



Providing permanently affordable housing
in Northwestern Vermont



SHARED EQUITY HOMEOWNERSHIP

**CHAMPLAIN
HOUSING TRUST**



Chris Donnelly, Director of Community Relations
May 6, 2021

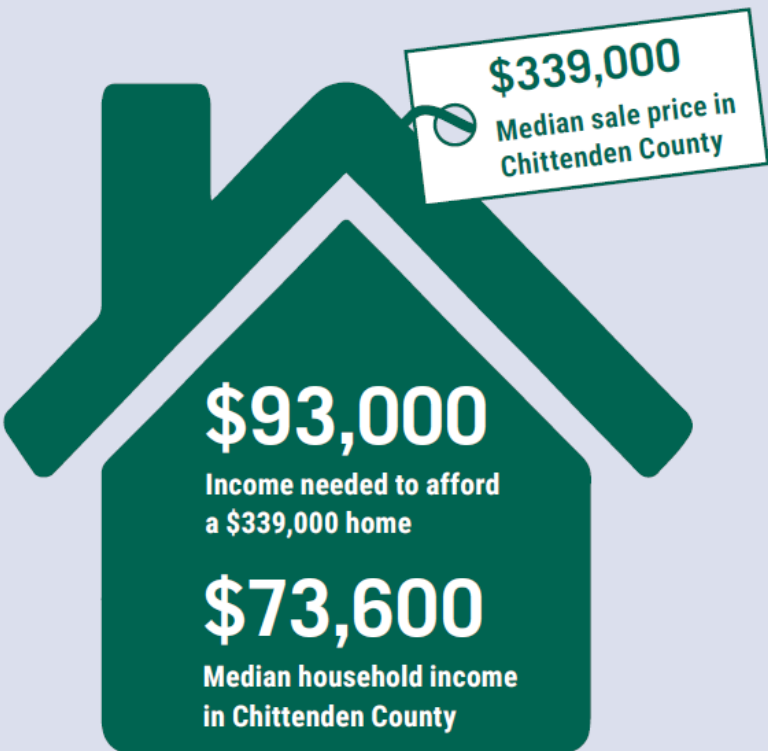
CHAMPLAIN HOUSING TRUST

Champlain Housing Trust serves the three northwest counties of Vermont

- 2,500 apartments
- 650 shared equity homes
- 30 commercial spaces
- \$175M community assets
- \$18.5M operating budget
- 120 staff

HOUSING DATA

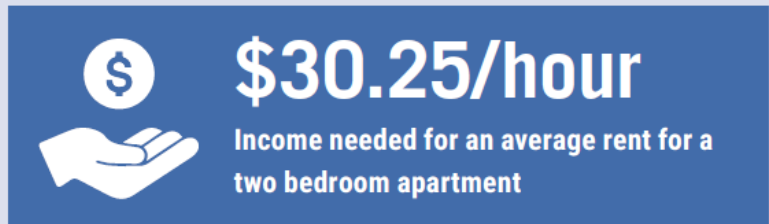
WHY WE DO IT



1 OUT OF 9 APPLICANTS HOUSED



210 Rental applications received/month → **24** Apartments available/month



SHARED EQUITY HOMEOWNERSHIP

Basics of Shared Equity

- Around 1,100 homes statewide have served 1,700 households
- Protects neighborhoods from gentrification
- Helps build wealth: instead of paying rent, average Vermont shared equity owner builds \$16,800 in wealth
- Enables mobility: over 60% use shared equity homeownership as a stepping stone to the market
- Reduces foreclosures: national study showed homes were ten times less likely to be in foreclosure
- Preserves affordability and locks in the public subsidy forever

SHARED EQUITY HOMEOWNERSHIP

STEP ONE – Becoming mortgage ready

Aspiring homeowners take homebuyer education, and must become mortgage ready – meaning they can go to a bank or credit union and take out a loan.

STEP TWO – Finding a home

- Existing shared equity home up for sale
- Habitat for Humanity chapters
- New home being developed by non profit
- Acquisition – Rehab programs
- “Buyer Driven” program
- Conversion of rentals

SHARED EQUITY HOMEOWNERSHIP

Ian Boyd wanted to stay in Vermont after college and already had a good job as an academic advisor for CCV. But he also had \$35,000 in school debt.

He spent three years working towards attaining his goal. He and his wife now have two children.



SHARED EQUITY HOMEOWNERSHIP

STEP THREE – Preparing to buy

Prospective buyers hire own lawyer, home inspector and get their own mortgage through a bank or credit union.

STEP FOUR - Closing

The local nonprofit stewards a subsidy that's attached to the home. Original subsidies typically come from VHCB or State Affordable Housing Tax Credit.

Buyer secures their own mortgage, and covers their closing costs – and moves in.

SHARED EQUITY HOMEOWNERSHIP

Who buys CHT's homes?

- 37% of homes have children
- Average length of tenure is about 6 years
- Average Area Median Income: 68.8%
- In CHT's portfolio, 25% in the last five years were people of color.
- Top five employment sectors:
 - Teacher/Aide
 - Health Care
 - Administrative
 - Manufacturing
 - Customer Service

SHARED EQUITY HOMEOWNERSHIP

Charles Meli and Beatrice Kambere, who immigrated to Vermont from the Democratic Republic of the Congo in 2004, The moment when they closed on their home was especially poignant for Charles.

“I remember, I said in French, ‘Je suis arrivé.’ Arrive is to come...everything is okay now. ”



SHARED EQUITY HOMEOWNERSHIP

RIGHTS/RESPONSIBILITIES OF OWNER

- Pays Mortgage, Insurance and Property Taxes
- Pays any condo fees, lease/membership fee
- Maintains the property
- Can leave property to another in their Will
- Must notify local nonprofit in event of the decision to sell
- Agrees to a resale formula that preserves affordability

SHARED EQUITY HOMEOWNERSHIP

AT SALE

- Nonprofit identifies new buyer
- A new appraisal is conducted
- Original subsidy remains in full with the property

OWNER RECEIVES

- Everything they paid down on mortgage
- Any documented value of improvements
- 25% of the increase in home value from time of original purchase to time of sale based on the appraisal

NEW BUYER

- Takes homebuyer education class
- Gets a mortgage equal to the appraisal minus original subsidy and minus 75% of any market appreciation.
- Agrees to the same conditions as the first owner.

SHARED EQUITY HOMEOWNERSHIP

Resale formula of a shared equity home...

Original Purchase		Second Sale
\$200,000	Appraisal	\$240,000
(\$40,000)	Original Subsidy	(\$40,000)
	75% share of appreciation	(\$30,000)
\$160,000	Buyer's Mortgage	\$170,000

In this case, the original owner receives whatever they paid off on their \$160,000 mortgage, plus 25% of appreciation, or \$10,000.

SHARED EQUITY HOMEOWNERSHIP

Sarah Robinson works at a domestic and sexual violence nonprofit. She and her husband were high school sweethearts in Brattleboro who wanted to put down roots and start a family in Vermont. They were able to build enough equity owning a housing trust home to take the leap into the market.



SHARED EQUITY HOMEOWNERSHIP

This program has been recognized nationally and internationally and is being replicated:

- United Nations World Habitat Award
- Allstate-Atlantic Media Renewal Award
- New organizations in highest cost cities in the world: London, Paris, Brussels, Melbourne, Vancouver, New York City
- We get calls every week from municipalities, county governments, scholars, housing advocates on how to start a similar program

SHARED EQUITY HOMEOWNERSHIP

John Seiferth is a custodian at Bellows Free Academy, and was able to purchase a condo through CHT's shared equity program, just a few minutes from work.

His monthly mortgage payment is lower than what he was paying for in rent.





TECHNICAL ASSISTANCE
CHAMPLAIN HOUSING TRUST



Please visit getahome.org
for more information



© 2021 www.getahome.org