# ALLEN VILLAGE · FORT WORTH

## Attainable Homeownership by Habitat for Humanity

*How It Works, How It's Financed, and How It Compares — A Complete Overview for Brokers and Buyers*

**About This Guide**
*Allen Village is a new model of homeownership built specifically for middle-income buyers — the working families and people on fixed incomes who have been priced out of the housing market but are ready to own a home.*
*This guide explains how it works, what it costs, what you build over time, and how it compares to NACA — a HUD Housing Choice Voucher homeownership program that serves the same buyer.*

## 1. The Problem This Program Solves

Fort Worth is the 13th largest city in the United States and is growing rapidly toward one million residents. That growth is pushing housing costs sharply higher. Working families and individuals on fixed incomes — teachers, healthcare workers, veterans, city employees — are being priced out of the city they serve. The standard attainable housing response has been rental assistance, primarily through the federal Housing Choice Voucher (Section 8) program. But rental assistance has a ceiling. It keeps people housed. It does not build wealth.

The deeper problem is that the people most in need of homeownership — the ones who would benefit most from a fixed payment, equity accumulation, and stability — are exactly the people the conventional housing market excludes. A new townhome in Fort Worth costs $300,000 or more. A buyer earning $40,000–$60,000 per year cannot qualify for that mortgage. The gap between what working families earn and what homes cost has become structural.

Allen Village was designed specifically to close that gap — not through rental subsidies, but through homeownership. This type of community land trust model is what housing advocates are beginning to call attainable housing: ownership made possible through structured financing and land stewardship, not crisis intervention. Making it work requires dismantling the cost structure of conventional housing from the foundation up.

## 2. How the Cost Is Actually Reduced: The Community Land Trust

The single most important concept in understanding Allen Village is the Community Land Trust (CLT) model. In a conventional home purchase, the buyer pays for two things: the structure (the building) and the land it sits on. In many Fort Worth neighborhoods, the land alone can represent 30–40% of the total purchase price. It is a cost that provides no immediate value to the homeowner — it is simply the price of access.

The CLT model removes the land from the transaction entirely. Trinity Habitat for Humanity retains ownership of the land in perpetuity through the trust. The buyer purchases only the structure. This is formalized through a 99-year ground lease — a long-term agreement that grants the homeowner full rights to occupy, improve, and eventually sell the structure, while the land remains in the trust. The ground lease cost to the homeowner is minimal and does not function like rent.

The result is immediate and dramatic: a new townhome that would sell for $300,000+ on the open market becomes purchasable for $180,000–$208,000. The buyer is not getting a lesser home. They are getting the same home at a fraction of the cost because the land — paid for with public funds — is no longer part of their transaction. The townhome format itself is part of how Habitat makes this work — zero lot line construction allows more homes to be built on the same footprint, keeping per-unit land costs low while delivering a full, professionally built home that functions exactly like a single-family residence.

> **The Land Cost Removal in Numbers:**
> *Open market comparable townhome: ~$300,000+*
> *Allen Village H1 purchase price: ~$207,000*
> *Difference removed by the CLT model: ~$93,000+*
> *This is not a discount or a subsidy that gets paid back. The land is simply not included in what you buy.*

### Where the $2 Million Came From

The land acquisition and construction subsidies that made Allen Village possible were funded through a $2 million grant from the City of Fort Worth using federal American Rescue Plan Act (ARPA) funds. The City directed these pandemic recovery dollars toward solving a structural housing affordability problem — creating 36 permanently attainable homeownership units in an urban neighborhood that needed investment.

By channeling ARPA funds through Trinity Habitat for Humanity and placing the resulting development into a Community Land Trust, the City effectively leveraged $2 million of public money into a permanent housing asset that will serve income-qualified buyers for the next 80 years and beyond. No ongoing public subsidy is required once the homes are sold. The affordability is locked in by the covenant recorded against every deed.

## 3. The Financing — How the “Money Stack” Works

Land cost removal gets the price down to $180,000–$208,000. Getting a working-family buyer across the finish line from there requires additional financing tools that stack on top of one another. Understanding each layer — where it comes from, what it costs, and when it has to be paid back — is essential to advising any Allen Village buyer correctly.

**1. COMMUNITY LAND TRUST**
**City of Fort Worth ARPA Grant — $2 Million**
*Land cost permanently removed. New $300k+ townhome drops to $180k–$208k.*

**2. TRINITY LENDING MORTGAGE**
**Primary Mortgage — 5% Fixed, 30-Year Term**
*Below-market rate. Low/zero down payment. Only available on Habitat properties.*

**3. TSAHC SILENT SECOND**
**H1 Only — $45,000 Second Lien**
*Texas State Attainable Housing Corporation. No monthly payment. Repaid at sale.*

**4. FORT WORTH HAP GRANT**
**Optional — Up to $25,000**
*City of Fort Worth Homebuyer Assistance Program. First-time buyers. Forgiven after 5–10 years.*

## Layer 1: The Community Land Trust (CLT)

Source: City of Fort Worth ARPA Grant — $2 million directed to Trinity Habitat for Humanity.

This is not a loan and not a grant to the buyer. It is the foundational public investment that made the entire development possible. By purchasing the land and placing it into a trust, the City permanently removed $93,000+ from the price of every home. The buyer never sees this as a line item — it is simply why the home costs what it costs.

The buyer's relationship with the CLT is formalized through a 99-year ground lease. The ground lease is included in the purchase documents and carries a nominal annual fee. It does not function like rent and does not affect the buyer's equity or their ability to sell.

## Layer 2: The Trinity Lending Mortgage

Source: Trinity Lending Company, an affiliate of Trinity Habitat for Humanity, 9333 N. Normandale St., Fort Worth, TX 76116.

Trinity Lending is Habitat's own mortgage company. It finances only Habitat-developed properties and operates with an attainable housing mission rather than profit maximization. Its current rate — 5% fixed on a 30-year term, with an APR of 5.023% — is significantly below what most working-income buyers would qualify for at a conventional lender. The 2% minimum down payment requirement is substantially lower than conventional lending standards.

For an Allen Village buyer at $207,000 with 2% down, the base monthly payment of principal and interest is approximately $1,070–$1,100 before taxes, insurance, and HOA. Total monthly carrying cost including taxes and insurance typically runs $1,300–$1,500.

> **Important: Trinity Financing Is Exclusive to Habitat Properties**
> *Buyers cannot use the Trinity 5% rate to purchase any other home. It is locked to Habitat-developed inventory. A buyer who wants the Trinity rate must purchase an eligible Trinity Habitat property. This is disclosed in Trinity's own marketing materials.*

## Layer 3: The TSAHC $45,000 Silent Second (H1 Only)

Source: Texas State Attainable Housing Corporation (TSAHC), channeled through nonprofit attainable housing lenders — in practice, primarily Trinity Habitat for Humanity in this context.

The $45,000 silent second mortgage is the defining feature of the H1 path. It is a second lien recorded against the property, provided by TSAHC through the state's attainable housing finance programs. It carries no monthly payment — the buyer never writes a check for it. It simply sits on title as a recorded lien, reducing the effective loan amount the buyer must qualify for and pay monthly.

When the home is eventually sold or refinanced, the $45,000 is repaid from proceeds before the owner receives their equity. It is not a grant, but it is also not a burden during the years of ownership. Think of it as deferred financing that made the purchase possible, repaid on the back end.

The practical effect: an H1 buyer's effective out-of-pocket purchase price is reduced by $45,000 at closing. Their monthly payment is lower. Their walk-away equity at sale is reduced by $45,000 compared to H2. The trade-off is straightforward and worth it for buyers who need the maximum affordability at purchase.

## Layer 4: The City of Fort Worth HAP Grant (Optional — Both Paths)

Source: City of Fort Worth Homebuyer Assistance Program (HAP), Neighborhood Services Department, 100 Fort Worth Trail, Fort Worth, TX 76102. Phone: 817-392-7395.

The HAP grant provides up to $25,000 in down payment and closing cost assistance to income-eligible first-time homebuyers purchasing within Fort Worth city limits. Eligibility requires household income at or below 80% of AMI, first-time homebuyer status (or no ownership in the past three years), a minimum $1,000 personal contribution, two months of mortgage payment reserves (not from gift funds), and completion of 8 hours of HUD-approved homeownership counseling.

The funds can be structured two ways: 3% of the loan amount applied to closing costs with the remainder applied to the down payment, or the full amount applied to the down payment with no closing cost assistance. The buyer agrees to maintain the home as their principal residence — 10 years to receive the full $25,000, or 5 years to receive up to $14,999.

Any Allen Village buyer who meets the eligibility criteria should apply for the HAP grant. It is not automatic — the lender submits the application on the buyer's behalf to the City for processing and approval. For H1 buyers who already have zero closing costs through Trinity's program, the HAP grant's value is in further reducing the down payment. For H2 buyers, it can eliminate closing costs entirely.

> **HAP Grant Counseling Requirement:**
> *The HAP program requires 8 hours of homeownership training from a HUD-certified counseling agency before closing. Approved agencies include Housing Opportunities of Fort Worth (817-923-9192), Housing Channel (817-924-5091), NACA Dallas (972-283-1171), and Services of Hope Entities (214-276-0235). Note that NACA is on the approved*

> *HAP counseling list — which means a buyer considering both Allen Village and NACA can satisfy their counseling requirement through NACA's program while keeping both options open.*

## 4. The Two Purchase Paths: H1 and H2

Both H1 and H2 deliver the same brand-new Allen Village townhome with the same Trinity mortgage, the same 80-year covenant, and the same CLT ground lease. The difference is in the depth of subsidy, the income and asset requirements, and what comes with the home at closing.

| | H1 — Deeper Subsidy Path | H2 — Standard Affordability Path |
|---|---|---|
| **Best for** | Lower income, limited assets, needs maximum payment reduction | Slightly higher income, can handle modest costs, wants more equity |
| **Income requirement** | ~60% AMI or below Approx. $40,000/year max (1 person) | Up to 80% AMI |
| **Asset limit** | **$40,000 maximum total assets** | Standard Habitat limits apply |
| **Primary lender** | Trinity Lending Company | Freedom Mortgage Corporation |
| **TSAHC $45k silent second** | **Yes — reduces payment, repaid at sale** | **No — more walk-away equity** |
| **Closing costs** | **None** | Modest closing costs apply |
| **Appliances** | Not included | **Stainless steel appliances included** |
| **HAP $25k grant** | **Available if eligible (recommended)** | **Available if eligible (recommended)** |
| **Est. monthly payment** | ~$1,100–$1,300 (lower due to reduced loan) | ~$1,200–$1,400 |
| **Walk-away equity (Yr 20)** | ~$238,700 | ~$283,700 |

## 5. What Ownership Looks Like Over Time

One of the most powerful arguments for Allen Village — and one that rarely gets communicated clearly — is the compounding stability advantage over time. A renter's housing cost follows the market upward. An Allen Village owner's does not. The following timeline shows what this means in practice.

| Milestone | What Has Happened | Your Financial Position |
|---|---|---|
| Year 0 — Closing | You purchase a brand-new townhome for ~$207,000. Land cost already removed by CLT. Trinity mortgage at 5% fixed. | Monthly payment ~$1,100–$1,300. No annual recertification. Fully out of the rental and HCV system. |
| Year 5 | You have paid down ~$22,000 in principal. Fort Worth HAP grant is fully forgiven if you've stayed 5 years. | H1 walk-away: ~$10,200 after liens. H2 walk-away: ~$55,200. Max resale price: ~$240,200. |
| Year 10 | Principal paid down ~$47,000. Fort Worth market rents have likely risen 30–40%. Your payment has not changed. | H1 walk-away: ~$73,200. H2 walk-away: ~$118,200. Max resale price: ~$278,200. |
| Year 20 | Principal paid down ~$117,000. Your fixed payment has remained stable through two real estate cycles. | **H1 walk-away: ~$238,700. H2 walk-away: ~$283,700. Max resale price: ~$373,700.** |
| Year 30 — Mortgage Paid Off | Primary mortgage fully paid. You own the structure entirely. Ground lease continues at minimal annual cost. | **H1 walk-away: ~$456,800. H2 walk-away: ~$501,800. Full maximum resale price with no mortgage remaining.** |
| Generational Transfer | Home passes to heirs who qualify as eligible buyers (at or below 80% AMI). Covenant continues with new owner. | Heirs receive a paid-off home with real equity. The 80-year covenant travels with the property. |

*Maximum resale price grows at 3% compounded annually per Exhibit B of the recorded CCR (Instrument D225221985, Tarrant County). Walk-away equity estimates assume standard amortization on the primary mortgage.*

**The Renter Comparison Over 20 Years:**
*A renter paying $1,400/month today in a comparable Fort Worth unit will likely pay $2,200–$2,500/month by 2045 as the market appreciates. Over 20 years they will have paid approximately $420,000 in rent and own nothing.*
*An Allen Village H2 owner paying $1,300/month in 2025 will still be paying approximately $1,300/month in 2045 — and will walk away with approximately $283,700 in equity when they sell.*

## 6. The Target Buyer: Middle-Income, Working, and Ready

Allen Village is not serving the same population that traditional Habitat for Humanity programs have historically targeted. This is a deliberate and significant shift.

The original Habitat model served very low income families — often 30–50% AMI — through donated materials, volunteer labor, and sweat equity construction. The buyer often had little or no mortgage at all. That model required extraordinary volunteer infrastructure and could produce only a small number of homes annually.

Allen Village serves a fundamentally different buyer. These are working people and people on fixed incomes — veterans, healthcare workers, city employees, retirees on Social Security — who earn real incomes, qualify for real mortgages, and are currently trapped in a rental market that is consuming an unsustainable share of their income. They are not in crisis. They are in limbo: earning too much to qualify for deep subsidy programs, earning too little to buy at market rate.

This is the middle-income attainable housing market, and it is dramatically underserved. Allen Village addresses it by removing the land cost and stacking targeted financing tools — producing a homeownership opportunity that would otherwise not exist for this income band.

> **A New Direction for Habitat:**
> *Allen Village represents Habitat for Humanity's evolution from a volunteer-driven charity model into a professional attainable housing developer serving the working-income market. The homes are professionally constructed. The financing is real commercial mortgage financing. The buyer is a creditworthy working adult, not a crisis case.*
> *This evolution also places Habitat in direct competition, for the first time, with programs like NACA and Bank of America's HOT-PHA Housing Choice Voucher homeownership program — which targets the identical buyer profile.*

## 7. The Competitive Landscape: Allen Village vs. NACA HOT-PHA

### What NACA HOT-PHA Is

The Neighborhood Assistance Corporation of America (NACA), in partnership with Bank of America, offers a Housing Choice Voucher homeownership program known as HOT-PHA — Homeownership Through Public Housing Agencies. It is a subset of NACA's broader lending program, specifically designed for current HCV/Section 8 renters who want to convert their monthly rental voucher into a mortgage offset.

The mechanism is straightforward: instead of the Housing Assistance Payment going to a landlord each month, it is applied against the buyer's mortgage payment. The federal government becomes a co-investor in the buyer's equity rather than a perpetual rent subsidy. NACA's below-market lending rates and the HOT-PHA payment offset can bring a $300,000 home down to a net monthly obligation comparable to an Allen Village payment.

State down payment assistance programs — including TSAHC programs — are also available to HOT-PHA buyers who meet first-time homebuyer status requirements, stacking additional subsidy on top of the voucher offset.

### Why They Now Compete for the Same Buyer

Both programs are now reaching for the same person at the same moment in their housing journey: someone earning $35,000–$65,000 per year, currently in the HCV rental system, who is ready to become a homeowner and is looking for the best path to get there. First-time homebuyer status is required for state assistance programs on both sides. The income bands are identical. The desire — to stop paying rent and start building equity — is the same.

The programs diverge significantly in what they offer that buyer, and a broker advising at this intersection needs to understand both with equal depth. The following table shows the full comparison.

| Factor | Allen Village (Habitat H1/H2) | NACA HOT-PHA (HCV Homeownership) |
|---|---|---|
| Target buyer | Working/fixed income, 60–80% AMI, first-time buyer, wants out of rental system | Current HCV/Section 8 renter, 60–80% AMI, first-time buyer, wants to convert voucher to ownership |
| How affordability is created | Land cost removed via CLT. Below-market Trinity mortgage. TSAHC and HAP grants stack on top. | Monthly Housing Assistance Payment (HAP) offset against mortgage payment. Federal co-investment model. |
| Monthly payment stability | **Fixed permanently. Income growth does not raise payment.** | Income-sensitive. A $2,000/month income increase raises payment approximately $800/month. |
| HCV program after closing | **Completely exited at closing. No recertification ever again.** | Still enrolled. Annual recertification continues. PHA relationship ongoing. |
| Home selection | Allen Village townhomes only. Brand new construction. | **Open market. Choose any eligible home anywhere in Fort Worth.** |
| Accessible layout options | Townhome — bedrooms upstairs. Not ideal for mobility constraints. | **Can search open market for single-story, first-floor bedroom layouts.** |
| Appreciation | Capped at 3%/yr compounded. Supports affordability for next buyer. | **100% unrestricted market appreciation. Full upside.** |
| Walk-away equity at Year 20 | H1: ~$238,700 • H2: ~$283,700 | **~$395,000 (full market, no liens)** |
| Resale process | Habitat approval required. Buyer must be income-qualified (≤80% AMI). Affordability Certificate required. | **Sell to anyone at any price. No approval process.** |
| Closing costs | **H1: None. H2: Modest. HAP grant available to eliminate remainder.** | Standard closing costs apply. DPA grants available. |
| New construction | **Yes. Brand-new townhome, professional construction.** | Existing market inventory. Condition varies. |
| Down payment | **Low/zero with Trinity financing. HAP grant eliminates remainder.** | Varies. State DPA programs require first-time buyer status. |
| State DPA eligibility (TSAHC etc.) | **Yes. H1 includes $45k TSAHC silent second.** | Available if first-time buyer status confirmed. Not automatic. |
| Income growth impact | **Zero impact on housing cost. Full income sovereignty.** | HAP subsidy tapers as income rises. More income = higher housing cost. |

### How to Think About the Decision

The choice between these two programs comes down to four questions that every buyer in this situation should be asked explicitly:

- Is your income likely to increase significantly? If yes — VA disability rating upgrade, new job, promotion — the Habitat fixed payment protects 100% of that income increase. NACA will cost approximately $800/month more per $2,000/month of income growth. For a buyer expecting income growth, this is a decisive factor toward Habitat.
- Do you need a specific type of home layout? A veteran with a spinal fusion who needs single-story living with a first-floor bedroom cannot find that at Allen Village. The open market gives NACA buyers full flexibility to search for accessible layouts. For accessibility-dependent buyers, NACA's open-market approach is essential.
- How important is leaving the HCV system? For buyers who have experienced billing errors, annual recertification stress, landlord disputes, or PHA administrative failures, the Habitat path's complete exit from the HCV system at closing is a compelling benefit that has real psychological and practical value. NACA keeps the buyer enrolled in and dependent on the HCV system.
- What is the long-term financial priority? A buyer who wants to maximize resale value and intergenerational wealth will find NACA's unrestricted appreciation and $395,000 projected walk-away equity more compelling. A buyer who wants a stable, predictable monthly cost and is content with $283,700 at year 20 in a home they never had to worry about billing disputes in will find Habitat's model right for their life.

> **The Broker's Role at This Intersection:**
> *A broker working with both programs is not steering clients — they are equipping clients to make an informed choice. The candidate who understands both programs in detail and chooses Allen Village is a committed, prepared homeowner. The candidate who is steered to one program without understanding the other is a future problem. Both programs work. Both serve real needs. The broker's job is accurate information, not advocacy.*

## 8. Quick Reference: Key Facts at a Glance

| Topic | Key Fact |
|---|---|
| **Development** | 36 new townhomes, 1707–1723 Saint Louis Ave, Fort Worth TX 76110 |
| **Developer / Lender** | Fort Worth Area Habitat for Humanity / Trinity Habitat for Humanity, 9333 N. Normandale St., Fort Worth TX 76116 |
| **Primary financing source** | City of Fort Worth ARPA grant — $2 million for land acquisition and construction subsidy |
| **Land model** | Community Land Trust. Land retained by Habitat. 99-year ground lease. Land cost removed from purchase price. |
| **Purchase price range** | $180,000–$208,000 (structure only, land not included) |

| Topic | Key Fact |
|---|---|
| **Trinity mortgage rate** | 5% fixed, 30-year term, 5.023% APR. Only available on Habitat-developed properties. |
| **H1 TSAHC silent second** | $45,000. No monthly payment. Repaid at sale or refinance. H1 path only. |
| **HAP grant** | Up to $25,000. Available to both H1 and H2 if buyer qualifies. First-time buyer, ≤80% AMI, 8 hrs counseling required. |
| **Income limits** | H1: ~60% AMI (~$40,000/yr, 1 person). H2: up to 80% AMI. Both: Fort Worth city limits. |
| **Asset limit (H1)** | Total assets must not exceed $40,000 at time of purchase. |
| **Covenant term** | 80 years from initial sale. Recorded in Tarrant County (Instrument D225221985). |
| **Max resale price formula** | $207,000 × (1.03)$^n$ per Exhibit B of CCR. 3% compounded annually. |
| **Resale process** | Notify Habitat first. 60-day right of first refusal. Buyer must be ≤80% AMI. Affordability Certificate required. |
| **Competing program** | NACA HOT-PHA (Housing Choice Voucher homeownership). Same target buyer. Different financial structure and tradeoffs. |
| **HAP counseling agencies** | Housing Opportunities of FW (817-923-9192) • Housing Channel (817-924-5091) • NACA Dallas (972-283-1171) • Services of Hope (214-276-0235) |

## Sources

CCR Declaration (80-yr Covenant): Tarrant County Instrument D225221985, recorded 11/26/2025
TSAHC $45k Lien / H1 Deed: Tarrant County Instrument D225140487, recorded 07/31/2025
FHLBANK HELP Grant Deed Restriction: Tarrant County Instrument D225141974, recorded 08/04/2025
H2 General Warranty Deed: Tarrant County Instrument D225221986, recorded 11/26/2025
City of Fort Worth HAP Brochure (2025): FortWorthTexas.gov/Neighborhoods • 817-392-7395
Trinity Lending Company Rate Flyer (2025): TrinityHabitat.org • 817-926-9219

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