


2012

Community Land Trusts and Rental Housing: Assessing Obstacles to and Opportunities for Increasing Access

Maxwell Ciardullo

University of Massachusetts Amherst

Follow this and additional works at: <https://scholarworks.umass.edu/theses>

 Part of the [Social Policy Commons](#), [Urban, Community and Regional Planning Commons](#), [Urban Studies Commons](#), and the [Urban Studies and Planning Commons](#)

Ciardullo, Maxwell, "Community Land Trusts and Rental Housing: Assessing Obstacles to and Opportunities for Increasing Access" (2012). *Masters Theses 1911 - February 2014*. 859.

Retrieved from <https://scholarworks.umass.edu/theses/859>

This thesis is brought to you for free and open access by ScholarWorks@UMass Amherst. It has been accepted for inclusion in Masters Theses 1911 - February 2014 by an authorized administrator of ScholarWorks@UMass Amherst. For more information, please contact scholarworks@library.umass.edu.

Community Land Trusts and Rental Housing:
Assessing Obstacles to and Opportunities for Increasing Access

A Thesis Presented

by

MAXWELL CIARDULLO

Submitted to the Graduate School of the
University of Massachusetts Amherst in partial fulfillment
of the requirements for the degree of

MASTER OF REGIONAL PLANNING

May 2012

Landscape Architecture and Regional Planning

Community Land Trusts and Rental Housing:

Assessing Obstacles to and Opportunities for Increasing Access

A Thesis Presented

by

Maxwell Ciardullo

Approved as to style and content by:

Mark Hamin, Chair

Joseph Krupczynski, Member

Carlos A. Suárez Carrasquillo, Member

Elizabeth Brabec, Department Head
Landscape Architecture and Regional Planning

ACKNOWLEDGMENTS

I am deeply grateful for the educators who have touched my life and encouraged my academic endeavors from early childhood through graduate school. Foremost among them are my parents and extended chosen family, who nurtured in me the confidence to speak up and be myself. Thank you to my dad, in particular, for instilling in me a life-long love of geography and to my mom for modeling an open-mindedness and receptivity I strive to emulate. These family members and teachers molded my childhood and young adulthood. I would be remiss, however, to not also acknowledge the class and white privilege that have afforded me an excellent education with little debt and opportunities to make mistakes with few consequences. My hope is that this research can contribute in some small way to building wealth and power in communities of color and low-income communities so that all children receive the support and resources they need to pursue their dreams.

I am incredibly grateful to the staff and board members of the 22 organizations that were generous with their time, wisdom, and perspectives during our phone interviews and my many follow-up questions. I am especially indebted to Connie Chavez, who encouraged me from the beginning and spent extra time explaining her work.

Thank you to Emily Thaden, who provided critical feedback early on and steered me away from potential pitfalls.

I owe much to Mark for making the UMass LARP department a home for the past two years. To Joseph and Carlos, your close reading and attentive listening has been invaluable throughout this process.

Thank you also to Kenyon Farrow, whose writing and conversations with me about centering the experiences of people of color and low-income people in discussions of gentrification helped spark the idea for this thesis. My path to affordable housing research also originated in my AIDS activism, advocacy, and direct service work with homeless and marginally housed people, drug users, and people involved in the sex trade and street economies. It was the participants and activists I worked with who taught me that access to safe housing is often the most stabilizing force in a person's life and must be understood as a human right. Thank you in particular to Reed, the best teacher and friend I've had in this work.

Most of all, thank you to Corinna for your love, support, and the fierce and beautiful vision of justice you show me everyday.

ABSTRACT

COMMUNITY LAND TRUSTS AND RENTAL HOUSING:

ASSESSING OBSTACLES TO AND OPPORTUNITIES FOR INCREASING ACCESS

MAY 2012

MAXWELL CIARDULLO, B.A., UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

M.A., UNIVERSITY OF MASSACHUSETTS AMHERST

Directed by: Professor Mark Hamlin

Community Land Trusts (CLTs) are an affordable housing model based in the principles of community control of land and housing, as well as the permanent affordability of home ownership. Because of their membership-based governance structure and limited-equity formula, they are uniquely positioned to target reinvestment in communities of color and low-income communities without perpetuating cycles of displacement. Though focused on home ownership, many CLTs have adapted the model to include rental housing. This addition has the potential to expand affordability and opportunities for community governance to lower-income renters; however, it also challenges CLTs as organizations with little experience developing or managing rental housing. CLTs interested in providing rental units also find limited sources of research guidance on the topic.

This thesis intends to evaluate the reasons CLTs do or do not provide rental housing, the obstacles to providing rental housing, the strategies they use to overcome those

obstacles, and the resources available to them. To achieve these objectives it assesses interviews with staff at 22 CLTs around the U.S.

The research finds that CLTs begin providing rental units to meet the housing needs of low-income people who do not qualify for mortgages, and when the resources available to them supports this strategy. It also reveals that CLTs face significant challenges taking on large rental projects early in their rental careers, but may succeed with smaller-scale rental development and management.

The findings suggest that CLTs require much more technical assistance in developing and managing rental properties. The modification of the CLT model to include renters also necessitates some re-thinking of how to provide the full benefits of the model to these new tenants, as well as how to best market the organizations to municipal officials.

Lastly, this research aims to encourage planners to reevaluate housing policies biased toward home ownership, especially given the instability of the housing market and the increased demand for rental units. CLTs' success with rental housing should also prompt these public officials to challenge the typical stereotypes of renters and understand the stability, flexibility, and sustainability that CLTs can bring to affordable rental housing.

TABLE OF CONTENTS

	Page
ACKNOWLEDGMENTS	iii
ABSTRACT	v
LIST OF TABLES	ix
CHAPTER	
1. INTRODUCTION and RESEARCH DESIGN.....	1
1.1 Introduction and Background.....	1
1.1.1 History and Context	2
1.1.2 The Community Land Trust Mode	4
1.2 Research Goals, Questions, and Objectives.....	6
1.2.1 Goals	6
1.2.2 Questions.....	6
1.2.3 Objectives.....	7
1.3 Scope	7
1.3.1 Limitations.....	7
1.3.2 Delimitations	8
1.3.3 Assumptions	9
1.4 Research Outline	9
2. LITERATURE REVIEW.....	12
2.1 Introduction.....	12
2.2 CLTs as a Tool for Reinvestment without Displacement	13
2.3 CLTs' Focus on Home Ownership over Rental Units and the Possibility of Exclusion	17
2.4 CLT Experiences with Rental Units	20
2.5 Summary	22
3. RESEARCH METHODOLOGY.....	23
3.1 Institutional Review Board Process.....	23
3.2 Interview Protocol Development.....	23
3.3 Interview Protocol Review	26
3.4 Interview Participant Selection.....	27
3.5 Interview Scheduling and Interview Process.....	29
3.6 Data Entry and Analysis.....	30
3.7 Results and Recommendations.....	32

4. RESULTS and DISCUSSION.....	34
4.1 Overview	34
4.2 Typology.....	35
4.3 Interview Results: CLT Reasons for Providing or Not Providing Rental Units	37
4.3.1 Home Ownership-Only CLTs.....	37
4.3.2 CLTs that Do Provide Rental Housing	40
4.4 Interview Results: Strategies for Success, Context, and Resources	45
4.4.1 Successful Rental Development Strategies: Starting Small.....	46
4.4.2 Successful Rental Development Strategies: Working with Tax Credits	50
4.4.3 Successful Rental Management Strategies: CLTs as Property Managers.....	57
4.4.4 Successful Rental Management Strategies: Contracting Out Property Management.....	64
4.4.5 Successful Rental Development and Management Strategies: Mixed-Tenure Housing.....	67
4.5 Discussion: Implications for CLTs Interested in Rental Housing.....	69
4.6 Results and Discussion Summary	73
5. RECOMMENDATIONS.....	75
5.1 Recommendations for CLTs.....	75
5.1.1 Tax Credit Assistance	76
5.1.2 Property Management Resources	76
5.1.3 Property Management Practices and Tenant Relations	77
5.1.4 CLT Marketing.....	80
5.2 Implications for Planners.....	81
5.3 Opportunities for Improvement and Recommendations for Future Research	86
5.3.1 Additional Questions	87
5.3.2 Recommendations for Future Research.....	88
5.3.3 Final Thoughts.....	90
APPENDICES	
A. CLT INTERVIEW DOCUMENTS	91
B. CLT NAMES, LOCATIONS, AND BASIC CHARACTERISTICS BY TYPE.....	96
BIBLIOGRAPHY.....	97

LIST OF TABLES

Table	Page
1. City Size, Region, and Community Cost.....	29
2. Home Ownership-Only CLTs.....	38
3. CLTs with Rental, by Type.....	40
4. CLTs with Rental Units.....	41
5. CLT Type by Rental Type.....	42
6. Tax Credits and Rental Development.....	51
7. CLTs and Property Management.....	58
8. Development and Management Strategies and Outcomes.....	70

CHAPTER 1

INTRODUCTION and RESEARCH DESIGN

1.1 Introduction and Background

This research will provide an assessment of the opportunities to develop affordable rental units as part of community land trusts (CLTs). As a model originally designed in the late 1960s to ensure the democratically controlled, communal ownership of land and the development of affordable home ownership units on that land, CLTs have since created a nearly equal number of rental units. Though CLTs provide subsidies to homeowners, they have not eliminated the credit checks, debt-to-income requirements, and other obstacles to mortgage qualification. These barriers have also affected a growing number of people since the housing market collapse and the ensuing scarcity of credit. As a result, subsidized rental units on CLTs are much more likely to be affordable to very low-income community members. CLTs have historically understood one of the goals of their model to be the disruption of gentrification and displacement of low-income people. Given this goal, rental units may be best suited to meet the needs of community members that are most vulnerable to displacement. Some CLTs began providing a mix of rental and home ownership units with this understanding, others have entered into the practice more recently, while still others focus exclusively on home ownership. It is unclear what motivators and characteristics differentiate these groups and how well CLTs with rental units have integrated them and their tenants into the model.

To address this gap in knowledge, this thesis will assess the obstacles to developing and maintaining rental housing on CLTs. Because CLTs differ widely in their structure, age, resources, and other factors, it will include a typology of CLTs in order to understand the advantages or disadvantages different types of CLTs have in integrating rental units. The final goal of this project is to provide recommendations for CLTs looking to enter into or expand their rental practice, with specific regard to development and maintenance issues.

1.1.1 History and Context

This research fits into a broader literature on the displacement and gentrification of communities of color and low-income people. People of color and low-income communities in the U.S. have faced many waves of displacement because of both government policies and the market. That displacement began with the arrival of Europeans on American soil and the ensuing centuries-long project of eliminating, or later corralling indigenous people onto land deemed less valuable. It continued with the kidnapping, forced migration, and enslavement of millions of Africans during the transatlantic slave trade. In the last century, the federal government—in concert with state and local governments—displaced disproportionately people-of-color communities through the urban renewal programs of the Federal Housing Act of 1949 and the interstate highway building program (Fullilove, 2007; Hayden, 2003). Roughly

two-thirds of people displaced through urban renewal projects between 1949 and 1973 were African Americans (Fullilove, 2007).

Urban renewal programs often landed people of color and low-income people in high-rise housing projects. When the federal HOPE VI program began in 1992, many of these projects were condemned for concentrating poverty and were demolished. The replacement for these lost housing units were mixed-income developments, which never fully replaced the number of units previously provided for low-income households (Fullilove, 2007; Curley, 2010). The result was another wave of government-initiated displacement for marginalized urban communities.

Around the same time, government reinvestment in the urban core and market forces were drawing middle class white people back into cities. Cheap land and housing was available in traditionally disinvested neighborhoods of color. The more white faces in a neighborhood, the more likely land values are to increase and the more likely amenities are to appear (Powell and Spencer, 2003; Hammett, 2007). With each amenity—be it public transit, a bank, or a grocery store—comes the likelihood that the people of color and low-income people residing in the community will not benefit from the value it adds because they will soon be priced or policed out (Powell and Spencer, 2003; Blow, 2011). In *Unmaking Goliath: Community Control in the Face of Global Capital*, Joseph DeFilippis convincingly argues that markets simply will not provide for low-income communities and that economic development must be harnessed by some measure of community control if it is to bring about anything resembling justice (2004). He

reviews the efforts of worker collectives, collectively owned housing groups, and credit unions concluding that these are viable options for anchoring benefits in marginalized communities, but that they have been constrained in their impact by a lack of investment (DeFilippis, 2004).

1.1.2 The Community Land Trust Model

The CLT model was designed to specifically address the lack of community control and affordability that Defilippis and others have highlighted as at the root of cycles of displacement. The model is descended from a number of different movements, including the Gramdan (or Village Gift) movement in India, the Garden Cities of England, and others (Davis, 2010). The first CLT in the U.S. was formed in 1969 by Civil Rights leaders in Albany, Georgia hoping to secure affordable farmland for African American farmers. The Institute for Community Economics was integral in raising awareness of the model and more CLTs began to sprout up in the 1980s, specifically in the New England region, centered around the Institute in Greenfield, MA and later Springfield, MA. Today there are over 250 CLTs in the U.S., in 45 states and the District of Columbia (National Community Land Trust Network website).

The basic model of a community land trust involves a non-profit organization that owns land and holds it in trust for community use. Individuals generally own buildings and structures on the land, rather than the non-profit, and those individuals lease their parcel from the CLT. The organization is democratically controlled by the membership

and the membership is often split into three categories: 1) members who live on the land, 2) members who do not live on CLT owned land, but who have an interest in the governance of the land because of their membership in the broader community, and 3) members who live in the community and are generally considered to have a specific expertise useful to the CLT. These members elect the board of the non-profit, which is often set up in such a way so that it must include an equal number of each category of members. This structure allows residents, community members (who many be future residents), and experts to all have some control over the management and future of the CLT.

Nearly all CLTs in the U.S. use their land primarily for affordable housing. Some also develop community gardens, parks, and commercial spaces. Affordable housing on CLTs is generally established through limited-equity home ownership. This means that CLT homeowners receive a subsidy when they purchase the home and that they pass much of that subsidy on to the next buyer when they are ready to sell. For this reason, CLT homeowners do not build the same amount of equity as market-rate homeowners, however in return they receive more stability (CLT home loans are much less likely to fall into delinquency or foreclosure) and assistance from the non-profit (Thaden and Rosenberg, 2010). The community also receives the benefit of permanently affordable housing. The formula for affordability is written into the ground lease and usually allows sellers to recoup their down payment, any principal they have paid off, the cost of any improvements they have made to the home, and some percentage of the increase

in the market value of the home. The remaining increase in market value stays with the home and helps to subsidize it for the next low-income homeowner.

1.2 Research Goals, Questions, and Objectives

1.2.1 Goals

The goals of the thesis are to assess the obstacles to the development and maintenance of rental units on CLTs and propose recommendations for increasing CLTs' successful development and management of rental units.

1.2.2 Questions

- What are the obstacles to developing and managing rental housing in CLTs?
 - What reasons do CLTs without rental housing give for not providing it?
 - What reasons to CLTs with rental housing give for providing it?
- Are CLTs in different stages of development, with different levels or resources, or in different urban areas more likely to face obstacles to developing or maintaining rental housing?
- What are the strategies CLTs have used to develop and/or manage rental housing?
 - How can CLTs fund the development and management of rental housing?

- What resources do CLTs interested in providing rental housing require for success?

1.2.3 Objectives

- Complete interviews with staff from 20 CLTs in order to better understand their experience with rental housing.
- Analyze CLTs' motivations for and resistance to developing and maintaining rental housing, their struggles in the development and management process, and their strategies for overcoming those struggles, through a method of case studies and interviews.
- Design a typology of CLTs to understand and better assess how the obstacles to rental housing affect different CLTs.
- Make recommendations for different types of CLTs to scale-up their development or management of rental housing.

1.3 Scope

1.3.1 Limitations

The timeframe of the master's thesis process limits the number of in-depth interviews with CLT staff that are possible. Using interviews also limits the analysis to the CLTs that are responsive. It is possible that only the well-resourced and long-established

CLTs will respond to requests for interviews, and thus skew the results. Relying on interview responses also means a reliance on the non-profit employees of CLTs, who are likely to be short on time and resources themselves.

The substance of this research is also dependent on the responses from the CLTs. Issues such as how renters fit into the CLT governance structure may be academically intriguing, but if they do not register as part of the obstacles to or benefits of rental units for CLT staff, then there may be little information available.

1.3.2 Delimitations

CLTs are increasingly being used to support much more than just housing. Some CLTs are seeking commercial renters, while others are focused on urban food production (Alex-Lute, 2011; Southside Community Land Trust website). The innovations of these CLTs are certainly of interest, but this study is delimited in scope to CLTs that are developing and maintaining affordable housing. It is also specifically focused on urban CLTs because they are much more likely to include rental housing or to consider including rental housing.

In exploring how to support CLTs in being more accessible and accountable to their most marginalized members, it would be just as reasonable to undertake research on member participation and access to governance structures. Especially because CLTs report that they employ a broad array of governance structures that often do not match

up with the classic tripartite board structure (Sungu-Eryilmaz and Greenstein, 2007). This is of particular importance if we are to understand CLTs as a more democratic and locally accountable housing developer. Unfortunately, it is not feasible to tackle both issues because of constraints in time and resources available, and therefore operationalizing accessibility strictly as affordability is more feasible to measure than operationalizing it as affordability and accountability.

1.3.3 Assumptions

This research does not assume that community land trusts are the best or only way to create community-controlled affordable housing. Tenant management organizations, mutual housing associations, and housing cooperatives have also shown success in this regard (DeFilippis, 2004).

1.4 Research Outline

This thesis is based in a critical history of cycles of urban displacement and their effects on people of color and low-income communities. Working within a social justice framework that centers the needs of those most marginalized, it focuses on CLTs as an affordable housing model that has the potential to target reinvestment in a community without displacing its most vulnerable members. The emphasis on rental housing on CLTs is due in part to CLTs' own expansion into this form of tenure, as well as a response to the reality that affordable rental units are in high demand and would likely

expand the accessibility of CLTs to lower-income people. The aim of this research is to assess the reasons CLTs provide rental housing and whether the strategies they use to develop and manage rental units bring them closer to their goals. The thesis also strives to share the experiences of CLTs that have had success with rental units and to provide recommendations to CLTs interested in beginning or expanding their rental practice. Chapter One presents these goals and objectives as well as the scope and background of the study.

Chapter Two of this thesis provides a review of the literature related to the CLT model, the challenges these organizations face in attempting to revitalize without displacing people, and their experiences with rental housing. It covers examples of CLTs that were born out of anti-displacement organizing and their success in creating affordable units for low-income people. It also explains how the CLT focus on home ownership mirrors the preferences of U.S. federal policy and may potentially exclude lower-income people from CLTs because of their lack of credit. It then positions CLTs as potentially ripe for expansion, especially into rental housing, given their success weathering the foreclosure crisis and the demand for affordable rental units. Lastly, the chapter discusses the experiences of some larger and older CLTs that provide rental units.

The third chapter explains the research methodology, from the Institutional Review Board process to data analysis. It specifically locates the interview protocol within a larger critique of federal government favoritism for home ownership over rental tenure. The chapter also details how and why CLTs were selected and contacted for

interviews. It finishes by explaining the rationale for the CLT typology and summarizing the process by which the results and recommendations were produced.

Chapter Four offers the data analysis and discussion. It explains the four CLT types and categorizes CLTs into the typology. It also presents the motivations CLTs provide for developing or not developing rental units and their correlations to CLT type. The chapter then expands on CLTs' experiences with rental units and organizes them by the development and management strategies they used to achieve success. Included in this analysis is an account of the context and resources each type of CLT relied on as well. The discussion then compares CLT motivators against their strategies for success to understand if they are meeting their own goals.

Chapter Five relies on the conclusions of the previous chapter to propose four recommendations to assist CLTs interested in beginning or expanding their rental practice. It also discusses the implications of this research for planners and municipal governments. It then describes areas for improvement with regard to the interview protocol. Finally, it suggests future avenues for building on the research, specifically through engaging different stakeholder groups involved in CLT rental practice, such as local planners, elected officials, and CLT renters.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This research begins with a critical view of U.S. planning, public policy, and economic practice over the last century. It is specifically interested in how these practices created a history of displacement for people of color and low-income people. The most recent iteration of this history is the gentrification of urban areas. While gentrification does include reinvestment in and “revitalization” of people-of-color and low-income neighborhoods, it appears to be dependent on the desires and investment of outside, wealthy, white actors. Rarely does it provide marginalized groups a voice in the process, nor does it create space for them to stay and benefit from the reinvestment. Evidence of this includes the exodus of many Black people out of major U.S. cities in the process of gentrification. The 2010 Census shows the first drop in the Black population of New York City since at least 1880 (Blow, 2011). Similar demographic swings have occurred in Washington D.C., Oakland, Detroit, L.A. and other cities across the country (Kellogg, 2011; AP, 2001).

Revitalization of formerly disinvested areas must be understood in this context of the displacement of marginalized communities. This thesis also centers affordable housing as a necessary component to mitigating the gentrification of people of color and poor people out of their communities. This literature review will cover 1) community land

trusts as a tool for reinvestment without displacement, 2) the potential exclusionary results of CLTs' focus on home ownership over rental units, and 3) the experiences of CLTs that do provide affordable rental units.

2.2 CLTs as a Tool for Reinvestment without Displacement

The community land trust model is well designed to provide reinvestment—in the form of subsidized home ownership, accountability to the community—in the form of a tripartite board structure that reserves space for low-income owners as well as other low-income community members, and some degree of permanency—because of its shared-equity formula that retains much of the original subsidy for future buyers. Much research has documented the success of CLTs in providing affordable home ownership opportunities to low- and moderate-income people (Davis, 2006; Temkin, 2010; Lauria and Comstock, 2007). Case studies of the Sawmill CLT in Albuquerque, NM, the Time of Jubilee CLT in Syracuse, NY, and the Thistle CLT in Boulder, CO provide examples of CLTs that have made home ownership available to families that would otherwise be renters, dependent on the market (Davis, 2006; Temkin, 2010).

The Sawmill CLT grew out of environmental justice organizing and concern over rising land prices and gentrification in a Latino neighborhood near downtown Albuquerque. Its successes have included the acquisition of a 27-acre parcel from the city, the development of close to 200 units, mostly priced for households making less than 60% of the area median income (AMI), and a community plan for the area that includes a

community center and park (Davis, 2006).¹ Time of Jubilee worked with the City of Syracuse to acquire vacant and dilapidated homes in a low-income neighborhood. By 2006, they had rehabilitated or built over 100 homes and sold them to low-income people in the neighborhood. Their partnership with the city also brought amenities to the neighborhood like new sidewalks and a park (Davis, 2006). A study of the Thistle CLT in Boulder showed that it serves people making roughly 45% of the AMI, that its homes stay affordable even after resale, and that homeowners build equity. Resellers walked away with a median of \$13,000 in equity, whereas second buyers tended to be making the same percentage of the AMI as the families who originally bought the homes. In addition, Thistle provided excellent security of tenure for its homeowners, with only one foreclosure in 15 years (Temkin, 2010).

Research also exists showing that CLT homes have weathered the foreclosure crisis in much better shape than market-rate homes. A survey of 42 CLTs about their home loans between 2007 and 2009 revealed that CLT loans were more than six times less likely to be in foreclosure compared to traditional prime loans. Subprime loans, which were often targeted at people of color and low-income people had foreclosure rates nearly 30 times higher than CLT loans. CLTs also had less seriously delinquent loans and reported that they were able to cure more than half of the loans that became delinquent through support like referrals to foreclosure prevention programs, direct

¹ Area median incomes are calculated by HUD using American Community Survey median family income data from a HUD-designated metro area. Median family income only includes households with two or more people related by blood, marriage or adoption. HUD-designated metro areas also differ from Census-designated metropolitan statistical areas. The 2010 AMI for Albuquerque was \$61,000, but the 2010 median household income for the Albuquerque MSA was \$47,383.

grants or loans, arranging sales and purchases of a less expensive unit, or negotiating loan modifications (Thaden and Rosenberg, 2010). The survey results support the idea that CLT home ownership is a much more sustainable and safe model than market-rate home ownership for low-income people.

In addition to providing affordable and sustainable home-ownership opportunities, CLTs have developed a base of funders that understand their goals and are excited to invest in them (Axel-Lute, 2010). Interviews with 15 funders in 13 foundations revealed that they understand CLTs as more than just another housing affordability program. In their eyes, CLTs are both a bulwark against gentrification and a model for sustainable investment in low-income communities (Axel-Lute, 2010). This confidence in the CLT model combined with its performance through the housing crisis may position CLTs for growing future investment.

After a thorough review of the literature and interviews with staff and members of a number of different collectively-owned housing models, DeFilippis agrees that CLTs and other collectively-owned housing models significantly improve the lives of the low-income people who live in them (2004). Still, he questions whether CLTs and other models actually affect the larger neighborhood or the market they exist in, or whether they exist as isolated shelters from market forces. He suggests that among the collective housing organizations that have begun to transform the area in which they operate, their success may be due to traditional community organizing. Funding organizing to engage and mobilize members in CLTs is often overlooked in favor of

finding and managing more development grants to keep the organization fiscally solvent. This may create a permanent tension between organizing for local control—which often involves opposition to the government and others in power—and financial stability—which involves seeking funding from the government, foundations, banks, and others (DeFilippis, 2004).

Here, DeFilippis also highlights a gap in the research on CLTs. The literature about them has been very focused on their ability to provide affordability and security of tenure, but far less has been written on member involvement and control. Sungu-Eryilmaz and Greenstein's national study of CLTs used a survey tool and included some questions about board structure and membership, but little detail is available (2007). Only 35% of CLTs responded that they use the traditional tripartite board structure and while nearly all CLTs allow their members to elect their board, closer to 60% allow them to have a voice in changing the resale formula (Sungu-Eryilmaz and Greenstein, 2007). Krinsky and Hovde did include analysis on member participation in their 1996 report on CLTs and mutual housing associations. They looked at seven CLTs in a number of different cities and found that CLTs often struggled to keep their members engaged and an active part of decision-making processes. Their case studies also provide further support for the tensions DeFilippis outlines between organizing and capitalization (Krinsky and Hovde, 1996). One recent case study of a North Carolina CLT does look specifically at the impact of community organizing for a CLT. Authors Karen Gray and Mugdha Galande did not make as much note of the tension between organizing and government support, but did document negative reactions among

members to the loss of a community organizer (2011). They reported less connection with homeowners that may have contributed to the CLT being involved in foreclosure processes later, as well as an organization with diminished capacity for leadership development among its members. They also acknowledged the difficulty for CLTs to secure funding dedicated to community organizing.

Aside from these resources, very few other writings discuss the degree of community control actually realized by CLTs' members. This question deserves much more attention, as a main thrust of the argument for CLTs depends on distinguishing them from supposedly benevolent community development corporations or other affordable housing developers, which lack a structure that provides accountability to low-income communities. If CLTs are different, then they have to show that their membership and board structure is not just an opportunity for local control, but that their members are actually achieving it.

2.3 CLTs' Focus on Home Ownership over Rental Units and the Possibility of Exclusion

Literature about CLTs exists within a larger affordable housing literature, which (especially in light of the current housing crisis) has questioned the American focus on home ownership over rental units. The federal government has always favored home ownership and has invested significant resources in ensuring its dominance since the creation of the Federal Housing Administration during the Depression (Shlay, 2006).

By insuring and standardizing home loans, the government took much of the risk out of the mortgage system and created generations of homeowners. This unprecedented subsidy for home ownership largely benefited working-class and middle-class whites who, in the following decades, fled the cities in favor of new homes in the suburbs (Shlay, 2006). More recently, the federal government has focused some resources on creating home ownership opportunities for the people of color and poor people who were redlined out of FHA loan guarantees. In making this shift, the government and advocates for low-income home ownership have argued that home ownership is a solution to problems as diverse as juvenile delinquency, poverty, civic participation, and neighborhood safety (Shlay, 2006). In her essay, *Low-Income Homeownership: American Dream or Delusion?*, Anne Shlay argues that the evidence is still lacking to prove that home ownership, on its own, brings all these benefits. Instead, it seems more likely that the benefits come from the government and societal supports for home ownership and that those benefits are more substantial for more affluent homeowners (Shlay, 2006). To level the playing field, Shlay makes three recommendations: 1) better home ownership opportunities for low-income people, 2) more government support for rental housing, and 3) more support for housing of alternative tenures, like CLTs and cooperatives.

While CLT home ownership does provide an alternative form of tenure that eliminates much of the risk that low-income homeowners face when buying on the market, it also fits with the preference for home ownership over rental units. The potential problem with CLTs' focus on home ownership is that many poor people do not qualify for

mortgages and will therefore be excluded from CLT home ownership. The history of the Rose City CLT in Norwich, CT provides an excellent illustration of this problem, as well as the flexibility of the CLT model to address it (Baker, 1992). The Rose City CLT grew out of organizing by recently-homeless people who had been displaced by the rising housing costs of gentrification. Once organized into a CLT, the membership decided to focus their housing development on rental units for which members could use Section 8 vouchers, because few of them could actually qualify for a mortgage (Baker, 1992). This example shows that though they are geared toward home ownership, CLTs can in some instances be very accountable to poor people for whom home ownership is not an option.

Histories of the Burlington Community Land Trust (BCLT), now the Champlain Housing Trust, show a similar awareness for the limits of CLT homeownership. The BCLT first focused its efforts in the Old North End of Burlington, VT, which was the poorest neighborhood in the city. The staff and board of the BCLT were committed to reinvesting in the area without displacing people, especially the lowest-income members of the community. They quickly realized that to achieve this goal they would need to provide rental housing, because the poorer residents of the area would never qualify for mortgages (Krinsky and Hovde, 1996; Davis, 2006).

Since the beginnings of the BCLT and Rose City CLT in the 1980s, many more CLTs have developed rental housing. The 2007 survey of CLTs shows that among responding organizations 45% had some rental units and the total number of CLT rental units was

nearly the same as the total number of CLT ownership units (Sungu-Eryilmaz and Greenstein). The survey results also show that CLTs that serve poorer people (those making less than 50% of the AMI) provide more rental housing, than CLTs that serve more moderate income people (Sungu-Eryilmaz and Greenstein, 2007).

Though more research is needed, the survey results and the anecdotal histories of the BLCT and Rose City CLT suggest that CLTs with a balance of home ownership and rental units better serve lower-income community members.

2.4 CLT Experiences with Rental Units

Some additional research on this topic is available from a limited number of more recent studies on large CLTs with many rental units. One such study compared CLT rental housing in New York City's Lower East Side to market rate housing in the area and to other affordable housing programs. The author found multi-family CLT rental units to be far more affordable than market rate units in the gentrifying neighborhood and even more affordable than other units created through inclusionary zoning and tax-credit programs (Angotti, 2007). The paper also found that developing large, multi-family buildings lowered costs for the CLT and made management less expensive. In addition, consolidating units (and CLT members) in one place provided more opportunities for community building and organizing. Angotti admits however, that these benefits were to a large extent dependent on local political support, which helped secure the land at very low cost (2007).

A similar study evaluates rental and cooperative units on Champlain Housing Trust land in and around Burlington, VT. The researchers found that renter and co-op households had lower incomes than homeowners, paid less in rent, lived in smaller apartments, and lived in households with more children and fewer elderly people (Gent, et. al., 2005). In this study, residents were also surveyed and reported that their CLT rental units were more affordable, bigger, higher quality, more convenient, and “safer” than the market rate rental units they had previously lived in. Though a causal relationship cannot be proven, the residents also reported being happier, saving more money, and finding employment after moving into CLT rental units (Gent, et. al., 2005).

This is encouraging information about the affordability of CLT rental units, though data from a more diverse set of CLTs would be more convincing. The current literature also says very little about the development process. If rental housing is more affordable and should be scaled up to meet the needs of lower-income people, then it is necessary to document the obstacles and strategies to developing rental housing. Very little of this information exists currently, either in anecdotal or survey form. The literature also does not address how CLT rental tenants engage with governance structures. It is unclear whether renter members have the same voting rights as homeowner members or how CLTs are accountable to their renters. It seems reasonable that there may be some distinctions between membership levels, but little is written on the topic.

2.5 Summary

Research documenting the history of displacement of communities of color and low-income people is extensive. There appears to be some concern in the planning and urban studies fields with how to do redevelopment and reinvestment in a way that does not perpetuate this cycle of displacement through gentrification. CLTs are one of the proposed solutions, and not surprisingly they expanded rapidly in the 1980s and 1990s in this context. Research has since shown their success in creating permanently affordable units for marginalized people who would otherwise be priced out of their neighborhoods. CLTs have largely been modeled for home ownership, but as they developed, their leadership realized that to live up to the promise of housing without displacement, rental units would be necessary. More recent studies show that rental units do tend to house lower income people, but more information is needed about how well rental units actually house very poor people, how to develop these units, and how to incorporate renters into the governance structures of CLTs.

Essentially, CLTs are a tool for providing quality, low-income home ownership that over time has produced a nearly equal amount of rental units, albeit with a dearth of parallel literature addressing the benefits, burdens, obstacles, or complications of adding rental units into this model. The goal of this study will be to begin the process of filling in these gaps by researching CLTs with and without rental units and compiling best practices.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Institutional Review Board (IRB) Process

On January 5th, 2012 the appropriate materials were submitted to the local Center for Public Policy and Administration Institutional Review Board officer. The submission included a summary of the research, the social, behavioral, and educational expedited review form, a certificate of completion for the CITI social sciences training module, and the informed consent form. On January 13th, 2012 the local IRB officer judged that the project met the requirements for ethical research practice and protecting the research subjects from risks.

3.2 Interview Protocol Development

The interview protocol was developed to reflect current CLT practice, as well as a critique by many affordable housing advocates, planners, and academics of U.S. policy preferences for home ownership over other forms of tenancy.

This critique often begins by highlighting New Deal policies created to stabilize the housing market and make home ownership affordable to middle class Americans (Zonta, 2010). Richard Green elaborates on these and future government efforts to encourage and subsidize ownership over rental through zoning policy, tax policy, and

financial policy (2011). The legality of zoning was codified with the 1926 *Euclid v. Ambler* Supreme Court decision during a period of intense anti-immigrant and segregationist sentiment. Michael Frisch describes how zoning was used during this time to limit or eliminate rental apartments from many communities, as apartment dwellers were often pathologized and described as morally corrupting (2002). He and others suggest that this prejudice against people living in high-density dwellings was really a proxy for a fear of working-class and working-poor people, as well as non-white minorities and immigrants (Frisch, 2002; Fishman, 1987; Walljasper, 1999). The overlap between anti-apartment sentiment and racism and classism is sadly not a thing of the past. Just this year the U.S. Department of Justice filed suit against Bernard Parish, LA for its practice of limiting rental housing for African Americans (U.S. Department of Justice, 2012).

The mortgage interest deduction has been the primary way that U.S. tax policy has prioritized homeowners over renters. The National Association of Realtors, the National Association of Home Builders, and the Mortgage Bankers Association have lobbied hard for the deduction under the premise that it was absolutely necessary to increase home ownership, however Green argues that this is unconvincing (2011). He also explains how the deduction provides disproportionate savings for high-income households. In addition to giving homeowners tax breaks, the federal government has created four entities—Ginnie Mae, Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System—that have significantly brought down the cost to borrow money for home ownership. Federal regulations have also allowed banks that buy mortgage

backed securities to back the investment with less capital than if they were to buy securitized apartment loans (Green, 2011). Taken together, these policies provide enormous support for homeowners while no parallel supports exist for renters.

In the 1990s, President Clinton expanded the general preference for home ownership and began prioritizing low-income home ownership. Shlay and others have documented the way that low-income home ownership was increasingly described as a veritable silver bullet for people in poverty (Shlay, 2006; Apgar 2004).

The recent housing market crash cast a quite a bit of doubt on these policies, but it is clear that many were suspicious before the market imploded. CLT advocates led the way and have also suggested that housing tenure in the U.S. should not be a simple dichotomy, but more of a continuum that also includes limited equity home ownership, mutual housing associations (MHAs), and cooperatives, as well as supportive and transitional housing (Davis, 2006; DeFilippis, 2004; Zonta, 2010). CLTs, in all their many different manifestations, have already shown that they can accommodate this rich diversity of tenures. Many CLTs operate or own land under shelters and supportive housing, single room occupancy rental buildings, MHAs, limited-equity housing cooperatives, mobile home parks, condos, and limited-equity single-family homes. CLTs have the ability to hold and sustain this continuum of affordable housing tenures.

While many CLTs do include a variety of forms of tenure, research has shown that the CLT model has likely been used to develop or operate more rental units than any other

form of tenure (Sungu-Eryilmaz and Greenstein, 2007). The interview protocol takes for granted that affordable rental units should be a part of any continuum of affordable housing tenures but then asks 1) why have CLTs chosen to develop rental units over home ownership or other tenure options? 2) for CLTs that have not developed rental units, why have they forgone this element in the continuum? and 3) for CLTs considering whether to develop rental units, what are the main challenges and best paths to success?

From these three guiding questions, the protocol is divided into three sections. The first involves questions about the CLT's history, characteristics, structure, and capacity, which were used to fill in the CLT typology. The second section asks organizations about the factors that influence their decisions about what types of housing tenure to develop. Within this section, CLTs are prompted about funding, management, and maintenance challenges and successes. The third section queries the organizations about advice and resources they have relied upon as well as what additional support is needed. The completed interview protocol contains 38 questions for organizations that have or are currently developing rental properties and 20 questions for organizations that have not developed any rental properties.

3.3 Interview Protocol Review

The draft interview protocol was completed on January 15, 2012 and submitted to a review committee including the thesis committee chair, staff at the National Community

Land Trust Network (NCLTN)—a national organization that researches and supports CLTs across the country—and the executive director of a CLT with a mix of rental and home ownership properties. Through staff at the NCLTN, the protocol was also shared with John E. Davis of Burlington Associates, the leading CLT consulting firm and author of many of the works cited in this thesis. On recommendation from Mr. Davis, two questions were added to collect information about whether CLTs ever consider converting rental units to home ownership and what programs or policies they have in place to assist renters in moving into home ownership. Staff at the NCLTN also offered essential advice on narrowing the scope of some of the questions and making sure they were relevant to CLT staff's real world experience.

3.4 Interview Participant Selection

The intent of this research was to interview a sample of 20 CLTs across the country in order to better understand their decisions about the development of rental units. Given that there are over 250 CLTs in the U.S. and a multitude of ways to utilize the CLT model, this sample cannot represent the whole field. Still, it should hopefully compile a significant amount of new information about housing tenure and CLT development practice.

The list of CLTs to contact began with the NCLTN's online U.S. Directory of CLTs. Of the 255 CLTs listed in the directory, 73 did not have working websites or phone numbers. Of the remaining 182, priority was given to CLTs that made it clear on their websites

that they had large rental portfolios, in hopes that their experience would better inform the research. In contacting CLTs with rental portfolios, it became clear that some organizations began as CLTs, while others began as more traditional affordable housing developers but added a CLT home ownership program later. The organizations in this second category generally developed their rental housing projects separately from their CLT home ownership program. Organizations that began as CLTs were given priority in the participant selection process, however, traditional affordable housing developers with CLT programs were also contacted with the hope that their experience with rental units may be of great assistance to CLTs venturing into rental housing. These organizations will be distinguished from each other in the Results and Discussion chapter through the CLT typology.

Priority was also given to CLTs in cities of over 200,000 people. In larger cities, CLTs are more likely to be working alongside other affordable rental developers and their experience in this regard may inform their development decisions. CLTs were also chosen to represent some geographic balance based on regions of the country. More CLTs exist in the Northeast and West than in the Midwest and South, and the CLTs contacted represent this disparity (Sungu-Eryilmaz and Greenstein, 2007). Lastly, when it was possible to determine from websites or written material that a CLT was located in a low-cost community and committed to stemming displacement of low-income people (versus CLTs in high-cost communities working to create workforce housing), priority was given to these CLTs. This distinction was discerned through CLTs self-descriptions, listed missions, and histories, as well as through the income

level of the households they described serving. Both very low-income and workforce housing are necessary to an affordable housing continuum. This project is not focused exclusively on very low-income people, but given that it is the most marginalized people who are displaced first, it is primarily interested in centering their housing experiences. Based on these criteria, a total of 34 organizations were contacted.

Table 1: City Size, Region, and Community Cost

	CLTs Contacted	CLTs Interviewed
<i>Total</i>	34	22
<i>City Size</i>		
Less than 50,000	7	6
Between 50,000 and 200,000	12	7
Greater than 200,000	15	9
<i>Region</i>		
NE	10	6
W	12	8
S	7	5
MW	5	3
<i>Community Cost</i>		
Low	20	12
Low and High	3	2
High	11	8

3.5 Interview Scheduling and Interview Process

All 34 organizations were contacted first by email between January 15, 2012 and January 29, 2012. Eleven organizations responded to the first email, whereas 17 more organizations responded to follow-up emails and phone calls. Three organizations reported being overburdened and unable to make time for an interview. In sum, staff or board members at 22 organizations were interviewed between January 20, 2012 and

February 20th, 2012. Seventeen of the CLTs owned rental properties and five did not (see Appendix B for a list of CLTs interviewed and their basic characteristics).

All interviews were conducted by phone call because of limited time and funds. Informants received the interview protocol and the IRB-approved consent form prior to the interview. Signed consent forms were returned via fax or email prior to the interviews. Nineteen of 22 interviews were recorded. The first two interviews and the last interview were not recorded due to technical difficulties. In addition to recording, extensive notes were taken during the interview and after. Often, follow-up emails were sent to informants to fill in any gaps in answers or to request documents such as annual reports.

3.6 Data Entry and Analysis

All interview data was entered into MS Excel spreadsheets. Notes typed during interviews were entered by hand. Recorded interviews were downloaded from the conference call website used to record them and data was also entered into the spreadsheets. Audio files were consulted for accuracy and used for occasional quotes, but were not fully transcribed.

Different spreadsheets were used to capture CLT characteristics (such as CLT age, size of budget, number of total units, and whether the community was high- or low-cost) and CLT experiences with, and opinions about, rental units. CLTs with rental units and

without were compared against key CLT characteristics to determine any correlation between these characteristics and the presence of rental units; however, the very small sample of CLTs without rental (5) prevented meaningful results. Key CLT characteristics were also plotted as independent variables with the number of rental units created as the dependent variable. Data on CLTs' experiences and opinions were divided into motivators for providing rental housing, obstacles to providing rental housing, strategies to provide rental housing, resources in providing rental housing, and needs for future success in providing rental housing. Responses within each group were categorized and tallied based on their frequency and the priority assigned to them by the interviewee.

The CLT typology was created based on responses to four questions:

1. Is the organization a CLT corporation or is the CLT a program of a larger organization?
2. Over the course of the organization's history, has its organizational structure changed and how?
3. For CLTs that operate as a program of a larger organization, what form does the parent organization take (community development corporation, community housing development organization, foundation, etc)?
4. Did the organization begin as a rental housing developer and/or manager?

The CLT typology was constructed around these four questions to specifically understand the different experiences of organizations that began with the home

ownership-focused CLT model and organizations that began as community development corporations (CDCs), community housing development organizations (CHDOs), or other similar affordable housing developers. These more traditional affordable housing developers are more likely to have the capacity and intention to develop rental units from the outset. Their experiences may prove to be very important models for CLTs beginning or expanding their rental practice and will be analyzed in future chapters.

The categories of obstacles, strategies, and resources reported by CLTs were compared against CLT types to find correlations. Strategies were also compared, by type, to assess how well they met the stated goals of CLTs in providing rental housing. In addition, needs for future success in rental development were categorized and compared against CLT type. These results were specifically used to inform and tailor recommendations for CLTs beginning or expanding their rental practice.

3.7 Results and Recommendations

The four CLT Typology questions resulted in the identification of four CLT types, specifically two major types and two outlier types. CLT characteristic data also showed considerable variation within the major types. Organizations that do not provide rental units shared three core reasons why, while analysis suggests CLTs that do provide rental housing tend to share one characteristic motivator and two opinion-based motivators. Results of the interviews with organizations that do provide rental units

are organized by strategies for success with the understanding that obstacles and resources are largely related to the strategy utilized. Categorizing of the data revealed two strategies for rental development success, two strategies for rental management success, and a fifth strategy with intertwined development and management practices. CLT type correlated less with overarching motivators for providing rental units than it did with success strategies.

These results ultimately informed four recommendations for CLTs. Recommendations are focused specifically on CLTs that began with a home ownership-focused land trust model, rather than at CDCs and CHDOs with CLT programs, because this later group tends to have much more experience with rental development. Two recommendations are based on CLTs' self-descriptions of their needs for future success and directed at organizations that provide technical assistance to CLTs. The other two recommendations are extrapolated from the full data set and directed toward CLT staff and board members. Implications are also provided for planning and community development practice, as well as suggestions for future research.

CHAPTER 4

RESULTS and DISCUSSION

4.1 Overview

The goal of the interviews was to better understand why and how CLTs decide to provide or not provide rental units. They were also intended to discern the challenges and strategies for success in providing rental units for those CLTs that are interested in this approach. The CLTs interviewed had a variety of different experiences with rental housing. Some were not interested in developing it at all, some that were not originally interested became involved anyway. Others started with the understanding that their community would always need a mix of home ownership and rental units and still others began with rental units, but not as a CLT and then adopted parts of the CLT model later. Generally the data showed that CLTs' assessments of their capacity and the presence of other affordable rental developers play some role in discouraging forays into rental housing. CLTs that did venture into providing rental housing responded that they did so to meet the needs of their community, to secure alternative funding sources, and in hopes of generating supplemental income. With these objectives in mind, they pursued two main development strategies, two main management strategies, and a fifth strategy that links development and management practices.

4.2 CLT Typology

The goal of a CLT typology is to group CLTs by their history, context, and resources in order to better understand how they make decisions and pursue strategies differently. CLTs in this sample fell into two major types and two outlier types. Within each major type there is variation in size (measured by budget, staff, or total units), age, degree of government support, and whether the organization provides rental units.

Type 1: Original CLTs

Original CLTs are organizations that began their work in affordable housing as CLTs. They are distinguishable from other affordable housing organizations by three characteristics: 1) an original focus on home ownership, 2) the use of a land-lease to permanently preserve affordability, and 3) their structure as a membership-based, community controlled organization. Occasionally, CLTs begin by developing rental units, which precludes the first two characteristics.² It does not preclude the permanent affordability measures, but if a CLT owns land and the rental building on that land, then there is no other entity to lease the land to. In these rare scenarios, the main characteristic that separates CLTs from other affordable housing organizations is their membership-based structure. Sixteen of the organizations interviewed are Original CLTs. Eleven adapted their model to include rental units, four are strictly home

² Even CLTs that begin developing rental units may still self-identify as focusing on home ownership or position the creation of home ownership units as their goal.

ownership-focused, and one has not developed any units, but plans to provide multiple housing tenures on its land.

Type 2: Program CLTs

Program CLTs operate as programs of more traditional affordable housing developers, usually CDCs or CHDOs. The parent CHDO or CDC tends to do all the rental development and property management, while the CLT is strictly engaged in home ownership and usually does not operate as a democratically-run, membership-based program. There are four organizations with Program CLTs in this sample. Three started out providing rental units and the fourth began with deed-restricted home ownership, but quickly became involved in rental development.

Type 3: Crossover CLTs

Crossover CLTs are CLTs that began as more traditional affordable housing developers, but later transitioned to community land trusts. There is one such organization in this sample. It began as a CHDO focused on deed-restricted home ownership and became a membership-based CLT providing a mix of home ownership and rental units. It is similar in many ways to Original CLTs.

Type 4: Foundation CLTs

The single Foundation CLT in this sample resembles the Program CLTs, except that neither it, nor its parent foundation, actually does much housing development. Instead, the CLT focuses on investing in large rental developments and has no membership base.

For the sake of clarity, all organizations will be referred to as CLTs. Where relevant, the activities of Program and Foundation CLTs will be distinguished from the work of their parent organizations (see Appendix B for a list of CLTs, by type and their basic characteristics).

4.3 Interview Results: CLT Reasons for Providing or Not Providing Rental Units

4.3.1 Home Ownership-Only CLTs

The four home ownership-only, CLTs that were interviewed exist in different sizes and types of communities. Two are based in cities of over 200,000 people, while the other two are based in mid-sized cities with populations between 50,000 and 200,000. The two CLTs in larger cities serve low-cost communities with the goal of stabilizing and preventing displacement of low-income people and people of color. The other two serve higher-cost communities with the goal of providing workforce housing. Though there is significant variation within this small group, all four home ownership-only CLTs are Original CLTs.

Table 2: Home Ownership-Only CLTs

	Community Cost	CLT Age	CLT Staff	Total Units	Budget (revenue)	Density* (ppl/sq.mi.)	Rental** Organizations
CLT 1	High	21	8	194	\$726,834	2740	2
CLT 2	Low	3	1.5	2	\$240,000	8793	15
CLT 3	High	7	0	1	\$25,000	677	2
CLT 4	Low	10	3.5	125	\$470,955	7020	10
* Density calculated based on the primary city served by the CLT							
** "Rental organizations" represents the number of existing organizations that provide affordable rental units in the CLT's service area.							

Most informants at home ownership-only CLTs made it clear in the interviews that they believe rental housing is an important part of an affordable housing continuum, but that it is not the right fit for their organization. Indeed, many acknowledged the increased demand for affordable rental units given the current lack of credit available to low-income people.

The only reason provided by staff at all four of the home ownership-only CLTs for not providing rental units was that they believe home ownership provides benefits to a community that rental units do not. This often came in the form of comments about how home ownership provides more stability to neighborhoods, families, or school age children, or that low-income homeowners fit into market-rate neighborhoods better than lower-income renters.

Three out of four CLT representatives also mentioned that their organizations would not have the capacity to do rental property management, and that other organizations already provided affordable rental units in their service area. All of these CLTs exist in

service areas with other affordable rental-housing providers and two exist in large cities with 10 or more affordable rental providers. The CLT based in Carrboro and Chapel Hill, NC has fewer rental competitors and did consider starting a rental program, but ultimately decided against it. One of the CLT's board members works at an existing rental provider and advised the CLT that property management would require different expertise and would likely overburden the organization.

Two other reasons were given for why these CLTs chose not to develop rental units.

An interviewee from the older, larger CLT in Minneapolis, MN explained that he would expect resistance from their members and their funders if they began to develop rental housing. The informant suggested it might be perceived as "mission drift" because they were well known and respected as a home ownership group and there were many other organizations that provided rental units. Lastly, representatives from two CLTs described funding barriers to developing rental units. One organization in Oakland, CA is using U.S. Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) funds earmarked for redeveloping foreclosed homes and selling them as affordable homes. It allows for the CLT to set up a lease-to-purchase program for prospective low-income buyers, but buyers must qualify for a loan within three years. The informant believed most low-income people in the area would require more than three years to qualify for a loan, given the devastation the housing market wrought in the service area and the dearth of credit available to low-income people. The second CLT is the one based in North Carolina. The state legislature limited its inclusionary

housing law to only fund home ownership, thus limiting the organization’s available funding sources for rental units.

4.3.2 CLTs that do Provide Rental Housing

A total of 17 CLTs that provide rental units were interviewed. An eighteenth CLT in New Orleans, LA intends to develop rental units, but was not included in this analysis because it had no units at the time of the interview. The CLTs with rental units that were interviewed also span a large spectrum from very young organizations with few units and small budgets to 28-year-old organizations with over 1,000 rental units and multimillion-dollar budgets. They also include CLTs from all types:

Table 3: CLTs with Rental, by Type

	Original	Program	Crossover	Foundation
CLTs	11	4	1	1
Percent	65%	24%	6%	6%
N=17				

There is, however, at least one shared characteristics among them. The factor which may best explain why some CLTs develop rental programs and others do not is the presence of other affordable housing organizations that provide rental housing in the same service area. CLTs that develop rental units may do so because of an unmet need and a lack of competition. The data show that the median number of affordable rental organizations operating in the service area of CLT’s with rental units is less than two (Table 4.3). Of these CLTs, 35% operate in areas where they perceive no other

affordable rental organizations are operating. Only one CLT provides rental housing in a service area served by more than ten affordable housing organizations. It may be particularly well equipped to work in this context, as it counts the entire county of Los Angeles, CA as its service area and tends to partner with, rather than compete with, other affordable rental developers and managers. It is important to note, however, that this analysis cannot account for when in the life span of the CLTs their potential rental competitors became active. Some CLTs may have decided to stay out of the rental market before they had competitors; others may have decided to get into the rental market when there were more competitors.

Table 4: CLTs with Rental Units

	CLT Age	CLT Staff	Rental Units	Budget (Revenue)	Density* (ppl/sq.mi.)	Population Served	Rental** Organizations
Median	20	5	120	\$904,716	3,218	143,272	1.5
Max.	28	65	1,500	\$12,000,000	11,457	9,818,605	25+
Min.	6	0.5	3	\$35,000	235	2,356	0
* Density calculated based on the primary city served by the CLT							
** "Rental organizations" represents the number of existing organizations that provide affordable rental units in the CLT's service area.							

There are some correlations between CLT type and the kind of rental units each type has developed. Original CLTs and the one Crossover CLT have developed a mix of rental housing types, whereas Program and Foundation CLTs tend to exclusively produce low-income housing tax-credit projects. This is not surprising, given that the parent organizations of most Program CLTs began using tax credits to produce rental units before starting their CLT programs. The tax credit program, which includes a complicated financing process that tends to produce larger buildings of 20-100+ units,

is likely better suited to these experienced rental developers and the older and better resourced Original CLTs. The second most common type of rental is lease-to-own properties. In this 17 CLT sample, all lease-to-own properties are scattered site, one- and two-family homes. Five CLTs have purchased small rental buildings and hold them in fee-simple ownership rather than tax-credit partnerships. Lastly, three organizations have developed mixed-tenure buildings, which tend to be two- and three-family homes with one owner and one or two rental units.

Table 5: CLT Type by Rental Type

	Tax-Credit	Lease-to-Own	Fee-Simple	Mixed-Tenure
Original	6	5	4	3
Crossover	1	1	1	0
Program	4	1	0	0
Foundation	1	0	0	0
Total	12	7	5	3
Total %	71%	41%	24%	18%
N=17				

This section’s focus on CLT motivations for creating rental units means that it will analyze answers from the 17 CLTs that provide rental units and the two CLTs in New Orleans, LA and Oakland, CA that do not provide rental, but are considering it as part of their development strategies for the near future. In response to questions about why they began to provide rental housing, the organizations’ answers related to two main topics: meeting low-income people’s or a neighborhood’s need and budgetary and funding reasons. Meeting the housing needs of low-income people who cannot qualify for a mortgage is the reason mentioned most often by CLTs in response to why they have developed or would like to develop rental units. Ninety percent answered this

way, regardless of type or any other factor; however, the context for each is often very different. Two of the parent organizations of Program CLTs began with a very specific mission to serve low-income disabled people or low-income women. Others are adapting to a changing housing market, where people who could qualify for home loans six years ago are now in need of affordable rental units.

Three CLTs (16%) also explained that in addition to meeting the housing needs of individuals, they provide rental housing to help meet the need for stability and safety in neighborhoods in which they work. Two organizations that answered this way described making the decision to develop a specific rental project because the building in question was becoming a nuisance or safety issue for their members. These include buildings that had been boarded up and left vacant and those that had been sites of violence, drug dealing, and a heavy police presence. Their goal in buying and redeveloping the building was (or is, for the CLT in Athens, GA that is in the midst of this process) to remove the safety threats to the neighborhood while continuing to provide very low-income people a place to live. The third CLT (in Albany, NY) that described neighborhood stability as part of its reasons for creating rental units was clear that its rental tenants have been as stable as its homeowners and tend to be long-term residents of the neighborhood. All three organizations were referring to rental projects that are small buildings (under 10 units) or one- and two-family homes, rather than larger tax-credit projects. This may be a model for smaller and mid-sized, neighborhood-based CLTs to ease into rental development and management.

The second category of responses as to why organizations provide rental units is budgetary or funding motivations. Fourteen CLTs, or 74% of the organizations that provide or want to provide rental units, did it for budgetary or funding reasons. Within this broader category, there was significant variation in the responses. The larger, better-resourced Original CLTs and nearly all Program CLTs cited the availability of funding for rental projects as a motivator for them. These organizations mostly use tax credits to develop rental projects. Tax credits are described by many of the mid-size and smaller Original CLTs as incredibly hard to work with and risky investments, but the larger and more experienced CLTs tend to see them as a reliable funding stream.

Another organization in Worcester, MA explained that state subsidies for affordable home ownership have dried up since the housing crisis, so rental projects are the only available option. It was joined by a number of Original CLTs in Albany, NY, Durham, NC, St. Paul, MN, and Irvine, CA that described “falling into” rental because they could not find buyers who could qualify for mortgages for their home ownership units. Rather than continuing to pay holding costs while their newly rehabilitated homes sat empty, three of these organizations began renting them out to bring in income. The fourth is in the process of greatly expanding its rental properties to serve this population of people who do not qualify for mortgages.

Three Original CLTs and one Crossover CLT intended to develop rental units in order to provide income to supplement their home ownership programs. For three of the CLTs, these projects were their first foray into rental. Though all four organizations reported

providing rental units to supplement their budgets, only two succeeded in bringing in extra income. The two CLTs in Marathon, FL and Lawrence, KS that received funding to purchase small rental buildings outright (14 units and 15 units, respectively) were able to use the rent they received to fund their operations without having to pay down debt. The other two CLTs in Albuquerque, NM and Athens, GA partnered with developers on tax credit deals to create larger buildings (60 and 120 units, respectively). While they receive significantly more rental income from the larger buildings, their acquisition and development costs were not entirely covered by the tax credits. They both had to take out loans to cover these costs and the rents now pay for the debt service, a savings account for future repairs, and for property management. In the long-term, both CLTs hope to simply break even on the projects.

4.4 Interview Results: Strategies for Success, Context, and Resources

In addition to attempting to discern why CLTs choose to develop rental properties, the interview questions were intended to elicit successful strategies for developing and managing rental properties. The interviewees outlined two main paths to rental development, two models for successful property management, and a unique mixed-tenure practice. The different development paths are largely differentiated by whether an organization primarily uses tax credits to finance rental units. The management models include organizations that do their own property management, and those that contract it out to professional management companies. The few CLTs that have developed mixed-tenure buildings have development strategies similar to those that

work without tax credits, but management practice that are more of a hybrid. Within each strategy there are organizations that have flourished and others that have faltered. Outcomes are principally dependent on the context and the resources available to the CLT, though missteps will also be analyzed to better understand how to better guarantee success in the future.

4.4.1 Successful Rental Development Strategies: Starting Small

The eight CLTs that have practiced the first rental development strategy started their rental development small and tended not to rely on tax credits as a primary source of financing. These organizations began their rental development with small apartment buildings, mixed-tenure buildings, or scattered site one- and two-family homes. The smaller size of these developments means that the CLTs were often able to take on little or no debt, ease into their new role as landlords, and learn from their mistakes without worrying that a single project would take the entire organization down. All of the organizations in this category are Original CLTs, with the one exception of the Crossover CLT.

Five of these CLTs use a lease-to-purchase program, because their members cannot afford to be homeowners. Some CLTs began serving very low-income people who could not qualify for loans and others reported finding themselves in this situation after the housing crash. One organization in St. Paul, MN, which is in the process of developing a lease-to-purchase program, estimated that 80% of the people who come to them

interested in home ownership do not qualify for mortgages. Most of the CLTs described using this model to serve two different constituencies. The first is renters who may be able to qualify for a home loan after two to three years of housing stability and credit counseling. The second is renters who are lower-income and likely will remain renters but still need stable, affordable housing.

The challenge in this scenario and in the current market, is finding enough subsidy to fund the acquisition and development costs without taking on interest-bearing debt. For CLTs used to one- and two-family home ownership, even small rental projects can drastically change their budget. A number of these organizations explained that when developing home ownership, they typically use HOME, Community Development Block Grant (CDBG) funds, or similar grants to cover the costs of acquiring and rehabilitating or developing properties. For many CLTs, those funds covered the full cost of development, but shrinking funding is making this harder. When grants do not cover the whole cost, organizations are often willing to take out a loan to fill the gap. When they find a qualified buyer and sell the home, the organization's loan is repaid by the purchase price and the homeowner takes on the debt for the building in the form of a mortgage.³ Usually, the purchase price is slightly higher than the development loan the CLT has taken out so the organization recoups a few thousand dollars as a developer's fee for each unit it sells. Ideally, this model allows CLTs to develop affordable housing, while building up reserves to cover operating expenses and future maintenance issues that may arise as the homes age.

³ It is important to remember that CLTs retain ownership over the land beneath the home and only convey the building on the land to the buyers. This is what helps lower the purchase price.

The model works differently when the unit or units are developed as rental. The same subsidies and loans are generally used to finance acquisition and construction, but the loans are not paid off right away because the building is never sold. Instead, the CLT holds the debt for the building and relies on rental income to pay the debt service, as well as for property management, and any future maintenance. In theory, a rental building developed this way may create a long-term profit, but in practice unexpected vacancies, maintenance issues, and the cost of general property management tend to get in the way. The main obstacle for these CLTs is finding enough grants or soft debt (loans that are forgiven after a certain amount of time or if particular requirements are met) to cover acquisition and development costs, rather than taking on a mortgage. The executive director of the St. Paul, MN CLT that is in the process of starting a small rental program explained that it is the “cost of the money” they use for development that is “really the challenge,” saying:

We’ve been working hard at trying to get the cost of the project—or the cost of the money—down as low as we can. If we can get these units discounted or donated, that’s *the* biggest cost right there. And the second one is the rehab cost and if we can get some grants from either HOME dollars or the Federal Home Loan Bank then the cost—the long term cost, the debt service we carry—is much lower. And we can actually put into a reserve account so we can fix the roof in 20 years.

Some of the resources CLTs have used to develop small rental projects without debt include city support in the form of HOME and CDBG funds, using local lenders, collaborating with land banks to avoid holding costs, and convincing cities, lenders, or individuals to donate land or foreclosed homes. In some cases the organizations that used this strategy were lucky enough to receive grants for the full cost of acquisition

and rehab of small rental buildings. In one case, the CLT in Marathon, FL convinced the county public authority to provide \$1.5 million to purchase a 14-unit building that now funds the organization's operating expenses through rental income. CLTs have received support in other ways. The director of one reported that their local tax assessor does not charge them property tax on all the rental units they own. She explained, "If we had to pay property taxes we would definitely be struggling a lot more and maybe making a different decision."

In addition to government support, CLTs have also collaborated with other non-profits to bring down the costs of rental development. The CLT in Durham, NC began with a small rental program, but also occasionally does tax-credit projects. It reported that it works closely with a regional affordable housing developer on larger projects as well as a land bank endowed by a local university. The land bank holds developable land until the CLT has amassed the funding necessary to start a project. And if they require assistance, the CLT partners with or contracts out development to the affordable housing developer. This saves the CLT from paying holding costs on land that they do not yet have the funds to develop and allows it to take on more and larger projects. A smaller CLT in Albany, NY has also partnered closely with a homebuyer counseling and referral organization, a community development financial institution (CDFI), and a tenants' union.⁴ Some of the organizations share staff and all of them serve many of the same people. The CDFI's loan fund is the primary way they finance their projects and when necessary they receive mortgages from the local credit union. The tenants'

⁴ Community development financial institutions are non-profit local lenders, certified by the U.S. Department of Treasury and committed to providing credit to underserved communities.

organization screens and refers tenants for their rental units. This same CLT has also worked closely with two other small rental-housing non-profits. Both non-profits are looking to combine some smaller apartment buildings with the CLT's stock. This would result in a potential increase of 21 rental units in the CLT's portfolio. This does not necessarily increase the affordable units available in a city, but it does preserve those that exist and brings new rental income to the CLT with lower acquisition costs, which can later be leveraged to expand and create new units.

4.4.2 Successful Rental Development Strategies: Working with Tax Credits

The second rental development strategy that CLTs have used successfully is using tax-credit partnerships as the primary way they develop rental units. Of the 17 CLTs with rental units, nine (53%) use this strategy. Six of them have participated in multiple tax-credit partnerships and plan to continue developing this way. One in Irvine, CA just completed its first tax-credit project, but has ambitious plans for future projects. For the remaining two in Albuquerque, NM and Athens, GA, the large apartment buildings they built with tax credits were their first foray into rental units and they reported hesitancy to do another. There is also a clear split between Program and Foundation CLTs, which have all developed multiple TC projects, and Original CLTs. All three organizations that are new to tax credits are Original CLTs and only one Original CLT primarily uses tax credits and has used them to develop many different projects.

Table 6: Tax Credits and Rental Development

Have used Tax Credits (TCs)	12	71%
Have not used TCs	5	29%
Primarily use TCs	9	53%
Developed multiple TC projects	6	35%
Developed 2 or less TC projects	3	18%
Started small w/o TCs	8	47%
	N=17	

Generally, CLT tax-credit projects involve three main parties: the CLT, the developer, and the investors. The CLT and developer apply for tax credits and negotiate how much responsibility each party will have during the development process. Some large CLTs also act as the sole developer. If awarded tax credits, the organizations must find investors to buy them. The investors contribute the up-front capital and are then paid back with interest in tax credits over a fifteen-year period. The CLT and developer usually use the majority of the investor capital to build the rental project and divide a small portion of that money as a fee for themselves. Because the investor capital rarely covers the entire cost of development, the CLT usually finds grants and loans to cover the rest of the cost. The CLT then also oversees development and is generally responsible for meeting most compliance measures, and operating and managing the building once it is built. Once the building is built and rented-up, CLTs attempt to bring in enough rental income to cover the maintenance, management, and debt.

Even CLTs that relied on tax credits as their primary source of rental development funding, reported challenges with this model. One of the most commonly reported challenges is the increasing competitiveness for tax credits. Not surprisingly, 79% of all

CLTs interviewed described dwindling federal and state subsidies. Many anticipated their municipality receiving less HOME and CDBG funds over the coming years. Some CLTs also receive HUD NSP funding, but do not expect any new NSP funding to be made available in future federal budgets. For the 20 CLTs operating in California, the governor's recent move to seize local community redevelopment agency (CRA) reserves has also depleted a previously reliable source of grant money. Given this landscape of shrinking funding pools, tax credits have become one of the only remaining substantial funding sources for affordable rental development. An employee for one of the larger, well-established Program CLTs, located in Philadelphia, PA, went so far as to describe the increasing competition for tax credits as "absolutely fierce."

In addition to competition, organizations that consistently used tax credits described other funding challenges. A representative from the CLT in Burlington, VT, which has many tax-credit projects, explained that it has trouble moving funds between projects to allow the projects running surpluses to subsidize the ones that are running deficits. A staff member at another CLT in Park City, UT said that tax-credit deals often involve layering four or five different funding sources, and timing them up can be complicated. He described one project where the organization had secured tax credits, but came very close to having them expire before they could secure the other needed sources of funding. The tax credit program is also connected to a fluctuating investment market. In stable markets, tax credit investors can often be counted on to finance 90% of the development costs of a project. However, since the housing market crash, two CLTs described investors as more skittish and concerned about any risk in a project. The

result of less demand for tax credits among investors means that the investors covered sometimes only 60% or 70% of the cost of a project. Congress briefly intervened in 2008 to stabilize the market and save a number of projects from failure, but that stability did not last and some CLTs still reported having trouble attracting investors.

CLTs of all sizes and levels of experience with tax credits, expressed that the multiple compliance measures that come with tax-credit funding were a challenge to their work. In practice, what this looks like is that the CLT must designate a significant proportion of staff time to tax-credit paperwork. It also means that legal fees can be a sizeable portion of the project cost. For 40 to 50-unit tax-credit projects, one CLT in Woonsocket, RI reported spending as much as \$75,000 a project on lawyers and legal fees. It is likely that this is more of an obstacle to smaller, less experienced organizations, though both types mention it as a concern.

As described earlier, smaller Original CLTs with less rental experience described tax-credit projects as particularly hard for them. One of the main obstacles they encountered was finding an experienced, stable developer to partner with that understood the local housing landscape. When less experienced CLTs partner with developers, they often have to take on most of the risk and tend to receive less of the developer fees. The CLT in Lawrence, KS described being very frustrated with this process. The executive director of the organization described knowing that it would likely have to make a deal with the developer that was not fair, but hoped that the experience would allow it to have a better position in negotiating fees in the next

project. This same CLT and the one in Athens, GA, also discussed the challenge of working with out-of-town developers. They perceived these developers as less invested in the community and more interested in securing development income and moving projects forward. In many cases, CLTs without tax credit experience are required to partner with experienced developers in order to be competitive for tax-credit projects. This sounds like a smart partnership, but the Athens, GA CLT described seeing a number of well-respected, award-winning tax credit developers go bankrupt. It was required to work with a more experienced developer during its first tax credit project and that developer also went bankrupt. The process left the organization's director skeptical of the tax credit process and hesitant to do any other tax-credit projects. CLTs also described challenges in convincing developers to take on more of an ownership stake (and thus more risk) in a project and in partnering with developers on tax credit applications that were financially viable in addition to being competitive.

Despite these many challenges and setbacks, CLTs have successfully used tax credits to create thousands of affordable rental units. The organizations that have used this strategy successfully report partnering with trusted, local developers earlier in their tax credit career and taking on more of the development themselves once they have experience with the program. They also viewed their projects as long-term investments and built with smart growth principles in mind.

Success with tax credits also depends on what resources are available. The two smaller, home ownership-focused Original CLTs that started their rental development with large

tax-credit projects tended to have smaller budgets, less staff, and were forced to take on interest-bearing loans to fund the remaining cost of the projects. They also readily admitted to entering into the projects without the expertise on staff to deal with the compliance, developer management, and other issues associated with tax credits. With hindsight, the organization in Albuquerque, NM did pursue a second project and was able to negotiate a deal with the developer that involved more shared risk. Both also expressed that they would be very selective about developers if they pursue another tax credit project and that they would be clear with their board and in their future plans that the project would likely not make money.

The one Original CLT in Irvine, CA that is new to tax-credit projects, but has had success and plans to pursue others, also had a different set of resources to rely on. It was created by a city government and began with a substantial amount of capital on hand. It also works closely with a local, non-profit affordable-housing developer that was created by the city government as well.

CLTs with more experience with tax credits, tended to take on more of the development work themselves, and thus retain more of the development fees. These organizations were generally larger CLTs with more staff and many more units. City governments initiated two out of the five of these organizations (in Boulder, CO and Burlington, VT) and a third received significant support from its state government (in Woonsocket, RI). With this support, CLTs could take on larger projects and hire more staff with tax credit expertise. Nearly all of these organizations are Program CLTs, which started as

affordable rental developers and only added CLT programs later. One of these organizations, based in Philadelphia, PA, has used its significant experience and city support in the form of HOME funds to deeply subsidize many of its tax credit units. Because the organization is able to fund its projects without any hard debt, it has used its development fees to create rental reserve endowments. The interest from these endowments is used to further subsidize tenants' rent so that most units are affordable to households making less than \$20,000 per year.

Another strategy for success, mentioned by three different organizations, was to make sure to build rental projects as long-term investments with durable and energy-efficient materials. As mentioned earlier, one of the biggest liabilities for CLTs in tax-credit projects is long-term maintenance and repair costs. Maintenance issues are often unpredictable and can cost more than the reserves set aside to cover them.

Additionally, when the compliance period for a tax credit project is over (generally 15 or 30 years), CLTs usually assume full ownership of the building to maintain its affordability. Most CLTs' goal is to stay ahead of maintenance issues, so that when they assume full ownership they are not responsible for serious capital improvements. Some of the ways CLTs stay ahead of maintenance are to use durable and energy-efficient appliances and building materials. Some CLTs specified that they achieve this by closely supervising the construction process and educating the developers they partner with about their priority for durability.

Another three CLTs specifically mentioned siting their tax-credit rental projects in line with smart growth principles. The two CLTs in Irvine, CA and Los Angeles, CA were specifically interested in building transit-oriented developments around light-rail stops. All three organizations are well resourced with sizeable budgets and government or foundation support.⁵ They noted that providing affordable rental buildings near transit hubs and city centers would not only reduce transportation costs for their tenants, it would also help them stay on budget. They reasoned that when people are closer to jobs and education and can save money on transportation costs, they are much more likely to be stable, long-term tenants. Lower vacancy rates mean steadier rental income for the CLTs. The CLT in Burlington, VT noted that it learned this lesson the hard way after developing apartment buildings in rural areas. Tenants there tended to need deeper subsidies and vacancies were much harder to fill.

4.4.3 Successful Rental Management Strategies: CLTs as Property Managers

The majority of organizations interviewed do their own property management. They include smaller CLTs with less than 50 rental units and the largest CLT in the country with over 1,500 rental units. They also include Original CLTs, the Crossover CLT, and Program CLTs. One of the parent organizations of a Program CLT began by contracting out their property management, but later began to do it themselves because they found

⁵ One of these CLTs was created by a large, statewide foundation. It may not enjoy the same political connections as CLTs created by city governments, but it is similar in that it was begun with a substantial cash reserve.

the level of service and accountability to their tenants lacking. This sentiment was echoed by other CLTs:

We just continued to self-manage because most of [the units] are scattered site, which doesn't make them easy for someone else to come in and manage them and also it gave us a connection to our tenants, because we see them every month. We know them very well and they know us and we have a good relationship with our tenants...we don't like the idea of our tenants being treated as a unit.

Most CLTs said they did property management themselves to stay connected to their tenants and because they thought it saved them money. At least two Original CLTs admitted that they may not have had full knowledge of what they were getting into when they started their management practice, but that they are committed to it now. They all described property management as a strategy for success, even when there are challenges to doing it.

Table 7: CLTs and Property Management (PM)

Do their own PM	9	53%
Contract PM*	6	35%
Owners	3	18%
	N=17**	
*Includes organizations that contract for the majority of their PM, but may manage smaller properties themselves.		
**One CLT has both mixed-tenure buildings where owners do PM and standard rental buildings where it does the PM.		

One of the main challenges smaller Original CLTs described was having trouble maintaining the capacity to provide property management services. Two of these organizations began with their volunteer board members doing property management and both described reaching capacity recently (one in Northern California at eight rental units and the other in Albany, NY at 37). They both believe they need to hire at

least part-time professional property management staff to maintain their programs. Some mid-sized Original CLTs also mentioned that they are doing more property management now with their homeowners, specifically related to foreclosure prevention, than they ever expected. This combination of assisting homeowners and managing rental properties stretches them even thinner. Fewer large organizations mentioned capacity as a barrier to their property management, but they generally have much larger staff sizes and the majority of their staff people are dedicated to property management. As an example, two of the largest organizations, in Burlington, VT and Boulder, CO, estimated that 60%-70% of their 25 and 65 employees, respectively, do property management work.

Larger CLTs highlighted the compliance costs of the funding streams they work with as the number one property management challenge. Tax-credit paperwork is clearly a big part of this challenge, but organizations also described sometimes struggling to keep up with Project-Based Section 8, HUD NSP, and USDA Rural Development loan compliance requirements as well. One interviewee at the organization in Philadelphia, PA said Project-Based Section 8 units required so much bureaucratic work with the local housing authority that the organization was no longer pursuing future subsidies of this kind.

CLTs that provided property management services also struggled to enact a management approach that more than one CLT described as less “social work”-oriented and more “strict.” These organizations expressed that there is tension within this

dichotomy. One executive director explained, “We like to be able to have some flexibility. So that if a tenant can’t pay rent because of some catastrophe, nine times out of ten we’re aware of what happened,” continuing to say that “we often work out payment plans with our tenants.” However, she also said that the organization has become a tougher property manager over the years and recommended that other CLTs “Be as strict as you possibly can in terms of your management practice, if rental income is important to you, and for most of us it is.” She and other interviewees readily admitted that they are always working to strike a balance between being responsive to and understanding of their tenants’ situations and making sure they are collecting enough rent to meet their budgetary obligations. Many of these organizations ultimately suggested that CLTs sit down early in their property management career and draw up systems and guidelines that reflect the balance they want to strike.

A number of CLTs that do property management agreed that professionalizing early in an organization’s rental career was a strategy for success. Some CLTs described delaying this process, but wishing they had begun earlier. Two in particular, explained that they had not planned to be providing rental units or property management and that for a long time they cobbled together their services, dealing with crises as they came up. As one organization said, “The board has come around to this idea that rental property management is okay. It took them 25 years to get to that point. So the advice would be to come to that decision sooner rather than later and have that hard conversation. To make it a business decision, not so much a ‘fall into it’ decision.”

When the organizations talked about committing to property management, the

practical step they were referring to is hiring professional property management staff or a property management company. The organizations that may have had a head start in this regard were the ones that started early with larger rental projects and were forced to hire property management staff early.

The other successful strategy CLTs that manage their own properties use is being proactive with renter services and management. Proactive property management actually encompasses a few different strategies, but all of them rely on the idea of monitoring and supporting rental tenants to make sure they get the services and support they need to stay current on rent. It is a strategy with the dual goals of creating stability in the lives of renters and reducing turnover and maintenance issues, which saves the CLT money both in maintenance and in lost rental income during vacancies. CLTs in this study achieved this by running supportive programs for renters, collaborating with other social service non-profits to provide renter services (such as financial counseling, mental health services, disability services, or other specialized healthcare), or making a practice of checking-in on renters and offering services before crises begin.

The CLT in Burlington, VT enacts proactive management by using the surpluses from its rental properties to staff positions at its single room occupancy (SRO) buildings in order to support formerly homeless people transitioning into apartments. The CLT in Philadelphia, PA, which is also relatively large, serves low-income women and their families earning less than 20,000 a year and employs a “supportive services team of

caseworkers.” New tenants meet with the team and “come up with an individualized work plan” that assists with everything from childcare to career and financial advice. They also provide an after-school program for children in their buildings. The mid-sized CLT in Albany, NY is unique in that its board members are also actively involved in property management. According to its director:

One of the strengths of who the land trust is, is our board. We’ve got homeowners that live in the neighborhood. And all those tenants know all those owners that are members of the board and they have their home phone numbers. If there’s an issue, they call [our board member] and [our board member]—you know—reads us the riot act and she’s been there on weekends when there’s been a fire—a stove fire or something like that, or if there’s a leak. And in the rental unit that’s a block down from her, she’s the one that’s there, that puts the call in to the contractor we use to fix it. We’ve got just a fantastic board that is involved in it and cares about the property and actually is riding hard on us.

This particular organization is hoping to hire professional property management staff to free up its board members to build on the community organizing work they are already doing as property managers.

In enacting these property management strategies, CLTs relied on a number of different resources, especially advice from national and local groups. They also benefited from mergers with affordable rental organizations and from tightly defined service areas. In total, ten CLTs with rental reported receiving assistance from national non-profit groups, including NeighborWorks America, the Local Initiatives Support Corporation (LISC), the National Community Land Trust Network, Equity Trust, and Burlington Associates. Among these organizations, the National CLT Network and Burlington Associates helped organizations convert to CLTs or set up CLT home ownership

programs, but it was NeighborWorks that was most often described as a source of technical assistance on rental and property management. The Albany, NY CLT specifically mentioned the organization's scattered site property management business model as being very helpful to them. Other CLTs reported receiving advice from local affordable housing organizations or property management companies. A smaller CLT in Northern California that was having trouble with a particular tenant described becoming better versed in their responsibilities as a landlord thanks to this sort of assistance. In addition to relying on the property manager of the affordable housing development in their town, they also found a legal guidebook for landlords and received some *pro-bono* legal work from attorneys they occasionally work with.

While some of these organizations built their property management capacity slowly over the years, it is important to note that the largest CLT, based in Burlington, VT, increased its expertise and experience significantly when it merged with an affordable rental developer that managed 1,200 units. Many CLTs do not have this option available to them, but given the serious effect of the recession on non-profit budgets, other CLTs may do well to investigate similar opportunities.

Geography and service area size also contribute to the resources that CLTs have to expend in their property management practice. Seven of the nine organizations that do their own property management have only developed rental units within specific neighborhoods or city centers. They regularly described that none of their units are more than 10 or 15 minutes away from any other. In contrast, the CLTs in Burlington,

VT and Boulder, CO serve city centers and outlying rural or suburban areas. Both of them have more than one office, specifically because managing properties in more than one place requires it. Because these organizations have more rental income and bigger budgets, they are able to absorb the added cost of an expanded rental service area, but this balance is important for growing CLTs to understand.

4.4.4 Successful Rental Management Strategies: Contracting Out Property Management

The mix of Original and Program CLTs that contract out property management also cited their decision as part of their strategy for success in providing rental units. For the most part, these CLTs said they contracted out property management because they did not have the staff time or expertise to do it themselves and because it would be too expensive. One particular interviewee explained that he heard that it only makes financial sense to do property management once you have hit a certain scale. He thought that was about 700 units and at only 282, his organization worried they would lose money if they tried it. A second CLT echoed this idea, saying it may be open to doing the work themselves once they reach enough units, but that for now they do not believe they have the staffing, training, or expertise to take it on.

These six organizations actually described few obstacles to contracting out property management, explaining instead that it tended to reduce the challenges and headaches of compliance issues, paperwork, and tenant management. One Original CLT that exclusively did home ownership until it recently developed a large tax credit building,

explained that perhaps one challenge is that the organization does not have the same relationship with its tenants as it does with its homeowners. The director clarified that this may actually be an advantage to the organization because, in addition to lacking tax credit compliance expertise, she worried that her staff might be “pushovers” as property managers and jeopardize the sustainability of the project.

The comment does bring up an interesting difference between the organizations that contract out property management and those that do it themselves. Of the nine organizations that do their own property management, seven are Original or Crossover CLTs with a membership base that includes renters as full members. In contrast, none of six organizations that contract out property management operate this way. The three Program and Foundation CLTs are not membership based, two Original CLTs have not figured whether they will include their tenants in their membership, and the remaining Original CLT allows renters to become members like any other community member, but does not offer them automatic membership by virtue of living on CLT land. Again, this does not appear to be an obstacle for these organizations, and some of them also report building connection with their tenants through programming that they run for them. Still, it is a worthwhile correlation to note for CLTs making decisions about property management.

The only challenge to contracting out property management mentioned by a number of CLTs, is that property management companies often need their own management. The CLT in Albuquerque, NM mentioned that they needed to train their property managers

about the “mindset of community land trusts” and that they were not only interested in the bottom line. The organization in Woonsocket, RI echoed this need for oversight. As an organization it described having no idea what it was getting into, but assumed that property management companies “know what to do...they’re professionals.” It later realized that “they really don’t know what to do. They need someone to oversee, to make sure that they’re really focused on meeting the six or seven key indicators that you track to make sure that the development is economically feasible and that it’s good housing for the people that are there.” CLTs have risen to this challenge by learning to proactively educate their property managers and to check-in often with them and their renters. The executive director of the CLT in Albuquerque, NM runs quarterly meetings at the organization’s apartment buildings to hear about any issues from renters. Similarly, the executive director of the organization in Woonsocket, RI borrows from many of the proactive practices of CLTs with property management services, saying “we reach out to people if they’re behind. I think we’ve become more systematic lately about making the property manager really track this closer.” The organization also runs after-school programs for the children that live in its buildings. The CLT in Park City, UT partners with a management company that exclusively works with affordable housing and it reported less of a learning curve for the company. Still, it said that the CLT tries to “stick our nose in a lot” and talk to the company and their renters in order to “not be surprised” if anything comes up.

These strategies are also built around organizational priorities and resources that are available to the CLTs. The two CLTs in Southern California that contract out property

management run very lean operations with million-dollar budgets, but have only one and a half or three full time staff. They contract out most services and see themselves as stewards of affordability rather than developers or property managers. Other CLTs with smaller budgets and little or no rental experience developed large tax-credit projects and then reasoned that they would not be able to increase their organizational capacity quickly enough to take on the challenge of property management. Still others sought out and found advice and technical assistance from national organizations like NeighborWorks. Like CLTs that do their own property management, a number of CLTs that contract it out report receiving advice about contracting property management as well as grants for maintenance costs. Finally, a number of CLTs said that well-respected property management companies already exist in their area and they saw no reason to duplicate services.

4.4.5 Successful Rental Development and Management Strategies: Mixed-Tenure Housing

Mixed-tenure housing specifically refers to the practices of CLTs that have created mixed-tenure buildings with homeowners and renters living in the same structure. Three Original CLTs in this study have rehabilitated small two- and three-family homes to create mixed-tenure buildings. One of them, based in Worcester, MA has produced 21 two- and three-family, mixed-tenure buildings with a total of 47 rental units. Each building has one homeowner who manages the other one or two affordable rental units in the building. The homeowners also keep the rental income from the units. CLTs can

develop these properties similar to the way they develop home ownership properties, which means less debt and fewer management and maintenance responsibilities. Two other CLTs, in Holyoke, MA and St. Paul, MN, have used this model sparingly to develop three units each of rental housing.

For the CLT, mixed-tenure management means that they are generally second-line property managers, leaving most management and maintenance issues to their homeowner-landlords. The work for the CLT in this system is somewhat frontloaded. The Worcester, MA organization that has used this model most extensively, works hard to make sure the buildings are extremely durable and the fixtures and appliances have full warranties. It then shepherds new homeowners through a NeighborWorks home ownership program and trains them to be landlords. The CLT also does the property management work for the first year. Homeowners get to choose their tenants, but the CLT compiles a waiting list and pre-qualifies tenants. The organization does provide some assistance and referrals after the first year, when necessary, but the strength of the model is its limit on the resources expended on property management.

This model holds promise, but with a funding landscape of shrinking home ownership subsidies and a housing market where fewer and fewer people qualify for loans it is increasingly difficult to realize. This is especially true because many lending institutions require a homeowner to show that they will be able to cover their mortgage payments without rental income. For low-income people in this market, that is relatively impossible. The only other strategy would be for CLTs to more deeply

subsidize the units to bring down the overall mortgage amount for the buyer. This also seems unlikely, as the interviewee from Worcester, MA reported that even in a state traditionally generous with affordable home ownership subsidies, there is currently no money available. Still, when the market recovers and home ownership subsidies become more available, this may be a strategy worth investigating for more CLTs.

4.5 Discussion: Implications for CLTs Interested in Rental Housing

These interviews were designed to explore why CLTs have developed rental units as well as how they might continue to be successful in this endeavor. The two primary reasons CLTs gave for providing rental units are to meet the housing needs of very low-income people who cannot qualify for mortgages and to seek out alternative sources of development funding and income to support the organization's operations.

Interviewees also outlined two different rental development strategies, two different rental management strategies, and a combination strategy, in addition to the challenges they faced with regard to each. In order to understand the implications of these responses for CLTs that are considering rental units, the development and management strategies available to a CLT must be evaluated against the reasons CLTs give for providing rental housing. The CLT types will also be a part of this evaluation process because the histories and capacities of these organizations play a large part in how well they adopt success strategies for providing rental housing. Because the Crossover CLT is so similar to the Original CLTs and the Foundation CLT shares much with the Program CLTs, these outlier CLTs will be considered part of their related group.

The matrix below assesses each combination of strategies based on whether it assists Original and Program CLTs in meeting the needs of low-income communities (Need) and whether it provides funding or income (Finances). This analysis will focus on smaller and mid-sized Original CLTs and their experiences of beginning to provide rental units. This is because these organizations report facing the biggest challenges when transitioning to provide rental units. The parent CDCs and CHDOs of Program CLTs generally begin as rental housing developers, so there is little transition for them.

Table 8: Development and Management Strategies and Outcomes

	Start Small & Do PM*		TCs & Do PM		Start Small & Contract PM		TCs & Contract PM		Mixed-Tenure	
	Need	Finances	Need	Finances	Need	Finances	Need	Finances	Need	Finances
Original CLTs	Slowly creates more units. PM creates connection with tenants.	Funding harder to find with out debt, but with out debt it can generate income. Possible to save \$ with PM.	Quickly creates more units. PM creates connection with tenants.	More stable funding, but development, compliance, and PM an issue for smaller CLTs. Long-term, no income.	Slowly creates more units. May require proactive strategies to connect with tenants.	Funding harder to find with out debt, but with out debt it can generate income. Hard to find PM.	Quickly creates more units. May require proactive strategies to connect with tenants.	More stable funding, but development & compliance an issue for smaller CLTs. Long-term, no income. Contracting PM saves \$	Slowly creates more units. May require proactive strategies to connect with tenants.	Funding harder to find with out debt. Qualified buyers harder to find.
Program CLTs	Slowly creates more units. PM creates connection with tenants.	Funding harder to find with out debt, but with out debt it can generate income. Possible to save \$ with PM.	Quickly creates more units. PM creates connection with tenants.	More stable funding. More experience with development, compliance, and PM.	Slowly creates more units. May require proactive strategies to connect with tenants.	Funding harder to find with out debt, but with out debt it can generate income. Hard to find PM.	Quickly creates more units. May require proactive strategies to connect with tenants.	More stable funding. More experience with development & compliance. Contracting PM may save \$	Slowly creates more units. May require proactive strategies to connect with tenants.	Funding harder to find with out debt. Qualified buyers harder to find.

* PM = Property Management; TC = Tax Credit

Original CLTs considering rental development today must contend with shrinking federal and state subsidies and more of their membership failing to qualify for mortgages. Probably the most stable and largest source of rental funding available to

them is tax credits. Tax credit funding can catalyze large projects that more quickly meet the needs low-income people in need of affordable rental units. The two Original CLTs that began their rental development with tax credits created 106 and 120 units in just a few years. But as organizations generally used to developing smaller home ownership projects, tax credits require Original CLTs to take on more debt, give up more control to a developer, be responsible for complex compliance mandates, and plan for property management and maintenance work on a large scale. Because these CLTs rarely have much property management experience, managing their own tax-credit projects is likely to be a financial loss. Contracting out property management may be much more economical, but also challenges the connection CLTs typically keep with their members. Some of the factors that could mitigate these challenges include local government sponsorship or close partnership or merging with a trusted, tax credit-experienced developer.

If Original CLTs forgo tax credits and choose to start small, their funding options for rental development generally look similar to the funding options they use for home ownership development. Putting together a funding package with little hard debt can often require quite a bit of fundraising time and coordination in order to layer a number of different sources. Starting with smaller buildings or scattered-site single- and multi-family homes also means that CLTs will likely not meet the need in their communities as quickly as with larger tax-credit developments. However, the advantages are that they are generally more familiar with the development process, they retain more control over that process, there are usually fewer compliance requirements, and with

the right funding package the units may provide enough rental income to support the organization's operations. Small-scale rental also provides more of a choice for CLTs with regards to property management. A number of Original CLTs have shown that it is financially feasible to slowly scale up a property management practice with fewer units. CLTs may still choose to contract out property management, but it may be harder to find a management company willing to take on a small or scattered-site rental portfolio. Contracting out property management may also require some additional programming or outreach to tenants in order to maintain connection with these members.

While slower, this strategy appears much more feasible for Original CLTs with no previous rental experience. It could be even more attractive with local government support, donations of land or buildings, and technical assistance and support for professional property management systems.

The final scenario involves Original CLTs developing mixed-tenure buildings and leaving most property management responsibilities to their homeowners. In many regards this strategy is similar to small-scale rental development. However, because it depends on the credit of low-income homeowners, it may be particularly hard to enact in this housing market. Acquiring and building or rehabilitating two- or three-family homes usually requires more money than single-family homes. This additional funding must either be raised or financed by the CLT, or the buyer must qualify for a larger loan. CLTs are reporting a dearth of funding for home ownership to begin with, so it is unlikely that additional funds will be available for this model. Similarly, most potential

CLT buyers would never be able to take on a larger loan. There may be some housing markets where this model is still possible or governments are willing to fill the funding gap, but in most of the country, mixed-tenure CLT housing may be on hold until subsidies and credit become more available.

4.6 Results and Discussion Summary

Data from the interviews revealed that some CLTs shy away from rental housing to keep from duplicating services or expanding beyond their capacity. CLTs that have developed rental units, reported that they did so to meet the housing needs of low-income people and to secure alternative funding sources and supplemental income. Based on their history and experiences, these organizations were categorized into four types: Original CLTs, Crossover CLTs, Program CLTs, and Foundation CLTs. Interview data was then analyzed to understand the challenges and strategies CLTs used to build their rental portfolio. These strategies—including using tax credits, developing smaller-scale rental properties, or mixed-tenure buildings, as well as acting as property managers or contracting it out—were then compared against the organizations' explanations for providing rental units. The comparison also considered CLT type and centered the experience of small- and mid-sized Original CLTs to better provide recommendations to CLTs that are currently considering rental development. The findings show that CLTs with little rental experience may be better suited to small-scale rental development than tax credit partnerships. This path is likely a slower one, but involves a more acceptable level of risk for these organizations. The comparison also

reveals that CLTs have had success with both management strategies, though they each provide some challenges. Evaluations of each strategy are also very much dependent on the resources available to a particular CLT.

CHAPTER 5

RECOMMENDATIONS

5.1 Recommendations for CLTs

The interview results indicate a number of gaps in information and resources and point toward four recommendations to assist CLTs—specifically Original CLTs—in beginning to provide rental units or scaling up their rental program. The first two recommendations are for the national organizations that provide assistance to CLTs. The second two are directed at CLT staff and board members.

1. To provide CLTs with unbiased technical assistance regarding low-income housing tax-credit projects.
2. To provide CLTs with values-aligned property management assistance and training, including business models and best practices.
3. For CLTs to consider the relationship they want with their tenants and strategically plan their property management practice around this goal.
4. For CLTs interested in, or already providing rental housing to market their organizations as flexible affordable housing developers designed to accommodate multiple tenures and assist interested members in moving up the tenure ladder.

5.1.1 Tax Credit Assistance

If CLTs are to use tax credits to create rental properties, they require advisors who have no stake in whether their projects go forward. State agencies that distribute tax credits may be helpful in many regards, but ultimately are interested in seeing projects realized. Similarly, developers that partner with CLTs have an interest in projects advancing so that they are awarded developer fees. Often, neither of these parties is deeply rooted in the community where the development is planned. CLTs are more connected to the community through their membership and board. As this representative of the community, they deserve assistance from a source that has no interest in the project going forward. Available advice should include application review, guidance on partnering with non-profit and for-profit developers, tools to assess the short- and long-term financial feasibility of the project, tools to assess the necessary maintenance reserves, and other issues. National affordable housing groups—especially those already sought out by CLTs like the National CLT Network, NeighborWorks, LISC, or Burlington Associates—are likely candidates for providing this technical assistance.

5.1.2 Property Management Resources

Property management is a new practice to most CLTs beginning to develop rental units. Many CLTs do provide some degree of support, counseling, or referrals for assistance to

their homeowners, but this is rarely as intensive, time-consuming, or expensive as rental property management. To best prepare for this new step, CLTs require advice about whether to do their own property management, property management business models, assistance designing systems and policies for tenants and/or property managers, as well as best practices for proactively supporting tenant stability. CLTs have found some of these resources in local affordable housing developers and property management companies, but local expertise is not available everywhere. It is also important that the expertise offered matches CLT values. If CLTs view themselves as democratically run, anti-displacement organizations, then appropriate property management models should understand renters as partners in this work rather than simply as recipients of services or sources of revenue. Ideally, CLTs should be able to rely on national or regional experts and have access to a library of models and policies that reflect their values.

5.1.3 Property Management Practices and Tenant Relations

The traditional CLT model, as adhered to by Original CLTs, is clear about the place of homeowners in the organization. They are the primary constituency served, members of the organization, and one-third of the seats on the board of directors are held for them. Because renters are not as explicitly included in the original model, their place is not as clear. Some CLTs that have added rental units have seamlessly integrated renters into their governance structure and view them as they do any other members who live on CLT land. Other CLTs are still deciding how they want or expect tenants to

be a part of the organization. Property management practices can set the tone for this relationship between the organization and its renters, whether that is the intention or not. The data showed that there is no 'one size fits' all property management model for CLTs, but the kind of relationship each CLT desires with its tenants should inform their property management practices.

CLTs also deserve an expanded set of management models that allow for different kinds of interactions with their tenants. CLTs in this sample either managed their own properties or contracted it out to a property management company. However, some organizations did mention exploring alternative models such as mutual housing associations (MHAs) and Renter Equitysm. MHAs function similarly to CLTs, with tripartite boards majority controlled by tenants and potential tenants, but with a focus on rental units. Tenants cannot buy or sell their units, but they hold an interest in all units owned by the MHA through their membership. Residents also have a lifetime right to housing and an expectation that they actively participate in day-to-day maintenance and governance. MHAs hire property managers for larger projects and administrative duties, but the MHA oversees this staff or company. Some MHAs develop new units as well as manage existing ones, but in combination with CLTs, MHAs would likely not act as developers, but similar to a cooperative of renters on CLT land. There is at least one such configuration in New York's Lower East Side. The Cooper Square CLT owns land under 303 rental units in a number of different multi-family buildings (Angotti, 2007). All of the buildings are owned and managed by an MHA. MHAs like this one may be harder to coordinate with the complicated finance and compliance

structures of tax-credit projects, but they could also be a good fit for CLTs that own rental units fee simple. They could also be applied to tax-credit projects that have outlived their compliance period and where full ownership has been transferred to the CLT.

Renter Equitysm is a similar model developed by the Cornerstone Corporation for Shared Equity in Cincinnati, Ohio. Tenants that participate in Renter Equitysm fulfill “the terms of an occupancy agreement which includes monthly resident association meetings and responsibilities for maintenance of the common areas and landscaping” (Cornerstone Corporation for Shared Equity website). Cornerstone then provides additional property management services. In return for fulfilling the terms of the occupancy agreement, each household builds equity and is able to access the account after five years. In five years, households have the opportunity to earn over \$4,000 in equity and can continue building equity for up to 10 years or \$10,000 (Over the Rhine Community Housing website). Cornerstone began as a community loan fund and the Renter Equitysm model is funded in part by the loan fund, however Cornerstone and its development partner Over the Rhine Community Housing report that unusually high occupancy rates dramatically lower property management costs (Over the Rhine Community Housing website). The Renter Equitysm model has been used in 22 and 14 unit developments in smaller buildings, but may also be compatible with tax-credit projects because tenants are organized as a tenants’ association rather than as an organization that owns the buildings. Both models offer CLTs an alternative form of tenure for their renters that is somewhere in between common rental tenure and home

ownership. They are also ways to organize tenants and include them in the governance of the property, support them in building equity, and potentially reduce the CLT's property management expenses and responsibilities.

5.1.4 CLT Marketing

The target of CLT marketing is largely local governments, but can also include foundations and other funders. City government support of CLTs has proved particularly crucial during their expansion into rental development. In some places CLTs are competing for this funding against other affordable-housing developers with more rental experience. And in many places, they must contend with the stigma of renters as more likely to be violent, transient, and/or not invested in the neighborhood. In this landscape, CLTs can market their organizations as both stewards of public subsidies and permanent affordability, as well as organizations designed to provide stable, long-term housing to tenants and engage them in local governance. CLTs have already been effective in convincing governments that subsidies are more likely to be recycled—and affordability more likely to be retained—through their home ownership programs. CLTs might similarly be better positioned to preserve the investment and affordability of tax-credit projects, as their compliance period generally expires after 15 or 30 years. A number of CLTs explained that they have shifted some of their focus to preserving these units as they reach the end of their compliance period and their developers consider selling them or converting them into market-rate apartments or condominiums.

In some cities, arguing for the preservation of low-income rental properties does not galvanize the same amount of popular support or political will as advocating for affordable home ownership. Even in these places, CLTs have a case to make for their rental properties. They may argue that conventional affordable rental housing often does not provide the services or stability that is necessary for very low-income people to thrive. In contrast, CLTs have shown that proactive property management, financial counseling, and other tenant services increase stability for their renters (Gent, et. al., 2005). Many CLTs can also show that this increased stability has helped tenants meet their own goals of finding better employment, keeping families together, or moving into limited-equity home ownership. CLTs certainly have the potential to develop units that meet the needs of people throughout the housing tenure spectrum and should promote themselves as uniquely positioned to assist low-income people in achieving their housing goals. In making this argument, CLTs should be careful not to reinforce the stigma against renters and should be clear that their goal is to address the challenges renters face rather than blame renters in non-CLT affordable rental housing for their own instability.

5.2 Implications for Planners

This research is primarily intended to support CLTs, but it should also inform the practice of municipal housing planning. In the wake of the housing market collapse, this is a critical moment for municipalities to reevaluate their housing plans. It is also

critical for any housing assessment to be based around community need. In our second-best world, where municipal revenues are often tied to regressive property taxes, it is not unusual for housing plans to slip into prioritizing tax-revenue generation over housing that is affordable for residents. Most CLTs interviewed had not recently completed comprehensive housing needs assessments; however, as affordable housing providers, it is likely that they have some sense of what is in high demand among their constituency. Representatives from 18 organizations discussed the gaps in the housing system in their service area and 16 (89%) identified affordable rental housing as the most pressing need. National trends support this statistic, as millions of Americans lost their homes or apartments in the foreclosure crisis and even more have credit histories that prevent them from qualifying for a home loan. Add to that the findings that market rate home ownership is often not a stable investment for low-income people, the lack of mobility it affords owners, and the increased burden of maintenance for low-income, disabled, or elderly people, and the greater demand for affordable rental housing seems almost inevitable (Green, 2011; Shlay, 2006).

If municipalities perform housing assessments and find similar results, they are faced with a choice: pursuing policies that meet the needs of their community or pursuing policies that seek to increase residential property values with high-end home ownership and rental units. A first-best world with a more progressive local tax structure might not force this choice between the valuation of high-cost property and the people who can afford it and the valuation of moderate- and low-cost property and the residents who can afford it. However, in this second-best world, the choice is

generally between importing wealth or fostering its creation locally. Whether planners and elected officials are honest and explicit about the consequences of this choice, their decision speaks volumes about the community they are shaping and the residents they value. Honesty would require them to admit that it is largely people of color, low-income people, women, young people, and the elderly who will be priced out first.

For municipalities interested in an approach that prioritizes building wealth among existing community members and fostering inclusive communities, CLTs have the potential to be an excellent partner in achieving these goals. In particular, CLTs' commitment to permanent affordability makes them a top candidate for managing the many tax-credit projects that are cycling out of affordability protections. Municipal governments concerned about losing these units have a critical opportunity to fund and facilitate the purchase of these buildings by CLTs.

On a smaller scale, CLTs and local governments can partner to ensure that foreclosed homes become well-managed rental properties with a potential for future affordable home ownership. The alternative, described by a number of interviewees, is outside speculators buying up real estate-owned properties and either holding them vacant—often providing no maintenance or upkeep—or renting them out with minimal maintenance until they can be sold for a profit when the market recovers. The flexibility of the CLT model also allows for these units to be transformed from rental tenure to limited-equity home ownership as residents build wealth and the housing and

job markets stabilize. Unlike units held by speculators, these homes would likely be in much better condition and preserve affordability for the long-term.

There is also quite a bit of compatibility between CLT rental strategies and current trends in the urban planning field. Smart growth and New Urbanist theory, which advocates for dense, walk-able, mixed-use urban neighborhoods and transit-oriented developments, is the basis for the future plans of many of the CLTs interviewed. In Southern California; St. Paul, MN; Burlington, VT, and other cities, CLTs described a desire to purchase and build on land near mass transit stops and mixed-use development centers. In fact, CLTs and other community-controlled development models are the necessary complement to smart growth and New Urbanist ideas because without them market forces turn these desirable, compact, mixed-use neighborhoods into white, middle- and upper-class enclaves (Smith, 2002; Hetzler, et. al., 2006). CLTs can take land in these gentrifying or exclusive neighborhoods off the market and build affordable rental housing close to amenities. The CLT model also puts the use of the land and the plans for future development in the hands of the people at risk for displacement. As so many cities continue to expand mass transit services in the form of light rail, trolleys, and bus rapid transit, planners and municipal officials should work with community-controlled affordable housing organizations to site units at transit stops and development centers. Without coordination, people of color and low-income communities will again be denied the benefits of urban planning and community reinvestment.

Plans to incorporate affordable rental units into smart growth plans, as well as the general increasing demand for affordable rental housing, also requires some accountability from housing planners in clarifying its value. The dominant racist, classist, and sexist stereotypes about renters is that they are more likely to be violent or criminals, to be irresponsible, to have more children who will damage the apartment, and to be less invested in the community than their home-owning counterparts (Frisch, 2002; Shlay, 2006; Lauster & Easterbrook, 2011; Rhodebeck, 2012). It is the responsibility of housing planners to challenge these assumptions that still inform housing policy. CLTs have proven that they can provide renters with stability that encourages engagement and longer-term residency (Gent, et. al., 2005). Outside of CLTs, MHAs, and other community-based, affordable housing developers, there is quite a bit of variance in tenant turnover, quality of the rental units, and property management policies. Housing planners should be invested in data-driven research about what policies lead to secure and stable rental tenure and how to encourage it. As Shlay says, “If housing policy can render rental housing an unattractive housing option, it can also be used to make this type of housing option more desirable.” Planners can and should be on the forefront of dispelling the stereotypes about rental housing and advocating for the best practices for tenants and affordable rental housing organizations.

5.3 Opportunities for Improvement and Recommendations for Future Research

The informant selection process and interview protocol development significantly impacted the data available and could be altered to add more depth to research on this topic. Specifically, a sample that includes an equal number of home ownership-only CLTs as CLTs with rental units would provide a much better basis for analysis about what characteristics or context are correlated with the presence of rental units on CLTs. In order to make an apt comparison, all CLTs would likely have to be Original CLTs as well, thus guaranteeing that they began with a similar structure and model.

The open-ended structure of most questions in the interview protocol may have also inhibited more precise data analysis. Informants' answers were categorized based on the interviewer's understanding of their responses rather than on more concrete multiple choice or Likert scale answers. This alternative might better capture CLT motivators for providing or not providing rental units. As an example, informants could be asked the degree to which the presence of other affordable rental housing agencies dissuades them from beginning or expanding their rental practice with Likert scale answers. Similarly structured questions about the importance of different resources, such as tax credit assistance from national or local organizations, might have also increased understanding and the sharpness of the analysis.

5.3.1 Additional Questions

Interview protocol comprehensiveness must always be balanced with time constraints. During hour-long interviews, the existing protocol covered core topics of interest well, but some additional questions would have enhanced the study. In particular, additional questions about CLT histories would have likely shed more light on how larger Original CLTs began their rental programs and what resources the parent organizations of Program CLTs relied on during their early days. This more historical approach would have depended on the institutional memory of the informants, but may have also provided a more detailed road map for CLTs beginning to develop rental properties. Historical questions about the number of competing organizations providing rental units at the time that a CLT started to provide rental housing would have also added to the accuracy of the analysis.

In addition, CLTs were not asked explicitly about the relationship they have with their local government. Many organizations spoke about this issue in answers to questions about their history, funding, or resources they have drawn on. Still, not all organizations shared information about their local government and those that did shared a variety of different aspects about their relationship to the entity. Given that local government support appears to be a significant factor in the success of CLTs with large rental portfolios, future research should focus specific questions on this topic.

Lastly, this research explains CLT obstacles to and strategies for providing rental units in somewhat broad strokes. The particular obstacle of tax credit compliance measures—mentioned by many organizations—may require more detailed questions to understand its full importance to CLTs. Record keeping requirements may be more of a burden to certain organizations, whereas income eligibility verifications could be the issue for others. With more specific knowledge of the barriers, more specific recommendations could be targeted to assist CLTs struggling with tax credit compliance issues.

5.3.2 Recommendations for Future Research

This research engaged CLT staff and board members to better understand the reasons CLTs venture into providing rental housing and how they succeed in this work. Future research should build on this framework and include other stakeholders. Informants identified municipal governments as key partners in CLT rental success. The views and beliefs of mayors, city council members, planners, community and economic development staff, and housing authority commissioners, among others, may provide insight into how CLTs and local governments can work together to expand permanently affordable rental housing. Officials in city governments that have excelled at supporting CLTs with rental units should be specifically sought out.

In addition to city governments that work closely with CLTs, there is an increasing trend in cities actually launching and operating CLTs. In the past decade, Chicago, IL;

Las Vegas, NV; Austin, TX; Irvine and San Bernadino County, CA, as well as many other municipal governments have created their own CLTs (Jacobus and Brown, 2007). With the full resources of a city housing department or housing authority behind it, these city-sponsored CLTs could produce thousands of housing units in a matter of years. However, because of the malleability of the CLT model, it is unclear exactly what these organizations will look like and what sort of community accountability measures they will include. Future research should focus on these CLTs and compare them to their independent counterparts, with specific respect to the opportunities for member governance.

Perhaps the most important stakeholders to engage in future research are CLT tenants. One study of renters on the Burlington Community Land Trust (now the Champlain Housing Trust) suggests that the CLT units provide great benefits to these households (Gent, et. al, 2005). Additional research could interview renters with the goal of identifying what practices best support their stability and success in CLTs. Ideally, this research would be replicated on multiple CLTs in order to compare the experiences of renters on CLTs with different practices. One particular practice worth comparing is whether CLTs confer automatic membership on their renters and whether or how it affects the experiences of those renters. Future studies could also explore the relationship between the location of rental properties and the stability it affords renters. This particular investigation may build off some informants' desire to build rental buildings in line with smart growth and transit oriented development practices.

More research on CLT property management models that centers the experience of CLT renters is also needed. Research questions should seek to comprehend how a CLT's mission, goals, and ideology about anti-displacement work correlate with its property management practices. Renters should also be consulted to understand how particular "social work" or "strict" property management practices impact their lives. Innovative property management models like MHAs and Renter Equitysm also deserve more study to discern renters' experiences with them, as well as any challenges they may bring up for CLTs.

5.3.3 Final Thoughts

This research is based in the belief that cities should be accessible to all and specifically that they must interrupt historical cycles of displacement and foster the creation of wealth locally, in low-income communities and communities of color. This thesis intends to show that with the right support, CLT rental housing is well positioned to be an integral component in creating this accessibility. It is the hope that the results and recommendations will provide some guidance to CLTs beginning to provide or expand their rental properties.

APPENDIX A

CLT INTERVIEW DOCUMENTS

Interview Consent Form

UNIVERSITY OF MASSACHUSETTS, AMHERST
HUMAN SUBJECTS INSTITUTIONAL REVIEW BOARD

Study title: Rental Housing in Community Land Trusts

Introduction: I am inviting you to be in a research study conducted by Maxwell Ciardullo, a candidate for Masters of Regional Planning at the University of Massachusetts, Amherst. The purpose of this study is to investigate the barriers to and benefits of rental housing in community land trusts (CLTs). I plan to discuss the results of this research in my master's thesis.

What will happen during the study: The study will include interviews with board members or staff of ten to 20 community land trusts, either in person, through email, or over the phone. In person and phone interviews will be recorded. Participation in this study will take about 45 to 90 minutes for each interview.

Who to go to with questions: If you have any questions or concerns about being in this study you should contact Professor Mark Hamin at mhamin@larp.umass.edu.

How participants' privacy is protected: No informants will be identified by name in any research reports, but community land trusts will be identified by name, location, and other attributes collected through the research. Recordings will be kept on the researcher's password protected hard drive and will not be shared with anyone without consent from the informant.

Risks and discomforts: I do not know of any personal risk or discomfort from being in this study. I do not know of any way you will personally benefit from participating in this study. It is my hope that this study will contribute to the literature on best practices for community land trusts.

Your rights: You should decide on your own whether or not you want to be in this study. You will not be treated any differently if you decide not to be in the study. If you do decide to be in the study, you have the right to tell me you do not want to continue with the study and stop being in the study at any time.

Review Board approval: The Institutional Review Board (IRB) at University of Massachusetts Amherst has approved this study. If you have any concerns about your rights as a participant in this study you may contact the Human Research Protection Office via email (humansubjects@ora.umass.edu); telephone (413-545-3428); or mail

(Office of Research Affairs, 108 Research Administration Building, University of Massachusetts, 70 Butterfield Terrace, Amherst, MA 01003-9242).

PLEASE READ THE FOLLOWING STATEMENT AND SIGN BELOW IF YOU AGREE

I have had the chance to ask any question I have about this study and my questions have been answered. I have read the information in this consent form and I agree to be in the study. There are two copies of this form. I will keep one copy and return the other to Maxwell Ciardullo.

Signature

Date

Interview Protocol: CLTs without Rental Housing

CLT Typology Questions:

1. Informant Name:
2. Would you be willing to send me the most recent annual report?
3. Is the organization a CLT corporation or a program of a larger organization?
4. Year established (organization and/or program):
5. CLT Size:
 - a. Number of staff:
 - b. Number of units (ownership):
 - c. Number of units (rental):
 - d. Number of units (total):
 - e. Operating budget (revenue):
6. Geographic boundaries:
 - a. Is it common that rental and home ownership units are near each other or in the same neighborhood?
7. Would you consider the density of the area served to be urban, suburban, or rural?
8. Population served (homeowner and rental):
 - a. Average AMI of renters?
 - b. Average AMI of homeowners?
9. Governance:
 - a. Is the organization a membership organization? Renters as full members?
 - b. Tripartite board?
 - c. What is the current board make-up (homeowners, renters, commercial/non-profit lessees, community members, public members):
10. Other local housing organizations:
 - a. How many other affordable housing organizations that you know of exist in your service area?
 - b. What is the organization's niche compared to them?

11. Are there any gaps, that you can see, in the housing system in your service area?
What are they?

Opinions of and Experiences with Rental Housing:

12. Why did the organization choose to use the CLT model?
13. Has the organization considered providing rental units? Why or why not?
14. What are the pros/cons of providing rental units?
15. What resources did the organization use to help make the decision about rental units?
16. Do you see home ownership as providing benefits to the CLT or community that rental units do not?
17. Do you see obstacles to developing rental units that do not exist for developing homeownership units?
18. How would developing rental units change the organization's budgeting? Would it mean taking on more debt?
19. Do you see obstacles to managing/maintaining rental units that do not exist for home ownership units? What are they?
20. Are there any circumstances under which the organization would consider developing rental units?

Interview Protocol: CLTs with Rental Housing

CLT Typology Questions:

1. Informant Name:
2. Would you be willing to send me the most recent annual report?
3. Is the organization a CLT corporation or a program of a larger organization?
4. Year established (organization and/or program):
5. CLT Size:
 - a. Number of staff:
 - b. Number of units (ownership):
 - c. Number of units (rental):
 - d. Number of units (total):
 - e. Operating budget (revenue):
6. Geographic boundaries:
 - a. Is it common that rental and home ownership units are near each other or in the same neighborhood?
7. Would you consider the density of the area served to be urban, suburban, or rural?
8. Population served (homeowner and rental):
 - a. Average AMI of renters?
 - b. Average AMI of homeowners?
9. Governance:
 - a. Is the organization a membership organization? Renters as full members?
 - b. Tripartite board?
 - c. What is the current board make-up (homeowners, renters, commercial/non-profit lessees, community members, public members):

10. Other local housing organizations:
 - a. How many other affordable housing organizations that you know of exist in your service area?
 - b. What is the organization's niche compared to them?
11. Are there any gaps, that you can see, in the housing system in your service area? What are they?

Opinions of and Experiences with Rental Housing:

12. What prompted development of the first rental units?
13. What are the biggest factors in the organization's decision-making process about whether to develop rental or home ownership units?
14. Are rental units on CLT land?
15. What funding (or combination of funds) has been used to develop rental units?
16. What has been the primary funding source for developing rental units?
17. Have there been obstacles to competing for/using this funding? If so, what?
18. Is there any funding you avoid or that is particularly hard to work with?
19. Are there any funding sources you would prefer to use or seek out to fund rental developments?
20. Is funding rental development different from home ownership? How?
21. Does rental funding allow for future conversion to ownership? Have any units been converted?
22. Are the rental units the CLT has created permanently affordable? Do they require additional subsidies (section 8) to maintain affordability?
23. Who does the property management for the rental units? Has that changed?
24. Has managing rental units brought up any obstacles? If so, what are they?
25. Has maintaining and owning the physical buildings proved a challenge? How?
26. Does scale/geography matter in maintaining the rental properties? Does it matter whether they are together or spread out? How?
27. Have you needed to hire more staff or staff with particular expertise because of taking on property management work?
28. Is filling vacancies an issue?
29. Do you support renter households in moving into CLT homeownership? How? What policies/practices support this continuum?
30. Do you do community building programming/activities among renters? What do they look like?
31. How do you handle disputes among/with renters?
32. What assistance is necessary and/or available to renters (help with rent/utilities, financial/debt counseling, etc)?

CLT Resources for Rental Housing:

33. What advice would you give to other CLTs developing and maintaining rental units?
34. Are there any other CLTs that you've looked to for a model or support in developing rental units? Which ones?
35. What resources have you found that have helped the organization provide rental units?

CLT Needs for Successful Rental Housing Work:

36. What help do CLTs need in developing rental units? What more do you want to know?
37. Do CLT staff think they need more help? Better experts?
38. Where does the support you get now come from? Where would you look to get more support?

APPENDIX B

CLT NAMES, LOCATIONS, AND BASIC CHARACTERISTICS BY TYPE

Name	Location	Rental	Age	Staff	Rental Units	Total Units**
<i>ORIGINAL CLTs*</i>						
Albany Community Land Trust	Albany, NY	Y	25	2	37	80
Athens Land Trust	Athens, GA	Y	18	7	120	167
Champlain Housing Trust	Burlington, VT	Y	28	65	1,500	2,343
Community Home Trust	Carrboro, NC	N	21	8	0	194
City of Lakes Community Land Trust	Minneapolis, MN	N	10	3.5	0	125
Durham Community Land Trustees, Inc.	Durham, NC	Y	25	6.5	141	202
Holyoke Community Land Trust	Holyoke, MA	Y	20	0.5	3	24
Jane Place Neighborhood Sustainability Initiative	New Orleans, LA	N	4	0	0	0
Irvine Community Land Trust	Irvine, CA	Y	6	1.5	66	67
Middle Keys Community Land Trust	Marathon, FL	Y	12	0.5	14	52
Oakland Community Land Trust	Oakland, CA	N	3	1.25	0	2
Rondo Community Land Trust	St. Paul, MN	Y	19	1.5	3	59
Sawmill Community Land Trust	Albuquerque, NM	Y	18	6	106	194
Southwest Washington Community Land Trust	Vancouver, WA	N	7	0	0	1
Worcester Common Ground	Worcester, MA	Y	24	5	168	236
<i>PROGRAM CLTs</i>						
Mountainlands Community Housing Trust	Park City, UT	Y	19	5.5	138	138
NeighborWorks Blackstone River Valley	Woonsocket, RI	Y	25	17	282	311
Thistle Communities	Boulder, CO	Y	23	24	766	1,037
Women's Community Revitalization Project	Philadelphia, PA	Y	25	28	238	238
<i>CROSSOVER CLT</i>						
Tenants to Homeowners, Inc.	Lawrence, KS	Y	20	4	50	104
<i>FOUNDATION CLT</i>						
California Community Foundation Land Trust	Los Angeles, CA	Y	9	3	125	126
* One Original CLT in California asked not to be named and is not included in this chart.						
** Total Units does not include home ownership unless they are on CLT land.						

BIBLIOGRAPHY

Angotti, Tom. *Community Land Trusts and Low-Income Multifamily Rental Housing: The Case of Cooper Square, New York City* (Cambridge, MA: Lincoln Institute of Land Policy, 2007).

Apgar, William C. *Rethinking Rental Housing: Expanding the Ability of Rental Housing to Serve as Pathway to Economic and Social Opportunity* (Cambridge, MA: Joint Center for Housing Studies at Harvard University, 2006).

Associated Press. "Census: Fewer black children in Detroit, other big cities," *Mlive.com*, July 4, 2011, accessed November 13, 2011, www.mlive.com/news/detroit/index.ssf/2011/07/census_fewer_black_children_in.html.

Axel-Lute, Miriam. "Community Land Trusts: A Conversation with Funders of CLTs." Paper presented at the Neighborhood Funders Group Annual Meeting, Minneapolis, MN, September 29 - October 1, 2010.

Baker, Andrew. "This Land is Not for Sale." *Social Policy* 22.4 (1992): 24-35.

Blow, Charles M. "Escape from New York." *New York Times*, March 18, 2011, accessed November 13, 2011, www.nytimes.com/2011/03/19/opinion/19blow.html?_r=2&hp.

Cornerstone Corporation for Shared Equity. "History." Cornerstone Corporation for Shared Equity. <http://www.csequity.org/about-cornerstone/history> (accessed March 12, 2012).

Curley, Alexandra, M. "Relocating the Poor: Social Capital and Neighborhood Resources." *Journal of Urban Affairs* 32.1 (2010): 79-103.

Davis, John E. *Shared Equity Homeownership: The Changing Landscape of Resale-Restricted, Owner-Occupied Housing* (Montclair, NJ: National Housing Institute, 2006).

Davis, John, E. "Origins and Evolution of the Community Land Trust in the United States." In *The Community Land Trust Reader*, edited by John E. Davis, 3-47. Cambridge, MA: Lincoln Institute of Land Policy, 2010.

DeFilippis, James. *Unmaking Goliath: Community Control in the Face of Global Capital* (New York: Routledge, 2004).

Fishman, Robert. *Bourgeois Utopias: The Rise and Fall of Suburbia* (New York: Basic Books, 1987).

Frisch, Michael. "Planning as a Heterosexist Project." *Journal of Planning Education and Research* 21.3 (2002): 254-266.

Fullilove, Mindy T. "Eminent Domain and African Americans: What is the Price of the Commons?" *Perspectives on Eminent Domain Abuse* 1.1 (2007): 1-12.

Gent, Cathleen, et. al. *Evaluating the Benefits of Living in the Burlington Community Land Trust's Rental Housing or Cooperative Housing* (Burlington, VT: Center for Rural Studies, 2005).

Gray, Karen A. and Galande, Mugdha. "Keeping 'Community' in a Community Land Trust." *Social Work Research* 35.4 (2011): 241-248.

Green, Richard K. "Thoughts on Rental Housing and Rental Housing Assistance." *Cityscape: A Journal of Policy Development and Research* 13.2 (2011): 39-55.

Hammett, Kingsley. "Sidewalk Living Rooms: Creating a Better Neighborhood for the Same Neighbors." *Designer/Builder*, January/February 2007, accessed November 13, 2011, http://www.designerbuildermagazine.com/designerbuilder_sidewalk.html.

Hayden, Delores. *Building Suburbia: Green Fields and Urban Growth, 1820-2000* (New York: Random House, 2003).

Hetzler, Olivia, et. al. "Gentrification, Displacement and New Urbanism: The Next Racial Project." *Sociation Today* 4.2 (Fall 2006), accessed April 4, 2012, <http://www.ncsociology.org/sociationtoday/gent.htm>

Jacobus, Rick and Brown, Michael. "City Hall Steps In." *Shelterforce*, Spring 2007, accessed April 4, 2012, www.nhi.org/online/issues/149/cityhall.html.

Kellogg, Alex. "D.C., Long 'Chocolate City,' Becoming More Vanilla." *National Public Radio*, February 15, 2011, accessed November 13, 2011, www.npr.org/2011/02/15/133754531/d-c-long-chocolate-city-becoming-more-vanilla.

Krinsky, John and Hovde, Sarah. *Balancing Acts: The Experience of Mutual Housing Associations and Community Land Trusts in Urban Neighborhoods* (New York: The Community Service Society of New York, 1996).

Lauria, Mickey and Comstock, Erin. *The Effectiveness of Community Land Trusts: An Affordable Homeownership Comparison* (Cambridge, MA: Lincoln Institute of Land Policy, 2007).

Lauster, Nathanael and Easterbrook, Adam. "No Room for New Families? A Field Experiment Measuring Rental Discrimination against Same-Sex Couples and Single Parents," *Social Problems* 58.3 (August 2011): 389-409.

National Community Land Trust Network. "U.S. Directory of CLTs." National Community Land Trust Network.
<http://www.cltnetwork.org/index.php?fuseaction=Main.MemberList> (accessed March 12, 2012).

Over-the-Rhine Community Housing. "Understanding Renter Equity." Over-the-Rhine Community Housing. <http://www.otrch.org/residents/renterequity.html> (accessed March 12, 2012).

powell, john a. and Spencer, Marguerite L. "Giving Them the Old 'One-Two': Gentrification and the K.O. of Impoverished Urban Dwellers of Color," *Howard Law Journal* 46.3 (2003): 433-490.

Rhodebeck, Ashley. "Some Say Stereotypes of Renters are Unfair." *Kane County Chronicle*, January 25, 2012, accessed April 4, 2011,
www.kcchronicle.com/mobile/article.xml/articles/2012/01/24/46700633/index.xml

Shlay, Amy B. "Low-Income Homeownership: American Dream or Delusion?" *Urban Studies* 43.3 (March 2006): 511-531.

Smith, Neil. "New Globalism, New Urbanism: Gentrification as Global Urban Strategy." *Antipode* 34.3 (June 2002): 427-450.

Southside Community Land Trust. "Programs." Southside Community Land Trust.
<http://www.southsideclt.org/programs> (accessed March 12, 2012).

Sungu-Eryilmaz, Yesim and Greenstein, Rosalind, *A National Study of Community Land Trusts* (Cambridge, MA: Lincoln Institute of Land Policy, 2007).

Thaden, Emily and Rosenberg, Greg. "Outperforming the Market: Delinquency and Foreclosure Rates in Community Land Trusts." *Land Lines*, October 2010.

United States Department of Justice Office of Public Affairs. "Justice Department Charges St. Bernard Parish, Louisiana for Limited Rental Housing Opportunities for African-Americans." U.S. Department of Justice.
<http://www.justice.gov/opa/pr/2012/January/12-crt-143.html> (accessed March 12, 2012).

Walljasper, Jay. "A Fair Share in Suburbia." *The Nation* 268.3 (January 25, 1999): 15.

Zonta, Michela. "The Legacy of the Great Depression and the Need for Alternative Forms of Tenure and Home Financing." *Progressive Planning*, Winter 2010.
http://www.plannersnetwork.org/publications/2010_winter/zonta.html (accessed March 12, 2012).