

Citizens' Lighthouse Community Land Trust, NFP

2010 Annual Report

May, 2010

Responding to Opportunities

The afternoon before Independence Day, 2009 was a time to celebrate indeed. We completed the sale of our first house to Sharon Weeks of Evanston. It was one of several steps that we undertook to continue implementing the community land trust model in Evanston.

As the fiscal year draws to a close, we have three active members interested in purchasing a land trust home. Each has identified a house that they like. Each has begun the process of becoming qualified as a buyer of an affordable home. This buyer-led process makes the acquisition and renovation of homes even more challenging. However, the rewards are great as well. First, we are assured of a buyer before taking possession of the house. This means that its renovation can be completed promptly and the family can move in immediately. Marketing and carrying expenses are therefore kept to a minimum. Allowing the prospective homeowner to have a role in the renovation is another great benefit. Knowing the family who will benefit is a third reward to this method for all involved.

As a result of the collapse of the banking sector of the economy in Fall, 2008, financing for homebuyers is dramatically different. We are fortunate in having a local banking partner that supports affordable housing programs. **North Shore Community Bank & Trust Company** provided us with excellent financing for our first project. The bank facilitated our closing, making sure that funds were available as needed. Several recent CHDO buyers' mortgages have been favorably financed by the bank as well.

Although challenges persist, our organization continues to make the case for investing in perpetually affordable housing options in Evanston. We sought additional funds to reduce the extraordinarily high carrying expenses associated with the development of the Washington Street house; the extended marketing time ... and the loss of several qualified homebuyers due to economic conditions ... significantly exceeded both our budget and our own reserve funds. We will continue to work with both the City and the bank to reasonably and responsibly resolve this matter.

Prospective projects continue to present themselves. A private, Evanston-based firm approached us with interest in cooperating on the development of a private home in the 5th ward. We have found a buyer interested in the house. We are assisting her to become qualified to purchase while we seek funding for the project; we hope to have the project underway later this year.

The Neighborhood Stabilization Program (NSP) is a federal grant allowing for redevelopment of communities most affected by the foreclosure crisis. Cook County received funds in the first round. Although no North Shore applicant received funds as a sub-grantee, our application was supported by several community businesses. The City of Evanston was more successful with a direct application to HUD for second round funding. The City and its development partner were awarded \$18 million for acquisition and renovation of foreclosed-upon homes.

Outreach and Community Involvement

The NSP grant provided fresh options for local developers. In Evanston, such funds can be used in two census tracts, comprising parts of the 2nd and 5th wards. In response, local businesses, nonprofits and CHDOs established the **Evanston Minority Business Consortium**. The group advocates increased participation of minority businesses to carry out the grant's goals. It supports the community land trust model as a valuable tool to develop and retain permanently affordable housing options for moderate-income families.

Members of the CLCLT board were included in early discussions among minority business ventures planning to work collaboratively. Our Executive Director was later invited to join, sharing knowledge of federal grant and contract administration issues.

Of course, we continue to join other efforts to communicate the value of the community land trust model. In January, we participated in the City of Evanston's **Affordable Living Fair**, held at the Fleetwood Jourdain Center. The event provided us with an opportunity to expand outreach to local businesses and contact more citizens interested in our work.

Opportunities for the Future

Evanston continues to struggle to use its HOME funds timely and as approved by HUD. The program provides development funds for affordable housing acquisition and improvement, among other uses. We made several presentations to the City of Evanston for use of already-allocated HOME funds to cover unanticipated carrying expenses for the Washington Street project.

Although we did not initially receive approval, the request sparked a wide-ranging discussion about affordable housing programs, their goals and aims. One result was that CHDOs were called by city staff to offer input into a complete review of the policies and procedures that govern use of HOME funds in Evanston. We welcome the opportunity to join with staff and other CHDOs to develop realistic guidelines. We share the City Manager's goal of using HOME funds as appropriated to the City to develop and occupy affordable housing units efficiently and effectively.

Organization Development

We are fortunate to have members who are generous in their support of our efforts. Our outgoing board members have demonstrated their deep concern for advancing the cause of affordable housing in Evanston. Their many and varied contributions assure the on-going viability of our organization.

Board and staff members continue to include information about homebuyer counseling in their efforts. We continue to maintain excellent partnerships with the area's currently certified agencies. Some sectors of the real estate sales market continue to recover. Other areas remain hard-hit from the Great Recession of 2008. Of course, the banking and home mortgage industries remain volatile. We want to continue to explore all options to assure that homebuyers receive timely information about the process. To do so, our goal is to achieve Homeowners Counseling certification within the next year.

Fund Raising Efforts

We continue to enjoy the generosity of members' donations. All CHDOs have received designated federal funds distributed by the City of Evanston for operating expenses in the past. We expect this allowable use in the coming year. Also last year, we gratefully accepted continuing support from **the Field Foundation of Illinois, Inc.** We completed the third year of the **root2fruit** program supported by the Mammel Foundation and conducted by the Evanston Community Foundation. **Morgante-Wilson Architects, Ltd.** is among the businesses that have been generous their in support of our efforts. We are also grateful for the private businesses that offered support, services and materials free or at reduced cost. Without their assistance, our burden would be much greater.

Ours is a working board. Each member contributes to the work of the organization in several ways. Key board and staff members have attended several fundraising workshops. The board has begun to prepare a comprehensive, long-range fund-raising plan as part of its overall strategic planning process. We continue to seek the involvement and support of the community at large as we prepare to participate in the unique opportunities that are developing. We look forward to carefully working to assure the long-term sustainability of our organization as we develop a portfolio of permanently affordable homes in Evanston.

Our First Project ... and Our Next Ones

We are fortunate to have eager buyers and interested sellers. Our efforts to create affordable homes continue, rapidly responding to the changing environment. It is heartening to talk to people from all parts of Evanston who see our work as vital. We appreciate their public support. We welcomed a letter in a local paper in defense of the CLT model from a new member. We continue to meet people on the street and at the store who encourage our effects. We gladly talk to individuals who truly welcome the information and services we provide. One of many such happy moments came when the neighbors of the house on Washington Street asked if we could obtain another house on the block, recently listed for sale.

We are also fortunate for the assistance of local media in getting our word out. The **Evanston Roundtable** has covered our presentations before Council. The **Evanston Sentinel** has generously provided us several opportunities to broadly present the benefits of the community land trust model and the NSP grant. **EvanstonOnline**, a web-based publication, has offered support with its developing efforts.

Community housing development organizations (CHDOs) generally provide an excellent way to integrate first-time homebuyers into the community of homeownership. The CHDOs provide support and information to their members. This is particularly with case with CLCLT, whose purchasers become leaseholders. The on-going relationship extends to board membership; seats on the board are allocated to lessees.

People across Evanston are committed to providing diverse housing options throughout the City. The community land trust model is an indispensable method to retain federal housing resources in Evanston, in perpetuity. We continue to work to educate the community, involve citizens, and seek those who...now or in the future...want an alternative to moving away from Evanston in order to find suitable housing options. As we continue to work towards increasing affordable housing options for those who live and work in Evanston, we continue to respond to both needs expressed and opportunities presented.

Betty Sue Ester, President and Wilfred Gadsden, Executive Director