

Community Preservation Trust



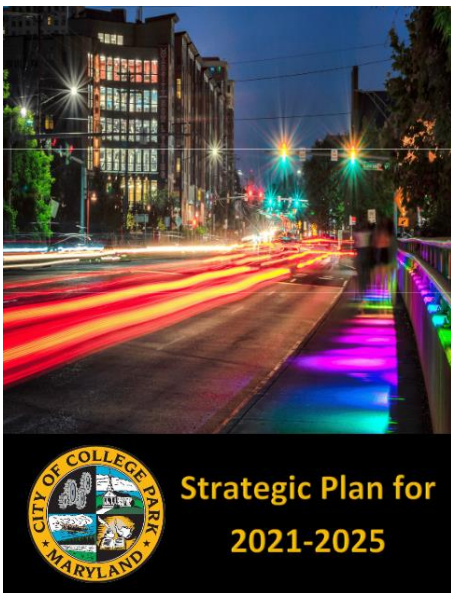
NEIGHBORHOOD PRESERVATION AND DEVELOPMENT COMMITTEE

MARCH 15, 2022

Quick Review



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.

Updates



COLLEGE PARK
CITY-UNIVERSITY PARTNERSHIP

Since we last met...

- Met with expert at Enterprise-Melissa Bondi
- Reviewed more best practices (Lincoln Land Inst) and model programs (Boulder and Houston)
- Retained legal consultants Whiteford, Taylor, and Preston
- Continued to meet with lending companies
- Developed financial models and initial policies
- Continue to seek third party financial support.

Initial Policies: Applicant Eligibility and Prioritization

Applicant Eligibility/Commitments (Must Haves)

- Ability to get a loan (working with lenders)
 - Creditworthiness
 - Down payment
 - Minimum income/Maximum debt ratio
- Commitment to owner occupied
- Home owner education
- Look into restricting subletting (model after city home ownership grant)

Area Median Income (AMI) Estimates

<i>HUD Metro Area AMI – 129,000 (HUD)</i>	
HUD AMI @ 70%	\$ 90,300.00
HUD AMI @ 80%	\$ 103,200.00
HUD AMI @ 90%	\$ 116,100.00
HUD AMI @ 100%	\$ 129,000.00
HUD AMI @ 120%	\$ 154,800.00
HUD AMI @ 140%	\$ 180,600.00

**Note: there are multiple ways to look at AMI, this is a general estimate. The numbers will be worked out more in coming months in partnership with lenders.*

Prioritization

1. Current or former Lakeland residents or direct descendants affected by urban renewal (under 140% AMI)
2. Under 80% AMI in target neighborhoods
3. 80%-140% AMI in target neighborhoods
4. Under 80% AMI anywhere in city
5. 80%-140% AMI anywhere in city
6. (not initially) Over 140% AMI in target neighborhoods

Sales Data (2020, 2021 partial)

	Neighborhood	Houses Sold	Average Price	Lowest Price	Highest Price
District One	Daniels Park	61	\$ 368,962	\$ 236,000	\$ 540,000
	Hollywood	90	\$ 358,567	\$ 195,000	\$ 521,000
	Sunnyside	18	\$ 378,416	\$ 260,700	\$ 495,000
District Two	Berwyn	13	\$ 423,838	\$ 330,000	\$ 500,000
	Branchville	4	\$ 354,500	\$ 300,000	\$ 385,000
	Lakeland	3	\$ 392,108	\$ 305,000	\$ 521,000
	Oak Springs	11	\$ 398,727	\$ 277,000	\$ 520,000
District Three	Calvert Hills	16	\$ 519,406	\$ 435,000	\$ 640,000
	Estates	20	\$ 409,820	\$ 255,000	\$ 520,000
	Old Town	4	\$ 556,250	\$ 520,000	\$ 600,000
	Yarrow	8	\$ 487,787	\$ 424,900	\$ 550,000
District Four	Auto/Cher Hill	7	\$ 352,935	\$ 232,050	\$ 530,000
	Crystal Springs	7	\$ 372,250	\$ 337,500	\$ 422,500
	Woods	28	\$ 438,869	\$ 350,000	\$ 430,000

KEY

Target
Neighborhoods

Other
Neighborhoods



Owner-Occupied and Renter-Occupied Housing Units

(Single-Family and Townhomes)

2022 SDAT Data¹

Neighborhoods	Total Number Single-Family and Townhomes	Owner-Occupied		Renter-Occupied	
		Number	Percent	Number	Percent
Autoville/Cherry Hill	115	69	60%	46	40%
Berwyn	395	206	52%	189	48%
Calvert Hills	377	272	72%	105	28%
College Park Estates/Yarrow	315	268	85%	47	15%
College Park Woods	484	373	77%	111	23%
Crystal Springs/Patricia Court	218	94	43%	124	57%
Daniels Park/Oak Springs/Branchville	911	628	69%	283	31%
Hollywood	1,232	992	81%	240	19%
Lakeland	101	52	51%	49	49%
Lord Calvert Manor	4	0	0%	4	100%
Old Town	204	37	18%	167	82%
Sunnyside	172	155	90%	17	10%
Total	4,528	3,146	69%	1,382	31%

¹Maryland property and parcel data was provided by the State Department of Assessments and Taxation (SDAT) with added data from the Maryland Department of Planning and was sourced from the Maryland iMAP Data Catalog. Data pulled on January 17, 2022.

Trust Financial Overview



Operating Budget

Revenue Sources

- Monthly fees (tiered)
- Closing fees
- Shared appreciation
- Fundraising

Operating Expenses

(\$350,000 annually)

- Staffing
 - Executive Director
 - Administration Coordinator
 - Accounting Services
 - Legal Services
- Marketing
- Education
- Maintenance fund

Financial Overview

Operationally Self-Sustainability

- Around 80-100 houses
- About 10 years into the program

Capital Investment

- \$10 million to buy homes

Moving Forward



MOU with Council and CPCUP

- Commitment \$3 million from College Park for project
- Trust returns for final approval ~6 months. Updates to include:
 - a) Operating budget
 - b) Process and appeal process for applications
 - c) Property maintenance mechanisms
 - d) Education program
 - e) Updates on business model and AMI levels
 - f) Ground lease details
 - g) Enforcement provisions for city
 - h) Plan for winding down, if necessary

cont. MOU with Council and CPCUP

- Annual reports to include
 - a) The number of applicants
 - b) The demographic distribution of applicants (age, race, household size, etc)
 - c) The demographic distribution of those selected
 - d) A description of the process used
 - e) A description of any complaints and their resolution
- Annual audit with a copy provided to City Council (starting FY23)
- Any reporting requirements for ARPA money

Additional Request

Tonight, in special session, approve letter in support of \$4 million ask of the state



Moving Forward

March –June 2022

- Work with legal consultant Whiteford, Taylor, and Preston to draft legal documents including application documents and ground lease
- Work with lenders to outline requirements of applicants
- Hire contract/consultant Executive Director

June-September 2022

- Establish operating procedures including education requirements, maintenance monitoring, and appeals process
- Develop marketing materials and begin to attract potential buyers

Early Fall 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 Stullich
- Robert Thurston
- Richard Wagner (CPCUP Chair)

CPCUP Staff

- Eric Olson
- Valerie Woodall

Questions??

Thank you!!

