EXPANDING OWNERSHIP
shared equity and collaborative ownership for housing and agriculture

Webinar 3: Cooperatives, LLCs, and Other Shared Ownership
Staff Organizers
(in chronological order by webinar)

Fran Miller, CAFS @ Vermont Law and Graduate School
Sarah Danly, White River Valley Consortium (Vital Communities)
John Haffner, Vital Communities
Sarah Wraight, Two Rivers-Ottauquechee Regional Commission
Alana Redden, Vital Communities
Erika Hoffman-Keiss, Green Mountain Economic Development Corporation
Shared Equity and Collaborative Ownership

- community land trusts
- ground leases
- cooperatives
- variations on CLT model
- resident-owned communities
- LLCs
- other co-ownership agreements
- equity-building lease provisions
- deed restrictions & easements
Models where individual homeowners, landowners, and land stewards share ownership with each other or with the community, in order to make it more affordable to have some ownership.
Our goal is...

- To think creatively about different ways that land use and land ownership could work in, and for, our community
- To gain inspiration and insight from great work happening in other states that we may never otherwise stumble across
- NOT to imply that younger generations or marginalized communities should give up on the opportunity for wealth building and settle for being renters forever
- NOT to imply that any one of these tools is right for all people or for all communities
- While also recognizing that there are many excellent efforts happening in Vermont already
- But rather to consider tools that could help MORE people build equity, even when traditional property ownership is not accessible.
Jamboard for connecting between sessions

https://jamboard.google.com/d/13JBAa1UH5hW3z9mk7O0Ydad82oX0I_JryYm06ZAn9wA/edit?usp=sharing
Session 3: Cooperatives, LLCs, and other Shared Ownership
So, how do the tools we’re looking at tonight relate to the other ones we’re covering in this series?
Community organization owns house & leases it out.

Or owns the land and the resident owns the house.

Or a private corporation or even private individual owns the land and the resident owns the house.

Different ways of dividing property ownership

Owning property collectively

*I am not a lawyer.*
Agenda

• Intro to the Webinar Series & Tonight’s Theme

• **Shane Rogers** (he/him), Community Organizer and Communication Director for Food Solutions New England

• **Sawna Caradwyn** (she/her), Willow Permanent Real Estate Co-op

• **Julia Curry** (she/her), Vermont Real Estate Cooperative and Cooperative Development Institute

• **Randy Amis**, Esq. (he/him)

• Q&A with Audience

• Closing & introduction to next webinar in the series
Cooperative Ownership of Housing

• Owning as a cooperative is one mode of shared ownership

  * A group can incorporate as a cooperative, or as another type of corporation but still use a cooperative structure

• The business owns the property and the members own the business

  * Cooperatives follow specific principles
The 7 Cooperative Principles

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members’ Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community
<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>TYPE OF ENTITY</th>
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<tbody>
<tr>
<td></td>
<td>Autonomous cooperative, e.g. Raise-Op (Maine)</td>
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<tr>
<td>Who owns the land?</td>
<td>The co-op corporation</td>
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<tr>
<td>Who owns the properties?</td>
<td>The co-op corporation</td>
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<tr>
<td>Fiscal decisions: Who sets yearly budgets &amp; rents?</td>
<td>The co-op members</td>
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<td>Household financial investment:</td>
<td>Buy a share in the co-op and pay rent</td>
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<td>Residents commit to shared values?</td>
<td>Yes, cooperative principles &amp; community rules at a minimum</td>
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<td>Shared activities/ intentional community?</td>
<td>Optional - e.g. gardening, social activities</td>
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<td>Prioritize affordability or building household wealth?</td>
<td>Case by case, co-op decides whether to limit the share value</td>
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<td>Who can live there? (Fair Housing law applies)</td>
<td>Each co-op sets its criteria. Raise-Op is mostly income-restricted.</td>
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Permanent Real Estate Cooperatives (PRECs)

• A way for people to own properties together as a kind of community landlord
• Unlike housing cooperatives, members don’t necessarily use the owned properties; most are just investors
• A PREC can own any type of property (housing, commercial, agricultural) and own one place or many

Reasons for a PREC:
  To have properties be locally owned
  To take properties out of the speculative market (the ‘permanent’ part)
  A way for people to invest in community with a modest return: VT law caps co-op dividends at 6%
  To manage properties in accord with specific values and goals

Challenges:
  Real estate is a complex and big-stakes investment for a group of volunteers to make
  Owning housing is an even more complex business that’s heavily regulated
Next Webinar: **Additional Shared Equity Tools**  
Tuesday, February 21, 5:30-6:30pm

**Adding Shared Equity Elements to Standard Ownership and Rental.** The previous webinars looked at models where property ownership is shared between different parties. There are also tools that can keep property affordable for new purchasers or help a tenant build equity, while the property still remains largely in individual ownership. We will look at equity building lease provisions, resale-limiting deed restrictions, and more.
Reminder to please feel free to connect with each other or with the organizers in the meantime!

https://jamboard.google.com/d/13JBATaUH5hW3z9mk7O0Ydad82oX0I_JryYm06ZAn9wA/edit?usp=sharing

You can also email sdanly@vitalcommunities.org to be put in touch with any of the organizers