A Home Buying Odyssey
By Frank Video, Homestead’s 18th Homeowner

My odyssey began in 1999 with a developer named Kurt Feichtmeir. He wanted to build condos at Hiawatha Place and Dearborn. Arts & Lofts was intended not only for first-time homebuyers, but also for artists. He partnered with artist housing expert Cathryn Vandenbrink, best known for converting King County’s Toshiba Kaplan building into an artist housing complex. They almost pulled it off.

An application process was devised to ensure those wanting to buy were true artists. Slides were submitted. Interviews were conducted. Homeowner association rules were drafted. Arts & Lofts spaces varied in layout and size, both affordable and unaffordable, otherwise known as “market rate.” Quickly, more artists came a knocking than there were doors.

Sadly, financing never materialized. Arts & Lofts became yet another good idea relegated to the occasional mention in articles such as this. Nevertheless, the process opened my eyes, and the eyes of other Arts & Lofts veterans, to the possibility of homeownership.

I quickly learned I wouldn’t be getting a house if I wanted to stay in Fremont, my long time “hood”. Even with that compromise, pickings were slim. After more than 4 months of searching all I had to show were a couple of false starts, no prospects, and a little over a week to go before my funding would pass on to the next person in line. I began checking listings every hour. I didn’t want to go to the back of the line and wait another year for the chance to buy again. Yet, I didn’t want to force a buying experience that would lead to feelings of remorse.

Suddenly the clouds parted and the place of my dreams appeared. I made damn sure I was the first to see it and the first to make an offer. But, my excitement soon turned to dread when the selling agent got spooked over the land trust’s paperwork. His response to our full-price offer? “The seller is not inclined to accept, due to the additional requirements of your offer.” Additional requirements?! My first instinct was to unleash a can of whoop-ass. My agent, however, calmly talked the seller into speaking with someone at Homestead before declining. Sure enough, after a few moments on the phone with smooth-talkin’ Sheldon, the seller accepted our offer.

I was in it to live. Perhaps Seattle’s unaffordability had something to do with it. In 2005 I learned about Homestead Community Land Trust and once again had reason to believe I could own my own home. After all, I was not in it to profit. I was in it to live.

So, I took a deep breath and jumped into an orientation class. I made sure my credit was good. I got on the waiting list. I scraped together my down payment. I corralled my documentation. I applied for a mortgage (the same bank that pre-qualified me for Arts & Lofts) and was given the go-ahead to start shopping. Being told by Homestead I could ‘start shopping’ struck me as funny. I imagined a really big shopping bag at my side.

That humor wore off after looking at just a couple of places.
A special thanks to Homestead’s recent outgoing Board of Delegates! We appreciate your service and dedication!

Johan Grimsrud served on Homestead’s Board for just over a year. Johan and his partner Jill were Homestead’s 3rd homeowners and recently sold their land trust home in Seattle to another Homestead homeowner at an affordable price. Johan, Jill and son, Elias, moved to Olympia this summer, so that Johan could start his Master’s in Teaching program.

Megan Hyla dedicated three years to Homestead’s Board of Delegates, serving two of those years as Board President. The Director of Public Policy for the King County Housing Authority, Megan brought depth and breadth of knowledge regarding Homestead’s programs, mission and strategic direction.

Homestead has always consciously and carefully limited the equity of this generation of our homeowners, so that the opportunity to become homeowners is preserved for future generations. Homes are about more than wealth creation. Family security, a stakeholding place in the community, legacy, these benefits go beyond the bottom line at resale.

As my mother beamed when seeing her granddaughter, what comes around goes around. That is how family and community are strengthened.

For more information about the reports cited in this article, visit Homestead’s website at www.homesteadclt.org and check out the newsletter blog for the link.

We Appreciate You!

A special thank you to Homestead members and supporters who have made significant contributions of their time and talents this quarter:

- Brian Allen, our 2nd homeowner, is working to create an online Homeowner Directory that will benefit current and future Homestead homeowners.
- Central Cinema and Kenil & Kate Spitzer provided invaluable support and a wonderful atmosphere for our 2007 Annual Membership Meeting.
- Coho Team of Windermere Agents Tonya Hennan & Will Kemper have contributed countless hours providing support to our homebuyers throughout the homebuying process, counsel to Homestead on real estate transactions, and financial support by gifting a portion of their commission back to Homestead. In October, Homestead received a gift of $1,700 from the Coho Team!
- Margaret Curry of People’s Bank, Kelly Dodd with Washington Mutual and Dean Kilb/Davis & Jeff Wood of HomeStreet Bank have worked tirelessly for Homestead to provide outstanding loan products for our buyers.
- Maggie Karshner has contributed endless volunteer hours this year, assisting Homestead’s Advantage Program, annual event and quarterly newsletter.

Homestead Members Elect New Delegates at Annual

Four new Board of Delegate members were elected by the Homestead membership at our Annual Event & Membership meeting in September. “Homestead is fortunate to have an active Board of Delegates that is committed to creating permanently affordable housing options,” said Board President, Becky Andrews. “I look forward to a productive and successful year together!”

Brent Curtis, employed by the University of Washington, brings a wealth of nonprofit leadership, grant writing, marketing and grassroots fundraising experience to Homestead. “I feel very encouraged about the work being done by HCLT and as someone who wants to purchase a home through the program, I am invested in contributing to its current and future success,” said Brent.

Fawn Proctor, a small business owner who holds a Masters in Business Administration, became a Homestead homeowner earlier this summer. “Being a homeowner that has gone through the process of purchasing a condo with Homestead Community Land Trust, I have a distinct advantage at seeing the process from beginning to end and having done so, it allows me to have an inside and outside view of how the procedure works,” shared Fawn.

Paradigm Shift

By Sheldon Cooper, Executive Director

On September 29th I became a father. As I make the adjustment to thinking of myself as “papa,” I realize that my location in the family tree has fundamentally changed. Once the outermost leaf, I have become a limb. My job now includes supporting new growth of the next generation of my family.

This is, of course, as common as rain. It is built into the natural order of things: to receive and give support, to be part of a continuum, to live constantly holding hands with the past and future. This is what being part of a family means, and by extension, to be part of a community.

Recently, two new reports came across my desk that touch on this topic through the lens of affordable homeownership. In “Retention or Recapture: A comparison of two Seattle First-Time Homebuyer Subsidy Programs,” Heather Burns details the balance of community and individual wealth creation promoted by Homestead CLT and the City of Seattle Office of Housing downpayment assistance program. In this analysis, Burns shows that the Office of Housing approach allows individual homebuyers to capture three times the gain of Homestead buyers at resale. This individual gain comes at a cost to future generations, because for the second generation, Homestead can assist 22 families into homeownership for the same cost as assisting one second generation family served through the Office of Housing loan program. The Office of Housing’s program privileges individual wealth creation for this generation (at internal rates of return for subsidized homeowners above what unsubsidized homeowners can expect) far above preserving the same opportunity for future generations.

The Seattle Office of Housing’s approach is standard across the country, as the fall issue of Shelterforce details in Tim McKenzie’s “The Case for Plan B.” Here McKenzie calls for jurisdictions to shift from the historically favored “Plan A” and create permanently affordable homes (not temporarily affordable homes via affordable payment schemes.) A shift to Plan B would require that jurisdictions directly face the issue of how much individual wealth building is appropriate and consciously limit equity in order to create permanent affordability.

Burns’ study shows a hypothetical HCLT homeowner building approximately $100K through our limited equity resale formula over 10 years, while an Office of Housing buyer gains over $300K during the same time. Is the $100K profit too little? Is the $300K profit a windfall? How do we balance today’s equity building against the cost to future tax payers to provide homeownership opportunities to future generations of modest income residents? It is time for Seattle to ask and find answers to these fundamental policy questions, so that we can begin to build a stock of homes that everyone can afford, from generation to generation.

Fawn Proctor, a small business owner who holds a Masters in Business Administration, became a Homestead homeowner earlier this summer. “Being a homeowner that has gone through the process of purchasing a condo with Homestead Community Land Trust, I have a distinct advantage at seeing the process from beginning to end and having done so, it allows me to have an inside and outside view of how the procedure works,” shared Fawn.

Adam Wiener, of Redfin, brings a wealth of business development, technology and project leadership to Homestead’s Board. “Homestead sparks my interest because I think the organization fills an absolutely critical gap in the community by providing the access to homeownership opportunities,” said Adam.

Brent Curtis, employed by the University of Washington, brings a wealth of nonprofit leadership, grant writing, marketing and grassroots fundraising experience to Homestead. “I feel very encouraged about the work being done by HCLT and as someone who wants to purchase a home through the program, I am invested in contributing to its current and future success,” said Brent.

Fawn Proctor, a small business owner who holds a Masters in Business Administration, became a Homestead homeowner earlier this summer. “Being a homeowner that has gone through the process of purchasing a condo with Homestead Community Land Trust, I have a distinct advantage at seeing the process from beginning to end and having done so, it allows me to have an inside and outside view of how the procedure works,” shared Fawn.

Brent Curtis, employed by the University of Washington, brings a wealth of nonprofit leadership, grant writing, marketing and grassroots fundraising experience to Homestead. “I feel very encouraged about the work being done by HCLT and as someone who wants to purchase a home through the program, I am invested in contributing to its current and future success,” said Brent.

Fawn Proctor, a small business owner who holds a Masters in Business Administration, became a Homestead homeowner earlier this summer. “Being a homeowner that has gone through the process of purchasing a condo with Homestead Community Land Trust, I have a distinct advantage at seeing the process from beginning to end and having done so, it allows me to have an inside and outside view of how the procedure works,” shared Fawn.