

**FOREVER**

*affordable!*

**HOUSING**

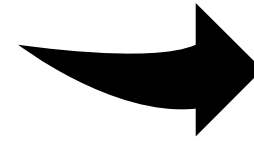
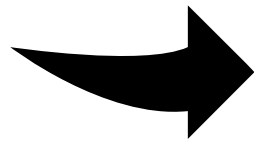


HOSTED BY

COMMUNITY  
DEVELOPMENT  
ALLIANCE



# FOREVER *affordable!* HOUSING



## SUPPORTING

- 250K Homes
- 10K Down Payment
- Acquisition Fund

## FIRST SALE

- Income restricted
- Owner restricted

## SECOND SALE

- ???
- ???
- ???



# PATHWAYS TO HOMEOWNERSHIP



**EXAMPLE:**  
Homes built and sold at \$250,000; unaffordable to 90% of Black and Latine families.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000 with no restrictions on resale.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000; when a homeowner sells, a nonprofit has the right to purchase it at market value.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000; when a homeowner sells, it must be sold to another owner, at any income level.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000; when a homeowner sells, they must repay the \$130,000 of subsidy.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000 as part of a Land Trust; when a homeowner sells, they must sell to an income-qualified family at a fixed price.

# MARKET-ONLY ACTIVITY



## STEPS

1

DEVELOPER BUILDS HOME FOR \$250,000

2

DEVELOPER RECEIVES \$0 IN SUBSIDY

3

DEVELOPER SELLS HOME FOR \$250,000

=

0

OPPORTUNITIES FOR FAMILIES MAKING \$12 - \$25/HOUR

MARKET-ONLY ACTIVITY

# NO RESTRICTIONS



STEPS

1

DEVELOPER BUILDS HOME FOR \$250,000

2

DEVELOPER RECEIVES \$130,000 IN SUBSIDY

3

DEVELOPER SELLS HOME FOR \$120,000

=

1

OPPORTUNITY FOR FAMILY MAKING \$12 - \$25/HOUR

0

PROTECTION AGAINST OUTSIDE INVESTORS OR DISPLACEMENT

# NON-PROFIT OPTION TO PURCHASE



## NON-PROFIT OPTION TO PURCHASE

STEPS

1

DEVELOPER BUILDS HOME  
FOR \$250,000

2

DEVELOPER RECEIVES \$130,000 IN SUBSIDY

3

DEVELOPER RECORDS NON-PROFIT OPTION TO  
PURCHASE

4

DEVELOPER SELLS HOME FOR \$120,000

=

1

OPPORTUNITY FOR FAMILY MAKING  
\$12 - \$25/HOUR

1

OPPORTUNITY FOR NON-PROFIT TO  
PURCHASE BACK AT MARKET RATE

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

# OWNER OCCUPANCY RESTRICTION



STEPS

1

DEVELOPER BUILDS HOME FOR \$250,000

2

DEVELOPER RECEIVES \$130,000 IN SUBSIDY

3

DEVELOPER RECORDS OWNER OCCUPANCY RESTRICTION

4

DEVELOPER SELLS HOME FOR \$120,000


=

1

OPPORTUNITY FOR FAMILY MAKING \$12 - \$25/HOUR

∞

OPPORTUNITY FOR FUTURE HOMEOWNER AT ANY INCOME LEVEL (E.G. NO DISPLACEMENT PROTECTION)



OWNER  
OCCUPANCY  
RESTRICTION

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

# SUBSIDY REPAYMENT



STEPS

1

DEVELOPER BUILDS HOME FOR \$250,000

2

DEVELOPER RECEIVES \$130,000 IN SUBSIDY

3

DEVELOPER RECORDS SUBSIDY REPAYMENT REQUIREMENT (E.G. 2<sup>ND</sup> MORTGAGE)

4

DEVELOPER SELLS HOME FOR \$120,000

=

1

OPPORTUNITY FOR FAMILY MAKING \$12 - \$25/HOUR

1

OPPORTUNITY FOR NON-PROFIT TO RECYCLE FUNDS TO ANOTHER HOME

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)



# FOREVER AFFORDABLE



STEPS

1

DEVELOPER BUILDS HOME FOR \$250,000

2

DEVELOPER RECEIVES \$130,000 IN SUBSIDY

3

DEVELOPER PLACES INTO A COMMUNITY LAND TRUST

4

DEVELOPER SELLS HOME FOR \$120,000

=



OPPORTUNITIES FOR FAMILIES MAKING \$12 - \$25/HOUR

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

# HOW DO YOU ENFORCE PATHWAYS?



IN ORDER TO ENFORCE PATHWAYS, THERE MUST BE:



A deed restriction is a legal document that requires future property owners to follow a certain set of rules. For example, an owner-occupied deed restriction would require future owners to occupy the property.



A deed restriction by itself is not enough. There needs to be a future organization to enforce the deed restriction. For example, a non-profit that could file a lawsuit if a property was not owner occupied.

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

# MULTIPLE VARIABLES



SOME PATHWAYS CAN HAVE MULTIPLE VARIABLES:



The pathway could be limited by time. For example, you could have a subsidy repayment that “burns off” after 10 years.



The pathway could be limited to participant income. For example, a forever affordable home has a family income limit.



The pathway could have a limited resale price. For example, a non-profit option to purchase could have a fixed price.

# FLEXIBILITY IN APPLICATION



## MOST PATHWAYS HAVE MULTIPLE APPLICATIONS:



Each pathway can apply to multiple building types. For example, each unit in a multi-family could have an owner requirement.

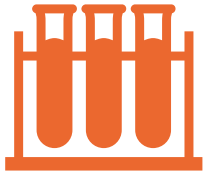


The pathway could apply to multiple types of ownership. For example, a condo or co-op unit could have a subsidy repayment.

# SPECIAL FEATURES OF FOREVER AFFORDABLE



## A FOREVER AFFORDABLE HOME HAS SPECIAL FEATURES:



A Forever Affordable Home is owned by the homeowner, but the land is owned by a Community Land Trust (CLT). The CLT sets the resale formula and supports the owner post closing.



Property taxes limited to resale value vs. market value. For example, if resale value is \$100,000, and market value was \$150,000, then property taxes per year would be \$2,900 vs. \$4,350 respectively.



Forever Affordable Homes do not require PMI (private mortgage insurance) because the loan to value ratio uses market value. This could save a homeowner thousands at closing, and hundreds each month.

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)



## MCLT EXAMPLE:

- Cost \$250,000+ to rehab
- Market Value \$130,000
- Selling for \$90,000
- Land Lease with MCLT for 99 years, renewable
- Owner can sell for equity of 1.25% annually

# EXAMPLES



Josey Heights  
Walnut Circle

Acquisition Fund  
Some DPA

Habitat Homes

OWNER  
OCCUPANCY  
RESTRICTION

Habitat Homes\*  
Some DPA\*  
NIP Funds\*

\*Time limited

MCLT Homes

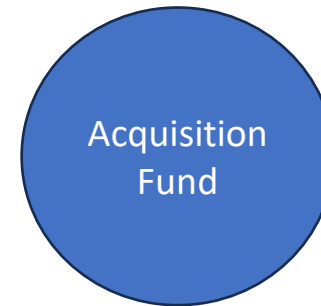
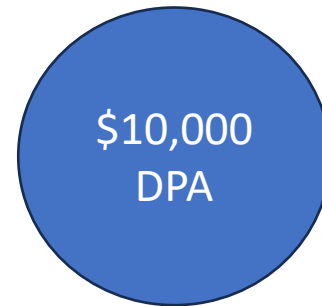
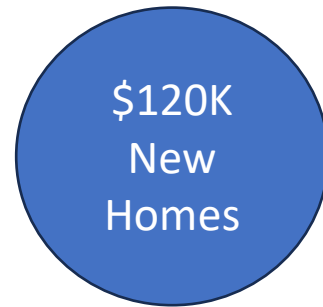
FOREVER  
AFFORDABLE

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

# WHICH PATHWAYS SHOULD BE USED?



WHICH PATHWAY SHOULD EACH OF THESE FOLLOW?



FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

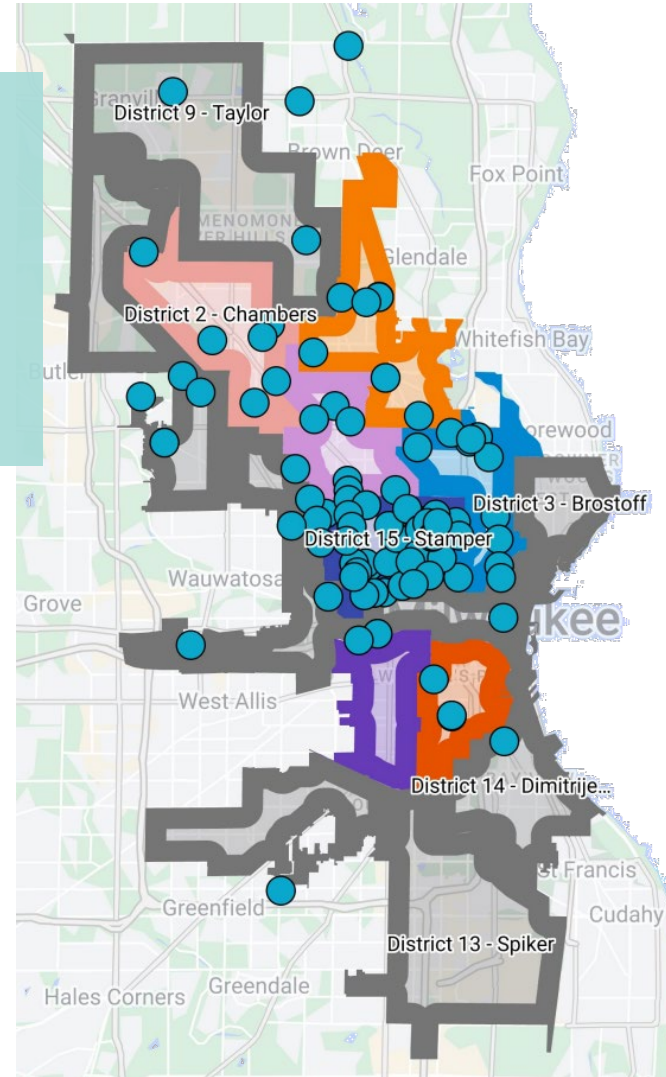


# RESIDENT ENGAGEMENT: KEY TAKEAWAYS



“Freedom to live how I want to live”

- UMCS RESIDENT



- Resident Participants
  - 70% Renter
  - 18% Home Owner
  - 5% Living with Someone
  - 5% N/A
  - 2% Other

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

# 1. WHAT DOES HOMEOWNERSHIP MEAN TO YOU?



Freedom to live how I want to live (UMCS Resident)

Stability and Security (UMCS Resident)

Fear of losing home (FMP Resident)

Tradition (FMP Resident)

**"To me homeownership means stability and it's also bittersweet. I've never witnessed my families be homeowners and it's unfortunate because this is land we created and are indigenous to."**

- FATHERS MAKING PROGRESS RESIDENT

Source: 2023 CDA Resident Survey "Forever Affordable Housing"

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

## 2. WHAT TYPE OF SUPPORT WOULD YOU LIKE TO HAVE AS A FIRST-GENERATION HOMEBUYER?



Finance home improvements or large repairs (NWSP Resident)

Financial coaching (FMP Resident)

Navigate the housing market (UMCS Resident)

Grants and assistance for repairs (UMCS Resident)

**"Resources for education. Financial literacy, economic literacy, and racial literacy as far as gentrification."**

- FATHERS MAKING PROGRESS RESIDENT

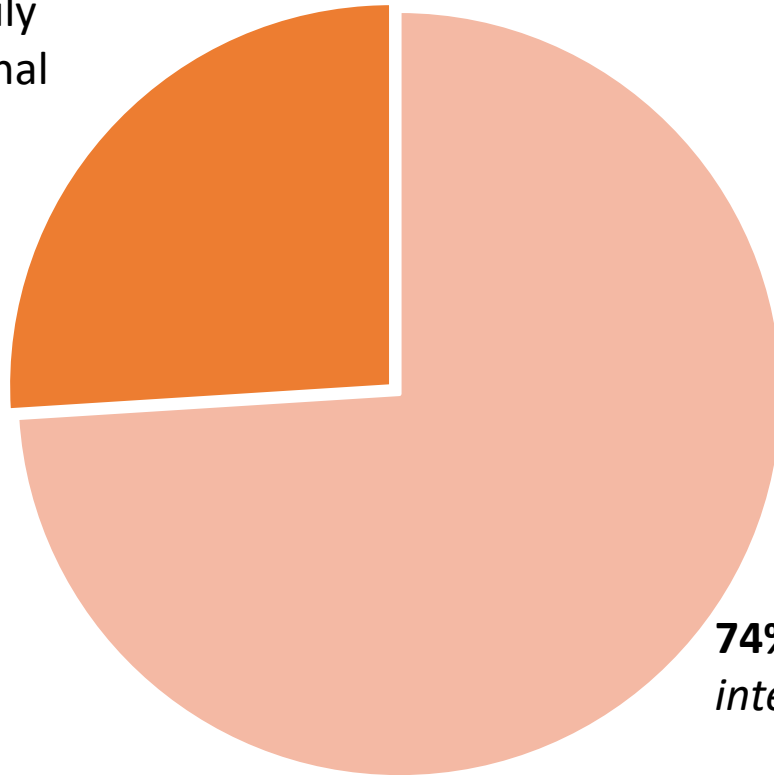
Source: 2023 CDA Resident Survey "Forever Affordable Housing"

FOR ADDITIONAL INFORMATION & UPDATES VISIT [WWW.HOUSINGPLAN.ORG](http://WWW.HOUSINGPLAN.ORG)

### 3. ARE YOU INTERESTED OR PLANNING TO USE A HOME TO CREATE WEALTH FOR YOUR FAMILY?



26% said "Not family but possible personal investments"



74% said "Yes, intended for family"

**"No. No children but the value of the house could generate that would allow me to fund programs that benefit others after I'm gone"**

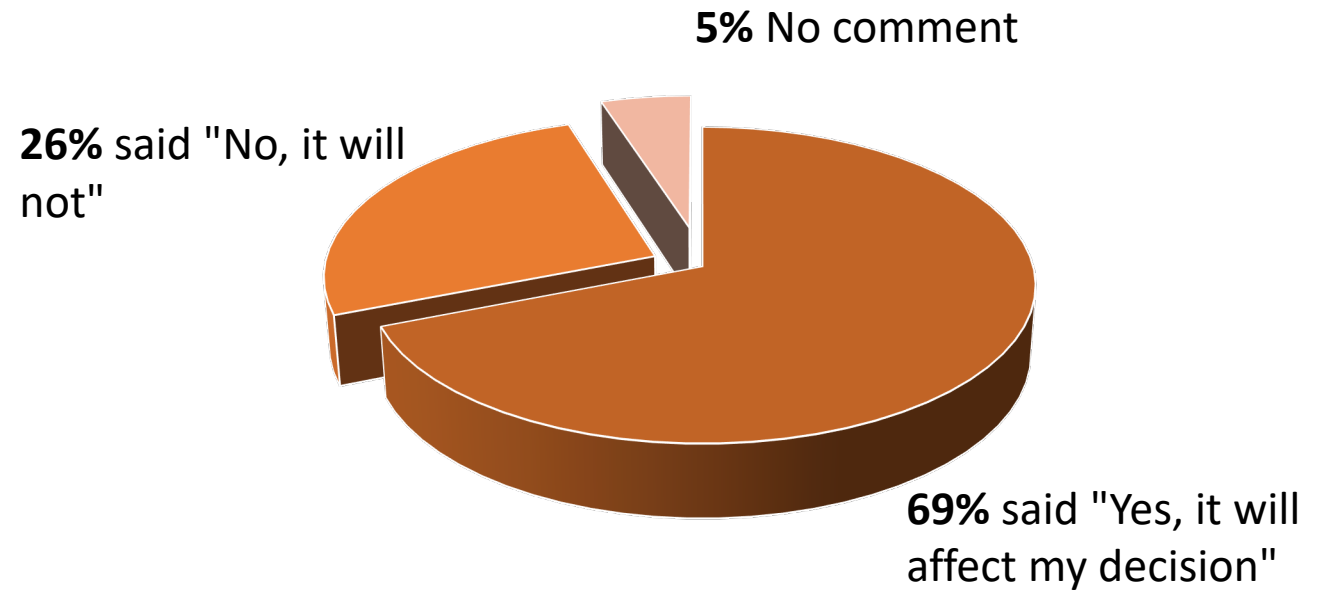
- NWSP RESIDENT

Source: 2023 CDA Resident Survey "Forever Affordable Housing"

# 4. WOULD HELP ON HOME REPAIRS AND IMPROVEMENTS AFFECT YOUR OPPORTUNITY TO PURCHASE AND MAINTAIN?



**"Yes, it would make me more confident in purchasing, knowing that I'll have assistance in repairing essential things"**  
- UMCS RESIDENT



Source: 2023 CDA Resident Survey "Forever Affordable Housing"



# PATHWAYS TO HOMEOWNERSHIP



**EXAMPLE:**  
Homes built and sold at \$250,000; unaffordable to 90% of Black and Latine families.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000 with no restrictions on resale.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000; when a homeowner sells, a nonprofit has the right to purchase it at market value.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000; when a homeowner sells, it must be sold to another owner, at any income level.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000; when a homeowner sells, they must repay the \$130,000 of subsidy.

**EXAMPLE:**  
Homes built for \$250,000 and sold for \$120,000 as part of a Land Trust; when a homeowner sells, they must sell to an income-qualified family at a fixed price.