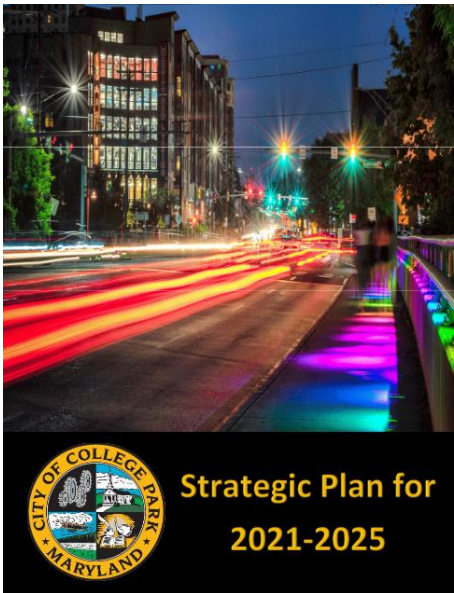


Community Preservation Trust



NEIGHBORHOOD PRESERVATION AND DEVELOPMENT COMMITTEE

Background-Why this initiative



OBJECTIVE 8

Foster and sustain an affordable and stable City for individuals and families to live, work, play and retire here.

HOUSING & DEVELOPMENT GOALS

	Diversify and increase dining and retail options	Ensure public spaces are inviting, green, and welcoming	Increase the number of living wage and professional jobs in College Park	Preserve housing affordability & increase availability of affordable housing	Increase equity in housing and employment opportunities	Increase the number of people who live and work in College Park and the immediate area	Enhance sustainability and the local natural environment, while reducing College Park's carbon footprint	Preserve neighborhood safety and stability
Strengthen neighborhood preservation	●		●	●		●	●	●
Create a Community Preservation Trust	●		●	●		●	●	●



Purpose of Project

GOAL: The goal of the Trust is to preserve and enhance quality of our community and neighborhoods, address affordability for graduate students, young professionals, families, seniors, people who want to live, work and go to school here, with a commitment to equitable access and environmental sustainability.

TARGET: The Trust will operate City-wide. But it will begin by focusing on neighborhoods that our University Community Vision 2030 data showed either a low percentage to begin with, or a precipitous drop in owner-occupied properties. Initial targets that should be considered are: Lakeland, Old Town, Berwyn, Daniels Park, Calvert Hills, College Park Woods, and Crystal Springs neighborhoods.

TIMELINE: Long Term Intervention

NOTE: Home Ownership NOT Rental Housing (also important, but will require other methods)

Components of Program

1. Shared Equity

- Participants qualify for affordable or workforce housing (Sliding Scale up to 140% AMI or \$180,000 household income)
- Creates value for homeowner
- Helps funds Trust

2. Ground lease

- Ensures owner-occupied
- Trust has first option to purchase at resale and sell to new qualified owner

3. Home owner education

- Promotes residents invested in neighborhood

How it works-Step by Step



- 1) House placed on market
- 2) Trust purchases house
- 3) Qualified homeowner is matched with house. Qualifications include:
 - a) meeting AMI limits (household income under \$180,000)
 - b) securing a mortgage
 - c) attending required education
- 4) Trust sells home to qualified homeowner
Ground lease is established
- 5) House must remain owner-occupied (established in ground lease)
- 6) Home owner plans to sell
- 7) Trust exercises right to first purchase (established in ground lease)
- 8) AGAIN from step 3

The Financials



At Purchase

Home Purchase Price: \$400,000

- Buyer's Share: \$300,000
- Trust's Share: \$100,000

TIME PASSES...

At Sale

Home Sale Price: \$500,000

- Buyer's Share: \$375,000*
- Trust's Share: \$125,000*

*Percentage of shared equity not yet determined.

Benefits to Homeowner

- Increased affordability
- Stepping stone to market
- Typical tax benefits of homeownership
- Housing Security
- Support of being part of program

Tradeoff for Homeowner

- Trust has exclusive option to purchase
- Trust receives portion of the market appreciation in home
- Home must be sold to an income-eligible household
- Must live in the property

Benefits to Community

- Encouraging owner-occupied single family houses
- Attracting workforce to the city by providing access to homeownership
- Preserving housing stock
- Gentrification mitigation

Additional Ways Trust Could be Leveraged

1. Buy land and build homes
2. Support aging-in-place construction

Investing in the Trust

Leveraging the \$3 million investment of ARPA funds

1. Capital to buy houses
 - Will be recycled
2. Operations of the Trust, especially in the early years before homes are resold

We are seeking funding from numerous sources

Moving Forward

January –June 2022

- Solidify legal and financial models
 - Meet with lenders and other stake holders
- Fundraise remaining \$6 -7 million
- Set up initial administration of program under CPCUP with support from legal and financial consultants and partners

June-September 2022

- Market program to potential home buyers

September 2022

- Begin program

Note: we believe the program will eventually spin off into separate nonprofit

Preservation Trust Workgroup

Committee Members

- Kate Kennedy, Chair
- Ken Ulman, Vice Chair
- Llatetra Brown Esters
- Robert Day
- Maxine Gross
- Emily Jackson
- Ed Maginnis
- Tom Parker
- Senator Jim Rosapepe
- Terry Schum (City Staff)
- Stephanie Stulich
- Robert Thurston
- Richard Wagner (CPCUP Chair)

CPCUP Staff

- Eric Olson
- Valerie Woodall

Questions??

Thank you!!

