

A Plan that Bears Fruit: A Community Land Trust and Other Tools For Neighborhood Revitalization in the Fruit Belt

Introduction

On December 1, 2015, the City of Buffalo’s Common Council passed a resolution placing a moratorium on the sale of city-owned lots in the Fruit Belt neighborhood. The Fruit Belt includes the area enclosed by Cherry Street, Jefferson Avenue, Best Street, Main Street, Goodell Street, and Michigan Avenue – a neighborhood where the City of Buffalo owns over 200 vacant lots.¹ The City promised not to sell lots to developers until “a duly approved strategic plan” had been created. According to the resolution, the plan must protect Fruit Belt residents from “the adverse effects of development” and include the residents’ vision for “Fruit Belt revitalization.”²

Since 2001, the Buffalo Niagara Medical Campus, a partnership of nine institutions active in the local health care industry, has become the hottest development zone in the city, with the help of hundreds of millions of dollars in public investment. By 2017, the Campus will host Buffalo’s Children’s Hospital, Buffalo General Hospital, the Roswell Cancer Institute, and the SUNY-Buffalo medical school, among others, employing over 17,000 workers.

As development booms on and near the campus, Fruit Belt residents have seen increased burdens and pressures, but not many benefits. In 2014, 42% of the Fruit Belt residents lived in poverty, and more than 53% of residents spent over 30% of their income on housing. Traffic, air pollution, and parking congestion have increased in the neighborhood. Meanwhile, developers and speculators have begun to bid up the prices of buildings and lots, and rents have begun to rise.

In 2014, 42% of the Fruit Belt residents lived in poverty, and more than 53% of residents spent over 30% of their income on housing.

For several years, Fruit Belt residents and community organizations have generated ideas for the revitalization of their neighborhood, finalizing a plan of their own to present to the City. In 2016, the Community First Alliance (CFA), a partnership of diverse local groups, published “Rising Tide: A Blueprint for Community Benefits from the Buffalo Niagara Medical Campus,” a comprehensive set of policy recommendations to ensure that Fruit Belt benefits from development in the area. One of the core principles expressed in “Rising Tide,” and promoted by the CFA, is to protect the local community from displacement and other negative impacts of development. Among other strategies, the CFA has

recommended that the Fruit Belt community gain control over city-owned lots in the neighborhood and keep them permanently affordable through a community land trust.³

The City of Buffalo has asked its Office of Strategic Planning (OSP) to develop a strategic plan for the Fruit Belt. In 2016, OSP has hosted a series of community meetings to involve Fruit Belt residents in the neighborhood planning process. At these meetings, Fruit Belt residents have expressed strong support for the “Rising Tide” blueprint and called for a community land trust among



other strategies to preserve housing affordability, prevent speculation, gentrification and displacement, and ensure that the community has tools to shape its own destiny.

At a community meeting on Monday, May 16th, 2016, city officials and residents discussed three different tools for the city-owned vacant lots in the neighborhood: homesteading, land banks, and land trusts. This brief describes each of these tools, as well as other ideas proposed by the Community First Alliance to make a meaningful strategic plan.

Resident Blueprint for Fruit Belt Revitalization

Below are some of the policy recommendations that Fruit Belt residents and the Community First Alliance proposed in “Rising Tide: A Blueprint for Community Benefits from the Buffalo Niagara Medical Campus.”⁴

Jobs and Training

- Aim to reduce Fruit Belt unemployment to 2% (at the area’s living wage).
- Use “First Source” hiring to make sure local residents get offered jobs first.

Use “First Source” hiring to make sure local residents get offered jobs first.

Parking and Traffic Relief

- Require medical campus employers to offer affordable on-site parking to their workers.
- Create a Fruit Belt residential permit program to help relieve the parking pains caused by the medical campus.

Community Investment

- Enhance community health by creating playgrounds, fitness zones, and nutrition programs.
- Maintain existing green spaces, and plan for new ones, as well as parks in the Fruit Belt.
- Fund a large, multi-purpose community center, where wellness programs, social services, educational support, and job placement services are offered.

Fund a large, multi-purpose community center, where wellness programs, social services, educational support, and job placement services are offered.

Historic and Cultural Restoration

- Provide financial and in-kind resources to restore and beautify Michigan Avenue as the history/arts/green corridor linking the Fruit Belt and medical campus to downtown and the waterfront.
- Fund a video, print, and spoken word museum project that will serve as the legacy of the Fruit Belt neighborhood.

Restore and beautify Michigan Avenue and its Heritage Corridor.

Affordable Housing

- Protect grandfathered homeowners from rising assessments and tax rates.
- Stop sales of city-owned property in the Fruit Belt until a residential plan is developed that ensures access for low- and moderate-income families.
- Construct affordable, healthy homes on vacant Fruit Belt lots, and give current Fruit Belt residents preference in buying them.
- Require new rental properties to include affordable housing.
- Create a land trust to keep housing and rental prices affordable.

Stop sales of city-owned property in the Fruit Belt until a residential plan is developed that ensures access for low- and moderate-income families.

Community Land Trusts

A community land trust is a private, nonprofit corporation that acquires and retains ownership over plots of land, while selling the housing on that land. Land trusts market their housing to low and moderate income households and sell homes at below-market prices. To keep these homes affordable, purchasers must agree to resale restrictions. In other words, their sale price is capped at a certain level of profit, so that they can make a profit, but the house remains affordable for the next buyer. Community land trusts

Land trusts sell homes at below-market prices. To keep these homes affordable, purchasers agree to resale restrictions. If they sell the home, their sale price is capped at a certain level of profit, so that the house remains affordable for the next buyer.

effectively create community control of land, preserve affordability, and help limit the negative effects of gentrification.⁵ In addition to creating and maintaining affordable housing, land trusts can ensure that commercial properties that serve a neighborhood are developed and sustained.

The basic idea for community land trusts derives from what John E. Davis calls the “ethic of stewardship.” Stewardship involves the careful, responsible management of resources. To become stewards of their neighborhoods, communities not only must control the parcels of land but also decide collectively how best to live on and use the land, so it serves the common good of the community. Such stewardship prevents the accumulation of landholdings in the hands of a few absentee landlords, who may privilege profit over the public good. Land trusts offer residents the opportunity to become stewards, as they improve the lands on which they live and make key decisions about the future of housing and other development in their neighborhoods.⁶

The first incorporated land trust was New Communities, established in 1969. The brainchild of southern civil rights activists in southwestern Georgia, New Communities served a single purpose: “to hold land in perpetual trust for the permanent use of rural communities.” Georgia sharecroppers and activists acquired 5,735 acres of land in Leesburg, Georgia, for \$1,080,000.⁷ By 2014, there were 260 community land trusts in the U.S.⁸ They tend to share two key characteristics. They are private, nonprofit corporations whose members live in the service area; and the trusts’ members elect the majority of their governing boards, ensuring community input in the land trust’s operations.⁹

A famous example of a successful land trust is the Dudley Neighbors land trust founded in 1984 by the Dudley Street Neighborhood Initiative in Boston, Massachusetts. Led by residents on Dudley Street, Dudley Neighbors established community control over 1,300 parcels of abandoned land in the Roxbury neighborhood of Boston. Through the acquisition and management of these lands, Dudley Neighbors redeveloped a once blighted neighborhood without displacing its long-term residents. As of 2014, Dudley Neighbors oversaw 225 units of affordable housing (96 homeowner, 77 cooperative, and 52 rental), as well as a playground, a mini-orchard and community garden, an urban farm/greenhouse, and community non-profit office space.¹⁰

Another example is the Champlain Housing Trust in Vermont, which started with \$200,000 in seed money from the City of Burlington in the mid-1980s and now includes roughly 2,000 homeowners. Between 1984 and 2008, the Champlain Housing Trust has developed 424 single-family

Between 1984 and 2008, the Champlain Housing Trust has developed 424 single-family homes and condominiums.

homes and condominiums. The Trust has expanded homeownership in Vermont, enabled residential mobility, preserved affordable housing, and helped create and retain individual wealth. Even homeowners who resold the homes they bought from the land trust saw “a very respectable return on their investment.” Reviewing the resale of 205 housing units between 1988 and 2008, analysts found that, on average, a Champlain Housing Trust homeowner who resold her home after five and one half years recovered her \$2,300 down payment and earned an additional \$12,000 net gain in equity.¹¹

While most community land trusts aim to increase access to affordable housing, many include non-residential projects as well. In Alaska, for example, the Anchorage Community Land Trust (ACLT), founded in 2003, focuses exclusively on commercial development. Local activists revitalized the Mountain View neighborhood, where decades of disinvestment left behind nothing but vacant lots, pawn shops, and used car lots. The ACLT transformed an abandoned gas station into a commercial hub, anchored by a credit union that serves as the community’s bank. It has developed nine commercial properties in all, and leases units to twenty-four commercial tenants.¹² Similarly, in addition to hundreds of housing units, Vermont’s Champlain Housing Trust manages 14 commercial properties in Burlington. Among the businesses the CHT has developed are: a food pantry, community health center, and multigenerational center. Some of these properties are mixed-use units, with storefronts and offices on the ground floor and affordable rental units above them.¹³

Another kind of land trust is a conservation land trust. In western New York, conservation land trusts already exist. Conservation land trusts acquire land for the protection of natural resources and habitats. They differ from community land trusts because they honor conservation easements, which are voluntary legal agreements that limit use of land in order to protect its conservation values. Conservation easements typically prohibit development for housing and commercial units.¹⁴ Grassroots Gardens Western New York (GGWNY), for example, operates as a land trust, and has secured grants from the Oshei Foundation and the Land Trust Alliance to build capacity for long-term conservation projects. GGWNY has purchased four local properties for permanent use as gardens and community-managed greenspaces.¹⁵

Toward a Land Trust in the Fruit Belt

A land trust can be created within an existing non-profit or as a new non-profit. Dudley Neighbors, for example, operates as a subsidiary organization of the Dudley Street Neighborhood Initiative. The Champlain Housing Trust, however, is a stand-alone organization. Both have proven successful. The

land trusts' board of directors should reflect the interests of land trust residents, other nearby residents, and stakeholders who support the values of the organization and serve the public interest, including city officials, community-based organizations, and affordable housing developers. Although local residents should form a majority of board members, additional board members should be recruited to add expertise in relevant fields like financing, real estate, and public policy advocacy.¹⁶

Funding for the land trust could come from a variety of sources, including municipalities and the private and not-for-profit organizations that receive public subsidies. The Fruit Belt has a strong argument that the City of Buffalo, the Medical Campus institutions, and the developers who have reaped large public subsidies and large profits from the Medical Campus and nearby development should help in funding a land trust, because it is development on and near the campus that is driving land speculation, gentrification, and displacement in the neighborhood. The City of Buffalo should begin by reserving all the vacant lots it owns in the Fruit Belt for a community land trust.¹⁷

The Fruit Belt has a strong argument that the City of Buffalo and the Buffalo Niagara Medical Campus institutions should help in funding a land trust, because it is development at the Campus (done with generous commitments of public dollars) that is driving land speculation, gentrification, and displacement in the neighborhood.

The Campus entities, as health-focused institutions, should also welcome an opportunity to support a land trust in the Fruit Belt. Building such a partnership with the Fruit Belt will greatly improve the health of their nearest neighbors (whose health is currently being damaged by traffic, air pollution, and stress caused by Campus growth). Other health and educational institutions around the nation have made deep investments in their nearby communities. The Mayo Clinic in Rochester, Minnesota has funded the development of 875 units of affordable housing. In Baltimore, the Bon Secours Health System has made over 400 affordable apartments available near its hospital. Syracuse University's Near West Side Initiative has developed 38 residential properties.¹⁸

Additional Tools for the Fruit Belt's Vacant Lots

The City has other tools at its disposal that can be part of a strategic plan.

- **Requests for Proposals.** To the extent that the City does sell any lots in the Fruit Belt, it should do so not by a simple sale, but by a request for proposals process that includes community input/control and limits the end uses to certain purposes. Vacant lots in the Fruit Belt should not simply go to the highest bidder, without any consideration of how the new owner will or will not benefit the community.
- **Conservation district or zoning overlay.** The Fruit Belt might want to ask the City to make it a "conservation district," or to create a zoning overlay that would restrict demolitions and

preserve character without being as strict as a historic preservation district. A conservation district or zoning overlay could take many forms, but, in essence, it would add some special land use protections to make sure that the neighborhood keeps its character and diversity.

- **Deed covenants.** The City can use restrictive covenant deeds to preserve affordable housing in the Fruit Belt. Restrictive covenants limit what the owner can do with a property. This legal tool has proven successful at keeping housing affordable in cities across the U.S. For example, the City of Chicago created the Chicago Community Land Trust (CCLT) to ensure that low- and moderate-income households gain access to the local housing market. The CCLT, unlike most land trusts, does not keep ownership of land parcels; instead, it uses covenant deeds to restrict the sales of its properties. The CCLT's restrictive covenants require that housing units be sold to an income-qualified buyer and that the price of the unit be affordable based on local income and housing data.¹⁹
- **Affordable housing trust fund.** The City could sell some vacant lots to private developers at market rates, but devote a portion of the proceeds to an affordable housing trust fund for the Fruit Belt residents to be used for home repairs, greening, and affordable rental and homeownership projects. The Chicago inclusionary zoning ordinance, for example, offers local developers the option to donate \$100,000 to the Affordable Housing Opportunity Fund rather than build affordable housing units.²⁰



- **Land Bank.** New York state law permits cities and counties to form land banks for the purposes of buying, selling, leasing, and otherwise managing public lands. These not-for-profit corporations are public agencies that accumulate properties and rehabilitate them so they can improve neighborhoods and help generate tax revenue. To this end, land banks can acquire properties that are vacant, abandoned, foreclosed, or tax delinquent, and they have the power to set conditions on how the property that they dispose can be used (e.g., prioritizing affordable housing, industrial activities, wildlife conservation, etc.). Land banks typically look to manage properties in the short term, with the end goal being sale to private owners. One example is the Buffalo Erie Niagara Land Improvement Corporation, which manages 24 properties in Erie County.

Land banks are public agencies that acquire properties that are vacant, abandoned, foreclosed, or tax delinquent, and have the power to set conditions on how the property can be used. The Buffalo Erie Niagara Land Improvement Corporation is a local land bank that currently manages 24 properties in Erie County.

- **Homesteading.** As part of the City of Buffalo’s Urban Homestead Program, residents who apply for a homestead can buy a vacant lot for \$1 and the cost of closing. However, strict conditions apply. First, the vacant lot that an applicant requests cannot be slated for public use or private purchase. Second, the resident must either own and reside in the housing unit adjacent to the vacant lot, or apply to build or rehabilitate a housing unit on the vacant lot – and then live in that unit for a minimum of three years. Additionally, the applicant must document her source of income and be in good financial standing. Finally, the applicant cannot owe money to the city in any form; all property taxes, water and sewer bills, and other debts to the city must be paid in full to qualify for a homestead. Though the program has existed for decades, only about ten city residents acquire homesteads from the City each year. Most appear to be used for side yards; thus they do not serve a community purpose such as affordable housing or community gardening.
- **Vacant lot restorations.** The City and Campus institutions can also begin cleaning, greening, and improving the vacant lots in the Fruit Belt immediately. Around Buffalo and the nation, there are many examples of ways to turn these eyesores into assets with gardens, playgrounds, history displays, sculptures, etc. In St. Louis, Washington University held a contest to encourage residents to participate in vacant lot rehabs; the result generated good ideas that could be replicated throughout the city. Many simple vacant lot treatments can be done that would not interfere with other uses that may emerge later on, such as the building of affordable housing. Vacant lots can be turned into outdoor classrooms to present the history of the Fruit Belt and to tie into the rich history of the Michigan Street Heritage Corridor. Campus institutions should help the City to fund these immediate transformations as part of their

mission to improve health and as part of their efforts to offset their community harms and increase their community benefits.

Conclusion

As this brief has demonstrated, there are many tools that should be included in a strategic plan for the Fruit Belt. A community land trust, in particular, is the best way to ensure community control over, and permanent community benefit from, the Fruit Belt's vacant lots. Understandably, the City would like to raise revenue by selling vacant lots. The Fruit Belt, however, has a compelling argument that the City's land use and policy decisions over the years have done harm to the Fruit Belt and that, to repair those harms as well as to protect a historic neighborhood and its vulnerable residents from demolition and displacement, the City owes it to the neighborhood to use the vacant lots for community benefit. Only in this way will the City honor the overarching principle in its 2015 moratorium legislation: City-owned vacant lots should be used for purposes that benefit the community.

City-owned vacant lots should be used for purposes that benefit the community.

Appendix A: Boston's Dudley Street

In 1984, Dudley Street Neighborhood Initiative (DSNI) was formed when residents of the Dudley Street area came together to revive their neighborhood that was devastated by arson, disinvestment, neglect and redlining practices, and protect it from outside speculators. DSNI organized the residents of the Dudley Street neighborhood to create a shared vision of the neighborhood prioritizing development without displacement and bringing it to reality by creating strategic partnerships with individuals and organizations in the private, government, and nonprofit sectors. That shared vision first emerged from a community-wide process conducted initially in 1987 that resulted in a resident-developed, comprehensive revitalization plan. DSNI created the Dudley Neighbors Inc. (DNI) Community Land Trust to implement the community's revitalization plan and ensure long-term community control of the land.

DNI has been able to combine vacant lots acquired via eminent domain with City-owned parcels and lease these to private and nonprofit developers for the purpose of building affordable housing and other projects consistent with the community's master plan.

DNI is structured as a Community Land Trust (CLT), and as such plays a crucial role in preserving affordable housing and providing residents with a way to control the development process in the neighborhood. DNI leases land initially to developers during construction, and subsequently to individual homeowners, cooperative housing corporations and other forms of limited partnerships.

The Community Building Principles Served by the DNI Community Land Trust include:

- Community Control Over Land Use
- Development without Displacement
- Permanent Housing Affordability
- Community & Family Stability
- Community & Family Wealth Creation

Through its 99-year ground lease, DNI can require that its properties be used for purposes set forth by the community. It can also establish parameters on the price that homes sell for and can be resold for, to ensure that the homes remain permanently affordable to low- and moderate-income families.

DNI is structured as a Community Land Trust (CLT), and as such plays a crucial role in preserving affordable housing and providing residents with a way to control the development process in the neighborhood. DNI leases land initially to developers during construction, and subsequently to individual homeowners, cooperative housing corporations and other forms of limited partnerships.

How long is the ground lease agreement good for?

Homeowners have a 99-year lease with DNI. If DNI ever decides to sell the land for any reason, they must first offer it to the homeowner on the land.

What's on Dudley Neighbor's Inc Land trust?

- 225 units of affordable housing including: 95 units of permanently affordable homeownership, 77 cooperative housing units and 53 rental units
- single family moderate income home currently being built by Youth Build Boston
- a playground
- a mini orchard and community garden
- West Cottage Farm and Community Greenhouse, operated by The Food Project
- community non-profit office space
- Future Projects: Commercial space (a new 2-3 story building) and an urban farm

What if a land trust homeowner wants to sell their home?

DNI has the right to buy the home back before the homeowner sells it to anyone else. If DNI and the homeowner agree, a homeowner may sell it on their own but they must sell it to a qualified low-to-moderate income (under 80% of Area Median Income) buyer at or below the Maximum resale price according to the equity calculation. The homeowner works with DNI staff to market the home and sell it to people who have previously expressed interest in buying and already live in the neighborhood. If the home is sold back to the land trust a lottery is conducted with income-qualifying applicants.

What is the income range of people that live in the land trust? How does the land trust promote deeply affordable housing?

50% of the homeowners on the land trust earn between \$20-40k/year. 80% of families earn less than \$70k/yr. Because homeowners get a mortgage just for the value of the home and not the land, this reduces their housing costs. The rental and coop units all have either project-based subsidies or vouchers to make them affordable to low-income residents. The land trust partners with CDCs or private developers and then we maintain long-term stewardship of the land. In terms of rental and coop housing the owner/developer is the one who secures financing for the project and manages the properties. There is no special source of funding for housing on a land trust, developers have to find the same sources of funding as for other affordable housing projects.

NOTES

-
- ¹ See Buffalo Urban Renewal Agency, “Map of the Fruit Belt,” 2016.
- ² Buffalo Common Council Resolution, “Fruit Belt Strategic Plan Border Clarification,” December 1, 2015.
- ³ Community First Alliance, “Rising Tide: A Blueprint for Community Benefits from the Buffalo Niagara Medical Campus.”
- ⁴ Ibid.
- ⁵ Miriam Axel-lute and Dana Hawkins-Simons, "Community Land Trusts Grown from Grassroots: Neighborhood Organizers Become Housing Developers," *Land Lines: Quarterly Magazine of the Lincoln Institute of Land Policy* (July 2014), 22.
- ⁶ John E. Davis, “Origins and Evolution of the Community Land Trust in the United States,” in Davis, John E., ed. *The Community Land Trust Reader* (Cambridge, MA: Lincoln Institute of Land Policy, 2010), 5-6.
- ⁷ Davis, “Origins and Evolution,” 24-25.
- ⁸ Davis, “Origins and Evolution,” 4.
- ⁹ Davis, “Origins and Evolution,” 13.
- ¹⁰ For more on Dudley Neighbors, Inc., see Appendix A, “A Successful Example of a Community Land Trust: Boston’s Dudley Street.”
- ¹¹ John E. Davis and Alice Stokes, *Lands in Trust, Homes that Last: A Performance Evaluation of the Champlain Housing Trust* (Burlington: Champlain Housing Trust, 2008), 1-2.
- ¹² Greg Rosenberg and Jeffrey Yuen, “Beyond Housing: Urban Agriculture and Commercial Development by Community Land Trusts,” Working Paper, *Lincoln Institute of Land Policy* (2012), 19.
- ¹³ Rosenberg and Yuen, “Beyond Housing,” 20.
- ¹⁴ “What You Can Do, Questions?” Land Trust Alliance (Access May 31, 2016, <http://www.landtrustalliance.org/what-you-can-do/conserves-your-land/questions>).
- ¹⁵ “Grassroots Gardens Launches Growth Effort: Campaign to Conserve and Expand Community and School Gardens in WNY,” *Grassroots Gardens WNY* (Accessed May 31, 2016, <http://www.grassrootsgardens.org/>).
- ¹⁶ Davis, “Origins and Evolution,” 13.
- ¹⁷ Cities can partner with community land trusts in a number of ways: Helping with planning and start-up with administrative and financial support; donating city-owned lands; offering grants and low-interest loans for developing and financing projects; helping the community land trusts acquire housing from private developers “to comply with inclusionary zoning, density bonuses, and other mandates or concessions”; providing capacity grants to help support its operations; and revising tax assessment practices “to ensure fair

treatment of resale-restricted homes built on their lands.” See John E. Davis and Rick Jacobus, *The City-CLT Partnership: Municipal Support for Community Land Trusts: Policy Focus Report* (Cambridge, MA: Lincoln Institute of Land Policy, 2008), 2.

¹⁸ "A Community Benefit Agreement for the Buffalo Niagara Medical Campus: Policy Brief." Partnership for the Public Good. March 9, 2016. Accessed May 24, 2016.
http://ppgbuffalo.org/files/documents/a_cba_for_the_Campus.pdf.

¹⁹ Stephen R. Miller, “Community Land Trusts: Why Now Is the Time to Integrate This Housing Activists’ Tool into Local Government Affordable Housing Policies” *Journal of Affordable Housing* 23, no. 3 and 4 (2015), 361-362.

²⁰ Miller, “Community Land Trusts,” 362.

Partnership for the Public Good
www.ppgbuffalo.org
617 Main St., Suite 300, Buffalo NY 14203