The Co-op Revillaging Project

C Street Pilot Project



A collaboration of

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Square one VILLAGES

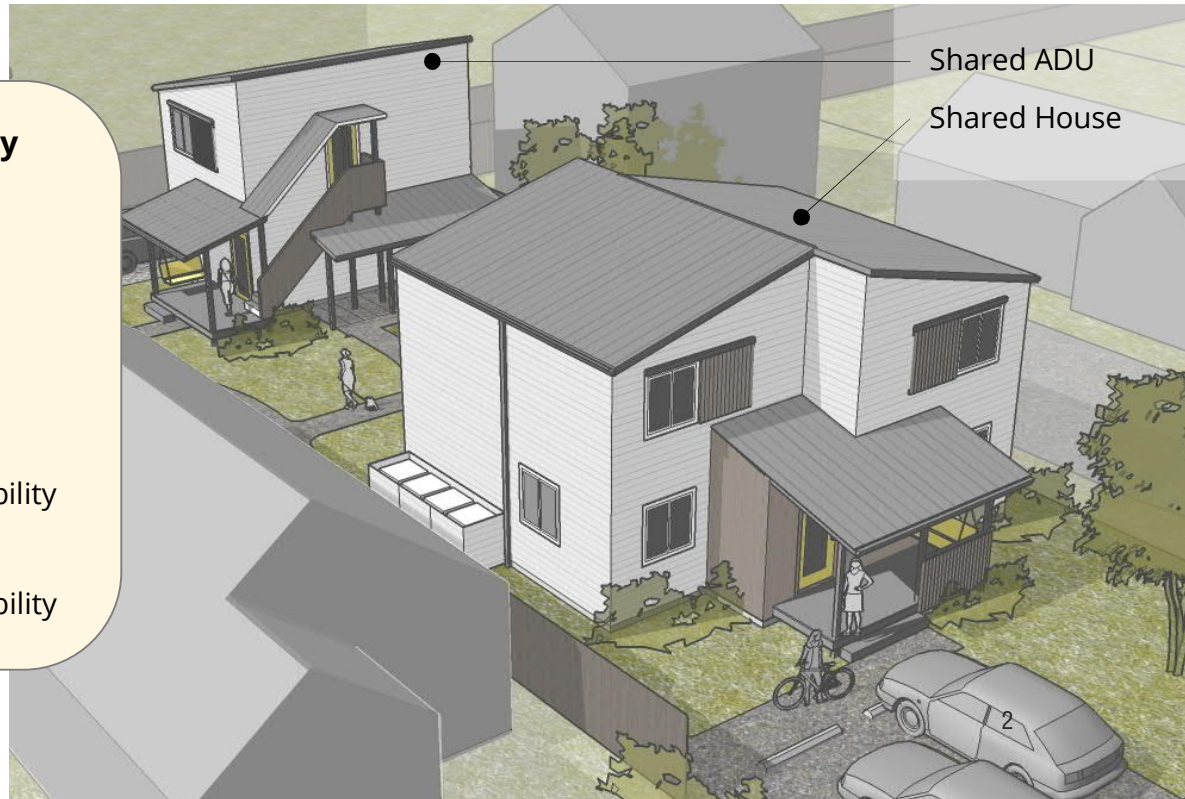
A New Pathway to Affordable Homeownership

With home prices now excluding the majority of Eugene-Springfield's population from homeownership, transformative solutions to the housing crisis are called for. The Co-op Revillaging Project offers a housing development model creating **new homeownership opportunities** on typical residential lots, which remain **permanently affordable**. This is made possible through **cooperation**: intentionally-designed **shared homes** containing suites for multiple owners, and a **shared ownership structure.** The homes are owned through a limited-equity **housing cooperative**, and the land is secured by ownership through a **community land trust.** A one-time investment by local **social investors** paired with modest subsidies (~$24,000 per household) enable permanent affordability by households earning 60% of the area median income.

Through a spirit of cooperation, the Co-op Revillaging Project **reestablishes a widely-accessible pathway toward homeownership** and ensures these opportunities remain **permanently available** in the community. And unlike the suburban homeownership model of the 20th century, this model can serve a diversity of housing types and help facilitate a transition toward sustainable, socially-cohesive and walkable neighborhoods.

Cooperation for Homeownership Opportunity

Shared Housing	Cost-Sharing Social Connections
Co-op/Land Trust	Shared Ownership Structure Permanent Affordability
Social Investors	Local, Low-Interest Financing Local Profits Support Replicability
Community Grants	One-time Land Purchase Extends Affordability & Scalability



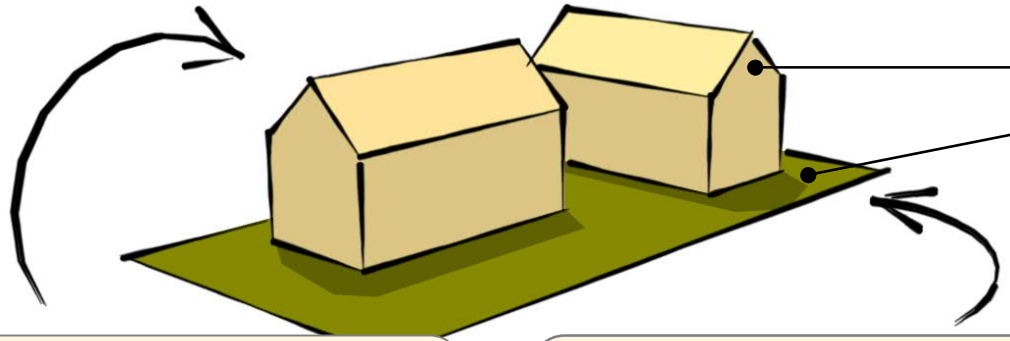
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C Street Pilot Project

The C Street Pilot Project is planned for a vacant residential lot on C Street in downtown Springfield, currently owned by a project investor. The lot will host a **new shared house and ADU, designed with one-bedroom suites for up to six co-op owners**. The design maximizes construction efficiency and energy efficiency, targeting "net zero energy" performance. With **Cultivate, Inc.** acting as architect-developer, a small number of **social investors** will provide construction financing of approximately $440,000, and a licensed contractor will oversee construction. Construction aims to begin **Summer/Fall 2020**.

SquareOne Villages, acting as the community land trust, is pursuing $60,000 in grant funding to purchase the land, and approximately $40,000 to cover the costs of the program creation. Other subsidies, such as down payment assistance provided by the **City of Springfield** and a temporary property tax exemption will also be pursued to achieve affordability for households earning 60% of the area median income.

Development Structure



Cultivate, Inc.
Architect-Developer
Benefit Corporation

SquareOne Villages
Community Land Trust
501c3 Non-Profit

Social Investors
Project-Specific LLC

Home Builder

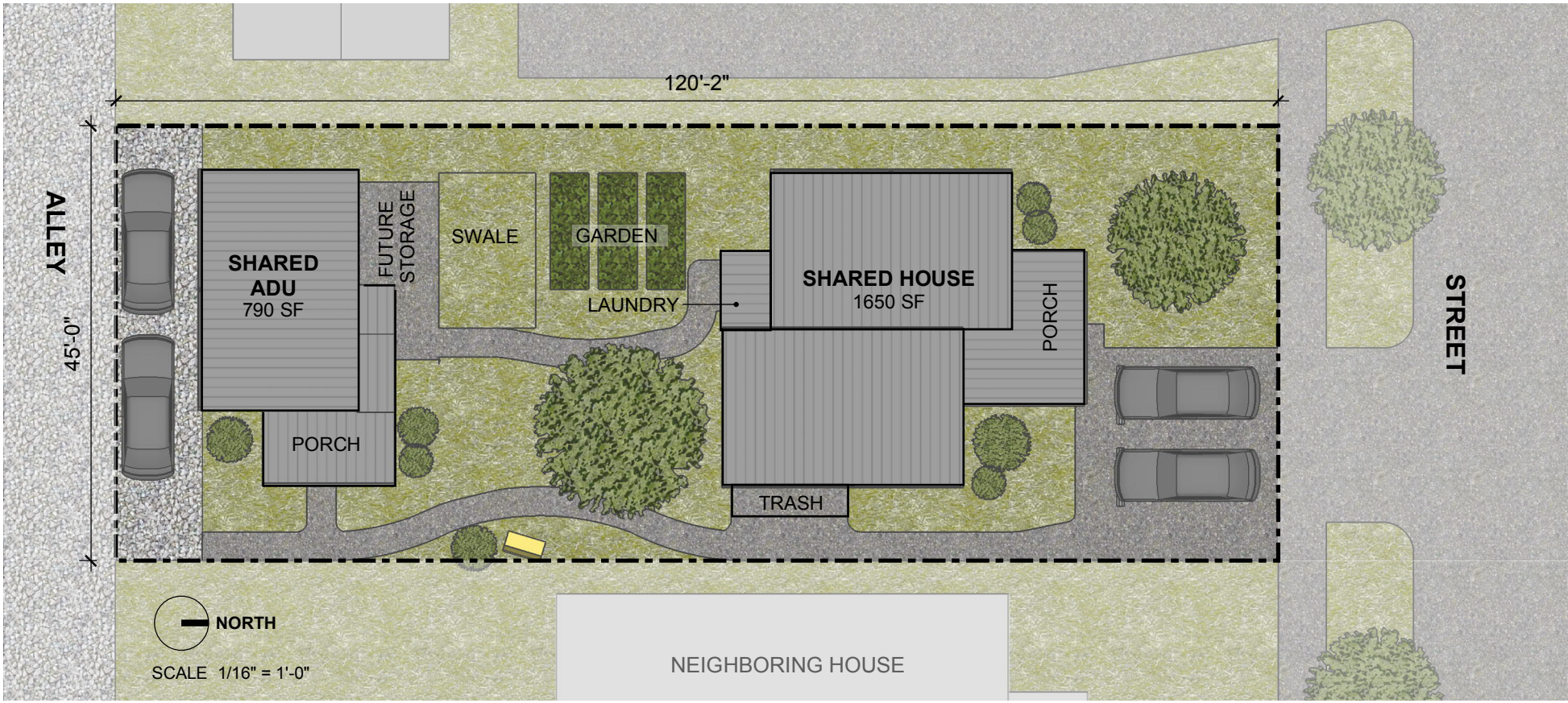
Co-op Homeowners

Community Grants

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Site Plan

The development site enjoys a walkable location, just a few minutes from downtown Springfield. Due to the small-footprint homes ample greenspace remains available as well as four off-street parking spaces. Area for a future storage shed is planned which can include bicycle parking, household storage, and a garden shed. As a housing cooperative, the homes are owned and managed cooperatively. The land is held through a ground lease with the land trust, SquareOne Villages, who is available to provide administrative support to the co-op over time.



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Streetscape

A simple, well-composed design supports a shoestring construction budget without sacrificing durable materials or energy-efficiency. Front porches provide casual settings for a chat with a neighbor, and great spots to enjoy a warm spring day.

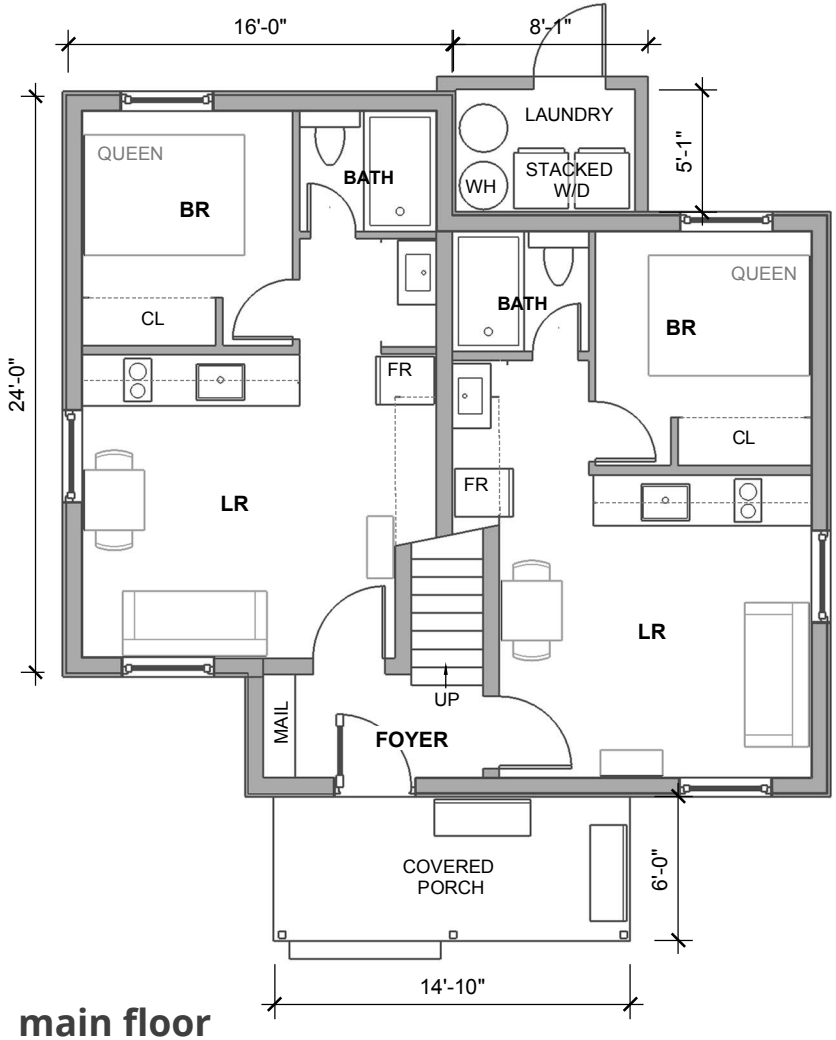


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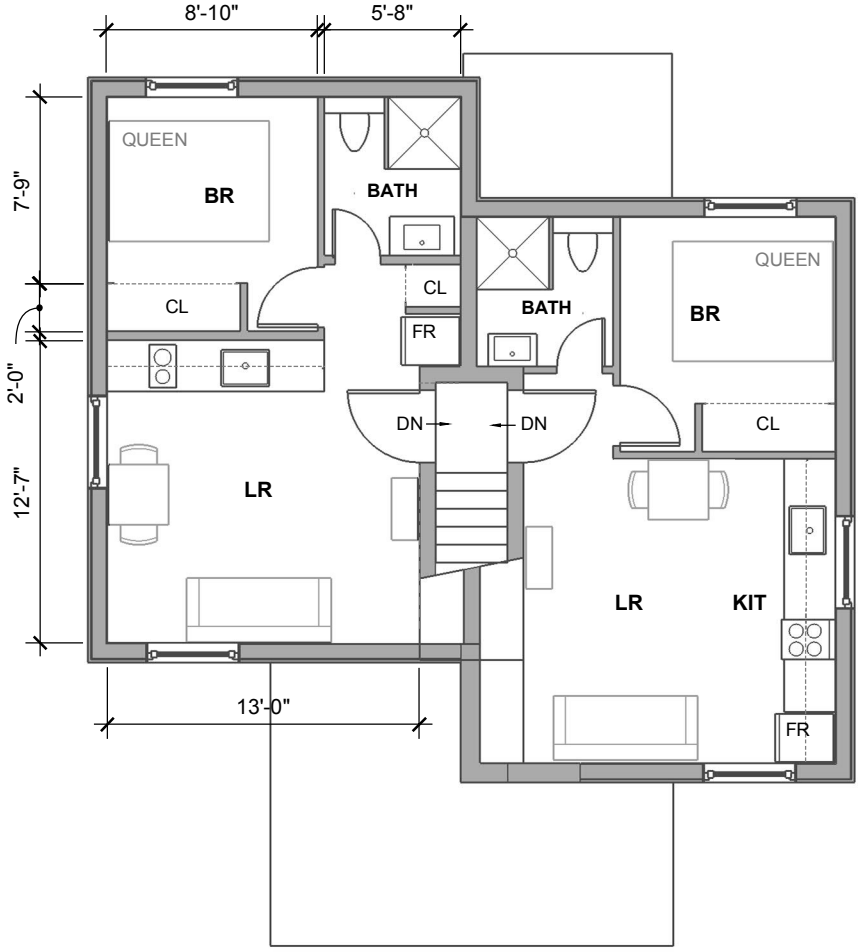
Floorplan | Shared House

4 Bedrooms, 4 Bathrooms, 1 Full Kitchen
Total Area 1650 SF

The house is designed to be shared by four co-op owners (with a maximum of five unrelated occupants per City regulation). Each bedroom area enjoys a bathroom and living space with a kitchenette, improving options for privacy among the shared household.



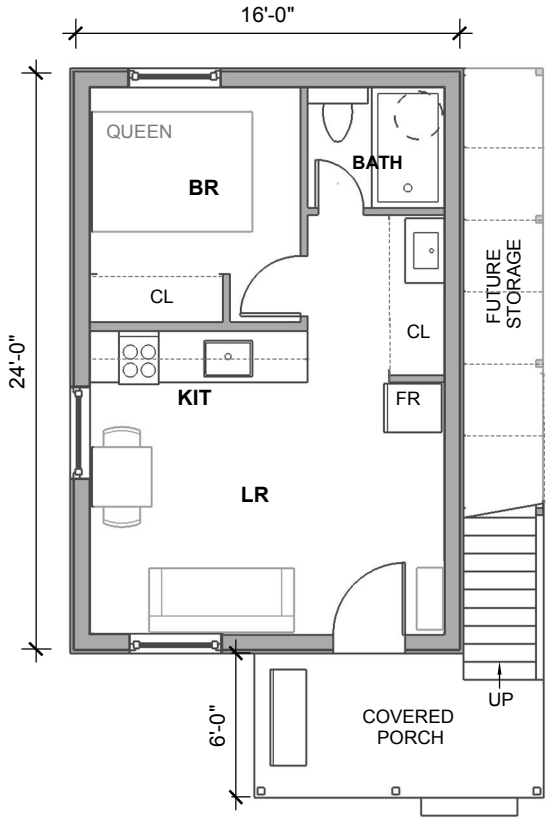
main floor
scale 1/8" = 1'-0"



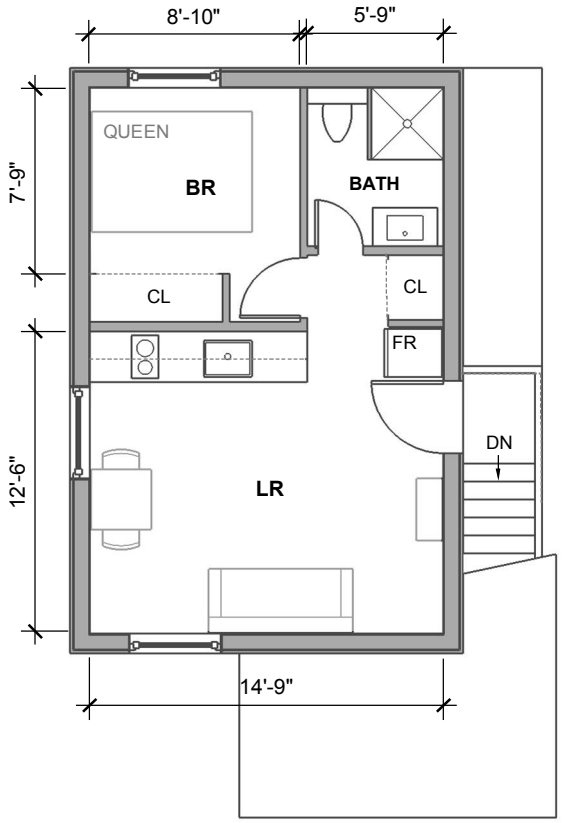
upper floor

Floorplan | Shared ADU

2 Bedrooms, 2 Bathrooms, 1 Full Kitchen
Total Area 790 SF

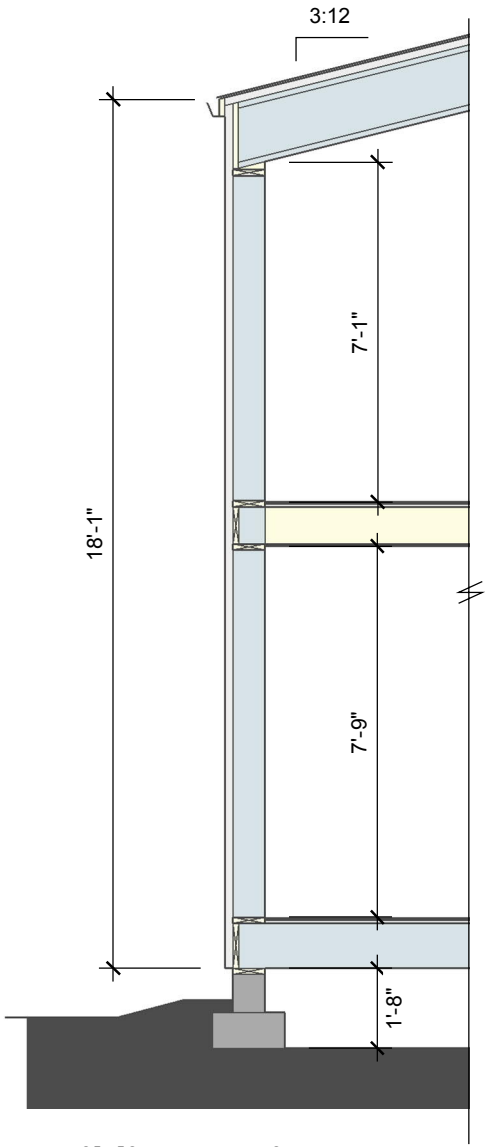


main floor
scale 1/8" = 1'-0"



upper floor

Construction | Net Zero Energy



Building Section
scale 1/4" = 1'-0"

With well-insulated 2x8 walls, airtight construction, and triple-pane windows, the homes aim to be "net zero energy ready", with future rooftop solar panels able to generate as much energy as the homes use in a year. This also means very low energy bills. Simple, optimized construction practices keep this affordable. Durability is also a priority: lifetime warranty shingle roofing and fiber-cement siding are anticipated. These details are subject to change based on budgetary constraint.

Roof
14" wood I-Joist @ 24" o.c.
Fiberglass Insulation
Air Barrier Sealing
Comp Shingle Roofing

Wall
2x8 @ 24" o.c.
Blown-In Cellulose Insulation
Air Barrier Sealing
Rainscreen Battens
Fiber Cement Siding

Windows
Triple-Pane, Sliders

Floor
2x12 @ 24" o.c.
Air Barrier Sealing
Fiberglass Insulation

Heating, Cooling, & Ventilation
Electric Cove Heaters
Elec circuits for future Mini-Split Heat Pumps
Bathroom & Kitchen exhaust fans

Water Heating
Heat Pump Water Heater

Energy Performance (Modeled Estimated)
Energy Demand = 3,500 kWh/yr per suite
EUI = 31 kBTU/sf.yr
Net Zero Solar PV Size = 3.1 kW per suite
(Solar panels future install)

Developing Missing-Middle Affordable Homeownership

The C Street Co-op Pilot Project





1 Residential Lot
2 Houses
1 Housing Co-op
6 Permanently Affordable Homeowner Suites
$770/month total owner costs (60% AMI)
Zero energy, sustainable construction
10-minute walk to downtown Springfield
10% of the subsidy of typical affordable housing

10,000 prospective sites for future development...

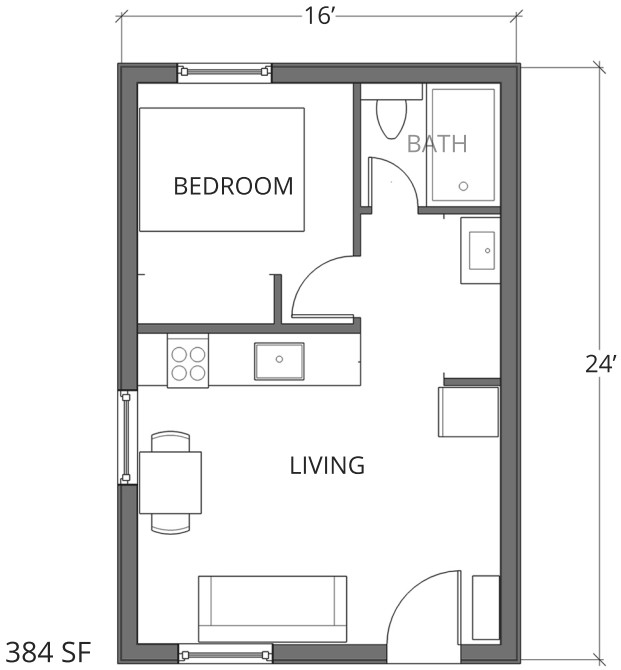
The C Street Co-op Pilot Project demonstrates a new affordable housing development model creating multiple homeownership opportunities on typical residential lots through "missing middle" housing cooperatives. Requiring less than 10% of the subsidy of typical affordable rental housing, these homeownership opportunities remain permanently affordable to the community through the stewardship of a land trust. The pilot project was completed in Summer 2021 near downtown Springfield, Oregon.

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Economic Stability for Multifamily Residents through Cooperative Homeownership

As zoning laws begin to re-legalize “missing middle” housing, new small multifamily development opportunities abound. The status quo will be to develop this as rental housing however, decreasing homeownership access, and increasing wealth inequality. Creating resident-owned middle housing is a social imperative. Co-ops fill this need by offering a more affordable shared ownership structure than condos, while drawing on a rich history of affordable housing co-op success.



Project Costs	Per One-Bedroom Suite
Property Purchase	$10,000
Hard Costs	$72,500 [$183/SF]
Soft Costs	$16.400
Financing Fees	$1,500
Total Costs	**$100,300 per suite**

Construction Funding Source

Impact Ivestors	$602,000 @ 2-6% IRR

Permanent Funding Sources

Mortgage	$64,200 per suite
Subsidy: Grants	$10,800
Subsidy: CDBG	$10,000
Owner Downpayment	$10,000
Impact Investor Loan	$5,300
Total Sources	**$100,300 per suite**
	[$602,000 total project]



Ownership Structure

The Village Model includes an innovative ownership structure that brings together two forms of shared-equity homeownership—a Community Land Trust (SquareOne Villages) and a Limited Equity Cooperative (C Street Co-op). In this arrangement, SquareOne retains ownership of the underlying land, while the members of the C Street Co-op that own and manage the housing and improvements on the land.

The result is a pathway to sustainable resident-owned housing for people with very low-incomes. It includes strong affordability controls to ensure that the housing stock remains permanently affordable for future generations to come. This multi-layered ownership structure has proven to be a stable, low-risk financial investment for both the lender and the low-income homeowners, when compared to conventional homeownership.

A long-term ground lease ties the interests of both parties together, creating a partnership that helps to ensure the longer-term viability of the co-op. SquareOne is able to serve in an advisory role, providing support to the co-op in the form of technical assistance, training, and leadership development. And due to its sustained involvement in the project, SquareOne also serves as a "mission steward" during periods of leadership change and member turnover within the co-op.



SquareOne Villages is a nonprofit developer of affordable housing co-ops in Lane County. We are currently in the process of developing two new limited-equity housing co-ops—the C Street Co-op (in Springfield) and the Peace Village Co-op (in Eugene). For more specific information on either of these upcoming co-ops please visit our website.

What is a housing cooperative?

A housing cooperative is a form of homeownership in which the residents collectively own and control the housing in which they live. The co-op ownership structure is a particularly good housing option for people with low-incomes because it pools the limited resources of each individual into a collective fund for operating quality housing at-cost. This allows residents to act as owners of their housing, without being exposed to the risk of owning and maintaining their own home in isolation, and without having to qualify for a mortgage individually.

What do I actually own?

The main distinction between a housing co-op and other forms of home ownership is that in a housing cooperative you don't directly own real estate. Instead you are buying a **membership share** in a cooperative housing corporation. The corporation collectively owns or leases all real estate. As part of your membership (as a shareholder) in the co-op you have an exclusive right to live in a specific unit for as long as you want, as long as you adhere to the cooperative's rules and regulations. And you also have a vote in how your housing is operated and managed.

What does the membership share purchase price involve?

When you buy a membership share in a housing cooperative, you are paying for just that: a share of the cooperative housing corporation. The purchase price will vary depending on the co-op. SquareOne's new developments will be in the range of $5,000 to $10,000.



What is a *limited-equity* housing cooperatives?

In a limited-equity housing cooperative (LEC) there is a cap on how much equity members can earn in their homes, so they can't sell their share for a huge profit. This restriction works to keep these co-op communities affordable for future residents.

What is a monthly carrying charge?

A carrying charge is the monthly payment that each member makes to the co-op that covers all the co-op's fixed and variable expenses, such as debt service, utilities, insurance, maintenance, replacement reserves, and other operating expenses. In essence, residents are collectively acting as their own landlord. Members have no reason to substantially increase monthly charges unless taxes or operating costs increase, and therefore monthly charges remain reasonable and stable.

Who's a good fit?

Co-op housing is a good fit for people who are 1) interested in being involved in the shared ownership and management of their housing, and 2) able to participate in the day-to-day life and governance of the co-op in a cooperative manner. While co-op housing provides several advantages, it also comes with additional maintenance and management responsibilities in comparison to rental housing.

ECONOMIC Advantages of Co-op Housing…

- **Affordable:** Lower down payment, much lower closing costs, economies of scale, and not having to qualify for a mortgage individually all make cooperatives more affordable than traditional ownership.
- **Living in a Cooperative Stays Affordable.** Members have no reason to substantially increase monthly charges unless taxes or operating increase; typically monthly charges remain reasonable.
- **Tax Deductions.** For income tax purposes, the cooperative member is usually considered a homeowner and, as such, can deduct his or her share of the real estate taxes and mortgage interest paid by the cooperative.
- **Equity.** Cooperatives can provide for accumulation of individual member equity. For market-rate cooperatives, the accumulation of equity and resale prices are based on the market. Limited-equity cooperatives establish limitations on the accumulation of equity to ensure long-term affordability to new members.
- **Limited Liability.** Members have no personal liability on the cooperative mortgage. The cooperative association is responsible for paying off any mortgage loans. This can often make it possible for persons whose income might not qualify them for an individual mortgage to buy a membership in a limited equity cooperative.
- **Consumer Action.** Through their cooperative association, members can jointly exert influence to change tax rates and utility prices and obtain improved services from local governments. The cooperative, as consumer advocate, also can join with other organizations and/or coalitions.
- **Savings.** Cooperative members can benefit from economies of scale in cooperative costs as well as from not-for-profit operation. Also, when there are "transfers," only the out-going member's equity must be financed by the incoming member. Transfers of shares are subject to fewer settlement costs.

Source: National Association of Housing Cooperatives

SOCIAL Advantages of Co-op Housing…

- **Elimination of Outside Landlord.** Cooperatives offer control of one's living environment and a security of tenure not available in rental housing.
- **Community Control.** As mutual owners, member residents participate at various levels in the decision-making process. This is not true of tenants who usually do not have the opportunity to exercise input into the landlord's decisions. Members own the cooperative collectively and can remain in their homes for as long as they wish, as long as they meet their monthly obligations, and abide by the cooperative bylaws, rules, and regulations.
- **Cultural Diversity.** Many cooperative members say that the possibility for interacting with people from different backgrounds, cultures, and income levels is a positive factor in their decision to become a member.
- **Extended Services.** By establishing cooperative procedures and working together, people can provide services for themselves that otherwise would be impossible to obtain. When one cooperatively organized venture is successful, it often becomes clear that people can be successful in another area as well. As a result, the original effort often can be strengthened. Examples include athletic teams, cooperative preschools, credit unions, tutoring, food-buying clubs, arts and crafts, and senior health care and support services.

PHYSICAL Advantages of Co-op Housing…

- **Shared Maintenance Responsibilities.** Cooperative members usually have limited direct maintenance responsibilities. The cooperative association is responsible for major repairs, insurance, equipment replacement and upkeep of common grounds and facilities.
- **Vandalism and Security.** Cooperative members vigorously protect their association's property. An important benefit of converting rental properties to cooperative ownership is reduction in vandalism and abuse of property and improved and shared security arrangements. And recent studies show that a cooperative's presence in the neighborhood reduces neighborhood crime.