SquareOne Villages

Eugene, Oregon
Wait times
3 bedroom - one year
2 & 4 bedroom, 2 - 3 years
1 bedroom, over 6 years
I am not what has happened to me. I am what I choose to become.
THE VISION:

Peace Village Co-op will be a tiny home and cottage community that creates shared-equity homeownership opportunities, permanently affordable to people with very low-incomes, using a sustainable mix of funding sources.
Limited-Equity Housing Cooperatives

SquareOne Village model
A FRAMEWORK PLAN FOR REIMAGINING AFFORDABLE HOUSING
I. Ownership Structure
  >> Community Land Trust - Limited Equity Co-op

II. Physical Form
  >> Tiny House Village

III. Finance Strategy
  >> Sustainable mix of resident equity, subsidy, debt financing, and fundraising

IV. Collaboration
  >> Opportunities to partner with SquareOne
The Community Land Trust (CLT) acquires multiple parcels of land throughout its service area with the intention of retaining ownership of these parcels forever. Any building already located on the land or later constructed on the land is sold off to the Limited-Equity Co-op (LEC).
The ground lease is a two-party contract between the CLT and LEC that provides a durable, legally enforceable vehicle for protecting—and balancing—the interests of both parties, the leaseholder and the landowner.

protects the LEC’s interests in security, privacy, legacy, and equity

enforces the CLT’s interests in preserving the appropriate use, the structural integrity, and the continued affordability of any buildings located upon its land.
The primary purpose of this shared-equity arrangement is to retain housing at permanently affordable rates for people with low-incomes. The CLT retains an option to repurchase any residential structures located upon its land, should their owners ever choose to sell.

The resale price is set by a formula contained in the ground lease that is designed to give present homeowners a fair return on their investment, while giving future home-buyers fair access to housing at an affordable price.

By design and by intent, the CLT is committed to preserving the affordability of housing one owner after another, one generation after another, in perpetuity.
The CLT does not disappear once a building is sold. As owner of the underlying land and as owner of an option to re-purchase any buildings located on its land, the CLT has an abiding interest in what happens to these structures and to the people who occupy them.

- The ground lease requires owner-occupancy and responsible use of the premises. Should buildings become a hazard, the ground lease gives the CLT the right to step in and force repairs.

- Should property owners default on their mortgages, the ground lease gives the CLT the right to step in and cure the default, forestalling foreclosure.

- The CLT provides ongoing training and support to the LEC, and serves as a “mission steward” during periods of leadership change and member turnover within the co-op.
Community Land Trust

- CLTs realize affordability by dividing ownership of the land and ownership of buildings and improvements, thereby mitigating speculative market forces.
- Typically, a household owns its individual dwelling unit while the CLT retains title to the underlying land.
- A long-term ground lease connects the household to the CLT and is used to enforce affordability controls.
- This division of land and building rights simultaneously enables access to affordable homeownership while allowing the broader community—through a non-profit steward—to retain a stake in the land.

Weakness of CLT: because households generally must rely on conventional mortgage financing to purchase their house, it can still be inaccessible to lower-income households.
Limited Equity Co-op

- LECs realize affordability through shared resources, self-management, and operating at-cost.
- In a co-op, multiple households join together to collectively own multiple dwelling units by forming a cooperative corporation.
- Each household purchases a membership share in the co-op, granting them a right to a dwelling unit, a vote in the co-op’s governance, and an ownership stake.
- Members pay monthly carrying charges to the co-op to cover all operating costs, including maintenance, reserve funds, and any debt service.
- A limited-equity co-op preserves long-term affordability by limiting the appreciation in value of the membership share with a simple formula.

Weakness of LEC: in “hot” housing markets, members may be enticed to amend their bylaws and convert to a market-rate co-op in order to cash out their shares at whatever prices the market will bear.
Key Benefits: **Combining the CLT & LEC**

1. **Accessible Homeownership**
   Enabling owner-occupied housing for low-income households.

2. **Long-Term Investment**
   Once a dollar is invested once, it’s there forever.

3. **Low-Risk Investment**
   A multi-layered ownership structure ensures a safe investment.
Education & Training

❖ Education about the benefits and responsibilities of co-op housing from day one is critical.

❖ Hands-on practice in running meetings; developing and adopting proposals; marketing and new member selection; mediation skills; administrative infrastructure.

❖ Topics covered in-depth include:
  • Legal documents
  • Decision-making process
  • Fair housing
  • Financial planning & budgeting
Resident Composition & Income

- Target population: 30 to 80% Area Median Income

- The co-op ownership structure is a particularly good housing option for this population because it pools the limited resources of each individual into a collective fund for operating quality housing at-cost.

- Land trust provides education to households (pre-move in) and support to the co-op (post-move in). It does not provide ongoing or intensive social services.

- Requires an upfront financial investment by households (membership share purchase). Financial barriers to share purchase can be addressed by sweat equity offsets and/or a revolving loan fund.
Our ownership model in review...

❖ **SquareOne acts as the Community Land Trust (CLT)**
  - Retains ownership of the underlying land
  - Bylaws restrict sale of land and set affordability controls
  - Retains an option to repurchase buildings on land
  - Maintains an ongoing stewardship and support role

❖ **Residents form a Limited Equity Co-operative (LEC)**
  - Leases land from SquareOne via a Ground Lease
  - Owns and maintains buildings and improvements
  - Bylaws set affordability controls
  - Members benefit from shared resources, equity, security of tenure, and operating at cost