



ATHENS LAND TRUST

A Creative Solution for Affordable Housing

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 is “Affordable Housing”?

The federal government defines it as:

“Housing for which the occupant is paying no more than 30% of his or her income for gross housing costs, including utilities.”

Is there a set cost for utilities?

- The federal government estimates average monthly utility costs in Georgia to be \$267.

How do we calculate what is affordable?

- We take 30% of a family's gross monthly income, take out the costs of utilities, and then we look at different housing options.

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□ For example:

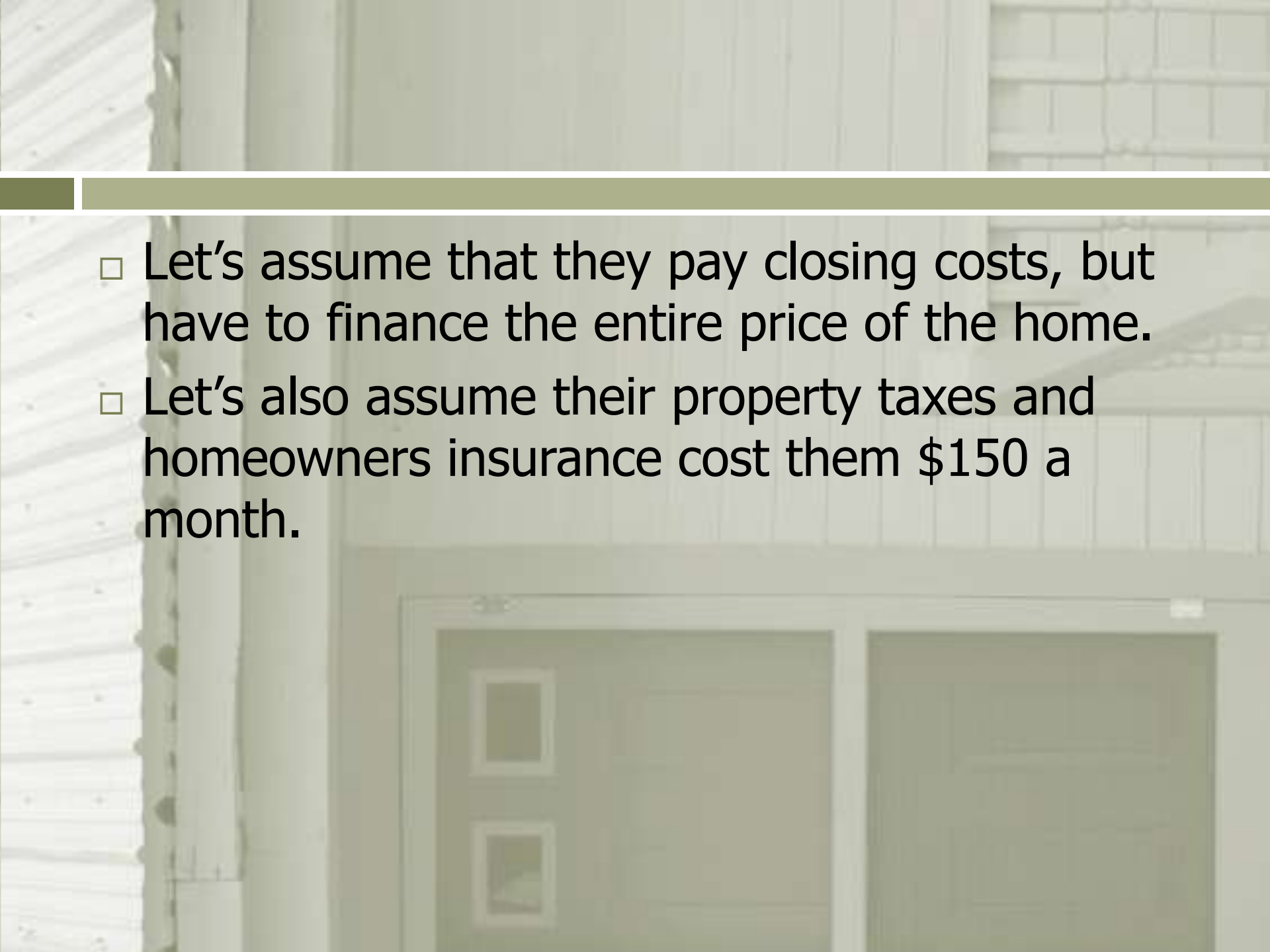
- The median income for a family of 4 in Athens-Clarke County is \$54,313.
- Monthly this family should spend no more than \$1,358 on housing costs.
 - $\$54,313/12 = \$4,526$ is their monthly income
 - $\$4,526 \times 30\% = \$1,358$ the limit for their housing to be affordable.

So what rent or house payment can they afford?

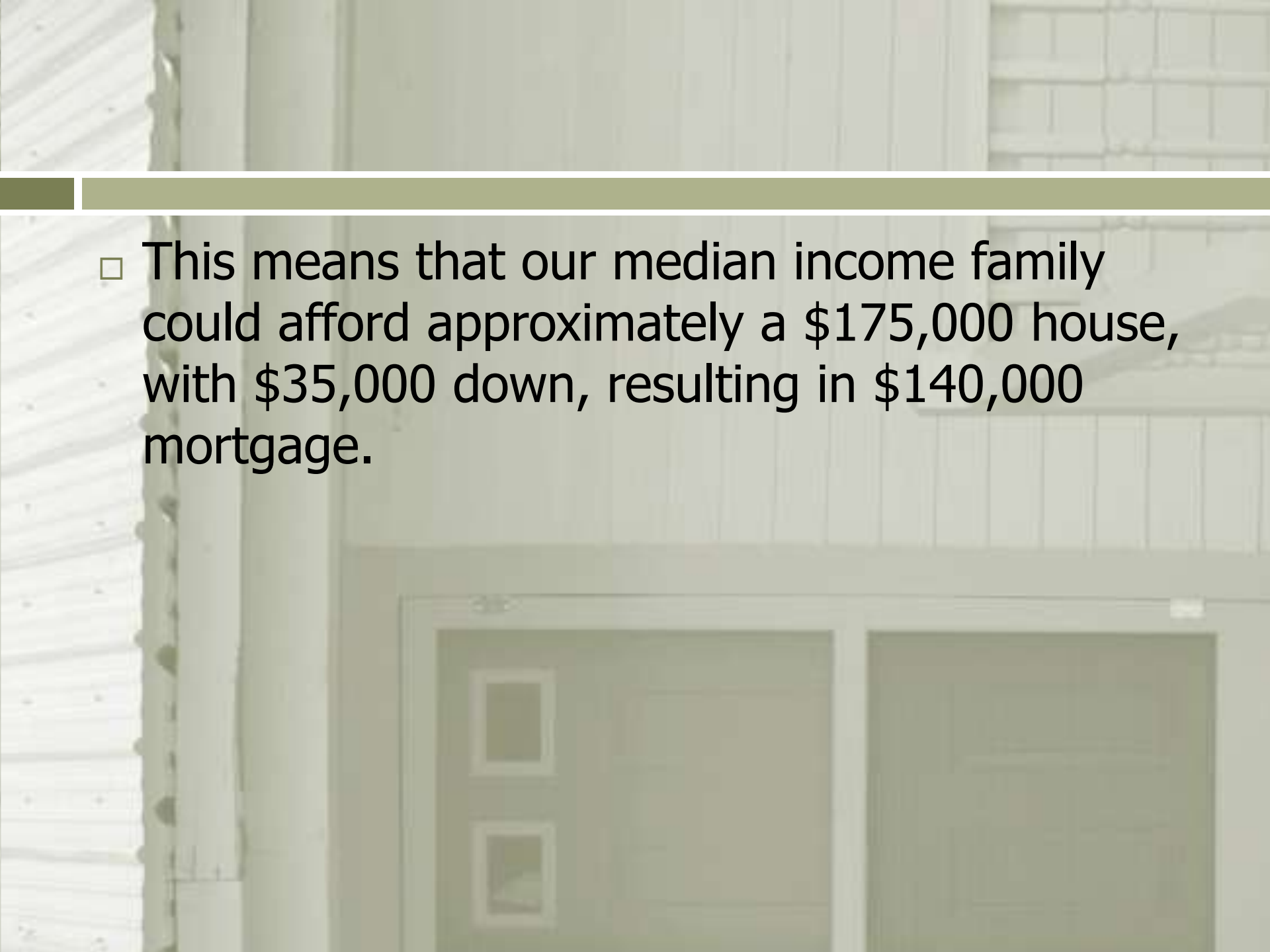
- If they can pay \$1,358 a month on their total housing costs and we know that the average utility cost is \$267
- $\$1,358 - \$267 = \$1,091$ on a housing payment or rent

What house could they afford to buy?

- This part gets a little tricky because you have to make several assumptions
- If they can afford to pay \$1,091 towards a house and you assume they would qualify for a 7% interest rate 30 year fixed mortgage

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- Let's assume that they pay closing costs, but have to finance the entire price of the home.
 - Let's also assume their property taxes and homeowners insurance cost them \$150 a month.

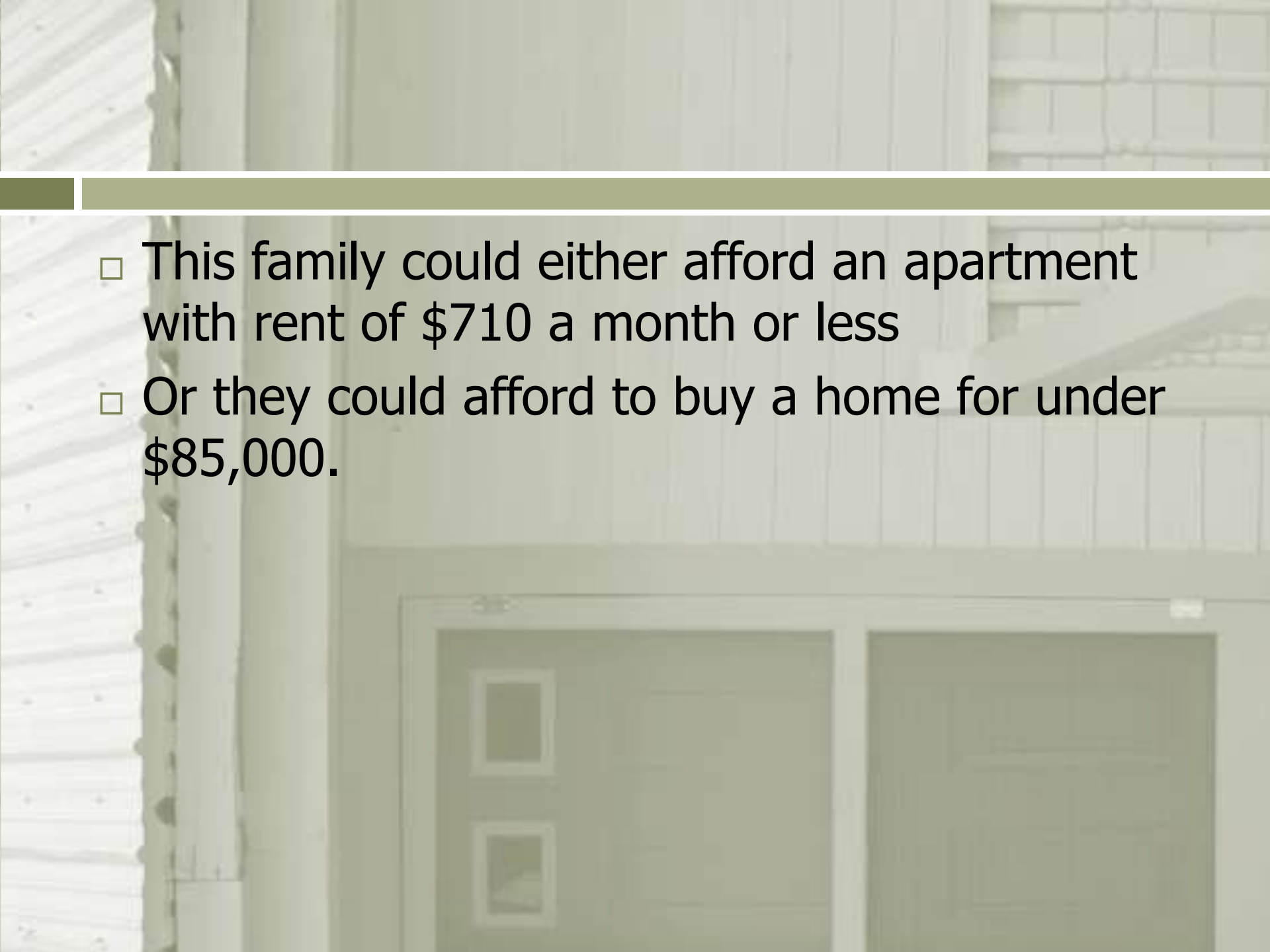
- $\$1,091 - \150 (for taxes & insurance) = $\$941$
- So they can afford a house with a monthly payment of $\$941$.
- A $\$140,000$ mortgage at 7% interest would give you monthly payments of $\$931$.
- Keep in mind that the banks now want 20% down, so they might be able to buy a $\$175,000$ house, but they would have to come up with $\$35,000$ to put down on the house.

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- This means that our median income family could afford approximately a \$175,000 house, with \$35,000 down, resulting in \$140,000 mortgage.

Let's try again with a different family

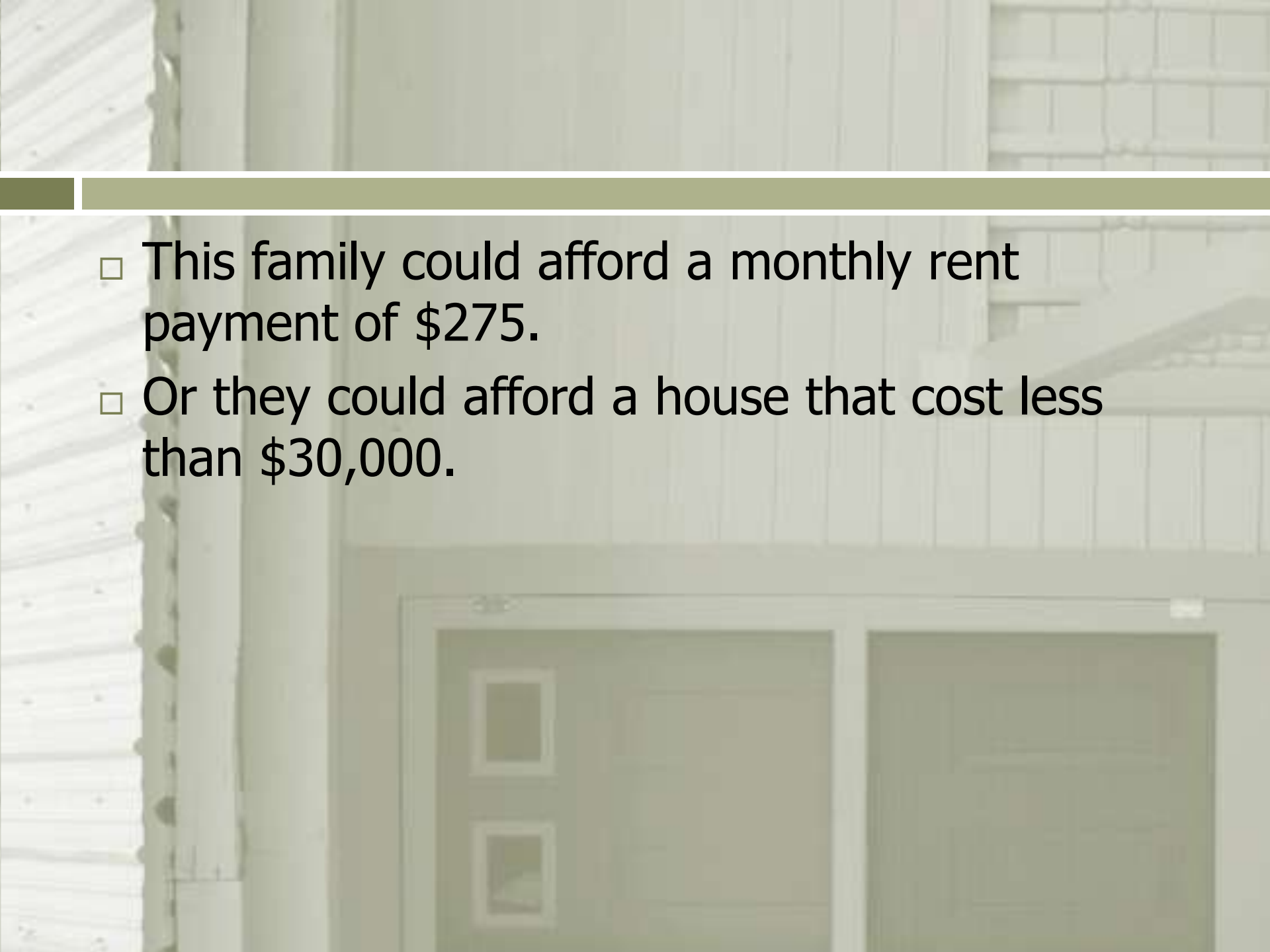
- This time let's look at a single parent family with 2 kids making 80% of the Area Median Income for Athens-Clarke County which is \$39,100 a year.
- Just for reference, this parent would be making \$18.80/hour.

- $\$39,100/12 = \$3,258$ is their monthly income
- $\$3,258 \times 30\% = \977 can go to housing costs
- $\$977 - \267 (for utilities) = $\$710$
- $\$710 - \150 (for taxes & insurance) = $\$560$
- An $\$85,000$ house with a 7%, 30-year mortgage would have monthly payments of $\$566$. An $\$85,000$ house with 6% interest would have payments of $\$509$.

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- This family could either afford an apartment with rent of \$710 a month or less
 - Or they could afford to buy a home for under \$85,000.

Let's try another family

- A family of two making 50% of area median income would make \$21,700 annually.
- $\$21,700/12 = \$1,808 \times 30\% = \$542$
- $\$542 - \267 (for utilities) = \$275

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- This family could afford a monthly rent payment of \$275.
 - Or they could afford a house that cost less than \$30,000.

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.

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.

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

- 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

Neighborhood Revitalization

- ALT believes in the rehabilitation of vacant houses
 - brings life back into the neighborhood
 - reduces crime
 - maintains the cultural heritage of the community















865

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PRESERVATION
AWARD
2008
OUTSTANDING
ACHIEVEMENT

**A
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FOUNDATION









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.





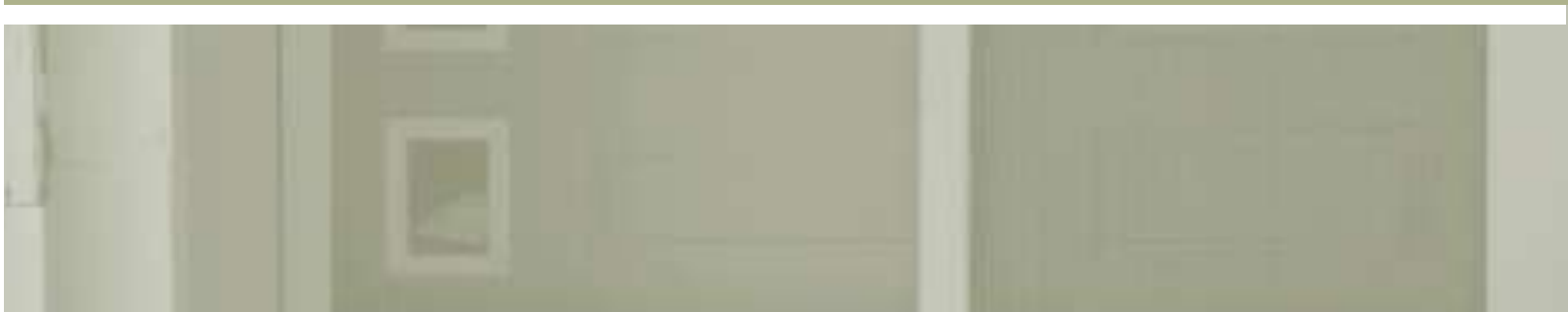
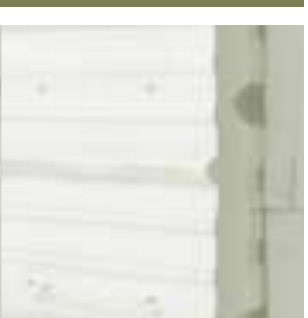
New Infill EarthCraft Home



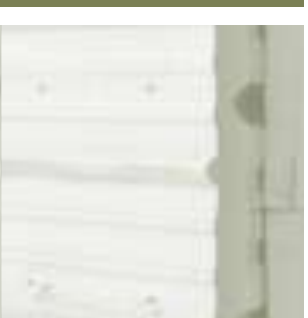


Spray Foam Insulation









New Projects

- Cottages at Cannontown
 - Foreclosed
 - Partially completed intown subdivision
 - 15 lots



ATHENS LAND TRUST
A DESIGN PROGRAM for AFFORDABLE HOUSING

CHARRETTE AND REPORT PRODUCED BY THE UNIVERSITY OF GEORGIA, CENTER FOR COMMUNITY DESIGN AND PRESERVATION, 2011

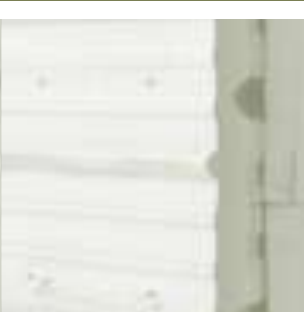
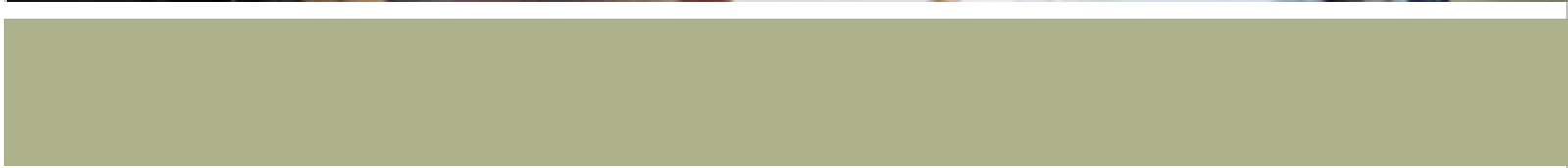


Planning for a better project



Charrette





Affordable Multifamily

- Fourth Street Village – LIHTC Project



Other Projects

- Lease Purchase
- Housing Counseling
- Loan Programs (Tools, Mortgages, etc.)
- Community Gardens