

# NONPROFITS TEAM UP TO BUILD HOMES

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The collaboration of two nonprofit organizations and a Sonoma County developer has spawned a small subdivision of 10 affordable homes in the Roseland area of Santa Rosa, where six houses are being constructed by Habitat for Humanity volunteers from all walks of life.

The other four homes, constructed by The Housing Company, are designated for sale to "the fabric of our community," according to Devika Goetschius, executive director of the Housing Land Trust. "These families represent the work force of Sonoma County, households earning 80 percent to 120 percent of area median income."

The six homes built by Habitat for Humanity and the four built by The Housing Company comprise the Kali subdivision in Roseland. Habitat for Humanity homes are constructed on land owned by the fledgling Housing Land Trust of Sonoma County, founded in February 2002, which will hold the land in perpetuity for very low- to moderate-income home buyers.

Volunteers from Habitat for Humanity are swinging the hammers and completing the electrical, plumbing, drywall, painting and other work required for the homes to meet the standards of state and local building codes.

"I'm very excited," said Sherri Lee, a 42-year-old single mother who will move into her new Kali home next month.

Through a special funding program from HUD, the disabled woman will own the home but not the land on which it sits. Should she decide to move sometime in the future, she will be required to sell the home to another low-income applicant who meets the criteria of the program.

"That doesn't bother me at all," Lee said. "Never owning the land doesn't matter to me. The restrictions on the resale are meaningless to me because I intend to live here the rest of my life."

Lee first learned of the program four years ago. She applied at that time but was denied. She applied again last year, "and this time I met the guidelines."

"I've been wanting a place to live," she said, "where nobody can say, 'You have 30 days to leave.' We need a place of stability."

A special lift has been installed in her new three-bedroom, two-story home to make it possible for her to get to the second floor. For the "sweat equity" portion of the home buyer's agreement, she was allowed to do office work.

"This is a wonderful housing program," Lee said.

According to Goetschius, the Kali development is the organization's first project, although more are planned.

"This is the prototype," Goetschius said. "We put as much subsidy into the homes as possible from the very beginning, so during subsequent resales, no further subsidy is required. The Land Trust doesn't recapture funds on the resale of the home because the Land Trust still owns the land."

By taking the cost of the land -- an estimated \$100,000 per lot -- out of the equation generally used to determine the sale price of a new home, and by providing a package of other subsidies, the Land Trust makes it possible for the home buyer to purchase a house for considerably less than fair market value. That being the case, any resale of the property also cannot be at the market value price.

"The idea is to create wealth," said Goetschius, "but it's community wealth, not personal wealth. That doesn't mean homeowners can't walk away with equity on a resale. It just means they don't get a windfall."

Because the cost of land keeps escalating in Sonoma County, and because land is a limited resource, the Land Trust acquires land with donated funds and then leases it back to the owners of the homes built on the land. Each lease is for 99 years and is renewable. Upon resale, the home price is determined by what the purchasing family can afford, regardless of the housing market at the time. The sale price of the home remains as affordable to subsequent buyers as it is to initial buyers. This aspect of the program is unique in tying resale prices to a percentage increase in median income rather than to the housing market.

Home buyers qualify according to their household earnings in comparison to a chart of median incomes for the Sonoma County area. Santa Rosa's Department of Housing and Redevelopment publishes the income guidelines annually.

According to the guidelines, a family of four at 100 percent of local median income is earning \$74,600 per year, or \$6,217 per month. At 30 percent, a designation of "extremely low income," household earnings would be \$22,400 per year, or \$1,867 per month. At 120 percent, a designation of "moderate income," household earnings would be \$89,500 per year or \$7,458 per month.

Smaller and larger families must meet different income levels, all based on the number of people in each household.

The Kali project serves families in the range of 25 percent to 120 percent of local median income, which covers the range from extremely low income to moderate income. If the original buyer of the home has an annual household income in the 30 percent range of annual median income, the resale of the home also must be to a buyer of the 30 percent income category.

The collaboration of the Land Trust with Habitat for Humanity rose out of the fact that the two organizations had some of the same board members.

"The reason we can keep these homes affordable is because of the volunteers," said Kathy Tonkovich, executive director of Habitat for Humanity of Sonoma County.

"The local construction industry has been very generous," she said.

“We've got pros working out there alongside people who never lifted a hammer before. Volunteers learn what to do from the pros. We've also got Brent Billings, a licensed contractor who has been out there for so many hours we can't count them all.”  
To volunteer with Habitat for Humanity, call Amy Lemmer, volunteer coordinator, at 578-7707, Ex. 111. For information on how to be a home buyer, or to donate land or money to the Housing Land Trust, call Devika Goetschius, 766-8875.  
You can reach Staff Writer Sheri Graves at 527-9078 or [sgraves@pressdemocrat.com](mailto:sgraves@pressdemocrat.com).

PHOTO: 1 by JEFF KAN LEE / The Press Democrat

Sherri Lee with her children, JohnPaul Jones, 15, and Joseph Lee, 11, in front of their new home in Roseland built by Habitat for Humanity volunteers.