities, with more choices and personal freedom, good return on public investment, greater opportunity across the community, a thriving natural environment, and a legacy we can be proud to leave our children and grandchildren" (Cotnoir, 2006, p. 1). As a form of growth management, Smart Growth addresses development's impact on a community's quality of life, physical design, economics, the natural environment, health, housing, and transportation (Sustainable Communities Network, 2004). By focusing on these seven issues, SGN promotes controlling sprawl by creating compact, efficient communities that offer choice, participation, and identity. SGN also maintains a specific list of principles that

define Smart Growth, which incorporate the issues it promotes as a basis for responsible development.

There are ten principles that the SGN identifies as critical considerations for achieving Smart Growth. The principles defined here will be used for analyzing the HSCLT later as part of the methodology and findings. Each principle is intrinsically linked to the others, as the requirements for meeting each principle and the potential benefits resulting from each principle are dependent on a comprehensive inclusion of the all the principles (see Figure 2-1).

Communities realize Smart Growth when their land use decisions coordinate the implementation of the ten principles:

- Housing opportunity targets the creation of housing for all members of the community, across all income levels (Sustainable Communities Network, 2004). As there are a variety of types of households living in every community, a variety of housing options should be available to meet the needs of each household type. Housing should vary in terms of size, type and cost of the home and location within the community.
- Walkable neighborhoods require that multiple forms of land use are located within a short distance of one another (Sustainable Communities Network, 2004). To create walkability, mixed land use, safe and convenient walkways, and pedestrian access is necessary. Physical, social, environmental, and financial benefits are all associated with walkable communities.
- Community involvement stipulates interaction among residents, business owners, government officials, and other stakeholders to define the needs of the community and make land use decisions designed to meet those needs in a reciprocal manner (Sustainable Communities Network, 2004). A lack of community involvement may result in misdirected or even detrimental planning decisions. Investment and planning should be based on community involvement.
- Development of community identity entails defining the structural and social characteristics of an area (Sustainable Communities Network, 2004). Standards for development should ensure building design and land uses compatible with existing patterns in the community. Community distinctiveness leads to strengthened cultural and economic health and results in identifiable community assets.
- Streamlined development decisions are necessary to engage private developers and investors, whom Smart Growth is dependent on for success (Sustainable Communities Network, 2004). Streamlining requires making planning decisions and zoning regulations “timely, cost-effective, and predictable for developers” (Sustainable Communities

Network, 2004, n.p.). Historically, planning and zoning requirements have not enabled Smart Growth and may require adjustments to meet the streamlined development decisions principle.

- Mixed-use development is a product of placing various land uses near one another or combining multiple land uses on a single parcel (Sustainable Communities Network, 2004). A common form of mixed-use is commercial, retail or office space below residential units within a building. The benefits of mixing land uses include minimizing travel time for residents to obtain goods or services, bolstering economic vitality for businesses due to continual demand by increased customer presence, and conservation of open spaces.
- Preservation of natural areas is achieved by limiting sprawl and greenfield development, protecting environmentally sensitive areas, and creating parks or “open space” within a community (Sustainable Communities Network, 2004). By conscientiously planning for natural areas, a community can improve the health of its environment. Benefits also include healthier places to live, more aesthetically pleasing views, and an overall improved quality of life for members of the community.
- Multi-modal transportation options require a community providing various forms of travel for citizens to reach their homes, jobs, shopping and other places of interest (Sustainable Communities Network, 2004). Some forms of transportation include public transit such as buses, accommodation for pedestrians and bicyclists, and incentives for carpooling. The goal is to reduce the daily dependence of citizens on the automobile as the main form of transportation.
- Investment into established communities is centered on infill development (Sustainable Communities Network, 2004). Instead of unrestricted development into open or “fringe” areas, communities should direct growth back into developed areas. Doing so takes advantage of infrastructure already in place and makes other aspects of the community, such as mass transit, more economical and practical.
- Compact building design involves optimizing land use by consuming the smallest amount of land to create the most efficient use of building space (Sustainable Communities Network, 2004). Often, this compels building up instead of building out. Traditional land use regulations limits vertical development, so other innovations may be necessary to achieve compact construction. Dense development can reduce the impact on the environment, cost less for building operation, and increase the viability of mass transit.

Proponents of the Smart Growth movement include environmentalists, transportation coordinators, and housing advocates (Harmon, 2003). The engagement of these diverse professions reflects the movement’s advocacy of a comprehensive approach to managing growth.

Principles of Smart Growth extend into other planning specializations like neighborhood sustainability, rural development, and regionalism (National Neighborhood Coalition, 2000).

Overall, local government officials, planning practitioners, and the academic community enthusiastically joined the Smart Growth movement when it formalized in the late 20th Century. Opposition to implementing Smart Growth emerged based on the perceived overuse and misuse of the term. For instance, critics claim that agencies used Smart Growth as a descriptive ploy to obtain funding or support for a development. The proposed development may have a component of Smart Growth, but the developer or sponsor does not intend to create a true Smart Growth community (Zahniser, 2007). Also, when the concept is not clearly understood by developers, crucial elements may be overlooked that affect the entire functionality of the community. Therefore, Smart Growth has the potential to result in “smart” communities that do not fully meet the Smart Growth definition.

Finally, critics claim that Smart Growth may actually increase the cost of housing due to increased demand for a decreased number of developable properties, resulting in increased prices while reducing or even eliminating development on relatively inexpensive sites in outlying areas. Proponents counter that piecemeal application of Smart Growth principles reduces housing affordability; this occurs when one Smart Growth principle is implemented and the others are ignored (Arigoni, 2001). Housing prices rise as a result of increased demand for residences in a pseudo Smart Growth community, but without including affordable housing options, nothing exists to counter the effect of increased housing demand. Preferred Smart Growth development accommodates and encourages affordable housing development, which can occur by broadening the range of permitted housing types and effectively incorporating complimentary Smart Growth principles such as multimodal transportation (Arigoni, 2001).

During this period the term sustainability, which stems from the same intellectual branch as Smart Growth, began to be used (Godschalk, 2004). Sustainability also appeals to community leaders with a wide variety of interests and beliefs (Ross, 2007). In 1987, the United Nations World Commission on Environment and Development (WCED) spearheaded an international effort to standardize the institution of sustainable development. WCED established the “three Es” to guide those interested in sustainable development (Berke & Manta Conroy, 2000). The “three Es” consist of the environment, economy, and equity. The general goal of sustainability consists of managing the three values through practices aimed at creating a decent standard of living for current and future generations while preserving the environment. Potential conflicts between any of the three values is anticipated and resolved based on balanced, equitable guidelines, a particularly innovative land use planning approach. Consensus among competing interests can occur because of a previously agreed upon vision.

Philip Berke and Maria Manta Conroy (2000) examine comprehensive planning efforts to define and operationalize sustainability. They create a definition of sustainability with six principles based on a thorough review of existing literature and professional experience. They then use a measurement technique to assess the likelihood that existing policies result in sustainable neighborhoods and use the methodology to evaluate 30 comprehensive plans from localities across the nation. The resulting working definition of sustainability builds on balancing social, ecologic and economic values. It incorporates the principles of creating and maintaining harmony with nature, livable built environments, a place-based economy, equity, a polluters pay system, and responsible regionalism (Berke & Manta Conroy, 2000, 23). The review of the plans reveals no association between explicitly defining sustainability as a planning principle and creating plans that effectively promote sustainability. The evaluation led the researchers to

conclude that while the critiques of sustainability may be justified, this valuable planning tool should be further integrated into plans and implemented to realize its potential benefits.

Thus, sustainability has been endorsed as an energizing force in land use planning but is still considered by critics to be too vague and not sufficiently supported and implemented as a substantive planning strategy (Godschalk, 2004). Berke and Manta Conroy (2000) support this finding given that the results of their evaluation are based on initial efforts, not mature and tested practices. An additional criticism of sustainability relates to the nature of the concept itself. In trying to resolve the conflict between the environment, economy and equity, sustainability may foster a division among stakeholders. Furthermore, sustainability has the potential to create a false sense of hope and security. Sustainable neighborhood design may be employed in communities undergoing revitalization that desire improving infrastructure while at the same time promoting a continuance of the community's existing way of life. In a dynamic community, maintaining the status quo may be unrealistic despite the goals of sustainable neighborhood development (Ikerd, 2007). If community officials in charge of the revitalization project are unaware of this potential pitfall, they may not follow the necessary steps to identify challenges to the community's legacy and may react inappropriately if they simply rely on sustainable neighborhood design practices to accomplish this goal without greater vigilance. Yet, even Scott Campbell, a commonly cited author who asks challenging questions regarding the applicability of sustainability in planning, resolves that the idea is still viable and should not be dismissed (Berke & Manta Conroy, 2000).

The SGN claims that communities that institute Smart Growth as the guiding scheme for growth management will "...preserve the best of their past while creating a bright future for generations to come" (Cotnoir, 2006, p. 1). Virtually the same statement was made about

sustainable development by the United Nations World Commission on Environment and Development (Berke & Manta Conroy, 2000). This concept of preservation for the sake of future generations is one example of a shared principle of Smart Growth and sustainability.

In addition, the two planning movements advocate the creation of affordable housing for varying but complementary reasons. SGN defines housing choice as a critical Smart Growth issue so that Smart Growth development includes a broader range of options for housing in terms of size, location, and price. Several SGN principles incorporate affordable housing as a component necessary to achieve the mission of Smart Growth. By enabling all households to live in a community, a low-income household has access to services and infrastructure and experiences a reduced commute. This pattern prevents sprawl by creating an inclusive community and reduces the impact on the environment in terms of transportation impacts. The equity component of sustainability demands affordable housing so that every person in a community has the opportunity to live and work within its boundaries. Thus, vibrant and diverse places are created that uphold social and equity values (Berke & Manta Conroy, 2000).

Mixed Income Development as a Solution

For most of the 20th century, housing advocates argued that concentration of poverty is a negative social condition that should be avoided and resolved (Jargowsky, 2001). High poverty areas often harbor serious criminal activity, high levels of unemployment, poor educational options, and lack of social capital for residents (Smith, 2002). From this the question arose, if concentrated poverty is detrimental, then is mixed income community development the solution? Most housing advocates respond that it generally depends on the specific community.

The basic theory supporting mixed-income development is that placing low-income residents in areas with higher income households will create opportunities for life advancement through access to better jobs, education and role models (Smith, 2002). Supporting the

development of social capital has emerged as a strong driver of community development since the late 20th century (DeFilippis, 2001). Additionally, advocates for the creation of affordable housing use mixed-income development to counter protests from NIMBY proponents (Burchell and Galley, 2000). Smith (2002) found that “[i]ncluding market-rate units might potentially reduce the subsidies needed for affordable units while overcoming protests against low-income housing in many communities” (p. 1). Also, local governments tend to be more open to mixed-income developments rather than exclusively low-income developments (Myerson, 2005).

In a study commissioned by the Neighborhood Reinvestment Corporation, Alastair Smith (2002) identified five general types of mixed-income development that range along a scale with one extreme being virtually market-rate housing with some moderate-income housing to the other being a mix of moderate, low and extremely low income households. Mixed-income communities are generally created to deconcentrate poverty, construct higher quality housing for populations usually forced into undesirable living conditions, or increase the affordable housing stock. While all three of the goals typically define mixed-income development, their effectiveness is limited based on the community in which they are located (Smith, 2002). Thus Smith (2002) does not recommend mixed-income as the “silver bullet” to address affordable housing needs, especially considering the risks associated with such forms of development. These risks include difficulties in financing and potential community opposition.

Schubert and Thresher (1996) review three diverse communities that serve as examples of the effectiveness of mixed-income development. Specifically, they examine whether an ideal mix of incomes exists, how to finance such developments, why market rate residents are necessary, and how to involve residents in the planning process. The three communities vary

greatly in providing answers to each question, which in turn demonstrates the variability in the research on mixed-income communities in general.

Some of Schubert and Thresher's (1996) results are consistent with Smith's (2002) findings. The significant complexity involved in creating mixed-income communities is one common finding. The public and private financing required to create a mixed-income development usually involves the coordination of several sources to ensure the project's success. Securing and managing the financing options all add risk to the development, making it more challenging to fund.

Schubert and Thresher (1996) and Smith (2002) also agree that simply mixing residents with different incomes does not result automatically in a healthy and vibrant community. Lower-income residents need financial, educational, and social resources and assistance directly available to them to break the cycle of poverty. Mixed-income development intends, in part, to break the poverty cycle. Yet, Schubert and Thresher (1996) assert getting the necessary resources to the lower-income populations requires a directed effort beyond solely placing lower-income residents near higher-income ones. Smith (2002) argues that mixed-income developments so rarely benefit the extremely low income populations and that no inherent mechanism exists to connect the residents in need of services to the actual services.

In sum, mixed-income development has gained some support but with several conditions. Ideally the community must provide financial and legislative support to enable the development process to occur. Lower-income residents within the mixed-income communities may need additional assistance to optimally benefit from living in a diverse community. In some cases, the question remains: is it the best allocation of resources for low-income residents?

The Capacity of the Community Land Trust Model to Create Smart, Sustainable Affordable Housing

As the need for affordable housing intensifies in the U.S. and devolution of federal housing programs continues, local and state governments as well as non-profit providers are offering a growing number of diverse and creative solutions. Merging the concepts of Smart Growth and sustainability and applying them to affordable housing development is a relatively new idea. Community Land Trusts (CLTs) have been touted as a solution for some neighborhoods. The CLT model creates permanently affordable homeownership, thereby meeting the Smart Growth and sustainability aspirations of preserving an equitable way of life (National Housing Conference, 2005). The degree to which the principles of Smart Growth and sustainability are achieved by the CLT model can be judged through a review of the CLT mechanism itself.

Introduction and Brief History of Community Land Trusts

The Community Land Trust model was first formally developed in the United States in the 1960s (Institute for Community Economics, n.d.). It is considered an alternative form of creating permanent affordable housing compared to public housing and other traditional government subsidized programs (Harmon, 2004). While each CLT is unique in its exact function and execution, several common components of a CLT exist. CLTs provide affordable housing opportunities by leasing housing to income restricted households and owning the land underneath with the intention of increasing the perpetually affordable housing stock. Usually a CLT is a non-profit organization started by a group of community activists or affordable housing advocates.

In 1968, Robert Swann and other civil rights activists first proposed a CLT development in the United States in Albany, Georgia. Called New Communities Incorporated, this CLT

comprised over 5,000 acres of rural land with the intention to develop affordable housing for African-American farmers. Though ultimately never developed, it did serve as a practical backdrop for a book by Swann and his colleagues. The lessons learned from the first proposed CLT and from fellow CLT practitioner Ralph Borsodi were outlined in the 1972 book called *The Community Land Trust: A Guide to a New Model for Land Tenure in America* (Davis, 2006).

Though initially slow to catch on in the United States, urban planners have since embraced the CLT model (see Figure 2-2). In the first 15 years following the founding of New Communities Incorporated, only a handful of CLTs existed. The following 15 years, however, resulted in an addition of over 100 CLTs in a majority of the states. In 2006, the National Housing Institute counted 162 CLT organizations (Davis, 2006).

The growth in popularity can be partly explained by the increase in support for the CLT model at the national level (Davis, 2006). In 1992, an amendment to the Cranston-Gonzales National Affordable Housing Act officially defined a Community Land Trust as a community housing development organization, thereby enabling a CLT to qualify for HOME funding (Burlington Associates, 2005). In 2003, Fannie Mae released a memorandum describing new options for financing homes in CLTs using Fannie Mae services (Fannie Mae, 2003). The agency did this to enable lenders to use Fannie Mae products through a streamlined approval process and create greater flexibility in financing (Fannie Mae, 2003).

In addition to legislative and regulatory advances enabling the creation of CLTs, an organizational effort has been underway to establish a national standard and gathering place for CLT institutions. Several groups now provide resources and technical assistance for CLT members and those interested in the CLT model. The Institute for Community Economics (ICE) was the successor organization of Swann's International Independence Institute in the 1960s. In

addition to financing and technical assistance, this organization helped establish the National Community Land Trust Network in 2000, which became an independent organization in 2005 (Institute for Community Economics, n.d.). The National CLT Network strives to create national standards for the formation and institution of CLTs while elevating the level of awareness and acceptance of the CLT framework in affordable housing development (National CLT Network, 2006). A third group that supports CLTs is the Lincoln Institute of Land Policy's Community Lots organization, which provides research and education regarding the CLT model (Lincoln Institute of Land Policy, 2004).

The Characteristics of the CLT Model

The Community Land Trust model can be explained by describing the general components that characterize each CLT organization. The structure that each specific CLT organization may employ can also be generalized to demonstrate the adaptability and applicability of the CLT model. There currently are no laws that state the specific requirements of what constitutes a CLT, with the exception of the brief definition created by the 1992 amendments to the National Affordable Housing Act, which will be discussed later. Regardless, in recent years the model has been discussed in greater detail and frequency by academics, practitioners, and research institutes. The resulting publications will be the basis for explaining the CLT model.

The Cranston-Gonzales National Affordable Housing Act was amended in 1992 in part to add the CLT as a type of organization qualified to receive HOME funding ([42 U.S.C. 12773]). It defined a CLT as a community housing development organization and specifically excluded for-profit organizations from its definition.¹ The activities that define a CLT, as stipulated in s

¹ In the discussion following the definition provided by the Cranston-Gonzales National Affordable Housing Act, the CLT is required to declare itself a type of non-profit organization in order to join the national CLT associations.

233(f) of Cranston-Gonzales National Affordable Housing Act 1992 [42 U.S.C. 12773], include that it:

- Acquires parcels of land, held in perpetuity, primarily for conveyance under long term ground leases;
- Transfers ownership of any structural improvements located on such leased parcels to the lessees; and
- Retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low-and moderate-income families in perpetuity (s 233(f)(3A-C) of Cranston-Gonzales National Affordable Housing Act 1992 [42 U.S.C. 12773], *formatting added*).

Further, it is an organization

- Whose corporate membership that is open to any adult resident of a particular geographic area specified in the bylaws of the organization; and
- Whose board of directors---

(A) includes a majority of members who are elected by the corporate membership;

and

(B) is composed of equal numbers of

(i) lessees pursuant to paragraph (3)(B), (ii) corporate members who are not lessees, and (iii) any other category of persons described in the bylaws of the organization (s 233(f)(4-5) of Cranston-Gonzales National Affordable Housing Act 1992 [42 U.S.C. 12773], *formatting added*).

Typically, CLTs use a ground lease similar to a commercial development lease, wherein the land and the improvements are owned by separate entities (Abromowitz, 1991). Although the legislation states that a CLT cannot be a for-profit organization, the national associations are more specific, stating that a CLT must be a non-profit organization (Greenstein and Sungu-Eryilmaz, 2005). Having a 501(c)(3) or (4) non-profit organization status enables the CLT to operate tax-free. As a non-profit organization, a CLT does not to make a profit from the land lease. Rather, by minimizing the cost of the land, a home becomes affordable to lower income

households. A minimal lease fee may be required by the CLT to cover operational costs and ensure a level of control over the land.

The National Housing Institute (Institute) published a manual describing models of resale-restricted, owner-occupied housing. CLTs are a form of such housing, along with limited equity cooperatives and deed-restricted housing. The Institute presents a list of twelve elements that must be considered for creation of shared equity homeownership. The list represents in brief the elements of importance to a CLT, including duration, decontrol, eligibility, disclosure, occupancy, legacy, maintenance, improvements, financing, the resale formula, the resale process, and enforcement (Davis, 2006). The National CLT Network (Network) created a set of standards for all CLTs interested in obtaining membership in the organization. The list of standards contains nine characteristics that all CLTs should incorporate into their operations, including purpose, corporate status, land ownership, homeownership, permanent affordability, service area, corporate membership, board composition and board selection (Davis, 2006). This list also allows for alternative measures and categorizes a CLT as either “classic” or “variation” within each element. Chapter Three of this study presents a review of the Network’s list of characteristics as a part of the methodology.

What differentiates CLTs from other affordable housing programs is the express goal of creating long-term affordability. The Cranston-Gonzales Act defined a CLT as working for advocating affordability “in perpetuity,” but the specific circumstances of each CLT may require different lengths of time. A standard ground lease between a CLT and a homeowner is 99-years, effectively creating a permanent affordable housing unit (Davis, 2006). Homeowners have the ability to bequeath their homes to their heirs or to a person of their choosing, but the recipient must be qualified to meet the ground lease and income requirements of the CLT. There are three

common methods for inheritance: the CLT may establish no limitations, allow only family members to retain the residence regardless of income level, or allow only heirs that meet strict eligibility requirements to inherit the CLT home (Davis, 2006).

If a homeowner chooses to sell the home, permanent affordability must be secured and is most commonly accomplished through the requirements of the ground lease (Abromowitz, 1991). The most common method is for a CLT to have the first right of refusal, giving the CLT the option to buy the improvements on the land it owns from the homeowner before the private market has access to buy it (Pastel, 1991). Even if the CLT declines to purchase the home or does not have the right of first refusal, a price formula likely exists to ensure that the home will continue to be affordable to the next resident. Usually, the price for the home is calculated based on a formula contained in the ground lease. This formula effectively limits the amount of equity the homeowner gains from selling the home. The formula may be based on several considerations, but most commonly the price is related to the change in the Consumer Price Index, is adjusted for inflation, is a percentage of the market price for the home and improvements, or is linked to the homeowner's mortgage (Davis, 2006).

Initial and subsequent buyers must meet the eligibility criteria established by the CLT. Often the buyer must meet income restriction requirements (Davis, 2006). These restrictions may be a percentage of Area Median Income (AMI), usually in the range of 60% to 150%. CLTs require the applicant already be a member of the community in which the CLT is located. This latter qualification is often relaxed if no eligible buyers can be found. In the case of a homeowner becoming ineligible after obtaining the CLT home, CLTs rarely force a homeowner to sell the home or raise the fee of the ground lease (Davis, 2006).

Potential CLT homeowners may experience unique challenges in financing the purchase of the home due to the separate ownership of the house and the land. Low-income buyers already face difficulties due to the requirement of saving for a down payment or meeting the minimum income requirements to prevent a cost burden. Lenders that do not fully understand the CLT model often assume a higher risk and may reject or deter a CLT buyer. However, the CLTs themselves have learned to work with and negotiate between lenders and buyers so as to enable CLT home sales and ensure that the financing structure will safeguard the CLT home from losing its affordability if a homeowner defaults (Bergeron, 2006). As a testament to the growing popularity of CLTs and demands for financing, Fannie Mae created finance packages specifically for funding future CLT residents. Fannie Mae has enabled lenders to finance CLT home purchases using a wider variety of options for mortgages, refinancing, and qualification requirements (Fannie Mae, 2003). Also, Fannie Mae created a streamlined process for approval and new appraisal guidelines specific to CLT homes, which eases the relationship between lender and CLT and speeds the lending process (Fannie Mae, 2003).

As of 2005, there were four major programs well-suited for CLT homebuyers in need of financial assistance. Funding from the HOME program can be designated to CLTs for assisting buyers at 80% AMI or below (Greger, n.d.). However, the maximum loan to a buyer can only equal up to 25% of the purchase price. Florida's Homeownership Assistance Program (HAP) provides two options for CLT homebuyers, buying down the cost of a loan or helping with a down payment. Finally, Florida's Single-Family Mortgage Revenue Bond (SFMRB) program is available if the CLT buyer is a first time homebuyer. The SFMRB loans usually have below-market interest rates and provide closing costs and down payment assistance.

Once a homeowner is approved and purchases a CLT home, he or she may join the CLT board (National CLT Network, 2007). In some cases all homeowners are members of the board, but in larger CLTs only a representative group serves. The board also consists of interested members of the greater community as defined in the CLT's by-laws and includes government officials and corporate members of the CLT (Greenstein and Sungu-Eryilmaz, 2005). The board is commonly divided equally among the three groups. According to Abromowitz (1991), “[s]uch multiple interest on the board are intended to keep the CLT from moving too far in the direction of either community or individual interests” (p. 675). In this way, the CLT can remain accountable to the residents that it serves and the broader community (National CLT Network, 2007).

The CLT monitors and adjusts the use of the land that it owns through the ground lease it creates with the homeowner (Abromowitz, 1991). Aside from establishing a relationship with the homeowner and the improvements on the land (such as a home), the ground lease may contain several elements regarding occupation and maintenance of the land. The CLT can limit who may occupy the home. By controlling occupancy, the CLT can prevent the homeowner from subletting or acting as an absentee landlord (Davis, 2006). Preventing subletting is especially important in markets of high real estate appreciation where financial benefits of renting the home could entice the owner to do so (Abromowitz, 1991). Requiring a certain level of maintenance can also be controlled by the ground lease. The level of maintenance is usually linked to the local government's codes and zoning requirements. Alternatively, maintenance may be based on the homeowner's insurance plan, on the premise of prevention of significant repair costs, or to meet the neighborhood quality standard (Davis, 2006).

Enforcement of the ground lease is essential for the CLT to retain control over its affordable housing community. A homeowner that does not comply with the ground lease may have his or her rights of possession terminated at the discretion of the CLT (Abromowitz, 1991). However, the CLT does not have to directly monitor the activities of the homeowner. An external company may be employed, or the CLT may wait to review the property at the time of sale and impose any necessary penalties then (Davis, 2006). By using an outside company or waiting until after the period of ownership ends, the CLT can minimize its role in property management. An alternative form of controlling the resale activities of the homeowner is by attaching a lien on the homeowner's mortgage or creating a deed restriction (Abromowitz, 1991).

The CLT Model in Practice

The CLT model has received broad support for its effectiveness in creating permanent affordable housing (Harmon, 2003). Most agree that the mechanism can be very successful when applied in the right community conditions and when all elements of the CLT model are comprehensively developed (Bergeron, 2006). Hailed as a flexible option for affordable homeownership, CLTs can vary greatly in size of the geographic area covered, number of homes and in its financial and social impact on the community (Davis, 2006). CLTs have also been credited with combating a broad range of social problems associated with community development and change; they support community revitalization, deconcentrate poverty by accommodating mixed-income development, and prevent gentrification.

The Burlington Community Land Trust is a national model. As one of the most innovative and thoroughly developed CLTs, its history and the practical experience of its organizers are frequently referenced and analyzed by practitioners and academics. Created in 1984, BCLT was formed to increase homeownership opportunities for low and moderate income households while responsibly preserving the neighborhoods of Burlington, Vermont (Davis and

Demetrowitz, 2003). Its composition closely resembles the “classic” characteristics of a CLT as defined by ICE, due greatly to the fact that it was developed with assistance from ICE itself (Davis and Demetrowitz, 2003).

The BCLT drafted a five-year strategic plan in 2004 to clarify and solidify its purposes and goals. The BCLT contributes to home ownership, single family housing, and community development and meets other locally defined goals that support these primary initiatives (Harold, 2004). Recognizing its role as a national model, BCLT states in its five-year strategic plan that its objective is to serve as a leader for advocacy, mentorship, product development and further innovation (Harold, 2004).

The BCLT has earned its reputation of leadership in several forms. At the local level, the BCLT has proven itself as a significant and lasting institution within the community. It has a substantial property ownership portfolio as one of the “largest residential property owners” in the city (PolicyLink, 2007). It has been in existence long enough for many of its properties to be resold. Those resold homes have sustained low-income homeownership, thereby allowing the BCLT to realize its mission. At the state level, the BCLT has influenced the designation of funding to benefit CLTs. In Vermont it has become standard for HOME and CDBG funds to be designated for CLTs (PolicyLink, 2007). Also, a financing program for “resale-restricted, perpetually affordable homes” was created by the Vermont Housing Finance Agency (PolicyLink, 2007).

Two nationally recognized leaders in CLT analysis and research conducted an evaluation of the BCLT in 2003 to determine the effectiveness of the CLT model in realizing its goals. Davis and Demetrowitz (2003) used BCLT as the focus of their case study. They found that the BCLT met and exceeded expectations. Affordability was created and maintained, the

neighborhoods containing CLT homes sustained stability, low income persons were effectively served, modest equity was created for homeowners, the homes increased in overall value, and housing activity resembled an open market in terms of residential mobility. The only qualification given by the authors regarding the applicability of the results to CLTs in general addressed the small sample size used for the analysis, noting that the particular market and locational characteristics may make it difficult to generalize the findings. Yet, because BCLT represents the “classic” CLT model, it is plausible that other CLTs would experience similarly positive effects. BCLT exemplifies successful community revitalization and therefore, will be used as a component of the methodology to analyze HSCLT later in this study.

NIMBYism is one of the most common forces that prevents the creation of affordable housing in affluent communities. Another problem in areas of concentrated high-income is finding builders and financial institutions willing to create and support affordable housing developments. The idea of integrating lower income residents into affluent neighborhoods has gained momentum and mixed-income development has become a prevailing objective in urban planning practices (Schwartz and Tajbakhsh, 1997).

Realizing this mixed-income goal by creating affordable housing opportunities is demonstrated in an Albuquerque, New Mexico CLT. Begun in 1996 in the traditionally Hispanic neighborhood of Sawmill, the Sawmill Community Land Trust (SCLT) is located in Albuquerque, New Mexico (PolicyLink, 2007). Between 1981 and 2000, home prices in Sawmill quadrupled, effectively pricing out the low-income residents that historically resided in the area (PolicyLink, 2007). The sizeable increase in income and population growth in the area during the late 1990s motivated residents to organize together to preserve their community. The SCLT includes the former grassroots organizations of the Sawmill Advisory Council and the Sawmill

Community Development Corporation that were formed to protect the environment (PolicyLink, 2007). The SCLT incorporated the goals of the environmental groups by buying environmentally sensitive land as conservation or residential sites. Still, the primary purpose of the SCLT from the beginning has been to create lasting affordable housing for the area residents while involving them in the redevelopment of the Sawmill community (Sawmill Community Land Trust, n.d.).

The SCLT has been successful in accomplishing its goals due to its well organized structure that meets the needs of its residents. From the outset, SCLT created and upheld a set of objectives based on its mission. The goals decided upon at the beginning included specifically helping households earning 80% of AMI or less, constructing context sensitive buildings, involving residents in the development process, and developing the economic community in addition to the residential options (Sawmill Community Land Trust, n.d.). One of the first developments of the SCLT served as an example of the organization's potential and as a promise to the community of its intent to preserve the character of the community. This project entailed building seven housing units below market rate in infill areas within Sawmill (PolicyLink, 2007).

After completion of the first project, the SCLT adopted a five-year plan in 2003 to continue its efforts as a collaborative organization representing all interested parties. The next set of initiatives includes completing the Arbolera de Vida neighborhood residential development and planning for the neighborhood's economic development, expanding into other neighborhoods and increasing its membership base, and acting as an organization that is financially self-sufficient and nationally innovative (Sawmill Community Land Trust, n.d.). The SCLT works in accordance with the Sawmill Metropolitan Redevelopment Area Plan as it partners with the local government and community members to ensure the success of its efforts.

The methods employed by the SCLT have proven effective as the organization has achieved internal and external success. The plans for the Arbolera de Vida neighborhood alone call for 100 affordable units to be constructed. This ambitious development objective of the SCLT's five-year plan shows the substantial progress the organization has made from its initial seven housing units. The SCLT further helps residents by acquiring tax exempt status for the CLT land and passing the savings onto the residents (PolicyLink, 2007). In an area of high and rising land prices, the tax exemption is an increasingly important asset for low-income families. Additionally, "[t]he Sierra Club recently cited SCLT as a 'Smart Growth Success Story' in a 50-state survey of innovative initiatives that stem suburban sprawl" (PolicyLink, 2007).

For many communities experiencing rapid change, gentrification is a challenge that can be countered with the creation a CLT. Gentrification is defined as "a change process in historically low wealth communities that results in rising real estate values coupled with shifts in the economic, social and cultural demographics and feel of the communities" (NeighborWorks America, 2005). Gentrification occurs often after a substantial reinvestment in the community begins. Many times, this conversion results in the removal or dispersion of the dominant racial or ethnic population(s) that originally occupied the neighborhood. In fact, the SCLT specifically aspires in its mission statement to prevent the exclusion of its Hispanic residents as the area revitalizes (Sawmill Community Land Trust, n.d.).

The CLT model addresses gentrification in a number of ways. First, a CLT incorporates all the stakeholders of the community in the planning and managing of the entrusted land (Jacobus and Brown, 2007). Since the CLT homes are designed for the low-income population, those residents being pushed out by higher-income immigrants to the area can find refuge in the affordable housing created by the CLT. They can also serve on the CLT board to represent the

population undergoing gentrification. While Sawmill is predominantly a Hispanic community, other minorities living there such as African-Americans and Native Americans are part of the SCLT membership. Thus, the SCLT provides an outlet for influence over the revitalization of the Sawmill community to all affected groups of people. Second, since a CLT often produces new housing restricted to households at given income levels, residents wanting to move into the community who would cause gentrification are not qualified to purchase a CLT home. Finally, a CLT is a grassroots organization usually created by concerned citizens and advocates already in the community. Therefore, residents perceiving the occurrence of gentrification can legally organize to prevent an influx of new residents capable of financially forcing out traditional residents. In the SCLT case, the Hispanic residents showed great support for the CLT form of ownership because it coincides with their traditional way of life under Spanish Land Grants while restricting higher income households from purchasing CLT homes (Sawmill Community Land Trust, n.d.).

The reasons residents choose to reside in a CLT home vary. While the majority of CLT residents have lower income levels, the demographic characteristics of each household vary (Davis and Demetrowitz, 2003). Younger households in CLT homes may choose the affordable unit as a stepping stone while developing careers, potentially living in the home for a limited amount of time. Families in CLT homes may live there to stabilize their finances while raising children, thereby staying in the CLT home for a longer time period. Elderly households may choose CLT homes as a place to retire, especially if they are long-term residents of the neighborhood who are in danger of being displaced and/or relying on a restricted income. The differing lengths of time each household stays in the CLT home has various implications. Short-term residents and mid-term residents benefit from the affordable home because they may not be

capable of paying for housing without outside assistance. Providing housing to these populations through the CLT prevents total loss of the public subsidy used to house them by way of the limited-equity resale formula. Long-term residents benefit from an established social network and predictable, affordable housing expenses while perpetuating the investment of subsidies used to make the home affordable by preventing an increase in housing price that would result without the limited equity resale restrictions.

The CLT model is vulnerable to certain pitfalls if not created with acute attention to detail. The greatest issue concerns the legality of the split of control between landowner and lessee. Although the dual ownership concept commonly occurs in commercial development, the residential use of the land changes the inherent legality of the contract between the two parties (Pastel, 1991). Legal analysts warn that the CLT model may face challenges on the basis of violating the Rule Against Perpetuities or the restraints on alienation (Abromowitz, 1991 and Pastel, 1991). Currently a CLT has not been specifically prosecuted for either violation (Abromowitz, 1991). There is some context, in particular for the state of Florida that demonstrates the need for the CLT to protect itself from such prosecution. Condominium associations have been brought to court in Florida questioning the legality of their restraints on residents. While the rulings found that legality depends on each case's specific situation, these cases set a precedent for interpretation of a CLT's *modus operandi* (Pastel, 1991, p. 307).

The concern over the Rule Against Perpetuities stems from the CLT's right for first refusal to purchase the property should the homeowner decide to sell (Abromowitz, 1991). Also, the fact that the repurchase price for the home is less than the fair market value of the property and any improvements made by the homeowner is usually considered unlawful when the homeowner is not given a choice (Pastel, 1991). Yet, the price paid by the CLT or a third party

buyer is the same as the price predetermined by the resale formula in the ground lease. Thus, the CLT is not guilty of violating the law (Pastel, 1991 and Davis, 2006). As long as the CLT executes or declines its option to buy within a reasonable time frame, the legality of the restrictions is supported by the courts (Pastel, 1991).

By limiting the homeowner's resale price, requiring CLT approval for conveyance of the property, or applying use restrictions on the homeowner of the property, the CLT preserves the quality and affordability of the property (Pastel, 1991). Simultaneously, it potentially breaches the law of restraints on alienation (Abromowitz, 1991). This question of property rights concerns whether a CLT restricts the homeowner's freedom in using and conveying his or her property in whatever way desired. To answer the question, the legal system uses a "test of reasonableness" with regard to the purpose and breadth of the restraint (Pastel, 1991, p. 307). Courts have supported other forms of communal housing that can be related to CLTs. The Florida case of *Seagate Condominium Association v. Duffy* resulted in the court's approval of subleasing restrictions in the interest of the residential community (Pastel, 1991).

Ultimately the social benefits associated with a CLT should be more important than the possible restraints on alienability. The CLT should expressly inform the homeowner of the constraints. This may be done through an orientation session for interested homebuyers, clear and explicit descriptions of the restrictions in the ground lease and other legal documents, and by requiring future homeowners to work with independent legal advisors prior to purchase (Davis, 2006).

Thus, the CLT model is an innovative strategy that creates and maintains affordability and has the potential for great success when implemented correctly. Certain community conditions are better suited for optimally instituting a CLT. Communities can effectively

incorporate local characteristics into their CLT and can create permanently affordable housing options for their residents. Smart Growth, sustainability and mixed-income development serve as complementary urban planning strategies for CLTs. Understanding these characteristics and connections assists in analyzing the HSCLT as described in the methodology.

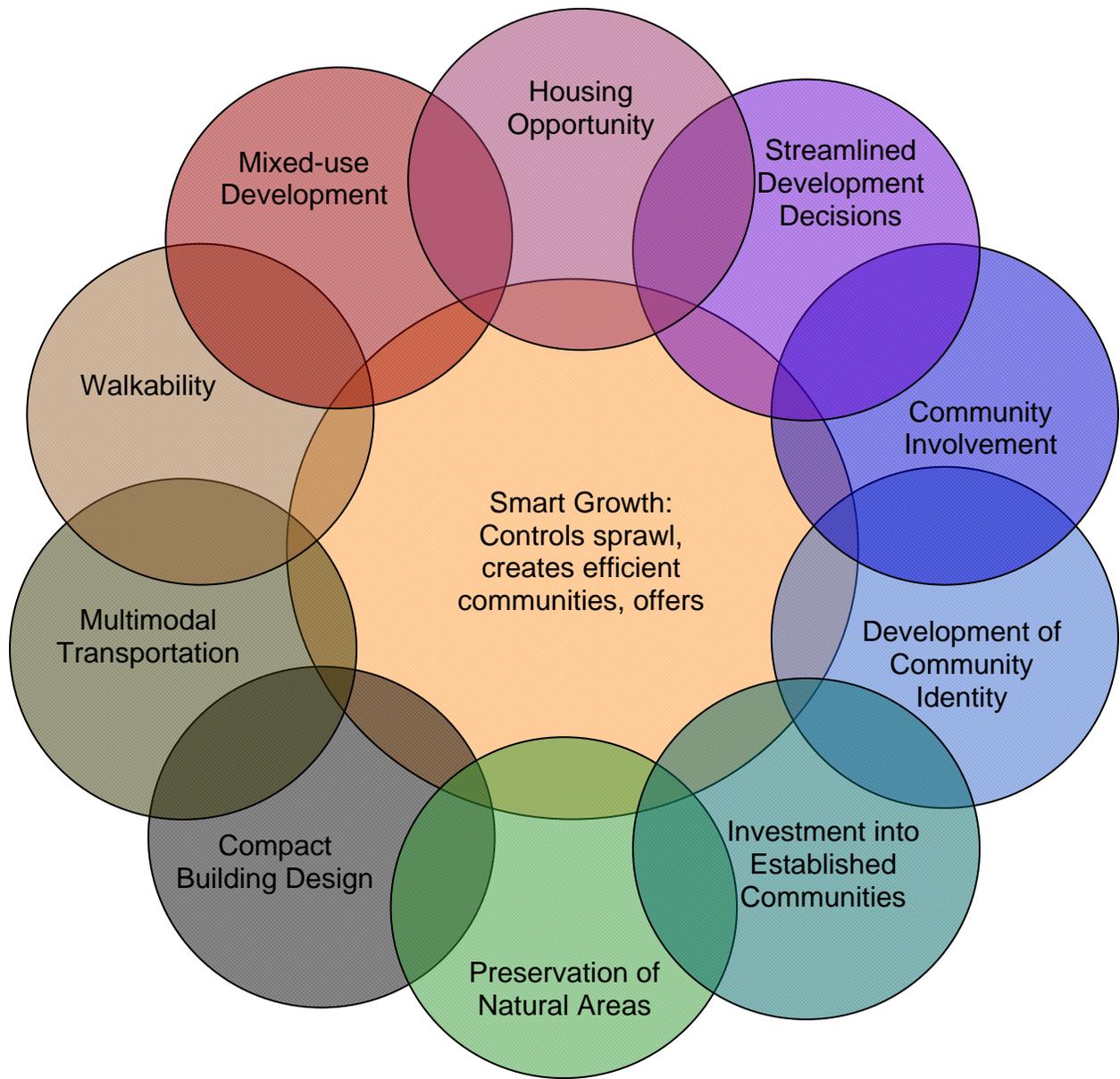


Figure 2-1 – Demonstration of Interrelationship among the Smart Growth Network’s Smart Growth Principles

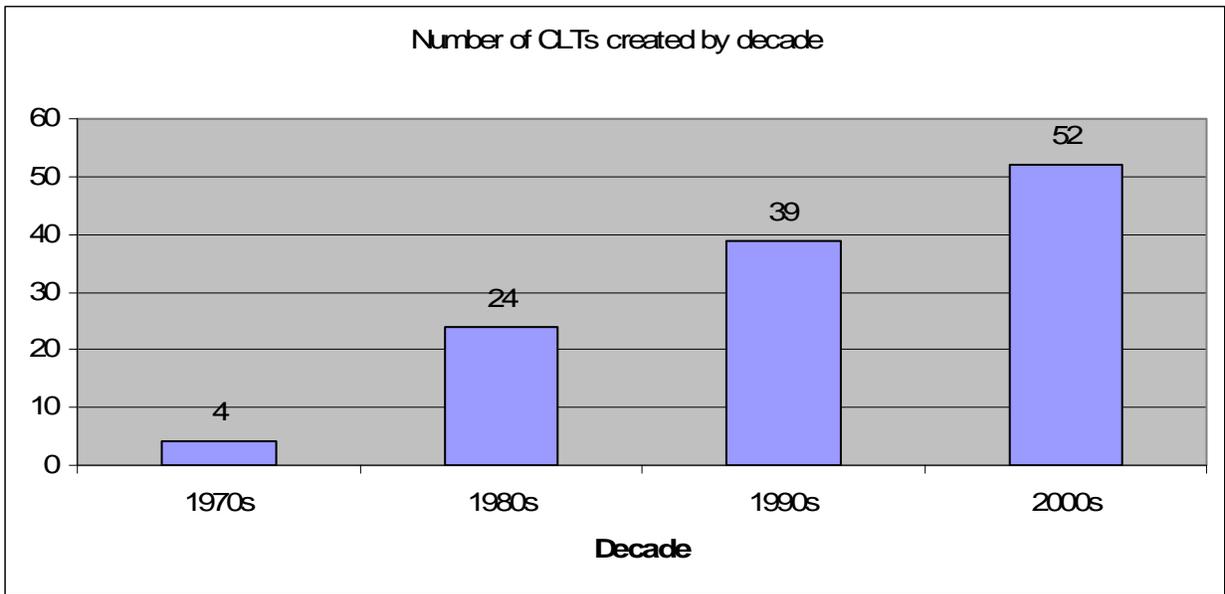


Figure 2-2 – The Number of CLTs Created in the United States by Decade

Source: Based on Sungu-Ermilmaz and Greenstein, 2007.

CHAPTER 3 METHODOLOGY

To understand the CLT model and assess its capability in effectively instituting the principles of Smart Growth, the descriptive case study approach will be used. The descriptive case study informs the reader of a theory, place or event. The strength of the descriptive form is the flexibility of its design and its ability to incorporate several types of information into an investigation. Descriptive case studies accommodate qualitative examination of a subject(s). Weaknesses in the descriptive form include potential difficulties in generalizing the findings of the diverse range of CLTs. Still, generalization is possible according to several researchers in the field of qualitative analysis (Yin, Levy, and Stake, as cited in Tellis, 1997). Generalization is accomplished through a case study when a test of a theory or event is conducted using practical examples. Discovery of meaning can be accomplished when multiple viewpoints of the subject are explored. Using multiple triangulation of information confirmed across several sources achieves validity. For this analysis, triangulation will be employed, as several forms of examination will be conducted. Reliability is attained when the research follows a repeatable methodology. The examination of HSCLT is based on a methodology used in other published research studies, which will be further explained in the following subsections of the methodology. The analysis used in this study can also be applied to other CLTs, thereby supporting its reliability.

Data Sources

The evaluation of the HSCLT will include quantitative data from multiple sources and qualitative material from documents, interviews, and site visits. Documents related to the HSCLT including the by-laws and ground lease will offer information on the operation of the

organization. The organizational documents are required by law for the creation of a CLT, therefore they should be considered an objective source of information.

Interviews were conducted with officials working in relation to the operation of the HSCLT (see Appendix A for the IRB approved consent form). The interviews are semi-structured in format, allowing the investigator to gather essential information as well as insight derived from additional discussions with the interviewees. Questions relate to the three key parts of analysis described in this methodology. Discussion will continue for clarification until the underlying principle is revealed and will stop when the underlying question is answered, and this information will later be validated by alternative sources if possible. Extra information provided by interviewees may be used to enhance the analysis, to serve as examples, or to enlighten the investigator. To combat the potential of investigator bias in incorporating the responses of the interviewees, information included in the analysis will be limited to the facts presented by each interviewee. Information given by the interviewees that may be perceived as biased will be checked for validation to the greatest extent possible. The University of Florida's Institutional Review Board approved the questions prior to them being asked in the interviews by the investigator. The investigator followed the standard procedure of acquiring informed consent of the interviewees, audio taping the interviews for transcription at a later time, and destroying the transcriptions after completion of the analysis.

Three formal interviews will be conducted to capture the necessary information for the evaluation. The director of the HSCLT, Bedilia Campbell, will provide insight into the functions of HSCLT, its future goals and plans, and the history of the organization. The Winter Park Planning and Community Development Director, Jeff Briggs, will also be interviewed for his perspective on the role of the HSCLT in the Community Redevelopment Agency (CRA) and the

greater community of Winter Park, Florida. Sherry Gutch, the manager of the Winter Park CRA, will be asked her assessment of the impact of the HSCLT on the community and details about the activities of the organization. All three officials will be asked to assess the impact of creating the HSCLT consistent with Smart Growth principles for the Hannibal Square neighborhood and greater community.

The additional forms of data used in the case study are a site-visit analysis, a review of the comprehensive plan of Winter Park, and collection of data regarding the cost of housing in Winter Park. A site-visit analysis will be conducted by the investigator. By visually evaluating the site of the HSCLT and the adjacent neighborhoods within the greater community of Winter Park, the investigator will gain context for the study and obtain visual confirmation of the organization's activities and the physical environment.

The comprehensive plan or growth management plan provides insight on the issues of importance to city officials and the broader community of Winter Park. The document guides development and activities relating to the physical and social composition of the city. The state of Florida requires each local government to draft a Growth Management Plan, which is subject to detailed review by Florida's Department of Community Affairs. Thus, it serves as a reliable source of information on the local government's regulations and management. It also demonstrates how the local government institutes state-mandated planning requirements such as concurrency.

Data on housing costs, income levels, and other demographics of the citizens of Winter Park will come from both the Winter Park CRA Strategic Plan and the Florida Housing Data Clearinghouse (FHDC). The data will be analyzed in both static and time-series format to show changes over time in the city and the current state of the city. The Winter Park CRA Strategic

Plan includes data compiled on characteristics of the residences exclusively residing in the CRA.¹ The Shimberg Center for Affordable Housing in the University of Florida's School of Building Construction established the FHDC to incorporate demographic and housing data from sources like the U.S. Census, and to make this data available to local governments for housing planning throughout the state.

The case study of HSCLT is organized into two parts. The first part compares the HSCLT to the "classic" CLT model. The function of HSCLT is then described based on a national study of CLTs to provide an understanding of this CLT within the broader context of these organizations. The second part of the analysis explores the extent of HSCLT's activities that align with Smart Growth principles. A synthesis of all the information is then compiled to assess the situation in the case study area.

Part 1: Descriptive Evaluation of the HSCLT

The scope of evaluative research published on the formation, operation, and impacts of CLTs is extremely limited. Most information available serves to explain the structure of the CLT model, usually comparing the 'classic' option to the variations used in different communities. However, practitioners, policy makers, analysts, and community development institutions are increasingly demanding further research to better understand the breadth and utility of the CLT.

One significant evaluative study explores the CLT model as a means to produce perpetually affordable housing. Davis and Demetrowitz (2003) analyze resale data of homes in the Burlington Community Land Trust (BCLT). The authors first evaluate the structural components of the BCLT as a qualitative assessment. The authors selected BCLT because it best represents the classic CLT model based on its duration, size, and the fact that it was created with

¹ The data come from analysis provided by the FHDC and ESRI. ESRI is a corporation that designs geographic information system software and data.

the aid of the ICE. To determine the BCLT's capability in meeting certain defining goals, the authors then test six elements.² Three elements represent "community benefits" and three represent "individual benefits." Each element is analyzed individually using data on the resale of BCLT homes over a 14-year period. The six elements are then compared and weighted against one another to find if the supposed benefits of the CLT model achieve the balance between the community and the individual, and result in permanently affordable housing. The authors conclude that BCLT did achieve all the CLT's goals of permanent affordability and realized the purported benefits of the CLT model. The results also provide specific numerical data for the case study itself. The BCLT case study provides a foundation for evaluating the HSCLT because the methodology can be adapted to analyze the CLT model's relation to achieving Smart Growth objectives. To the extent that the HSCLT meets the "classic" CLT criteria, as in the case of BCLT, the findings of the case study relate to this CLT model overall.

In 2005, the Lincoln Institute of Land Policy (Lincoln Institute) announced its intent to examine CLTs by posing six questions of them. Twenty-five professionals from a broad range of analytical and practical backgrounds created the research questions during a roundtable meeting brought together by the Lincoln Institute and the ICE (Greenstein and Sungu-Eryilmaz, 2005). The purpose of creating the research agenda was to establish a knowledge base from which practitioners, academics, lenders, and policy makers could make informed decisions about CLTs and their implementation.

Responding to the initiatives set forth by the Lincoln Institute, Sungu-Eryilmaz and Greenstein (2007) drafted a working paper exploring the characteristics of the organizational structure of the CLT model. This groundbreaking study (referred to as the Lincoln Institute

² The elements tested by Davis and Demetrowitz (2003) were derived from the Institute for Community Economics' *The Community Land Trust Handbook*, Emmaus, PA; Rodale Press, 1982.

study) establishes a comprehensive knowledge base of the CLT model resulting from surveys conducted of all known CLTs in existence as of late 2006. The survey response rate was 64%, with 119 of 186 possible CLTs responding to the survey. The findings of the Lincoln Institute study present an overview of how and where the model is being used across the nation. The survey included questions regarding the standard characteristics of CLTs and requested an explanation of any variances from that standard. It also addressed the current project portfolio of each CLT. While Sungu-Ermilmaz and Greenstein's (2007) study does not directly answer the six questions posed by the Lincoln Institute as a result of the roundtable discussion, their study does serve as a source of comparison for assessing other CLTs. The HSCLT will be assessed by asking relevant questions, amended as necessary, based on those posed in the Lincoln Institute study's survey. The findings will be presented in a similar format as the Lincoln Institute study. The survey results of the Lincoln Institute study will be used to assess the implications this study's findings regarding the HSCLT.

The first part of the case study presents a broad description of the HSCLT, followed by a more detailed review based on the Lincoln Institute survey of CLTs. The broad description of the HSCLT will be accomplished by comparing it to the "classic" CLT model, with any variances from that model being explained. The "classic" CLT model was created based on the 1992 amendments to the National Affordable Housing Act of 1990 by the National CLT Network. In 2006, the National CLT Network formally adopted the definition of the "classic" CLT model at its first annual meeting, establishing nine characteristics (see Table 3-1) (National CLT Network, 2006a). HSCLT's by-laws and ground lease, and an interview with the organization's director will provide information to compare this organization's characteristics with the nine associated with the "classic" CLT model.

The HSCLT will be similarly evaluated based on the characteristics of the CLT as outlined in the Lincoln Institute study. Table 3-2 lists the specific questions associated with the characteristics used and the data source for this information relative to the HSCLT. The CLTs surveyed in the Lincoln Institute study responded to 75 questions on their organization's characteristics. The review and description in this study is limited to questions relevant to characteristics associated with the HSCLT. For instance, the HSCLT does not provide rental housing, therefore the questions about rental housing characteristics will be omitted.

Part 2: Theoretical Evaluation of HSCLT's Use of Smart Growth Principles

The final component of the HSCLT case study involves relating the activities of the organization to Smart Growth. Tasha Harmon (2003) explores the opportunities and challenges posed to advocates of CLTs and Smart Growth who work to integrate the concepts. She evaluates the necessity of the concepts to work together and describes the potential links between the two. She finds several common connections and discusses the implications of a combined effort on creating equitable development that incorporates affordable housing.

When the HSCLT was established, Winter Park was undergoing revitalization and facing the problems of gentrification. An integrated approach of creating a CLT while using Smart Growth principles has the potential to result in a revitalized community without displacement of residents, particularly lower income residents. Incorporating Smart Growth principles to guide and manage the organization can potentially result in several beneficial outcomes.

Part 2 of the HSCLT analysis is an evaluation of HSCLT regarding the extent to which its creation resulted in Smart Growth for the Hannibal Square neighborhood. The scope of the analysis is limited to the Smart Growth principles determined by Harmon (2003) to have the strongest link to CLTs. The literature review included a detailed description of the principles used in the analysis. The specific analysis of HSCLT is presented in Table 3-3. The information

used for the analysis includes responses from the interviews for all principles listed in the evaluation criteria. Additional data sources are incorporated where appropriate and are also listed in Table 3-3.

Synthesization

Evaluating HSCLT from this dual perspective will serve several objectives, but with some caveats. The first part of the case study establishes a framework to describe the HSCLT model by relating it to the Lincoln Institute study. The second part of the case study presents a critical analysis of the HSCLT in achieving Smart Growth principles. Having a single case study restricts the generalizability of the analysis results. Yet, by combining the descriptive and theoretical components of analysis, the results of the single case study can have broader applicability. To the extent that HSCLT resembles the “classic CLT” model, the findings on Smart Growth will apply to the general concept of the CLT. Lastly, the evaluation adds to the body of knowledge of CLTs, as solicited by the Lincoln Institute. Notably, this is where a limitation of the research exists. The call for research was intended to be answered by professional analysts and academics, and the ICE. The resources, funding, and workforce available to these researchers are considerable. Given that these resources were not available for this case study, its scope is much more modest.

Table 3-1 - “Classic” CLT Model Characteristics Used for HSCLT Analysis

List of Characteristics of “Classic” CLT Model from the National CLT Network	
(1) Purpose	A CLT has among its purposes the provision of decent housing that is affordable to persons of low-income or moderate-income, with a primary purpose of meeting the needs of “charitable” populations, as defined by the IRS.
(2) Corporate Status	A CLT is a private, nonprofit corporation that: (i) has a 501(c)(3) or (4) tax exemption; (ii) is not sponsored by a for-profit organization; and (iii) reserves no more than a third of its board for appointees or employees of a local government.
(3) Land Ownership	A CLT acquires parcels of land that are then: (i) owned in perpetuity by the CLT; and (ii) conveyed under long-term ground leases.
(4) Home Ownership	For owner-occupied housing, a CLT transfers ownership of structural improvements that are located on leased parcels of land to home-owner/lessees.
(5) Permanent Affordability	A CLT retains a preemptive option to purchase any structural improvements at a price determined by a formula that is designed to ensure such improvements remain affordable in perpetuity for persons of low-income or moderate-income.
(6) Service Area	A CLT serves any particular geographic area specified in the bylaws of the organization.
(7) Corporate Membership	A CLT has a corporate membership that is open to any adult resident of its service area and to any other class of members defined in the organization’s bylaws.
(8) Board Composition	A CLT’s board of directors is composed of equal numbers of: (i) lessees; (ii) corporate members who are not lessees; and (iii) any other category of persons described in the bylaws of the organization.
(9) Board Selection	A majority of the directors on a CLT’s governing board are elected by the corporate membership.

Source: National CLT Network, 2006a, n.p.

Table 3-2 – Questions Asked about the Characteristics of the HSCLT Based on the Lincoln Institute Study, Listing the Data Sources Used to Answer Each Question

Characteristics of CLT from survey in Lincoln Institute study	Data source
Date of Incorporation	By-laws
Type of Organization	By-laws
Factors for formation ^A	Interview
Role of local government	Interview
Tax exempt status	By-laws
Legal form	By-laws
Number of seats on governing board	By-laws
Number of seats filled vs. open	Interview
Composition of governing board	By-laws
Does CLT have membership/number of members	By-laws
Composition of membership	By-laws
Number of voting members	By-laws
Issues that can be voted on	Interview
Number of full time and part time paid employees	Interview
Number of volunteers	Interview
Length of employment of CLT director	Interview
Length of employment at CLT prior to directorship	Interview
What are the CLT's residential ^B activities?	Interview
When did work start on the residential activities?	Interview
Does the CLT plan to start work on residential activities this year?	Interview
What role does the CLT play in residential activities?	Interview
What non-residential ^C activities does the CLT do?	Interview
Does the CLT plan to start work on non-residential activities this year?	Interview
Type of area served	By-laws
Type of community served by CLT	Interview
Does the CLT own land and when was it acquired?	Interview
Who pays property taxes on the land?	By-laws
Number of parcels owned by the CLT	Interview
Number of acres owned by the CLT	Interview
Number of residential buildings on the land	Interview
Type of residential buildings on the land	Interview
Are there any mixed-use buildings?	Interview
Number of dwelling units new and rehabilitation	Interview
Number of dwelling units were added last year	Interview

^A Factors include donations and financial support from public and private sectors, actions by local officials, individuals, community groups, and businesses, actions by non-local organizations, grassroots efforts, rising real estate prices, or other miscellaneous people or events.

^B Residential activities include creation of affordable housing, residential property management, preventative or reparative home maintenance, or homeowner education.

^C Non-residential activities include commercial, industrial, office, agricultural, or green development.

Number of homeownership units	Interview
Characteristics of CLT from survey in Lincoln Institute study continued	Data source continued
Number of homeownership units that are occupied	Interview
Number of homeownership units that are vacant	Interview
Target service populations	By-laws
Any rental units on CLT land?	Interview
Number and duration of ground leases for each building occupier type	Interview
Is the ground lease based on the ICE model ground lease?	Interview
Does the CLT have a resale formula in place?	Ground Lease
Type of resale formula	Ground Lease
Does the resale formula permit capital improvement credit? ^D	Ground Lease
Does the CLT retain option to buy?	Ground Lease
Has the CLT ever had any resales?	Interview
Does the CLT charge fees to sell home?	Ground Lease
Do resales ever occur directly from seller to buyer?	Ground Lease
Does the CLT administer the resales?	By-laws
Number of homes that are in foreclosure stage	Interview
Does the CLT have stewardship over any non-CLT owned land?	Interview
Type of non-residential activity that is not on CLT owned land but administered by the CLT	Interview

Source: Sungu-Eryilmaz and Greenstein, 2007, pp. 39-59.

^D A capital improvement credit gives the homeowner financial credit for any significant improvements made to the home or property located on CLT land

Table 3-3 - Evaluation Criteria for HSCLT's Inclusion of Smart Growth Principles

Evaluation Criteria of CLT	Link to Smart Growth Principle as Defined by Smart Growth Network^E	Data Source in Addition to Interviews
Does the CLT create multi-unit developments?	Housing opportunity, compact building design and multi-modal transportation options	By-laws
Does the CLT aid buyers in purchasing non-CLT created homes?	Investment into established communities	By-laws
Are CLT homes perpetually affordable?	Housing opportunity	Housing Data
Is CLT development spatially clustered?	Development of community identity	Site Analysis
Does the CLT include provisions for preserving open space and parks?	Preservation of natural areas	By-laws, Site Analysis
Does the CLT contribute to economic development through community revitalization and mixed-use development?	Mixed-use development	Comprehensive Plan

Source: Harmon, 2003, pp. 43-45.

^E Three principles of Smart Growth are not explicitly incorporated by the evaluation criteria designed in Harmon's article. The three principles will be included in the discussion but not included in the defined evaluation criteria.

CHAPTER 4 CASE STUDY FINDINGS

The city of Winter Park and its Hannibal Square neighborhood are evaluated on the suitability and effectiveness of the CLT model and application of Smart Growth principles to address the challenge of providing affordable housing. This chapter begins with a brief historical account of the development of Winter Park and a discussion of the decision to select the city and its CLT for the case study focus.

¹ Next, the design of the HSCLT is analyzed by comparing it to the “classic” CLT model and relating it to the Lincoln Institute study of CLTs from across the nation. The second part of the analysis will show the extent of Smart Growth principles currently employed by the HSCLT and the capability of the organization to further incorporate said principles. A discussion of the findings for each part of analysis is provided to explore the implications of the HSCLT results to the characteristics identified by studies presented in the methodology chapter.

History of Winter Park and Hannibal Square Neighborhood

Winter Park is located in central Florida, just north of the city of Orlando (see Figure 4-1). In 1858, one of the first white settlers, David Mizell, arrived in the area (MacDowell, 1950). Prior to that time the region was occupied by Seminole Indians, who remained in the area until later in the century but were eventually pushed out (Powers, n.d.). Winter Park organized as a town in 1881 when two businessmen purchased 600 acres of land with the intent of development (Winter Park Historical Association, n.d.).

¹ Some sources of information for the history of Winter Park come from literature on oral histories and brochures. Therefore, the precise accuracy of the information is qualified as the sources were published for purposes other than analytic research. However, the information presented represents findings across multiple sources from several time periods.

Winter Park flourished as a seasonal retreat. Marketing the area to wealthy white Northeasterners, land speculators and hotel owners promoted the pleasant climate and estate style homes to increase population. Rollins College was founded in 1885 as a private school of higher education. Early developers paid \$758 to the South Florida Railroad company to construct a station in the town in recognition of the need for transportation access for settlers and visitors (Campen, 1987). The town developed a reputation for impressive homes, hotels, and golf courses in a “college town” setting (Powers, n.d.). In 1888, President Grover Cleveland visited the Seminole Hotel to personally experience Winter Park’s setting (Campen, 1987). One local land owner began selling his property of Virginia Manor Estates in response to market demand with 15-acre home sites (Powers, n.d.).

The establishment and development of Winter Park occurred during the era of segregation. In order to support the booming service industry that enabled the growth of the town, Winter Park designated an area for the African-American workers to live and worship (Ross, 2007). Hannibal Square became a separate space for African-Americans, and by 1885, only African-Americans were permitted to live in the west side neighborhood. The neighborhood was named in honor of “...ancient Carthaginian, Gen. Hannibal” (Winter Park Historical Association, n.d.). Eight years later, Winter Park expelled Hannibal Square from the town limits (Cooley, 1979). An act adopted by the Florida Legislature officially recognized Winter Park as a city in 1925 (Florida Legislature, 1925). At that time, Hannibal Square was annexed back into city limits (Cooley, 1979). Main thoroughfares of the city were named after the prominent developers and businessmen who developed the city. Park Avenue became the central point for businesses and has evolved as the main street of downtown Winter Park. Commercial and

industrial development strengthened after the Great Depression, and population growth continued throughout the 1900s (Winter Park Historical Association, n.d.).

The west side of Winter Park encountered increasingly pervasive challenges in the second half of the 20th century. Hannibal Square became an area of disinvestment, neglect and deteriorating social conditions (Ross, 2007). Safety became a concern as the pervasiveness of crack-cocaine increased.² Homeownership rates decreased and renting became a common form of housing tenure (Ross, 2007). In spite of the negative socio-economic conditions, the city of Winter Park and the citizens of the west side wanted to preserve the rich cultural heritage of the area (Ross, 2007).

A community revitalization effort started in the early 1990s in accordance with the creation of Winter Park's CRA.³ The vision of the CRA is "To preserve, unify and enhance a growing community" (City of Winter Park Community Redevelopment Agency, 2007). The CRA set forth on a collaborative effort to develop a "True City," according to Winter Park's Community and Economic Development Director Jeff Briggs. The goal for Winter Park's redevelopment was to create a community in which the infrastructure, amenities, culture, economic opportunity, and socio-demographic mix of residents worked together to enhance the quality of life for all residents.⁴ The Hannibal Square neighborhood is located within Winter Park's CRA (see Figure 4-2).

Background on the HSCLT and Its Relevance to this Study

The success of the Winter Park revitalization effort resulted in attracting the interest of more affluent persons. New businesses opened in the Commercial Business District (CBD),

² Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

³ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

⁴ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

home and land prices appreciated to nearly double their original value, and the average household income rose from \$26,001 in 1990 to \$50,957 in 2000 (City of Winter Park Community Redevelopment Agency, 2007). However, several changes negatively impacted the lower and moderate income populations.

The appreciation of homes and land resulted in higher property taxes making it difficult for some homeowners to pay their monthly bills. Commercial development started to infiltrate into residential areas, eliminating some of the affordable housing stock as building owners cleared aesthetically unpleasant lots to improve their marketability.⁵ Some homeowners were preyed on by unscrupulous developers who offered them below market prices knowing the homeowners were unaware of their properties' value. From 1990 to 2000, the population of Winter Park's CRA (where the bulk of affordable homes are located along the west side) decreased from 3,391 residents to 2,881 (City of Winter Park Community Redevelopment Agency, 2007). Affordability of homes located within the Winter Park CRA decreased as well, especially for households earning the lowest annual income rates of less than \$15,000 (see Figure 4-3). Projections indicate that the affordable housing stock will continue to decrease through 2010.

The city of Winter Park reacted to the changing socio-economic conditions by instituting a variety of affordable housing development strategies. A partnership was formed with Habitat for Humanity to build housing for the very low income population. The city itself produced affordable units by redeveloping a dilapidated apartment building. According to Jeff Briggs, director of the Winter Park Community and Economic Development Department, the major "flaw" revealed itself when the homeowner decided to sell their unit on the market. The significant appreciation levels made selling the affordable unit very profitable for the

⁵ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

homeowner, but the transaction resulted in a market priced unit. The loss of the affordable unit was detrimental to the citizens in need of affordable housing and to the city which had used subsidies to make the unit affordable. The HSCLT offered a solution to market forces reducing the affordable housing stock.

The City of Winter Park created the HSCLT intending the organization to become an autonomous partner with the City to create affordable housing.⁶ Currently the HSCLT receives significant support from the City in terms of funding, land donation, and programmatic guidance. In order for public support to continue, the HSCLT entered into an agreement with the City in late 2007 that stipulated the HSCLT would author and adopt a five-year business plan by April of 2008.⁷ The purpose of the five-year plan includes establishing procedures for the HSCLT to market its products, manage its finances, and project its future development (Hannibal Square Community Land Trust, 2007).

Understanding the history of Winter Park, the story of its citizens in the west side neighborhood of Hannibal Square, and the motivation behind using the CLT model makes the HSCLT an ideal subject for the case study designed to describe the CLT model and explore the relationship of CLTs to Smart Growth. The rest of this chapter includes analysis of the HSCLT as described by the methodology. Part 1 describes the characteristics of the HSCLT. Part 2 evaluates the incorporation of Smart Growth principles by the HSCLT.

Part 1: Results of Descriptive Evaluation of the HSCLT

The first part of the case study analysis begins with a comparison of the HSCLT's organizational structure with the "classic" CLT model as established by the National CLT

⁶ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

⁷ Winter Park Community Redevelopment Agency meeting, September 27, 2007.

Network's standards. The HSCLT met all nine characteristics of the "classic" CLT model. The following review describes the specific manner in which the HSCLT met each characteristic. Table 4-1 at the conclusion of this chapter provides the definition of the "classic" CLT characteristics and the exact language used in the HSCLT's by-laws for purposes of reference and replicability.

Most of the information was found in the by-laws of the organization. In some instances the language of the by-laws was not aptly worded for comparison to the "classic" CLT characteristics. Documents such as the Articles of Incorporation and the ground lease were reviewed to supplement the findings as well as to confirm (or refute) the information provided by the by-laws. The results are reported based on information stated in the by-laws unless specified differently.

The purpose of the "classic" CLT ensures the housing created by the organization is decent and affordable to low and moderate income individuals. Additionally, those helped by the CLT must be deemed "charitable populations" according to the IRS. The HSCLT lists decent and affordable housing as a primary objective. One of the organization's goals is to serve very low income individuals in addition to those with low and moderate incomes. The HSCLT does not explicitly define their beneficiaries as a charitable group, however.

The corporate status of "classic" CLTs is a private, non-profit organization with three specific characteristics. First, it must receive tax exemption as a Section 501(c)(3) or (4) organization. HSCLT is incorporated as a 501(c)(3) organization. Second, the "classic" CLT cannot be sponsored by a for-profit entity. The by-laws of the HSCLT do not specify sponsorship. The Articles of Incorporation describes the HSCLT in Article IV as a "publicly supported" organization. Furthermore, the 2005 Income Tax records show HSCLT received no

private funding for FY2005. Third, a “classic” CLT’s Board of Directors cannot have more than one-third of their members be government employees or be appointed by local officials. The only possibility for a greater than one-third representation of government employees occurs if a government employee also leases property from the HSCLT and is elected by the lessee membership to fill a Board of Directors position as a lessee, rather than as a public member. The HSCLT requires an election by the voting membership for all board members and Board of Directors positions, thus it is not possible for officials to appoint members to more than one-third of the Board.

Land ownership by “classic” CLTs must be held permanently by the organization and “conveyed under long-term ground leases” (National CLT Network, 2006b). The HSCLT ensures perpetual land ownership by disallowing the sale of its land unless it is a last resort to maintain the organization’s functionality. The language of the HSCLT’s by-laws implies compliance with the requirement of conveying land rights using long-term ground leases. Land may be leased from the organization. Ground leases are used by the organization to transfer ownership rights of the land improvements to lessees. Yet, the HSCLT does not provide further, detailed information on the transfer process within its by-laws.

In terms of home ownership, a “classic” CLT provides a lessee ownership of the improvements on its land. The HSCLT allows for lessees to own land improvements. However, the HSCLT also specifies that selling the improvements to the lessee is not the only mechanism permissible for the organization to promote ownership of improvements. The HSCLT by-laws leave an opening for the organization to develop different options to convey said ownership.

Permanent affordability for low and moderate income individuals is maintained by the “classic” CLT through a repurchasing option, using a predetermined price formula. The HSCLT

includes a provision for buying the land improvements from a lessee. The price the HSCLT pays for the land improvements is based on a resale formula designed to retain affordability for very low, low and moderate income individuals. The HSCLT ground lease details the resale formula used by the organization. The resale formula permits the homeowner a maximum of 25% equity appreciation based on the increase in value determined by a property appraisal (Hannibal Square Community Land Trust, 2006b). Allowing for some equity return to the homeowner at the time of sale increases the cost of the home for the next buyer, but prevents the home from becoming market rate.

The service area of a “classic” CLT should be geographically defined. The HSCLT by-laws include a list of five objectives that are all specific to the Winter Park Community Redevelopment Area (CRA). The Articles of Incorporation describe the physical location of the Winter Park CRA in Article XIV and include a map and legal description (see Figure 4-2).

Any resident, or otherwise defined individual, may hold corporate membership in the “classic” CLT. The HSCLT uses the term “voting membership” and defines two types of individuals permitted to such membership: “Lessee Members” or “General Members.” HSCLT residents are called “Lessee Members.” Other individuals are “General Members,” and must be legal adults who live or work within the boundaries of the Winter Park CRA. The HSCLT also permits two other forms of membership, “supporting” and “youth,” for individuals who do not meet the qualifications of the voting membership.

The board composition of the “classic” CLT should consist of equal numbers of lessees, non-lessee corporate members, and any third category of individuals. For the HSCLT, the Board of Directors consists of nine members representing three categories. The three categories of Directors are lessees, general members, and members of the general public. The last category of

general public is not explicitly defined. The two additional forms of supporting and youth membership permitted by the HSCLT do not have direct representation on the Board of Directors.

Board selection for the “classic” CLT should be predominantly elected by the corporate membership. The entire Board of Directors of the HSCLT is elected by the voting membership. The only exception to this requirement was the election of the Board of Directors at the first annual meeting, prior to the formation of the voting membership. The two additional forms of supporting and youth membership do not have voting rights to elect the Board of Directors

The Implications of Meeting the “Classic” CLT Definition

Overall, the HSCLT meets the definition of the “classic” CLT. In some cases, the HSCLT could use more specific language in its by-laws to determine whether it meets these standards. A compelling reason for the HSCLT to amend its by-laws to more closely match the “classic” CLT definition exists. As the CLT model gains recognition among members of the financial industry, government, and community groups, the HSCLT may benefit from an identity that more precisely matches the “classic” CLT. Funding opportunities, acceptance under government regulations, and advocacy support may all result from an undisputable “classic” identity.

The Specific Characteristics of the HSCLT

A review of the components of the HSCLT following the format of the Lincoln Institute study provides a more detailed descriptive examination of the HSCLT. The results are presented in four subsections; formation, structure, objective, and portfolio. Each subsection is divided in terms of the type of information presented. The analysis shows that HSCLT has followed several trends at the national level as outlined in the Lincoln Institute study.

Formation: The When, Why, and How of the HSCLT's Creation

The HSCLT was officially incorporated as a non-profit organization in November of 2004 (Hannibal Square Community Land Trust, 2004). The City of Winter Park's and the Winter Park CRA played a significant role in the start-up of the organization, providing land donations and financial support in addition to organizational and programmatic guidance.⁸ There were also several "champions" of the HSCLT, without whose help the organization would have suffered.⁹ The most significant individuals in the founding of the HSCLT include Ric Lopez, Alberto Vargas, Barbara DeVane, and Mary Daniels, all members or advocates of the Winter Park community. The private sector did not provide any major contributions in terms of funding, conveyance of land, or involvement in the formation process. Other community organizations were not involved either. The HSCLT did receive assistance from a Rollins College intern who worked on the organization's initial business plan. Beyond the local community resources, a consultant was hired from the Bahama Conch CLT in Key West, Florida to aid in the design of the ground lease and by-laws.¹⁰ Finally, there were two issues that factored into the creation of the HSCLT. Escalating housing prices in the area were a major impetus for its formation. Also, residents of the community voiced their concerns over the availability of affordable housing in the city, although this advocacy did not represent an organized effort.¹¹

Structure: How the HSCLT is Set Up to Function

The HSCLT operates under the direction of an Executive Director, Board of Directors (the Board), voting membership, and non-voting membership (Hannibal Square Community

⁸ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

⁹ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

¹⁰ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

¹¹ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

Land Trust, 2005). The Executive Director is the only paid, full-time employee of the organization, and manages the overall operation of the HSCLT. Thus far, the HSCLT has employed a single Executive Director who has worked with the organization throughout its entire existence of nearly three years. The Board consists of nine volunteers who represent the three forms of the voting membership. The composition of the Board is evenly split, with three directors representing each the “Lessee Members,” “General Members,” and “Public Interest” (Hannibal Square Community Land Trust, 2005).

Currently, the Board is filled and evenly divided as stipulated in the by-laws. The lessee directors are “low-income community representatives” who were nominated by the lessee membership and are all HSCLT homeowners (Hannibal Square Community Land Trust, n.d.). The general directors are similarly nominated by the general membership. The public directors are nominated by the Winter Park City Commission. All of the directors are elected by the voting membership. A minimum representation of one-third of the Board must include individuals who are “residents of very low and low-income neighborhoods, other very low and low-income community residents, or elected representatives of low-income neighborhood organizations” (Hannibal Square Community Land Trust, 2005, Section 4.10). Members of the Board have a variety of experiences on technical and community-oriented issues. The expertise of the Board includes practical knowledge of accounting business and law, as well as advocacy of citizen’s rights and interests (Hannibal Square Community Land Trust, n.d.).

The voting membership is empowered by the organization’s by-laws to participate in several components of the HSCLT’s operations. The general membership is defined as any adult that has applied for membership, participated in HSCLT events including meetings, and that “[r]eside[s] or work[s] within the Winter Park Community Redevelopment Area...” (Hannibal

Square Community Land Trust, 2005, Section 3.1.b.iii). The public membership is composed of individuals that represent the general interest of the public and may be employed by the local government, however they are not considered part of the voting membership. The two types of voting members each have equal representation on the Board and nominate and elect Directors to serve their interests on the Board. Additionally, they are entitled to a single vote to decide on a variety of issues including fees assessed for membership, approval of land sales, any action regarding the “resale formula,” any changes to the governing documents of the organization, and dissolution of the HSCLT, and are entitled to serve on the Board or subcommittees (Hannibal Square Community Land Trust, 2005, Section 3.3).

Additional opportunities for individuals to become involved with the HSCLT include supporting and youth membership, and participation on the advisory board. Supporting and youth members include individuals who have donated funding to the organization but do not choose to join or qualify as voting members (Hannibal Square Community Land Trust, 2005, Section 3.4 and 3.5). The advisory board for the HSCLT does not have specified duties in the organization’s by-laws aside from fulfilling needs as deemed necessary by the Board of Directors. Currently, eight volunteers for the HSCLT sit on the organization’s advisory board. Advisory board members come from a range of backgrounds, including employees of construction and real estate development companies and educators (Hannibal Square Community Land Trust, n.d.).

Objective: Description of Residential and Non-Residential Activities and Goals

The primary objective of the HSCLT continues to be affordable, residential unit development. Marketing of the HSCLT’s affordable homes began in 2004, immediately after incorporation. The development process began in 2005. Thus far, the HSCLT has functioned as the co-developer of the residential units, working in partnership with the Winter Park CRA and

certain home builders. The HSCLT hopes to vary its role in development, depending on the situation. The organization wants to expand its influence by serving as a sole developer or reduce its involvement by only being in charge of land assembly.¹² The HSCLT has also engaged in counseling of potential homeowners on the purchasing process. The organization has not participated in property management or home modification. Through the conclusion of 2007, HSCLT anticipates continuing residential development but not expanding the scope of its activities.¹³

The HSCLT does not participate in non-residential development. Future actions of the organization may extend to aiding small business start-ups or the creation of community greenspaces.¹⁴ It is highly unlikely the HSCLT will support agriculture uses at any time as there is insufficient space for such activity.

Non-housing activities orchestrated by the HSCLT include the organization of a neighborhood watch program and some educational activities. Resident education on financial management and home maintenance are popular programs administered by the HSCLT.¹⁵ Community education has proven to be a beneficial activity of the HSCLT.¹⁶

Portfolio: Current and Projected Real Estate Holdings

Land ownership is an important component of the HSCLT's operations. Currently, the HSCLT owns ten parcels of land, upon which ten single family, detached homes exist. The ten homes are all currently occupied by homeowners (Orange County Property Appraiser, 2006). By

¹² Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

¹³ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

¹⁴ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

¹⁵ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

¹⁶ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

the conclusion of 2007, an additional four single family, detached homes will be constructed on two parcels of land. The ten existing and four planned units are all owned by residents.

Historically, land has been conveyed to the HSCLT from the City of Winter Park for development.¹⁷ The HSCLT has not constructed any mixed-use or multi-unit developments.

Also, the HSCLT does not manage any housing for which it does not own the land.

As the HSCLT is a tax exempt organization, property taxes are not assessed. Taxes are assessed on the appraised value of the land improvements, and paid directly by the homeowners.¹⁸ Since all residents at this time are homeowners, the HSCLT residents are permitted to employ the Homestead Exemption to reduce the taxable value of their homes.

HSCLT residences are restricted to buyers that qualify based on income. The populations served by the HSCLT include very low-income (50% AMI), low-income (50-80% AMI) and moderate-income (80-120% AMI). The HSCLT bases its calculation of AMI on the Orange County Housing and Community Development Division (Hannibal Square Community Land Trust, 2004).

The first HSCLT development consists of ten single family detached homes located in a single neighborhood (see Figure 4-4). The homes range in size from 1,158 to 1,364 square feet (Orange County Property Appraiser, 2006). All residences were sold for \$126,000 (Hannibal Square Community Land Trust, 2006a). The appraised building values ranged from \$112,653 to \$132,240, and each land parcel was valued at \$60,000 (Orange County Property Appraiser, 2006). The combined cost of the land and each residence compared to the sales price shows each HSCLT buyer saved from \$46,653 to \$72,240.

¹⁷ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

¹⁸ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

Lessees of HSCLT residences are required to comply with a ground lease (Hannibal Square Community Land Trust, 2006b). The ground lease is based on the national model created by the ICE, but adapted to meet the specific needs of the HSCLT.¹⁹ Included in the ground lease is a “resale formula” that determines the calculation of the price if a resident chooses to sell his or her unit. As mentioned early, the HSCLT uses an appraisal-based formula that caps appreciation at 25% (Hannibal Square Community Land Trust, 2006b). The HSCLT reserves the right of first refusal if a resident plans to terminate ownership. The resale formula price applies equally to the HSCLT if it were to repurchase the home or to any potential market buyers. As of September 2007, HSCLT has not had any resales (Orange County Property Appraiser, 2006). Furthermore, no homeowner has undergone foreclosure.²⁰

Relating the HSCLT to the Lincoln Institute Study

Table 4-2 presents an overview of the key findings of the HSCLT and the comparison of the organization to the findings of the Lincoln Institute study. As is the case for many CLTs across the nation, the HSCLT is a new organization. Forty-four percent of respondents to the Lincoln Institute study were formed since the turn of the new millennia (Sungu-Eryilmaz and Greenstein, 2007). The HSCLT is a corporation rather than a program under a larger non-profit organization. The motivations behind the creation of the HSCLT reflect national trends. Over time, the explanation for employing the CLT model shifted from a reaction to community activism and support from the private sector to a reaction to housing affordability issues and support from the public sector (Sungu-Eryilmaz and Greenstein, 2007).

¹⁹ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

²⁰ Winter Park Community Redevelopment Agency meeting, September 27, 2007.

The leadership of the HSCLT is relatively small, but similar in size to the majority of CLTs across the country. The median size of CLT paid staff is one for corporations and three for programs.²¹ Approximately one-third of the Executive Directors have served in that position since the foundation of the CLT, with the average length of time of six years (Sungu-Eryilmaz and Greenstein, 2007). The HSCLT Board is slightly smaller than the median across the nation, with the median number of board members at 15 (Sungu-Eryilmaz and Greenstein, 2007). Although the “classic” CLT model is based on a tripartite board, only 29% of the respondents to the Lincoln Institute study used that format. The low numbers of CLTs using the three-part board structure may be symptomatic of the fact that they generally have only two forms of membership, lessees and all other members of the community (Sungu-Eryilmaz and Greenstein, 2007). The HSCLT has three membership groups, delineating between the public interest and the general members of the community. Most members of CLTs have voting rights. The matter most members are entitled to decide on is the election of the Board, while it is least common for members to vote an alteration to the resale formula (Sungu-Eryilmaz and Greenstein, 2007). The HSCLT is somewhat unique in that its voting members can decide on all six of the most common matters.

Nearly every CLT responding to the survey in the Lincoln Institute study benefited from the help of one to 200 volunteers (Sungu-Eryilmaz and Greenstein, 2007). The HSCLT’s volunteer base consists of the Board of Directors (as none are paid employees of the organization aside from the Executive Director) and the eight advisory board members. As the HSCLT increases its number of projects, it may need to recruit additional volunteers.

²¹ Sungu-Eryilmaz and Greenstein (2007) differentiate CLT corporations from CLT programs in some of their discussion on the survey findings. A CLT corporation is “...an independent community development organization...” while a CLT program is “...a programmatic activity of a non-profit community development organization...” that “...typically has adopted selected elements of the CLT model into its operations...” (p. 10).

As a young organization, the HSCLT has followed the pattern of activity that most new CLTs do. The Lincoln Institute study shows the top two objectives of CLTs are creating affordable housing (88% of CLTs) and providing counseling on homeownership (81% of CLTs). Development of affordable housing is the primary activity of CLTs; it is accomplished in an increasingly shorter amount of time with land acquisition occurring during the first year of existence for CLTs formed after 2000 (Sungu-Eryilmaz and Greenstein, 2007). Across the nation, the average amount of time for starting non-residential activities is also less than one year (Sungu-Eryilmaz and Greenstein, 2007). However, CLTs do not typically engage in non-residential activities, with only 25% of respondents to the Lincoln Institute survey claiming that they did. If the HSCLT chooses to begin non-residential development, the organization may benefit from following the example of other new CLTs with non-residential development portfolios.

The HSCLT's portfolio is similar to those across the nation in terms of size but not diversity. The Lincoln Institute study shows the median number of parcels owned by CLTs is 15, which the HSCLT will near by the end of 2007. The HSCLT does not have as many units on its land as the national median of 25 (Sungu-Eryilmaz and Greenstein, 2007). Nearly all CLTs have residential dwellings on their land, yet only 55% of those dwellings constructed by CLT corporations are single family detached units (Sungu-Eryilmaz and Greentein, 2007). Also, a large proportion of CLTs do rehabilitation, which the HSCLT currently does not.

The legal design of the HSCLT's lease is parallel to that found in the Lincoln Institute study. Roughly three out of every four CLTs use a ground lease to manage their lease arrangements (Sungu-Eryilmaz and Greenstein, 2007). Common provisions of CLTs are resale formulas and the right of first refusal to purchase a lessee's home. Such legalities have been

necessary for many CLTs, as 60% have had resales occur and 26% have had residents enter the foreclosure process (Sungu-Eryilmaz and Greenstein, 2007).

Finally, the HSCLT serves a wider income range of residents than most CLTs. Nationally, the largest income group served is low, followed by very low, then much less commonly moderate income populations (Sungu-Eryilmaz and Greenstein, 2007). Only a marginal number of CLTs serve above moderate income populations.

Part 2: Results of Theoretical Evaluation of HSCLT's Use of Smart Growth Principles

This second part of analysis evaluates the HSCLT by examining the extent to which Smart Growth is currently used to guide HSCLT. The findings begin by discussing the results of the interviews with three key officials related to the HSCLT. The interview results provide a measure of the current use of Smart Growth principles as well as the likelihood of or interest in further implementing the principles in future activities. The examination of the relevant elements of the Winter Park comprehensive plan indicates the ability of the HSCLT to use Smart Growth principles given the local government's requirements.

Current Incorporation of Smart Growth Principles by the HSCLT

Interviews with three key officials included discussion on the extent and potential for further incorporation of Smart Growth principles into the operations of the HSCLT. The responses of the interviewees revealed that each of the six questions developed from Harmon's (2003) study as presented in the methodology had been factored into decisions made by the organization. Some of the Smart Growth principles had been incorporated into HSCLT actions. The principles that were not yet integrated are currently under consideration for implementation in the future. The interviewees brought to light several important factors that would influence the HSCLT's decision to proceed with Smart Growth principles in prospective developments.

Multi-unit developments, although currently not utilized by the HSCLT, are of interest to the organization. In the initial 5-year plan developed for the HSCLT, a duplex development was proposed.²² However, the project was not adopted by the CRA Board, and the HSCLT instead proceeded with single family homes for its first development. More recently, the Comstock development to be completed by HSCLT had been proposed as a multi-unit complex. The HSCLT decided against the multi-unit idea due to the need for expediency and lack of construction and management experience. The approval process for obtaining code variances would have increased the project timeline. The HSCLT plans to continue to evaluate the potential for multi-unit development for future projects.

When asked if the HSCLT assists individuals in purchasing non-CLT homes, the Executive Director responded that the organization currently does not, but it may in the future.²³ Assisting with non-CLT home purchases supports one of the organization's goals to increase the number of residences under its control, as the HSCLT is "in the market to purchase homes."²⁴ Therefore, assisting individuals with the purchase of non-CLT created homes is in line with the direction of the HSCLT. As the knowledge base of the HSCLT administration grows, so will the opportunity to expand into the real estate market.

The HSCLT was created, in part, as a reaction to a "flaw" in the operations of other affordable housing programs.²⁵ The City of Winter Park realized that the subsidies applied toward the development of affordable residences were lost when owners were able to sell their homes at market rates. Thus, the HSCLT was created with the explicit intention of perpetuating

²² Winter Park Community Redevelopment Agency meeting, September 27, 2007.

²³ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

²⁴ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

²⁵ Personal Interview with Director Jeff Briggs and Director Sherry Gutch, September 25, 2007.

affordability. This goal is accomplished through the ground lease by a formula that caps appreciation.

The choice of development location of HSCLT homes has been dictated by available land up to this point in time. Due to its partnership with the city, the HSCLT is contained by the geographic limitations of the CRA and the land owned by the city within that area. Therefore, the locations of development have been determined by availability of land and the project's scope. While the result has been clustered development, the HSCLT may choose to expand in the future into areas without several parcels of land obtainable for development. One goal of the HSCLT is "inclusive housing," so the benefits of cluster development have the possibility of occurring regardless of the origination of the surrounding homes. Also, the HSCLT wants to prevent association of its structures with "affordable housing" so that they may blend in with the existing community. Seamlessness may require a combination of clustered and individual-lot development.

Preservation of open space and parks is not a high priority goal of the HSCLT, yet it is a result of its development practices. Natural areas within Winter Park are prevalent, and the HSCLT follows the development patterns and restrictions set forth by the city. Management of the HSCLT has yet to determine the future role open space and parks will play in the organization's activities.

Economic development is achieved by the HSCLT currently through community revitalization and mixed-income residential development resulting in "stabilizing the community."²⁶ As the HSCLT is a component of affordable housing development under the direction of the CRA plan, HSCLT contributes to the city's revitalization by providing affordable

²⁶ Personal Interview with Executive Director Bedilia Campbell, October 2, 2007.

housing options to the city's residents. Future activities of the HSCLT may include mixed-use development and development of businesses as deemed viable by the organization.

Assessment of the Potential for Integrating Smart Growth into the HSCLT: Winter Park's Housing Element and Future Land Use Element

The comprehensive or growth management plan includes multiple elements, but the two of direct influence on the HSCLT are the Future Land Use Element (FLUE) and the Housing Element (HE). A review of the goals, objectives, and policies (GOPs) within the elements shows that Winter Park has incorporated several, but not all, of the Smart Growth principles listed in Table . Since the land use activities of the HSCLT must comply with the requirements of the comprehensive plan, the organization has implemented Smart Growth principles to the extent enabled by the comprehensive plan. Furthermore, the comprehensive plan may be used as guidance by the HSCLT on how to incorporate Smart Growth principles into potential future activities.

Winter Park's uses a restricted approach to permitting multi-unit developments; the comprehensive plan discourages high density residential development but allows such development in some areas and includes provisions for changes to zoning. The comprehensive plan states repeatedly that low density residential development is necessary in order to maintain the existing "village" feel of the community. HE Policy 1-1.1.2 requires new development to conform to the design characteristics of neighboring buildings, which generally perpetuates low-density development since most existing structures are of small scale. GOPs mandate that new development matches present development, further dissuading high density development (HE Policy 3-1.5.6. and FLUE Policy 1-3.6.4). Specific to the management of HSCLT, FLUE Policy 1-4.1.H.3 disallows increasing density if low-density development is sufficient to provide affordable housing.

However, the comprehensive plan also contains provisions for raising density levels. FLUE Objective 1-3.6 supports multi-unit development by preventing exclusion of high-density development. Policies 1-3.6.1 and 1-3.6.7 compel Winter Park to amend its density standards if necessary to meet the changing needs of the community. Policies directed at HSCLT “encourage” multi-unit development for seniors, disabled persons, and affordable housing (FLUE Policy 1-4.1.H.4 and FLUE Policy 1-4.1.H.11). Finally, HE Objective 3-1.9 stipulates that high density residential development, which inherently includes multi-unit developments, is created in tandem with mass transit.

The comprehensive plan contains provisions that could enable the HSCLT to support buyers in purchasing existing homes. Properties with tax delinquencies are monitored so that the city may purchase homes in danger of foreclosure that are located in neighborhoods with lower-priced homes with the intention of preserving affordability (HE Policy 3-1.2.11 and HE Policy 3-1.5.1). For the HSCLT, the city is willing to “...consider the use of condemnation...” in order to achieve the goals of the organization (HE Objective 3-1.2.3).

Affordable housing preservation is a stated objective within the comprehensive plan (HE Objective 3-1.2). Preservation includes preventing loss of the physical stock of affordable houses as well as keeping the units affordable for lower income populations. Organizations dedicated to affordable housing development are granted assistance from the city for construction, financing, and programmatic support. The HSCLT is explicitly supported by the comprehensive plan in the organization’s “...goal of providing long term multi-generational affordable housing in the City of Winter Park” (HE Objective 3-1.2.1.).

Is CLT development spatially clustered? The existing HSCLT development in Canton Park is a cluster of 10 homes and the proposed HSCLT development of Comstock will be a

clustered, four-home development (see Figure 4-5). The HSCLT developments are located within residential neighborhoods, although some adjacent parcels have other land use designations. The two developments are relatively close to each other as well (see Figure 4-6). The comprehensive plan supports clustered land patterns if the development or redevelopment promotes low-density residential uses (FLUE Policy 1-3.6.6). Language on clustered development does not extend beyond the aforementioned policy in the FLUE or HE.

Preservation of the natural environment and ecologically friendly land use management is a priority for the City of Winter Park as demonstrated by the numerous GOPs directed at such issues. The comprehensive plan contains language that recognizes the inherent need to protect the existing natural areas (FLUE Goal 1-1). Existing trees are expressly protected and cannot be cut down without significant justification. Thus, the aesthetic and ecological value of natural landscaping is important to the character of the city and must be incorporated into future land use decisions (FLUE Objective 1.3.11). By the conclusion of 2008, the city will decide on the applicability of a “Park Overlay Zone,” an area designated with the intent of preserving open areas and parks from encroaching development that may negatively impact their appeal and overall existence (FLUE Policy 1-3.4.3).

The city clearly encourages and supports economic development in the comprehensive plan (FLUE Goal 1-1). As community revitalization is an overriding theme of the comprehensive plan, economic development is thereby a priority of the city (FLUE Objective 1-3.2). Yet, the type of economic development or redevelopment is generally limited to maintaining the status quo of land use designations and keeping residential areas separate from non-residential areas (FLUE Objective 1-3.5). GOPs include language on containing non-residential development to pre-existing areas of compatible land use, such as the Central Business District (CBD), with the

intent of strengthening economic health by achieving cluster development (FLUE Objective 1-3.2). An option does exist for a change in land use designation when warranted by a lack of available space for such development (FLUE Policy 1-3.5.1).

The HSCLT is restricted from mixed-use development in certain geographic areas. With the justification of preserving residential areas, three policies in the FLUE state areas that are prohibited from any form of non-residential development (FLUE Policy 1-4.1.H.6, H.7, H.8). However, HSCLT is designated as an “adjunct of the CBD,” meaning that the organization’s development decisions are to coincide with those of the CBD (Policy 1-3.2.3).

Implications of Findings

The HSCLT has the potential to use Smart Growth principles to guide its decision making and overall mission based on the its current operations and comprehensive plan under which it functions. Some of the Smart Growth principles are already instituted, such as clustered development and creating permanently affordable housing options. Other Smart Growth principles have been considered but not yet implemented, like multi-unit developments. All six Smart Growth principles are possible under the current parameters within which the HSCLT operates (see Table 4-3).

The HSCLT is a young organization with great potential to have a significant impact on the Winter Park community. The financial and programmatic support currently given by the local government attests to the community’s acceptance of the organization and its ability to thrive in the future. As it becomes an autonomous organization from the city, the HSCLT should diversify its portfolio and membership base while learning from national examples of successful CLTs. Increasing the use of strategies such as Smart Growth could improve the HSCLT’s functionality, the organization’s appeal to investors and community groups, and its role in planning on the regional scale.

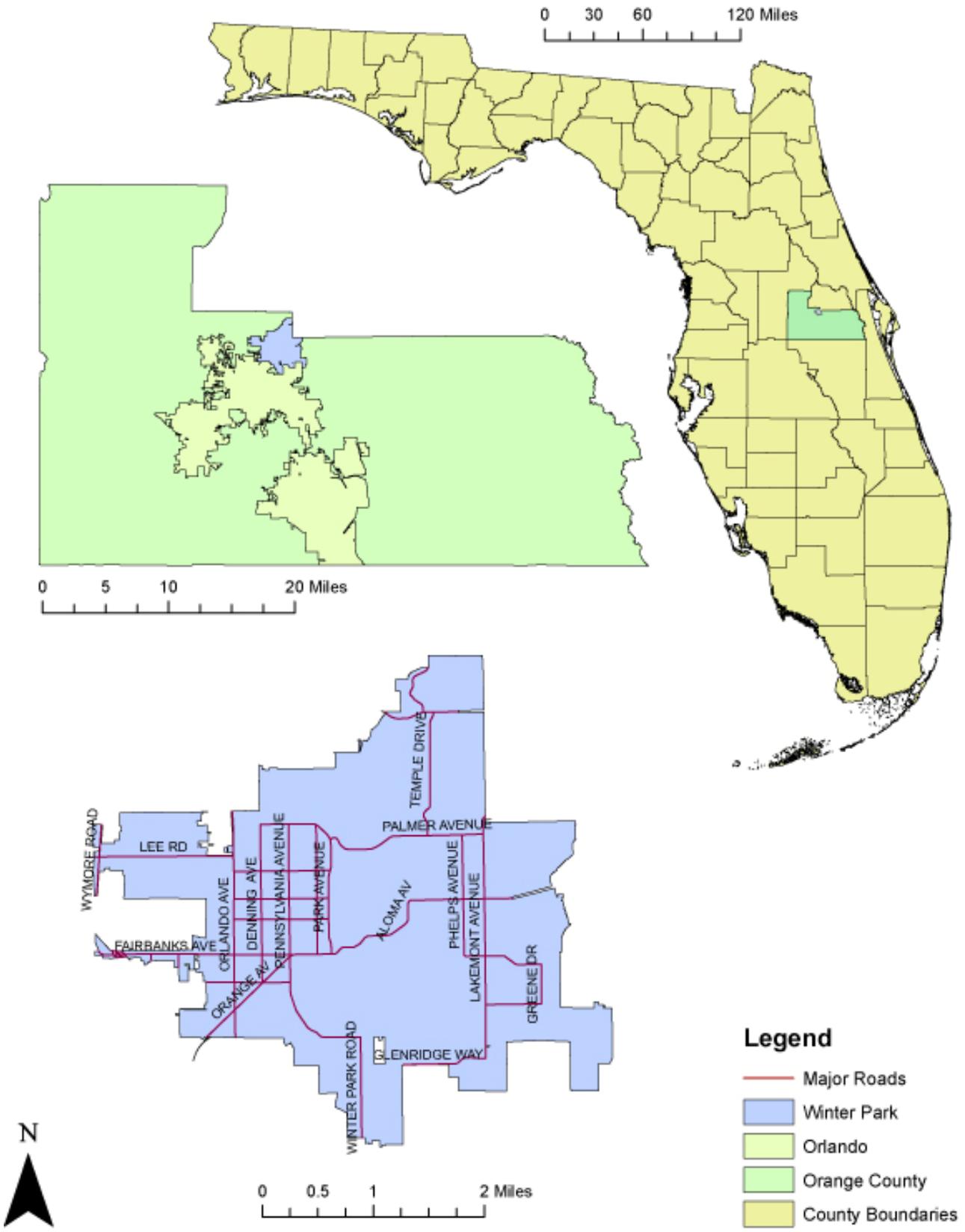
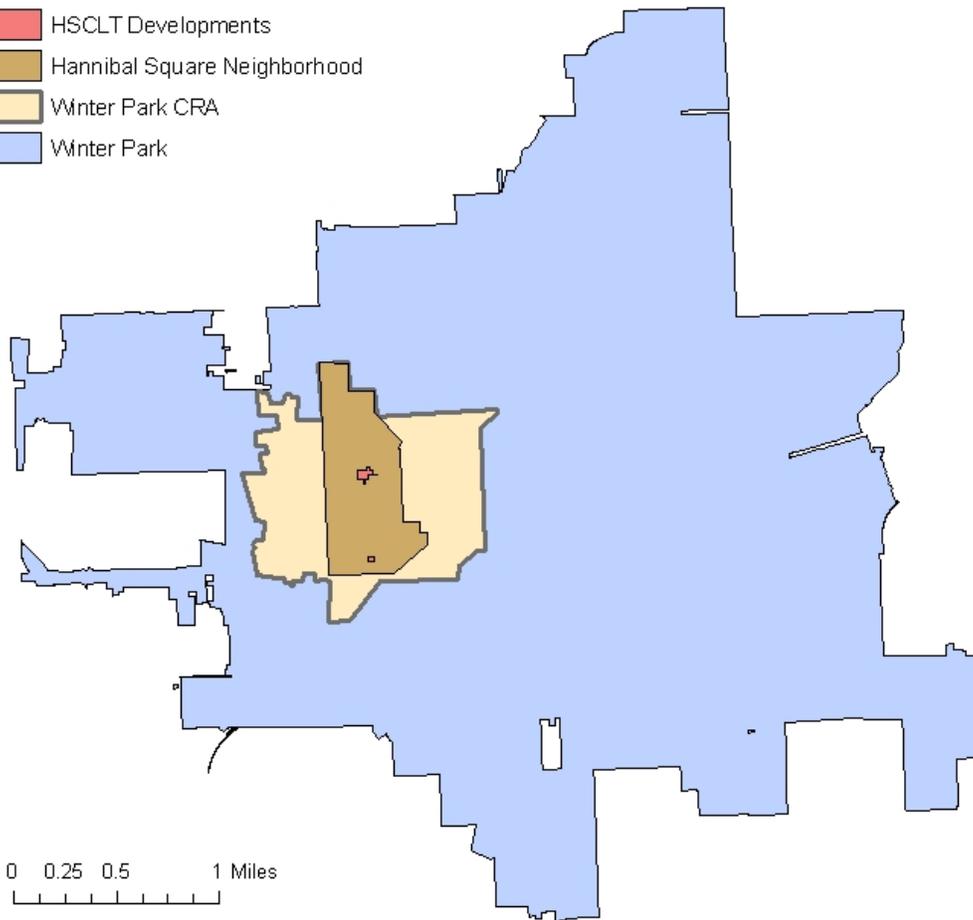


Figure 4-1 - Location of Winter Park, Florida

Legend

-  HSCLT Developments
-  Hannibal Square Neighborhood
-  Winter Park CRA
-  Winter Park



HSCLT Development (Existing) - "Canton Park"



HSCLT Development (Under Construction) - "Comstock"



Figure 4-2 - Location and Visual Images of the HSCLT and its Neighborhoods within Winter Park



Figure 4-3 – Surplus or Deficit of Affordable Housing Units Based on Household Income Levels in Winter Park, Florida’s CRA

Source: City of Winter Park Community Redevelopment Agency, 2007.



Figure 4-4 – Photographs of Existing HSCLT Development “Canton Park”
Source: Orange County Property Appraiser, 2006

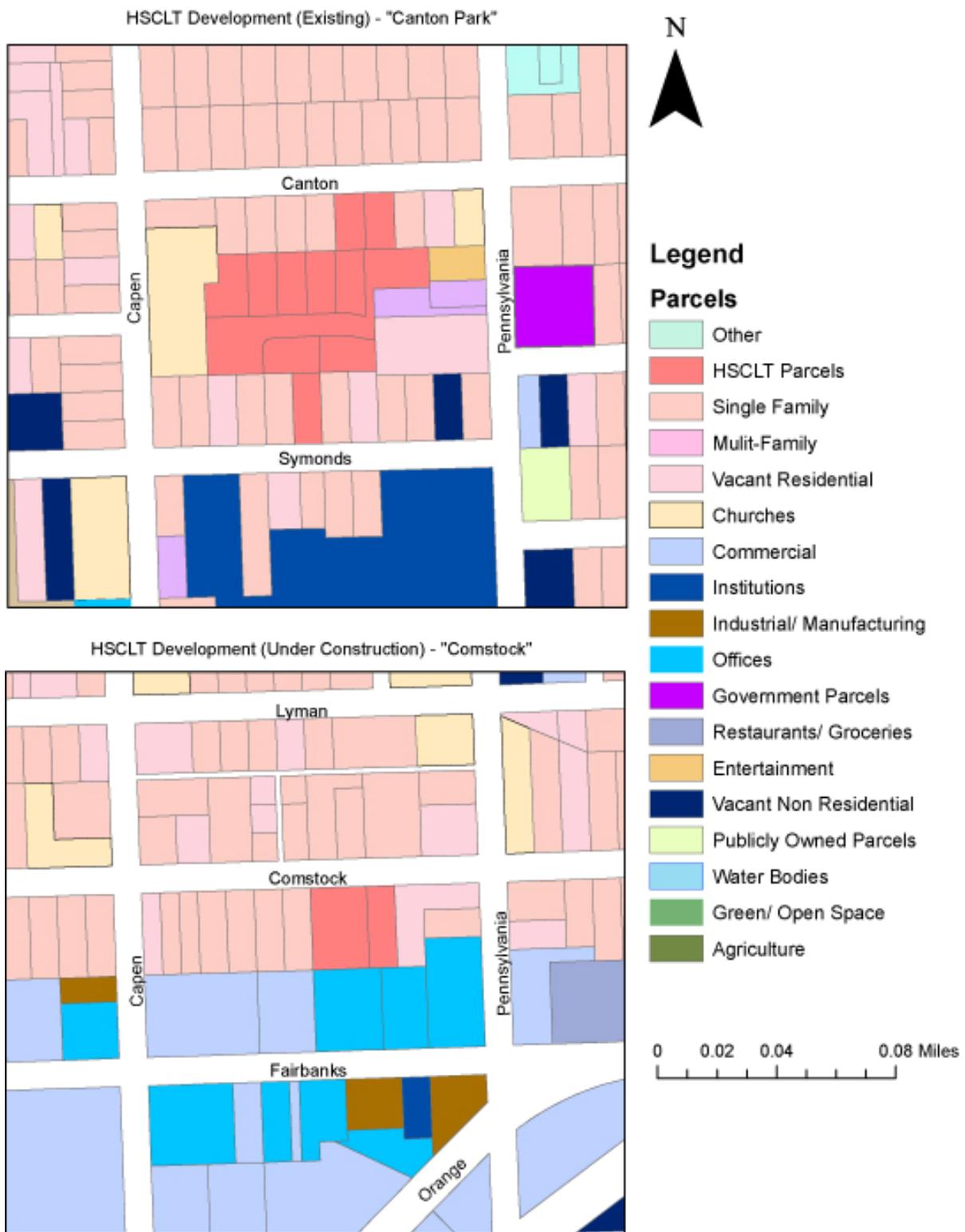


Figure 4-5 - Land Use Designations of Parcels within the HSCLT Developments

Legend

 Hannibal Square Neighborhood and HSCLT Sites

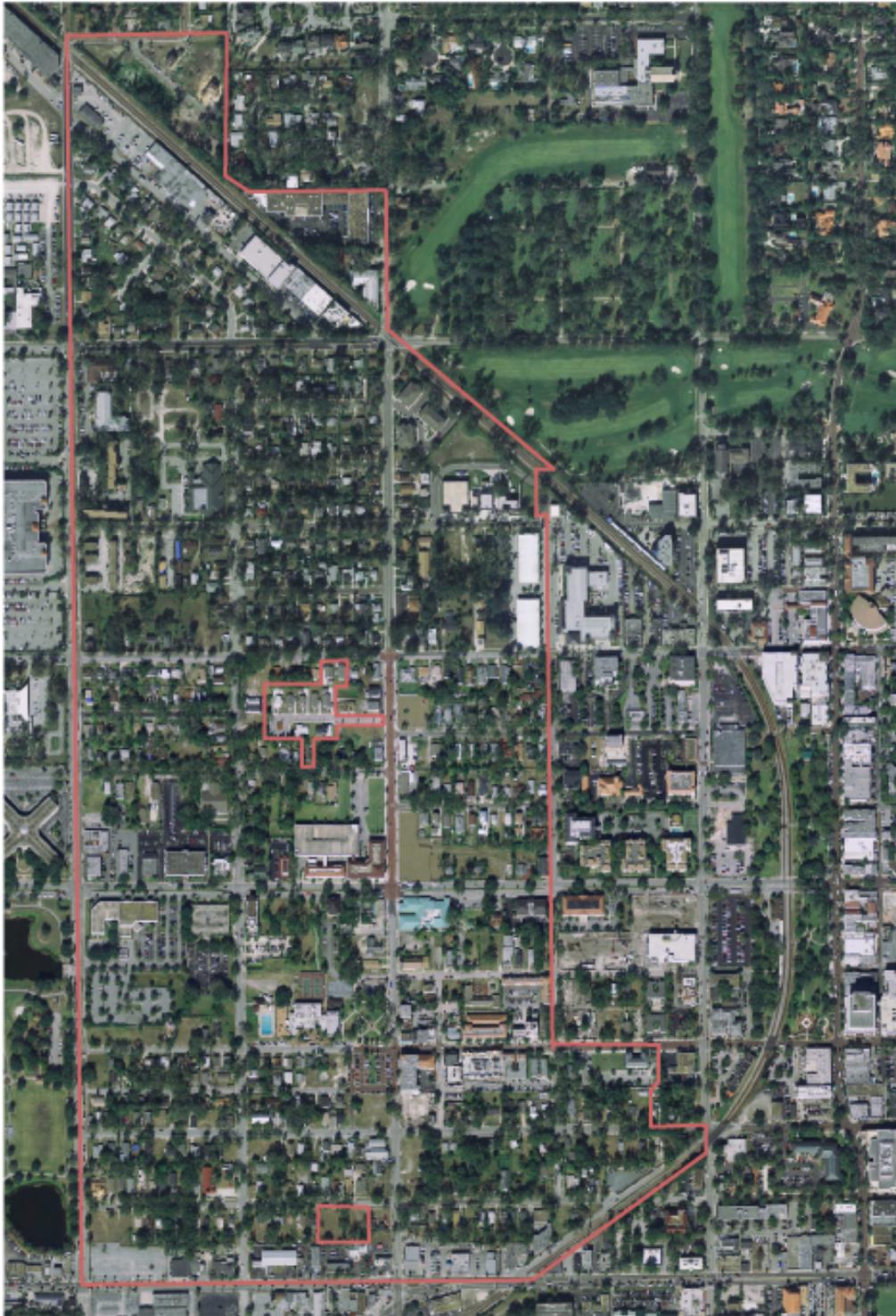


Figure 4-6 – Aerial Photograph of Hannibal Square Neighborhood and the HSCLT Developments

Table 4-1 - Comparison of the “Classic” CLT Characteristics with Those in the HSCLT’s By-Laws

List of Characteristics of “Classic” CLT Model from the National CLT Network	Exact Language in the HSCLT’s By-laws
<p>Purpose: A CLT has among its purposes the provision of decent housing that is affordable to persons of low-income or moderate-income, with a primary purpose of meeting the needs of “charitable” populations, as defined by the IRS.</p>	<p>Section 2.2: "The specific and primary purposes of the Corporation are: Section 2.2.a. "To provide opportunities for very low, low, and moderate income families to secure housing within the Winter Park Community Redevelopment Area that is decent and affordable and that is controlled by the residents on a long-term basis."</p>
<p>Corporate Status: A CLT is a private, nonprofit corporation that: (i) has a 501(c)(3) or (4) tax exemption; (ii) is not sponsored by a for-profit organization; and (iii) reserves no more than a third of its board for appointees or employees of a local government.</p>	<p>(i) Section 2.1. "The Corporation is organized and shall be operated exclusively for charitable and educational purposes directly...that qualify as exempt under Section 501(c)(3) of the Internal Revenue Code of 1986..." (ii) no mention of sponsorship (iii) Section 4.2. There shall be three categories of Directors, ... with each category composing one-third of the total board ... The three categories shall be "Lessee Representatives" representing Lessee Members, "General Representatives" representing General Members, and "Public Representatives" representing the interests of the general public." No category is defined as appointees or employees of a local government.</p>
<p>Land Ownership: A CLT acquires parcels of land that are then: (i) owned in perpetuity by the CLT; and (ii) conveyed under long-term ground leases.</p>	<p>(i) Section 7.3 "Sale of Land. The sale of land does not conform with the philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in extraordinary circumstances when the sale is considered a necessary means of achieving the purposes of the Corporation..." (ii) Section 7.1 "Principles of Land Use. The Board of Directors shall oversee the use of land owned by the Corporation and shall convey the right to use such land so as to facilitate access to land, affordable housing, and other improvements..."</p>
<p>Home Ownership: For owner-occupied housing, a CLT transfers ownership of structural improvements that are located on leased parcels of land to home-owner/lessees.</p>	<p>Section 8.8. "In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land...These measures may include, but are not limited to, provisions for the sale of housing or other improvements..."</p>

**List of Characteristics of
“Classic” CLT Model from the
National CLT Network
continued**

Permanent Affordability: A CLT retains a preemptive option to purchase any structural improvements at a price determined by a formula that is designed to ensure such improvements remain affordable in perpetuity for persons of low-income or moderate-income.

Service Area: A CLT serves any particular geographic area specified in the bylaws of the organization.

Corporate Membership: A CLT has a corporate membership that is open to any adult resident of its service area and to any other class of members defined in the organization’s bylaws.

Board Composition: A CLT’s board of directors is composed of equal numbers of: (i) lessees; (ii) corporate members who are not lessees; and (iii) any other category of persons described in the bylaws of the organization.

Board Selection: A majority of the directors on a CLT’s governing board are elected by the corporate membership.

Exact Language in the HSCLT’s By-laws continued

Section 8.2. "It is the purpose of the Corporation to preserve the affordability of housing and other improvements for very low, low and moderate-income families in the future. Accordingly, when land is leased for such purpose, the Board of Directors shall assure that, as a condition of the lease, the Corporation is granted the right to purchase any lessee-owned housing or other improvements on the land, for a price determined by the "resale formula," at such time as the lessees wish to sell or the lease is terminated." Section 8.3 Resale Formula. For the purpose of preserving affordability, the Corporation shall restrict the price that ground lessees may receive when they sell housing and other improvements located on the land that is leased to them by the Corporation."

Section 2.2.a through e "...within the Winter Park Community Redevelopment Area..."

Section 3.1 "Voting Membership. Subsequent to the first annual meeting, the Voting Members of the Corporation, with full voting rights, shall consist of and be: a. The Lessee Members, who shall be all persons who lease land or housing from the Corporation, or who lease or own housing located on land leased by another entity from the Corporation. b. The General Members, who shall be all other persons, eighteen years of age or older, who have complied with each of the following requirements: iii. [Members who] [r]eside or work within the Winter Park Community Redevelopment Area..."

Section 4.2. "There shall be three categories of Directors, each consisting of not less than three (3) Directors, with each category composing one-third of the total board ... The three categories shall be "Lessee Representatives" representing Lessee Members, "General Representatives" representing General Members, and "Public Representatives" representing the interests of the general public."

Section 4.1. "...the Voting Members shall elect a Board of Directors consisting of nine (9) persons."

Table 4-2 – Findings from Comparison of the HSCLT to the Lincoln Institute Study

Formation - The when, why, and how of the CLT's creation	
<i>HSCLT</i>	<i>Lincoln Institute Study</i>
Incorporated in 2004	43% formed from 2000-2006
CRA most influential factor in creation	Top 3 supporters: local individual(s), local community groups, local government or public official
Reaction to housing prices and some community concerns	79% reported increasing housing prices a major impetus
Structure - How the CLT is set up to function	
<i>HSCLT</i>	<i>Lincoln Institute Study</i>
Limited leadership personnel	Full-time staff size: mean = 2, median = 1
Extensive membership influence	70% of CLTs have memberships
Traditional Board composition	Only 29% of CLTs use 3-part structure
Portfolio - Current and projected real estate holdings	
<i>HSCLT</i>	<i>Lincoln Institute Study</i>
Current holdings: 10 developed parcels with single family, detached homes	Number of parcels owned by CLTs: mean = 37.4, median = 13.4
Future holdings: 2 undeveloped parcels planned for 4 single family, detached homes	Types of housing developed by CLTs: sf detached = 55%, sf attached = 14%, multi-unit = 16%
Employs ground lease to convey ownership	77% of CLTs use ground leases
Objectives - Description of residential and non-residential activities and goals	
<i>HSCLT</i>	<i>Lincoln Institute Study</i>
Efforts directed toward affordable housing development	Low-income population most commonly served, followed by very low-income, then moderate-income
No experience in non-residential, non-single family development	25% of CLTs lease land for non-residential uses
Relatively limited future plans	70% of CLTs do new construction, 55% acquire existing houses, 56% do new and rehab construction

Source: Sungu-Ermilmaz and Greenstein, 2007.

Table 4-3 – Assessment of the HSCLT’s Current Incorporation of Smart Growth Principles

Evaluation Criteria of CLT from Harmon, 2004	Link to Smart Growth Principle as Defined by Smart Growth Network	Data Source in Addition to Interviews	HSCLT Findings
Does the CLT create multi-unit developments?	Housing opportunity, compact building design and multi-modal transportation options	By-laws	No
Does the CLT aid buyers in purchasing non-CLT created homes?	Investment into established communities	By-laws	No
Are CLT homes perpetually affordable?	Housing opportunity	Housing Data	Yes
Is CLT development spatially clustered?	Development of community identity	Site Analysis	Yes
Does the CLT include provisions for preserving open space and parks?	Preservation of natural areas	By-laws, Site Analysis, Future Land Use Map in Comprehensive Plan	No, although occurs
Does the CLT contribute to economic development through community revitalization and mixed-use development?	Mixed-use development	By-laws	No, although occurs

Source: Harmon, 2004.

CHAPTER 5 CONCLUSION

The descriptive and theoretical assessment of the CLT model used by the City of Winter Park, Florida demonstrates how the model applies to a specific community and its potential to work consistently with comprehensive plan goals, objectives and policies. The HSCLT meets the “classic” CLT definition overall, although the author recommends in some instances more precise wording in the organization’s by-laws to more clearly meet the “classic” characterization. Doing so benefits the HSCLT in terms of identifying with the national CLT organizations and the inherent advantages of the CLT model. Since the HSCLT met the “classic” definition overall, the findings of the case study are relevant to the CLT model in general.

The examination of the individual characteristics of the HSCLT shows that the organization follows the trends found in the Lincoln Institute study. Being a relatively new CLT, the HSCLT has the opportunity to gain from past organizations’ experiences while still serving as a pioneer in creating ownership opportunities that maintain long-term affordability. Areas of potential improvement for the HSCLT include defining the roles of its advisory board to better serve the organization, ascertaining the effects of the voting membership on the efficiency of the organization, and expanding its portfolio holdings. Clearly establishing the role of the advisory board optimizes the organization’s use of its resources. The advisory board can be used by the HSCLT in several ways, such as aiding in fundraising or educating the community and the HSCLT residents. However, a change in administration of the HSCLT could lead to a diminished capacity of the advisory board. Since the role of the advisory board is unclear in the HSCLT’s organizational documents, no guidance exists to optimize its role in providing guidance to the HSCLT.

The Lincoln Institute study found that most CLTs did not permit their voting membership to decide on all the issues outlined in the Lincoln Institute study. The HSCLT grants its voting membership substantial control of the organization by allowing them to vote on numerous issues that affect how the organization functions. While this enables the voting membership to have significant input in the organization, it may reduce the efficiency of the organization if continual conflict arises or if the voting membership does not have sufficient knowledge to make the best decisions to lead the organization. The HSCLT may need to reevaluate the influence of the voting membership on the organization. A potential solution for reducing the responsibilities of the voting membership while still enabling members to have a stake in the organization can be accomplished by requiring the Board of Directors to vote on these issues. This transfer also places authority in a group dedicated to representing the needs of the membership who may also have more experience and knowledge of the organization than the voting members. Additionally, increasing the role of the Board can stabilize the organization because the nine-member Board understands the mission of the organization.

The HSCLT should use a greater variety of mechanisms to increase its portfolio. Additional planning tools are available for affordable housing creation. Rehabilitation of older structures may be less expensive, especially in a community with limited open space available for new construction. Development of rental units enables the HSCLT to create an alternative option for residents that could not afford to purchase a home. Mixing density of HSCLT developments gives the organization an opportunity to offer a mixture of housing types introducing greater density developments, thereby potentially providing more units at a lower cost.

Currently, the HSCLT has a small portfolio of affordable homes. A small number of affordable opportunities limits the potential impact of the organization on the greater community. In a city with just over 2,800 residents, the HSCLT needs to increase its ability to provide affordable housing options to justify the expense of development currently supported almost exclusively by the City. Since the organization was established with the support of the public sector, the community clearly supports the HSCLT's goals. However, the HSCLT may encounter diminishing support if the public does not experience the full benefits of the CLT model. The extent of positive effects of employing the CLT model such as economic stability for residents is limited due to the small supply of units. The relatively recent establishment of the HSCLT explains in part the small portfolio but future plans of the organization should focus on significant expansion of development.

Alternatively, the organization may justify its use of public funds by promoting other objectives aside from the creation of permanently affordable housing. While the HSCLT developments increase the mix of income within existing neighborhoods of Winter Park, the affordable units have been limited to the Hannibal Square planning area. Expanding development into more affluent areas such as east Winter Park could better result in the benefits of mixed-income development. In addition, by constructing multi-unit developments of affordable housing or combining residential units with commercial or office spaces, the HSCLT may lower its development cost per residential unit. If located in an area such as the edge of the Central Business District (CBD) and residential neighborhoods, the organization may avoid NIMBYism because the development will be located within a transition zone between neighborhoods and more intensive commercial activity associated with the CBD. Especially if the development includes a mixture of uses and/or incomes, it will also benefit a greater range of

community members and thus could be more appealing to a broader number of residents and stakeholders.

The community of Winter Park is well situated to employ Smart Growth strategies in its development planning, and the HSCLT similarly has the capability of implementing Smart Growth principles in its operations. The Winter Park CRA considers all development within its boundaries as infill; therefore new development in this area has the capability of meeting Smart Growth goals. The HSCLT must follow the comprehensive planning initiatives dictated by the Winter Park CRA, thus some of its activities inherently follow Smart Growth principles. By furthering the incorporation of Smart Growth principles into its operations, the HSCLT has the ability to provide a more positive impact on the community while increasing its role in urban planning at a larger scale. For instance, creating a program to aid residents in buying non-CLT homes allows the HSCLT to quickly diversify its portfolio, gain experience in varying forms of development and management, and meet the Smart Growth principle of investing in established communities. Other principles of Smart Growth may prove more challenging for the HSCLT, such as clustered development. Further clustering HSCLT developments will become increasingly difficult due to lack of physical space, and clustered development may not meet some goals of the organization. However, by identifying future obstacles and adjusting planning efforts as necessary, the HSCLT can still incorporate Smart Growth principles while proactively managing the organization. The Sawmill CLT represents the successful institution of Smart Growth and could be used by HSCLT as an example to follow.

Given that the HSCLT is currently developing a five-year business plan, the organization has an opportunity to further incorporate Smart Growth principles, sustainable neighborhood design, and mixed-income development. Using Smart Growth principles in its planning can be

an instrument for the HSCLT to promote responsible and holistic development while aligning itself with the City of Winter Park. Demonstrating to the City that the HSCLT has a clear plan that supports the City's planning objectives can result in a reciprocally supported partnership that will ensure funding for the HSCLT and permanently affordable housing development for the City. Integrating sustainable neighborhood design and mixed-income development serve as additional options for the HSCLT to strengthen its partnership with the City while planning for its future.

The HSCLT should remain conscientious of the drawbacks of the CLT model. The HSCLT may face challenges in financing the purchase of homes. Although the organization successfully sold the homes in the first development, the financial market frequently changes due to mortgage interest rates and institutional policies. Also, some interested buyers may find more difficulty than others due to lower income levels or higher housing prices. The HSCLT should remain proactive in maintaining relationships with lending institutions and continually research funding mechanisms developed across the nation. An additional concern is the legality of the CLT model's design. Thus far the courts have supported the split ownership, restricted equity and restrictions on owner's initial income and leasing issues such as subletting inherent to CLTs. Yet, preventing a future dispute requires the HSCLT to consistently and equitably enforce the resale formula, maintenance requirements, and property use restrictions. Finally, keeping the organization financially solvent requires the HSCLT to remain vigilant of opportunities for funding and efficiently manage the organization's finances. Continually developing supportive partnerships with the City of Winter Park, financial institutions, and private donors perpetuates opportunities for fundraising. Also, the HSCLT can create standards for financial management as part of their five-year business plan, which is currently under development.

The accomplishments of the HSCLT to date and the organization's current use of Smart Growth show the potential of the CLT model to work in tandem with other urban planning strategies. For instance, the Bahama Conch CLT, the organization that advised the HSCLT during formation, uses historic preservation as part of the CLT development. A CLT that employs Smart Growth principles can contribute to sustainable neighborhood design through enhancing the equity component especially and can promote mixed-income development by way of planning on a larger scale. The case study of HSCLT warrants further exploration of the relationships among CLTs, Smart Growth, and other urban planning strategies.

The case study analysis of the HSCLT demonstrates the importance of the CLT model in producing affordable housing. This study includes a discussion of the affordable housing crisis in America and strategies used to address that crisis. An in-depth review of publications on Smart Growth and the CLT model showed the theoretical connection between the two planning strategies. The methodology based the analysis on three studies published on the CLT model. The results described in detail the purpose of the HSCLT and its impact on the Winter Park community. Furthermore, measurement of the extent to which the HSCLT implements Smart Growth principles shows initial results of said principles, and the potential of the organization to further incorporate them. Appendix B depicts the relevance of findings of the case study. By linking the design of the case study, the purpose of each component of the methodology, and recommendations for the HSCLT, the case study concludes that the CLT model can result in planning for affordable housing at the regional scale using a community based model, providing permanent affordability to a range of lower income populations, and being an integral part of land use decisions and an asset to the community.

The analysis of HSCLT serves as a foundation for greater exploration of the CLT model's utility. Further research on the CLT model and its relationship to Smart Growth could include a comparison of multiple case study subjects. Looking at a variety of CLTs in terms of size, duration, and location would expand the applicability of the findings on the connection between the two topics.

Several supplementary studies of the HSCLT would provide greater understanding of the CLT model in the context of gentrification, of the real estate market in the Southern United States, and of the importance of Board and Executive Director experience in determining the organization's effectiveness. Returning to the HSCLT after its initial five years of existence would show if and how the organization obtained self sufficiency. Also, a quantitative measure of success in creating permanently affordable residences would be possible after a reasonable number of resales occurred. Research on the CLT model, its relationship to Smart Growth, and the HSCLT in particular should continue in order to benchmark successes and areas for improvement of this important option to creating permanently affordable housing.

APPENDIX A
UNIVERSITY OF FLORIDA INSTITUTIONAL REVIEW BOARD APPROVAL OF
INTERVIEWS

Informed Consent

Project Title: Masters Thesis on the Quality of Life and the Community Land Trust Model: The Case of Hannibal Square in Winter Park, Florida

Dear _____

I am a graduate student candidate for a Masters of Arts in Urban and Regional Planning at the University of Florida. As a component of my degree, I am writing a thesis exploring the history, impact on community development, and future plans of the Hannibal Square Community Land Trust within the community of Winter Park, FL. The methodology of my case study includes interviews with key professionals involved with the management and institution of the Hannibal Square CLT and representatives from other CLTs for comparative purposes. I am asking you to participate in this interview because you have been identified as an important official.

Interviewees will be asked to participate in an interview lasting no longer than one hour. The list of general questions is enclosed with this letter. There will be an opportunity for you to discuss any information you feel is relevant to the study in addition to my questions. You will not have to answer any question you do not wish to answer. Your interview will be conducted by phone or at your office after I have received a copy of this signed consent from you. With your permission, I would like to audiotape this interview. Only I will have access to the tape which I will personally transcribe. The audiotape will be destroyed after it has been transcribed. Your identity will be associated with the interview responses unless you specifically request that I do not include your name in the thesis.

There are no anticipated risks, compensation or other direct benefits to you as a participant in this interview. You are free to withdraw your consent to participate and may discontinue your participation in the interview at any time without consequence.

If you have any questions about this research protocol, please contact me at (352) 275-1819 or my faculty supervisor, Dr. Kristin Larsen, at (352) 392-0997, ext. 433. Questions or concerns about your rights as a research participant may be directed to the IRB02 office, University of Florida, Box 112250, Gainesville, FL 32611; (352) 392-0433.

Please sign and return this copy of the letter in the enclosed envelope. A second copy is provided for your records. By signing this letter, you give me permission to report your responses in the final thesis manuscript to be submitted to the Graduate School and Department of Urban and Regional Planning at the University of Florida. Your identity will only be indicated if you do not check the box below.

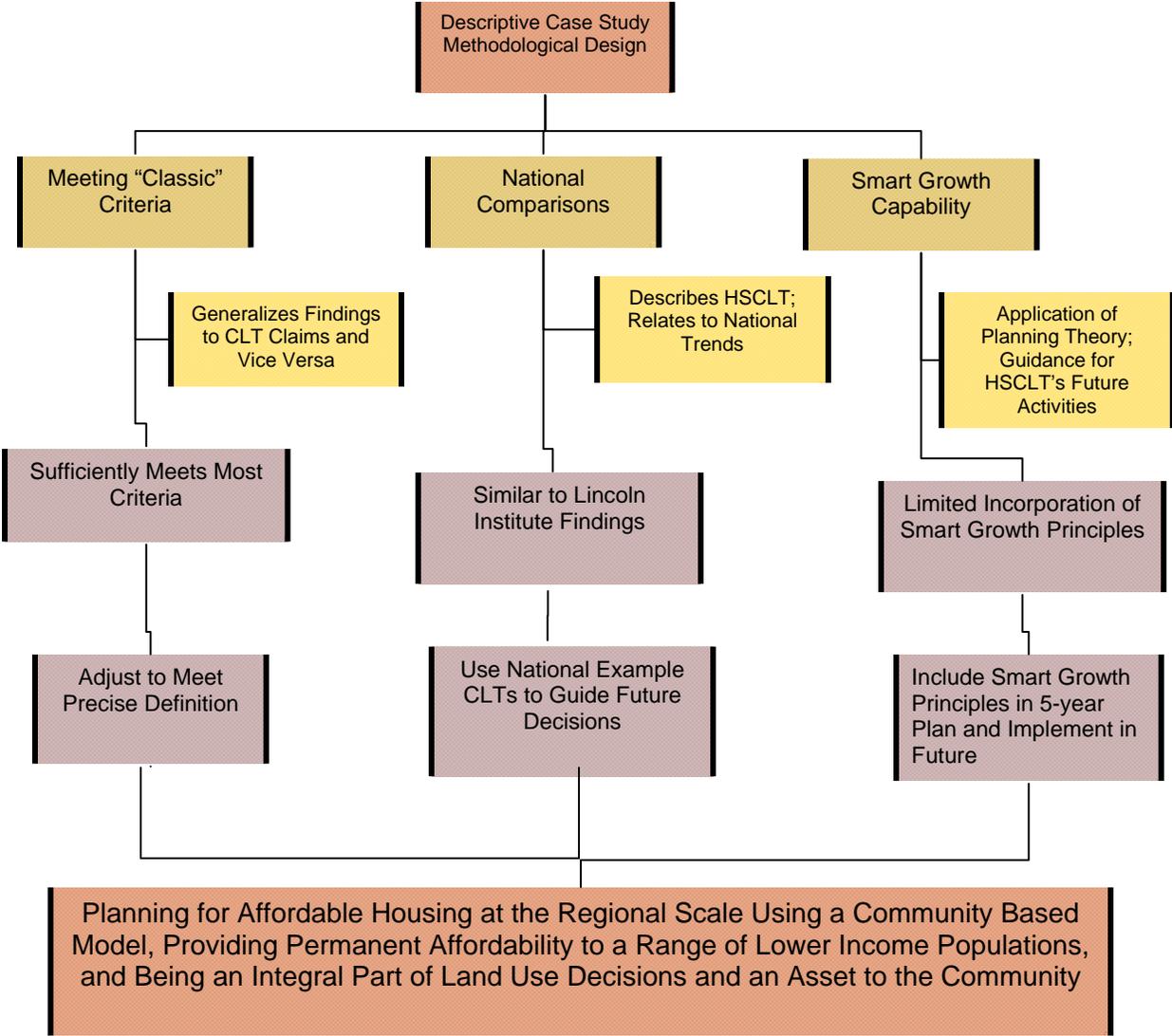
Sincerely,

Teresa Russin

Approved by
University of Florida
Institutional Review Board 02
Protocol # 2007-U-775
Use Through 09/06/2008

Note: The title of this thesis was adjusted after the thesis defense which is not reflected in the informed consent letter as the letter was written prior to the thesis defense.

APPENDIX B
 FLOW CHART DEMONSTRATING THE RELEVANCE OF FINDINGS THROUGH CASE
 STUDY DESIGN



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BIOGRAPHICAL SKETCH

Teresa Russin was born in Gainesville, Florida on November 28, 1982. As an only child, she was raised in Gainesville by her parents, Richard and Mildred Russin. After graduating from Buchholz High School in 2001, she moved to Orlando to attend the University of Central Florida. She was heavily involved in student activities and leadership while at UCF, including participating in LEAD Scholars, working as a Resident Assistant, and serving as president of the Omicron Delta Epsilon Economics Honors Society. She earned her real estate license in 2003 and interned for Pulte Homes, Inc. in Merritt Island, Florida, the summer prior to graduation. She graduated in 2004 summa cum laude with a Bachelor of Science in Business Administration degree, majoring in economics. Instead of pursuing a career in real estate, she returned to Gainesville to prepare for graduate school, initially in the field of economics.

A change of heart led Teresa to the Urban and Regional Planning Department at the University of Florida's College of Design, Construction, and Planning. In 2005, she entered the urban planning field as a graduate student and a research assistant for Dr. Kristin Larsen and Dr. Ruth Steiner. She served as the Student Planning Association's president for an academic year. In 2007, she was hired by the Shimberg Center for Affordable Housing as a research assistant. She is currently following her interests of improving the capability of urban planning to increase affordable housing opportunities and of using advanced methods of analysis to improve the knowledge base and decision making power of urban planners.