July 2014

Dear Friends,

One of the ways we know who we are is through stories. While each of us has unique stories they often share common themes. One theme consistent across the stories of all of Homestead’s 184 homeowning households, before they met Homestead, is the desire for a place to call home and the inability to afford to own a home without support. Homestead’s work has ensured that a stable home is the central theme of the story for 18 new families during the year 2013.

A common story in Seattle these days is that the housing market has “recovered.” After years of high unemployment and foreclosures, rents last year rose an average of $150 per month, and King County home prices increased by 14 percent. For those who already own, this is good news, but far too many others—including teachers, health care workers, non-profit employees and other modest-income workers in Seattle—rising home prices can turn dreams of homeownership into unattainable fantasies.

Rising home prices affect Homestead’s ability to preserve communities as well. When property values increase, it costs more to build or acquire high-quality homes and make them truly affordable for the long term. We are not deterred however. In a rising economy it is even more important that we make every effort to ensure that those who live and work in our community—including immigrants and people of color—aren’t left behind by Seattle’s growth. Homeownership prevents displacement, maintains neighborhood diversity and gives families the chance to continue living in the neighborhoods where they work, go to school and have roots. Unique to Homestead’s work, permanently affordable homeownership ensures that communities remain diverse for the long term. More people in Seattle should have this opportunity.

Our success stories keep us going in the face of new challenges. We see how, for so many families, homeownership is a life-changing experience that can only happen with community support. Homestead homeowners have more control over their stories. They have a safe haven in which they can dream of the next chapter: starting a family, starting a business or simply spending less time commuting and having more time to be with the people they love. We’re excited to share two of their stories with you today because you have helped write them.

We are so grateful that you are a part of Homestead. It is with the sincerest gratitude to you, our supporters, volunteers and donors, that we look forward to the next chapter. With your partnership and support we will continue writing the story of a Seattle that everyone can afford.

Sincerely and with gratitude,

Sheldon Cooper  
Executive Director

John Bianchi  
Board President

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Housing prices are rising out of reach for many Seattle residents.

Seattle’s median household income is $67,100. Many people working in critical service and helping occupations make a lot less than that. Some households can afford to rent, but very few can afford to own a home.

**Median Annual Incomes in Seattle**

<table>
<thead>
<tr>
<th>Profession</th>
<th>Median Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firefighter</td>
<td>$45,877</td>
</tr>
<tr>
<td>High School Teacher</td>
<td>$59,608</td>
</tr>
<tr>
<td>Nursing Assistant</td>
<td>$28,269</td>
</tr>
<tr>
<td>Mental Health Technician</td>
<td>$33,902</td>
</tr>
<tr>
<td>Social Worker</td>
<td>$53,072</td>
</tr>
</tbody>
</table>

Many Homestead homeowners work in the above professions. Their average income is $41,000. In partnership with Homestead, they can afford to live in the communities where they work, stabilizing their families and strengthening neighborhoods.

**Percent of Homestead Homeowners Working in Selected Fields**

- **Health Care Workers**: 11.9%
- **Teachers and Educators**: 15.3%
- **Non-Profit and Public Sector Employees**: 26.0%

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1 Trulia, June 2014  
2 Assuming 30 year mortgage, 5% interest, $7,000 closing costs, $23,000 downpayment, 1.25% property tax and $50/mo. insurance costs  
3 2 BR apartment, Trulia, January 2014  
4 City of Seattle Department of Planning and Development website, July 2014  
5 Salary.com, July 2014
Cindy gropes blindly against the kitchen wall for the light switch, dreading what she’ll see when she finds it. As soon as the light comes on, the cockroaches scatter. It's defeating living in this run-down apartment, and no matter what they do to clean it, Cindy and Young can’t make it much better. They hate seeing their one-year-old daughter, Ayane, crawling around on the floors that are home to so many roaches. Their family needs something better.

Cindy knows what a big difference owning a home can mean for a family. After moving a lot as a child, her parents bought a home in Seattle just as she entered her teenage years. Despite her family losing the home to foreclosure seven years later, she appreciated the stability of that home and the opportunity to build memories there with her family. She now wants to provide that for her children.

As much as Cindy and Young want to buy a home, they know it will be years—decades maybe—before they’re able to save enough for a down payment. With their jobs—she is a legal office assistant and he is an associate at Target—they make enough to get by but not nearly enough to buy a home. Resigned to keep renting, Cindy still can’t help looking at real estate listings, and she stumbles across a program that catches her eye. “Only $2500 downpayment, it must be a scam!” she thinks, but decides to look a little deeper into Homestead. Something about it gives her hope. The homebuyer education and support that the website says Homestead offers gives Cindy confidence to pick up the phone. She knows how important that can be, especially having seen her parents’ foreclosure. She calls Homestead.

Homestead is the best chance she and Young have to buy a home anytime soon, and they have a new motivation to find a place to settle down—they are pregnant again. After a short meeting in Homestead’s office, Cindy can’t believe the great news—she and Young actually have a chance to buy a home and give their kids a lot more stability.

From here the process flies by—qualifying with a lender, paying off credit card debt, verification of every aspect of their income—it’s a lot of work! Cindy and Young can’t wait to be finished and move in once they close on their home: a three-bedroom house on a cul-de-sac with other Homestead buyers.

Just two months after finding Homestead Cindy pulls into the driveway and breathes a sigh of relief. At five months pregnant, she truly appreciates every day she can pull into their garage and unload groceries right into their house. That was now three years ago. Homestead made it possible. They've made it home.

“Now we can stop looking for a place to live and start living.”

Cindy Luc, homeowner since 2011

Cindy, Young, Ayane and Danny
"I don’t want to rent anymore! We’re going to have a baby. Can’t we just find someplace to settle down?" Brandie asks Drew again. It’s not that they haven’t been trying; they talked with lenders and realtors and saw houses, but in 2006 there’s nothing affordable on the market. They don’t give up hope that one day they’ll buy a home.

In 2012, with the economy improving, their daughter Cadence now in school and their son DJ still a babe in arms, they redouble their efforts. They tour a lot of homes, but every time something is affordable and looks like it will work for them, they can’t seem to move fast enough—competition, cash offers, investors offering above asking price—nothing’s going their way.

Brandie logs many hours searching for houses online, looking for something, anything that might help them. In one of hundreds of searches she comes across Homestead’s website and quickly fills out the application. After a phone call confirming their family’s eligibility, they meet with Lindsey at Homestead to see a few available houses, but they just don’t quite work. Disheartened, Drew and Brandie continue their increasingly hopeless search on their own.

Driving through West Seattle a few months later, they pull over beside a home with a sign out front. “Hey! Homestead’s working on this one,” Drew points out. “But it doesn’t look very nice,” he worries. The paint’s chipping, the plants are overgrown and the railing on the stairs is falling apart.

“We might as well ask them about it. It’s so close to Cadence’s school she could walk!” Brandie responds hopefully. They confirm later that day that Homestead will soon be selling the house and will be doing a lot of work on it.

Drew and Brandie decide to buy it, trusting it will soon be the high-quality home they know Homestead delivers. For the first time, the homebuying process feels manageable. Yes, there’s still a lot of work, but with Homestead there to explain things and guide them, Brandie and Drew finally see the light at the end of the tunnel. Just when the house is in arm’s reach, disaster strikes.

“The bank won’t approve the loan,” Brandie tells Homestead staffer Steph. Brandie and Drew are devastated. Unseasonable rain has led to standing water in the backyard.

“We will fix this,” Steph assures them, and just days later Homestead is hard at work clearing the backyard and installing new drainage.

About a month later, word comes from Homestead: The bank’s back on board! The closing is a whirlwind, and finally, they own their home. Practically glowing with happiness and with tears of relief in their eyes, Brandie and Drew survey the muddy backyard. But the house is in great shape, and Drew sees the yard as an opportunity to really make it their own. “Trees here, flowers there, a grill, grass for the kids to play on…this will be perfect.” Homestead made it possible. They’ve made it home.
### Financial Position and Economic Activities

**Abbreviated Statement of Financial Position**

**As of December 31, 2012 and 2013**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2012</th>
<th>2013</th>
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</thead>
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<tr>
<td>Current Assets</td>
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<tr>
<td>Cash and Receivables</td>
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<td>Homestead Affordable Land and Covenants</td>
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<tr>
<td>Other Long-term Assets</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$12,814,300</strong></td>
<td><strong>$17,410,620</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities and Equity</th>
<th>2012</th>
<th>2013</th>
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</thead>
<tbody>
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<td>Long-term Liabilities</td>
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<tr>
<td>Equity</td>
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<td>Unrestricted</td>
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<td>$4,466,088</td>
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<tr>
<td>Temporarily Restricted</td>
<td>$1,267,742</td>
<td>$1,097,318</td>
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<tr>
<td><strong>Total Equity</strong></td>
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<td><strong>$5,563,406</strong></td>
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<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td><strong>$12,814,300</strong></td>
<td><strong>$17,410,620</strong></td>
</tr>
</tbody>
</table>

**2013 Support and Revenue - Total: $766,043**

- Contributions and Grants $410,427 (54%)
- Earned Income $318,116 (41%)
- Community Investment in Permanent Affordability* $37,500 (5%)

*This represents only a small portion of the total home purchase assistance Homestead mobilizes on behalf of its buyers.

**2013 Expenses - Total: $766,283**

- Program Services Including Land Acquisition** $557,547 (72%)
- Management and General $172,525 (22%)
- Fundraising $46,211 (6%)

**The funds used for land acquisition are shown here for illustrative purposes. Homestead’s books show land owned to ensure on-going affordability as an asset.**

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- Bank of America Foundation
- Banner Bank
- BDR Homes, LLC
- Beacon Hill House
- Brown and Brown Insurance
- Catholic Campaign for Human Development - Archdiocese of Seattle
- Catholic Campaign for Human Development
- City of Seattle’s Office of Housing
- Coho Team of Windermere Agents
- Community Frameworks
- Cornerstone Partnership
- Federal Home Loan Bank of Seattle
- The Field Roast Grain Meat Company
- General Electric Foundation
- Guild Mortgage
- Home Realty
- HomeStreet Bank
- Housing Development Consortium
- Jim Dandy Sewer & Drain Cleaning
- Judstar, LLC
- Key Bank Foundation
- Leading Retirement Solutions
- Lovsted-Worthington
- Lucky Seven Foundation
- Microsoft Matching Gifts Program
- National CLT Network
- Northwest Outdoor Center
- Olympic General Contractors
- Peterson Sullivan LLP Certified Public Accountants
- Plymouth Congregational Church
- Rainier Valley Community Development Fund
- Rehabitat Northwest
- The Seattle Foundation
- Stoel Rives LLP
- Traveling Notary Service, Inc.
- U.S. Bank Foundation
- Umpqua Bank
- Velocipede Architects
- Washington State Attorney General’s Office
- Wells Fargo
- Wells Fargo Housing Foundation
- Your Financial Solutions, LLC
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In Memory of Dilly Woodsen  
Michael Wright  
Marty Young

Thanks to all our supporters! Every effort has been made to thank all donors who gave in 2013. We apologize for any errors. To make corrections, contact theresa@homesteadclt.org.

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Homestead Community Land Trust empowers individuals, stabilizes families and strengthens neighborhoods by creating and preserving affordable homeownership opportunities for modest-income homebuyers in the Seattle area.

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Our Staff
Sheldon Cooper, Executive Director
John Daoura
Jane Davies
Garbo Grossman
Stephanie Heibert
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Save the Date for Homestead’s

Home Games

TRIVIA NIGHT

FUNDRAISER

Pyramid Alehouse
Saturday, October 11th, 2014