



ATHENS LAND TRUST

The Creative Solution for Affordable Housing



Development of Athens

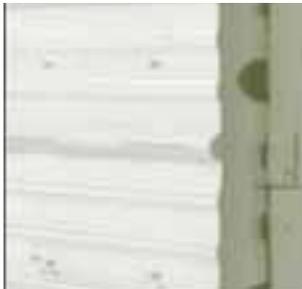


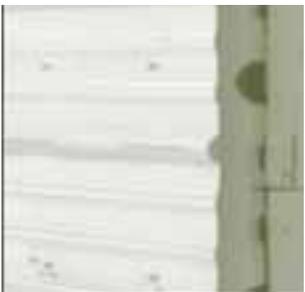
Go Dawgs!





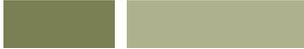
Music Scene

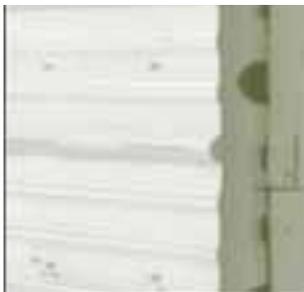
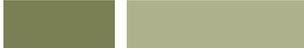






University of Georgia

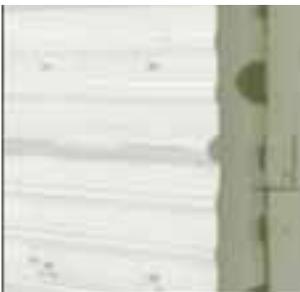








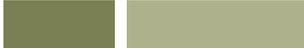






Luxury Student Apartments





New Development – Bulldog Park



Athens Land Trust

- The mission of the Athens Land Trust is to promote quality of life through integration of community and the natural environment by preserving land, creating energy-efficient and affordable housing, and revitalizing neighborhoods.

Community Gardens



Intown Housing





Buffers protect water quality



Athens Land Trust: The Creative Solution for Affordable Housing



What Exactly is a Community Land Trust?

- The community land trust (CLT) concept was born in 1967 out of the civil rights movement to ensure that African-American family farmers in Albany, Georgia, had a secure place to live and farm to maintain their livelihood.
- The structures were owned outright and the land was held in community trusts.
- Now 40 years later, there are nearly 200 CLTs with over 6,000 units of affordable housing.

What is a community land trust?

- Residents or neighborhood representatives make up at least one third of the Board of Directors.
- Membership-based organization that keeps housing affordable for future residents.
- Many local governments are starting community land trusts to capture the value of the public investment for long-term community benefit.

Our Program's Tools

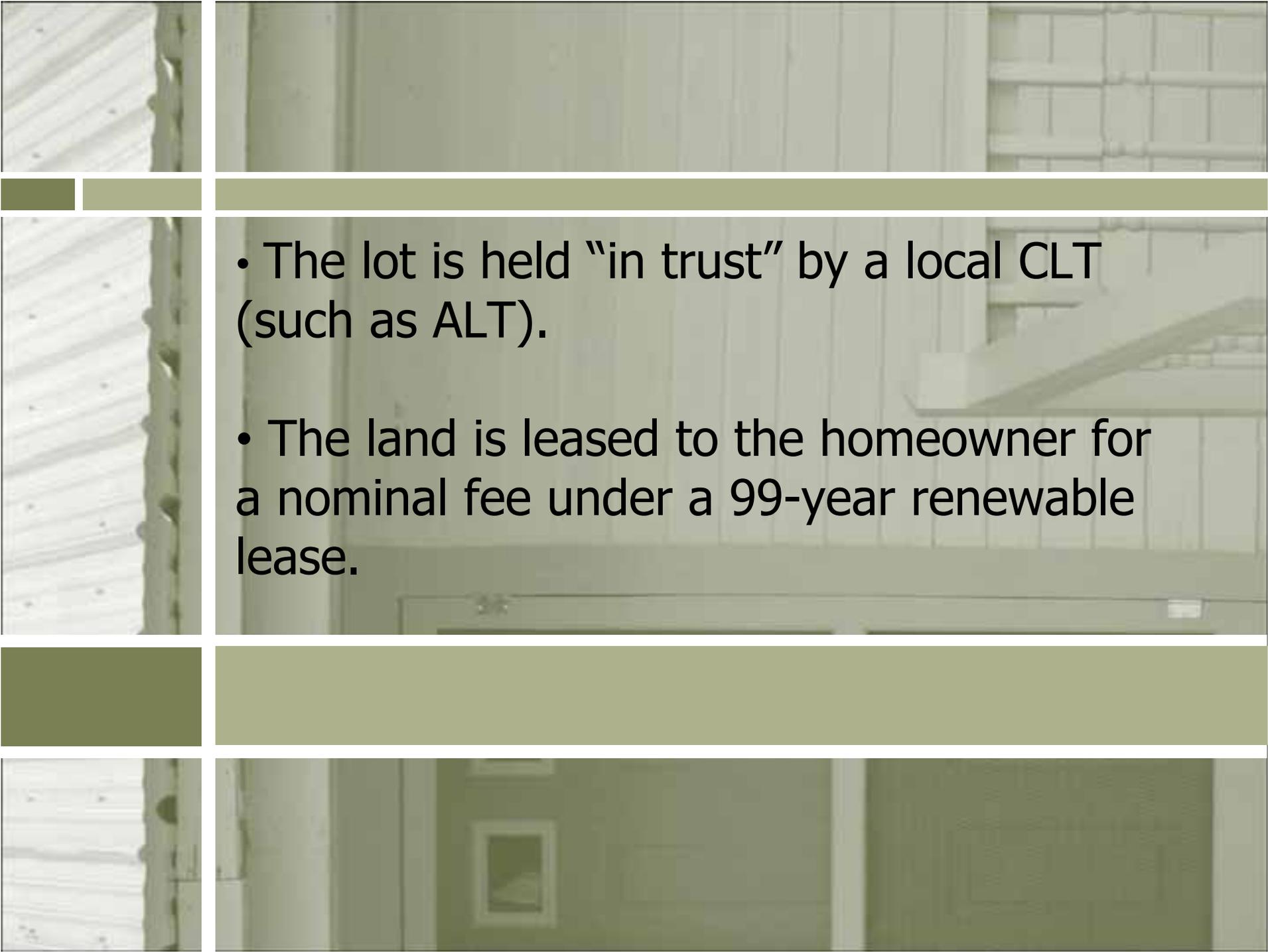


- Permanently Affordable Housing through the Community Land Trust Model
 - 99-Year Groundlease
 - Limited Equity Resale Formula

How do Community Land Trusts work?

- The homeowner purchases the home (improvements).



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- The lot is held “in trust” by a local CLT (such as ALT).
 - The land is leased to the homeowner for a nominal fee under a 99-year renewable lease.

Groundlease

- A groundlease is a legal document executed with the homeowner. The groundlease gives the homeowner the rights to use the land that is under their home. The monthly lease fee is currently \$5 a month.



Groundlease

- Groundlease facts
 - 99-years, renewable
 - Can pass on to heirs
 - Must be owner-occupied
 - Lenders are familiar with the concept (similar to homes on Lake Burton & Lake Sinclair)
 - ALT has right to cure default
 - ALT has the right of first refusal to buy the property back.



Shared Equity



When a family decides to sell, they receive a percentage of the increase in value of their home plus what they have paid down on their mortgage. The home is then sold to another family in need of affordable housing.



Shared Equity

- Original homeowner purchases home for \$69,000. After 4 years she decides to sell. At four years owner's share of equity is 15%. The formula is based on appraisals.
 - Appraised value at time of purchase - \$77,500
 - Appraised value at time of resale - \$95,000
 - $\$95,000 - \$77,500 = \$17,500 \times 15\% = \$2,625$
 - Owners share of equity is \$2,625.
 - After 4 years owner would have paid down \$3,263 of principal
- Original owner would receive $\$2,625 + \$3,263 = \mathbf{\$5,888}$

Shared Equity

- Next buyer would purchase a house appraised for \$95,000 for **\$76,639** (the \$71,625 sales price plus 7% to be used for repairs and an ALT administration fee)

- If they lived there for 12 years they would receive 35% of the equity.
 - Appraised value at time of purchase - \$95,000.
 - Appraised value at time of resale - \$170,608.
 - Owner's share of equity would be
 $\$170,608 - \$95,000 = \$75,608 \times 35\% = \$26,463$
Owner would receive $\$26,463 + \$18,994 =$
\$45,457

Shared Equity

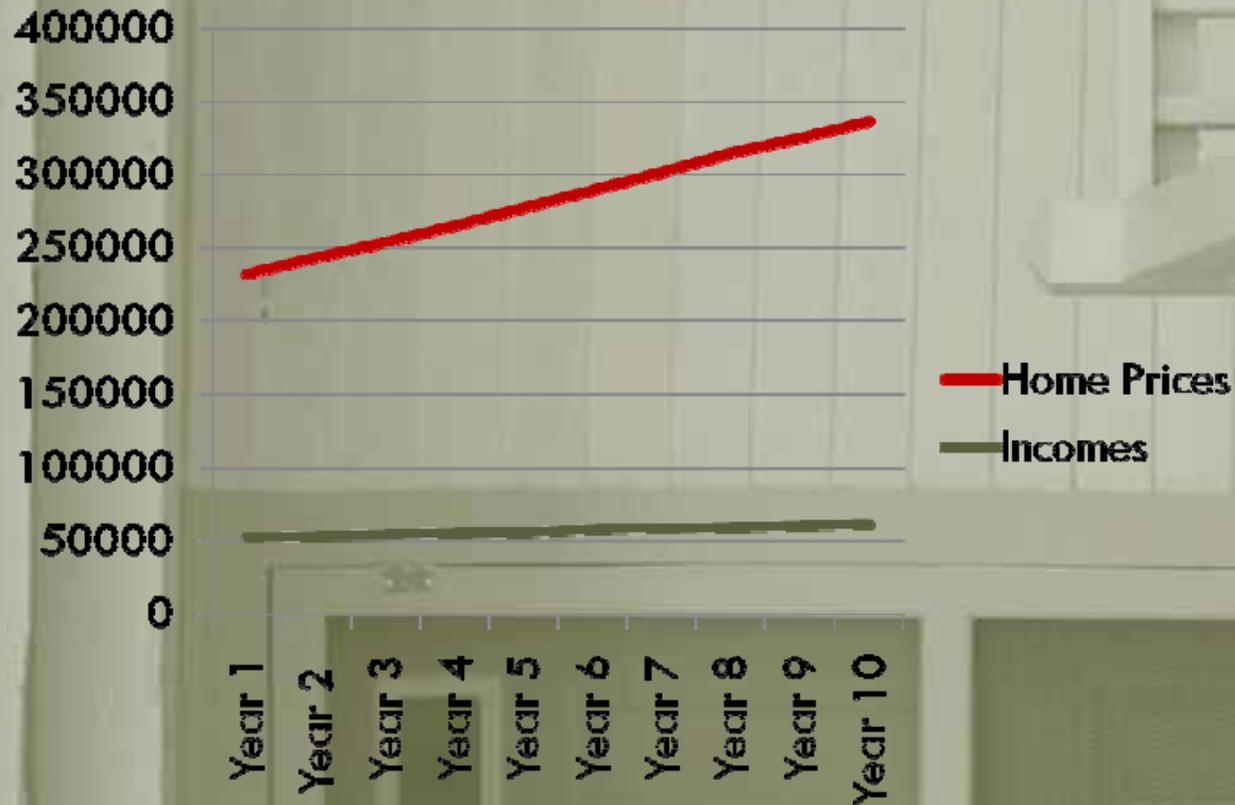
- Third buyer would purchase the home now appraised at \$170,608 for **\$110,319**
- ALT homes require no additional subsidy to help future income-eligible families.
- Over time the houses are affordable to families at lower income levels.

How ALT's program helps homeowners

- Provides homeownership opportunities for families that would otherwise not be able to afford a home
- Our homes are currently selling at \$72,000-\$99,000. This results in monthly payments of \$575 to \$750.



Affordability Gap in Athens



- Over time, house prices go up faster than incomes.
This results in the need for larger and larger subsidies.

How ALT's program helps homeowners

- A lower purchase price means lower monthly payments. With lower monthly payments the family has more money to invest in education, retirement, etc.



How ALT's program helps homeowners

- \$20,000 amortized over 30 years requires a payback of \$45,511, assuming an interest rate of 6.5%
- \$30,000 amortized over 30 years requires a payback of \$68,263, assuming an interest rate of 6.5%
- The homeowner has this money to spend during this period for education or business startup

How ALT's program helps homeowners

- A person who rents her entire lifetime pays three times more for her housing throughout her life and does not have an asset to pass on to her heirs
- Those with less money end up paying more for their housing
- The goal of community land trusts is to break this cycle



How ALT's program helps homeowners

- The goal is to help people who can afford monthly payments but may not have the initial investment to purchase a home
- This is wealth creation for a new segment of the population



How ALT helps the community

- Permanently limits land costs and “locks in” subsidies so that the houses remain affordable
- The investment of taxpayers’ dollars is never lost. When the home is sold, it remains an affordable property. The “affordable unit” doesn’t have to be replaced.



How ALT helps the community



- ❑ One tract of land helps one homeowner after another achieve affordable homeownership
- ❑ Eight homes can provide homeownership to 24 families over the next 21 years (based on national average of turnover)

Helping generations



How ALT helps the community

Neighborhood Revitalization

- ALT is the only nonprofit doing the rehabilitation of vacant houses
 - ▣ brings life back into the neighborhood
 - ▣ reduces crime
 - ▣ maintains the cultural heritage of the community



How ALT helps the community

Neighborhood Revitalization

- ALT's homes can never become rental properties. They will always be owner-occupied.
- This strengthens the neighborhood by creating homeowners















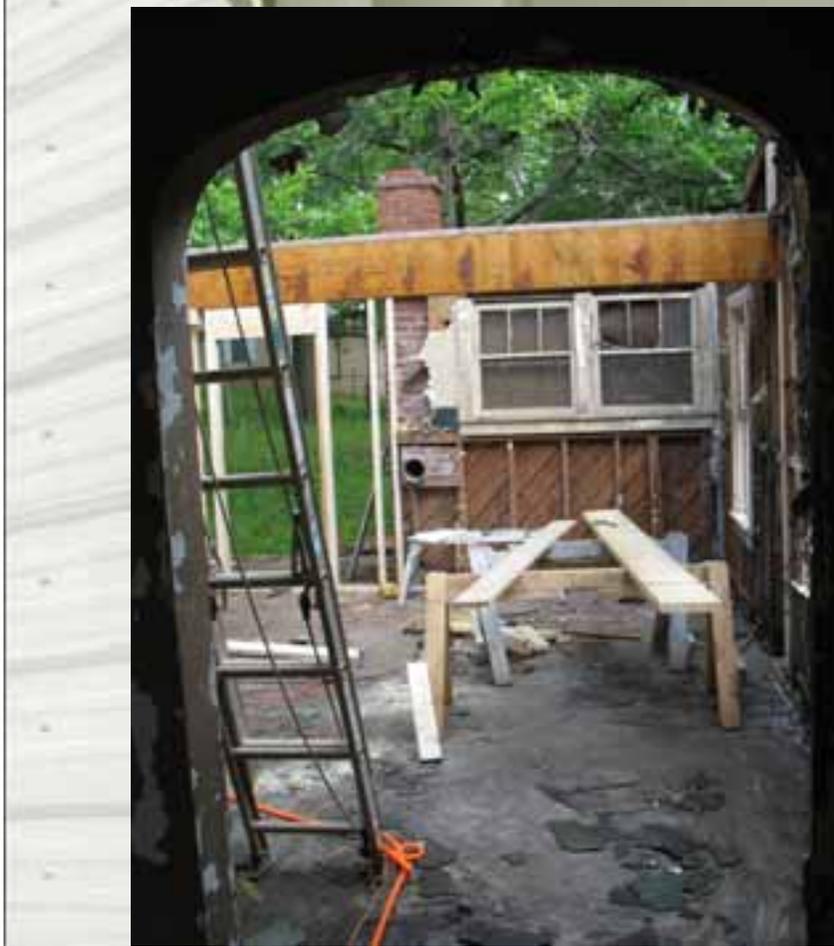


Before



After



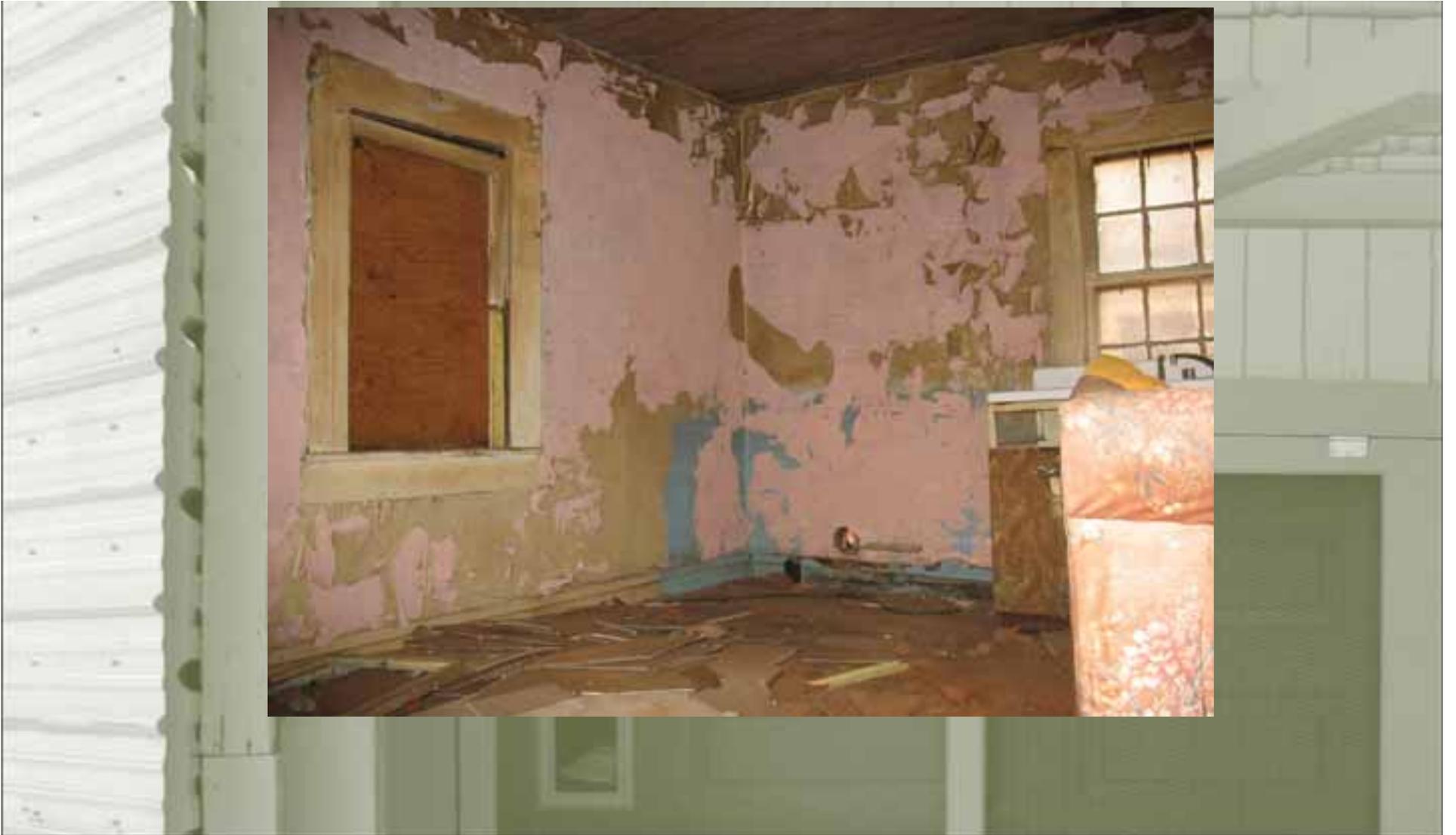
















Minor Renovations





Difference in lives of homeowners



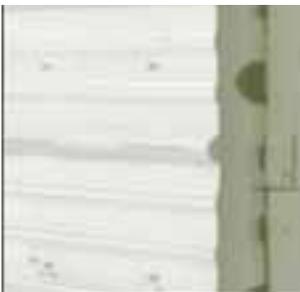
Why Green Building?

- ALT is committed to providing environmentally friendly and energy-efficient homes.
- These homes will have lower energy bills and provide a healthy place to raise families.





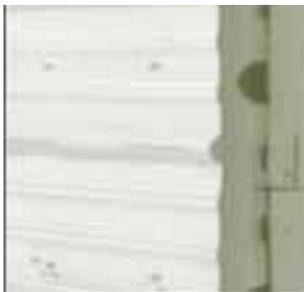
New Infill EarthCraft Home

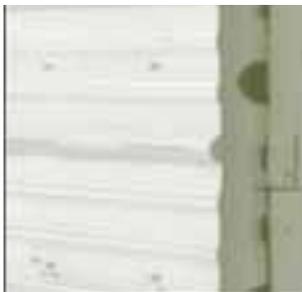




Spray Foam Insulation





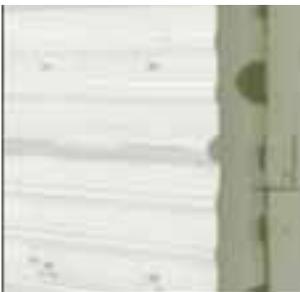


Habitat Women Build





Homebuyer education





Rental to Homeownership



