

TTH Annual Report 2007

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 15 affordable rental properties, has rehabilitated 13 older single family residences, and has constructed 30 new properties sold to low-and-moderate-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 278 low-income families finance their first homes. In 2005, the HOOT program was phased out and a new program, the Lawrence Community Housing Trust (LCHT), was implemented. LCHT is an innovative new program in which homeowners and the LCHT are partners in homeownership. In return for a large subsidy to lower the initial housing cost,

the homeowners agree to enter into a ground lease with the 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 housing trust home will remain affordable for the next buyers.

The subsidy that is initially invested in a housing trust property is recycled again and again to help more low-and-moderate-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 long term energy-efficient 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 the purchasing process, 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. TTH will also complete workshops for schools, employers and other community groups who work with income-eligible buyers. Workshop attendees receive a handbook of information and a completion certificate for a HUD-approved homebuyer education class (required for other federal First Time Homebuyer Programs). In 2007, 113 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 application position. In post-purchase consultation, staff will counsel on financial problems and make suggestions concerning home maintenance issues to ensure successful homeownership. In 2007, 48 sessions were held to help individuals with credit reports, budget counseling and the loan application process.

LCHT Homebuyer Association Newsletter—

All households who have purchased a home using HOOT/LCHT financing since January of 2002 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. At the end of 2007, TTH shared this valuable information to 100 families to ensure that we help them stay successful in their homes.



Construction:

Rehabilitation—

Since 1996, Tenants to Homeowners, Inc. has purchased 13 older homes, rehabilitated them and sold them to low-and-moderate-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. 1108 Connecticut was finished in March of 2005, was purchased by a low-income first time buyer and became TTH's first LCHT transaction. In 2007, TTH purchased and rehabilitated 1036 New York as the first Housing Trust Rehab Acquisition. TTH is currently working with the Lawrence Preservation Alliance and the East Lawrence Neighborhood Association to rehabilitate 1120 Rhode Island, a contributing property to the Nationally Recognized Rhode Island Historic District.

New Construction—

After the completion of the HAND Addition Cooperative Project with Neighborhood Resources and the 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 families 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 two have been acquired by the Housing Trust and added to its permanently affordable stock. The other 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 completed homes on 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 for the Pinckney Neighborhood. 2007 brought the completion of 1032 New York and the first three of ten homes in the Homewood Gardens Addition on Bullene Street. Not only are these some of the most affordable homes we have developed in the last three years, but they are also the first homes in the city of Lawrence to receive Energy-Star Designation for their extreme energy-efficiency features. 1651 Bullene is also a fully accessible home and brings TTH's total new home construction to 30 affordable units. Of these, 15 are in the Housing Trust and will remain a permanent affordable housing resource for the Lawrence community.

Low-Income Rental Housing—

Tenants to Homeowners, Inc. currently provides 15 rental properties for families whose incomes fall under 60% of the median income in Douglas County. Two of these properties are universally accessible and serve tenants with accessible housing needs. All rentals provide safe, quality housing at well 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 2007, TTH completed the development and 3 of the 11 homes on Bullene Street near 19th and Haskell. This development will include a green space and access to the city's adjacent Rails to Trails Nature Trail Project. 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 has completed the floor plans and hopes to begin building 5 housing units on 12th and Delaware neighboring the Delaware Co-Housing Project. TTH currently has an additional 20 units of housing in its development pipeline.



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 Community Development Services, local lending institutions, and two local nonprofit agencies—Housing and Credit Counseling, Inc. and TTH, Inc. The city of Lawrence uses federal HOME fund allocations to finance the program. For participants, the LCHT program includes homebuyer education; financial resources to reduce the initial purchase price by anywhere from \$30-50,000, provides closing costs, and ensures the

homebuyers have advocacy throughout the home buying process.

HOYO, FHLB, and other grants—

TTH is constantly trying to leverage other funds for first time homebuyers in need of support. 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., the city and TTH. Two homebuyers with fixed incomes in 2007 were able to access HOYO and Federal Home Loan Bank funds to reduce their initial housing cost further and enjoy the security of homeownership.

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 2007

- **60,000 in Federal Home Loan Bank grants were distributed**
- **48 pre-qualifying counseling sessions were provided to help individuals with**

credit reports, budget counseling and LCHT financing preparation.

- **8 workshops were conducted with 113 attendees.**
- **TTH built 6 new homes and began construction on three other new homes in Lawrence. TTH completed 3 additional rehabilitation projects and began another historic rehabilitation.**
- **20 families lived in safe and affordable rental housing managed by TTH. 2 families were able to move to homeownership.**
- **One tenant family was enrolled in the True Blue IDA program and used the \$2500 they had saved as a down payment to purchase their home in March of 2007.**

Contributors

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

City of Lawrence Development Services
Lender's Committee—
Capitol Federal Savings
Landmark National Bank
Kansas University Credit Union
Housing and Credit Counseling, Inc.
Capitol Federal Foundation
Federal Home Loan Bank of Topeka
Douglas County Community Foundation
Kansas Housing Resources Corporation

We would like to thank those who contributed to Tenants to Homeowners, Inc. in 2007. Your generosity is greatly appreciated!

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Barber Emerson, L.C.
The City of Lawrence
Clovis Construction
The Community Mercantile
Douglas County Bank
Dennis Highberger
Freddie Mac
Kansas Secured Title
Keller & Associates
Kennedy Glass
KT Walsh
Whelan's

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Hayley Travis....Resource Development
Jeremi Lewis.....Maintenance Manager

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**To contribute services, material or tax deductible donations to these efforts, make check payable to:
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