

THIS ISSUE...

HCLT sets sights on 10 Homes in Delridge

HCLT breaks 100-member mark

Member Profile: Dove John

Avoiding Predatory Lenders

Membership Brunch and Gathering Retrospective

HCLT Annual Report 2002

Northwest Outdoor Center to donate free Kayaking to new/renewing HCLT members

Welcome New 2003 Members:

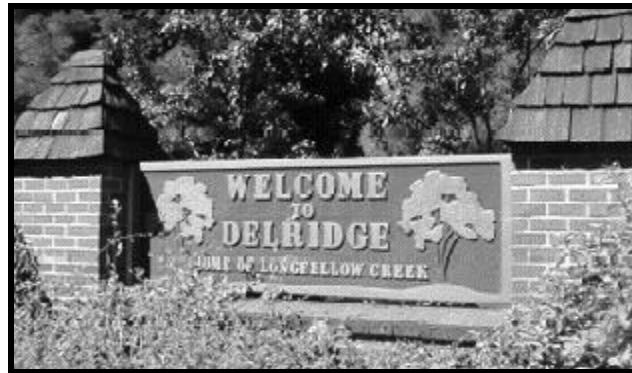
**Mary Lawson
Bill and Patty Lavelle
Michele McCauley
Daniel Pensak
Neil Powers**

Homestead Community Land Trust News

Winter 2003 Issue #11

10 More Affordable Land Trust Homes In Delridge by HCLT Director, Sheldon Cooper

HCLT, in partnership with the Delridge Neighborhoods Development Association (DNDA), is working toward creating 10 more permanently affordable single family homes in Delridge over the next two years. In anticipation of receiving full funding from Seattle's Office of Housing and the State of Washington, we are beginning to work with prospective first time homebuyers and those who would sell their home into this program.



The Delridge Affordable Homebuyer Initiative will focus on purchasing existing single family homes in Delridge, making needed repairs, and selling them to low and moderate income first-time homebuyers. DNDA will focus on the property acquisition and repair aspects of the initiative, while HCLT will focus on the marketing, homebuyer education, and converting the homes to land trust ownership. It will be a real collaborative effort.

Delridge is a neighborhood where many of the single family homes are in need of repair. It is also one of the last Seattle neighborhoods where there is still some affordable housing left. "This initiative will allow us to expand and lock in some of the existing affordability as well as improve the condition of homes at the same time," said Philippa Nye, an HCLT member, housing developer for DNDA and a Delridge resident. "The time is right; in another few years, homes may be too expensive here to do this type of program."

Like all HCLT homes, these Delridge homes will be permanently affordable. Buyers will purchase the home only, while HCLT will retain ownership of the land. Buyers will purchase a great home at a reduced price, and will agree to pass along that opportunity to another low/moderate income buyer if they ever decide to sell. Many of our members have expressed interest in purchasing single family homes, and this will create a great opportunity for them, as well as for the Delridge community to retain affordable homeownership opportunities as neighborhood housing prices increase. The first homes are slated to be ready this summer and fall.

What can you do? Give us a call at 323-1227 if you are interested in:

Buying a home: We'll give you information and walk you through the process.

Selling a home: If you would like your home to be affordable to working households forever.

Volunteering: We need people to help us spread the word about this exciting initiative.

Northwest Outdoor Center supports HCLT & Affordable Housing

Have you tried kayaking? It is fun, easy to learn, and a great way to see the sights of Seattle and beyond. And now you can kayak and support our work at the same time. Join (or renew) as a member of HCLT with at least a \$50 donation, and you'll receive a free kayak rental on Lake Union as a thank you, compliments of the Northwest Outdoor Center.

NWOC is also sponsoring kayaking fund-raisers for us this year. All the proceeds from their August 6th Golden Garden Sunset Tour, September 10th Full Moon Tour and 1/2 of their Christmas Caroling by Kayak events (Dec 5,6,7) will be donated to HCLT in support of permanently affordable housing. No kayaking experience necessary, but space is limited and advance registration is required. Call NWOC at 206-281-9694 to sign up today.

Quick News

HCLT gets \$5000 grant from Development Training Institute:

This grant will help us cover the pre-development staffing costs related to our Dearborn Commons project. We thank DTI for their ongoing support.

HCLT receives computer donation from City of Seattle:

The City of Seattle recently gave HCLT two PC computers and monitors from their surplus equipment division. These computers will replace our two old office computers, which are both very old and slow. Thank you, City of Seattle for your continued support.

Homestead on the Radio:

On Sunday, December 15th at 6:00 and 7:00 a.m. an interview with HCLT Director Sheldon Cooper was broadcast on Smooth Jazz 98.9 FM and Headline News 1150 AM. Sheldon was interviewed by Board delegate Dove John, who is the Public Affairs Director at KWJZ. Thanks, Dove.

Member Profile: Dove John

I've known about HCLT since the mid-1990s, when I first faced the challenge of finding stable, affordable housing in the Central District and the Rainier Valley. I lived in a lovely group house in Mount Baker for four years until 1990, when the live-in house owner decided to sell amid the housing boom of the time. I bounced for awhile and landed back in Seattle in the Madison Valley. I put down roots, serving on the board of our community council and working to keep our local school open and diverse. I had to leave the community council in 1994 when I moved after a break-in at my apartment. I moved to the "Squire Park" neighborhood, to a very nice affordable apartment complex that was built to be a 12-unit condo community. I planned to settle there permanently. In 1998, the owners of the complex sold our dwellings out from under us, without our having organized to try to buy our homes. I bounced until 2000, landing in Columbia City where I live today.

Columbia City is gentrifying rapidly. Because of my own experience of losing affordable housing to richer, overwhelmingly-white citizens, I am vitally interested in preserving affordable housing in economically and ethnically diverse communities in perpetuity, which has brought me to active participation in HCLT.

As a journalist I've free-lanced, worked at the State House of Representatives and edited community newspapers. Since December of 1997 I have worked as Public Affairs Director of 98.9 Smooth Jazz KWJZ and AM 1150, now CNN Headline Radio News. I'm grateful for the opportunity to offer free radio time and thousands of diverse ears to community activists and policy-makers working at the local, state, national and international level each week.

I once walked from Seattle to the United Nations for the cause of world peace. I gathered people's messages about peace, justice and the environment. Six months from starting to walk I delivered all of those messages at the U.N.

In my spare time I play the flute, fuss with my plants and harass my brothers, sisters and nephews.

HCLT Annual Brunch & Gathering 2002

by George Ostrow, board delegate

Like those phone bills from Working Assets that include a coupon for a free pint of Ben and Jerry's ice cream, the HCLT Annual Meeting is worth attending for the food alone. Pancakes with different syrups, fruit salad, coffee and herbal tea—now this is great! I went to the meeting not knowing what to expect, and found myself warmly welcomed by those I met, including a few past acquaintances from other like-minded organizations. I knew



HCLT board delegate Jess Marden and family enjoying

I had found an organization where I belonged.

This year HCLT had something to celebrate, having leased its very first property. Sure there was plenty of other news, but it was distributed in a hand out so we could focus instead

on thanking those who made things happen, such as lawyer, Steve Day, who won the Volunteer of the Year award for his outstanding volunteer legal services.

For the upcoming year, the 34 people who attended were invited to pen their ideas on large paper at the front of the room on topics ranging from whether HCLT should form neighborhood chapters, to suggestions of fun membership activities for next year, and members voted for a new logo (put your green dot on your favorite). This was a nice, active way to solicit a lot of input in not much time, and to allow an exchange of ideas as people read what others had written before adding their own comments. Further discussion is needed regarding chapters and the type of development projects HCLT should pursue. Resulting decisions included adding a summer picnic and selecting a sharp new logo composed of abstract houses and people, designed by Seattle Art Institute student Pim Roakaram.

[our new logo](#)



For official business, those 34 people present heard short statements from candidates and then elected four new board members, including one who was inspired to run that very day. The newly elected delegates were Dale Jensen (General Member Delegate) David Lee (General Member) George Ostrow (Community at Large Delegate) and Dove John (Leasing/Prospective Leasing Delegate) for whom Anita Manuel volunteered as her understudy.



Brent Avery comments on the summer gathering proposal

Helping reach the one-hundred member goal by December 31st, five people signed up on the spot to join HCLT. While I myself did not score a door prize, many at my table went home with a nice gift from what has to be the annual meeting that is the

Avoiding Predatory Lenders by Lambert Rochfort, staff

If you are a prospective or new homeowner, are considering home repairs or refinancing, are low income and/or have less than perfect credit, you are at risk of predatory lending. Predatory lending encompasses any unscrupulous lending activity or loan term, whether or not properly disclosed, that is harmful to the borrower, adversely impacts the borrower's ability to repay and/or increases the borrower's risk of default or foreclosure (Seattle Office for Civil Rights, 2002). Look out for the warning signs of predatory lending.

Are the loan fees excessive? While all banks charge fees to process a loan, these fees should not run higher than two-percent. Predatory lenders often finance huge fees into loans (sometimes as much as 8%).

Are there 'balloon payments'? The monthly payment is very low, but there is a large amount due (such as \$50,000) in the future of the loan (often in five or ten years) at which point you'll have to refinance and thus pay more high fees.

Are there 'prepayment penalties'? These penalties come due when a borrower pays off their loan early, typically through refinancing or a sale of the house, and are often as much as six months interest on the loan.

Does the loan officer disregard your ability to pay? You can't afford the payments on the loan, but the loan officer ignores your ability to repay. The loan may be based on home equity rather than income.

Is credit life insurance added to the loan? Credit life insurance is insurance linked to a debt or loan, which will pay off that debt if the borrower loses the ability to pay. 'Single premium' credit insurance policies are especially risky— instead of making regular monthly, quarterly, or annual payments, the credit insurance is paid in one lump sum payment.

Are you being encouraged to repeatedly refinance? This is called 'loan flipping' and is a practice in which a lender encourages repeated refinancing and tacks on thousands of dollars in additional fees or other charges each time.

Has the mortgage officer failed to make disclosures of important information? It is required by law that brokers disclose the estimated closing costs (also called the good faith estimate) and the Annual Percentage Rate (APR).

Has the broker misrepresented the amount of the loan? They may switch from a fixed rate to an adjustable rate mortgage or from a low interest rate to higher rate at the time of closing. This is also an illegal practice and should be reported.

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There are a number of ways to protect yourself from predatory lenders in addition to watching for the warning signs.

Read carefully before you sign: You should never sign documents before reading and understanding them. You may want to ask a lawyer, nonprofit service, or friend to go over the papers with you. Predatory lenders will pressure you to sign right away; don't.

Ask questions: Always ask questions, until you understand everything. Ask what the total loan amount and monthly payment are; ask if there is a balloon payment or prepayment penalty. Know exactly what the lender is offering. Have all points explained to you.

Be cautious: Be suspicious of anyone who offers you a "bargain loan" or who promises easy credit. Take your time and never rush into a loan. Avoid lenders who use aggressive marketing techniques like calling or visiting your home or promise guaranteed low interest loans, who take applications over the phone, who offer next day approval, or ask for up-front fees.

Shop around for the best loan: Start by contacting local financial institutions and compare total loan costs and interest rates. A loan with a lower monthly payment is not always the best deal. Call the Better Business Bureau and ask if there have been any complaints against lending companies you are considering.

Take a homebuyer education class: There are a number of nonprofits in Seattle, such as the Community Homeownership Center that offer these classes; they teach you how the home-buying process works and how to shop around for the best loan.

Clean up your credit or financial problems before trying to get a loan: The better your credit the lower your risk of getting a bad loan. Most predatory lenders prey on people with less-than perfect credit. There are a number of nonprofits, like HomeSight, that offer financial and credit counseling for first-time homebuyers.

Overall, predatory lending takes advantage of borrowers by charging high fees and hidden costs or misrepresenting the terms of a loan. Every borrower is at risk. However, predatory lenders target low income people, people of color, the elderly and people with less-than-perfect credit. Know the warning signs of predatory lending and how to find a good quality loan.

These agencies can be of help:

- Community Homeownership Center (CHOC) (800) 317-2918 www.choc-wa.org
- HomeSight (206) 723-4355 www.homesightwa.org
- Washington State Housing Finance Commission: (800) 767-4663 www.wshfc.org

To file a complaint on a lender:

- Washington State Department of Financial Institutions (800) 372-8303
- Seattle Office of Civil Rights (206) 684-4500

About Homestead Community Land Trust

"We are drawing together our diverse communities to build and permanently preserve decent, affordable housing and real self-determination in the places where we live and work." - Homestead CLT mission statement

Since our incorporation in 1992, we have been working to bring the community land trust model of permanently affordable homeownership to Seattle neighborhoods. To this end, we:

- * engage in outreach and educational efforts with community and neighborhood groups, local government leaders, and funding and lending institutions.
- * support the creation of neighborhood-based projects that undertake housing development projects designed by local people to meet local needs.
- * create permanently affordable homeownership opportunities for low-income residents, encouraging community reinvestment without displacement, and empowering neighborhood and citywide communities to take control of their housing and land-use needs.

HCLT Breaks 100 Member Mark

by Lambert Rochfort, staff

We did it! Our Membership Pledge drive was a success. As of December 31st, 2002 we had 101 members (we now have 105), thanks to all the pledge drive phone-a-thon volunteers who called over 400 people to ask them to join as members.

It began with an idea in September. We were at 65 members and had a goal of bringing that to 100 in less than four months. Just then a tele-marketer called offering HCLT new phone service; and I thought, 'That's it. We should have a phone-a-thon.' I brought up the idea to Sheldon and he thought it was a good one. He suggested we have the event at the Delridge Neighborhoods Development Association, a group we had worked with on the Delridge House project. He called them up and sure enough, they agreed to let us use their space on October 8th from 6:30- 9 P.M. I started sending out E-mails and making phone calls to find volunteers.

Kristen Walsh, Lisa Strandin and Jessica Lynn agreed to come on the 8th, in addition to Sheldon and me. Lisa Huang, Michele Thomas and Linda Novenski offered to make calls from home. I started working on forms, scripts and fact sheets for the volunteers. The morning of the 8th, Sheldon suggested that we have pizza for the volunteers. He called Papa John's in West Seattle to see if we could get a special deal. They ended up donating three extra-large pizzas for the phone-a-thon.

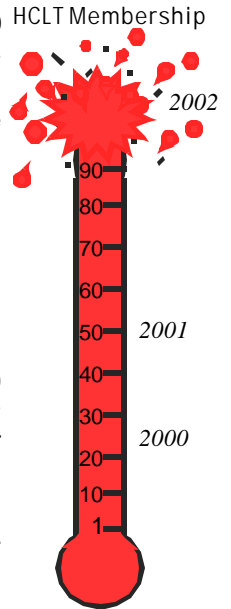
After a quick overview everybody picked a desk and got ready for their first call. After a minute the office was buzzing with the sound of frantic phone appeals: "Hello, I'm so-and-so from the Homestead Community Land Trust...Would you like to join as a member today?" After a few minutes I started hearing the first of the pledges "\$20, that's great...We'll send you a card in the mail" and seeing the smiles and thumbs up around the room. By the end of the night

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over \$300 had been pledged, 20 people had pledged to become members and 15 said maybe. After we got the forms back from those who made calls at home we had 30 pledges and over \$400 pledged.

Since then we've been following up on the folks who pledged to join and sending thank yous. The board has also helped out by encouraging friends and family to join.

Now that we have reached 100 members, what next? 150? 200? Members are the backbone of HCLT and it is their support that keeps us going. Thank you new members and volunteers for making our 2002 membership goal a reality.



HCLT Calendar of Events

3/5: (and subsequent 1st Wednesdays): Dearborn Commons Potluck: Come learn about our Dearborn Commons project and meet the people involved.

3/12: (and subsequent 2nd Wednesdays) – Board meeting 6:30PM to 8:30PM at 1309 13th Ave. S.

3/24: Membership Committee Meeting 6PM to 8:00PM at The Jefferson Community Center--game room (3801 Beacon Ave S.) Come contribute to this important discussion on HCLT membership and help plan our membership outreach and membership involvement strategies.



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· Anita Manuel · Scott Nodland · George Ostrow · Herman Smith · Michele Thomas

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Lambert Rochfort, *VISTA*