



**Advancing the
Promise of
Shared Equity
Housing Models**



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Acknowledgements

This paper reflects the collaborative work of many colleagues at NeighborWorks America, within NeighborWorks network organizations and our partners, beginning well before the initiative formally began with Congress' investment in the Shared Equity Initiative in 2019. We would like to thank the NeighborWorks America's internal work group on shared equity, led for many years by Shanti Abedin, who served as director of the Shared Equity Housing Initiative from 2019-2022. We would also like to thank our network organizations, whose input, engagement and ongoing feedback was essential to the initiative's success to date. Finally, we would like to acknowledge consultant Alexandra Miller, the lead writer for this paper. For additional information about NeighborWorks' Shared Equity Housing Initiative, please contact Jenee Gaynor, director of the Shared Equity Housing Initiative at sharedequity@nw.org.

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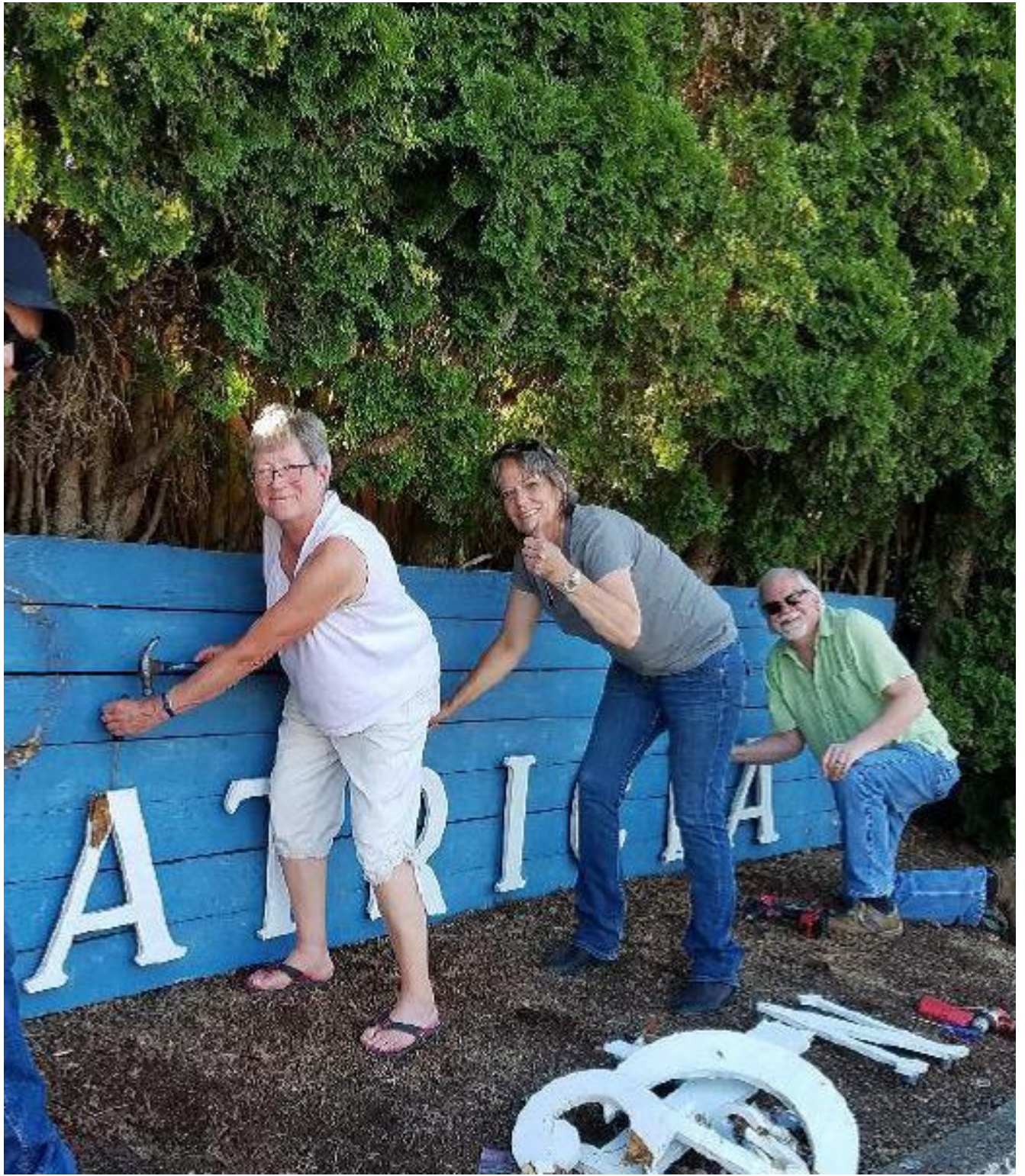
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About NeighborWorks America

NeighborWorks America is a congressionally chartered and funded nonpartisan nonprofit. NeighborWorks provides communities – through its network of nearly 250 member organizations in every state, the District of Columbia and Puerto Rico – with affordable housing, financial counseling and coaching, training, and resident engagement and collaboration in the areas of health, employment and education. NeighborWorks builds the skills, supplements the resources and amplifies the reach of network organizations so they can empower more individuals and transform more communities than they could on their own. NeighborWorks supports its network and the broader community development field with grant funding, peer exchange, technical assistance, evaluation tools and training.



Shared equity housing creates lasting affordability, builds wealth for people with limited incomes and helps create vibrant and inclusive communities. Shared equity programs typically realize these outcomes by limiting the sale or rental price of homes in their portfolios; requiring the sharing of home appreciation gains; and providing homeownership assistance to program residents. Residents and community members often participate in governing shared equity programs through democratic decision-making and/or a cooperative ownership structure.

NeighborWorks America received a total of \$3 million in appropriations from Congress in 2019 and 2020 to support the promotion and development of shared equity housing models. This white paper describes the outcomes of NeighborWorks' Shared Equity Housing Initiative (Shared Equity

Initiative), which deployed these funds from 2019-2021, to support the growth of shared equity models within NeighborWorks' network and in the housing and community development industry more broadly.¹ Through the initiative, NeighborWorks is able to:

- 1) Provide funding for NeighborWorks network organizations to plan, launch or grow shared equity programs.
- 2) Design and deliver new and updated training courses.
- 3) Support the evaluation of shared equity models.
- 4) Deploy specialized capacity-building tools and templates.

¹ NeighborWorks received an additional \$5 million Congressional appropriation for shared equity housing in 2021-2022; however, this white paper is focused on the \$3 million, three-year initiative funded by initial appropriations in 2019-2020.

Summarized Outcomes of the NeighborWorks Shared Equity Housing Initiative: 2019-2021



\$1.37 million in seed funding provided to 29 NeighborWorks network organizations to support feasibility assessment, technical assistance, planning and implementation of shared equity housing programs.



465 shared equity homes completed or in the development pipeline from grantees and their partner organizations. An additional 129 homes were already well into the development process upon receipt of the Shared Equity Initiative funding, but the funding helped bring them to completion.



Four evaluation processes completed with extensive resident feedback in order to assess outcomes for owners of shared equity homes.

Development and provision of capacity building resources included:

- Technical assistance from consultants and peer-to-peer consulting partnerships for grantees.
- Three NeighborWorks America training courses about shared equity housing models.
- A [Shared Equity and Cooperatively Owned Housing Guide](#) published by NeighborWorks that describes the various models of shared equity housing and helps organizations and the public navigate which models may be right for their needs.
- A [virtual Shared Equity Symposium](#) that attracted more than 330 participants.
- Webinars on specific topics, including peer learning webinars on innovative shared equity housing models that NeighborWorks organizations have implemented.

► **NeighborWorks' approach to elevating shared equity housing as an affordable housing and community development strategy incorporates four important elements.**

1 Thoughtful and flexible program design. NeighborWorks network organizations are experienced in the affordable housing and community development field, but their levels of knowledge and experience with shared equity housing models vary widely. NeighborWorks' program design sought to address this broad audience by providing grants that ranged from early-stage feasibility assessment and active planning with partners and stakeholders to implementation of a shared equity housing model and support for innovative approaches from organizations that were already experienced in the shared equity space. NeighborWorks also focused on promoting all models of shared equity housing.

2 Focus on technical assistance, including peer-to-peer assistance. NeighborWorks took a multifaceted approach to technical assistance that included partnering with experienced shared equity housing consultants and organizations, as well as setting up peer learning partnerships between long-time shared equity practitioners and NeighborWorks network organizations that were newer to the shared equity housing field. Grantees consistently noted that consultants and peer-to-peer learning experiences allowed them to advance their shared equity strategies faster and to choose and adopt the shared equity models that work best for their organizations.

3 Transformative outcomes for place and people. Shared equity housing helps transform outcomes for people and their neighborhoods. It is often a key resource for communities that are threatened by rising property values that can put tax payments out of reach, or that prevent the children and grandchildren of existing residents from being able to buy into their home neighborhood. It also offers a unique opportunity for residents to have a direct voice related to local investment in their neighborhood, because residents participate in governance.

4 Resident-centered approach from concept to evaluation. NeighborWorks and its network members take a resident-centered approach to designing all programs. The availability of early-stage feasibility grants in NeighborWorks' Shared Equity Initiative allowed network organizations that were just beginning to consider shared equity models to explore these options in partnership with local residents, and to decide if shared equity was the right approach for their neighborhoods and communities. NeighborWorks also offered evaluation services to four NeighborWorks network organizations that had deep experience in shared equity housing development using a variety of models. These evaluations allowed residents to provide feedback on their satisfaction with their homes and communities and helped the network organizations understand how shared equity affected resident outcomes. Overall, the evaluations revealed that residents in the shared equity housing communities had experienced positive outcomes related to quality of life, economic security, housing stability and more.

The 29 NeighborWorks network organizations supported with grants in 2020-2021 represent a cross section of the network in many ways, including their geographic locations, their experience with shared equity and the outcomes they realized from the funded work. Some organizations have developed innovative new approaches, such as using a shared equity approach to preserve homeownership for existing homeowners or converting existing rental properties to shared equity condominiums. Others have converted units already in their development pipelines to permanently affordable units by creating new shared equity programs. Still others have evaluated the available shared equity models and decided not to implement shared equity programming in the immediate future. NeighborWorks' Shared Equity Initiative ensures that each grantee organization can decide whether and how shared equity fits into their toolbox and can adapt existing models to meet their particular needs.

Shared Equity Housing Models

- ▶ **Shared equity housing can be implemented in a number of different ways, all of which help retain affordable homes for the long term.**



Community land trusts (CLTs) are the most well-known and widespread type of shared equity housing model. CLTs are nonprofit organizations that provide community control over land. When a CLT provides homeownership, they secure initial subsidy to sell homes at an affordable price. To preserve affordability for the long term, CLTs maintain ownership of the land beneath each home while CLT homeowners own the home itself and any other "improvements" on the land. Homeowners have a ground lease with the CLT that ensures that CLT homes are resold at an affordable price to a future, income-qualified buyer. Homeowners and community members make up at least two-thirds of the membership of a CLT's board. CLTs also provide stewardship services that help ensure homeowners can keep up with home maintenance and retain ownership of the home for the long term.



Deed restrictions are another shared equity housing model. Deed-restricted homes have price restrictions written into the deed of the home that take effect every time the home is resold. A nonprofit organization generally secures the upfront subsidy to make the home affordable for the initial buyer.



Resident-owned communities (ROCs) are manufactured housing communities in which the land is owned and managed by the residents who live there. Cooperative ownership and management allow residents to build wealth because the secure ownership of the land and proper upkeep of the community's facilities often enable residents to access better financing and realize higher property values. While ROCs do not include explicit shared equity affordability provisions, they are often more affordable because of the nature of the housing itself.²



Limited-equity cooperatives (LECs) are a type of housing cooperative. Residents of housing cooperatives each own shares in the nonprofit corporation that ultimately owns the cooperative itself, and residents are therefore able to participate in democratic governance of the cooperative as shareholders. In an LEC, the nonprofit corporation secures subsidy funds to bring down the price of each share to an affordable rate for the first homebuyer. The price of each share is then resale-restricted to keep it affordable long term. LECs are most often housed in multifamily buildings, though they can be applied in a variety of different contexts.

² Definition of resident-owned communities sourced from NeighborWorks America Shared Equity & Cooperatively-Owned Housing: A Guide to Navigating the Models, published November 2021.

Racial Equity Outcomes of the Shared Equity Initiative

The NeighborWorks Shared Equity Initiative prioritizes underserved and potentially vulnerable communities, with a direct focus on creating outcomes that further racial equity. Grantees like NeighborWorks Blackstone River Valley in East Providence, Rhode Island; United Housing in Memphis, Tennessee; and Asian Americans for Equality in the Lower East Side neighborhood of New York City, have used shared equity housing to help stabilize communities of color that are threatened by rising property values and rapid displacement. Other grantees, like NeighborWorks Montana, work to preserve and improve resident-owned communities that are important sources of housing for Native American (American Indian and Alaska Native) residents and other populations of color in rural areas.

Critics of shared equity models often maintain that shared equity homes do not build wealth for residents, and therefore do not help close the racial wealth gap for homebuyers of color. It is true that market-rate homes offer more immediate opportunities for purchasers to build wealth. However, the four evaluation processes that NeighborWorks conducted suggest that shared equity ownership acts as a “stepping stone” toward traditional homeownership for residents who would otherwise remain renters. It also offers residents and communities a path toward self-determination in the face of broader economic forces that threaten their homes and communities. Residents consulted during the evaluation processes shared that:

- Their quality of life improved after becoming shared equity homeowners.
- They have increased financial security, ability to predict their housing costs and ability to save for the future.
- In many cases, they felt increased connection to their neighbors and reported more social connections.
- They reported improved health as a result of housing, infrastructure and quality of life improvements; for example, communities were able to improve their drinking water sources and improve overall safety after becoming resident-owned.
- In one evaluated community with a larger number of residents who had sold their community land trust homes, 70% had been able to use their shared equity homeownership as a stepping stone to attain market-rate homeownership.

NeighborWorks has also undertaken a consultant development program to grow the number of consultants of color working in the shared equity field. The consultant development program provides stipends, educational opportunities and mentorship to early career consultants who are interested in working in the shared equity space. Thus far, five early-career consultants have participated in this program.



- A list of the 29 grantees is below. More details on the grant types and several grantee case studies are provided in the body of this report.

TABLE 1. Shared Equity Initiative Grantees

Grantee Organization	State	Type of Grant	Shared Equity Model Investigated
Asian Americans for Equality, Inc.	New York	Peer Match Grant; Peer Exchange Grant; Innovation Grant	Limited-Equity Cooperatives
Avenue CDC	Texas	Feasibility Grant	Community Land Trusts
Beyond Housing	Missouri	Feasibility Grant	Community Investment in Shared Equity Development
Casa of Oregon	Oregon	Peer Match Grant; Peer Exchange Grant; Planning Grant	Resident-Owned Communities
Champlain Housing Trust	Vermont	Innovation Grant; Technical Assistance Partnership Grant	Technical Assistance Provider; New Markets Tax Credits for Shared Equity Development; Evaluation Support
CHWC, Inc.	Kansas	Planning Grant	Community Land Trusts
Coalition for a Better Acre	Massachusetts	Feasibility Grant	Feasibility of Multiple Shared Equity Models
Codman Square Neighborhood Development Corporation	Massachusetts	Feasibility Grant	Limited-Equity Cooperatives
Community Development Corporation of Long Island	New York	Feasibility Grant	Feasibility of Multiple Shared Equity Models
Durham Community Land Trustees	North Carolina	Innovation Grant	Community Land Trusts including Rental Accessory Dwelling Units
Dwelling Place of Grand Rapids Nonprofit Housing Corporation	Michigan	Peer Match Grant; Peer Exchange Grant; Planning Grant	Community Land Trusts; Conversion of Existing Rentals to Shared Equity Condominiums
Grounded Solutions Network	National	Technical Assistance Partnership and Sponsorship Grant	Technical Assistance Provider
HomeSight	Washington	Peer Exchange Grant; Peer Match Grant	Limited-Equity Cooperatives

TABLE 1. Shared Equity Initiative Grantees (continued)

Grantee Organization	State	Type of Grant	Shared Equity Model Investigated
Housing Development Fund	Connecticut	Peer Exchange Grant	Community Land Trusts; Shared Equity Condominiums
Hudson River Housing	New York	Planning Grant	Community Land Trusts
Ithaca Neighborhood Housing Services	New York	Innovation Grant	Homeownership Preservation through Shared Equity Assistance
Neighborhood Housing Services of Chicago	Illinois	Feasibility Grant	Limited-Equity Cooperatives
Neighborhood Housing Services of New Haven Inc.	Connecticut	Peer Exchange Grant	Community Land Trusts
NeighborWorks Blackstone River Valley	Rhode Island	Planning Grant	Community Land Trusts
NeighborWorks Boise	Idaho	Feasibility Grant	Community Land Trusts
NeighborWorks Home Partners	Minnesota	Innovation Grant	Homeownership Preservation through Shared Equity Assistance; Evaluation Support
NeighborWorks Lincoln	Nebraska	Feasibility Grant	Community Land Trusts
NeighborWorks Montana	Montana	Innovation Grant; Planning Grant	Statewide Outreach on Shared Equity; Financing for Resident-Owned Communities; Evaluation Support
NeighborWorks Southern Colorado	Colorado	Peer Exchange Grant; Peer Match Grant	Ground Lease for Affordable Multifamily Development
NHS of South Florida	Florida	Feasibility Grant	Limited-Equity Cooperatives
NPHS Inc.	California	Planning Grant	Community Land Trusts
PathStone Corporation	New York	Innovation Grant	Resident-Owned Communities; Evaluation Support
United Housing	Tennessee	Planning Grant	Community Land Trusts
Urban Edge Housing Corporation	Massachusetts	Feasibility Grant	Feasibility of Multiple Shared Equity Models

NeighborWorks America received its first Congressional appropriation to support and grow shared equity housing models in 2019. NeighborWorks staff began designing the resulting Shared Equity Initiative by conducting a broad scan of the shared equity field. The scan identified five key challenges that NeighborWorks sought to address:

- 1 **Lack of knowledge.** Many leaders in community development, and key stakeholders such as policymakers, funders, real estate agents and lenders, lack knowledge about the core principles and purpose of shared equity housing. Even fewer stakeholders know about the wide variety of shared equity models that are available.
- 2 **Lack of experience with implementation.** Shared equity programs are complex. Creating a new program involves deep community engagement, new types of documentation, new counseling practices and education for partners in the real estate industry. Nonprofit staff who are interested in shared equity often lack the technical knowledge required for implementation.
- 3 **Lack of resources.** Shared equity programs require significant resources for acquisition, ongoing stewardship, unit preservation and organizational capacity. Because shared equity programs preserve affordability for the long term, they often require more up-front resources in order to successfully subsidize and generate units. They also require ongoing funding for “stewardship” or community-supportive services. Bringing public-sector and philanthropic funders on board is critical to starting a successful shared equity program.
- 4 **Lack of data on resident and community experience.** Successful shared equity programs often track data about the number of homes they generate and steward over time. However, far fewer programs have conducted systematic evaluation of the experiences of their residents and the impact of shared equity on stabilizing communities. When considering establishing new shared equity programs, these issues tend to be top of mind for residents, and the lack of this data was often challenging for nonprofits exploring their shared equity options.
- 5 **Unique needs in rural markets.** Rural shared equity programs are far more likely to focus on preserving and improving the quality of existing affordable housing, often

Guiding Principles of the NeighborWorks Shared Equity Initiative

► **NeighborWorks developed eight guiding principles for the Shared Equity Initiative based on the initial scan of the field:**

- Serve organizations across a continuum of capacity levels.
- Promote multiple shared equity models.
- Prioritize underserved and potentially vulnerable communities; include a focus on racial equity and rural communities.
- Promote authentic resident engagement.
- Foster participation by a range of cross-sector partners.
- Comprise a set of multifaceted strategies that reinforce one another.
- Benefit the NeighborWorks network and contribute to the broader community development field.
- Leverage and support other NeighborWorks programs and services.

by converting existing manufactured housing communities to resident-owned communities. Rural programs also tend to have more constrained access to resources than those in larger urban areas.

As a result of the scan, NeighborWorks’ first guiding principle for the Shared Equity Initiative was to serve organizations across a continuum of capacity. For example, the initiative needed to meet the needs of groups and stakeholders with little to no experience with shared equity housing models. It also needed to assist experienced groups that wanted to push the boundaries of shared equity housing and find new applications, along with groups in between these two levels of experience. Table 2 summarizes the types of support provided by the Shared Equity Initiative across this continuum of capacity.

TABLE 2. NeighborWorks Categories of Support Across the Continuum of Capacity

Category of Support	Purpose of Support	Outcomes from 2019-2021
<p>Category 1 – Building Awareness</p>	<p>Educating organizations and stakeholders about the broad concept of shared equity and the variety of specific shared equity models.</p>	<p>Development of three new NeighborWorks courses on shared equity housing.</p> <p>Publication of <i>Shared Equity and Cooperatively Owned Housing: A Guide to Navigating the Models</i>.</p> <p>Creation of a short explainer video.</p> <p>Hosting webinars and a national shared equity symposium.</p>
<p>Category 2 – Feasibility, Market, and Capacity Assessment</p>	<p>Helping organizations determine the feasibility of undertaking shared equity models based on market conditions, organizational capacity and community support. Building awareness and support for shared equity among local stakeholders.</p>	<p>Feasibility grants of \$25,000 to NeighborWorks network organizations to review shared equity models and their local applications and decide whether shared equity is right for them and their communities.</p> <p>Connection of NeighborWorks network organizations and their partners to experienced shared equity consultants. Consultants helped to build understanding of shared equity both internally and among external stakeholders, such as local governments and funders.</p>
<p>Category 3 – Planning / Start-Up</p>	<p>Helping organizations to develop specific plans for implementing shared equity; in many cases, this also resulted in pre-development or development of shared equity units.</p>	<p>Planning grants of \$50,000 to NeighborWorks network organizations who needed assistance to implement a specific shared equity model.</p> <p>Connection to shared equity consultants to assist organizations to structure and navigate program start-up.</p> <p>Peer match grants to fund consultation between mature shared equity organizations and start-up organizations.</p>
<p>Category 4 – Scale / Innovation</p>	<p>Assisting experienced organizations to scale their efforts and/or innovate new approaches to shared equity.</p>	<p>Innovation grants of \$50,000 to assist experienced organizations in a variety of ways.</p> <p>Examples include preserving multifamily affordability by purchasing rental properties and converting them into limited-equity cooperatives; preserving single-family affordability by working with homeowners to place their homes into a community land trust in return for repairs, financial support and foreclosure prevention; and using New Markets Tax Credits for shared equity development.</p>
<p>Category 5 – Strengthening the Ecosystem</p>	<p>Building partnerships and infrastructure to expand or enhance field-wide resources.</p>	<p>Evaluating resident outcomes in partnership with four NeighborWorks network organizations.</p> <p>Creating a Consultant Development Program to increase the number of consultants of color working in shared equity.</p> <p>Publishing webinars to share innovation grant outcomes and lessons learned.</p>

In order to facilitate capacity building, NeighborWorks allocated 25 hours of funded consultant assistance to each of its Shared Equity Initiative grantees, over and above what the grant funding provided. Grantees were able to choose from a nationwide pool of shared equity consultants that NeighborWorks assembled through an RFP process. (Grantees could also use their grant funding to contract for additional consulting hours if needed.) Two nationally recognized technical assistance providers – Grounded Solutions Network and Champlain Housing Trust – were part of the consultant pool and assisted a number of the grantee organizations over the course of 2019-2020.

Peer learning through peer match grants was another important technical assistance resource that helped organizations move quickly from planning to implementation. Peer match grants allowed start-up organizations to consult with other

organizations throughout the NeighborWorks network that bring experience with a variety of shared equity models. The network offers a wide variety of expertise: Some NeighborWorks network organizations have worked to incubate a shared equity program and spin it off while others have acquired organizations that already have shared equity homes. Some have developed shared equity homes – single-family, multifamily, deed-restricted, community land trust-based and more. Many of these organizations also bring experience with long-term stewardship and resident governance. Other organizations understand the unique components of homeownership counseling and financial capability training required for shared equity models. Peer match grants allowed start-up organizations to understand and plan for the specific circumstances they would encounter, based on the experiences of peer organizations much like themselves.



NeighborWorks America's Shared Equity Approach

The Shared Equity Initiative elevated shared equity housing within the community development field through grantmaking, training and technical assistance that reached a broad swath of NeighborWorks network organizations and their partners. The initiative served organizations throughout rural and urban areas, and organizations with widely varying degrees of knowledge and expertise in the shared equity space. NeighborWorks achieved this diversity of participation through intentional program design that built on the research and technical assistance resources discussed in the previous section.

Thoughtful and Flexible Program Design

NeighborWorks designed its Shared Equity Initiative to meet organizations where they are in terms of their shared equity knowledge and experience, their local context and their available resources. This meant operating across a wide continuum of capacity to help organizations advance their shared equity knowledge, as described in [Section 2. Introduction to the Work](#). For grantees, this also meant that they would receive a combination of funding, professional training and technical assistance to help them tailor shared equity models to their community's needs and their organization's capacity. The work included:

- **Presenting the variety of shared equity models.** Shared equity includes community land trusts, limited-equity cooperatives, resident-owned communities, deed restrictions and other forms of shared ownership that can enable an organization to control the affordability of a property for the long term. Feasibility grantees received training and technical assistance to help evaluate whether shared equity was right for them and which model to pursue. Planning grantees received deep technical assistance including sample documentation, community engagement materials and financing advice to assist them in implementing their selected model.
- **Taking an asset-based and community-based approach that prioritized local needs.** Technical assistance to grantees went beyond providing national model documents. Consultants, peer organizations and grantees took an asset-based approach to designing their local shared equity programs. For example, in rural communities, the

grant could help to convert an existing manufactured housing community into a resident-owned community. In urban communities, the grant could assist organizations seeking to convert a multifamily rental building into a limited-equity cooperative. In cases where a local organization owned a significant amount of land, the grant could assist in crafting a ground lease for permanently affordable multifamily development. Technical assistance from peer organizations and consultants enabled grantees to choose an approach that addressed local needs and took advantage of available opportunities.

- **Assisting organizations to engage community members, funders and partners.** Building a successful shared equity program requires buy-in from a wide range of local stakeholders. Community members and community-based organizations need transparent and culturally competent communication that helps to build support and a pipeline of potential homebuyers. Funders need to understand the opportunities that shared equity programs provide to preserve affordability long term, and the ways in which shared equity helps build wealth and preserve communities. Real estate agents, appraisers and lenders need to understand how to advertise, appraise and finance shared equity homes. Using technical assistance partnerships and grant resources, grantees were able to develop communications materials and build productive partnerships that generated lasting support.
- **Fostering innovation in shared equity.** Innovation grants allowed organizations with deep experience in the shared equity arena to examine new applications of shared ownership, utilize new funding sources for shared equity projects, or scale up their current portfolio using innovative approaches. Several organizations used their innovation grants to help preserve existing affordable homes, either by helping homeowners remain in their homes or by helping renters and manufactured homeowners to become permanent owners of their properties. Others used their grants to help scale an existing approach by studying new funding models for shared equity projects, such as New Markets Tax Credits or portfolio products for resident-owned communities.

CASE STUDY: Dwelling Place Community Land Trust

Dwelling Place of Grand Rapids Nonprofit Housing Corporation, a NeighborWorks network organization located in Grand Rapids, Michigan, has a long history of constructing affordable homes. Dwelling Place launched a Community Land Trust (DPCLT) in 2020 with assistance from a NeighborWorks Peer Match Grant and Planning Grant, as well as \$600,000 in additional funding from a local healthcare system.

Dwelling Place has taken a variety of approaches to shared equity development. The nonprofit has a new 42-unit single-family CLT development in the pipeline, as well as a 26-unit townhome development in partnership with Habitat Company based in Chicago, Illinois. In addition, the organization is working to convert 45 existing rental units into shared equity condominium homeownership units. While the single-family projects have been proceeding at a standard pace, the condominium conversion process has been more challenging; it has required extensive negotiations with Freddie Mac around mortgage availability and DPCLT ended up working with the Michigan State Housing Development Authority (MSHDA) to fund the mortgages. The program required the Dwelling Place parent organization to write off a large percentage of the value of these units to sell them at affordable rates. DPCLT also prioritizes allowing existing renters to purchase their own units, meaning that they must wait until the renters are financially ready to buy or choose to move to another location on their own. Despite these challenges, DPCLT continues to work toward converting as many of the 45 rental units as possible to shared equity condominium ownership.

Dwelling Place's long history in Grand Rapids meant that DPCLT had the advantage of deep partnerships with community-based organizations as soon as it was founded. Based on a fair housing marketing plan developed with funding from the local health care provider, DPCLT created outreach agreements with groups including LINC UP, Hispanic Center of West Michigan and Urban League of West Michigan to ensure that their homeowner education and marketing would reach a racially diverse population. DPCLT's Director David De Velder also noted that its peer match partnership with City of Lakes Community Land Trust was extremely helpful in ensuring that its CLT documents and marketing materials would meet the needs of a diverse population: "Our peer learning with City of Lakes Community Land Trust resulted in revisions [to] most of our model documents so that they would be more effective in reaching lower income and households of color and scaling DPCLT to sustainability quicker." These partnerships have generated strong results; 89% of households who have completed a DPCLT homebuyer application through August 2022 are households of color.



Focus on Peer-to-Peer Technical Assistance

Network building is a hallmark of NeighborWorks America's approach to community development. As a network-focused intermediary with nearly 250 chartered affiliates, NeighborWorks focuses on creating peer learning opportunities that are structured and supportive and foster mutual growth and innovation. The Shared Equity Initiative intentionally incorporated peer learning in a variety of ways in order to build a nationwide collaborative of shared equity organizations:

- **Peer organizations as consultants.** Peer match grants enabled mature shared equity housing organizations to assist early-stage organizations with specific topics. For example, some worked together on marketing materials for community land trusts; others worked on the legal, financial and community organizing needs for implementing a specialized model like a limited-equity cooperative. Both organizations in the peer match program were provided with \$10,000 to fund the staff time dedicated to this work. Peer match participants noted that it was extremely helpful to work with other organizations that had already faced the same questions and challenges, and that could help them build an approach that would work for their organization.
- **Peer organizations as innovators and educators.** NeighborWorks required its innovation grant recipients to report on the results of their work through webinars that were offered to staff, the NeighborWorks network and key partners in the field. This enabled all participants to build their knowledge of potential shared equity applications and funding sources.
- **Peer organizations participating in education and training at a local level.** In many cases, NeighborWorks grantees brought in local partner organizations to participate in the grant-funded work. These local collaboratives jointly participated in the education, training and decision-making processes required to implement a shared equity program. This type of collaborative approach helps broaden the base of support, knowledge and capacity for shared equity implementation, and is particularly helpful in areas where shared equity is a new and unfamiliar approach.

Transformative Outcomes for Place and People

Through the Shared Equity Initiative, it became clear that for many communities and organizations, shared equity housing is a means to preserve community control and integrity in the face of highly challenging and changing market conditions. Shared equity programs are viewed as a place-based strategy,

and shared equity homes are a resource for the community, as well as an investment and asset-building opportunity for individual buyers.

This view of shared equity housing persisted throughout a variety of contexts. In rural areas, conversion of manufactured housing communities to resident-owned communities enabled residents to remain in their communities, re-invest in their infrastructure and improve their health. One resident of a resident-owned community served by NeighborWorks Montana noted, "The water infrastructure system had arsenic levels four times the legal limit. The water came out of our taps blood red ... people were buying, hauling water. [Since becoming a resident-owned community], we have secured \$7 or \$8 million in grants for improvements. We have a new well ... It's just fantastic."

In East Providence, Rhode Island, a suburb adjacent to Providence, NeighborWorks Blackstone River Valley (NWBRV) is working to develop the Ivy Place Project – 13 new deed-restricted homeownership units, including four live-work units – in a neighborhood with the highest rates of homeownership by people of color. NWBRV worked with the community to understand local needs and reported that large housing price increases were challenging the neighborhood's residents: "There are a couple of residents who have followed the progress of the project since we launched our work and check in regularly. Both grew up in the area and have been priced out of the housing market. One of them is an artist who is particularly excited about the 'live/work' units that will be built in the development." **A Shared Equity Initiative planning grant** enabled NWBRV to secure approvals and leverage \$5.7 million in additional support from the City of East Providence to complete the project, which has now been fully permitted.

In the Lower East Side neighborhood in Manhattan, New York City, Asian Americans for Equality, Inc. (AAFE) is working to assist tenants in rental properties to convert their buildings to limited-equity cooperatives and improve their condition. One critical component of this work is finding banks that will offer appropriate loans – for both renovating the buildings, and for the tenants to be able to purchase their shares in the cooperatives. **Using a Shared Equity Initiative peer match grant and innovation grant**, AAFE was able to piece together construction financing with lending partners based on trust and long track records from working together on other more conventional affordable housing projects. AAFE continues to work with additional banks to familiarize them with limited equity coop buyers in order to provide mortgages to them. AAFE was matched with a peer organization, Urban Homesteading Assistance Board, the largest developer of limited-equity cooperatives in New York and

CASE STUDY: NeighborWorks Southern Colorado

NeighborWorks Southern Colorado (NW SoCo) is developing Pikes Peak Park, a \$120 million mixed-use, mixed-income project that includes single-family and multifamily affordable housing development. Additionally, there will be supportive commercial development to bring amenities and services to the community. The entire project will be built on land that the organization owns in Pueblo, Colorado. NW SoCo had deep experience with single-family shared equity housing development and was already planning to include deed restrictions on their single-family homes. However, they were less familiar with their options when it came to the multifamily component of the development, and were considering selling a portion of their land to an affordable multifamily developer.



PIKES PEAK PARK
NEIGHBORWORKS SOUTHERN COLORADO
2

Through a NeighborWorks Shared Equity Initiative Peer Match Grant, NW SoCo worked with the Urban Land Conservancy, a nonprofit in Denver that had deep experience with using ground leases for affordable multifamily development. Providing a ground lease, rather than a full sale, would allow NW SoCo to ensure that the multifamily development remained affordable for the long term and would not become market rate after the initial subsidies expired. The Urban Land Conservancy provided model ground lease language and introduced NW SoCo to developers who had a strong track record and a mission-driven desire to complete long-term affordable, ground lease-based multifamily development.

NeighborWorks Southern Colorado is currently working with a collaborative Ground Lease Task Force to finalize the adaptation of the template ground lease for their Phase 1 multifamily project, which will include 108 multifamily units on four acres of land. Tamara Pleshek, NW SoCo's project coordinator for Pikes Peak Park, noted, "Without NeighborWorks funding for peer-to-peer assistance, we wouldn't have known where to start. It would have just been what our local brokers suggested, which was to sell [the land]. That wouldn't have been [consistent with] the core values of what we were trying to accomplish. The Urban Land Conservancy was able to explain the benefits of it all in the affordable housing world."

throughout the nation, to help provide tenant training and discuss best practices within the city's affordable homeownership program. One tenant association president said, "I have been living in my building for almost thirty years and we, the tenants, have been working hard for decades self-managing our building and taking the great classes offered, while waiting for this process to finally begin and to embark on our journey to homeownership. We've weathered the ups and downs of the process and we are thrilled that AAFE and all those involved have overcome the many obstacles to getting this project closed. We are grateful and we look forward to

moving back into our completed building which will feel brand new."

All three of these organizations represent the promise of shared equity development as a place-based strategy that improves community health, furthers racial equity and assists residents at risk of displacement to remain in their communities – across a variety of local environments. The following case study on United Housing provides a more detailed analysis of a Memphis collaborative's place-based and community-based approach to shared equity.

CASE STUDY: United Housing

In recent years, Memphis, Tennessee, has experienced a rapid increase in housing values, particularly in neighborhoods that were majority people of color and had previously experienced disinvestment. As a NeighborWorks chartered member with a 27-year history of developing affordable homes in Memphis, United Housing was dedicated to helping prevent displacement and preserve affordability in these areas but had not previously done work with shared equity housing models. That changed when a group of renters in the Binghampton neighborhood came together and decided to form a community land trust that could help long-time renters move into homeownership – and protect the affordable housing availability in the center of the city.

Through a **planning grant from the Shared Equity Initiative**, United Housing partnered with the newly founded Binghampton Community Land Trust to implement a community land trust program that would follow a “hub and spoke” model – meaning that a citywide CLT organization would form to provide technical assistance and funding, and individual neighborhood organizations would provide outreach to homebuyers and property research that would be tailored to those neighborhoods’ needs.



United Housing and Binghampton Community Land Trust have already partnered on their first joint project: purchasing, renovating and selling a community land trust home in Binghampton. To prepare for this project, Binghampton CLT purchased a dilapidated home for \$25,000, using a grant from Patriot Bank. The CLT then deeded the property to United Housing, which demolished the structure and secured NeighborWorks’ and other funding to build a new community land trust home. The home was then purchased by a family of six who rented in the Binghampton area for 23 years. Mother of the family, Flor del Rocio Cordova-Puente, said of their new home, “What I like the most is that we are close to downtown and to the universities. We have our second daughter in college, and it is very convenient. Also, with the neighbors, we have developed a very special relationship and each one takes care of each other. [Now that I own my home], I feel more harmony and even my daughters’ faces look happier. It is so much emotion that I don’t even know how to express it.”³

Will Freiman, housing program manager at United Housing, sees community land trust work as a major part of how they and their partners will preserve affordability in Memphis in the future. He said in an interview, “We’ve got so many people who are unable to compete for homebuying with even pretty middle-class jobs. I don’t see an end to that or homes becoming cheap again. I like the idea that with a little encouragement, we can work together to preserve affordability and this home can still be affordable in the center of Memphis for people with a normal job in 50 years.”

³ Case study partially paraphrased from Madelyn Lazorchak, “One Home at a Time,” *NeighborWorks America Blog*, November 19, 2021. Accessed online at <https://www.neighborworks.org/blog/one-home-at-a-time>.

Resident-Centered Approach from Concept to Evaluation

The Shared Equity Initiative prioritized the inclusion of residents' input throughout every stage of shared equity program development – from conception to evaluation.

NeighborWorks network organizations that received feasibility and planning grants brought local community members into the early stages of shared equity program development. Organizations conducted outreach meetings, focus groups, webinars and other methods. This helped ensure that residents were able to help shape the shared equity model that the organization ultimately chose to adopt.

Organizations that were further along in the process, and were actively developing and selling shared equity units, involved residents in the design and sale of each project. This work built on the deep community relationships that NeighborWorks network organizations already cultivate on a regular basis. In cases where grantees were seeking to preserve pre-existing affordable housing, the renters or manufactured homeowners were intimately involved and assisted to buy into the preserved shared equity development. In the case of new construction, communities were involved through outreach on shared equity ownership and through design input that ensured the homes would meet the needs of local residents and families.

Innovative approaches, such as the approach described in the case study on NeighborWorks Home Partners (NWHP) and City of Lakes Community Land Trust (CLCLT) below, often require an even greater degree of resident input in their conception and execution. The homeownership preservation work that NWHP and CLCLT are undertaking emerges from over 20 years of experience in preserving homes for homeowners who have found themselves in unique and challenging situations where traditional sources of financing are not available, and incorporates extremely high standards for homeowner understanding and consent to placing their home into a community land trust.

Another key component of the overall initiative was developing tailored approaches to evaluation of shared equity residents' outcomes that went beyond financial aspects alone. [Success Measures](#), the evaluation resource social enterprise at NeighborWorks, designed and led evaluation efforts for four grantees with long-standing shared equity programs. The organizations helped frame questions about long-term outcomes for their residents, including residents' health and well-being, financial security, and satisfaction with their homes and communities. Evaluations also touched on the effectiveness of the organizations' services – including the role that two of the organizations played in providing technical assistance to resident-owned communities.

CASE STUDY: NeighborWorks Home Partners and City of Lakes Community Land Trust

NeighborWorks Home Partners, located in St. Paul and Minneapolis, Minnesota, partnered with the City of Lakes Community Land Trust (CLCLT) to further Project: Sustained Legacy (P:SL) using an **Innovation Grant from the Shared Equity Initiative**. P:SL helps homeowners who are facing foreclosure preserve their home and address the issues that they are facing – including deferred maintenance, challenges paying their property taxes or mortgage and other issues. In return for repairing the home and bringing mortgage and tax payments to a level that the homeowner can afford, the homeowner agrees to place the home into CLCLT's inventory and make it permanently affordable as a community land trust home.

Before entering the program, homeowners are assisted through financial counseling and provided consultation with an attorney to ensure they understand their options and the future impacts of placing their home into a permanent CLT. One P:SL homeowner described what they had learned during the process, noting: "One of the things that people get confused about is they think that the land trust is giving all this money to the homeowner. But what they're really doing is they're giving all this money to the property. That subsidy doesn't belong to me, it belongs to the house. It stays with the house when I leave."

P:SL relies on a variety of partnerships, including:

- Strong relationships with local jurisdictions, including the City of Minneapolis and Hennepin County, who can assist with code enforcement and tax issues, and provide funding for P:SL as an eligible use in their housing programs. This funding often goes toward repairs and buying down mortgages to affordable levels for the homeowners.

- Partnerships with banks and the State Housing Finance Agency, which are able to assist in refinancing mortgages at affordable levels. P:SL partners are working with Freddie Mac to allow refinancing of a mortgage even if the household's credit score has fallen, given P:SL's ability to step in and lower the first mortgage amount.
- Partnerships with Habitat for Humanity to facilitate repairs and with legal aid attorneys to help navigate the legal aspects of the system and provide counseling to homeowners.
- NeighborWorks' experience with counseling and the "people-heavy" nature of the P:SL program, which requires walking homeowners through the ownership preservation and community land trust process step by step and ensuring that they succeed long term.

NeighborWorks Home Partners and CLCLT recognize that this approach is not for every homeowner. However, it can serve homeowners who are difficult to assist using any other program due to the complexity of their circumstances. So far, the majority of homeowners in the program

earn less than 30% of the Area Median Income, meaning that they have very few resources to fall back on. Many of them were also facing issues such as mental or physical disabilities that had prevented them from getting their financial life and home maintenance situations back on track. Jeff Washburne, executive director of CLCLT, said of P:SL, "This program proved to me the connection between housing and health. The vast majority of people have had some kind of health or life instance that has thrown them off the rails and that's been the cause of their situation."

P:SL homeowners testified to the impact of the program. During interviews, they shared the reasons they found themselves in the program and the difference it has made in their lives.

"I was 67 or 68 years old ... I found myself in a really awful employment situation. I decided it was time to retire, but I couldn't see how I could survive on my social security and still pay for housing. I get \$945 a month from Social Security after they take out Medicare. My mortgage payment was close to \$700 a month. How was I going to survive ...? It was a really difficult time for me. I was incredibly tense and concerned and anxious about what was [going to] happen. I needed to get out of that employment situation. It was really terrible. It was the worst job I ever had. And I didn't feel safe there.

"My life was crashing and burning. I had gotten Lyme disease ... I had lots of medical bills piling up. Then my ex-husband decided he wanted to divorce. You can't borrow money if you're divorcing. I was losing the house.

"There was a horrible inspection sweep ... [CLCLT] was able to negotiate all of the inspection fees away. That was tremendous. I had not been able to get anywhere.

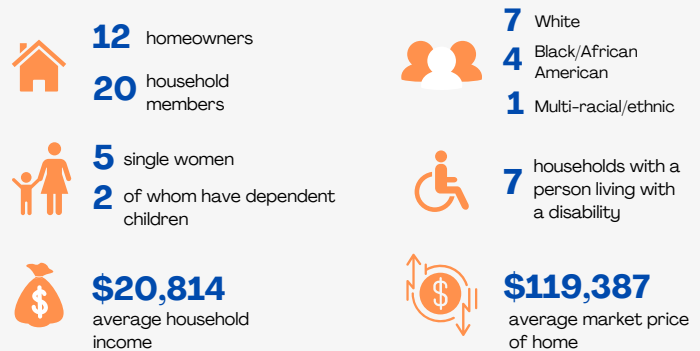
"I don't have to count every single penny. I don't have to balance my checkbook every single time I look at it. I'm not on that edge. I'm back from the edge.

Project: Sustained Legacy

City of Lakes Community Land Trust is a community land trust that provides affordable housing in Minneapolis. Project: Sustained Legacy (P:SL) is a CLCLT pilot program that supports low-income homeowners experiencing hardship to transition their homes to CLCLT so they can maintain ownership and avoid homelessness.¹



Since 2007, P:SL has served:



The P:SL Journey

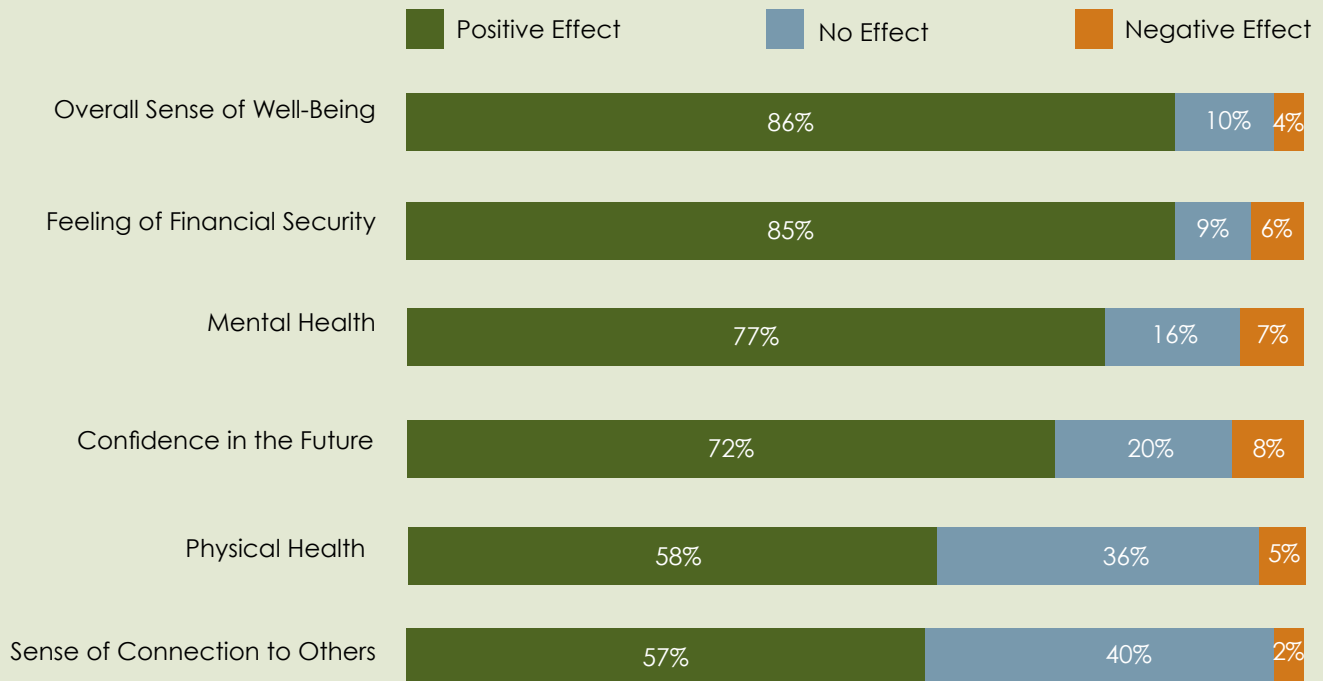


Shared Equity Program Evaluation Results

These examples highlight some results of the evaluations that NeighborWorks America's social enterprise, Success Measures, developed for three Shared Equity Initiative grantees.

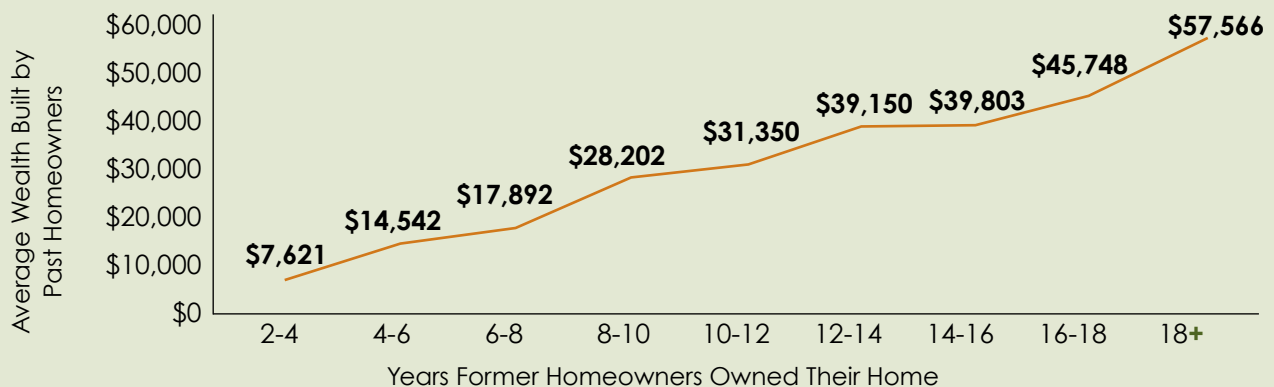
Improved Quality of Life: In a survey, **Champlain Housing Trust's** community land trust homeowners reported that living in a CHT home had a positive effect on their lives in many ways.

Living in a CHT Home has a Positive Effect on Many Aspects of Homeowner's Lives



Source: 2021 CHT Homeowner Survey

Wealth Creation: Champlain Housing Trust tracked the wealth that community land trust homeowners built over time using HomeKeeper data. This graph shows how much wealth CHT homeowners of two or more years gained upon selling their homes to a qualified buyer.



Increased Financial Security: Community land trust homeowners from **City of Lakes Community Land Trust** reported that their financial situations had improved in numerous ways after entering CLT homeownership.

71%

security of financial situation

49%

ease of saving money



65%

confidence in handling financial crisis if one occurred

61%

predictability of housing costs

Stepping Stone to Fee-Simple Homeownership: The **City of Lakes Community Land Trust** was able to reach 28 of its former homeowners to determine their current housing situation. Of these former CLCLT homeowners, 70% currently owned or co-owned home or condominium. For these homeowners, shared equity ownership acted as a stepping stone toward traditional ownership and wealth building.

“It helped to find a home that we could afford and allowed us to save more money. It helped us to be able to afford me going back to college so I could get a teaching license/degree and increase our financial stability.”

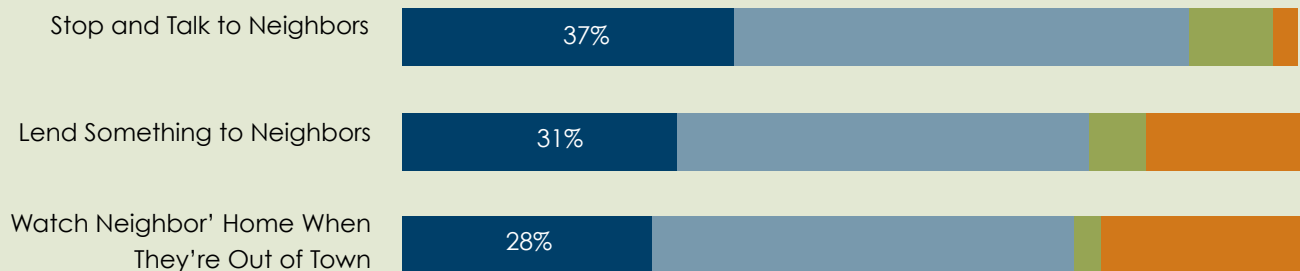
“It allowed me to qualify for a much higher mortgage loan on the house I bought in Portland, OR.”

“It helped in better understanding the process of both selling and purchasing a home.”

—Quotes from former CLCLT homeowners

More Connection to Neighbors and Community: Many homeowners in resident-owned communities funded by **NeighborWorks Montana** reported interacting more with their neighbors

More
 About the Same
 Less
 Don't Know/Haven't Engaged



Moving Forward – Opportunities for Added Impact

Through the Shared Equity Initiative, NeighborWorks America has been able to shine a spotlight on shared equity housing and show that it is already an integral part of our network and the community development field. Congress allocated an additional \$2 million in 2021 and \$3 million in 2022 to help continue this impactful work through 2025. The initiative will continue to build on the four key program design elements of the 2019-2021 timeframe:

- Flexible program design that promotes multiple shared equity models and engages across a continuum of capacity;
- Peer learning and collaboration;
- Transformative place-based programs and projects; and
- A resident-centered approach to shared equity work.

New and growing areas of focus will include:

- **Expanding grant opportunities to include both capacity building and production grants to continue supporting shared equity exploration, implementation and innovation across the network.** Adding production grants will help previous grantees scale up their shared equity programs and produce new shared equity homes. These grants assist in meeting grantees' unique capital needs, particularly for shared equity models that are less common and have fewer sources of funding and financing available. As of July 2022, NeighborWorks has provided \$2 million in production grants to four of its 2019-2021 program participants to scale up their shared equity efforts in resident-owned communities and limited-equity cooperatives.
- **Enhancing efforts to create technical assistance expertise for shared equity programs with a focus on racial equity.** Specifically, NeighborWorks will support racial equity and diversity among technical assistance professionals working in the shared equity field through its Consultant Development Program and follow-up activities.
- **Creating more resources and opportunities to engage housing counselors and other critical partners in shared equity housing.** NeighborWorks will seek oppor-

tunities to engage housing counselors across the network to build their knowledge and expertise around shared equity homebuying. In addition, NeighborWorks will support network organizations in identifying, educating and partnering with real estate agents, appraisers, lenders and others critical to building and growing shared equity housing programs.

- **Promoting a resident-centered approach to shared equity housing through training and other offerings.** A new “Shared Equity: More than One Way to Own a Home” course launched in Fall 2022 to supplement the three more technical courses that NeighborWorks has already developed. The course will assist community development organizations with explanatory materials that will help residents understand and provide substantive input on shared equity program design. NeighborWorks will continue to focus on resident engagement in all grant opportunities, as well as provide evaluation opportunities to network organizations with established shared equity programs, so that these organizations and the entire network can learn from resident feedback.
- **Reflecting, engaging partners and growing NeighborWorks' Shared Equity Initiative.** NeighborWorks has published this summary of the first three years of the Shared Equity Initiative in order to inform organizations, funders, residents and others about the lessons our network has learned – and new innovations the network has generated – in the shared equity housing space. Continuing to seek partnerships and opportunities to enhance this people-based and place-based approach to shared equity investment will remain a priority.

NeighborWorks America looks forward to continuing to establish new partnerships and elevate the profile of shared equity in the community development field over the coming years.

For more information on NeighborWorks' Shared Equity Initiative, visit [the NeighborWorks Shared Equity Housing webpage](#) or email sharedequity@nw.org.

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