

# NOT JUST FOR CITIES

## Shared Equity Housing in Rural Communities

August 14, 2025



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# SPEAKERS



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# Our Speakers

Moderator:

- **Margaret Bau** – Cooperative Development Specialist

Speakers:

- **John Bannon** – Local Food Coordinator, Illinois Institute for Rural Affairs, Western Illinois University
- **Nicole Borner** – Cooperative Development Specialist, Montana Cooperative Development Center
- **Kate Redman** – Co-Founder, Commongrounds Cooperative & Executive Director, Commongrounds Foundation



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# AGENDA



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# Agenda

- Introductions – 10"
- Nicole Borner – Specificities of Rural Contexts & Insights from Montana – 15"
- John Bannon – Dovetailing housing with immigrant community needs: Examples in Illinois – 15"
- Kate Redman – Harnessing USDA funds in Michigan – 15"
- Q&A – 30"
- Wrap up – 5"



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# SHARED EQUITY HOUSING

CO-OPS, CLTS, ROCS



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# What is Shared Equity Housing?

## **Community Ownership**

Entities or properties in which residents and community members lead in both governance and ownership.



Source: RDC USA, 2020

# Shared Equity Housing Models



- Limited Equity/Affordable Cooperatives – 190,000 units across the country
- Community Land Trusts with affordable housing 300+ in urban and rural areas
- Resident-Owned Communities – 344+ across country
- Inclusionary Housing Programs – 1000+



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# Why Shared Equity Housing?

**Provides permanently affordable ownership alternative to rental housing**

Prevents displacement in challenging or gentrifying markets

Promotes owner-occupancy and supports local workforce needs

Long-established models with demonstrated benefits for residents and communities – can provide housing stability, advance social and financial equity



# Examples of SEH

- limited equity housing co-ops
- community owned real estate co-ops
- ROCs (resident owned communities of manufactured housing)
- land trusts with cooperatively owned housing



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# NICOLE BORNER

## SPECIFICITIES OF RURAL CONTEXTS & INSIGHTS FROM MONTANA



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# Not all Rural is the Same

Understanding Rural Montana

Nicole Borner  
Cooperative Development Specialist  
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Petroleum County, Winnett, MT  
Pop 2020  
County 496  
City 188  
.2 person per square mile



# Discussion Points:

- Defining Rural in Montana
- Assumptions vs Reality
- MCDC Cooperative Housing Study
- Community Wealth through Cooperative Solutions
- Co-ops Rock!



# Defining Rural

| Official Definition(s) of Rural                       | Rural Montana Realities   |
|---|---|
| Typically defined by what's NOT urban                 | Defined by who and what IS there- people, land, resilience, distance  |
| Census: Low-density suburbs are rural                 | Frontier – towns with < 300 people, counties with 500-10,000 people, no stoplight, aging infrastructure, depopulation |
| OMB: County-based definitions tied to metro economies | Towns can be 2 + hours from hospital, services, grocery store, or tradesperson  |
| Rural=shrinking or growing depending on definition    | Frontier towns are often shrinking, aging, and overlooked in both definition categories. Added pressures              |
|   |   |

# “Assumptions vs Reality

| Assumptions  | Reality  |
|--|--|
| There is enough people to generate demand                        | Rural towns of less 300 people, and no available housing             |
| There are developers and tradespeople to generate demand         | No developers are building-there is no profit margin                 |
| There is capital or financing available                          | Jobs few and low paying in rural towns, local banks are conservative |
| There are buyers or renters actively participating in the market | Substandard housing, overcrowding, deferred maintenance              |
| Prices adjust based on supply and demand                         | Landowners might not want to sell or subdivide                       |




Population 2020  
Musselshell County: 4,730  
City of Roundup: 1,742  
1,869 square miles  
2.7 people per square mile



## Exploring Cooperative Housing Solutions



An aerial photograph of a small town in Montana during the 'golden hour' of sunset. The town is nestled in a valley, with a mix of residential houses and commercial buildings. In the background, rolling hills and mountains are visible under a sky with soft, colorful clouds. The foreground shows more residential areas with some trees and parked cars.

Population 2020  
Meagher, White Sulphur Springs, MT  
County 1927  
City 955  
2

## Building Community Wealth through Cooperative Solutions

- **Rural & Frontier Values** – Self-help, self-responsibility, and care for community.
- **Proven Housing Solutions in Montana:**
  - Wolf Ave Project-conversion
  - 20 Resident-Owned Communities (ROCs)
  - Musselshell Rural Investment Co-op
  - Harlowton/Musselshell Valley Development Co-op
  - Riverside Crossing (55+)
  - Village Coop (Active Senior Housing)
- **Strong Partnerships** – Local EDOs, community stakeholders, and leaders working together.
- **Beyond Housing** – Worker co-ops, opportunity development co-ops, and multistakeholder co-ops tackling rural disinvestment.
- **MCDC's Role** – Cooperative education, technical assistance, and supporting community-led pilot projects.
- **The Goal** – Solve housing challenges for workforce & seniors while keeping wealth local.



# Resources

- [Housing Study | MCDC](#)
- [Workbook: Montana Housing Situation Report](#)
- [Govenor's Housing Report: HTF-PIII-final-report-2024.pdf](#)
- [Montana Housing Coalition](#)
- [1. Defining "Rural" Areas](#)
- [eCFR :: 7 CFR 25.503 -- Rural areas.](#)

# JOHN BANNON

## DOVETAILING HOUSING WITH IMMIGRANT COMMUNITY NEEDS: EXAMPLES IN ILLINOIS



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# Housing, Immigration, and Cooperatives

**John Bannon**, Local Food Coordinator



# Topics

- Rural Population Declines
- Immigration and Housing Challenges
- Immigration and Housing Successes
- Revitalization and Immigration
- Low-Income Housing Tax Credits
- Capacity Issues
- Small Towns
- Comparative Models
- Resources

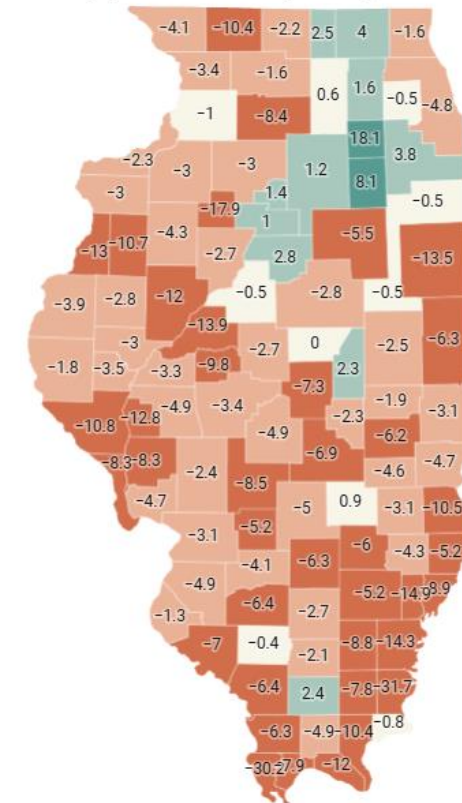


# Rural Population Declines

- Small communities are losing population.
- Over half of rural counties lost population between 1980 and 2010 (Long-Term Trends).
- Net population decline (not just relative to urban areas) for the first time between 2010 and 2020 (Wilson).
- According to the Casey School of Public Policy, rural America grew from 2020 to 2023 with a large net migration gain offsetting a negative natural change in population as rural deaths outpaced rural births (Mitchell)
- Immigrants, especially Hispanic immigrants, are moving to rural America in greater quantities to more dispersed destinations than ever before.

## Illinois' rural counties lost population fastest in 2023

Rate of county population change per 1,000 residents, July 2022-July 2023



Map: @illinoispolicy • Source: U.S. Census Bureau • [Get the data](#) • Created with [Datawrapper](#)



# Immigration and Housing Challenges 1

- Immigrants nationwide face challenges such as being cost burdened and face discrimination by landlords as immigrants are reluctant to call in authorities (Ballard, et. al.)
- In Illinois, immigrants have expressed concern about housing affordability/availability, treatment by landlords / property condition, pathways to ownership
- Availability of larger size housing that is culturally appropriate for Hispanic migrants that have a preference for living in multigenerational residences (Illinois Housing Blueprint).



# Immigration and Housing Challenges 2

- Illinois Migrant Council notes immigrants typically call trusted non-profits or agencies instead of actual authorities.
- Illinois has more immigrants than migrants due to economics of predominant agriculture (corn/soy are not as labor intensive)
- In Illinois, welcome center network very useful bridge between immigrants and local governments
- Many towns are trying to partner with non-profits – good model of leveraging each other's strengths
- Immigrants tend to cluster with their community of origin





# Immigration and Housing Successes

- Immigrants see disinvested neighborhoods as areas of opportunity.
- Segregation / separation in rural areas follows national trends – no worse (or better) than urban areas.
- Immigrants more likely to be homeowners and less likely to be on food stamps than general population (Jensen).
- Immigrants noted to add economic dynamism to local economies (start new businesses).
- Immigrants also purchase and renovate homes that might otherwise stay vacant and deteriorate.



# Revitalization and Immigration

- Immigration has the potential to revitalize communities struggling with depopulation.
- Arcola, Illinois is a good case study for success.
- Tom Flavin, former Mayor, banker, and head of Mi Raza, an organization dedicated to helping immigrants, laments how a neighboring community has lost their grocery store, restaurant, gas station, hardware store, and even their library.
- Arcola is doing well and has retained three large factories.
- Many immigrants came for factory jobs and later started their own businesses, increasing the economic dynamism of the community.
- Beardstown, Illinois is another town that has managed to retain a large meatpacking plant largely due to immigrant labor.
- The town has a largely stable population due to immigration and now needs housing – JBS is looking into building workforce housing (Admin).



# Low-Income Housing Tax Credits

- LIHTC funding is increasing – 12% permanent housing increase.
- There are many great examples of rural LIHTC projects across rural Illinois and beyond.
- There are also examples of very mediocre LIHTC projects.
- Communities should be intentional about what type of affordable housing they need and proceed accordingly.
- Possibility to combine LIHTC and co-op model?

Indian Trail Apartments,  
Lawrenceville, IL, Yost  
Management Services,  
Inc., 74 Duplexes &  
Apartment buildings



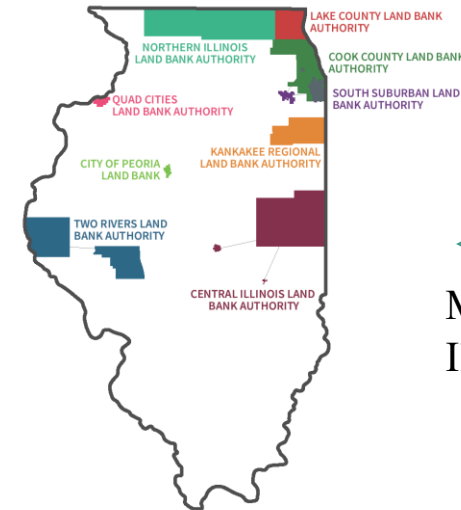
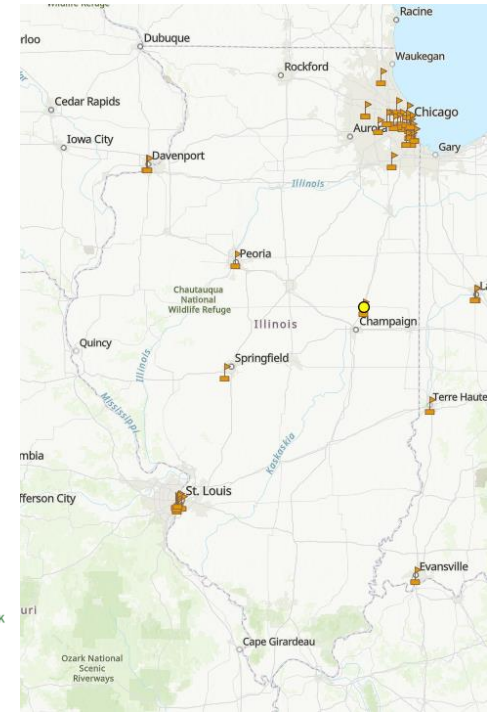
Tiger Senior Apartments,  
Paris, IL, Laborers  
Home Development  
Corp., 42 units 55+  
seniors, reuse former  
Paris High School



# Capacity Issues

- Chicago is well-served by Community Development Finance Institutions (CDFIs).
- The rest of Illinois is not.
- The quality and capacity of the regional organizations such as Regional Councils, Community Action Agencies (CAA), Economic Development Organizations, non-profits, and Land Banks varies greatly across the state.
- Outside of the larger cities, what regional organizations do exist are usually stretched thin with minimal staffing.
- Traditional banking options are usually not acquainted with cooperatives, particularly in rural areas.
- Rural towns are diverse in terms of their housing needs- there is not a one-size-fits all solution.

Map of Community Development Financial Institutions in Illinois



Map of Land Banks in Illinois



# Small Towns

- Currently more than 1,000 Illinois municipalities with populations under 5,000.
- Almost all of these communities do not have the budget for a housing, zoning, or community development professional in their local government.
- Both hinders housing development and leads to blight as code is not enforced.
- Participation in state and federal housing programs is low as they are often unaware of potential assistance programs and lack capacity to apply for programs they are aware of.
- Illinois needs to build 227,000 housing units in 5 years. That is 45,400 per year and in 2023 Illinois only constructed 17,000 housing units (Teja).
- Many rural communities in Illinois have weaker real estate markets and the cost of construction can be more than the sales price.
- Opportunity for cooperative housing if the case can be made to locals.





# Cooperative Models

- Resident-Owned Communities (ROCs)
  - Mobile home parks owned by the members. Great option, but not able to find any successful ROCs in Illinois outside of senior communities.
- Cooperative housing – good examples in Champaign-Urbana metro (Savoy and Urbana), but University of Illinois community may be an outlier.
- Many great examples of cooperative housing in Chicagoland.
- Rural Illinois lacks the knowledge and capacity to implement cooperative solutions.
- Many areas of the state do not have CDFIs, have CAAs and Regional Councils of varying capacities, do not have a land bank, local banking institutions are not familiar with cooperatives.
- Senior housing models with co-ownership of units have been successful(Wesley Village in Macomb, Leisure Village of Fox Lake).



# Resources

- Long-Term Trends in Rural Depopulation and Their Implications for Community Banks  
<https://www.newamericaneconomy.org/housing/>
- Wilson, R. (2022, March 1). Rural America shrinks over decade for first time. The Hill.  
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- Mitchell, T., & Mitchell, T. (2024, April 14). 1. Demographic and economic trends in urban, suburban and rural communities. Pew Research Center. <https://www.pewresearch.org/social-trends/2018/05/22/demographic-and-economic-trends-in-urban-suburban-and-rural-communities/>
- Ballard, J., Her, M., & J. Thao, T. (2020, June 20). A Place to call Home: Housing challenges among immigrant families. National Council on Family Relations. <https://www.ncfr.org/ncfr-report/summer-2020/place-call-home-housing-challenges-among-immigrant-families>
- Osborne, D. (2022, December 23). The Future of Housing in Illinois - IL Housing Blueprint. IL Housing Blueprint. <https://ilhousingblueprint.org/>
- Jensen, L. (2006b). New immigrant settlements in Rural America: Problems, prospects, and policies. In Carsey Institute at University of New Hampshire.  
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# Resources

- Admin. (2017, February 21). Small farm town in central Illinois embraces immigrants and prospers - new American economy. New American Economy. <https://www.newamericaneconomy.org/feature/small-farm-town-in-central-illinois-embraces-immigrants-and-prospers/>
- Teja, R. (2025, July 17). Illinois housing shortage demands bold action. WSIU. <https://www.wsiu.org/state-of-illinois/2025-07-17/illinois-housing-shortage-demands-bold-action>





# KATE REDMAN

## HARNESSING USDA FUNDS IN MICHIGAN



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# Commongrounds Cooperative

## Mission

To build a more empowered community through cooperatively owned places that connect people and actively integrate wellness, arts, family and food.

## Location: Traverse City, Michigan

Rural regional hub, tourism-driven seasonal economy, high income disparity, affordability crisis.

## Multi-Stakeholder Real Estate Cooperative

- Pilot project purchased land in 2018, broke ground in 2021, opened in 2023.
- Ownership classes:
  - Commercial tenants (99-year lease, share)
  - Community owners (1200+ so far), includes residents - \$50 one-time share + investment



# Building Overview

## Residential: 17,788 SF

19 workforce, income-based rental housing units for 60%-120% AMI; 5 short-term guest stay units

## Commercial: 20,136 SF

7 units/tenants on food, family, arts, and wellness (early childhood, restaurant, coffee learning lab, arts venue, nonprofit & social entrepreneur coworking/meeting space, gym/physician)

## Public Elements/Community Spaces

Teaching Kitchen; Public Lobby & Art Gallery (1st/2nd Floor); Community Gathering Spaces; Public Parking



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# Spotlight on Housing: Third/Fourth Floors

## Mixed Income Rental Units

- 75% of long-term units are income based and serve below market (60%AMI-100% AMI).
- Subsidized by 5 short-term guest stay units
- Suites, studio, 1 and 2 bedroom.

## High-Quality & Green Design

- Energy efficient, solar, green roof, electric, small footprint
- High quality materials

## Shared amenities

- Community rooms/lounges, outdoor balconies
- Wellness/exercise
- Building amenities, including preferred access to child care



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# Governance: *Who, Who Makes Decisions?*

- **Board.** Owner-elected board governs organization. Tenant-owners elect majority; 3 community owner representatives; residential tenant representative; River representative
- **Operations.** Board hires staff to operate cooperative day-to-day. TOs approve policies, CAMP, feedback on decisions.
- **RASIC.** Bylaws and policies include a RASIC defining role of members in decisions.

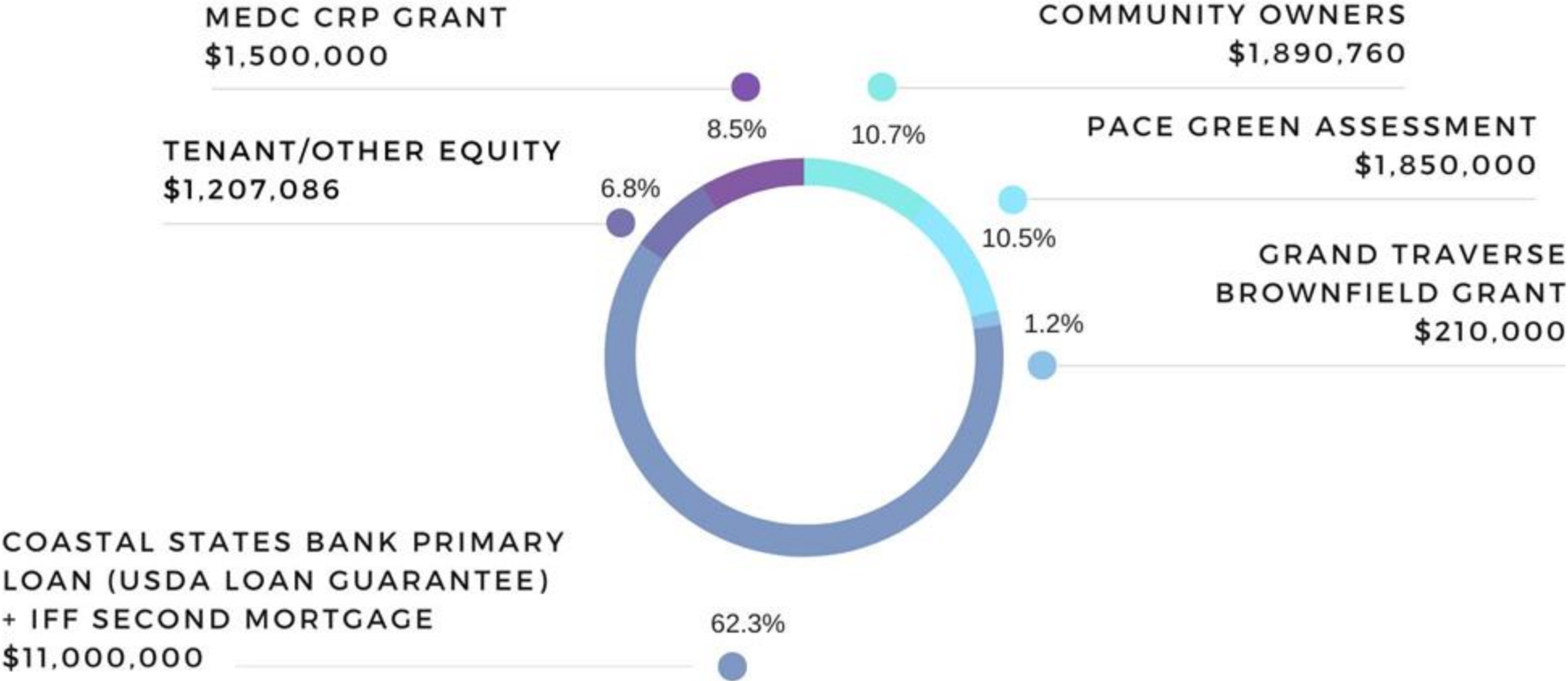


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# Project Sources of Funds

Total Project Cost: \$17,657,846



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# ***Impact: Meeting Community Needs***

- Workforce housing
- Neighborhood-based early childhood care
- Culture of health: food, movement, connection
- Avenue to build wealth by investing locally
- Attract & retain talent for year-round economy
- Align with city vision to develop walkable “healthy living” corridor
- Support and attract artists
- Social infrastructure to increase community resilience



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# *Rural Power: Why does this work for rural communities?*



## Community-Driven Development

Community ownership and voice in direction of real estate development, filling market gaps to meet community needs (especially useful in over- or underdeveloped markets)

## Mixed-Use for Mixed Needs

Locating diverse services under one roof to increase cross-pollination, shared funding/operations, and one destination for engagement.

## Funding Opportunities

USDA Rural Development Funding: The model leverages USDA programs (e.g., Business & Industry Loan Guarantees) to support community-serving infrastructure in qualifying areas. Crowdfunding can also be a good fit for smalltowns where there is high trust in project leaders.



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# RESOURCES



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# Resources

## Network Websites

- Co-ops – [www.UHAB.org/national](http://www.UHAB.org/national), [www.coophousing.org](http://www.coophousing.org)
- CLTs – [www.groundedolutions.org](http://www.groundedolutions.org)
- ROCs – [www.ROCUSA.org](http://www.ROCUSA.org)

## TOPA/COPA Laws

- [Tenant / Community Opportunity to Purchase | PolicyLink](#)
- [Model Manufactured Home Community Stability and Preservation Act](#)

## LIHTC

- [Moving LIHTC Towards Social Housing: A QAP Toolkit](#)



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# QUESTIONS?



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# CONTACT INFO



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# Stay in Touch!

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# THANK YOU!

**CDF**

<https://www.cdf.coop/affordablehousinginitiative>



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