

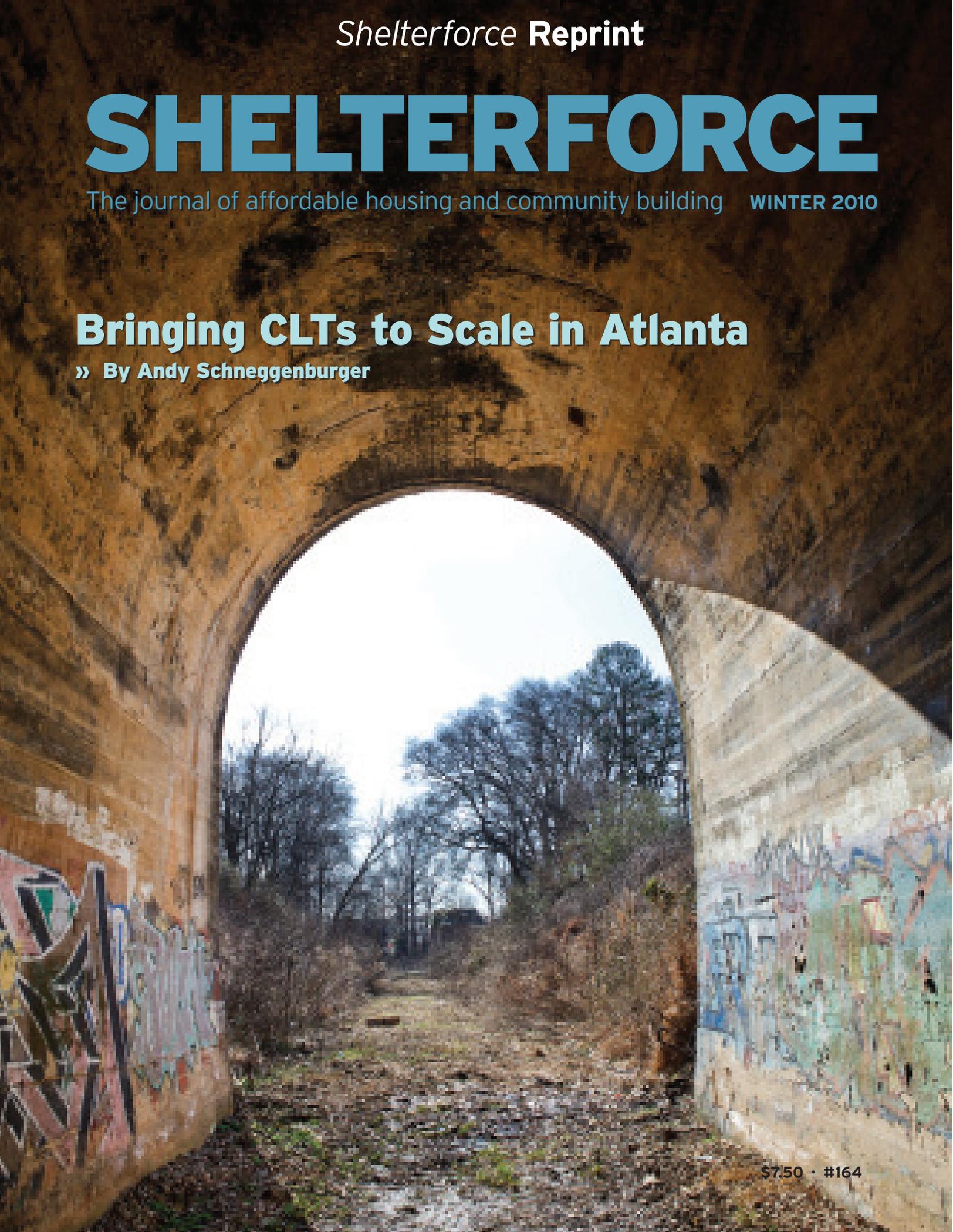
Shelterforce Reprint

# SHELTERFORCE

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## Bringing CLTs to Scale in Atlanta

» By Andy Schneggenburger



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# Bringing CLTs to Scale in Atlanta

To ensure affordable housing around the Atlanta BeltLine, the new Atlanta Land Trust Collaborative will balance citywide scale with local control of individual land trusts by existing CDCs. By Andy Schneggenburger

**A**LTHOUGH ON A NATIONAL level the shared equity homeownership model of a community land trust (CLT) has slowly gained legitimacy over the last two decades, the model has been a hard sell in Atlanta. Two CLTs operating in the city during the late 1980s and early 1990s disbanded after a short, groundbreaking, but controversial period.

As a result, CLTs were not even considered as a tool to provide permanent affordability for affordable housing units created during the period of rapid in-town growth from the mid-1990s through 2006. Units developed during the beginning of that surge are now reaching the end of their mandated affordability period, with many already being lost to the market. This, plus the prospect of new affordability pressures due to a massive transit redevelopment project, has sparked a resurgence of interest in the CLT concept.

The Atlanta BeltLine, currently the largest urban revitalization undertaking in the country, is a \$2.8 billion transit, redevelopment, and green space project in the form of a 22-mile loop that traverses 45 city neighborhoods. A significant challenge for the project is to insert this new development into the midst of existing neighborhoods without displacing residents who would like to remain.

While the physical development itself will displace few, there is evidence that the ripple effect of rising property values in adjacent low-income neighborhoods will displace many renters and owners from their homes. According to a study by Georgia Tech associate professor Dan Immergluck conducted in 2007 before any development had begun, public knowledge of the BeltLine project alone resulted in an increase in property values within a quarter mile of the project, particularly in low-income neighborhoods—a trend that will lead to displacement due to escalated property taxes and rental rates.

From the racial zoning during Jim Crow to the purposeful severing in two of the Sweet Auburn neighborhood, the hub of Atlanta's African-American community, in the 1960s by the new interstate highway, Atlanta has a long history of urban development implemented at the expense of African Americans. Wary of another chapter in this history, residents of low-income neighborhoods adjacent to the BeltLine said clearly from the beginning that the BeltLine must happen *with* them, not *to* them: preventing the displacement of low-income households that wanted to remain must be a priority.

## Courting the Stakeholders

The BeltLine Partnership (BLP) manages the capital campaign for the BeltLine, works to build community support for the project, and actively addresses social concerns associated with its implementation. Executive Director Valarie Wilson knew that the specter of displacement and gentrification could cause real damage to the project—not only its public perception, but to the very real potential it holds to bring new quality of life and opportunity to neighborhoods long ignored by Atlanta's economic growth.

"We were extremely concerned about displacement, and about preserving affordability in neighborhoods that would be impacted by BeltLine development. Not just preserving it, but preserving it long-term," Wilson says.

Determined to enact a proactive strategy, BLP began a national search for best practices. But research into displacement-prevention strategies associated with large redevelopment projects in Portland, Ore.; Arlington, Va.; Pasadena, Calif.; and others revealed that none had addressed the topic proactively. All had progressed with redevelopment significantly before realizing that displacement would be a problem.

BLP board member Mtamanika Youngblood suggested CLTs as part of the answer. Youngblood, who works

with the Annie E. Casey Foundation's Atlanta Civic Site, had actually been involved with the first CLT in the country, New Communities, Inc., incorporated in 1967 in Albany, Georgia.

The community-based control and perpetual affordability of CLTs convinced BLP staff to look into it. They invited local government agencies, nonprofits, community-based organizations, corporate foundations, and others knowledgeable about affordable housing to a presentation on CLTs by John E. Davis of Burlington Associates. "If we were to be successful with this concept, we needed everyone involved in affordable housing development to be in the room with us. Stakeholders from all sectors had to be at the table from the beginning," Wilson says. The result of this meeting was a cross-sector consensus to explore how to best bring CLTs to Atlanta, and especially BeltLine neighborhoods.

### Preparing the Ground

Casey's Civic Site, BLP, and Atlanta Housing Association of Neighborhood-Based Developers (AHAND) realized that between us, we could leverage a broad range of connections to effectively advocate for CLTs.

We used three parallel events to strategically increase attention to CLTs. First, BLP program director Rob Brawner arranged for a student competition at Emory University's Goizueta Business School to create sustainable business models for potential CLTs in Atlanta. The finalists presented polished proposals to an auditorium full of interested parties. This exercise called attention

to potential strategies for fiscal sustainability of CLTs, and generated buzz within the business and academic communities.

Second, recognizing why the CLT concept had a poor reputation within Atlanta's development and financing community, AHAND convened a small group of people integrally involved in the previous CLTs in Atlanta for a post-mortem analysis. What factors led to the dissolution of those CLTs? After a frank and honest discussion, it became clear that the prior CLTs had been ahead of their time for Atlanta, working within an unfavorable market context and reliant upon a lending environment that required more education and advocacy than could be provided. Communities misunderstood the concept and its goals. Short-staffed and time burdened, the organizations simply could not resolve all of those challenges.

These sorts of political or practical obstacles were not likely to affect the current endeavor in the same way. Affordability challenges in the market provide much more favorable conditions, and a full portfolio of successful examples and data from the National CLT Network (NCLTN) and Burlington Associates were available to make the case to communities, lenders, the public sector, and other stakeholder groups, helping to dissolve lingering prejudices against the model.

The third event had perhaps the most effect. NCLTN agreed to hold a CLT Network Academy in Atlanta in the summer of 2009 at Morehouse College, one of the historically black colleges in the Atlanta University Center. This event presented the ideal opportunity to provide

A boarded up house off a potential spur trail of the Atlanta BeltLine in Southeast Atlanta





Construction proceeds just off the Atlanta BeltLine corridor at the corner of Huff Road and Fairmont Avenue.

in-depth education on the CLT model to stakeholders having little prior exposure, and was well attended. City government agencies, community members and organizations, and philanthropic and business entities all sent representatives to the academy for training. The result was an immediate growth of support from within these stakeholder groups.

### Big or Little?

With many stakeholders now better informed, the three co-conveners began bringing them together to explore the prospects for CLTs in Atlanta. In addition to local government agencies, community-based organizations, and funding organizations, the stakeholders group now included faith-based organizations, neighborhood organizations, equitable development advocates, community organizers, legal advisers, lenders, real estate agents, and housing advocates.

Under Davis's guidance over the next year, this development committee examined political, fiscal, structural, and practical possibilities. Key to the debate was a consensus agreement early on that to retain legitimacy and

mission long-term, any new CLT must be city-supported, but community-driven in typical CLT fashion. It must also respond initially to development pressures in BeltLine-adjacent neighborhoods, but have the flexibility to serve other Atlanta or even regional neighborhoods as well.

But what structure would achieve all this? Should there be a single large CLT to serve the city, or should there be many smaller neighborhood-oriented ones? Many things seemed to weigh in for each option.

The subject of resource availability was a continuous subtext of

the discussion. Community development organizations in Atlanta already struggle to find and generate operating revenue. The idea of additional competition for scant resources fed a reluctance to propose a completely separate layer of multiple new CLTs.

However, the agencies most likely to be considered as a host for a single large CLT, the city of Atlanta itself and the BeltLine Partnership, both declined. Adding a housing program would have created a fundamental conflict with BLP's mis-

sion. A cycle of budgetary downsizing due to the effects of the financial crisis effectively removed the city from consideration. Also, there was a conviction within the committee that the CLTs must remain grassroots-driven at their core, true to the classic form of the model. This required smaller organizations in touch with community and resident needs.

The BLP wants CLTs to help mitigate displacement near the 22-mile project, and affordable housing has become an increasingly regional topic in metro Atlanta. But again this was in tension with fact that an organization directly connected to the community in a way best provided by neighborhood-based groups would be most politically viable, particularly since the committee itself began as a top-down initiative. Despite resource challenges, CLTs would only have the political and practical means for success if they grew from within the communities they served.

Yet the most logical and obvious vehicles to create new CLTs—the existing CDCs already operating in many neighborhoods—did not have a history of support for or experience with the CLT model. The Pittsburgh Community Improvement Association had the philosophical and financial support of the Annie E. Casey Foundation through its place-based work in and around Pittsburgh to move toward starting a CLT. (See page 20.) But other CDCs would need education and technical assistance to embrace and adopt CLTs as a housing program. Interest and buy-in from the CDCs was growing through the CLT Academy and other advocacy, but long-term support and technical assistance would be needed for actual implementation.

### The Central Server

In response to all of these issues, the idea of a “central server” organization that would advocate for, and facilitate the creation of, individual CLTs gradually began to gain traction. The committee decided that the entity

## RESOURCES

“The BeltLine and Rising Home Prices,” by Dan Immergluck  
[www.nhi.org/go/standup](http://www.nhi.org/go/standup)

Atlanta BeltLine, Inc.  
[www.nhi.org/go/beltline](http://www.nhi.org/go/beltline)

National Community Land Trust Network  
[www.nhi.org/go/clt](http://www.nhi.org/go/clt)

Burlington Associates  
[www.nhi.org/go/burlington](http://www.nhi.org/go/burlington)

should prepare the ground for the creation of CLTs by providing ongoing outreach and capacity-building services. The committee embraced a hybrid concept with the flexibility to respond to a variety of scenarios: an organization that could support CDCs, neighborhoods, or other organizations to initiate their own CLTs, but also act as a CLT for neighborhoods that wanted one but had neither the capacity nor a CDC to start their own.

This hybrid model for a “central server” organization began to take defined shape through a separation-of-duties analysis led by Davis. A list of all typical CLT activities or functions was compiled and subdivided into three categories: (1) those that are inherently detailed and grass-roots, responding to particular neighborhood context and politics; (2) those that are common to all CLTs and broader in scope; (3) those that are a combination of both. As committee members assigned functions to these categories, first individually and then collectively, a consensus began to form around which functions could be performed by a central server and which would need to be performed by individual CLTs to maintain the political and functional integrity of the model.

The central server could facilitate the creation of CLTs as an advocator and educator, and could minimize the burden to existing CDCs of staffing up for certain standard CLT functions by providing technical assistance. This creates efficiency of scale by removing some overhead cost barriers to new CLTs. It could also function as a full-fledged CLT where needed. However, the central server would also fail if it asserted itself without community consent. Clear protocol would be required for these different scenarios.

This analysis led to the creation of the Atlanta Land Trust Collaborative (ALTC). ALTC will continually educate stakeholders and industries that affect CLT operation, and advocate for local and state government policies supporting CLT operation. It will provide specialized tasks like legal services for ground-lease and purchase contracts and certain real estate development services, freeing up the neighborhood CLTs to concentrate on aspects of CLT operation specific to their communities, such as identifying, expanding, and counseling clientele and securing and developing the housing portfolio. This flexibility not only complements the existing CDCs by supporting their ability to create CLT programs, it also allows for a potential growth model of regional scale and substantial impact.

### CDCs and ALTC

While the process to arrive at the form of the ATLTC took almost two years, involving the array of stakeholders who will be integral to CLT operations in that deliberate

decision-making process has greatly minimized many of the hurdles to smooth functionality for future CLTs.

The response so far from Atlanta's CDC community has been positive. The CDCs have long concentrated on building homeownership for qualified low- and moderate-income residents, in part to offer equitable access to the benefits of homeownership, but also to stabilize their communities by reversing the heavy ratio of absentee-landlord rental homes that dominate many south- and west-side neighborhoods.

While some CDCs perceived CLTs as an obstacle to building wealth, most simply needed a detailed introduction and a better understanding of how they worked. In the aftermath of the foreclosure crisis, and the shortage of resources to create and sustain affordability, the multiple benefits of the shared-equity model are gaining greater attention.

LaShawn Hoffman, CEO of Pittsburgh Community Improvement Association, and Natallie Keiser, director of operations for Resources for Residents and Communities, a CDC in the Reynoldstown neighborhood, have both become important advocates of the model.

Hoffman, whose neighborhood has a two-to-one ratio of renters to homeowners, sees CLTs as an important option for PCIA to provide to households trying to move out of a rental status, and has no qualms about the shared-equity model, fully appreciating the perpetual affordability it presents. He believes it will enhance PCIA's housing goals by providing an option outside of the traditional model. PCIA's new business plan will include a CLT as a programmatic function of the organization, made possible by a combination of absorbing some overhead costs associated with the new program into PCIA's budget and the additional support from the ALTC. (See page 20.)

RRC is incorporating a CLT program into its new strategic plan. Keiser says it would be unable to do so if not for the technical assistance and resources to be provided by the ALTC.

Other CDCs have also expressed an interest in exploring the addition of a CLT to their housing programs. We are encouraged to see the ALTC begin to perform its role and see tremendous potential for results from this hybrid model, not only to fulfill its original purpose to limit economic displacement, but to help create a movement toward more effective and efficient affordable housing policies in the whole region. 🏠

Despite resource challenges, CLTs would only have the political and practical means for success if they grew from within the communities they served.

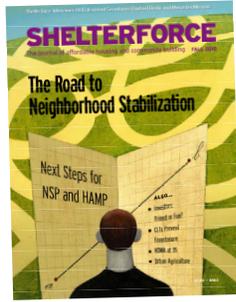
**ANDY SCHNEGGENBERGER** is the executive director of the Atlanta Housing Association of Neighborhood-Based Developers.

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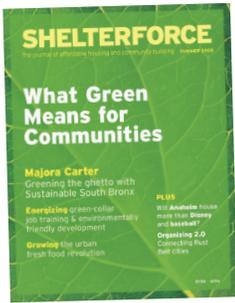
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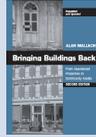
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