

WHT Looks North to Expand its Mission

by Christopher Hardee

When the Rockingham Area Community Land Trust (RACLT) approached the Windham Housing Trust (WHT) in January 2010 to discuss merging operations, the question about whether to proceed wasn't immediately obvious. "We developed as a grassroots organization in Brattleboro," says Connie Snow, WHT Executive Director, "so if we doubled our territory, we wanted to know what we would lose." At the same time, Snow adds, "There were also very compelling reasons why it would be a good thing to do." Important decisions are rarely black and white.

Founded in 1989, RACLT serves 20 towns in northern Windham and southern Windsor counties. It currently administers about 500 total units, including 357 rental apartments (located in Windsor, Bellows Falls, Westminster, Chester, and Springfield), 76 single-family

homes (in nine towns throughout its territory), 57 mobile home lots, and 13 commercial units (in Bellows Falls). But executive turnover during the last 15 years has taken a toll and the organization's development pipeline has all but dried up. That's the reason they came knocking on WHT's door.

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A number of factors point towards the positives of consolidating operations. First of all, the two organizations—which are similar in

structure and administer the same four major housing, loan, and development programs—have partnered in significant ways in the recent past. The Homeownership Center of Southeastern Vermont (housing counseling and home buyer training), for example, is a joint effort in which RACLT's national NeighborWorks charter serves as the umbrella for a WHT satellite program. On the flip side, WHT's Rehabilitation Loan Fund program (low-cost loans for home repairs) has covered the funds for a rehab specialist, based in RACLT's office, who services their territory. "This is an organization that we really know well," says Snow, "and we have collaborated effectively with them for a number of years."

RACLT's NeighborWorks (NW) charter is another important factor. In the 1990s, five Vermont organizations—including RACLT



RACLT-owned Union Square in Windsor

TOWNS SERVICED

WHT

Brattleboro
Brookline
Dover
Dummerston
Guilford
Halifax
Jamaica
Marlboro
Newfane
Putney
Stratton
Townsend
Vernon
Wardsboro
Whitingham
Wilmington

RACLT

Andover
Athens
Baltimore
Grafton
Cavendish
Chester
Landgrove
Londonderry
Ludlow
Peru
Plymouth
Redding
Rockingham
Springfield
Weathersfield
Westminster
Weston
West Windsor
Windham
Windsor



RACLT-owned Exner Block in Bellows Falls



RACLT-owned Howard Block in Bellows Falls

—received NW charters, while WHT missed the opportunity. Since then, WHT has sent staff to NeighborWorks’ trainings and has applied for a charter a handful of times without success. Vermont housing agency funders and WHT partners (Vermont Housing and Conservation Board, Vermont Housing Finance Agency, Vermont State Housing Authority, and

Housing Vermont) are eager to preserve the state’s fifth charter, and while it can not simply be transferred from RACLT to WHT, consolidating would accelerate WHT’s application process and almost certainly ensure its success.

As more and more federal funds are funneled to NW, the charter represents a significant financial

resource (with an annual operating grant close to \$80,000), as well as a source of diversification that would help WHT weather the ups and downs of the housing market. “Clearly, becoming a NeighborWorks chartered organization will be a huge positive step in the direction of diversifying income for WHT,” says Snow.

Other benefits of consolidating RACLT with WHT include the fact that a larger territory and one less competing non-profit can mean an increase in development opportunities. In a larger organization there is also the potential to add more specialized staff positions, which can improve the quality and quantity of services offered to the community.

To consider the pros and cons of expanding their geographic reach, this past summer WHT entered into a three-month “due diligence” process, assisted by Viva Consulting (a community development consulting firm) and a WHT Merger Committee comprised of staff and board members. The Merger Committee evaluated RACLT’s agreements and contracts as well as touring all properties being considered for acquisition. Based on that process, legal options for

ORGANIZATIONAL COMPARISON

Organization	WHT	RACLT
Date founded	1987	1989
Towns serviced	16	20
Properties		
Rental apartments	391	280
Mobile home lots	22	57
Single-family homes	50	76
Commercial properties	3	13
Under development	24	77
Total units	490	503
Programs		
Home Ownership Center program	Yes	Yes
Rehabilitation Loan Fund program	Yes	Yes
Rental Housing Development program	Yes	Yes
Property Management program	Yes	Yes

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housing resources as a prime motivator—housing advocates and the conservation community got together and invented the Vermont Housing and Conservation Board.

“There was an interest and passion to seek solutions to the state’s real estate problems,” says Gus Seelig, the Executive Director of the organization since its formation. “The result was that permanent affordability became a key part of Vermont’s housing policy.”

At the same time, a network of community land trusts (CLTs) were spawned. “We created the community land trust as a model to preserve affordability,” says Brenda Torpy, CEO of the state and nation’s largest CLT, the Champlain Housing Trust located in Burlington. “We are taking land out of the market to serve people who can’t get into the market.”

In the 1990s, the CLT movement grew, primarily in Vermont, California, Florida, the Pacific Northwest, and the Minneapolis/St. Paul area—places where the real estate pressures were highest and the political climate favorable. Today, there are nine CLTs alone in tiny Vermont (population under 650,000) and a total of 230 nationwide in 45 states.

When the financial system collapsed during the Depression, the government invented the 30-year amortized mortgage, revolutionizing the housing industry and opening up home ownership to the middle class. Now in 2010, there are a new set of problems: the mortgage market is in shambles and foreclosure rates are at record highs nationwide. At the same time, a recent study shows that CLT-financed affordable housing foreclosure rates are a dramatic eight times lower than conventional

financing, proving that the CLT model is creating stability. With the housing industry, communities, and citizens currently searching for the right reforms, some believe that the CLT model provides part of the answer.

On October 8, 2008, as the housing market crumbled, the Champlain Housing Trust was being honored for its innovative programs with a United Nations World Habitat Award, given for developments in sustainable living. In the spring of 2010, in a speech at the Center for American Progress in Washington, Vermont Senator Patrick Leahy praised the CLT model and put his support behind a federal demonstration project. Other countries, such as the UK, Belgium, Australia, and Canada are steering housing policy in this direction as well.

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This growing endorsement from outsiders is coupled with unanimous agreement from those who work in the trenches about the positives of the CLT model. “If you’re trying to spend your public resources wisely, then any investment made with public funding should serve its public purpose as long as possible,” says Torpy.

“We’re giving a gift to the next generation by having some part of the housing stock continue to be affordable,” Seelig says. “It’s a great investment in community

diversity.” WHT’s Connie Snow adds, “We’re building a resource of homes in the community that will stay affordable for future generations.”

And while the CLT model is recycling federal monies in perpetuity and creating a stock of affordable houses for communities, it is also doing something else. It’s helping ordinary people in tough economic times, who are wrestling with the realities of making ends meet and buying a home.

10 MARSH DRIVE: POSTSCRIPT

Jessica and Ben Landers have called Brookline “home” for almost five years since they moved in just before New Years Day in 2005. “It could have taken us a really long time to get into a house,” says Jessica Landers. “But because of this program, we were able to move our family into a place that fit us sooner than we would have been able to.”

Despite the crash in the economy and the bursting of the housing bubble, the Lander’s children, now five and six, have had the opportunity to spend their earliest years in a house with a yard, rather than an apartment. “It’s a great location. There are great neighbors,” says Landers. “It’s a perfect little house. We love it!”

And while the economy has had its impact, the Landers are not the victims of a sub-prime mortgage and headed for foreclosure, like many. By preserving affordability and recycling equity through three owners, WHT and the Homeland program have played a role in keeping the Lander’s living situation stable and secure. “And the beauty of it is when we leave, another family, just like us,” says Landers, “is going to be able to take advantage of this house. That’s the great part!” 