

TTH Annual Report 2006

The Organization in Brief

Since its certification in 1992 as a Community Housing Development Organization (CHDO), Tenants to Homeowners, Inc. has worked hard to empower low-income individuals in the Lawrence community to gain control of their housing situations. TTH, Inc. creates affordable housing opportunities through programs for education, construction and creative financing.

Tenants to Homeowners, Inc. provides education on mortgage financing, the home buying process, and home maintenance through free public workshops and individual credit counseling.

Tenants to Homeowners, Inc. addresses the need for increased affordable housing stock in Lawrence through several development projects. The organization manages 19 affordable rental properties, has rehabilitated 11 older single family residences, and has constructed 34 new properties sold to low-income first time buyers.

As the city of Lawrence's designated CHDO, Tenants to Homeowners, Inc. administered the Homeowners Out of Tenants (HOOT) First Time Home Buyer Financing Program. Since 1993, this program helped over 200 low-income families finance their first homes. In 2005, the HOOT program was phased out and a new program, the Lawrence Community Land & Housing Trust (LCHT), was implemented. LCHT is an innovative new program in which homeowners and the LCHT will be partners in homeownership. In return for a subsidy to lower the initial housing cost, the homeowners agree to enter into

a ground lease with LCHT. A small monthly payment will be made to the LCHT to lease the land, giving the owners rights to use the land for at least 99 years through a long-term ground lease. The homeowners own the home and other improvements on the land.

Also, in exchange for a lower up-front home cost, the resale price of the home is limited. In this way, the homeowners can retain their equity and earn a fair appreciation toward the purchase of a new home, yet the land trust home will remain affordable for the next buyers.

The subsidy that is initially invested in a land trust property is recycled again and again to help more low-income families become homeowners. Affordability is maintained through perpetuity, the community has an opportunity to create stable owner-occupied neighborhoods that reflect its diversity, and Lawrence has an incentive to create more sustainable living spaces by focusing on longer term housing solutions.



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

Tenants to Homeowners, Inc.'s Workshops are open to the public.
Tenants to Homeowners, Inc.'s

financing programs serve low and moderate-income individuals. Moderate-income is defined by having an income under 80% of the median income for Douglas County according to household size. Low-income is an income under 60% of the median. These figures are released annually by the U.S. Department of Housing and Urban Development (HUD).



Education:

First Time Home Buyer Workshops—

Workshops cover such topics as homeownership, LCHT financing, credit issues, budgeting, closing, and home maintenance. The workshops are free and held the second Saturday of every odd month from 9:30 am--1:30 pm at the United Way Center. Often local lenders, realtors and insurance agents are invited to each workshop to join TTH staff and present their roles in the home purchasing process. Workshop attendees receive a handbook of information and a completion certificate for a HUD-approved first time buyer education class (required for other federal First Time Homebuyer Programs). In 2006, approximately 114 people attended one of the eight First Time Home Buyer Workshops or presentations given by Tenants to Homeowners staff.

LCHT Pre-qualification and Credit Counseling—

TTH provides first time home buyer pre-qualifying credit counseling and post-

purchase budget consultation. In these sessions, staff will calculate how much a person could possibly finance to buy a home, explain LCHT qualifications, access credit reports, review credit/debt problems, and counsel on ways to improve home mortgage loan applications. In post-purchase consultation, staff will counsel on financial problems and make suggestions concerning home maintenance issues to ensure successful homeownership. In 2006, 24 sessions were held to help individuals with credit reports, budget counseling and LCHT financing.

LCHT Homebuyer Association Newsletter—

All households who have purchased a home using HOOT/LCHT financing since January of 2000 are members of the LCHT Homebuyer Association and receive a quarterly newsletter that informs them about routine home maintenance, access to the TTH tool lending library and other community resources leading to successful home ownership.



Construction:

Rehabilitation—

Since 1996, Tenants to Homeowners, Inc. has purchased 11 older homes, rehabilitated them and sold them to low-income first time buyers. These include: 416 N. Michigan, 223 and 227 N. 7th Street, 1133 New York, 335 Elm Street,

1316 Summit, 218 Alabama, 1243 Prospect, 442 Forrest, and 1108 Connecticut. The Brook Creek Project (14 rental units off of East 15th) was also purchased, rehabilitated and is currently rented by TTH to low-income renters at below fair market rates. The most recent rehabilitation project at 1108 Connecticut was finished in March of 2005. This home was purchased by a low-income first time buyer and became TTH's first LCHT transaction. TTH is working with the Lawrence Preservation Alliance and the East Lawrence Neighborhood Association to create more rehabilitation opportunities and save some of Lawrence's older housing stock.

New Construction—

After the completion of the HAND Addition Cooperative Project with Neighborhood Resources and Lawrence Home Builder's Association (30 units of new housing constructed and sold to low-income first time buyers at 24th and Haskell), TTH has continued to construct new housing that can be financed by persons of low and moderate means. This has included 10 new homes on Atherton Court in the Habitat Addition. Two of these homes are universally accessible and three are being rented with a purchase option. The other seven 3-bedroom homes have been purchased by first time buyers using HOOT financing.

In 2005, TTH completed its first fully accessible construction project at 1814 Haskell. This home was purchased by an income-eligible family of four, three of whom are wheelchair users. Community donations for this project exceeded \$50,000.

In 2006, TTH sold and completed all six lots of the Perkins Addition at 3rd and Alabama. TTH also acquired a vacant lot across the street and added two townhomes to the housing trust in the Pinckney Neighborhood. Another new construction project is underway at 1032 New York and is scheduled to be completed in the spring of 2007. At the end of 2006 TTH had completed its 27th new construction house in its 14 year history.

Low-Income Rental Housing—

Tenants to Homeowners, Inc. currently provides 19 rental properties for families whose incomes fall under 60% of the median income in Douglas County. Five of these properties are universally accessible and serve tenants with accessible housing needs. All rentals provide safe, quality housing at below market rent. TTH cooperates with the Lawrence Housing Authority to ensure that rental assistance can be used on all rental units. TTH hopes that tenants who are no longer extremely rent burdened can repair credit, pay off debt and eventually move up to homeownership.

Future Construction Projects—

In 2006, TTH acquired and began the development of an 11 lot site on Bullene Street near 19th and Haskell. This development will include a green space and access to the city's Rails to Trails project. TTH also acquired 2 lots on Laura Ave. in the Brook Creek neighborhood to add new construction infill. TTH is also working on a new construction and rehabilitation project on 11th and Rhode Island with the ELNA and Douglas County that may add 5

more units of accessible affordable housing. TTH also hopes to begin planning the development of 5 housing units on 12th and Delaware in 2007.



Creative Financing

LCHT—

TTH administers the Lawrence Community Housing Trust (LCHT) Financing Program for low and moderate-income first time home buyers. This program is cooperatively sponsored by the city of Lawrence Neighborhood Resources Department, local lending institutions that belong to the Lender's Committee, and two local nonprofit agencies—Housing and Credit Counseling, Inc. and TTH, Inc. The Neighborhood Resources Department uses federal HOME funds to help families of modest means become homeowners and rehabilitate older properties. For participants, the LCHT program includes homebuyer education; financial resources to cover buy down, closing costs and rehabilitation expenses; and advocacy throughout the home buying process.

HOYO—

The Home of Your Own (HOYO) Program provides additional financing for individuals with disabilities who are income-eligible for the LCHT Program. HOYO is sponsored cooperatively by Independence, Inc., Neighborhood

Resources and Tenants to Homeowners, Inc. Four homebuyers in 2006 with disabilities were able to access HOYO and Federal Home Loan Bank funds to reduce their initial housing cost further or add accessible housing features.

TTH True Blue IDA Program—

In cooperation with Capitol Federal Savings, Tenants to Homeowners, Inc. offers tenants an Individual Development Account (IDA) Program to help families save for homeownership. Currently, families who rent homes from TTH with purchase options are eligible. These families can begin saving for their down payment and when they are ready to purchase a home, Capitol Federal will match their savings dollar for dollar. TTH would like to expand this program and provide these homeownership opportunities to all other TTH renters.

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TTH, Inc. Statistics 2006

- *6 Federal Home Loan Bank grants were distributed*
- *24 pre-qualifying counseling sessions were provided to help individuals with credit reports, budget counseling and LCHT financing.*
- *7 workshops were conducted with 114 attendees.*
- *TTH built six new homes and began construction on three other new homes in Lawrence.*

- *19 families live in safe and affordable rental housing managed by TTH. One rental family was able to move to homeownership.*
- *One tenant family was enrolled in the True Blue IDA program in 2006 and has saved over \$1000 for their purchase in 2007.*

Contributors

We would like to thank those who contribute and support Tenants to Homeowners, Inc.'s programs on an ongoing basis:

Neighborhood Resources
 Lender's Committee—
 Capitol Federal Savings
 Landmark National Bank
 Housing and Credit Counseling, Inc.
 Capitol Federal Foundation
 Federal Home Loan Bank of Topeka
 Douglas County Community Foundation

We would like to thank those who contributed to Tenants to Homeowners, Inc. in 2006. Your generosity is greatly appreciated!

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