

# Inequality of Forms of Capital: Crisis and Opportunity in Low Income Housing Policy<sup>1</sup>

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## ABSTRACT

Rhetorically U.S. low-income housing policy mobilizes theories of capital accumulation to make claims about improving the lives of poor people. They are used to justify dismantling public housing while privatizing other subsidies on the argument that segregation of low-income households isolates them from valuable social capital and rental subsidies preclude ownership thus reducing intergenerational accumulation of wealth. On these grounds, low income housing policy has been dominated by two ideas: 1) deconcentration of poverty and 2) asset accumulation through homeownership. The first approach has largely failed to increase any of the forms of capital for low-income households. The foreclosure crisis, as well as other evidence, calls into question the viability of the second. This paper will consider Shared Equity Housing (SEH) as an alternative, with an emphasis on Community Land Trusts (CLTs). SEH shares the costs and profits of housing investment between the homebuyer and a sponsoring organization to assure permanent affordability of the stock. Community Land Trusts steward both community forms of capital and those of homeowners. Following Bourdieu's conception of forms of capital, I theoretically and empirically contrast CLTs potential to increase the social, cultural and economic capital of low-income residents with deconcentration programs and traditional homeownership. Evidence from studies of SEH and interviews and focus groups with low-income renters, would-be homeowners, and mortgage delinquent households support the desirability of SEH. My preliminary analysis of data from low-income CLT homeowners confirms improvements in economic, social and cultural capital and reveals non-economic dimensions valued in homeownership.

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<sup>1</sup> I want to thank my research team, the Housing Environments Research Group of the Center for Human Environments, Kristin Hackett, Deshonay Dozier, and Mariya Marinova for data analysis. Staci Hurwitz deserves a debt of gratitude for doing the research with CLCLT homeowners and facilitating HERG's involvement. Deirdre Oakley contributed much to the thinking in this paper, as did James DeFilippis and Jim Fraser in earlier conversations. And without John Emmaus Davis the existence of CLTs and the conversation about them would be much impoverished.

<sup>2</sup> Paper presented at RC-43 Conference: Housing and the Built Environment of the International Sociological Association. July 11, Amsterdam.

## I. INTRODUCTION

Low-Income housing policy in the United States has long justified itself as providing social goods and not just a way of providing housing for those who cannot afford it (Schwartz, 2010). For the last three decades direct state provision of housing and permanently subsidized housing have lost favor as public policy as a whole focused more on market provision of goods and individual rather than government responsibility. Critiques of public and subsidized housing emphasize the absence of accumulation of social, cultural, and economic capital when low- income people are segregated from higher income groups (Wilson, 1987). Rental subsidies are thought to reduce the drive to own housing as a means of equity accumulation, thus reducing intergenerational accumulation of wealth (Oliver & Shapiro, 1995).

Low income housing policy has been dominated by two ideas: 1) deconcentration of poverty (Popkin, Levy & Buron, 2009), and 2) asset accumulation through homeownership (Herbert & Belsky, 2008). The argument for deconcentration of poverty drew heavily on social capital theory. Moving poor households into mixed income neighborhoods was supposed to increase the socioeconomic and ethnic diversity of their social networks. This greater diversity was expected to promote mainstream social norms of work, educational achievement, collective efficacy, and social control. Diverse networks were expected to provide poorer households with more access to jobs, advice, and a wide range of assistance through social ties to better-off neighbors. These ties

were also supposed to increase social leverage with institutions for poor households. Poor households were expected to benefit directly by increased safety, better residential quality, better schools and other institutional services, and more geographic access to jobs. Increased social capital was expected to leverage benefits in the areas of employment, education, and civic participation.

Most deconcentration programs have targeted public housing residents. Evaluations of these efforts usually show that households receiving subsidies improve housing and neighborhood quality and safety (Popkin, Levy & Buron, 2009). There is some evidence of more positive child development among voucher holders (Gallagher & Bajaj, 2007). However improvements in economic condition, employment and education have not generally occurred (Popkin, Levy, & Buron, 2009; Popkin, 2010). Social capital outcomes are at best mixed (Curley, 2010; Joseph & Chaskin, 2010) and not infrequently have often been more negative than positive (Greenbaum et al, 2008). Whatever positive, ambivalent or negative relationships ex-public housing residents were able to form, they did not leverage economic capital. A 2012 study reported that relocated Chicago public housing residents faced greater employment and income problems after moving and showed signs of deteriorating well-being (Chaskin et al, 2012). Even early advocates of deconcentration as the way to integrate isolated poor households into mainstream society conclude that this goal has not been achieved by deconcentration policies (Chaskin & Joseph, 2010).

Asset accumulation through homeownership was expected to directly improve intergenerational wealth accumulation, residential quality, and access to

better schools. Social capital was thought to be increased by residential stability, financial investment in the community, and entrance into mixed income neighborhoods. The bulk of studies of the effects of homeownership support the association between homeownership and social capital even with low-income samples (Manturuk, Lindblad & Quercia, 2012). Low-income homeownership proves to be a financially precarious situation with many homeowners returning to renting within five years (Herbert & Belsky, 2008). A longitudinal study of low-income renters in a homeownership education program found that many who bought homes succumbed to financial challenges (Van Zandt & Rohe, 2011). Continuing renters actually improved their neighborhood quality more than first time homebuyers (Van Zandt & Rohe, 2006).

Low income, especially minority and female-headed households disproportionately received risky subprime and other exotic mortgage loans (Williams, Nesiba & McConnell, 2005; Wyly et al, 2006). Further, lower income homeowners are more subject to the regular triggers of mortgage default such as illness, unemployment, and family dissolution (Libman, Fields & Saegert, 2011; Saegert, Fields & Libman, 2009). Foreclosure compounds this tendency as it has been shown to be associated with higher incidence of a series of diseases (Pollack et al, 2011). Research has also shown that first-time buyers more often assist their kin who have fewer resources, thus further draining their financial, temporal, and emotional resources and giving them few family members to turn to for help (Fields, Libman, & Saegert, 2010).

However, for those low- income homeowners who manage to succeed, the home becomes the single largest contributor to their wealth (Di, 2005). Low- income homeownership has been associated with greater educational achievement for children (Harkness & Newman, 2002), as well as psychosocial benefits such as pride in homeownership as well as a sense of full citizenship and social status (Saegert, Fields & Libman, 2009).

The limited success of these two approaches has led to searches for alternatives such as shared equity homeownership (SEH). SEH involves shared investment in housing between the homebuyer and a sponsoring organization and limitations on the profit that homeowners can make at sale to guarantee permanent affordability. A national study of SEH programs found that 90% of shared equity homeowners remained in their homes five years after they bought them. They realized reasonable returns on investment, and were able to resell when desired. In addition the homes stayed affordable across resales to households with the same income levels (Temkin, Theodos, & Price, 2010).

Among these models, the CLT presents an especially comprehensive approach to community development. CLT homeowners own their buildings but the land is treated as a common heritage owned by a nonprofit corporation and is made available through 99-year renewable ground leases. The governing board of the corporation is selected to represent CLT leaseholders, non-lease holding residents of the CLT service area, and representatives of the public interest. The board acts as a steward of CLT resources, including but not limited to housing, and is entrusted with ensuring long-term affordability and stability for present and

future generations, and with expanding the CLT. CLTs often provide land to social housing and service providers, non-profit organizations, and commercial businesses, depending on the needs of members and the surrounding community. Thus, CLTs provide more than permanently affordable housing and security of tenure; they invite and support broad community participation in the pursuit of these and other individual and social goals.

The CLTs offer many forms of institutional support as part of the mission of community stewardship. Commonly CLT support includes homeownership education prior to purchase, various forms of assistance with mortgage procurement, foreclosure prevention assistance, and access to ongoing education in home maintenance and financial management. Some CLTs engage in resident outreach and community building activities as well. Community stewardship can take the form of transit-oriented and low-income rental housing development, environmental quality stewardship, land and agricultural preservation, commercial development, and partnerships with social service agencies and local businesses.

The first large-scale assessment (n= 96; housing units =9,543) of CLT programs (Thaden, 2011b) documented that CLTs commonly offered both resale restricted homeownership units and rentals. Some also offered limited equity cooperative and lease purchase units, all initially less expensive than market rate units. All insure permanent affordability through a variety of mechanisms. In addition, some CLTs cross subsidize their affordable units and other community serving land uses with market rate rentals, commercial units, and occasionally

homeownership opportunities. CLTs as shared equity owners retain rights with regard to approval of mortgages and lines of credit, as well as in the case of mortgage delinquency. The right to cure mortgage delinquencies was retained by 74% of the CLTs studied. Most offered at least one foreclosure prevention service and 62% provided foreclosure prevention counseling. Post-purchase financial literacy education and other educational classes/ events were common, as were home maintenance referrals. Staffed positions provided outreach and homeowner support in 43% of CLTs. Above 20% maintained funds for repair and other emergencies. These policies combined with periodic inspections contribute to residential quality.

The question can be raised as to whether these policies will be perceived by residents as intrusive or stigmatizing. A study of HOPE VI residents indicated that relocated public housing residents were subject to new forms of stigmatization through the intrusive monitoring and other kinds of relationships with the rehousing organization (Bartz, Joseph & Chaskin, 2011). In theory CLT's stewardship mission and commitment to community governance should protect resident interests by allowing them to participate in setting rules and CLT practices.

While there is little research on individual homeowner experiences, at the end of 2011 mortgage loans held by conventional homeowners were 10 times more likely to be in foreclosure proceedings and 6.6 times more likely to be 90 days delinquent than low-income owners of CLT homes (Thaden, 2011a,b). Focus groups and interviews with lower income renters, prospective

homebuyers, and delinquent homeowners found that the concept of SEH was attractive because of the combination of homeownership, lower entry costs, risk sharing, and stewardship (Thaden, Greer, Saegert in press).

## **CITY OF LAKES COMMUNITY LAND TRUST STUDY**

My research team is currently analyzing qualitative, survey, and organizational record data from a pilot study conducted by the City of Lakes CLT.<sup>3</sup> The City of Lakes CLT (CLCLT) is a non-profit organization seeking to provide affordable, sustainable homeownership and build community through increased community engagement. Additionally, CLCLT supports its homeowners through resources and information in the form of pamphlets, classes, and workshops. CLCLT is also known for active resident engagement, community building and participation of residents in governance. Started in 2002, CLCLT grew out of the consolidation of multiple small non-profit projects. To date, they have served 150 homeowners.

Our initial analyses evidenced a range of life improvements of the sort that have proved elusive in previous studies of poverty and in previous attempts to address issues related to poverty via housing solutions. CLCLT serves households mainly in lower Area Mean Income (AMI) brackets (Median bracket = 30-39% AMI; mean=40-49% AMI, with 60% below 50% AMI and 12.8% below

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<sup>3</sup> CLCLT collected data from homeowners at the time of their purchase and through surveys in 2010, and 2012. There are three sets of data: intake information (income, mortgage, subsidies, CLCLT services, demographics, etc.); 2012 survey on CLT homeowner experiences; and 2012 survey with closed- and open-ended questions. The 2012 closed-ended survey was based on a 2010 qualitative survey. Using Lime Survey online, 79 out of 125 homeowners responded (response rate 63%). We received the data 11/2012 so only simple preliminary analyses have been completed. All correlations reported are significant at or below  $p = .05$ . Much of the analysis draws on data from administrative records at time of purchase (TOP) and from the 2012 survey.

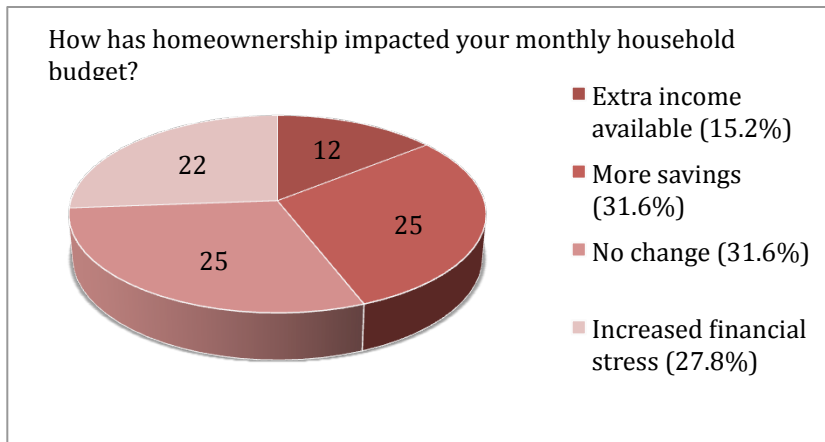


30% AMI at time of purchase). Half the households were female headed. Ethnically, 35% were African American, 51% Caucasian, 8% mixed race, and the rest evenly divided among American Indians, Asian/Pacific Islanders, and Hispanics. The great majority of households included children, with the mean being slightly more than one child per household. It is not surprising that affordability was the most frequent reason homeowners reported for choosing to buy into the CLT model (N=37, 66.1%), with an additional 5.4% reporting that they lacked other options. The improved affordability of CLTs for low-income households can be seen in the changes in monthly payments between time of purchase (TOP) and 2012: 78.7% of homeowners reported lower monthly payments than in their previous situation (n=37). On average, homeowners paid about \$190.75 less monthly than they did in their previous housing (SD=276.67), resulting in household budget changes shown below (Figure 1). While some reported increased financial stress, the numbers compare favorably with the findings of Van Zandt and Rohe (2011) that within two years more than half of lower income homebuyers from their homeowner education sample increased their household debt and more than a quarter were 30 days or more late on their mortgage payments.

Figure 1: Financial Impact of CLT Homeownership<sup>4</sup>

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<sup>4</sup> N shown in graph; % in legend



Other improvements included full-time employment increases from 62.3% at TOP to 71.4% in 2012. The percent of residents with a B.A. or higher degree rose from 37.5% to 42.9%. Over 1/3 of our sample (37.8%) reported that stability has been a major benefit of owning a home, and more specifically, 64.2% of that one-third reported that it had provided more stability for family and children. This stability seems to stem from affordability and the implications for life outcomes such as improvements related to education and employment and improved outcomes for children. For example, the amount of cash subsidy received by a family correlated .35 with ratings of stability. Also, unlike many public housing and deconcentration programs there is no expectation that CLT housing will be temporary. In general, residents who took advantage of more CLCLT institutional support reported greater life improvements and satisfactions. Total amount of CLT engagement correlated .42 with ratings of children's improved academic achievement. Homeowners higher in CLT engagement reported more satisfaction with achievement of homeownership goals ( $r = .34$ ), greater stability

( $r = .42$ ) and greater access to employment opportunities ( $r = .30$ ), chiefly through networking.

Table 1. Changes in Employment Opportunities

Category	Percentage
Promotion	19.0%
Increased wages in current job	17.7%
Access to new jobs	11.4%
Improved networking	25.3%
Other	16.5%
No change	35.4%

There are also signs that household social capital increased with greater CLT engagement. The correlation of CLT engagement with increased voluntary activities in the community was  $.30$ . Homeowners who said that CLT events helped connect them to the community reported a stronger sense of accomplishment in homeownership ( $r = .34$ ). Findings suggest that the combination of affordability and institutional support offered by the CLT benefits household economic capital on a monthly basis and not only as accumulated home equity. This contrasts with the grimmer financial picture emerging for low-income traditional homeowners, even those who received non-profit education to prepare them. The institutional support this CLT provides contrasts with the intrusive monitoring and informal stigmatization documented in HOPE VI.

CLCLT appears to facilitate social values of self-sufficiency, hard work, and discipline in a way that also increases pride in achievement, hope for the next generation, and increased engagement with the community, as illustrated by

the following quotations, in response to the survey question “Has your life changed since you bought your CLT home?”

-“Yes, becoming a homeowner was definitely a goal achieved; becoming a homeowner is not the easiest process and takes time, diligence, and discipline. However, the reward is a payoff and it helps you become more self-sufficient.”

-“We have talked about buying a home together for a while but didn't think it would be possible based on our income and the general economy. Working with the land trust has helped us reach a life goal, and has provided a stabilizing force. Our son now gets to grow up in a house that we own and can invest in.”

-“Yes, my home because of the affordability of the price has allowed my kids to be full-time students and they did not have to work to help me pay my bills.”

- “Yes, there is more responsibility with homeownership. We get to make the decisions; we have to take care of every last detail. It is an empowering, overwhelming, and educational experience. Our eyes are opening to all the work associated with maintaining a home, and we are enjoying every step of the journey so far.”

-“Yes, I'm more aware of the importance of the community we live in. Forming relationships with neighborhood residents and businesses wasn't on my radar as much when I rented. I also take more pride in caring for our space-- upkeep, repairs, landscaping/gardening have offered me the chance to grow and learn new things.”

-“It (owning a CLCLT home) has taken my desire to serve my neighborhood to a whole new level. It has also changed my perception of time, made me feel more patient and take a long-range view on plans/goals.”

The qualitative analysis of the data has advanced this summer, but is not yet complete. CLT homeowners are demonstrating strong commitment to and satisfaction with aspects of homeownership that can only be twisted into forms of capital with great effort of will. The second most mentioned reason for choosing a CLT home, after affordability, related to the social mission and vision of an equitable community. The question was completely open-ended. Answers to how buying a CLT home affected their lives focused on use values and social relationships. With regard to the question raised by HOPE VI about stigma and intrusiveness, the most common way resident explained their relationship to the CLT was that they were there when they were needed and they offered opportunities for networking, participation in governance, and learning, but these were not required. Many people mentioned that it was wonderful that they could lead their busy lives that made participation difficult and still have back-up when needed.

### **Limitations**

We obtained these data as a result of discussions with CLCLT staff about their efforts at self-evaluation and their desire to have the assistance of an independent trained researcher. The response rate of 63% is very good for an online survey but still leaves room for sample bias. We have not yet conducted regression analyses to control for household characteristics and other competing

hypotheses. We are in early stages of qualitative analysis now. In any event, a data set from only one CLT gathered by the organization itself can only be suggestive.

Selection bias concerning who chooses to live in a CLT maybe a more fundamental question concerning implications for housing policy. As we have been analyzing the data we have been struck by how socially engaged and socially conscious a lot of the respondents seem to be. In addition, we are surprised by the entrepreneurial attitude and activities that characterize many responses. Alternate explanations include 1) people in Minneapolis are pro-social and entrepreneurial; 2) our surprise may reflect New York City or academic cynicism about this population or people in general; or 3) we write in the context of a US housing policy based on economic and economistic views of human nature. The entrepreneurial aspect of the responses and the emphasis on increased self reliance and empowerment can be seen as supporting a neoliberal agenda. However, respondents also strongly affirmed their belief in the community serving permanent affordability mission of CLCLT. These findings reaffirm the possibility that CLCLTs attract socially conscious residents but it does not support the neoliberal internalization interpretation.

Linking our preliminary findings back to the conceptual model we offer a critique of this theoretical framework from two perspectives: 1) it misunderstands how forms of capital work; and 2) it confines the idea of improving lives and communities to the idea of increasing economic, cultural and social capital.

## **THEORIES OF CAPITAL AND AFFORDABLE HOUSING POLICY**

Social capital theory contributed to the idea that social ties across SES and racial groups were crucial to improving the quality of social capital of low SES people. Two ideas about social capital have been especially influential in shaping housing policy: 1) Granovetter's (1973) theory of weak ties as a means to increase educational and employment opportunities; and 2) Briggs (1998) articulation of the goals of social capital as either helping poor residents "get along" (bonding social capital) or "get ahead" (bridging social capital). It was thought that because the social networks of poor people, especially those living in public or subsidized housing would not contain many working people or people who had significant educational credentials, these networks would not be of much help in economic and educational advancement. Similarly, Briggs suggested that lower-income people moving into mixed income developments continued to rely on old social networks to "get by" whereas networks including new higher SES neighbors would be more helpful in "getting ahead."

These ideas were often employed in evaluations of poverty deconcentration programs but were also implicated in homeownership promotion in that poor residents would at least not be living in economically segregated subsidized housing and would have a choice about where to invest. Research on homeownership and social capital encouraged the belief (or derived from the belief) that ownership promoted broader, stable, and positive ties to other people and the local community. Both of these theories point to the different purposes served by different social networks. Both distinguish between close associations (strong ties and aid in "getting along") and less intense personal relationships

that nonetheless provide access to resources not available within small and tightknit networks. Both draw on Putnam's (1993; 2000) theory of social capital as promoted through voluntary associations. However, they do not explicitly focus on the role of formal organizations in developing social capital.

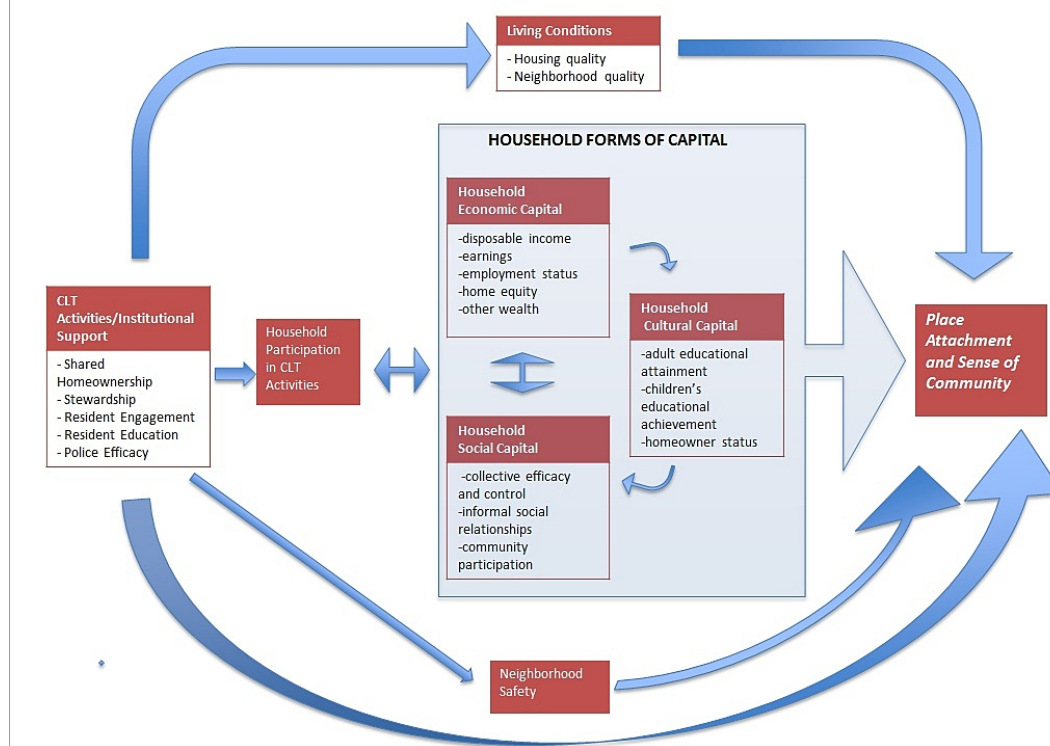
In contrast Coleman's (1988) functionalist formulation of social capital examines the social formations that promote shared obligations and expectations, information channels, and social norms. Closure is a critical element for Coleman, which refers to social ties that bring people in different roles, genders, and generations together in different combinations within the bonds of shared expectations. His examples of networks rich in social capital all exist within formal membership organization, often-religious institutions as in the case of Catholic school children and Jewish diamond dealers.

### **A CONCEPTUAL MODEL OF HOUSING, FORMS OF CAPITAL, AND MORE**

Building on Coleman's analyses of the role of social capital in the development of human capital, I propose that the community land trust model brings financial and cultural capital access into the functioning of the institutional containers of social capital. Beyond that, the value of being in a cared for community and caring for the social and physical community are brought into the model.



Figure 2 Conceptual Model



CLTs make explicit shared obligations and expectations. They structure channels of information about homeownership, community issues, and

organizational activities. A CLT's mission promulgates (to varying degrees) a system of values and norms based on a vision of a just community, land and property stewardship, and democratic governance. The governance of CLTs involves CLT residents, community members, and institutional stakeholders thus creating a forum for bridging, linking, and bonding social capital. Bridging social capital can arise from ties among demographically different but hierarchically similar people (Gittel & Vidal 1998). Linking social capital connects people with different socioeconomic status and resources, thus potentially especially enriching opportunities for lower SES members (Szreter & Woolcock 2004). Bonding social capital can be identified with help in "getting along "(Briggs, 1998), which is undeniable important. It can more radically be understood as the ties that allow mutual identification, the affirmation of shared values, and the development of collective political will (Warren, Saegert and Thompson, 2000).

Some affordable housing initiatives do attempt to give an organizational base to community social networks through resident associations and Community Based Organizations (CBOs). However, the process whereby social capital leverages other forms of capital in CBO initiatives has been left inexplicit (DeFilippis 2001). Coleman argued that in the case of Jewish diamond dealers, economic capital accumulation benefitted from reductions in transaction costs through mutual norms, dense systems of obligation, and strong ability to sanction transgressions. He did not focus on the intergenerational accumulation of wealth in networks of Jewish diamond dealers though he notes that they frequently intermarried and worked with kin. For Catholic school children, educational

attainment was facilitated by shared norms and multiple role relations among parents, teachers, school administrators and religious personnel. Affordable housing programs intended to increase social capital tend not to have the normative strength and multiple role relationships of either group. While CLTs probably have less capacity in these domains than religious institutions, they do have formal and informal norms and obligation structures, available sanctions for failure to comply, and their programs, community building practices, and governance structures support denser cross role social relationships among CLTs, community members and local institutions.

Following Bourdieu, it is important to consider the ways that various forms of capital tend to reproduce class-based wealth and privilege. Bourdieu (1986) views social capital as one form of capital along with economic and cultural capital. Different social groups unevenly accumulate the first two over long historical periods. Economic capital is directly convertible into money. Cultural capital conveys social standing and becomes institutionalized as for example educational qualifications or homeownership status. Social capital involves social ties that carry obligations and benefits. CLTs explicitly attempt to interrupt the reproduction of class-based wealth and privilege by building shared forms of economic, social and cultural capital among low-income households. CLT homeowners gain home equity, the cultural capital of homeownership, and the social backing of a local steward to help them make homeownership successful when such supports would not otherwise be available. Parents and other social relations in wealthier and more privileged households often fulfill these functions.

Affordable housing policies are needed because of the initial unequal distribution of economic assets that leaves lower SES households at a severe housing disadvantage. Housing policy came to address all three forms of capital in response to claims that public and subsidized housing increased deficits of cultural and social capital. Asset accumulation approaches to affordable housing emphasize economic capital but assume, as Bourdieu does, that as economic capital is accumulated cultural and social capital tend to increase and be leveraged to improve all forms of capital. Poverty deconcentration approaches leave alone initial deficits of economic capital but hope that greater access to cultural and social capital will leverage more economic capital. CLTs directly provide lower income households access to economic capital in the form of housing equity with reduced financial costs. To the extent that they contribute to an advantageous organization of social life through community programs, residential stability, stewardship of community interests, and venues for civic participation, they also contribute to social capital. Homeownership brings with it more social status than renting thus increasing cultural capital. It also seems to increase community civic participation and social integration. Thus CLTs can be seen as an intervention to increase the economic, social, and cultural capital accessible to households.

However, it is important to remember that the Community Land Trusts mission derives from an alternative set of values that understand land as a collective asset that should be perpetually protected and used for the flourishing of the community. In Marxist terms, use value has a high priority. Exchange

value really only comes into the picture when a resident must relocate. Among the “goods” CLTs encourage we must include attachment to place and to other people in the community. Residential stability, homeowner investment in the community, and community quality afforded by CLT homeownership are expected to increase sense of community and place attachment.

## **CONCLUSIONS**

CLTs do not fully decommodify housing. They do make affordable, resident homeownership with community control of assets more possible. The existence of this alternative form of ownership expands the possibility for residents to realize non-economic values in housing and community. CLTs can benefit communities by providing a permanently affordable stable homeownership stock. At the same time, CLTs and their residents live in a capitalist system. Life chances therefore are enhanced by improved access to economic, cultural and social capital. One part of my argument has been that for housing policies to realize stated social goals of promoting improved economic and social conditions of low income people, direct institutional support for access to economic, social, and cultural capital is necessary. This combination of use and exchange values is unusual in existing affordable housing programs. Maintaining the balance between the two is a constant challenge for CLTs. It also identifies a political economic fault line.

The conflicts between the treatment of land as a collective asset to be inclusively enjoyed and the existing political economy are fairly fundamental.

The idealistic components of all social housing schemes confront this problem. CLTs and other forms of Shared Equity Housing deserve attention because of how they actually work in the political economy of specific times and places. As long as CLTs and other forms of Shared Equity Housing exist in a capitalist system, housing development and home purchases depend on leveraging credit from private sector financial institutions. The relatively small size of the CLT and entire Shared Equity Homeownership stock raises questions about barriers to expansion. Anecdotally, it appears that CLT formation often arouses resistance from private sector developers, landlords, and landowners. Combined with local NIMBYism, these forces can impede development, as is true of other forms of social housing. Land acquisition and financing remain difficult, also true for all forms of affordable housing. Recently John Davis (in press) has written about indications of a sort of redlining being practiced in the US by lenders, even those formerly friendly to CLT lending. I will end by raising questions for discussion about the value of CLTs compared to other forms of affordable housing.

The broadest appeal of Shared Equity Homeownership in the United States arises from its expansion of homeownership opportunities and its capacity to retain homeownership subsidies permanently. Other public and philanthropic subsidies for homeownership permit buyers, after some period of time, to sell their homes at market rates – in short, providing a one-generation subsidy that does not stabilize a permanent supply of affordable homeownership opportunities. The demonization of public housing (Goetz, 2013) and anti-rental housing politics (Goetz & Sidney, 2008) prop up this appeal. These arguments

for CLTs can be justified within a commodified housing system as necessary interventions to provide housing for those who cannot buy it the market and at the same the same time bolstering the ideology of homeownership. The proven resistance of CLTs to foreclosure further enhances their appeal.

The inspiration for Community Land Trusts in the United States drew on a more transformative agenda deriving from the writings of Henry George and drawing on religious traditions that include a preferential option for the poor and stewardship of the earth. Black civil rights activists in Georgia founded the first CLT. Over the years that I have studied different types of collective, shared equity homeownership, I have been impressed by the transformative effects on the lives of some residents and on the cumulative contributions they make to ensuring the quality of life and democratic liveliness of their communities (Saegert, 2006; Saegert & Winkel, 1996,1998, 2004; Saegert, Winkel & Swartz, 2002). And both Limited Equity Cooperatives and Community Land Trusts comprise very small sectors. It is an open question to me whether this fact attest to the limitations of their appeal to a more socially conscious sector of the population, the absence of a steady dedicated development and subsidy stream, institutional opposition from the housing and finance sectors, or a fundamental disconnect between the goals of LECS and CLTs and the political economy. In any case, the existence of this stock at all seems to give hope that other ways of living in this economy are possible and might expand the terrain of alternatives.

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