

# Press Release

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TWO RIVERS  
COMMUNITY  
LAND TRUST

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## Lakeview Hospital Grant Encourages Affordable Homeownership for its Employees

Lakeview Hospital and Two Rivers Community Land Trust have recently partnered in to create a down payment assistance program for low to moderate income qualified Lakeview Hospital and Stillwater Medical group employees. This year three \$2,500 down payment loans are available to employees who purchase a home with Two Rivers Community Land Trust. In addition, the Board of Directors granted \$5,000 to Two Rivers CLT to support its efforts.

The mission of Two Rivers Community Land Trust is to provide permanently affordable homeownership to working low and moderate first time homebuyers in Washington County, MN and St Croix and Pierce counties in WI. Two Rivers CLT builds new or acquires & rehabs starter homes, selling them at a reduced cost to income-qualified, first-time homebuyers. Houses are approximately 1100 square feet in size and are predominately two and three bedroom homes. Currently owners live in Cottage Grove (2), St Paul Park (3), Newport (1), Oakdale (9), Stillwater (3), Lakeland (1), Bayport (1). Two Rivers CLT works to bridge the gap between the cost of housing and a low- and moderate-income owner's ability to pay.

Median Price Home in Washington County:	\$245,000
Median Price Two Rivers CLT Home:	\$140,000
Median Household Income of Twin Cities Area:	\$78,500
Median Household Income of Two Rivers CLT buyers:	\$38,992

A community land trust (CLT) is a private nonprofit organization created to acquire & hold land for the benefit of a community while providing access to permanently affordable ownership. In the conventional market the homeowner owns their house and owns the land underneath it. In the Community Land Trust (CLT) model the homeowner owns the house and the community land trust owns the land. In exchange for a reduced house payment the owner agrees when they sell their home to take 25% of the increased value of their home at resale. In addition, the next buyer purchases the property at a reduced cost (the previous sales price plus the owner's share of appreciation). A simple example: a homeowner purchases a home for \$100,000. Five years later they choose to sell their house and the home's appraised value is now \$140,000. The increase in value is \$40,000. The owner has a right to 25% of the increase in value (\$40,000\* 25%) or \$10,000. In addition, the next buyer purchases the home for \$110,000 (\$100,000 original price plus \$10,000 their share of the increase in value). Teresa vanderBent, Two Rivers CLT Executive Director notes that "Sometimes we are asked what happens to the other 75%? The remaining funds stay with the home keeping it affordable for the next buyer. The public and private subsidy used to create the original affordability is retained so that the house can be sold to the next buyer for an

affordable price."

Two Rivers CLT sees itself as an opportunity for people to enter into the homeownership market who have been priced out, and help them build down payment funds. "Our buyers know that without Two Rivers CLT they would not own a home and they also know their purchase of a CLT home reserves that affordable home for other buyers that follow them" notes vanderBent. Two Rivers CLT is one of ten community land trusts in MN with vanderBent co-chairing the MN CLT Coalition, a state wide a peer group whose mission is to coordinate, support and enhance activities of the CLTs based in Minnesota.

Teresa vanderBent adds "We're excited about the partnership with Lakeview Hospital and Stillwater Medical Group. We feel it is important that our area work force have the stability and sense of place that owning a home brings". Its vanderBent's hope that the partnership with Lakeview Hospital will foster other workforce partnerships.

"Lakeview Hospital is very grateful for the partnership with Two Rivers CLT," notes Curt Geisler, Lakeview Hospital's CEO. "We are excited to provide our lower income employees with assistance to obtain a home of their own. This is truly a great opportunity for us to help our employees who work so hard to help others every day."

To learn more about Two Rivers CLT call (651) 994-9194 ext. 201 or [www.tworiversclt.com](http://www.tworiversclt.com) for income guidelines and homebuyer orientation class schedule.

PICTURE: Curt Geissler, CEO Lakeview Hospital and Teresa vanderBent, Executive Director, Two Rivers CLT.