



TENANTS TO HOMEOWNERS, INC. 2010 ANNUAL REPORT

Mission:

*To empower tenants to become homeowners through
programs for education, construction
and creative financing.*





In the late 80s, a group of Lawrence residents came together. Convinced that homeownership strengthens community, these volunteers advocated for buyers with low incomes. Eventually, this grassroots movement grew into Tenants to Homeowners, Inc...

From the Executive Director

Although the housing market has been the slowest I have seen in the last ten years at this job, TTH was able to receive its largest amount of annual grant funding in 2010 and continues to provide safe and affordable housing for many families. Although this economy has required the nonprofit to address the lack of affordable rental housing for families, the Lawrence Community Housing Trust has used this opportunity to showcase its ability to create beautiful infill development and access Neighborhood Stabilization Funds to provide affordable rental units that become a stepping stone into homeownership for eligible families. The Rhode Island Roost Project, a five unit development currently being rented to families who are working to financially obtain ownership, is a great example of this type of project. This development reflects the historic character of its Nationally Historic Rhode Island neighborhood with traditional porches, railings, colors and fish scale siding detail, but are new and Energy Star-rated. This combines the best of both worlds and allows tenants to save money toward homeownership rather than wasting on utilities. TTH also rehabilitated a small house on Pennsylvania and has put that in its lease to purchase portfolio. TTH also received an additional \$475,000 in NSP grants to add 4 more homes to this growing lease to purchase stock that will meet the current housing needs of tenants while maintaining our mission to support eventual ownership opportunities. TTH also began to manage and acquire the 7 rental units at the corner of 15th and Haskell. These units will allow the organization to add more transitional housing to its portfolio to help those transitioning to permanent housing.

Finally, TTH was able to complete the closing of its first ever tax credit project in 2010. This 20 unit rehabilitation of fully accessible rental units with HUD Section 8 Project Based Assistance will allow TTH to keep these very needed units for those with disabilities in our community and will help the current tenants continue to live independently. This process will also help TTH staff bring over 2.2 million of this popular IRS-sponsored development financing to Lawrence and learn how to apply for it in the future. This is another important financing tool in the not-for-profit housing tool box that TTH has proficiency in and can use in the future. At the completion of this rehabilitation, TTH will have 47 rental properties that provide safe housing for some of the poorest members of our community.

With a goal of always diversifying our available funding sources, TTH has added to its toolbox in 2010 with tax credits, NSP funding, and rental development. All of these sources allow for TTH to continue to add to its administrative capacity and bring in developer's fees, rental income and administrative grants that help TTH purchase additional affordable properties, add to the Housing Trust stock, and continue to expand its service to the community. TTH sold its 44th home in trust in November of 2010 and completed its 45th, 46th and 47th trust homes on Laura Ave. We are looking forward to creating more sustainable energy-efficient housing like the 1245 New Jersey dome that won the most Innovative Housing Award for Green Building at the 2010 Kansas Housing Conference and continues to inspire the community to build greener.

Rebecca Buford, TTH Executive Director



Pre-purchase education, budget counseling and ongoing support services can make the difference between a successful homeowner and a foreclosure. The Lawrence Community Housing Trust Program has had 0 foreclosures since its inception in 2005... And no, that's not a typo.

Education

First Time Home Buyer Workshops:

TTH workshops demystify the home buying process and the Housing Trust Program. Attendees learn all about credit, budgeting, closing, and home maintenance. These free workshops are held the second Saturday of every odd month from 9:30 am–1:30 pm at the United Way. Local lenders, realtors and insurance agents are often invited to present their roles in the process. Workshop attendees receive an information handbook and a completion certificate for a HUD-approved first time buyer education class (required for other federal First Time Homebuyer Programs). In 2010, 77 people attended one of the seven First Time Home Buyer Workshops given by TTH staff.

LCHT Pre-qualification and Credit Counseling:

TTH provides prospective homebuyer pre-qualifying credit counseling and post-purchase budget consultation. In these sessions, staff estimate how much home a person can finance, explain LCHT qualifications, analyze credit reports, advise on credit/debt, and suggest ways to improve mortgage loan applications. During post-purchase consultation, staff counsel on finances and advise on home maintenance to ensure successful homeownership. In 2010, TTH held 79 individual sessions to serve Lawrence families, compared to 43 in 2009.

LCHT Homebuyer Association E-Newsletter:

All households who have purchased a home using HOOT/LCHT financing since January 2000 belong to the LCHT Homebuyer Association, whose members have access to the TTH tool lending library, receive a quarterly e-newsletter with information about routine home maintenance, and other community resources that lead to successful homeownership. The Homebuyer Association E-Newsletter is also complimentary to interested prospective buyers and program supporters.

Rental Housing:

Tenants to Homeowners manages rental properties for households with extremely low incomes. Two of these properties are universally accessible for tenants with special housing needs. TTH cooperates with the Lawrence-Douglas County Housing Authority's Section 8 rental assistance program and the Emergency Housing Program, which works with landlords to place homeless families. TTH hopes that tenants who are no longer extremely rent burdened can repair credit, reduce debt and move on to homeownership. In 2010, TTH built the Rhode Island Roost, a development of 5 Energy Star rentals, and acquired 20 accessible rentals from Accessible Residential Options, a division of Independence, Inc. This project received tax credit funds, Federal Home Loan Bank grants, HOME dollars and Section 8 project-based subsidy. TTH is in process of renovating these units in partnership with Excel Development Group.



Rehabilitation Projects:



1997

416 N. Michigan
223 & 227 N. 7th Street
1133 New York
1316 Summit

1998

1404 E. 15th St.
1406 E. 15th St.
1408 E. 15th St.
1410 E. 15th St.
1412 E. 15th St.
1416 E. 15th St.
1412 1/2 E. 15th St.
1416 1/2 E. 15th St.
1425 Prospect
1429 Prospect
1414 Prairie
1434 Prairie
1440 Prairie
335 Elm Street

2000

218 Alabama

2001

1243 Prospect

442 Forrest

2003

1621 Cadet

1108 Connecticut (First LCHT home!)

2004

130 Providence

2007

1120 Rhode Island (Historic Property)

1036 New York

2008

1133 Pennsylvania

2009

1230 Laura

2612 Moundview

1509 W. 25th #1

1417 Pennsylvania

2010

3012 Havrone Way

2226 Yale Rd

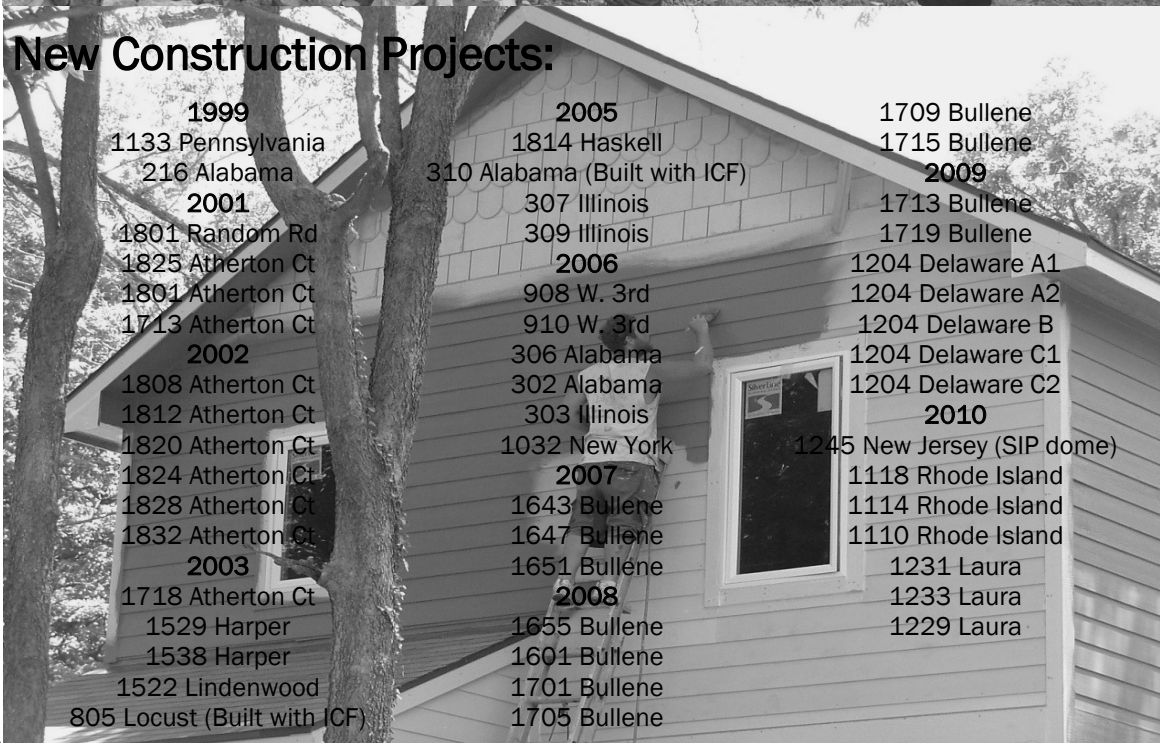
2222 Yale Rd

2218 Yale Rd

1401 E. 21st Terrace

1405 E. 21st Terrace

New Construction Projects:



1999

1133 Pennsylvania
216 Alabama

2001

1801 Random Rd
1825 Atherton Ct
1801 Atherton Ct
1713 Atherton Ct

2002

1808 Atherton Ct
1812 Atherton Ct
1820 Atherton Ct
1824 Atherton Ct
1828 Atherton Ct
1832 Atherton Ct

2003

1718 Atherton Ct
1529 Harper
1538 Harper
1522 Lindenwood
805 Locust (Built with ICF)

2005

1814 Haskell
310 Alabama (Built with ICF)

307 Illinois

309 Illinois

2006

908 W. 3rd

910 W. 3rd

306 Alabama

302 Alabama

303 Illinois

1032 New York

2007

1643 Bullene

1647 Bullene

1651 Bullene

2008

1655 Bullene

1601 Bullene

1701 Bullene

1705 Bullene

1709 Bullene

1715 Bullene

2009

1713 Bullene

1719 Bullene

1204 Delaware A1

1204 Delaware A2

1204 Delaware B

1204 Delaware C1

1204 Delaware C2

2010

1245 New Jersey (SIP dome)

1118 Rhode Island

1114 Rhode Island

1110 Rhode Island

1231 Laura

1233 Laura

1229 Laura



"Home is an invention on which no one has yet improved." -Ann Douglas.

Creative Financing

The Lawrence Community Housing Trust (LCHT):

Tenants to Homeowners administers the Lawrence Community Housing Trust (LCHT) Program for households with low and moderate incomes. This program is cooperatively sponsored by the City of Lawrence Development Services, KU Credit Union, Capitol Federal, and two local nonprofit agencies—Housing and Credit Counseling, Inc. and TTH, Inc. The City of Lawrence allocates federal HOME funds to add to a stock of perpetually affordable housing through new construction development and rehabilitation of older homes. On average, \$50,000 of subsidy is invested to reduce the home purchase price for eligible buyers who also receive extensive homebuyer education and budget counseling. Participating lenders provide 30-year fixed interest rate mortgage loans at their best current interest rate and, due to the community subsidy, these loans do not require Private Mortgage Insurance (PMI). Eliminating PMI saves Housing Trust homeowners \$25-\$50 per month, beyond the savings due to the subsidized price. The buyers' down payment requirement is only 5% of their annual gross, compared to 4-6% of the value of the home. Even better, the Housing Trust pays the closing costs up to \$3,000. Families must make under 80% Median Family Income based on family size and must have good credit and job history. This allows hard working families in Lawrence to own their own home in a market that often prices moderate families out of the market.

Home of Your Own (HOYO):

The Home of Your Own (HOYO) Program provides additional financing for income-eligible buyers with disabilities. HOYO is cooperatively sponsored by Independence, Inc., the City of Lawrence Development Services and Tenants to Homeowners, Inc.

Emergency Maintenance Fund:

Each Housing Trust homeowner participates in this savings plan, which automatically pulls \$25 a month and deposits this money into their own emergency maintenance fund account, available for them to draw from when the need arises.

Volunteers & Donations

Although all construction and rehabilitation work is done by professionals, TTH uses volunteers for cleanup and exterior painting, allowing the community to invest in itself during projects such as Roger Hill Volunteer Center's Day of Caring. Each donation from individuals and businesses helps reduce the cost of homes, and because of the affordable resale promise, not one dollar—or hour—is wasted. In 2010, TTH held 4 service projects and 45 volunteers donated a total of 72 hours of labor. In 2010, TTH received \$20,477 in cash or in-kind contributions from local foundations and businesses, as well as a land donation worth \$82,390.



"When you're talking about building a house, you're talking about dreams." Robert A.M. Stern.

Building Standards



Community: Housing Trust homes are built to fit in with the style of the neighborhood. Prior to construction, TTH staff contacts the local neighborhood association about upcoming projects, and welcomes feedback from the communities in which the homes are built. The Rhode Island Roost rental development was designed to fit the standards of its historic neighborhood, including preserving the brick sidewalk.



Sustainability: Being an Energy Star partner means newly built Housing Trust homes pass rigorous tests by a certified Energy Star auditor. The payoff? Most homeowners enjoy a total utility cost of \$100 per month or less. In 2010, TTH built the award-winning "Greenest Affordable Home in Kansas," a SIP dome that heats and cools for an estimated \$1.08 per day.



Accessibility: All TTH-built homes are at least visitable to those with limited mobility, and several fully accessible homes are included in each of TTH's developments. TTH works with preapproved eligible buyers to install custom features for their special housing needs and budgets. In 2010, TTH acquired and began renovating 20 accessible rentals to improve housing opportunities for those with mobility impairments



Durability: Because these homes will be affordable in the community for generations, TTH builds them to last. All construction and rehabilitation work is contracted to professionals. For safety, each TTH-built home that does not have a basement includes a tornado safe room. TTH upgrades siding and roof materials to minimize exterior maintenance.



Statement of Financial Position December 31, 2010

Assets

Cash assets	608,323
Real Estate Under Development	672,939
Fixed Assets/Rental Property	996,492
Land held in trust	1,023,935
Notes Receivable	416,324
Prepaid Insurance	12,359
Accounts Receivable	22,832
Total Assets	\$3,753,204

Liabilities & Net Assets

Security Deposits	10,356
Accounts Payable	2,169
Accrued Payroll	2,557
Other Current Liabilities	393
Unrestricted Net Assets	3,737,649
Total Liabilities and Net Asset	\$3,753,124

Statement of Activities for the year ended December 31, 2010

Revenues and Other Support

Grants	806,363
Contributions	109,434
Project Income	752,011
Total Revenue	\$1,667,808

Expenditures

Program	911,565
Administrative	72,457
Total Expenditures	984,022

Change in Net Assets from December 31, 2009— December 31, 2010

683,786

All information based on 2010 financials audited by Long CPA, PA completed in August 2011.
Change in net assets represents revenue, land, and rental assets added to trust.



“Planning is bringing the future into the present so that you can do something about it now.” Alan Lakein.

New and Future Developments

The Rhode Island Roost is a five-unit townhome development that began in 2009 and was completed in the Spring of 2010. These four townhomes and one single-family house serves as low-cost rental housing for families that are actively building their credit and/or reducing debt in preparation for purchasing a Housing Trust Home. By charging less than fair market rent and referring tenants to Housing and Credit Counseling Inc. for budget advice, TTH will offer families an opportunity to regain control of their finances and their housing options.

12th & Laura A project that began as the renovation of 1230 Laura in 2009 grew as TTH built three new, Energy Star homes across the street. The unusual site allowed TTH to build these homes with basements—a rare feature for Housing Trust homes, as basements typically add \$20,000 to development costs. TTH will build another 2 bedroom accessible home, 1232 Laura, in 2011.

1245 New Jersey Tenants to Homeowners took on the unique challenges inherent in the region’s climactic extremes of searing heat, stifling humidity and numbing cold to build the “Greenest Affordable Home in Kansas.” This design won an Innovations award for Excellence from the Kansas Housing Resources Corporation in 2010.

Heating and cooling for an estimated \$1.08 per day, this dome house is smartly outfitted with green features such as a 16 SEER air source heat pump, R-33 dome walls and R-26 vertical walls. Modeled after best practices from the Greensburg rebuilding effort, this home is also tornado resistant. With a market appraisal of \$160,000, this home sold for only \$115,000 with the Housing Trust Program. At 1404 square feet of finished space with limited utility bills, 1245 New Jersey provides the best value in energy efficient housing in Kansas.

LCHT Accessible Housing is an extensive, 20 unit rehabilitation project of fully accessible fourplexes that exclusively serve those with physical disabilities. When TTH partnered with Excel Development to acquire these duplexes, these still-inhabited buildings were severely distressed from years of deferred maintenance. Updating these rentals required a complex web of participation from government and private funders, including federal HOME funds, low income housing tax credits and Federal Home Loan Bank funds.

This project allows TTH to increase its resources to advocate for and serve those with special housing needs. The need for accessible, affordable housing in Lawrence far exceeds the supply, and by improving the quality of housing for those who are most vulnerable, TTH helps make the Lawrence community more inclusive for everyone. TTH projects the rehabilitation to be complete by the final quarter of 2011.



Because the resale restriction ensures that each home sold by the Housing Trust Program stays permanently affordable, each dollar of subsidy is recycled over and over to help many families become homeowners. Nothing is wasted.

2010 Supporters of Permanently Affordable Housing Neighborhood Supporters (\$5,000+)

We would like to thank those who contribute to and support affordable housing on an ongoing basis:

The City of Lawrence Development Services Division
 The City of Lawrence Building Safety Division
 Barber Emerson, L.C.
 Capitol Federal Foundation & Capitol Federal Savings
 Clovis Construction, Inc.
 Douglas County
 Federal Home Loan Bank of Topeka
 The Home Depot
 Housing and Credit Counseling, Inc.
 Kansas Housing Resources Corporation
 Kansas University Credit Union

Home Sponsor (\$1,000+)

Amarr Garage Doors
 Douglas County Community Foundation
 Douglas County Bank
 Factory Direct Appliance
 SIPsmart Building Systems
 Wood 'N Stuff

Doorway Sponsor (\$500+)

Ferguson
 Frigidaire
 Kansas Housing Resources Corporation

Power Solutions

Pro Flo
 Sealoflex
 St. Lawrence Catholic Campus Center

Paint Sponsor (\$100+)

Hilda Enoch
 Home Energy Solutions
 Kastl Plumbing, Inc.

Light Sponsor (\$50+)

Alpha Roofing
 Gary Florez
 Lawrence GiveBack

Matt Gough

Mike & Linda Wildgen

Key Sponsor (\$20+)

Justina & Ricardo Gonzalez
 Shelley Schupp





"The test of our progress is not whether we add to the abundance of those who have much. It is whether we provide enough to those who have little." Franklin D. Roosevelt.

TTH, Inc. Statistics 2010: **79** pre-qualifying counseling sessions were provided to help individuals with credit reports, budget counseling and LCHT financing. **72** hours of volunteer work was donated by **45** people during **4** service projects. **77** people attended one of the **7** Free First Time Homebuyer workshops. **31** new rental units were placed under management by TTH. **5** rehabilitation projects began and **7** new homes were built. **8** homes were sold at an average subsidy of **\$37,475** per home. These subsidies will recycle over and over, **in trust** as homes are resold affordably. **54** families lived in safe, affordable rentals. **4** homeless families with children became tenants.

TTH, Inc. Staff

Rebecca Buford.....Executive Director

Hayley Travis....Associate Director

Jeremi Lewis.....Contractor & Maintenance Manager

Carolyn Binns....Bookkeeper

TTH Board of Directors 2010

Gerianne Bermudez, Kansas Secured Title

Caroline Eddinger, Lowenthal, Singleton, Webb & Odermann

Joe Ewert, LCHT homeowner

Matt Gough, Barber Emerson, LP

Richard Heckler, Brook Creek Resident

Dan Heptig, First American Title

Deborah McMullen, McGrew Real Estate

Scott Rusthoven, East Lawrence Resident

Sarah St. John, Community Representative

Geoff Strole, Kansas University Credit Union

Ranita Wilks, Independence, Inc.

Paul Wood, LCHT Homeowner



"Homeownership is the cornerstone of a strong community." -Rick Renzi.

In Their Own Words: Housing Trust Homeowners



Meet Eric & Andrea

"We've had a wonderful experience with Tenants to Homeowners. Everyone has been super helpful through the whole process. This program has made it possible for my husband and I to purchase our first home. We couldn't have done it otherwise. Rebecca and Hayley have been helpful every step of the way. They answered all our questions and were so flexible with working around our schedules. We appreciate everything they do to run this great program!"

Meet Jamie & Pompie

I really appreciate all the hard work from the staff at Tenants to Homeowners. They made sure that all of our questions were answered, which helped us feel confident in buying our first home. They genuinely wanted us to succeed and progress from renting to owning. I always thought that owning a home was out of our reach, but TTH assisted in making it possible."

Meet Brad

"My experience with Tenants to Homeowners and the Lawrence Community Housing Trust was **easy** to put it simply. I know it's not like that for everyone who buys their own home, but for me it was the best decisions I've made that fulfilled a life-long dream of owning my own place. Looking back, the thought of how much I am saving owning compared to what I was paying in rent is almost unthinkable.

The staff worked with me throughout the process to ensure that my new place is completely handicap accessible and I can't tell you how much easier that makes things for someone like me. I am thankful for the opportunity and support from these programs that tailored my place to fit my unique needs and allows me to continue living an independent life.

I look forward to helping others, especially others with disabilities, to consider this process and utilize these programs in order to make the possibility of owning their own home a reality."



The average market value of an LCHT home is \$138,000, and the average subsidized LCHT sales price is \$93,000—a difference of \$45,000! In comparison, the average home on the unrestricted market was \$192,802 in 2010 (McGrew Real Estate).

The Organization In Brief:



From left: Volunteers harvest historic bricks at 1245 New Jersey. Curious spectators enter “the dome” during an Earth Day tour. TTH staff pose with “Innovations” award.

Since its certification in 1992 as a Community Housing Development Organization (CHDO), Tenants to Homeowners, Inc. has empowered Lawrence families to gain control of their housing situations by creating affordable housing opportunities through programs for education, construction and creative financing.

TTH provides free public education on mortgage financing, the home buying process, and home maintenance through free public workshops and individual counseling. TTH’s workshops are for everyone, although its financing programs serve households with low and moderate incomes, based on annual guidelines from the U.S. Department of Housing and Urban Development (HUD). According to HUD, moderate-income includes those earning less than 80% of the median and low-income includes those making less than 60%.

From 1992 to 2005, TTH administered the Homeowners Out of Tenants (HOOT) Program. This program helped more than 278 low-income families finance their first homes. In 2005, HOOT was phased out in favor of the more efficient Lawrence Community Housing Trust (LCHT) Program, in which buyers and the LCHT are partners in homeownership. A subsidy reduces the price of the home, while the LCHT retains ownership of the land the home sits on. A 99-year ground lease allows homeowners the right to use the land for a small monthly fee to the LCHT.

In exchange for a lower up-front home cost, the resale price of the home is limited. The ground lease is the legal mechanism that keeps the home affordable to the next buyers. LCHT homeowners benefit from stability, earned equity and a fair return on their investment. The subsidy that is initially invested in a housing trust home is continually recycled. Affordability is maintained in perpetuity, promoting stable owner-occupied neighborhoods that reflect the community’s diversity. Lawrence has an opportunity and an incentive to create sustainable long-term housing. Currently, TTH stewards 44 homes in trust and has helped 47 families become Housing Trust homeowners with 3 successful resales. Since 1992, TTH has developed 50 new construction and 36 rehabilitation projects. New homes are Energy Star rated and built by licensed contractors. TTH also manages 47 affordable rental properties for those with extremely low incomes. Many of these families are then able to prepare for ownership.