

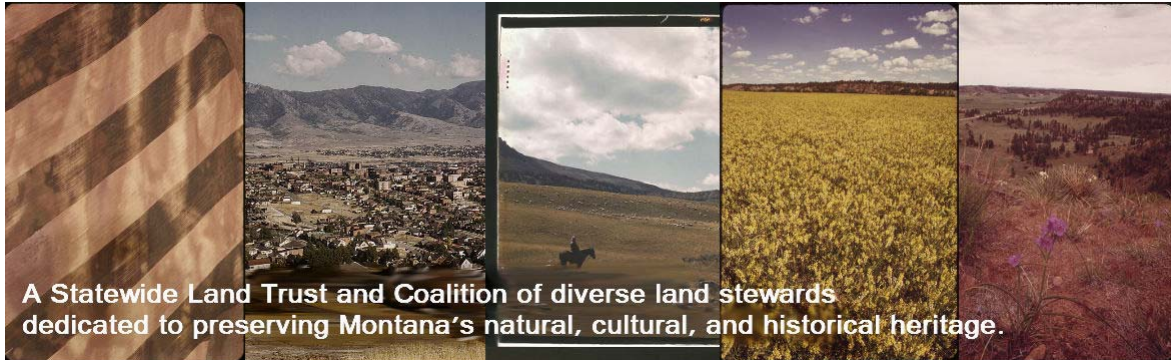


Homeword

Sustainable Communities for All



Homeword uses sustainable methods to provide safe, healthy homes people can afford and strengthens community through housing counseling and education for those in need.



A Statewide Land Trust and Coalition of diverse land stewards dedicated to preserving Montana's natural, cultural, and historical heritage.



Background:

- Homes were originally destined to be worker housing in Eastern Montana
 - Demand decreased
 - Homeword had the opportunity to purchase (10) **unoccupied** and fully furnished homes
- Property adjacent to Missoula Food Bank identified as location to place (6) of these homes –
 - 1717 Montana Street
 - (5) Two-bedroom
 - (1) One-bedroom
- Opportunity to partner with and provide an open space feel for both properties
- Partnership with Garden City Harvest – garden plots available to homeowners, on-site

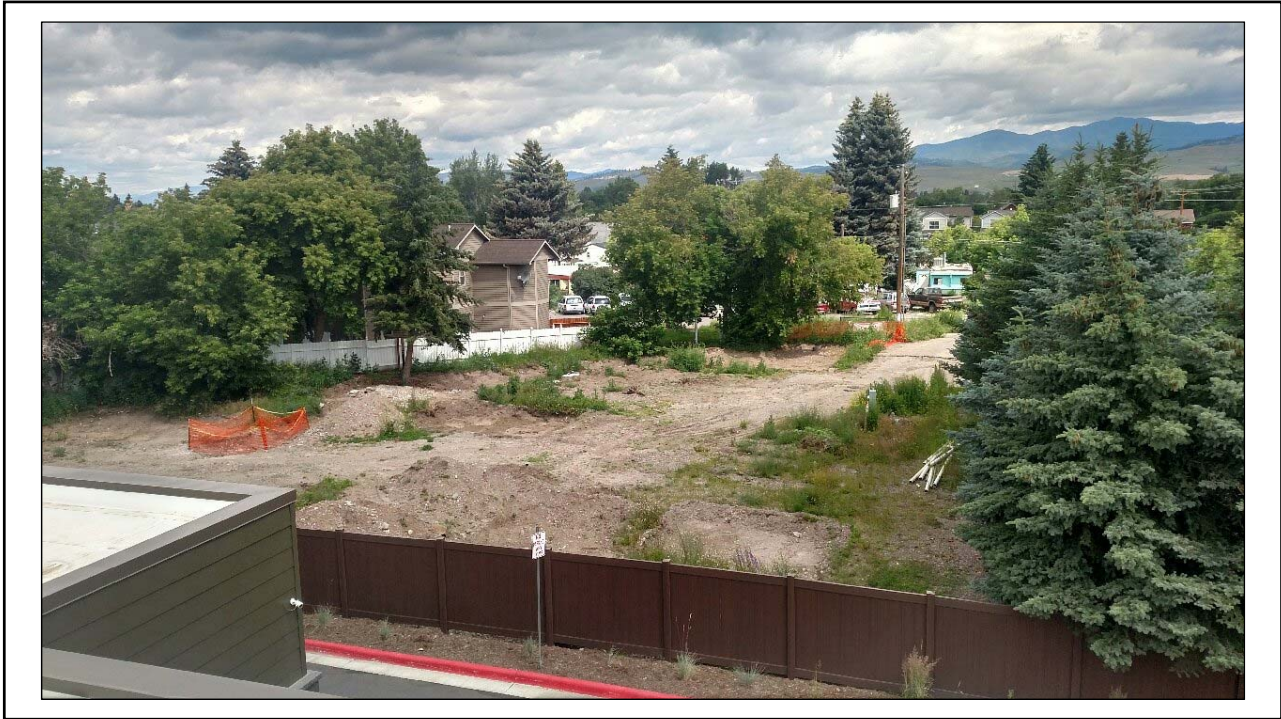
Home Information:

- Two-bedroom & Two-bath Units – 560 square feet (13'4" x 42')
- One-bedroom & One-bath Unit – 427 square feet (13'-4" x 32')
- Placed on permanent foundation – crawl space
- Homes are built to State of Montana adopted building codes
 - Typical construction of a 'stick-framed' home
- Individually metered for Electricity and City Water
 - Each home will have irrigation rights – Orchard Home Ditch Association
- Electrical Water Heater and HVAC system
- Homes are wired for cable/phone

Home Information:

- Exterior upgrades include paint and covered porch
- One parking space per home; additional on-street parking available
- ‘Woonerf’ style of development – on-site driveway, play area, and entry walking paths are combined
- Appliances included:
 - Refrigerator - Dishwasher
 - Stove - Washer & Dryer
 - Garbage Disposal - Microwave
- Homes will be individually addressed
- Garden space will be available to homeowners







Eligibility Requirements

1. Do you meet the **Income Criteria**?
 - 5 two bedroom homes will be sold to households earning up to 80% of the area median income.
 - 1 one bedroom home will be sold to households earning up to 80%* of the area median income.
2. Will the home be your **primary residence**?
3. Do you agree to the **permanently affordable requirements**?
 - Resale of the homes will be restricted to the same household income criteria.
4. Do you agree to complete a **HUD Certified Homebuyer Education class** prior to purchasing one of these homes?
 - Learn about Homeword's Get Ready for HomeOwnership class at homeword.org or 406.532.4663.



**Subject to change*

Income Eligibility:

Household annual gross income (**all sources from all household members** regardless if a loan applicant or not)

- (5) two-bedroom homes will be sold to households earning up to 80% of the area median income.
- (1) one-bedroom home will be sold to a household earning up to *80% of the area median income.
- In addition, applicants must qualify for a home loan. This is dependent on applicant's acceptable credit, income, and ability to provide down payment and closing costs, etc. Further, personal discussion with a lender or Homeword's Housing Counselor can help identify ability to borrow for this home loan.
- If your application is accepted and you move to the next step, we will let you know which banks are able to loan on these homes, so you can pursue pre approval.

Missoula, MT - HOME Income Limits*						
% of Area Median Income (AMI)	Household Size					
	1	2	3	4	5	6
80% AMI	\$39,450	\$45,050	\$50,700	\$56,300	\$60,850	\$65,350
100% AMI	\$49,300	\$56,400	\$63,400	\$70,400	\$76,100	\$81,700

Source: <https://www.hudexchange.info/programs/home/home-income-limits/>

*Income limits subject to change

*Subject to change



Community Land Trust (CLT) Model

- The land in a CLT is held by **Trust Montana** permanently
- The homes and other structures on the land are purchased by individuals and families who lease the land via renewable, inheritable 75-year ground leases (the longest allowable by Montana statute).
- The ground leases stipulate that the home must be sold to another income-qualified household at an affordable price as determined by a resale formula.
- The resale formula for Montana Street Homes allows homeowners to earn 1.5% equity per year, on top of their earned equity. The longer the homeowner stays in the home, the more unearned equity they can earn.



Community Land Trust Information

- Great alternative to renting.
- There are over 200 CLT organizations in the United States.
- A 2009 Lincoln Institute of Land Policy study found that CLT home buyers were eight times less likely to enter foreclosure than their market rate home owner counterparts.
- **Homeowners Association** – Each home owner becomes a member of the HOA – a governing body that makes decisions about maintenance, security, utility services, landscaping, common area insurance etc.
- **Ground lease fees paid to Trust Montana:** ~ \$30/month per home owner.
- **Handout:** Comparing CLT Ownership to Other Types of Housing



How does CLT Home Ownership Compare to Non-CLT Home Ownership?

Similarities:

- The homeowner has a mortgage with a bank;
- The homeowner accumulates earned equity by paying down their mortgage;
- The homeowner pays property taxes; (*The CLT homeowner pays all the taxes associated with the home. The CLT-owned land beneath is tax exempt in order to increase the affordability of the home. As with all homeowners, property taxes and mortgage interest can be itemized tax deductions*)
- The homeowner can make alterations and improvements; and,

Differences:

- The purchase price is lower because the CLT brings subsidy to the property;
- The CLT and homeowner enter into a long-term agreement (the Ground Lease) to preserve the home's affordability; and,
- If a CLT homeowner chooses to sell the home, the homeowner walks away with limited equity: the amount of equity is based on the resale formula instead of market forces.
- The CLT homeowner cannot rent out the home – it must be owner-occupied.



Implementation Schedule*

- Permits & Start Construction – ~August 20, 2018
- Homebuyer Workshops – August 11, 15, 20th
- Homebuyer Qualifications – October 2018
- 'List' Homes – November 2018
- Construction Complete – December 18, 2018
- Move-in! – December / January 2019

*subject to change



Application Process & Review

Application Process and Requirements

1. Meet/agree to all eligibility requirements above.
2. Attend required information workshop.
3. Submit application.
4. Complete a HUD Certified Homebuyer Education class (classes fill up early, so register earlier rather than later).
- ★ 5. Review legal requirements with attorney and complete legal paperwork.
6. Close on the home.
7. Construction complete (target date December 2018).
8. Move in! (As soon as possible, depending on construction and purchasing timelines)



- ★ Occurs after a Trust Montana application and Intake checklist is completed, approved and a purchase agreement is signed



Questions?

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