

# SHARED EQUITY MODELS

## An Overview

National Association of Development Organizations  
(NADO)

July 24, 2025



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# AGENDA

- Introduction to CDF and its Affordable Housing Initiative
- What is Shared Equity Housing (SEH)?
- The models
- What local officials can do
- Q & A



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# Our Speakers

## Moderator:

- Mary Griffin, Senior Advisor, Cooperative Development Foundation, [mgriffin@ncba.coop](mailto:mgriffin@ncba.coop)

## Speakers:

- Arielle Hersh, Director of Policy, UHAB, [hersh@uhab.org](mailto:hersh@uhab.org)
- James Yelen, Director of Technical Assistance, Grounded Solutions Network, [jyelen@groundedsolutions.org](mailto:jyelen@groundedsolutions.org)
- David Sanchez, Senior Vice President, National Strategy, ROCUSA, [dsanchez@rocusa.org](mailto:dsanchez@rocusa.org)



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# Affordable Housing Initiative



- Promote the preservation and development of permanently affordable housing through shared equity models (SEH)
- Help educate policymakers, communities and residents about these models
- Demonstrate how shared equity can advance housing stability, racial equity and other outcomes
- Identify policy, financial and technical assistance needs to scale model



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# What is Shared Equity Housing?

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## **Community Ownership**

Entities or properties in which residents and community members lead in both governance and ownership.



Source: RDC USA, 2020

# Shared Equity Housing Models



- Limited Equity/Affordable Cooperatives – 190,000 units across the country
- Community Land Trusts with affordable housing 300+ in urban and rural areas
- Resident-Owned Communities – 344+ across country
- Inclusionary Housing Programs – 1000+



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# Why Shared Equity Housing?

**Provides permanently affordable ownership alternative to rental housing**

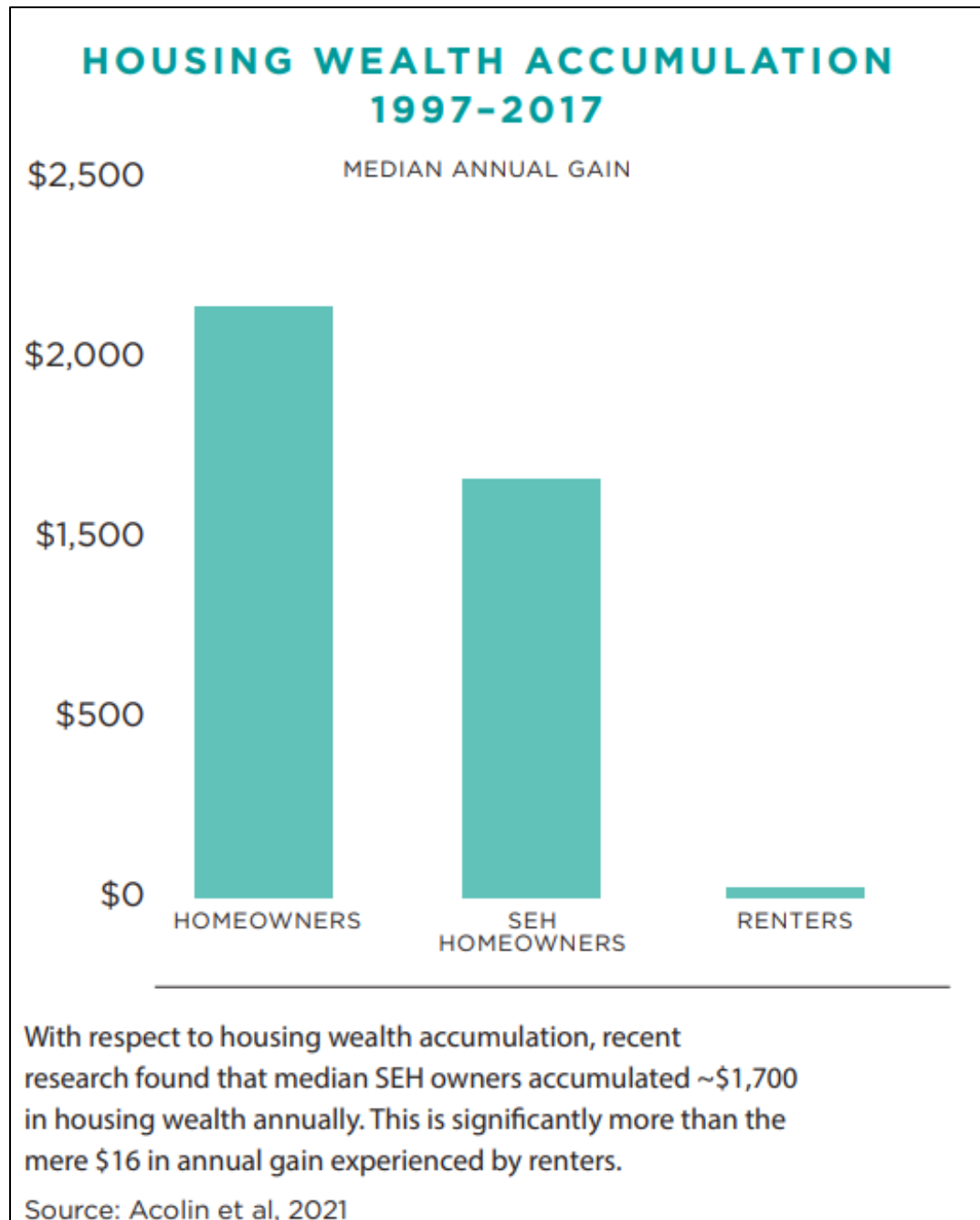
Prevents displacement in challenging or gentrifying markets

Promotes owner-occupancy and supports local workforce needs

Long-established models with demonstrated benefits for residents and communities – can provide housing stability, advance social and financial equity



Better  
than  
renting





# Benefits of Shared Equity Homeownership

## Individual and Community



A resident-owned community in the mountain west. Photo Courtesy of ROC USA.

SHARED EQUITY HOMEOWNERSHIP: CLAIMS		
Performance Standard	Individual	Community
<b>Affordability</b>	Access to homeownership is expanded for homebuyers of modest means.	Access to homeownership is preserved for future homebuyers of modest means.
<b>Stability</b>	Security of tenure is enhanced. The risks of homeownership are reduced.	Neighborhood stability is increased.
<b>Wealth</b>	Personal assets are enlarged.	Community assets are preserved.
<b>Involvement</b>	Social bonds and collective action are nurtured within shared equity housing.	Civic engagement is expanded outside of shared equity housing.
<b>Improvement</b>	Personal mobility is enabled.	Community development or community diversity is promoted.



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# The models



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# What is a cooperative?

Cooperatives are democratic, member-controlled, and/or member-owned legal entities

Housing cooperatives own and/or manage real estate

Members typically own shares in the cooperative corporation

Final and ultimate decision-making power rests with the members

Housing cooperatives have been in the US since the early 1900s



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# How does a housing co-op work?

- Members (aka residents, owners, tenants) own shares in a corporation – the cooperative - which owns the land and the building(s). Some cooperatives are on leased land.
- A member has the exclusive right to occupy a specific unit in the building. Owning shares in the co-op corporation gives you the right.
- Members elect the Board that governs the cooperative
- The coop manages or hires a property manager to manage the property



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# What is “Limited” Equity Co-ops (LEC)?

- Affordable cooperatives typically receive some form of public subsidy, e.g. state/local housing trust funds, bond financing, property tax exemption, etc.

- Affordability is preserved across generations by limiting the equity return on the ownership, often by a formula (i.e. 3% of equity annually)

*For example, an owner in a “market rate” cooperative may gain or lose 0% to 500% in value or equity in their coop unit over a period of time. The owner in an LEC may only gain 3 % annually (80% over 20 years)*

- LECs can provide housing stability and affordability for life OR can be first step towards single family ownership or market rate



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# Affordable Co-op Housing/LECs

## Benefits:

- Lower cost to access ownership; often low down payments
- Less reliance on individual credit ratings
- Permanent affordability and stability
- Intergenerational wealth building
- Democratic and resident control

## Challenges:

- Limited real estate wealth-building potential
- Limited and complex financing; limited number of knowledgeable lenders
- Ongoing training and support required
- Ongoing financing and managing the cooperative



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# Why Support Affordable Housing Co-ops?

- Permanently Affordable Home Ownership
- Supports Self-Help Solution to Poverty
- Alternative to Renting
- Increased Health, Education, Income & Civic Participation among Co-op Member Owners



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# Permanent Affordability

- Minimizes buy-in costs & monthly expenses
- Increases Pocket Wealth
- Doesn't directly address generational wealth creation
- Allows future members to be low-income families/individuals
- Allows Government Subsidies to continue to help future members and the wider community



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# What Co-ops Need to Thrive

- Organizers to build up or empower co-op member owners
- Training, Stewardship and Technical Assistance
- Like Affordable Rentals: Renovation and Construction Funding
- Ongoing City/State Support
  - Training & TA Funds
  - Property Tax Breaks
  - Renovation Support

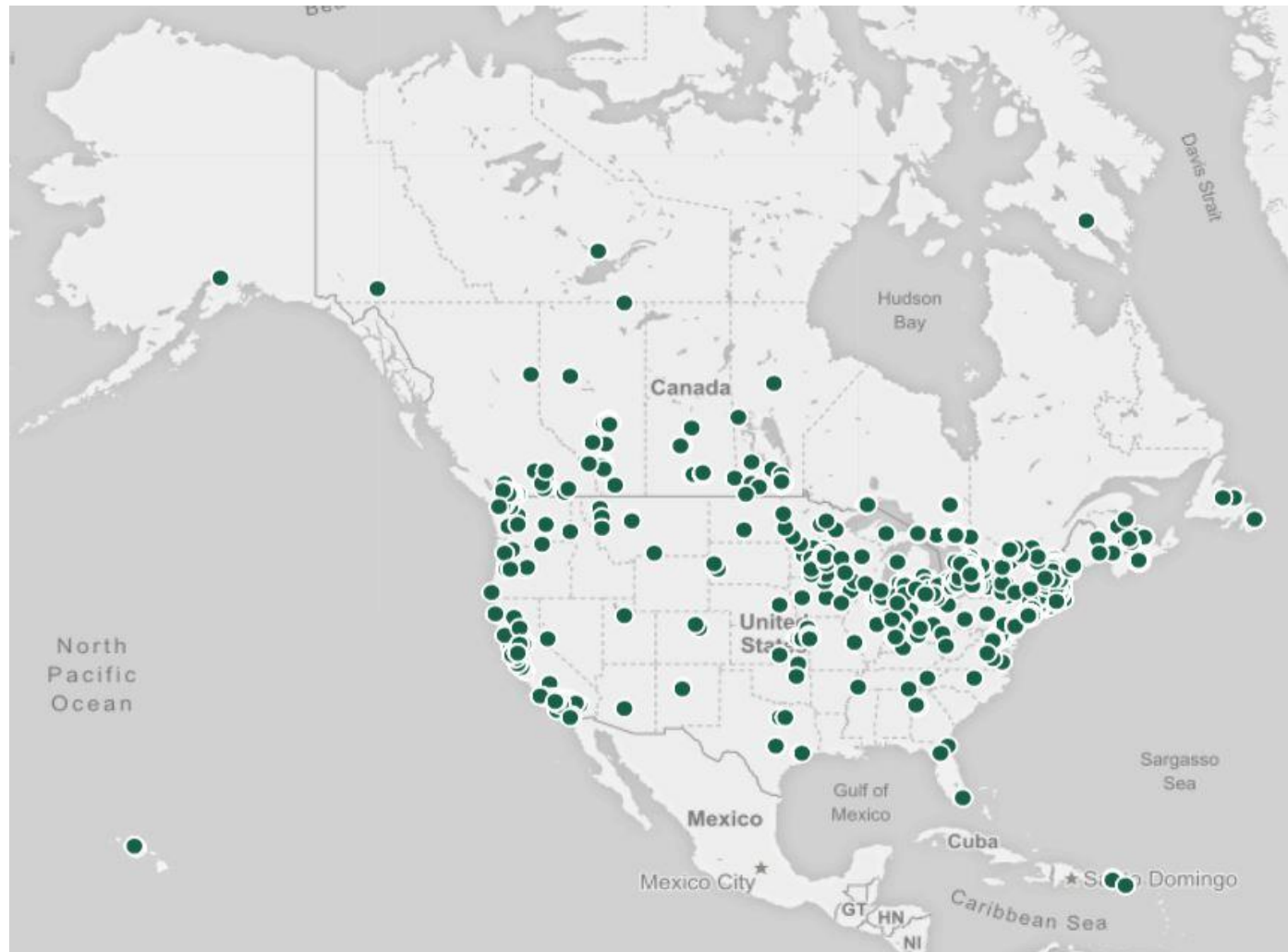


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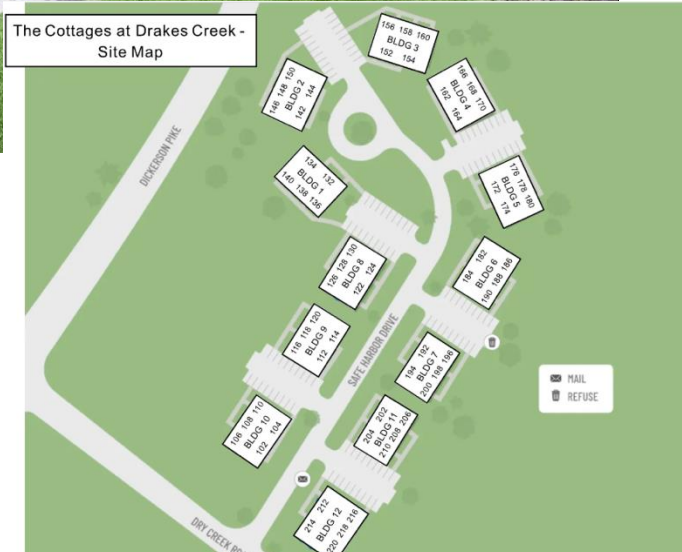
# Limited-Equity Housing Cooperatives

>160,000 in US; 67,000 in Canada



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# Nashville



- Structure: Publicly funded, LEC on a CLT
- Conversion:
  - Current renters can opt-in to co-op
  - Future owners: people making at or below 50% AMI
  - Outreach to formerly incarcerated women
- Financing: \$7m grant from Nashville Barnes Housing Trust Fund, NCB
  - Organizations and TA: Southeast Center for Cooperatives and William Franklin Buchanan CDC, Metro Nashville's Planning Dep't



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<https://www.cottagesatdrakescreek.com/>



# CSI.coop – Group Equity Model

**MISSION:** Using cooperative principles, CSI develops and manages exceptional, affordable rental communities where seniors enjoy opportunities to thrive.

**VISION:** To preserve and grow our cooperative senior housing communities, helping members lead full, healthy social lives.



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Region	Co-ops	Units
<a href="#"><u>CA</u></a>	16	1,209
<a href="#"><u>MD</u></a>	13	1,322
<a href="#"><u>MA</u></a>	7	612
<a href="#"><u>MI</u></a>	29	3,874
<a href="#"><u>All</u></a>	65	7,017



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# Commongrounds Cooperative

## Mission

To build a more empowered community through cooperatively owned places that connect people and actively integrate wellness, arts, family and food.

## Location: Traverse City, Michigan

Rural regional hub, tourism-driven seasonal economy, high income disparity, affordability crisis.

## Multi-Stakeholder Real Estate Cooperative

- Pilot project purchased land in 2018, broke ground in 2021, opened in 2023.
- Ownership classes:
  - Commercial tenants (99-year lease, share)
  - Community owners (1200+ so far), includes residents - \$50 one-time share + investment





# Building Overview

## Residential: 17,788 SF

19 workforce, income-based rental housing units for 60%-120% AMI; 5 short-term guest stay units

## Commercial: 20,136 SF

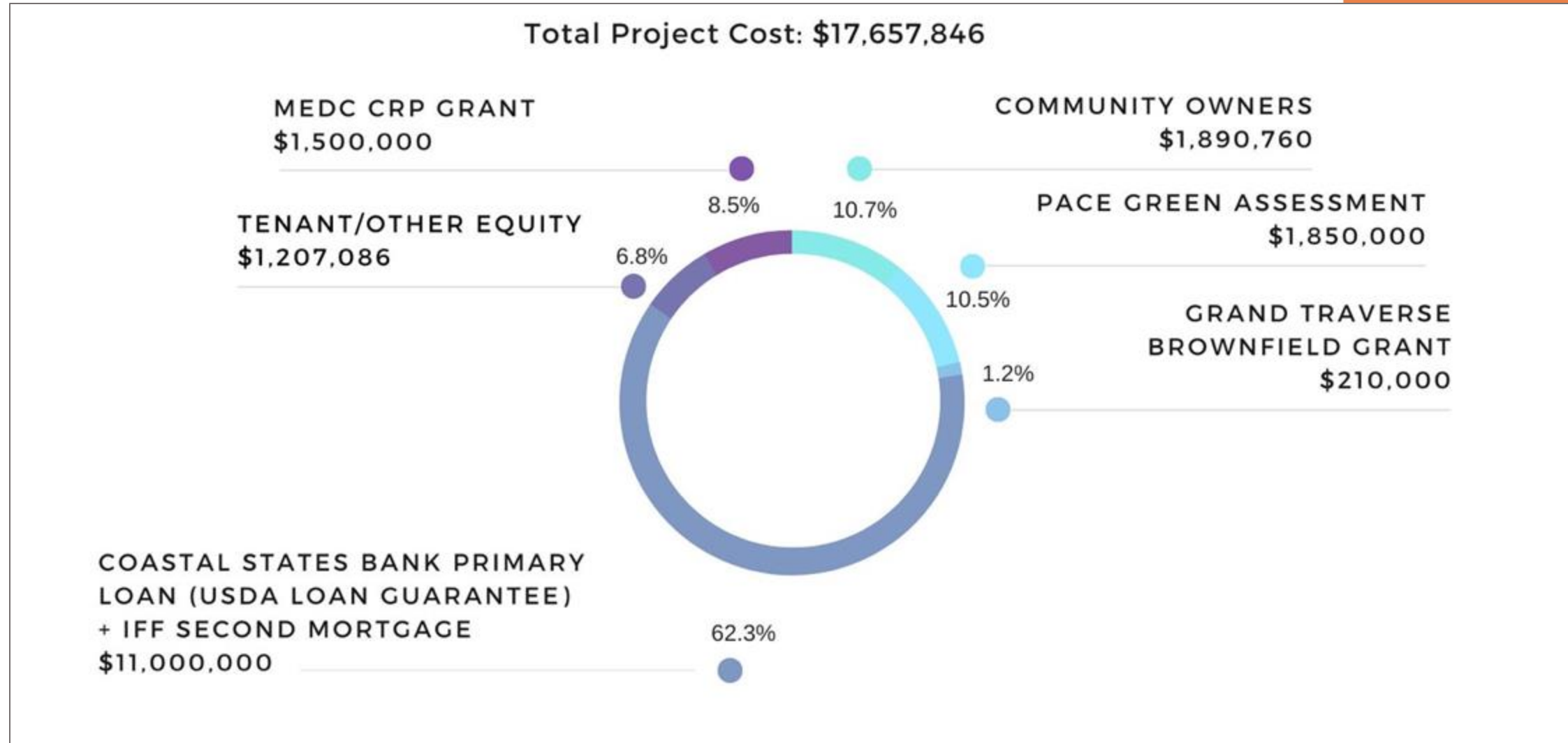
7 units/tenants on food, family, arts, and wellness (early childhood, restaurant, coffee learning lab, arts venue, nonprofit & social entrepreneur coworking/meeting space, gym/physician)

## Public Elements/Community Spaces

Teaching Kitchen; Public Lobby & Art Gallery (1st/2nd Floor); Community Gathering Spaces; Public Parking



# *Project Sources of Funds*





# Community Land Trusts: Overview and National Context

Presented by James Yelen, Director of Technical Assistance at Grounded Solutions Network



# CLT Origins in the Civil Rights Movement



**Slater King**



**C.B. King**



**Bob Swann**



**Charles  
Sherrod**



- Early Civil Rights leaders drew inspiration from collective land ownership models from international precedents
- First community land trust: New Communities Inc., in Albany, GA
- Their model spread to both rural and urban communities elsewhere, evolving along the way



# CLT Land Stewardship



A CLT can acquire, own & steward land **permanently** for the common good by providing:

- Affordable housing
- Commercial spaces
- Community spaces
- Farming or open land

**Split ownership** structure separates land from improvements

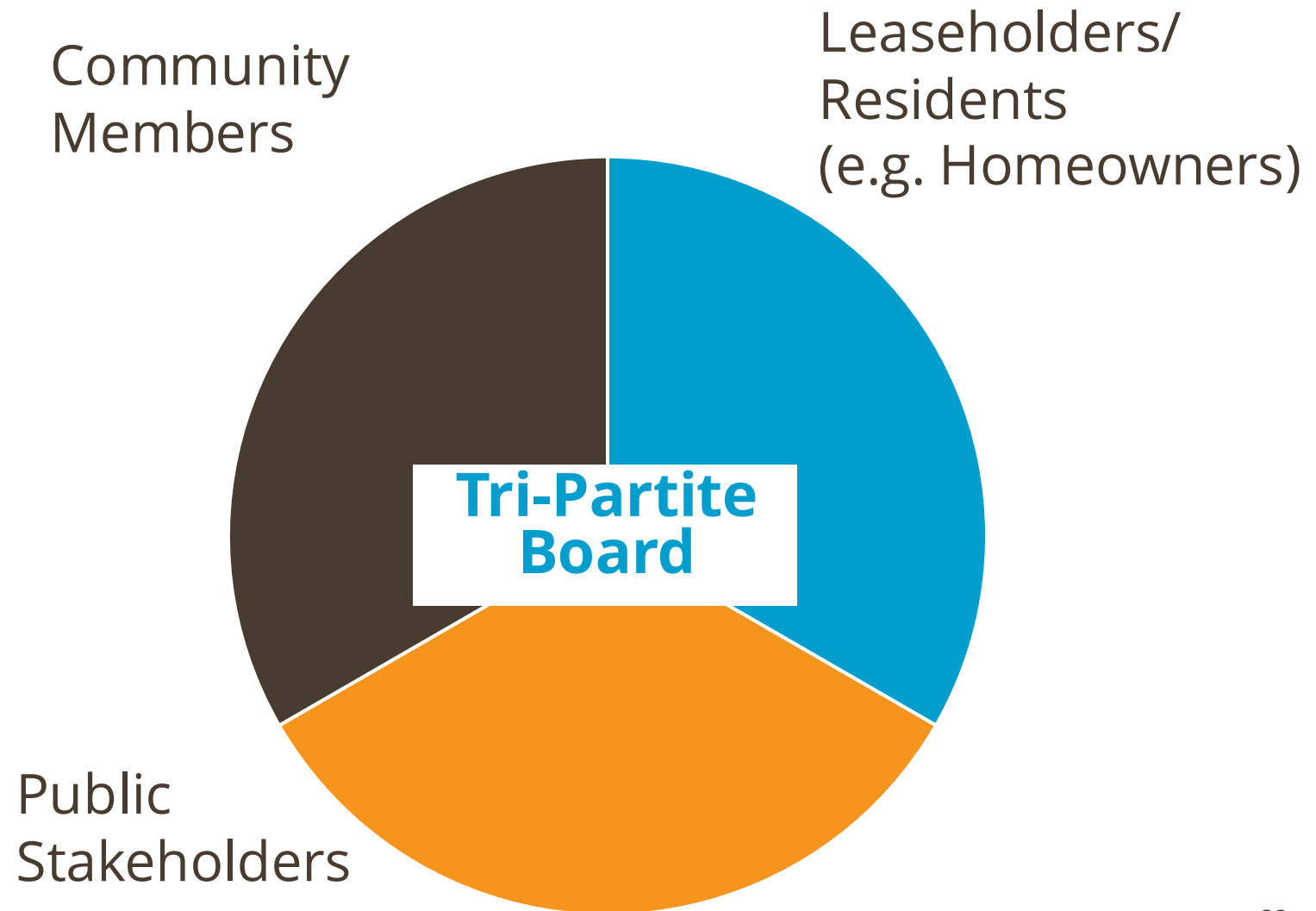
**Ground lease** and **resale formula**



# “Classic” CLT Functions and Governance



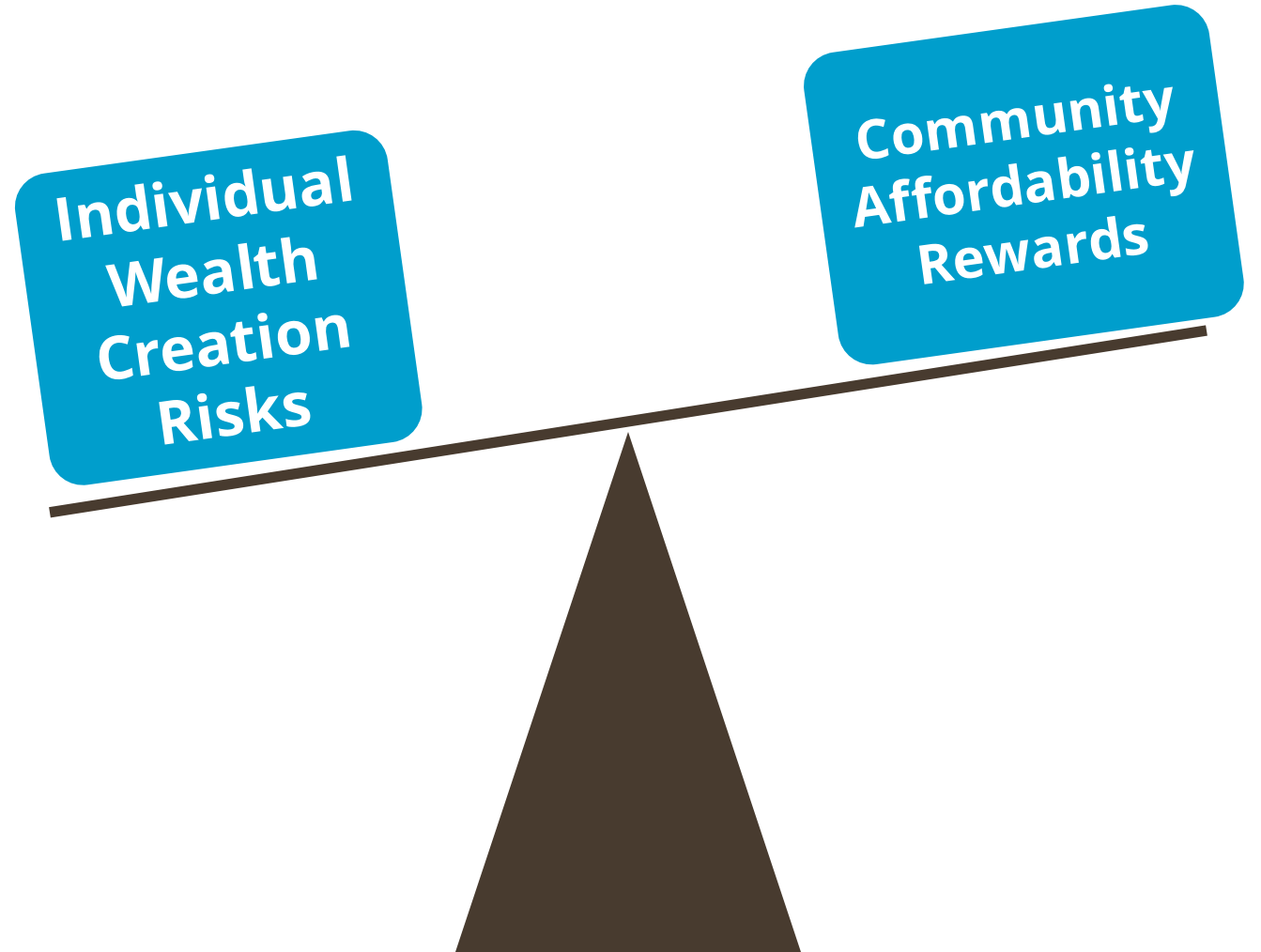
1. **Membership & governance**
2. **Holds land & subsidy in trust**
3. **Stewardship – of land, subsidy, and residents**



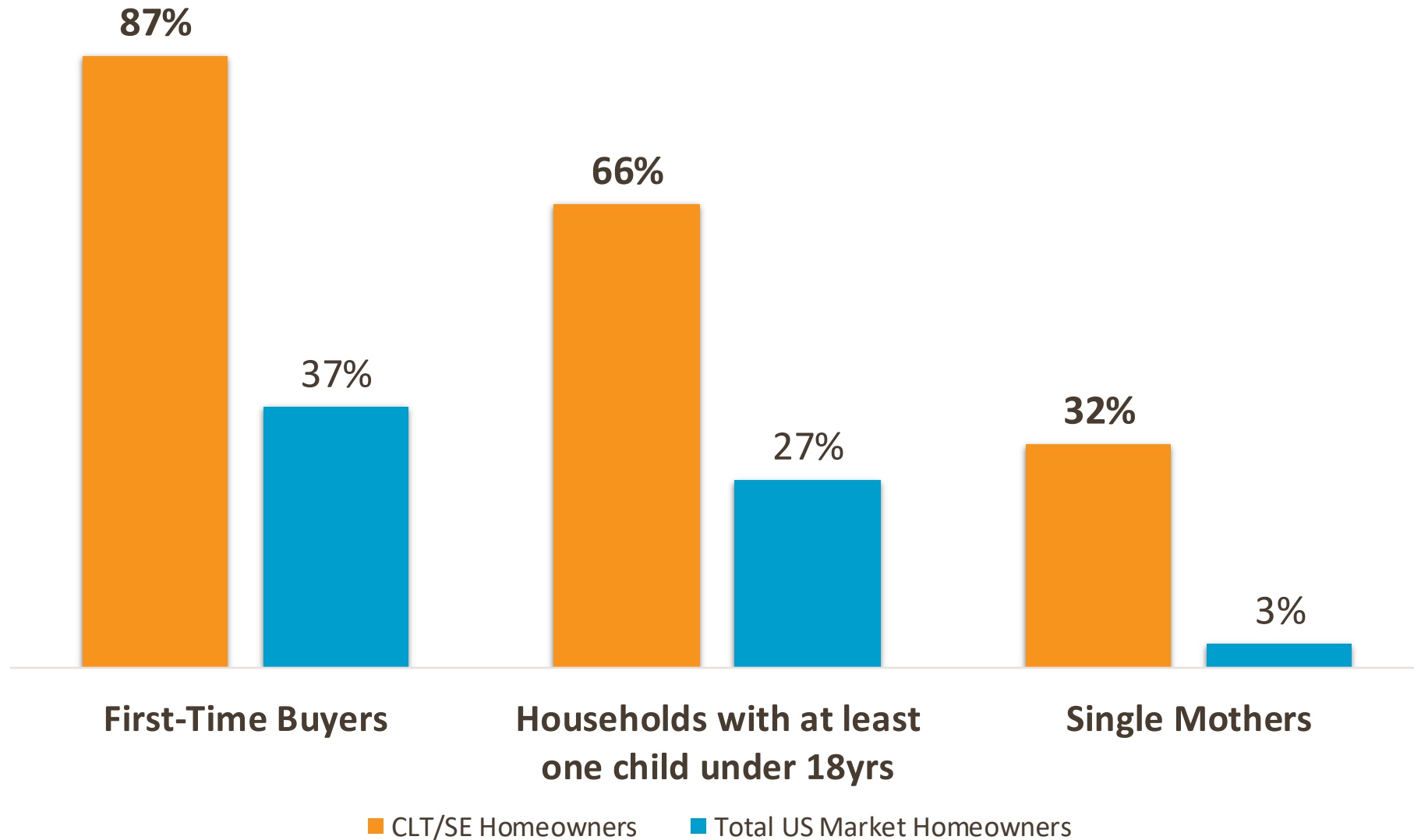
# Balancing Individual & Community Benefits



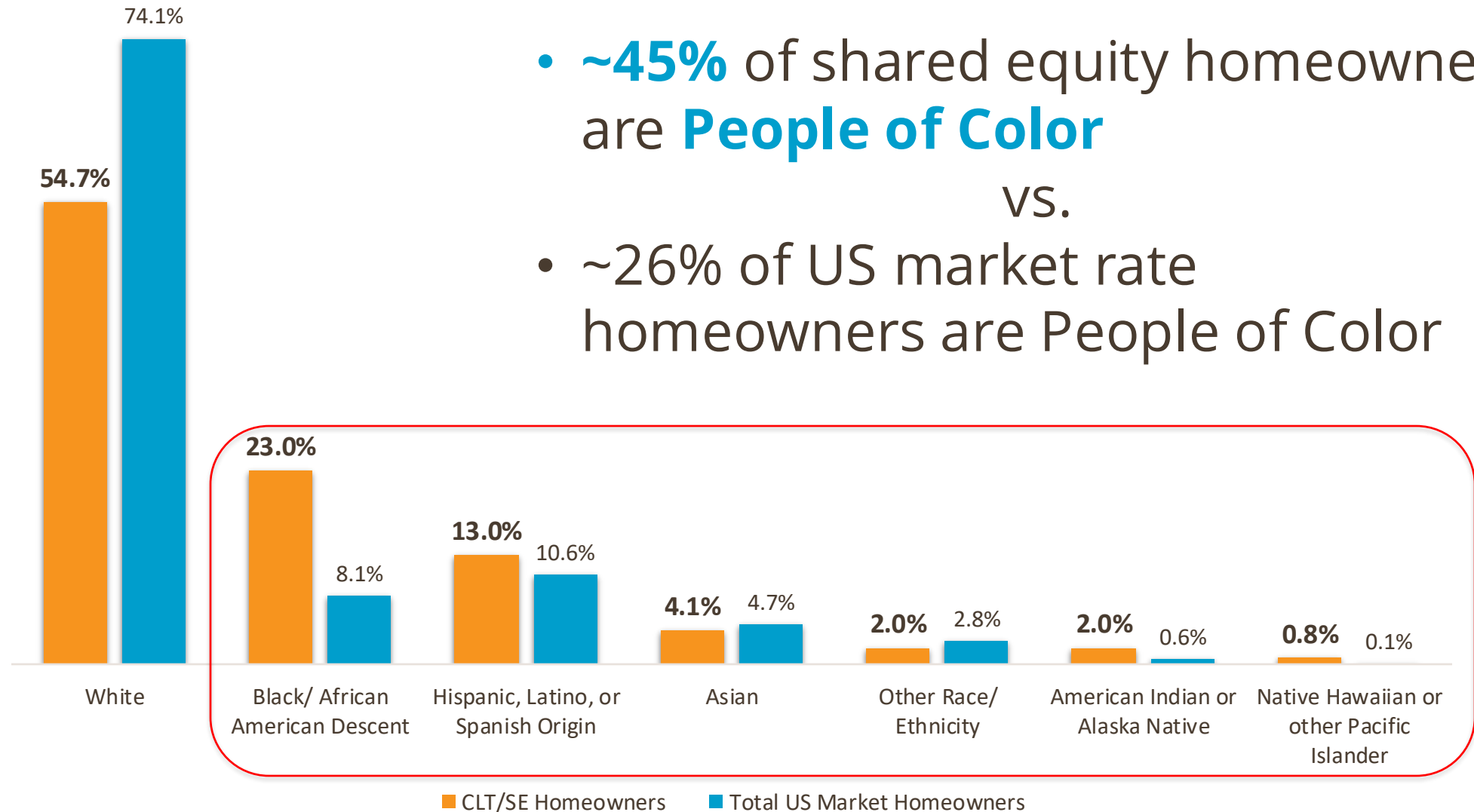
- Slower, but stable, home price appreciation
- Much lower delinquency and foreclosure rates
- Lower annual move rates
- Inheritability
- Affordability for the next household, in perpetuity



# Shared Equity Homeowner Characteristics

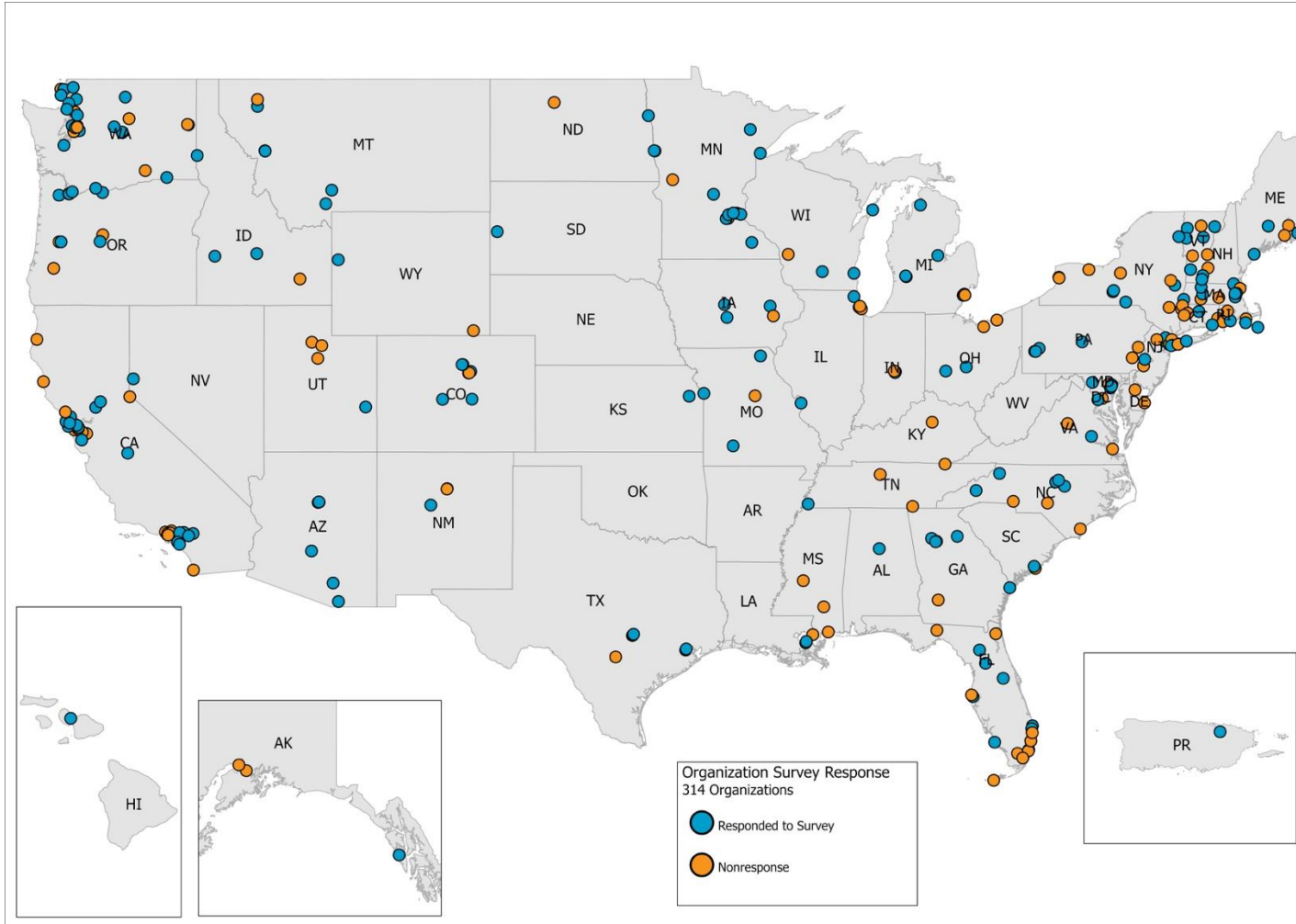


# Shared Equity Homeowner Characteristics



- ~**45%** of shared equity homeowners are **People of Color**
- VS.
- ~26% of US market rate homeowners are People of Color

# Growth Across the Country



**340+** CLT/SE entities  
in 46 states, D.C., and  
Puerto Rico;

**30+% increase** in the  
number of CLTs  
compared to 2011  
(Thaden, 2011).

- A CLT/SE entity population list (n = 314) filled with basic information;
- Comprehensive organization and program data for over half of the population list.



# Why CLTs Are Resonating Today



## Loss of affordable units



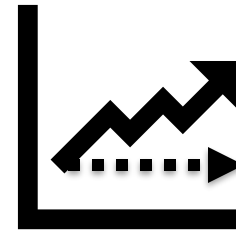
Over 300k subsidized units **at risk of losing their affordability** over the next 5 years

## Lingering effects of the **Great Recession** and foreclosure crisis



Many households are still recovering lost wealth from the Great Recession

## Rising costs, stagnant wages



# of **rent-burdened** households & **homeownership costs** at historic highs

## Growing demands for **community control & ownership**



On the rise in both public opinion and social movements

# The Current Landscape – Are CLTs Having a Moment?



**Growing awareness** of our current system's limitations and how CLTs can help address them

Uptick in state and federal **legislative proposals** supporting CLTs and shared equity

Greater **diversity of approaches** – CLTs doing multifamily, rental, manufactured housing, cooperatives, and commercial space are on the rise

URBAN  
INSTITUTE

URBAN WIRE

**Permanently Affordable Housing Has Support from Both Republican and Democratic Voters. Presidential Candidates Should Take Note.**

Samantha Atherton, Samantha Fu

August 12, 2024

**Forbes**

**Community Land Trust  
Provide Housing  
Alternatives Worldwide**

Roger Valdez Contributor © Jun 6, 2024, 09:30am EDT

BROOKINGS

RESEARCH

**Community land  
trusts: An 'old-  
school' innovation  
with 'new school'  
structural  
applications**

Andre M. Perry and Manann Donoghoe  
June 26, 2024

# How Local Governments Can Support CLTs



## The City-CLT Partnership Municipal Support for Community Land Trusts

JOHN EMMEUS DAVIS AND R



Policy Focus Report • Lincoln Institu

**NLC** NATIONAL  
LEAGUE  
OF CITIES  
CITIES STRONG TOGETHER



## COMMUNITY LAND TRUSTS: A Guide for Local Governments



- ▶ Provide Start-Up Funding for Operations
- ▶ Support a Project Pipeline: Land and Development Sites
- ▶ Support a Buyer Pipeline: Linkages to Resident Counseling Programs
- ▶ Fund Outside Experts to Support Program Development
- ▶ Equitable Property Tax Policy and Incentives
- ▶ Funding for Affordable Housing Development

# Example: Proud Ground CLT, Portland Metro



- Multi-year operating support
- Donation of tax-foreclosed land
- Competitive advantage for land & funding for long-term affordable projects
- Direct, permanent development subsidy (CDBG, NSP, TIF, Regional Housing Bond, Clean Energy)
- City impact fee waivers





# How Grounded Solutions Supports the Field



- ▶ Technical assistance
- ▶ Research
- ▶ Innovative Finance
- ▶ HomeKeeper platform
- ▶ Online trainings and resources
- ▶ Federal advocacy
- ▶ Local policy implementation
- ▶ Membership benefits
- ▶ National conference





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ED  
SOLUTIONS  
NETWORK**

strong communities  
from the ground up

**Thank You For Your Time!**

**Want to Get In Touch?**

James Yelen, Director of Technical Assistance  
[jyelen@groundedsolutions.org](mailto:jyelen@groundedsolutions.org)



# Resident-Owned Communities & ROC USA



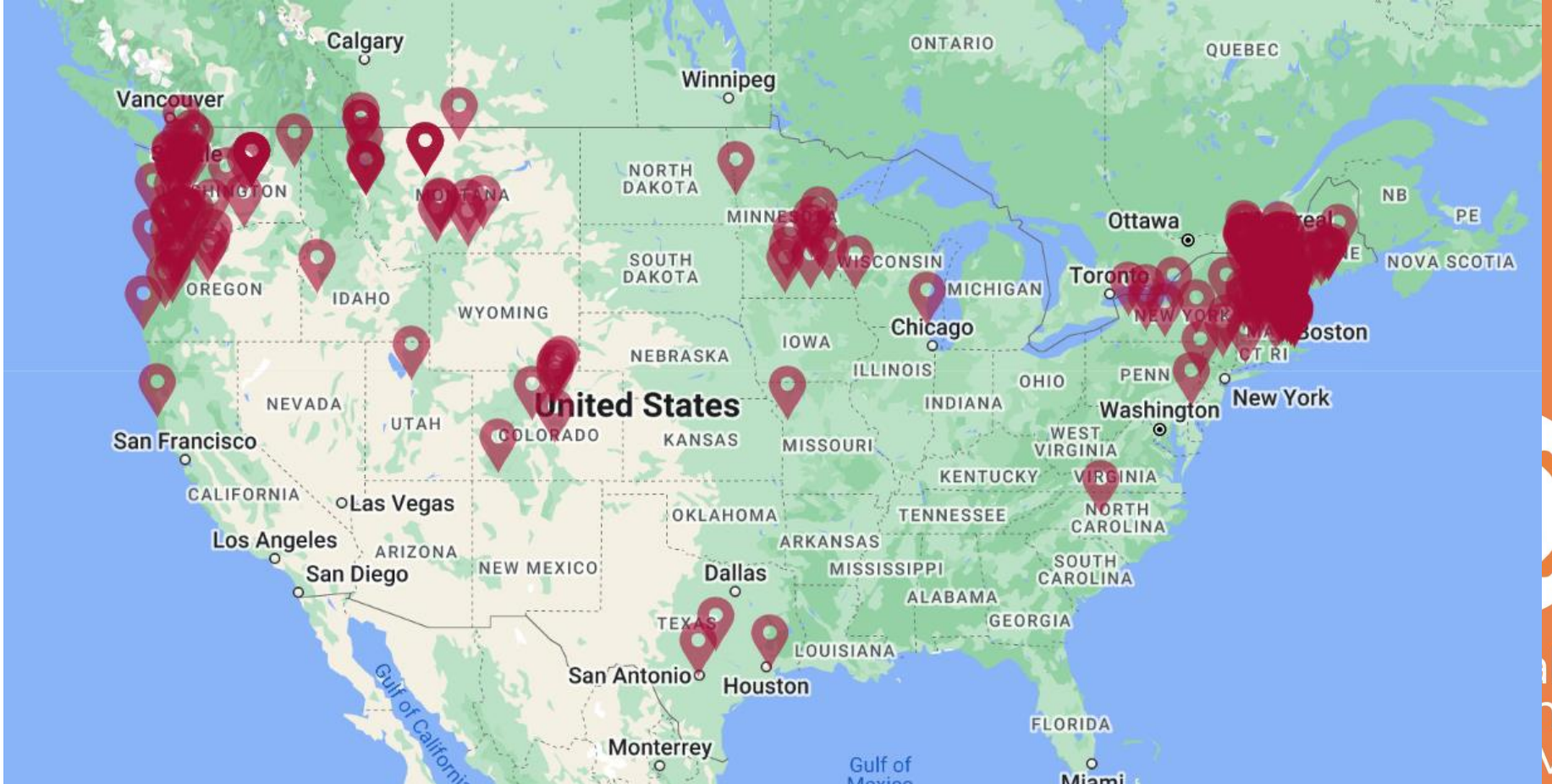
- Manufactured housing communities
- Homeowners own the homes on the site and lease land from landowners/investors
- In a resident owned cooperative, rather than an outside investor owning the land and charging increasing lot rents, residents own and maintain the land as affordable in perpetuity
- Shares and interests fixed and equal among all members



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# ROC USA Communities







“ROCs are one of the few sources of unsubsidized naturally occurring affordable housing in the country not subject to market-based rent increase.”

2019, Freddie Mac, Spotlight on Underserved Markets

# Scale and Impact

- 344 Resident Owned Communities, 21 states
- More than 21,000 home-sites preserved
- Site-fees are \$600/year below market after 5 years of ownership (Colliers, longitudinal study)
- ROCs raising site-fees 1% per year versus 5.9% industry average (portfolio data and Colliers)
- Homes in ROCs sell faster and for more than comparable homes in comparable investor-owned MHC. (2006 UNH)
- 9 Affiliated nonprofits plus a Direct Technical Assistance team for nationwide services



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# ROCs

- Communities are governed as cooperatives by Member-elected board of directors
- Democratically control the community, including lot rent increases
- Addresses needs of those with limited incomes - 75% of homebuyers earn < 80% of AMI

## Challenges:

- Identifying good candidates for resident ownership
- Finding willing sellers
- Financing and managing of ongoing capital improvements



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# A Tale of Two Communities

- **Clackamas River Community Cooperative:** A 76-lot property bought by its residents in 2012 for \$5m, with the help of ROC USA and CASA of Oregon. Site fees have remained steady at \$590 as of 2020.
- **Shadowbrook MHC**, 2 mi away and owned by Equity LifeStyle (ELS): Site fees increased from \$638 to \$828 between 2012 and 2017.

Rana Foroohar, "Why big investors are buying up American trailer parks," *Financial Times*, February 7, 2020



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# How can local officials help?

- Engagement and Collaborations

- Engage SEH and community groups early in community planning processes
- Work with networks to identify SEH-related groups in your area
- Train DHCD, CED, planning staff on the models
- Make information about vacant/distressed housing, zoning more transparent and publicly available

- Outreach and Awareness

- Educate about models through any homeownership or housing education programs
- Message the models through public channels, housing sites



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# How can local officials help?

- Legislative/Regulatory

- Support tax abatement, TOPA, inclusionary zoning, etc. that support SEH
- Check LIHTC program barriers, give points in QAPs
- Include preference/exemption for ownership models

- Funding support

- Make sure SEH qualifies in all affordable housing funding, or is prioritized
- Do you have Fannie or Freddie certified programs?
- Seek out USDA loan guarantees, HUD sec. 213 and other related opportunities

- Identify opportunities

- Identify and track public assets to support SEH housing; transparent info
- Identify and track expiring LIHTCs and other rental to ownership opportunities



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# Resources

## Network websites

- Co-ops – [www.UHAB.org/national](http://www.UHAB.org/national), [www.coophousing.org](http://www.coophousing.org)
- CLTs – [www.groundedsolutions.org](http://www.groundedsolutions.org)
- ROCs – [www.ROCUSA.org](http://www.ROCUSA.org)

Coalition - [Underserved Mortgage Markets Coalition - Lincoln Institute of Land Policy](#)

## TOPA/COPA laws

- [Tenant / Community Opportunity to Purchase | PolicyLink](#)
- [Model Manufactured Home Community Stability and Preservation Act](#)

## Some studies/reports

- [APA and NLC housing supply accelerator](#)
- [Community-Land-Trusts\\_A-Guide-for-Local-Governments\\_Report-1.pdf](#)
- [Moving LIHTC Towards Social Housing: A QAP Toolkit](#)
- [Preserving Affordable Homeownership – Municipal Partnerships with Community Land Trusts - Lincoln Institute of Land Policy](#)



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- Overview of all models [CDF - Trends in Shared Equity Models](#)
- [www.cdf.coop/affordablehousinginitiative](http://www.cdf.coop/affordablehousinginitiative)
- [Home Base: The playbook for cooperative development](#)
- CooperationWorks! – Network of Cooperative Development Centers for more local resources [Member Search - CooperationWorks!](#)
- [Shared Equity Programs | Fannie Mae](#)
- [How Community Land Trusts Can Make Homebuying More Affordable - My Home by Freddie Mac](#)
- [Social Housing: A Key Part of Past and Future Housing Policy | OECD](#)



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# QUESTIONS?



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# THANK YOU!

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<https://www.cdf.coop/affordablehousinginitiative>



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