The Co-op Revillaging Project
C Street Pilot Project

A collaboration of

cultivate

Square one villages

PROJECT DESCRIPTION 5/8/20
A New Pathway to Affordable Homeownership

With home prices now excluding the majority of Eugene-Springfield's population from homeownership, transformative solutions to the housing crisis are called for. The Co-op Revillaging Project offers a housing development model creating new homeownership opportunities on typical residential lots, which remain permanently affordable. This is made possible through cooperation: intentionally-designed shared homes containing suites for multiple owners, and a shared ownership structure. The homes are owned through a limited-equity housing cooperative, and the land is secured by ownership through a community land trust. A one-time investment by local social investors paired with modest subsidies (~$24,000 per household) enable permanent affordability by households earning 60% of the area median income.

Through a spirit of cooperation, the Co-op Revillaging Project reestablishes a widely-accessible pathway toward homeownership and ensures these opportunities remain permanently available in the community. And unlike the suburban homeownership model of the 20th century, this model can serve a diversity of housing types and help facilitate a transition toward sustainable, socially-cohesive and walkable neighborhoods.

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C Street Pilot Project

The C Street Pilot Project is planned for a vacant residential lot on C Street in downtown Springfield, currently owned by a project investor. The lot will host a **new shared house and ADU, designed with one-bedroom suites for up to six co-op owners**. The design maximizes construction efficiency and energy efficiency, targeting “net zero energy” performance. With **Cultivate, Inc.** acting as architect-developer, a small number of **social investors** will provide construction financing of approximately $440,000, and a licensed contractor will oversee construction. Construction aims to begin **Summer/Fall 2020**.

**SquareOne Villages**, acting as the community land trust, is pursuing $60,000 in grant funding to purchase the land, and approximately $40,000 to cover the costs of the program creation. Other subsidies, such as down payment assistance provided by the **City of Springfield** and a temporary property tax exemption will also be pursued to achieve affordability for households earning 60% of the area median income.

**Development Structure**

![Diagram of Development Structure]

- **Cultivate, Inc.**
  - Architect-Developer
  - Benefit Corporation

- **SquareOne Villages**
  - Community Land Trust
  - 501c3 Non-Profit

- **Social Investors**
  - Project-Specific LLC

- **Home Builder**

- **Co-op Homeowners**

- **Community Grants**
Revillaging Exclusionary Neighborhoods

As we face our nation’s housing crisis, communities are struggling to accommodate a growing population with increasingly smaller household sizes, in neighborhoods zoned exclusively for low-density, single-family housing. Housing advocates are calling for more housing diversity and more walkable neighborhoods. As a result, duplexes, accessory dwelling units (ADU’s) and other “missing middle” housing types are being re-legalized across many communities.

However, the construction of additional housing on existing single-family lots will tend to create only new rental housing, and actually increase the cost-barrier to property ownership. As rental rates and property values rise, increasing housing density in a “business-as-usual” scenario suggests a trend toward growing economic inequality between renters and owners. As we rethink the exclusionary single-family neighborhood, how can we reestablish the widely-accessible homeownership opportunity it once offered and counter current trends toward inequality?

The technical solutions are clear: we need more abundant and more diverse housing options, and we need ownership and financing options that facilitate multiple owners per lot, such as condos and co-ops. Our challenge is to demonstrate how these solutions can actually offer better neighborhoods for everyone. It requires acknowledging the exclusionary, car-dependent nature of low-density zoning regulations, and reimagining our neighborhoods instead more like sustainable villages where an abundance and diversity of people hold ownership of their homes, and can enjoy parks, plazas, shops and cafes within walking distance of their home. This is actually not so hard to imagine because one hundred years ago this would have described most neighborhoods in America. You might call this then, a “revillaging”.

While such a revillaging is a decades-long endeavor, the housing model of such a vision is overdue for arrival.
After construction the limited-equity housing cooperative will be established, and purchase the property through a co-op specific mortgage. Shared Capital Cooperative offers such mortgages at ~6.25% interest. The co-op will hold ownership of the homes and maintain a ground lease with SquareOne.

Aspiring homeowners will be selected by SquareOne Villages, and with a share purchase (down payment) of up to $10,000 become new co-op shareholders. The co-op homeowners will self-manage their housing, and have total monthly payments of approximately $730 including utilities. SquareOne, acting as the land trust, will be available to provide support to the co-op over time.

Because the mortgage will not fully cover the project costs, a portion of the social investors’ construction loan will be maintained as a second-position loan with the co-op, with a targeted return of 8% paid over ~9 years. This return includes the construction loan period, and terms will be finalized with the investors before construction (see also the Pro Forma in the Appendix). After the investors are repaid, the cashflow surplus will contribute to a co-op funding pool managed by SquareOne, helping to finance down payments by future owners—addressing an important need since co-op share loans are currently unavailable in Oregon. The fund may also be used to help seed future co-op housing developments. Over time, co-op owners will accrue equity at a limited rate (~3-5%), which will keep the share purchase price permanently affordable to new buyers. This arrangement is maintained in perpetuity through the land trust.

If the C Street property was simply developed as market-rate housing, it would be more lucrative for investors and require no subsidy. And barring further action that would be the likely outcome. This pilot project instead creates multiple affordable homeownership opportunities on a single lot, and with a one-time community-wide investment, ensures these opportunities remain permanently available in the community.

May this pilot project establish a cooperative pathway toward a more equitable and sustainable future for our neighborhoods.

### Housing Co-op Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Share Price</td>
<td>$5,000 - $10,000</td>
</tr>
<tr>
<td>(Down payment)</td>
<td></td>
</tr>
<tr>
<td>Resale Formula</td>
<td>Initial share price + 3-5% interest per year</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>~$730 including utilities, loan payments, and other operating costs</td>
</tr>
</tbody>
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Site Plan

The development site enjoys a walkable location, just a few minutes from downtown Springfield. Due to the small-footprint homes ample greenspace remains available as well as four off-street parking spaces. Area for a future storage shed is planned which can include bicycle parking, household storage, and a garden shed. As a housing cooperative, the homes are owned and managed cooperatively. The land is held through a ground lease with the land trust, SquareOne Villages, who is available to provide administrative support to the co-op over time.
Streetscape

A simple, well-composed design supports a shoestring construction budget without sacrificing durable materials or energy-efficiency. Front porches provide casual settings for a chat with a neighbor, and great spots to enjoy a warm spring day.
Floorplan | Shared House

4 Bedrooms, 4 Bathrooms, 1 Full Kitchen
Total Area 1650 SF

The house is designed to be shared by four co-op owners (with a maximum of five unrelated occupants per City regulation). Each bedroom area enjoys a bathroom and living space with a kitchenette, improving options for privacy among the shared household.

main floor
scale 1/8" = 1'-0"

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Floorplan | Shared ADU

2 Bedrooms, 2 Bathrooms, 1 Full Kitchen
Total Area 790 SF

main floor
scale 1/8" = 1'-0"

upper floor

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With well-insulated 2x8 walls, airtight construction, and triple-pane windows, the homes aim to be "net zero energy ready", with future rooftop solar panels able to generate as much energy as the homes use in a year. This also means very low energy bills. Simple, optimized construction practices keep this affordable. Durability is also a priority: standing-seam metal roofing and fiber-cement siding are anticipated. These details are subject to change based on budgetary constraint.

**Roof**
- 14\" wood I-Joist @ 24\" o.c.
- Blown-In Insulation
- Air Barrier: Taped Sheathing
- Roofing

**Wall**
- 2x8 @ 24\" o.c.
- Blown-In Insulation
- Air Barrier: Taped Sheathing
- Rainscreen Battens
- Siding

**Windows**
- Triple-Pane, Casements

**Floor**
- 2x12 @ 24\" o.c.
- Air Barrier: Taped Sheathing
- Blown-In Insulation

**Heating, Cooling, & Ventilation**
- Mini-Split Heat Pump
- Bathroom & Kitchen exhaust fans

**Water Heating**
- Heat Pump Water Heater

**Energy Performance** *(Estimated)*
- Energy Demand = 4,300 kWh/yr per unit
- EUI = 19 kBTU/sf.yr
- Net Zero Solar PV Size = 3.9 kW per unit
  (Solar panels future install)