2005 was a time of moving forward and setting the stage for organizational strength, smooth operations and exploring new partnerships and projects. Highlights of 2005 include:

- Purchase of seven acres in Lopez Village from Barbara and Dick Pickering on November 10th, 2005. This purchase was made possible through the generosity of 74 contributors and a loan from Impact Capital.

- Through the generosity of 62 contributors, the Len Kanzer Memorial Fund for Housing is now available to make loans to qualified households seeking down payment assistance for LCLT homes (see page 6).

- An energy survey of the existing 22 LCLT homes was conducted. The average cost for energy (cooking, heating, lights, etc.) in 2005 was 11 cents per square foot. In the next development we will try to get to zero.

- A partnership with A W.I.S.H. (A World Institute for Sustainable Humanity) was formed to enable the development of Sustainable Community Homes on Lopez as a demonstration project for replication.

- Homeownership and rental opportunities for Lopezians in a mixed-income development of zero-net-energy homes and a combined office/resource center using green building materials and renewable energy resources was planned. The site is located on a portion of the new seven-acre parcel in Lopez Village (see page 4).

- The waiting list of future homeowners grew with the announcement of the fourth LCLT housing development.

- The 2005-2006 Farm Product Guide was published and distributed to Lopezians and visitors.

- The Sustainable Agriculture and Rural Development (SARD) committee completed a feasibility study for the S&S Homestead. LCLT continues to explore the possibility of holding the S & S Homestead land in trust for the continuation of food production and community education (see page 4).

- An archive of institutional memory was established. Records are well organized in a system of easily accessible binders in the LCLT office.

- The 6th Annual Harvest Dinner potluck celebration was well attended and has become a favorite community event.

- The Board adopted a two-year Housing Plan.

- LCLT passed an outside independent audit for 2004 with a clean financial bill of health (see page 6).

- With the CLT Alliance, LCLT adopted a Strategic Business Plan and worked with other CLTs in the county on improved accounting practices and systems.

LAND OWNED AND LEASES GRANTED

The Lopez Community Land Trust owns ten separate parcels of land – approximately 12 acres. The latest acquisition took place on November 10th, 2005. Nine parcels are leased to three housing associations: Rodney J. Morgan Association (seven small lots); Coho and Innisfree Associations lease one larger parcel each. In addition to owning land, the LCLT owns the Mobile Processing Unit and leases it to the Island Grown Farmers Co-operative. LCLT has a lien on a house currently situated on a lot on San Juan Island and is in the process of resolving the situation.
“Though human industry in the past 150 years has resorted to brute force rather than elegant design, the making and trading of goods can still be a wellspring of creativity, productivity, and pleasure. Think of the thriving marketplaces that have enlivened the world’s great cities, the cherished objects and materials that transform shelter into soulful dwelling. These need not be sacrificed to protect our forests, rivers, soil and air. Indeed, human industry and habitations can be designed to celebrate interdependence with other living systems, transforming the making and consumption of things into a regenerative force. Design can perform and preserve the extravagant gesture—in the marketplace, in the human community, and in the natural world.”


Inspired by the work of McDonough, Braungart and others and challenged by the ever-increasing gap between housing prices and wages, we at LCLT have been pondering, “How do we respond to the need for quality affordable homes in a sustainable manner?”

Wages in the county change very little and barely keep up with inflation. Last year housing prices rose 15% on average. In 2004 it was 27%. Assessed valuation from 1998 to 2003 increased 13.61% annually in San Juan County. Today there are fewer island residents in the age group of 25-44 than there were in 1990 and yet our overall population has grown by 50%. Employers cannot just provide salary increases to meet the growing cost of housing; even if they could, they would have to pass on their costs, which would drastically increase the cost of essential services for everyone. Working families are simply being priced out of the market by the increasing gap between salary and real estate prices.

The community wants to solve this dilemma. Within its purposes, LCLT is equipped to address two key aspects of the issue: affordable housing and land stewardship. The planet’s resources are one part of the equation and the pocket books of working people are another. Our vision is to create affordable homes that are light in their use of the earth’s resources and allow the people living there for generations to spend less money on energy.

To that end we are embarking on a three-day design charrette to explore the possibilities with three teams of architects known for their commitment to sustainability (see page 3). We are also working to create a county-wide renewable energy co-operative.

While interviewing prospective new homeowners for our next development, I am struck by how talented people are and how hard they are willing to work to create a home for themselves. I think about how fortunate we are to have these extraordinary people in our community, and yet how close we are to losing them to the high cost of housing. These people in jeopardy are the same people who help pull our daily lives together, both through their employment and the time they volunteer in our community. To take these people and the roles they play in our lives for granted is not acceptable. I hope you will join LCLT as we explore partnerships and new projects toward a model of affordability and sustainability in the coming years.

As always, thank you for your support. The ongoing work of LCLT depends on your membership and generosity.
2005 was a year of changes and accomplishments. The Board accepted resignations from Gary Tabasinske (former chair) and Robert Wood, for personal reasons. We are grateful for the dedication and time that both Gary and Bob contributed. 2005 also saw the acquisition of seven acres in Lopez Village for land banking and a mixed-use and mixed-income development. The Board thanks Barbara and Dick Pickering for their generosity and willingness to make the acquisition possible as well as LOHO and all those whose contributions went towards the land purchase.

2006 is going to be a great adventure. The Board is made up of individuals with great commitment, inspiration and talent; working with them and our Executive Director, Sandy Bishop, to achieve the goals of LCLT is very satisfying. 2006 also marks the year when LCLT will be launching a special Stewardship Program (see page 5). We are inviting members to give monthly pledges in order to help us better carry out the LCLT mission.

I look forward to the coming year and thank you for your continued support.

---

**LCLT Purpose**

The Purpose of the Land Trust shall be:

a. Acquire and hold land in trust in order to provide for permanently affordable housing. Homes shall be built and lands shall be used in an environmentally sensitive and socially responsible manner.

b. 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.

c. Develop and exercise responsible and ecological practices which preserve, protect and enhance the land’s natural attributes.

d. Serve as a model in land stewardship and community development by providing information, resources and expertise.

---

**How do you get on the waiting list for housing?**

Applications are now being accepted. Call the office at 468-3723; email: LCLT@rockisland.com; stop by the office (above Isabel’s) or write to us via snail mail at: Box 25 Lopez WA 98261.
SUMMARY OF PLANS FOR 2006

SUSTAINABLE COMMUNITY HOMES
LCLT and A W.I.S.H.* are working in partnership to facilitate the development of Sustainable Community Homes: affordable homes for ownership and rental in a mixed-income, mixed-use development that would feature green zero-net energy homes and a combined LCLT office/resource center. The specific design and elements will be developed in concert with three architectural teams and a host of other valuable technical contributors during a design charrette scheduled for March 19th –21st at the Community Center. LCLT is exploring demonstration features such as passive solar, a living roof, graywater treatment and rain gardens.

*For more information on A W.I.S.H go to: www.awish.net

RENEWABLE ENERGY CO-OPERATIVE
LCLT is working with the USDA regional office which has offered technical assistance to launch a renewable energy co-operative. The draft mission of the co-operative is “to provide economic and environmental benefits to islanders by exploring, developing and maintaining renewable energy sources through establishing a co-operative owned by producers/investors of renewable energy sources.” A two-day training session on starting and maintaining a business co-operative was held on March 3rd and 4th and a core group of community members continues to meet and develop the idea. Please join us if you are interested.

HOUSING BANK
The newly formed San Juan County Housing Bank is modeled on the Land Bank, and its focus is on preservation of the community of people who live in San Juan County. The Housing Bank will have responsibility for addressing the full spectrum of housing projects to serve households of low and very low income, and also households of moderate and middle income. For the first time, the county will have a comprehensive approach to bringing together public and private funding to assure that wage-earning islanders will be able to afford a home in their home community. A one half of one percent real estate excise tax will be used to help Fund the Housing Bank. The county will bring this key funding measure to the voters on a special ballot on May 16th, 2006.

STRATEGIC PLANNING
Mid-year evaluations and updates to our strategic plan will take place. 2006 is scheduled to be the year we are completely free of all debt from past projects and create a stronger organizational stewardship plan.

CLT ALLIANCE
LCLT will continue its partnership with the CLT Alliance of the San Juan Islands. LCLT’s work with the Alliance will focus on education, marketing, accounting and technical support. Planning is underway to create a publication to celebrate the 20th anniversary of community land trusts in the San Juan Islands in 2009.

SUSTAINABLE AGRICULTURAL AND RURAL DEVELOPMENT (SARD)
Stephen Bramwell, LCLT’s 2005 intern, conducted a feasibility study of the S&S Homestead Farm proposed gift to the LCLT (see Nov. 2005 newsletter). Stephen’s work focused on a proposal to establish a community farm. The results of the study revealed complexities and indicated a need for $25,000 of infrastructure costs for Phase One. SARD is focused on modifications to the program and will continue working with S&S Homestead Farm on their generous offer.

Farm-to-Cafeteria and Farm-to-School projects: In February 2006 LCLT joined the Lopez Island Education Foundation; Laurie Parker, film producer; The J. Heller Trust; Lopez School District and others in pursuing a $90,000 matching grant from the USDA’s Community Food Project in order to carry on the Farm-to-Cafeteria and Farm-to-School projects started by S&S Homestead Farm. The primary focus of the program is to: include “farm to school,” and “farm to cafeteria” programs within the Lopez Island School District curriculum; create a Media Toolkit, including curriculum templates and a teaching video/DVD for distribution nationwide; include parts of the legislatively mandated “Green Schools” agenda; and to create a student exchange program between Lopez School and urban schools.

SARD Strategic Planning: The SARD Committee has begun its two-year strategic planning sessions.

MOBILE PROCESSING UNIT (MPU)
We are happy to report that in response to our recent requests, LCLT members have generously contributed over $7,700 to retire the debt on the MPU (see Nov. 2005 newsletter). The outstanding principle amount is less than $4,000, at 8% interest.

In addition to the generous donations, some letters of concern were also received. LCLT is in dialogue with the Island Grown Farmers Co-operative regarding these concerns, and as requested by our members, will keep the membership informed as these talks progress. Thank you for your concerns, your generous contributions and your support.
JOIN THE LCLT STEWARDSHIP PROGRAM

To ensure that LCLT will always be here to serve the community, the board has enacted a Stewardship Program. LCLT Stewards make monthly contributions toward the regular and necessary expenses of the organization. Stewardship gifts of all sizes are appreciated and put to good use. The suggested range is anywhere from $10 - $500 a month. LCLT will document these contributions for your records, and our purposes will be bolstered by your annual commitment of regular payments. LCLT already has participants in the program.

Please call Sandy Bishop at 468-3723 or Cam DeVore at 468-2746 for more information.

BOARD PROFILE:

Diana Luhn Bower

Becoming involved with LCLT was “a gradual and natural attraction” for Diana, who has been rolling up her sleeves for issues of civil rights and social justice most of her life. Diana remembers an early moment with our community land trust. On the land where Morgantown now stands, a group of Lopezians had formed a circle to celebrate LCLT’s commitment to the land. Carol Steckler, former Board Chair, stepped forward and said, “This sacred land will never be sold again.”

“I truly believe that people who work hard for a living form the backbone of the community and should be able to afford their own homes. I admire the Co-op members for their courage and hard work – in building, paying for and maintaining their homes and with the challenges of co-operative living. It’s not easy.”

Diana knows about hard work and challenge. She entered Yale’s Art School at age 16 – at a time when few women went to Yale – and earned her BFA. While raising her children in central Seattle, Diana and her friends worked for multi-racial education and open housing and started Madrona Preschool Enrichment, which became the pilot project for Head Start in Seattle. In 1968, she went back to school at the UW and earned a masters degree in Urban Planning. She worked with dedicated community activists in Seattle’s International District to develop a free bus zone, the Danny Woo hillside vegetable gardens, a food-buying co-op and an Asian language health clinic. In the 1980’s, Diana was engaged in educational efforts and demonstrations opposing thermo-nuclear weapons.

Following their daughter, Holly B, and her family to Lopez, Diana and her husband Ted acquired land in 1981. Included on the property was an abandoned farm house, which has become Diana’s studio. Ted and Diana reside on Lopez full time.

Note: Diana will retire from the Board this spring and has generously volunteered to serve LCLT in other ways. Thank you, Diana!

WISH LIST

- Locking two-drawer file cabinet
- Commercial paper shredder
- Housing on March 19th and 20th for off-island guests attending the design charrette
- Help with food preparation on March 19th - 21st

If you can help with any of these pressing needs, please contact Sandy Bishop at 468-3723.

Thank you for your support!
I was appointed to serve as the Treasurer in the summer of 2005 to take the place of out-going Treasurer Bob Wood. We completed 2005 with a $20,700 operating cash flow reserve to carry us into the first quarter of 2006. Our program and operating budget for 2005 was $96,000. During 2005 we completed several significant tasks to strengthen the organization:

- LCLT passed an independent audit conducted by Sanders and Sanders, CPAs. While this was at considerable expense to the organization (approximately $7,500) it helps us to qualify for federal, state, and private foundation funding sources. Several internal accounting system audits were also conducted in 2005.

- LCLT applied for and received bridge loan financing from Impact Capital of $138,000 to allow for the purchase of the new seven-acre parcel. This loan will be refinanced with grants from public and private sources as the next housing program moves forward.

- Accounting procedures were put in place for the uses of the Len Kanzer Memorial Fund for Housing. A separate account at Smith Barney is now in place. The current balance of the Kanzer Fund is approximately $25,000.

### Abbreviated Statement of Financial Position

#### 2005 Abbreviated Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>31-Dec-2005 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$94,760</td>
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<tr>
<td>Fixed Assets</td>
<td></td>
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<tr>
<td>Land</td>
<td>$481,700</td>
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<tr>
<td>Office</td>
<td>$4,807</td>
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<tr>
<td>MPU</td>
<td>$68,201</td>
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<tr>
<td>Total Fixed Assets</td>
<td>$554,709</td>
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<tr>
<td>Revolving Loan Fund</td>
<td>$452,865</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,102,334</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>$143,202</td>
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<tr>
<td>Long-term Liabilities</td>
<td>$80,000</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$223,202</strong></td>
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<table>
<thead>
<tr>
<th>Equity</th>
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<tbody>
<tr>
<td>Restricted, Temporarily</td>
<td>$504,871</td>
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<tr>
<td>Restricted, Permanently</td>
<td>$310,054</td>
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<tr>
<td>Unrestricted</td>
<td>$1,803</td>
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<tr>
<td>Retained Earnings</td>
<td>$27,746</td>
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<tr>
<td>Net Income</td>
<td>$34,657</td>
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<tr>
<td><strong>Total Equity</strong></td>
<td><strong>$879,132</strong></td>
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<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td><strong>$1,102,334</strong></td>
</tr>
</tbody>
</table>

#### Preliminary Income Statement

<table>
<thead>
<tr>
<th>Income</th>
<th>31-Dec-2005 (unaudited)</th>
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</thead>
<tbody>
<tr>
<td>Lease fees-Land</td>
<td>$12,340</td>
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<tr>
<td>Lease fees-MPU</td>
<td>$1</td>
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<tr>
<td>Application Fees</td>
<td>$90</td>
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<tr>
<td>Sales, Merchandise-Taxable</td>
<td>$451</td>
</tr>
<tr>
<td>Contributions</td>
<td>$80,983</td>
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<tr>
<td>In-Kind Services</td>
<td>$16,705</td>
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<tr>
<td>Grants Income</td>
<td>$22,500</td>
</tr>
<tr>
<td>Private Grants</td>
<td>$6,407</td>
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<tr>
<td>Interest income</td>
<td>$862</td>
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<tr>
<td>RLF Interest Income</td>
<td>$29</td>
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<tr>
<td>Kanzer Fund Interest</td>
<td>$456</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>$140,825</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Alliance</td>
<td>$182</td>
</tr>
<tr>
<td>Administration</td>
<td>$4,762</td>
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<tr>
<td>Housing</td>
<td>$62,472</td>
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<tr>
<td>Sustainable Agriculture (SARD)</td>
<td>$34,066</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$4,685</td>
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<tr>
<td>Other</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$106,167</strong></td>
</tr>
</tbody>
</table>

| Net Income              | $34,657                 |
We gratefully acknowledge members and contributors who gave generously and consistently from January 1 through December 31st, 2005. Together you gave more than $71,253 to the following funds: Farm Product Guide, Len Kanzer Memorial Fund for Housing, Land Acquisition Fund, Housing and general operating. Membership gifts of all sizes are deeply appreciated and put to good use. Thank you for your generous support!

Abram Kanzer
Adobe Systems Incorporated
Al Lorenzen & Carol Steckler
Andrea & Brian C. McClenren
Anonymous Donors
Barbara Brown
Barbara Warda
Barbara & David Thomas
Barbara & John Nason
Benjamin B. Kercsmar
Betsy & Peter Currie
Bill Kanzer
Bill & Judy Walter
Bill & Marty Holm
Bob & Lois Wardell
Brent Charnley & Maggie Nilan
Bruce Creps & Sheila Simpson
Bruce Dunlop
Cam & Bobbie DeVore
Carol Weiss
Carol & John Whetten
Carolyn & George Woodbury
Computer Associates Matching Fund
Cynthia McLachlan
Daisy H. Friedlander Charitable Fdn.
Daniel & Elsie Silkiss
Dave Kanzer
Dave & Becky Heinlein
David Bill & Kai Sanburn
David McCue
David & Inez Black
Denise B. Doyle-McDougall & Stewart McDougall
Dick & Mary Schoenman
Don Smith & Timothy Maxson
Don & Mary Christensen
Donn Charnley
Doug Firstbrook
Edi Blomberg
Elise Jensen
Elizabeth Eberhardt
Ellie & John Roser
Eric Hall & Eleanor Fay
Erik Hansen
Felicity Green
Fred & Joan Long
Gary Tabasinske
Geordie Flohr
Ginny Gilder & Lynn Slaughter
Gordon & Barbara Rydberg
H. Kenneth & Imogene O. Fish
Harold J. & Jamie L. Dupuis
Henning Sehmsdorf & Elizabeth Simpson
Holly Bower & Andre Hirss
Iris & Jerry Graville
Ivaly Hoedemaker & Steve Rubey
J. Heller Unitrust
Jamie & Lauren Stephens
Jan Scilipoti
Jane Scranton
Jennifer DeVore & Marc Feinstein
Jenny Harris & Bob Rowland
Jim & Connie Smith
Jim & Jeanne Budlong
Joan B. & Irwin Reich
Joan Cline
Joann & Bruce Amundson
Jody Green & Mike Halperin
Joe & Oakley Goodner
John Dagres
John & Eleanor Butler
John & Eavalene Goodlad
John & Mavis Holzinger
John & Suzanne Olson
Jon & Carol Avent
Joseph & Rowena Hall
Judy Meyer & Gene Helfman
Julie Womack
Karen Cordes
Kate (great) Scott
Katherine McLachlan & James McGoon
Kathie & Kurt Jacobs
Kathleen B. Taylor
Kay Gagnon & Fran Patrick
Ken & Linda Rose
Kenneth J. Ferrugiaro
Kerwin & Margaret Johnson
Kip & Stanley Greenthal
Larry Soll & Nancy Maron
Larry & Mary Ann Bailey
Linda Barton
Linda Reese & Lee Jensen
Linda & David Hudson
Liz Scranton & Terry Linneman
Lopez Sand & Gravel
Lorna Reese
Lovell & Boyd Pratt
Lynn & Marlys Waller
Marcia & Michael Barthelow
Margaret & James Birkenmeier
Marge & Dick Karpen
Margie & Jack Conway
Margo & Rodger Fagerholm
Marjorie Stensrud
Mary Blackstone & Roger Collier
Mary Ellen & Tom Buchanan
Mary H. Peterson & Agnes M. Govern
Mar & Katherine Mottola
Maureen Rogers
Melora & Henryk Hiller
Mike & Wendy Mickle
Mireille & Robert Paulson
Nancy McCoy
Nancy Nordhoff
Nancy & Blake Rankin
Ona Blue & Neil Hanson
Oscar & Alie Small'ders
Pam & Jim Phillips
Pamela Pauly & Suzanne Berry
Pamela & Bob McCabe
Pat Cunningham
Patsy & John Sangster
Peggy Bill & Stephen Sullivan
Penelope Gildes
Phil & Jean Weinheimer
Polly Ham & Steve Horn
Prem
Raiti Waerness
Ralph & Phyllis Nansen
Read & Marianne Langenbach
Reuben B. Klamer, L.T. DBA: TOYLAB
Richard Fagen & Deborah Bundy
Richard & Jeanne Carter
Richard & Margaret Singer
Richard & Nina Gartland
Rip & Julie Van Camp
Rob Kanzer
Robert & Janne Spieker
Ronald R. & Candace J. Hallett
Ruzewood Environmental Services
Russet Construction
Saint Francis Parish
Sandy Bishop & Rhea Miller
Scott Rozenbaum & Scott Roberts
Sheila & Ron Metcalf
Stephan Seidman
Steven & Ann Vandor
Sue Ellen & Eric B. Schwam
Sue McCullough
Susan L. Washburn & Kristin V. Rehder
Susan M. Cable
Ted & Diana Bower
The Martin Djos Family Foundation
The Starfish Group
Theodore & Donogh Phillips
Todd A. Goldsmith & Diane M. Dear
Tom & Tammy Cowan
Virginia McDermott & James Gale
Washington Mutual Foundation
Wayne & Kiki Martin
William Enoch
LOPEZ COMMUNITY LAND TRUST

17TH ANNUAL MEETING

Please join us for a dessert potluck
Tuesday March 21st, 2006 at 7:30 p.m.
Community Center

AGENDA
Doors open at 7 p.m. for those interested in viewing the conceptual renderings of the 4th LCLT project: “Sustainable Community Homes” — homeownership and rental opportunities for Lopezians in a mixed-income development of green zero-net-energy homes and a combined office/resource center.

7:00 View the concept drawings
7:30 Welcome and formally call the meeting to order
7:35 Membership vote on assessment of dues and change of bylaws
Vote on Board candidates
7:40 Questions, comments and discussion
9:30 Closing

CHANGE TO LCLT BY-LAWS
At the February 18th Board meeting LCLT voted unanimously to recommend to the membership a revision to the bylaws. The revision would change the current requirement of nine directors and allow a board of between six and fifteen directors, with balanced representation from each of the three categories: leaseholder, general and public.

BOARD CANDIDATES
LCLT Board further recommends the following slate for 2006 elections for seven positions:

New Board candidates running for election:
Bill Evans School superintendent
Jeff Dyer Retired captain and renewable energy enthusiast
Kathy Keller Real estate agent and ferry dock agent
Jamie Stephens Business owner and community volunteer

Current Board members running for election:
Oscar Smaalders, Cam DeVore and Sue McCullough.

Ballots will be available at the Annual Meeting.