



— CDBG Committee, Jan 2021 —

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# MACLT

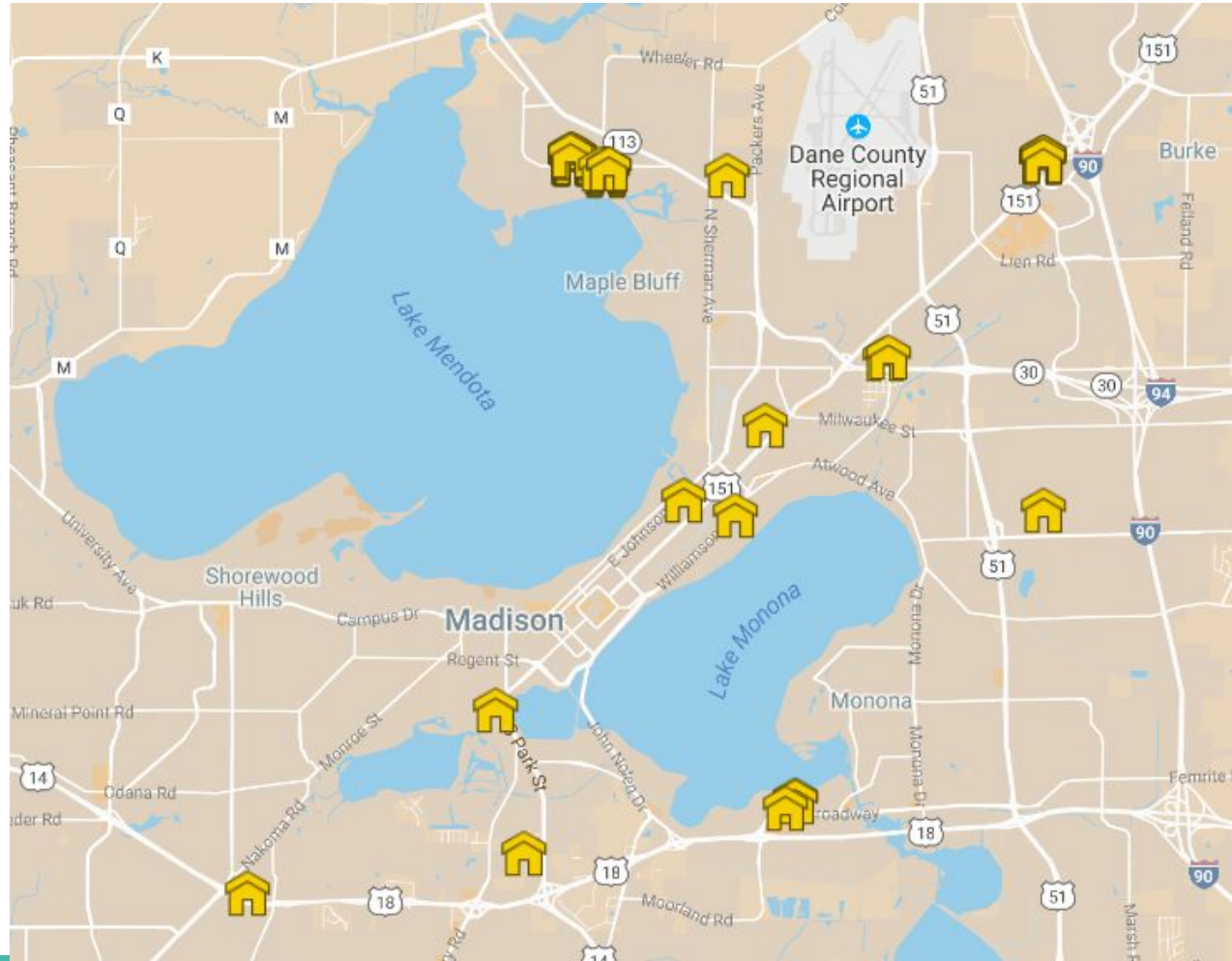
founded in 1990

69 homes now:

59 affordable

10 at Troy Gardens  
are market-rate  
condos

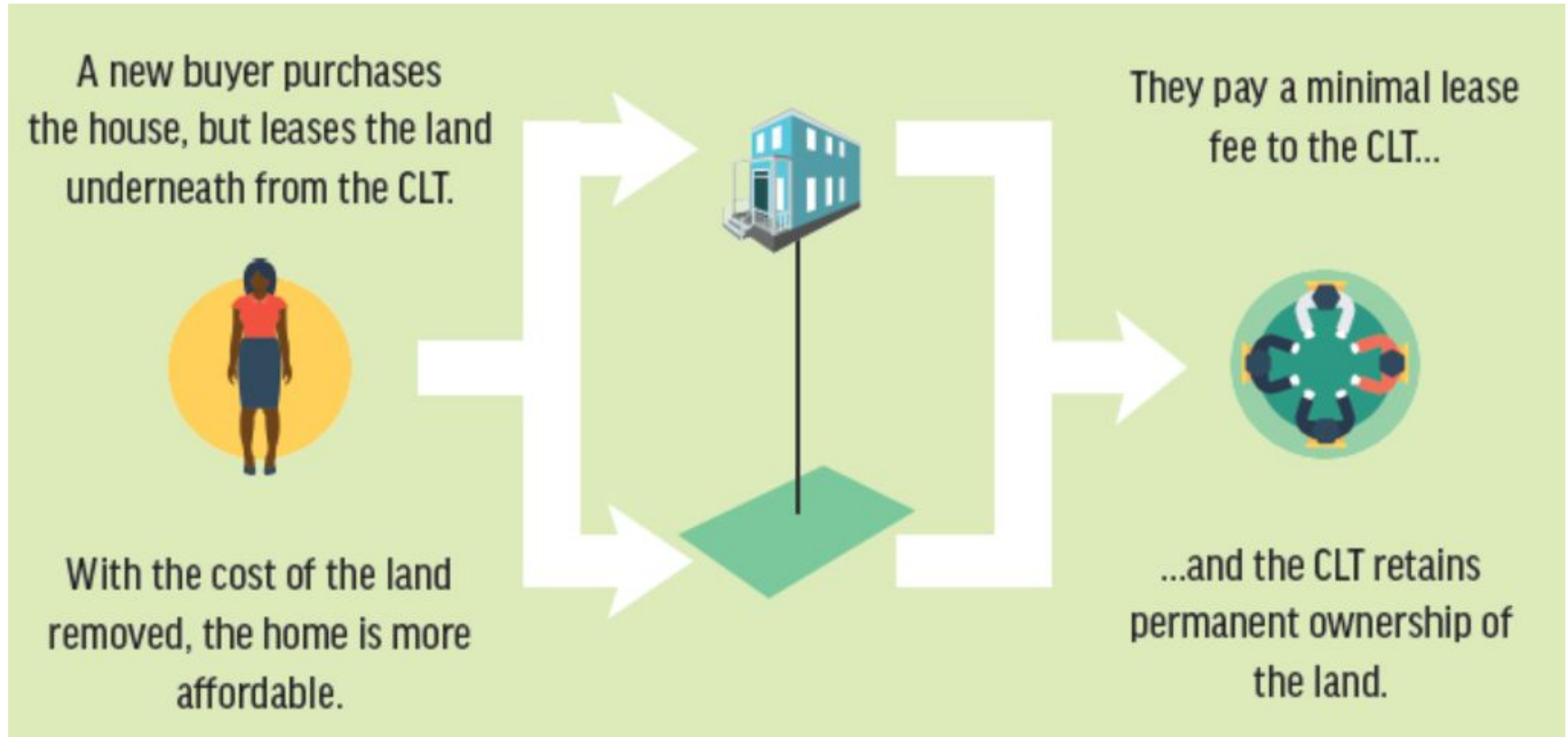
$\frac{1}{3}$  -  $\frac{1}{2}$  of board is  
always residents



About 300  
CLTs in US  
and Canada



# CLT homeownership



# Homeownership program: How it works

- HOMEOWNER BUYS THE HOUSE ONLY
  - Leases the land from MACLT for \$75/month (\$50/month if condo)
  - Community Land Trust owns the land
  - Saves the homebuyer \$25,000-\$100,000 of mortgage debt
  - Lower property taxes (fixed appraised value) saving thousands/yr
- GROUND LEASE BETWEEN MACLT AND HOMEOWNER
  - Re-sell to income-eligible buyer from our queue following resale formula
    - Buyers must be below 80% AMI
  - Come to MACLT for approval of Qualified Capital Improvements
  - Remain owner-occupied

# Resale Formula for homeownership program

**Maximum resale price =**

**initial purchase price**

**+**

**25% increase in appraised value**

**+**

**Full appraised value of capital improvements (if approved)**

Seller gets to keep a portion of the appreciated value &  
The home gets more affordable over time

# CLT homeownership benefits

## Benefits to Homeowners

- Stable place to live
- Autonomy over the home
- Wealth building with modest financial returns on investment
- "Starter home"
- Reduce risk of foreclosure by a factor of 10 (Thaden 2011)
- Community of support through CLT membership

## Public Benefit

- Addresses need for workforce housing as wages stagnate
- Permanent affordability: subsidy stays with the land
- Community wealth-building strategy (generations of impact)

# Affordable homeownership program (stats since 2012)

- Average income served: **64% AMI** at time of purchase
- Average home price: **\$123,000**
- Average savings: **\$56,000** off of fee simple home price
- Property taxes: **\$2,000-\$3,500** per year
  - Land assessed at \$12,000 - \$18,000 for tax rolls
- Female head-of-household: **25 / 59 (42.4%)**
- Homeowners of color: **21 / 59 (35.6%)** (including **14** Black homeowners)



# Supporting our homeowners

- Lender partners: credit coaching, connect buyers to downpayment assistance and other programs (Old National, Summit, Monona, Heartland)
- MACLT Orientation for applicants
- Realtor partner who walks buyers through process, uses Section 8 (Tiffany Malone, Alvarado Real Estate Group)
- Required first-time homebuyer courses: Free through partnership with Neighborworks Blackhawk Region
- Consistent communication throughout homeownership: connections to social services, partners who offer maintenance classes, advice/support network of homeowners

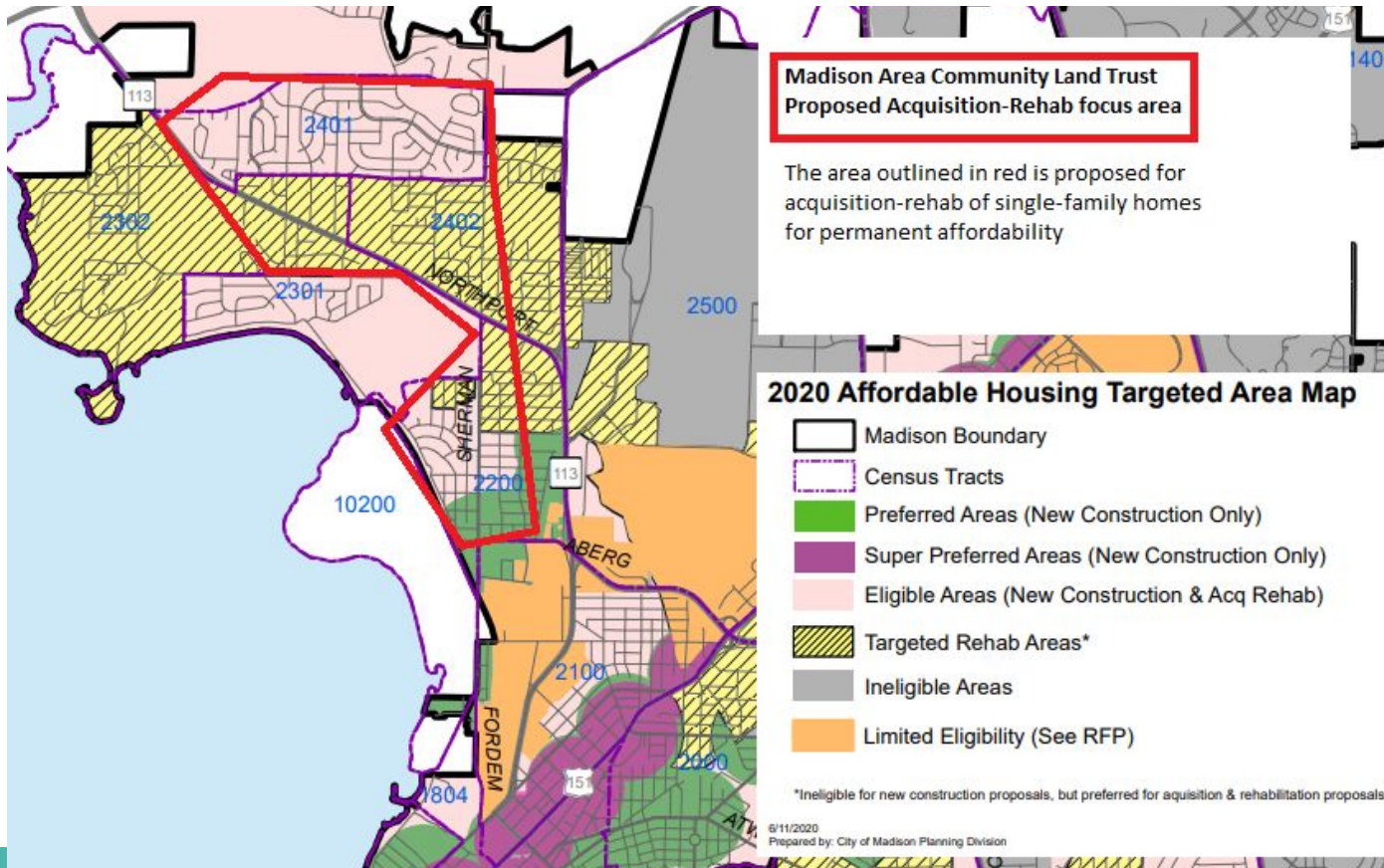
# Applicant selection criteria

If multiple potential buyers are qualified and interested in a home:

1. **Lowest percent of median income:** 1 pt  
As long as housing costs to gross income ratio is 35% or lower
2. **Number of bedrooms matches or is less than the household size:** ½ to 1 pt  
If home size is only one BR over the needed number the household will receive ½ point.  
This assumes 1.5 people per bedroom.
3. **The applicant has accessibility needs that requires the features of the property:** 1 pt
4. **Current MACLT resident:** 1 pt
5. **First-time Homebuyer:** 1 pt
6. **First-generation Homebuyer:** 1 pt
7. **Risk of displacement:** 1 pt
8. **Actively seeking MACLT properties for at least six months:** ½, 1, or 1 ½ pts

No criminal background check, no rental history required

# Project: Acquisition-Rehab of 4 North Side homes



# Energy-efficient and accessible homes



# House A example

Funding Sources	
Bridge Loan (Monona)	\$150,000
City - CDBG	\$90,000
MG&E	\$3,000
Donations	\$2,000
<b>Total Capital</b>	<b>\$245,000</b>

Purchase price	\$190,000
Rehab	\$45,000
Soft costs	\$10,000
Total costs	\$245,000
Sale price*	\$165,000
Fees and closing costs	(\$12,500)
Bridge loan repayment	(\$150,000)
Proceeds to MACLT	\$2,500

\*affordable for family of 4 at 60% AMI

# House B example

Funding Sources	
Bridge Loan (Monona)	\$195,000
City - CDBG	\$90,000
MG&E	\$3,000
AHP	\$7,000
<b>Total Capital</b>	<b>\$295,000</b>

Purchase price	\$215,000
Rehab	\$70,000
Soft costs	\$10,000
Total costs	\$295,000
Sale price*	\$210,000
Fees and closing costs	(\$12,500)
Bridge loan repayment	(\$195,000)
Proceeds to MACLT	\$2,500

\*affordable for family of 4 at 70% AMI

# Housing rehab project timeline

Jun 2021 - Nov 2021

## House 1

- Jun: OTP negotiations
- Aug: Begin Construction
- Nov: Sale to buyer

Dec 2021 - May 2022

## House 2

- Dec: OTP negotiations
- Feb: Begin Construction
- May: Sale to buyer

Jun 2022 - Nov 2022

## House 3

- Jun: OTP negotiations
- Aug: Begin Construction
- Nov: Sale to buyer

Dec 2022 - Jun 2023

## House 4

- Dec: OTP negotiations
- Feb: Begin Construction
- Jun: Sale to buyer

# Maintenance Fund

- 30 affordable homes developed before 2005
- Minor repairs needed:
  - Kitchen floors
  - Hot water heaters
  - Countertops
  - Air conditioners
- Improving housing stock now makes homes better for future homeowners
- Homeowner Stewardship Committee: maintenance fund information distribution, workshops, aiding in ensuring access

<b>Home Maintenance Fund Budget</b>	
Postage & program supplies	\$366
Staff compensation	\$7,634
Grants to homeowners	\$100,000
<b>Total from City</b>	<b>\$108,000</b>