



Affordable Cohousing



Coho/US Simple Series

Affordable Conference on Affordable Cohousing

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Approaches for Affordability



- Incorporate low-cost design strategies
- Include affordable units
- Make resales affordable
- Include rentals
- Seek mutually beneficial arrangements within community

Pioneer Valley Cohousing



- Completed in 1994.
- Town-owned land, proposal included affordable housing.

Pioneer Valley Cohousing



- 10 affordable units (out of 32).
- Affordable to households earning 80% of median income.
- Resale restricted to qualifying households (90-day limit).
- Cost saving design strategies on all units.

Pioneer Valley Cohousing

Pioneer Valley Unit Prices (Approximate)

Unit Type	Market Rate	Affordable
1-Bedroom	\$ 79,000	\$ 72,000
2-Bedroom	\$ 89,000	\$ 81,000

Mutual benefit:

- Affordable housing made land purchase possible.
- Market rate units made affordable units possible.

Pioneer Valley Cohousing

Affordability resale formula as intended:

- *Original Purchase Price* was expected to be lower than appraised value (community sweat equity).
- Tying *Resale Price* to same ratio with appraised value would keep resale price low.

Ratio: Original Purchase Price / Original Appraised Value

Maximum Resale Price = Appraisal at Time of Resale x Ratio

What happened:

1. Appraisals came in at purchase price.
2. Home values skyrocketed over the years.

Pioneer Valley Cohousing

Expected (example):

Original Purchase Price = \$80,000

Original Appraisal = \$100,000

Ratio: Purchase Price / Appraisal = 80%

→ Maximum Resale Price = 80% of appraised value

Appraisal at Time of Resale = \$150,000

→ Maximum Resale Price = \$120,000

Pioneer Valley Cohousing

What actually happened (example):

Original Purchase Price = \$80,000

Original Appraisal = \$80,000

Ratio: Purchase Price / Appraisal = 100%

→ Maximum Resale Price = 100% of appraised value

Appraisal at Time of Resale = \$250,000

→ Maximum Resale Price = \$250,000

Pioneer Valley Cohousing

Successes:

- 10 affordable buyers able to buy in
- 9 of 10 affordable buyers still in community after 25 years
- Affordable rental suites (more later)

Challenges:

- Failure of resale formula
- Increase in property values

Sawyer Hill EcoVillage

Two 34-unit communities on one site:

- Mosaic Commons Cohousing
- Camelot Cohousing



Sawyer Hill EcoVillage



- Massachusetts 40B process: bypass zoning to provide affordable units
- 17 affordable units planned (14 provided)
- Affordable to 80% median income
- Resales restricted to affordable buyer (for 3 months)

Sawyer Hill EcoVillage

Mosaic Commons Unit Prices (Approximate)

Unit Type	Market Rate	Affordable
1-Bedroom	\$ 280,000	\$ 140,000
2-Bedroom	\$ 330,000	\$ 150,000
3-Bedroom	\$ 370,000	\$ 170,000

Challenges (rough numbers):

- Maximum income to qualify as affordable buyer = \$56,000.
- Minimum income to qualify for mortgage = \$57,000.
- Market crash in 2009: affordable price is no longer good price.

Sawyer Hill EcoVillage

Marketing for Affordable Units:

- Lottery required.
- Fear that interested community members would not get in.
- The reverse happened – only one person in lottery.
- Disincentive for affordable buyers: no public transportation.
- Advice: work with your local CDC to identify potential buyers.

Sawyer Hill EcoVillage

Strategies and Lessons Learned:

- “Getting to Closed” Team: mentor to guide prospective buyers through steps (paperwork, exceptions, mortgage).
- Ultimately (because of crash and tight restrictions on affordable buyers) lender had to foreclose on last 3 units – but some of these went to people needing low-cost homes.
- Cohousing communities worked with legislator to improve access to affordable units for future sales and other projects.

Cambridge Cohousing



Affordability and diversity central to original vision:

- Affordable rental units
- Sponsored unit (homeownership)
- Supported independent living unit

Cambridge Cohousing



Affordable owned unit:

- 2-bedroom flat.
- Ownership program through city for first-time homebuyers.
- Resale must be to someone qualified through city program, limited appreciation on sale price.

Cambridge Cohousing



Affordable rental units:

- 2 units: studio, 2-bedroom.
- Owned by Cambridge Housing Authority.
- Housing Authority finds tenants; out of Cambridge Cohousing's purview.

Cambridge Cohousing



Supportive housing / independent living unit:

- 4-bedroom apartment with attached staff apartment.
- Managed by local agency focused on homeownership for people with disabilities.
- Not set up as affordable housing, but potential model for that.

Cambridge Cohousing

Successes:

- Affordable owned and rental units.
- Diversity of community.
- Resale structure preserves affordability.

Lessons Learned:

- Recommend larger staff unit on supportive housing.

Strategies: Rental Suites



Private suites are well-suited for rental. These create affordability for both renter and owner.

Strategies: Rental Suites



Walk-out basements work well for independent suites.

Strategies: Housemates



Multi-bedroom plans designed to accommodate roommates.

Mutually beneficial arrangements



- Internal loans.
- Renting in exchange for care.
- Hiring neighbors.

Conclusions



Community is worth it –
in whatever form you can make work!

Thank You!

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and others

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