Virtual Community Information Session

@atllandtrust
atlantalandtrust.org
Presenters:

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Agenda:

1. Atlanta Land Trust & Community Land Trust Overview
2. ALT Homebuying Process
3. Area of Focus & Available Properties
4. Financial Education Requirements
5. Resources for Financing ALT Properties
6. Next Steps
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1. Atlanta Land Trust & Community Land Trust Overview
2. ALT Homebuying Process
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MISSION: To deliver and steward permanently affordable housing to support inclusive, equitable communities near the Atlanta BeltLine and other targeted areas in the city of Atlanta.

VISION: A livable, equitable and economically viable city where historically marginalized populations and communities of color can access and benefit from opportunities and prosper.
Of the 193,000 households in the city of Atlanta:
- 55% earn less than 80% of the median income, or roughly $56,000
- Of these, 69% spend more than 30% of their income on housing

From 2000–2017 in the city of Atlanta:
- Median income increased by 48% while median rent increased by 70%
- Black homeownership rates declined by 5.5%
- Homeownership rates for households earning less than $100,000 declined 15%
Four Key Goals:

1. Create or preserve 20,000 affordable homes by 2026 and increase overall supply
2. Invest $1 billion from public, private, and philanthropic sources in the production and preservation of affordable housing
3. Ensure equitable growth for all Atlantans and minimize displacement
4. Support innovation and streamline processes
Sell to another low-income family
How does a Community Land Trust work?

1. Community land trusts use various sources of capital to acquire/develop homes in a geographic focus area.

2. A new income-qualified resident buys and owns their house outright, but the CLT retains ownership of the land.

3. The homeowner leases the land beneath the house from the CLT, which maintains permanent affordability.

4. As long as the homeowner stays in the house, they are building equity.

- Residents have the opportunity to serve on the CLT board of directors
- When they are ready to sell, the CLT sets a price that allows them to earn a portion of the equity while maintaining an affordable price.

- The new resident is still able to buy a home at a price that's been kept affordable, and agrees to the same requirements around the resale.

- 58% of CLT homebuyers go on to buy a market rate home, using the equity they gained by being a CLT homeowner.

Funding sources include:
- Foundations
- Public entities (federal, state, and local)
- Financial institutions
- Private donors

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Benefits of CLT Homeownership:

CLT homeownership mitigates the risks of traditional homeownership, strengthens residential stability, and promotes equitable wealth building.
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1. **Community Control:** CLTs take land out of the speculative real estate market and put it under community control.
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1. **Community Control**: CLTs take land out of the speculative real estate market and put it community control.

2. **Housing Stability**: The average annual move rate for shared equity households is 2.6 percent compared to 14 percent of all households nationwide. CLT homeowners also benefit from predictable and consistent monthly housing costs.
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3. **Pathway to Traditional Homeownership**: When shared equity households sold their homes and moved, the majority (58 percent) choose to purchase again.
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3. **Pathway to Traditional Homeownership**: When shared equity households sold their homes and moved, the majority (58 percent) choose to purchase again.
4. **Wealth Creation**: The median shared equity household accumulates approximately $14,000 through a median equity investment at purchase of $1,875. Balance between Wealth Creation + Affordability
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• Financial responsibilities:
  • Monthly Lease Fee (land use fee, repair reserve)
  • Property Taxes (homestead exemption eligibility targeted for 2020)
  • Utilities
Homebuyer Requirements:

- Is your household income at or below 80% AMI (area median income)?
- Are you employed, disabled or a senior citizen?
- Do you have a minimum credit score of 620?

<table>
<thead>
<tr>
<th>AMI Percentage</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI</td>
<td>$17,370</td>
<td>$19,860</td>
<td>$22,350</td>
<td>$24,810</td>
</tr>
<tr>
<td>50% AMI</td>
<td>$28,950</td>
<td>$33,100</td>
<td>$37,250</td>
<td>$41,350</td>
</tr>
<tr>
<td>60% AMI</td>
<td>$34,740</td>
<td>$39,720</td>
<td>$44,700</td>
<td>$49,620</td>
</tr>
<tr>
<td>80% AMI</td>
<td>$46,320</td>
<td>$52,960</td>
<td>$59,600</td>
<td>$66,160</td>
</tr>
<tr>
<td>100% AMI</td>
<td>$57,900</td>
<td>$66,200</td>
<td>$74,500</td>
<td>$82,700</td>
</tr>
</tbody>
</table>
ALT uses two resale formulas:

**Appraisal-Based**
The homeowner’s initial purchase price is increased over time by a specified percentage of the increased market value. Market value is determined by an appraisal at the time of purchase and the time of resale.

**Fixed-Rate**
The homeowner’s affordable purchase price is increased over time by a fixed annual percentage of either simple or compound interest. The most common are between 1%-2%.
Resale Formula in Action:

The first unit was placed into the Atlanta Land Trust in 2012. This condominium was sold to an officer of the Atlanta Police Department. Six years later, when he sold his home, the property’s deed restriction dictated the resale price and established income limits for future homebuyers. He was able to share in 25% of the appreciation of the home over the six years he owned the unit. The home was then resold at an affordable price to a healthcare worker whose income did not exceed 80% of the area median income, preserving its affordability.

<table>
<thead>
<tr>
<th>Unit 110, 890 Memorial Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012 Purchase</strong></td>
</tr>
<tr>
<td>Estimated Market Value</td>
</tr>
<tr>
<td>Community Land Trust Discount</td>
</tr>
<tr>
<td>Reduced Purchase Price</td>
</tr>
<tr>
<td>Mortgage Amount</td>
</tr>
<tr>
<td>Estimated Monthly Payment</td>
</tr>
<tr>
<td><strong>Sale in 6 Years</strong></td>
</tr>
<tr>
<td>Market Rate Value of Home</td>
</tr>
<tr>
<td>Total Appreciation</td>
</tr>
<tr>
<td>25% of Appreciation</td>
</tr>
<tr>
<td>Sale Price</td>
</tr>
<tr>
<td>Less Remaining Mortgage Balance</td>
</tr>
<tr>
<td>Equity to Homeowner at Sale</td>
</tr>
</tbody>
</table>
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4. Financial Education Requirements
5. Resources for Financing ALT Properties
6. Next Steps
Homebuying Process

1. **LEARN ABOUT OUR PROGRAM**
   - Review the qualification criteria
   - Attend a Community Information Session

2. **DETERMINE PROGRAM ELIGIBILITY**
   - Complete the electronic Atlanta Land Trust Program Application
   - Submit income-verifying documentation
   - Schedule and attend one-on-one counseling session with RRC

3. **COMPLETE HOMEBUYER EDUCATION AND GET MORTGAGE PRE-APPROVAL**
   - Attend Homebuyer Education Class and obtain Certificate
   - Obtain a mortgage loan pre-approval letter from an ALT-approved lender

4. **FIND YOUR NEW HOME**
   - Select an available ALT home of your choice
   - Enter into contract on the available ALT home of your choice
   - Review of the terms of your ground lease
   - Complete closing, sign your ground lease and move into your new home
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West Atlanta Preservation Initiative
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4. **Financial Education Requirements**
5. Resources for Financing ALT Properties
6. Key Stakeholders
Financial Education Requirements

1. COMMUNITY INFORMATION SESSION
   • Hosted monthly by ALT

2. ONE ON ONE COUNSELING SESSION
   • Conducted by Resources for Residents and Communities
   • ALT to assist with scheduling appointment and collecting required documentation (credit report, income statements, bank statements, W-2 forms and tax returns)
   • Topics covered include:
     • Financial readiness, including budgeting and spending
     • Overview of community land trust model, including review of legal documents, including Ground Lease
     • Staying in your home and preparing for the future

3. HOMEBUYER EDUCATION COURSE
   • Conducted by a HUD-approved Housing Counseling Agency
   • Topics covered include:
     • Budgeting and money management
     • Insurance
     • Community engagement
     • Credit
     • Down payment assistance programs
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Homebuyers must use an ALT-approved lender for their home loan.

**LOAN PRODUCTS**
- Fannie Mae Conventional Loans
- Freddie Mac Conventional Loans
- Portfolio Loan
- Housing Finance Agency Loans
- VA Loans

**APPROVED LENDERS**
- Capital City Home Loans: Craig Cramer, (404) 455-3729, ccramer@brandmortgage.com
- Regions Mortgage: Kimberly Guider, (770) 843-0568, Kimberly.guider@regions.com
- Land Home Financial Services: Craig Greenberg, (281) 973-5540, Craig.Greenberg@LHFS.com
Downpayment Assistance: Invest Atlanta

ATLANTA AFFORDABLE HOMEOWNERSHIP PROGRAM (AAHOP)
• Up to $14,000 towards down payment and closing costs in form of a 0% soft second mortgage
• Household income cannot exceed 80% of area median income, must be first-time homebuyer
• If property is sold before 5 years, portion of loan must be repaid

INTOWN MORTGAGE ASSISTANCE PROGRAM (IMAP)
• Up to $10,000 towards down payment and closing costs in the form of a 0% soft second mortgage
• Household income cannot exceed 120% of area median income
• If property is sold before 10 years, loan must be repaid plus a percentage of any Gain

REQUIREMENTS:
• Attend Invest Atlanta’s Homebuyer Q & A Session
• Enroll in a qualified Homebuyer Education Class
• Obtain prequalification with a Participating Lender
• Home must be within Atlanta city limits
Downpayment Assistance: Atlanta Housing

HOMEOWNERSHIP ASSISTANCE PROGRAM
• $20,000 to $25,000 towards down payment and closing costs in form of a 0% soft second mortgage
• Household income cannot exceed 80% of area median income, must be first-time homebuyer
• If property is sold before 10 years, portion of loan must be repaid plus a portion of the appreciation realized

REQUIREMENTS:
• Enroll in a qualified Homebuyer Education Class
• Contact a Participating Lender to get prequalified
• Find a home inside the city limits of Atlanta
Downpayment Assistance: Atlanta Neighborhood Development Partnership, Inc.

HOMEOWNERSHIP ASSISTANCE PROGRAM
• $5,000 - $10,000 towards down payment, closing costs and/or principal reduction in form of a 0% soft second mortgage
• Household income cannot exceed 80% of area median income
• Programs available for First Time Homebuyers and Community Partners, Military/Veterans, Overseas Military/Veterans
• If property is sold before 5 years, portion of loan must be repaid

REQUIREMENTS:
• Complete the specific Homebuyer Education for this program
• Contact a Participating Lender to get prequalified
• Find a home within metropolitan Atlanta
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5. Resources for Financing ALT Properties: Downpayment Assistance
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Next Steps:

☑ Review program qualification criteria
☑ Attend Community Information Session
☐ Complete the electronic Atlanta Land Trust Program Application
   atlantalandtrust.org/resources/application
☐ Obtain a mortgage loan pre-approval letter from an ALT-approved lender
☐ Schedule and attend one-on-one counseling session
☐ Schedule a tour of an available ALT home of your choice
☐ Enter into contract on the available ALT home of your choice