# Permanent Affordability 101

January 22, 2026

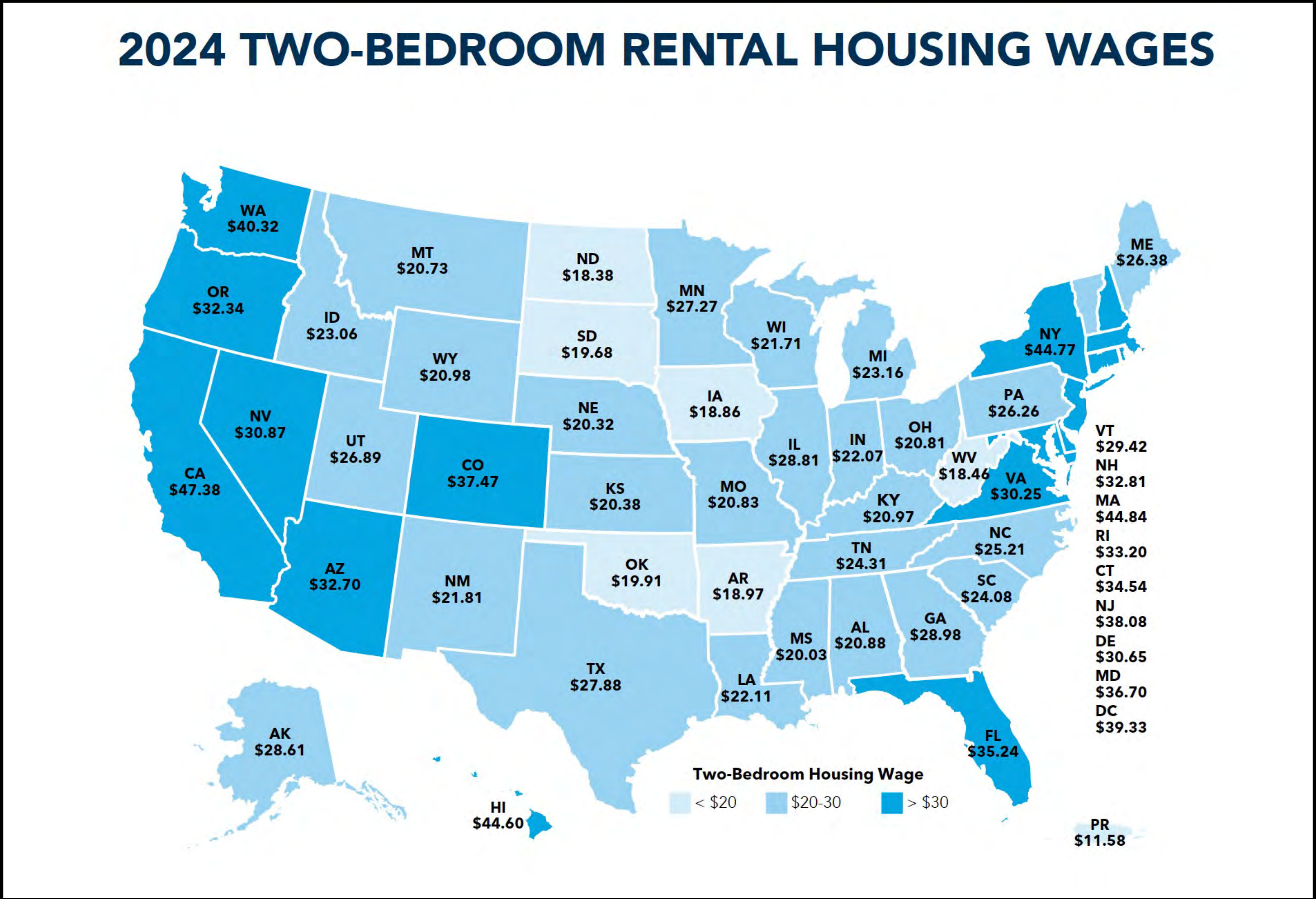
By Julie Brunner

# Agenda

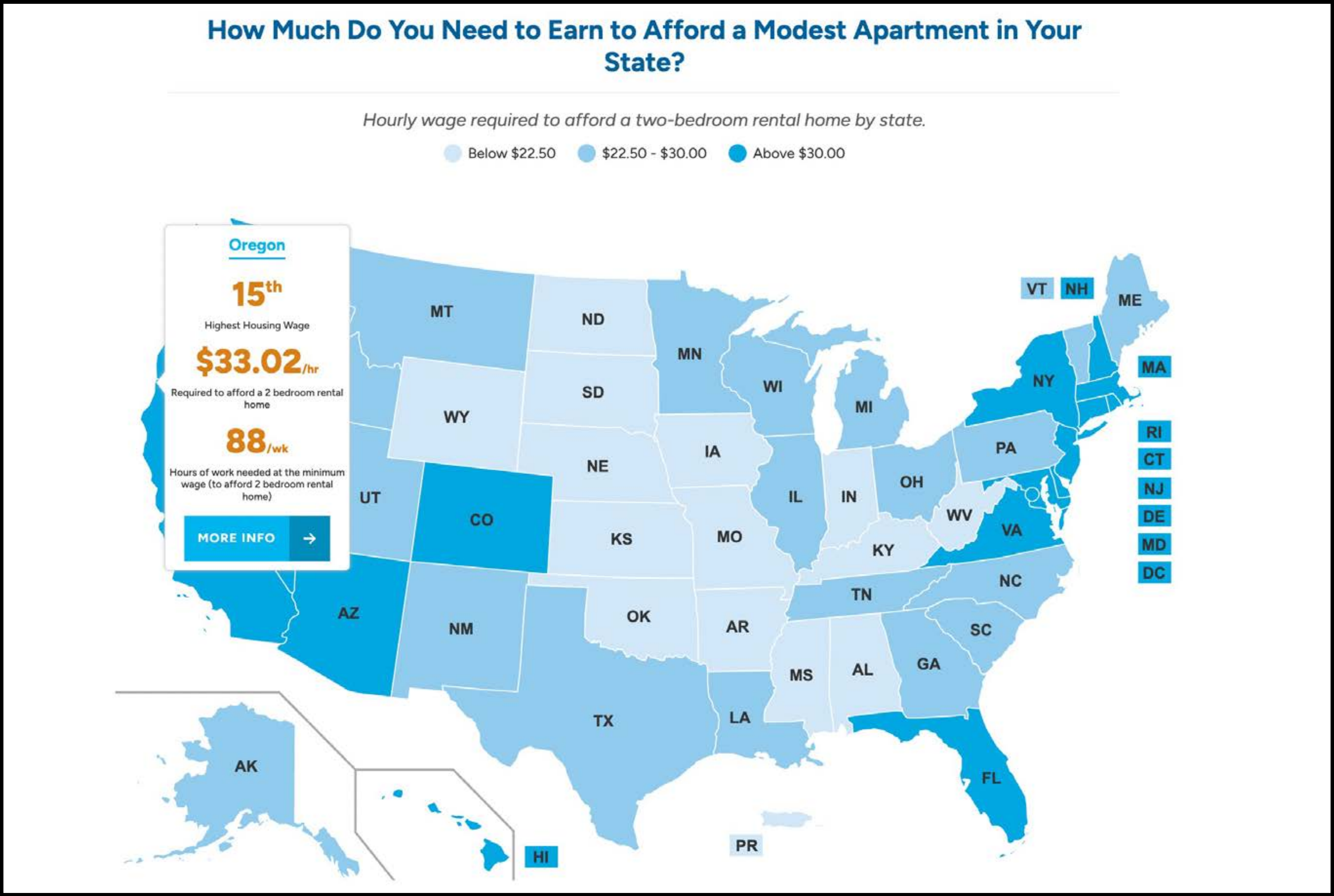
- Introductions
- The Affordability Crisis
- Permanent Affordability Basics
- Vocabulary
- Questions

# The Problem

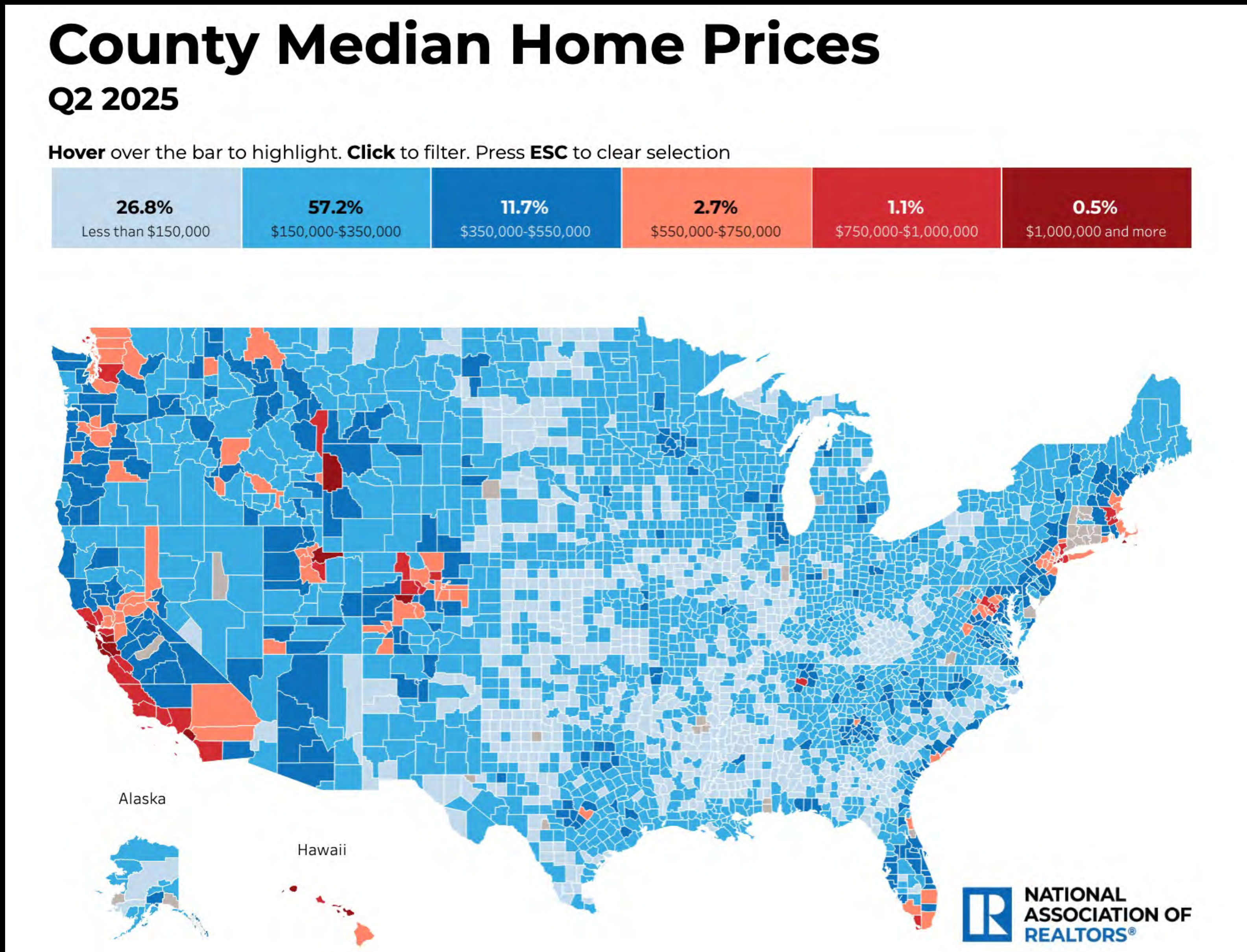
# Case for Affordability



# Case for Affordability



# Median Home Values by County



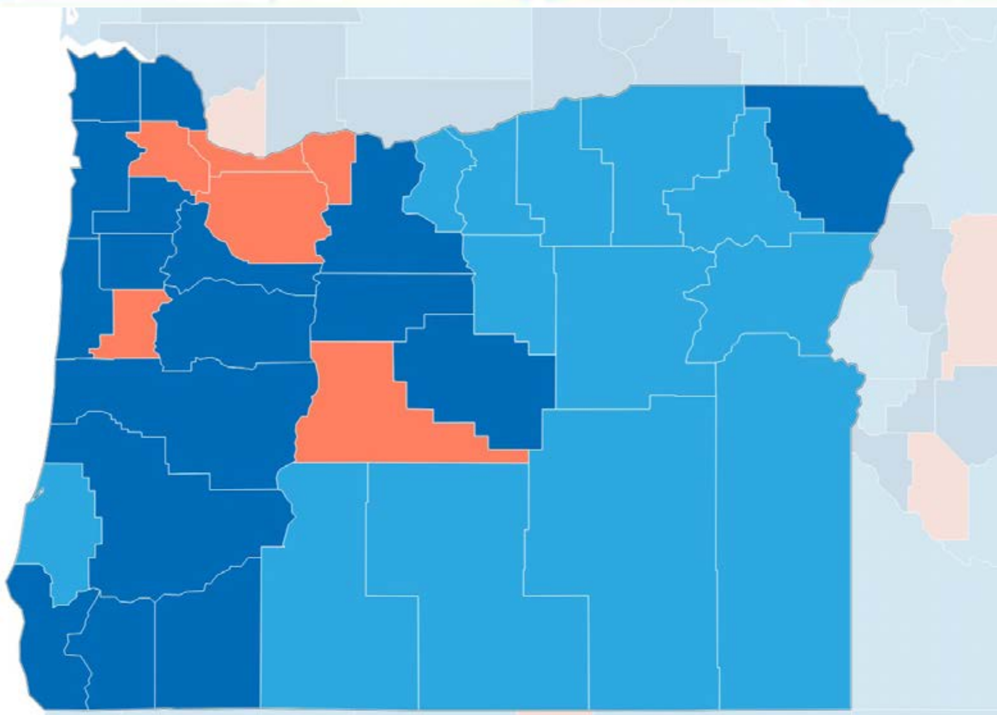
# Median Home Values by County - OR

## County Median Home Prices

### Q2 2025

**Hover** over the bar to highlight. **Click** to filter. Press **ESC** to clear selection

| 26.8% | 57.2% | 11.7% | 2.7% | 1.1% | 0.5% |
|---|---|---|---|---|---|
| Less than $150,000 | $150,000-$350,000 | $350,000-$550,000 | $550,000-$750,000 | $750,000-$1,000,000 | $1,000,000 and more |



# Affordability + Interest Rates

**1. State**

Oregon

**2. County**

Multnomah County, Oregon

## Multnomah County, Oregon

**Monthly mortgage payment**

*for a median-priced home with a value of*
***$562,754***

| now | a year earlier |
|---|---|
| **$3,298** | **$3,308** |

# Affordability + Interest Rates

**1. State**

Oregon

**2. County**

Multnomah County, Oregon

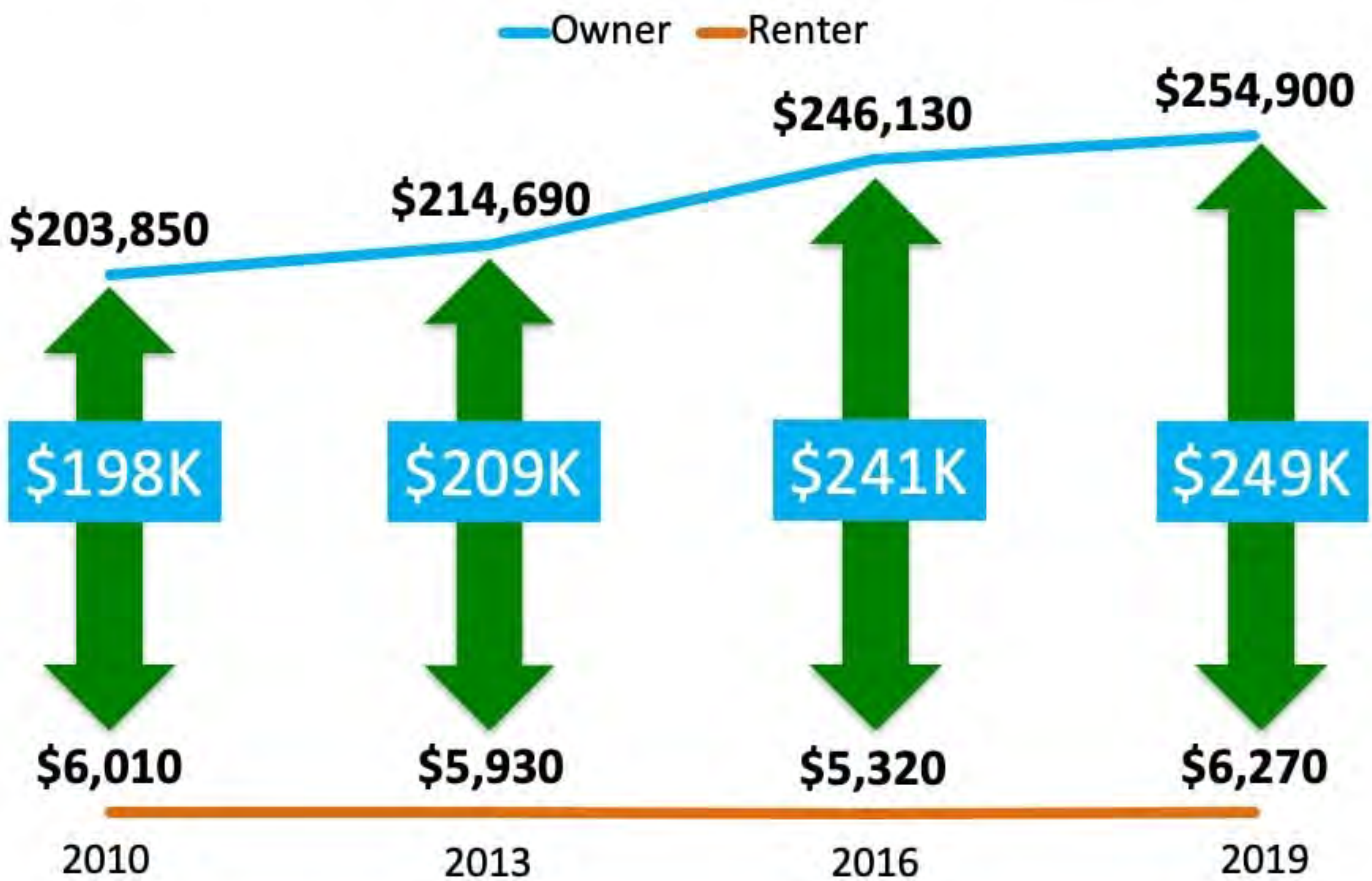
## Multnomah County, Oregon

**Monthly mortgage payment**

*for a median-priced home with a value of*
***$562,754***

| Now | 2022 Interest |
|---|---|
| $3,292 | $2,629 |

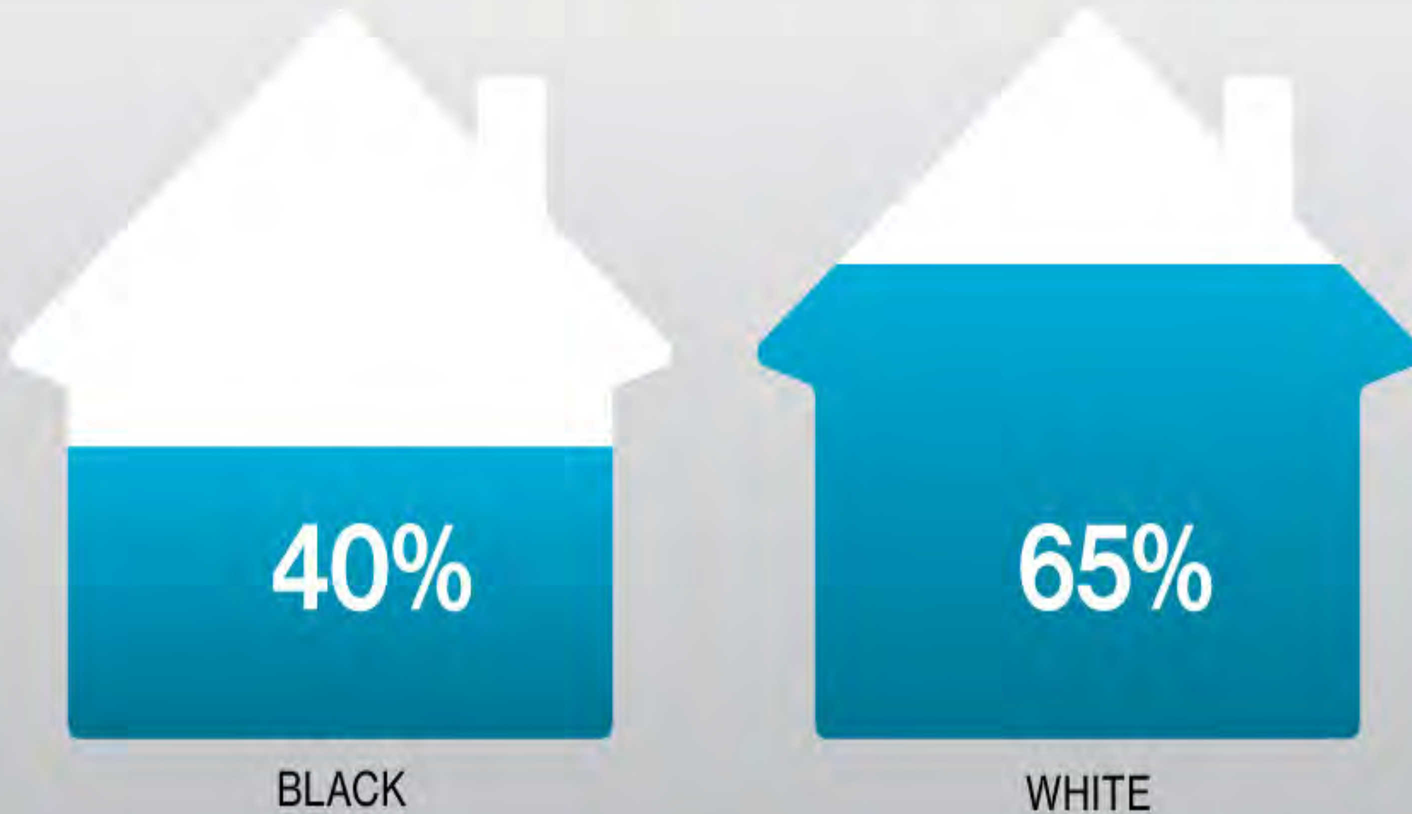
# Increasing Gap in Family Wealth




Federal Reserve

# White vs. Black Homeownership Rates in the Portland Metro Area

SOURCE: 2021 U.S. CENSUS FIGURES



# Displacement


So – affordable homeownership
IS the answer…

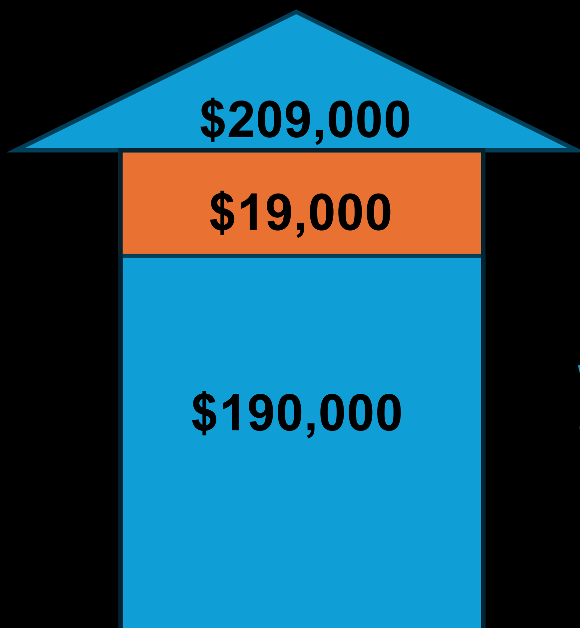

down payment
assistance

Biz TIPS

# AFFORDABLE HOUSING: FINANCING GAP OPTIONS

SVA | Certified Public Accountants
Tax, Audit and Business Strategy

# Affordability Gap - 2005

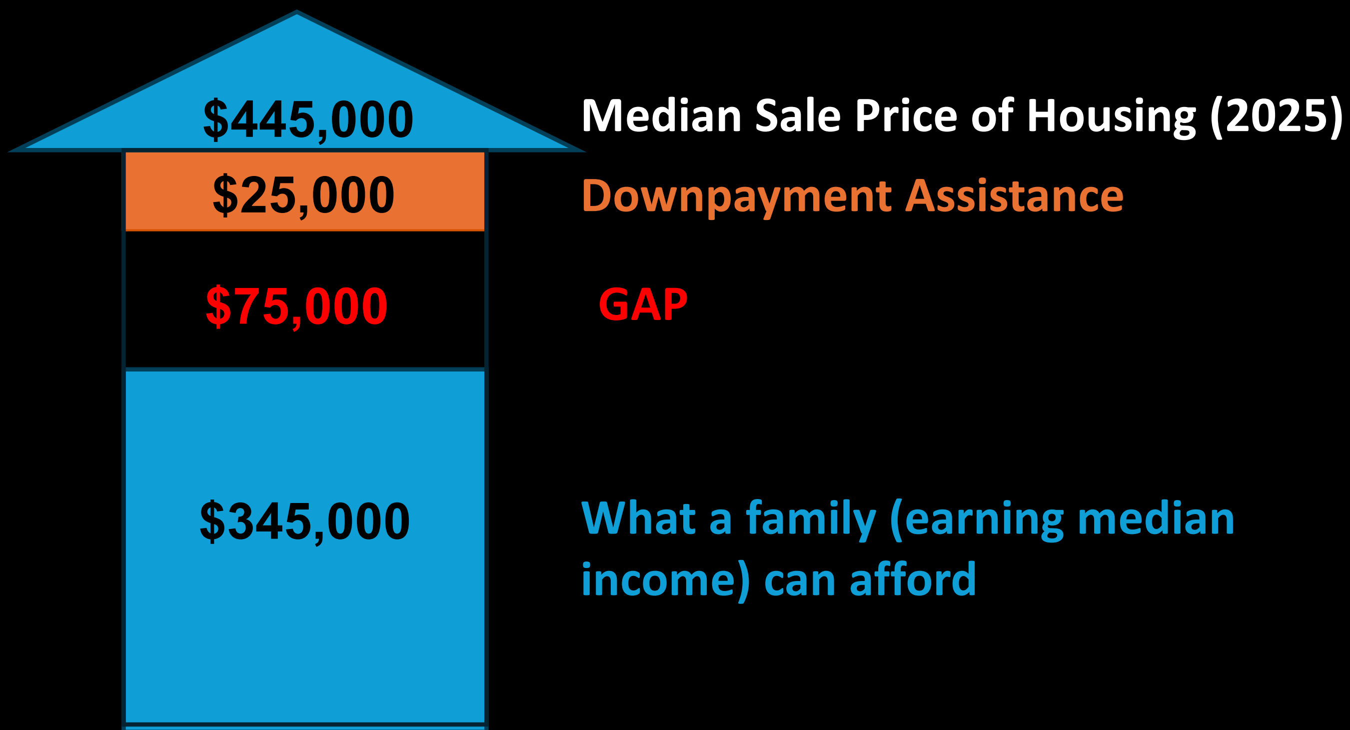


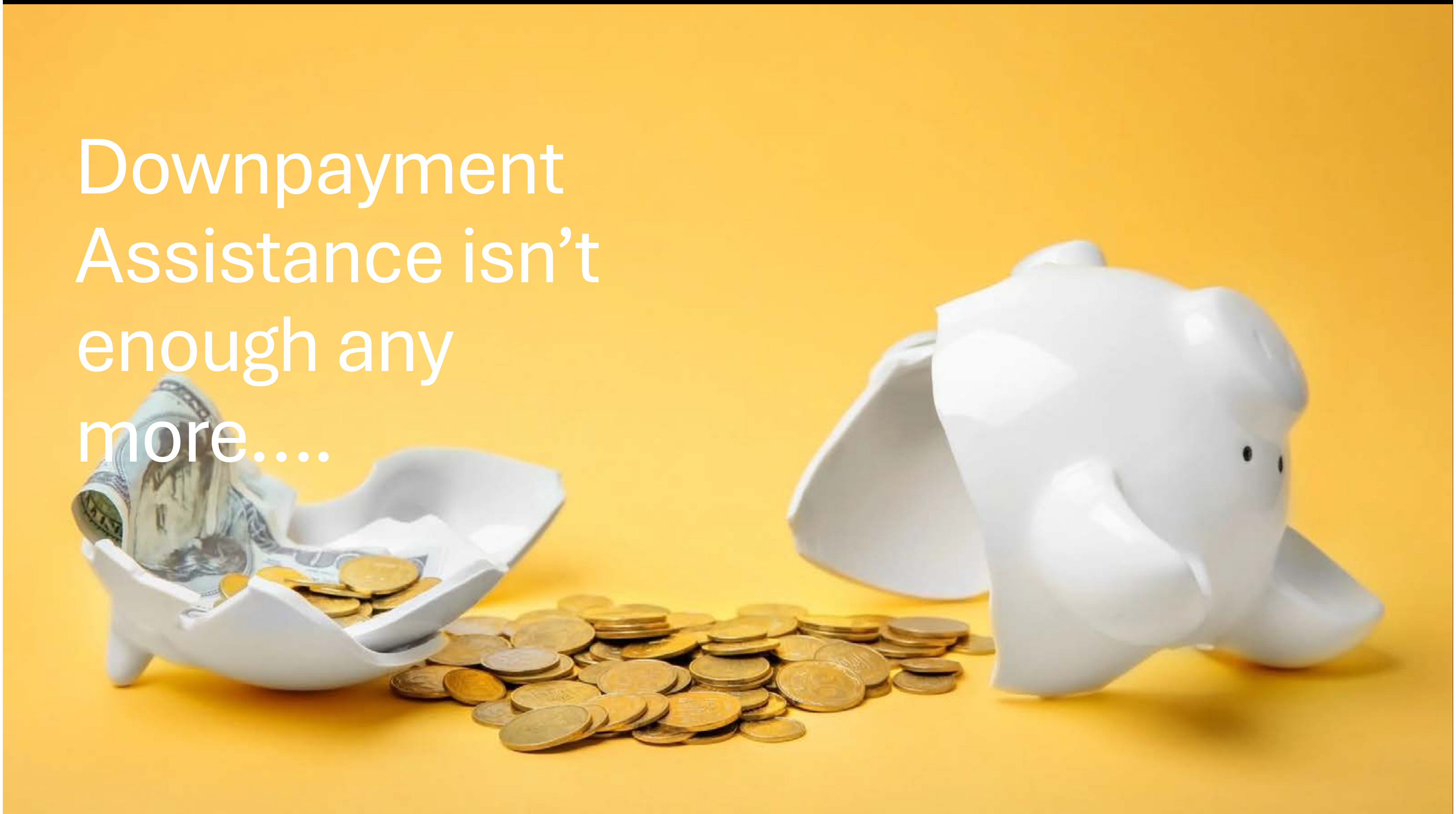

Median Sale Price of Housing (2005)

Downpayment Assistance

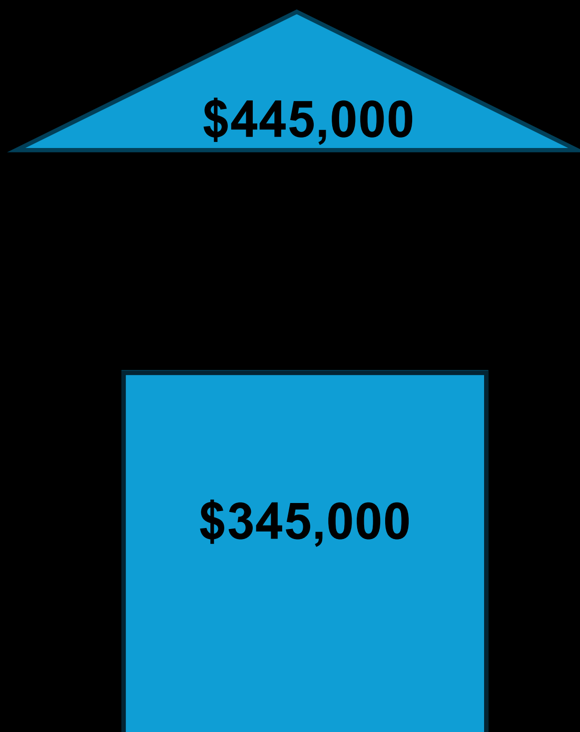
What a family (earning median income) can afford

# Affordability Gap - 2025




Downpayment
Assistance isn’t
enough any
more….

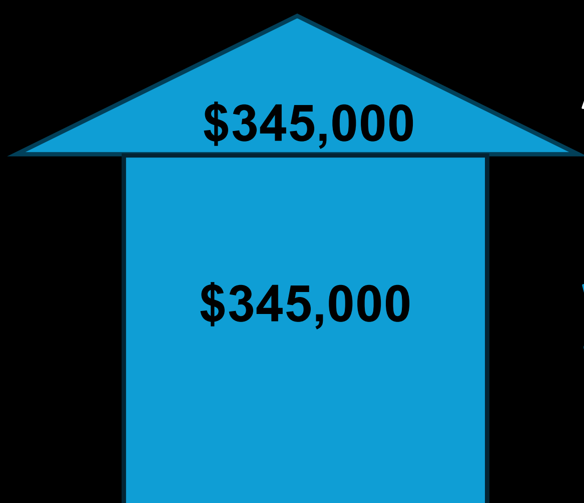
# So how do we fill the gap?




**Median Sale Price of Housing**

**What a family (earning median income) can afford**

# What if we lowered the PRICE?

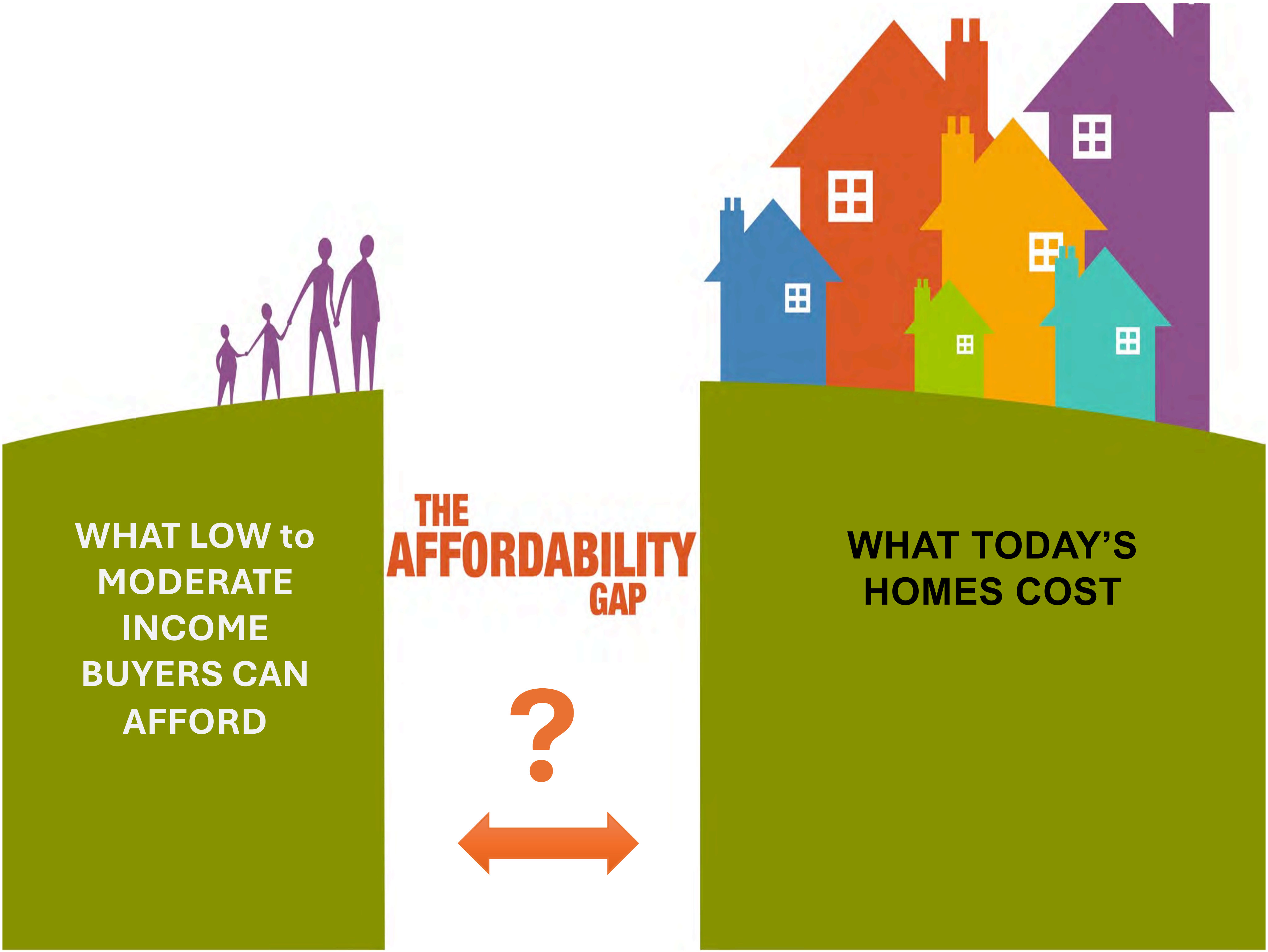


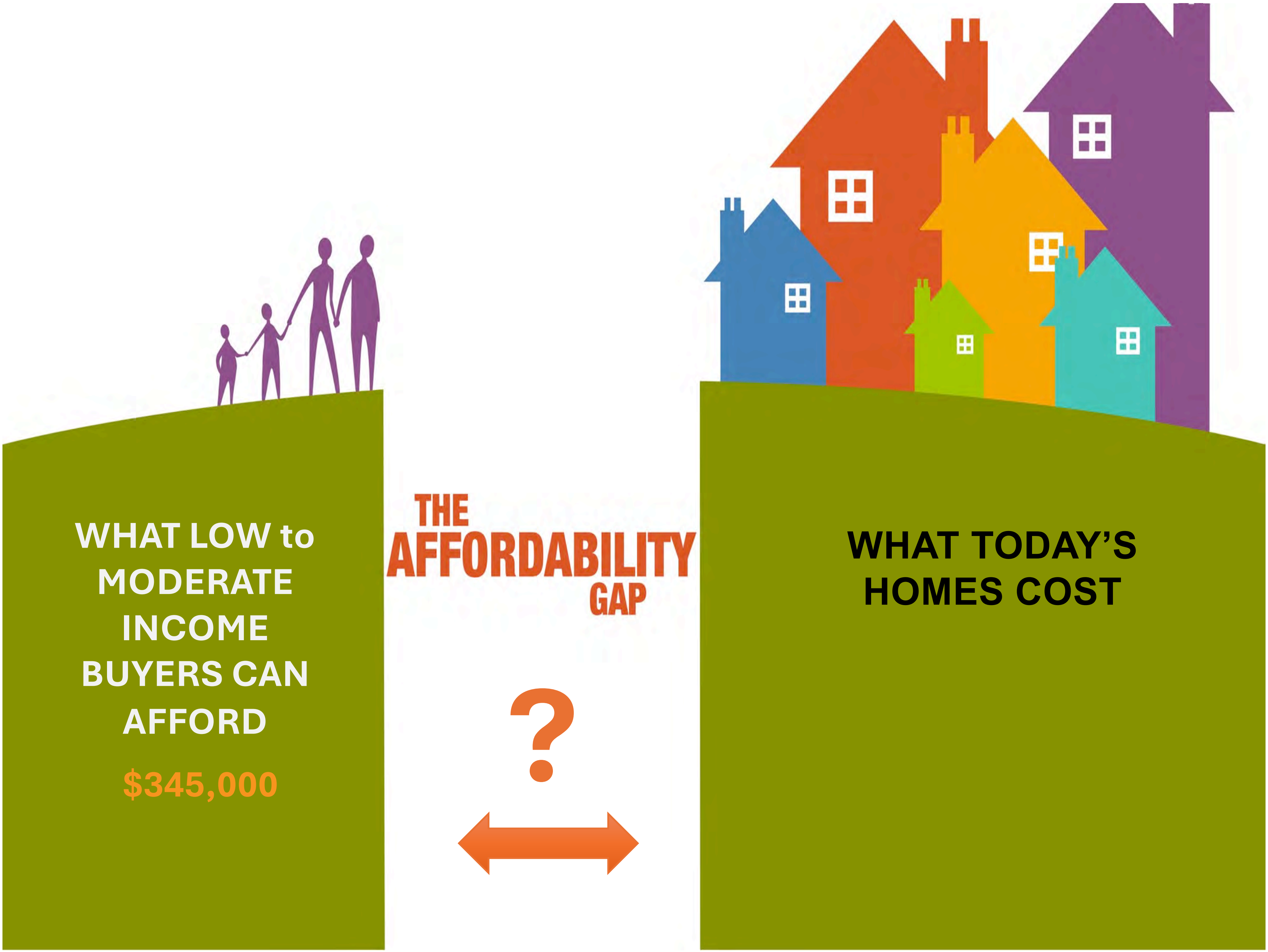

**Affordable Sale Price of Housing**

**What a family (earning median income) can afford**

Land


Cost
Land
Value?


WHAT LOW to MODERATE INCOME BUYERS CAN AFFORD
THE AFFORDABILITY GAP
?
WHAT TODAY'S HOMES COST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$345,000
THE AFFORDABILITY GAP
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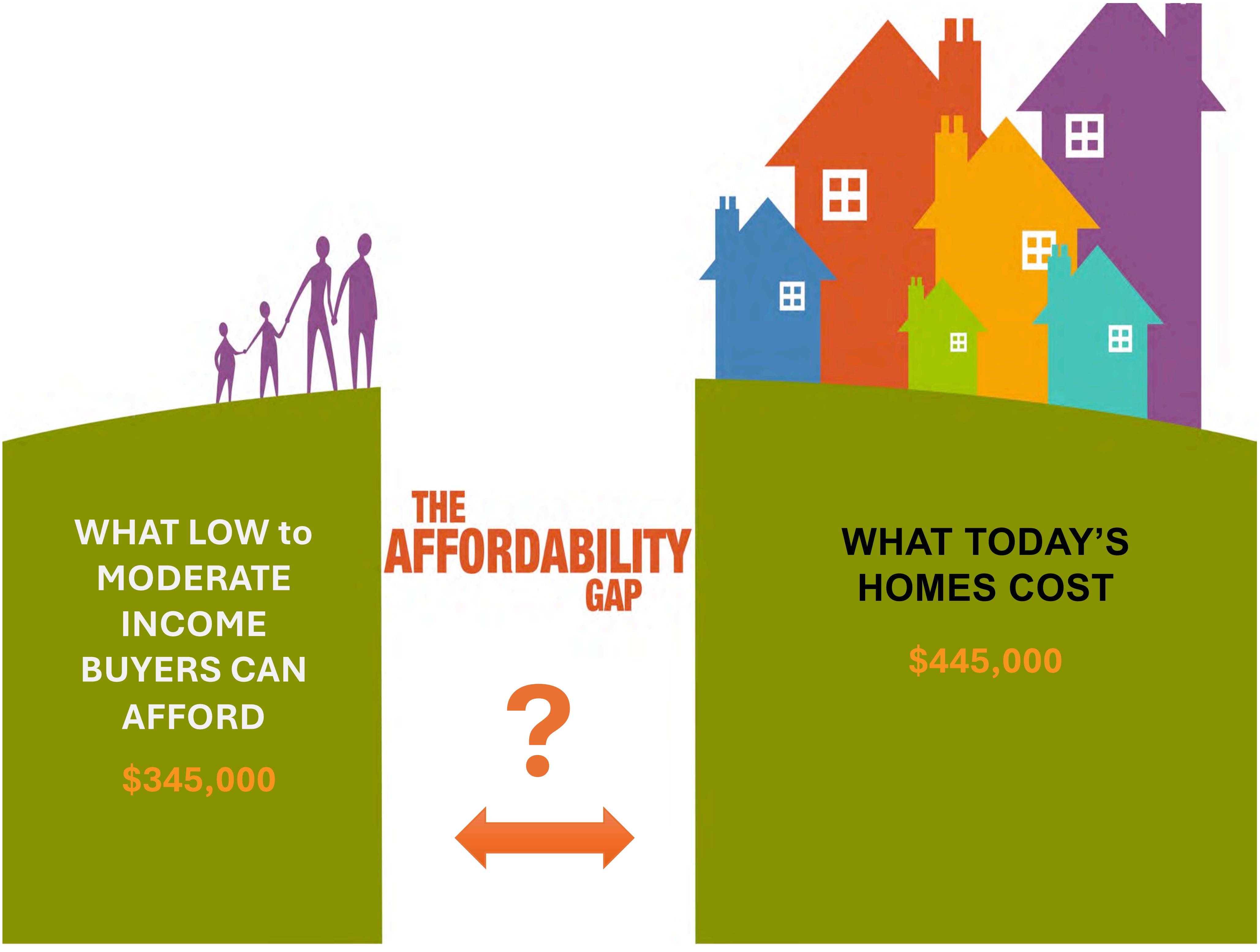


WHAT LOW to MODERATE INCOME BUYERS CAN AFFORD
$345,000
THE AFFORDABILITY GAP
?
WHAT TODAY'S HOMES COST
$445,000

WHAT LOW to MODERATE INCOME BUYERS CAN AFFORD

**$345,000**

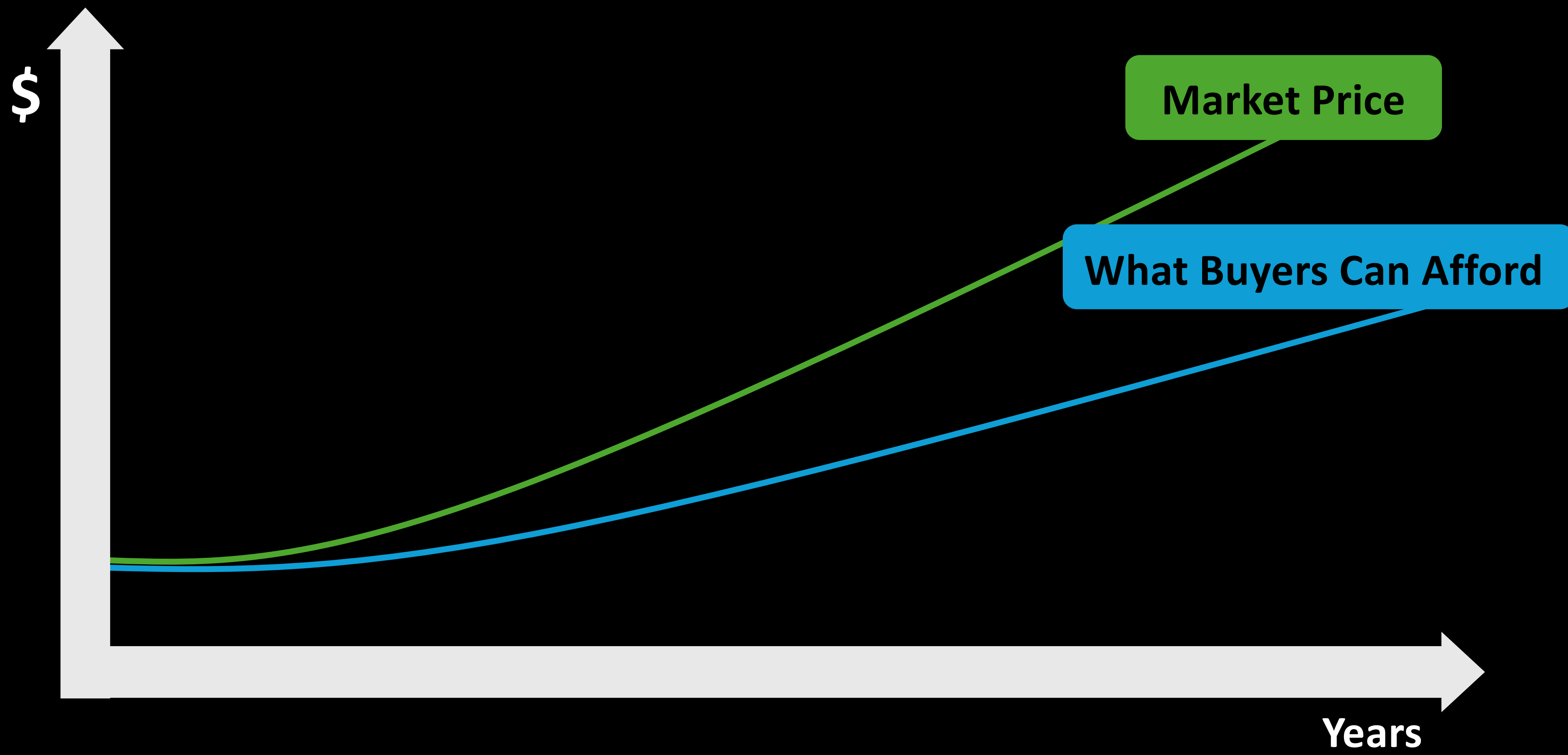
# THE AFFORDABILITY GAP

?

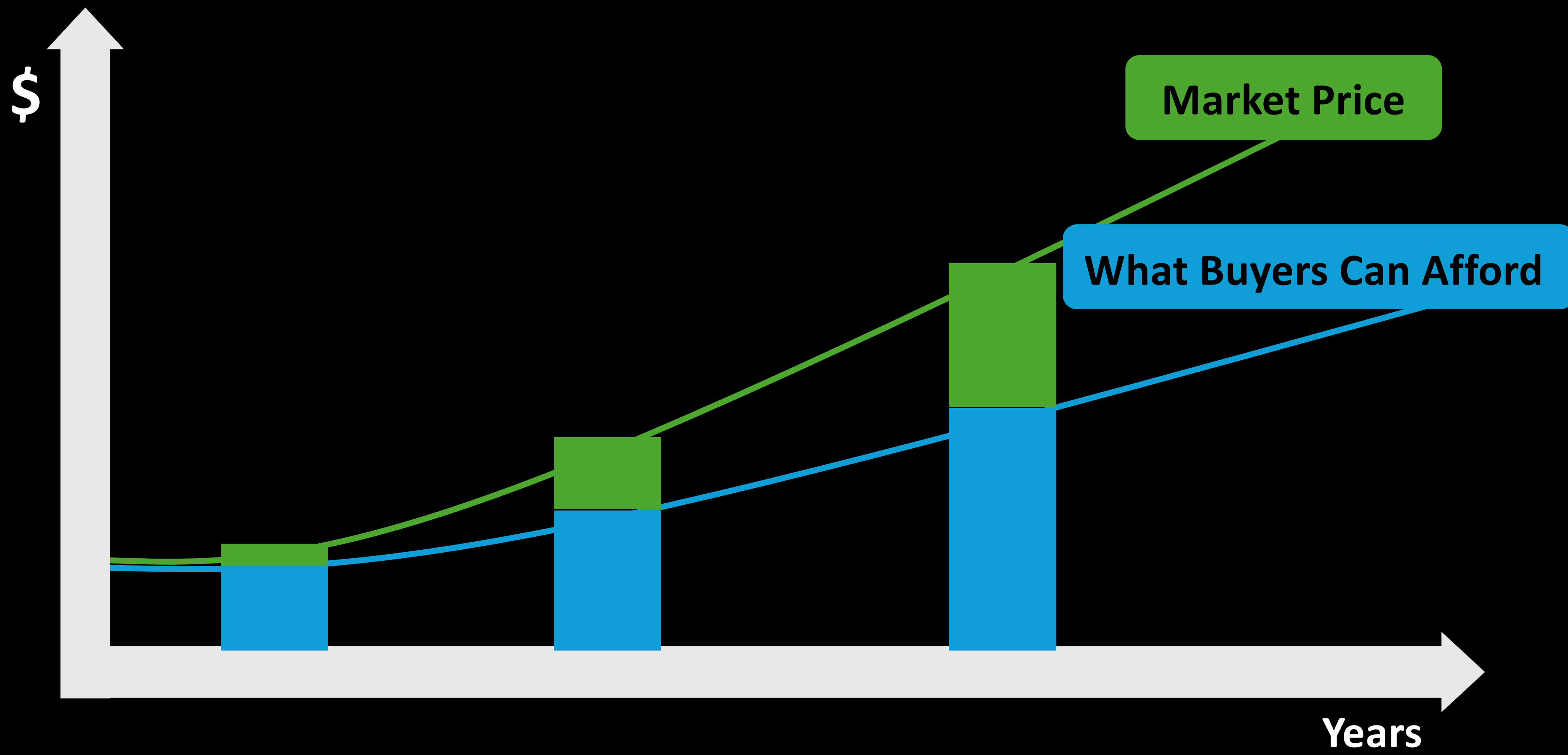
WHAT TODAY'S HOMES COST

**$445,000**

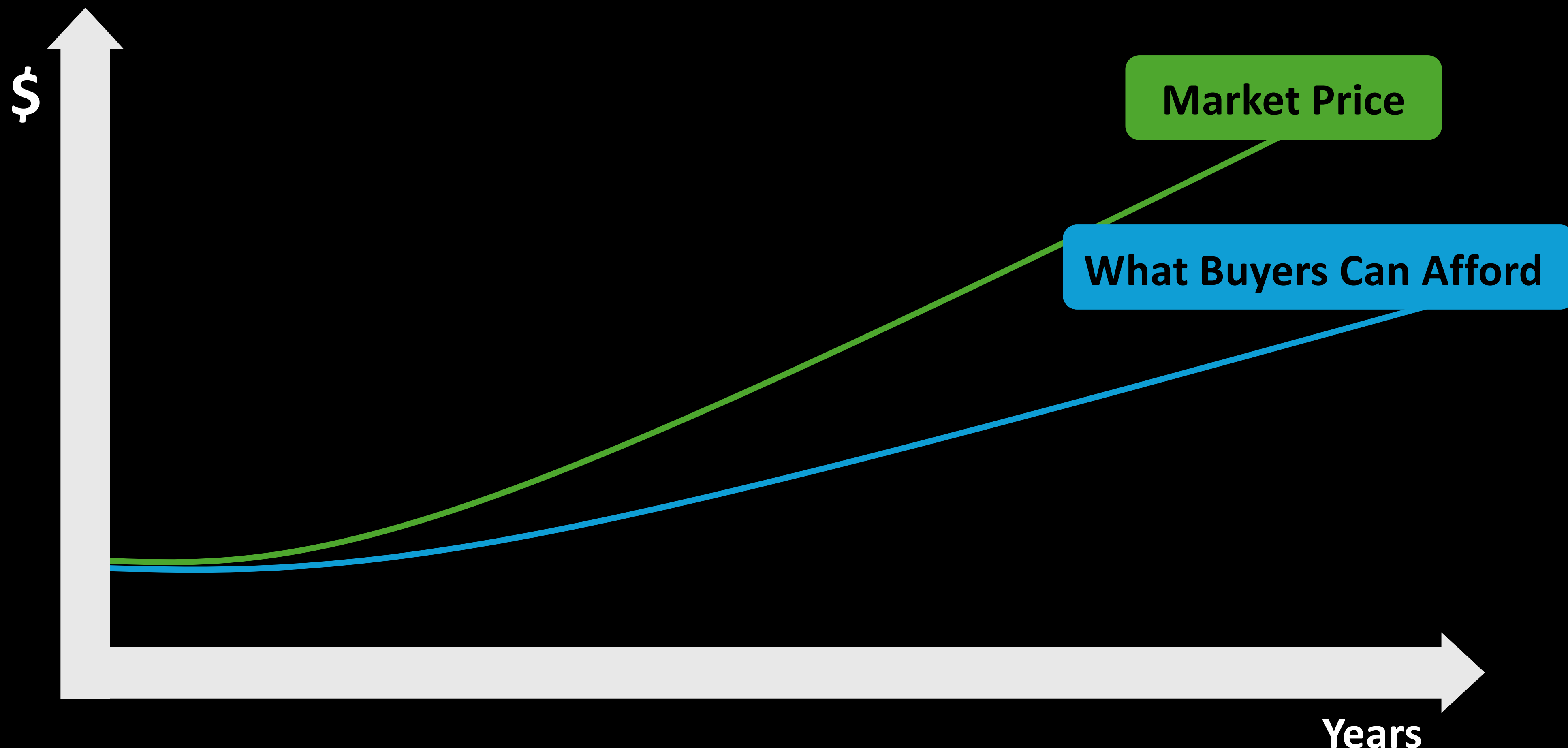
# The Growing Affordability Gap



# Downpayment Assistance



# Permanent Affordability



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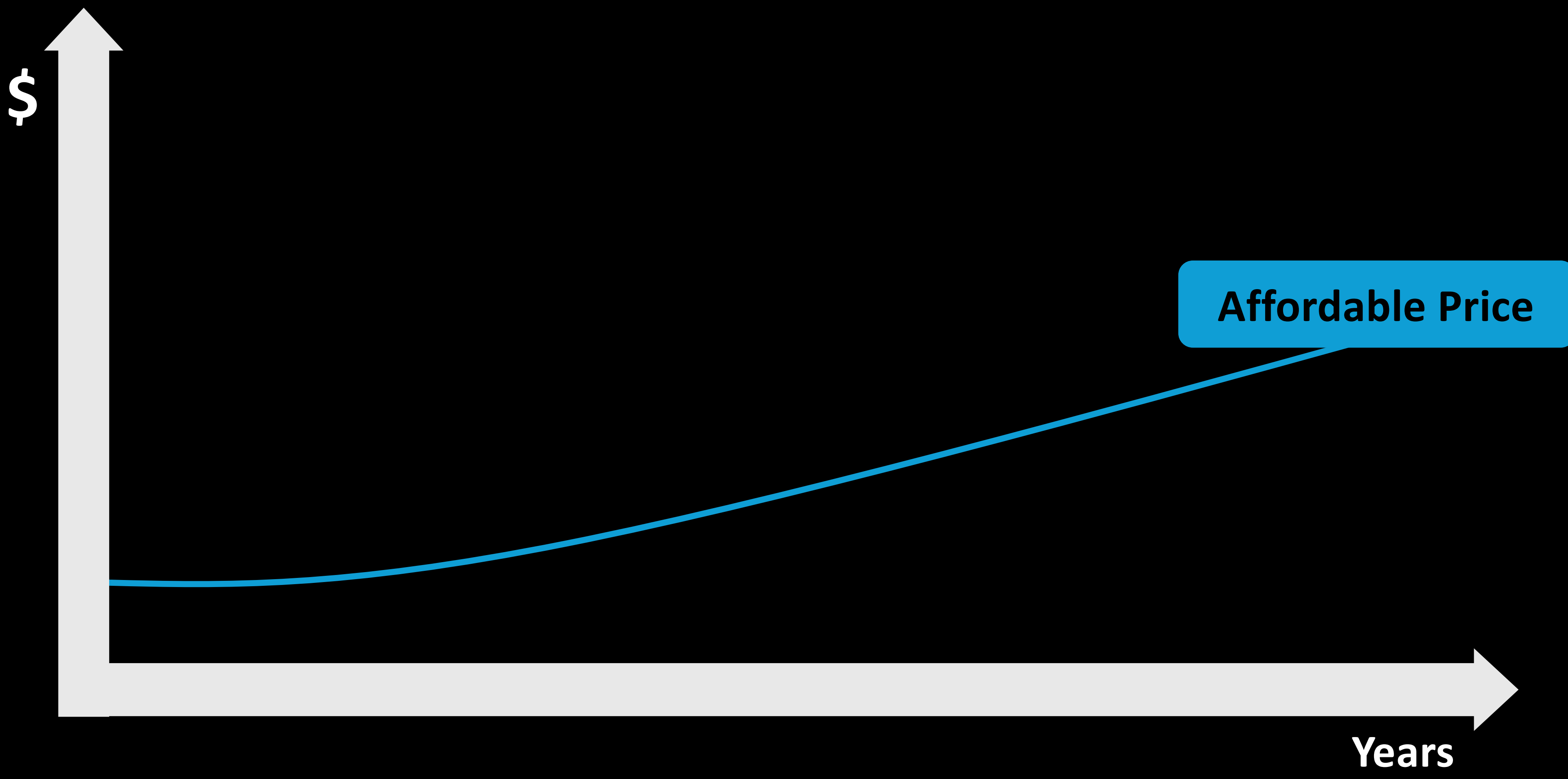

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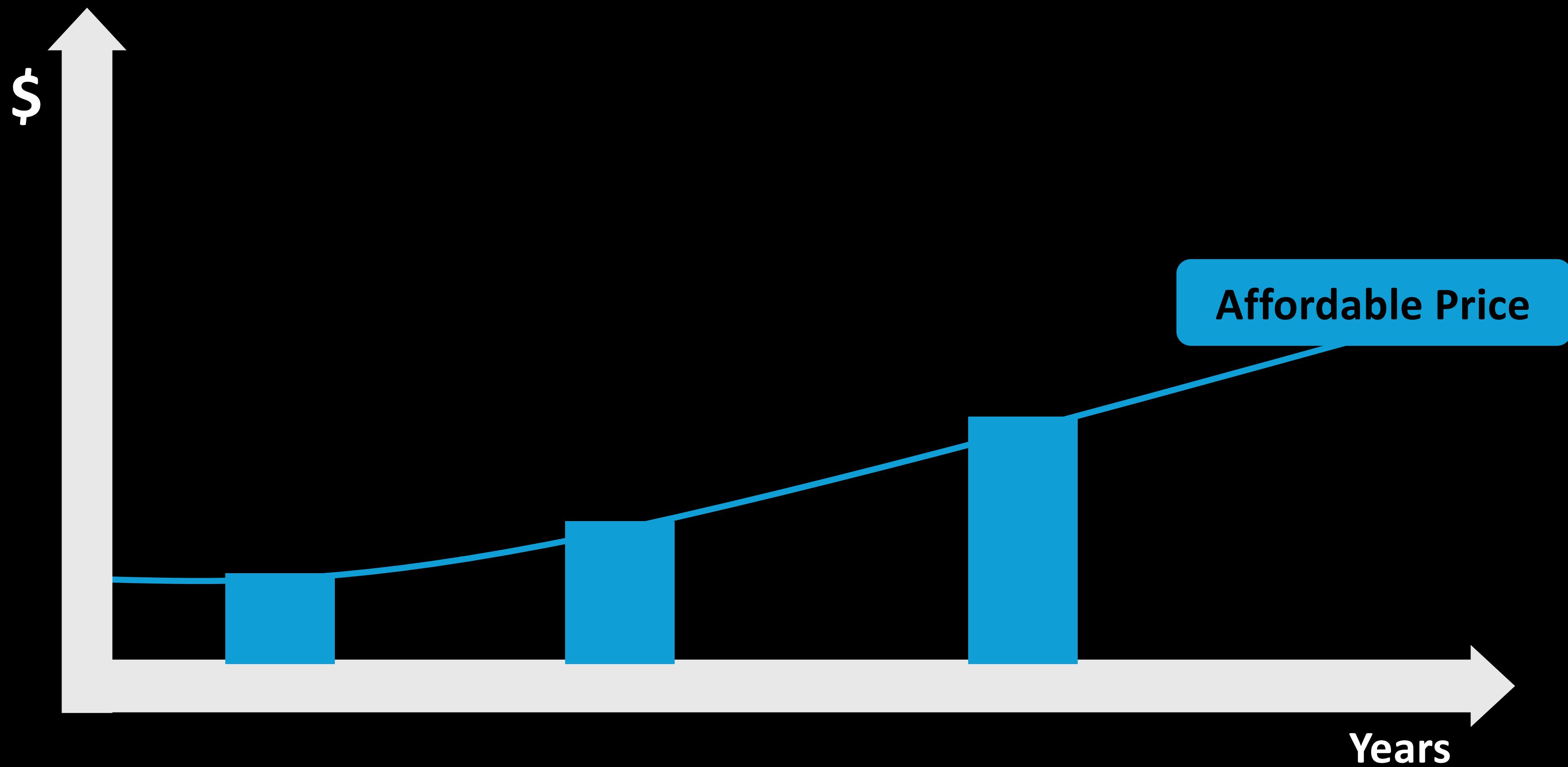


# Shared Equity = Permanent Affordability

Lower price initially

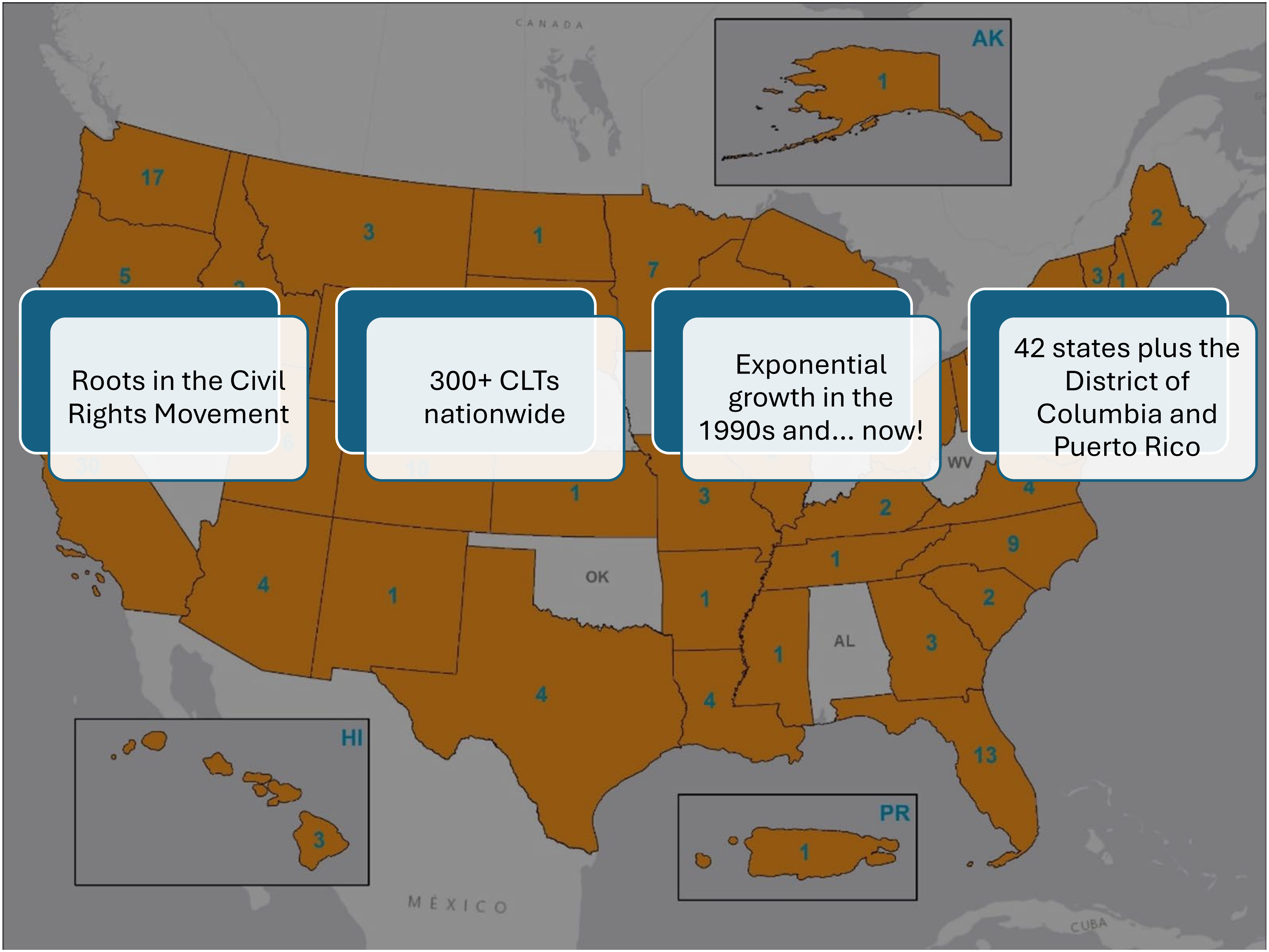
Lower price at resale

Again, again and again


CLT

# New Communities – Leesburg, GA (1969)


# Habitat for Humanity – GA (1969)



Roots in the Civil Rights Movement
300+ CLTs nationwide
Exponential growth in the 1990s and… now!
42 states plus the District of Columbia and Puerto Rico
CANADA
AK
1
17
3
1
7
2
5
3
1
OK
AL
WV
1
3
2
4
9
4
1
1
2
1
1
3
4
4
13
HI
3
PR
1
MÉXICO
CUBA

# Homes People Can Afford

**95%**

of shared equity homes are priced affordably (under 30% of monthly income) for households earning 80 percent of AMI or below

# Stewardship Works


Over

**99%**

of shared equity homes avoid foreclosure proceedings

# Steppingstone to Market Rate Housing

**6 out of 10**

shared equity homeowners use their earned equity to eventually purchase a traditional market rate home.

# BIPOC Homebuyers

The share of minority households living in shared equity homes increased from

**13%** (1985-2000) to **43%** (2013-2018)

# Community Land Trusts

Mission to acquire, own and steward land **permanently** for the common good by providing:

- Affordable housing
- Commercial spaces
- Community spaces
- Farming or open land

# Community Land Trusts

Generally, a non-profit organization with:

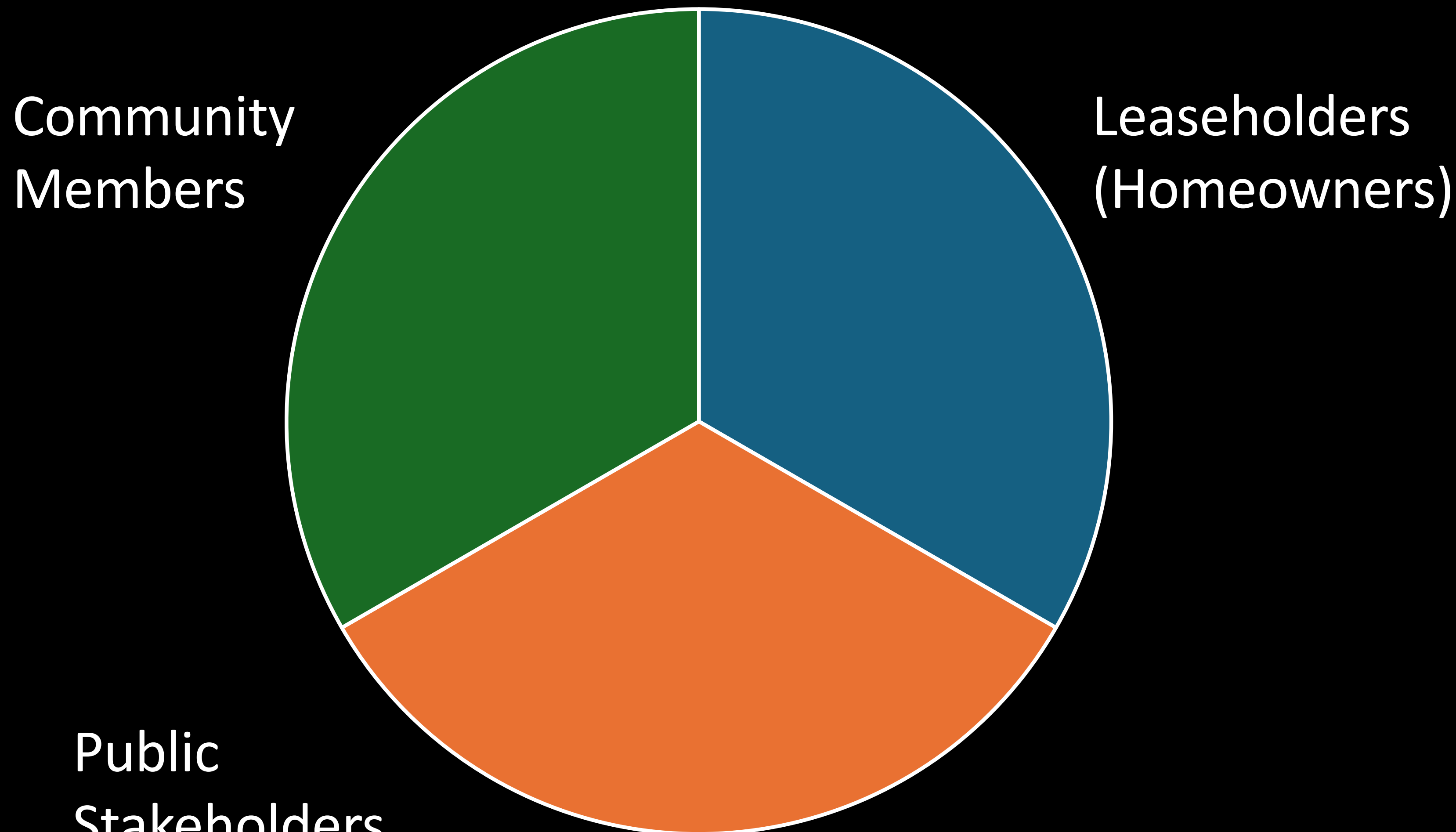
- Defined service area
- Corporate membership
- Tri-partite board

# Community Land Trusts

**ARE NOT**

- Legally a "Trust"
- A subdivision or project
- A Habitat for Humanity

# Tri-Partite Board



# Dual Ownership

Individual owns improvements (home)

Community land trust owns land

# Dual Ownership

**Ground lease** ties improvements and land together …

# Permanently Affordable Leaseholds

Not a CLT, but doing permanent affordability using a leasehold model

- Habitat for Humanity Affiliates
- NeighborWorks Orgs
- Cap Agencies
- Others?

# Permanent Affordability

Lower price initially

Lower price at resale

Again, again and again

**In exchange for buying a house at a below-market price, the seller agrees to limit the price at which they can sell in the future.**

# Permanent Affordability

- Type of Program
- Often called ”Shared Equity” housing
- Includes CLTs, Habitats, CAP Agencies, local governments

# Perpetual Responsibility

# = Stewardship

- Stewardship of homes
- Stewardship of homeowners
- Stewardship of resources


VOCABULARY

# Words Matter!

# Legal Terms

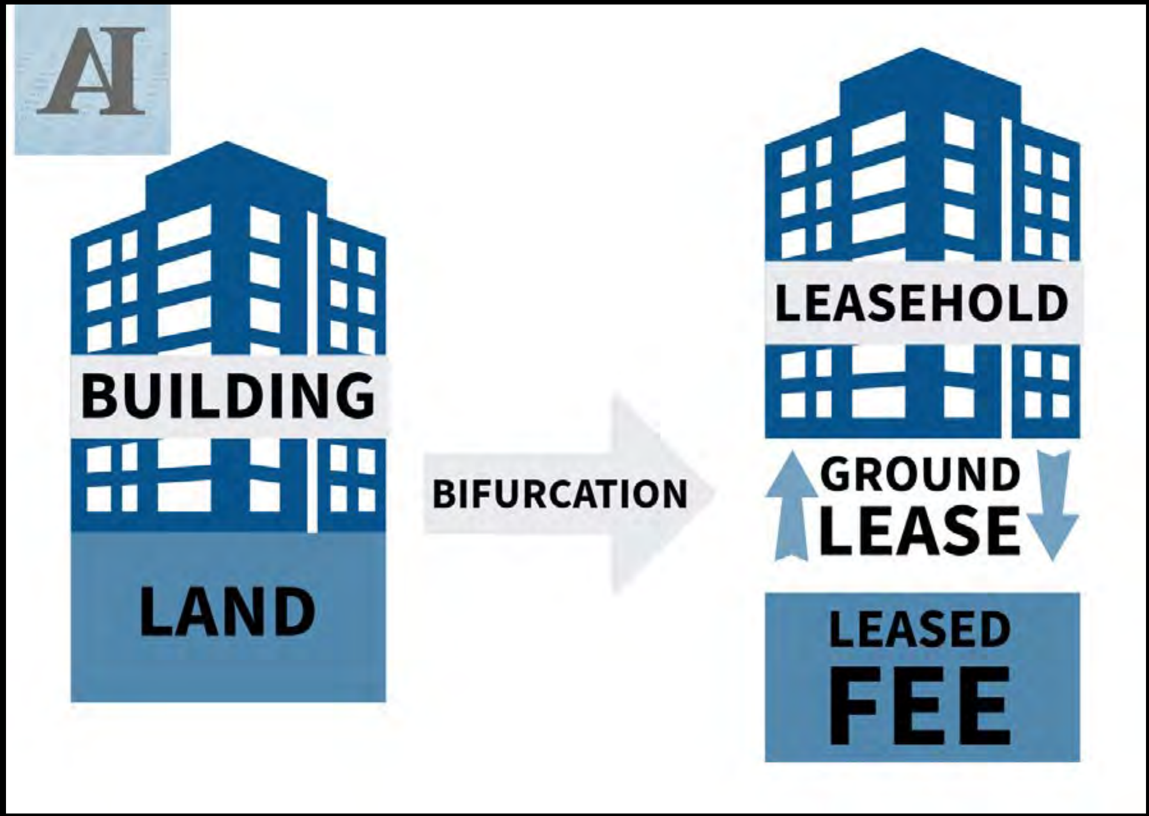
- Fee Title
- Deed
- Ground Lease
- Leasehold Interest
- CCRs
- Affordability Covenant
- Deed Restriction
- Deed of Trust

Fee Title

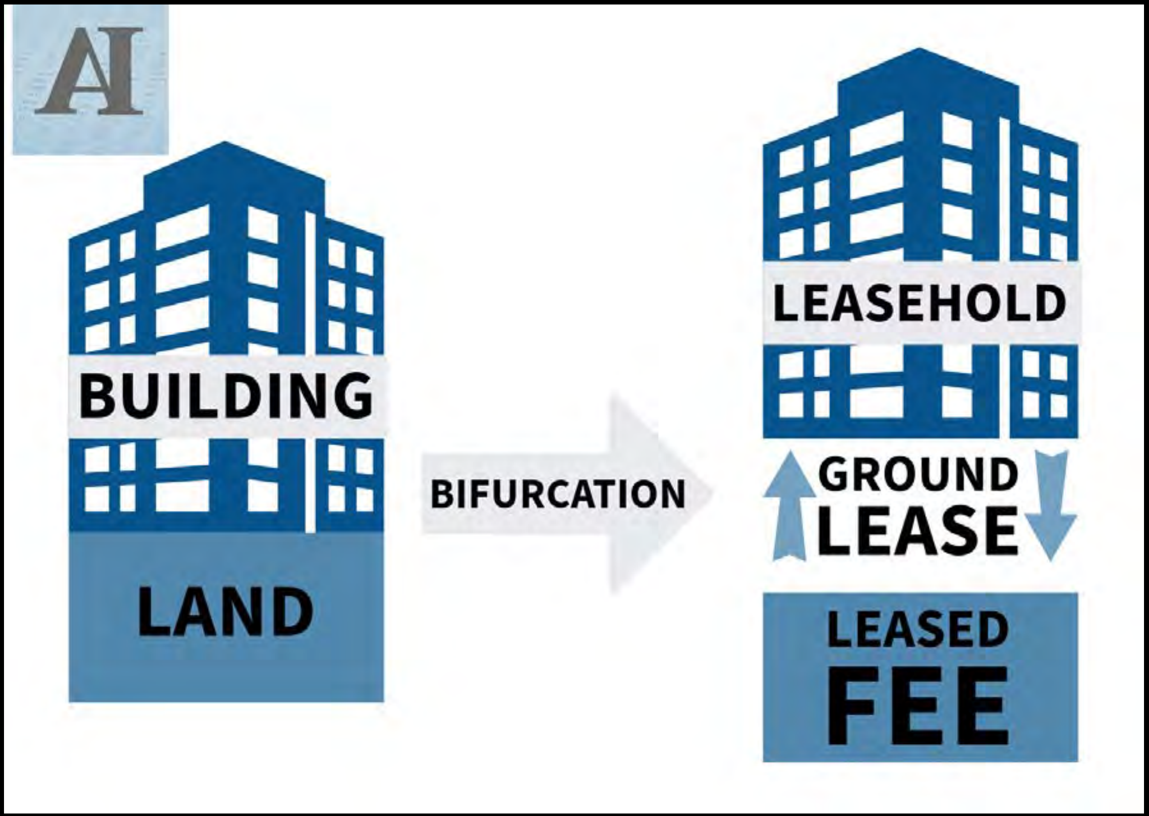

What is a 'Fee Simple'?
RE/MAX
HERITAGE
A BARDELL REAL ESTATE COMPANY

Deed

Ground Lease



Leasehold Interest



CCRs

Affordability Covenant

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## Deed Restriction

From a 1956 deed in Oregon:

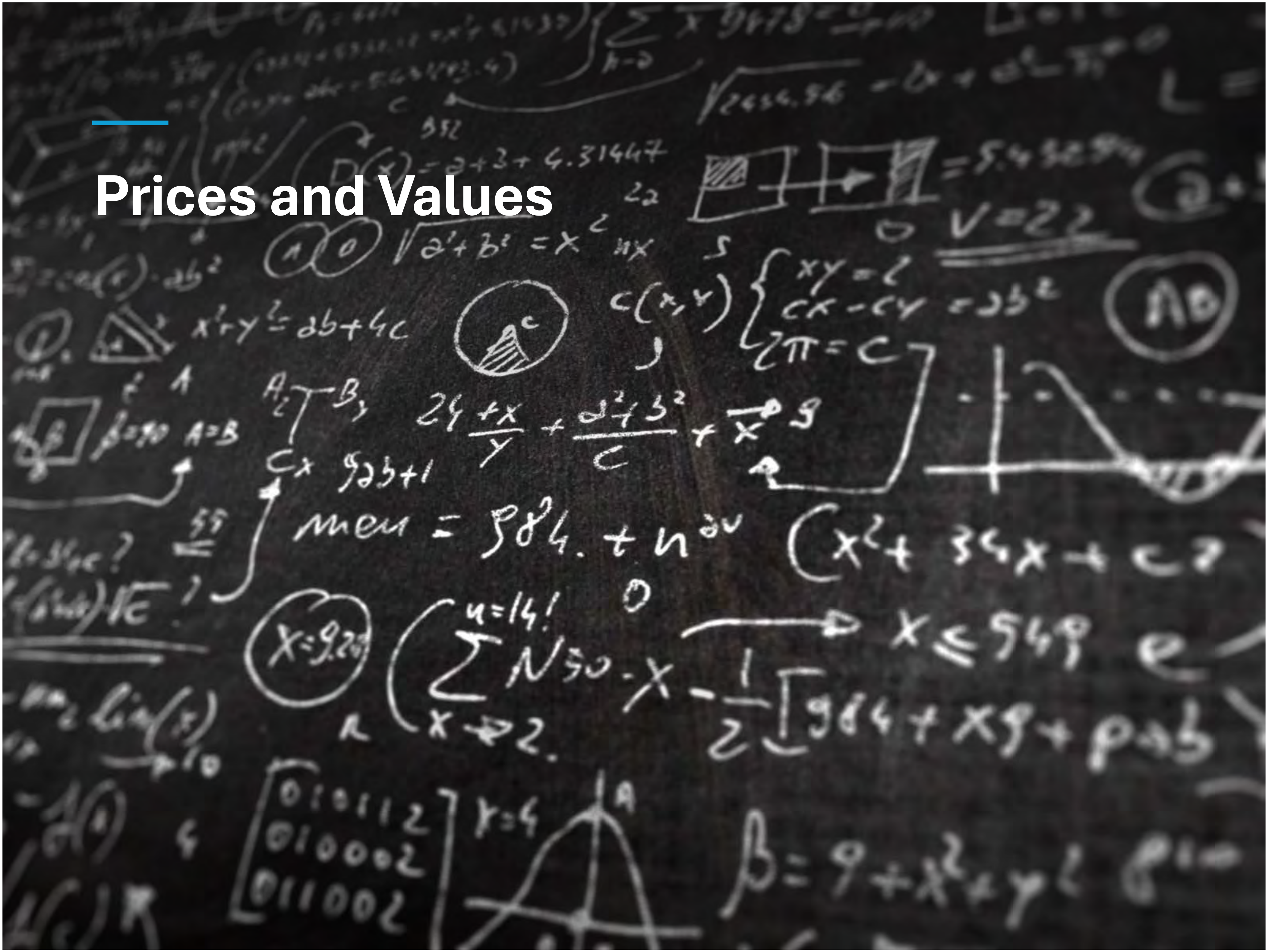
No structure shall be erected, altered, placed or permitted to remain on the property other than a detached single-family dwelling and not to exceed two stories in height and a private garage for not more than two automobiles and other outbuildings incidental to residential use of the property.

Deed
of Trust

# Prices and Values

- Market Value
- Appraised Value
- Assessed Value
- Leasehold Value
- Affordable or Base Price
- Purchase Option Price
- Formula Price
- Cost
- Subsidy or Community Investment
- Area Median Income (AMI)

# Prices and Values



# Definitions & Terminology

## Market Value

- Fair Market Value
- Fee Simple Value
- Unrestricted Value
- Appraised Value
- Assessed Value

# Definitions & Terminology

## Leasehold Value

- For lenders – the value of their collateral
- Foreclosure=No restrictions
- = Market value **LESS** impact of lease fee
- Fee simple comps used
- Cap rate discount

# Definitions & Terminology

**Affordable or Base Price**

- Price eligible buyer pays
- Unrelated to market value or cost
- Based on what <u>hypothetical</u> target buyer can afford
- Must be adequately below market
- It's the basis for future affordability

# Definitions & Terminology

## Purchase Option Price

- The maximum price at resale
- Defined in the Ground Lease (Article X)
- Lesser of…
  - Appraised Value - OR
  - Formula Price

# Definitions & Terminology

## Cost

- The actual cost to deliver a unit of housing
- May be above or below market value
- Is unrelated to affordable price
- Includes the cost or value of the land
- Includes the value of donated labor and materials

# Definitions & Terminology

## Community Investment or Subsidy

- The subsidies that reduce the cost to the affordable price
- =Cost – Affordable Price
- May include a variety of funding sources (Federal, State, Local)
- May include community investment created thru Inclusionary Housing Policies

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# Definitions & Terminology

## Value vs. Cost vs. Price Example:

| | |
|---|---|
| Appraised **Market Value**: | $442,000 (fee simple appraisal) |
| **Cost** to deliver: | $422,000 (turnkey cost to deliver) |
| Affordable or **Base Price**: | - $212,000 (affordable to 60% AMI) |
| Community Investment: | = $210,000 (subsidy needed) |

# Definitions & Terminology

## Leasehold Value Example

| | |
|---|---|
| Appraised Market Value: | $442,000 (fee simple appraisal) |
| Annual Lease Fee: | $50 X 12 = $600 |
| Capitalization Rate: | 4% (ie. Long term investments) |
| Leasehold Deduction: | = $600/.04 = $15,000 |
| **Leasehold Value:** | =$442,000 - $15,000 = **$427,000** |


Questions?