



Preserving a permanently affordable community

DECATUR LAND TRUST

BUSINESS PLAN 2022-2024

EXECUTIVE SUMMARY

PROJECTED BUSINESS PLAN FOR THE OPERATIONS AND ACQUISITIONS OF THE
DECATUR LAND TRUST, THREE YEAR OUTLOOK 2022-2024

Decatur Land Trust
www.decaturlandtrust.org

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EXECUTIVE SUMMARY

A community land trust is a nonprofit organization formed to hold title to land to preserve its long-term housing affordability and other community uses. A land trust typically receives public or private donations of land and funds or uses government subsidies to purchase land and develop housing. The land trust retains ownership of the land but may rent or sell the home, apartments, or commercial building that sits on the land. The land remains in the land trust permanently, with a 99-year renewable ground lease to ensure the home or business remains affordable. The land trust typically limits the price the homeowner can sell the home and retains a long-term option to repurchase the homes at a formula-driven price when homeowners later decide to move.

In the City of Decatur, increased demand for housing – married with Decatur's small size and limited development opportunities – has led to higher for-sale and rent prices relative to the region. In response, the City of Decatur assisted in the incorporation of the Decatur Land Trust (DLT) as an independent, non-profit entity in 2021 to address its loss of affordable homes and low- to moderate-income residents, and to provide the opportunity for home ownership. The establishment of the DLT, Board of Directors, and initial operations will facilitate the purchase and development of homes, rental housing, and land to increase the number of affordable housing units in Decatur. Steps to establishment include the

Board of Directors

Linda Curry, Chairperson

Lesa Mayer, Vice
Chairperson

Alan McNabb, Secretary

Bill Adams, Treasurer

Maria Alvarez

Angela Threadgill

Valarie Wilson

development of targets for acquisition, beneficiaries, types of housing development and the role of DLT in development process, resources, activities, stakeholders.

On July 23, 2021, the Decatur Land Trust was incorporated as an independent, non-profit entity. The Board of Directors voted in the affirmative to approve the Bylaws of the Decatur Land Trust on August 11, 2021; and on August 16, 2021, two additional Board appointments were made by the Mayor of the City of Decatur and the City Manager to complete the founding Decatur Land Trust Board. The confirmation of 501(c)3 status is currently pending and has been applied for by the firm Williams Teusink, LLC.

The Decatur Land Trust has the potential to be a vital tool to creating new, smaller and affordable units as well as preserving existing affordable homes, businesses and community interests in Decatur. **The Decatur Land Trust is committed to preserving a permanently affordable community.**

The purpose of this document is to formalize what the DLT will strive to accomplish in years 2022-2024, as well as how the organization will be positioned to launch forward from year 2021.

Organization

BACKGROUND

In 2019, the City of Decatur commissioned the Affordable Housing Task Force to research housing trends impacting affordability in Decatur. The result of this task force was *A 2020 Report on the Findings and Recommendations for Decatur's Future Affordability and Inclusivity*. The report cited an imbalance between incomes and housing in Decatur that has contributed to the loss of a significant amount of affordable, low-to-moderate income housing and residents in the past decade. Between 2007 and 2017, the median household income in the City of Decatur increased for households earning over \$100k and decreased in all other categories. From 2007 to 2017, Decatur saw a 19% reduction in residents making \$99k per year and below, while showing an almost 20% increase in residents making over \$100k per year¹. Decatur's rise in incomes at the higher end of the spectrum created pressure that helped to increase land and home values, thus increasing property taxes and decreasing Decatur's diversity of housing types. The population growth rate in Decatur from 2007 to 2017 was 31.3%, more than twice the number of housing units created during the same period, creating conditions for an overheated housing market showing rent increases of 119.5% and sales price increases of between 50.5 and 72.4%. This heated demand – married with Decatur's small size and limited development opportunities – has led to higher for-sale and rent prices relative to the region. Scarcity of housing helped drive rising housing prices and rents.

These valuations, combined with wage stagnation, has led to a housing crisis for many existing Decatur residents. In addition, those who work in Decatur in wages from 30-120% AMI are too often prevented from living here. People working in areas such as home health care, non-profit and government organizations, education, and service/retail make wages too low to afford to rent or own in Decatur without causing significant housing cost burden.

Although the Decatur Land Trust (DLT) was created in 2019, a recommendation of the Affordable Housing Task Force is to establish the DLT as an independent, non-profit corporation with 501(c)3 status, and to build and fund the capacity of the DLT to purchase property and take it off of the speculative market, and to pursue new housing and commercial projects.

The organizational structure of the DLT is a Board of Directors, which will form a tripartite Board at the time the DLT acquires fifteen (15) owner-occupied homes. Homes and rentals for the DLT will serve residents from 60-120% AMI.

¹ Sources: 2007 Data from the 2008 Affordable Housing Report for Decatur. 2017 Data Source ACS 2013-2017: B19001, Household Income in the Past 12 Months (in 2017 Inflation-Adjusted Dollars), Universe: Households.

MISSION

To acquire and create homes, land, and commercial properties for community benefit and permanent affordability, and to encourage home ownership by stewarding new homeowners and minimizing displacement.

VISION

A welcoming community with a diversity of housing to help residents and families of all incomes, at all stages of life, prosper.

VALUES

Community Vitality: Preserving and creating a diversity of housing options leads to a more vibrant community.

Diversity: We must act to curb current market forces to promote racial and socioeconomic diversity.

Racial Equity: Minimizing displacement and creating opportunities for home ownership can help address housing inequities in Decatur.

Partnerships: Are critical to leverage external funds from the public, philanthropic and private sectors to support affordable housing.

Stewardship: Permanent affordability represents sound and responsible stewardship of limited land and subsidies to increase the success of new homeowners and residents and provide community benefit.

Environmental sustainability: Incorporating innovation to provide environmentally friendly building options for land trust residents.

Fiscal responsibility and accountability: Responsible stewardship of land and resources will retain the public's investment in affordable housing.

PRIORITY AREAS

OPERATING GUIDELINES AND PROCEDURES

- 1.0 Operations and Facilities
 - 1.1 Organizational and legal documents.
 - 1.2 Financial and banking mechanisms.
 - 1.3 Marketing and Communications.
 - 1.4 Resource development.

FINANCIAL

- 2.0 Financial / Funding Mechanisms
 - 2.1 Government
 - 2.1.1 Site donations: donations of publicly owned land.
 - 2.1.2 Grants and loans: development incentive funds, start-up funding, project gap funds.
 - 2.1.3 In-kind: staff time, data, expert assistance
 - 2.1.4 Recurring funding creation.
 - 2.1.5 Federal government funds: CDBG, Home, CHDO, funds such as Capital Magnet Fund.
 - 2.2 Philanthropic Foundations / Non-profits
 - 2.2.1 Grants: seed funding, program funding, project funds.
 - 2.2.2 Impact investment: project financing, capacity building loans.
 - 2.2.3 Partnership: construction and program collaboration.
 - 2.3 Corporate
 - 2.3.1 Grants: site acquisition funds, site expense donations, project funds, gap funding.
 - 2.3.2 Sponsorship: project specific, programs.
 - 2.3.3 In-kind: professional services.
 - 2.4 Individual donors
 - 2.4.1 Major donations: property, homes, funds, securities, planned giving, wills, annuities.
 - 2.4.2 Grassroots and crowd funded donations: funds for site acquisition, site improvements, construction, repairs.
 - 2.4.3 Impact investment.
 - 2.4.4 Fundraising events.
 - 2.5 Fees and Rents
 - 2.5.1 Lease fees and rents: revenues from ground lease fees and rents.
 - 2.5.2 Member fees
 - 2.5.3 Fee-for-service: interest from loans.

NEW AFFORDABLE HOME SUPPLY

- 3.0 Create new affordable homes.
 - 3.1 Create new homes through partnerships on publicly owned land.
 - 3.2 Endeavor to assemble land for new construction of affordable housing in areas where the zoning and land use inform new housing.
 - 3.3 Endeavor to purchase lots in Decatur's neighborhoods for new affordable homes.
 - 3.4 Utilize donations of land from private, non-profit, or public entities for new home construction.
 - 3.5 Support the construction of Accessory Dwelling Units for use as rental housing, possibly as a pilot program.
 - 3.6 Provide for collaboration with developers of new Inclusionary Housing units that are (deed restricted / ground lease).

PRESERVE EXISTING AFFORDABLE HOMES

- 4.0 Preserve Existing Affordable Homes
 - 4.1 Acquire homes in Decatur's neighborhoods to be preserved as affordable housing.
 - 4.2 Utilize partnerships to acquire existing affordable rental housing.
 - 4.3 Home Repair Program
 - 4.3.1 Establish committee to form year-round home repair program for low-income residents with the intention of keeping existing residents in place.
 - 4.3.2 Research potential to expand to repair small privately-owned rental units in exchange for continuation of affordable rents.

STEWARDSHIP

- 5.0 Stewardship
 - 5.1 Establish mechanisms for homeowner financial assistance including down payment assistance.
 - 5.2 Utilize existing homeowner education programs for referral.
 - 5.3 Establish protocol for homeowners who face foreclosure with the goal of providing support to keep homeowners in place.

COMMUNITY BENEFIT

- 6.0 Community Benefit
 - 6.1 Endeavor to manage commercial properties for affordable leasing.
 - 6.2 Add greenspace or gardens to underutilized DLT owned land.
 - 6.3 Collaborate with local employers and education centers on housing for workforce.
 - 6.4 Incorporate green building into projects.

Action Plan: 2021-2024

Decatur Land Trust: Three-Year Desired Outcomes and Goals

I. OPERATING GUIDELINES AND PROCEDURES

OPERATING GUIDELINES & PROCEDURES
Desired Outcome: The Decatur Land Trust has legal documents, policies and procedures in place to operate, apply for funding, and complete objectives for each Priority Area.
2021 Goals: <ol style="list-style-type: none">1. Initial Board of Directors appointed and bylaws approved, positions appointed.2. Adopt business plan, including an organizational mission, vision and values.3. Establish legal representation.4. Create branding: logo, website, description.
2022 Goals: <ol style="list-style-type: none">1. Create bank account.2. Purchase insurance.3. Obtain 501c3 status.4. Establish legal mechanisms to accept donations of land, from public or private entities.5. Adopt a formal ground lease, resale formula for participants.6. Approve a Homebuyer Selection Policy.7. Approve a Stewardship Policy.8. Ensure policies and procedures reflect compliance with hiring and housing law.
2023-2024 Goals: <ol style="list-style-type: none">1. Staffing, Board and Partnership plan completed as needed to manage increased workload and growing portfolio.2. Adopt a formal mechanism for condos created under the Inclusionary Zoning policy.3. Create mechanism for recording and projecting new homes created, preserved to set goals for future years.

II. FINANCIAL

FINANCIAL
Desired Outcome: The Decatur Land Trust is fiscally sound and maintains a growing and diversifying portfolio of revenue in order to complete Priority Area objectives.
2021 Goals: <ol style="list-style-type: none">1. Complete application for Catholic Campaign for Human Development Grant.
2022 Goals: <ol style="list-style-type: none">1. Establish partnership funding needs from City of Decatur, Non-profit grants, Banking partnerships, and establish other partnership needs.2. Identify plan to reconcile bank statements and report expenditures.3. Develop system for maintaining required reporting to Georgia Secretary of State and IRS.4. Obtain necessary funding sources for the Cottage Courts project.5. Establish funding for initial home acquisitions.6. Identify affordable housing projects that may allow for funding from Federal Infrastructure plan.7. Develop fundraising plan for the Decatur Land Trust.8. Apply for and accept development grants with specific project plan in place, including CBDG for Cottage Courts.9. Establish financial need requests for City of Decatur, Partners, study new potential sources of income for DLT projects and operations.10. Establish financial policies and procedures for fees collected, donations received, and to maintain an end of year operating reserve and establish ongoing policies for reserve account.
2023-2024 Goals: <ol style="list-style-type: none">1. Continue to explore partnerships for funding with non-profit partners, Foundations, Grants, Corporate partners, Employers.2. Look for funding on a "per project" basis.3. Explore CHDO (HOME) Funds, Capitol Magnet Funds, as possible sources.

III. NEW AND EXISTING HOME SUPPLY

NEW HOME SUPPLY
Desired Outcome: The Decatur Land Trust has an expanding portfolio of permanently affordable homes.
2021 Goals: <ol style="list-style-type: none">1. Establish legal policies and procedures to accept new land and homes, including deed restriction documents.
2022 Goals: <ol style="list-style-type: none">1. Explore funding sources to purchase first home(s) in Decatur neighborhoods.2. Purchase first DLT homes.3. Accept three new homes at 108 Park Place via deed restriction.4. Accept parcels of City-owned land for development of Decatur Land Trust homes.5. Identify opportunities for potential land and home acquisition.6. Create Tax Assessor guidelines for affordable DLT homes.
2023-2024 Goals: <ol style="list-style-type: none">1. Accept six new homes at the Cottage Courts project.2. Prepare to accept new homes at Legacy Park in 2025-2026.3. Begin design, construction on two-three new homes located on land donated from the City of Decatur.4. Explore establishment of pilot ADU program details and funding sources.5. Seek partnerships for constructing new, missing middle housing.
PRESERVATION OF EXISTING HOME SUPPLY
Desired Outcome: The Decatur Land Trust participates in preservation of affordability through acquisition and rehabilitation.
2021 Goals: <ol style="list-style-type: none">1. Establish new Home Repair / Rehabilitation Committee.
2022 Goals: <ol style="list-style-type: none">1. Work with community to identify "at risk" homes that are subject to demolition / at-risk residents.2. Research policies to help at-risk homeowners, also establish policies for "first right of offer."3. Establish financials and goals for stabilizing at-risk home owners.4. Explore funding and goals, partnerships to purchase existing affordable rental units.5. Evaluate progress, funding and procedures for home rehabilitation program.
2023-2024 Goals: <ol style="list-style-type: none">1. Ongoing evaluation of home rehabilitation program.2. Ongoing outreach program to at-risk homes and homeowners.

IV. STEWARDSHIP AND COMMUNITY BENEFIT

STEWARDSHIP
Desired Outcome: The Decatur Land Trust stewards successful homeowners, neighbors.
2022 Goals:
<ol style="list-style-type: none">1. Establish home-owner education program.2. Establish funding and procedural mechanisms for down-payment assistance.3. Create selection process for new owners of Decatur Land Trust homes.4. Create outreach mechanisms for new home owners / local employees and residents.5. Establish banking partners for mortgage assistance.
2023-2024 Goals:
<ol style="list-style-type: none">1. Establish resident members to Board of Directors.
COMMUNITY BENEFIT
Desired Outcome: The Decatur Land Trust endeavors to support spaces to benefit the greater community.
2022 Goals:
<ol style="list-style-type: none">1. Seek partners for innovative, environmental home options.2. Endeavor to incorporate community spaces in new developments when possible.
2023-2024 Goals:
<ol style="list-style-type: none">1. Outreach to local employers for affordable home partnership opportunities.2. Establish procedures and legal documents to manage commercial spaces.

DECATUR LAND TRUST PROPERTY INVENTORY PROJECTION

Timeframe	2022	2023	2024
Units in Portfolio	5	13	16
Homeowners	5	13	16
Annual Operating Budget	\$1,138,000	\$1,193,800	\$1,325,760
Surplus Funds or GAP Funding Need	\$3,000	\$7,800	\$4,760

DECATUR LAND TRUST FINANCES & FUNDING PROJECTION THREE YEAR BUDGET FOR REAL ESTATE DEVELOPMENT

Decatur Land Trust Budget			
	2022	2023	2024
Assumptions			
Home purchase price per home	\$450,000	\$450,000	\$450,000
Renovation cost per home	\$25,000	\$25,000	\$25,000
Ground Lease Fees / Repair Reserve per month per home	\$50	\$50	\$50
DLT Home sale price (80% AMI / 3 bdrm)	\$215,160	\$215,160	\$215,160
Subsidy Required per home (including renovation)	\$259,840	\$259,840	\$259,840
Builder Fees per home + Downpayment Assistance per home	\$17,000	\$17,000	\$17,000
Cost to build a new home			\$220,000
	2022	2023	2024
New CLT Units Per Year (Goal)			
Acquisition Homes	2	2	2
CLT Homes / Donated or Partnership	0	6	0
Managed Units (deed restricted)	3	0	0
DLT Units Built	0	0	1
Total CLT Units	5	8	3
Income			
Sale of Home (80% AMI / 3 bdrm)	\$430,320	\$430,320	\$645,480
Ground Lease Fees	\$3,000	\$7,800	\$9,600
Public Funding (City of Decatur): 1/3 Subsidy for Acquisitions	\$173,227	\$173,227	\$173,227
Public Funding (City of Decatur): 1/3 Downpayment and Builders Fees	\$28,333	\$45,333	\$17,000
Grants + Donations (2/3)	\$403,120	\$437,120	\$380,453
Federal / State Funding (ARPA Home Rehab Program)	\$100,000	\$100,000	\$100,000
Total Income	\$1,138,000	\$1,193,800	\$1,325,760
	2022	2023	2024
Expenses			
Acquisition Costs			
Land			
Homes	\$900,000	\$900,000	\$900,000
Construction Costs			
New Build*			\$220,000
Renovation (DLT Home Acquisitions)	\$50,000	\$50,000	\$50,000
Renovation (ARPA Home Rehab Program)	\$100,000	\$100,000	\$100,000
Demolition Costs			
Carrying Costs			
Builder Fees + Downpayment assistance	\$85,000	\$136,000	\$51,000
Interest Costs			
Total Expenses	\$1,135,000	\$1,186,000	\$1,321,000
	2022	2023	2024
Total Income	\$1,138,000	\$1,193,800	\$1,325,760
Total Expenses	\$1,135,000	\$1,186,000	\$1,321,000
Suplus Funds or GAP Funding Need	\$3,000	\$7,800	\$4,760

* new build is anticipated to involve a non-profit developer with the DLT financing the land development cost.

GOALS FOR 2022



Operating Guidelines and Procedures

- Create bank account.
- Purchase insurance.
- Obtain 501c3 status.
- Create new homeowner selection process to comply with fair housing law.
- Adopt a formal ground lease, resale formula.
- Create documents to accept new homes and land and manage deed restricted homes.
- Approve a stewardship policy.
- Establish homeowner assistance programs.
- Establish mechanism for homeowner stabilization, including oversight of home rehabilitation committee.



Financial

- Request City of Decatur funding in the amount of \$200,000 as 1/3 contribution to DLT Budget.
- Request \$100,000 in ARPA funds for Home Rehabilitation program (Year 1 of 3).
- Request ARPA Funds for “gap” funding for Cottage Court Project.
- Establish sale of (2) DLT homes, ground lease fees.
- Raise \$405,000 to subsidize annual operating budget.
- Maintain and report monthly financials including fees collected, donations received, and other income.
- Establish funding opportunities and potential partners.
- Establish operating needs and year-end reserve account goals.
- Explore funding mechanisms including a Housing Opportunity Bond, SPLOST, and/or Tax Allocation District for increased funding opportunities.
- Apply for CBDG Funds for Cottage Court home landscaping.
- Explore the creation of Advisory Board with access to needed connections and resources.



Home Supply & Preservation

- Acquire two (2) homes for DLT portfolio.
- Accept three (3) deed restricted condominiums for 108 Park Place.
- Accept parcels of City of Decatur owned land.
- Identify potential acquisitions.
- Identify “at risk” homeowners.
- Research policies for “first right of offer.”
- Research tax assessment guidelines for affordable homes.



Stewardship and Community Benefit

- Establish homeowner education program.
- Establish homeowner support through down-payment assistance, rental assistance, closing costs.
- Create program for outreach to new homeowners, community, potential funding partners.
- Support and engage homeowners to help raise awareness for DLT.
- Seek partners for innovative, environmental home options.
- Endeavor to involve community in new projects when possible.
- Identify training programs and education opportunities for Board of Directors and Staff.
- Explore speaking opportunities at local meetings, churches, and other venues to raise awareness.

GOALS FOR 2023



Operating Guidelines and Procedures

- Evaluate and expand existing homeowner stewardship programs.
- Create mechanism to record and project new and preservation homes.
- Establish development partnership documents and program for building new homes on DLT land.
- Explore ADU pilot funding program.



Financial

- Request \$220,000 from City of Decatur as 1/3 contribution to DLT Budget.
- Request \$100,000 in ARPA funds for Home Rehabilitation Project.
- Establish sale of (3) DLT homes and ground lease fees.
- Raise \$440,000 to subsidize annual operating budget.
- Explore partnerships with non-profit partners, Foundations, Grants, Corporate partners, Employers.
- Apply for CDBG Funds for (3) DLT homes on City of Decatur land.



Home Supply

- Accept six (6) homes at Cottage Courts.
- Acquire (3) homes for DLT portfolio.



Stewardship and Community Benefit

- Engage community on forthcoming projects including Cottage Courts, Legacy Park.
- Raise awareness for new home opportunities with City of Decatur and City Schools of Decatur employees.
- Identify training programs and education opportunities for Board of Directors and Staff.
- Explore speaking opportunities at local meetings, churches, and other venues to raise awareness.

GOALS FOR 2024



Operating Guidelines and Procedures

- Review staffing plan for current and future portfolio.
- Create partnership outreach program for purchase of existing rental units in Decatur.
- Establish partnerships for employer assisted housing development.
- Train and compensate homeowners for community and funding outreach conversations.



Financial

- Request \$200,000 as City of Decatur contribution to 1/3 of DLT Budget.
- Request \$100,000 in ARPA funds for Home Rehabilitation.
- Establish sale of (3) DLT homes, ground lease fees.
- Establish needs for land development partnership for (3) City-owned parcels to be transferred to DLT.
- Raise \$380,000 to subsidize annual operating budget.
- Explore new sources of grants that require a three-year lifespan of organization including CHDO, Capital Magnet Funds.



Home Supply

- Acquire (3) homes for DLT Portfolio
- Accept three (3) parcels of City-owned land, build homes and/or ADUs on these three (3) parcels.
- Prepare to accept cottages at Legacy Park.



Stewardship and Community Benefit

- Establish resident members to Board of Directors.
- Establish sustainable building partners.
- Outreach to local employers, including City Schools of Decatur, for funding and partnership opportunities for housing.
- Identify training programs and education opportunities for Board of Directors and Staff.

OUTCOMES AND METRICS

The DLT will produce an annual report including measurable outcomes for DLT properties.

measurable outcomes and metrics

- Number of units in portfolio
- Number of homeowners
- Number of homes per neighborhood / area
- Length of time homeowner stays in home
- Reduction in housing costs for homeowners, renters, commercial entities (vs. market)
- Percentage of delinquencies and foreclosures
- Increase in racial homeownership equity
- Retention of existing residents
- Total annual revenue
- Total annual philanthropic funds raised
- Total number of donors

Specific Desired Outcomes

2022

- Help prevent displacement of legacy community residents
- Reduce housing costs of homeowners (vs market)
- Homeowners pay 30% or less of gross income on housing costs
- Increase opportunity for those who work in Decatur to live in Decatur.

2023

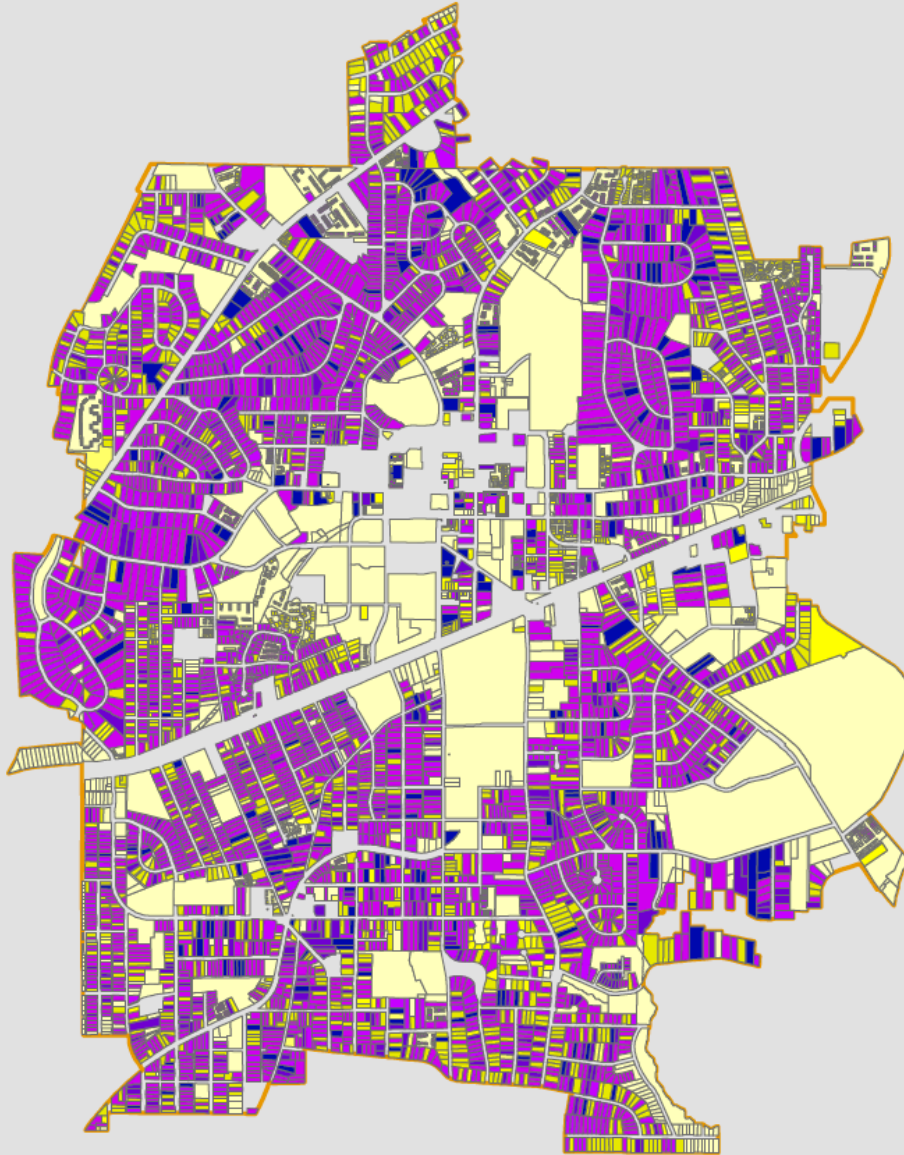
- Retain existing residents
- Increased racial homeownership equity.
- Increased philanthropic funds raised.
- Number of homes sold to DLT
- Number of homes and land donated to DLT
- Number of donors.









2024

- Number of affordable rental units.
- Number of employer partners
- Number of developer-initiated projects.

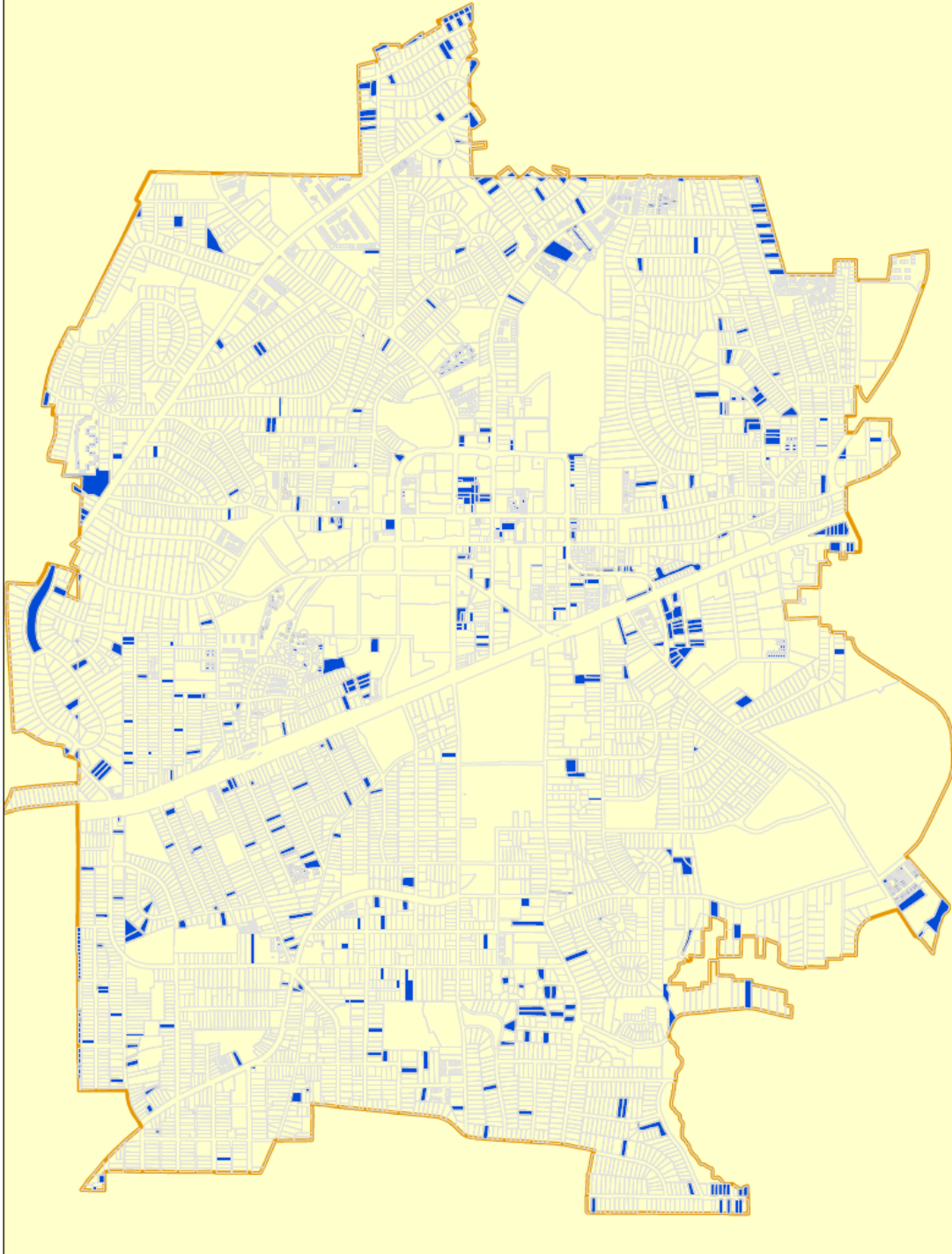
Appendix

Decatur Parcel "Market" Values Based on DeKalb Assessment



DecaturParcels		
 \$0.00 - \$100,000.00	 \$200,000.01 - \$300,000.00	 \$500,000.01 - \$850,000.00
 \$100,000.01 - \$200,000.00	 \$300,000.01 - \$400,000.00	 \$850,000.01 - \$1,000,000.00
	 \$400,000.01 - \$500,000.00	 \$1,000,000.01 - \$1,500,000.00

Parcels with "Market" Tax Value Less than \$300k



Higher Home-to-Land Ratio
(Assessed Value of Home/Land)

