

Understanding Outcomes for Buyers in Long-Term Affordable Homeownership Programs

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Human Capital, and Inequality

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What is Shared Equity?

- Allows income-eligible families to purchase homes at below-market prices
- In return for subsidized purchase, the owner's capital gains from resale are limited, creating a lasting stock of affordable owner-occupied units
- 3 models:
 - Community land trusts
 - Limited equity cooperatives
 - Resale-restricted, owner-occupied houses or condominiums with affordability covenants (deed restricted) (e.g. inclusionary zoning programs)

Today's Presentation

- Findings from the 2010 cross-site Urban Institute outcome study
(Temkin, Theodos, Price)
- Ongoing cross-site impact study of Cornerstone Homeownership Innovation Program
(Theodos, Temkin, Pitingolo, Emam)

Shared Equity Programs in 2010 Study

A Regional Coalition for Housing
King County, WA

Champlain Housing Trust
Burlington, VT

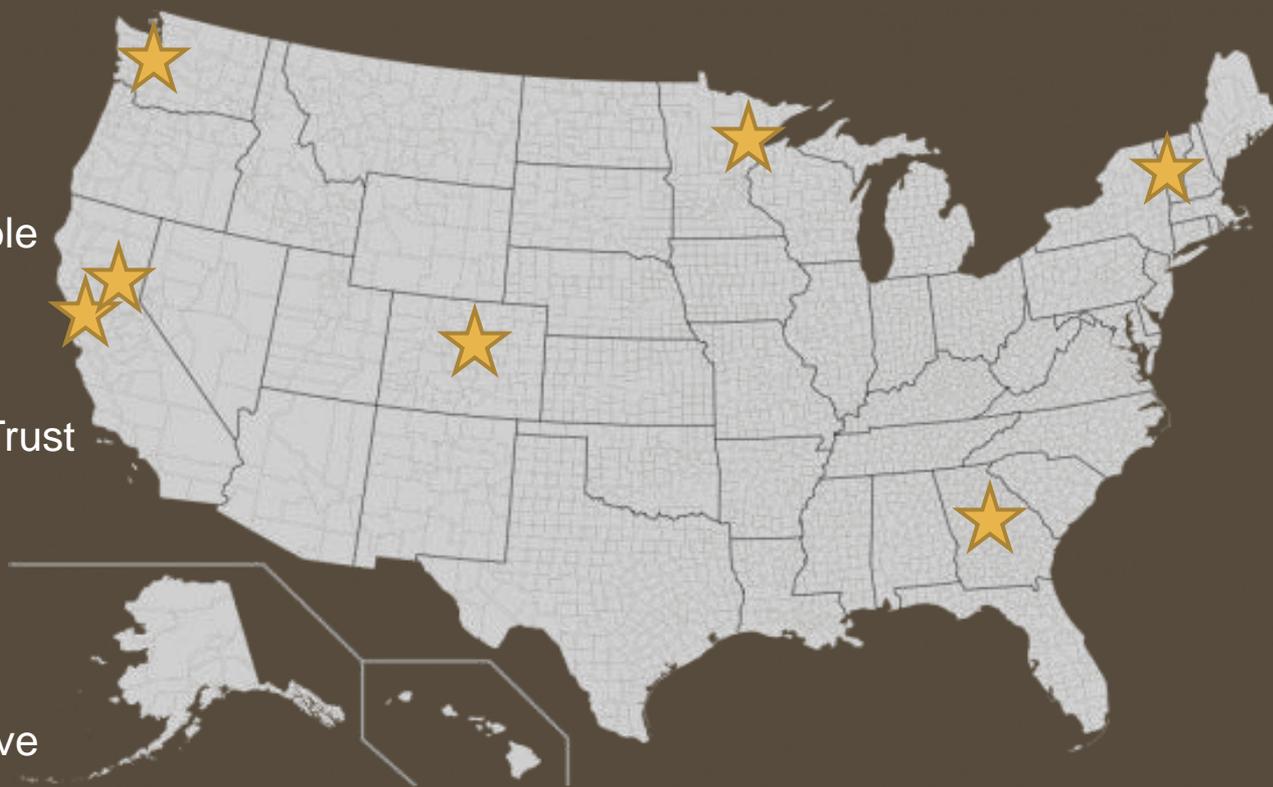
Citywide Inclusionary Affordable
Housing Program
San Francisco, CA

Northern Communities Land Trust
Duluth, MN

Thistle Community Housing
Boulder, CO

Dos Pinos Housing Cooperative
Davis, CA

Wildwood Park Towne Houses
Atlanta, GA



Resale Formulas in This Study

- **Appraisal Based:** maximum allowable appreciation based on changes to units' appraised values
 - Burlington, Duluth, Boulder
- **National Formula:** appreciation based on a constant or national formula
 - Davis, Atlanta
- **Deed-Restricted:** appreciation indexed to local trends
 - King County, San Francisco

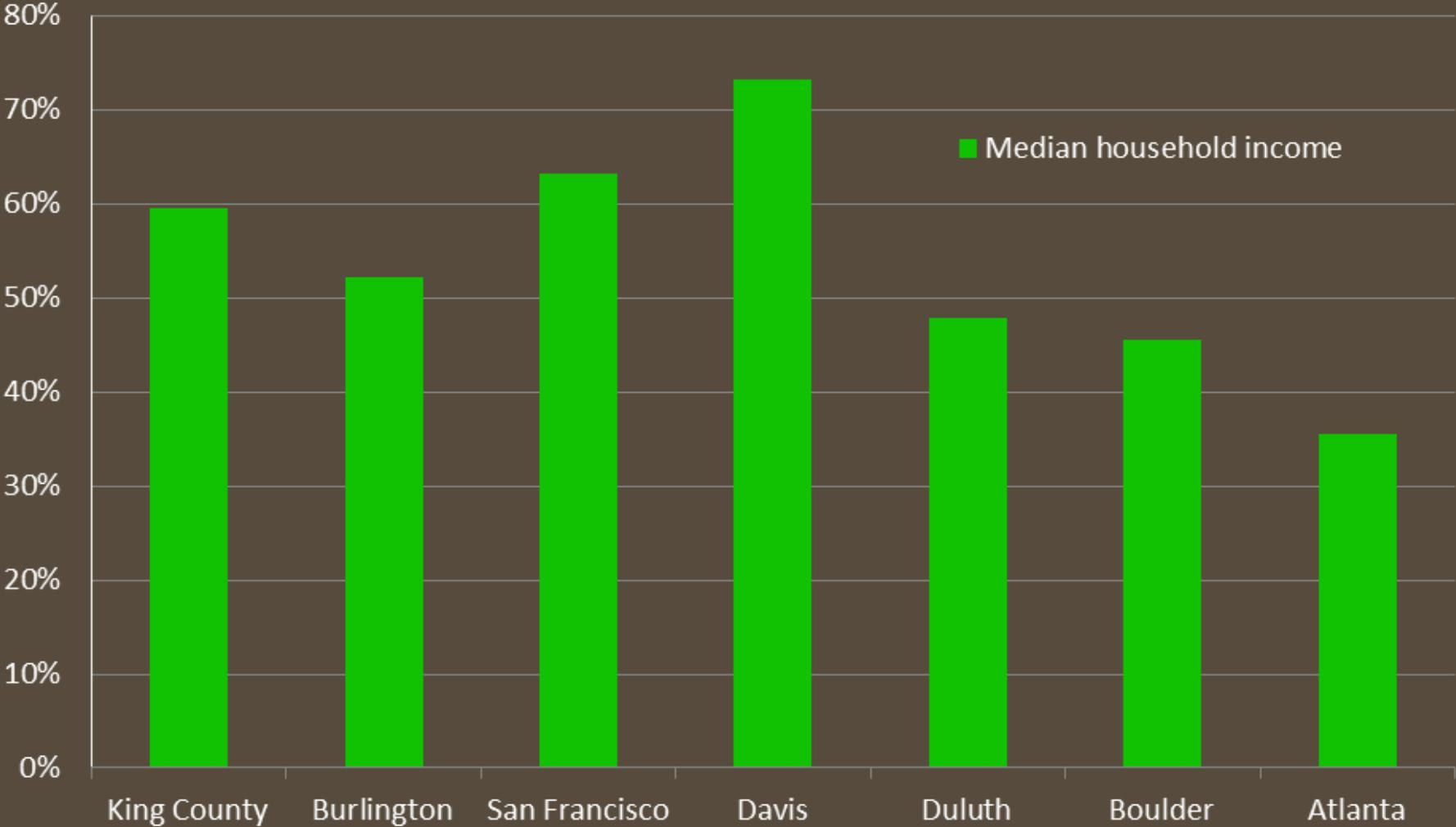
Site selection, data, and methods

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

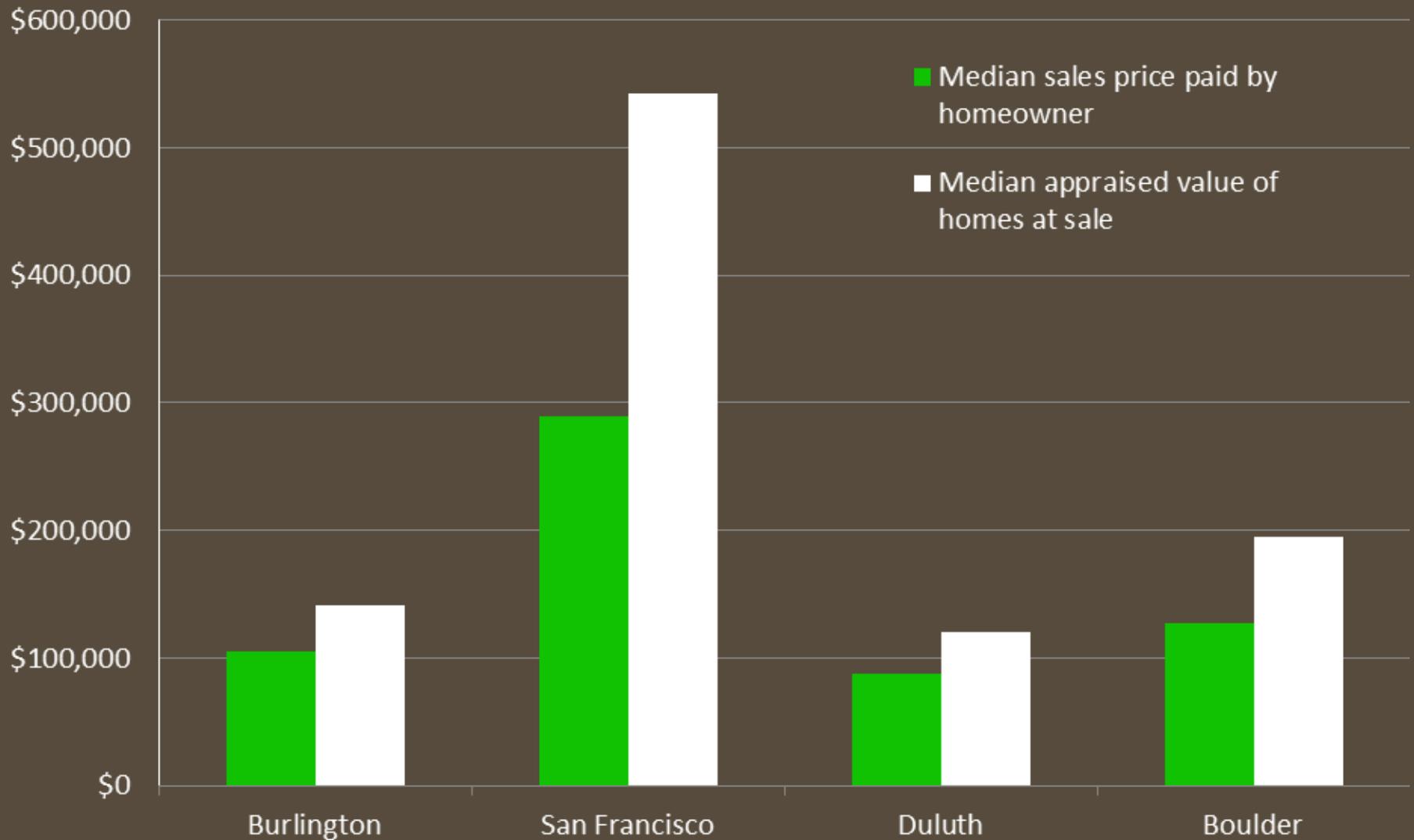
Key Findings

- Affordability
- Wealth creation
- Security of tenure
- Mobility

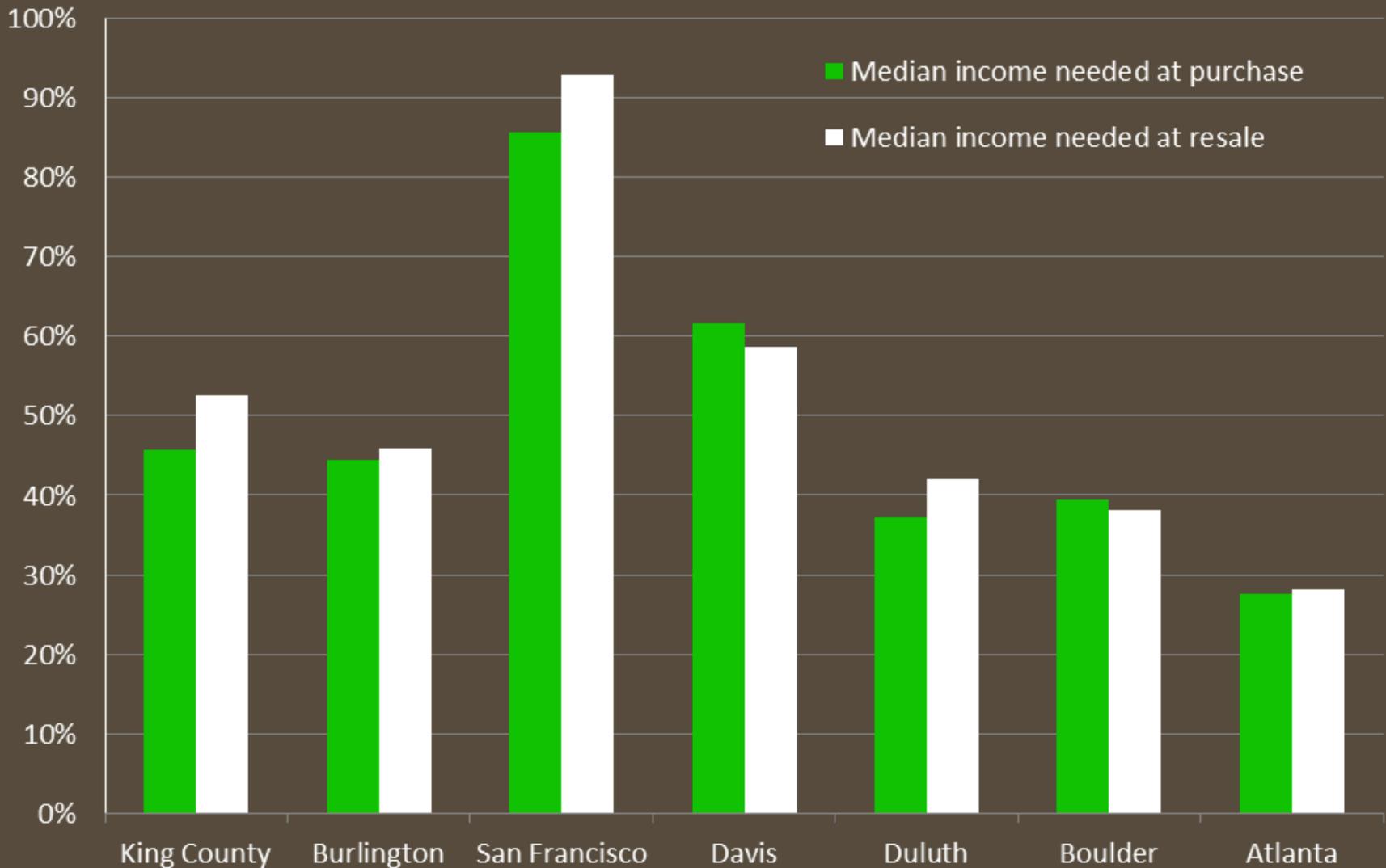
Findings: Affordability



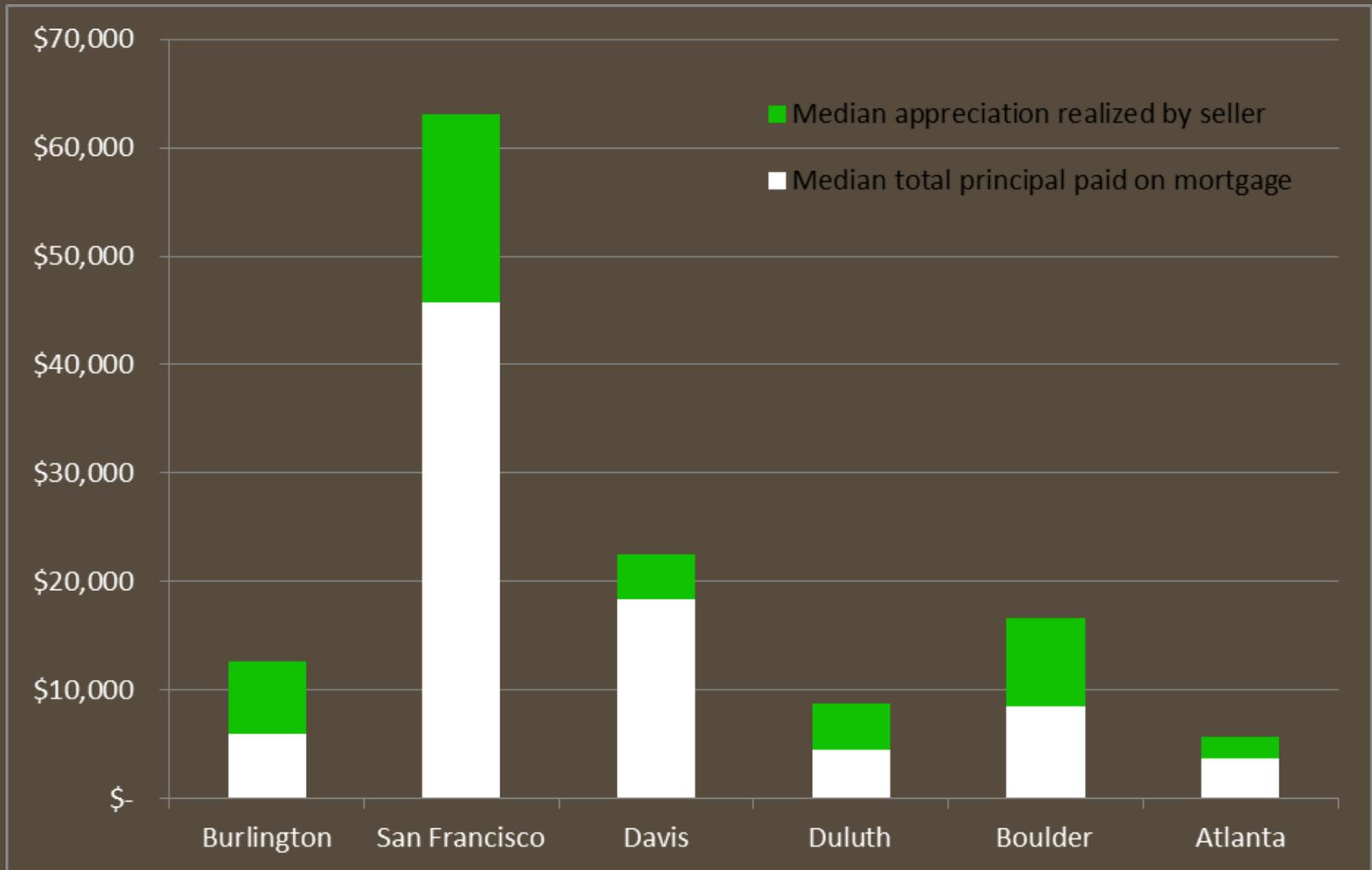
Findings: Affordability (cont'd)



Findings: Affordability (cont'd)



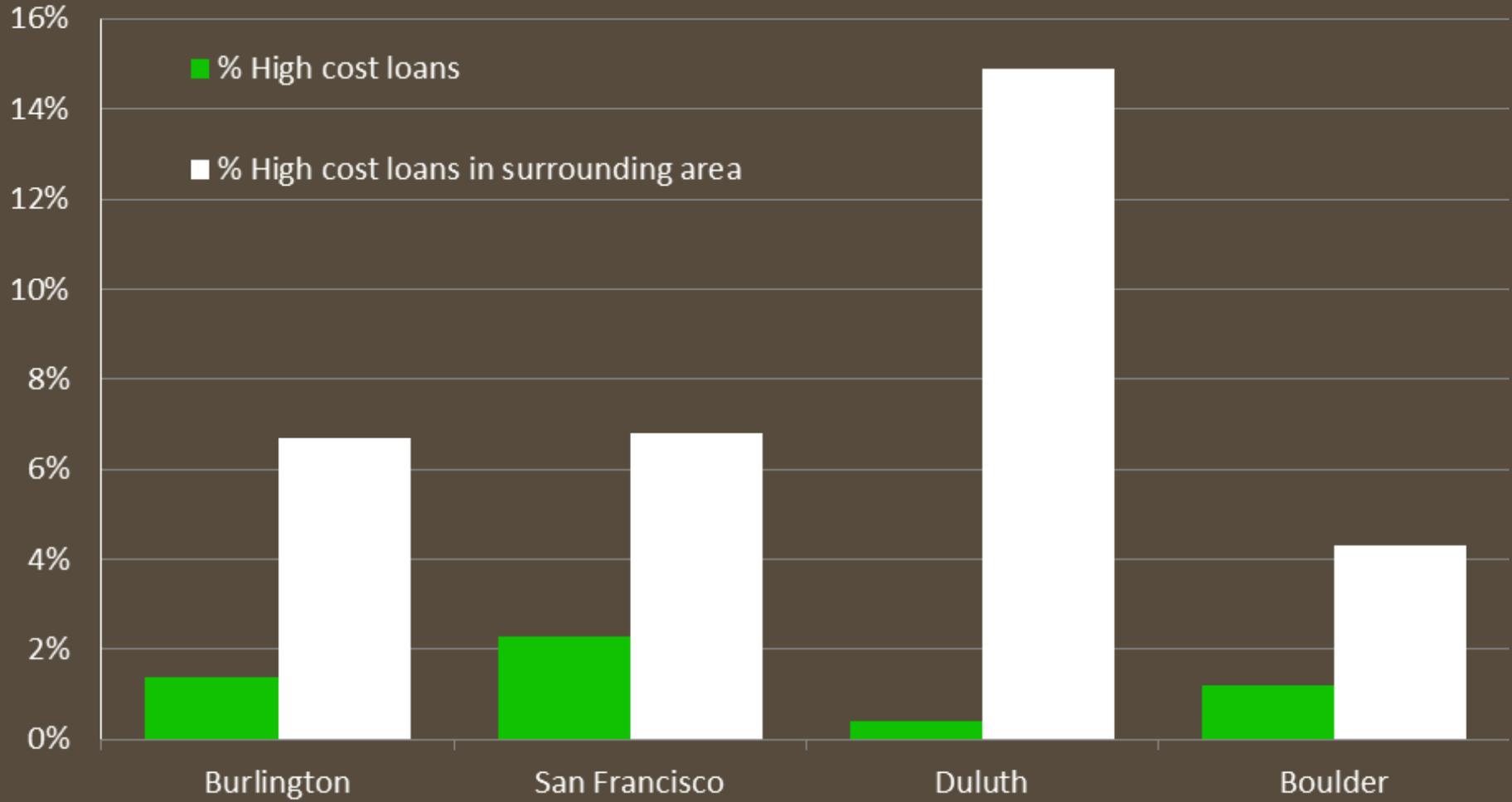
Findings: Wealth Creation



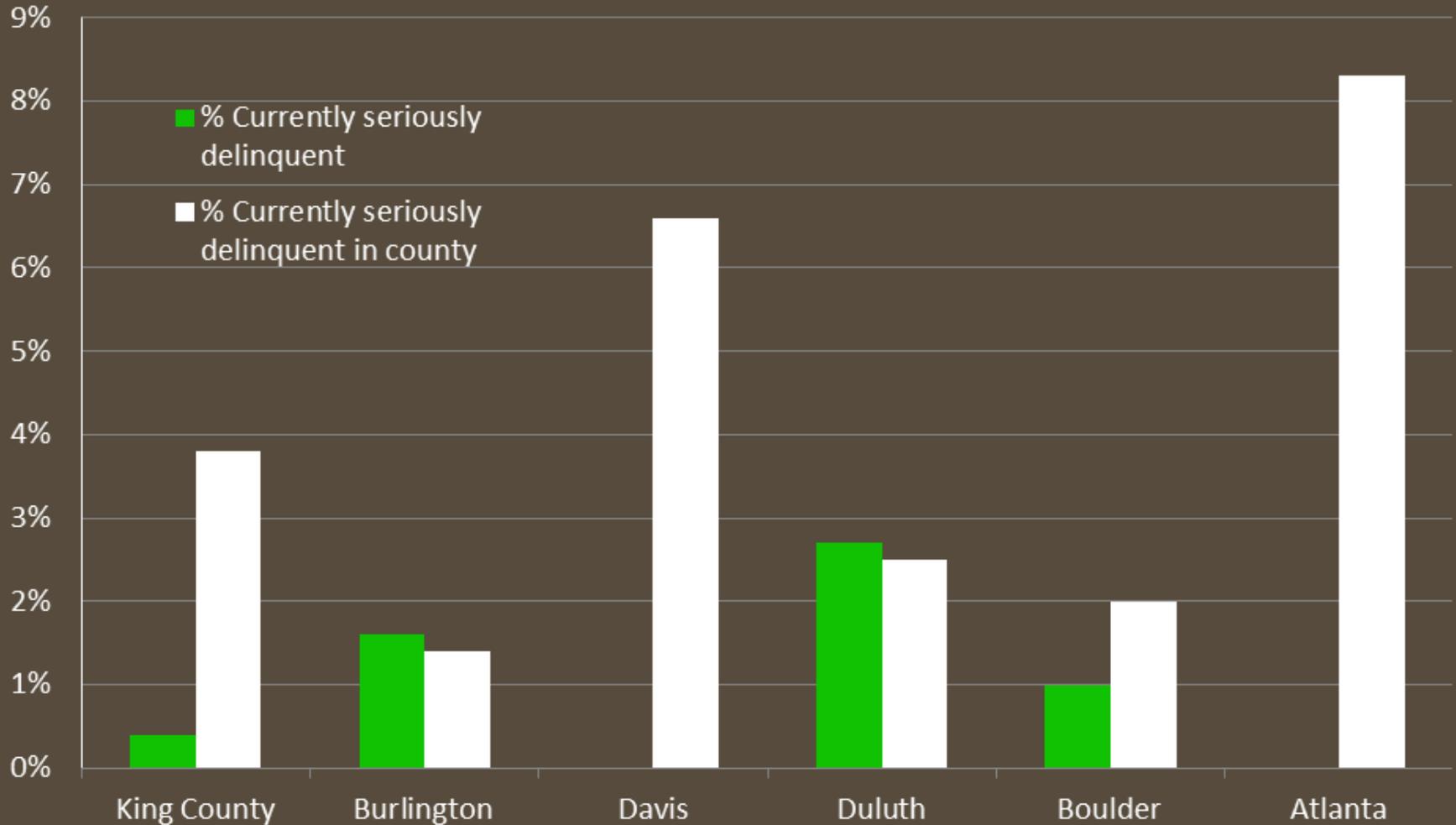
Findings: Wealth Creation (cont'd)



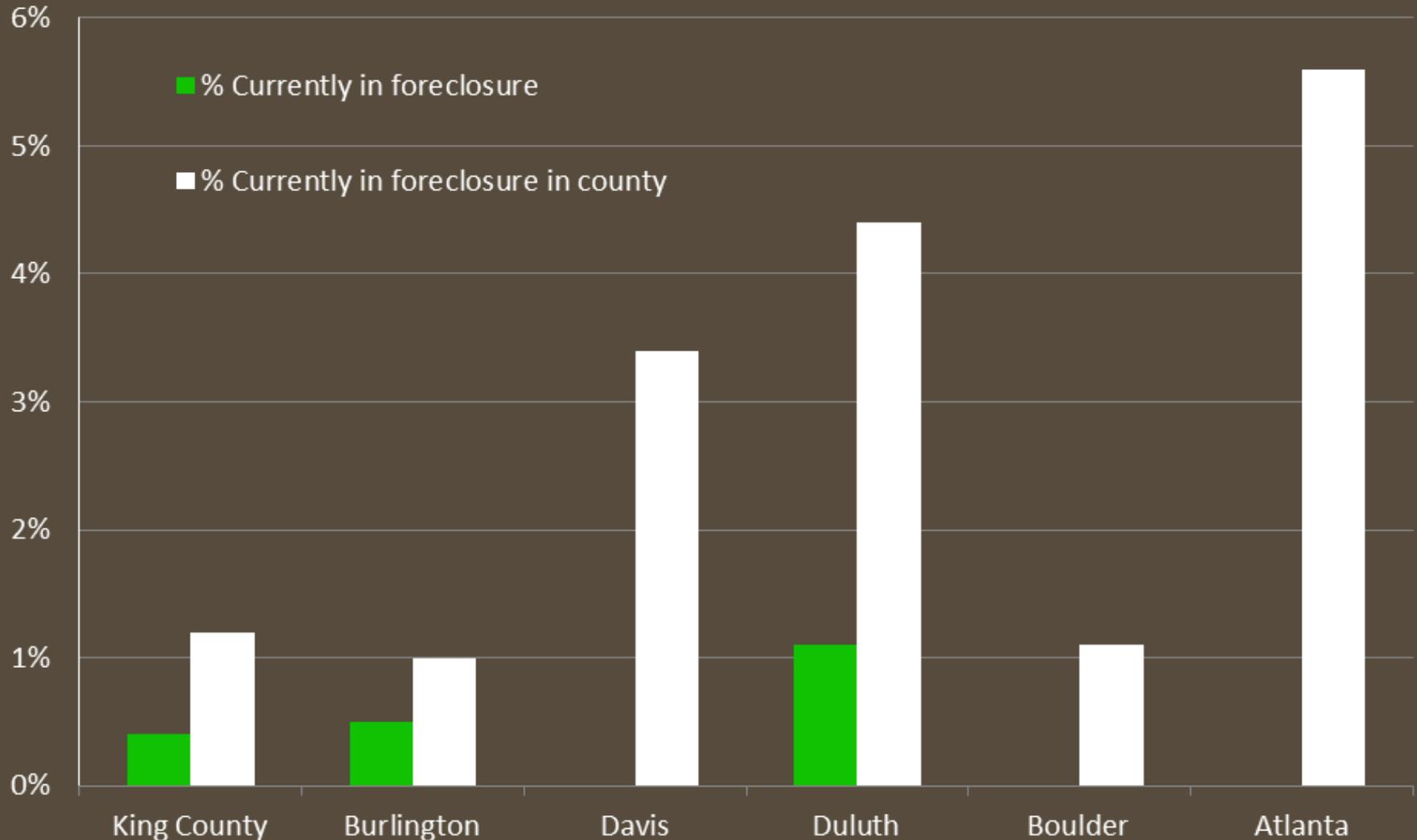
Findings: Security of Tenure



Findings: Security of Tenure (cont'd)



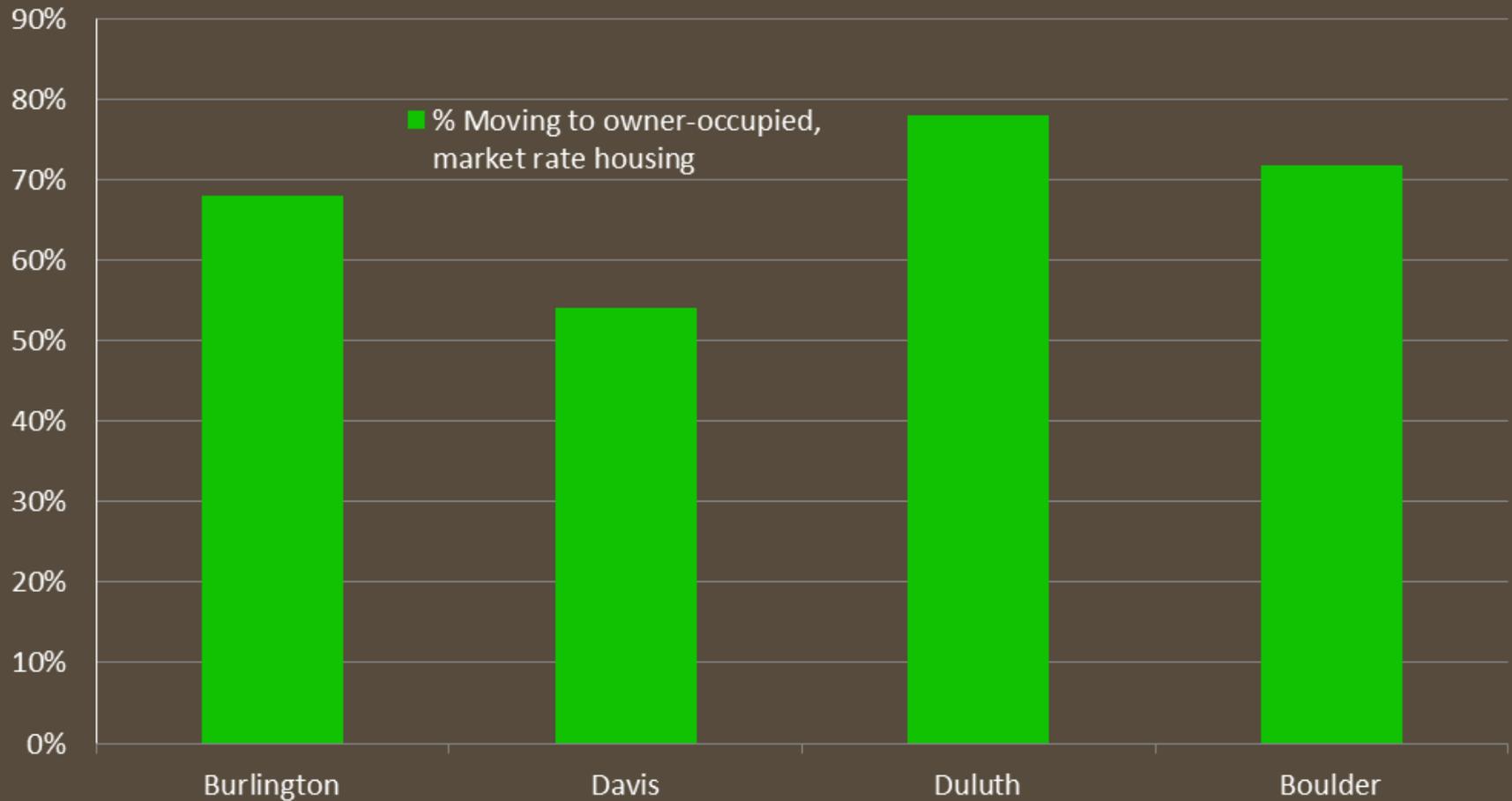
Findings: Security of Tenure (cont'd)



Findings: Mobility



Findings: Mobility (cont'd)



Policy Implications

- Shared Equity homes largely retain affordability and create wealth, without limiting mobility or creating instability
- ... but they must balance competing objectives of affordability preservation and wealth creation while taking into account local dynamics
- And there are barriers to scale

CHIP Support and Impact Evaluation

- Social Innovation Fund and Ford Foundation funding are allowing Cornerstone Partnership to provide multi-year support to 10 shared equity programs for expansion or replication
- Urban Institute will conduct an *impact* evaluation of these programs over 5 years

Research Questions

- Do participants access more affordable homes?
- Does participation provide improved access to quality neighborhoods, schools, services, and amenities?
- Are participants less likely to experience a default or foreclosure?
- In the medium term, do participants have higher asset holdings?
- Do participants achieve higher rates of returns?

Shared Equity Programs in Ongoing Study

Austin People Trust
Austin, TX

Champlain Housing Trust
Burlington, VT

City First Enterprises
Washington, DC

Community Asset Pres. Corp.
Newark, NJ

Hello Housing
Bay Area, CA

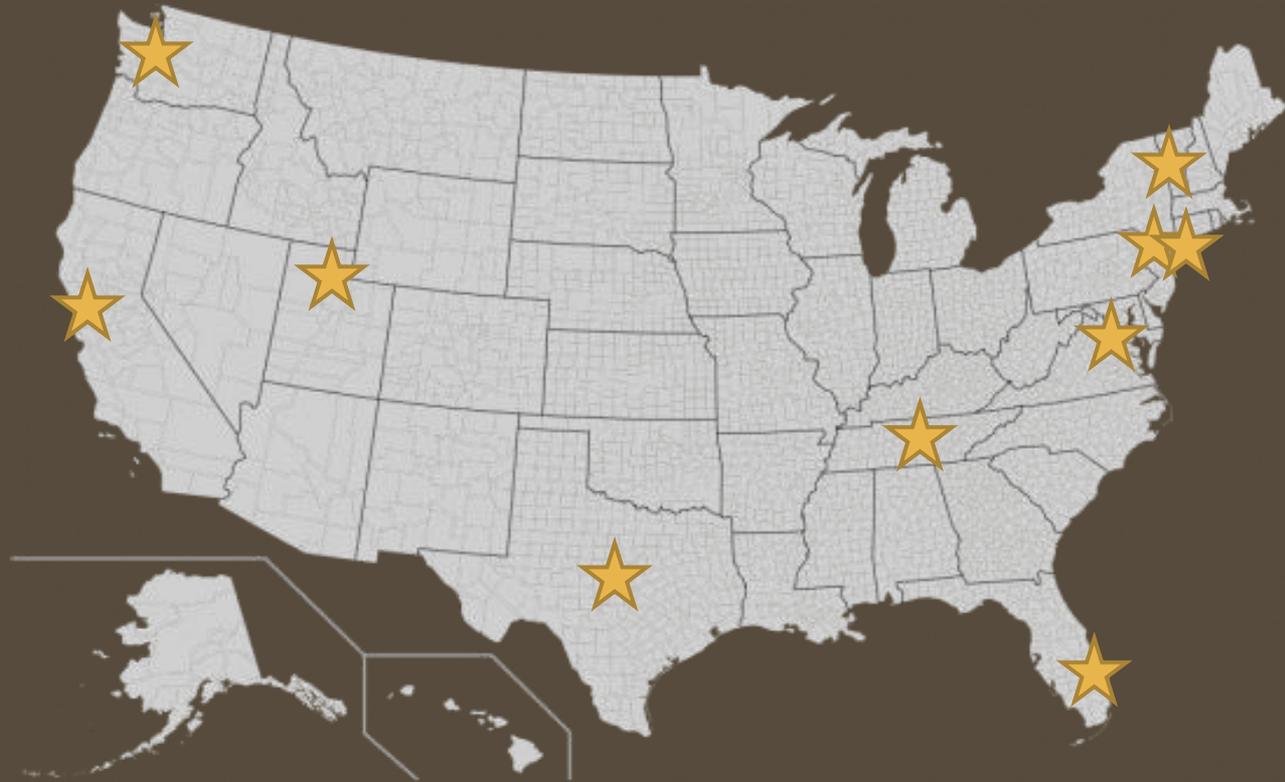
Homestead CLT
Seattle, WA

The Housing Fund
Nashville, TN

Housing Partnership, Inc.
Palm Beach, FL

Long Island Housing Part.
Long Island, NY

Mountainlands Community Housing Trust
Park City, UT



Shared Equity Programs (cont'd)

- Programs include CLTs and long-term deed restrictions
- Programs differ with regards to:
 - Overall program model
 - Portfolio size
 - Resale formula used
 - Individual organizations vs. consortiums

Study Timing

- Study Design (Completed)
 - Fall 2012
- Data Collection (Ongoing)
 - Applicants through 2014
 - Follow-up survey starting 2016
- Reporting
 - Baseline report on buyer characteristics, late 2014
 - Final report measuring program impact, 2016

Thank You

- More information:
 - rpitingolo@urban.org
 - <http://www.urban.org/SharedEquity/>