

Making the Case for Permanently Affordable Housing

Beth Sorce, Tiffany Eng | Intersections 2016



How do you define PAH?



1. Write your definition of “permanently affordable housing” (PAH) on an index card.
1. Share your definition with your table.
1. As a table, draft a common definition.

A High Level Definition of PAH



Programs striving to:

- ▶ Provide homes that are affordable to initial occupant
- ▶ Ensure affordability over multiple generations of occupants without new infusions of cash
- ▶ Make the best use of scarce resources
- ▶ Build household wealth

How PAH Works



The Recipe:

- ▶ Initial pricing
- ▶ Affordability restrictions
- ▶ Legal documents
- ▶ Monitoring & compliance
- ▶ Stewardship

Custom Messages



- 1. Think about your audience. What are their primary concerns? What are their primary wants? Do they have any deal breakers?**
- 2. Based on your audience profile, make the case for:**
 - Initial Affordability**
 - Ongoing Affordability**
 - Building Household Wealth**
- 3. Extra Credit: Make your case without using any jargon!**



Use Data to Support Your Case

Initial Affordability



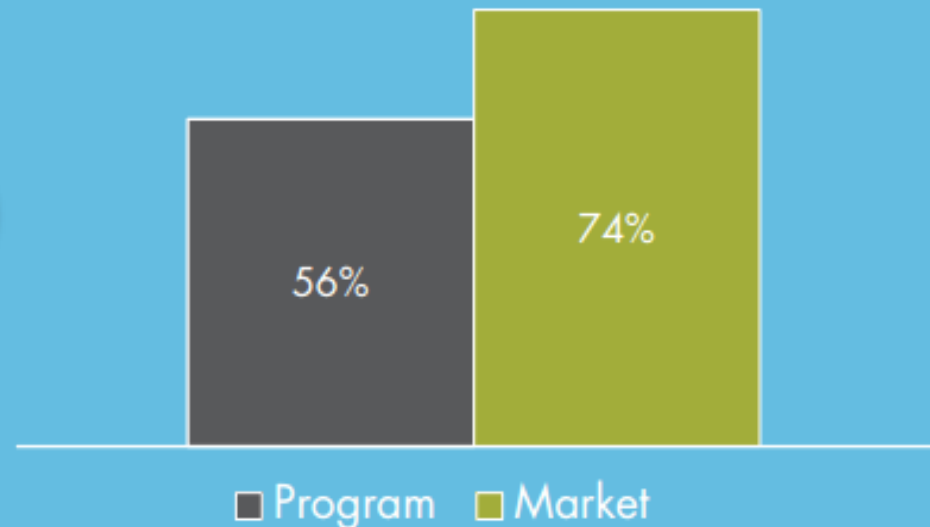
How much affordability do the programs create?

Median
Subsidized Price:
\$115,000

Median Appraised
Value at Time of
Sale: \$175,000

Through the program, homes
affordable to households earning
74% of AMI became affordable to
households earning 56% of AMI.

Affordable to Whom



?

Ongoing Affordability



Are the programs preserving affordability?

All Resale Transactions

Components of Market Value at Sale



Affordable to Whom (% of AMI)



Ideally, community investment is larger at resale, both in dollars and as a portion of market value, and this yields corresponding growth in the affordability added by the program at resale, relative to prior purchase.



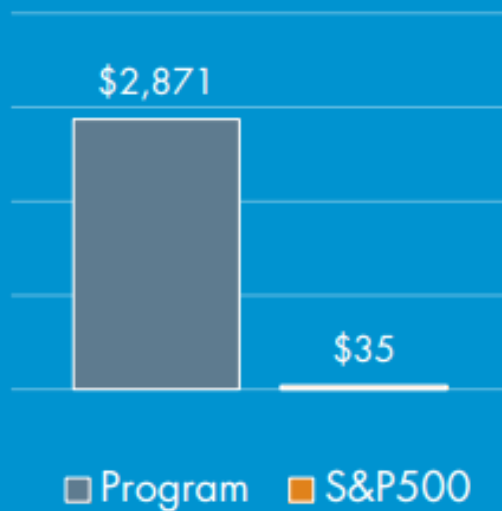
Building Wealth



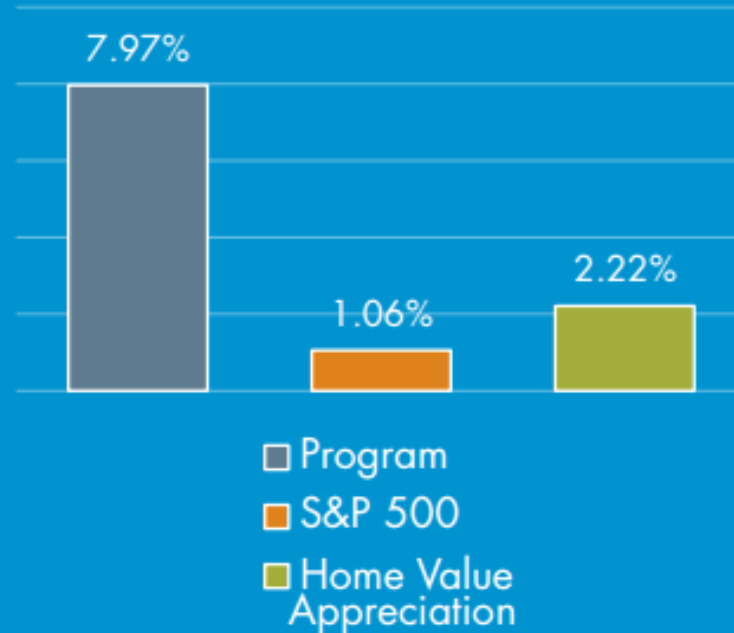
How did sellers' returns compare to other options?

Typical seller who owned at least 5 years:

Seller's Gain



Annual Rate of Return

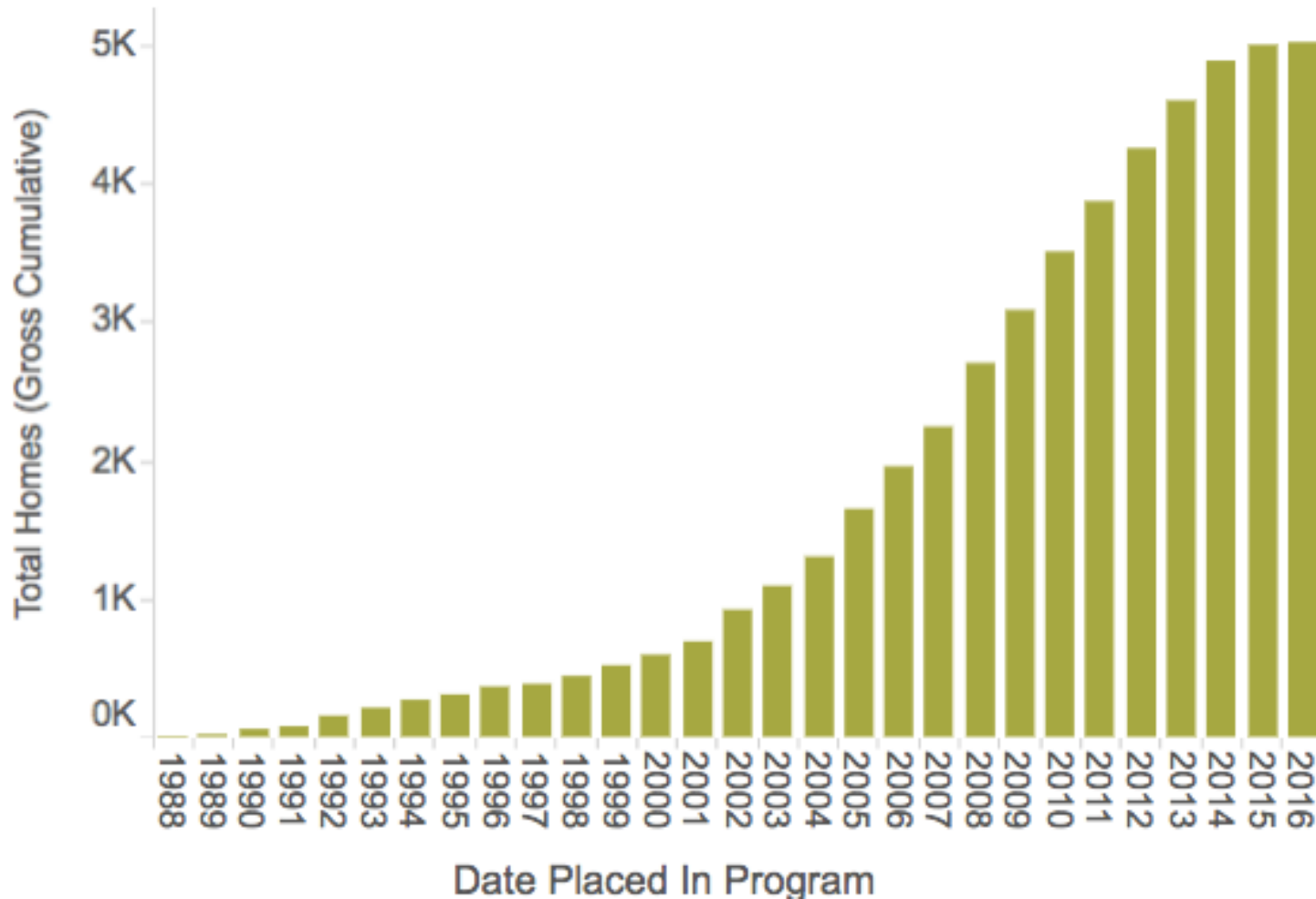


Movement Growth



How has the portfolio grown?

5,018 homes



Data Resources for your Case



1. [HomeKeeper National Data Hub](#)
2. [Balancing Affordability and Opportunity](#) prepared by the Urban Institute
3. [Lands in Trust, Homes that Last](#) by John Emmeus Davis and Alice Stokes
4. [Shared Equity, Transformative Wealth](#) by Rick Jacobus
5. [2015 National CLT Network Member Survey](#) prepared by the National CLT Network



**GROUND
ED
SOLUTIONS
NETWORK**

strong communities
from the ground up

Thank you!