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[www.housingresourcesbi.org](http://www.housingresourcesbi.org)

## Housing Resources Bainbridge Community Land Trust

Housing Resources Bainbridge (“HRB”) is a community land trust. We conserve and develop land for affordable housing. By imposing income qualifications and regulating sale prices, we keep these homes permanently affordable and ensure that they serve the community in perpetuity. Founded in 1989, HRB is Bainbridge Island’s only nonprofit affordable housing provider.

Our mission is to preserve the diversity and vitality of Bainbridge Island by providing and maintaining affordable housing opportunities in the community.

We envision a diverse community where there are homes affordable to all.

We are one of 13 such land trusts in Washington and the fifth largest.

### **How do community land trusts work?**

HRB’s Homeownership Program serves low-income households and moderate-income households. The majority of the homes in our portfolio are for households at or below 80% of U.S. Department of Housing and Urban Development (HUD) area median income (AMI) for Kitsap County. HRB has a limited selection of homes that can be sold and resold to households up to 120% HUD AMI for Kitsap County.

One way that CLTs keep home prices affordable is by separating the value of the home from the value of the land. 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. HRB also leverages its expertise, resources, and partnerships to connect buyers to down payment assistance and specialized loan programs and to secure subsidies and grants.

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.

Stewardship is a key component of the community land trust model. HRB supports prospective homeowners during the process of qualifying for and buying a home and home maintenance. When the time comes to sell, we find a buyer who meets our income qualifications and facilitate the sale without charging a commission.

### **For questions, please contact our team for assistance:**

Jackie Brasfield, Homeownership Program Manager: [jackie@housingresourcesbi.org](mailto:jackie@housingresourcesbi.org) or (206) 842-1909 x10  
Sherri Raines, Homeownership Program Coordinator: [sherri@housingresourcesbi.org](mailto:sherri@housingresourcesbi.org) or (206) 842-1909 x19

## Wintergreen CLT Homebuyer Eligibility Requirements (2023)

You may be eligible for a Wintergreen Affordable Townhome through the Housing Resources Bainbridge (HRB) community land trust (CLT) homeownership program if you meet the following criteria:

### 1. Income Requirements:

The Wintergreen Affordable Townhomes will be available for households that earn a gross income before taxes that is **at or below 80%** of the area median income (AMI) for Kitsap County (see chart below\*). However, the household must earn enough that their total housing costs are no more than 35% of their monthly gross income.

Household Size	80% AMI (HUD median income in Kitsap County*)
1	\$57,650
2	\$65,850
3	\$74,100
4	\$82,300
5	\$88,900

*\*AMI shown here is as of June 15, 2022. AMI changes annually.*

### 2. Credit Rating:

You must have a credit rating with a **FICO score of 640 or higher** and show no significant delinquencies in the past year and no bankruptcies or foreclosures in the last four years. Your CLT lender will pull a credit report including a FICO score. You can review your credit for free (no score included) at [www.annualcreditreport.com](http://www.annualcreditreport.com).

### 3. Debt:

- HRB requires that your **total housing costs are no more than 35% of your monthly gross income**. Housing costs include principal, interest, taxes, insurance, ground lease fee, repair reserve fee, and homeowner's association fees.
- **Your total debt (which includes your housing costs) should be no more than 40% of your monthly gross income**. (Debt includes things such as automobile payments, child support, student loans, and credit card debt).

### 4. Employment or Other Income:

- You must have proof of steady income for at least *two years*, or an employment contract if newly hired.
- Sources of income include all wages, overtime, tips, self-employment, interest, dividends, social security, annuities, pensions, disability, alimony, and child support, and most forms of public assistance.
- You must provide tax returns for the most recent two years and most recent 90 days of income statements.

## **5. Assets:**

- **Total assets after close are limited to \$300,000.** Other lending programs or partner organizations may have smaller asset limits.
- Assets include savings, savings in retirement plans, investments (stocks, bonds, gold, etc.), land, mobile homes, recreational vehicles, boats, art collections, or similar items.
- Not included as assets: household possessions, cars, or assets from an active business.
- Exceptions to the asset policy may be granted in unusual circumstances at the discretion of HRB.
- Income will be calculated on assets using actual returns or the HUD Passbook rate and will be added to the income calculation.

## **6. CLT Homeownership Requirements:**

- Homeowners must use the property as their primary residence and live in their CLT home.
- Homeowners must sign a ground lease with HRB prior to purchase of their CLT home.
- Homeowners cannot own other real estate. If applicant currently owns a home but is selling due to divorce or other extenuating circumstances the prior home must be sold before completing purchase of a CLT home.

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## Potential Homebuyer Costs (2023)

### 1. Application and Commitment Fees

#### Application:

- \$25 application fee per household, paid to HRB upon initial screening and determination of waitlist eligibility (non-refundable).

#### Commitment:

- \$200 commitment fee, due upon signing a commitment agreement for a particular home (refundable only if applicant cannot qualify for a mortgage).

### 2. Pre-Approval with CLT Mortgage Lender and Required Homebuyer Education

#### Credit report:

- Residential mortgage credit report charged by lender at time of mortgage application, typically around \$50-\$100 and non-refundable.

#### Homebuyer education class:

- Online course, typically \$50 per person. Options include Community Frameworks at <https://communityframeworks.org/homebuyer-education-counseling/>.

### 3. Purchase and Sale: Earnest Money, Closing Costs, Down Payment

#### Earnest money:

- Minimum \$1,000 deposit, due upon mutual acceptance of purchase and sale agreement.
- Paid to escrow company (typically Pacific Northwest Title).
- Applied towards down payment and closing costs of home.

#### Closing costs:

- Closing costs are the expenses associated with closing on your purchase. Closing cost are estimated to be 3%-6% of your purchase price.
- May include recording fees, title insurance, appraisal costs, loan fees, other costs associated with your loan and HRB transfer fee (0.5% of home price).
- Closing costs are due at closing and in some cases can be wrapped in with your mortgage loan (if you are taking out a mortgage).

#### Down payment:

- Due when you close on your home, applies towards the purchase price.
- A down payment in excess of \$1,000 may be required in order to keep your total housing cost below 35% of your gross monthly income.
- Total housing costs include principal, interest, taxes, insurance, ground lease fee, repair reserve fee, and HOA dues.

- 20% down payment assistance may be available to buyers below 80% of the area median income. We will work with each applicant to determine which programs might be of assistance.

#### **4. Ongoing Monthly Homeowner Fees**

##### Ground lease fee:

- \$50 per month (depending on the community where the home is located).
- Paid to HRB for the use of the land under your home.

##### Repair reserve fee:

- \$0-\$75 per month (depending upon the community where the home is located).
- Held by HRB in a fund to help offset costs for large maintenance items such as roof replacement, exterior painting, windows, and exterior doors.

##### Homeowner association (HOA) fees:

- \$32 - \$275 per month (varies depending on your HOA).
- Paid to your homeowner association of the community where you live.
- Goes towards maintaining common areas, landscaping, storm water system maintenance, common area insurance, etc.

##### Utility fees:

- Possibly including electricity, water, and garbage/recycle/yard waste (unless included with HOA fee).
- Phone, internet, and cable.

##### Mortgage payments:

- Monthly mortgage loan payments vary by homeowner and often include principle, interest, taxes, and homeowners' insurance.

##### Ongoing maintenance:

- CLT homeowners are responsible for the ongoing maintenance of their homes, including repairs to systems and fixtures as needed.

#### **5. In addition, the following costs are often associated with moving into your own home.**

- Appliances not provided with the home—typically a washer and dryer.
- Moving costs.
- Furniture and home decorations (curtains, etc.).
- Utility hook-up fees (if applicable).

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## Community Land Trust (CLT) Homeownership Application

Date: \_\_\_\_\_

Legal Name of Applicant: \_\_\_\_\_

Preferred Name: \_\_\_\_\_ Gender (Optional): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Primary Language: \_\_\_\_\_

DOB: \_\_\_/\_\_\_/\_\_\_ Email: \_\_\_\_\_ Marital Status: \_\_\_\_\_

Legal Name of Co-Applicant: \_\_\_\_\_

Preferred Name: \_\_\_\_\_ Gender (Optional): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

DOB: \_\_\_/\_\_\_/\_\_\_ Email: \_\_\_\_\_ Marital Status: \_\_\_\_\_

List names and dates of birth for **all** additional household members:

Name: \_\_\_\_\_ DOB: \_\_\_/\_\_\_/\_\_\_

### Income and Employment Information

**Please report income information for all household members.** Use another sheet of paper if you need additional space.

Include total **gross annual income (amount before taxes)** for each income source and include all wages, tips, social security, alimony, child support, disability, unemployment, etc. Self-employment gross annual income should reflect net profit from Schedule C of your most recent tax return.

Self-Reported Household Gross Annual Income			
<u>Applicant Name</u>	<u>Income Source:</u> Name of business, agency, fund, etc.	<u>Type of Income:</u> Wages, social security, pension, etc.	<u>Annual Gross Income:</u> Before taxes
Jane Doe	Oregon Public Employees <b>S A M</b>	Pension <b>P L E</b>	\$30,000
	<b>Total Household Gross Annual Income:</b>		

**Assets**

List each asset and its current value for all household members, including checking, savings, money markets, CDs, retirement, equities, bonds, etc. If you are a collector, please include the type of collection and retail value. Use another sheet of paper if you need additional space.

Exceptions (do **NOT** list these):

1. Personal property (example: clothing, furniture, automobiles, and jewelry that is not held as an investment).
2. Interest in Indian trust land.
3. Term life insurance policies.
4. Assets of an active business. "Business" does not include investment rental properties.
5. Assets that are not effectively owned by a household member. (Example: assets held in an individual's name, but (a) the assets and any income accrue to the benefit of someone else who is not a household member, and (b) another person who is not a household member is responsible for taxes incurred on income generated by the assets.
6. Other assets deemed to be of insignificant quantity or value.

Self-Reported Household Assets				
<u>Applicant Name</u>	<u>Type of Asset</u>	<u>Name of Financial Institution</u> (otherwise how asset is held)	<u>Can you draw on this</u> now without penalty?	<u>Current Value</u>
Jane Doe	Brokerage Equities <b>S</b>	Charles Schwab <b>A M P L</b>	Yes <b>E</b>	\$69,435.00
		<b>Total Household Assets</b>		

## Debt

List all current total household debt, servicers, and monthly debt payment(s). This includes but is not limited to automobile loans, student loans, child support, personal debts, and credit cards. Please include either the monthly payment made or the minimum due as applicable. Do not include utilities, rent, and other monthly costs if balances are paid in full monthly.

Self-Reported Household Debt				
Applicant Name	Type of Debt	Name of Financial Institution - Debt Servicer	Current Balance	Min Monthly Payment
Jane Doe	Car Loan <b>S</b>	Kia Financial Services <b>A M P L E</b>	\$12,444	\$350
<b>Total Household Debt and Monthly Payments:</b>				

## Credit Score

What do you believe your current credit score to be? Applicant: \_\_\_\_\_ Co-Applicant: \_\_\_\_\_

## Background Information

Please answer the following questions. Do not leave answers blank. If questions are not applicable to your situation, write "N/A" in the answer space.

How did you hear about Housing Resources Bainbridge (HRB) and our CLT homes? \_\_\_\_\_

Do you currently work on Bainbridge Island? Yes  No

How much is your monthly rent/mortgage? \_\_\_\_\_ How much are your monthly utilities (estimate)? \_\_\_\_\_

Do you currently rent or own? \_\_\_\_\_ How many bedrooms? \_\_\_\_\_ How many bathrooms? \_\_\_\_\_

Will this be your first home purchase? Yes  No

If applicable, how was your home disposed of?  Currently own  Sold  Foreclosed  Short-Sale  
 Other: \_\_\_\_\_ Date (if applicable): \_\_\_\_/\_\_\_\_/\_\_\_\_

Are you currently receiving any housing subsidy (Section 8 or other)? Yes  No

Have you filed for bankruptcy within the past four years? Yes  No   
 Date finalized or discharged (if applicable): \_\_\_\_\_

What are you planning your down payment to be? (minimum \$1,000) \_\_\_\_\_

Would you consider (check all that apply):  1-Bedroom  1-Bedroom + Office  2-Bedroom  3-Bedroom  
 Would you consider (check all that apply):  Detached Single-Family Home  Townhome  Condominium

Do you require a 1 story home? Yes  No  Do you require ADA accessibility? Yes  No

If you require ADA accessibility, please describe what features you require: \_\_\_\_\_

Do you have pets? Yes  No  Type: \_\_\_\_\_

**Demographics** (Optional: requested for Equal Housing Opportunity):

Ethnicity:

**Applicant**

- Hispanic or Latino
- Not Hispanic or Latino
- Choose Not to Disclose

**Co-Applicant**

- Hispanic or Latino
- Not Hispanic or Latino
- Choose Not to Disclose

Race:

**Applicant**

- American Indian or Alaska Native
- Black or African American
- Asian
- Native Hawaiian or other Pacific Islander
- White
- Two or more races
- Other \_\_\_\_\_
- Choose Not to Disclose

**Co-Applicant**

- American Indian or Alaska Native
- Black or African American
- Asian
- Native Hawaiian or other Pacific Islander
- White
- Two or more races
- Other \_\_\_\_\_
- Choose Not to Disclose

Are you active-duty military? Applicant: Yes  No  Co-Applicant: Yes  No

Are you a Veteran? Applicant: Yes  No  Co-Applicant: Yes  No

**Eligibility/Priority Criteria**

**Work History**

Have you had consistent employment for a minimum of the last two years? Yes  No

If no, please explain: \_\_\_\_\_

**Credit**

I understand that I must be able to demonstrate at the time of purchase that I have established a good credit rating.

**Income**

I understand that I must be able to demonstrate adequate income to support total housing costs not to exceed 35% of my total household monthly gross income to qualify for a community land trust (CLT) home purchase.

**Assets**

I understand that I must be able to demonstrate that my total household assets will not exceed \$300,000 at end of closing on a CLT home purchase.

**Debt**

I understand that I must be able to demonstrate that my total debt (total housing costs plus all other debt) will not exceed 40% of my gross monthly income to qualify for a CLT home purchase. (If you need to reduce debt in order to become homebuyer ready, HRB can refer you to a non-profit credit counseling agency).

## Other Conditions

**I understand the completion of this application is only the first step toward being added to HRB's waiting list for a CLT home and does not guarantee me a place on the waiting list, nor a home.**

Upon receipt of this application, HRB will examine your self-reported income, assets, and debt for preliminary determination of eligibility and notify you whether or not you appear eligible. If you appear eligible, HRB will invite you to submit proof of income, assets, and debt by submitting documentation as prescribed along with a \$25 Waitlist Screening Fee by check or money order made payable to Housing Resources Bainbridge. HRB is not able to accept cash.

Documentation you will be required to submit may include:

### **Tax Returns:**

- Full tax returns for the past two years (including schedule C if self-employed).

### **Income:**

- Copies of pay statements for the last 12 weeks, or year-to-date profit and loss for business if self-employed.
- Current award letters for Social Security, Social Security Disability, or Veterans Benefits.
- Court order showing Spousal Support and/or Child Support award amount.
- 90 Days of mandatory retirement account disbursement, pension benefits, or annuities.
- Documentation of any other income indicating amount and frequency.

### **Assets:**

- Most recent 3 months of statements (all pages) for all checking, savings, and money market accounts.
- CD statements and maturity date.
- Most recent statement or current balance for all investment and retirement accounts.
- Statement of value for collections (insured amount if available).

### **Debt:**

- Current statements for each debt account (credit cards, automobile loans, personal loans, student loans, etc.).

Keep good records and save all statements! There may be further documentation required to determine your eligibility, and once on the waitlist you will be required to update your income, assets, and debt with HRB annually and when a home becomes available. You will also be required to provide income, asset, and debt documentation to your lender upon application for a mortgage and again just before closing on a home.

**I certify, understand, and grant the following:**

- I certify that all the information in this application is true and correct to the best of my knowledge and I understand that any falsehood included in this application may disqualify me for a Housing Resources Bainbridge (HRB) community land trust (CLT) home.
- I understand that if I have not answered any questions truthfully, my application may be denied, and that even if my application to HRB has already been approved, I may be disqualified from the program.
- I understand a goal of HRB is to preserve affordable homeownership opportunities through the long-term leasing of land under owner-occupied homes.
- I understand CLT homeownership is for the improvement on the land only and that HRB’s maintains ownership of the land. The homeowner leases the land from HRB in a long-term (often 99-year), renewable lease.
- I understand that the purchase price is more affordable because the homeowner is only buying the home, not the land.
- I understand owning a CLT home is different from owning a home purchased on the open market. The potential return on a CLT home at resale is capped by the percentage of annual compounded interest outlined in the Ground Lease.
- I understand to keep homes affordable in perpetuity, CLT homes CANNOT sell at the market rate.
- I understand I have not been given any assurances or guarantees concerning the present or future value of owning a CLT home.
- I understand abiding by the Ground Lease and continued participation with HRB are required for successful homeownership.
- I understand that if financing is needed, I must work to obtain a mortgage and pay all fees associated with the mortgage.
- I understand total assets at time of closing is limited to \$300,000. Down payment assistance programs may have smaller asset limits.
- I understand all the information provided herein is private and confidential and for the use of HRB in helping determine my eligibility and readiness to purchase a home.
- I understand that completing the application does not constitute approval to join HRB’s homeownership waiting list and that my application is subject to review and approval by HRB.
- I further knowingly and intelligently waive any rights or claims against HRB and hereby fully release and discharge HRB from any liability.

**Release and Verification of Information Authorization**

I understand that by signing this application, I am authorizing Housing Resources Bainbridge (HRB) to evaluate my ability to make monthly payments, repay a mortgage and other expenses of homeownership. Permission is hereby granted to HRB to contact any source herein for verification. I authorize HRB to release credit, financial, employment or other information to agencies or firms as may be essential to homeownership. I also authorize these firms or agencies to release information to HRB.

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

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- Sherri Raines, Homeownership Program Coordinator: sherri@housingresourcesbi.org or (206) 842-1909 x19



*All who apply get equal consideration without regard to race, color, national origin, religion, sex, gender identity, sexual orientation, disability, age, marital status, family/parental status, military/veteran status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity in accordance with Washington State and Fair Housing laws.*