

**CHAMPLAIN
HOUSING TRUST**



Providing Permanently
Affordable Housing in
Northwestern Vermont

Permanently Affordable Homeownership



Chris Donnelly
Director of Community Relations

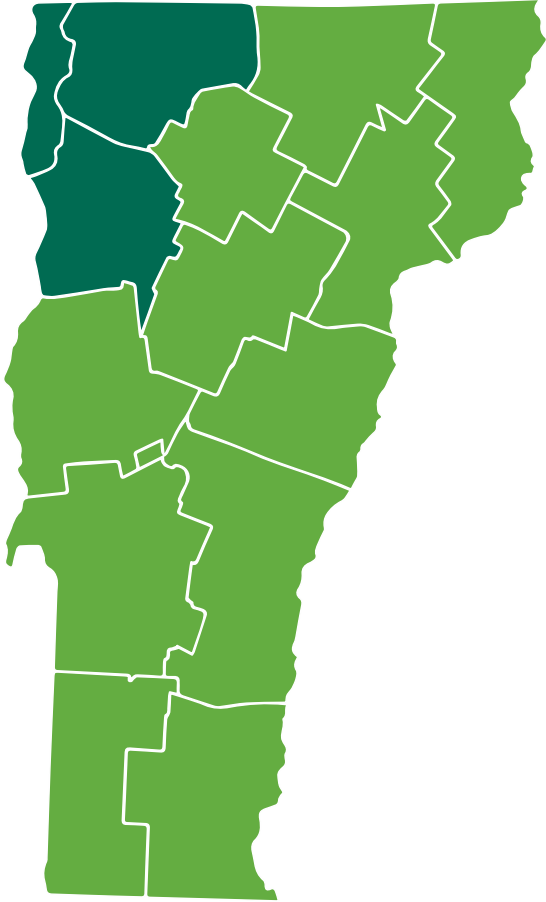
chris@champlainhousingtrust.org

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Mission

The Champlain Housing Trust is a community land trust that supports the people of northwest Vermont and strengthens their communities through the development and stewardship of permanently affordable homes and related community assets.

Champlain Housing Trust



Champlain Housing Trust serves the three northwest counties of Vermont

- 2,500 apartments
- 670 Shared Equity homes
- 30 commercial spaces
- Four different loan programs
- \$300M+ community assets
- \$24M operating budget
- 136 staff

Housing Opportunity



Roots

First Community Land Trust in Lee County, GA: New Communities, Inc. which fought for years against institutional racism and ended up losing their land to foreclosure. They fought back in the courts and won – more than thirty years later – a settlement and purchased the Cyprus Pond Plantation.

<https://www.arcofjusticefilm.com/>



CHT History

- Founded in 1984 under Burlington's Mayor Bernie Sanders
- Goal of preventing displacement and gentrification of a neighborhood
- Piloted new form of homeownership
- Created model for others, and spurred policy of permanent affordability with public dollars
- Expanded territory and organization in mid-2000s
- Part of work is to spread the model





“When we moved in I thought to myself, ‘Je suis arrivé.’”

Shared Equity Homeownership

GOALS

- How do we provide access to homeownership and wealth building opportunity to people priced out of the market?
- How do we create lasting affordability so that communities and taxpayers will benefit?

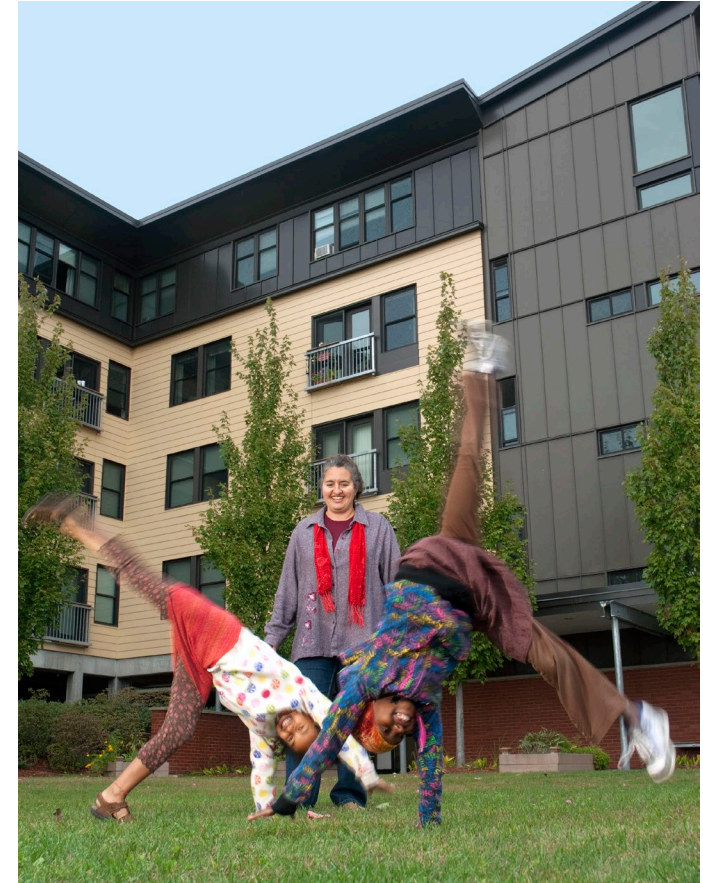


Shared Equity Homeownership

In its simplest form, Shared Equity (or sometimes called “Shared Appreciation”) homeownership establishes a contractual relationship between a buyer and a Community Land Trust or other nonprofit steward.

In exchange for reducing the size of the mortgage buyers need to borrow, they agree to share a portion of any increased market value when they decide to sell.

This “shared equity” balances the interest in wealth building for homeowners with the interest in an ongoing stock of affordable homes for communities.



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

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, and manages the sale.

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



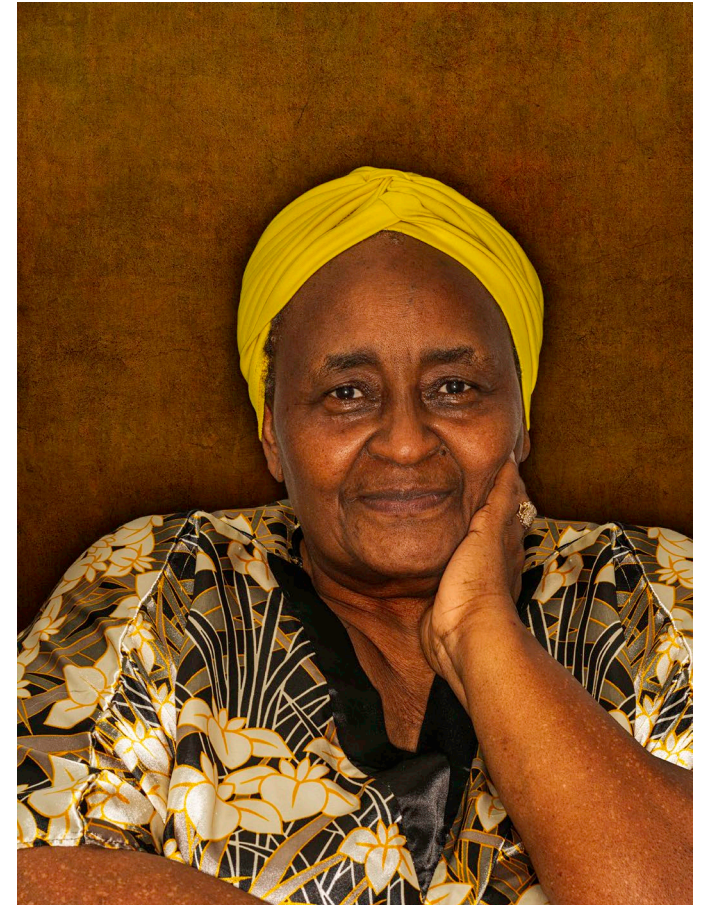
**“We were able to
host Thanksgiving
dinner in our home.”**



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 Program Purchase and Resale

	Original Purchase
Appraised Value	\$300,000
Original Subsidy	(\$80,000)
Buyer's Mortgage	\$220,000

Shared Equity Program Purchase and Resale

	Original Purchase	Second Sale
Appraised Value	\$300,000	\$340,000
Original Subsidy	(\$80,000)	
Buyer's Mortgage	\$220,000	

Shared Equity Program Purchase and Resale

	Original Purchase	Second Sale
Appraised Value	\$300,000	\$340,000
Original Subsidy	(\$80,000)	(\$80,000)
Buyer's Mortgage	\$220,000	

Shared Equity Program Purchase and Resale

	Original Purchase	Second Sale
Appraised Value	\$300,000	\$340,000
Original Subsidy	(\$80,000)	(\$80,000)
75% share of appreciation		(\$30,000)
Buyer's Mortgage	\$220,000	

Shared Equity Program Purchase and Resale

	Original Purchase	Second Sale
Appraised Value	\$300,000	\$340,000
Original Subsidy	(\$80,000)	(\$80,000)
75% share of appreciation		(\$30,000)
Buyer's Mortgage	\$220,000	\$230,000

Original owner receives the principal they paid down on their mortgage, plus 25% of the market appreciation – in this example \$10,000. If this owner had a 6% interest rate and made regular payments, they'd have paid about \$20,000 in principal in seven years.

Shared Equity Program Purchase and Resale

	Original Purchase	Second Sale	Third Sale
Appraised Value	\$300,000	\$340,000	\$440,000
Original Subsidy	(\$80,000)	(\$80,000)	(\$80,000)
75% share of appreciation		(\$30,000)	(\$75,000)
Buyer's Mortgage	\$220,000	\$230,000	\$285,000

“I love a front door and a back door. I like to go out. I have flowers in my yard and a home that’s accessible.”



CHT Shared Equity Buyers

- 37% of households have children
- 25% buyers in the last five years were Black, Indigenous, or people of color
- Top five employment sectors:
 - Teacher/Aide
 - Health Care
 - Administrative
 - Manufacturing
 - Customer Service



CHT's Shared Equity Program By the Numbers

- Average buyer's income at time of purchase: 67% AMI
- Median Length of Ownership: 7 years
- Wealth built: \$21,500
- After selling, 81% bought another home

- Initial subsidy in 614 homes --> 1,123 owners (*from 2019*)

- Three homes lost to foreclosure over 38 years

Butternut Grove Condominiums

Winooski, Vermont



Building a Stock of Housing

- Vermont Housing & Conservation Board
- State Affordable Housing Tax Credit
- Municipal Housing Trust Funds
- Inclusionary Zoning
- Self-help/Habitat for Humanity chapters
- Donations of land
- Bargain Sales
- Conversions of apartments
- “Buyer Driven” Assistance
- New Markets Tax Credits
- “Missing Middle” Homeownership Pilot
- NeighborWorks® America
- Philanthropy / Estate planning
- Other Federal Funds

Chris Donnelly
Champlain Housing Trust
chris@champlainhousingtrust.org

www.getahome.org
www.getahome.org/tacht/

