

Two Rivers CLT Benefits

- Variety of ownership options
- Homes in good condition (new or recently renovated)
- Reduced mortgage
- Lower entry costs - The funds brought by Two Rivers CLT are used as down payment. Buyer provides earnest money and closing costs.

Resources Available

- Access to low interest mortgages with 20, 25 and 30 year terms
- Access to down payment & closing cost assistance
- Pre-purchase and post-purchase support from Two Rivers staff.
- Credit counseling referrals.

Strengthening Community — One Home at a Time

Two Rivers Community Land Trust www.tworiversclt.com (651) 994-9194
Two Rivers CLT's mission is to create, preserve and support affordable homeownership for low and moderate income people in Washington County & Anoka counties in MN and in St Croix & Pierce counties in WI.

DID YOU KNOW?

77% Of Two Rivers CLT Washington County buyers were residents of the County at the time of their purchase. In addition, 62% of Two Rivers CLT buyers bought houses 10 - miles or less from work.



P. O. Box 879
Still water, MN 55082

December 2009

2009 Annual Report Two Rivers Community Land Trust

*Affordable homeownership in Anoka and Washington counties, in MN
and St Croix & Pierce counties in WI*



Two Rivers CLT's mission is to create, preserve and support affordable homeownership for low and moderate income people in Washington County & Anoka counties in MN and in St Croix & Pierce counties in WI.

2009 began with celebration. With the assistance of Anoka County funding, Two Rivers CLT hired Teresa Howard as our Ownership Services Manager. The position was created to increase our marketing efforts facilitate buyer process and support owners. Her marketing efforts have included creating a community land trust continuing education course for the St Paul Association of Realtor's. With the support of her position we have sold four houses including the resale of an existing CLT home.

In early spring we acquired our first Anoka County homes. Village Bank in East Bethel provided us mortgage product for our two Andover houses. We then purchased a home in Oakdale and worked to resell a home in Bayport. The benefit to a de-escalating real estate market has been lower priced homes. However, many have had significant deferred maintenance.

We have had two key challenges in 2009. First, we have held two houses for over a year due to the tough real estate market. This decreases the number of houses we are able to acquire and rehab and effects our ability to generate operating fees associated with real estate development. Both are great three-bedroom houses on Ingersoll Ave. S. in Cottage Grove and Rath Drive in Woodbury. The foreclosure market hit Cottage Grove and Woodbury hard, which means our rehab and write down funds do not bring enough funds to interest current buyers. We have recently requested additional funds from Minnesota Housing to combine a lower price with additional rehabilitation to attract a buyer.

The second challenge is that mortgage underwriting is tougher for buyer's which means buyers are required to wait longer to purchase a home as they clean up credit and save more money. Teresa Howard has been referring people to credit counselors and many files require a three to six month lag time before buyers will be ready. It has also meant that approved buyers have their mortgage applications under tighter scrutiny and require longer processing time. Two Rivers CL T buyers use secure low-interest, term rate mortgages.

Kathryn Paulson, our Housing Project Manger, completed the negotiations and purchase of Red Oak Preserve lots. We then interviewed and chose Minks Custom Homes to be our home builder. Red Oak Preserve had its ground breaking in September. We have two houses built and one sold. The third of the five of the homes will begin construction in January 2010. Kathryn's eye for aesthetics, and careful management of rehabilitation, continues to produce quality, modest homes.

It is easy to get caught up in number of houses produced and forget the people. This year we have assisted four families (nine adults and eight children) in owning a home. We have also supported our current homeowners who call to ask property related questions or for referrals to service providers for personal, household and financial needs. We are celebrating phones ringing off the hook and our website being heavily visited. Thank you for your support of our mission. We are excited to share our work with you.

Teresa vanderBent, Executive Director

Two Rivers Community Land Trust

3880 Laverne Ave. N., Suite 175 Lake Elmo, MN 55042

Phone: 651-994-9194 Fax: 651-9944-9195

www.tworiversclt.com

- What is a Community Land Trust?** Community land trusts (CLT) work with income qualified buyers to purchase new or renovated homes at a reduced price.
- **Ownership:** The CLT owns the land under the house and the owner owns the home, similar to a condo/townhome development. Two Rivers CLT owners pay a \$25 per month land lease fee.
 - **Resale:** In exchange for the lower purchase price, when the owner chooses to sell their home, they agree to take their earned equity plus 25% of the increase in the value of their home upon sale.

Two Rivers CLT's mission is to create, preserve and support affordable homeownership for low and moderate income people in Washington County & Anoka counties in MN and in St Croix & Pierce counties in WI. Two Rivers helps make homeownership possible for homebuyers who are unable to purchase a home in the conventional market.

Creating a permanent supply of affordable starter homes.

What Do We Do?

- Create Modest, Quality Affordable Homes:** Two Rivers CLT Acquires and rehab existing houses and when possible constructs new homes.
- Facilitate the Home Buying Process:** Two Rivers CLT works with income qualified buyers to purchase a home by:
- Providing an orientation on Community Land Trusts.
 - Reviewing buyers income & debt to determine if buyers ready to buy a home.
 - Refer buyers with credit/debt issues to credit counselors.
 - Refer buyers to home buyer education.
 - Providing buyers a list of lenders offering low interest mortgages, reasonable lending terms (20, 25 and 30 yr terms), and down payment and closing costs assistance.
 - Assist buyer in navigating the home process.
- Provide Owner Support**
- Answer property questions.
 - Referrals to service providers for personal, household and financial needs.
 - Provide social and networking opportunities.

2009 Board of Directors

- Andy Bauman
- Erin Crowder
- Teresa England
- Elizabeth Kelly
- Cheryl Kohout
- Jim Kroening
- Mike Meis
- Don Oswald
- Debbie Ramsey

Staff

- Teresa vanderBent
Executive Director
- Kathryn Paulson
Housing Project Manager
- Teresa Howard
Ownership Services Manager

Current Owners

Twenty Eight
88 people of which 42 are children
Living in:

- Andover: 1 Bayport: 1
- Forest Lake 1 Stillwater 3
- Lakeland 1 Oakdale 12
- Newport 1 St Paul Park 3
- Cottage Grove 4
- New Richmond, WI 1

Inventory:

Holding Houses for Rehab: 4
New Construction: 2

Two Rivers CLT Average Price

Home: \$136,795
Washington County Median
Home Sales Price \$180,300
(as of 10/31/2009)

Two Rivers CLT Median Income \$39,044

www.tworiversclt.com

Two Rivers CLT Balance Sheet

| ASSETS | 9/30/2009 | 9/30/2008 | 9/30/2007 | 9/30/2006 |
|---|--------------------|--------------------|--------------------|--------------------|
| Current Assets | | | | |
| Cash - Checking | \$10,021 | \$6,035 | \$1,237 | \$279 |
| Cash – Money Market | \$219,774 | \$213,356 | \$206,469 | \$160,778 |
| Restricted Funds | \$12,830 | \$13,772 | \$3,148 | \$14,912 |
| Receivables - Operating Funds | \$7,805 | \$1,250 | \$1,250 | \$620 |
| Receivables - Property Development | \$815 | \$49,366 | \$38,783 | \$153,644 |
| Prepaid Expenses | \$5,783 | \$3,654 | \$9,031 | |
| Notes Receivable | \$1,810 | \$2,284 | | |
| Property Inventory | \$656,952 | \$448,002 | \$507,469 | \$358,000 |
| Construction in Progress | \$290,258 | \$197,378 | \$160,686 | \$57,618 |
| Total Current Assets | \$1,206,049 | \$935,096 | \$928,073 | \$745,850 |
| Long Term Assets | | | | |
| Fixed Assets – Net Depreciation | \$3,522 | \$787 | \$5,196 | \$9,860 |
| Investments: Land | \$1,440,764 | \$1,321,793 | \$1,095,545 | \$885,732 |
| Total Long Term Assets | \$1,444,285 | \$1,322,580 | \$1,100,741 | \$895,592 |
| TOTAL ASSETS | \$2,650,334 | \$2,257,676 | \$2,028,815 | \$1,641,442 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable - Op & Trust Acct. | \$1,131 | \$3,552 | \$1,259 | \$1,749 |
| Accounts Payable – Property Dev | \$1,309 | \$45,485 | \$677 | \$2,967 |
| Credit Line Payable - Operating | \$53,400 | \$18,900 | \$38,500 | \$20,300 |
| Employment Taxes & Accrued Exp. | \$12,325 | \$13,960 | \$10,850 | \$12,672 |
| Notes Payable – Construction/Mortgage | \$723,467 | \$544,928 | \$606,388 | \$599,106 |
| Notes Payable - HRA Forgivable (Operating) | \$40,000 | | | |
| Deferred Revenue | \$81,927 | \$81,927 | \$45,000 | \$33,750 |
| Prepaid Maintenance Funds - Owners | \$2,294 | | | |
| Property Dev—Interest Payable | | | | \$687 |
| Total Current Liabilities | \$915,852 | \$708,752 | \$702,675 | \$671,230 |
| Long Term Liabilities | | | | |
| Operating— Equipment Leases | \$1,025 | \$3,056 | \$4,621 | \$6,912 |
| Property Maintenance Prepayments | | \$1,050 | | |
| Total Long Term Liabilities | \$1,025 | \$4,106 | \$4,621 | \$6,912 |
| NET ASSETS | \$916,877 | \$712,858 | \$707,296 | \$678,142 |
| Net Assets – Unrestricted (2006-08 include land) | \$110,672 | \$1,380,817 | \$1,006,433 | \$694,277 |
| Net Assets – Restricted | \$222,812 | \$133,905 | \$138,669 | \$142,784 |
| Net Assets - Land | \$1,227,045 | | | |
| Total Current Year Surplus (Deficit) | \$172,929 | \$30,100 | \$176,432 | \$126,239 |
| TOTAL NET ASSETS | \$1,733,458 | \$1,544,822 | \$1,321,534 | \$963,300 |
| TOTAL LIABILITIES & NET ASSETS | \$2,650,335 | \$2,257,680 | \$2,028,830 | \$1,641,442 |

Thank You to our Partners

Mortgage Lenders & REO Companies

US Bank Home Mortgage's American Dream Mortgage Product
Wells Fargo Bank
Bremer Bank
Minnesota Housing's CASA Mortgage & HAF Down Payment Assistance Program
Premiere Assets

Area Partners & Funders

Our Homeowners
Andersen Corporate Foundation
Fred C. and Katherine B. Andersen Foundation
Hugh J. Andersen Foundation
Next Generation Fund of the Hugh J. Andersen Foundation
Anoka County
Anoka County Housing & Redevelopment Authority - The Housing Incentive Fund, CDBG & HOME

City of Oakdale
Entitle, Inc.
Family Housing Fund
First State Bank & Trust, Bayport
Greater Metropolitan Housing Corporation
Metropolitan Council
Minnesota Housing
MN REALTORS Housing Foundation
People's Congregational Church, Bayport
Red Oak Preserve LLC
Trinity Lutheran Church, Stillwater
United Way St Croix Valley
Village Bank, East Bethel
Washington County HOME/CDBG Program
Washington County Housing & Redevelopment Authority
Washington County Sentence-to-Serve
Why USA Metro Brokers

Celebrating our First Resale

Resold 272 2nd Street to

Kelly & Jon!



2010 Board Nominations

Term Ends **12/31/2012**

Mike Meis

Mike Meis has been Treasurer of the Board for two years. Mr. Meis is a resident of West Lakeland Township and an Engineer at 3M. After Mr. Meis' son purchased a home he chose to join the Board of Directors.

Michele Willard

Michelle Willard is a member of Two Rivers CLT's Selection Committee for a year. Ms. Willard is a resident of Forest Lake and Assistant Vice President - Relationship Banking with Western Bank of Oakdale. In addition, she sits on the City of Oakdale's Economic Development Agency.

Don Oswald

Don Oswald has been a member of Two Rivers CLT Board since 2006. Mr. Oswald is a resident of Cottage Grove. His employer Kingwood Management manages property throughout the Twin Cities including the Metropolitan Council. In addition, he and his family own a Two Rivers CLT home.

Red Oak Preserve

A 126-unit Planned Urban Development (east of 50th St. N. and Hadley Ave. N. in Oakdale) under the leadership of the Washington County Housing & Redevelopment Authority and the developer, Red Oak Preserve LLC (Shelter Corporation and LSA Design).

- 25 affordable owner-occupied homes (five Two Rivers CLT homes & Habitat for Humanity)
 - 33 market rate single family homes (Ryland Homes)
 - 67 Affordable rental units including a senior building (Shelter Corporation)
- Partners in this project include Andersen Corporation, the City of Oakdale, First State Bank & Trust, Bayport, the Metropolitan Council, MN Housing and Washington County.

Key Property Features

- Two story with a walk out basement
- Two car attached garage and asphalt driveway
- Maintenance free siding
- 40-year shingles
- Energy Star Appliances
- Full bathroom & 3/4 master bathroom
- 3-bedrooms on main level.
- Finish ready basement with rough-in bathroom.



4851 Hamlet Way N., Oakdale—\$155,000
Pending Sale—December 2009



4859 Hamlet Way N., Oakdale—\$155,000
FOR SALE—December 2009

Construction Begins — January 2010—3rd Home

Restoring Foreclosed Homes Washington County

The Restoration Process

In 2009, Two Rivers CLT purchased several foreclosed, distressed property with significant deferred maintenance. We have been blessed by Wells Fargo's Housing Foundation and Wells Fargo Bank's REO company. This partnership has provided an opportunity to purchase houses at a reduced cost.

Two Rivers CLT acquires homes that are structurally sound. We recognize that our buyers have limited incomes and take that into account in the rehabilitation. The goal is to have all the major systems in good working order for at least five years. Our priority is to repair or replace systems e.g. roofs, plumbing, electrical, siding and heating. We also address flooring, bathrooms and kitchens as needed. Energy efficiency is addressed and, when possible, appliances/furnaces are replaced with more efficient units. **Our goal is to have a modest, quality starter home our buyers can afford.**



AFTER—GARAGE

Washington County Development Funders

Metropolitan Council
MN Housing
Washington County CDBG &
HOME

Hugh J Andersen Foundation
Andersen Corporate Foundation
Katherine B. and Fred C
Andersen Foundation
Otto Bremer Foundation



1116 Guthrie Ave. N., Oakdale
Purchased Date 10/10/09
Rehab Completed (Est.): March 2010

Thank You to People's Congregational Church, Bayport for their demolition work on the kitchen & basement and removal of the fence from the front yard.

Restoring Foreclosed Homes Anoka County

732—140th Lane NW, Andover

Purchased 4/17/2009
Sold to a family on 12/08/09
4-Bedroom House

Rehabilitation included:

New asphalt driveway
New garage door & garage apron
Repaired siding & replaced missing porch rails
Painted exterior & interior including rear deck
Added Seamless gutters
Replaced interior doors & casing & baseboard
Replaced kitchen cupboards & countertops
New kitchen & dining room floor
Upgrade insulation to R-60
New furnace
Replaced light fixtures, as needed.
Replaced toilets, resurfaced tub, sand & resealed bathroom cabinets, and retiled bathroom floor.
Re-carpeted



Thank you to our Anoka County Partners
Anoka County

Anoka County Housing & Redevelopment Authority -
The Housing Incentive Fund, CDBG & HOME

City of Andover
Mike Mohs, Edina Realty
Village Bank

14360 Partridge St. NW, Andover
Purchased 4/29/2009
Currently For Sale \$105,000
Three Bedroom House

Rehabilitation included

Repaired and replaced fence to enclose back yard
Replaced damaged row of siding
Replaced garage door
Installed ceiling in basement bath
Replaced the sliding door & bi-fold door in basement and other doors as needed
Replaced kitchen counter tops
Refinished cabinets in the kitchen & bath
Replaced kitchen floor
Replaced carpet
Insulation upgraded to R-60
Interior painting
Cleaned & serviced the furnace
Replaced light fixtures as needed.



AFTER