

BALANCING AFFORDABILITY AND OPPORTUNITY: AN EVALUATION OF AFFORDABLE HOMEOWNERSHIP PROGRAMS WITH LONG-TERM AFFORDABILITY CONTROLS

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2011 Federal Reserve Community Affairs Research Conference

April 29, 2011

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2100 M Street, NW
Washington, DC 20037

Purpose

- Shared equity homeownership: a subsidy that stays with the home
 - Example: appraisal of \$100k, initial sales price of \$80k
 - At resale, appraisal of \$150k, sales price of \$90k
- Questions:
 - Affordability
 - Wealth creation
 - Security of tenure
 - Mobility

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Shared Equity Programs in the Study

- Community Land Trusts
 - Champlain Housing Trust (CHT): Burlington, VT
 - Northern Communities Land Trust (NCLT): Duluth, MN
 - Thistle Communities: Boulder, CO
- Limited Equity Cooperatives
 - Dos Pinos Cooperative: Davis, CA
 - Wildwood Cooperative: Atlanta, GA
- Deed-Restricted Sites
 - A Regional Coalition for Housing (ARCH): King County, WA
 - San Francisco Citywide Inclusionary Affordable Housing Program

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Resale Formulas in This Study

- o Community Land Trusts: maximum allowable appreciation based on changes to units' appraised values
- o Cooperatives: appreciation based on a constant or national formula
- o Deed-Restricted Sites: appreciation indexed to local trends

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Site selection, data, and methods

- o Programs selected to be large, with good data
- o Sites described their programs, reported client-level data on sales through 2009
- o Surveys of former residents
- o National data sets for comparison

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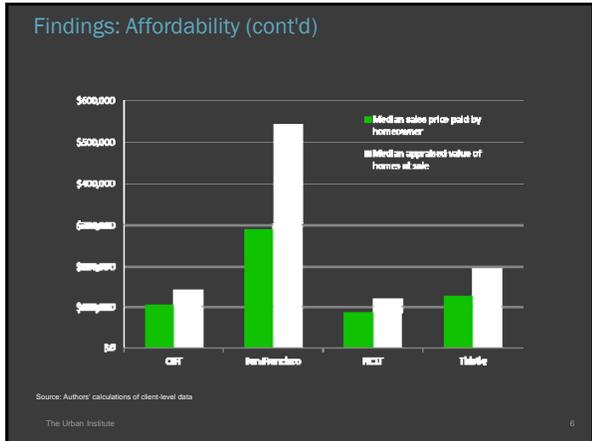
Findings: Affordability

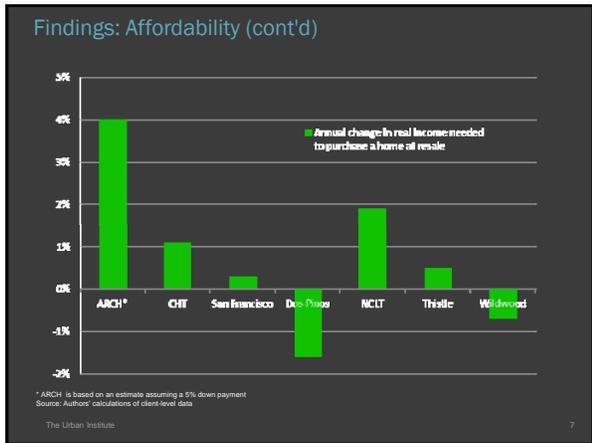


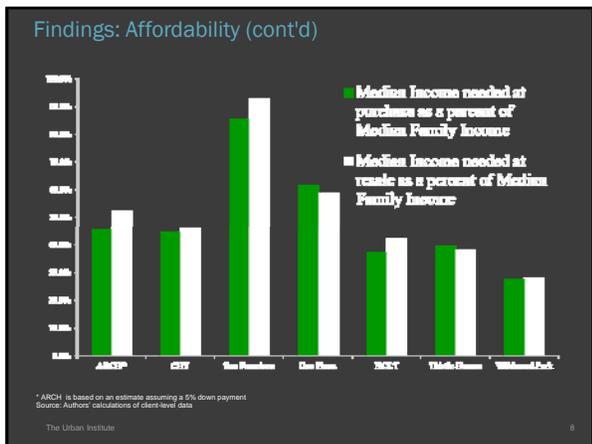
Incomes listed as percent of HUD area median family income
Source: Authors' calculations of client-level data and HUD Median Income

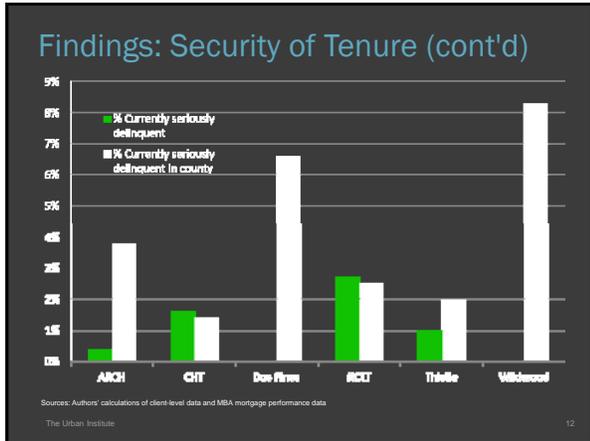
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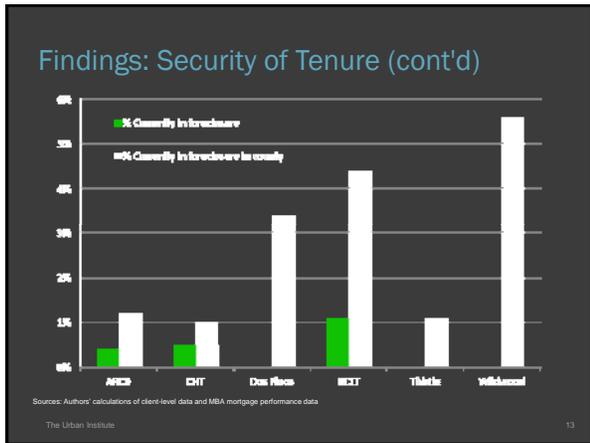
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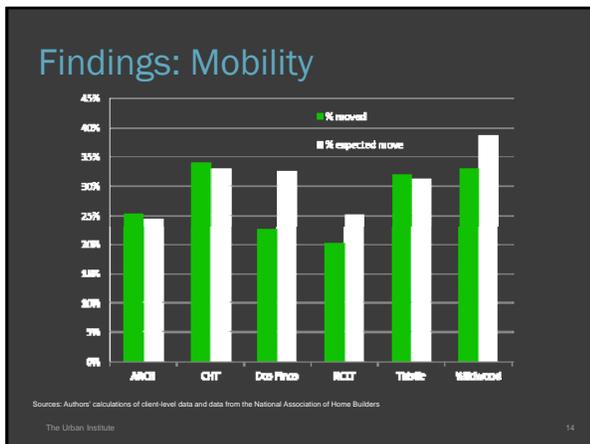




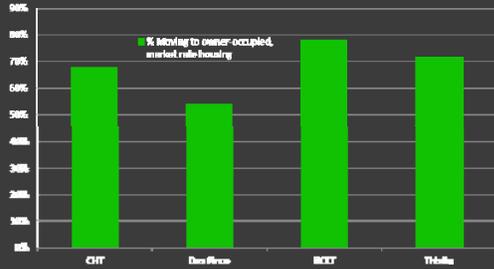








Findings: Mobility (cont'd)



Sources: Authors' calculations of survey of shared equity program resellers

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Policy Implications

- Shared Equity can achieve good affordability, wealth creation, security of tenure, and mobility...
- ... but they must balance them, and take local market conditions into account
- And there are barriers to scale

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