



Shared Equity Homeownership

Solutions For Working Families Conference

Chicago, June 29, 2009

Jim Gray, NCB Capital Impact
jgray@ncbcapitalimpact.org



Definition

Benefits of home price appreciation are shared between the:

- Individual buyer assisted with a subsidy; and
- Public entity providing the subsidy



How Can Shared Equity Help My Community?

- To both build wealth and preserve long-term affordability.
- To keep families in their homes.

So what is Shared Equity?

- Limited Equity Cooperatives
- Community Land Trusts
- Deed Restricted Homeownership

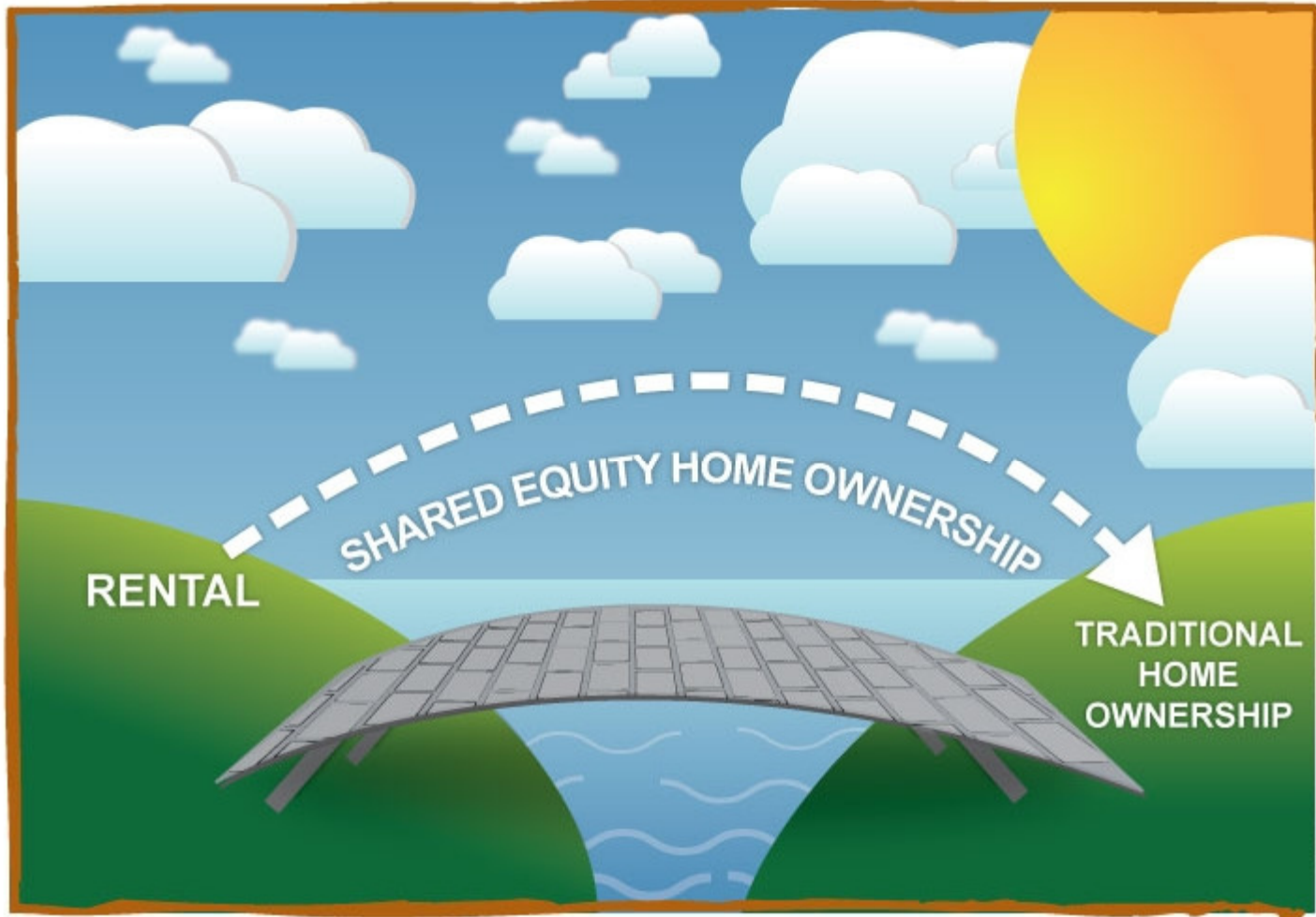


How it Works

3 Generations of Homebuyers	Traditional Deferred Loan	Shared Equity
Initial Sale of \$185,000 home		
Total Homebuyer Cost	\$185,000	\$135,000
Public Subsidy	50,000	50,000
Buyer Gain at Sale (yr 7)	57,373	51,630
Resale in Year 7 (Buyer #2)		
Total Homebuyer Cost	\$155,372	\$174,761
Additional Public Subsidy	30,000	0
Buyer Gain at Sale (yr. 14)	67,825	59,028
Resale in Year 14 (Buyer #3)		
Total Homebuyer Cost	\$179,458	\$209,375
Additional Public subsidy	40,000	0
Total Subsidy to keep affordable for 14 years	\$120,000	\$50,000

Assumptions

- Affordable at 80% of U.S. Median for 2007
- 2.6% annual increase in Median Income
- 3.5% annual increase in property value
- 6.0% broker's fee for resale
- 4.0% shared equity administrator's fee at resale



National Initiative

1. Financing Systems & Products
2. Local Capacity Building
3. Policy Maker & Industry Awareness
4. Quality Improvement & Research
5. Public Policy



Forum

The HousingPolicy.org Forum is a place to pose questions, exchange ideas, and learn from the experience and expertise of others. This section of the site features interactive forums organized around policy areas. New topics will be added in the future. Please [contact us](#) if you would like to submit a suggestion for additional forum topics.

New to the Forum? [Click here](#) to learn more about how this section of the site works.



Quick Links

[What is the Forum?](#)
[How do I join a Discussion?](#)
[Email the help desk](#)

Welcome to
HousingPolicy.org Forum

[Sign Up](#)
or [Sign In](#)

About

 [HousingPolicy.org](#)
[team](#) created this
social network on
[Ning](#).

Inclusionary Zoning



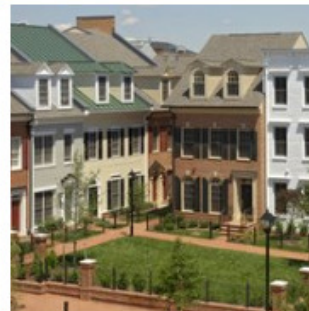
Challenges and best practices for administrators of inclusionary zoning / inclusionary housing programs.

Rental Housing Preservation



Share ideas on how to preserve affordable rental housing – including both subsidized and unsubsidized housing.

Shared Equity Homeownership



Discuss community land trusts, limited equity cooperatives, deed restrictions and other shared equity homeownership strategies.

Foreclosure Prevention



Neighborhood Stabilization





Shared Equity Homeownership

Created by HousingPolicy.org

[View Groups](#)

Welcome to
HousingPolicy.org Forum

[Sign Up](#)
or [Sign In](#)

Information

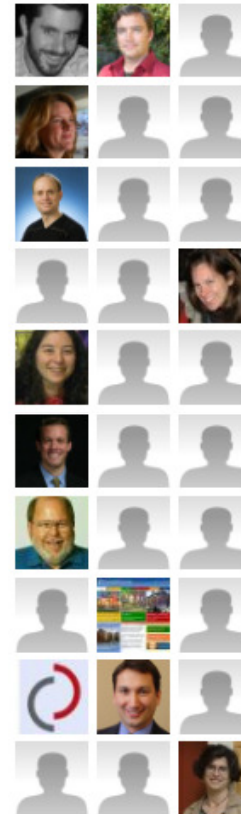


Discuss community land trusts, limited equity cooperatives, deed restrictions and other shared equity homeownership strategies.

Members: **39**

Latest Activity: **Jun 5**

Members (39)



About

[HousingPolicy.org](#) team created this social network on [Ning](#).

Posting Etiquette

New to the Forum? [Click here](#) to learn more about how this section of the site works.

We welcome and encourage your participation in the discussion!

The discussion is organized by broad categories called "threads." Before you start a new thread, please check to see if your question has already been asked, or if it can fit under an existing thread. Click on any thread to see the discussion to date or use the search box in the upper right corner to identify relevant comments.

[Click here](#) to view a library that houses all documents posted to this Discussion Group, and instructions on how to add your resources to the library.

When creating or responding to a thread, please remember that the HousingPolicy.org Forum is a public site. We advise you not to post any information that may be considered proprietary or confidential.

**If you would feel more comfortable adding a question or reply anonymously, please feel free to [email us](#) with the details and we will be happy to post on your behalf.

[View All](#)

Discussion Forum



[Great Shared Equity Discussion Opportunities in Chicago in Late June](#)

Started by Jim Gray Jun 5.



[Washington, DC Inclusionary Zoning Program Resale Formula](#) 2 Replies

Started by Ryan Sherriff. [Last reply](#) by Ryan Sherriff May 24.



[Webinar: Mortgage financing for price restricted homebuyers](#) 6 Replies