

Affordable housing on Bainbridge: **An HRB primer**

It's the back-to-school issue of The Front Porch. Learn about affordable housing, specifically affordable housing developed by HRB for Bainbridge Island. To keep learning, visit our website (housingresourcesbi.org) or reach out at info@housingresourcesbi.org.

A How does the HRB community land trust create permanent affordability?

HRB is a community land trust (CLT). CLTs are nonprofits that conserve and manage land for affordable housing. These homes, both for rent and sale to low-income households, are permanently affordable.

With this model, HRB sells the home and retains ownership of the land, which it leases to the homeowner for a 99-year term with the option to renew. We oversee each original sale and every resale thereafter to ensure that homes are sold to other income-qualified households at a price that is affordable. Regulations in the ground lease—not market forces—dictate the sale price, balancing affordability for the buyer with equity for the seller.



Rents are set by the Washington State Housing Trust Fund and HUD, two of our primary funders, based on the number of bedrooms and the income range designated for a given unit.

HRB's Ferncliff Village, built in 2016
Photo by Michael Seidl

B Supply & demand

Over 700 people called HRB in 2021 looking for an affordable home. HRB has 90 rental units with an additional 33 in development and 44 homes for ownership with an additional 31 in development. We have few to no vacancies.



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BUILDING TRUST

A HOUSING RESOURCES BAINBRIDGE FUNDRAISER

Local community land trusts talk about housing.



OPAL Community Land Trust



PROUD GROUND
Dream. Build. Live.

Thursday, Sept 22, 2022
5:00 - 7:00 pm

Register by
Sept 8, 2022 at

housingresourcesbi.org

or contact HRB

at 206.842.1909, ext.13.



HRB HOUSING RESOURCES BAINBRIDGE

Dear Neighbor,

Certainly, this has been an exciting year for affordable housing on Bainbridge Island, as any Planning Commission or City Council meeting can attest. But with all the excitement around proposed development has come resistance.



Phedra Elliott

Much of my role as executive director is to talk about housing—with community members and elected officials, with supporters and non-supporters alike. I love these conversations. I love them for the good questions people ask and for the satisfaction I find in offering good answers, as I truly believe that our work is honorable and essential to the health and sustainability of our community.

I often find that people's discomfort, distrust even, around affordable housing on Bainbridge stems from misinformation or lack of information. HRB homes are permanently affordable. That's quite a claim, and if you've lived here long enough you will know of at least one development where homes went from affordable to market rate with the first resale. Fortunately, I also find that that discomfort or distrust eases when people have the facts. Why believe this claim? Believe it, I tell the people I meet with, because HRB is a community land trust, and permanent affordability is a legally binding requirement for this model of development and written into our ground leases.

Since I can't meet with everyone on Bainbridge Island, this issue of The Front Porch is intended as a kind of primer on affordable housing, specifically what it looks like when it is owned by HRB and located on Bainbridge Island. Recall blighted projects from cities where you've lived? Check out the property photos in this newsletter. Think that housing density is antithetical to the Bainbridge ethos? Learn about the lower environmental impact that comes with a small footprint and fewer roads.

I hope this information is helpful. All of us learning together can only benefit our community.

With gratitude,

Phedra Elliott

Phedra Elliott
Executive Director

C How much does an HRB home cost? Do HRB homeowners earn a profit when they sell?

This spring, a 2-bedroom townhome built in 2016 at HRB's Ferncliff Village was appraised at \$622,500 and sold for \$226,940. While it is true that community land trust homeowners cannot sell at market rate and therefore won't make the outsize profit so many associate with real estate, they earn equity by paying down the mortgage principal and ultimately, by selling at a price that reflects a small percentage of appreciation. This seller accrued over \$80,000 in equity.



The homes at Ferncliff Village were built on donated land and were completed in 2016. Certainly, free land and post-recession timing helped with affordability. But so does the passage of time. The 31 homes that HRB will acquire at the future Wintergreen Townhomes will have a base price of \$369,000. That's more than \$226,940, but as housing prices continue on their rapid rise, \$369,000 is going to look even more affordable in a few years than it does today.

D What services does HRB offer residents?

Stewardship is a key component of the community land trust model and shows itself in the long-term, supportive relationships we form with tenants and homeowners. We offer two rental assistance programs, one of which also includes social services to help tenants work toward financial self-sufficiency. And we operate a homeownership program, which shepherds prospective homeowners through the homebuying process and further reduces home prices with grants and subsidies. HRB also supports current owners in maintaining the physical and financial health of their homes. When the time comes to sell, we find a buyer who meets our income qualifications and facilitate the sale without charging a commission.

E Who lives in HRB homes?

HRB serves primarily low-income households. Low income is defined as 80% or below HUD area median income (AMI) or \$57,650 for a one-person household. However, we have a few homes for sale available to moderate-income households earning as much as 120% AMI. For reference, a store clerk in a one-person household earning \$22/hour would fall at about 65% AMI and a Bainbridge teacher with a master's degree and 10 years of experience might earn \$85,000 or about 120%.

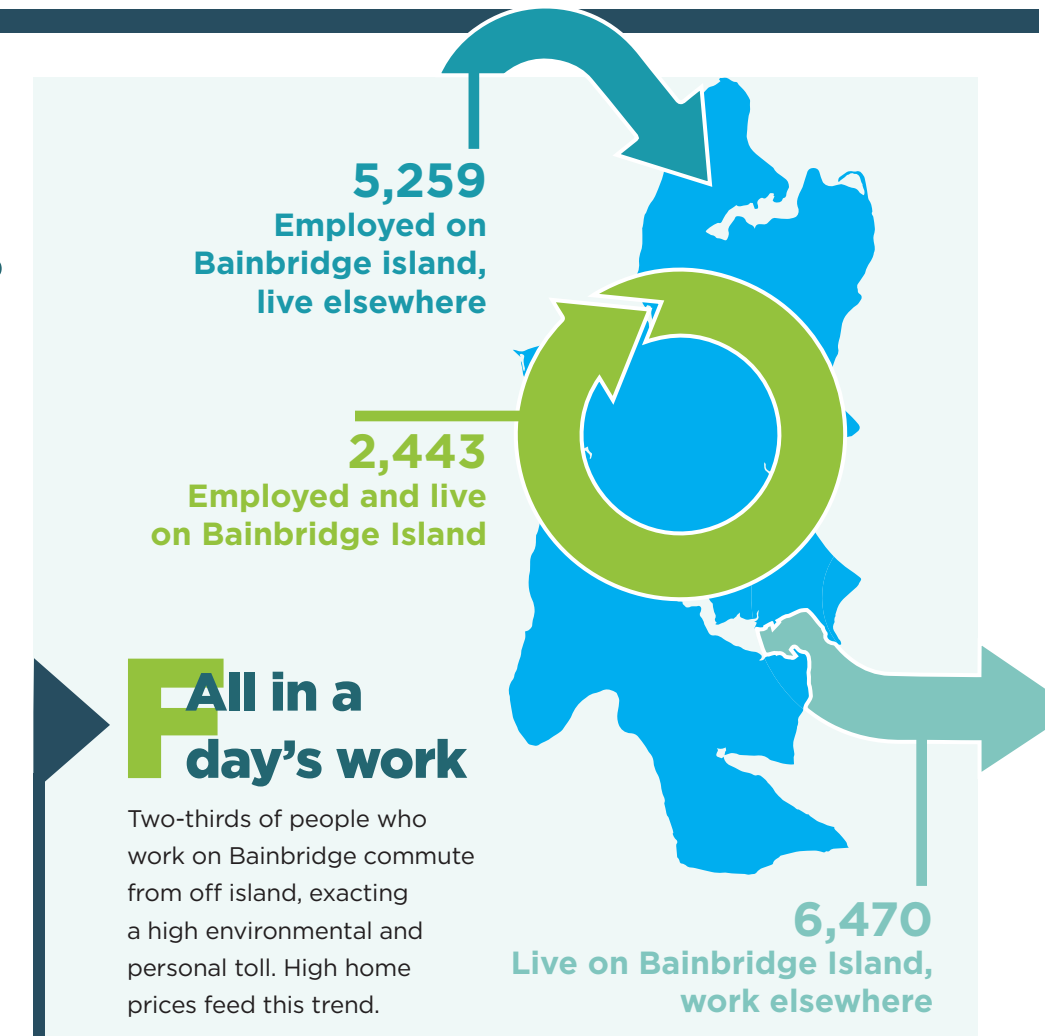
Every unit has its own income qualifications depending on the requirements of the government program which funded its construction. For example, one unit might be reserved for households below 50% AMI and another, for households below 80%.

G Why does HRB advocate for greater housing density?

While denser housing, both small single-family and multifamily, might look different from the ways we have built in the past, it is the most environmentally sustainable way to build moving forward. Denser housing is less land intensive and is the perfect counterpart to conservation. Denser housing reduces suburban sprawl, requiring fewer new roads and wells, and consumes less animal habitat. And denser housing, specifically multifamily housing, is more energy efficient in heating and cooling. The environmental benefits only accrue when this housing is located near public transportation or within walking and/or biking distance of amenities. Denser housing is also less expensive, as the cost of land is distributed over many units. It is almost impossible to build affordably in any other way.

F All in a day's work

Two-thirds of people who work on Bainbridge commute from off island, exacting a high environmental and personal toll. High home prices feed this trend.



Map: <https://onthemap.ces.census.gov/>



HRB's Janet West Homes, built in 2004