

Preserving Affordable Homeownership:

October 29, 2009

Athens, Georgia

Strategies for Hot and Cold Markets



Preservation is the missing ingredient in most publicly assisted programs to expand homeownership for persons of modest means. Neither supply-side programs that subsidize the production of affordably priced homes nor demand-side programs that provide grants and low-interest loans to help lower-income people to purchase market-priced homes have usually done much to preserve affordability, promote upkeep, or prevent foreclosures, especially when the economy is very hot or very cold. In a word, little attention has been given to stewardship.

Stewardship is a key ingredient, however, in the homeownership programs of community land trusts, limited equity cooperatives, and deed-restricted, owner-occupied houses and condominiums with covenants lasting many years. These, and models like them, are sometimes called “shared equity homeownership” because the rights, responsibilities, risks, and rewards of homeownership are *shared* between the individuals who own and occupy such housing and an organizational entity that stands behind it long after it is sold. These models ensure that homes remain affordable on a long-term basis by restricting the amount of equity that homeowners may remove from their homes on resale. At the same time, by placing these resale-restricted homes within a protective system of services and supports, shared equity homeownership lessens the burdens and reduces the risks of homeownership. Affordability is preserved when markets are hot. Foreclosures are prevented when markets are cold.

In this one-day introductory course, participants will review the most common models for preserving affordable homeownership, weighing the pros and cons of each model as a vehicle for promoting individual security, prosperity, and mobility, while addressing various community concerns like retaining public subsidies and preserving the affordability of publicly assisted, privately owned homes. Participants will examine various organizational and operational options for designing a shared equity homeownership program and for bringing such a program to scale.

Provided at the National CLT Conference—[Register Here](#)

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