

Two Rivers Community Land Trust



Transforming Communities & People's Lives



Two Rivers CLT supports the success of buyers:

Pre-Purchase: Buyers complete a CLT homebuyer orientation & education, an application, income verification & credit session, applying for a mortgage loan, complete other pre-closing activities. Buyers are supported from their first phone call through closing.

Post-Purchase:

- **On-The Job Training:** Including answering maintenance and repair questions, referring people to needed services and acting as an all around resource.
- **Support in Life Situations:** Providing referrals to families dealing with job loss/transition, unexpected credit/financial issues, serious health issues, and other family emergencies.

Two Rivers CLT Average Price Home: \$136,795

Twin Cities Average Home Price \$188,580 (as of 03/31/09)

Two Rivers CLT Median Income \$39,044

Partnerships with Local Government

Revitalizing Neighborhoods

The house above had significant deferred maintenance. From this acquisition and rehab work, the City of St Paul Park worked in partnership with Two Rivers CLT and the Washington County HRA to procure vacant tax forfeited land for future development.

Redevelopment of the City of Oakdale's Fire Station into Single Family Home Ownership



The City of Oakdale's Administrator Craig Waldron notes "Our relationship with Two Rivers CLT began in 2003 with the redevelopment of Oakdale's old fire station, where three new quality affordable homes were constructed. The Oakdale City Council and staff have been extremely impressed with Two Rivers CLT, and have partnered with them on numerous other rehabilitation projects. "



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

Preserving Affordability

Create Ownership: The CLT owns the land under the home and the owner the house. The lower price makes the home affordable for working families. Unlike common interest communities, homeowners associations, or condos, CLT's charge a minimal fee to lease the land (Two Rivers ground lease fee is \$25 per month).

Shared Equity: Community Land Trusts balance the need to preserve public and private funds with a families opportunity to create wealth. Two Rivers CLT uses an appraisal based formula (25% of increase in value). It compares the appraisal when the buyer bought the home and the appraisal when the home is sold. The owner receives a percentage of the appreciation and the remaining funds stay in the home to keep it affordable to the next buyer. For example, if a buyer bought a **\$100,000** home and in 5 years its value increased to \$140,000 the owner would have a right to 25% of \$40,000 or \$10,000. Any mortgage equity belongs to the owner of the property.

Affordable for the Next Buyer: In addition, the home is sold to the next homebuyer for what the purchase price plus the owner's share in appreciation. Based on the example above the house sells for **\$110,000**. Funds used to write down the price of the home, provide rehab or other assistance remain in

Grounding Dignity Empowerment



"It has been three and a half years since I bought my house, which is the longest time I've lived anywhere since leaving my family's home."

Teresa explains "I chose Two Rivers because they gave me a way to give back. I know when I am ready to sell my house it will benefit another family."

"I don't want charity or welfare. I was looking for a way to purchase a home" Her youngest son states Two Rivers CLT "gives people a fighting chance" and his older brother adds "no, I think it gives people more options and that's a good thing."