



# **Lawrence Community Housing Trust** *...not just in Lawrence anymore!*

Rebecca Buford, Executive Director  
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*Call us anytime 785-842-5494*  
*[www.tenants-to-homeowners.org](http://www.tenants-to-homeowners.org)*



# What is a Community Housing Trust Home?

In exchange for subsidy (\$40,000 off the initial price):

- ✓ Homebuyer has title to the improvements
- ✓ LCHT has title to the land, homeowner has right to use the land like any other homeowner
- ✓ Homebuyer agrees to sell at a restricted resale price to an eligible buyer, maintaining affordability
- ✓ 99-year ground lease is the legal instrument that allows us to maintain affordability
- ✓ Homebuyer pays nominal ground lease fee of \$30/month

# Our Resale Formula

We use a resale formula to calculate resale price.

Having ownership of the land is the legal mechanism that allows us to restrict price.

**Resale Price = Initial sales price** to buyer + **25%** of market appreciation

**A family that purchases a housing trust home gets two kinds of equity:**

**EQUITY 1** = All of the money they put down and paid on their first mortgage

**EQUITY 2** = Plus 25% of market appreciation of their home while they lived there

...they also get to live in a home that is valued at **\$40K-80K more** than they could afford on their own.

This often means an extra bedroom, less maintenance, and energy efficiency (lower utility bills).

# Why buy with Tenants to Homeowners?

- Living in a house worth 50K more than you pay means an extra bedroom, a garage, or a new house vs. a 60 year-old house.
- Our homes are Energy Star rated = ~ \$250 monthly savings in utilities
- No Private Mortgage Insurance
- Save \$4000 in closing costs
- Affordable down payment based on your income (5% of annual gross)
- Lower taxes
- Support from TTH throughout homeownership: tool lending library, maintenance help, support in financial emergencies

# Example Sales in Lawrence

In 2021 our average subsidy per home was \$46,000 plus \$4,000 in closing costs bringing our average sale price to just **\$122,100**. The Lawrence Board of Realtors average 2021 sales price was **\$294,591**.

## TTH RESALE: 1812 ATHERTON COURT



**\$130,300**      Sale Date: January 2022

3 bedrooms, 2 bathrooms

Sq Ft: 1,700

Year Built: 2000

Features: 1 car attached garage, walk out basement with finished area

## MARKET SALE: 2524 ALLISON DRIVE



**\$240,000**      Sale Date: October 2021

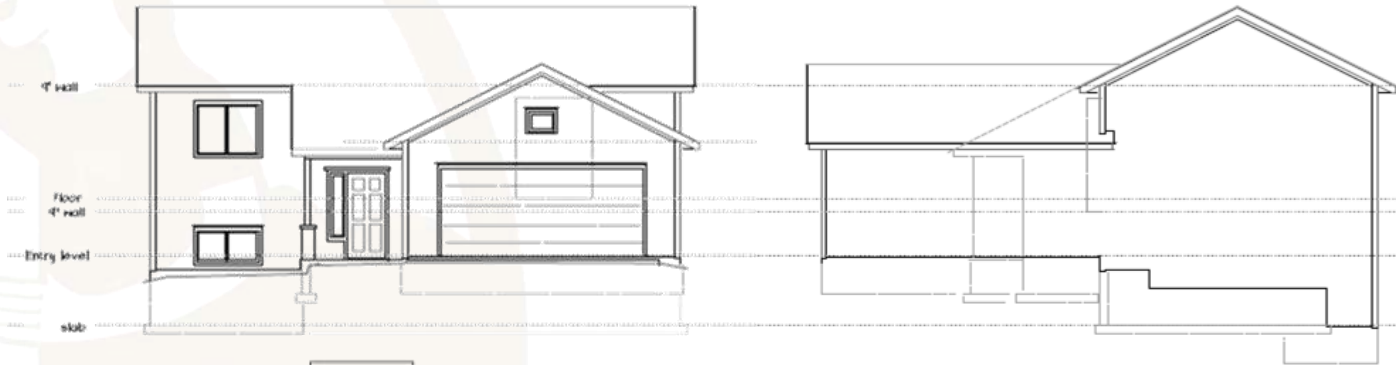
2 bedrooms, 3 bathrooms

Sq Ft: 1,531

Year Built: 1984

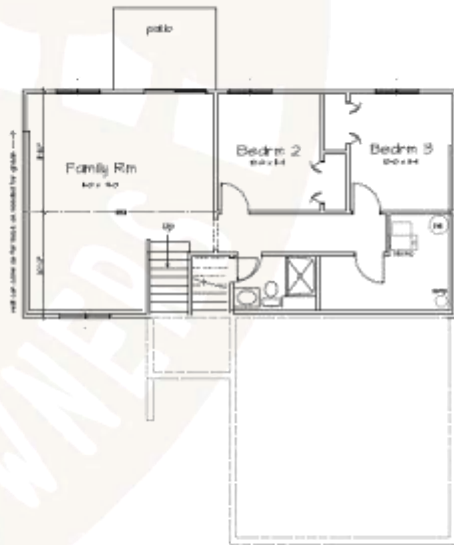
Features: 2 car attached garage, basement with finished area

# What we're bringing to Baldwin City – New Homes!



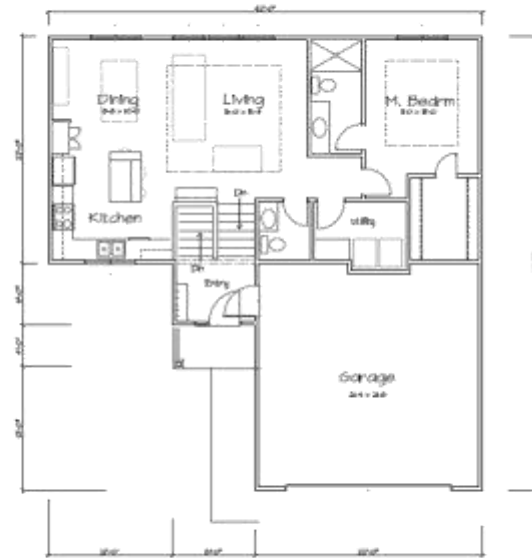
## 908 & 912 W 12TH STREET

- 3 bedrooms, 2 bathrooms
- split-entry ranch
- 1,740 square feet
- walk-out basement with finished area
- hard surface floors with carpeted stairs
- electric heat pump system
- Energy Star rated efficiency



766 sq.ft. finished

Lower Level



974 sq.ft.

Main Level

**Sale Price = Build Cost - \$40K**

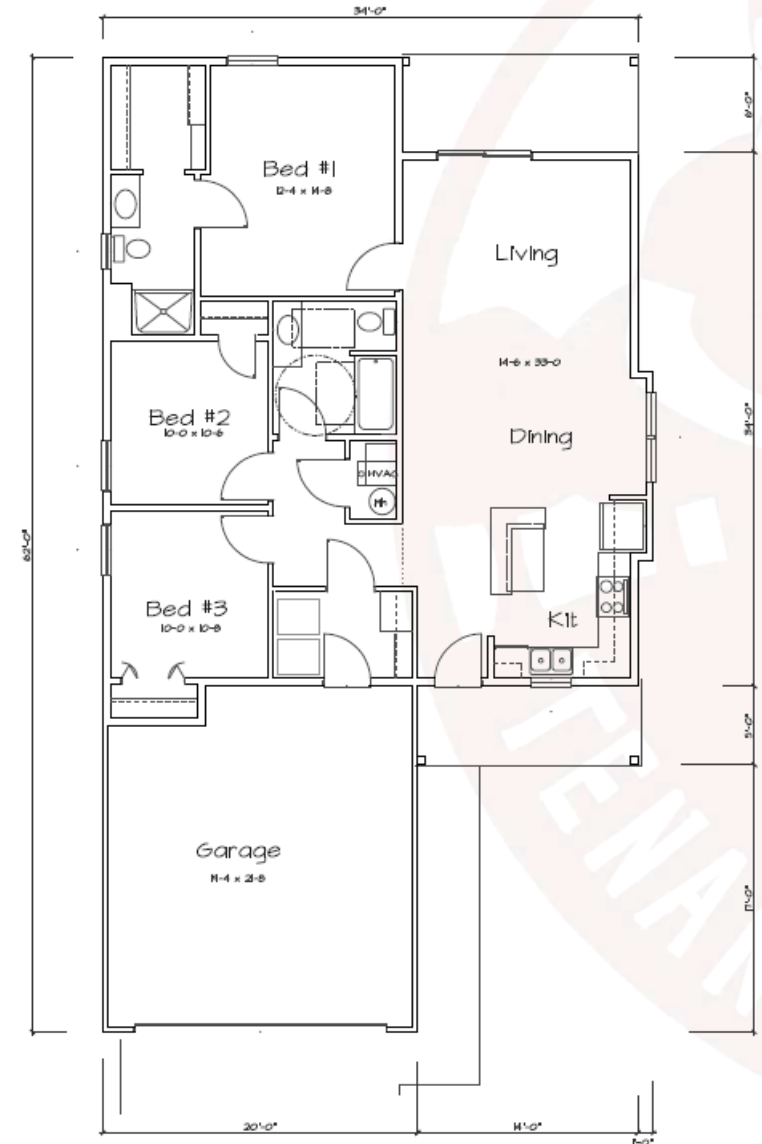
# What we're bringing to Baldwin City – New Homes!

## JERSEY STREET

- 3 bedrooms, 2 bathrooms
- true ranch
- 1,298 square feet
- hard surface floors
- electric heat pump system
- Energy Star rated efficiency



**Sale Price = Build Cost - \$40K**



# What we're bringing to Baldwin City – Subsidy!

## SUBSIDY AVAILABLE FOR PURCHASE OF HOMES OFF THE MARKET

- **\$40,000 of subsidy** available for **2 purchases** in Baldwin City
- Home Inspection and approval from Tenants to Homeowners required
- Buyers must be working through TTH homebuyer program
- Pre-approval must be obtained through approved lender
- Only 5% of your annual gross income is required for down payment, \$500 can be a gift. You can put additional down if you have it.

**Max. Market Price = TTH \$40K subsidy + Your pre-approval amount + Your down payment**

Example: 40K subsidy + 160K preapproval + 3K required down + 7K additional down = 210K list price



# Permanent Affordability in Baldwin City

Remember the 99-year ground lease and this formula from before?

**Resale Price = Initial sales price** to buyer + **25%** of market appreciation

The initial subsidy stays with the homes and helps the next buyer achieve homeownership.

This creates five permanently affordable homes in your community.

# How to buy with Tenants to Homeowners

1. Attend a homebuyer workshop
2. Come in for a pre-qualifying session with TTH
3. Budget counseling at Housing and Credit Counseling Inc. (HCCI)
4. Apply through a Housing Trust lender
5. Get pre-approval from lender
6. Look for a home available through the program that fits your needs
7. Get a contract to purchase your new home, go through the purchasing process with support from TTH.
8. Continued support from Tenants to Homeowners throughout the homeownership journey

**Call us at 785-842-5494 or email [Jasmine jbatestth@gmail.com](mailto:jbatestth@gmail.com) to get started!**

# Income Qualification

Add the annual gross (before-taxes) income of all adults in your household.  
If that total is less than or equal to the number below your household size, then you are income-eligible

Household Size	1	2	3	4	5	6
Max. Annual Gross Income	\$47,350	\$54,100	\$60,850	\$67,600	\$73,050	\$78,450
Min. Annual Gross Income** FOR KHRC FUNDED PROJECTS ONLY	\$32,513	\$37,163	\$41,813	\$46,425	\$50,138	\$53,888

\*\*Kansas Housing Resources Corporation (KHRC) Moderate Income Housing (MIH) projects require a minimum income of 60% AMI.

*Our projects in Baldwin City and Eudora are funded with KHRC MIH funds.*

# What's *your* next step?

**Everyone's path to homeownership is different. Your next step could be:**

- Scheduling budget counseling or student loan repayment counseling with HCCI
- Making a plan to pay down debt, build credit, or save up for homeownership costs
- Scheduling a Prequalification with Tenants to Homeowners



**TENANTS TO HOMEOWNERS, INC**

**TTH**

CREATING STABILITY  
THROUGH PERMANENTLY  
AFFORDABLE HOUSING

Slides and handbook are available at: [tenants-to-homeowners.org/homebuyer-workshop](https://tenants-to-homeowners.org/homebuyer-workshop)