



# COMMUNITY LAND TRUST PROGRAM

## Who We Are

One Roof Community Housing, formed by the merger of Northern Communities Land Trust and Neighborhood Housing Services, is a nonprofit organization that for over 20 years has helped over **425** low and moderate income households buy their own homes through the Community Land Trust program, which assists people in need of housing now, while permanently preserving affordable housing in the community for future generations.

## How We Help

Through our program, lower-income homebuyers receive significant down payment funds to purchase a home in Duluth and surrounding communities. In exchange for this assistance, One Roof maintains ownership of the land, which homeowners lease for a small fee. When homeowners are ready to move, they agree to pass on the benefits they received by selling their home below market price to another income-qualified buyer.

## WAYS TO BUY A LAND TRUST HOME

### New Construction

We are building 8 new construction homes in Grand Marais in 2018. The first four houses will be available for sale in late June 2018 and another four will be available for sale in the fall of 2018. Of the first 8 homes, 2 will be for households earning up to 80% of area median income (see income guidelines below). The other 6 homes will be for households earning up to 115% of state median income, which is currently a maximum gross annual household income of \$96,900, regardless of household size. We are currently working to secure funding to build 2 additional homes in 2019 for households earning under 80% AMI.



The basic features of the first four houses will be:

- o Chalet style house with 1 bedroom and 1 full bath on main floor and 2 bedrooms upstairs
- o Crawl space - no basement
- o 1007 finished square feet
- o City sewer, water & electric
- o Propane heat, electric appliances
- o LP Smart siding on houses

## WHO QUALIFIES FOR A LAND TRUST HOME

- Anyone who meets the Income Guidelines.
- Anyone who can obtain a mortgage through one of our participating lenders.
- Anyone who completes all four steps under "How to Apply".
- Asset limits may apply.
- You do not need to be a first time buyer.

### 2018 Grand Marais Income Limits for 80% AMI units (based on household size)

1	\$38,950
2	\$44,500
3	\$50,050
4	\$55,600
5	\$60,050
6	\$64,500
7	\$68,950
8	\$73,400

# THE LEASE AGREEMENT

Since One Roof owns the land and the homeowner owns the home, One Roof and the homeowner sign a lease together providing the homeowner secure, long-term rights to use of the land.

The lease gives the homeowner use of the land for 99 years. It is renewable, can be transferred to the homeowners children or spouse and ensures full rights of privacy. The lease also addresses the resale of the home.

# SELLING YOUR LAND TRUST HOME

When a Land Trust homeowner is ready to sell, the home can be sold directly to an income-qualified buyer, or it can be inherited by a homeowner's children or spouse.

To determine the sale price of the home, we use a resale formula which provides 100% of what the homeowner has paid off on their mortgage plus 25% of the increased value of the property. Homeowners also receive the full value of any qualified capital improvements that have been documented during the time of ownership.

Essentially, in exchange for buying a home at an affordable price, the homeowner agrees to sell the home at an affordable price. This preserves the affordability of the home for the next lower-income family or individual who buys it.

## Conventional Homeownership

### Same

- The homeowner obtains a mortgage with a bank
- The homeowner accumulates equity
- The home can be inherited by the homeowner's children or heirs
- The homeowner pays property taxes
- The homeowner can make alterations and improvements to the home and land

VS.

## Land Trust Homeownership

### Different

- The purchase price is lower—about 20-30% below the market rate
- The Land Trust owns the land and the homeowner leases the land from the Land Trust for a nominal fee (\$32/month)
- The Resale Formula ensures that the home will remain affordable

# HOW TO APPLY

- Complete a Land Trust program application on-line by clicking the "How to Apply for a Land Trust Home" link on our website: [www.1roofhousing.org](http://www.1roofhousing.org)
- Complete the "Homestretch" curriculum, an 8 hour homebuyer education class offered by One Roof.
- Attend a Community Land Trust program orientation session. Please contact Katie Seipel-Anderson to set up an individual appointment. 218-727-5372, x 2060 [kseipel-anderson@1roofhousing.org](mailto:kseipel-anderson@1roofhousing.org)
- Obtain a mortgage pre-approval from one of our participating lenders:

### North Shore Bank: (30-year fixed rate)

Julie Reinemann, 218-733-5525 (Downtown Duluth)  
Elizabeth Lundgren, 218-625-1245 (Downtown Duluth),  
Chana Stoke, 218-733-5535 (Hermantown)  
Kris Koth, 218-625-1238 (Hermantown)  
Anna Carlson, 218-625-1263 (Cloquet)  
Marnie Christensen, 218-733-5581 (Superior)

### US Bank: (30-year fixed rate)

Troy Deadrick, 218-723-2820 (Duluth)

### USDA Direct - Rural Development

Diann Carlson, 218-741-3929 ext. 3593 (Grand Marais)

### Minnesota Chippewa Tribe Finance Corporation

Cynthia Cwikla, 218-335-8582, x 150

We make home a better place.

