

# Summit Hill Community Land Trust

August 8<sup>th</sup>, 2023



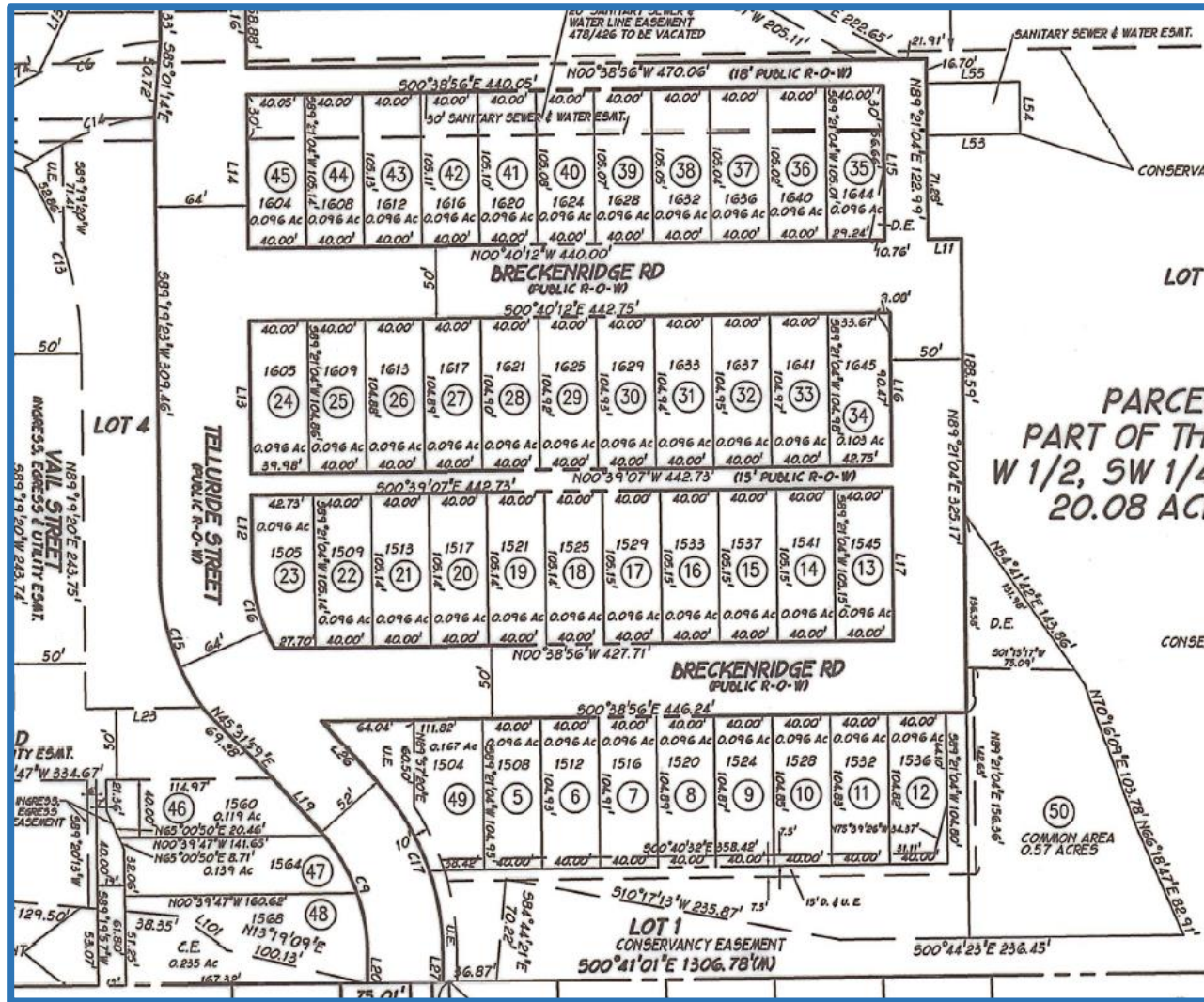
Summit  
Hill  
Community  
Development  
Corporation



Bloomington  
Housing  
Authority



*Local and National Impact  
for Home Ownership*

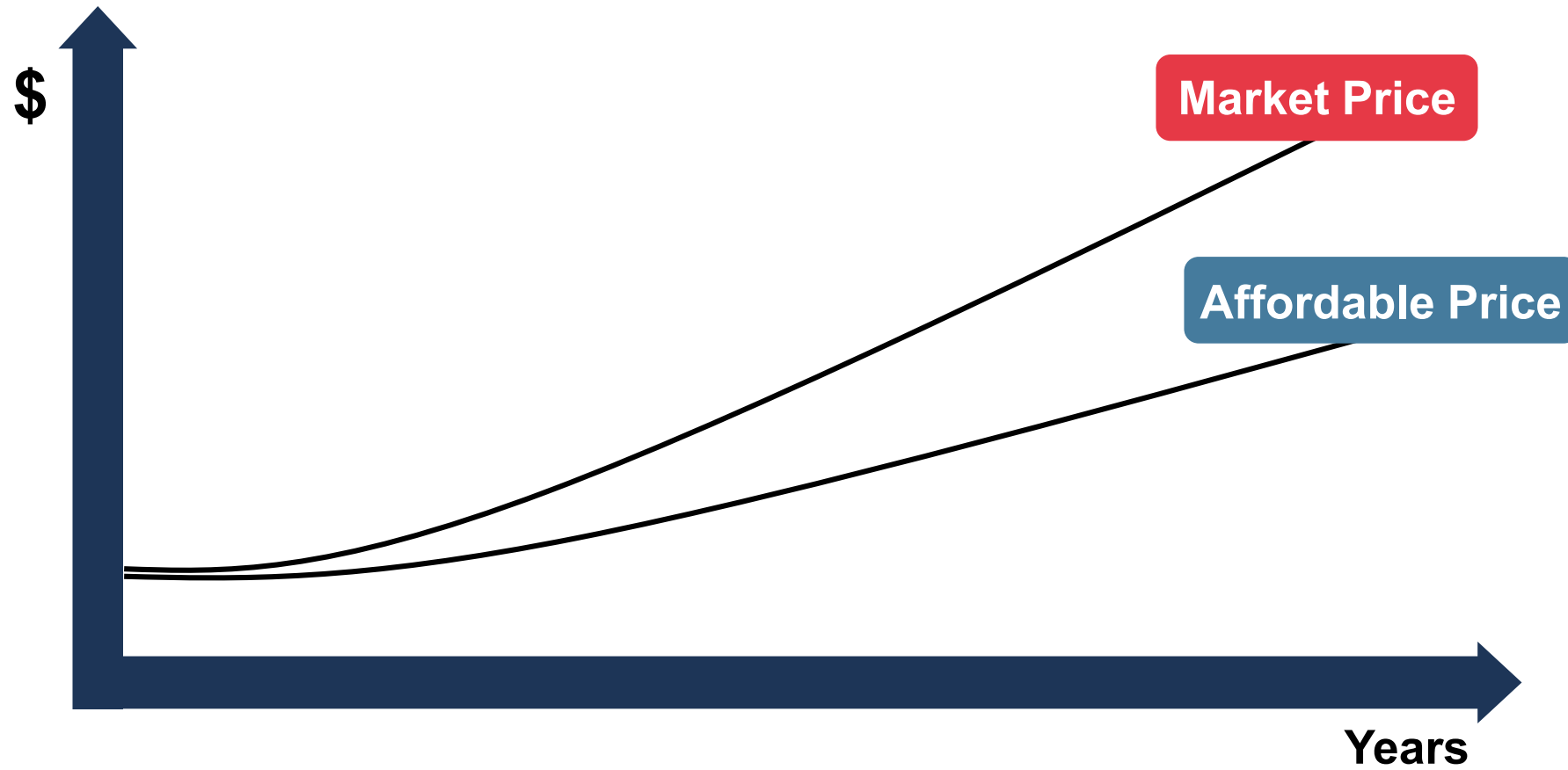


# Arlington Park (Trinitas)

Builders:  
Clear Creek and Habitat for  
Humanity



# The Growing Affordability Gap





**SHCDC will retain the land under each home and through a ground lease, convey full use of the property to the household that purchases the home.**





**The lease contains a resale formula that assures that the price will remain affordable, buyer after buyer without need of further subsidy.**



**Affordable homeownership for today's buyers & for  
future buyers → community will remain  
equitable and accessible.**

**Individuals**



**Community**



# Legal Instrument

**SHCDC owns the land and leases to homeowner**

- ✓ *Lease is long-term and renewable*
- ✓ *Lease is inheritable*



- ✓ *The improvement can be financed*
- ✓ *No buyouts*
- ✓ *Contains resale formula and process*





# How Buyers Build Equity

Homeowners collect:  
(at resale)

25% of the  
appreciation on the  
home

*Equity Building*  
=  
*Wealth Creation*

Downpayment &  
Principal  
Payments on  
Mortgage

Value of Capital  
Improvements  
to the home



# At Resale - Affordability Preserved

- *CLT exercises option to repurchase at resale*
- *Property appraised at purchase and each resale*
- *Formula applied*
- *Capital improvement credit added*
- *Development fee charged*
  - ✓ *Subsidy recycled at each sale*
  - ✓ *Subsidy grows with home value*

		<u>Seller</u>		<u>Buyer</u>	
Current appraisal at time of resale		\$250,000		\$250,000	
Market appraisal value at initial sale	-	<u>\$200,000</u>	-		
Increase (or decrease) in home value		\$50,000			
Value of Capital Improvements	-	\$0	-		
		\$50,000			
Share of increase (or decrease) to seller (25%)	X	25%	X	75%	Share of increase to discount home for buyer (75%)
		<u>\$12,500</u>		<u>\$37,500</u>	
Original appraisal		\$200,000		\$250,000	Current appraisal
Original subsidy (Land & Cash)	-	\$75,000	-	\$75,000	Subsidy recycled
Original purchase price of home		\$125,000		n/a	
Equity share available to seller	+	\$12,500	-	\$37,500	Equity share discount to buyer
Capital improvements	+	<u>\$0</u>		<u>n/a</u>	
Price Paid to Seller	=	\$137,500	=	\$137,500	
				\$4,000	CLT Resale Fee
				\$141,500	Buyer Sales Price

# Benefits to Homeowner

- ✓ *Affordability*
- ✓ *Access to Security of Homeownership*
- ✓ *Wealth Building - Mortgage Equity*
- ✓ *Stepping Stone To Traditional Market*
- ✓ *Typical Tax Benefits*
- ✓ *Support And Stewardship*





# Benefits to Community



- ✓ *Preserving Affordability/Access to Homeownership*
- ✓ *Retaining and Recycling Public Subsidies*
- ✓ *Helping More People*
- ✓ *Gentrification Mitigation*
- ✓ *Building and Preserving Housing Stock - Quality And Affordability*

# Clear Creek Modular Homes



A single-story modular home with green horizontal siding and a dark brown gabled roof. The front left corner features a stone fireplace wall with a large white-framed double window. A covered front porch with white railings and stone pillars spans the right side of the house. The house is surrounded by a green lawn, a curved concrete walkway, and colorful landscaping including yellow and red flowers and a large rock. The sky is blue with light clouds.

with porch & garage built onsite by others



with porch & garage built onsite by others



# Habitat for Humanity



- Partnering as a builder and a lender for the CLT
- Can reach potential homeowners at even lower incomes
- Participants must qualify for and meet all Habitat requirements
- SHCDC and Habitat will update when details are confirmed



# Shared Equity: A Proven Solution 1

**7** out of **10**

shared equity  
homeowners are first-  
time homebuyers



The share of minority households  
living in shared equity homes  
increased from

**13%** to **43%**  
(1985-2000) (2013-2018)



**GROUND  
SOLUTIONS  
NETWORK**

shcdc



# Shared Equity: A Proven Solution 2



The median shared equity household accumulates

**\$14,000**

in earned equity.  
(compared to a median initial investment of \$1,875)

**6** out of **10**



shared equity homeowners use their earned equity to eventually purchase a traditional market rate home.



**GROUND  
ED  
SOLUTIONS  
NETWORK**



# Shared Equity: A Proven Solution 3



Over  
**99%**

of shared equity homes  
avoid foreclosure  
proceedings



**95%**

of shared equity homes are priced affordably  
(under 30% of monthly income) for households  
earning 80 percent of AMI or below



**GROUND  
SOLUTIONS  
NETWORK**



# Summit Hill Early Learning Center



D EAST ELEVATION  
SCALE: 1/8" = 1'-0"



B SOUTH ELEVATION  
SCALE: 1/8" = 1'-0"



C NORTH ELEVATION  
SCALE: 1/8" = 1'-0"



A WEST ELEVATION  
SCALE: 1/8" = 1'-0"

- This 2 -story building at 1020 N. Monroe will house a new early childcare center on the first floor and three two-bedroom apartments on the second floor.
- The South Central Community Action Project will be the childcare provider for the 3 classrooms, serving up to 28 infants and toddlers
- The three low-income apmts will target those pursuing education in an essential field, such as early childhood education.



Builds on  
trusted  
partnership

Investment in our  
current and future  
workforce

Childcare:  
Accessible  
Affordable  
High Quality  
Infants and Toddlers

Early years critical  
for a child and can  
have long-term  
impacts

A  
PROPOSED  
SITE PLAN  
SCALE: 1/16"=1'-0"

springpoint  
ARCHITECTS



BHA EARLY  
LEARNING CENTER  
BLOOMINGTON, INDIANA  
NOVEMBER 2019



# Kohr Rehab Project



- The COB donated land and the historic Khor building.
- This historic rehab project will include 38 affordable units, 9 units reserved for permanent supportive housing. Centerstone to provide on-site supportive services.
- Financed with 9% low-income tax credits and historic tax credits.



**Thank you for coming!**



**Questions?**

**Comments?**

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