



AFFORDABLE HOMEOWNERSHIP PROGRAM

Buyer's Information Sheet

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Do you want to be a homeowner but feel that prices are too high? That you don't have enough down payment or Income? Concerned about losing money?

The Shared Equity Approach

You will own the Property. You obtain a loan that you can afford based on an "Adjusted Property Value," and partner with ECD investors who make a substantial down payment along with your down payment. In return, you agree to share the appreciation of the Property through a Shared Equity Option Agreement. We know that properties don't always go up in value. ECD investors share in a portion of the losses (if any) if property values drop (ECD's share in losses is typically more than its competitors) – so you're not alone in this journey. Also, in some limited cases, you may agree to certain restrictions*.



FIVE EASY STEPS

★ ECD and affiliates will work with you throughout the process ★

- Email us expressing your interest at contact@elev8cd.com
- Complete Qualification Process¹ (Income & Asset Verification, Acknowledgement of Terms, Restrictions)
- Get a Loan through a qualified lender (through Cal HFA, CDFI Lender or private lender)
- Identify a Suitable Property with ECD help.
- Purchase Property, Sign Equity Sharing Agreement & Move In.

¹ There are limited social investor funds available, and limited resales by existing low-income Owners. Thus, Qualified Buyers may be put on a **waitlist** and notified when opportunities arise.



Restrictions*

As part of the Shared Equity Approach in which a municipality (government) is the investor (not common), restrictions may be required, including recorded covenants on Title.

Cap on appreciation

As part of the Shared Equity Approach in which a municipality (government) is investing with you, your annual appreciation on Affordable Home Price is capped (typically at 1% to 3%).

Resale

You can sell your property, but you must sell to another qualified low-income family

Temporary & ROFR

The Restricted Covenant will end after 30 years with a right to repurchase the home from you (or subsequent low-income family) by ECD or affiliate

These are not common – we just want to let you know that some programs we administer may involve these



DISCLOSURE

This is not a solicitation for investment, or loan services. The terms above are to be mutually agreed upon by both parties with assistance of each party's respective counsel.

* For a complete list of restrictions see Temporary Restricted Use Covenant, which terms may vary by municipality.



ABOUT US

Elevate Community Development, Inc. (ECD) is a California benefit corporation formed in 2020. As a benefit corporation, ECD formally puts a social mission (advancing homeownership for low and moderate income persons) as a higher priority than profit. ECD advances equal housing under the FHA promoting diversity, equity and inclusion to help achieve fair homeownership opportunities.





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COMPARISON

Assumes Owner Refinance in Year 5
Assumes Owner Contributes \$20,000
Assumes Investor Contributes \$40,000 for a 30% Appreciation Share
Assumes Original Purchase Price of \$500,000
Assumes Adjusted Property Value of \$400,000 based on 20% Multiplier

When comparing programs, an Owner will want to look at three key variables that affect the net amount to you, the Owner: (1) what is the "Adjusted Property Value" (the lower this amount is below the FMV, the less \$ to you the Owner); (2) The Investors share in appreciation; (3) Whether any equitable (or fairness) adjustments are included.

When Things Are Going Well (Home Prices Increase)

Same
Results

Annual Appreciation **2.0%**

FMV (the "Final Property Value")

Owner Share Gross (unadjusted)

Investor Share Gross (unadjusted)

Equitable Modification

Investor Share Gross (Adjusted) (the "Equity Share Payment")

Owner Share Gross (Adjusted)

COMPETITOR	ELEVATE	Difference
\$ 552,000	\$ 552,000	
\$ 466,400	\$ 466,400	\$ -
\$ 85,600	\$ 85,600	\$ -
\$ 85,600	\$ 85,600	\$ -
\$ 466,400	\$ 466,400	\$ -

Annual Appreciation **5.5%**

FMV (the "Final Property Value")

Owner Share Gross (unadjusted)

Investor Share Gross (unadjusted)

Equitable Modification

Investor Share Gross (Adjusted) (the "Equity Share Payment")

Owner Share Gross (Adjusted)

COMPETITOR	ELEVATE	Difference
\$ 653,000	\$ 653,000	
\$ 537,100	\$ 537,100	\$ -
\$ 115,900	\$ 115,900	\$ -
\$ 115,900	\$ 115,900	\$ -
\$ 537,100	\$ 537,100	\$ -

When Things Are NOT Going Well (Home Prices Decrease)

Annual Appreciation **-1.0%**

FMV (the "Final Property Value")

Owner Share Gross (unadjusted)

Investor Share Gross (unadjusted)

Equitable Modification

Investor Share Gross (Adjusted) (the "Equity Share Payment")

Owner Share Gross (Adjusted)

COMPETITOR	ELEVATE	Difference
\$ 475,000	\$ 475,000	
\$ 412,500	\$ 412,500	\$ -
\$ 62,500	\$ 62,500	\$ -
\$ 62,500	\$ 58,700	\$ (3,800)
\$ 412,500	\$ 416,300	\$ 3,800

Annual Appreciation **-5.6%**

FMV (the "Final Property Value")

Owner Share Gross (unadjusted)

Investor Share Gross (unadjusted)

Equitable Modification

Investor Share Gross (Adjusted) (the "Equity Share Payment")

Owner Share Gross (Adjusted)

COMPETITOR	ELEVATE	Difference
\$ 375,000	\$ 375,000	
\$ 342,500	\$ 342,500	\$ -
\$ 32,500	\$ 32,500	\$ -
\$ 32,500	\$ 13,700	\$ (18,800)
\$ 342,500	\$ 361,300	\$ 18,800

More \$ to Owner:
In down times, an
"Equitable
Modification" is
made to benefit
the Owner.

