

### *CHN has developed 2,000+ homes for its Lease Purchase Program since 1987.*



In 1987 CHN Housing Partners (CHN) was the first program of its kind to link the Low-income Housing Tax Credit (LIHTC) with a lease-to-purchase option. This enabled CHN to develop homes on a large scale for families who would not otherwise achieve homeownership. Today, CHN is largest affordable single-family developer through the LIHTC.

#### Financing & Development

Each year CHN establishes site control of 50-100 scattered site single-family homes. A Limited Partnership is established, and an application is submitted for Low Income Housing Tax Credits through the state’s housing finance agency. Subject to a competitive process, CHN typically is awarded 1-2 projects annually. When completed, homes are turned over to CHN’s Property Management for lease-up and 15-year management.

#### Application

Families apply for the program through CHN or one of its CDC partners. Prospective tenants must have Incomes below 60% AMI complete homeownership counseling before moving in. (Increasing their incomes while in their homes does not disqualify them from the program.)

#### Shared Responsibilities

The program requires that residents provide basic, loving-care maintenance of their homes and yards. As owner, CHN handles larger maintenance and mechanical repairs, pays the water bill and property taxes.

#### Preparation & Transition

CHN counsels residents for up to 5 years prior to home ownership. In Year 16 the home is sold for the outstanding debt, granting significant equity to the homeowner. To help buyers in the tough economic environment, CHN now offers closing cost assistance, IDA programs and short-term, self-financed loans at 0% interest. Combined, these tools can bring down the amount financed to \$10,000 or less.

#### Outcomes:

Of the 500+ families who have taken title over the last 5 years, 99% have been successful as homeowners (only one foreclosure).

#### Lease Purchase Sales Facts

Properties Developed:	2,189
Homes Sold:	1,059 <sup>1</sup>
Transition Rate: (% taking title)	85-90%
Median Sales Price:	\$19,750
Counseling	1-5 years
Avg. Monthly Rent:	\$550
Mortgage Payment:	\$275/month

#### Major Funders:

City of Cleveland  
Ohio Housing Finance Agency

*“CHN is the national model for this program. Other organizations have the capacity, but not to the extent—in terms of volume and refinement—that CHN has achieved.”*

Tom Eastman, VP, Syndication  
Enterprise Community Investment

<sup>1</sup>As of 12/31/17.