BALANCING ACTS
The Experience of Mutual Housing Associations and Community Land Trusts in Urban Neighborhoods

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BALANCING ACTS:
The Experience of Mutual Housing Associations
and Community Land Trusts
in Urban Neighborhoods

By John Krinsky and Sarah Hovde

Community Service Society of New York

105 East 22nd Street • New York, NY 10010 • (212) 254-8900
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FOREWORD

In cities across the nation, bold new efforts by poor and working people in their communities are stemming neighborhood disintegration and sparking housing renewal. Such creative housing ventures both in New York and in the rest of the country should be evaluated and emulated. For this reason, I am pleased to present Balancing Acts: The Experience of Mutual Housing Associations and Community Land Trusts in Urban Neighborhoods.

Alongside the many nonprofit urban organizations sharing the goals of producing and maintaining affordable low- and moderate-income housing, Mutual Housing Associations (MHAs) and Community Land Trusts (CLTs) are uniquely designed to be accountable both to their residents and to their local communities. The inclusion of residents and neighborhood representatives on their elected boards is considered both an organizing principle and a practical approach to preserving affordable housing. The report concludes the principle and the practice are sound ones.

Because MHAs and CLTs blend community organizing with community development, their work requires a delicate balance of educational, organizing, and training activities on the one hand, and technical expertise on the other. Balancing Acts draws on the experiences of 20 MHAs and CLTs in 10 cities to explore how these groups achieve this balance, and how successful they are in addressing housing problems in their neighborhoods.

The residents, staff, and neighborhood partners who live in and work with MHAs and CLTs all face significant challenges. In the face of the short-sighted federal policy of abandoning needed support to housing, these groups are trying to manage projects on shoestring budgets, develop permanently affordable housing on limited subsidies, and attract the necessary resources for building a strong community organization without sacrificing democratic principles and processes. If housing in inner cities is to be saved, it will be through the work of ordinary people involved in experiments like the ones detailed here.

This study, and a companion handbook designed for MHA and CLT residents and organizers, were generously supported by grants from the Rockefeller Brothers Fund. The goals of the publications are to increase public awareness about MHAs and CLTs, teach the lessons of previous efforts — good and bad — and stimulate discussion about how to optimize community-resident partnerships that secure affordable housing.

DAVID R. JONES, ESQ.
President and CEO
Community Service Society of New York
ACKNOWLEDGMENTS

This study is the product of two years of research supported by the Rockefeller Brothers Fund. We would like to extend our thanks to them for making it possible.

We would also like to thank Victor Bach, the director of the Housing Policy and Research unit, whose guidance, knowledge and comments have both taught us a great deal about our subject, and have vastly improved the report. Our thanks also to Luis Sierra, who with Vicki Oppenheim conceived of this project and got it off the ground during their tenure at CSS. Luis also worked on this project during the first of the two years, and his insights, good sense and good humor have infused the whole process. Thanks also to April Tyler, and Migdalia Molina for all of their support throughout.

Our gratitude is also due to the rest of the Public Policy department who have challenged us with questions, and helped us in various ways during the past two years.

Outside CSS, many thanks are due to all of the people who agreed to speak with us, put us up, and provide criticism, comments, and encouragement. Because literally hundreds of people helped us, it is impossible to list them all here. A list of interviewees is provided in Appendix C. Their relegation to the back of this report is due to convention; they are the keystones of this research, and cannot be thanked sufficiently.

We would, however, like to thank the executive directors and key board members of the MHAs, CLTs, and other groups who gave so much time and effort to helping our research proceed. In New York: Janira Bonilla, Noah Bly, Valerio Orselli, Ruth Torres, Harry DeRienzo, Andy Reicher, Matt Lovick, Ismene Speliotis, and Brad Lander. Outside of New York: Teresa Clarke, David Etezadi, Allan Heskin, Maria Colón, Brenda Torpy, Erhard Mahnke, Anne Reitmayer, Judy Wilcox, Pamela Jones, Peter Wood, Catherine MacKinnon, and Paul Yelder.

We also extend our gratitude to John E. Davis, of Burlington, Vermont’s Community Economic Development Office, whose careful reading of preliminary works helped to improve the final version, and to Michael E. Stone of the University of Massachusetts (Boston) and Rachel G. Bratt of Tufts University, whose previous work and whose helpful comments have enriched our knowledge and our report. Thanks also to Peter Marcuse of Columbia University for his instruction during both of our tours through the urban planning program there, and for giving us a copy of a long out-of-print work of his that helped to inform our analysis of resident participation.

Joe Weisbord and Nina Marinkovich, both formerly at Pratt, set us up with good preliminary information about many New York groups.

Claudia Kool and Noëlle van den Boom, students from the University of Amsterdam, provided us with helpful insights about Cooper Square, and facilitated our study of that
organization.

The late Bonnie Fish of the Twin Pines Cooperative Foundation turned us on to "co-op camp," giving us our entry into the worlds of the California MHA.

Allison Oman and Jason Corder were like family in San Francisco. Ken Kulak and Kate Hovde, and Ed and Bobbie Krinsky were family in Philadelphia and Madison, respectively. Thanks again.

Our thanks too, to Michael Hirsch for his capable red pen and helpful editing. All errors, both substantive and stylistic, remain our own.

We must also extend our thanks to our respective partners, Keren Osman and Fernando Alarcón, for putting up with our extended absences, and for their moral support throughout. Field research is so much more rewarding when you can really come home.

Finally, we would like to extend our thanks again to all of the residents, organizers, and supporters of the MHAs and CLTs in our study, and to dedicate this report to them and their continued efforts.

J.K. and S.H.
This report presents the findings of a 10-city study of mutual housing associations (MHAs) and community land trusts (CLTs). Among organizations that develop and provide affordable, low-income housing, MHAs and CLTs are distinguished by the following characteristics:

- **Resident-Community Partnership.** They are conceived as partnerships between residents of the housing and other community members, and are governed by elected boards with resident and community representation.

- **Scale and Expansion.** They are "expansionist" in that they seek to bring increasing numbers of buildings under their stewardship, to effect economies of scale, promote mutual support, and increase the supply of permanently affordable housing and land under resident and community control.

Though there have been similar housing models in Europe and Canada, these are relatively new to this country, and are still not as widely used as are other affordable housing models, such as nonprofit rental housing sponsored by Community Development Corporations (CDCs), or limited-equity cooperatives. Increasingly, MHAs and CLTs are viewed as important means to address problems and dilemmas inherent in other affordable housing models by combining the professionalism, expertise and community support of CDCs with the resident control offered by the limited-equity co-op model.

MHAs and CLTs differ from each other principally in the importance that the latter give to land ownership. While MHAs own or assist housing, CLTs own land which is leased to owners of housing. Many CLTs directly own nonprofit rental housing, but urban CLTs also own the land under cooperatives, MHAs, or small, detached homes.

MHAs and CLTs have generated a good deal of interest, both nationally and in New York City. The lessons learned from a study of these models have potential application to the
work of many community-based housing organizations. This report will:

- clarify the models, and the variety of organizational structures encompassed by the terms "CLT" and "MHA"
- examine the strengths and weaknesses of the models in practice, the challenges faced by groups, and the strategies they used to meet these challenges
- assess the potential of these models to address housing problems in low-income urban communities, with particular attention to New York City.

Major Findings

There are some 120 MHAs and CLTs in the United States. This includes almost 30 MHAs (more than 7,000 units of housing) and 84 CLTs (some 4,000 units). Of these, this project selected 20 MHAs and CLTs in ten cities. Eight groups, including seven MHAs and one CLT were studied in New York City, and twelve groups, six MHAs and six CLTs, were studied in nine cities around the country.

The twenty groups in this study — most of them less than ten years old — had a mixed record of success in meeting their organizational goals and balancing their various functions. At this stage, their main achievements included:

- meeting their goal of providing decent, affordable housing to low-income households
- providing residents with opportunities to control their housing and effect positive changes in their neighborhoods, through anti-drug patrols, food pantries, youth programs, and other initiatives.
- enhancing the long-term viability of the housing and producing significant cost savings through resident and community organizing activities.

The main challenges encountered by the groups included:

- balancing and combining resident organizing with management and development activities
- working out an organizational consensus about, and operational commitment to, the role of resident participation
- maintaining a stable resource base to support their multiple functions.

This last challenge presents itself as particularly urgent in the face of current cuts in federal expenditures for affordable housing, such as Section 8 rental assistance, and Low-Income Housing Preservation (LIHPRHA). MHAs and CLTs, like other affordable housing providers, depend on the availability of development subsidies and rent subsidies in order to house low-income residents.

MHAs’ and CLTs’ response to these challenges is strongly affected by several factors:

Prior organization
MHAs and CLTs that grow out of the activities of established tenant groups already have a shared organizational culture and experience in working together. Less time has to be spent on getting members accustomed to each other. In contrast, groups that come together to form an MHA or CLT may face greater challenges in developing resident solidarity and participation. Yet the former often face other challenges that MHAs and CLTs organized "from scratch" may only face later and may be able to avoid. These include: keeping members involved in the group beyond the moment that they occupy a rehabilitated apartment; dealing with troublesome or recalcitrant members who have, nevertheless, been part of the original tenant group; and adapting tenant organizations to the duties of development, management, and further organizing.

Organizing History
Groups that arose out of confrontation (with landlords, government agencies, etc.) found that building a complex, but democratic, housing organization entailed a different style of organizing than did their prior activities. Conversely, groups that grew out of partnerships with government experienced fewer of these tensions. Groups that grew out of older community or housing organizations sometimes struggled to establish their own identities, and often had an uneasy — though mostly cordial — relationship with their parent organizations.

Housing Conditions
Where they occurred, persisting rehabilitation and maintenance problems impeded resident democracy and governance, and distracted from broader community involvements.

Local Housing Market
Downturns in local housing markets created short-term vacancies in several MHAs and CLTs. This threatened the financial health of these groups and hindered the development of a resident leadership base.

Rate of Development
Several groups developed housing too fast, going beyond their organizational capacity to manage it and put effective resident control in place. Other groups were unable to develop housing fast enough to generate revenue for their organizations. But most groups were able to bring development, management, and organizing into balance.
Common Understanding of the Mission

Where the different participants in MHAs and CLTs understood the missions of their groups differently, or "bought in" to some elements (e.g. democratic control, permanent affordability, etc.) and not others, the groups were often either riven by conflict, or engendered disappointment among both residents and staff.

Resident Organizing

The presence of resident organizers on staff, while not a guarantee of broad resident participation, was nevertheless crucial to effective resident participation where it did exist. The few groups that did not employ resident organizers or educators had virtually no resident participation.

Other factors included the importance of attracting staff who understood and were committed to the ideals of the MHA or CLT. Whether the MHA or CLT was able to function with a high degree of cooperation among board, staff, residents, and community did not seem to be affected by such factors as legal tenure of the residents (whether they owned, rented, or were cooperators), or whether there were substantial membership fees for the MHA or CLT.

Conclusions

MHAs and CLTs represent a promising and significant initiative in affordable housing provision and community-building. As locally based, private-sector organizations that are accountable to residents and linked with the larger community, they are well-positioned to receive and preserve troubled and deregulated government-owned and -subsidized housing if, and only if, the necessary resources are made available to them. These resources include development subsidies, rental subsidies for low-income residents, and funding to support the groups' resident and community organizing and training functions. The models are particularly relevant in New York City, given the large stock of city-owned, tax-foreclosed housing, and the city's renewed focus on returning this housing to "responsible" private-sector owners. In addition, MHAs and CLTs could be ideal receivers of "third party transfers" of distressed
housing under the city’s emerging approach to abandonment prevention. In addition to being "responsible" owners — that is, accountable to residents and the larger community — MHAs and CLTs promise a sustained commitment to preserve the affordability of the housing under their stewardship.

The Contents of the Report

This report is presented in seven chapters. Chapter 1 provides background on MHAs and CLTs, their history, their place in the broader context of nonprofit, community-based housing, and a more detailed description of our study sample. Chapter 2 discusses the significant role that a group’s formation plays in setting up the range of issues with which it will later have to contend. Chapter 3 examines MHA and CLT structures, and what effect these have on a group’s functioning. Chapter 4 looks at the experiences of the MHAs and CLTs in this study with respect to resident participation and the groups’ ability to establish mutually supportive relations with the communities in which they exist. Chapter 5 assesses how MHAs and CLTs can be sustainable, and places their prospects in the context of current housing policy and subsidy programs. Chapter 6 discusses the MHA and CLT experience in New York City, where eight groups were studied. Chapter 7 summarizes our findings and recommendations for MHAs, CLTs and for public policy that bolsters efforts at stabilizing, securing, and democratizing low-income housing and poor communities.
MHAS AND CLTS IN CONTEXT

The 66-unit building in the Westlake area of Los Angeles had once been luxurious, but by the early 1990s it was deteriorating badly. The tenants — nearly all of them low-income working Latino families — endured conditions that became progressively worse: roaches and rat infestation, lack of basic repairs, and vacant apartments occupied by squatters and drug dealers. With the help of a local tenants’ rights organization, the tenants organized and sued the owner in court for repairs. The owner’s response was to fire the building manager and stop providing basic services altogether. Eventually, he lost the building to foreclosure, and the tenants got a new landlord who maintained the building no better than the first.

By this time, the building was half vacant. Many tenants had moved out, seeing no other option in the face of near-abandonment by the owner. But the tenants who remained found an alternative to moving or enduring terrible conditions. With the help of the California Mutual Housing Association (CMHA), a staffed membership organization of resident-controlled housing groups, they were able to get funding for the purchase and rehabilitation of their building. The building — which the residents have dubbed "Comunidad Cambria" — will be owned and operated by a nonprofit corporation in which the residents will eventually hold majority control.

CMHA was founded in 1991 by low-income housing advocates who saw the need for a training and technical assistance organization that could assist both existing co-ops and resident groups struggling to win control over their housing. Resident-controlled housing groups constitute its membership, and it is governed by a board of directors on which resident representatives are the majority. CMHA’s mission is to help low-income residents gain control over their housing and develop the "human infrastructure" they need in order to govern their housing effectively. It accomplishes this through the use of a professional staff, and the promotion of networking and knowledge sharing among its resident membership. CMHA has provided the residents of Comunidad Cambria with the training and technical assistance they need to hire architects, contractors, and managers, and participate in the preparation of plans for the building’s renovation. As members of CMHA, the residents of Cambria are able to learn from the experience of other member resident groups and to use CMHA as a resource for advice, assistance, and specialized services on an ongoing basis.

These residents’ experience with landlord disinvestment and abandonment is repeated in hundreds of thousands of buildings in poor neighborhoods across the country. CMHA is one of a comparatively small, but growing number of mutual housing associations (MHAs) and
community land trusts (CLTs) — two types of housing organization that, in their search for solutions to low-income housing problems, share characteristics that set them apart from other affordable housing models.¹ Both MHAs and CLTs strongly emphasize resident control over housing. They see themselves as partnerships that include not only residents, but community representatives, housing professionals, and advocates as well. Both residents and non-residents sit on their governing boards. Through nonprofit operation and price restrictions, both models aim to preserve the housing under their stewardship as permanently affordable to low-income residents. And both models are "expansionist," aiming to bring an increasing number of housing units and residents under their organizational auspices in order to create economies of scale, and to promote mutual support among buildings, residents, and the community at large.

THE LOW-INCOME HOUSING PROBLEM

Millions of low-income urban residents in cities across the country cannot find decent, affordable housing. Many live in poorly maintained buildings, and suffer from the same kind of deplorable conditions as those endured by the residents of Cambria, described above. An even greater number pay so much for housing that "they are unable to meet their non-shelter needs at even a minimum level of adequacy."² For the past three decades, economic restructuring in urban areas, dramatic increases in housing operating costs, shrinking real incomes of poor inner-city households, the aging of the urban housing stock, and redlining of

¹ These include nonprofit rental housing sponsored by community development corporations, and "stand-alone" limited-equity co-ops.

poor, minority neighborhoods by financial institutions have curtailed the capacity of the private market to meet low-income housing needs. Inner-city residents have been displaced by housing abandonment on one hand, and gentrification on the other hand, with permanent losses in low-cost housing whether times are good or bad.

Federally subsidized housing, while addressing the affordability problem for its residents, has yielded mixed results. Though in most cases, public housing provides poor urban residents with good-quality, secure housing, severe management problems and dismal living conditions in some cities have contributed to its terrible public image.\(^3\) Moreover, many public housing authorities have not offered residents and local communities sufficient accountability or the opportunity to exercise a high degree of control over their housing.

Beginning in the mid-1980s, hundreds of thousands of low-income tenants living in privately owned, HUD-subsidized, for-profit rental projects have been threatened by the expiration of subsidies and use restrictions. The "expiring use" crisis, which prompted the LIHPRHA preservation program,\(^4\) has highlighted the cost of time-limited affordability restrictions, which require affordable housing to be re-created or re-subsidized every 20 or 30 years to prevent it from reverting to the private, unregulated market.

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\(^3\) The public housing program is, however, in great need of repair. Inadequate HUD budgets for maintenance and upgrading of the physical stock has led, in many cases, to deferred maintenance and other management problems. Nevertheless, the public rejection of the public housing program is out of proportion to the program's problems or number of troubled projects. For a more detailed view of this, see Rachel G. Bratt, *Rebuilding a Low-Income Housing Policy* (Philadelphia: Temple University Press, 1989), 63-80.

\(^4\) Owners of projects subsidized through the 221(d)3 and 236 mortgage subsidy programs may "buy out" of the affordability restrictions by pre-paying the mortgage twenty years into the forty year term. LIHPRHA (Low Income Housing Preservation Rental and Homeownership Act) is designed to preserve the affordability of these projects by providing incentives to owners to stay in the program, or by allowing the residents or a non-profit to purchase the property.
RESPONSE TO THE PROBLEM: THE GROWTH OF THIRD SECTOR HOUSING

Increasingly, over the past two decades, poor urban communities and housing advocates have looked toward private, nonprofit forms of housing ownership for solutions to current housing problems. These nonprofit models seek to "decommodify" housing,\(^5\) recognizing its inherent usefulness to occupants as a locus of family and community life, rather than its ability to generate profit. They remove housing from the open market and seek to keep it affordable through nonprofit operation and price restrictions. These models include nonprofit rental housing and limited equity co-ops, in addition to MHAs and CLTs; together, they represent a "third sector"\(^6\) alternative to private, for-profit housing and to government-provided public housing.

The development, ownership, and operation of nonprofit rental housing by community development corporations (CDCs) and other community-based organizations (CBOs) has been the most widespread "third sector" housing strategy. In the past 25 years, CDCs emerged as

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\(^6\) "Third sector" housing, as defined by John E. Davis is 1) privately owned, 2) socially oriented (that is, its function is to meet the occupants' social needs, rather than the accumulation of wealth for its owners), and 3) price-restricted—the goal being that the housing remains permanently outside of the speculative market, and thus permanently affordable. PARCC (Permanently Affordable, Resident- or Community-Controlled) housing—a term recently coined by the Institute for Community Economics, the national proponent of the community land trust model—is a subset of third sector housing, and describes housing that is privately owned, permanently affordable, and over which residents and/or community members may exercise a "meaningful degree" of control. MHAs, CLTs, and limited equity co-ops clearly fall into the PARCC category; non-profit rental housing might or might not, depending on how democratic and "community-controlled" the sponsoring organization is. John Davis, "Introduction," *The Affordable City: Towards a Third Sector Housing Policy*, ed. John Davis (Philadelphia: Temple University Press, 1994), 5-6.
a major player in affordable housing development around the country. Having grown from a mere 16 organizations in 1967 that developed significant amounts of housing to well over 1,000, CDCs now use more than 15 percent of all federal housing development funds.\(^7\)

Another common strategy has been to organize low-income housing cooperatives in order to help residents gain a secure and stable place to live, while pooling their resources to gain some measure of financial security. In New York City, through the Tenant Interim Lease (TIL) and Community Management programs,\(^8\) city-owned, tax-foreclosed buildings have been turned into more than 700 low-income, limited-equity co-ops. In these co-ops, the return on a shareholder’s equity investment in her housing (the share price plus any improvements) is limited by the cooperative, and incoming shareholders are required to be "low-income."\(^9\) Nationwide, some 360,000 units of limited-equity cooperative housing have been created.\(^10\)

**The Promise of MHAs and CLTs**

Within the context of these third sector efforts, MHAs and CLTs attract attention because they are perceived as being able to resolve problems and conflicts inherent in the co-op model


\(^8\) Since 1978, the Tenant Interim Lease Program has helped residents in city-owned housing to learn how to be cooperators while renting from the city and while the housing is rehabilitated. The tenants then purchase their housing as a limited-equity co-op, for share prices set at $250 per apartment. The Community Management Program (CMP) allowed a qualified neighborhood group to manage and/or buy city-owned housing and operate it as low-income cooperatives or nonprofit rentals. The CMP program was discontinued in the early 1990s.

\(^9\) The equity restrictions on TIL and CMP co-ops are not as tight as many low-income housing advocates would like, however. Because each co-op has the option to set an upper limit on share prices or not, and because "low-income" is defined as a multiple of the annual carrying charge for the unit, several co-ops in gentrifying areas have been able to sell apartment shares for close to unregulated, market prices.

on the one hand, and the nonprofit rental model on the other. CDCs and CBOs, in their
capacity as housing developers and managers, have played a dynamic, important role in the
preservation and revitalization of their communities. But in doing so, they have also often
created something of an identity crisis for themselves. Many of these CBOs got their start as
tenant organizing and advocacy groups, helping poor tenants fight neglectful landlords. These
same groups now find themselves in the position of being the landlord, and are experiencing all
the contradictions that this implies. Many have found that as they have become strapped by
the demands of management and by city contracts, tenant organizing has fallen off, and their
initial spark of activism has fizzled.

The limited equity co-op model, on the other hand, offers residents total control over
their housing, but often without the externally linked resources needed to keep the co-op
organizationally and financially viable, and without oversight to insure that resale restrictions
are observed. Overall, the low-income, limited equity co-ops in New York City provide decent,
low-cost housing to their members, but a number have experienced financial and managerial
problems. These problems may be attributed to a lack of professional management expertise and
to the co-ops' vulnerability to gaps in leadership among residents of the individual buildings.
They are also financially vulnerable because of their generally small scale, the very low incomes

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11 Doug Turetsky, We Are the Landlords Now, Community Service Society Working Paper (New York: The

12 For a pointed view of this, see Harold DeRienzo, "Managing the Crisis," City Limits (December 1994): 25.
See also Ricanne Annik Hadrian, "Combining Organizing and Housing Development: Conflicting Yet Synergistic,"
MCP Thesis (Massachusetts Institute of Technology, 1988); and Joan Clarkson, "From Organizing to Housing
Development: It's Tough Wearing Two Hats," Shelterforce (July/August 1987).
of their residents, and steep escalation in some housing operating costs.\textsuperscript{13}

Many low-income housing advocates have increasingly looked to the MHA and CLT models to solve or address some of these problems and dilemmas. By explicitly building resident representation into their governance structures and making residents at least partly responsible for the organization and the housing, MHAs and CLTs mitigate some of the contradictions and conflicts faced by CBOs and CDCs playing the landlord role.\textsuperscript{14} At the same time, they offer a degree of professional expertise and assistance, political connections, and mutual financial support which all-resident organizations (like limited-equity co-ops) usually lack. MHAs and CLTs can be seen as models that attempt to combine the best of both worlds: the professional expertise of CDCs and the resident control and democratic process offered by cooperatives. This attempt is not without its own tensions. These organizations must strive for efficiency without sacrificing democratic decision-making. They have to negotiate complicated development deals while using the process as an opportunity to extend and educate their membership. Their challenge is to balance a number of functions. Among them are resident organizing, housing development, and management.

\textbf{WHAT IS A MUTUAL HOUSING ASSOCIATION?}

The term "mutual housing association" refers to regionally or community-based housing


\textsuperscript{14}There are, of course, many community-based housing groups that, operationally, do not differ very much from MHAs (they have residents on their boards of directors, they have democratic decision-making processes, etc.). The distinction is a structural one: MHAs, by definition, build into their organizational structure the opportunity for residents to exert control on both the housing and the organization.
organizations that are structured as membership organizations with elected boards of directors in which residents have significant (usually majority) representation. Housing advocates, community representatives, technical assistance providers, and, sometimes, public sector representatives are also represented on the board, and participate in organizational governance. Their inclusion is intended both to lend the organization professional expertise, and to build community and political linkages that will support the expansion of MHA programs and activities.

Mutual housing associations share many characteristics with limited-equity housing cooperatives and subscribe to cooperative principles.¹⁵ Unlike most co-ops in this country, however, MHAs are expressly intended to expand, and bring increasing numbers of buildings and residents together under a single organizational framework. They do this both to realize economies of scale in their services and operations and to bring more housing under MHA guarantees of resident control and permanent affordability. Although continuous development has been hard for many groups to achieve in practice, ongoing housing development is an important function of MHAs. A 1985 draft HUD report described the term "mutual housing association" as

an American invention, coined to describe certain European co-operative and resident-involved nonprofit housing associations that both continually develop new housing and sustain the operations of this housing. Once developed, individual buildings remain part of the overall organization. The analogy often used is that of mother and daughter: the buildings are the "daughters" of the "mother" association which, in addition to bearing new children, supervises her existing offspring, advising them, providing training and assistance, and helping to support them with needed goods and services. ¹⁶

¹⁵The Rochdale principles of cooperation, adopted by the 1966 Congress of the International Cooperative Alliance, are: non-profit incorporation, democratic control, limited return on equity, open and voluntary membership, continuing education of membership, and cooperation between cooperatives.

In practice, the term "mutual housing" encompasses a range of models with varying organizational structures and tenure forms. However, all MHAs may be placed within one of three basic categories:

**Integrated MHAs** are nonprofit corporations that own one or more housing development. They may manage these developments on their own, or they may contract out management, while retaining the right to hire and fire the manager. Integrated MHAs may be organized along cooperative ownership lines, with residents purchasing shares in the corporation that owns the housing. Or they may be organized along rental lines. In this case, residents do not own shares, and are, strictly speaking, tenants, but their membership in the MHA confers certain rights traditionally associated with ownership, such as the right to continued occupancy, and (sometimes) the right to pass on their unit to family members.

**Federated MHAs** are nonprofit corporations that do not own housing directly, but rather consist of a federation of housing cooperatives or resident-controlled rental developments. Each member is an ownership entity responsible for the maintenance and operation of its own housing development, but looks to the MHA for common functions, such as training, technical assistance, group purchasing, "back office," and other services, and often, financial assistance. Usually, the membership or affiliation agreement gives the MHA certain powers of audit and oversight over the member co-ops or resident-controlled rentals, including the right to step in should the financial or physical integrity of the housing be jeopardized. Often, where the MHA is the development entity responsible for the creation of its members, the "offspring" will be tied to its "parent" through financing mechanisms, such as pass-through mortgages or pooled reserve funds. In other cases, the MHA may retain ownership of the land beneath the housing
development, thus reserving the ability to enforce the terms of the membership through a ground lease.  

In Integrated MHAs, all the housing is owned by one corporation, steered by a board of directors composed of residents, community members, and advocates. In a federated MHA, member co-ops or resident-controlled rentals provide resident members for the board of directors, and pay dues. The MHA, steered by a "partnership" board, provides technical assistance and support services to the member developments.

In both the federated and integrated models, residents are intended to exercise significant control over the MHA through elected representatives on the board of directors, where residents nearly always hold a majority of seats. In some MHAs, prospective residents (those who have joined the MHA but are still waiting for a housing unit to become available) are also represented on the board, because their interest in acquiring housing will maintain the impetus for continued

17 This is possible to do, and a particularly strong form of "tie" between a parent and child organization. Nevertheless, this did not occur in any of the MHAs in this study. In such a case, the distinction between an MHA and a community land trust would begin to blur (see "What is a CLT?" below).
development. Non-resident board members typically include housing professionals, representatives of local community organizations, and representatives of local government agencies.

"Second-tier" organizations are federations of MHAs, which provide training, technical assistance and advocacy support to member groups. Second-tier organizations, like "primary" MHAs, are democratically controlled, with a majority of board members drawn from among the residents of the member groups.

What is a Community Land Trust?

Community land trusts are nonprofit organizations formed for the purpose of owning and managing land for the benefit of the community at large, with a particular emphasis on serving the needs of low-income and disadvantaged community members. The CLT model, as developed by the Institute for Community Economics (ICE),\textsuperscript{18} is a flexible model that may be used in rural or suburban areas or large cities. In the last decade, however, the majority of new CLTs have developed in urban areas, with their primary focus being affordable housing.

CLTs seek to remove both land and housing from the speculative market, keeping them perpetually affordable and accessible to low- and moderate-income community residents. The CLT concept is based on the notion that much property value is created not by the individual property owner, but by society at large — through public investment in roads and infrastructure, and because of locational preferences attributable to schools, fashion, the relative level of crime

\textsuperscript{18}The Institute for Community Economics (ICE) is the Massachusetts-based nonprofit organization that "invented" the CLT model in the late 1960s. ICE continues to promote the model nationally, and to provide technical and financial assistance to CLT groups.
or safety, and the public amenities and services of a given neighborhood. Negative factors such as racism and block busting play a role too. The CLT model proposes that individual owners should not be able to reap private profits from this socially created value, and that this "social equity" should be preserved and controlled by the community, for the benefit of the community as a whole. This is accomplished by separating ownership of the land from ownership of the housing upon it. The CLT owns the land and holds it in "trust," issuing a long-term ground lease to the owner of the housing. The lease contains resale restrictions which strictly limit the amount of equity appreciation that may be reaped by the owner upon sale of the building.

Housing on land trust land may take a variety of forms, including single-family homes owned by individual households, multi-family buildings owned and controlled by the residents as a co-op, nonprofit rental housing owned by a local CDC, or even mutual housing associations. Many CLTs have a range of different housing types and tenure forms. In addition, commercial or industrial developments and social-service agencies are also common land trust uses.

The land trust is structured as a democratic membership organization, which balances the interests of current residents with the interests of future residents and the larger community. Typically, the CLT board of directors consists of one third "leaseholder" representatives (usually, residents of housing on land trust land),\(^{19}\) one third "community" representatives (individual members who are interested in, and supportive of CLT philosophy and goals), and one third "public" representatives, who may be staff of local housing-advocacy organizations.

\[^{19}\text{"Leaseholder" generally means resident (whether a land trust single-family homeowner, or residents of a limited equity co-op or MHA on land trust land), but in some cases, it could mean a non-resident, as when a social service agency or a commercial enterprise’s business is located on leased CLT land.}\]
government agencies, church groups, or financial institutions. While resident-leaseholders have a strong voice in this organizational structure, CLTs place less emphasis on resident control than do MHAs, and more emphasis on community control over land and housing resources.

As part of a movement for land reform, CLTs, like MHAs, seek to bring ever-increasing amounts of land (and housing) under their stewardship. Ongoing expansion and development is therefore an important goal. Some CLTs have built up their own fairly sophisticated development capacity, whether through building and marketing new single-family homes or co-ops, or through managing the acquisition, rehabilitation and conversion of

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20 This is the "ideal" CLT model, developed and promoted by ICE. In practice, some CLTs deviate from this structure in different ways. Often the board of a very new CLT will not have a full one third of leaseholder representatives, phasing them in gradually as the CLT acquires more properties, and thus, a larger leaseholder base.

21 The CLT movement's emphasis on "community" control raises the question of who the "community" is. Communities are not monolithic, homogenous entities, and different community members have different interests in land and housing resources. CLTs are membership organizations open to anyone residing within their geographic target area; the organizational focus, however, is on providing access to land and housing resources for those that have historically been deprived of access due to poverty, racism, etc.
multi-family rental housing to cooperative ownership. Other (usually younger) CLTs work in partnership with an experienced development entity, usually a nonprofit housing development organization.

**Resident and Community Empowerment**

At the most basic level, MHAs and CLTs aim to create and preserve good-quality housing for people with low and moderate incomes and keep that housing permanently affordable. But their agendas go further. Both models aim for democratic control by residents and community members over the housing and the "umbrella" organization that sponsors the housing, and both seek to "empower" residents and community members to exercise this control through ongoing organizing, training, and capacity-building efforts. These efforts include training resident groups to supervise their property managers, training board members on their roles and responsibilities, showing the resident council how to run an effective meeting, and others.

The objective here is twofold. By organizing and taking control of their housing, residents can better ensure that their housing is well-designed and well-managed, that it remains viable over the long term, and that it generally meets their needs. Resident organizing efforts in most "traditional" for-profit rental housing, as well as in much federally subsidized and public housing, is usually aimed at mitigating the effects of poor management or owner neglect. The organizing and the commitment of residents' time and energy that are needed in order to make

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22Clearly, the definition of what is "affordable" depends on which income group one is trying to serve. While all MHAs and CLTs aim to serve low to moderate income residents, there is a wide range of incomes served from group to group. The choice of which incomes to target is often determined by the regulations that come with sources of public funding.
resident-controlled housing work can be seen as an active effort to maintain high housing
standards and enforce accountability, rather than a reactive one.

In addition, most MHA and CLT groups have a broader vision. Their goal is for
residents and other participants to translate the skills and knowledge acquired in the process of
governing their housing to other social needs and community improvement efforts. Underlying
this goal is a definition of "good housing" that goes beyond the physical conditions and financial
expense of simple shelter to encompass an income adequate to pay both shelter and non-shelter
costs, a safe neighborhood environment, and accessible health care, day care, and other services.

In bringing residents and community members together, and in fostering the development
of democratic skills, MHAs and CLTs strive to develop a social infrastructure through which
low-income participants may address a variety of issues and problems affecting their lives.
Thus, MHA and CLT groups often find themselves addressing child care, employment, and
other social needs of residents, or organizing around neighborhood issues.

THE ROOTS OF MUTUAL HOUSING

European and Canadian Experience

Mutual housing associations in the U.S. find some of their roots in the European and
Canadian cooperative and nonprofit housing movements. During this century, and particularly
since World War II, many western European nations have depended on cooperatives and
nonprofit housing associations to develop and manage large portions of their housing stocks.
These cooperatives and housing associations are private enterprises operated for the public
benefit. Governments in many European countries (including Germany, Sweden, Finland, and
the United Kingdom) have supported these organizations through subsidies and legislation designed to foster the growth of an integrated, private, non-speculative housing sector. Germany and Sweden are two countries with highly developed nonprofit housing sectors that have evolved somewhat differently in terms of structure and tenure forms.

German "public benefit housing," as it is called, includes tenant-owned cooperatives and public benefit housing companies sponsored by trade unions, industry, and religious institutions. Residents of public benefit company-sponsored housing are not considered owners in the traditional sense. But as association members, they have rights of continued occupancy, and advisory influence over management and operating policies through elected representatives.

The Swedish nonprofit housing sector, on the other hand, is based on a tradition of cooperative housing ownership. Approximately ten percent of all housing units in Sweden is owned by two cooperative organizations. The larger and older of the two is the National Association of Tenants’ Savings and Building Societies (HSB). Swedish co-op members, unlike their German counterparts, have full ownership rights, including the right to sell or bequeath their shares. The individual HSB co-ops are responsible for the operation of their buildings, and co-op residents, through elected boards of directors, set policies for day-to-day management.

In both Germany and Sweden, the individual housing developments are joined through a two-tier structure of regional and national intermediary organizations. The regional organizations perform monitoring and oversight functions, and offer training, technical assistance, legal, financial, and development services to their member groups. The national organizations (in Germany, the Head Federation for Public Benefit Housing, and in Sweden, the National HSB) coordinate the work of the regions and lobby government on behalf of their
membership for needed subsidies, and favorable legislation.

While not as large or highly developed as Sweden's, Canada's cooperative housing sector has grown since the early 1970s, supported by national government policy designed to foster the development of "social housing." The Cooperative Housing Foundation (CHF) of Canada, founded in 1968, is a membership organization composed of regional federations of co-ops, non-profit sponsors of co-op development, and co-op resource organizations, and plays a role similar to that of HSB in Sweden. CHF provides training, technical assistance, and financial and management services to its membership, and advocates for the interests of cooperative housing at the level of national housing policy.23

Limited Equity Cooperative Housing

While not as widespread as in many European countries, the tradition of limited equity cooperative housing in the U.S. dates back to the early part of the 20th century. In the 1920s, several large co-op development projects were sponsored by labor unions and socialist workers' organizations in New York City. In 1927, the Amalgamated Clothing Workers Union created

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23Lisa Schwartz, Mutual Housing Associations: Lessons from the U.S. Experience (Low-Income Housing Information Service, 1988), p. 68. In the cases of Germany, Sweden and Canada, the national governments have fostered non-profit, cooperative and public housing to a degree unknown in this country. In Sweden, in particular, the significance of a privately-owned, for-profit rental sector in housing the poor has been minimized by government policies that have provided public-benefit housing and subsidies for households far into the middle class over several decades. Nevertheless, HSB and Ryksbyggen (the smaller of the two cooperative organizations) cooperatives have not been subject to resale price restrictions since 1969. For a fuller, but now dated, explanation of the Swedish housing system, see Richard P. Appelbaum, "Swedish Housing in the Postwar Period: Some Lessons for American Housing Policy," in Critical Perspectives on Housing, 535-537. For a brief overview of the German and Swedish models, see Carr Kunze, "Mutual Housing Associations: Expanding Cooperative Housing Potentials," Cooperative Housing Journal (1990): 22-24. Canada, having discontinued new development in its public housing program in the early 1970s, developed a non-profit housing sector including limited- or non-equity cooperatives, local government and community partnerships, and private, permanently-affordable non-profit rental housing. See Peter Dreier and J. David Hulchanski, "Social Housing: U.S. Prospect, Canadian Reality" in The Affordable City, 39-74.
the Amalgamated Housing Corporation to develop affordable cooperative housing for its membership. Envisioned as more than just good quality, affordable housing, these co-ops provided a range of services to their members, including consumer cooperative services and youth programs. The Amalgamated Housing Corporation later evolved into the United Housing Foundation (UHF), whose membership included labor unions, union-sponsored co-ops, and other organizations interested in cooperative development. Between the early 1950s and the early 1970s, UHF developed thousands of units of co-op housing in projects around the city, and also helped to develop member services such as group insurance purchasing, and training programs for co-op leadership. The UHF and union-sponsored co-ops provided high-quality housing at lower-than-market rents for moderate-income working families; they did not, however, serve the very poor.

During the 1960s and early 1970s, unions and other sponsors of co-op development took advantage of various HUD subsidy programs, including the Sections 221(d)3 and 236 mortgage subsidy programs, the Section 8 rental assistance program, and the Section 202 elderly housing program. Most of these co-ops were developed as stand-alone, "one-shot" projects, with no attempt to link them together or to other co-ops. But one midwestern organization, Cooperative Services Inc. (CSI) of Detroit, used the Section 202 program to develop many co-op projects under a single organizational umbrella. CSI, which was founded in 1945 as a consumer cooperative, developed its first senior citizen housing projects in the early 1960s, and came to focus exclusively on housing, developing over 3,000 units of cooperative elderly housing.

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between 1964 and the late 1980s.\textsuperscript{25} With its program of continuous development, training and technical assistance services to existing members, and majority resident board of directors, CSI essentially operates as a mutual housing association.

More recently, initiatives to create limited-equity cooperative housing for low-income households have sprung up in inner cities that have suffered significantly from disinvestment and abandonment of housing. Since the late 1970s, the very large stock of city-owned, tax-foreclosed buildings in New York has served as a resource for poor tenants seeking to gain control over their housing and improve their living conditions. Through the Tenant Interim Lease Program (TIL) and the now defunct Community Management Program, low-income tenants in more than 700 buildings have purchased their buildings from the city as limited equity co-ops. Nearly 100 similar co-ops have been formed through tenants’ purchase of their buildings from neglectful private landlords, with the assistance of the CSS Ownership Transfer Project (OTP) and the University Neighborhood Housing Program in the Northwest Bronx. As mentioned earlier, while these co-ops have a generally good record in providing quality housing to their members, some have suffered financial and managerial difficulties. This has led to an increased interest among co-op advocates in the "mutual support" possibilities of the mutual housing model.

The Evolution of Mutual Housing Associations in the U.S.

Though among cooperative housing advocates in the United States, the MHA idea had long seemed attractive, it was given greater general currency in 1980 when Congress directed

\textsuperscript{25}Lisa Schwartz, \textit{Mutual Housing Associations: Lessons From the U.S. Experience} (Low-Income Housing Information Service, 1987), Chapter 3.
the Neighborhood Reinvestment Corporation (NRC)\textsuperscript{26} to carry out a mutual housing
demonstration project. In this project, mutual housing would, like public housing, be built with
capital grants, no debt, and reduced need for ongoing subsidies. But unlike public housing,
mutual housing would give its occupants a "pride of ownership" through rights to long-term
occupancy, and an interest-bearing membership fee. This demonstration — a new construction
townhouse development in Baltimore — sparked increased interest in various conceptions of
MHA around the country.

Since its initial demonstration in Baltimore in 1982, NRC has sponsored over a dozen
MHAs around the country, making use of available housing stock and development
opportunities. These have included several new construction projects, as well as a takeover of
large inventories of occupied housing from the Resolution Trust Corporation in the wake of the
Savings and Loan bailout. Very few groups have succeeded in developing housing using only
capital grants, however. NRC MHAs have also made use of local and state housing trust fund
money for rehabilitation, conventional loans, corporate donations, and tax credit syndications.

NRC’s efforts have been joined by those of cooperative housing advocates who have
taken their experience both in urban "homesteading" or reclamation of abandoned property, and
in large-scale cooperative housing projects built by unions for workers from the 1920s through
the early 1970s, and have applied these principles to their work within poor neighborhoods with
low-income housing. Together, there are almost thirty MHAs in the U.S., which own or are

\textsuperscript{26} The Neighborhood Reinvestment Corporation is a public, nonprofit corporation founded to foster public-
private partnerships to invest in distressed neighborhoods around the country. It was created in the 1978 Housing
and Community Development Act, and is directed by a board of directors drawn from both governmental and
private sectors. It is sustained both by private investment and by an annual allocation of federal budget funds.
affiliated with more than 7,000 units of housing.\textsuperscript{27} Nearly half of these are clustered in the Northeast, and close to a third in the Midwest. Most of these groups are less than ten years old, while a small handful have been in existence since the late 1970s or early 1980s. The fourteen NRC-initiated MHAs are all organized along integrated lines (with all of the assets owned by one organization), while the others are a mix of federated, integrated, and second-tier models.

MHAs in their current application represent a "transfer of technology," using a combination of European and American housing forms that typically dealt with new housing stock for working and middle-class families, and applying it to often financially or physically distressed housing stock with a poorer resident population. The European cooperatives and social-benefit housing, in particular, developed in a far richer subsidy environment, with a much broader social safety net than has ever existed in the U.S. And while these safety nets are now beginning to fray, these countries have so far been able, through the development of a social housing sector, to substantially eliminate the downward spirals of disinvestment and abandonment of private rental housing that have so devastated urban neighborhoods here.

\textbf{Roots of the CLT Movement}

The first community land trust, New Communities Inc., was founded in rural Georgia in 1968, through the collective purchase of a large tract of agricultural land by a number of civil rights activists. The founders were concerned about inequitable patterns of land ownership in the South and the increasing displacement of black farmers both through eviction from large

\textsuperscript{27} This number was arrived at by combining totals reported in a phone survey of MHAs, completed in the spring of 1995, with the number of units reported in NRC-sponsored MHAs in "Mutual Housing Associations: Profiles of the NeighborWorks Network" (Washington, D.C.: Neighborhood Reinvestment, 1995), 6.
plantations, in the case of tenant farmers, and through mortgage foreclosure, in the case of struggling small farmers who owned their own land. The New Communities land trust was seen as a vehicle through which a local community could collectively own the land, and guarantee fair and equal access in perpetuity to those who needed to use it.

The principle of community ownership of land was drawn partly from the founders’ knowledge of similar arrangements abroad. In India after independence, a follower of Mahatma Gandhi named Vinoba Bhave initiated a land reform movement known as the Gramdan, or "village gift" movement. Bhave solicited gifts of land from wealthy landowners and turned them over to local gramdan villages, which in turn leased it to landless peasants.\(^2\) Vesting ownership of the land in the village rather than simply redistributing it to individuals ensured that the land would not be sold back into the speculative market, but would be held in trust for generations to come. In Israel, the Jewish National Fund is a non-governmental organization that owns land in trust and leases it to *kibbutzim* (collective farms) and other users.

The Institute for Community Economics was founded in 1968 by individuals involved in starting up New Communities, along with others who had been studying the Gramdan movement in India. Since then, ICE has refined and popularized the CLT model, and has provided start-up and technical assistance to scores of CLTs across the country. The proliferation of CLTs has been especially rapid since the early 1980s, and has taken place mostly in urban communities responding to shrinking availability of affordable housing, and to threats of displacement through

\(^2\) Several publications detail Bhave’s Gramdan movement. See, for instance, Erica Linton, "Gramdan -- Revolution by Persuasion," Non-violence in Action Series, Number 10, (London: Friends Peace and International Relations Committee, no date); also Wilfred Wellock, "India’s Social Revolution led by Mahatma Gandhi and now Vinoba Bhave." On page 15, he quotes Bhave as saying that "In gramdan...land ceases to be a commodity." No publisher and no date.
gentrification.

As of the end of 1995, according to ICE, there were 84 CLTs in existence — the majority in Northeastern and Midwestern states — and another 23 CLT groups in formation — the majority of these in the western states. Approximately one quarter of all CLTs are in rural areas, with the rest located either in large metropolitan areas, or smaller towns and cities. Most CLTs are quite small, and there are about 4,000 units of housing under the stewardship of CLTs nationally.

PURPOSE OF THIS STUDY

After nearly two decades of interest in the MHA and CLT models, there is still some confusion about their underlying concepts, both within the broader professional housing community, and among low-income tenants. There is also a shortage of critical and educational literature that can guide tenants and community-based organizations considering their formation. Few groups not actively involved in forming MHAs or CLTs have done thorough studies of either model. This study seeks to:

- clarify the models, and the variety of organizational structures encompassed by the terms "CLT" and "MHA"
- examine the strengths and weaknesses of the models in practice, the challenges faced by groups using these models, and the strategies used by groups in meeting these challenges
- assess the potential of these models to address housing problems in low-income urban communities, with particular attention to New York City.

THE STUDY SAMPLE

There was a good deal of diversity among the 20 groups which were studied in the course
of this research. Nevertheless, all of the groups exhibited some common characteristics, issues, and problems. The study group included eight organizations in New York City (all but one of which were MHAs), and 12 groups (six MHAs and six CLTs) in nine other cities across the country. The eight New York groups constitute the entire universe of MHAs and CLTs in this city. The other groups were selected in order to provide a range of experiences with regard to age, scale, and overall success and stability. Other criteria were also used, including location in a housing market with some measure of comparability to New York’s. For a fuller description of the selection methodology used, see Appendix A.

The groups are listed below; for a summary description of each group, see Appendix B.

<table>
<thead>
<tr>
<th>New York City Groups</th>
<th>Groups in Other Cities/Regions</th>
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<tbody>
<tr>
<td>CATCH (second-tier MHA)</td>
<td>MHA of Greater Hartford (integrated NRC MHA), Hartford, Connecticut.</td>
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<tr>
<td>United Tenants Association MHA (integrated MHA)</td>
<td>MHA of Southwestern Connecticut (integrated NRC MHA), Stamford and Bridgeport, Connecticut</td>
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<tr>
<td>Cooper Square MHA (integrated MHA)</td>
<td>Madison MHA (hybrid MHA), Madison, Wisconsin</td>
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<tr>
<td>People’s MHA (integrated MHA)</td>
<td>California MHA (federated MHA), Northern Office, Berkeley, California</td>
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<tr>
<td>Mutual Housing Association of New York (federated MHA/land trust)</td>
<td>California MHA (federated MHA, moving toward a combination federated and second-tier MHA), Southern Office, Los Angeles, California</td>
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<tr>
<td>South Brooklyn MHA (integrated MHA, moving toward a federated MHA)</td>
<td>Champlain Valley Mutual Housing Federation (federated MHA), Chittenden County, Vermont</td>
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<tr>
<td>Self-Help Works Consumer Cooperative (federated MHA)</td>
<td>Burlington CLT, Burlington, Vermont</td>
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<td>New Columbia CLT, Washington, D.C.</td>
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<td>Boston Citywide Land Trust, Boston, Massachusetts</td>
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<td></td>
<td>Dudley Neighbors, Inc. (CLT), Roxbury, Massachusetts</td>
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<td></td>
<td>Northern California Land Trust, Berkeley, California</td>
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Most of the groups are relatively young — the majority between five and ten years old. Three groups are somewhat older: the Madison MHA and the Burlington CLT were both founded close to fifteen years ago, and the Northern California Land Trust is a little more than twenty years old. The relative youthfulness of the groups in this study is fairly representative of larger "universe" of MHAs and CLTs; these are still fairly new models. Two of the groups — the MHA of Greater Hartford and the MHA of Southwestern Connecticut — were initiated by the Neighborhood Reinvestment Corporation, while a third NRC-initiated group, the Lower East Side MHA in New York City, merged with the People’s MHA, located in the same neighborhood.

The groups exhibit a fairly wide range in scale, measured in housing units. The youngest groups generally tended to have fewer housing units under their stewardship, although there is no consistent correlation between age and larger scale in all cases. While a couple of groups had portfolios as small as 20-25 housing units, most groups fell into the 50-150 unit range. Several of these have development projects underway that will expand their holdings significantly. New York City has a number of larger groups, with more than 150 units, mostly because the housing stock here is typically larger than elsewhere. City-owned, walk-up tenement buildings, which represent the most important source of development opportunity for the New York groups, tend to have between ten and twenty units. While "self-sufficiency" — the ability to support all organizational functions through management and development fees — was a stated goal of many of the groups, none of them, including the older and larger ones, had reached this stage. All depended on ongoing outside funding to support their various activities.

The great majority of the groups in this study were involved in the development of most
or all of the housing under their stewardship through the acquisition and rehabilitation of existing housing stock. The size and type of housing stock varied greatly, depending on what was typical and available in the areas where the groups were located. One group sponsored only single-family townhouses, while two worked primarily with fairly large multi-unit buildings. The majority, however, worked with a mix of small and medium-sized multi-unit buildings, and several outside of New York did some new construction in addition to rehab of existing stock. While there was a wide variety in sources of financing for housing development, all of the groups depended to a significant degree on federal funding programs, including Community Development Block Grants (CDBG), HOME, and the Low Income Housing Tax Credit Program.

The MHAs and CLTs located in East Coast cities — particularly older, industrial cities that have experienced shrinkage and economic restructuring — tend to work in neighborhoods that have suffered from housing abandonment and disinvestment. In some of these areas, abandonment and disinvestment are ongoing threats to the remaining housing stock and residents. In others, gentrification has taken hold in the wake of prior disinvestment, and rising rents and property values threaten to displace existing low-income residents. Abandonment and disinvestment threats tended not to be as severe in the Midwest (Madison, Wisconsin) and California (in the San Francisco Bay Area, and in and around Los Angeles); here, the groups were responding either to tight housing markets and a general scarcity of affordable housing, or (in the case of the California MHA-South) to the threat of displacement posed by the expiration of use restrictions in federally-subsidized rental projects. Six of the eight New York City groups focused on a single target neighborhood, while the majority (eight out of twelve) of the groups
studied outside New York had an entire city or region as their target area.

The groups serve a range of resident income levels, with some organizations serving primarily low or very low-income residents, and others housing residents with a range of incomes from low to moderate within the same housing development. With the exception of the groups located in Madison, Wisconsin and Burlington, Vermont (cities with very small minority populations), the majority of residents are either African American or Latino, with other minority groups (such as Chinese Americans) appearing in significant numbers in a few projects.

There was a fairly wide range in these groups’ organizational stability, and in their success in meeting their self-described goals. Nearly all the groups were meeting their "bottom line" goal of providing decent and secure housing to their residents. The few exceptions to this generalization were in cases where property had been acquired, but rehabilitation had not yet taken place, or in cases where the original rehab scope of work was inadequate. While this study was not designed to evaluate MHAs’ and CLTs’ housing management performance, the groups in this study that engage directly in management (not all of them do) seem to be "confronting the management challenge"\(^{29}\) about as well as other nonprofit, community-based organizations that own and manage low-income housing.

But management is only one function among several performed by the MHAs and CLTs in this study, most of which simultaneously juggle development, management, and organizing

\(^{29}\) A 1994 study with this title surveyed management practices and performance by non-profit housing organizations across the country. A number of common management challenges identified by the study included: 1) reconciling the tension between the need to run the property in a business-like way, and the desire to meet the residents’ social needs; 2) the difficulty of managing and sustaining housing projects that were insufficiently rehabbed or capitalized; 3) the general difficulty of maintaining housing on a tight budget, and a low-income resident population. See Rachel Bratt, Langley Keyes, Alex Schwartz and Avis Vidal, *Confronting the Management Challenge* (New York: Community Development Research Center, New School for Social Research, 1994).
activities. Raising the funds necessary to pay for staff to carry out all three functions is a constant struggle. The groups displayed a good deal of variety in financial and organizational stability, and in their success in implementing high levels of resident participation. Two of the groups in the study have severe problems, and are facing the possible threat of dissolution. The majority of the groups — including the relatively successful ones — are operating "on the edge" of financial viability, and are vulnerable to potential loss of funding support for the group's ongoing operation. Many of the groups are understaffed in relation to the kinds of activities they would like to carry out. Resident organizing is the hardest-to-fund activity, and tends to be the one first sacrificed in financially difficult times.

The way in which each group deals with the challenges of planning for growth while at the same time balancing functions and maintaining financial viability depends on a number of factors. These factors include its organizational understanding of and commitment to organizing, resident participation, and democratic control; the political environment in which the group operates, and the degree to which the group is able to shape that political environment; the type of housing stock and local housing market environment in which the group works; and the availability of funding, both for development, and for general operational support.
MHA AND CLT FORMATION

How a group arrives at the use of the MHA or CLT model, and how it uses the model, has a lot to do with the context out of which it grew. The way in which it balances the functions of development, management, and organizing, and its ability to carry out these functions all turn, on how it conceives of its mission. That mission, in turn, reflects how the group articulates the idea of affordable, resident-controlled housing when confronted with the actual housing realities in its neighborhood, city, or state.

CONTEXTS OF MHA AND CLT FORMATION

One of the most important distinctions among the organizations in this study is between those groups that initially arose out of an existing community — whether tenants of threatened housing or community residents mobilized around a specific housing issue — and those groups that originated as the idea of a few individuals — usually housing advocates or professionals. In the first case, which characterized approximately a third of the organizations in this study, groups of "ordinary" community residents who were already mobilized around a particular housing problem came across the MHA or CLT models and adopted them because they seemed to offer a promising solution to their specific problems. In these organizations, the group came first, and the "idea" (the MHA or CLT concept) came second. In the second case, the sequence was reversed; these organizations started with the MHA or CLT idea, and were subsequently faced with the task of "finding" and organizing residents and community members to implement the idea and build the organization. About two thirds of the groups in this study fell into this
second category.

Within this broad distinction, however, another important set of differences between the groups arises with regard to their relationship to the public sector. Some of the groups formed out of confrontations with local governments. In some cases this confrontation stemmed from displacement threats posed by urban renewal or government-encouraged gentrification processes. In other cases, the confrontations centered around government neglect and indifference to severe housing abandonment amid persistent, unmet housing needs. Other groups formed in partnership with local government, with a few originating out of government interest in the possibilities of the MHA or CLT models, and others actively seeking to spark government interest and build public sector support into the organization. Finally, some arose neither from confrontation nor from partnership with government, but from housing advocates' interest in the democratic and practical promises of the MHA and CLT models.

The issue of whether an MHA or CLT grew out of a previously existing community coincides with the issues of formation mentioned above, in that the organizations that arose out of confrontation were also generally the ones that originated out of existing groups of mobilized tenants or community residents. The others, including the groups that formed out of a partnership with government, and those that developed outside the context of either government approval or disapproval, tended to fall into the "idea first, group second" category.

While these categories are, of course, not absolute, they are useful in giving some order to the experiences of the groups in the study, and help to show how the circumstances surrounding a group's formation can create both opportunities and constraints for the group's subsequent development. Organizations that originate as an idea in the minds of government
officials or housing advocates, for example, are faced with the task of "creating community" where none existed before, unlike those organizations that grow out of an already mobilized group of residents or community members. Groups that arise out of partnerships with government have the important advantage of early public sector support for their projects, although they can be particularly vulnerable to the eventual withdrawal of that support, or to changing government priorities.

But if how groups form influences their subsequent development, it does not determine that development. The choices and decisions that the groups in this study made through the different stages of their organizational development — decisions about whether to hire a resident organizer, how closely to involve residents in the development process, what kind of housing development to undertake, and how quickly — had equally important implications for their success or failure as did the circumstances out of which the groups were born.

THE CONFRONTATION SCENARIO

MHAs and CLTs that form out of confrontation with government agencies, whether over urban renewal plans, over unmitigated gentrification pressures, or over government neglect of abandoned housing amid great need, share several major traits. In these groups, the MHA or CLT concept tends to be introduced some time after the mobilization of tenants or community residents against one of the above housing threats. These MHAs and CLTs have generally grown out of older, existing neighborhood groups, with broad goals of community control and redistributive justice that go beyond housing ownership or management. There is often a tension between the ideological goals of the founders and the "deliverable" goods to the constituents (the
residents or prospective residents). Once the deliverables — in this case, secure housing — have been won, organizers have the difficult task of sustaining resident interest and activity in the broader agenda.

Two groups in our study, The Cooper Square Mutual Housing Association (CSMHA) in New York City, and the United Hands Community Land Trust (UHCLT) in Philadelphia illustrate some of the issues that groups with roots in confrontation share. They also point to some of the differences between those groups struggling to fight displacement — with homes to protect or lose — and those seeking to revitalize a neighborhood by reversing abandonment and neglect — with homes to create.

*The Cooper Square MHA*

The Cooper Square MHA (CSMHA) was founded in 1991, but its history stretches back more than three decades. Its parent organization, the Cooper Square Committee, was formed in response to urban renewal plans, made public in 1959, to raze almost every building in a twenty-block stretch of Manhattan’s Lower East Side. New housing planned for the site would have been unaffordable to existing residents. The Cooper Square Committee — a membership organization that included local tenant and political activists, business people, settlement house workers, and ordinary citizens — enlisted the help of an advocate planner, Walter Thabit, and entered into a community "counterplanning" process. In 1961, they unveiled their Alternate Plan for Cooper Square, which also called for "renewal," but through new housing development that would not displace current residents. Ten years of struggle and negotiation followed, and in 1971 the committee succeeded in getting the city to adopt its alternate plan. But the Nixon moratorium on new federally funded housing starts doomed much of the new construction called for by the plan. At that time, the city had taken ownership of a lot of the existing housing through eminent domain, but the buildings had not yet been demolished, nor the tenants in them displaced.

By 1985, a quarter century after the original plans were unveiled, Cooper Square Committee realized its alternate plan was out of date. Without federal money to build new housing on a large scale, the existing housing, in increasing states of disrepair in city ownership, would have to be rehabilitated. Over the years there had been little turnover in the buildings, as rents were kept artificially low in city ownership — as low
as $55 per month in an otherwise gentrifying area — and those apartments that did turn over were most often filled by families placed by the city from the homeless shelter system. Accordingly, the tenant income profile remained quite low.

With assistance from the Pratt Institute Center for Community and Environmental Development (PICCED) and two students from the University of Amsterdam, the Cooper Square Committee created an updated plan in 1986 — calling for the rehabilitation of the existing city-owned buildings, and for continued use by the existing residents — and pressed for its adoption. In 1990 the Committee reached a Memorandum of Understanding with the city, which called for the establishment of an MHA as the entity that would eventually own the rehabilitated apartments. PICCED planners had become familiar with the MHA model through international contacts, and the Dutch students also brought knowledge of European public benefit housing models. The MHA idea — here conceived as a cooperatively owned integrated MHA\(^1\) — made sense to the building residents and other members of the Cooper Square Committee, and was chosen over the option of forming individual cooperatives. Though each building had the option to join or not, the MHA, if collectively owned by the residents of many buildings, could serve as a vehicle for continued community involvement in the housing.

The MHA was formed in 1991, and gradually took over management of the 19 city-owned buildings over the course of a year; it will assume ownership upon the completion of rehabilitation. In "spinning off" the MHA, rather than "becoming" it, the Cooper Square Committee sought to preserve its identity as a separate tenant organizing and advocacy group, with a community development agenda extending beyond the MHA buildings. The MHA was conceived of as the development, management, and ownership entity, which would also perform the functions of resident organizing, training, and capacity-building needed to allow residents to govern effectively. In practice, however, this division of roles and functions between the two groups has not always been so clear. There is significant overlap between the board of the MHA — an interim, appointed board, composed of a majority of residents — and board and staff members of the Cooper Square Committee. Particularly in its early stages, the MHA was perceived as the "baby" of the Committee by supporters and detractors alike.

The detractors of the MHA are worth mentioning because opposition to the MHA plan has used up a lot of staff time and energy both at the MHA and the Cooper Square Committee, and has set development schedules behind. In addition, no other group in this study has had to deal with the intense level of opposition to which CSMHA has been subject. One of the most serious detractors has been a local city council representative, who has fiercely opposed the MHA project, and attempted to derail the transfer of the buildings from the city to the MHA. Part of his opposition has to do with his political alliances with real estate interests, and part has to do with his local alliances with rival

\(^1\) See p. 9.
community groups within the district. A few MHA tenants, encouraged by this council representative and upset about the rent increases necessitated by the overall development plan, opposed the MHA and went on rent strike.

While the majority of tenants did not participate in the rent strike, many have regarded the MHA more as "the landlord" than as an organization through which they themselves could control their housing. Although tenants did have an opportunity to participate in the design process, delays in rehab and some problems with the quality of the city-sponsored rehab reinforced their perception of lack of tenant control. Thirty years' tradition of fighting the landlord (that is, the city) has also proved a difficult habit to break. As one resident commented, "We don't have an enemy now, so Cooper Square has become the enemy now that HPD doesn't run the buildings." In order for residents to better understand the MHA concept, its governance structure, and how they could exert control within that structure, a concerted program of resident training and organizing was needed. But faced with the task of managing seriously decrepit housing and facilitating a complex system of relocation to allow for rehab, the MHA has focused more on nailing down an efficient building management system, and less on tenant organizing and education.

Confronted with maintenance problems, or conflicts with the MHA staff, some tenants sought the Committee's intervention on their behalf. The Committee has traditionally played this kind of tenant advocacy role in the past, but in this case, where the "landlord" is the MHA, it has resulted in some tension with the MHA staff, who did not appreciate their management efforts being undermined, as they saw it, by their "parent" organization. Board and staff members of the committee (several of whom sit on the MHA board) have tried to emphasize that the MHA is more than just a management entity, and have pushed for a renewed tenant organizing and training effort, so that tenants may participate in MHA governance more effectively.

Meanwhile, a number of tenants, while understanding the potential of the MHA as a resident-controlled organization, have become increasingly frustrated that many important issues concerning rent increases, transfer from city ownership, and the operation of the MHA remain unresolved, and with the apparent uncommunicativeness of the MHA board of directors. The board, for its part, has sometimes been hesitant to give out information — both because of privacy issues and because the politicized opposition campaign made it important that any information distributed be beyond question.

These issues — the tensions between the MHA and the Committee, and the desire of many residents for a more open process — have begun to be addressed in recent months, as the first buildings in the MHA are scheduled to move into MHA ownership, and marketing of shares will begin. A joint educational and organizing campaign of the Cooper Square Committee and the MHA has begun to answer residents' questions about the MHA, and eventual tenant ownership. Tensions around the role of organizing within
the MHA remain, and reflect the difficulty in finding a "new style of organizing," which is directed at organization-building, rather than at oppositional struggle.

If CSMHA has had a close, but occasionally troubled relationship with its parent group, the United Hands CLT, discussed below, has not been able to benefit from close association with its parent. Accordingly, its relationship with its community has stumbled over different problems.

The United Hands Community Land Trust

The United Hands CLT (UHCLT) is located in the predominantly Latino Kensington neighborhood in Eastern North Philadelphia, the city's poorest section. Once a mixed-use neighborhood of factories and housing, it is now dotted with abandoned factories and vacant lots interrupting the small, two- and three-story row houses typical of much of Philadelphia.

UHCLT was born out of a longstanding organizing campaign by the Kensington Joint Action Council (KJAC). KJAC had joined with ACORN² in Philadelphia in the late 1970s in an ultimately successful squatting campaign in some of the city's 20,000 abandoned houses (some owned by the city through tax foreclosure, others by HUD, and others by mortgagees) to force reform of the city's corruptly administered homesteading program. Under the old program, a homesteader could buy an abandoned house from the city for a nominal sum, but received no financing or assistance in fixing up the house. Through the squatting campaigns, KJAC and ACORN were able to pressure the city to implement a program of low-interest rehabilitation loans, and to make more houses available to homesteaders by moving more aggressively against delinquent and neglectful owners.³

Though by 1987, these reforms led to hundreds of houses being turned over to homesteaders, some problems remained. The homesteading program did not enable homesteaders to fix up the many remaining houses in very poor condition. Language

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² ACORN, (the Association of Community Organizations for Reform Now) is a national organization with locally based chapters, which works on a number of community organizing issues, including housing, banking reform, and other issues of local concern.

barriers inhibited Latinos from taking full advantage of the program. There was also a perception in the Kensington neighborhood that speculation and gentrification in neighborhoods to the South would reach Eastern North Philadelphia as well. In addition, there was some dissatisfaction with much of the CDC housing development in the area, which broke up row houses into apartments that were too small for large families.

In response to these concerns, the KJAC housing committee — a grassroots group of mostly low-income community members, some of them in need of housing themselves — decided to set up its own housing development capacity. Because KJAC was more comfortable in the role of community organizer, the housing committee incorporated the United Hands Community Land Trust as a separate organization, with close ties to KJAC. The CLT idea came from contacts made by KJAC with the Delaware Valley Community Reinvestment Fund (DVCRF), and through them, with ICE and a neighboring, predominantly Latino CLT in Camden, New Jersey. The KJAC housing committee also visited RAIN CLT on the Lower East Side of New York, which began in the early 1980s.

UHCLT incorporated in 1988, and its newly hired staff immediately sought to carve out an independent identity for the group, and to build it into a reputable development organization. Nevertheless, UHCLT worked closely with KJAC on its first project, a collaborative effort with another pair of neighborhood organizations (Kensington Action Now and the Kensington Area Revitalization Project, or KAN/KARP) to develop 100 vacant neighborhood houses. While that target number was never reached, due to the disintegration of the collaboration with KAN/KARP, UHCLT oversaw the development of 46 properties with 47 units. Rehabilitation was funded through CDBG allocations from the city, significant sweat equity invested by prospective residents, and low-interest five-year balloon mortgages from DVCRF, which would allow "unbankable" residents to cure their credit ratings and attract conventional financing at the end of the mortgage term. Residents enjoyed low monthly housing charges, averaging about $130 per month, and participated in a successful campaign to change state welfare regulations to enable welfare recipients to own limited-equity housing. KJAC's role in the project was to organize prospective residents. In fact, a good number of the households that became land trust homeowners had been active members of the KJAC housing committee.

During this time, UHCLT gained a reputation as a dynamic and promising housing group. In 1991, it was awarded one of 11 grants from the Philadelphia Neighborhoods Development Collaborative (PNDC), a collaborative of foundations seeking to fund young organizations redeveloping housing in the city. This grant gave UHCLT prestige, recognition, and the operating funds it needed for three years. The money itself was geared toward enhancing UHCLT’s development capacity. UHCLT was interested in this too, and formed the Manos Unidas CDC, a subsidiary organization that would act as the developer for UHCLT projects — not limited to housing — and collect the developer’s fees for the projects.
Amidst all of this activity, UHCLT’s attention was focused almost solely on development, and very little on the residents of its existing housing, or on the community in which that housing was located. Though many residents maintained links with KJAC, after the initial development process KJAC ceased to play an organizing role in UHCLT houses. Within UHCLT, there was no staff position dedicated to resident or community organizing, and non-resident, community membership in the CLT shrank.

At the same time, tensions, interpreted by many as racial, developed between the African American executive director and several resident board members of the overwhelmingly Latino CLT. Some of these tensions had their source in the residents’ perception of a lack of respect coming from the director. That feeling was reinforced by the director's prioritization of the nearby, predominantly African American community of St. Edwards-Hartranft for the next development effort, rather than the Latino neighborhood where the original batch of houses was located. These tensions, combined with the neglect of organizing, began to wear at the land trust even as it appeared to be doing well. Quite a number of homeowners stopped paying their mortgages, and rather than attending to these serious internal problems, the CLT used operating money to pay DVCRF. With the PNDC grant in hand, no other fundraising was done either by the director or by the board.

By the end of November 1994, operating funds had run out, to the surprise of the board of directors. That was partly because the financial statements to the board were based on an accounting system that did not fully expose the liabilities of the organization, and partly because the board had never received the training it needed to closely monitor the organization’s financial health. The board was forced to lay off all but one staff person, who was under contract with the city to provide mortgage counseling.

Between early 1995 and the fall of that year, UHCLT worked to stabilize itself under the guidance of an advisory committee formed by PNDC, which had tentatively offered another three years of funding, pending a successful stabilization and reconstruction process. While some of the goals laid out by the committee were met, including the institution of reliable accounting systems and the refinancing of several (but not all) of the homeowner mortgages, there was little unanimity among the CLT homeowners that the organization was a useful entity any longer. While a very small handful of resident leaders remained strongly committed to the group’s survival, and saw roles for the CLT to play in various neighborhood services, many members had become distanced enough from the CLT that its possible dissolution was not regarded as a cause for great concern. This relative indifference by the membership, combined with increasingly public feuding between the one remaining staff person and the board president, resulted in the collapse of the stabilization effort, and the withdrawal of PNDC’s funding offer. While the CLT has not yet closed its doors, its prospects for survival are not good.

These two cases illustrate some of the commonalities and differences between groups that
arise out of confrontation with governments over displacement pressures or abandonment. In both cases, a community-based campaign to gain control over threatened neighborhood housing was the primary impetus for the development of the MHA or the CLT. Nevertheless, there are important differences. In Cooper Square’s case, the urgency to mobilize and organize tenants was palpable for almost 30 years. Until the signing of the MOU, there was always the threat that the buildings could be demolished and residents displaced. Political opposition from the city council representative and his allies was an ever-present danger, calling for disciplined organizing and persistent advocacy. The initial presence of the urban renewal plan produced a framework in which a community-based counter-planning strategy, based on protecting existing homes, could be effective. The careful and considered articulation of alternative plans over 25 years helped immensely to reinforce the importance of affordable, community-controlled housing.

By contrast, such sustained, long-term, and focused solidarity was not present in the United Hands community. UHCLT had homes to create, rather than homes to protect, and the absence of a resident base united by a common threat made it easier for the group to lose its focus. UHCLT came to be driven by a development agenda, which distracted it from serving its original target population.

Another key difference between CSMHA’s experience and UHCLT’s lies in their relationships with their parent organizations. Both the Cooper Square Committee and KJAC aimed to preserve their roles as community organizers, and envisioned housing development and management as activities that might distract them from their organizing agendas. Nevertheless, both detached themselves from an organizing role within the CLT and MHA. In the case of
United Hands, KJAC's initial role was to organize prospective residents, but organizing and training the homeowners, once housed, was never envisioned to be their role. Because this organizing function was never incorporated into the activities of the land trust, organizing ceased to happen at all. Although some of the original members of the KJAC housing committee became UHCLT homeowners, no formal ties were maintained between the two groups, and when UHCLT "strayed" from its originally articulated mission, its parent organization was in no position to lead it back to the fold.

The Cooper Square MHA, on the other hand, never "broke" completely with its parent because of the role on the board of the MHA played by Cooper Square Committee staff and stalwarts. While the committee temporarily stopped organizing in the MHA buildings — on the assumption that the MHA would fulfill this role — it was in a position to resume organizing when it became clear that this function was being neglected. At the same time, the committee’s own organizing style and strategies are not without their problems. With more than 30 years’ of oppositional organizing in the buildings, a new style of organizing needs to be developed — one that is better suited to building democratic mechanisms for resident control over housing.

Despite the different trajectories, UHCLT and CSMHA share some important characteristics and dilemmas. Because the primary object in both organizing efforts was gaining control over housing, a new strategy to organize residents had to be found once this control was won. If the other social goals of the organization — including broader community revitalization — were to be realized, residents of already-secured housing had to be coaxed out to participate in a broader agenda for change. In UHCLT, this has been difficult to do. In CSMHA, all of the housing is not, at the time of this writing, fully rehabilitated, and continued stresses of
relocation keep residents involved. It remains an open question whether involvement will fall off as these problems are resolved.

Finally, where control is stressed as the overriding concern of the founding groups and their members, the form this control takes is typically less important than the fact that it is achieved. Accordingly, neither KJAC nor Cooper Square Committee expressly sought out the MHA or CLT models at first. Rather, the models were introduced at some mid-point in the respective struggles. In UHCLT, support for the basic goals of the CLT, including limited-equity resale formulas for the housing, has waned. In CSMHA, the lingering lack of clarity among many residents about the future structure and operations of the MHA is largely due to the lack of planning around these issues on the board level. Here, the struggle to gain control over the housing and fight off attacks from the opposition has distracted the group from articulating a careful plan for the MHA’s future governance and operations.

"DEMOCRATIZING" COMMUNITY-BASED HOUSING

About half of the MHAs and CLTs in this study were conceived from the start by a community based organization or by local groups of housing advocates, most of them with housing development or management experience. These groups have in common their sponsors’ wish to create democratically controlled housing, and their hope that amassing large numbers of housing units will lead to greater stability and greater efficiency for each part of the whole. With these origins, however, come a number of issues with which these groups — both those "spun off" of CBOs and those stemming from advocates’ interest — must contend. A central issue for these groups is how to inspire and sustain interest in the MHA and CLT models among
their residents.

The two groups compared here, Community Assisted Tenant Controlled Housing (CATCH) and the South Brooklyn MHA, both in New York City, were both formed out of housing activists’ desire to "democratize" low-income housing. In the first case, the group was founded by a coalition of housing advocates, and in the second case, on the initiative of an existing CBO.

CATCH

CATCH was formed in 1991, when ten city-wide housing groups in New York City came together to contribute to a new effort staffed by the Urban Coalition Housing Group. In the wake of the bust that followed the 1980s real estate boom, these groups saw an opportunity to work with financial institutions to acquire debt-saddled and foreclosed properties that risked disinvestment and long-term neglect. CATCH was set up as a "second tier" organization, to operate along the lines of the "mother-daughter" cooperatives in Europe. Local MHAs would be formed to own and manage buildings in the neighborhoods where CATCH developed housing. CATCH, as the city-wide, "umbrella" organization, would play role of developer and provider of ongoing oversight, support, and technical assistance.

CATCH, now with the Parodneck Foundation for Self-Help Housing and Community Development as the "lead agency," has acquired eleven buildings and begun rehabilitation on ten of them in three neighborhoods. In Central Harlem, the local MHA owns three buildings acquired from a foreclosing mortgage holder. In Washington Heights and Crown Heights, the structure, functions and powers of the local MHAs have not been worked out. Conscious that CATCH does not have a local, community base, its founders have tried wherever possible to collaborate with existing community-based nonprofits in its target neighborhoods. In Washington Heights, the Northern Manhattan Improvement Corporation, a local tenant organizing and advocacy group, has been very active in presenting the MHA and CATCH ownership option to tenant groups with which it works. In Crown Heights, Brooklyn, another local group, the Brooklyn Neighborhood Improvement Association has recently become part of the effort to bring more buildings into CATCH, and will play a support role in the local MHA. Harlem is the only one of the three neighborhoods in which CATCH does not have a local partner.

4 See p. 11.
CATCH has spent a lot of time and energy defining the roles of the founding housing groups whose representatives now make up the CATCH board of directors, of the participating CBOs, and of the local MHAs. At the start of each local MHA, the boards are entirely made up of CATCH board members. As training of residents proceeds, the boards will move to elected representation, and resident majorities. The CATCH board is intended to consist of up to 49 percent "public interest" representatives, and at least 51 percent resident representatives from the MHAs. As of this writing, two resident representatives have been appointed to the board on an interim basis.

CATCH recently hired three staff members of its own (two of them VISTA volunteers). However, a good deal of the work is split between the Parodneck Foundation (also a major financial backer) and the United Housing Foundation (the developer of the union-sponsored cooperatives in New York from the 1930s until the 1970s). UHF does some of the development work, and Parodneck staff provides executive oversight, fundraising, planning, and carries out back-office functions for CATCH. The other participating groups provide different types of assistance — including legal help, technical assistance on cooperative development, financial services, organizing and advocacy assistance — on an as-needed basis.

As can be expected with any collaboration on the scale of CATCH, there are differences of opinion about the roles that each group should play, and where decision-making authority about housing management issues should lie. As currently structured, the local MHAs, once fully developed, will contract with a manager for all their member buildings. Some on the board, however, felt that such decisions properly resided with each individual building. The overall structure of CATCH and its relationship to local MHAs will be a continuing issue that will demand tinkering in the foreseeable future. Because each neighborhood in which CATCH is active will have a differently structured MHA, and because local approaches to organizing differ from group to group, each MHA’s relationship to the services and decision-making structures of CATCH will be different. Because the current board of CATCH is committed, above all, to stabilizing buildings and empowering tenants, however that empowerment is defined, it has not let these differences in approach sunder the organization.

In the meantime, however, while resident control is built into CATCH structurally, the organization does not yet have sufficient organizing resources (or the funding to hire more organizers) to nurture resident leadership at the building level and build strong local MHAs. Many residents do not have a firm understanding of the CATCH mission and model. Though most CATCH buildings’ residents elected to work with CATCH, their support is not guaranteed. In fact, CATCH is seen by some residents as "just another landlord" and not an organization over which they could exert control. Management and rehabilitation problems have also played a role in casting the CATCH staff as the landlord in some of its projects, as opposed to a catalyst that allows residents and technical assistance providers to address problems collectively.
Though CATCH works with occupied buildings and local CBOs, its success in forming tightly-knit local MHAs is as yet uncertain. The issue of where control over management rests — with the buildings, with the local MHAs, or with CATCH itself — is still up in the air. Similar issues reappear in a different context in the South Brooklyn MHA, described below.

The South Brooklyn MHA

The South Brooklyn MHA (SBMHA), in contrast to CATCH, is a community-based MHA, with a clear community constituency. It is an outgrowth of the Fifth Avenue Committee (FAC), a CBO active in Park Slope and Gowanus, Brooklyn, for the past 15 years. FAC does tenant organizing in privately owned and city-owned buildings, and follows up much of this work with housing development. In addition, FAC does entitlement advocacy, community economic development and job training.

The idea to form an MHA began with the offer by a private manager of four city-owned buildings to turn the buildings over to FAC. The offer was made while he was being removed as manager because of mismanagement in other buildings under his control. The four buildings in question had had some prior experience with cooperatives, each having attempted to form a co-op under the city’s Tenant Interim Lease (TIL) program, and each having run into financial problems and problems with board-member mis- or malfeasance. As a result, none of the buildings were interested in forming a cooperative, but they were programmatically linked through the Private Ownership Management Program (POMP), the city program under which they were being managed by the private manager.  

People in the buildings knew each other, and all had worked with FAC. For its part, FAC was familiar with the MHA concept, which already had gained currency in the low-income housing development and advocacy community.

At the same time, the city had offered FAC the buildings, but FAC did not want to own them. FAC organizers felt that the buildings had enough resident involvement to run their own affairs with some help. Also, with the scale of a four-building MHA, the financial difficulties that the buildings encountered in TIL would be mitigated. FAC organizers then laid out the options of FAC ownership, MHA ownership and TIL to the residents, and convinced them that the MHA route would be best. FAC’s interest in forming the MHA was largely ideological, as their mission is to empower tenants to the fullest extent possible. By the time the city made the offer to FAC, its organizers had

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5POMP (which was phased out in the early 1990s) was one of the city’s Alternative Management Programs, designed to convey city-owned buildings back into private ownership. Through POMP, private, for-profit owners and managers could manage city-owned buildings for an "interim" period, and then purchase them.
already organized residents into an MHA, and helped them, with the assistance of the Community Development Legal Assistance Center to incorporate as the South Brooklyn Mutual Housing Development Fund Corporation in 1991. Thus, FAC was able to direct the offer of the buildings to the MHA from the start.

The nine-member board of directors meets regularly, usually in open membership meetings. The MHA is structured to include a minority of non-residents on the board. The former FAC executive director, and the former FAC organizer who organized the MHA are the public members, and FAC itself has a seat on the board. FAC also acts as the property manager for the MHA.

While the residents are happy with the current arrangement, it is not always entirely clear what unique benefits and functions the MHA brings over and above those already provided by FAC. A number of issues regarding the division of roles and responsibilities between FAC and the MHA are also up in the air as plans are made for the MHA’s expansion. FAC is acting as both developer and manager for the four original MHA buildings and for 14 more units developed with state Housing Trust Fund money, and it will be the managing general partner in seven buildings slated for MHA that it is developing with Low Income Housing Tax Credits. As these new projects are added to the MHA, its structure will change from that of a small, integrated MHA to something closer to a federation. FAC would retain management over the buildings through separate contracts with each, unless the buildings decide to cede management responsibility to the MHA board. No self-management is envisioned, however, for any time in the immediate future.

The envisioned benefits of membership in the MHA would be:

- a shared vacancy policy that prioritizes internal moves by MHA members
- shared corporate and financial management
- development of an emergency reserve fund, and
- the development of political power from a tenant-controlled organization with an interest in housing development.

FAC envisions its role as developer and manager to continue, and not to birth its own competition. But while it may make sense for the MHA to leave the development function to FAC, it is not clear how it will be decided which projects get directed to MHA ownership, and which projects remain under FAC ownership. As of this writing, discussions about whether the MHA would eventually have its own staff for corporate management and resident training had not yet taken place. As the MHA does not yet have any staff, FAC currently performs these functions, in addition to development and property management. While resident participation in the MHA is high (according to one resident leader, "most residents come to meetings, except for a few, who never come unless you hootie 'em and drag 'em"), and FAC staff are very responsive to the MHA, the structural benefits of having a separate organization remain
somewhat elusive. One possible benefit mentioned by FAC's executive director would be that having separate staff and accountability structures for management and organizing functions may provide some insurance that organizing, training and technical assistance functions are carried out at all, and do not get overwhelmed by the demands of management.

The comparison of CATCH and SBMHA shows two organizations facing similar situations, with divergences at important points. Both groups adopted the MHA model because of the ideological resonance of resident control combined with the perceived benefits of professional, collective support. Both groups also worked to get residents to "buy in" to the MHA concept. This work has been easier so far for FAC because the four buildings currently in the MHA had worked together before, were located in the same neighborhood, and had bad experiences in attempting to form tenant-sponsored cooperatives. With CATCH, resident "buy-in" has been harder to achieve because of its diffused base of community support, because it acquired some of its buildings before the MHA concept had been fully explored by residents, and because it lacks adequate organizing resources.

Both groups have to negotiate the tricky waters of how much power to give the boards of the new organization, how to maintain the goals of the founders without becoming undemocratic, and what the relationship of the new group to the founding organization will be. This relationship is bound to change over time, as the "child" MHA or CLT matures. One of the difficult judgements that the founders or founding organization must make is when it is appropriate to turn over control and the responsibility to the resident-dominated group.

Many other MHAs and CLTs in this study are having to deal with similar issues, as the Cooper Square MHA's experience exemplifies. The creation of new groups, either through spinning them off existing organizations, or through collective initiative of advocates, demands
some added value beyond the ideological cachet of democracy. Democratic control must be made real in order for the MHA or CLT to work. Moreover, the MHA or CLT must offer more than what the "parent" organization provides in order for participants — both residents and advocates — to see a point in continuing to support a new organization.

Clearly, there is much overlap among the groups that form out of confrontation and those that form out of the democratization and collectivization impulses of advocates. In both cases, both MHAs and CLTs are initially accepted in part because of their ideological appeal to the founders. In addition, a "deliverable," either housing, greater control, or better management must be provided by both MHAs and CLTs developing in any context in order to retain legitimacy in the eyes of its resident- and its non-resident sponsors.

For both confrontation-generated groups and groups forming out of advocate initiatives, keeping focus on the goals of MHAs and CLTs during the development process is crucial to promoting participation later on. All the groups illustrated so far have faced the issue of keeping up resident interest beyond the founding or initial development of MHA or CLT housing. Where they have let organizing lag during development, they have found that they have to re-educate members about the models.

But the groups arising from these two different contexts are separated by certain issues as well. Groups that form out of oppositional organizing and activism often struggle to master the technical details of housing management and development. The challenge faced by groups formed by existing CBOs or housing professionals, on the other hand, is to move from a professional and technical focus, to a more activist, resident-oriented one. Because many housing development organizations and CDCs have roots in oppositional tenant struggles and
squatting campaigns themselves, the democracy implicit in the MHA and CLT models often has an appeal to these groups, especially as they have increasingly taken on the role of landlord of rental housing. But the transition from being primarily concerned with management to fostering a new organization often leaves unresolved the role of, and amount of control retained by the CDC.

COLLABORATION WITH GOVERNMENT

The MHAs and CLTs described up to now have either had to fight for governmental acceptance, or have had to carve out their own niche and seek acceptance among residents. Here, we will look at the cases of MHAs and CLTs that emerge from a climate of collaboration and broad-based consensus. These groups form expressly to collaborate with government and other community partners in creating and preserving stable housing for people with low incomes. Presented here are the cases of the Burlington Community Land Trust, formed on the initiative of local government in partnership with housing activists, and of the MHA of Greater Hartford, formed by the Neighborhood Reinvestment Corporation, which seeks to build government support into its MHA partnerships.

The Burlington Community Land Trust

The Burlington CLT was formed after progressive housing advocates in Burlington, Vermont convinced that city’s Progressive administration in the early 1980s to examine the land-trust model as a way of preserving affordable housing opportunities in Burlington’s expensive housing market. With assistance from ICE, a group of housing advocates and the city’s Community and Economic Development Office incorporated the land trust. The Burlington government was looking for ways to develop housing that would use subsidies efficiently, and which would not be stigmatized by association with public housing. It was also a time in which advocates were beginning to recognize the
danger of impending expirations of privately owned, federally subsidized affordable housing.\footnote{Board members of the land trust and other housing advocates in Burlington collaborated on an effort to "save" Northgate Apartments, a 336-unit HUD-subsidized development whose affordability restrictions would have expired in 1989. This effort — begun before the passage of federal preservation legislation — helped to raise consciousness about the problem, and to pass legislation addressing it. See "Northgate Saved!" in Community Economics, Summer 1990.} Elsewhere, the MHA concept took hold; in Burlington, the CLT model was advanced.

Over the next several years, the city administration in Burlington was able to assemble a well-integrated housing delivery system, based on the concept of a "housing tenure ladder" with rungs that included nonprofit rental, land trust homeownership, cooperative ownership, and public housing. Along with the CLT, the city helped to set up the Lake Champlain Housing Development Corporation, a nonprofit rental developer with a subsidiary management entity. The city also targeted funds to the housing authority and to an existing nonprofit that primarily develops rental housing for the elderly.

The stock of housing that the CLT has developed has mostly been small, single family units, duplexes, and triplexes. Though the initial houses developed by the CLT were in Burlington’s New North End and met some community opposition, the bulk of the BCLT stock is in the Old North End, a traditionally low-income, working-class neighborhood. In the early 1980s, the Old North End was threatened by three forces: the general housing shortage occasioned in part by the growth of the University of Vermont; by a steep decline in homeownership rates; and by disinvestment by absentee landlords. While the CLT was meant to provide homeownership opportunities, it became clear very early that if the land trust was not to promote displacement in the Old North End, it would have to retain some of its housing as rentals, because many local residents could not afford to buy their homes. In light of an urgent need for a "good landlord" in the Old North End, BCLT decided to play an ongoing role as owner and manager of rental housing in this area. Recognizing this need, CEDO has continued to support BCLT, even as the land trust struggled to adjust to the role of property manager for nearly 100 units.

BCLT’s difficulties in this area stem from inadequate initial scopes of rehabilitation work, and from some cases of taking on uneconomical properties in order to stabilize blocks. In some instances, they developed properties that the city wanted to see developed, but which would not be developed by anyone else. These properties have led to financial losses for the CLT, but because of the unwavering support of CEDO, they have not threatened to sink the organization. BCLT is now refinancing many of its rental properties to stabilize cash flow and to do further rehabilitation work in them.

While BCLT could not implement low-income homeownership in all of the
housing it acquired, the cooperative conversion of multi-unit rental properties — where feasible and desired by residents — continued to be a goal. Realizing this goal required first the passage of cooperative enabling legislation by the state legislature, and then an intensive resident organizing and training effort. BCLT co-founded the Champlain Valley Mutual Housing Federation in 1990 as the entity that would do the organizing, education and building of "human infrastructure" necessary for co-op development. BCLT and the Mutual Housing Federation have collaborated on the development of several co-ops, with BCLT and the Lake Champlain Housing Development Corporation playing the role of "bricks and mortar" developers, and the federation recruiting and training residents and prospective residents, and facilitating their input into the development process.

Under the government of the Progressive coalition, Burlington’s city government has shown an unusual understanding of the needs of the CLT. It has supported BCLT’s other community-building activities, providing support for the construction of a small park in the Old North End, and for the development of office and program space for social services on CLT-owned land. So while BCLT has not had to organize in opposition to the city, for the most part, it has been able to build a constituency. While the constituency is often more passive in the daily life of the CLT than many CLT stalwarts would like them to be, they do turn out to support the CLT when needed. Recently, while the city was under a conservative Republican administration for two years, over 200 supporters showed up at the Burlington city council and squelched an attempt to seriously cut the CLT’s operating funds.

This support is evident in large part because the Progressive administration itself saw the development of an integrated delivery system of affordable housing as an important way to build electoral support. Every one of the seven groups involved in affordable housing in Burlington has done at least one project with any one of the other groups in the past ten years. Groups are dependent on each other’s help. In addition, the CLT is playing a leading role in the recently designated Enterprise Community, which includes the Old North End. As a result, name recognition of the CLT is high, and support for affordable housing is a firm part of the political culture of the city.

While BCLT’s partnership with the Burlington administration has served it well, and has enabled it to access important resources, partnerships with government do not always proceed so smoothly. A close alliance with government may force a group to respond to government’s housing development priorities, without consideration of the group’s internal capacity to manage its housing and organize residents. Heavy dependence on government can also make a group extremely vulnerable to changing funding priorities on the part of the city. These were both
problems that plagued the Madison Mutual Housing Association, the other group in this study
founded through a partnership between local government and housing advocates. Its story is told
in Chapter Five.

If Burlington represents something of an ideal situation in government collaboration in
MHAs and CLTs, and in PARCC housing in general, it must be stated that most governments
do not play nearly as supportive and active a role in promoting these models. More generally,
the government participation, even where sought, is less substantial, if not tangential. The case
of the MHA of Greater Hartford is typical of the intensiveness of public involvement and of how
the Neighborhood Reinvestment Corporation tries to structure broad support into its MHA
partnerships.

The MHA of Greater Hartford

The Mutual Housing Association of Greater Hartford (MHAGH) is the product
of the Neighborhood Reinvestment Corporation, and has the direct participation of both
municipal government and local industry, representatives of which sit on the MHA board
of directors. Nevertheless, the City seems to view the MHA more as "Cathy’s program"
(Catherine MacKinnon is the Executive Director) than as a manifestation of a new
concept in housing provision, or as a partnership in which it has a significant stake.

NRC’s entry into Hartford was facilitated by the local Neighborhood Housing
Services (NHS) program for homeownership. MHAGH grew out of the NHS apartment
improvement project that was in place in Hartford in the late 1980s. Neighborhoods like
Frog Hollow in the southern section of the city and Asylum Hill in the north end had
already experienced a lot of housing disinvestment, but retained tight vacancy rates.

At the time of its founding, MHAGH was responding to this tight market and the
possibility that areas such as Frog Hollow could lose affordable housing through
gentrification. The local Hartford economy — the insurance and defense industries —
was strong, creating pressures on Hartford’s neighborhoods. NRC wanted to expand its
MHA program from its initial demonstrations in Baltimore and New York City, and the
NHS presence in Hartford made the city a good candidate with some existing NRC-
affiliated infrastructure already in place. NRC worked with local NHS staff to develop
the MHA, which was incorporated in late 1988. Its first project was Park Terrace, 42
units in seven three-story buildings along a troubled block, which had gone through an extensive rehabilitation a few years prior to MHAGH’s acquiring it. Further rehab was done upon acquisition, funded with state capital money.

By the time Park Terrace opened, however, the local economy and housing market had changed, with drastic consequences for the MHA. The defense industry was weakening, and the financial and insurance services in Hartford were laying off workers. In addition, the suburbs around the city were being forced into compliance with fair housing laws. In the early 1990s, the Hartford school system was in a shambles as well, prompting those families that could find affordable housing outside of the city to move. All of this made incomes of lower-income residents plummet and rental vacancy rates soar.

MHAGH, which had set rents in Park Terrace at 25 percent of tenant income in accordance with standard NRC practice, found itself slipping into serious deficit as vacancies increased and resident incomes decreased. On top of this, physical plant problems with Park Terrace brought the young organization to the brink of financial collapse. A new director was hired, minimum housing charges established, and both operating support and repair funds were provided by NRC. By late 1995, while still not out of rough financial waters, MHAGH had rebounded significantly, and was no longer in a tenuous position with respect to its survival.

MHAGH had to deviate from the standard NRC method of rent-setting in order to survive financially. It has also begun to deviate from the standard NRC organizational structure, which calls for an integrated MHA, owning all of the housing assets directly. Due to requirements imposed by funders, the fact that upcoming projects are scattered over a wide geographic area, and the MHA’s desire to prevent liabilities in one project from threatening the viability of the others, MHAGH’s ownership and financial structure appears as something between a federated and an integrated MHA (see Chapter Four for an expanded discussion of this issue).

But while the NRC model may have been inadequate to local conditions in some respects, the NRC connection has not alienated MHAGH from any of the housing groups in Hartford. The housing community in Hartford is small, and its needs great enough that turf issues are kept at a minimum. MHAGH collaborates with neighborhood organizations and other housing groups in a number of ways, including planning for joint redevelopment of a block behind Park Terrace, and block watch activities. In addition, the youth organizer on staff of MHAGH works with the Greater Hartford Youth Coalition and other neighborhood groups to plan activities for the children in the project. The organizer is funded through the general operating budget (having been a VISTA volunteer for a year). She said that her organizing "added real value" to MHAGH because when Park Terrace’s vacancies were a problem, applicants would mention the
youth activities as important to their choice of mutual housing.\footnote{Interview with Shelby Brown, youth organizer, MHAGH, Hartford, November 8, 1995.}

While NRC's NeighborWorks Networks evaluations for accreditation are time consuming for staff, MHAGH has benefitted a good deal from its NRC connection, both in the form of loans for rehab, and grants to support staff salaries. Membership in the Network has enabled resident leaders, staff, and potential resident leaders to attend NRC training sessions and conferences, and to meet with other MHA residents from different places around the country.

Resident participation has been mixed in MHAGH. MHAGH's first resident organizer left in frustration, and a notice of "harass your neighbors day" was posted on the calendar in the common room at Park Terrace in May, 1995. By November, a new organizer was on staff and a "softer" approach had been taken. A resident leader spoke of three spontaneous barbecues during the summer, and of increasing participation in committees, such as the tenant selection committee. Nevertheless, the small scale of operations with the 42 units of Park Terrace pose a risk for ongoing resident involvement. Active residents there are helping to train and to interview prospective residents for MHAGH's new 21-unit development in suburban Windsor Locks, and it is hoped that resident leaders will emerge from that development who can share the burden of resident involvement on committees and on the board.

The juxtaposition of BCLT and MHAGH highlights several distinctions between NRC MHAs and the MHAs and CLTs that grow out of initiatives of local government in partnership with local activists. BCLT is typical of local government-sponsored initiatives in that it was formed in a relative vacuum of non-profit housing organizations in the city. NRC MHAs, by contrast, are more varied in the contexts in which they come together. But MHAGH, like many NRC MHAs, followed on the heels of a Neighborhood Housing Services Program active in the same city. The prior relationship of local governments with these NHS organizations has helped NRC build familiarity and contacts that ease the formation of MHAs.

Both types of groups usually begin with a lot of hopes placed in them by government. NRC MHAs come with a sponsoring organization and relatively rich financial resources, as well
as technical support resources. They are in a comparatively better position to receive government funding when they begin than are many local housing-oriented CDCs and develop larger projects than do these groups at the outset. Government-sponsored initiatives also have attracted large amounts of local and state government resources.

Like groups formed by housing advocates or existing CBOs, the MHAs and CLTs that arise out of partnership with government or NRC initiative begin as ideas in the minds of their founders, and are faced with the task of finding projects and residents to work with, and "selling" them the MHA or CLT concept. Different groups approach this problem in different ways. In several NRC MHAs, where the first project has been new construction or gut rehab of vacant housing, prospective residents and interested community members were recruited at the very beginning of the development process, and participated in design, legal, financial, and tenant selection decisions. In this respect, MHAGH does not conform completely to suggested NRC practice. Its first project (Park Terrace) was acquired already occupied, and while Park Terrace residents have actively participated in the tenant selection and orientation process for the MHA’s new development in Windsor Locks, the residents of the new project were recruited and selected after most of the design and construction decisions had already been made.

The Champlain Valley Mutual Housing Federation has recruited and involved future residents in its three new construction co-op projects in a manner very similar to that suggested by NRC. The collaboration between the resident-shareholders of these projects on various aspects of their co-op’s development has meant that, when the completed building opened its doors, a fairly close-knit community already existed.
CONCLUSIONS

The contexts in which MHAs and CLTs form help to shape their later development by establishing the groups’ organizational styles, development priorities, and political relationships, and by setting the stage for constituents’ understanding of the MHA and CLT models. There is no clear one-to-one relationship between a group’s formation context and its ultimate success in realizing the goals it sets for itself — indeed, these goals tend to change over the course of an organization’s life. Still, groups arising out of similar contexts tend to face similar challenges and issues.

With regard to their relationship to the public sector, there is a some overlap among those groups that arise out of the contexts of partnership with government, of democratization efforts by housing advocates, and of confrontation. There are instances in which groups that form out of advocates’ interests to democratize community-based housing have the support of local government, if not its direct participation. Some MHAs and CLTs growing out of confrontation with local government are ultimately successful in getting government to accede to their demands, and become the vehicle for government-sponsored redevelopment efforts, as happened in Cooper Square.

Though the groups arising from partnerships with government all share the advantage of early public sector support, they differ from each other in the level of support they are ultimately able to retain. BCLT’s continued government backing has a lot to do with its political ties to the governing Progressive coalition in Burlington, and — perhaps most important — with its ability to maintain management and development at a level at which administrations of all political stripes look good supporting the organization.
Like NRC MHAs, groups that are formed through spin-offs of existing CBOs or by housing advocates can often inspire government confidence more easily than can groups that arise out of confrontation, and attract resources in commensurate fashion. Having a "track record" — whether with NRC backing, or with the expertise of advocates or community-based developers — has helped many MHAs and CLTs get their start.

The formation context of MHAs and CLTs influences not only the groups' subsequent relationships with government, but also their relationships with their residents. Fostering a shared sense of endeavor and a feeling of community among residents initially tends to be easier for MHAs and CLTs that grow out of pre-existing, mobilized groups of tenants or community residents, than it is for MHAs and CLTs that begin life as an idea in the minds of their founders. However, starting with a pre-existing resident and community base is no guarantee of long-term success. As the case of United Hands makes clear, if ongoing organizing stops, the initially strong base of resident and community support may evaporate. In addition, groups that arise out of a tradition of oppositional organizing (whether against urban renewal threats, disinvesting landlords, or government neglect of low-income communities) often have a hard time understanding any organizing that is not oppositional. The style and tactics of successful oppositional organizing are less well-suited to building the social structures through which residents may democratically control their housing. Making the transition from the first to the second has not been easy for groups like Cooper Square.

MHAs and CLTs that begin without an organized base of resident and community support must struggle to build this support. The ease or difficulty with which this is accomplished depends on a number of factors, including the condition, occupancy, and development agenda.
demanded by the housing in hand. Groups' experience with new construction and vacant-building rehabilitation has been mixed. In some instances, participation by prospective residents in the planning and development of a housing project helped to create a shared sense of group identity, and a good understanding of the MHA or CLT concept. NRC MHAs try to involve residents in this way, though they have often strayed from this if the development schedule set by funders was too fast to effectively organize prospective residents. In other cases, where the housing was developed first, and residents recruited late in the process, the sense of community within the occupied project has been weak, and residents have tended to identify the MHA or CLT as "the landlord." (This has been the experience of the People's MHA in New York City, whose case is discussed in Chapters Three and Four.)

For groups working with occupied housing, substantial rehabilitation can tax their ability to organize residents. Tenant-in-place rehab can mean that residents must put up with the stress of noise and the disturbance of workers in their housing, often for weeks or months at a time. Where tenant relocation is required, residents are usually scattered among a number of buildings, making regular meetings of the group very difficult. In addition, where residents have endured bad conditions for some time, it can be difficult to interest them in the MHA or CLT until their immediate concerns regarding housing conditions have been addressed. If residents do not see conditions improve fairly rapidly, the MHA or CLT may lose credibility, and come to be regarded by residents as just another landlord.

Apart from the circumstances surrounding groups' formation, a number of other factors influence the success of MHAs and CLTs in meeting their goals of affordability, democratic control, community-resident partnership, and ongoing development. The following chapters will
examine some of these factors, which include groups' governance structures, levels and types of resident participation, and financial and political constraints.
ORGANIZATIONAL STRUCTURE, GOVERNANCE AND TENURE

What distinguishes MHAs and CLTs from other affordable housing models is that they are conceived as partnerships between residents and other community members. This idea of partnership is manifested in their governance structures, with both MHAs and CLTs including residents and non-residents on their boards of directors. The governance and organizational structures chosen by these groups shape the functions that they perform and determine the goals they can accomplish.

While structure creates certain opportunities and constraints for MHAs and CLTs, it was clear from the experience of the groups in this study that individuals — staff members, board members or resident leaders — also played a key role in determining what a group could accomplish.

Staff skill levels and personalities — particularly those of the executive director — were tremendously important in determining the "organizational culture." In one group experiencing severe financial and organizational crisis the director apparently lacked the financial and managerial skills to keep the organization solvent. Even more importantly, she was perceived by many residents as displaying insensitivity at best, and contempt at worst, for the resident members. In another organization, the executive director was credited by residents, staff members and board members alike with possessing sophisticated knowledge, skills, and a diplomatic and inclusive personal style that has helped to encourage participation and smooth democratic process within that group. In a third group, the strong, energetic, "can do" executive director had created a sophisticated housing development and management system.
But his spending little time or energy sorting out the role of resident participation in the organization meant that the group displayed a good deal of internal confusion over this issue — resulting in the frustration of the main organizer and a generally low level of resident participation in management and governance decisions.

Resident participation in organizational governance is a central goal of both MHAs and CLTs, and both models "build in" this participation by including residents on their boards. Many groups provide residents with other venues for participating in decision-making, including board-appointed committees, resident councils, and co-op boards. But these structures only work as well as residents' participation in them. If residents are unaware of the control they have in the organization, or if they don't know how to exercise it, then the control remains a mere abstraction.

THE INTEGRATED MHA MODEL IN USE

Among the 13 MHAs in the study group, six conformed to the "integrated" model, with the MHA owning or controlling all the housing developments and a single board of directors legally and financially responsible for all MHA assets. In nearly all these groups, residents comprised the majority of the board of directors, with one relatively young group "phasing in" a resident majority gradually over a couple of years. A seventh group had originally been organized around a "dualistic" model, whereby a non-resident-dominated MHA owned all the housing assets, while an all-resident co-op acted as the management entity. This structure proved confusing and ultimately unworkable, and the group eventually eliminated the co-op, and added more residents to the MHA board, becoming an integrated MHA. Several of the
integrated MHAs were in the process of re-thinking their organizational structures, due to prospects of expansion through new development.¹

A single, integrated housing ownership and financial structure lends itself well to the accomplishment of several common MHA goals, including the achievement of economies of scale, and mutual financial support among buildings. Especially where a number of buildings are clustered in close proximity, centralized management by a single management entity (whether this entity is the MHA staff, or an outside, contracted company matters little) tends to be much more efficient than separate management of each building. But this increase in efficiency comes at the expense of autonomy for residents at the building level. How successfully the integrated model may be used therefore depends partly on whether residents identify with the larger MHA community more than with their individual building.

The United Tenant Association (UTA) MHA in New York City is an example of a group that has used the integrated model, and has found it a "good fit" due to the convergence of a number of circumstances relating to the location of the buildings, and the history of the housing and the residents.

**UTA-MHA**

The United Tenants Association (UTA) MHA addresses a fairly small area (several blocks) on Manhattan’s Upper West Side. UTA-MHA had its genesis in a struggle over Urban Renewal. Soon after the designation of the Upper West Side Urban Renewal Area in 1958, a group of local residents and advocates formed the Strycker’s Bay Neighborhood Council (SBNC) to fight the plan, protesting the anticipated

¹ Expansion of an integrated MHA may be difficult in the absence of capital grant financing for new developments. The reason for this is that lenders and equity investors (as, for instance, in a tax credit project) will often insist on the development being a single-asset corporation, so as not to expose their investments to the liabilities of the other MHA holdings.
displacement of many low-income residents. Over twenty years of struggle followed, with some elements of the original plan being implemented, others being revised or abandoned. In the late 1970s, SBNC helped the residents of the remaining city-owned buildings in the area win an agreement from the city. This agreement stipulated that the majority of the buildings would be spared demolition, and would be preserved as affordable housing, under some form of resident control. The form that was ultimately chosen by SBNC and the building residents — acting upon advice and technical assistance from the Pratt Institute — was mutual housing. UTA-MHA was formed in 1991 and took over management responsibility of 14 buildings with 130 units from the City; the MHA will assume ownership when rehabilitation is complete.

UTA-MHA is an integrated MHA with twenty board members, of which fifteen are residents (two representatives from each of seven building clusters, plus an extra representative from a larger cluster). The MHA will become a cooperative once the buildings are sold by the city to the MHA. The MHA will own all the housing, and residents will purchase shares in this ownership entity, controlling it through the majority representation on the board that is already in place. A minority of board seats are held by non-residents, three of whom must live in UTA’s neighborhood, and two of whom must bring technical and professional expertise to the MHA. This integrated model, with its single ownership and administrative structure, was more attractive to the group than the option of each building becoming an independent co-op. It was felt that independent co-ops would lend themselves too easily to the possibility of speculation and gentrification, the force against which the group had been fighting for thirty years. In addition, an integrated ownership and financial structure will allow housing charges in all the buildings to be subsidized by the income generated from the handful of buildings with commercial stores.

A feeling of solidarity among most MHA residents — produced by a shared history of struggle to save their homes from demolition and improve their living conditions — makes the integrated arrangement a natural one. One building from the original group of fifteen did drop out of the MHA, choosing to become a "stand-alone" co-op through the Tenant Interim Lease Program. However, the majority of residents have strongly supported the MHA, as is evidenced by the attendance of many at community board and city council hearings on the ULURP process. This support is based more on the relationship of trust that exists between residents and the MHA (staff and resident leaders) than upon a deep understanding of the MHA concept on the part of the average resident. Struggling to master the job of property management, which has been complicated by rehab and resident relocation, neither staff nor board has devoted much time to envisioning how the MHA will function once ownership of the buildings is transferred from the City.

2ULURP stands for Uniform Land Use Review Procedure. It is the legal public review approval process that governs disposition of city-owned property.
But while this understanding may be less than complete, most UTA-MHA residents do perceive themselves to be part of a shared group identity. This identity is produced partly by their long shared history, and is reinforced by ethnic and economic commonality. The large majority of MHA residents are Latino — mostly Dominican — and low-income. This ethnic and economic profile stands out in contrast to that of the surrounding neighborhood, which is largely white and higher-income.

In UTA-MHA’s case, the residents’ shared history of saving their housing plays an important role in providing the "glue" that holds the group together and allows the residents to see themselves as part of a larger group endeavor. The experience of another New York City group illustrates some of the issues that arise when this common history is absent.

*People’s MHA*

PMHA is an integrated rental MHA located in the Lower East Side of Manhattan, a traditionally low-income, working class neighborhood of mixed ethnicity, which experienced strong gentrification pressures during the 1980s. Its creation in 1990 was the culmination of a long negotiation process among the city, the community board, and the Joint Planning Council (a coalition of local residents and housing advocates) over the fate of city-owned vacant land and buildings in that neighborhood. The outcome of that negotiation process was an agreement that the city would rehabilitate vacant city-owned buildings for low and moderate income housing, using funds generated from the sale of vacant city-owned land for market rate development. Ownership and management of the affordable housing would be turned over to a mutual housing association created for this purpose. Members of the Joint Planning Council selected the mutual housing model because it offered a strong element of resident control and promised to safeguard the viability and affordability of the housing. By this time, several other MHAs were in

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3 At the time of this writing, People’s MHA and PEOPLES, Inc., its parent organization have undergone a major staff restructuring, and have gained a new executive director, and substantially new staff. The new director has indicated an interest in enhancing the role that resident organizing plays within PMHA, and in making control real. The discussion below, and all of the observations herein about PMHA are based on the *status quo ante* and are included to reflect some of the issues that PMHA was confronting during the year in which it was assessed for this study.

4 This was termed the Cross-Subsidy Plan. Due to the crash of the real estate market in the late 1980s, the City was never able to sell the vacant land; rehab of vacant buildings proceeded, however, using city capital budget funds.
development in New York City, including the Lower East Side MHA, initiated by the Neighborhood Reinvestment Corporation in the same neighborhood as PMHA.5

Between 1990 and 1994, PMHA assumed ownership and managed the rehabilitation of 20 buildings with more than 250 units, all clustered within walking distance of each other. Upon substantial completion of the housing, residents were chosen by lottery from a pool of applicants who responded to newspaper advertisements and met the income guidelines. Residents thus came to PMHA housing as strangers to each other and to the concept of mutual housing. While the mutual housing model was explained during the interview process, applicants were generally more interested in an affordable apartment than they were in the opportunity to participate in a democratically controlled organization.

Residents of the MHA are technically tenants, but every resident is also a member by virtue of her occupancy and has a voice in the governance of the organization. The tenants of each building elect two representatives to an MHA-wide resident council that provides a forum for resident ideas, complaints and suggestions. This council, in turn, elects representatives to the board of directors, on which residents will eventually hold a majority of seats (after a phasing-in period intended to get residents up to speed). The board of directors currently has 20 members, because it has absorbed the Lower East Side MHA (see Chapter Five) and has a merged board. After a transition period, the board will consist of thirteen seats, seven of which eventually will be filled by resident directors, and six non-resident directors.

While the democratic structures are clearly present in PMHA, the degree to which residents actually exercise control or feel "ownership" over the housing or organization seems negligible. Most residents regard PMHA management staff as "the landlord," albeit a fairly responsive and benevolent one. This is attributable to a number of factors. The fact that residents played no part in the development of either the housing or the organization means that they came to the MHA with no common history and no experience of making important decisions about either. In addition, there has been a good deal of ambivalence within the organization about what "resident involvement" actually means, and about what the goal of resident organizing should be. The executive director, whose strong personality sets the tone for the organization, sees quality housing and efficient management as the first priority of the MHA, and does not worry too much about resident "empowerment" and capacity building.

At the building level, the residents' diverse ethnicity (of the largest groups, almost half are Chinese, about a third are Latino, and 12 percent African-American) has sometimes caused "culture clashes" related to stereo-playing habits, cooking smells, and

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5Since then, the Lower East Side MHA (LESMHA), which developed 48 units in two buildings, has merged with PMHA. Financial and managerial problems at LESMHA, and poor prospects for additional development, made the merger a logical step.
other issues. Language barriers complicate inter-resident communication, too, although PMHA's two bilingual organizers (one Chinese-speaking, one Spanish-speaking) are available to translate at meetings. At the MHA level, except for the representatives who participate regularly on the resident council, the majority of residents have little contact with MHA residents from other buildings. But while there is not an "MHA resident community" per se, PMHA identifies itself as an organization serving the Lower East Side community. The MHA recently "spun off" its own parent organization, PEOPLES, Inc., with a broader neighborhood development focus that includes economic development (it had developed a credit union) and social services in addition to housing.

From the standpoint of economies of scale, efficiency in management, and the ability to pool financial resources to the mutual benefit of all the housing, UTA-MHA and PMHA work equally well as integrated MHAs. In both cases, the buildings lie in close proximity, making centralized management easier. Income from the commercial stores located in some of the buildings are used to subsidize rents in all of the buildings. Beyond economic efficiency, however, a feeling of community and group endeavor is present among most UTA-MHA residents, largely because of their ethnic commonality and the personal connections they have built up through their common experience of struggle.

PMHA residents, in contrast, don't "identify" very strongly with their MHA, or with their fellow MHA residents in other buildings. The PMHA case illustrates how difficult it can be to implement resident participation when the MHA arises out of housing advocates’ interest, and the residents have played no part in the housing development process. On the other hand, PMHA does "work" as an integrated MHA to the extent that its residents don’t seem to desire more autonomous control over their individual buildings. By and large, PMHA residents see themselves as tenants, and have no more expectation of exerting strong control over their buildings’ management than they have of controlling organizational decision-making at the level of the MHA.
But while PMHA residents came to the MHA with no common history and few expectations besides getting affordable housing, this is not the case for many other groups. Particularly when an MHA builds its housing portfolio through the progressive acquisition of occupied developments, the expectations of the different resident groups may not always be easy to reconcile with each other. While an integrated organizational structure may work well as long as the MHA is on its first development project, the task of fitting new developments and resident groups into this structure may present difficulties — particularly if the new developments are in different locations from the original one. The MHA of Greater Hartford, originally organized along integrated lines, is having to re-examine its organizational structure as it expands.

*MHA of Greater Hartford*

Like all NRC-initiated MHAs, the MHA of Greater Hartford (MHAGH) was intended to operate along integrated rental lines: the housing would be owned by the MHA, and resident-members would elect representatives both to an all-resident council and to the 15-seat board of directors, where residents and a prospective resident would hold a slim majority of seats. The resident council would serve as a liaison between the board and individual residents. It would advise the board on issues relating directly to the housing development, such as problems with the performance of the management company or appropriate "quiet time" policy. The Board would be responsible for corporate issues, making decisions not only about the management of the MHA's housing assets, but also about staffing and fundraising, and which housing development opportunities to pursue. This arrangement worked well for MHAGH for the first five or six years of its organizational life. During this time the MHA owned only one development, the 42 unit Park Terrace, which consisted of seven three-story buildings clustered on one block in the Frog Hollow neighborhood.

Recently, however, MHAGH has lined up several other housing development opportunities in neighborhoods outside of Frog Hollow, including the just completed, LIHTC-funded conversion of an old school building in the Hartford suburb of Windsor Locks, and the potential purchase and rehab through LIHPRHA of two privately owned, HUD-subsidized rental projects located within Hartford proper, but some distance from Park Terrace. The prospect of these new developments coming into the MHA is forcing a re-thinking of the MHA's organizational structure. Residents in the new developments
can be expected to bring different concerns to the MHA from those that have occupied the residents of Park Terrace; in addition, the physical distance between them means that residents of the different developments (except those who serve on the MHA Board) will not come into contact with each other very regularly. The MHA staff acknowledge that having one, all-inclusive resident council no longer makes sense. Certain issues (such as parking policies, "quiet time" rules, and others) are project-specific, and decisions about them should naturally be made by the residents at each site through some kind of local resident council system.

The question of which issues will be decided at the project or building level, and which at the MHA board level remains unclear. While the MHA may clearly leave decisions about parking policy to the local resident councils, it is less clear what the MHA board would do in the event that the residents of one site loved the MHA-contracted management company, while the residents of another site were unhappy with the same manager. In this case, the MHA would have to weigh the potential savings to be realized from contracting with a single manager against the desires of the residents for autonomy over the management of their own building or complex.

In its financial and legal ownership structure, if not yet in its decision-making structure, MHAGH already looks more like a federated MHA than an integrated one. Each housing development is "owned" by a single-asset corporation, which is wholly controlled by the MHA. This is partly due to the requirements of funding programs, such as the LIHTC program, which requires that the housing development be owned by a limited partnership (in this case, the general partner is a wholly-owned subsidiary of the MHA). But the MHA has also made a conscious decision to avoid the possibility that the financial failure of one project could pose a risk to the others. In insulating each project from the others' financial risk, the MHA sacrifices the possibility of significant cross-subsidy between projects; this is in contrast to the kind of integrated financial/ownership structure such as that used by UTA-MHA, where commercial income from one building subsidizes rents in all the buildings. 6

The experiences of PMHA, UTA-MHA, and MHAGH point to the conclusion that the integrated model suggests itself more "naturally," and tends to be less subject to structural change when the buildings are in the same neighborhood, are of the same type, and when

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6The potential danger in not separating different housing developments financially is illustrated by the case of the Madison MHA, which has had to sell off approximately half its housing stock to avoid bankruptcy. MMHA properties (except those financed through syndication) were directly owned by the MHA, and were financially linked. In the end, the financial drain inflicted on the organization by a few troubled properties "dragged down" some good (cash-flowing) properties. (See discussion in Chapter Five).
residents share a common history of some kind. This shared history may be one of struggle against urban renewal (where the housing comes to the MHA as occupied), or one of collaboration in the development process (where the housing comes to the MHA as vacant or newly constructed). Also, the integrated model may work better where the MHA acquires most or all of its housing at the same time and from the same source (city ownership, in the case of PMHA and UTA-MHA).

Where housing is scattered over a wide geographic area, or among different neighborhoods, and where residents of the different projects do not share a common history of collaboration or struggle, residents may be less willing to cede autonomy over building-specific issues to the central MHA organization, and something closer to the federated model therefore may be more appropriate. This does not necessarily mean that each member housing development must be separately incorporated as an independent co-op. The MHA of Southwestern Connecticut (MHASWC), like MHAGH, is an NRC-initiated group, and was also structured along integrated lines — the standard NRC model. While its first (and so far, only completed) housing development is located in Stamford, the MHA’s target area includes the entire region of southwestern Connecticut, and it is currently working on a new development project in Bridgeport. While fiscal and legal responsibility for both housing projects will fall under the authority of the single MHASWC board of directors, the executive director anticipates developing a system of local site committees, which will advise the board on issues specific to that site. Under this system, there will be a property management committee for Parkside Gables in Stamford, and another one for the new development in Bridgeport. The recommendations of these committees will guide MHA board decision-making about property

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management issues, so that each housing development is able to exert control over issues important to it.

While the NRC integrated model, as it was originally envisioned, is not ideally suited to the circumstances of either MHAGH or MHASWC, both organizations seem to be adapting and modifying it to meet their needs. Outside of New York City, where the large numbers of city-owned buildings clustered together in several neighborhoods invite an integrated structure, there are probably few opportunities to implement the integrated MHA model in its most "purely" integrated form.

THE FEDERATED MHA MODEL IN USE

Four MHA groups conformed to the "federated" model, where each housing development is separately incorporated and independently governed by its residents through cooperative ownership, or through a resident-controlled nonprofit rental corporation. In some groups, the housing developments were tied to the "mother" MHA through legal and financing mechanisms that gave the MHA power to enforce its rules or intervene in case of mismanagement. In other groups, member co-ops' affiliation with the MHA was purely voluntary, and the MHA possessed little or no "enforcement" power. There was one "second-tier" organization in the study, a New York City-wide group that is in the process of setting up local MHAs in three distinct neighborhoods. This organization, CATCH, is fairly young, and it is not yet clear whether the local MHAs will conform more to the federated or the integrated model. In all the federated groups, residents either hold a majority of seats on the MHA board of directors, or will eventually, after a transition period intended to develop a larger resident base, and build resident
familiarity with the organization.

The federated MHA structure allows residents of each member co-op or resident-controlled housing development a certain amount of independence and autonomy in the operation and management of their housing, with the MHA organization playing both support and oversight roles. The strength of the links between the member groups and the central MHA depends largely on the MHA's role in their formation. Where the MHA is the development entity sponsoring the creation of its member co-ops, it is in a position to set the terms of membership and to enforce these terms through a number of legal and financial mechanisms, including pass-through mortgages (where loans are made first to the MHA, and "passed through" to the member cooperatives), control of reserve funds, and — where the MHA owns the land under the housing in a land trust type of arrangement — a ground lease. Where these legal and financial ties are absent, MHA federations tend to be much looser. The Champlain Valley Mutual Housing Federation and the California Mutual Housing Association illustrate some of the differences between strong and weak federations.

Champlain Valley Mutual Housing Federation

The Champlain Valley Mutual Housing Federation (CVMHF) was created in 1990, after the Burlington Community Land Trust (BCLT), Burlington’s Community and Economic Development Office (CEDO), and the neighboring city of Winooski jointly hired a consultant to work on the co-op conversion of small (2-3 unit) BCLT-owned

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7 At this writing, the Champlain Valley Mutual Housing Federation had begun a "staff consolidation" with the Burlington Community Land Trust. Conceived as a way to reach economies of scale in management and administration, this consolidation does away with an independent staff for the MHF. Instead, the MHF board will contract staff members from the land trust. The BCLT executive director will oversee all staff.
rental properties in Burlington, and similar small properties in Winooski. It quickly became apparent that two- and three-unit, self-managing co-ops would be especially vulnerable to breakdowns in communication among members, to members' financial hardships, major repair needs, or to members' lack of expertise in management without ongoing access to resources and support. A mutual housing organization was envisioned as the logical vehicle to provide that support.

The CVMHF, also known as the "Co-op Federation," is an MHA organized along federated lines. Each member co-op is incorporated separately but is bound to the federation through a number of mechanisms. Most of the underlying co-op mortgages pass through the federation, and the federation also holds each co-ops' reserve fund in trust. Centralized control of reserve funds gives the federation the flexibility to apply reserve money depending on need, with one co-op temporarily "borrowing" from the others. Each co-op pays membership dues to the federation, which in turn provides a number of member services, including maintenance of an application and waiting list, calculation of outgoing equity in the event that shares are transferred, assistance in the preparation of each co-op's annual budget, training in co-op governance and property management, and general trouble-shooting. The federation — which is governed by a board of directors with a majority of co-op representatives — sees its mission as the development of the "human infrastructure" necessary for successful co-ops, leaving most of the bricks and mortar development to BCLT and other organizations. By all accounts, it has done its job well. Since its inception, the federation has assisted in the co-op conversion of eight small (2-3 units) rental properties in Burlington and Winooski, as well as the development of three larger (20-30 units) new construction co-ops.

Because the federation organizes and develops the co-ops under its stewardship, it has the ability to set the terms of the membership agreement. That agreement, along with the pass-through mortgage financing structure, centralized control of reserve funds, and a durable power of attorney give the federation a good deal of power over its members — power to ensure that resale restrictions are abided by and that the housing is being managed in such a way as to preserve its financial and physical integrity.

This durable power of attorney allows the Federation to declare member cooperatives in default and take over their operations where they are in danger of going under. This power brings with it a high level of responsibility. In some cases, that is more responsibility than the Federation had bargained for. Some of the small co-ops have proven to be chronically unstable and in need of constant "hand-holding" and crisis management by the federation. Small co-ops, because of their size, are particularly vulnerable to organizational and managerial dysfunction; if the two households in a two

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8By this time, BCLT, which was formed in the early 1980s, had acquired a sizable inventory of small rental properties in Burlington's Old North End. The original intention was to convert all such properties to cooperative ownership, but the very low incomes of many of the occupants, and the lack of co-op enabling legislation in Vermont until the late 1980s prevented this.
unit co-op come into severe conflict, the entire co-op falls apart. But the executive
director of the federation also wonders whether the small co-ops would exhibit so many
problems if the initiative for co-op conversion had come solely from the residents,
instead of the federation having actively "pushed" co-op ownership upon them. In the
meantime, CVMHF staff are called upon to mediate conflicts between shareholders, and
in some cases, to take over property management tasks when co-ops' self-management
systems fall apart.

Having brought the small co-ops into existence, the federation bears a high level of
responsibility to help ensure their survival, even if this means devoting large and unanticipated
quantities of staff time to crisis management and mediation. Because the federation is the entity
that originally helped organize them, there seems to be an assumption on the part of the co-ops
that it will always be there to correct problems and pick up the pieces. The federation is trying
to change this assumption, and revise the way in which it relates to the co-ops so as to take some
of the strain of crisis management off of its staff.

The example of the California Mutual Housing Association illustrates some of the
different issues that arise when the ties between the "mother" MHA and the "daughter" housing
developments are much looser.

*California MHA*

The California Mutual Housing Association (CMHA) is a loosely federated MHA,
with little or no "enforcement" power over its member groups. CMHA was established
in 1992 by several co-op advocates who saw a need for an organization that could
provide support to existing limited equity co-ops, while at the same time assisting new
tenant groups in taking control of their housing and converting to co-op ownership.⁹

⁹Or resident-controlled rental ownership. According to California state law, non-profit organizations (but
not co-ops) are exempt from real estate taxes. It is therefore often financially advantageous to incorporate as a
non-profit, resident-controlled rental instead of a co-op; the distinction between the two tenure forms makes
little practical difference in the operation of the housing, or the degree to which control rests with the residents.
CMHA was set up as a statewide organization with two regional branches, located in the San Francisco Bay Area and Los Angeles. In the Bay Area, there were 40 or 50 limited equity co-ops already in existence, which were formed in the 1960s and 1970s using various HUD subsidy programs. Many were experiencing more or less severe organizational and management problems. Los Angeles, in contrast, did not have a large co-op community, but did have a good number of tenant groups struggling to take control of their housing, particularly in privately owned, HUD-subsidized rental projects, where owners were seeking to prepay mortgages, and cancel affordability restrictions.

CMHA’s primary mission is to help residents develop the knowledge, skills and capacities they need to control their housing successfully, although it plays a development role when necessary in order to help residents gain control over their housing (this is particularly the case in CMHA-South, which is working with several groups of HUD tenants on LIHPRHA conversion projects). The organization’s primary function is to provide residents with the training and technical assistance they need to govern their co-ops (or nonprofit rentals) democratically, and to supervise their property managers effectively. This is accomplished through formal workshops on co-op governance and management (including a week-long curriculum at "Co-op Camp" in the Sierra mountains each summer), informal training and assistance at board and membership meetings, and the fostering of "mentoring" networks and information exchanges between more experienced resident groups and newer, less experienced ones.

In order to receive CMHA services, co-ops and other resident groups are technically supposed to become dues-paying members; but the dues are very nominal, and their payment is casually enforced. In reality, CMHA "membership" is defined more by which resident groups are actively working with the MHA than by any formal membership list. Because the co-ops and resident groups with which CMHA works are not tied to the MHA by any financial or legal mechanism, whether or not a group participates depends on whether it sees a value in the MHA’s services and activities. In the Bay Area, CMHA-North has not had an easy time "selling" itself to an existing group of co-ops, many of which have been in existence for some time. While most of these co-ops could benefit from organizational and management assistance, many of them are absorbed in their own problems and conflicts, and don’t necessarily regard themselves as members of a larger co-op "community." In Los Angeles, in contrast, CMHA-South is working intensively with many resident groups, and the networks of "mutual support" between these groups are much stronger. This is at least partly due to the fact that many of the Los Angeles groups are not established co-ops, but residents struggling to take control over their housing, and that CMHA is the only organization to offer this kind of assistance. In addition, when CMHA-South approached them, the few established co-ops in the Los Angeles area tended to be in greater financial and organizational crisis than their counterparts in the North, having often been seriously defrauded by managers and corrupt board members. These groups need the services of CMHA in a way that the already established co-ops of the Bay Area do not (or at least, they don’t perceive that they have this need).
Ultimately, the continued existence of strong federations, as well as weak ones, depends upon the goodwill of the member groups, and their perception that MHA membership is in fact valuable. If the member co-ops of the Champlain Valley Mutual Housing Federation did not see the federation as useful, then the federation would not survive. The co-ops control a majority of seats on the MHF board, and the co-ops could stop working together despite the financial and legal mechanisms binding them together. Nevertheless, these mechanisms do provide the CVMHF with a kind of organizational "glue" that CMHA lacks (or must constantly reinvent through organizing and coalition-building). And CVMHF, unlike CMHA, is in a position to ensure that its member groups comply with their equity restrictions, thus protecting the long-term affordability of the housing.\(^{10}\)

**THE ICE CLT MODEL IN USE**

MHAs and CLTs structure resident participation into organizational governance somewhat differently. Nearly all MHAs give residents majority representation on the board of directors, while CLTs typically keep resident board representatives in the minority. The CLT model promoted by ICE — an open membership organization governed by a board composed of one third resident leaseholders, one third community representatives, and one third "public interest"

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\(^{10}\) There was a considerable amount of surprise on the part of several people interviewed for this study that CMHA was included as an example of an MHA. To them, CMHA was a technical assistance organization, and the lack of any "tie" beyond the demand for its services disqualified it as a "true" MHA. The inclusion of CMHA in this study was based on the fact that it exists to assist cooperatives and resident controlled rentals, and is governed by a board of directors with a 70 percent majority of residents of permanently-affordable, resident-controlled housing. In addition, CMHA works to increase informal ties among its member developments through joint training activities and mentoring networks. CMHA has also become involved in the development of several projects in which it — like the CVMHF — develops the organization that will run the housing.
representatives — represents an attempt to balance residents’ interests with those of the larger community and of future users of the community’s land and housing resources. Out of the seven CLTs in this study, only three conformed exactly to this ideal ICE model. In one case, a relatively new CLT had no resident board representatives because it had just begun housing development. Another developed primarily "special needs" housing, and had only one resident representative on its board from its one "regular" co-op project. In another case, the CLT was emerging from a period of near-dormancy, and had never mounted efforts to develop a membership base and an elected board. Another had a board of directors composed largely of resident representatives from a group of limited-equity co-ops formed through the homesteading of vacant buildings owned by New York City.

Nearly all of the CLTs in this study formed in areas facing gentrification pressures and appreciating real estate values. A great deal of the CLT model’s appeal lies in its power — through the ground lease — to safeguard equity limitations and prevent return of the housing to the speculative market. While affordable housing models such as limited equity co-ops and MHAs have affordability provisions and equity limitations written into their legal documents, there is generally no outside party monitoring whether or not these restrictions are abided by. While receipt of public funding is usually accompanied by equity limitations, many public agencies do not have the resources or inclination to audit the groups they fund. Where a CLT owns the land, however, and the restrictions are contained in the ground lease, the CLT plays an active enforcement role, ensuring that co-ops, for example, do not succumb to speculative pressures.

But CLTs have roles to play beyond the enforcement of equity restrictions through their
ground leases. CLTs can offer much-needed services to their resident-leaseholders, whether they are single-family homeowners, limited-equity co-ops, or others. And as open, democratic organizations with built-in community representation on their boards, CLTs can serve as vehicles for addressing a wide range of neighborhood needs and community development goals. The ideal CLT model promulgated by ICE — a membership organization governed by a tripartite board — allows residents a significant voice in the organization, but at the same time balances resident interests against broader community ones. The experience of the New Columbia Community Land Trust demonstrates the potential of the "ideal" CLT model when all the parties and interest groups involved (residents, staff, community members, and "public interest" representatives) share a common vision of the organization's mission.

New Columbia CLT

The New Columbia Community Land Trust (NCCLT), located in northwest Washington, D.C., was established in 1990 by a community-based housing organization, Washington Inner-City Self-Help (WISH), in coalition with several local church-based groups. Since the early 1980s, WISH had been assisting low- and moderate-income tenant groups to purchase their buildings from private landlords, converting to limited-equity cooperative ownership. By the late 1980s, several of the neighborhoods in which WISH was working were experiencing strong gentrification pressures, with large increases in real estate values. WISH worried that, given the speculative pressures upon them, many of the co-ops they had helped to create might not remain affordable to low-income people over the long term. A land trust seemed to be the best vehicle for controlling speculation and guaranteeing the permanence of equity restrictions. With technical assistance from the Institute for Community Economics, WISH, in collaboration with several churches and church-based organizations, launched an organizing campaign to establish a CLT. Dozens of outreach and informational meetings were held with the congregations of local churches over a period of several months. The CLT is now governed by an elected, 15-member board of directors, with five representatives from each of three categories: residents, individual community members, and institutional

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11A law passed in the early 1980s which gave tenants in D.C. the first right to purchase in the event of a sale facilitated cooperative conversion.
members — many of whom come from the co-founding organizations.

Since its inception, the primary mission of NCCLT has been to counteract the displacement pressures caused by rising property values by removing land from the speculative market. With the assistance of WISH (which acted as the primary developer in four of the co-ops with 29 units) the land trust has brought six housing developments under its stewardship: five small multi-unit rentals have been converted to co-op ownership and one long-time renter in a single-family home has purchased and become a land trust homeowner.

But NCCLT is not simply an enforcer of affordability restrictions. A heavy emphasis is placed on resident organizing and training; human capacity-building is a goal of equal or greater importance than "bricks and mortar" development. In collaboration with WISH (which has greater staff resources than does the land trust), NCCLT trains residents on how to govern their co-ops, and how to supervise their property managers effectively. Emphasis is also placed on residents — particularly resident board representatives — understanding the corporate affairs of the CLT, and gaining the technical knowledge and competence to make informed decisions about development and financial issues.

NCCLT has also given birth to initiatives that go beyond housing. WISH and CLT staff assisted resident leaders from the co-ops in establishing a "Leaseholder’s Leadership Forum," the agenda for which is determined by the resident members. While this forum initially focused on housing management issues, it now encompasses non-housing issues and activities as well, including a spun-off book club. Renaming it the "Community Forum," the resident members are expanding the group to include non-CLT community residents as well.

While NCCLT is still a young organization, and its prospects for long-term stability and success are untested, the ICE model has served the group well so far. Its community and institutional board representatives — many of whom are drawn from the local churches that played a central role in founding the CLT — remain active, often performing organizing and administrative tasks to supplement the efforts of the tiny staff. While resident education and capacity-building are central to the CLT’s mission, NCCLT is integrated into a larger

\[12\] In the training and technical assistance that it provides to its member co-ops, NCCLT is playing a role very similar to a federated MHA.
community fabric that extends beyond its resident base. This is achieved both from the "inside out" and from the "outside in." NCCLT's leaseholder forum — conceived as a way for residents to share ideas and discuss problems — is now reaching out to other community residents to discuss community issues and to expand a book club it has formed. From the "outside," NCCLT continues to be supported by WISH, several church-affiliated groups, neighborhood activists, and former residents.

The successes of this organization cannot, however, be attributed solely to its use of the "right" organizational model. It took individuals to implement that model and make it work. NCCLT is fortunate to have a skilled and energetic executive director who is highly committed to the principle of resident control, and a committed board of directors who share the same vision for the organization.

The experience of the United Hands Community Land Trust (UHCLT), whose story is outlined in Chapter Three, is ample evidence that a group's use of the "ideal" CLT model is no guarantee of success. Like NCCLT, UHCLT was originally structured as an open, membership organization, with a tripartite board of directors. Resident and community participation and control were provided for structurally, but ceased to be "real" after organizing was neglected, and friction developed between the executive director and many residents. Residents sat on the board but never received the training they needed to effectively oversee the staff and to monitor the organization's finances. The "community" representatives gradually dropped off the board, and were not replaced. By the time financial crisis overtook UHCLT, the group had become so distanced from its resident membership that many regarded the land trust's possible dissolution with equanimity.
DOES TENURE MATTER?

As presented so far, MHAs and CLTs help residents and communities control their housing and keep it affordable and well-managed. Residents’ control over their individual housing units has not been a focus here. Yet control over the organization and control over one’s housing unit, or tenure, are related issues. While MHAs and CLTs can accommodate many different forms of tenure (e.g. rental, cooperative, homeownership), their structures will determine how and where decisions that affect the individual residents are made. MHAs and CLTs are often presented as tenure forms themselves — often as a "step up from renting"\(^\text{13}\) — though they may be more appropriately thought of as organizations that may present limitations on, or enhancements to, existing tenure forms.

The MHAs and CLTs in this study demonstrated a variety of tenure forms, from ground lease-regulated, single-family, CLT homeownership, to integrated MHAs organized on either rental or cooperative ownership lines, to federations consisting of both cooperatives and resident-controlled nonprofit rentals. Because MHAs and CLTs both remove housing from the speculative market and (in the cases where residents hold any equity) impose permanent equity limitations, they immediately fall outside the realm of "full" ownership. "Full" ownership rights in a market-oriented society include all of these "sticks" in the property "bundle," subject to government regulation: the right to reap the full benefits of any appreciation in property value.

\(^\text{13}\) The rhetoric of MHAs being a "step up from renting" suffuses the promotional and informational literature of the NRC MHAs. Proponents of third sector housing often speak of a "housing tenure ladder" or continuum, which confers, along different points, greater or lesser control over the individual unit to the resident. See, for example, John E. Davis, "Beyond the Market and The State," The Affordable City, 78. A good part of the casting of MHAs and CLTs as "closer to homeownership" than rentals has to do with their promoters’ wishes to "mainstream" them, and to present them as part of a narrative of upward mobility and realization of the American Dream.
(equity); the right to bequeath one’s housing to one’s heirs (legacy); the right to remain in one’s home without being subject to involuntary displacement (security); and the right to decorate and use one’s home as one sees fit (autonomy). 14

All MHAs and CLTs limit the resident’s right to equity to some extent, in the interest of preserving the housing as affordable for future generations of residents. At the same time however, they seek to make available or enhance some of the other rights in the "bundle," making the resident feel as much "like an owner" as possible. Often, MHAs and CLTs guarantee their residents rights that are not generally enjoyed by poor households in the private, for-profit market; a "full equity" single-family homeowner threatened by mortgage foreclosure, for example, may actually enjoy less security of tenure than a resident of a rental MHA.

MHAs and CLTs thus offer a form of tenure that falls somewhere between no ownership rights and "full" homeownership. CLT single-family homeownership (regulated by a ground lease) probably comes the closest, of all MHA and CLT tenure arrangements, to "full" homeownership. In multi-family developments, however — whether federated or integrated — virtually the same "ownership rights" may be conferred on residents under either rental or cooperative tenure. All MHAs, CLTs, and their respective member groups guarantee residents the right to continued occupancy (security of tenure), as long as the terms of the occupancy agreement or proprietary lease are abided by. Many MHAs organized along rental lines give

14 These categories of ownership rights are adopted from John E. Davis’ delineation of “ownership interests” in Chapter Four of Contested Ground (Ithaca: Cornell University Press, 1991). We are indebted to Michael Stone for pointing out that even these rights are limited by the presence of some “public” rights that are not generally considered as part of the "bundle of rights." These rights include the power of eminent domain and the police power, by which the government can take property (though it must provide compensation), and limit nuisance uses of property. Zoning and land use laws also limit the use of property. Thus, he points out, there is already a community or public interest in real property, and "decommodified" land, by limiting the rights to equity, enhances this interest.
their residents the right to nominate a family member to "inherit" their housing unit. This is essentially the right to legacy, similar to that possessed by share-holding residents of limited-equity co-ops and cooperatively owned MHAs. And while residents in rental MHAs do not, strictly speaking, make equity contributions to their housing, they are sometimes required to pay a one-time "membership fee" upon entry, which is reimbursed with earned interest upon their departure.\footnote{The integrated-rental MHA model developed by NRC includes these features: a one-time, returnable membership fee which can be as much as $2,500, a 99-year lease issued to resident-members, and the right of residents to nominate a family member to take their unit over in the event that they leave or die. While these residents do not "own" anything in the legal sense, this arrangement looks, smells, and feels very much like cooperative ownership.}

The choices that the MHA and CLT groups in this study made about tenure (i.e., rental versus cooperative ownership) were often influenced by such practical considerations as financial advantage of one form over another, legal ease of one form versus another, and requirements imposed by funding sources. In California, nonprofit housing owners get a real estate tax exemption for which co-ops (legally defined as for-profit entities in that state) are not eligible. This exemption enhances the affordability of the housing; for this reason — in addition to the fact that the legal co-op conversion process is a complex and lengthy one — the California Mutual Housing Association sets projects up as resident-controlled nonprofit rentals, instead of as co-ops. In terms of how the housing is governed, however, and the level of control exercised by the residents, there is little or no difference between the co-op and the resident-controlled rental forms.

Tenure choices were also sometimes influenced by more ideological considerations, with some co-op advocates arguing that cooperative tenure allows residents to "feel more like
owners." Whether or not an equity "stake" in the housing fosters resident feelings of ownership was also open to debate among the MHA and CLT practitioners in the study. In at least one rental MHA where resident participation was low, a staff member speculated that residents might be more "invested" in the organization had they been required to put up an equity stake.

Overall, however, we found little or no evidence to support the contention that cooperative tenure fostered greater feelings of "ownership" than rental tenure, or that the existence of an equity stake made any difference in the level of resident participation in the housing or the organization. Rather, as one organizer from the MHA of Southwestern Connecticut put it: "equity investment doesn't matter much...it's the sense of community that makes the difference."16 Indeed, even the earliest assessments of the MHA model showed that the "hybrid" type of ownership made people "feel like" owners more often than not, regardless of the legal definition of tenure.17 This has been borne out in many instances in our study. In the California MHA, residents who are technically renters think of themselves as cooperators and call their buildings "co-ops."

On the other hand, the renters in the Burlington CLT knew they were tenants, albeit of responsive and good landlords. Similarly, among Cooper Square MHA residents, there has been some trepidation about "buying in" to the cooperative once it is formed. For some, the responsibility of being a cooperator may not be as attractive as the security of being a rent-stabilized tenant. Nevertheless, through a series of financial incentives, such as subsidizing the

16 Interview with Kim McLaughlin, MHA of Southwestern Connecticut, February 8, 1996.

17 Rachel G. Bratt, "Mutual Housing: Community-Based Empowerment," Journal of Housing (July/August, 1991): 178. In a survey of residents of the NRC Baltimore demonstration project, Bratt found that 64 percent of the respondents thought of themselves as owners rather than as renters, in spite of the fact that technically, these residents were renters.
housing charges of cooperators with commercial rents, CSMHA is trying to make sure that most of the residents buy into the cooperative.

**CLARITY OF ROLES WITHIN THE ORGANIZATION**

Whatever organizational and governance structures are ultimately chosen by a group, it remains important that the roles of all the "actors" in the group be clear. If the roles and powers of the different organizational sub-groups (including resident councils, the board of directors, and the staff) are vague, resident and community control over the organization will be compromised, possibly resulting in organizational turmoil. Some of the most troubled organizations in this study had staffs that were unduly dominant, and whose board members either did not understand their oversight and policy-making role or did not have the technical knowledge (how to read a financial report, how to amend the bylaws, etc.) to exercise that role. The most successful groups were those whose staffs were sensitive to the boundaries of their decision-making authority, and where board education and capacity-building were ongoing.

For some groups "spun off" from an existing organization, the continuing role of the "parent" organization in the MHA or CLT can be a source of confusion or lack of clarity. "Parent" organizations may play a variety of distinct roles within the "child" MHA or CLT, including holding seats on the board of directors, and performing staff functions such as resident organizing or property management. To the extent that the parent group performs several roles simultaneously, the potential for confusion tends to increase. In addition, in order for MHA and CLT participants (particularly residents) to feel that their participation in the group is worthwhile, the MHA or CLT group must offer them added value beyond the functions already
performed by the parent organization. The experience of the Self-Help Works Consumer Cooperative illustrates what can happen when the identity and agenda of an MHA remain completely bound up with those of its sponsoring organization.

**Self-Help Works Consumer Cooperative (SHWCC)**

In the mid 1980s, Self-Help Works was "spun off" from the Urban Homesteading Assistance Board (UHAB), a New York City organization that provides training and technical assistance to low-income, limited-equity co-ops. UHAB envisioned SHWCC as a voluntary federation of co-ops that would save its members money through bulk purchasing of certain goods and services, and that would act as a political voice for the co-ops, lobbying for favorable policies and legislation. The SHWCC board of directors was made up largely of co-op resident representatives, elected by the member co-ops. A minority of representatives from co-ops in formation also sat on the board. SHWCC had no staff of its own, however, and depended on UHAB staff to market and administer the member services. These included group purchasing (at a discount) of fire and liability insurance, corporate legal services, and computerized bookkeeping. UHAB had already been providing such services to co-ops prior to the founding of SHWCC; now co-ops had to join SHWCC and pay the membership dues in order to access these services.

While SHWCC had some notable achievements during its lifetime, including a successful campaign to legislate real estate tax relief to limited equity co-ops, and several annual conferences, all of its functions were performed with heavy direction and involvement from UHAB staff. While the SHWCC board was theoretically responsible for guiding the MHA's direction and development, UHAB's control over the staff on which the MHA depended diminished the board's real control to a large extent. While SHWCC continued, through UHAB, to provide services to the member co-ops, the political advocacy piece of the MHA agenda never really got off the ground. Increasingly, it became hard to sustain a role for SHWCC separate from that of UHAB, and ultimately, the absence of important decisions to make led to a generalized apathy among SHWCC board members who, in their turn, stopped meeting. After some unsuccessful attempts to revive the group, UHAB simply stopped collecting dues and fees in SHWCC's name, began collecting them in UHAB's name instead, and continued providing the same services directly to the co-ops. From the point of view of the average co-op that had been receiving SHWCC services, not much has changed.

In retrospect, UHAB staff members admit that UHAB's failure to "let go" of SHWCC,
and the lack of an independent role for the SHWCC board to play, made it hard for the MHA to justify its existence, resulting in its fizzling out. Not all "parent-child" dynamics between a sponsoring organization and a "spin-off" MHA or CLT are conflictual or destructive, but it is important that the parent organization allow the "child" some independent role and the ability to chart that role as its members see fit.

CONCLUSION

In deciding which structures were best fitted to accomplishing organizational goals, the groups in this study responded to a variety of factors, including the type and physical proximity of the housing, the cohesiveness or potential cohesiveness of the resident group, the prospects for ongoing housing development, the need to insulate the financial risk associated with one housing development from others, and the legal and structural requirements imposed by funding sources. While there is no one "correct" structure, certain structures did seem to work better under certain circumstances than did others, and some groups are rethinking and revising their structures in the face of changing circumstances. Integrated MHAs tended to work where there were already concentrations of housing or residents; federated MHAs became more attractive as development opportunities with structural restrictions linked to their financing became available; and CLTs tended to work well where broad community participation was sought and where strong oversight over resale and use were needed. But a focus on structure only took these groups so far. Ultimately, organizational successes in efficiency, cost-saving, resident participation and democratic control depend even more on the commitment and skills of the individuals involved, on commonly-held conceptions of the group's mission among the
organizational actors, and on constraints and opportunities largely outside the MHA or CLT’s control, such as the availability of financing, operating support, development opportunities, and political support.
RESIDENT PARTICIPATION, CONTROL, AND ORGANIZING

MHAs and CLTs, like cooperatives, rely on a democratically elected leadership drawn from residents and community members. Their success depends on regular and active member participation at all levels of the organization.

But does that participation translate into resident and community control? Do opportunities for control exist within these groups? How participation is organized, and what levels of participation are exhibited by individual groups can help explain whether local control is feasible.¹

WORKING DEFINITIONS

Involvement vs. Control

Resident participation in a housing development can be separated into two distinct elements: involvement and control.² Involvement generically describes

the activity, or process connected with the making or effectuating of decisions about the housing unit or the residential environment. It says nothing about the effect of the activity on the decision, which may be great or non-existent; it describes only the activity itself (attending meetings, voting, etc.).³

¹The assessment of these factors presented here is drawn from the authors' interviews with a range of actors within each group, including organizers and other staff members, board members (both resident and non-resident), and other resident leaders. Due to time constraints and the number of groups studied, only a small minority of residents in each organization were interviewed, and they tended to be the residents whose participation was greater than average. Nevertheless, based on the insights of resident leaders and organizers, we were able to glean a picture of resident participation overall.


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Control, by contrast, is "the making or carrying out of decisions that objectively influence the housing unit or residential environment." As Marcuse points out,

control...does not mean a psychological thing, a state of mind on the part of the occupant. Control is objective, and, while the occupant must know he has it to be real, so that real control can never exceed the extent to which the occupant is conscious of it; it is not consciousness but reality that determines its extent.\(^4\)

Involvement can help residents recognize and exercise control; actual control may be compromised by lack of involvement. Nevertheless, a high level of involvement does not ensure control; it may only promote a "sense of participation."

**Level of Participation**

Control and involvement can be exercised at one or more levels: the housing development, the MHA or CLT corporate level, and the broader community.

Participation at the housing level often includes involvement and control over housing management, including direct self-management by residents. Some groups use degrees of self-management in hopes of saving money, and enhancing both long- and short-term affordability. Participation at the housing level can also extend to provision of services beyond simple shelter to occupants of the housing. Several groups, for example, provide skills exchanges, youth activities, and supplementary food pantries. Participation on the level of the corporation means involvement with (and possibly, control over) the decisions made by the MHA or CLT board or other subordinate governing bodies, such as resident councils. Participation in the broader community includes involvement with other organizing, service, or social or political groups.

These areas of participation are related, but distinct. High levels of participation at one

\(^4\)Ibid, 9.
level may or may not lead to greater participation at another level.

**Purpose of Participation**

The purpose of participation in the MHA or CLT may be primarily practical: to manage the housing more efficiently. Or it may be more ideological: to empower residents and increase a community’s cohesiveness and political clout. In some cases, the purpose of participation may not be commonly understood or shared among all of the partners in the MHA or CLT. In any case, the conception(s) of the purpose of participation in the MHA or CLT will influence the dynamics of involvement and control in any group.

**OVERVIEW OF MHAS’ AND CLTS’ GOVERNANCE, RESIDENT AND COMMUNITY PARTICIPATION**

The overall impression that emerges from the study group is that MHAs and CLTs have had an uneven record in meeting the challenge of forming democratically controlled organizations and balancing the input of professionals and nonprofessionals, residents and community members. Nevertheless, more than half of the groups in the study showed some success or promise in making resident control and involvement on several organizational levels a reality.

Although the MHAs and CLTs in this study all supported resident and community participation, there was a good deal of diversity in their understandings of the purposes of participation, the degrees of involvement or actual control by residents and community members, and the organizational levels where participation was pronounced. Furthermore, interviews with
residents and other participants suggest that a majority of the residents in most of the MHAs and CLTs were neither actively involved, nor aware of the extent of their potential control.\(^5\) Nevertheless, in slightly more than half of the groups, a critical mass of residents (though usually a minority) were actively and seriously enough involved in governance, for the group to plausibly claim some measure of resident control. With CLTs, as would be expected from their governance structure, non-resident community members generally played a greater role in the corporate affairs of the group than was the case with MHAs.

The extent to which there was active resident participation in an MHA or CLT correlated highly to the presence of organizing staff, and an understanding of significant resident control over the corporate decisions of the MHA or CLT as an important goal of resident participation. Impediments to resident participation, and to control in particular, included both "overdevelopment" and "underdevelopment." Here, overdevelopment denotes either a single-minded organizational focus on housing development to the detriment of organizing and resident education, or housing development that proceeds faster than a group’s ability to organize and educate residents about their roles in the MHA or CLT. Underdevelopment here means that the group does not have enough housing units out of which to draw a reliable resident leadership base.

Because a common understanding of the role of participation and a housing development pace commensurate with organizing ability were important factors in realizing resident control, those organizations experiencing organizational and financial crises did not see their resident

\(^5\)Naturally, not every resident has either the desire or the ability to become intimately involved in the management and governance of their housing, and this was not the expectation of the groups. Rather, many of the groups wanted residents to be aware of how they could exert control, if they wished.
bases "step up to the plate" to save the organization, though several residents may have tried. In the more stable MHAs and CLTs, though active residents and staff bemoaned the fact that more residents were not participating in the group’s affairs, that participation tended to be greater in the areas of control over housing and corporate affairs. The notion that adversity would spawn participation, and that comfort would spawn anomie did not bear itself out in this study. Indeed, the opposite tended to be true.

Four organizations (two MHAs and two CLTs) in our study were in crisis. One other MHA had almost no resident control and limited participation of any sort, mostly due to internal confusion within the staff and the board about residents’ role in the organization. Two other CLTs had little direct resident participation, due to the fact that one did mostly "special needs" housing, and the other mainly channelled participation through its parent organization, a highly participatory CBO. Several other groups have experienced trouble in making resident or community control effective because of a lack of adequate organizing resources, trouble keeping organizing effective during rehabilitation, or because residents themselves have been riven by competing local political allegiances or by divergent levels of acceptance of the MHA concept.

**Factors in Participation: Case Illustrations**

In the following comparisons of MHAs and CLTs in our study, the issues raised above will be fleshed out. The fact that the groups illustrating this chapter are dominated by MHAs does not mean that CLTs are not affected by the same issues. To the contrary, both MHAs and CLTs must sort out what role residents have to play in the partnerships. CLTs, in contrast with MHAs, put more stress on broader, non-resident community participation. Nevertheless, CLTs
take resident participation seriously, and must seek, as do MHAs, to find an appropriate balance in the partnership, wherein the residents — ultimately those most directly affected by decisions made by the CLT — have some significant part in corporate decisions. But because the ground lease mechanism of CLTs can create a more arm’s-length relationship between a CLT homeowner or cooperative and the CLT administration, the issue of participation on the level of the housing for many CLTs does not have the same prominence as it often does in MHAs.

The Relationship of Housing and Corporate Levels of Participation

There is great debate about the relative values of direct resident involvement in housing management and of resident supervision of outside housing management. While the merits of the arguments on both sides will not be taken up here, most of the groups in this study opted for giving some degree of responsibility over management to residents. The comparison below shows two different approaches to participation on the level of the housing and to the relationship between the housing and corporate levels of an MHA.

The Madison MHA and Cooperative

The Madison MHA and Cooperative (MMHA/C) was begun as a nonprofit partnership with local government in 1983. Its envisioned role was to be the primary sponsor, auditor, and governing body of non-public low- and moderate-income housing in Madison. From early on, city leaders and tenant activists had an interest in cooperative housing, and shortly thereafter, in mutual housing. The combination of aggregated non-profit ownership of housing with resident participation promised, its founders thought, expert staff, economies of scale, and cost savings through substantial self-management.

The MHA/C was set up with a unique "dualistic" structure — a result of a compromise between cooperative housing advocates and others who wanted ultimate responsibility for the housing assets to rest with a predictable and professionalized entity.
(i.e., not residents). The Mutual Housing Association acted as the developer and owner of the housing, and was governed by a board composed of a majority of housing professionals and "public interest" representatives, and a minority of residents. The Mutual Housing Cooperative, which was governed by an all-resident board of directors, contracted with the MHA to perform the housing management function. The cooperative was supposed to set management policy, and to create a system of limited self-management through which residents at each housing site could carry out many of the management and maintenance tasks themselves. The small size (three to five unit houses) and scattered location of the early properties acquired by the MHA made centralized management more difficult, and suggested some degree of resident self-management. Having no staff of its own, the cooperative depended on the MHA staff to coordinate its management efforts, perform some central-management functions (like maintenance of bank accounts and centralized bookkeeping, and contracting for major repairs), and to do the organizing and training of residents needed to sustain the cooperative.

To carry out the organizing and training function, the MHA hired a resident coordinator early on, and created a training curriculum and a lengthy, detailed, yet quite accessible Resident Handbook for the cooperative. The general thrust of the MHA’s organizing and training activities was toward promoting residents’ understanding of cooperative processes, and their direct involvement in management through the performance of specific management and maintenance tasks.

The system established by MMHA/C worked well for a while, and the MHA’s program of resident training was justly praised as innovative and comprehensive. But while the cooperative, in theory, exerted a good deal of control over the housing through its responsibility for management, that control was in fact diminished by several factors. With no staff of its own, the co-op depended heavily on MHA staff, and on that staff’s continued organizing, training, and coordinating efforts. (Residents did play a role in the selection of that staff, however, since the MHA bylaws required its staff hiring committee make-up to be 50 percent resident). As the development and ownership entity, the MHA (whose board was dominated by non-residents) decided what development opportunities to pursue, thus choosing the assets that would be managed by the Co-op, how those assets would be financed, and the amount of debt they would carry. The MHA also controlled budgets and staff lines, and thus, the resources available to the co-op.

The degree to which resident control, through the co-op, was actually fairly limited became clear when the MHA began to confront financial problems. After the city funding that had been the main source of the MHA’s operating budget was cut, the resident coordinator was laid off, and resident participation in the co-op fell off substantially. Financial troubles stemming from bad development decisions drained money from management budgets. Eventually the co-op became moribund, and the decision was made to eliminate it, to centralize the management function within the
MHA, and to expand the number of resident seats on the MHA board, creating a resident majority. Residents were thus given a significant voice in the governance of the MHA itself, but were not provided with the ongoing education they needed to exercise their voice. By this time, the organization was sinking into deeper managerial and financial trouble, which culminated in the selling-off of approximately half its housing assets to avoid bankruptcy.

The experience of MMHA/C shows how the structure — originally conceived as a compromise between cooperative advocates and those concerned with professionalism in housing development and management — masked an objective lack of resident control in the organization. It also shows how control over the management of the housing — even to the extent of substantial self-management — can be conditioned by the level of resident control over the corporate level of the MHA. This does not mean to suggest that the "dualistic" structure used in Madison could not work, and lead to substantial resident control in other circumstances. But although there were many external factors that led MMHA into financial and organizational trouble, the division of duties between the MHA and the MHC, combined with a falling-off of resident education and organizing, played a role in removing residents from substantial control over the cooperative, and in giving their role in the MHA less impact.

The California MHA-South, discussed below, provides an example of a very different approach to the issue of resident participation in management and governance.

*The California MHA-South (CMHA-S)*

The California Mutual Housing Association-South (CMHA-S) was set up as a resident-controlled cooperative support organization with professional staff. CMHA itself does not own any housing. Its sole role is to provide technical and organizing assistance to member cooperatives or resident-controlled non-profit housing corporations. The staff is hired and fired by the board of the MHA, and the resources available to the resident-constituents from the MHA are dependent on what funds the MHA can raise.
CMHA discourages self-management by its member cooperatives. Rather, it encourages members to understand management, and to learn how to manage their management contracts. Many cooperatives in California have had severe problems with managers, where management decisions ranging from repairs to evictions were at the discretion of the managers, leading cooperators to feel they were losing control over their housing. As one Los Angeles cooperator said: "The co-op is a fantastic project, but if we're not there, active, and taking care, it's a double-edged sword. It makes us vulnerable to people who want to take advantage of us, and that's been a problem from the beginning." Said another: "They taught us how not to get ripped off, and that managers are thieves."  

CMHA provides board training, informal dispute resolution, educational workshops, election monitoring, access to resources including architects and legal assistance, a newsletter, and planning and organizing assistance. CMHA also helps to "cross-pollinate" boards of directors in member cooperatives, setting up contacts between some of their most active members, and sometimes encouraging a cooperative to accept a member of another, more experienced cooperative on its board. In addition, CMHA-S provides a "corporate secretary" program, where a CMHA staff member provides a given number of hours of asset and organizational management services to a member cooperative, with extra hours billed per hour by the MHA.  

CMHA staff do not attach much importance to all the residents, nor even all of the resident leaders, understanding every financial detail of their cooperatives. It is more important to them that the residents know which decisions are theirs to make, several choices about those decisions, and how to arrive at the decisions democratically. When CMHA staff make suggestions to member cooperatives, their advice is taken seriously. Nevertheless, of the CMHA member cooperatives' board members asked, all said that their cooperatives have made decisions that were contrary to the advice of the CMHA staff.  

MMHA/C's and CMHA's approaches to resident participation and democratic control illustrate the difference between control and involvement, and how groups differ in defining the appropriate places for residents to exercise power. In MMHA/C, resident control was limited by several factors: ownership of the housing by the MHA, asset management decisions by the

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6Interview with Four-Streets Cooperative board members, December 7, 1995.
MHA, development decisions by the MHA, and staffing patterns set by the MHA. In CMHA-S, residents control their housing through standard cooperative procedures, with oversight over management, and with the ability to fire the manager. They may or may not be involved in the daily operations of their housing, but are in control of the policies that govern it. Their association with the MHA is purely voluntary. While there is no requirement that all member co-ops be represented on the MHA board, residents of resident-controlled housing must have a 70 percent majority on the board. The CMHA is dependent primarily on there being demand for its services. Without this — which is essentially in the hands of residents — CMHA has no reason to exist.

In contrast to both CMHA and MMHA, in integrated MHAs, the tie between the control over housing and corporate levels is clearer. The fact that the MHA has responsibility for, and ownership of the housing means that the corporate budgets are integrally linked to the costs of maintaining and operating the housing. Unlike CMHA, for example, an integrated MHA’s board has fiduciary responsibility for the corporation’s assets, which are also the residents’ homes. In an integrated MHA, the housing sinks or swims with the corporation.

It is difficult to generalize about CLTs in this matter because of the variety of housing that exists on CLT land, and how much responsibility or ownership the CLT has of that housing. If the CLT owns a lot of rental housing, the relationship between the CLT’s corporate level and the housing is more like that of an integrated MHA. In this instance, however, it is likely that

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7 While property management means the day-to-day tasks involved in running a housing development (rent collection, maintenance and repairs, tenant selection, etc.) asset management "involves the careful oversight by the owner of the financial and physical health of the development. It includes long-term capital and financial planning and overseeing the property manager." Rachel G. Bratt, Langley Keyes, Alex Schwartz and Avis Vidal, Confronting the Management Challenge (New York: Community Development Research Center, New School for Social Research), 25.
residents have less control over the corporate level than they would have in an integrated MHA. Nevertheless, a CLT with a lot of cooperative housing may act very much like a federated MHA, and residents’ control over their housing is close to complete and largely independent of the financial fortunes of the CLT.

**Participation on the Community Level**

Apart from participation on the level of the housing and the corporate level of the MHA or CLT itself, MHAs and CLTs may offer the opportunity for residents to become involved in the greater community. MHAs and CLTs both seek to build partnerships between their resident constituents and members of the community at large. Where successful partnerships have been forged, MHAs and CLTs have tended to be relatively stable, and have had resources to offer to broader organizing, advocacy, and community development efforts.

Participation in the broader community is presumably one of the greatest selling points of MHAs and CLTs. Both types of groups promote affordable housing, and CLTs also boost land reform. Behind this, however, lies a conception of decent, perpetually affordable housing as an asset to a community and the idea that a community can be organized around the issue of access to affordable, decent housing. MHAs and CLTs promote the hope that good housing can strengthen a neighborhood, and that residents of that housing can use the MHA or CLT as a jumping off point for collaborative neighborhood-improvement projects.

**MHA of Southwestern Connecticut**

The Mutual Housing Association of Southwestern Connecticut is a small, but rapidly growing MHA in Fairfield County, Connecticut, founded in 1990 and sponsored
by NRC. MHASWC's first project is Parkside Gables, a 69-unit townhouse development adjacent to a small park on Stamford's West Side. Also abutting the park is HUD-subsidized Section 8 housing, a moderate-income cooperative called Coleman Towers, and a vacant HUD-subsidized tower called Trinity, recently acquired and rehabilitated by the MHA.

When the first residents moved into Parkside Gables in 1991, there was a good deal of drug dealing in the park and in the surrounding neighborhood. The MHA organizers made a conscious choice to "put the blinders on" and get the committees working in the MHA for six months before dealing with larger community concerns. But in 1992 the MHA began a crime patrol program, sending out resident patrols four nights per week. It was difficult to get started because of the danger involved in taking on drug dealers' turf, and because some of the residents knew the dealers and were afraid of retaliation. Working on two-hour shifts, originally on the grounds of Parkside Gables and on the perimeter, there were too many slots to fill given that not all the residents were involved. The MHA called a board meeting to get greater support, and found that some of the non-residents, including representatives from the corporate donors to the MHA were willing to take shifts. This, along with the good response of the Stamford Police's narcotics division, built resident confidence, and pushed their involvement in the drug patrol to more than 50 percent of the Parkside households.

In late 1993 and early 1994, the director of the neighboring HUD-assisted Martin Luther King, Jr. homes approached the MHA and Coleman Towers to join in an application for a HUD drug prevention grant. At a meeting of all three projects, the residents rebelled, saying that they did not want the money, because it would "emphasize the negative in the neighborhood." Rather, they decided to try to bring the neighborhood together and build community spirit. The group formed out of this and subsequent meetings was called West Side United Neighbors, or WestSUN. This group planned and held a successful neighborhood picnic that year. Much of the participation and leadership came from Parkside. Initially, there was tension around representation and leadership among the different projects, but this was more or less ironed out in time, as people worked together.

Around this time, Neighborhood Reinvestment announced the availability of a one-year grant for NeighborWorks groups to "foster an atmosphere of collaboration" within their communities. With the grant under the LINC (Learning In Neighborhood Collaboration) program, as this NRC effort was called, MHASWC hired an organizer to work part-time with WestSUN and part-time at Parkside Gables. WestSUN decided to do a community survey in October, 1994. In six weeks, 23 people surveyed 450 households. The survey showed that the two top issues of concern to neighborhood residents were crime and youth development and employment.

As a result, the Parkside Gables drug patrol was expanded to the whole neighborhood, and a six-month program to find summer employment for youth was
created. The program was run by people in the neighborhood, and included five weeks of training given by people involved in the MHA, as well as people outside of it, in the corporate sector of Stamford. The staff for the program was a neighborhood resident who was an AmeriCorps volunteer for the MHA. The youth have stayed together, forming a youth group called the West Side Teen Council.

WestSUN has also successfully fought the closing of neighborhood fire stations, and is currently working on a zoning challenge to a nightclub in the neighborhood. WestSUN also serves a meal once a month to homeless and hungry people in Stamford. In addition, WestSUN has been able to attract some small grants from private foundations. And while WestSUN now meets without the benefit of the organizer (whose LINC grant expired), the leadership remains rooted in Parkside Gables.

The MHA of Southwestern Connecticut stands out as an example of what MHAs and CLTs can offer their neighborhoods. The existence of resident-driven housing can provide an institutional basis for further community organization and development. Yet there are several important factors that have led to MHASWC’s success in serving as an institutional base for community renewal. First, it benefitted from its development history, which was highly participatory, despite the MHA’s having to develop both the membership and the housing from the ground up. The NRC MHA model suggests that potential residents be recruited first, and then be given considerable input into the development process. So while MHASWC was not working with a community immediately defined by a common history of struggle or a shared "sense of place," it was able to develop — with the hard work of its staff — a community based on a shared sense of endeavor. In addition, the straightforward process by which the housing was occupied (not, for example, requiring in-place rehabilitation) and the lack of serious maintenance problems have eased organizing. There was also a general consensus among the staff and the board that the residents should participate and control both what happens at the housing level and at the corporate level. Finally, the resources provided by Neighborhood
Reinvestment were able to be used to organize and to innovate community partnerships with other local housing developments.

MHASWC is hardly alone in its efforts to use MHAs or CLTs to reach out to a broader community. The United Hands CLT in Philadelphia has had plans for several years to open and operate a subsidiary, for-profit coffee roasting and packaging business. It is looking to the empowerment zone for help in this venture because UHCLT has a presence in the neighborhood of Eastern North Philadelphia, where the zone is located. The MHA of Greater Hartford has a youth organizer on staff who coordinates activities for the children and teens of the MHA with the Greater Hartford Youth Council, and other local groups. Here, in addition to getting kids involved in making decisions, and in addition to the "value added" to the MHA's projects by having activities for youth, the activities coordinated by the youth organizer are gaining the interest of other parents in the neighborhood, as the MHA kids tell their friends about their activities. This has helped to boost the MHA's profile in the neighborhood, and has helped to get more parents involved with each other around a variety of activities.

Many other groups' presence in their communities have helped to build civic involvement and interest because of the sudden presence of well-run, decent housing, where dilapidation and mismanagement had been present before. In other groups, however, the "parent" organization provides an outlet for civic involvement, or many other outlets exist already. Advocacy groups such as the Cooper Square Committee and the Fifth Avenue Committee have working committees on a variety of issues open to their membership, and the Dudley Street Neighborhood Initiative in the Roxbury section of Boston engages its members in a wide range of neighborhood improvement and planning activities.
Reaching out to the broader community can also pay off for MHAs and CLTs beyond simply fostering good feeling. For example, the combined forces of organized residents and supportive community members helped demonstrate support for the Burlington CLT in Vermont when it was faced with cutbacks in municipal funding.

Diverse Understandings of Participation, Organizing, and Roles within the Organization

The extent and location of resident and community participation in MHAs and CLTs has much to do with the understandings that exist among the group’s members of what resident participation is meant to accomplish, how residents should be organized to participate, and what roles residents, staff, and community members play within the organization. Some of this understanding is conditioned by the origins of the group and the history of resident participation and organizing it brings to the MHA or CLT effort. A comparison of the Cooper Square MHA and the People’s MHA illustrates some of the various roles played by residents and other partners in an MHA. It also illustrates the role of organizing in making democratic control work. Both groups are currently in flux, and both face serious challenges in the area of resident participation and control.

Cooper Square MHA

As recounted in Chapter Three, the Cooper Square MHA was formed in 1991 to own and manage 19 city-owned buildings in an old urban renewal area. The rehabilitation of the first "phase" of buildings had been completed as of early 1996, and the MHA was preparing to assume ownership from the city. Cooperative ownership shares in the MHA would subsequently be purchased by residents for a nominal sum ($250 per apartment), as their buildings came into MHA ownership.

But the rehabilitation process, which involved temporary tenant relocation, had interfered with resident organizing (as had the political fight with the local city council
member who opposed the project), and the MHA had concentrated less on resident training than on completing the rehab process and bringing property management under control. Many residents were unclear about the purpose and governance structure of the MHA, and regarded the MHA more or less as "the landlord." In the face of the upcoming transfer of ownership of the buildings from the City, the MHA needed to hammer down organizational procedures, and to re-educate residents about the MHA.

In the meantime, some tensions had developed between different groups within the MHA and the Cooper Square Committee. The MHA’s resident council, though eventually intended to be an elected body with representatives from each building, is currently an unelected, ad-hoc group of tenants who meet to address issues of common concern, and communicate these concerns to the MHA board of directors. Resident council members had become progressively more frustrated at what they saw as the board’s reluctance to provide them with information, and to answer their questions about the ownership transfer process, rent restructuring, and other important issues. Board members were irked at this perception, and at some of the staff, who had presented a personal, rather than a board-approved view to the residents of certain procedures accompanying disposition of the buildings from the city. A joint meeting of the board and resident council was held, where many issues were made more clear. The meeting ranged from a report of the grievance committee on a dispute involving two tenants and a sound attenuation problem, to approval of a plan to produce a newsletter, and to begin organizing in earnest.

As the executive director of the Cooper Square Committee, and an MHA board member put it: "Saying it’s a tenant-driven MHA, and making a tenant-driven MHA are different things." With Cooper Square Committee organizers taking the lead, building meetings have now been set up in each building to discuss the procedures of disposition of the buildings from the city, and will, in the future, take up issues of MHA procedures. In addition, the board is forming several committees, which will tackle staff grievances, commercial vacancies, tenant policy, and tenant review. Discussion about a management committee has also occurred. Non-board member residents will be invited to sit on these committees as well, both in order to get more residents involved, and so as not to spread the board members’ time too thin. The ongoing role of the resident council will be to nominate resident representatives to the board, and to bring issues that concern residents to the board.

Clearly, the corporate-level decisions in the CSMHA were of great interest to resident council representatives, though the resident council was conceived of as a forum for solving problems on the level of the housing that did not directly impact policy decisions. Nevertheless,

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8Interview with Valerio Orselli, January 19, 1996.
the resident council representatives saw that policy decisions had a great impact on discussion at the resident council level. Accordingly, they demanded information and greater input into the development of policy. At the same time, all parties recognized the need for greater resident organizing and education, both in order to ensure that residents would see the benefit of purchasing shares in the cooperative MHA, and in order to effectuate democratic control from the building level to the board level. Although organizing residents to exercise this control was not a role that CSMHA staff were prepared to carry out — at least, not initially — they have expressed a willingness to collaborate on the resident training effort with the Cooper Square Committee staff.

While Peoples’ MHA (PMHA), like Cooper Square MHA, is also going through a period of transition, the issue of the role of resident organizing has manifested itself differently.

*Peoples’ Mutual Housing Association of the Lower East Side*

The bulk of PMHA’s housing was developed through gut rehabilitation of vacant buildings, which were occupied when completed through a lottery system. Those selected by the lottery got checked for income eligibility, and were interviewed and visited in their homes. While many applicants stated that they would be willing to participate in MHA activities, the primary goal of most residents was to secure low-rent housing. Structurally, PMHA was set up to allow residents a voice in the governance of the organization. Each building elects two representatives to an MHA-wide resident council, whose members in turn elect resident representatives to the board of directors (on which resident representatives will constitute the majority after a "phasing in" period). In practice, however, the strength of the residents’ voice in governance issues has been fairly weak, and most tenants view the MHA as "the landlord."

PMHA has recently absorbed the Lower East Side MHA (LESMHA), an NRC demonstration project that foundered on a mix of high costs to the sponsor, and some board member malefiance. In contrast to PMHA’s development history, LESMHA recruited community members and prospective residents who went through several years of planning and development work before completing their first (and only) development project, two buildings in the same neighborhood in which PMHA is located. During the "merger" transition period, in which the boards of LESMHA and PMHA have been
combined into a single, larger board, it has been the strong impression by many of the people interviewed, that LESMHA resident board members are more vocal than are their PMHA counterparts. At the same time, LESMHA residents’ voice is more diluted within the larger PMHA than it was when LESMHA operated independently. While the LESMHA board used to operate through committees, the PMHA board does not, and the agenda for PMHA board decision-making tends to be heavily influenced by PMHA staff.

In the environment of such a staff-dominated organization, it is unclear what the role of the resident organizers on the PMHA staff should be. The organizers hold and translate building meetings, and act as intermediaries between residents and property management staff. Nevertheless, their role does not seem to include truly bolstering resident control in any organized fashion. Symptomatic of this is the fact that in spite of several attempts, the main organizer was not able to get the executive staff to prioritize and pay for board training sessions for residents. That this was not an executive priority — and was apparently not seen by the board as a priority — but was a need identified by organizing staff, indicates that there were divergent ideas about what residents’ roles should be in the MHA. Overall, PMHA’s organizational emphasis is on good housing management, and not on resident participation in governance.

The CSMHA and PMHA cases illustrate both the range of complicating factors that may accompany any attempt to situate what role residents and organizers should play in an organization, and the fact that organizing and resident control suffer in the absence of a clear vision and infrastructure for resident participation. Without these, residents may be involved but still have no substantial impact on the direction of the organization or its management policies. PMHA’s board doesn’t find that a problem. It seems fairly comfortable with the high degree of vision, direction, and management provided by staff. By contrast, CSMHA’s board is troubled by any lack of resident control. One long-time board member said "We will rue the day we give over the organization to the staff."9

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9 From the proceedings of the joint Board-Tenant Council meeting, Cooper Square MHA, December 21, 1996. This comment was not directed to the current staff, but to the concept of a staff-driven organization generally.
OTHER FACTORS IN SUCCESSFUL IMPLEMENTATION OF RESIDENT CONTROL

Many MHAs and CLTs in this study have both an articulated vision of residents' roles within the organization, and the infrastructure to put this vision in place. Nevertheless, even this is not enough to ensure that there is resident control, or in the case of CLTs, meaningful resident impact on the decisions made by the organization on any or all levels.

Of the other factors that facilitate resident participation in MHAs and CLTs, five stand out. They are:

- organizing, training, and education
- paced development
- a stable resident population
- management of diversity in the organization, and
- some physical proximity of residents and the availability of common meeting space.

Organizing, Training and Education

As has been mentioned above, the groups that managed to have a critical mass of active residents to exercise control over the MHA or CLT tended to have at least one organizer on staff. These organizers' roles and duties varied. But while not all groups with organizers had significant resident participation, few groups without them had significant participation.

Where there was importance attached to resident participation and a structure through which it could be accomplished, organizers were indispensable in keeping residents informed about the organization, changes facing the group, pending decisions to be made, and in coordinating meetings of residents and other partners in the MHAs and CLTs. Organizers also
often mediated between residents, and between residents and other staff. Their constant contact with residents usually made them the most trusted staff members in the organization.

The groups with the strongest, and most sustained participation tended to have organizers who had some previous experience in housing, labor, community, or student organizing. As one member of CSMHA, a longtime activist on the Lower East Side put it, "It's not with your mother's milk, you know. Organizing has to be learned."\textsuperscript{10} Nevertheless, unless clear, broadly agreed-upon goals are present toward which organizers can work, resident participation can remain elusive. Conversely, less experienced organizers have had success in organizing where their roles have been clearly presented to them by the board and executive staff.

The availability of education, training, and networking resources was also important to making resident participation flourish. Residents from the NRC MHAs had the benefit of the many workshops and training materials provided to MHAs in the NeighborWorks network. In some cases, the opportunity to travel to another city and meet with other MHA residents and staff have led members to become more active. One resident of the MHA of Greater Hartford told how an NRC meeting in Chicago "turned me around...It took me outside of [Park Terrace] and showed me that there were so many people involved...When I got back, I just couldn't stop talking."\textsuperscript{11}

CLTs often enjoy the benefits of affiliation with the Institute for Community Economics. ICE provides many useful training materials, two informative newsletters, technical assistance, and access to consultants. In addition, ICE holds an annual conference that enables CLT

\textsuperscript{10} Interview with Frances Goldin, February 8, 1996.

\textsuperscript{11} Interview with Brad Comer, Hartford, November 8, 1995.
residents, staff, board members, and activists to network, share ideas, and explore common problems and advocacy agendas.

Paced Development

MHAs and CLTs must also balance their expansion in housing development with their capacity to organize residents. Groups must pace their housing development so that it does not outstrip their organizing resources. On the other hand, they must also develop enough housing so as to have a critical mass of residents to organize.

The Madison MHA fell prey to "overdevelopment." In good part because of its close association with local government, it came under considerable pressure to develop housing at a rapid pace, and at times, to take on projects that were difficult to organize and manage. MMHA continued to develop housing even after the CDBG allocation that supported training and education activities was withdrawn by the city government. Virtually no organizing went on at any time in MMHA’s last two developments, and stopped in the last several years before MMHA was finally forced to sell off many of its developments in order to avoid bankruptcy. Many other groups have overdeveloped, though to a lesser degree, and to lesser ill consequence.

Other groups have suffered from under-development. They have not developed enough units (and housed enough households) from which to draw a sufficient core of resident leaders. Where heads of households often have many demands placed upon them, and very limited time to commit to participation in their housing, MHAs and CLTs cannot count on participation from all of their residents. It is therefore important to achieve a workable "threshold" scale, out of which a "critical mass" of resident leadership may naturally emerge. Underdevelopment, as
defined here, is less common than overdevelopment, but was discernable in one MHA and one
CLT on two distinct levels of participation. Two illustrations are relevant here.

Northern California Land Trust

The Northern California Land Trust (NCLT) was formed in 1973 on a farm near the San Francisco Bay area as a community-owned center for education on "appropriate technology." Starting in the mid 1980s, NCLT developed a variety of buildings: small (3-6 unit) rentals that it intended to convert to cooperative ownership, transitional housing for homeless people, and commercial space for social service or advocacy groups. The board is not elected, but self-selecting. Most board members and the executive director came to NCLT through personal connections with a former executive director. It has currently hired a part-time resident coordinator, whose job it is to educate CLT renters about the prospect of cooperative conversion. At the same time, as the organization grows, some in NCLT have expressed a wish to become a membership organization, organized along standard ICE guidelines.

Through the quarter century of its existence, NCLT has developed 32 units of housing, and has not had enough residents or outside members to form a critical mass out of which leaders might emerge. Nevertheless several larger development opportunities have recently presented themselves, and staff has spoken of trying to develop projects out of existing "alternative housing" groups in the Bay Area, whose occupants may be open to creating a permanently affordable stock of housing.

NCLT has had a difficult time accumulating enough residents to convert its corporate structure to a membership organization.

The example of small cooperative development in Burlington and Winooski, Vermont presents an illustration of underdevelopment on the level of the housing, as opposed to the level of the overall organization.

Champlain Valley Mutual Housing Federation

The Champlain Valley MHF was formed to support and promote the development of cooperatives in Burlington and Chittenden County, Vermont. The MHF has facilitated the development of eight small co-ops ranging from 2-3 units each, and three larger co-
ops, ranging from 20-30 units each. The MHF continues to provide support services to these co-ops after their formation. The small co-ops, it turns out, have needed an extraordinarily high level of support and intervention.

While an organizational audit of the MHF found that, in general, "the small co-ops work well for the members," it was clear that the social and organizational functioning of the cooperatives were compromised at times by the presence of one or more uncooperative member. While the co-ops functioned well as long as the two or three members worked well together, day to day management fell apart completely as soon as a serious conflict emerged, or one member experienced personal or financial crisis. When this happened, MHF staff were forced to jump in to mediate, or to take over management tasks. The audit concluded that the demands that coordination of the small co-ops placed on Federation staff "cost too much" and the small co-ops "did not work well for the Federation" as a whole.  

While the MHF, as an organization, does not suffer from underdevelopment — it has developed some 80 units of housing, and does not have trouble recruiting co-op residents to serve on its board — the small co-ops, individually, do suffer from a small resident base. Interestingly, then, underdevelopment on the housing level in fact put the MHF over its head — overdeveloped it — in relation to its capacity to maintain sound organization. The MHF has begun to address this problem by reallocating organizing staff and by reshuffling responsibilities between the co-ops and the federation.

Stable Resident Base

Another key element in facilitating resident control is a stable resident base. If there is a lot of turnover in the housing, organizing a group of residents to set policies is difficult, and possibly ill-advised. Several MHAs in this study have had a lot of turnover at one point or another, due to management difficulties. Madison MHA began to have trouble managing some

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of its housing well before it slipped into financial crisis, and had heavy turnover in the hard-to-
manage projects. MHA of Greater Hartford had drainage problems in its first project, which,
combined with the availability of other housing, led many residents to leave. In the end, this
may have been a boon, for when the MHA finally did get management under control, it had a
new crop of residents without memories of the drainage problems, which it has now begun to
organize successfully.

Many MHAs and some CLTs have had great difficulty in organizing during rehabilitation. Rehabilitation of occupied housing, though not necessarily depleting the resident base, destabilizes the lives of the residents, as they are compelled to move into vacant apartments, live out of boxes, or with workers constantly in their apartments. Tension runs high in these times, especially when, as is often the case, rehabilitation schedules lag. Coordination of relocation and rehabilitation has consumed the organizing energy of UTA-MHA and Cooper Square MHA, to the point that even as these groups are set to take title to their buildings, their organizational development is stunted.

One remarkable exception to the usual disorientation caused by relocation and rehabilitation occurred in the Comunidad Cambria, a project of CMHA-South. There, residents knew that when they moved out for rehabilitation to begin, their building faced the threat of arson — revenge for their having evicted drug gangs. The residents hired a security firm and supervise their watch over the building. One resident regularly gets up early to see that the guards are still there. Almost all have relocated in the neighborhood, and are living with friends. They elected to reallocate the money set aside for their relocation to subsidize project costs.
Finally, changes in local housing markets can erode the stability of a resident base. Hartford provides a paradigmatic case. Shortly after the MHA acquired the Park Terrace project, the real estate market in the city plunged, at the same time that surrounding suburban communities began to be forced to comply with fair housing laws. This made available some inexpensive homeownership opportunities in the suburbs. Many of the higher-income residents from Park Terrace left, fleeing the combined poor quality of the Hartford schools, neighborhood crime, and maintenance problems at Park Terrace. At one point, over a third of Park Terrace was vacant, and it was unclear how resident organizing would proceed. As it turned out, staff thought creatively, and involved the remaining residents in the new resident selection process. This helped to build the foundations of resident control, even while a critical mass of residents for full realization of control was lacking.

Management of Diversity

Another factor that enters into resident and community organizing in MHAs and CLTs is the diversity that exists within the organization. Many, though not all, of the MHAs and CLTs in this study had a diverse resident base, both in terms of ethnic and racial groups, and in terms of cultural and educational backgrounds, and styles. A few had an economically diverse resident population. Keeping conflicts at bay, and adapting an organization to the styles of residents is an important element in building effective participation.

Clashing ethnic and cultural styles can distract from organizing in many ways. It can breed resentments among partners (residents and non-residents) in an MHA or CLT that carry over to the business of setting policy for, and managing the affairs of the organization. It can
also take up time at meetings and tax the energies of organizers. People's MHA, on the Lower East Side of Manhattan, is composed mainly of Chinese and Caribbean Latino residents. Conflicts often arise about music volume, cooking smells, and perceived snubs and rudeness stemming from different cultural mores and practices. In this environment, it is often difficult to encourage residents to work together around issues of management and corporate policy.

The perception that power in an MHA or CLT rests with one ethnic group or another can have an impact on resident participation as well. United Hands CLT's expansion into a predominantly African American neighborhood apparently was perceived by some of the predominantly Latino members of the group as an indication that the director, who was black, was somehow following her own agenda, based on ethnic preference. Another African American member of UHCLT, though on good terms with the organization, considered it a "Latino organization," and expressed surprise at a request for an interview.

Though the ethnic diversity in the Roxbury neighborhood in Boston, which is home to the Dudley Street Neighborhood Initiative (DSNI) and to its CLT, Dudley Neighbors, Inc. (DNI) is not equally distributed, DSNI has come up with a way to avoid the appearance of dominance by any one group on its board. In the 16 seats on the board reserved for neighborhood residents, DSNI allocated four for each major racial or ethnic category in the neighborhood: white, black, Cape Verdean, and Latino. In addition, all of DSNI's membership meetings are simultaneously translated into Spanish and Cape Verdean creole.

Diversity in cultural styles affected the way in which organizing was carried out, and the forms taken by participation in the groups. Allan Heskin, in his study of the Route 2 Cooperatives in Los Angeles (some of which are now members of CMHA-S, of which Heskin
is a co-founder and chair), relates how different styles of organizational management roughly corresponded to ethnic or national origins among the membership of the cooperatives.\textsuperscript{13} Now, in some CMHA-S cooperatives, a new crop of leaders has emerged with a good familiarity with the principles of cooperation. Many of these are recent immigrants from — or exiles from the liberation struggles in — Central America.

But political style extends beyond ethnic or national origin. In the Northern California Land Trust, the alternative, 1960s-style political culture that persists in the organization’s leadership has been both an impediment to the implementation of democratic control and membership development, and a source of tension within the organization. There, the lack of strong organization, seen by some as NCLT’s virtue — it is not bureaucratic — makes some decisions seem arbitrary, and blurs lines of accountability. This tension is also present because not all of the residents share the alternative culture of the group’s founders and some of its residents. As one participant put it: "Sometimes, in a meeting, it doesn’t work for everybody when one of the people says 'Whoa! We need a Karma check!'"

Economic diversity within the resident base did not appear to create impediments to resident participation in the few groups in this study where significant diversity existed. Rather, the differences in educational levels and backgrounds that accompany class difference presented greater obstacles than differences in economic status alone. And the obstacles in this area were those presented by diversity between residents and staff and "professional" board members, rather than amongst the residents themselves. The fact that staff and many non-resident board members possessed technical knowledge about housing management and development sometimes

\textsuperscript{13} Allan David Heskin,\textit{ The Struggle for Community} (Boulder: Westview Press, 1991).
inhibited residents' participation as full equals in decision-making. Many groups worked hard to overcome this phenomenon through orientation and training of resident board members.

Proximity of Residents to Each Other, and the Availability of Common Meeting Space

Another factor that facilitates organizing is the physical proximity of residents to each other. Smaller, scatter-site housing is harder to organize, though not at all impossible. But smaller housing means both greater variety of physical plant (and greater variety of problems) as well as more building-specific issues with which to deal. As a result, organizing in smaller housing takes more organizing resources. The president of United Hands CLT in Philadelphia, a long-time tenant activist in New York, commented on the differences in organizing in the two cities: "In New York, you could organize one building and have 70 people at a meeting. Here, I'd have to knock on doors all day!"

The small cooperatives in Vermont pose this problem for the Champlain Valley MHF, and the NRC MHAs in Connecticut — all of which are county-wide or regional in scope — will require more organizing staff as far-flung developments, even if large themselves, come on line. This is a particularly difficult issue for integrated MHAs, where issues of concern to residents in different neighborhoods may be an impediment to the development of a shared sense of purpose.

Finally, the existence of a common meeting space is important for organizing. For no matter how dispersed the housing of an MHA or CLT, there must be a meeting place that is accessible to all members. The symbolism of this place can be important as well. The MHA
of Greater Hartford saw that participation in meetings was boosted by discontinuing the practice of meeting only at the MHA offices, which required Park Terrace residents to take a bus or car to the meeting. MHA board meetings now rotate among the offices, the housing development, and a restaurant. This enables residents to get to more meetings, more easily, but also promotes the idea that the MHA is a partnership of professional staff, residents, and the community.

Most groups do have a centralized meeting space, and some have consciously included such space in their development plans. For example, the cooperative development on Dudley Neighbors, Inc. land includes a community center, and the Burlington CLT will develop a community room accessible to one of the Champlain Valley MHF cooperatives in a planned development on an adjacent site.

CONCLUSIONS

In their efforts to effectuate resident or community control over multiple housing developments, MHAs and CLTs face a complex challenge requiring a mix of conceptual clarity, dedication, resources, and luck. It is therefore not surprising that the many, mostly young, MHAs and CLTs in this study have had mixed success in building effective democratic control of their organizations. Nevertheless, the prospects are encouraging. Resident and community participation had completely broken down (or had not yet been implemented) in only a handful of groups. As development opportunities and operating subsidies recede, many groups are realizing the importance of consolidating their existing developments, and of making them fulfill their promise of democratic control and accountability, so that their gains can be preserved, at least until the pendulum of government policy swings back in favor of affordable housing.
Nevertheless, the shrinking of development and operating resources presents threats to all of the MHAs and CLTs in this study. These threats are taken up in the next chapter, in the context of a broader discussion of the resources needed to sustain MHAs and CLTs, and to enable them to fulfill their missions.
SUSTAINABILITY

In putting a premium on developing community-resident partnership and maintaining democratic control of their organizations, MHAs and CLTs need greater resources than do other housing groups, which focus primarily on "bricks and mortar." Hiring organizers is an expense these groups must absorb without making their housing less affordable or sacrificing quality in other areas. In the context of shrinking resources for affordable housing in general, what resources they do have must be used efficiently.

The MHAs and CLTs in this study all struggled to attract the resources necessary to sustain good housing management, community-building activities, and their own organizational viability. Their abilities to efficiently use the resources that were available, and to use them in such a way that would promote democratic control of housing and community-building, varied. This variation was due to how well they managed their resources, to funding restrictions of subsidy programs that are not naturally compatible with the objective of resident or community control, and to their general level of financial security.

While most of the MHAs and CLTs in the study appeared not to be threatened by an immediate prospect of demise, all of the groups faced challenges in amassing enough resources from internal and external sources to carry out all of the activities they would like to perform. All groups faced challenges to their sustainability.¹

Difficulties with housing management were a prominent obstacle to sustainability. Many

¹ In this context, "sustainability" will refer to MHAs and CLTs ability to support both the ongoing viability of their housing — even if, as in a federated MHA or a CLT it has no direct responsibility for management — and the broader goals they set for themselves.
of these problems stemmed from a lack of adequate rehabilitation of the housing at the outset. These problems placed great demands on some groups' budgets, and were treated with funds that might otherwise have gone into general operations or into community organizing activities. In addition, the MHAs and CLTs found it difficult to build a sense of community where residents were dealing with consequences of inadequate rehabilitation.

Other threats to sustainability were present, too. These included changes in local housing markets that raised the specter of sizable vacancies in some groups' projects, and either a lack or a surfeit of development opportunities. A lack of opportunities made it difficult for groups to realize any economies of scale, or to develop a base of resident leadership. A surfeit of development opportunities sometimes led groups to "overdevelop," and take on more housing than they had the capacity to manage or organize.

The experiences of the groups in this study showed that threats to one condition for sustainable operations often led to threats in others. A good example of this comes from the experience of the Madison MHA, which was, at the time of the study, the most immediately-threatening organization in the study.

Madison MHA

Madison MHA (MMHA) began in 1983 as a partnership among the City of Madison, a local CDC called Common Wealth, and the Madison Development Corporation, a city wide economic development organization. Few mutual housing models were in place at the time, and Madison took a long time to hammer out the by-laws of the organization. It eventually came up with the dualistic structure for the organization — with a nonprofit MHA and an interlocking "sister" cooperative of residents, the Madison Mutual Housing Cooperative (MMHC) — described in the previous chapter.

Early development focused on purchase and moderate rehabilitation of one-to-four unit, older properties in the old, residential neighborhood of Williamson-Marquette, east
of Madison’s downtown. The development was substantially supported by city allocations of Community Development Block Grants (CDBG), and by a soft second mortgage program established by the city to help cooperatives. In addition to CDBG capital money, MMHA received approximately $300,000 per year for organizational operating expenses. No other private organization in Madison was developing low- and moderate-income housing on a large scale, and the city saw the MHA as filling an important need in Madison’s tight rental housing market.

With the encouragement of the city, the MHA developed fast, and sought to develop even faster in order to reach a scale at which it could become self-sufficient. It began to become "adventurous" in its financial deals, and sold some of its housing to a for-profit partnership while retaining management responsibility and a ground lease, with the understanding that it would buy back the housing in 15 years. In the late 1980s, the MHA began to expand its development beyond its original neighborhood, and into larger multifamily projects. In 1987, the MHA opened a new construction 28-unit project near downtown, and bought two troubled multifamily buildings on Madison’s South Side. The MHA opened another 40 units in 1989 in a converted hospital building in a partnership with Heartland Properties, a subsidiary of Wisconsin Power and Light.

In 1990, the original executive director and co-founder of MMHA left. At nearly the same time, the city announced that it would phase out its annual CDBG allocation to the MHA in order to direct the money elsewhere. Up until this point, the MHA and its sister organization, the Madison Mutual Housing Cooperative, had maintained a good resident training program, but this fell off when funding was cut, because the organizer was laid off. One result of this was that the MHC stopped functioning well, and management began to slip. The MHA soon took over management from the MHC, and in 1993, the MHC was dissolved.

Another response to the announcement of the loss of operating funds was that MMHA became even more oriented toward development, so that it could earn developer’s fees. Between 1991 and 1993, the MHA embarked on a 60-unit tax credit partnership new construction deal, a 75-unit rehabilitation project in the nearby suburb of Middleton (which did not receive the MHA well), and failed at closing a development deal for another 130 units.

Throughout this frenzy of development activity, the MHA scrambled to attend to the management of its existing property. There were several problems. The original scopes of rehabilitation on the first properties were inadequate to avoid high maintenance costs in their operation. Some were also purchased at prices higher than their value, and carried too much debt. The large, multi-family buildings on the South Side were difficult to organize and to "cash flow" because of unstable tenancies and high turnover in what is one of the city’s worst neighborhoods. The board president estimates that of the 48
units in this development, "probably seven have not turned over in the past five years."² The suburban project, which the MHA intended to be opened up to poorer households — many African American — in order to "integrate the suburbs," was plagued with high vacancies as soon as the MHA purchased it because of "white flight" of its original residents. Vacancies opened up in other housing in Madison as the rental market loosened up somewhat, due to a decline in student enrollments at the University of Wisconsin. Finally, the loss of CDBG funds meant that the MHA no longer had a way of plugging budgetary holes.

By 1994, when the second director left, financial pressures were beginning to mount for the organization. An interim director with little experience was appointed, but bills began to come in so fast that they were filed, sometimes unopened, in shoe boxes.³ In the fall of 1994, the MHA was unable to meet mortgage payments, and had $480,000 in accounts payable. The staff was laid off, and the board president stepped in to try to bring the MHA to solvency and to pay off its debt. In this effort, the MHA will retain ownership of three buildings (two of which are tax credit projects). The scatter-site properties have mostly been sold, and other larger projects have reverted to city ownership, or have been sold to a hospital.

While Madison MHA was one of the older groups in the study, other, younger groups faced similar difficulties in some areas. What happened to MMHA is illustrative of some of the pitfalls to sustainability.

MMHA developed faster than it was able to manage its housing and organize its residents. Its rapid development, though meant to get the organization to a point where it could pay for its functions through management fees, outstripped its ability to create a well-organized resident base, particularly as it took on larger and more difficult projects.

There is some question as to how autonomously the MHA was able to make its development decisions. Though it was an independent, nonprofit corporation, MMHA was one of the city’s few affordable housing producers. As one city official put it: "They were the only

² Telephone interview with Judy Wilcox, January 12, 1996.
³ This is according to several people close to the MHA’s work-out interviewed in July, 1995.
body that was doing anything...they were so eager to produce, and it wasn't their money." But as the same official put it, "funding agencies put a lot of pressure on to produce, and you get into deals that make no economic sense whatsoever." The combination of MMHA's own zeal, and pressure from the city to produce, led MMHA to take on "dog" properties — like the one on the South Side — that "sucked everything else down, and exacerbated a problem that was already bad."4

After it developed its housing, and particularly after development accelerated, MMHA and the cooperative encountered problems in managing the housing. Madison's "dualistic" MHA structure, with its "sister" cooperative, was meant to provide for limited resident self-management and for some MHA staff to be dedicated to serving the cooperative. While this worked to some degree for a while, as the MHA's budget became strained, the cooperative had less to work with, and fewer resources to stay organized. Furthermore, the initial acquisition of expensive properties combined with a moderate rehabilitation scope of work that kept the housing expensive to maintain. This points to a lack of adequate "asset management" by the MHA from the outset.

One cause of inadequate asset management was a breakdown in the ability of the MHA to track its resources and expenses. The board president of MMHA said, "When I go back and look at the deals that were put together, it is unbelievable to look at the different requirements that go with each pot of money; one is more onerous than the next, and it requires that there is someone to keep tabs on this kind of stuff."5 But it was clear that any systems for accounting

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4 Telephone interview with Jerry Tucker, Planning Department administrator, City of Madison, January 11, 1996.

5 Telephone interview with Judy Wilcox, Madison MHA, January 12, 1996.
were, by the end of 1994, in utter disarray. It took the better part of a year for MMHA to figure out what it owed to whom, and to negotiate the liquidation of its assets in order to pay its creditors. Based on the experiences of the community-based housing organizations with which it has worked, the Institute for Community Economics has found that all groups in serious financial difficulty shared this "failure to establish and maintain an adequate accounting system."\footnote{Kirby White, \textit{Managing the Money Side: Financial Management for Community Based Housing Organizations}, (Springfield, MA: Institute for Community Economics, 1994), 9.}

The inadequacy of housing and asset management on the part of the MMHA was thus joined with some bad financial decisions on the part of the group that compromised its ability act as a steward of democratic control and long-term affordability. MMHA was a pioneer among MHAs in many areas, including sophisticated financing arrangements for housing development. But as soon as it began to syndicate properties to raise additional funds from outside, for-profit partnerships — even as it retained the land — it ran the risk of not being able to buy them back at the end of the partnership period. While, as we will see below, many MHAs and CLTs use tax credit partnerships to great advantage, there are real risks of alienating control from residents in the event that the MHA or CLT does not survive the term of the partnership, or does not have the funds to purchase the property back.

Finally, changes in the housing market hurt MMHA. At the founding of the MHA, the rental market in Madison had few vacancies. Many students from the University of Wisconsin lived in the poorer neighborhoods in the city. But with large cutbacks at the university, came fewer students and more vacancies. Affordable housing became more available, but MMHA still
stepped up its development activities so that it could get developer’s fees and scale. In addition, it developed in one suburb in which any affordable housing was unwelcome. While this was cast as an attempt to "open up" the suburbs to affordable housing, it entailed a gamble with MMHA’s precarious resources, a gamble that the MMHA lost.

But Madison’s story is not simply one of cavalier and reckless development deal-making. To the contrary, it shows how — first in the context of seemingly unqualified support, and then in the context of a shrinking pool of resources — decisions were made that sought to maximize the total pool of resources available to MMHA’s residents and to expand housing opportunities for low- and moderate-income Madisonians. It was a pioneering project, with very few precedents from which to draw lessons, and in its attempt to become self-sufficient in a short period of time, it ended up compromising keys to its sustainability.

While in Madison, the MHA proceeded in its development without directing resources to its other needs, other groups have attended to their needs in a more balanced way. Even in these cases, however, the resources that are used to carry out the functions of an MHA or CLT may not have a perfect "fit" with the intentions or missions of the groups.

**Sustainability and the Use of Resources**

Although the sustainability of MHAs and CLTs hinges on a tightly interdependent set of resources, opportunities and circumstances, these can be broken down into five areas for the purposes of greater clarity. These five areas — housing development and management, organizational support, ability to reach economies of scale, housing market conditions, and the presence of political support will be discussed below.
Resources to Develop and Maintain the Housing

MHAs and CLTs, like any other housing organization, need both development capital and management capital in order to carry out these functions. Even where they are not directly involved in development or management, MHAs and CLTs must work with housing that has a particular package of development financing and a particular set of management needs. In most cases, either or both development and ongoing maintenance and operations are subsidized. The "strings" that are attached to the subsidies may affect an MHA’s or CLT’s ability to maximize portions of its mission that do not directly relate to the provision of decent housing.

Development Funding

Most of the currently available government funding sources for affordable housing were used by the MHAs and CLTs in this study. The Low-Income Housing Tax Credit (LIHTC) funded (or was slated to fund) housing in just over half the groups in the study, and in two-thirds of the MHAs. For most of the housing under development or discussion, LIHTC was a projected source of development capital. Other sources of development capital included HOME, a federal block grant program to states and localities for housing development, Community Development Block Grants (CDBG), and, in New York City and several other cities, local capital budget allocations for housing.

In Connecticut, New York, and Vermont, housing trust funds⁷ were significant sources

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⁷ For a description of housing trust funds, see Mary E. Brooks, "Housing Trust Funds" in John E. Davis, ed. The Affordable City, 245-264.
of capital for some projects. Community development loan funds\(^8\), with low interest rate loans were also an important source of development capital in several projects, including the initial development of housing by the United Hands CLT. The federal HOPE program (Homeownership Opportunity for People Everywhere), which aims to convert publicly-owned housing to resident ownership, has provided funds for the Cooper Square MHA and UTA-MHA in New York and a project under development by MHA of Southwestern Connecticut.

Other development funding came from the federal preservation program (LIHPRHA), which provides residents the opportunity to buy their housing from owners interested in prepaying and terminating their federally-subsidized mortgages. Two MHAs — CMHA-South and MHAGH — worked on, or were pursuing resident buy-outs of owners under LIHPRHA. In addition, NRC has helped its MHAs with funding for capital improvements and with important bridge loans, which are used to plug gaps in development budgets.

Because of their development financing, most MHAs and CLTs in this study did not carry excessively heavy debt burdens from the acquisition or development of their housing. In New York City, many groups were able to acquire housing debt-free, or nearly so, due to acquisition through disposition programs for city-owned property. City-owned housing was also a source of housing for groups in several other cities, though outside of New York City much

\(^8\) Community Development Loan Funds are one of a variety of "community development financial institutions" that support the development of affordable housing, small businesses, and social service programs. CDLFs are not banks, but locally-based organizations that make loans to local groups. Typically, CDLFs provide seed money for groups where conventional financing is unavailable. CDLFs are capitalized by charitable contributions from individuals and corporations, as well as by conventional financial institutions. Several groups in this study made use of CDLF capital, including United Hands CLT, Northern California Land Trust, Burlington CLT, and Champlain Valley MHF. Many CDLFs are associated with ICE, which has also propounded a model for these organizations. Currently, there are over 40 member funds in the National Association of Community Development Loan Funds, with over $100 million in capital. See ICE’s publication *Community Economics*, especially the Spring 1993 edition.
of the rehabilitation depended on non-municipal sources of funding. Acquisition costs were high in only a few places, such as Washington, D.C. In several others, low-interest loan programs or community loan funds were sources of redevelopment capital that helped to keep long-term costs down.

Few groups in this study were able to close a project with only one source of funding. This — combined with the widespread use of the LIHTC, which has complex reporting requirements — has meant that many groups have had to spend a lot of staff time or money on consultants when putting together development projects. While this is no different from most nonprofit housing groups, the need to balance diverse functions in MHAs and CLTs makes this resource-intensive development process a potential threat to organizing and management functions.\(^9\)

**Maintenance and Operating Resources**

Maintenance and operating resources for the housing in the MHAs and CLTs in this study were primarily drawn from rents and housing charges. At least some housing in more than half of the groups in this study was supported by tenant-based Section 8 rent subsidies. While only a handful of groups — mostly those that worked with LIHPRHA buy-outs — had project-based Section 8, many of the groups that had tenant-based subsidies were able to get initial guarantees of Section 8 from municipal agencies at the outset of development. Thus, both tenant- and project-based Section 8 commitments enabled some groups to secure private

\(^9\) The complexity of the deals in Madison were cited by the board president as a reason that staff resources were not devoted to organizing. The sentiment that development was labor intensive to the point of detracting from other functions was repeated in many other organizations as well. Bratt, et. al. also refer to this problem in their discussion of the Low Income Housing Tax Credit. *Confronting the Management Challenge*, 161-169.
financing for development, and helped many groups to serve lower-income households. Without Section 8 subsidies, these groups would either have to market their units to higher-income (typically moderate-income) residents or divert funds received from outside sources (such as CDBG allocations and foundation grants) and from general organizational support into housing maintenance and management.

The other source of management help upon which most groups relied, at least in part, was the residents and community. And where residents were in charge of some of the minor management tasks, or where they directly supervised the management contracts, residents tended to register less dissatisfaction with management than did residents from groups in which they had minimal contact with managers or control over management decisions. Few groups in this study faced major threats to the sustainability of their housing because of vandalism or excessive wear and tear on the physical plant. And while low resident participation in the housing or the organization did not predict more physical problems, the only groups in which excessive wear or abuse of the physical plant was reported were those in which resident organizing had not taken hold.

But maximum resident and community participation in management is not always beneficial. While in some cases, residents’ direct involvement in management did defray costs that would otherwise be applied to their housing charges or to reserves, such self-management can come at a cost to the organization’s mission. If residents are too concentrated on day-to-day management, they may too fatigued to be able to attend to the corporate affairs of the organization and to sit through meetings about "asset management." Buildings in the RAIN CLT on the Lower East Side of Manhattan have always been self-managed, and were originally
developed through substantial sweat equity of the residents. The financial development work was done by the Lower East Side Catholic Area Conference, and the conditions and restrictions attached to membership in the RAIN CLT may not have been clear to all of the residents. In addition, some residents may have had a change of heart about resale restrictions on their cooperative shares. So while many residents were actively involved in the rehabilitation of their buildings, and remain active in their management, the corporate decisions of the CLT and the individual cooperatives seem not to have had as great participation on the part of RAIN’s resident membership.\textsuperscript{10}

While the buildings are still self-managed, they no longer are bound together either by affective or organizational ties. RAIN has not met in over two years, nor has it collected ground lease fees.

MHAs and CLTs that worked with rehabilitated housing faced another important issue with respect to the use of operating resources. Almost all of the groups in this study expressed some reservations about the quality of the rehabilitation, and about half faced unexpected costs associated with unmet rehabilitation needs. In one CLT, the director said that the slightly ramshackle look of some of its early housing seemed "funky" to the founders, but they soon realized that it was not up to the standards of its residents, and would need extra work. More often, however, development budgets were underestimated in MHAs’ and CLTs’ first projects due to the groups’ inexperience.

Initial scopes of work were sometimes underestimated, but control over the rehabilitation

\footnote{For a detailed account of RAIN and conflicts about corporate policy, see Malve von Hassell, \textit{Homesteading in New York City, 1978-1993: The Divided Heart of Loisaida} (Westport, Connecticut: Bergin and Garvey, 1996), 99-107.}
process was an even greater concern among many groups. Even where residents were involved in planning and design for rehabilitation, there were several instances in which apartments were not built according to plan, or cheaper-than-agreed-upon were materials used by contractors. In cases where residents or potential residents did not have input, adjustments and improvements had to be made later, either at the MHA’s or CLT’s expense or at the expense of the resident. In several projects in New York City, contractors’ work was so shoddy that the MHAs hired a construction consultant to oversee the contractors’ work. The United Hands CLT in Philadelphia formed its own CDC so that they could do all of the development work in house, and not rely on the city’s designated nonprofit developer to comply with their wishes.11

The line between development and operating resources is in some ways a false one. Because operating budgets include whatever debt there is on a project, reduction or elimination of that debt reduces operating expenses. Accordingly, the Low-Income Housing Tax Credit and other development subsidies all help to make the housing less expensive to operate, and by extension, less costly for its residents. But if development budgets are inadequate, they can result in higher operating costs later.

Resource Requirements and the Fulfillment of Mission

The public subsidies that are widely used by MHAs and CLTs are the same as those available to other providers of affordable housing. But MHAs’ and CLTs’ missions encompass

11 The Manos Unidas CDC had not, however, at the time of this writing, done any rehabilitation development itself, so that no comparative advantages to this approach could be confirmed. It is also important to note that not all contractors have produced problems for the groups in our study. In one CMHA-affiliated cooperative in Los Angeles, a contractor (described as “un contratista revolucionario y cooperativista” by the interviewee) was so moved by the coop’s plight — it had been taken to the cleaners by a corrupt manager — that he did thousands of dollars of work on assignment.
not only ongoing development activity and long-term affordability, but also democratic control over housing. Because of this, the use of some subsidy programs, which come with definitions of affordability and provisions for control over the housing, can present both challenges and opportunities for the sustenance of their missions.

One of the definitive aspects of the MHA and CLT missions is the provision of affordable housing to low- and moderate-income households. There are, however, different ways to define housing affordability. Federal funding programs define "affordable housing" as costing up to 30 percent of a household’s gross income. The definitions of "low-income," "very low-income," and "moderate-income" households vary, depending on the subsidy program. All, however, are based on a percentage (80 percent or below) of area median incomes. As Michael Stone points out, "affordability of housing is not an inherent characteristic of housing but a relationship among the housing cost, household income, and a standard of affordability...[and the] use of the 30-percent-of-income standard of affordability...is highly problematic."

Although the developers of MHAs and CLTs understand the definitions of affordability embedded in federal funding programs, they and residents often look at affordability according to different criteria, and aim to make their housing as little costly as possible to the residents.

One example — the MHA of Southwestern Connecticut — is useful here, and shows how a group’s conception of its mission may be colored by the resources it has in hand.

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12 Michael E. Stone, "Comment on Kathryn P. Nelson’s ‘Whose Shortage of Affordable Housing’ Policy Debate, V, 4 (Winter 1994): 443-4. Instead, Stone favors a "shelter poverty" scale of affordability, which is meant to determine how much a household can afford to pay for housing, if it is to be able to pay for a minimum standard of nonhousing needs. See also, Stone, Shelter Poverty: New Ideas on Housing Affordability, (Philadelphia: Temple University Press, 1993). Some of the nonhousing activities of the MHAs and CLTs in the study (e.g., food pantries) address shelter poverty by meeting these nonhousing needs more fully.
MHASWC is based in Fairfield County, Connecticut. Fairfield is one of the richest counties in the United States, with a median household income of more than $72,000. Accordingly, federal definitions of "low-income" can include households with incomes as high as $58,720 for a family of four. This ends up working well for MHASWC. It has been able to mix incomes in its first project, Parkside Gables, with resident households ranging from below $10,000 in annual income to over $50,000. Most of the households fall into the middle, with incomes well below the limit. In this way, MHASWC can reap the benefits of financial stability that go along with mixed-income housing. It can serve people who might not have quite enough money to purchase their own homes, but who nevertheless would like greater control and a close community. It can still serve both households classified as "low-income" for subsidy purposes, and those that actually have low incomes by most areas' standards.

In many of the MHAs and CLTs in our study, residents and staff pointed to rents and monthly housing charges several hundred dollars below market rates as evidence of their housing's affordability. While residents in the MHAs and CLTs all had to be income-qualified to live in federally subsidized housing (where federal housing subsidies were used), the staff and residents tended to worry more about subsidies being inadequate to make the housing "truly affordable," than they were about knowing the exact income profiles of their residents. As it turns out, almost all of the residents of the MHAs and CLTs in the study conformed to the income criteria of the federal funding programs used. Additionally, many groups — even where they did not enjoy the high local area median incomes enjoyed by MHASWC — tried to provide housing to households with far lower incomes than the maximum allowable under the subsidy programs used.

Just as subsidy programs influence the income targeting decisions of MHAs and CLTs, they also may influence the degree to which partners in the MHAs and CLTs may control decisions about management and asset management. The Low Income Housing Tax Credit program stands out in this respect because in it, a partnership — in which the residents, MHA,
or CLT may or may not be a partner — owns the housing for the first 15 years after development. The tax credit program, while providing a great deal of the development capital used by MHAs and CLTs in this study, risks alienating long-term control from the residents as well. If operating costs escalate dramatically, as they did have in New York City, a cooperative may need to deplete the reserves in order to meet its operating expenses and pay the investors their promised return on their equity investments.

No LIHTC-funded projects have yet come to the end of the tax credit period, and most of the cooperatives and rentals funded with the tax credit will not come to the end of their partnerships until at least the middle of the next decade. But there are other issues of control raised by the program as well. Because the investors’ tax benefits depend on the housing remaining occupied and affordable to low-income residents over the first fifteen years, the investors may play a significant role in management decisions, even in projects that are supposed to provide for democratic control by residents. A story from the Champlain Valley MHF illustrates this.

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13 There were three significant ways in which the tax credit program was used in the groups in this study. The first, favored by housing syndicated by the Local Initiatives Support Corporation and The Enterprise Foundation, two national intermediary organizations, is a leasing arrangement, where a nonprofit sponsor joins with the equity fund (represented by LISC or Enterprise) in a partnership. The equity fund is the limited partner, and the nonprofit is the general partner, in charge of management. This form is most common with rental MHAs. With cooperatives, a similar model can be used. Here, the equity fund is the limited partner, and the nonprofit and the cooperative are co-general partners. In this way, favored by The Community Builders and other intermediaries, some control over management is directly in the hands of the residents, though ultimate oversight remains with the limited partnership. In cooperatives developed with LISC and Enterprise syndications, however, it is more common for the cooperative corporation to lease the housing from a limited partnership of the equity fund and a nonprofit developer, with the understanding that the cooperative will have the first option to buy the project at the end of the fifteen-year tax credit period. For more detailed and thorough descriptions of the different ways tax credits are used in these projects, see Jonathan Klein, "Using the Low-Income Housing Tax Credit to Develop Cooperative Housing," Cooperative Housing Bulletin XVI, 5 (September/October 1990): 11-15; and Jeffrey Kuta, "Long Term Affordability and Tax Credits," ABA Journal of Affordable Housing and Community Development Law (Spring 1992): 12-19.
Champlain Valley Mutual Housing Federation

Champlain Valley MHF, like most of the MHAs in this study, used the Low Income Housing Tax Credit to develop housing. The actual development of the housing was done by another local government-supported nonprofit, but because it was to be cooperative housing, the MHF had the role of developing the cooperative that would buy the housing at the end of the fifteen-year tax credit period.

CVMHF began the development of the cooperative early in the process. It solicited interest from around the neighborhood, and from around the county. It made clear the requirements of income-eligibility to the potential residents as it took them through the development process. Committees were set up to deal with design and other development issues, and to plan for the cooperative’s eventual participation in running the project. CVMHF put a lot of work into organizing the core of what could become a cohesive community.

One of the most enthusiastic participants was a woman who had little income to speak of, and who was paying more than 50 percent of this income for rent. When the housing was finally complete, the investors in the limited partnership did not want to let this woman into the cooperative because, in spite of the subsidies provided by the tax credit, she would be paying over 30 percent of her income on rent (though considerably less than what she had been paying), thus posing a "risk" to the project, and requiring the bending of some rules.

In the debate that ensued, CVMHF staff argued that this woman was clearly a productive and reliable member of the community and of the cooperative, and that the fact that she had a reliable rent-paying history despite the inordinate rent burden she had, showed that she posed no risk to the financial health of the project. CVMHF did eventually manage to place her in the housing, but its ability to do so, and to keep an integral member of the cooperative it organized was threatened by the requirements of the tax credit program.

Yet, while the LIHTC can threaten democratic control, depending on how the partnership agreement is drawn up, and what role the MHA or CLT has (if any) in the partnership, democratic control may be left firmly in place, at least until a crisis hits. Here, the LIHTC may actually be residents' best ally. If the MHA or CLT has been unable to ensure good management of the property, the equity investors (the so-called "limited partners") may step in and appoint new management. In this way, the LIHTC, when used in conjunction with MHAs
and CLTs may set up a broader "partnership" than exists within the confines of the MHA or CLT itself. Though based on radically different motives, this broader partnership creates even greater incentives for making certain that the housing serves the targeted income groups, remains fully occupied, and remains in good condition. Indeed, in Madison, where the MHA is showing signs that it will not survive, the limited partners will likely insure at least minimally adequate management through the term of the tax credit.

It should be noted that the limited partnership owners of the tax-credit funded housing in a CLT are typically deeded the land under the project, with the understanding that the buy-back of the project by the owners of the housing includes the land, which would then be transferred to the CLT. In the meantime, however, control over "CLT land" is at least technically alienated from the CLT for the tax credit period.

Finally, development programs may provide opportunities for MHAs and CLTs to work actively toward the fulfillment of their missions. LIHPRHA and HOME, for instance, have funds dedicated for technical assistance. Several groups in this study have accessed these funds, and have supported training, organizing, and educational activities directed at residents.

Organizational Support Resources

The resources needed to support the MHA and CLT staff and community-building activities are often not the same as those that support the groups' housing. Separate funding streams often exist for housing management and for organizing activities. Sometimes, as in integrated MHAs or CLTs that own rental housing, there is some overlap, because housing
charges are used to support both the housing management and the organization. But it is usually impossible to support all of the functions of an MHA or CLT with housing charges alone.

The main sources of operating resources for the MHAs and CLTs in this study were generated by developer’s fees (or portions of shared fees), management fees, ground lease fees, government-funded technical assistance contracts — including those under the federal HOME and LIHPRHA programs, VISTA and AmeriCorps workers, and private grants from foundations, corporations, or national intermediaries such as ICE and NRC.

But while organized resident and community participation can be a great enhancement to the sustainability of MHA and CLT housing, and while MHAs and CLTs may be better able than other housing organizations to have access to the requisite number of residents to keep such participation going, recognition of the central role of organizing among funders is limited.

Community Development Block Grants were the most common source of organizing operating support among the groups in the study. While this support is not earmarked by the funding agencies to bolster organizing, it often does. NRC did a good job of supporting organizing in some of the NeighborWorks-linked projects in this study. But private foundations, where they supported MHAs’ and CLTs’ organizing efforts, tended to phase out or stop the funding after several years in favor of funding newer, innovative projects.

All of the MHAs and CLTs that supported organizing positions also drew on general revenues to pay for them. In this sense, other operating subsidies tended to support organizers as well, but only if it did not compromise management of the housing. None of the groups skimp on management budgets in order to support an organizing position. Some MHAs and CLTs, such as South Brooklyn MHA and Cooper Square MHA, rely on organizing staff from
their parent organizations.

But the mingling of corporate operating budgets and housing operating budgets worked in the other direction as well. Executive directors reported in several cases that organizational support funding from CDBG was used to plug gaps in housing operations rather than simply to support staff. It was recognized by all that this was not an ideal situation. In Burlington, where the CLT maintained some of its rental property on organizational funds, the CLT recently packaged some of the rental property into tax credit syndications to pay for more extensive rehabilitation, which will reduce the cost of operations in the future.

Several groups attempted to raise funds for general operations, including organizing, from developers' fees. When this occurred, two things happened: first, the technical job of development took over, and decisions became increasingly remote from resident participation; second, the MHA or CLT risked overextending its ability to organize the new project. In Madison, where this occurred, a situation badly in need of organizing was left unintended after overly rapid development consumed resources that could have supported an organizer.

Along with funding executive, organizing, office, and management staffs, and paying for office space, computers and copiers, many MHAs and CLTs tried to access resources for technical assistance and resident education. Again, NRC and ICE proved helpful, and though their own resource limitations meant they could not come to the aid of all MHAs and CLTs, both groups provided opportunities for resident education and technical assistance. In addition, some groups were able to access LIHPRHA and HOME technical assistance funds to order either to fund their own technical assistance activities — as was the case with the California MHA — or to seek free assistance from other groups. The Northern California Land Trust, for
instance, qualified as a CHDO\textsuperscript{14} under HOME, and was eligible for assistance. It sought advice on forming cooperatives from CMHA.

Other groups also took advantage of the experience of housing groups in their areas. In some cases, such as with CATCH and CMHA, representatives from technical assistance organizations or individuals with technical expertise are brought onto the boards of the organization. Few MHAs or CLTs reported vast unfilled technical assistance needs. The only groups that showed major unmet needs in this area were those that faced severe organizational threats.

**Opportunities to Reach Scale**

Whether MHAs and CLTs are able to reach economies of scale is an important issue because both have the ability to accommodate growth. But the issue of scale does not exist in isolation from other factors. By itself, accumulation of housing units does not lead to increased internalization of resource generation. Rather, whether scale can make a group’s use of resources more efficient and enhance sustainability depends on what is being amassed. Clearly, acquisition of poor-quality or insufficiently subsidized housing may increase liabilities rather than mitigate them. The acquisition of good-quality, or subsidy-rich housing may enable a group to use these resources even more efficiently when they are brought together. Typically, the MHAs and CLTs in this study have used scaled development to create some internal cross-subsidy, with the stronger projects subsidizing the losses created by the weaker ones.

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\textsuperscript{14} The HOME program has set aside 15 percent of its funding for "Community Housing Development Organizations" or CHDOs (pronounced CHO-doze), and has a set-aside of technical assistance money for groups that qualify.
None of the groups in this study were able to carry out all of their functions — even after development and housing operating subsidies — without some form of ongoing organizational support. Only one group came close, and it had newly renovated gut-rehabilitated housing, funded entirely through capital grants, which made its maintenance and operating costs relatively low.

Small housing stock, particularly buildings with fewer than four units, was difficult for most groups to develop. In all but a few cases, small-scale development was impossible if the group could not aggregate this stock into a larger development project.

But whether a group is able to achieve some economies on some expense items is distinct from whether it is able to reach a scale at which it may become self-sufficient. Many MHAs and CLTs were able to engage in bulk purchasing of some services, such as heating fuel, insurance, and management services, and realized economies of scale, even if not to the extent that would allow them to survive without development or operating subsidies. The more integrated the structure of an MHA, and the more rental housing in a CLT, the more savings were made, especially on management services and contracts. But federated MHAs and CLTs were also able to realize some economies of scale, whether for fuel or insurance purchasing, or for technical assistance help.

Scale and Human Resources

Economies of scale also have been realized by most of the groups in this study in their

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15 Here "self-sufficiency" refers to the an MHA’s or CLT’s ability to pay for non-management activities through management and developer’s fees, even if these are subsidized.
use of staff time. And while there is a clearly a point of diminishing returns, where organizers may be stretched beyond their capacities, most of the MHAs and CLTs that employed organizers have been able use them in several developments at once. Whether this point was reached or not had a lot to do with the scale and number of developments in the MHA or CLT portfolio.

People’s MHA

PMHA was developed with city capital budget money, receiving its buildings with extensive rehabilitation and without debt. It acquired more than 250 units almost all at once, and soon realized that it could manage the housing itself, without a lot of additional operating subsidies. And while PMHA will not be able to develop new property without development subsidies, it continues to be able to support its own management. PMHA has also supported organizers on staff, though under its former administration, organizers were not clearly oriented toward facilitating resident control of the organization.

The ability of PMHA to support its own management led it to develop a new neighborhood organization, PEOPLES, Inc. (People’s Economic Opportunity Project of the Lower East Side), a "parent" organization for the MHA, a credit union, and a housing advocacy group. PEOPLES, Inc. also has a small business development and assistance arm. As currently structured, all staff work for PEOPLES, Inc., and are contracted to the subsidiary groups. This furthers administrative economies of scale, and enables several organizations to operate with greater efficiency than might otherwise have been possible.

Economies of scale in staff is a particularly important issue, as nonprofits of all sorts face cutbacks in the programs that support them. In Burlington, the Mutual Housing Federation staff recently merged with the BCLT staff and shed the executive director line. This will save the organization some $35,000 a year. Because of the similarities in mission and the fact that the current executive director of BCLT is a founding member of the MHF, the merger will likely preserve the integrity of the MHF’s mission and functions. Following this lead, all seven members of Burlington’s nonprofit housing community are looking at ways to eliminate duplication of effort and work together to cut costs.
MHAs and CLTs also need a critical mass of residents and interested community members to participate in governance, management, and in the provision of other services. Because MHAs and CLTs are able to grow, and because they bring together resident-controlled housing "under one roof," they have ample residents from which to draw leadership. But as the Madison MHA case shows, effective development of this resident leadership base can only be done if the scale of housing development does not outstrip organizing capacity.

Scale and Ongoing Development

If most MHAs and CLTs are still nowhere near funding all of their operations from management, membership and lease fees, the goal set for MHAs of funding future development without extensive new subsidies is even more elusive. Only one MHA in this study, the MHA of Southwestern Connecticut, was able to fund even a substantial portion of predevelopment costs on one project from the membership fees accumulated over more than five years. This also indicates that it may take years to become independent of outside funding for even a limited number of functions. Capacity to develop has appeared to be mostly independent of the scale of a group’s existing housing. The ability of a group to attract development opportunities has been contingent on its capacity to manage (or oversee the management of) its existing housing — regardless of scale — and on funding agencies’ perception of a group’s professionalism.

Housing Market Conditions and Sustainability

Any calculations that are made about scale and sustainability, and even about mission and sustainability, are subject to change with market conditions. As much as MHAs and CLTs try
to provide housing "beyond the market and the state."\textsuperscript{16} They are every bit as much subject to a subsidy base and changed market conditions as are public housing and private, full-equity housing.

In most of the MHAs and CLTs in this study, there was a relatively stable market for their housing. Vacancy rates in affordable housing tended to be relatively low in the cities in this study. Where there was some choice of housing for low-income people, however, the prospect of joining a community where neighbors cared about one another, and where other-than-housing services might be provided, served as incentive for some residents to move into MHAs or CLTs.

But several groups in this study became vulnerable to changed market conditions. Since many urban housing markets fell in the late 1980s, just as many MHAs and CLTs were in the thick of their development activity, this vulnerability was not necessarily foreseeable. But, since market conditions changed, MHAs and CLTs needed to remain competitive and provide high-quality housing at affordable prices.

\textit{MHA Greater Hartford}

In Hartford, the ability of the MHA to compete for residents became imperative, where MHAGH ran into a combination of a loosening housing market, internal financial troubles, and major repair needs in its one 42-unit project. At one point, the project, Park Terrace, was one third vacant, and still in need of drainage repairs. Only emergency financial assistance from NRC to pay for the repairs enabled MHAGH to concentrate on reorganizing and filling the vacancies. In addition, as low-income homeownership opportunities opened up in the surrounding suburbs, MHAGH was forced

\textsuperscript{16} Several accounts of third sector housing talk about it as alternatives to "the market," i.e. privately owned, full-equity housing, and "the state," publicly owned housing. A "third sector," including MHAs and CLTs, combines elements of each, in order to move "beyond" the duality of "private" and "public" and the shortcomings of each form of tenure. See John E. Davis, "Beyond the Market and the State: The Diverse Domain of Social Housing," in \textit{The Affordable City}, 75-106.
to reduce (and refund) its membership fees from $2,500 to $250. This cut into its ability to raise funds for future projects, but did enable people who could fill vacancies (but could not pay the membership fees or afford a down payment on a house) to occupy the development.

But even after MHAGH was "saved" by NRC and by its own strategic thinking, it is still struggling, and is unable to fulfill its functions without NRC help in funding staff. Nevertheless, the vacancy problem has been solved, due in part to their youth activities. Now, MHAGH’s neighbors in Frog Hollow, Park Terrace’s neighborhood, are hoping that MHAGH will have access to funds to rehabilitate more housing directly abutting Park Terrace.

In other cases, however, a softening market took its toll on an MHA’s ability to control vacancies, and a reduction in the perceived threat of gentrification called a CLT’s mission into question among many of its members. The Madison MHA found that as the market loosened, residents were increasingly less forgiving of management lapses, and that high vacancies in several projects ensued, leaving the MHA less able to address outstanding maintenance concerns.

In United Hands CLT, after the housing market in Philadelphia could no longer support rampant speculation and gentrification, threats to the CLT’s sustainability were met with some measure of indifference among its membership. Though some successfully rallied to support the CLT at a meeting where the CLT’s raison d’être was questioned, it was clear that the long-term CLT goal of land reform had not made a lasting impact on many of the residents. Accordingly, with the passing of a perceived threat to security, the safeguards in the CLT model were not regarded by a good part of the membership as important, making the CLT itself expendable.

Another threat to sustainability was competition from other nonprofits and the prospect
of one group violating another's "turf." In a city with many CDCs, the Boston Citywide Land Trust has become "the developer of last resort," taking on projects other CDCs are either unwilling or unable to undertake, and developing a lot of special needs housing for lease to nonprofit agencies.\textsuperscript{17} So, while in some cases maintaining a "market niche" depended on the ability to be competitive in a loosening market, in others, it meant avoiding competition with other nonprofits.

**Ability to Build Outside Political and Material Support**

One of the main attractions of MHAs and CLTs is that their resident leadership-development activities and the range of key community actors serving on their boards allow them to build a strong base from which further neighborhood organization and collaboration may grow. Conversely, the support of community partners strengthens the MHAs and CLTs. The groups in this study realized these benefits, though to different extents, and in different ways.

Those groups with a large network of community-based allies and partners were strongest, and those with the fewest tended to be weaker. Community-based allies ranged from the "parent" organizations of spun-off MHAs and CLTs, local businesses, advocacy groups, and other resident organizations in the area. Only those groups with few constant allies, or that had built only nominal community support into their partnership boards, fared poorly in terms of their ability to attract new projects, or sustain support for existing ones.

\textsuperscript{17} Boston Citywide Land Trust initially saw itself as a holder of land for other CDCs to develop. But the cost of maintaining land under occupied or vacant housing (and thus having responsibility for the housing) while enough units were amassed to be an attractive option for CDC development was prohibitive, and drove the land trust into its own development role. The turf issues among CDCs in Boston are such that Boston Citywide was prompted to seek projects others did not want, and recently, to go into the Boston suburbs to develop affordable housing there.
Because MHAs and CLTs both incorporate broader community involvement in their missions, this involvement is critical to the sustainability of the organization. In their efforts to reach out to their local communities, the MHAs and CLTs in this study have directed benefits of their activities beyond their own residents. But as much as MHAs and CLTs try to reach from "the inside out," they also rely on resources being brought from "the outside in." In many instances, efforts to reach out have resulted in a higher profile for the MHA or CLT, and have drawn resources into the group. Both the "inside-out" and "outside-in" sharing and development of resources work together and form an important part of the "mutuality" and "community" in the missions of MHAs and CLTs.

**Directing Benefits from the Inside Out**

A good example of where MHAs and CLTs were most successful in directing benefits from their activities to the community is shown by the neighborhood organizing activities of MHA of Southwestern Connecticut detailed in the previous chapter. Many other examples of this arose in this study. Burlington CLT has recently joined with several funders to build a small park in the Old North End. Though it is really a small beautification project, it is intended to instill pride in the neighborhood. United Hands CLT maintained a contract with the city to provide mortgage counseling to low-income homeowners in its neighborhood, and other children from the Frog Hollow neighborhood in Hartford now take part in the MHA of Greater Hartford’s youth activities.

All of these activities help to boost the standing of the MHA or CLT in the neighborhood, and are important in building political support and fundraising. As the director
of Burlington CLT said: "If there's a project that your neighborhood really wants done that lends itself to a capital campaign, use that opportunity to build a base of donors and support... You can raise local funds, but if you want to, you have to pay a lot more attention to what your community thinks of you."  

Bringing Community Resources and Political Support into the Organization

Both MHAs and CLTs rely on sympathetic community members and advocates who volunteer to sit on their boards. But the participation of these volunteers benefitted the organizations most if the MHA or CLT staff worked hard to explain the usually-unfamiliar models to the new board members. In cases in which this did not occur, or where some board members did not "buy into" the models, such as in Madison and in Philadelphia, as the group found itself in crisis, several "outside" board members resigned. They did not do what they were intended to do: provide alternative perspectives and expert guidance.

Several MHAs and CLTs either reserved seats on their boards for government officials or invited particular government officials to sit on their boards. This arrangement did not usually result in greater political and resource support for the organization or in greater understanding of the MHA or CLT concepts at the municipal level. One problem — also experienced in Madison — was that officials who sat on the board had to recuse themselves from governmental decisions affecting the MHA. In some other cases, public representatives did not often attend meetings. Nevertheless, in other cases, the expertise of government officials benefitted the board and helped to maintain awareness of the MHA’s or CLT’s needs in the

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18 Interview with Brenda Torpy, executive director, Burlington CLT, Burlington, Vermont, January 22, 1996.
minds of others at City Hall.

Community participation on boards and other governing bodies of the MHAs and CLTs in this study provided the most benefits to the group where the non-resident representatives included the following: advocates with strong ties to other community organizations with which strategic alliances could be built; people with financial, legal or technical expertise who could provide free help and guidance to fellow board members; and people with the ability to marshall support among their neighbors or bring financial donors to the organization. The groups in the study differed in the degree to which they were able to attract and maintain the interest of non-resident members. Part of the variation depended on the ideological orientation of the group, with some groups courting corporate participation more aggressively than others that stressed "grassroots" support.

**PROSPECTS FOR THE FUTURE**

Several threats to the sustainability of MHAs’ and CLTs’ missions were apparent in the course of conducting this study. The most important among these is the threat of a loss of development and operating subsidies accompanying the retrenchment of social programs for poor people at all levels of government. As the pool of federal subsidy resources faces enormous cutbacks, MHAs and CLTs, like all other affordable housing organizations, will have to find ways of doing more with less. This will be a further challenge to MHAs and CLTs, which may need somewhat more subsidy up front in order to support organizing, training, and educational activities.

Cuts in funding will force more groups to reexamine their missions as they relate to
income group targeting and mixing incomes. Without continued operating subsidies, the "long-term" of affordability may be in question. An example of this is provided by the experience of New York City's United Tenant Association-Mutual Housing Association.

UTA-MHA

UTA-MHA has been beset since its inception by a small group of residents that does not support its existence. The primary reason is the fact that, with rehabilitation of the housing and the transfer of the housing from city ownership to the private ownership of the MHA, the rents will no longer be artificially held down by city ownership. Rather, the housing charges will be based on the cost of running the buildings. Supporters and staff say that the housing, on prime Upper West Side of Manhattan real estate, must be preserved for the current residents, or it will be sold by the city to developers who could charge double and triple the expected monthly rents.

But at least one of the detractors has made the following point: that the residents, by relying on federal Section 8 subsidies to make the housing affordable, are not necessarily keeping rents down, but are, rather, letting them rise with costs, with few guarantees for the future. This person has thought that the housing should remain in public ownership. This is an ideological point, as much as one about fairness to residents who have lived in the limbo of urban renewal plans for 35 years.

This argument was made before the advent of current threats to the Section 8 program, and it seemed almost unreasonable. Now, however, it is unclear how vacancies will be filled if Section 8 does not continue. They may have to be filled with residents who can pay the full rents based on the costs of running the housing. UTA-MHA's current residents, too, are counting on Section 8. But if the program is discontinued or severely cut back, the long-term affordability for even the current residents may be threatened, and the fight against gentrification lost.  

Other groups in this study have lost operating subsidies, and have been forced to effectuate a cross-subsidy program through mixed-income housing. Cross-subsidy may be easier for some groups to accept on principle than it is for others. The argument that housing should

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be provided to the neediest people may have resonance across the missions of many organizations, but some, such as UTA-MHA and Cooper Square MHA, were formed primarily to stop displacement of existing low-income residents. Accordingly, these MHAs may have a slightly different orientation to the prospect of mixed-income housing (they both currently have some limited income mix) than would a group like CATCH. CATCH works with buildings in very poor areas and sees its mission as creating housing for very poor people. And while CATCH would not advocate kicking an "over-income" person out of his or her apartment, its director recently questioned the point of CATCH’s existence, if it were forced into providing housing for middle-income people at market rates. In addition, any attempts to mix incomes for greater financial stability relies on there being prospective residents for the housing. In neighborhoods in which there is high crime, poor schools, or a low level of municipal services or amenities, attracting middle-income residents may be difficult.

At the same time, MHAs and CLTs, in promoting supported ownership and rental models, as well as greater local control over housing resources, are in a position to capitalize on the rhetorical consistency of this offer with a renewed federal push to direct federal subsidies to affordable homeownership.

Nevertheless, as the current prognosis for affordable housing programs becomes bleaker, and increasing numbers of low-income residents lose their homes, MHAs and CLTs will have to reexamine the sustainability of their missions in light of the likelihood that they will be forced to develop housing that is beyond the reach of many in the neighborhoods they serve.
CONCLUSIONS

An assessment of the sustainability of MHAs and CLTs has to take into account the mission and functions of the groups, the resources — both financial and human — available to fulfill the mission and functions, and the presence of conditions that allow the group to optimize its use of available resources. And while sustainability is partly in the eye of the beholder, dependent on the interpretation of mission elements such as democratic control and long-term affordability, and on the importance attached to self-sufficiency and the achievement of economies of scale, it is clear when efforts at sustainability fail.

By looking at the above experiences of the MHAs and CLTs in this study, several major conclusions can be drawn. First, MHAs and CLTs require efficient operation and, at times, more resources than other housing models in order to meet all of the elements of their missions.

Second, MHAs and CLTs, because of their potential to organize, manage, and develop housing at a critical scale all at once, can be, and have been extremely promising forces in rehabilitating and preserving affordable housing, and in bringing neighborhoods together to improve their housing and their access to other services and resources.

Third, MHAs and CLTs have had mixed success in living up to this promise, and some have had a difficult time in sustaining either the integrity of their missions or their organizational survival. Their success has depended on their ability to attract government and private funding. Many more will face challenges, as funding programs are cut back and support for affordable housing and low-income residents dwindles. As this happens, MHAs and CLTs will have to join with each other, or with other community organizations to save on staff salaries and other operational costs, while maintaining and continuing to develop democratic control and resident
and community participation. This could entail staff mergers like the one between the Burlington CLT and the Champlain Valley MHF. It could also entail any of a number of lesser measures, such as fuel-buying clubs, shared management contracts, or working more closely with the national intermediaries to set up a fund for organizers.

Nevertheless, many MHAs and CLTs have largely lived up to their stated promise, or show every indication of being able to do so in the future. The stories of success in sustainability — though not always unalloyed success — constitute the preponderance of the experiences of the MHAs and CLTs in this study.
MHAs AND CLTs IN THE NEW YORK CITY HOUSING CONTEXT

To a large extent, MHAs and CLTs are shaped by the local contexts in which they develop. Factors influencing the development of these groups include the dynamics of local housing markets, the way in which municipal policy addresses local housing problems and dynamics, and the type and condition of the housing stock to be found in the neighborhoods where groups work. These factors play a major role in determining groups’ choice of organizational structure, the ease or difficulty with which organizing is performed, and their prospects for ongoing development. Local housing laws and regulations also can affect the structure of the MHA or CLT group, and of the housing under its stewardship.

New York City is home to one CLT and seven MHAs — more than any other city, and almost a quarter of the total number of MHAs in the U.S. New York City presents a housing environment very different from that of any other city in this study. The city’s population of just over seven million and almost three million housing units puts it on a different scale than any of the other cities where the MHAs and CLTs in this study are located. It is also overwhelmingly a city of renters, rather than homeowners: in 1993, approximately 70 percent of all housing units in the city were rental. Much of this rental housing is in multifamily buildings with more than ten housing units, and a large proportion of these buildings are relatively old.¹ Because of these differences, the New York City housing context deserves separate treatment, and some explanation.

BACKGROUND

New York's rental housing market has historically been a very tight one, with consistently low vacancy rates. Rent regulations, in one form or another, have governed portions of New York's rental housing stock since World War II. Currently about 5 percent of the rental housing stock is governed by rent control (a fairly strict form of regulation), while about half the rental stock falls under rent stabilization rules, which limit rent increases in multi-unit buildings built prior to 1947 to annually determined increments. By state law, the continuation of rent regulations depends on the presence of a "housing emergency" — a vacancy rate of under 5 percent. Since the passage of the Emergency Tenant Protection Act in 1974, the city of New York has been responsible for determining that a housing emergency exists. Since the city began tracking housing conditions and vacancy rates through the triennial Housing and Vacancy Surveys in 1965, the vacancy rate has never risen above 3.78 percent (that was the figure for 1991). The vacancy rate for low rent units has been even lower than this figure, and has gotten progressively tighter in recent years. Shelter costs as a percentage of household income have steadily increased over the past two decades, with the poorest households devoting large proportions of their incomes towards rent.

There are approximately 180,000 units of public housing in New York City, which are owned and managed by the New York City Housing Authority (NYCHA). Despite the tarnished reputation of public housing at the level of federal housing policy discourse, New York City's experience with public housing has been, for the most part, a positive one. NYCHA houses

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2 According to the 1993 Housing and Vacancy Survey, the vacancy rate for units renting for below $500/month (almost 45 percent of all rental units in the city) was just 1.10 percent, and the vacancy rate for lower-rent units had declined since the last survey in 1991. Blackburn, *Housing New York 1993*, 8.
some of the poorest households in the city. While public housing everywhere has suffered from inadequate operating subsidies and modernization funds, NYCHA housing is generally well-managed and provides decent living conditions for its tenants. Despite NYCHA’s important contribution to the provision of affordable housing in New York, however, a great many low-income households living in private rental housing continue to face severe problems, including deteriorated conditions, high rent burdens, and overcrowding.

In addition to the public housing owned by NYCHA, there are currently nearly 30,000 occupied units and 10,000 vacant units of housing owned by the city’s Department of Housing Preservation and Development (HPD) through real estate tax foreclosure. The existence of this city-owned stock — the second largest publicly owned housing stock in the country, after NYCHA housing — stems from New York’s response to real estate tax non-payment (one of the main indicators of housing abandonment and disinvestment) during the past two decades. This response has been unique among other large cities, and has resulted in the preservation and recycling of large quantities of vacant and occupied housing abandoned by the private, for-profit sector. It has also presented unique opportunities to nonprofit housing development organizations in the city, including MHAs and CLTs.

THE IN REM HOUSING STOCK

Housing disinvestment and abandonment ravaged low-income neighborhoods in New York City during the late 1960s and throughout the 1970s, as it did in many other cities across the country. The disinvestment and abandonment process — fueled by rising housing operating costs, falling tenant incomes, and the redlining of inner-city neighborhoods by financial
institutions — was characterized by landlords' withdrawal of essential services and repairs from the building, and their failure to make payments towards the buildings' mortgages or real estate taxes. Until 1977, New York City law permitted the city to initiate foreclosure ("in rem") actions against property owners only after three consecutive years of real estate tax non-payment. In that year, however, in an effort to encourage timely payment and collect an increasingly large sum of outstanding taxes, the city council passed a new law giving the city authority to foreclose after just one year of non-payment by property owners. The result was a flood of properties coming into city ownership through foreclosure, many of them still occupied by tenants.³

This sudden growth of the city-owned housing stock prompted the organization of a new city administrative system to manage the occupied properties, and the creation of various "alternative management programs" intended to return these buildings to private sector owners. Occupied buildings vested into city ownership have normally been placed in "central management," the system through which HPD manages the buildings directly through property management offices located in each borough. "Central management" has had a consistent reputation for the poor quality of management services and repairs it provides (although it must be said that these buildings come into city ownership in deteriorated and hard-to-manage condition). From central management, buildings may be funneled into one of HPD's Alternative Management Programs, which place buildings under the management of the tenants, organized as a tenant association, a local nonprofit CBO, or a for-profit housing owner/manager. After an "interim" period of management by one of these entities, during which the building

receives needed repairs and rehab, the building is sold to the managing entity for a nominal sum. Vacant city-owned buildings have been rehabilitated and sold both to for-profit and nonprofit developers, as well.

Since the beginning of the in rem experiment in the late 1970s, the city’s ultimate goal has been to return all city-owned housing to private-sector ownership and get out of the business of owning and managing residential property. The reality, however, is that until very recently (when the city changed its foreclosure policy), new properties continued to be vested into city ownership, even as old ones were rehabilitated and turned over to tenant groups, community groups, and for-profit owners. The city-owned housing stock has thus become a long-lived, if not permanent, feature of New York’s housing market. Tenants who live in the occupied city-owned stock are some of the poorest households in the city; the median household income of in rem tenants in 1992 was only $6,420.4

The city-owned housing stock, both vacant and occupied, has been an extremely important resource for the preservation and development of affordable housing. The city has invested considerable resources towards its rehabilitation in the form of capital budget funds (particularly since the 1986 announcement of a "Ten Year Housing Plan" for New York City), and uses approximately half of its annual CDBG allocation to subsidize the management of its centrally managed stock. Nearly all the affordable housing developed by nonprofits that does not involve new construction has utilized either vacant or occupied city-owned housing through one or another of the various disposition programs.

City-owned housing has been no less important a resource to MHA and CLT groups than

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it has to the nonprofit housing community as a whole. Seven of the eight MHA groups that have been initiated in New York City, as well as the one CLT group, have used either vacant or city-owned housing for development:

- Both the Cooper Square MHA and the United Tenant Association MHA consist of occupied buildings that the city has owned since it acquired them through eminent domain under the Cooper Square Urban Renewal Plan, and the Upper West Side Urban Renewal Plan, respectively.

- The South Brooklyn MHA’s first four buildings had been in central management before they were placed in the POMP program (the Alternative Management Program aimed at for-profit owners and managers). After their POMP manager was disqualified, the buildings were funneled into another Alternative Management Program before being turned over to the MHA at the request of the tenants and the Fifth Avenue Committee (FAC). FAC is now working to bring other occupied city-owned buildings into the MHA by way of the NRP program (which disposes of in rem buildings to local community organizations).

- Although it was never a development entity, Self-Help Works Consumer Cooperative (established in the mid-1980s and now moribund) was a federation of tenant-owned cooperatives that had been created through the city’s Alternative Management Programs.

- In the Lower East Side, Peoples’ MHA and LESMHA (which later merged) both used vacant city-owned buildings for development.

- MHANY became a recipient of vacant, city-owned, small (2-4 unit) buildings after ACORN successfully organized a squatting campaign in this housing. MHANY is the only MHA in New York City that has targeted small buildings for development. All the other groups have worked primarily with larger multi-family buildings (i.e., eight units and up).

- The Rehabilitation in Action to Improve Neighborhoods (RAIN) land trust was established to hold the land under several low-income, tenant-owned co-ops, which were developed by homesteaders out of vacant city-owned buildings.

Only CATCH, out of all the MHA and CLT groups operating in New York City to date, has focused primarily on privately owned, distressed housing, rather than on the city-owned stock (although the organization would like to incorporate some city-owned housing as well).
This has proven difficult to do, because unlike housing coming out of city ownership, privately owned, distressed housing must be developed, for the most part, without the benefit of city capital budget funds or established city programs to help tenants and community groups to take over the housing. In addition, CATCH has sometimes found it difficult to get clear title to properties, while in city-owned housing, all liens are "wiped out." When the city does emergency repairs on a building neglected by its owner, it places a lien on the property for the cost of the repairs. This lien may not show up in records for months, only to suddenly "appear" in several cases after CATCH had taken ownership of a building.

The existence of city-owned housing as a potential single-source development opportunity, and the fact that, in many areas, city-owned buildings are clustered together in close proximity, have created circumstances favorable to the implementation of the integrated MHA model. Cooper Square MHA, UTA-MHA, and People’s MHA (including the former LESMHA buildings) are examples of completely integrated ownership and financial structures that are much less likely to be found outside of New York City.

THE LOCAL LEGAL CONTEXT

The local legal context within which MHAs and CLTs operate plays a role in determining their structure and can make it easier or more difficult for them to accomplish certain organizational goals. In most states, there is no legal definition for either an MHA or a CLT; these groups are structured in accordance with federal, state, and local laws governing nonprofit and business corporations, and cooperative conversion, as well as with laws applying specifically to low-income housing projects. Differences in the legal environment of each state and locality
mean that MHAs, in particular, and CLTs to a lesser extent, will be structured somewhat differently from place to place.⁵

In New York City, the majority of affordable housing developments, and all of the housing projects falling under the stewardship of the existing MHA or CLT groups, are structured as Housing Development Fund Corporations (HDFCs), which are entities established under the New York State Private Housing Finance Law to provide affordable housing to "low-income" people (although no clear definition of "low-income" is provided by the law). The HDFC structure is so commonly used in low-income housing development because it confers certain advantages and financial benefits. Among these are: the ability to purchase municipal property without public auction or sealed bid; the availability of low-cost financing; and exemption from certain taxes, including mortgage recording tax, New York State corporate franchise tax, New York City business tax, and others, as determined by the city council.⁶ HDFCs may be incorporated as not-for-profit corporations, in which residents of the housing may have membership, as opposed to ownership interest. Such housing is operated along rental lines. Or HDFCs may be incorporated as business corporations; this structure is generally chosen where the desire is to convert the housing to cooperative ownership, with residents of the housing purchasing shares and receiving proprietary leases.

A number of considerations may influence a group's choice of legal structure — both for the MHA in the case of "integrated" models, and for the member housing projects under the

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⁵ For a detailed discussion of state and local laws which affect MHAs in New York City, see Karen Sherman and Jim von Atzingen, "Mutual Housing Associations: Purposes and Structures," #5 in the Community Development Legal Assistance Center's Series of Manuals for Attorneys and Community-Based Organizations (New York: Lawyer's Alliance for New York, 1994).

⁶ See pp. 8-9 in Sherman and von Atzingen, "Mutual Housing Associations: Purposes and Structures."
group's stewardship, in the case of federated MHAs or CLTs. One of these considerations may be the effect of rent regulations upon the group's operations. If its housing is subject to rent regulation and certain landlord-tenant laws, a group may be prevented from fulfilling certain objectives with regard to:

- allocation of responsibility over management to residents
- requirement of resident membership fees (they may be seen as excess security deposits), and
- the setting of rents (where rents are set as a percentage of income).

While it is sometimes possible in a rental MHA to establish initial rents according to a tiered system of income "bands," subsequent rent increases may not exceed the allowable increments determined yearly by the Rent Guidelines Board for one and two year leases. The Lower East Side Mutual Housing Association (LESMHA), NRC's second demonstration project, was originally intended to be structured along the same lines as the original Baltimore project. Residents were to pay an initial membership fee of up to $2,500, and rents were to be calculated at 25 percent of each household's income. However, LESMHA was eventually forced to eliminate both the large membership fee and the "floating" rents, due in part to New York City rent regulations.

Unlike nonprofit HDFC rental housing, units for which shares have been issued in cooperatively owned HDFCs are not subject to rent-stabilization laws. This means that equity contributions may be required of residents, if so desired by the group, and that rents (maintenance fees) may be increased based on the cost of operating the building, rather than on the formula determined by the Rent Guidelines Board. However, it may not be feasible in a co-
op HDFC (incorporated under the Business Corporation Law) to peg maintenance charges to a percentage of residents' income, particularly if it is desired that each resident household should possess only one vote in the election of the board of directors, and governance over the corporation.  

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LOOKING AHEAD TO THE FUTURE

With shifts in city policy toward abandonment, disinvestment, and real estate tax delinquency, the overwhelming focus of nonprofit housing development groups (including MHAs and CLTs) on city-owned housing may be changing. As early as 1993, the city imposed a de facto moratorium on foreclosures. No tax-delinquent properties have been vested into city ownership since that time. And during the winter and spring of 1996, HPD has effected several legislative changes that will have the effect of seriously altering the system of tax enforcement, foreclosure, and in rem management that developed over the past two decades. These changes are designed save HPD money and relieve it of the burden of property management by phasing out HPD's role as the owner and manager of last resort for distressed housing.

Under the proposed new system, "at risk" properties would be identified in the early stages of the abandonment or disinvestment process through the use of "early warning" indicators (among them being tax delinquency), and HPD would work with owners in an effort to preserve their properties as viable. Distressed buildings with uncooperative owners would no longer be vested into city ownership, but would be transferred directly to a "responsible" new  

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7 This is because "the Business Corporation Law requires that maintenance and assessments be based on the number of shares of stock owned by the shareholder, i.e., shares of stock shall be treated substantially equally for purpose of maintenance and assessments." Sherman and von Atzingen, "MHAs: Purposes and Structures," 12.
owner, which might be either a nonprofit or for-profit entity. In this case, unless a program with adequate capital resources is set up to help rehabilitate the properties, and unless all liens on the building are wiped out, new owners may confront some of the same difficulties that CATCH is facing now. In the case of non-distressed, tax-delinquent properties, the city would sell the tax liens to private investors, who would then be able to either collect this debt, or foreclose on the properties.

Many questions remain to be answered regarding the city’s new plan. Not least among them is where the financial resources will come from to make troubled properties viable again. Whether they remain in the original owners’ hands or are transferred to a new owner, these buildings will certainly need rehabilitation, and it is doubtful whether sufficient funds will be available from the city to treat all of the distressed housing stock identified through its yet-to-be-developed early warning system. Nevertheless, the current emphasis of city policy is clearly on keeping privately owned housing in private hands. As private-sector alternatives to both city-ownership and the for-profit market, MHA and CLT groups and other nonprofits can be expected to play a role.

Another change faced by affordable housing providers, including MHA and CLT groups, is the current unavailability of tenant-based Section 8 subsidies. Groups have relied heavily on HPD commitments of Section 8 to make their projects work financially, particularly where occupied city-owned housing is used, because of the low incomes of these residents. As Section 8 availability has dried up in the wake of federal cuts, however, more and more developers of low-income housing are looking to internal cross-subsidies (from higher-income residents to lower-income ones), and the use of LIHTC to capitalize operating reserves as the only available
means of making projects work. These two trends pose potential threats to the goals and viability of MHAs and CLTs however. Use of the LIHTC tends to diminish resident control over housing resources, and the dedication of housing units to higher-income households — necessary in order to effect a cross-subsidy — calls into question these groups’ mission of housing low-income people. In addition, attracting higher-income households may be difficult in deteriorated and less desirable neighborhoods. Not only the New York City groups, but MHAs and CLTs everywhere will have to grapple with these issues in the future.
CONCLUSIONS AND RECOMMENDATIONS

MHA and CLT projects differ from each other in purpose, underlying ideology, and organizational structure. The CLT mission of land reform which places great emphasis on community control over land resources is potentially broader than that of the MHA, which limits itself to housing, and tends to define its "community" as primarily its resident population.

There is also diversity among the groups using the models — diversity in their formation, in their housing contexts, in the functions they perform and the priorities they attach to them, and in the organizational structures they adopt to accomplish their goals.

Nevertheless, MHAs and CLTs share common goals and characteristics that, taken together, set them apart from other affordable housing models. They aim to keep the housing under their stewardship permanently affordable to low and moderate income people. They are both expansionist models, seeking to bring significant amounts of land and housing under their control. Most important, they emphasize democratic control over housing resources by residents in partnership with other community members. This element of partnership between residents and non-residents — expressed in the composition of their boards of directors — is what sets MHAs and CLTs apart from other nonprofit housing entities, including limited equity co-ops and CDC-sponsored rental housing.

In their goals and attempts to balance the functions of development, management, and organizing within a single organization, MHAs and CLTs confront challenges beyond those faced by other providers of affordable, low-income housing. The groups in this study faced these challenges in different ways, some more successfully than others. But overall, the picture
of MHAs and CLTs that emerged from these groups’ experiences was one of flexible and
dynamic (though young, and not fully developed) organizations that hold out a good deal of
promise for the creation and preservation of affordable housing, resident and community control
over housing resources, and the enhancement of the quality of life in low-income communities.

ACHIEVEMENTS

All of the groups that were financially viable were meeting their missions of providing
decent, affordable housing to low-income residents. While they served a range of income
groups, from very low-income to — in a small handful of units — middle-income households,
all of the groups served primarily households below 80 percent of area median income, and in
many groups, there was a significant proportion of households that fell below 50 percent of area
median income. In their decisions about which income groups to target, groups were
constrained by the requirements of funding programs such as HOME and LIHTC, as well as by
how much income they needed to operate the housing; but many groups used these programs’
income limits as upper limits, rather than lower ones, and tried to target lower incomes than
required, where possible.

While the level of resident participation varied from group to group, the majority of
MHAs and CLTs in this study provided their residents with opportunities to exercise real control
over their housing and neighborhood environments. In many groups, residents were able to
participate in decisions that directly affected day to day life in their housing developments —
decisions about who the managing agent should be, or about who should be selected as
prospective residents for new and vacant units. A few groups, with the participation of
residents, have addressed neighborhood crime and drug-dealing problems, resulting in a safer housing environment. And at least one group has been the catalyst for a broader community organizing effort, in which MHA residents address a variety of local issues in collaboration with other community residents.

The experience of many groups in this study suggests that resident organizing and training activities can enhance the long-term viability of the housing, resulting in significant cost savings in the long run. The training that member co-op residents received from several federated MHAs and CLTs enabled them to more vigilantly supervise their managing agents, and better plan for the long-term needs of their housing developments. In all of the groups where a serious resident organizing effort was underway, residents displayed a high level of care-taking of the housing, and little or no vandalism was in evidence. And several groups achieved modest cost savings through resident "self-help," where certain management or maintenance tasks were performed by residents.

The diversity of governance and organizational structures found among the groups demonstrated the flexibility of the models, and that a number of different structures can be used successfully in different circumstances. Groups chose their structures in response to local circumstances, including the size and location of the housing stock, and the history of the housing and its residents. These structures, in turn, influenced the functions performed by the groups. There was more structural variety among MHAs than among CLTs, although CLTs accommodated a wide variety of housing tenures. The integrated MHA structure was used primarily in New York City, where clusters of city-owned buildings "naturally" invited its use, and in the NRC-initiated MHAs, because the integrated MHA was the chosen model of NRC.
Several groups using the integrated model, however, have changed or adapted it to suit changing circumstances, such as the development of new projects in relatively far-flung locations. Federated MHAs ranged from tightly knit federations, where the parent organization possessed a high level of enforcement authority over its members, to looser federations, where the role of the parent was limited to training and technical assistance to members.

CHALLENGES

Despite their ability to adapt to circumstances, and to meet important baseline goals, there were a number of challenges that the groups faced — challenges central to the kind of organizations MHAs and CLTs seek to be. The main challenges were combining organizing with management and development activities, achieving an organizational consensus about the role of resident participation, and maintaining a stable resource base to support their multiple functions.

Combining Organizing with Management and Development Activities

Groups that were able to maintain a balance between their various functions — including development, management, and organizing — were the most stable financially and organizationally. A few groups in this study expanded their development activities more quickly than either their management capacity or organizing capacity could keep up with, resulting in poor management, staff dominance, a weak board of directors, and a dearth of organized leadership among the residents. In at least one group formed out of collaboration with local government, over-rapid development was partially a response to pressures from government to
produce. Development was also seen by several groups as a way to earn fees with which to support their other functions. In practice, however, new development often created new work and new organizing needs, the cost of which the development fees did not come close to paying. For groups that did rehabilitation of occupied housing, maintaining resident cohesion and organizing efforts during the rehabilitation process proved to be a difficult challenge.

**Achieving an Organizational Consensus About the Role of Resident Participation**

The groups' interpretations of "resident participation," and understandings of the goals of resident organizing varied. Some groups lacked clarity and consensus about these issues. In some, organizing activities were directed at fostering resident involvement in management tasks. Others stressed resident control over the governance of both the housing and the corporate affairs of the MHA or CLT. These groups used resident organizing and training activities to give residents the skills and knowledge they needed to exercise this control. In a few groups, the different partners in the organization had clearly not reached agreement about how much control residents should have — on either the housing or the corporate level.

Where organizational partners shared an understanding of the group’s mission — particularly with regard to the role of resident participation — they were more likely to achieve their goals. In several groups that had not achieved consensus about the role of resident participation, residents received conflicting signals that sometimes led to frustration and a decline in participation. In these groups, organizers tended to be unsure about their roles, or felt their efforts received little recognition or support. In contrast, where groups had thought through the resident participation issue, organizers had a clear direction and succeeded in engaging residents.
Maintaining a Stable Resource Base to Support Their Multiple Functions

MHAs and CLTs, particularly early in their organizational lives, require a larger income stream than do other nonprofit housing entities to cover the extra cost of their resident and community organizing. All of the groups in this study struggled to secure and maintain the resources necessary to support this function. MHAs and CLTs, as expansionist models striving to maximize efficiency and economies of scale, have been perceived by many housing advocates as promising the eventual attainment of "self-sufficiency" — that is, the ability of the group to support all its functions through management and development fees. In practice, however, none of the groups achieved this goal, even where they have been able to develop a fairly large number of units. Some groups have had higher-than-anticipated housing maintenance costs, particularly where the housing stock was older, and not gut-rehabilitated. Groups that serve significant numbers of poor residents have refrained from raising housing charges to the level needed to cover organizational costs, in an effort to keep the housing affordable to its occupants. For all of the groups, the resident organizing and training functions they perform represent an extra cost, which requires some form of additional funding beyond management and development fees, membership dues and ground lease fees.

Where groups did not devote staff resources to resident or community organizing activities, organizing did not happen, and resident and community participation suffered. While only a small handful of groups had no staff position dedicated to organizing, it was these groups that suffered the most serious organizational and financial difficulties. If factors such as the withdrawal of crucial funding and overdevelopment hurt, too, the lack of resident participation exacerbated them.
The majority of groups succeeded in enhancing their base of support and their access to resources, both through broad community organizing efforts, and by building community and political linkages into their boards of directors. A few groups succeeded in developing a high level of recognition and a broad base of support in their communities, both through their housing-related activities, and through collaboration with other groups around neighborhood improvement projects. These groups were in the strongest position to attract the funding and political support they needed to sustain themselves. The majority of groups attempted to garner the support of local institutions and public agencies by having representatives from these institutions serve on their boards of directors. The degree to which this strategy was successful depended on the degree to which the group was able to educate its "public" board members about the MHA or CLT concept, and the degree in which those board members "bought in" to the group's mission.

Factors Influencing Group Successes in Meeting Goals

A number of factors influenced how well the groups in this study were able to balance their functions, realize their goals, and meet the challenges described above:

Prior Organization

MHAs and CLTs that evolved out of an existing resident group with some common history tended to have an easier time in establishing a sense of community and shared endeavor early on than groups which began with no existing resident base. Groups that began with vacant housing or new construction available at the outset, or even with occupied housing where there was little history of resident organization, were faced with the task of having to "create" community where none existed before. However, formation out of an existing resident base was not a guarantee of long-term success, particularly if ongoing resident organizing and training were absent.

Organizing History

The context out of which the groups were initially formed — whether characterized by
confrontation with government by mobilized residents or by collaboration between housing advocates and the public sector — influenced their subsequent development. Several groups that developed out of a tradition of oppositional organizing (whether against an urban renewal plan, or against a city administration neglectful of the housing shortage) had difficulty in making the transition from oppositional organizing to an organizing style aimed at the development of democratic decision-making structures for resident control. These groups also tended not to have extensive housing development and management experience, and had to struggle to develop this expertise quickly. Groups formed in collaboration with local government benefitted — at least initially — from strong public support. But this support was not always permanent, and some groups were hurt by the need to conform to government’s expectations and development agendas.

Housing Conditions
Whether the housing in the MHA or CLT was new or rehabilitated, and whether it had chronic maintenance problems greatly affected groups’ ability to focus on organization-building and resident education in governance. Where immediate housing problems had not yet been addressed, promoting democratic control and reaching out beyond housing to the larger community proved difficult.

Local Housing Market
MHAs and CLTs need a market for their housing in order to survive financially and organizationally. A couple of groups were seriously destabilized by changing local market conditions, in which decreased demand for their housing led to high vacancy rates. Vacancies and high turnover rates hurt the groups financially, and made it difficult to develop a stable resident base. One or two other groups experienced trouble finding a "niche" amidst competition from other, established nonprofit housing groups.

Rate of Development
Whether or not groups had ample opportunities to develop housing influenced their ability to reach an "economic" scale, as well as a scale that could generate a critical mass of resident leadership. While a "self-sufficient" scale — i.e., a scale at which all of a group’s functions could be supported through management and development fees — proved elusive for all the groups, many groups that had ample development opportunities were able to achieve some economies of scale. Those that were not able to develop much housing remained more dependent on organizational support funding and often had trouble developing a core of leadership from their thin resident base.

Skilled Staff
The knowledge and skills, personalities, and commitment to resident control on the part of the staff — particularly the executive director — had a large impact on the groups’ stability and ability to accomplish organizational goals. In a couple of cases, staff lacked the necessary skills in fundraising, housing development, management, or administration to keep the organization viable. In all of the groups, staff had enormous influence on the organizational culture of the group, and on whether decision-making processes were seen by residents and other
participants as democratic and inclusive, or as arbitrary and exclusive.

Resident Organizing

Groups with resident organizers on their staffs had greater resident participation in both the housing and corporate affairs of the MHA or CLT. While the presence of organizers did not guarantee broad resident participation, the absence of organizers predicted a corresponding lack of it.

Finally, in addition to all the above factors, whether or not the different actors within a group shared a common understanding of the group’s mission made a world of difference in the group’s ability to achieve its goals. Where group participants shared a clear sense of what they wanted to accomplish, they were better able to weather conflicts and implement plans.

Prospects for the Future: Threats and Opportunities

The current environment of shrinking resources for affordable housing overall, and of "devolution" of responsibility for affordable housing from the federal to the state and local levels, and from government in general to the private sector, presents both threats and potential opportunities for MHAs and CLTs.

Due to cut-backs in Section 8, MHAs and CLTs face severe threats to the viability of the housing stock under their stewardship. Several groups in this study face the expiration of project-based Section 8 contracts for their housing developments. More than half the groups face the possibility of dramatically reduced revenues to pay for housing operating costs and the inability to fill vacancies, as the supply of new tenant-based Section 8 dries up.

These groups also face threats to their organizational viability due to increased pressures on sources of funding for general organizational support. All of the groups depend on funding from sources other than housing management and development fees in order to carry out their
various functions. These sources including CDBG allocations, foundation grants, and HOME and LIHPRHA technical assistance contracts. As federal resources for affordable housing shrink, increased pressure will be put on the programs and resources that remain. In addition, MHAs and CLTs will be able to do less development — and generate fewer development fees — in the absence of Section 8 commitments.

In the face of Section 8 cuts, many groups are looking to create internal cross-subsidies through income-mixing as a way to preserve existing housing and to support future housing development. A few groups in this study — most notably the NRC-initiated ones — aimed for a fairly broad income mix from the outset. Several other groups have revised their original income targets in the face of disappearing subsidy commitments. But increased reliance on income mixing poses a challenge to MHAs’ and CLTs’ mission to house low-income people. In addition, the strategy will not work in every neighborhood and may prove vulnerable to changing market conditions. Groups working in gentrifying neighborhoods, or in locations where the overall housing market is very tight (for moderate-rent as well as low-rent units) will probably have an easier time marketing units to higher-income households than will groups whose housing is located in deteriorated, less desirable neighborhoods. But even where cross-subsidy schemes are successfully implemented initially, they may disintegrate in the face of loosening vacancy rates, or increasingly affordable homeownership opportunities.

In spite of these threats, however, MHAs and CLTs, as private-sector models, are potentially well positioned to take advantage of today’s environment of deregulation and privatization. If adequate rehabilitation and operating subsidies are made available, these groups could receive deregulated, government-owned and -subsidized housing developments, including
converted public housing projects, troubled FHA properties, other privately owned, federally subsidized projects where income and affordability restrictions are expiring, and tax-foreclosed, city-owned housing. MHAs' and CLTs' investment in resident organizing, training, and capacity-building greatly improves the chances that the housing under their stewardship will remain stable and viable — and therefore less costly — over the long term. In addition, the fact that MHA and CLT housing remains permanently outside of the speculative market means that public investments in these projects — whether in the form of rehabilitation costs or rental subsidies — are preserved in perpetuity.

As relatively young models, which represent only a very small portion of the total stock of "third sector" housing, MHAs and CLTs will have to build on the resources already available to them in order to expand upon their successes. Substantial benefits could be reaped from increased information-sharing and mutual assistance between MHA and CLT groups; ICE and NRC may have increased roles to play in fostering these networks. NRC has already assisted a number of MHAs through its NeighborWorks Network, through which groups may access NRC's training and technical assistance services, as well as financial assistance in the form of development loans and grants, and limited grants to support general staff expenses and organizing activities. ICE already provides technical assistance to CLTs across the country and also provides development loans to CLTs and other housing groups through its revolving loan fund. In 1994, ICE also launched its "PARCC Housing Initiative," which aims to educate community groups and public officials about permanently affordable, resident- or community-controlled" housing, including MHAs, CLTs and limited-equity co-ops. Working together, ICE and NRC could probably do more to foster regional networks of MHAs and CLTs.
POLICY RECOMMENDATIONS

At a time when resources for affordable housing are shrinking, public support for these groups is a sound investment for a number of reasons.

Resident and community oversight of housing resources — built into MHAs' and CLTs' governance structures and "made real" through ongoing organizing and education — greatly increases the chances that the housing under their stewardship will remain stable and viable over the long term. As private-sector local organizations with close links to their home communities, MHAs and CLTs are in a better position to play this "shepherding" or care-taking role than are large government agencies. When affordable housing projects fail, the public ultimately bears the cost, whether in the form of rebuilding and replacement of the housing, or in the form of social costs generated by the housing insecurity and homelessness of displaced low-income households. Public investment in MHAs and CLTs, and in their resident organizing efforts, can be regarded as insurance against such failure.

MHAs and CLTs should also be attractive as beneficiaries of public and private support because they keep their housing permanently outside of the speculative market, thus preserving subsidies in perpetuity. The "expiring use" crisis in HUD-subsidized, private, for-profit rental housing has proven how expensive time-limited affordability restrictions can be. MHAs and CLTs — if provided with adequate support — promise to provide decent housing to low-income households for generations to come.

But support for MHAs and CLTs constitutes support for more than decent, affordable housing alone. As the experiences of several groups in this study demonstrate, the resident and community organizing activities of MHAs and CLTs have the potential to reduce crime, improve
neighborhood conditions, and enhance civic life at the community level. Moreover, MHAs and CLTs open up a greater range of housing choice to low-income households than that which exists between traditional rental tenure and traditional homeownership, and they provide the support systems that low-income residents need in order to exercise greater control over their housing.

Public policy should encourage the expansion of these young but promising experiments, both by supporting existing MHAs and CLTs, and by creating new groups. Government and other funders must recognize that MHAs and CLTs require a higher level of investment — particularly in their early stages — than do groups whose sole concern is "bricks and mortar" development.

Following are specific recommendations for maximizing the potential of MHAs and CLTs.

- Government financing programs should build in support for the resident-organizing function.

There is evidence that investment in resident and community organizing activities can pay off over the long term through the increased stability and viability of the housing.¹ Support for organizing activities could be built into MHA and CLT housing projects by subsidizing them on an ongoing basis to a level that would create a "surcharge" above the costs of normal maintenance and operation. Maintaining and expanding support for the AmeriCorps and VISTA volunteer programs, which supplied a number of the groups with program staff, can also help

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¹ A 1995 survey of nearly 3,000 tenants in 500 city-owned and formerly city-owned buildings in Brooklyn, New York found that the presence of an organized tenant population in a building was correlated with better building conditions. Michele Cotton, David Reiss and Susan Saegert, No More "Housing of Last Resort" (New York: The Task Force on City-Owned Property, 1996), 63. This finding supports the conclusion that resident organizing may preserve housing and save money over the long run.
MHAs and CLTs carry out their organizing function.

- **Adequate operating subsidies are crucial to MHAs’ and CLTs’ survival and success.**

  Like other providers of affordable housing, MHAs and CLTs cannot serve low and very low-income households in the absence of ongoing operating subsidies. These households’ incomes are simply too low to enable them to pay housing charges that cover basic maintenance and operating costs. Many groups currently rely on tenant-based Section 8 subsidies to maintain the viability of their housing, and of themselves. While a greater degree of income mixing will allow some groups to effect a cross-subsidy from higher to lower income households, cross-subsidy schemes cannot work in every project, and are vulnerable to changing market conditions.

- **Local governments should assist in accessing development opportunities.**

  Given that MHAs and CLTs strive to reach an "economic" scale, government should seek ways to direct the necessary development opportunities to these groups. Particularly in cities where the municipality owns or controls tax-foreclosed housing (New York, but also Philadelphia and Boston to some extent), this housing stock can be a valuable resource for MHA and CLT groups. Development opportunities and housing resources may also be directed to the MHA or CLT through regulation. In Burlington, Vt., an inclusionary zoning ordinance requires developers of market-rate housing to include a percentage of affordable units, and gives preference to "designated housing agencies," (of which the Burlington CLT is one) to acquire these units at below market price.\(^2\) In Washington, D.C., a law giving tenants the first right

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\(^2\)John Emmeus Davis, "Building the Progressive City: Third Sector Housing in Burlington." In *The Affordable City*, 182.
to purchase their building in the event of a sale has facilitated the conversion to limited equity co-op ownership of several properties that are now under land trust stewardship.³

- **Government financing programs should promote maximum resident participation in development.**

  When government funds MHA and CLT housing development projects, this should be done in such a way as to allow residents and prospective residents maximum involvement in the development process. Participation in the development process increases resident feeling of "ownership" in the housing, helps develop the MHA or CLT community, and provides a training ground where residents and prospective residents can gain valuable knowledge and skills about the physical plant, how to budget for the management and operation of the housing, and group decision-making processes. Participation in development also increases the likelihood of resident satisfaction with the final product and can help protect the MHA or CLT and its residents from the consequences of shoddy construction work.

- **Government should promote the greater use of MHAs and CLTs to take over existing affordable housing threatened by the expiration of subsidies and affordability restrictions.**

  Hundreds of thousands of units of affordable, low-income housing are currently threatened by the expiration of federal subsidies and affordability restrictions. Allowing this housing to revert to the private, unregulated market will result in mass displacement of low-income households, the loss of precious housing resources, and billions of dollars of public

³Interview with Duryea Smith, District of Columbia Department of Housing and Community Development, October 19, 1995.
investment. With the necessary resources made available, MHAs and CLTs are ideally situated to receive this housing and guarantee its permanent affordability in the future. Government should facilitate the transfer of this housing to existing MHAs and CLTs, and should encourage the formation of new MHAs and CLTs for this purpose where appropriate.

- **Government should provide capital grant financing for MHAs and CLTs.**

  Financing housing through capital grants rather than loans drives down operating costs and enhances the affordability of the housing, a principle already recognized by the federal government in the construction of public housing. Capital grant financing can allow MHAs and CLTs to serve lower-income housing and free up income from housing charges to support resident organizing, training, and other community-building activities.

- **Recommendations for New York City: Support the expansion of existing MHAs and CLTs, and the creation of new ones where appropriate.**

  The large stock of city-owned housing in New York — both vacant and occupied — presents unique and appropriate opportunities to implement the MHA and CLT models. For occupied buildings, these models represent an alternative for residents to the existing disposition programs. The MHA model allows residents greater control over their housing than they would enjoy under a private owner — either nonprofit or for-profit — and allows them to avoid some the risks and responsibilities associated with individual co-op ownership through the TIL program. Several tenant groups in city-owned or formerly city-owned buildings have already chosen the MHA model as one uniquely suited to their needs.

  Both the MHA and CLT models are well-suited to play a role in HPD’s Building Blocks!
strategy for neighborhood revitalization, which emphasizes the disposition of clusters of city-owned buildings, and the comprehensive treatment of entire blocks in distressed neighborhoods. Where city-owned buildings are clustered within a defined neighborhood, an MHA or CLT entity would be in a good position to take advantage of scale economies. For small (1-4 units) city-owned buildings, which under existing disposition programs are aimed at individual, full-equity ownership, a land trust arrangement could be particularly appropriate. Such an arrangement would allow owner-occupants a high degree of autonomy while providing them with support services, and keep the housing affordable for future generations of low-income households.

The city’s current housing policy emphasizes the reduction of HPD’s historical role as the "landlord of last resort," and the preservation and maintenance of affordable housing within the private sector. Now, more than ever, there is a need for private sector entities, accountable to their communities, that can receive city-owned and distressed, tax-foreclosed private housing designated for transfer to a "third party," and steward this housing over the long term. HPD has already embarked on a number of experiments with the MHA and CLT models. The agency has a direct interest in ensuring that existing organizations receive the support and development opportunities they need to successfully maintain their existing stock, and to expand. The formation of new MHA or CLT entities, where appropriate, should also be supported and encouraged.

CONCLUSION

Although they are relatively young models, and are still not broadly used, MHAs and
CLTs hold a great deal of promise for the creation and preservation of affordable housing, and the revitalization of low-income communities. In their guarantee of long-term affordability, and in their attempt to build partnerships between residents, communities, and the public sector, these groups respond to a number of problems inherent both in past government housing programs, and in other nonprofit housing models. By building on their accomplishments, and learning from their experiences — both their successes and their challenges — communities, advocates and government can together expand upon these promising beginnings.
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APPENDIX A
Study Methodology

Sample Selection
Because of CSS's focus on New York City, and the aim of the present research to serve both a national interest and a local one, two sets of MHAs and CLTs were targeted for the study: a study sample from around the country, and the universe of groups in New York City. The only criteria for inclusion of groups in New York City were that they were MHAs and CLTs, and that they primarily served low- and moderate-income residents.

Resources limited the sample selection to nine urban areas outside of New York City.

The first step in the selection process was a survey of the universe of MHAs and CLTs, drawn from NRC publications, ICE publications, and other printed material, such as newspaper articles, and the Mutual Housing News, a newsletter of the National Mutual Housing Network, which existed for several years in the 1980s, with a home at the National Low-Income Housing Coalition.

A "first sift" of the universe took out of consideration those MHAs or CLTs that operated primarily in suburban or rural areas. After this, a phone survey was conducted with over 40 remaining MHAs and CLTs in which information concerning neighborhood housing market conditions, the type of housing in the MHA or CLT, income groups served, and funding sources was sought. Along with this, some general information about each city was culled from census data.

From this phone reconnaissance, a smaller group was selected on the basis of conditions that more closely resembled those in New York City: tight rental markets, an MHA or CLT working with multiple unit housing, serving primarily low-income residents, and in neighborhoods facing disinvestment, abandonment, or gentrification threats.

The final group was chosen to represent a mix of issues, a mix of market conditions, a mix of structures, and a mix of "strong" and "weak" groups.

As the research progressed, the study sample changed several times. One group had ceased to function too long ago to reliably be able to find participants to interview. Another group, the California Mutual Housing Association, was counted as two groups, because of the largely independent functioning of their northern and southern offices.

Field Interviews
This study included as many "players" in each partnership as possible:
- residents, both boardmembers and non-boardmembers
- community members on the board
- staff
- local government contacts
- other local groups with which the MHA or CLT had worked, or was working
- technical assistance providers and funders and lenders.

Field visits to each of the non-New York City sites were scheduled and arranged with as many partners as possible. The interviews were open-ended interviews, following a general agenda of issues based on the major points of inquiry, and on prior information about the group.

A follow-up visit was arranged for most of the non-New York groups at a six month interval from the initial visit, in order to fill gaps or update information.

The New York groups were interviewed in a less concentrated manner because of our ready access to them. Extensive interviews were set up with most of the groups except for three, two of which — Self-Help Works Consumer Cooperative and RAIN CLT — had few active participants. The partners who were involved in the third non-independently-functioning MHA, LESMHA, were interviewed as a result of their continued work with People's MHA, with which LESMHA merged.
APPENDIX B
Profiles of the Study Group

BOSTON CITYWIDE LAND TRUST (BCWLT)*

Location: Boston, MA; city-wide.

History: Founded in 1985 by a group of CDC directors and affordable housing practitioners who worried that there were not adequate safeguards against speculation for the affordable housing being produced. The land trust was originally conceived of as a coalition of CDCs which would not do its own development, but would hold the land beneath CDC-developed projects, and guarantee permanent affordability through public stewardship. In practice, BCWLT has deviated from this original goal somewhat, and has taken on the development of threatened housing where no local CDC was available. It has also undertaken its own projects due to the reluctance of some CDCs to cede control over their projects, and BCWLT’s need to generate income through development. The majority of BCWLT’s development has been of “special needs” housing.

Neighborhood Characteristics: BCWLT works in a number of neighborhoods, most of which are low-income, and predominantly minority.

Local Housing Context: Differs from neighborhood to neighborhood; but most neighborhoods where BCWLT is active have experienced significant abandonment and disinvestment, and some are feeling gentrification pressures. Housing stock is mixed, from small multi-unit to larger apartment buildings.

Organizational Structure: CLT; does not conform to the ICE model. Owns both the housing and land in the case of its “special needs” projects, which it leases to social service organizations. Holds the land beneath several projects developed by CDCs.

Board Structure: The majority of board seats are held by CDCs and city-wide housing advocacy groups. The bylaws allow for one third of the board seats to be held by “resident-users” of land trust housing, but do not require this number of resident representatives. There is currently only one resident representative on the board, drawn from a scatter-site, BCWLT-owned project that has not yet been converted to cooperative ownership.

Type and Scope of Development: BCWLT has developed a niche as the “developer of last resort,” taking on projects that no one else wants, or that do not fall into anyone else’s catchment area. Most development to date has been special needs projects (supported SROs, AIDS housing, etc), which BCWLT develops and leases to social service agencies to manage. They have done one resident-initiated project: a buyout of a speculating landlord, with the intention of conversion to cooperative ownership (this conversion hasn’t happened yet). Their newest development effort involves the buyout of deteriorated housing in a Latino neighborhood in Chelsea. BCWLT also plays the underlying land trust-public steward role for a couple of developments owned by CDCs.

Income Groups Served: Low-income. In its co-op project, many residents are very low-income, and dependent on rental subsidies.

Development Financing: Sources include CDBG, LIHTC equity, and Housing Innovations Fund (State money). BCWLT used state “707” rental subsidies (a Massachusetts version of Section 8) in its co-op project, but cut-backs in that program have hurt the project, and forced a financial restructuring of it.

Other Funding: Operations are supported largely through development fees and asset management fees from projects.

Achievements and Challenges: The staff is generally praised as very skilled and competent. However, it is a small staff, and almost overextended. BCWLT wants to play the public stewardship/land assembly role as originally envisioned, but the reluctance of CDCs to cooperate and the prohibitive cost of land assemblage present barriers to this goal.

* Usually, Boston Citywide Land Trust is known as BCLT. But for the sake of clarity, we have used BCWLT to distinguish it from the Burlington Community Land Trust in Burlington, Vermont.
**Location:** Burlington and Chittenden County, Vermont.

**History:** Founded in 1984 with help from Progressive Coalition Mayor Bernie Sanders' administration, and technical assistance from ICE. Initial focus was revitalization of working class "Old North End" of Burlington. BCLT acquired mostly occupied housing in this area, with the intention of converting it to individual and cooperative "land trust" homeownership. However, many existing residents could not afford or were not interested in ownership, and BCLT has continued to own and manage a sizeable stock of rental housing, seeing a need for a "good landlord" in the neighborhood. BCLT has also developed a single-family homeownership program for Chittenden County, and in 1990, it helped found the Champlain Valley Mutual Housing Federation (CVMHF) to develop and support co-ops. The two groups are now in the process of affiliating; the CVMHF will contract with BCLT for staff functions in order to save overhead and reduce duplication of effort.

**Neighborhood Characteristics:** The Old North End is a traditionally low-income, working class, and somewhat deteriorated neighborhood.

**Local Housing Context:** The Old North End suffers from absentee landlordism, poor maintenance, and faces gentrification pressures, and competition for housing from students. Housing stock is mixed within Burlington, with mostly single-family and small (2-4 units) multifamily housing.

**Organizational Structure:** ICE-type CLT, organized as an open membership organization, with a tripartite board.

**Board Structure:** Board is composed of one third leaseholders (includes homeowners, co-ops, and rental tenants), one third "public," and one third "community at large" representatives.

**Type and Scope of Development:** Rental Housing: BCLT owns and manages about 100 units of rental housing in Old North End (acquired through purchase and rehab). Single-Family Homeownership: Holds ground leases for 150 single family homes. "Homeland" program allows buyers to pre-qualify for mortgage, find home of choice, and deed land to land trust. BCLT has also developed and marketed some new construction homes. Cooperatives: Holds ground leases for eight small (2-3 units) co-ops, and one large (30 unit) new construction co-op.

**Special Needs Housing:** A youth residential facility and temporary housing facility, developed for 2 social services organizations, and an SRO for formerly homeless women, run by BCLT.

**Commercial:** 4 buildings housing non-profit organizations.

**Income Groups Served:** Single-family homeowners are around 80 percent of area median income. Rental tenants are lower-income, with some working, and some on public assistance. Co-op residents are nearly all low-income.

**Development Financing:** Sources include Vermont Housing Conservation Board (housing trust fund grants), Vermont Housing Finance Agency (below-market loans), HOME, CDBG, LIHTC, Vermont National Bank loans. Some tenants have portable Section 8, and the large co-op has a few project-based Section 8 subsidies. To develop the commercial buildings, BCLT and other non-profits collaborated on a capital campaign, raising funds from a variety of private sources.

**Other Funding:** To support staff salaries and general operations, BCLT depends largely on capacity grants from the city (CDBG), from the Vermont Housing Conservation Board, and from the Burlington Housing Trust Fund, as well as on some foundation grants. Fees generated by development also support its activities.

**Achievements and Challenges:** BCLT has developed considerable expertise in development and management, and is an important, well-respected piece of Burlington’s affordable housing delivery system. Its major challenges/threats are posed by federal cuts in Section 8, and other programs, and by diminished development opportunities in the future.
CALIFORNIA MUTUAL HOUSING ASSOCIATION (CMHA)

Location: Statewide, with a Northern regional office located in the Bay Area, and a Southern regional office in L.A.

History: Founded in 1991 by Allan Heskin, a planning professor at UCLA, and David Kirkpatrick, a legal services lawyer. The goal was to create a training and technical assistance organization which could both serve older, existing low-income co-ops, and assist tenant groups struggling to gain control over their housing. A number of the existing co-ops in the Bay Area were experiencing management and financial problems. L.A. had fewer existing co-ops, but had many privately owned, federally subsidized developments where tenants were threatened by the expiration of subsidies and affordability restrictions. The northern and southern branches of CMHA developed on fairly separate tracks, and their differences were recently formalized through separate incorporation. However the state-wide CMHA remains as an umbrella group, linking the Northern and Southern regions, and acting as a conduit for funding.

Neighborhood Characteristics: There is huge variety among the neighborhoods where CMHA-assisted projects are located. However, most of them are predominantly low-income, often with predominantly minority populations. Many of the residents with whom CMHA South works are immigrants from Mexico and other parts of Latin America.

Local Housing Context: Again, there is a huge variety. Some projects are located in deteriorated areas, while others are located in middle-class or upscale areas, where gentrification is a threat. In and around L.A., the cancellation of subsidies and affordability restrictions in privately owned, federally subsidized rental projects looms as a major threat to affordable housing.

Organizational Structure: Two (North and South) separately incorporated, loosely federated MHAs, and a statewide umbrella organization. Resident-controlled housing entities, and resident groups seeking to gain control over their housing make up the membership.

Board Structure: Each region is governed by a seven-member board, consisting of five resident representatives from member developments, and two "public interest" members. The two regional boards combined make up the statewide board.

Type and Scope of Development: CMHA's primary mission is to develop "human infrastructure," not "bricks and mortar." To this end, it has provided training and technical assistance to dozens of groups statewide, to some more intensively than others. However, the group has taken on the role of developer in several cases, in order to assist residents in gaining control over their housing. Projects include the conversion to cooperative ownership of a city-owned building in L.A., and the conversion to resident-controlled, non-profit ownership of several HUD-subsidized projects in L.A. through LIHPRHA.

Income Groups Served: The great majority of households in CMHA-assisted projects are low- and moderate-income (below 80 percent of median area income).

Development Financing: For projects in which CMHA plays a developer role, sources of financing include LIHPRHA funds, LIHTC equity, and City of Los Angeles CDBG funds.

Other Funding: Main source of funding to support staff and operations is a HUD contract to provide technical assistance to CHDOs under the HOME program. Other sources include LIHPRHA TA funds, training funds built into projects financed by SAMCO (an coalition of banks formed to lend for affordable housing), and small foundation grants.

Achievements and Challenges: In general, the organization takes the concept of resident control very seriously. CMHA South has talented and dynamic staff, and is working with numerous resident groups who are excited about controlling their housing. The main threat here is future cuts in LIHPRHA funding. CMHA North has taken longer to find a focus, and has had to work out some organizational and inter-personal problems. Its challenge, which it has been more aggressively addressing since late 1995, is to develop an active membership base and to identify more projects to work on. Since late 1995, CMHA North has also begun to work more closely with CMHA South.
Location: Burlington and Chittenden County, Vermont.

History: Founded in 1990, after the Burlington Community Land Trust, the Community and Economic Development Office, and the City of Winooski jointly hired a consultant to develop co-ops in small BCLT-owned rental buildings in Burlington, and similar properties in Winooski. The Mutual Housing Federation was created as the vehicle for development, training and technical assistance to the co-ops. Since its founding, the MHF has facilitated the development of eight small (2-3 unit) co-ops in Winooski and the Old North End, and three larger (20-30 units) new construction co-ops. The MHF is currently in the process of "affiliating" back with BCLT by turning over its staff, and contracting back staff functions, in an effort to reduce overhead, and to avoid duplication of functions.

Neighborhood Characteristics: See BCLT

Local Housing Context: See BCLT

Organizational Structure: Federated MHA. Co-ops are incorporated separately, but sign membership agreement and pay dues to the MHF. Member co-ops' mortgages are "passed through" the MHF, and their reserves are held in trust by the MHF. The MHF also holds a durable power of attorney to take over management of the co-ops if their actions jeopardize the physical or financial integrity of the housing. As part of the MHF's "affiliation" with BCLT, MHF staff will become BCLT staff, and the MHF will become an organization with a board, but without a staff of its own.

Board Structure: Resident representatives elected from the member co-ops hold five of the nine seats on the board; one seat is held by a prospective resident from a co-op in formation; and three seats are held by "public interest" representatives. The BCLT affiliation will not change this structure.

Type and Scope of Development: The MHF's mission is to develop the "human infrastructure" necessary for co-ops through resident training, organizing and technical assistance, leaving most of the "bricks and mortar" development to BCLT and other non-profit organizations. The small co-ops continue to need extensive help with management on an ongoing basis. CVMHF also helped to develop three large (20-30 units) new construction co-ops, recruiting residents for these projects early on, and organizing and training them throughout the development and selection process.

Income Groups Served: Nearly all co-op residents are below 80 percent of area median income. In the larger co-ops, at least half the units are affordable to households at or below 50 percent of median income.

Development Financing: Sources include grants from the Vermont Housing Conservation Board, CDBG and HOME grants and loans, and conventional mortgages. Two of the three larger co-ops use LIHTC equity.

Other Funding: CVMHF has funded staff salaries and general operations through member co-op dues and capacity support from the Vermont Housing Conservation Board, City CDBG allocations, and Burlington Housing Trust Fund grants. Maintaining operational funding to support its functions has not been easy, which is part of the reason for the affiliation with BCLT currently under way.

Achievements and Challenges: CVMHF has done a good job building the "human infrastructure" in the co-ops. However, several of the small co-ops have proven to be chronically unstable, and in need of intensive hand-holding by CVMHF staff. The MHF's main challenges are stabilizing the small co-ops so that they consume less staff time and energy, and maintaining a strong voice for co-ops while contracting with BCLT for staff functions.
COMMUNITY-ASSISTED, TENANT-CONTROLLED HOUSING (CATCH)

Location: New York City: currently working to set up local MHAs in Central Harlem, Washington Heights, and Crown Heights (Brooklyn).

History: Formed in 1991 to stabilize and convert to tenant ownership privately owned, financially distressed properties, CATCH is a collaborative effort among ten citywide housing advocacy and technical assistance groups. Leadership moved from the now-defunct Urban Coalition Housing Group to the Parodneck Foundation for Self-Help Housing and Community Development in 1994. The United Housing Foundation, which oversees the development of thousands of units of union-sponsored cooperative housing in New York City, provided seed money for CATCH, and currently provides staff and organizing resources.

Neighborhood Characteristics: The three neighborhoods in which CATCH works are distinct, but all have very low median incomes. Central Harlem is over 90 percent African American, whereas Washington Heights is primarily Latino, with the predominant group hailing from the Dominican Republic. Crown Heights has a mainly African American, Carribean, and Latino population.

Local Housing Context: All three neighborhoods in which CATCH is active have experienced a lot of disinvestment, due in part to real estate speculation and excessive debt. CATCH targets privately owned, financially distressed housing in danger of foreclosure or abandonment.

Organizational Structure: CATCH is a second-tier organization made up of member MHAs and of the member organizations that form its technical and financial support base. The structure of the member MHAs and their relation to CATCH are, at this writing, still being decided. The Central Harlem MHA is now an integrated MHA, but the Washington Heights and Crown Heights MHAs are likely to become locally based federated MHAs, as their buildings are separately financed and have little interest in becoming financially linked. CATCH will be responsible for development and fundraising, will provide technical assistance, and financial oversight of the MHAs. The MHAs will be responsible for bulk purchasing, establishing waiting lists, hiring and overseeing management, and oversight of their member buildings.

Board Structure: Currently, CATCH’s board is made up of representatives from each of the ten citywide organizations that contribute to the CATCH effort and two appointed resident representatives. Eventually, representatives from each of the member MHAs and from MHAs in development will be elected to serve on the board, and will comprise a majority of the 21 seats.

Type and Scope of Development: CATCH is currently overseeing rehabilitation of ten buildings in three neighborhoods. A total of 150 units are now under CATCH and its local MHAs. All of the rehabilitation is in-place rehabilitation.

Income Groups Served: Most of the residents of CATCH buildings are low income, and most qualify for Section 8. Due to cutbacks in Section 8 allocations, CATCH will have to market some of its units at market rates.

Development Funding: Federal HOME money, an array of financing from banks, the Parodneck Foundation, and the Low Income Housing Fund, the CSS Program Loan Fund, and the city Participation Loan Program have been used for acquisition and rehabilitation.

Other Funding: Operational funding for the buildings in CATCH comes from the rents paid by the residents and from fundraising and development fees. UHF and Parodneck pay for staff support.

Accomplishments and Challenges: CATCH has purchased and has begun to stabilize 11 buildings, and has begun to set up local MHAs with — in Crown Heights and Washington Heights — the participation of two established neighborhood advocacy groups. Its current challenges are to increase resident “buy-in” to the MHAs and CATCH, to move towards resident control in all the local MHAs, and to be seen as something other than a “landlord” in some of the more distressed properties.
Location: New York City, Lower East Side.

History: Grew out of the Cooper Square Committee, a group that fought the displacement of neighborhood residents by urban renewal plans, beginning in 1959. After over 25 years of deterioration and deadlock, the Committee requested help from the Pratt Institute Center for Community and Environmental Development (PICCED) in negotiating a development plan with the city. Five years of negotiation followed. The MHA was formed in 1991 as an entity to oversee the rehabilitation of, manage, and preserve affordable housing in the neighborhood, according to a Memorandum of Understanding reached with the city in 1990. Since this time, it has overseen the rehabilitation of nineteen buildings, ten of which were completed and transferred from city- to MHA-ownership in the Summer of 1996.

Neighborhood Characteristics: A predominantly poor, ethnically-mixed neighborhood, with a large Latino population, and smaller, older Ukrainian and other eastern European populations. Borders on several higher-income neighborhoods, and has felt pressures to gentrify.

Local Housing Context: Primarily turn-of-the-century, 5- and 6-story tenement housing. There is some disinvestment in the immediate area, and a lot of abandonment — now being reversed — to the East. The Cooper Square MHA buildings were owned by the city for over 25 years, and poorly maintained.

Organizational Structure: Integrated Cooperative. Residents will own shares, elect Resident Council representatives, and serve on board committees. Now entering an interim stage in which there will be two MHA organizations, a nonprofit to oversee the management and rehabilitation, and a cooperative to own the housing. This will be done to adhere to funding requirements. There is also a Land Trust, which will hold title to the land under the housing, and enforce the MHA’s long-term affordability and resale restrictions through a ground lease.

Board Structure: The MHA entity that will eventually own the housing will have an elected board of two-thirds residents, and one-third members appointed from the Community Land Trust, including technical assistance providers (currently, PICCED and the Association for Neighborhood and Housing Development).

Type and Scope of Development: Currently is overseeing gut- and substantial-rehabilitation of 19 buildings under the city’s MHA program, and one other building, with money from the New York State Housing Trust Fund. The MHA will have a total of 3230 units.

Income Groups Served: At least 90 percent of the residents are low-income. Rents for all apartments have been set at levels affordable to households with incomes at or below 50 percent of area median income.

Development Financing: Most of the development is funded through city capital funds and the federal HOPE 2 program for transfer of publicly-owned housing to private ownership. Money for one building comes from the Housing Trust Fund.

Other Funding: Operating funds will come from housing charges and from Section 8 subsidies. Organizational capacity for the MHA is funded through housing charges, and through the city Article XI loan program. The city subsidy will likely be terminated after rehabilitation is finished.

Achievements and Challenges: The CSMHA has successfully saved hundreds of tenants from displacement, and has moved many of its buildings through rehabilitation and toward cooperative ownership. The major challenges CSMHA faces are: the recruitment of residents for board and resident council positions; explaining the MHA and CLT concept to residents; overcoming opposition of the local city councilmember; and sorting out appropriate roles and a joint organizing strategy with the Cooper Square Committee.
Location: Boston, Massachusetts: Roxbury.

History: DNI was incorporated in 1988 after its parent organization, the Dudley Street Neighborhood Initiative (DSNI) became the first CBO in the country to win the right of eminent domain. DNI was designated as the land-holding entity for all the land gained through eminent domain and through city disposition. DNI hired staff in 1990 and acquired its first land in 1992. It has recently completed the first of three phases in the build-out of the vacant land in the Dudley Triangle (the area of Roxbury for which DNI has eminent domain authority, and which falls within the DSNI priority development area). There are 77 units of housing: 36 units of single-family row- and detached houses, and 41 cooperative units in several larger buildings. There is also a community center developed as part of the cooperative. DSNI developed the single-family houses, after the original developer backed away from the project. Nuestra Comunidad Development Corporation, a local CDC, developed the cooperatives.

Neighborhood Characteristics: Roxbury, and the Dudley Street area in particular, are the poorest communities in Boston. It is a primarily residential area with small businesses on the major streets. Until DSNI's intervention, unfenced vacant lots and illegal dumping were large problems. There is also a relatively high crime rate in the area. The neighborhood is ethnically diverse, with a mixed African American, Latino, Cape Verdean, and White population.

Major Housing Problems: The Dudley Street neighborhood has had a history of disinvestment, abandonment, arson, illegal dumping, vacant land and absentee landlord. The neighborhood has a mix of housing stock, including older tenement-style buildings, single-family and duplex houses, and larger row houses.

Organizational and Board Structure: DNI is incorporated as a 121a urban redevelopment corporation under Massachusetts state law, with quasi-public status, unlike any other CLT. A majority of the DNI board are DSNI board members appointed by the DSNI board. The DSNI board, in turn, is elected every two years in a neighborhood-wide election. Because of its quasi-public status, government representatives also sit on the DNI board, though most have non-voting status. Currently, one land trust resident sits on the DNI board, and the hope is that more will serve on the board as more housing is developed in the future.

Type and Scope of Development: DNI has done only new construction on land acquired through City disposition and through purchase of private parcels through eminent domain. The housing is 36 units of single-family row houses and 41 units of small, multiple-dwelling cooperatives.

Income Groups Served: Income ranges differ by project, but most of the residents are low-income, and some receive public assistance.

Development Financing: The cooperatives were developed by a local CDC with Low Income Housing Tax Credits channelled through the Metropolitan Boston Housing Partnership, and the single family housing was funded by CDBG subsidies and HFA below-market loans. Land acquisition was financed primarily through a fee charged to the developer for each unit of housing.

Other Funding: The current organizational and operational funding for DNI comes from the interest on a loan from the Ford Foundation. It works closely, however, with DSNI, and shares administrative expenses with DSNI.

Accomplishments and Challenges: DNI has succeeded in redeveloping some of the land in the Dudley Street neighborhood. It faces a challenge in building a separate identity for the land trust to attract funding, while maintaining its close relationship with DSNI (DSNI is described as a neighborhood planning organization, and DNI as a tool to implement those plans). Another challenge is for DNI to expand resident participation, and awareness of the land trust, while working closely with DSNI and Nuestra CDC (the developer of the cooperatives) to build participation and community in the housing itself.
MADISON MUTUAL HOUSING ASSOCIATION (MMHA)

Location: Madison, WI; city-wide.

History: Founded as the Madison MHA and Cooperative in 1983 through joint efforts of a local CDC and the City of Madison. Enjoyed city support and overall success through the 1980s. From 1991 to 1994, for a variety of reasons — including loss of city operating support, inadequate scopes of work in original projects, too rapid development, sloppy management practices, and a neglect of resident organizing — the organization slid into financial trouble which culminated in near-bankruptcy, and the selling off of half the MHA’s portfolio. MMHA is now in the process of trying to re-group and recover, but the prospects for its future survival are not good.

Neighborhood Characteristics: Original target area was older neighborhood next to downtown, with stable, long-term resident base. MMHA/C soon took on city-wide focus, and worked in a variety of neighborhoods, including a lower-income, more transient, and more heavily African-American area.

Local Housing Context: At MMHA/C’s inception, the major problem was affordability and a very tight housing market. Market has slackened somewhat since then. Housing stock is mostly single-family and small (2-5 units) multi-family buildings, with a few larger apartment buildings.

Organizational Structure: Originally created with a "dualistic" structure: the MHA, controlled by a majority "public interest" board, was the ownership and development entity, while the Cooperative — 100 percent resident-controlled — was the management entity. The MHA contracted with the Cooperative for management, although the Cooperative had no staff of its own, and therefore depended on resident "self-help" and on MHA staff to carry out management. The Cooperative became moribund in the early 1990s, due to diminished resident organizing and participation and was merged into the MHA in early 1990s, essentially forming an integrated MHA.

Board Structure: Originally, the MHA board had a majority of non-resident public interest and professional board representatives, with a minority of residents. Cooperative had 100 percent resident board. After restructuring and merging of Co-op and MHA, the MHA board had a slim majority of resident representatives.

Type and Scope of Development: Early development involved purchase and moderate rehab of small (2-4 units), scatter-site, older properties, totalling about 80 units. Later development included rehab and new construction of five larger (20-75 units) multi-family projects. At its peak, MHA owned about 350 units. After the financial "work out," the MHA retains about 175 units.

Income Groups Served: Low-moderate income. Larger projects serve several income "bands, from 50 percent of median income to market rate. Emphasis on serving physically disabled and elderly.

Development Financing: Sources include CDBG (grants and loans), HOME, Wisconsin Housing and Economic Development Authority (below market mortgages), syndication (both pre- and post-LIHTC) and conventional bank financing.

Other Funding: MHA depended heavily on city CDBG capacity support grants for operating support until the early 1990s, when this support was withdrawn. Since then, the MHA tried to support its operations primarily through developer’s fees.

Achievements and Challenges: In its early days, MMHA/C developed a thorough resident organizing and training program, and implemented limited self-management with some success. However, it was unable to sustain this activity given cuts in city support, over-development, and sloppy management practices. Its challenge now is re-grouping, surviving, and winning back trust of government and lenders after a severe financial fiasco. However, the prospects are not very good, since only a small handful of individuals are actively fighting for the organization’s survival.
MUTUAL HOUSING ASSOCIATION OF GREATER HARTFORD (MHAGH)

Location: Hartford, Connecticut, and environs.

History: Incorporated in 1988, after several years of study and activity by local Neighborhood Housing Services. The need then was to protect rental housing from market-rate cooperative and condominium conversion. MHAGH bought its first project, Park Terrace, in 1989. Since then, it has pursued several development projects. One of these is in the same "Frog Hollow" neighborhood as is Park Terrace. The others are scattered around the city, and its close-in suburbs.

Neighborhood Characteristics: The Frog Hollow neighborhood, on the South Side of Hartford is a predominantly Latino, economically depressed area of Hartford, close to downtown. Hartford itself has lost over a tenth of its population in the past decade and a half, and its main industries, insurance and defense, have been suffering severe local downsizing.

Local Housing Context: Frog Hollow, as well as the North Side, the site of another proposed MHAGH development, have severe disinvestment and abandonment problems in their older, tenement stock. West Hartford and Windsor Locks, the sites of two other developments (one proposed, one complete) have fewer of these problems. Windsor Locks is more affluent, and there was some opposition to MHAGH's presence there.

Organizational Structure: MHAGH is an integrated MHA, along NRC lines. Its new projects, will, however, be structured as wholly-owned single-asset subsidiary corporations of MHAGH. There will be resident councils at each site.

Board Structure: The board is made up of a resident plurality: 7 residents; 3 housing advocates; 3 private sector; 3 government; and one 1 at-large representative.

Type and Scope of Development: MHAGH has done cosmetic rehab in 42 units in 7 six-unit buildings (gut rehabbed several years before acquisition) along with some major system repair; and 21 units of adaptive reuse (gut rehab) in Windsor Locks. It plans on a further 24 units in 4 six-unit buildings (gut rehab); and 14 and 54 units in low-rise multifamily buildings (moderate rehab).

Income Groups Served: Seventy-five percent of the current residents have incomes below 50 percent of area median. Very few of the residents, however, are on public assistance.

Development Financing: Park Terrace was funded through a combination of state capital grants and corporate grants. The Windsor Locks development was developed with tax credits, HOME funds, and state bond money. Future developments may be done with Title VI funds, should they be available.

Other Funding: MHAGH's operating funds come from developer's fees, management fees, Neighborhood Reinvestment, foundations, and corporate contributions. VISTA also has provided volunteers to the organization.

Accomplishments and Challenges: MHAGH has recently overcome, with NRC's help, a financial crisis due to repair problems and vacancies in Park Terrace. It has also recently completed its 21-unit development in Windsor Locks. It has an active youth program, and works with other housing groups and neighborhood groups in Hartford. It must now adjust to its recent expansion, and must secure a niche in the area housing market, which is also affected by Hartford's high crime rate and poor public schools.
MUTUAL HOUSING ASSOCIATION OF NEW YORK (MHANY)


History: Founded in 1985, in the wake of a successful squatting campaign organized by the Association of Community Organizations for Reform Now (ACORN). ACORN organized neighborhood residents in need of housing to squat in small (1-3 unit) vacant city-owned buildings, in order to protest municipal neglect of the housing crisis, and force the city to turn over houses and rehabilitation funds to ACORN’s control. However, the then-mayor refused to deal directly with ACORN. So, with the help of the Consumer Farmer Foundation and the Pratt Institute Center for Community and Environmental Development, ACORN created an MHA to receive the housing, which would be rehabbed and converted to limited-equity co-op ownership. The MHA would retain ownership of the land beneath the buildings and would enforce affordability and equity restrictions through a ground lease. MHANY has acquired close to 300 units in about 125 formerly city-owned buildings since its founding, but due to delays caused by a number of factors, none of the housing has yet been converted to cooperative ownership.

Neighborhood Characteristics: All three of the neighborhoods where MHANY housing is located are low-income. East New York and Crown Heights have a mostly African-American population, while Bushwick has a mix of African-American and Latino residents.

Local Housing Context: The housing stock is a mix of small (2-5 units) multi-unit buildings, and larger apartment buildings. All three areas have suffered housing abandonment and disinvestment.

Organizational Structure: MHANY is incorporated as a nonprofit organization. It currently owns both land and housing, and will continue to hold land in land trust arrangement after buildings are converted to co-ops. MHANY has never had staff of its own; it contracts with the national ACORN Housing Corporation (AHC) for staff, although the MHANY board has the authority to hire and fire the local AHC executive director. This arrangement has been the source of some confusion at times, as lines of control between ACORN and MHANY have not always been clear.

Board Structure: Initially, the board consisted of a minority of resident representatives, and representatives from ACORN, the Parodeen Foundation (formerly the Consumer-Farmer Foundation) and Pratt Institute (the two technical assistance groups that helped ACORN to found MHANY), and from the four community boards in which MHANY housing was located. MHANY recently amended its bylaws and restructured its board, so that it is now composed of a majority of ACORN appointees — some of whom are residents, and all of whom are ACORN members — and a minority of elected resident representatives. Between the ACORN appointees who are residents and the elected residents, MHANY residents currently constitute a majority on the board.

Type and Scope of Development: Has acquired and rehabbed close to 300 units of housing in 125 small, mostly multi-unit buildings.

Income Groups Served: All residents are low-income (below 80 percent of median).

Development Financing: Most of the housing has been rehabbed with city capital budget funds. LIHTC equity has been used in the most recent phase of housing development.

Other Funding: Organizational support funds come from developer fees, ground rents drawn from the properties, and some grants from private foundations.

Achievements and Challenges: Through organizing and activism, ACORN succeeded in forcing the city to devote resources to the renovation and preservation of vacant housing. MHANY/AHC has developed nearly 300 units. However, management problems and some internal conflicts have distracted from the education and organizing of residents needed to implement conversion to cooperative ownership. MHANY is not a typical MHA. In its board structure, and land-holding function, it resembles a CLT more than most MHAS. But where the ICE CLT model is based on the inclusion and balancing of many “community” interest groups, MHANY’s “community” is defined almost exclusively as ACORN, and ACORN’s membership.
MUTUAL HOUSING ASSOC. OF SOUTHWESTERN CONNECTICUT (MHASWC)

Location: Fairfield County, Connecticut: Stamford and Bridgeport.

History: MHASWC was founded in 1990 with assistance of Neighborhood Reinvestment and the local Stamford Neighborhood Housing Services organization. It undertook the organization of potential residents and built a 69-unit townhouse development on Stamford’s poor and crime-ridden West side. Since then, it has attempted to locate housing in Trumbull, a community with virtually no affordable housing, and in Bridgeport, in an adaptive reuse of a factory building. It has now succeeded in securing a new site in Bridgeport, as well as a new development project in a vacant apartment building across a small park from its current development in Stamford.

Neighborhood Characteristics: Stamford’s West Side is predominantly poor, and mostly African American and Latino. It is near to downtown, which is home to many large corporations. Stamford itself is moderately wealthy, and Fairfield County is one of the wealthiest counties in the United States.

Local Housing Context: The immediate area of the MHA in Stamford is characterized by mixed, low-income housing stock, with small tenements above stores, larger old houses, and some small rental and owner-occupied houses. In addition, there are three large federally funded developments surrounding the same park on which the MHA’s development stands. In Bridgeport, the proposed MHA is in a mixed use neighborhood, with some housing and some industrial and commercial uses nearby.

Organizational Structure: MHASWC is an integrated rental MHA which follows the NRC model. The organization is governed by a board of directors, with a resident and waiting resident majority. The board works by committee, some of which are open to non-board members. Each building has a building captain, who promotes participation and provides the first line of dispute resolution. Each project has a resident council, and each site will have a sponsoring committee in order to ensure a base of support in the neighborhood. There is also an advisory committee which is made up of government officials, corporate executives, and social service providers.

Board Structure: The board has a majority of resident and waiting resident members, and also has participation from the corporate sector, the nonprofit sector, the public sector, and one at-large member. The board has the following committees: resident selection, property management, development, finance, audit, and executive.

Type and Scope of Development: So far, the MHASWC has developed 118 units. In the near future, however, it will develop 50 more units of townhouse housing in Bridgeport, and 63 units of housing in a joint venture with another Bridgeport nonprofit. It also has site control for 59 units in Trumbull.

Income Groups Served: Most current residents of Parkside Gables have low incomes, which for Fairfield County can be as high as almost $60,000 per year. The range is from under $10,000 to over $50,000, but most fall in the $15-30,000 range.

Development Financing: Parkside Gables, the first, and at the time of this writing, only occupied project, was developed with state and city capital money. Subsequent projects will be funded through federal HOPE 2 funds, low-income housing tax credits, the Federal Home Loan Bank Affordable Housing Program, Neighborhood Reinvestment Corporation, and through some equity raised through membership fees.

Other Funding: MHASWC has gotten operational support from NRC, and some from corporate donations. Other operating funds come from housing charges and will also come from developer’s fees.

Accomplishments and Challenges: MHASWC has been very aggressive in community organizing, and has set up a neighborhood drug watch, and has helped set up a neighborhood advocacy group, a local jobs bank, and a youth group. Its major challenge is to maintain this organizing as it expands.
NEW COLUMBIA COMMUNITY LAND TRUST (NCCLT)

Location: Northwest Washington, D.C.

History: Started in 1989 as a collaboration between local churches and Washington Inner-City Self-Help (WISH), a non-profit community group which does tenant organizing and assists tenant groups to buy out their landlords and convert to cooperative ownership. There were (and still are) strong gentrification pressures present in Northwest D.C., and WISH was concerned that the co-ops it was assisting might succumb to speculative pressures. A land trust was seen as a vehicle for ensuring the continued affordability of the housing. Since then, 5 co-ops with 33 units and one single-family home have been developed on NCCLT land, all but one of them with the assistance of WISH as developer. Resident organizing and education is a major emphasis of both WISH and NCCLT. NCCLT is still very small, employing one full-time and one half-time staff.

Neighborhood Characteristics: The Shaw and Columbia Heights neighborhoods, where most of the land trust’s projects are located, have been home to primarily low-income, African-American people in the past, but are currently experiencing charges through gentrification.

Local Housing Context: Washington’s poorest neighborhoods, including much of the Northwest, have been hit hard by disinvestment and abandonment in the past. However, several of these neighborhoods are now experiencing strong gentrification pressures, with dramatically rising real estate prices. The housing stock in D.C. is very mixed, with large multi-family apartment buildings, small (2-6 unit) multi-family buildings, and individual townhouses.

Organizational Structure: CLT; conforms to ICE model. In the training and technical assistance that it provides to the co-ops, NCCLT plays a role similar to that of a federated MHA. Residents, with assistance of land trust, have established a "Leaseholder's Leadership Forum."

Board Structure: One-third resident representatives, one-third community representatives, and one-third institutional representatives.

Type and Scope of Development: Five small co-ops and one single family home — totalling 34 units — have been developed on land trust land, all through acquisition from private landlords, with subsequent rehab. (Conversion of privately owned buildings to tenant-owned co-ops is facilitated in Washington, D.C. by legislation giving tenants the first right to purchase.) With four of these projects, WISH acted as main developer; NCCLT did the single-family home and a six-unit co-op.

Income Groups Served: Low to moderate income. Most residents fall between 50-80 percent of D.C. median income, but some fall below 50 percent of median, and a few household incomes go as high as 100 percent of median.

Development Financing: Land purchase is financed largely through CDBG capital grants from city. Buildings are financed through city revolving loan program and conventional loans. About half the residents depend on Section 8 subsidies.

Other Funding: NCCLT operating support comes largely from foundations. The land trust receives some fees for its role in development.

Achievements and Challenges: NCCLT has a fairly broad base of community support, and takes its resident training and capacity-building role very seriously. The executive director gets rave reviews, and the board is active and committed. Its major challenge is finding new sources of funding for ongoing operations of the land trust, and for the expansion of staff beyond the director. Meeting affordability goals may be a problem, especially in light of shrinking Section 8 availability. Rents in the projects to date are not that low: in the $550 to $750 range.
NORTHERN CALIFORNIA LAND TRUST (NCLT)

Location: San Francisco Bay Area. All housing development to date has been in Berkeley and Oakland.

History: Founded in the early 1970s as a volunteer effort by individuals interested in education about "appropriate technologies." The first property was a farm, purchased in 1976, which served as a site for workshops. In the mid-1980s, the group acquired two small residential properties and a small commercial building. For much of its organizational life, the land trust was semi-dormant, staffed by one person working one-quarter time, and engaging in very little development activity. Since 1991, however, the staff has grown, and the land trust has undertaken several new housing development efforts in Berkeley through the purchase and rehab of small (mostly 3-6 units) multi-family buildings. The goal is to sell these to the residents as limited equity co-ops, with the CLT retaining ownership of the land and regulating it through a ground lease.

Neighborhood Characteristics: East Berkeley and West Oakland — where the majority of NCLT's projects are located — are low-income, with high proportions of minority populations (largely African American, and some Latino). West Berkeley is more middle and upper income.

Local Housing Context: There is some housing disinvestment in East Berkeley and Oakland. In much of Berkeley, the most serious housing problem is affordability, threatened by gentrification, competition from students, and weakened rent regulations.

Organizational Structure: NCLT, incorporated as a nonprofit, currently owns and manages both land and housing, although the goal is to convert the housing to cooperative ownership. NCLT does not conform to the "ideal" ICE model; it is neither an open, membership organization, nor has a tripartite board of directors. However, the staff and several board members are interested in moving towards this structure in the future.

Board Structure: The board is self-appointed, and consists of housing advocates and friends of the former executive director. There are no resident representatives on the board.

Type and Scope of Development: Acquisition and moderate-to-gut rehab of four small, multi-unit buildings, with intention to convert to co-op ownership; one duplex property which will be converted to land trust homeownership; and the rehab of a 7-unit building for a transitional housing facility, which the land trust leases to a church-based social service agency. NCLT also owns a small commercial building which houses its offices, and those of seven other nonprofit organizations. There is a sweat equity requirement for residents of the newer projects.

Income Groups Served: Low to moderate income. In three of their projects, which are financed with Berkeley Housing Trust Fund loans, residents must fall below 60 percent of area median income.

Development Financing: Early projects were donated, and privately financed. Recent developments have been financed through a combination of conventional bank loans and City of Berkeley Housing Trust Fund "residual receipts" loans.

Other Funding: To fund staff salaries and general operations, NCLT is heavily dependent on City of Berkeley capacity support grants. Development fees also provide some income.

Achievements and Challenges: NCLT has sustained itself as an organization for more than twenty years, although it was not very active for much of that time. Its greatest challenges are diversifying its funding sources and development opportunities, and doing the resident and community organizing necessary to move towards a membership organization structure, with resident participation in governance decisions.
Location: New York City, Lower East Side.

History: Incorporated in 1990, PMHA was founded as a result of a long negotiation process among the City, Community Board 3, and the Joint Planning Council (a coalition of local housing advocates, concerned residents, and business owners) over the fate of vacant city-owned buildings in the area. This negotiation process culminated in a Memorandum of Understanding (MOU) between the community board and the city housing department (HPD). Based on a cross-subsidy mechanism developed with extensive technical assistance from the Pratt Institute Center on Community and Environmental Development, the MOU called for the rehabilitation of vacant city-owned buildings for affordable housing, to be funded through the sale of vacant city-owned land. PMHA was created as the entity that would acquire and rehabilitate the housing, and preserve it as affordable for low-income people. Between 1990 and 1994, the MHA received 20 rehabilitated buildings with just over 200 units. Residents were selected for the new units through a lottery system. Since then, the neighboring Lower East Side MHA (LESMHA), founded by the Neighborhood Reinvestment Corporation in 1986, has merged with People’s MHA, due to financial and managerial problems, and poor prospects for further development beyond its two existing buildings.

Neighborhood Characteristics: A low-income neighborhood, ethnically mixed, with a large Puerto Rican population, and a growing Asian population (approximately half of PMHA’s residents are Chinese, and a third Latino).

Local Housing Context: The area was hard hit by housing abandonment in the 1970s, but experienced strong gentrification pressures in the 1980s. The housing stock is mostly made up of century-old four- and five-story tenement buildings.

Organizational Structure: Integrated Rental MHA. Several years after its founding, PMHA "spun off" its own "mother" organization, PEOPLES, Inc., which has developed economic development and social service projects, in addition to the MHA. PMHA staff are thus technically People’s Inc. staff. Property management is an "internal" function, performed by PMHA staff.

Board Structure: The current board consists of the merged PMHA and LESMHA boards, and non-resident housing advocates and professionals hold the majority of seats. Resident representatives currently hold a minority of seats, but will eventually comprise the majority after a "phasing in" period. Resident board members are elected by a Resident Council, comprised of two representatives from each building.

Type and Scope of Development: Currently owns 23 buildings with 324 units. PMHA developed 20 buildings with the City under the MOU and one building with tax credit financing; LESMHA developed two buildings. All the buildings were vacant and city-owned.

Income Groups Served: Ninety percent of the residents in the PMHA buildings fall between 50-80 percent of area median income; the remaining 10 percent are formerly homeless families and have Section 8 subsidies. The formerly LESMHA residents are mostly low-income, but a few are moderate and middle-income.

Development Financing: Rehab of the first twenty buildings was financed entirely with capital budget funds, in the form of a forgivable loan. LIHTC equity was used in the other PMHA building, and in the LESMHA buildings; the LESMHA buildings also received a million dollar capital grant from NRC.

Other Funding: PMHA supports its operations largely through the rental revenue from its buildings. It has received some private foundation grants.

Achievements and Challenges: PMHA has developed a fairly sophisticated housing development and management system. The buildings are well-managed and maintained. But there is little resident participation in decision-making affecting the management of the housing or the governance of the MHA, and most residents apparently do not feel that they are "in charge." There is some ambivalence within the organization about the importance of resident control. A recent change in the staff, including a new executive director, signals a change toward greater emphasis on resident education and control.
REHABILITATION IN ACTION TO IMPROVE NEIGHBORHOODS (RAIN) CLT

Location: New York City, Lower East Side.

History: Grew out of a homesteading movement that began in the late 1970s on the Lower East Side, in response to the shortage of affordable housing, and strong gentrification pressures. Groups of low-income neighborhood residents and former residents in need of housing took over vacant city-owned buildings, and participated in their renovation through sweat equity, purchasing their buildings as limited-equity co-ops upon completion of the rehab process (which took several years). A Catholic church-affiliated organization, the Lower East Side Catholic Area Conference (LESAC), acted as the developer and technical assistance provider for the groups. The land trust was envisioned as the entity which would safeguard the permanent affordability of the housing, assist and advocate for the member co-ops, and continue to assist other homesteading groups with future development. But as the buildings in the original group were finished, LESAC stopped doing housing development, and participation in the land trust — which was never staffed — fell off. Incorporated in 1987, the land trust holds the land beneath nine co-ops, though two others that have not yet deeded their land to the land trust are considered members. It has been essentially inactive for two to three years.

Neighborhood Characteristics: A traditionally low-income neighborhood. Ethnically mixed, predominantly Puerto Rican, with a growing Asian population.

Local Housing Context: The area was hard hit by housing abandonment in the 1970s, but experienced strong gentrification pressures in the 1980s. The housing stock is turn-of-the-century, four- and five-story tenement buildings.

Organizational Structure: A community land trust, incorporated nonprofit organization. The homesteading co-ops are the members. Does not conform to the "ideal" ICE CLT model of open membership, and a tripartite board.

Board Structure: Majority of board seats held by representatives of the member co-ops (one representative per co-op). Originally, there were four appointed "community" representatives as well, but they have since dropped off, and were not replaced.

Type and Scope of Development: Holds title to the land under nine limited-equity co-ops, with approximately 85 residential units, and 7 commercial stores.

Income Groups Served: Participants in homesteading program were required to be low-income (below 80 percent of area median income).

Development Financing: Building rehab was financed primarily through grants and loans from the city's Urban Homesteading program, and from the New York State Housing Trust Fund. Some buildings also received funds through the federal Section 312 program, ICE loans, and loans from the Catholic Church. LESAC, not RAIN, played the developer role, and assembled the financial packages.

Other Funding: Member co-ops are supposed to pay RAIN monthly ground lease fees, but many buildings have not paid these for several years. RAIN received an organizational support grant from HUD several years ago, but there is no current organizational support income. RAIN has no staff, but does maintain a small office.

Achievements and Challenges: The homesteaders and activists who would eventually form the land trust were instrumental in creating a movement opposing gentrification in the Lower East Side, and in forcing the city to rehabilitate and preserve city-owned buildings as affordable housing. In its heyday, the group articulated a powerful vision of permanently affordable, cooperatively controlled housing, which would be accessible to all low-income community members, including the elderly and disabled. Since the completion of the original buildings, however, the RAIN land trust has become almost completely inactive, and most of the membership apparently sees the organization as serving little purpose. It remains to be seen if RAIN can define a useful role for itself, and become active once again.
SELF-HELP WORKS CONSUMER COOPERATIVE (SHWCC)

Location: City-wide, New York City.

History: Founded in 1986 by the Urban Homesteading Assistance Board (UHAB), a city-wide nonprofit provider of training and technical assistance to limited-equity co-ops. The MHA was structured as a membership organization that would act as a political voice for member co-ops, and provide access to low-cost goods and services through group purchasing. Due to diminished participation, SHW became moribund in 1995.

Neighborhood Characteristics: Member co-ops are located city-wide, mainly in low-income neighborhoods, with high proportions of African-American and Latino residents.

Local Housing Context: Mixed. Most of the member co-ops — which were all formerly city-owned, tax-foreclosed buildings — are ten to twenty unit walk-up tenements. Almost all are located in areas that have suffered from housing abandonment and disinvestment in the past.

Organizational Structure: Federated MHA, incorporated as a cooperative corporation. Member co-ops paid dues, which entitled them to access SHW services, including fire and liability insurance, corporate legal assistance, and computerized bookkeeping. The services were administered by a UHAB staff person, whose salary was partly paid for by the dues. SHW had no staff of its own.

Board Structure: Resident representatives from member co-ops held the majority of board seats. Representatives from co-ops in development (in TIL or in the homesteading process) held a minority of seats.

Type and Scope of Development: SHW did no "bricks and mortar" housing development. It developed services, and organized conferences and information exchanges for its approximately 250 member co-ops.

Income Groups Served: The large majority of residents in member co-ops are low-income, many of them falling below 50 percent of area median income.

Development Financing: No housing development done.

Other Funding: Membership dues paid for part of the cost of administering the member services. The services themselves were provided to the co-ops at a discount on a fee-for-service basis. Supplemental funds were raised by UHAB from private sources, including foundations.

Achievements and Challenges: In its early years SHW, with UHAB's assistance, organized a successful campaign to lobby the City Council for real estate tax relief for low-income co-ops created through the sale of city-owned buildings. It developed useful services for its members, and fostered the exchange of knowledge and information between co-ops. However, it remained very dependent on UHAB, and never completely established its own identity and agenda, separate from that of its parent organization. This lack of independence eventually led to apathy among board members, and ultimately, to the demise of the MHA.
SOUTH BROOKLYN MUTUAL HOUSING ASSOCIATION (SBMHA)

Location: New York City: Park Slope and Gowanus, Brooklyn.

History: South Brooklyn Mutual Housing Association (SBMHA) was formed in 1991 from four buildings (36 units) that had been taken into city ownership because their landlords failed to pay taxes. All had worked with the Fifth Avenue Committee (FAC), a local CBO and CDC, all had tried to form cooperatives under the city’s Tenant Interim Lease Program, but had not succeeded, and all had then been put into a city program to sell them back to the for-profit sector. FAC worked with them to get the candidate for ownership changed, and eventually helped them into another city program to put the housing into non-profit ownership. With FAC, these four buildings formed the South Brooklyn Mutual HDFC, to own the buildings. Since that time, the elected officers and FAC organizers and managers have worked together to run the buildings. FAC is now pursuing further development opportunities to fold into the MHA.

Neighborhood Characteristics: The neighborhood is mixed, both in terms of ethnicity and in terms of income. Predominantly poor, African Americans and Latinos form the base of SBMHA’s membership.

Local Housing Context: Some parts of Park Slope have been substantially gentrified, while other parts remain subject to widespread disinvestment. The typical housing stock consists of primarily older tenement stock with 8-20 units, and smaller brownstones.

Organizational Structure: Currently the MHA is an integrated rental MHA. But as other developments come on, it will become a federated MHA, with the original MHA buildings forming one, scatter-site HDFC, and other projects configured variously, as their financing packages dictate. FAC currently manages the buildings, provides organizing staff, and identifies and pursues development opportunities. The MHA will share a vacancy policy and waiting list, corporate and fiscal management, an emergency reserve fund and access to training and educational activities.

Board Structure: Technically, there is a nine-member board, with four residents, one waiting list representative, and four public interest representatives — two chosen by FAC, and two by the residents. But now, the board always meets with the general membership, and decisions are made by consensus. This will likely change as the MHA expands.

Type and Scope of Development: In-place rehabilitation occurred for the four SBM-HDFC buildings. In-place rehabilitation is now underway with seven other buildings with 42 units under a city program which employs tax credits, and 14 units in two buildings on another site are now being developed through gut rehabilitation.

Income Groups Served: The vast majority of the residents are low-income.

Development Financing: Federal HOME money, state Housing Trust Fund, Low-Income Housing Tax Credits, and city capital money has been used in the SBMHA buildings.

Other Funding: Section 8 provides operating subsidies to about 30 of SBMHA’s 36 current units. Other funds are provided by rents, and by FAC’s funding sources for organizing.

Accomplishments and Challenges: SBMHA has a well-organized and active core of residents, who participate in oversight of their buildings and who get involved in broader educational and advocacy activities. The major challenge for the future lies in how SBMHA and FAC are able to maintain participation and manage the MHA’s expansion.
UNITED HANDS COMMUNITY LAND TRUST (UHCLT)

Location: Kensington and other Eastern North neighborhoods; Philadelphia, Pennsylvania.

History: Incorporated in 1988 by the Kensington Joint Action Council (KJAC) housing committee after a KJAC-led squatting campaign in over 700 units of housing in Kensington. The housing committee wanted to develop more housing, but KJAC as an organization was not eager to get into development. So the housing committee spun off UHCLT. United Hands CLT developed 49 units of housing, and served as the fiscal agent for the Kensington Housing Partnership (KHP), a joint effort with KJAC and two other groups, which planned on 100 units of rehabilitation development. UHCLT got capacity funding from the Philadelphia Neighborhood Development Collaborative (PNDC) for three years, but found itself without money and strapped with debt in December of 1994. Most of the staff was laid off. At the time of the visit, the board was volunteering to keep the organization together, and UHCLT was in a six-month stabilization period, in which its lenders and funders contributed to a board effort to plan for the future.

Neighborhood Characteristics: UHCLT’s area of activity is in Eastern North Philadelphia, the poorest part of the city. It is primarily Latino and African American, though there are distinct pockets of each. The neighborhood was a mixed-use neighborhood as well, though there were many abandoned manufacturing sites.

Local Housing Context: There is rampant disinvestment and abandonment. The typical housing stock is a two- or three-story row house. In the 1980s there was a perceived threat of gentrification spreading from a neighboring area.

Organizational Structure: The UHCLT was a membership organization, conceived along the lines of the "ideal" ICE CLT model. At its height, it had over 240 members.

Board Structure: The by-laws stipulate a 15-member board, composed along ICE lines, with all of the officers being residents of the CLT. Yet, there have not been 15 board members in years. Public interest and community representatives gradually dropped off the board and were not replaced.

Type and Scope of Development: UHCLT was the sponsor of 47 homes in 46 buildings (including one 2-unit co-op). These were gut rehabilitation, with significant sweat equity work for demolition and finishing. An additional 14 units of rehabilitated housing were sponsored without sweat equity.

Income Groups Served: Very poor, with almost all of them well under 50 percent of median income. Mostly Latino (predominantly Puerto Rican). About half of the residents receive public assistance.

Development Financing: UHCLT housing was funded through city funds, sweat equity, low-interest financing from the Delaware Valley Community Reinvestment Fund, LISC and Core States Bank.

Other Funding: Three years of capacity funding came from the Philadelphia Neighborhood Development Collaborative. Additional operations have been funded through management/lease fees, ICE, and through a contract with the city to provide mortgage counseling.

Accomplishments and Challenges: UHCLT was a key player in a campaign to enable welfare recipients to own limited-equity housing. It has also provided the lowest-cost housing, with the most space to poor people in the area. Its major challenge now is merely to survive. It must rebuild itself, stabilize its operations, and hire new staff. Even if it is able to raise the requisite funds to hire staff, it will be a challenge for the board not to micro-manage the new staff, since the former staff is seen as having failed the organization.
UNIVERSAL HOUSING ASSOCIATION (UHA)

Location: New York City: Upper West Side of Manhattan.

History: UTA-MHA grew out of organizing efforts against urban renewal plans unveiled in 1958 which would have displaced the neighborhood's low-income, predominantly Latino residents. After the loss of some housing, a local community organization, the Strycker's Bay Neighborhood Council (SBNC) provided assistance to some local residents, who formed the United Tenants Association in 1977, in buildings which had been taken over by the city but which faced demolition. Together, they held off the destruction of their buildings, but had to endure terrible conditions. While under UTA management under a lease from the city, the buildings were able to get some cosmetic rehabilitation through self-help, but had not yet been given commitments for major rehab. In 1986, with Strycker's Bay, UTA began discussions with the Pratt Institute Center for Community and Environmental Development (PICCED) towards the formation of an MHA. In 1989, UTA became UTA-MHA, and got commitments for rehabilitation from the city.

Neighborhood Characteristics: The UTA-MHA buildings represent some of the last low-income housing in the area left from before urban renewal plans were put largely into effect. Its membership is largely Latino and African American and poor, while most of the rest of the neighborhood is White, and relatively affluent.

Local Housing Context: The buildings in UTA-MHA are mostly smaller tenements, and stand among other small tenements and brownstones. Little disinvestment or abandonmen is present.

Organizational Structure: UTA-MHA is an integrated, cooperative MHA. It is governed by a board of directors made up of resident representatives elected by clusters of buildings which correspond to the urban renewal "sites," as well as some non-resident representatives. There is no resident council. UTA-MHA carries out all of the functions of the MHA, including development oversight, management, and organizing. It will assume ownership of the buildings as their rehabilitation is completed.

Board Structure: The board has a majority of resident members, and only residents can be officers. There is also representation from SBNC, PICCED, and from two non-resident community members. The board works by committee: commercial properties, fiscal, legal, tenant selection, personnel, and executive committees exist.

Type and Scope of Development: All of the UTA-MHA's buildings have been substantial or gut rehabilitations. At first, in-place rehabilitation was attempted, but when that proved too difficult, UTA-MHA arranged for temporary relocation of residents as their buildings were being renovated. There are six "sites" with 14 buildings and 130 units.

Income Groups Served: 90 percent of the residents are low-income.

Development Financing: Most of the development is funded through city capital funds and the federal HOPE 2 program for transfer of publicly-owned housing to private ownership.

Other Funding: Income-qualified residents have been promised Section 8 vouchers or another form of rental subsidy. Article XI city loans have funded the staff's operation during rehabilitation. This city subsidy will be terminated once the buildings have been rehabbed and sold to the MHA.

Accomplishments and Challenges: UTA-MHA has completed the rehabilitation on some of the buildings, and is scheduled to assume ownership of the rehabilitated buildings in the Fall of 1996. It nevertheless still needs to finalize organizational structures, and to decide about final housing charges and staffing patterns. It also faces an internal organizing challenge due in part to its falling behind on its rehabilitation schedule, which in turn, was due to some dissident residents' refusing to move to enable rehab to begin.
APPENDIX C
List of People Interviewed

Cooper Square MHA
Valerio Orselli, Executive Director, Cooper Square Committee, and CSMHA boardmember
Frances Goldin, CSMHA boardmember
Noah Bly, Executive Director, CSMHA
Linda Broughton, Tenant Relations Specialist, CSMHA
Maria Torres-Bird, resident and boardmember
Mariah Stancarone, resident, boardmember, and resident councilmember
Norma Pennington, resident, boardmember, and resident councilmember
Donna Brodie, resident and boardmember
Sherry Rosso, resident and Board President
Nancy Ignall, boardmember
Deanne D’Aloia, ex-staff

UTA-MHA
Janira Bonilla, Executive Director
Leah Schneider, boardmember
Felix Nuñez, resident, boardmember, and staff member
Kelly Williams, resident, boardmember, and Executive Director, Strykers Bay Neighborhood Council
Louise Eimicke, resident and Board President
Fatima Rivera, resident and boardmember
Sara Williams, resident and boardmember

MHANY
Nan Wilson, ex-Executive Director
Fran Streich, ACORN
Jon Kest, ACORN
Ismene Speliotis, Executive Director
Dorothy Amadi, resident and Board President

CATCH
Harold DeRienzo, Board President and President, Parodneck Foundation for Self-Help Housing and Community Development
Carlton Collier, organizer
Ken Wray, organizer, United Housing Foundation
Roger Willcox, boardmember
Evan Hess, Northern Manhattan Improvement Corporation
Dan Holland, Northern Manhattan Improvement Corporation
Kerwin Stewart, resident, Harlem MHA, and CATCH boardmember
Andrew Reicher, boardmember and Executive Director of Urban Homesteading Assistance Board
Allen Blitz, boardmember, and Director, Ownership Transfer Project and Program Loan Fund, Community Service Society of New York
Michael Wadman, Chemical Bank
Gregory Cohen, co-founder
Leroy Morrison, boardmember

Peoples MHA/LESMHA
Matthew Lovick, ex-Executive Director
David Schrayer, ex-staff
Daisy Mejia, staff
Bruce Dale, boardmember, and Community Preservation Corporation
Kil Yi, resident, boardmember, and resident councilmember
Deborah Robinson, resident, boardmember, and resident councilmember
Kanchen Paser, resident and boardmember
Charles McLean, formerly with Neighborhood Reinvestment
Lisa Kaplan, ex-boardmember
Florence Eng, resident and boardmember
Carl Faller, ex-boardmember, and staff of the Department of Housing Preservation and Development
Herman Hewitt, boardmember, and Lower East Side Adopt-a-Building
Tracy Hung, staff

South Brooklyn MHA
Brad Lander, Executive Director, Fifth Avenue Committee
Rose Washington, resident and boardmember
Barbara Bethel, resident and Board President
Kali Muhammadi, boardmember and ex-Fifth Avenue Committee staff
Elizabeth Mitchell, resident and boardmember
Josephine Oliver, resident and boardmember

RAIN CLT
Ruth Torres, resident and Board President
Margarita Lopez, co-founder
Howard Brandstein, co-founder
Virginia Ghazarian, resident and boardmember
Ayo Harrington, resident

Self-Help Works
Yazid Abdur-Rahman, resident and boardmember
Louise Williams, resident and boardmember
Monifa Akinwole, staff, Urban Homesteading Assistance Board
Nat Williams, ex-staff, Urban Homesteading Assistance Board
Andrew Reicher, Executive Director, Urban Homesteading Assistance Board
Jared Goldstein, ex-staff, Urban Homesteading Assistance Board
April Tyler, ex-staff, Urban Homesteading Assistance Board

United Hands CLT
Maria Colon, resident and Board President
Jesus Colon, resident and boardmember
Luz Harper, resident and boardmember
Pedro Rodriguez, resident and boardmember
Tromie Clark, resident
Olga McGarrity, staff
Lance Simmons, Delaware Valley Community Reinvestment Fund
Joe Killackey, Community Development Institute
Dena Schlossberg, Regional Housing Legal Services
Dan Shah, Regional Housing Legal Services
Ann Fadullon, Philadelphia Redevelopment Authority
Sam Fadullon, boardmember, and Philadelphia Department of City Planning
Mike Magro, Philadelphia Housing Development Corporation
Pat Smith, Philadelphia Neighborhoods Development Collaborative
Madison MHA
Judy Wilcox, resident and Board President
Bob Gibbons, resident and boardmember
Dan Hutchins, resident and boardmember
William Gillen, boardmember and Dane County Community Development Authority
Jerry Tucker, Madison Department of Community and Economic Development
Susan Hobart, ex-Executive Director, and Heartland Properties
Sol Levin, Executive Director, Madison Area Community Land Trust
Phil Wiese, Wegner Associates
Tim Radelet, lawyer
Betty Friske, resident
Judy Olsen, ex-staff
Deborah Martin, resident
Barbara Constans, Madison Department of Planning and Development
Doug Stroob, Meridian Group
Tony Blevins, resident
Roland Coeper, resident and boardmember

Boston Citywide Land Trust
Anne Reitmayer, Executive Director
Sara Barcan, staff
Anju Joglekar, staff
Richard G. Brown, resident, Lower Roxbury Cooperative and land trust boardmember
Ricanne Hadrian, Massachusetts Association of Community Development Corporations
Sharlene Regan, Community Economic Development Assistance Center
Beth Marcus, Community Economic Development Assistance Center
Arthur Johnson, Board President

Dudley Neighbors, Inc.
Paul Yelder, Executive Director
Ros Everdell, organizing director, Dudley Street Neighborhood Initiative
Clayton Turnbull, boardmember, Dudley Street Neighborhood Initiative
Laura Henze, Grants Management Associates
John Feuerbach, City of Boston Public Facilities Department
Robert MacArthur, Nuestra Comunidad Development Corporation
Eric Segal, Association for Resident Control of Housing
Edwin Rodriguez, Association for Resident Control of Housing
JacQuie Cairo-Williams, DNI boardmember, and boardmember Dudley Street Neighborhood Initiative

California MHA - South
David Etezadi, Executive Director
Allan David Heskin, resident, Marathon cooperative and MHA Board President
Georgina Tamayo, staff
Yasmin Tong, ex-Executive Director
Tim Kohut, staff
Ruth Teague, staff
Carmen Melgar, resident, Four Streets cooperative
Josefina Guzman, resident, Comunidad Cambria
Teresa Marcial, resident, Comunidad Cambria
Rosana Perez, resident, Marathon cooperative
Carmen Parada, resident, Four Streets cooperative and MHA boardmember
Luis Rivas, resident, Four Streets cooperative
Jaime Jovel, Four Streets cooperative
Jessica Alatorre, resident, Four Streets cooperative
Jessie Alatorre, resident, Four Streets cooperative
Elihu Lee, resident, La Ronda cooperative, and MHA boardmember
Janice Moret, resident, La Ronda cooperative
Deborah Bowie, resident, La Ronda cooperative
Tracy Morris, resident, La Ronda cooperative
Beverly Hamilton, resident manager, La Ronda cooperative
Paula Litt, Liberty Hill Foundation
Neil Richman, consultant
Sally Richman, Los Angeles Housing Department
Kirke Wilson, Rosenberg Foundation
Maria Cabrera, resident, Mission Plaza
Rosa Hernandez, resident, Mission Plaza
Marianna Payan, resident, Marathon cooperative
Claire Hirsch, resident, Marathon cooperative
Marta Nuño, resident, Astoria Gardens cooperative
Juanita Lomeli, resident, Mission Plaza
Karen Hinojosa, resident, Las Casas
Debra Corona, resident, Astoria Gardens*
Dori Gomes, resident, Astoria Gardens*
Leslie Quintero, resident, Astoria Gardens*
Pablo Partida, resident, Astoria Gardens*
Jesse Garcia, resident, Astoria Gardens*
Antonio Morales, staff*

California MHA - North
David Kirkpatrick, consultant and co-founder
Melinda Hicks, Executive Director
Arthur Hutton, John Stewart Management
Rick Lewis, resident, Ninth Street cooperative, and ex-staff
Louise Marquis, resident, Ninth Street cooperative, and ex-boardmember
Jaques Kaswan, consultant
Jean Littlejohn, resident, St. Francis Square cooperative, MHA boardmember
Bob Adams, staff
Ruth Frias, boardmember
Al Reynolds, boardmember
Carmen Johnson, resident, MLK/Garvey cooperative
Bob Brown, resident, MLK/Garvey cooperative
Bill Richardson, resident, MLK/Garvey cooperative
Andrea Lopez, resident, Neary-Lagoon cooperative
Jan Starks-McCray, resident, Oak Center Homes
Barbara Stewart, resident, Oak Center Homes
Gail Pleasant, resident, Oak Center Homes

Northern California Land Trust
Teresa Clarke, Executive Director
Maria Benjamin, staff
Larry Hynson, staff
Ken Ryan, Board President
Aaron Reaven, resident, Peace Gardens
Curtis Brock, ex-resident
Tina Ivonen, SAMCO
José Artiga, Northern California Community Loan Fund
Ed Murphy, City of Berkeley Community Development Department
Jurgen Schwing, Berkeley Ecumenical Chaplaincy for the Homeless
Alison Hicks, boardmember
Glen Kitzenburger, ex-volunteer staff
Steve Barton, City of Berkeley Community Development Department

**New Columbia CLT**
Shirley Hillis, D.C. Department of Housing and Community Development
Duryea Smith, D.C. Department of Housing and Community Development
Pamela Jones, Executive Director
Christina Northern, boardmember
Mary Johnson, resident and boardmember
Charlie Jones, boardmember
Connie Todd, boardmember and ex-resident
Ron Holloway, boardmember
Martha Davis, Washington Innercity Self-Help
Evelyn Smith, resident, and leaseholder forum
Vere Plummer, boardmember
Paul Battle, Washington Innercity Self-Help
Linda Leaks, Washington Innercity Self-Help
Irene Lee, Eugene and Agnes E. Meyer Foundation

**MHA of Greater Hartford**
Catherine MacKinnon, Executive Director
Shelby Brown, youth coordinator
Samreen Malik, organizer
Brad Comer, resident and boardmember
Pat Bell, resident and boardmember
Dick Tower, Board President
Stephen M. Green, Project Manager, The Community Builders
Mary McAtee, Connecticut Coalition to End Homelessness, and MHA boardmember
Linda Bayer, boardmember and Assistant City Manager
Shelly Evan, resident and boardmember
Edgar Villarreal, Hartford Areas Rally Together (HART)
Lois Stevenson, Greater Hartford Realty Management Company
Martha Newman, Fisher Foundation

**MHA of Southwestern Connecticut**
Peter Wood, Executive Director
Kim McLaughlin, organizer
Larry Kluetsch, Director of Development
Myra Rivera, staff and ex-resident
Mary Ella Whitfield, resident, Board President, and resident councilmember

**Burlington CLT**
Brenda Torpy, Executive Director
Mary Houghton, staff
Lisa Bull, resident
Linda Wilcox, resident
Kathy Bonilla, resident and boardmember
Rob Reiber, resident and ex-boardmember
Barbara Prine, resident
Don Jamison, resident, ex-boardmember
Don Dickson, ex-boardmember, Housing Vermont
Pat Crady, Vermont Housing Finance Agency
Polly Nichol, Vermont Housing Conservation Board

Champlain Valley Mutual Housing Federation
Melissa McClelland, resident, Flynn Avenue cooperative, MHF Board President
Christine Demarais, resident, Thelma-Maple cooperative, MHF boardmember
Ray O'Connor, City of Winnoski Department of Planning
Holly Stebbins, boardmember, Flynn Avenue cooperative
Brian Pine, Vermont Community Loan Fund
Erhard Mahnke, Executive Director
Peter Gesiarz, staff
Sharon Fialco, staff
Richard Moffi, staff
Leslie Davis, staff
John Colborn, ex-Executive Director
John Davis, boardmember and Burlington Community Economic Development Office
Kenn Sassorossi, Lake Champlain Housing Development Corporation
Bruce McKenzie*, resident, Peoples Republic of Lambda IOU cooperative and MHF boardmember
Barry Trachtenberg*, resident, Green Mountain Student Cooperative, and MHF boardmember
Ted Wimpey*, Vermont Tenants, Inc. and MHF boardmember
Lisa Phillips,*, resident, and MHF boardmember

General or Non-Specific
Brian Sullivan, Senior Planner, Pratt Institute Center for Community and Environmental Development
Joe Weisbord, ex-Senior Planner, PICCED
Kirby White, Director of Technical Assistance, Institute for Community Economics
Diane Gordon, Neighborhood Reinvestment Corporation
Pat Moss, Institute for Community Economics
Michael E. Stone, University of Massachusetts at Boston
Rachel G. Bratt, Tufts University
Jonathan Klein, The Community Builders
Chuck Mattei, The Equity Trust
Anita Nager, Fund for the City of New York
Yvette Shiffman, Director, MHA Program, New York City Department of Housing Preservation and Development
Julie Orvis, Institute for Community Economics
Karen Sherman, Lawyers' Alliance for New York, Community Development Legal Assistance Center

* spoken to during the course of a meeting, rather than in an interview
About the Authors...

**John Krinsky** was a research associate with the Housing Policy and Research Unit of the CSS Public Policy Department from 1994 through 1996. A graduate of Swarthmore College, Krinsky holds a Master of Science in urban planning from Columbia University. Krinsky has worked as an organizer with homeless people, and is now a Ph.D. candidate in sociology at Columbia.

**Sarah Hovde** joined the Housing Policy and Research Unit of the CSS Public Policy Department as a policy researcher in 1995. A graduate of Cornell University, Hovde holds a Master of Science in urban planning from Columbia. Prior to coming to CSS, Hovde worked as a cooperative housing educator and technical assistance provider for several years.
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