



## PERMANENT HOUSING AFFORDABILITY ACT

### Background

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Skyrocketing housing costs have impacted prospective homebuyers in every corner of the country. First-time buyers are facing the toughest path to homeownership seen in decades. Community land trusts and other forms of Shared Equity Homeownership (SEH) have found tremendous success in bringing homeownership opportunities within reach for working-class families.

The SEH model works by injecting a one-time public or private investment to make a home affordable for the buyer based on the Area Median Income. The home's sale price is then based on a resale formula to keep it affordable for subsequent families who purchase the home. This allows homeowners to build meaningful wealth while still allowing subsequent homebuyers access to affordable housing. The result is a self-sustaining community asset that will propagate affordability for generations.

Public dollars invested into these models are a very efficient use of taxpayer funding. Affordable housing under an SEH model does not require re-subsidization and generates a compounding return on federal dollars as each dollar preserves affordability not just for one household, but for every future household in that home for generations.

### Bill Summary

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This bill would create federal resources to support all forms of shared equity homeownership to create affordable homeownership opportunities. Specifically, the bill:

- Establishes the Lasting Home Affordability fund for states to launch an accessible, low-interest, revolving loan program for home construction. Home construction remains the most difficult expense for lasting affordability entities to finance.
- Creates a Lasting Affordability Homeownership Grant Pilot Program to purchase vacant land or existing properties to develop permanently affordable housing.
- Directs HUD to research best practices for shared equity models and share with lenders, home builders, and the public.
- Authorizes federal transfer of surplus property to Shared Equity Homeownership entities at discounted rates.

**Endorsements:** Habitat for Humanity Seattle-King & Kittitas Counties, Washington State Community Land Trust Coalition, Washington Affordable Cooperative Housing Network, Grounded Solutions Network, National Housing Conference, American Planning Association, NeighborGood Partners, Community Legal Aid Society, Inc., The WRK Group, Delaware National Association of Housing and Redevelopment Officials (NAHRO), National NeighborWorks Association, Congress for the New Urbanism (CNU), Incremental Development Alliance, National Community Stabilization Trust (NCST), Wilmington Land Bank, Habitat for Humanity of New Castle County, Habitat for Humanity of Central Delaware, Sussex County Habitat for Humanity, Virginia Statewide Community Land Trust, and North Carolina Community Land Trust Coalition.