



Advancing Rural Development

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Our Land, Our Future

Community Land Trusts & Rural Development

A SIBAC report prepared with the support of the Real Estate Foundation of BC

Autumn 2016

EXECUTIVE SUMMARY

“The ache for home lives in all of us, the safe place where we can go as we are and not be questioned.”

— **Maya Angelou**

RURAL BC FACES daunting challenges. While specifics vary from place to place and region to region, there are some depressing commonalities across our province’s rural regions — significant job losses in the natural resource sectors, a steady outflow of youth and young families resulting in communities increasingly dominated by aging residents, population stagnation or decline, a lack of capacity, and a resultant loss of spirit and hope.

Against this backdrop, with support from the Real Estate Foundation of BC, SIBAC has begun a detailed examination of Community Land Trusts (CLTs) as a potential vehicle to assist rural communities in addressing pressing community needs. This effort is based on the observation that appropriate housing may serve as a crucial driver in assisting rural communities currently struggling with these challenges.

When times are good, housing simply seems to “take care of itself.” The market responds to demand; gainfully employed buyers have the means to purchase the home they want. All is well.

But when times are not so good, when external economic drivers — a mill, a mine, a logging operation — disappear, small communities and rural areas must find innovative new ways to ensure their viability, using the resources at their disposal — most commonly, available land, and determined, resilient people.

This combination of land + people has been successfully leveraged countless times in the UK, and increasingly in the U.S., through the creation and implementation of community land and housing trusts. CLTs are less well-known in Canada, so in this report we begin by explaining what a CLT actually is, providing the basic background required to assess whether a CLT might be an appropriate community development tool.

We then highlight opportunities to integrate community housing trusts with cooperatively owned lands as an effective means of stimulating agricultural sector expansion, a desired objective in many rural BC regions.

Next we look at how CLTs might assist communities in attracting newcomers while supporting older residents, a crucial task in many instances if a community is to ultimately retain the vital services — schools, healthcare facilities, shops, cultural institutions — they require to remain viable.

This section is followed by several case studies of successful CLTs, including trusts based on Washington State’s Gulf Islands, and in rural BC.

The report concludes with an appendix containing useful links and contact information.

HOME SWEET HOME

It was meant to *bee*



DETAILS

- Homeownership
- Chittenden County

Rita Murphy

Homeowner



It's our first home, our starter home, our second home, our vacation home, our retirement home," Rita

IF AT FIRST YOU DON'T SUCCEED...

Early in June, Rita Murphy and a neighbor donned their beekeeping suits and headed out to the tree where a swarm of bees had alighted. They shook the branch once, and a group of bees fell on them. They shook it twice, and more bees clustered around. On the third try, the queen bee found her way into the waiting hive, and the bees slowly followed.

"It's kind of like being at a birth, the energy [of a swarm finding a new home]," Rita explains.

And like their bee swarm, Rita and her husband, Ed Havard, found their home four years ago, when they became first-time homebuyers working through the Champlain Housing Trust's Shared Equity Program.

ISSUES FACING RURAL BC

“Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country.”

— **Williams Jennings Bryan**

BRITISH COLUMBIA IS, in many ways, a tale of two distinct realities.

While the province’s major urban centres grow rapidly — too rapidly, some argue — most of rural BC faces a litany of challenges, ranging from job losses due to natural disaster and global economic change, to an outflow of young people, leaving in their wake communities that are both declining in population and aging.



To generalize, urban BC is young, ethnically diverse, embraces new & emerging technologies, and oozes self-confidence, while rural BC is old, relatively homogenic, is underserved by and ignorant of new & emerging technologies, and worried about the future.

For rural British Columbians, this sets up a vicious circle. As a community's young population declines, vital community services such as schools and recreational programming begin to disappear, and the demand for 21st century infrastructure such as high-speed internet access wanes. This contributes to a decrease in job and business opportunities, serving to further influence younger residents to leave. In turn, this, together with a lack of suitable housing, serves as a barrier to those young people who might be interested in migrating into a rural community.

The result? Often rapidly-greying communities, with few decently paid job opportunities, evaporating public services, deteriorating 20th century infrastructure, a dearth of information technology infrastructure, and a limited housing market dominated by single-family homes occupied by aging residents.

"A lot of families had to move... a lot of people left town and left their families here. That left a situation we haven't had here in a long time. We're getting to be a population of elderly."

— Nakusp mayor **Karen Hamling**



As an example, of nearly 30 local health regions in BC's Southern Interior, only one, the Central Okanagan, is projected to grow at a rate greater than the provincial average from 2017 to 2030. *Any* growth would be welcome for regions like Kootenay Lake and the North Thompson that are slated to shrink over the same period.

In 1986, residents over the age of 70 represented 3.6% of the North Thompson region's total population. This compared with the provincial average of 7.9%. Generally speaking, 30 years ago rural BC was younger than urban BC, as resource booms and their pressing labour requirements attracted young people into the hinterlands.

By comparison, today 13.6% of North Thompson residents are over 70, while the provincial average is 7.9%. Perhaps even more tellingly, only 3.4% of the region's population falls into the 20—24 year-old category, and its 25—29 year olds make up only 3.1% of the total North Thompson population, compared with the current provincial averages of 6.9% and 6.2% respectively. Ominously, if nothing changes, by 2040, nearly 30% of all North Thompson residents will be over 70.

There are numerous implications in these numbers, for the North Thompson and many other rural BC regions and communities.

As communities age, they tend to become poorer. Half of all BC seniors live on \$24,000 a year or less. 93% of them live independently, and 80% of them are homeowners — the vast majority of rural BC seniors live in single detached homes. Less than 4% of BC seniors receive subsidized rent or housing. And 36% of seniors with household incomes of less than \$30,000 believe they will need to move in the future due to affordability.

With 75% of BC's population crowded into the Lower Mainland and metro Victoria, rural British Columbians' challenges are amplified, as economic, cultural, and political power continues to concentrate far from the daily issues that are the stuff of everyday life for residents of far-flung, often isolated First Nations and rural communities.

While the challenges are real, so too are the opportunities to meet them, in the process creating new opportunities for rural community revitalization and renewal. And the solutions start at home.



CLTs — WHAT ARE THEY?

“I grew up in a small town, I could count my friends on one hand, and I still live that way. I think I’ll die in a small town. When I can’t move my bones around a stage any more, you’ll find me living in a place that’s spread out and rural and spacious.”

— **Justin Timberlake**

IN THIS SECTION we’ll introduce the general concept of community land trusts (CLTs), explaining what they are, why they may make sense for rural communities, and how they work. Specific examples of CLTs in action, in the U.S. and in BC, are provided later in this report.

A community land trust (CLT), sometimes called a community housing land trust, is a non-profit corporation (registered society, also a registered charity) under local leadership that acquires land for general public benefit and community purposes. The primary mission of a CLT is to develop housing that families and individuals with modest incomes can afford to purchase.

British Columbians are familiar with conservation land trusts created to protect environmentally sensitive and/or recreationally important lands from development or industrial uses. For example, the Nature Trust of BC, founded in 1971, has secured through purchase and trust agreements more than 170,000 acres across the province for wildlife, fish and plants.

But what about people?

Across the country, a few CLTs have been created to facilitate development of affordable housing in urban communities experiencing rapidly increasing housing values. In the U.S., CLTs have become more common since the early 1980s. For example, three trusts serve Washington’s rural San Juan Islands, the first established in 1989. To-date, the three CLTs have developed 150 homes and 31 rental units on Orcas, San Juan, and Lopez, island with a total population of about 15,100 in 2015. The housing developed through these trusts is leased — for 99-years, renewable — to individuals and families earning less than 80% of the median income in the San Juans. In addition to providing housing, the CLTs have generated substantial employment opportunities, and play a major role in ensuring the islands retain a diversified, inclusive population.

The underlying logic of a CLT for a rural community is simple: because the CLT retains ownership of the land, the lease arrangement with a home owner, registered on the property title, pertains to building costs only. Buyers obtain typical or government-supported mortgage financing. Any gains the owner may realize upon resale of their leasehold home are restricted. The specific formula to determine the owner's equity varies by CLT — usually it reflects the rate of inflation in the Consumer Price Index or some similar measure.

The idea is to use community housing land trusts to facilitate development of housing in rural markets where housing needs aren't being met by the private sector. CLTS differ from often urban-based non-profit housing societies, including cooperatives, that create rental housing for target households. CLTS focus on making home *ownership* possible for individuals and families with modest incomes.

Rural communities establish CLTs because local stakeholders have identified, through research and resident feedback, the need for affordable and/or appropriate housing. They understand home ownership supports community prosperity, that development of housing delivers economic and social benefits.

CLTs offer a means of meeting the affordable housing and community development needs of low- to moderate-income households. They acquire land in the community, either by purchasing land directly or through donations of land, land and buildings, or money to purchase land. This land is held in perpetuity so that it can always be used for affordable housing. Access to this land is often limited to low- and moderate-income households and the non-profit organizations that serve them.

— **Canada Mortgage and Housing**

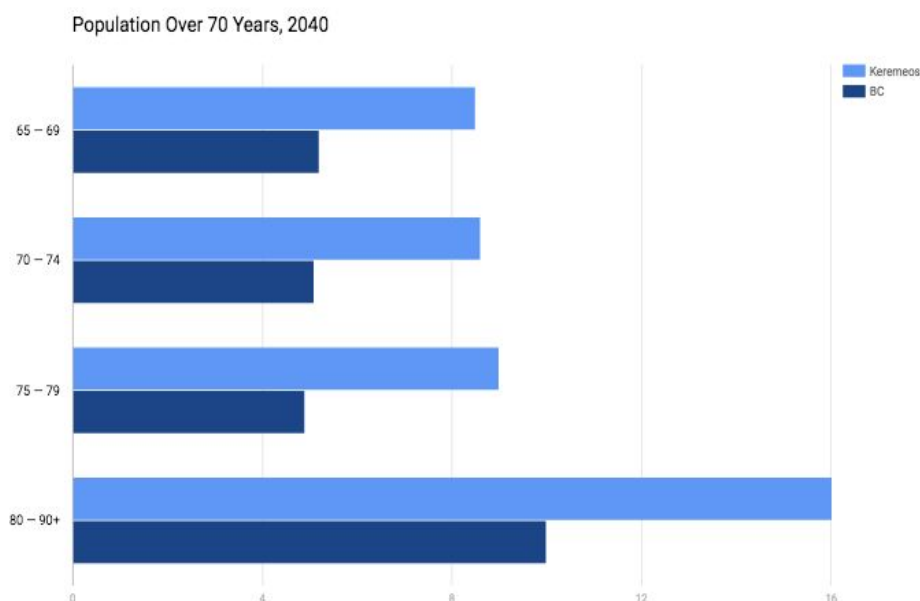
Start-up funding for most CLTs usually comes from grants and donations. Most established CLTs receive an initial donation of land, allowing their first housing project to be developed. The cost of planning, design, and required permit applications is often sourced through volunteer time and expertise, donations, and grants from foundations and government programs. Once a CLT has charitable status, it can provide donors of land with a receipt for tax purposes.

To finance subsequent housing construction, a CLT may work with collaborators, seek donations, access government funding programs, and obtain construction loans. Households that qualify to purchase homes are able to obtain mortgage financing, because CLT subdivision type and ownership interests meet regulatory and legal requirements. The CLT uses purchasers' payments to retire its construction loans. In addition to the cost of land being taken out of the equation, home costs are often kept low thanks to other inputs, including sweat equity, internships, and donations of materials and services.

CLTs address two pressing community issues not usually met by the private sector — they provide housing that residents with modest incomes can afford to purchase, and, because they are community-controlled, ensure the homes that are built are appropriate to the community's needs and setting.

In the absence of determined local stakeholders with some knowledge of CLTs, communities often go through an extended process as they search for a solution to their housing needs. For example, in 2009, the towns of Oliver and Osoyoos identified affordable housing needs in a briefing paper titled, [Housing Models and Approaches for Consideration in the South Okanagan](#). The examples of affordable home ownership in this document did not include CLTs. Both towns adopted an affordable housing strategy in 2010. By the spring of 2016, six years later, incentives offered by both towns had failed to attract a market developer to build affordable homes.

In a [2014 research project carried out by SIBAC](#), it was found that in most rural communities and regions in south-central BC, the proportion of residents over 55 years of age has been increasing significantly for two decades. Young adults in the region lack employment opportunities and move away, a pattern, as mentioned earlier, we see repeated across rural British Columbia. Among the numerous negative impacts this has on communities, the liquidity of local real estate markets is impaired, and the options available to property owners reduced, especially seniors who would like to sell their homes and acquire dwellings more appropriate for their needs. We referenced earlier in this report the current “aging outlook” for the North Thompson region. The following chart paints a similar picture for the town of Keremeos.



In many instances, a CLT serving a rural region might be the right structure to address unmet community housing needs. Working with local leaders, economic development agencies, First

Nations, BC Housing, and local non-profit organizations involved in housing, a CLT can play an important role in attracting capital for housing needs and creating employment opportunities.

[Research by the BC Seniors Advocate Office](#) and others has demonstrated that most rural seniors would prefer to remain in their homes and their home communities as long as possible. This review also found many seniors are surviving on very limited incomes, and their major financial asset is their home. In order to stay in their current residence, they may require access to their home equity in order to pay for home renovations, and to purchase the home maintenance and health services they will require as they grow older. This presents a real challenge for seniors living in many small rural communities, communities whose property markets have poor liquidity, making it difficult for property owners to sell or make use of their equity.

**“He who wishes to secure the good of others, has already secured his own.”
— Confucius**

A regional community land trust can help secure and encourage community prosperity in several ways. By focusing on home ownership and attainable housing, a CLT supports social and economic investment in local communities. A CLT represents a blend of economic and social strategies to retain households. Community investment in a CLT really is no different than agricultural or business subsidies (targeted programs) offered by various levels of government. Finally, a CLT has the flexibility to address housing needs that the private sector cannot. For example, in many rural communities in BC’s southern interior, a pressing need involves renovations and development of homes appropriate for seniors who cannot maintain their single family dwelling or rural property, a challenge no private sector player is likely to take on.

To sum up, a CLT is able to provide several services, based on its ability to separate the cost of land from the expenses of building housing. CLTs have the capacity to increase the number of households that can own a home and remain in a rural community. Potential CLT services include:

- Developing homes for individuals and families with modest incomes
- Facilitating the development of additional and appropriate seniors housing
- Providing rural seniors with increased access to the equity in their homes so they can remain in their homes
- Using affordable housing as a tool to attract new households to rural communities

CLTS & RURAL HOUSING

“Conservation and rural-life policies are really two sides of the same policy; and down at bottom this policy rests upon the fundamental law that neither man nor nation can prosper unless, in dealing with the present, thought is steadily taken for the future.”

— **Theodore Roosevelt**

ADEQUATE, APPROPRIATE HOUSING, for seniors and young working families especially, is often a vexing issue facing many rural BC communities. In many rural setting, the market forces present in urban real estate are noticeably lacking. This absence of private sector activity is compounded by a lack of local capital, and in many cases a lack of capacity — land acquisition and real estate development of any kind can be complex, requiring specialized legal and operational knowledge.

In this context, a locally-controlled community land trust may make practical sense. Fundamentally, any land trust is based on its ability to acquire developable land at little or no cost to the CLT. Then, guided by local values and priorities, it can go about the business of creating housing that makes sense to and for the community in which it operates.

This “paying attention to local values” can go beyond the goal of creating place-appropriate, “affordable” housing. A well-managed CLT working in close collaboration with other community stakeholders — local and regional governments, First Nations councils, local chambers of commerce, area non-profits, and interested individuals — can play an important role in helping realize a community’s economic, social, cultural, and environmental strategic objectives.

Economically, home construction is a leading economic driver. Building homes creates numerous jobs, many of them well paid. To the extent the developer — in this case an organization firmly rooted in a rural place — follows a “buy local” policy, the economic ripple effect in a rural area, small town or First Nation can be substantial.

“The best investment rural British Columbians can make these days is in their neighbours.”

— Corky Evans

Socially, life is impossible without a roof over our heads. Residents forced to live in sub-standard housing are unlikely to be in a position to make as positive a contribution to their community as possible. Poor or inadequate housing can be linked to health and behavioural issues that can significantly erode a rural community’s quality of life.

Culturally, because CLT’s can and often do take into account all of a community’s needs, a community land trust can play an important role in providing recreational spaces and facilities, revitalizing cultural assets and activities such as theatre, art, and gathering spaces generally.

Environmentally, many land trusts, including several in BC, play a leading role in protecting environmentally sensitive landscapes from degradation, providing sanctuary for threatened flora, fauna, forests, and watersheds. To the extent CLTs become involved in agricultural activities, they can (and often do) promote sustainable, organic farming.

Finally, a community land trust can serve as a central rallying point for rural residents anxious to move beyond the litany of problems that occupy their daily attention. A CLT can play an integral role in the development of an effective strategic plan for a rural community desiring to “turn things around,” while recognizing that solutions are going to have to come from within the community itself.



CLTS & FARMING EXPANSION

“The soil is the great connector of lives, the source and destination of all. It is the healer and restorer and resurrector, by which disease passes into health, age into youth, death into life. Without proper care for it we can have no community, because without proper care for it we can have no life.”

– **Wendell Berry**

IN MUCH OF rural BC, agriculture looms as a vital topic. Increasingly, residents are seeing a link between a healthy agricultural sector and the viability of rural communities and regions. This, combined with high transportation costs, the impact of climate change on imported food prices, concerns regarding food security and quality, a desire to attract younger people, and the need to provide economic stimulus has led to a sharpened interest in examining ways of promoting community- and regionally-based agriculture in rural British Columbia.

The single biggest impediment to the expansion and sustainability of locally-controlled agriculture is land availability and security. CLTs can play a positive role in this regard, acquiring land, then providing support for local agricultural endeavours via means that include:

Securing a stable and affordable supply of land through instruments such as fee simple ownership, ground leases, deed restrictions, and easements, capable of supporting both farming activities and appropriate housing for would-be farmers.

Developing and implementing strategic agricultural plans, providing program management, technical services, and other agricultural services.

Engaging directly in agricultural production.

At times a CLT may take on several of these roles, for example securing land through fee-simple ownership, managing local farming operations, and hiring staff to till the soil.

Of the possible agriculture-related roles a CLT might play, the job of securing land seems the most obvious fit. Addressing the issue of land insecurity is usually a core concern for most CLTs

— without land, affordable housing (or housing of any kind) is, of course, impossible. As noted above, CLTs use various tenure arrangements to carry out their land procurement. The following chart lays out each of these, and summarizes the advantages and disadvantages of each approach.

Tenure Arrangements for Securing Agricultural Land

Tenure Arrangement	Advantages	Disadvantages
Fee Simple	Long-term security High level of control	Cost to acquire Property taxation Management obligations
Ground Lease	Low-cost High level of control	Legal complexity Transaction costs
Deed Restriction	Low-cost Ensures agricultural use	Enforceability
Easement	Low-cost Ensures agricultural use	Transaction use

Fee simple ownership allows a CLT to hold the greatest number of ownership rights and provides a high level of land security, as long as all mortgage payments and tax obligations are met. Fee simple ownership is often considered the most durable way to insulate land from the speculative forces of real estate markets and secure land for community use.

Some CLTs choose to focus on acquiring land through fee simple ownership but decide not to develop in-house agricultural expertise for programmatic support or direct agricultural production. For example, guided by community input, Dudley Neighbors Inc. (DNI) redeveloped the contaminated site of a former auto garage into a 10,000 square foot greenhouse that functions both as a commercial farm and a community growing space. DNI secured the land through fee simple ownership and leases the greenhouse for a nominal amount to a food-based nonprofit that handles agricultural programming and maintenance of the greenhouse structure.

“Growing food is a whole different thing, and we are not looking to take that role. This goes along with our belief that we should do the things we are good at, and do them well. And we shouldn’t do the things we are not good at.”

— **Harry Smith**, Director of Sustainability and Economic Development DNI

Agriculture sites can be expensive to acquire and hold in fee simple ownership. Some CLTs have reduced their costs by integrating agriculture into larger development projects. The Madison Area Community Land Trust utilized this strategy at the Troy Gardens project in

Madison, Wisconsin. Troy Gardens incorporates diverse land uses on its 31-acre site. Five acres contain mixed-income co-housing, while 26 acres are set aside for a community garden, a community-supported agriculture farm, and conservation areas. The Madison Area CLT structured the project so that the entire site (including the agricultural land) was eligible for federal housing subsidy funding. By combining housing, agriculture, and conservation goals, the Madison Area CLT was able to purchase a large tract of land in an expensive market, and secure over 75% of the land for agricultural and conservation purposes.

The Church Community Housing Corporation (CCHC) utilized a similar approach in developing Sandywoods Farms in Tiverton, Rhode Island. In 2004, the owner of a 174-acre low-intensity farm approached the Town of Tiverton with the vision of developing the site into a rural arts community. The town brought the project to CCHC, who agreed to develop the site to achieve the town's comprehensive planning goals of preserving open space, maintaining rural character, creating affordable housing, and supporting the local arts community.

"We didn't want to only do housing if housing is not [the] best use for the community in this location. So we took a broader view and said this is an opportunity. This is a huge parcel of land; what can we do with it?"

— **Brigid Ryan**, Senior Project Manager, CCHC

Sandywoods Farms utilizes a clustered development approach, with 24 market-rate homeownership lots, along with 50 units of affordable homeownership and rental housing on 26 acres. Another 97 acres were transferred to a conservation land trust for ecological conservation. The remaining acreage went towards preserving farmland and creating a community garden, orchard, art galleries, and a commercial kitchen.

While a CLT can use fee simple ownership to secure access to land, the continued use of that land for agricultural purposes is not guaranteed. Presuming external restrictions on the use of the land are not imposed, a CLT can change the programming of fee simple land from agriculture to other uses, such as housing. In such situations, the CLT's process for community-based decision-making is critical. Even where land is restricted to agricultural uses, such as through deed restrictions, secure tenure for the growers is not assured. The individual grower's right to farm year after year is not ensured through the CLT's fee simple ownership of the land, but depends on the informal and contractual relations between the CLT and the grower.

Nevertheless, fee simple ownership can be an effective tenure arrangement for CLTs to secure land, although in some cases the acquisition costs of land, and the ongoing holding costs (depending on local property taxation) may be prohibitive. For these reasons, alternative tenure arrangements have also been used by CLTs seeking to secure land.

Ground leases are a second tenure arrangement used by CLTs to secure land. A CLT can be the lessor or lessee under an agricultural ground lease. At times, the CLT can be the landowner, leasing land to an external entity to manage agricultural programming, as illustrated by the Madison Area CLT's Troy Gardens project. Upon purchasing the land, the Madison Area CLT

entered into a short-term ground lease with a newly formed nonprofit, the Friends of Troy Gardens, for 26 acres of conservation and agricultural land.

However, both organizations were unable to agree on a long-term ground lease. The Madison Area CLT desired a longer lease because stipulations attached to the development funds made the CLT accountable for long-term agricultural land management, even though the organization lacked the capacity and expertise to handle agricultural programming itself. Similarly, CGW wanted assurance of secure land for food production and educational programming. The dual issues of length of lease and the definition of performance standards proved to be obstacles. The Madison Area CLT was reluctant to commit to a long-term ground lease with a newly established entity that lacked a demonstrable track record. Further, the Madison Area CLT was unable to implement its typical 98-year ground lease framework due to state regulations that prohibited agricultural leases in excess of 15 years. A possible solution is currently under consideration in the form of a self-renewing five-year ground lease. This experience illustrates the need to on occasion think out of the box when attempting to craft a viable land acquisition and use scenario.



Alternatively, a CLT can lease land from an external title-holding entity. For example, the Southside Community Land Trust serves as both lessor and lessee on a 20-acre rural farm in Cranston, Rhode Island. The State of Rhode Island entered into 10-year ground lease with the Southside CLT at the rate of one dollar per year. In turn, the Southside CLT manages the farm as the landlord, subleasing to seven new farmers at nominal rates, with each sublease lasting up to 5 years. The affordability and security of the lease creates opportunities for young farmers to incubate new businesses and participate in the local food system. The small amount of rent revenue helps defray property management costs.

A ground lease can provide agricultural land security comparable to fee simple ownership, though it is dependent on the length and terms of the lease. For example, a 99-year lease with

unclear performance standards can put the tenant at risk of arbitrary termination. Similarly, a lack of clarity can put the lessor at risk of being unable to retake the property if the land is taken out of agricultural use. Longer-term agricultural leases are considerably more complex than short-term leases. These should include rigorous terms for standards of performance, conditions for renewal, lessor succession and assignment, and the setting of a lease fee that balances the interests of the lessor and tenant. Therefore, long-term ground leases can be challenging to draft and implement, particularly in the absence of a model CLT agricultural lease.

Deed restrictions (also known as “deed covenants” or “restrictive covenants”) are a common tool for placing limitations on the uses of land, and are sometimes required by grant funders. Funders are motivated to monitor these restrictions in order to protect their investments, and funding recipients are motivated to comply with restrictions in order to avoid repaying grants or loans. Recipients also want to maintain good standing for future funding opportunities. For instance, the Madison Area CLT was required to grant a deed restriction to the city as a condition for funding the 26-acre conservancy parcel at Troy Gardens, restricting uses of the land solely for conservation and agriculture. Failure to abide by the terms of the deed restriction would trigger immediate repayment of all subsidy funds provided by the City of Madison.

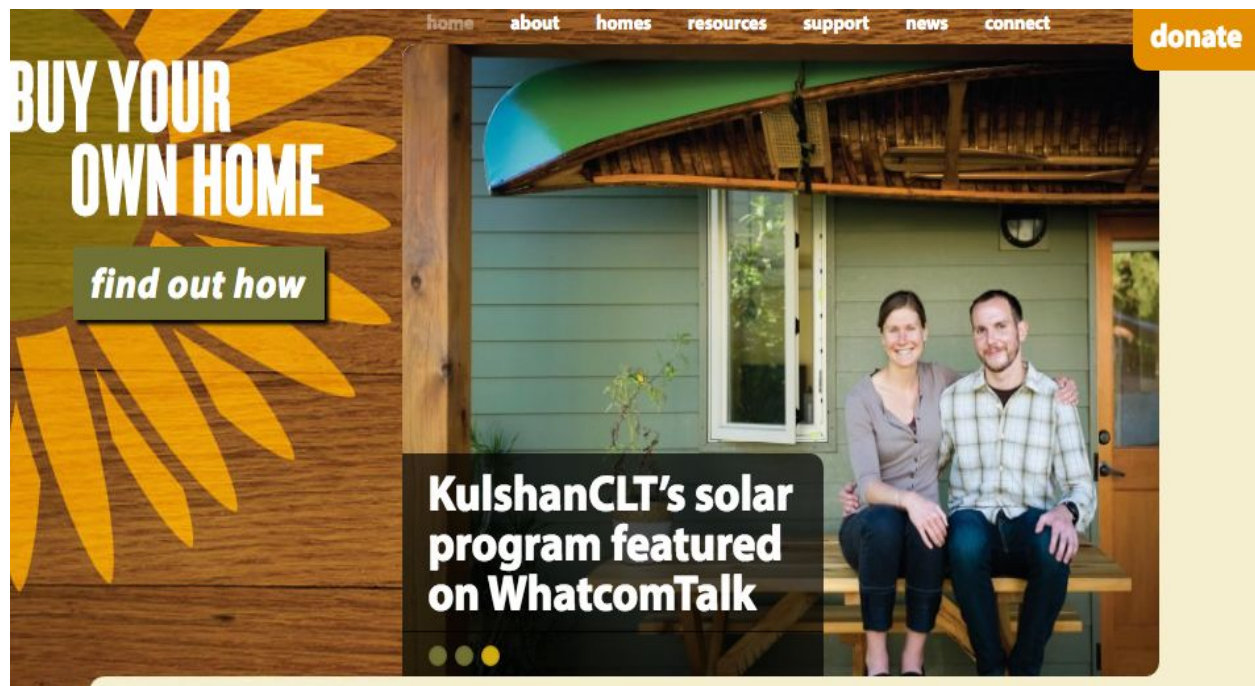
While a deed restriction can be effective in ensuring that land is restricted to certain (in this case, agricultural) uses, it doesn’t necessarily offer security of tenure for the grower or farmer. Further, the efficacy of deed restrictions is contingent on their enforcement by the stewarding agent. Risks of noncompliance with restrictions are highest at the point of transfer of title, either due to inattentiveness by the title company or disregard by the buyer and seller.

Conservation easements are voluntary restrictions that permanently limit types of allowable uses on land. They are held by entities external to the titleholder. These agreements are frequently used as a tax-planning tool. A landowner grants an easement to a public or private nonprofit entity and commits to conserving land in exchange for a tax deduction commensurate with the diminution of property value. These arrangements can offer a similar level of land security as deed restrictions, and in some cases, can approach the security of fee simple ownership. Easement arrangements can reduce the management burden on the titleholder, as the recipient of the easement often provides land stewardship services as part of the exchange.

The Madison Area CLT granted an easement to a conservation land trust, the Urban Open Space Foundation for the conservancy parcel at Troy Gardens. This easement has provided an additional layer of protection for the conservancy spaces at Troy Gardens and an ongoing role for the foundation.

In summary, CLTs can utilize a number of tenure arrangements to secure agricultural land. More broadly, fulfilling the CLT’s role of securing land requires considerations beyond tenure arrangements, such as trust-based relationships with agricultural communities. In one case, the Kulshan Community Land Trust in Bellingham, Washington tried to move beyond its traditional focus on green-rated urban housing development by launching the Access to Land for Farming

(ALF) program. Under ALF, the CLT sought to secure affordable rural agricultural land in Whatcom County by retaining title to the land, and offering ground leases to local farmers. However, the organization found that it didn't possess the requisite expertise in agricultural real estate transactions, or sufficiently strong relationships with the rural farming community. After a two-year pilot phase, the Kulshan CLT reframed its program from rural to urban agriculture, to better leverage existing skills and relationships within their target urban neighborhoods. The role of securing land can be challenging, and is not always the best fit for a given organization or community. CLT's may also play an important programmatic role, providing program management, technical assistance, and other agricultural services.



CASE STUDY: Lopez Community Land Trust

The Lopez Community Land Trust, located on rural Lopez Island in Washington State, plays an innovative programmatic role in supporting local agriculture. In 1996, the Lopez CLT launched the Sustainable Agriculture and Rural Development (SARD) initiative, and helped create the Island Grown Farmer's Cooperative. Because it was prohibitively expensive to ship livestock to the nearest USDA processing facility located on the mainland, local farmers had identified the need for a mobile meat-processing unit as a pressing priority. Over the span of several years, the Lopez CLT conducted feasibility studies and developed partnerships with the USDA, eventually designing and purchasing the first mobile meat-processing unit in the United States.

Financed by a \$150,000 low-interest loan from the Institute for Community Economics, the mobile processing unit was subsequently leased to the Island Grown Farmers Cooperative for one dollar per year, with the long-term plan of eventually transferring ownership. In 2016, the Farmers Cooperative assumed full ownership of the unit.

"It's really changed the face of our local food scene to have the mobile processing unit and it is a key element that helps us to thrive locally. The only reason you can buy meat from your neighbor or buy Lopez Island meat at the grocery store is because of the mobile processing unit."

— **Sandy Bishop**, Executive Director Lopez Community Land Trust

The Lopez CLT also manages another agricultural program through the operation of an open-pollinated seed library. The CLT houses the library in an existing CLT-owned structure, and hires a part-time seed librarian to run the program. The project benefits from its small scale and narrow focus. The seed library takes minimal staff time, and doesn't take much capital, although proceeds of the sale of the mobile meat-processing unit to the Farmers Co-op will be used to support the seed library's operations.



Additionally, LCLT operates a SARD internship program. This internship offers an opportunity to combine on-farm learning with participation in the ongoing work of the LCLT's Sustainable Agriculture and Rural Development program. LCLT staff works with each intern to develop a flexible workplan/learning contract that will take into account each intern's interests or needs, while meeting LCLT's program and field/farm work demands. Local farming and horticultural opportunities range widely. Examples include: salad greens operation, a winery, market gardens and CSA, and livestock production.

Through the efforts of LCLT staff, community volunteers, and local farmers, the SARD program is increasing the economic feasibility of small-scale, ecologically sound agriculture and creating new avenues for sustainable land-based livelihoods, while supporting a goal of community food security in San Juan County.

Some CLTs have themselves become directly and actively involved in farming land. For example, the Southside CLT in Rhode Island operates a three-quarter-acre commercial farm, growing greens and selling produce directly to local restaurants. The CLT also provides agricultural training to local university students.

CASE STUDY: Vermont Housing & Conservation Board



No other jurisdiction in North America has identified and addressed the integral relationship between the health of rural communities, appropriate housing, and agriculture as comprehensively as the state of Vermont.

The pace and pattern of development in Vermont in the mid-1980s was threatening historic settlement patterns and the rural character of the state. Housing prices were rapidly rising beyond the reach of Vermonters, development pressure on the state's valuable agricultural and natural lands was escalating at a record pace, and historic properties and downtowns were being abandoned for suburban, sprawl development.

In 1986, a coalition of affordable housing, conservation, and historic preservation advocates concerned with this rapid change in the character of the Vermont landscape approached the state legislature with a plan to form a unique agency to review and fund projects addressing a range of community needs. The Legislature responded, passing the Vermont Housing and Conservation Trust Fund Act, enacted in June 1987, and capitalized with \$3 million.

The statute dictated the makeup of the nine-member Board: five citizen members appointed by the Governor, to include an advocate for low income Vermonters and a farmer, the Commissioners of the state agencies of Agriculture, Housing and Community Development, and Natural Resources, and the Executive Director of the Vermont Housing Finance Agency. In July 1987, the Board held its first meeting.

In September 1987, then-Governor Madeleine Kunin established a Commission on Vermont's Future, charged with the mission of assessing the concerns of Vermont citizens on the issue of growth, establishing guidelines for growth, and suggesting mechanisms to help plan for Vermont's future. Through a process of public hearings at which thousands of Vermonters spoke about their concerns, the Commission gathered public input to create their report, issued in January 1988, *Guidelines for Growth*. In 1988, Vermont had a budget surplus, and upon the recommendation of the Governor's Commission on Vermont's Future, the legislature appropriated \$20 million to the Vermont Housing and Conservation Trust Fund.



The Vermont Housing and Conservation Board was up and running, and momentum was building. With the new source of state funding, housing and conservation nonprofits were able to conceive and carry out projects within communities around the state that had not previously been possible. VHCB funds closed a critical gap in the financing of affordable housing projects and brought new conservation funds to the table, initiating a new era in the conservation of Vermont's agricultural lands and natural areas.

Approaching its 25th year, VHCB remains a pioneer in its comprehensive approach to affordable housing and community development linked with land conservation and historic preservation. The results have been impressive. With a cadre of nonprofit organizations working at the local level to identify and develop important projects in each community, the effects of 25 years of investment are discernible in every part of the state. VHCB has supported reinvestment in older housing in small town and village centers, revitalizing downtown neighborhoods where residents can walk to services, and rebuilding a sense of community while spurring other private investment. The conservation of Vermont's open and wild lands preserves the landscape that is such an integral part of the state's identity, supports the agricultural economy, protects wildlife habitat, and provides public access to the state's waterways and woodlands.



VHCB's Impact

Since its inception, the Board has awarded nearly \$260 million to nonprofit housing and conservation organizations, towns, municipalities, and state agencies to develop nearly 1,500 projects in 220 towns.

This investment has directly leveraged approximately \$860 million from other private and public sources, resulting in the creation of more than 10,500 affordable homes, the conservation of 390,740 acres of agricultural and recreational lands and natural areas, and the restoration of 56 historic community buildings for public use. Many VHCB housing awards have supported housing in buildings eligible, nominated or listed on the State or National Register of Historic Places. Historic barns and farmhouses and archeological sites are located on many farms conserved with VHCB funding.

VHCB's MISSION

The dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, forestland, historic properties, important natural areas, and recreational lands are of primary importance to the economic vitality and quality of life of the State

In the best interests of all of its citizens and in order to improve the quality of life for Vermonters and to maintain for the benefit of future generations the essential characteristics of the Vermont countryside, and to support farm, forest, and related enterprises, Vermont should encourage and assist in creating affordable housing and in preserving the State's agricultural land, forestland, historic properties, important natural areas and recreational lands, and in keeping conserved agricultural land in production and affordable for future generations of farmers.

The VHCB's Vermont Farm & Forest Viability Program provides business planning, technical assistance and transfer planning to Vermont farms. Since the program started in 2003, over 400 farms have taken advantage of our services to make their businesses more economically viable. We take care to tailor our program to each farm business by matching them with a consultant, or team of consultants, whose skills are a good fit for the farm's needs. Once matched up, farmers

and planning consultants meet and work together on the farm for approximately one year to assess the farm's strengths and weaknesses. Together, they can also explore possible management and enterprise changes that could increase net profitability. This process produces a written business plan for the farm, and in the second year of participation, farmers are provided with additional technical assistance and help updating their plans.

Occasionally, we announce that additional funds are available to be awarded as implementation grants. At these times, farms that have successfully completed our 2-year business planning program are then eligible to apply for our competitive farm implementation grants.

Program services include:

- Business Planning
- Enterprise Analysis
- Financial Record-keeping and Management
- Marketing and Sales
- Human Resources Management
- Management Coaching
- Retirement and Ownership Transition Planning

The program is open to all farms of any size and type, but to be eligible for the program, farmers must:

- be a year-round Vermont resident, currently farming in Vermont
- be actively involved in the day-to-day management of the farm
- have at least two years experience managing the current farm
- have grossed at least \$15,000 on the farm in the most recent tax year .

Working collaboratively with other stakeholders, in particular the Intervale Center, VHCB's Vermont Farm & Forest Viability Program has helped hundreds of small agricultural operations thrive across the state.

"The VHCB Implementation Grant has allowed me to purchase a tractor and further implement my original business plan. The 2nd part of the grant will help me get my feasibility study & business plan done for the value-added processing I want to move the farm into. Wuite frankly, I wouldn't be able to do any of this without the assistance of VHCB. I have a tiny farm, resources & capacity are limited. The help from VHCB allowed me to get to the next level."

— Joe Bulely, Screamin' Ridge Farm



The scope of CLT agricultural production can also include innovative design features, such as edible landscapes, food forests, and other permacultural concepts that are intentionally and systematically incorporated into a development plan. For example, the site of New Mexico's Sawmill CLT once housed a large apple orchard. The community wanted to celebrate this agricultural history, so the development team incorporated a small orchard as a landscape feature outside a senior housing complex.

"It's really cool. You see the seniors out there picking apples and eating. But it's also part of the landscape maintenance, so they don't really have to maintain it."

— **Connie Chavez**, Executive Director, Sawmill Community Land Trust

In summary, CLTs have played a diversity of roles in supporting agriculture. The effectiveness of each role is dependent on a number of factors, including community needs, financial resources, property taxation, local land markets, organizational capacity, and the presence of other organizations filling complementary roles. CLTs are often best suited for the role of securing agricultural land, and have utilized a number of tenure arrangements to accomplish land security. In addition, some CLTs have provided programmatic support for urban agriculture through a variety of innovative activities. Finally, CLTs are taking a more direct role in food production, which often requires significant in-house agricultural expertise. However, CLTs also provide opportunities for CLT residents and neighbours to directly engage in agricultural production. Some CLTs have done so by integrating agricultural production into a project's overall development plan. And when it comes to taking a comprehensive, strategic approach to supporting rural housing & agricultural needs on a jurisdiction-wide basis, the Vermont Housing & Conservation Board stands out.



CLTS & RURAL NEWCOMERS

“I yearn for a life with fewer distractions and more opportunities to dig deep into the things most important to me, and I also yearn for a life with a lower cost of living and a lower need to earn a mountain of money. A rural environment provides all of these things.... We may just be living in the country before too long.”

— **Trent Hamm**

FOR MANY RURAL towns and regions, one of their biggest challenges is attracting newcomers willing to settle down and make a go of it.

The obstacles are many, and all too familiar across rural BC.

In some cases, there simply isn't enough housing stock available. In others, existing housing isn't “right,” it's either too expensive, inappropriate, or inadequate. As mentioned elsewhere in this report, there is little evidence in rural areas that the private sector — developers, builders — are prepared to step up and address these challenges. Yet in the absence of someone doing so, there seems little hope for many communities desperate to attract new residents, preferably young adults with the skills, children, and enthusiasm required to rejuvenate stagnating economies, social, and cultural scenes.

Enter the community land trust.

With the median price of housing in Greater Vancouver exceeding \$800,000, increasing members of precisely the demographic many rural BC communities would love to entice — young working families — are starting to look elsewhere for a place to live and work. In that context, communities able to offer potential new residents appropriate, adequate housing at reasonable prices, particularly when coupled with a range of natural and human amenities that include good schools, decent access to healthcare, a critical mass of services, high-speed internet, cultural activities, proximity to nature, low crime rates, a relatively clean environment, and in some cases, jobs (keeping in mind some entrepreneurial newcomers will bring their work with them — for many of them, access to broadband is essential).



A robust CLT is perfectly positioned to address the housing piece of this in-migration attraction puzzle.

As we have described above, in many cases CLTs provide more than appropriate housing. They encourage local, high-quality food production, encourage sustainable environmental practices, help integrate communities across demographic lines, serve to bolster school enrollment, and create direct and indirect employment opportunities.

Perhaps most importantly, they can provide a community with a sense of forward motion, create an attractive “buzz” of positive community engagement many potential in-migrants, particularly those “escaping the city,” find compelling.

“We want our community to grow into a global movement. Proving that corporate drudgery is as outdated as the fax machine, and that more meaningful careers are available to anyone, anywhere.”
— **Rob Symington**, co-founder, *Escape the City*

In the end, the provision of place-appropriate, well-priced housing as an integral part of a thoughtful community renewal strategy can play a pivotal role in attracting newcomers. In many cases, a CLT may prove an effective vehicle in ensuring this happens — and that housing is created in ways that provide multiple and ongoing benefits to the community.

CLT CASE STUDIES

“When I learned about the possibility of buying an OPAL house, it was like someone opened a window on the rest of my life. The insecurities were gone. My three daughters and I would have a roof over our heads and a home that I could afford. My children could grow up on the island where they belong.”

— Former Orcas Island CLT homeowner

The San Juan Islands — an Overview

Washington’s San Juan Islands are located between Anacortes, Washington and Vancouver Island in the Salish Sea (Gulf of Georgia). Collectively, the islands comprise San Juan County, consisting of four main islands — Orcas, San Juan, Lopez, and Shaw — as well as numerous smaller islets. San Juan County had an estimated population of 16,252 in 2015. Within the county there is only one incorporated community — Friday Harbor, population 2,215, on San Juan Island.

The San Juans are extremely popular with recreational second home owners, retirees, and tourists. The San Juans are regularly included on lists of America’s most desirable places to live. Tourism-related businesses and retirement communities form the basis of San Juan County’s economy.

Some key San Juan County statistics include:

- The average hourly wage is \$19.95, 10% lower than the state average
- Nearly 30% of the country’s population is over 65; the state percentage is 14.1%
- Annual visitor estimates range from 750,000 to 1,250,000
- The San Juans have been listed among America’s top five destinations by both the *New York Times* and *Travel & Leisure Magazine*

- The median value of owner-occupied homes is \$467,000, compared to the U.S. average of \$175,700
- Per capita county income in 2015 was \$58,718, well above both the state (\$47,717) and national (\$44,765) averages
- Between 2009 and 2013, 10.8% of the country's resident population fell below the official poverty line. The statewide average for the same period was 13.4%, while the national average was 15.4%

While the islands are quite close, geographically, the permanent residents of Orcas, San Juan, and Lopez display a loyalty to and pride in their respective islands. Thanks to small but strong cores of community leaders, all three of these islands have developed impressive community land trusts, that operate completely independently of one another.



OPAL (Of People And Land) Community Trust, Orcas Island, WA

“... as the ‘hidden Paradise’ reputation of Orcas grew with vacationers and second-home owners, soaring land and home prices increasingly made living on the island challenging for the low- and modest-income full time residents who originally called Orcas home and kept it running — teachers, health techs, waiters, builders, artists, and small business owners. In short, Orcas developed an affordable housing shortage. Orcas Island and other rural places have tackled this issue by developing a community land trust to make sure low-income families can rent or purchase affordable homes in their community.”

— Rural Family Success Action Network

According to the Orcas Island Chamber of Commerce, the OPAL CLT, a registered non-profit and charitable society, was established to help sustain the island as a healthy, economically diverse community by providing permanently affordable homes and related education and support for islanders — families, seniors, and singles — whose housing needs were not being met by the traditional market.

OPAL Community Land Trust.s mission is, “to help sustain Orcas Island as a healthy, economically diverse community by providing permanently affordable homes and support for islanders – families, seniors, and singles – whose housing needs are not met by the traditional market.”

OPAL CLT’s strategic objectives include:

- Acquisition of land and buildings
- Development of land in an environmentally & socially responsible manner
- Construction or renovation of buildings, ensuring they are healthy, durable and environmentally efficient
- Educating and counseling home buyers and rental tenants
- Stewardship, for current and future generations

OPAL leverages private donations, state and federal grants, low-interest mortgage loans, and countless staff and volunteer hours to create stable, permanently affordable housing for qualifying Orcas Island residents whose needs are not met by the traditional real estate market. In most cases, OPAL designs and builds the houses they sell. In some cases, existing houses — either purchased or donated — are renovated, and relocated when necessary. Design, construction, and renovation follow OPAL's green building guidelines, so structures are healthy, durable, and energy efficient.

OPAL COMMUNITY LAND TRUST

- > Established in 1989
- > First home built in 1992
- > OPAL had built or renovated 95 single family homes & 20 rental apartments in eight neighbourhoods by 2015
- > OPAL neighbourhoods & apartments are home to nearly 15% of all school-aged children on Orcas Island
- > Median price of a home on Orcas Island is \$380,000 — the price of a typical OPAL house is \$159,000
- > OPAL projects have attracted over \$8.1 million in state & federal funds
- > Approximately 17% of a typical OPAL project is paid for through private donations. Homeowner mortgages cover 63%, and government grants the remainder

OPAL's 10-12-member board of trustees directs and approves the strategic and operational plans of the CLT. Former board members may lead committees. Decisions are made by consensus of the member. Five staff work 71% of full time, representing four full-time equivalents — only the executive director works full time. Additional positions include Stewardship & Project Manager, Housing Manager, Office Manager, and Publications & Outreach Manager.

Once OPAL raises the funds necessary to purchase land and install the required infrastructure — sewer, water, access roads, parking, etc. — the CLT then secures financing to allow it to construct homes on the property.

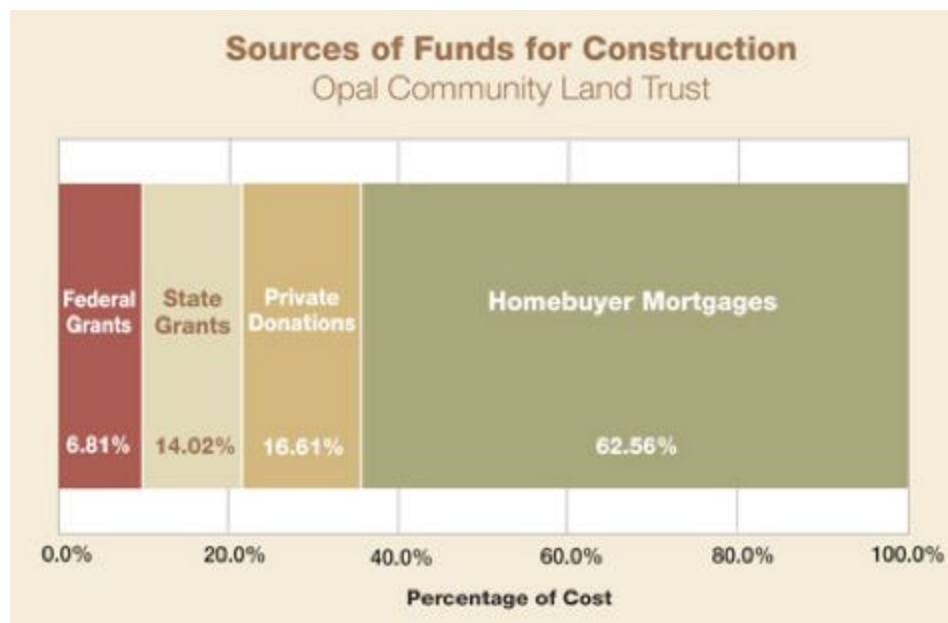
When homes are ready, OPAL, usually through a waiting list, identifies potential buyers, and if needed helps them secure a mortgage. The value, or sale price, of each home is determined by OPAL, and includes an appraisal to determine its market value. The final price of the home to the buyer is set by what a typical household earning 65% of the median household income could afford. Buyers cannot have income and/or assets that

would enable them to purchase a low-priced house in the traditional market. Applicants must be creditworthy and have lived in San Juan County for at least three years (not necessarily the last three consecutive years), unless there is no waiting list.

Households that qualify for OPAL homes must have incomes below the Area Median Income (AMI) for San Juan County. Currently, 80% of AMI is:

Household Size	1	2	3	4	5
Income	\$37,450	\$42,800	\$48,150	\$53,450	\$57,750

Most OPAL homeowners can access a federal mortgage program created to assist lower income households. Amortization periods for such mortgages are typically 33 years, but can go as high as 38 years if it helps with qualification. Mortgages can be as high as 100% of the purchase price. Some OPAL homeowners are able to secure their mortgages through a traditional bank — most of these bank mortgages are based on 30 year amortization. As noted in the charts below, mortgages typically cover constructions costs. Grants and donations cover land, design, and management plus site preparation and utility expenditures.





Although the homeowner “owns” the house, and the house can increase in value over time, OPAL, as with all community land trusts, keeps its houses affordable over the long term by: (1) Retaining ownership of the land the house is built on, leasing the land to the homeowner; (2) Codifying in the lease a resale formula that limits the future sale price of the home to an amount that will be affordable for future buyers. The lease is for 99 years, and provides homeowners with most of the rights and responsibilities of traditional ownership. In OPAL’s case, homeowners are charged a monthly management fee and an amount for taxes and insurance, making the typical lease fee \$38/month. OPAL also manages the Homeowners Association funds and reserves for each of its neighbourhoods, so the average monthly amount paid by a homeowner is \$112, in addition to their mortgage payment.

OPAL use the index method to determine the resale price of homes when owners (lessees) wish to sell. Owners may sell their home for more than they paid, but their gain is restricted to a ratio of prevailing real estate market prices.

An index-based formula relies on a common index, such as the consumer price index, to determine a home’s resale value. If the index goes up by 20% during the period of ownership, then the value of the home goes up by 20% as well. Most index formulas include some mechanism for adding value to the home for additions and some improvements. OPAL has adopted an index formula that also adds value for a well maintained home and subtracts value for a home that is not well maintained.

Here’s an example.

An average home in OPAL’s Bonnie Brae neighborhood, completed in 1999, cost \$130,000 to develop, including the cost of land and infrastructure. OPAL secured \$25,000 per unit in grant funding from the Community Development Block Grant Program and the State of Washington

Housing Trust Fund. Those grants enabled OPAL to set the average sales price for a home at \$105,000 (\$130,000 - \$25,000). From 1999 to 2012 the consumer price index for the Seattle-Bremerton area increased by 38.1%. If the original owner decided to sell in 2012, 13 years after she purchased it, and if she did not build an addition onto her home, the sale price would be \$142,800.

To recap:

Original Purchase Price	
Cost to Construct	\$130,000
Minus grant funding for land & infrastructure	\$- 25,000
Equals the Original Purchase Price	\$105,000
Change In Value for Resale	
% increase in consumer price index during period	38.1%
Appreciation over 13 years (Purchase Price x .381)	\$40,021
Sales Price (Original Purchase Price + Appreciation)	\$145,021

In comparison to the above, the assessed value of real property on Orcas Island during the same time period, 1999 to 2012, increased by 93.3%. This same house, with a value in 1999 of \$130,000, would have sold in 2012 for about \$251,290 instead of the OPAL price of \$145,021.

When an OPAL homeowner wishes to sell, OPAL staff will facilitate by helping the seller understand the process, by finding a buyer, and assisting the buyer in securing financing. OPAL staff are assigned to support the seller and buyer, respectively.



Some Details on OPAL CLT Neighbourhoods **General Information**

Neighborhood	Date Completed	Homes	Total Acres	Common Land	Avg. Lot Size	Smallest House	Largest House
Opal Commons	1994	18	6.7	3.9 acres (incl. community garden)	6,764 sq ft	816 sq ft	1,312 sq ft
Bonnie Brae	1999	24	12	9.75 acres	4,075 sq ft	945 sq ft	1,328 sq ft
Oberon Wood	2002	5	1.75	1.22 acres (incl. community garden)	4,705 sq ft	912 sq ft	1,578 sq ft
Lahari Ridge	2005	6	6	3 acres (incl. community garden)	7,661 sq ft	860 sq ft	1,078 sq ft
Wild Rose Meadow	2010	32	6.67	4 acres (incl. community garden)	2,604 sq ft	740 sq ft	1,720 sq ft
Oberon Meadow	2013	4	0.95	0.3 acres	4,298 sq ft	828 sq ft	1,064 sq ft

Construction Costs

Neighborhood	WA State Grant	Federal Grant(s)	Donations/ Foundations	Homebuyer Mortgages	Total
Opal Commons	\$300,000 (19.4%)	\$80,000 (5.2%)	\$10,000 (0.6%)	\$1,159,100 (74.8%)	\$1,549,100
Bonnie Brae	\$250,000 (8.3%)	\$350,000 (11.6%)	\$135,000 (4.5%)	\$2,293,250 (75.7%)	\$3,028,250
Oberon Wood	\$197,770 (25.6%)	\$0	\$56,917 (7.4%)	\$517,453 (67.0%)	\$772,140
Lahari Ridge	\$248,380 (20.5%)	\$0	\$129,286 (10.7%)	\$831,181 (68.8%)	\$1,208,847
Wild Rose Meadow	\$1,390,000 ((13.6%)	\$770,000 (7.5%)	\$2,482,334 (24.3%)	\$5,567,602 (54.5%)	\$10,209,936
Oberon Meadow	\$85,000 (9.9%)	\$0	\$114,792 (13.4%)	\$660,000 (76.8%)	\$859,792

Further Notes

In 2001, OPAL initiated a “Scattered Sites” program, and has subsequently added single-family residences in a range of locations. Most houses were acquired and renovated by OPAL through a combination of state grants and private donations, including a number of houses that were donated outright.

In 2004, OPAL built its first rental apartments, part of a mixed-use development of four buildings that includes adjoining office space. Two of the buildings reflect historic structures that once stood on the property. The site design preserves an old pear orchard and includes a community garden. The seven apartments range in size from 400 to 700 square feet. The OPAL office is located here, together with several other small businesses.

In January, 2007, OPAL purchased six acres in the hamlet of Orcas Village, to be developed as a cluster of permanently affordable homes. Applicable zoning allows one home per half acre for housing that is and remains affordable for at least 50 years. Changing economic conditions as well as changes to the country’s Critical Areas Ordinance (CAO) delayed the design and development of homes on this site. The CAP is now finalized, allowing OPAL to resume the process of determining how best to use this land.



Lopez Community Land Trust, Lopez Island, WA

“Local development should prioritize local companies and socially responsible business when possible.”

— **Caterina Rost**, Lopez CLT Teach-In



Lopez Community Land Trust is an excellent example of how a handful of determined people with a clear understanding of their community's needs can make a real difference.

The Lopez CLT is a registered non-profit and charitable corporation formed in 1990. It has two staff positions — an executive director and an administrative assistant — and is governed by an eight-member board of trustees. The Lopez CLT serves the year-round rural population of 2,500 that dwells on the farms, hamlets, and one modest commercial centre (the village of Fisherman Bay) of the 15-mile long islet. Both Orcas and San Juan Island are more populous than Lopez. Nevertheless, housing affordability is just as pressing a concern on Lopez as it is on its larger sister islands.

The Trust was created to build a diverse, sustainable Lopez Island community through affordable housing, sustainable agriculture, and other rural development programs. The purposes of LCLT are:

- To acquire and hold land in trust in order to provide for permanently affordable housing. Homes are to be built and lands used in an environmentally sensitive and socially responsible manner.
- To provide permanently affordable access to land for such purposes as quality housing, sustainable agriculture and forestry, cottage industries, and co-operatives by forever removing the land from the speculative market.
- To develop and exercise responsible and ecological practices, which preserve, protect and enhance the land's natural attributes.
- To serve as a model in land stewardship and community development by providing information, resources, and expertise.



LOPEZ COMMUNITY LAND TRUST

- Established in 1990.
- Morgantown, a 7-home development launched in 1992 was the first of LCLT's five affordable housing projects.
- LCLT has a sustainable agriculture & rural development (SARD) program.
- LCLT's housing projects are structured as cooperatives.
- LCLT has published a handbook on its strategies and technology, titled *Land, Water, Energy Resource Use*.

The Lopez CLT has now developed five different neighborhoods, all based on sustainable principles and built by volunteers, interns, and the homeowners themselves. All the homes in these neighbourhoods are equipped with rain catchment devices and solar powering.

In addition to creating (some) net-zero affordable homes, LCLT also has a program in sustainable agriculture and rural development (SARD). SARD includes a variety of programs geared toward sustainable agriculture and rural development. These programs include a mobile meat processing unit, a farm products guide for residents to locate goods on the island, a grain project for producing grain on the island rather than importing it, a food charrette, and a garden and farm program in the school district which educates children on the importance of sustainability.

LOPEZ CLT's SARD INITIATIVE

In 1996, the Lopez CLT launched the Sustainable Agriculture and Rural Development (SARD) initiative, and helped create the Island Grown Farmers Cooperative. Because it was prohibitively expensive to ship livestock to the nearest USDA processing facility located on the mainland, local farmers had identified a mobile meat-processing unit as a pressing need. Over the span of several years, the Lopez CLT conducted feasibility studies and developed partnerships with the USDA, eventually designing and purchasing the first mobile meat-processing unit in the United States.

Financed by a \$150,000 low-interest loan from the Institute for Community Economics, the mobile processing unit was subsequently leased to the Island Grown Farmers Cooperative for one dollar per year, with the long-term plan of eventually transferring ownership to the Co-op, which occurred this year.

The Lopez CLT also manages another agricultural program through the operation of an open-pollinated seed library. The CLT houses the library in an existing CLT-owned structure, and hires a part-time seed librarian to run the program. The project benefits from its small scale and narrow focus. The seed library takes minimal staff time, and doesn't take much capital.

"Lopez CLT's stated mission is not only to provide affordable housing but also to serve as a model for land stewardship. Its work extends deeply into sustainable agriculture and the rural development of the island. LCLT is very unusual among CLTs across the country."

— **Melora Hiller**, Executive Director, National Community Land Trust Network."

Since its first seven-home development in 1992, LCLT has completed the following projects:

Development	Year	# of Homes	Notes
Coho	1995	7	
Innisfree	2003	8	Includes rain catchment & passive solar
Common Ground	2009	11 + 2 rental units	4 homes are net-zero energy users
Tierra Verde		4	All net-zero energy users



Lopez CLT housing projects are structured as cooperatives, featuring 99-year leases of the land occupied by each development. The land is not subdivided; the cooperatives lease a portion of the land (LCLT land) for the housing. Each homeowner purchases shares in the cooperative, and pays for them with a combination of sweat equity and a cash down payment. The cooperative association manages the housing, including relations with residents and collection of monthly fees.

In addition to developing affordable housing, LCLT has put in place other services, including:

- LCLT raised the initial \$300,000 in financing (funded by a combination of USDA and private grants) for the research and development of the country's first USDA-certified mobile processing unit (MPU). Now in its tenth year of operation, the MPU serves five counties and processes beef, pork, and lamb for 35 farmers of the Island Grown Farmers Cooperative.
- LCLT publishes a *Farm Products Guide* to encourage support for island farmers.
- The trust operates a seed library to which home gardeners are encouraged to contribute and borrow.
- LCLT is a collaborator in the Lopez Island School District's K-12 curriculum to educate children about the nutritional value of healthy organic foods, and to teach the skills they need to cultivate them.

LOPEZ CLT FINANCIAL NOTES

The 2014 year-end statement shows:

- LCLT's total equity stood at \$1,887,056.84, a decrease of \$157,000 from the year prior. The difference is primarily due to the net income deficit.
- LCLT was left with very little cash by late 2014, especially in light of expenses related to new construction.
- LCLT still has a very strong debt to equity ratio, with -\$292,426.25 in liabilities, and \$1,887,056.84 in equity.
- LCLT relies very little on debt to finance its assets.

The Lopez CLT ensures the homes on its land will remain affordable in perpetuity, through ground leases. Each homeowner purchases shares in the cooperative, and pays for them with a combination of sweat equity and a cash down payment. If the homeowners decide to subsequently sell their shares, the sale price is calculated based on the initial purchase price plus an amount representing between three and five percent simple interest rate per year. If an improvement is made to the home with the cooperative association's approval, that value can also be added to the sale price. However, the shares cannot be sold above a specified cap to ensure affordability for the next buyer.

The Lopez CLT Backstory



Local residents Sandy Bishop and Rhea Miller began to incubate the idea for the Lopez CLT in 1989 in response to a jaw-dropping 189% escalation in housing prices on the island in that year. The two had met on a peace walk across the country in 1984, and subsequently moved together to Lopez where Sandy was already making her home. They were both hard-working, a little on the scrappy side, and used to organizing events, keeping an eye on social justice issues, and jumping in with both feet when so moved. Initially they rented from a friend, and eventually bought a five-acre parcel on Lopez they share with another couple.

“We felt we were all going to be upscaled out of here,” Sandy, executive director of LCLT, recalls, “and we were looking for solutions.

After attending the National Community Land Trust Conference in Burlington, Vermont in 1990, Sandy and Rhea decided that the community land trust model was the ideal, flexible structure for what they wanted to accomplish on Lopez Island.

To say that they met resistance creating Morgantown — the Lopez CLT’s first affordable housing project — would be an understatement. “At the time the island was deeply divided and we were the most hated organization here,” says Sandy. “The pharmacist had a secret petition he kept under his pharmacy desk to sign against us. There were all kinds of rumors and innuendos. Some people were convinced we were going to drive down their property values. It brought out the worst in people.” In fact, in the face of this fierce opposition, the Washington State Housing Trust Fund declined the Lopez CLT’s initial application for funding.

But Sandy and Rhea remained undeterred. “We decided early on we were not going to listen to all the racket going on around us,” says Rhea, the Lopez CLT’s assistant director, who has also been San Juan County’s County Commissioner for ten years. “We had to stay focused on what the issues were. We were determined to tease out the best in people, and we brought all our organizing skills into play. Slowly, we saw there were some loud people who hated the project but also a lot of quiet people who wanted to see us make it work. So we finally matched them, petition for petition.”



Once construction began on Morgantown’s seven units in 1992 even some of the most ardent opposition dissolved. “They saw people building day in and day out and the houses were so darned cute and the grounds were really well taken care of,” says Sandy.



"We even made a front-page spread in the Home section of the *New York Times*. Then everyone was saying, 'Hey, that's on our island, look at that!'"

— Sandy Bishop

Almost 45 percent of LCLT homeowners are either business owners or self-employed. Michelle McDarmont moved to Lopez about 10 years ago with her partner, Audrey, and they secured their home in the Common Ground development about six years ago. Prior to that, "we had been doing the same thing most people do," she relates, "moving from place to place and struggling with housing." They would find housing in the winter, only to be forced to move out for vacation renters. "When we first came to the islands we were working at the local bakery," Michelle recalls. "We had a trailer on the owner's land for two and half years, but when we stopped working there, that ended. Finding permanent housing was a challenge."

In addition to her work with LCLT, Michelle is now the owner of a dog training business. "I had always been interested in dog training but knowing I was getting settled in and would have a place we wouldn't be moving around from allowed me to go to a school to get certified," she explains. Audrey, who works as a landscaper, now owns a sheep flock (tended by a shepherding dog trained by Michelle), and sells meat and fleece to augment her income. "We have our secure jobs, and then the sheep and dog training are our endeavors we love that we got working on after we moved into our own home," says Michelle.

While not all LCLT residents are business owners, they bring similar entrepreneurial zeal to a variety of jobs—at the ferry dock and grocery store, as schoolteachers and doing construction. And although about ten percent of residents are of retirement age or older, many continue to work, not always out of necessity, well into their 70s and 80s. Sandra Mattingly-Paulen, grants specialist with the Catholic Campaign for Human Development, an organization that has funded LCLT in the past, maintains that while LCLT may be a land trust in name, it is fair to say that in many ways it has the economic impact of a community development corporation.

The Lopez CLT has enhanced the quality of life for the greater island community in many ways that it often takes a discerning eye to see, as Sandy relates with this story of one Lopez Island newcomer: “This woman came to the island five years ago looking to buy property for investment. She told me, ‘you have this really amazing organic grocery store and a takeout restaurant I like. You have a world famous recycling center. I like the people I meet at the ferry and in the vineyard.’ So instead of buying property for an investment, this woman decided to make Lopez her permanent home. That story told me a lot. I don’t think many people recognize the connection between stable housing and a community that *anyone* would want to live in. But she recognized it.”



San Juan Community Home Trust, San Juan Island, WA

“There’s a genuine spirit of community here and a special feeling for life that pervades the population of 2,200. Lopez is home to many artists, craftspeople, musicians, farmers, fishermen, nature lovers, and eccentrics.”

— San Juan Island Chamber of Commerce

San Juan Community Housing Trust (SJCHT) serves the city of Friday Harbor, the county seat, and the rural area of San Juan Island, population of about 7,000 in 2015.

SJCHT, incorporated in 2001, is a registered non-profit and charitable corporation, managed by an executive director and a bookkeeper, governed by a 12-member board of trustees, that aims to make homeownership possible for working people on San Juan Island. In recent years, the gap between earned wages and housing prices increased so much it became almost impossible for wage-earning residents to purchase a home on the island. *Community preservation through forever affordable housing* is another way of expressing the Home Trust’s desire to keep San Juan Island a vibrant and diverse community, where people of all ages and income levels can thrive.



SJCHT's mission and purpose focusses on creating permanently affordable housing for low- and moderate-income island residents, promotes economic diversity and development, and

supports a sustainable island community while practicing responsible stewardship of the island's rural environment.

SAN JUAN COMMUNITY HOME TRUST'S STRATEGIC PLAN

In its updated (2015) strategic plan, SJCHT laid out the following objectives:

- Continue to expand the contribution and impact of SJCHT on the affordable housing needs of San Juan Island. Complete the 12 homes of the Sunrise Two neighbourhood, and prepare for development of homes in Neighbourhood Three.
- Develop and sustain the capacity to meet the operational and project workload of the SJCHT. Prepare transition for the Executive Directors' position and add staff resources.
- Grow and sustain funding resources, including expansion of donor and membership base by 10% per year.
- Develop a public relations/communications strategy that includes well-defined messages for the market, and a variety of delivery methods that will raise awareness of the CLT model in general, and the SJCHT in particular.
- Strengthen collaboration with government — engage and get commitment from local/regional government and other community leaders to assist SJCHT in meeting its mission.
- Strengthen board capacity and commitment.
- Create a more effective neighbourhood management structure that addresses both property management and homeowner engagement.

SJCHT was created in 2001 as a reaction to an affordable housing crisis on the island (where property values are among the highest in the state of Washington, and jobs are often seasonal and tourism-related). Since then, the Trust has built 29 homes in two neighbourhoods.

In 2009, SJCHT secured ownership of a 15-acre property, land that was previously zoned for agricultural use that was then rezoned for multi-family development — land that will eventually accommodate 106 homes. This acquisition was made possible when the SJCHT directors proposed to the land owner that the City be approached for rezoning of the land, based on the Trust securing 15 acres for permanently affordable housing. The owner agreed, the rezoning occurred with a minimum of 8 homes per acre required for family housing. The owner/donor got the uplift on the reining site (10 acres). The agreement with the City encouraged the SJCHT to build homes within a short time frame. Condominium subdivision was chosen to facilitate development.

JCHT is currently beginning a new phase of construction (Sun Rise II), which will create a "pocket neighborhood" of 12 homes, making use of "recycled" houses, small bungalows built in the early 1900s in Victoria, BC brought by barge to San Juan Island and delivered to the site, where they are refurbished as needed. Using re-purposed houses allowed the Trust to make use of homes featuring fine craftsmanship and character, saving these resources from demolition and the landfill.



To date all homes created by SJCHT have been ownership-leasehold or condominium (strata) tenancy, with the condominium association as the owner of the land (in the case of the Sunrise I development). The land title is encumbered with a permanent “affordability covenant,” fulfilling the SJCHT’s obligation to provide permanently affordable housing. The Trust requires and oversees resales to ensure proper calculation of equity gains, if any.

No rentals have been created, although the Trust is now considering rental properties and homes for agricultural workers.

Like OPAL, SJCHT raises funds from a number of sources, including significant commitments made by private donors to sponsor homes, some as much as \$75,000. The first housing project was long-term leasehold, enabling buyers to obtain a mortgage to help them with their purchase. The second project (currently in its second phase) is condominium ownership. Gains on resale are controlled by restrictive covenant on title.

SJCHT’s 2015 Annual Report provided the following summary of the Trust’s revenue and expenditures:

REVENUE

Contributions	67%
Program Fees	21%
Fund-Raising	3%
Home Sales & Related Interest Income	9%

EXPENDITURES

Program Services	69%
Management & General	30%
Fund-raising	1%

The SJCHT uses a resale formula that limits the gain on a home to the rate of gain in the Area Median Income since the time of purchase:

Original price + % (AMI increase) of original price = new sale price

To illustrate, suppose the AMI has increased 10% since the date a home was purchased. If the house initially sold for \$136,000.00, the seller would calculate 10% of that amount, or \$13,600. That amount is added to the original purchase price, \$136,000, leading to a sale price of \$149,600.00.

Since its inception, key individuals have provided leadership, building community support for the ideas that form SJCHT's foundation — two community members donated the Trust's start-up funds. Grants have come from the Washington State Housing Trust Fund, and mortgage financing has been provided by the US Department of Agriculture Farmers Home Loan program.

SJCHT CHALLENGES & ACHIEVEMENTS

- > 2001, SJCHT is established, led by three residents, with start-up funding provided by two local individuals.
- > 2003, first, 2.4 acre, site acquired for the Salal neighbourhood.
- > 2004, the last of the Salal homes are completed.
- > 2009, 2nd build of 14 homes, condominium subdivision, Sun Rise I.
- > 2015, Trust purchased & shipped homes from Oak Bay, BC to the Sun Rise II neighbourhood.
- > Since autumn 2015, SJCHT has raised eight gifts or three-year pledges of \$75,000 each from island residents.

SALAL NEIGHBOURHOOD

Built 2004

10 modular, five custom-built homes

Homes ranging from 1,100 — 1,300 square feet

Leasehold (99-year renewable) tenure

Home buyer mortgages cover approx. $\frac{2}{3}$ of construction costs



SUN RISE I PROJECT (14 HOMES)

Built 2009 — 2011

Six duplex and triplex buildings

\$2,519,000 in economic impact on the local economy

Qualifying families can earn up to 80% of the Area Median Income

Subdivision under Condominium Act — the Washington Condominium Association leases the land

\$5.2 million total project cost

Homes on unique, site-based wastewater system; seeking approval to recycle, and greywater for toilets & gardens

Solar hot water, and rainwater catchment



The Gulf Islands — an Overview



The British Columbia Gulf Islands are adjacent to Washington's San Juan Islands. Nine islands comprise the southern group of Gulf Islands. Salt Spring, the largest, has a population of about 10,500 (2014) — there are over 15,000 residents living on all nine islands. In 1990, 24.5% of the population of the Gulf Islands was 65 years of age and older, a percentage that grew to 33% in 2015.

Primary economic activity in the Gulf Islands includes tourism (retail and hospitality), real estate and construction, public sector (including ferries), health services, agriculture, and arts and culture. About 61% of Gulf Islands households rely on employment income. Around one-third are self-employed and/or derive income from investments. Approximately 13% have government transfers as their primary source of income.

The Gulf Islands are a destination for retirees and recreation property owners. About 80% of homes are occupied year-round. The average selling price of a single family dwelling in the Gulf Islands in 2015 was approximately \$561,000, similar to the 10-year average (since 2006) of \$560,157.

Denman Community Land Trust, Denman Island, BC

“Live in the sunshine, swim in the sea, drink the wild air.”

— Ralph Waldo Emerson



Denman Island is one of the Northern Gulf Islands, and part of the Comox Valley Regional District of British Columbia. It is home to a small community of 1,022 year-'round residents. Denman Island was first inhabited by Indigenous peoples, including the Pentlatch and Sliamon. It was discovered and mapped by Europeans during the 1791 voyage of the Spanish ship *Santa Saturnina*, under Juan Carrasco and José María Narváez. It was named by Captain Richards in 1864 for Rear Admiral Joseph Denman who was commander of the Pacific station from 1864 to 1866.

DENMAN ISLAND OVERVIEW

- The population grew by about 10% from 2001 to 2006.
- About half of the current population is 55 years of age or older (27% are 65 years of age and older). Females comprise 54.5% of persons 65 years of age and older.
- There are 518 occupied dwellings – 689 total dwellings.
- The island's population of persons 65 years of age and older is projected to double by 2026; from 298 seniors in 2006, to 647 in 2026
- On average Denman's seniors have lived there for 20 years — 22% live alone, and 12% have incomes of \$20,000 or less.
- Seniors have three major concerns about remaining on Denman as they age: transportation, getting adequate support services and care, and securing housing appropriate for their needs and income
- Persons with employment income, including small business owners, work in government services, agriculture, fisheries (aquaculture), services, and recreation/tourism.

The Denman Community Land Trust Association (DCLTA) was established by community leaders in 2008 (it became a registered charity in 2009) to, "... do something tangible to address the need for affordable housing on Denman Island." The Trust's founders were inspired by the success of community land trusts in the San Juan Islands in developing attainable housing on their home island. DCLTA's specific focus is to provide affordable housing for residents of Denman Island identified as living below the Revenue Canada Low Income Cut-Off, and who are homeless or at risk of becoming homeless and in need of secure housing.



DCLTA is a registered BC society. Its members elect a board of directors which is responsible for developing DCLTA's strategy, and managing projects undertaken to meet its objectives. The Trust has no paid staff. Funding is raised for projects and consultative services that may be required.

DCLTA has collaborated on some projects that have importance to the regional community. Examples include the *Rural Affordable Housing Project*, in collaboration with the Comox Valley Housing Task Force, and the *Grey Water Recycling Project* supported by the Comox Valley Regional District (CVRD).

DCLTA's Strategic Objectives

- Work toward the purchase of land, the necessary approvals, and the community involvement necessary for Phase I of the DCLTA's Seniors' Affordable Housing project.
- Seek funding to create a replicable, rural-based, energy efficient, low-cost/low-maintenance design of a one duplex unit for its Seniors' Affordable Housing project that is adaptable to the various needs of aging in place, and that has all the qualities of home.
- Seek donations and bequests to enable land acquisition and cover building/renovation costs.
- Research future affordable housing projects that address the needs of the community within the context of a rural and finite island environment.
- Continue to update the Denman Island community, and offer support and information to affordable housing-mandated organizations.
- Continue to seek funding for research into rural, green options with a focus on solar power and passive house, energy efficient building design.



DCLTA's Achievements

- In the summer of 2010, a letter of intent signed with a landowner willing to donate a site for one affordable housing unit, known as the Ridge Project.
- In 2011, two technical reports, one on site biology, the other on wastewater treatment, were funded. In addition, bylaw amendment and development permit applications were submitted for the Ridge Project, an access road was put in, and a well drilled.
- 2013 saw the Housing Agreement completed between DCLTA and local government for the Ridge Project, grey water research completed, three bylaws which affect the rezoning for the Ridge Project adopted by local government, and a lease agreement signed between DCLTA and the "Ridge Project donor." Finally, an MOU was signed with a Denman landowner for the creation of eight affordable seniors housing units.
- In 2014, documents were filed with the Land Registry for the leasehold rights to the Ridge Project site, a second grey water research project was completed, the lease agreement between DCLTA and the Ridge Project tenant was signed, and construction began on DCLTA's first affordable dwelling. DCLTA presented its Seniors Affordable Housing proposal to the Vancouver Island Health Authority for advice, and submitted a formal memo to MOTI for layout and access to the proposed seniors housing project.
- During 2015, a strata title subdivision was determined for the seniors housing project, and the Ridge Project was completed and the tenant moved in. The Seniors Affordable Housing proposal was presented to the CVRD Director and Chair for advice. The 99-year lease charge was removed from title, allowing the land to remain with DCLTA in perpetuity, an ALRA exclusion application was submitted for the seniors housing project, a wastewater site assessment was started, and a formal business plan for the seniors project was initiated.
- To-date in 2016, the wastewater site assessment was completed, and further updates were shared with the VIHA and MOTI.



While the DCLTA has been able to acquire land from donors in the community, it has to obtain project funding for housing development. DCLTA has no working capital, and it may take years to build enough equity to make borrowing possible. As a result, work progresses slowly as it depends on sometimes lengthy time frames to apply for and receive grants.

Since 2010, DCLTA has raised capital or project funds from the following sources:

- Land owners (capital)
- Donations by individuals and businesses
- Real Estate Foundation of BC
- Canada Mortgage and Housing
- Comox Valley Regional District
- Comox Valley Housing Task Force

Unlike its sister community land trusts in the adjacent Gulf Islands, the DCLTA does not plan to develop housing which allows households to build equity — the Trust is solely focussed on developing rental housing. Because the Trust owns the land, it will be able to keep rents low, reflecting building costs only. This assumes that most of the development costs (technical studies, plans, permits processes etc.) can be covered by grants.

Most of the original community leaders who established the DCLTA in 2009 remain involved. They have worked steadily to develop the Trust's first attainable housing unit. This group is working on the next project that will provide rental housing for very low-income seniors.

CURRENT DCLTA ACTIVITIES

- Working toward the purchase of land, the necessary approvals, and the community involvement necessary for the Seniors Affordable Housing Project.
- Seeking funding to create a replicable, rural-based, energy-efficient, low-cost/low-maintenance design for one duplex unit in its Seniors Affordable Housing Project that is adaptable to the various needs of aging in place, and has all the qualities of home.
- Seeking donations and bequests to enable land acquisition, and cover building/renovation costs.
- Researching future affordable housing projects that address the needs of the community within the context of a rural and finite island environment.
- Acquiring and administering grants that will facilitate affordable housing throughout this community and other rural areas in BC.
- Continuing to update the Denman Island community, and offer support and information to affordable housing-mandated organizations.
- Continuing to seek funding for research into rural, green options, with a focus on solar power and Passive House, energy-efficient building design.



Galiano Land & Community Housing Trust, Galiano Island, BC

“The larger the island of knowledge, the longer the shoreline of wonder.”

— **Ralph W. Sockman**

Galiano Island is one of the Southern Gulf Islands between Vancouver Island and the Lower Mainland of British Columbia. Located on the west side of the Strait of Georgia, it is 27.5 km long, 6 km at its widest point, 1.6 km across at its narrowest point, and is separated from Saltspring Island by Trincomali Channel. Galiano is part of the Capital Regional District Electoral Area G, and has a population of 1,258.

Galiano’s full-time population declined by 9.5% between 2006 and 2011. The island’s school population dropped from 115 to about 35. Galiano is the Gulf Island with the highest core housing need, more than double the Canadian average. Having said that, the island has more houses than people — half of Galiano’s homes sit empty for the better part of the year. At the end of 2011, 33% of the island residents were 65 years of age or older.



The Galiano Land and Community Housing Trust (GLCHT) is a non-profit society established in 1997 committed to promoting and providing permanent, affordable access to land and housing

for community members. The Trust works to, “... develop and implement responsible land use models for affordable housing while giving full consideration to lands natural attributes, and community needs.”

GLCHT MILESTONES

- Founded in 1997.
- Original leaders pooled their money to purchase a 10-acre site in 2013, on which 20 homes could eventually be developed.
- GLCHT produced a demands & needs analysis in 2014, *Housing on Galiano: Trends, Needs, and Demands*.
- Since November 2011, GLCHT's Galiano Green application to the Galiano Local Trust Committee of the Capital Regional District has generated review at 15 board meetings, to consider re-zoning, subdivision approval, etc.

GLCHT's mission is to promote and provide permanent, affordable access to land and housing for Galiano Island residents. The Trust is governed by a board of directors which directs Trust activities. With no paid staff, volunteers carry out management of the Trust's work. Consultants are hired for specific tasks.

The GLCHT board decided to use the community land trust model for its Galiano Green project. Thus, the subdivision for the housing development is a bare land strata. The strata corporation, when formed, will become the “residents association.” It will lease the land from the GLCHT.

In its Galiano Green vision statement, the Trust states, “Because of high land prices, it has become difficult for individuals of all ages and especially young families to live on Galiano Island, thus creating an imbalance in our community demographic. The GLCHT will provide leaseholders with the opportunity to build and own their own home which ensures housing security. The GLCHT has purchased land and will provide a building site on a lease basis. This will encourage our leaseholders to build homes which reflect their individual tastes within the Green guidelines laid down by the GLCHT.

Because of the Galiano Green,

Leaseholders are encouraged to build to a Leeds standard, Living standard, or other future standards which aspire to a zero-energy dwelling.”

Galiano Green is an affordable housing project designed to remove the obstacle of high land prices to make it possible for singles, couples, and families of low to moderate income to get a good start in life by building their own home in the Galiano Community.



GLCHT's CURRENT STRATEGY

- Use the community land trust model to develop an affordable housing project, *Galiano Green*.
- Make the housing attainable for low and moderate income families and individuals.
- Meet community housing needs in a socially conscious, ecologically and economically sound manner.
- Secure local government approval (Capital Regional District) for the *Galiano Green* development.

The GLCHT has secured funding from private sources, foundations, and Vancity Credit Union to secure consultants to prepare a site plan and other reports required to complete a successful

application to the Galiano Local Trust Committee and the Capital Regional District for approval of subdivision and development.

Fourteen original leaders donated and/or loaned the funds needed to purchase the 10-acre site for Galiano Green. GLCHT is working to get approvals from the Islands Trust and Capital Regional District for infrastructure works and the proposed affordability criteria. At present, the plan will allow members to build their own residence or have some or all of it constructed for them. Tenure will be leasehold; the GLCHT may build a few dwellings and rent them to low income households.

Vancity Community Foundation is supporting this critical stage of the project by helping to fund rezoning-related work with a \$19,460 grant.

A mortgage will be requested from Vancity Credit Union, which will be repaid through monthly lease payments. Vancity Credit Union will also cover the associated legal costs. The project has also received a \$4,000 grant to fund the commercial appraisal required for mortgage approval.



The bylaws of the Galiano Green Homeowner's Council specify the valuation of homes upon resale will be determined by the following draft bylaw:

"For resale, the GLCHT will choose an appraiser for valuation. The cost of the appraisal will be borne by the leaseholder. If the leaseholder disagrees with the appraisal they are free to hire, at

their expense, a second appraiser to get another valuation, with an averaging or mediation process to come to a mediated price. Leaseholders agree to accept the appraisal for valuation by the GLCHT or an affordable housing price ceiling of \$75 per square foot (Indexed to the cost of living), whichever is lower.”



Some of the founders of the GLCHT have worked on affordable housing issues since 1997, when the society was founded. The last six years have been spent getting the housing plan and development proposal through rezoning and a number of exceptions to local bylaws. This process has been wearing and expensive.

In an interview with Christa Grace-Warrick in the *Island Tides* (July 14, 2011), GLCHT board member Tom Hennessy noted the island's housing crunch was "... amongst the young. The young people look at the beauty of this place and think, 'if only I could be here, this is where I would choose to be,' he said. "And so many people have tried. They've rented... Some people have even been sleeping under the dock at Sturdies Bay or are crammed into little shacks where there is no toilet, no kitchen, and no insulation. Hopefully getting jobs and trying to fit in to this community, but this has become impossible because the cost of land is so high."

Five years ago, Hennessy expressed frustration at the slowness of the process required to address this challenge — "it's ridiculous just waiting and hoping something magic is going to happen," he stated.

“There has to be higher density when considering affordable housing.”

— Tom Hennessy, GLCHT



Islanders Secure Land Association, Hornby Island, BC

“Can you see a serene island in the middle of a stormy ocean? And the wise man is that calm island!”

– Mehmet Murat ildan



Hornby Island is a close neighbour to Denman Island. Hornby's Islanders Secure Land Association (ISLA) operates on the community land trust model. It is a non-profit society and has applied for charitable status.

In 2010, ISLA received a donation of 18.5 acres from a local family. A "Tiny House" was constructed by apprentice carpenters on the land in 2015. Hornby Island Elder Housing Village provides modest units for seniors. Currently, ISLA is planning to develop up to 16 housing units for "low income" renters and owners. The Association is being granted a significant amount of start-up funding from the Comox Valley Regional District, through HICEEC, to move forward on an affordable housing project at Beulah Creek Village. ISLA is also expecting a letter of support for infrastructure funding from HIRRA.

The Tiny House Project



In 2015, ten apprentice carpenters from Hornby built a small eco house. They participated in a six-month long Red Seal Carpentry Foundation training program, offered on the island for the first time as a pilot project through North Island College. This program was organized and partially funded by HICEEC, in partnership with HIES. The Tiny House was financed and will be owned by ISLA.



ISLA's vision is to make it possible for Hornby residents earning limited but steady income, to build their own modest and inexpensive homes in a beautiful woodland setting among like-minded neighbours.

These homes will be built on ISLA property situated on the acreage acquired between The Community Hall and The Co-op. Like those island institutions, the hope is that the development will reflect the values on which “the Hornby Ethos” was founded – cooperation, caring, social responsibility, and democratic decision-making.

THE ISLA VISION

Individuals and families will have the opportunity to put down roots and thrive. As a result, all of us on Hornby will benefit. Children can be raised in stable and healthy environments, in turn, increasing and sustaining school enrolment. Reasonable and secure housing provides a future for adults who can focus their energy on developing a life rich in personal, social, cultural and economic growth.

A common garden or orchard, a central meeting place and BBQ, shared ideas promoting community building – these are some of the communal structures envisioned to promote a sense of belonging and common purpose.

ISLA’s commitment is that its housing will remain permanently within the reach of Hornby Island residents with limited but reliable incomes. The public and private dollars invested will be protected in perpetuity.

To maximize cost efficiencies for homeowners and renters, the proposed plan includes strata titling of properties. This means individual lots will be fee simple — purchasers will have absolute title to their land. Monthly fees will be assessed for the essential support, upkeep and maintenance of the common property for the benefit of all residents.

ISLA is currently reviewing options for financing the project. To-date, large donations have not been received beyond the land donated (by the Weiss family). The current board is currently in discussion with, and weighing the pros and cons of securing funding from, BC Housing, credit unions, and private philanthropic investors. While some of these funding sources may provide all the financing needed to bring the project to completion, they each come with strings attached and impact the viability and affordability of the project over time. The ISLA board currently does not have a preference for a funding model, and is completing due diligence and maintaining open lines on all options. There is some optimism for the future, as evidenced by the following note from ISLA Secretary, Karen Brown.

“We are rolling! Many families await the opportunity to build their modest homes in the new Hornby neighbourhood. Serviced lots will become available in the upcoming year. Finally, some Hornby people, with limited income, will be able to build their own homes on their own land.

“We have been thrilled to learn that some generous Hornby people have offered to build a small rental home on the property for secure, year round rentals – no more vacating in the summer months! One potential resident has a family member willing to take out a second mortgage on their own home to assist.

This home-grown solution is taking off. But families need more help getting started. Many people are not aware that if they own their own homes, they can secure a small loan for someone else with their home as collateral. All the homes built at Beulah Creek are intended to be modest – so that when they sell in the future, they continue to be affordable to those in need. It is feasible that a one bedroom or studio home can be built and supplied with services for as little as \$100,000.

“We anticipate that the Union Bay Credit Union will be helpful in assisting favourably with financing.

“We are able to have up to 1/3-rental homes on the property. We know there is a great need for rentals and these 10 new units will be a welcome addition to the island's housing stock. Perhaps you are in a position to build a small rental home at Beulah Creek?

Contact me, or any of our Board Members for more information.”

Getting there,

Karen Brown – ISLA Cheerleader and Secretary



USEFUL LINKS

The Democracy Collaborative's Community Wealth initiatives provides [an overview of community land trusts](#), with many useful links.

Washington State's [Evergreen Land Trust](#)

The [Ontario Land Trust Alliance](#)

Vermont's [Burlington and Champlain Housing Trusts](#)

[Community Housing Trusts — Towards a Sustainable Community Housing Strategy for Scotland](#)

[Municipal Affordable Housing Trusts — a Guidebook](#) (Massachusetts)

[Jackson Hole, WY Community Housing Trust](#)

Orcas Island's [OPAL Community Land Trust](#)

[San Juan Island's Community Home Trust](#)

[Lopez Island Community Land Trust](#)

Galiano Island's [Galiano Green](#) community housing initiative

[Denman Island Community Land Trust Association](#)

[The Rural Family Economic Success Action Network — on Community Land Trusts](#)

[The Land Trust Alliance of British Columbia](#)

BC's [Community Land Trust Housing Foundation](#)

MORE TO COME