

How to Apply

Who We Are

Northern Communities Land Trust is a non-profit organization that has worked in Duluth for over 15 years to help low and moderate income people buy their own homes. To do this, we use the community land trust model, 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 downpayment and rehab assistance to purchase new or existing homes in Duluth. In exchange for this assistance, Northern Communities Land Trust 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.



- Complete a Land Trust application and return it to our office, including copies of income documentation as specified in the application.
- Complete the “Homestretch” class through Neighborhood Housing Services (call 727-8604 to register).
- Attend a Land Trust orientation session (held once a month at the Damiano) or call for an individual appointment.
- Obtain a mortgage pre-approval from one of the participating lenders below:

North Shore Bank:

Jill Winkler, 218-733-5526 (Downtown)
Julie Reinemann, 218-733-5525 (Downtown)
Elizabeth Lundgren, 218-625-1245 (Lakeside)
Chana Stoke, 218-733-5535 (Hermantown)
Corey Stenson, 218-625-1263 (Cloquet)

Wells Fargo:

Bob Espenson, 218-723-2724 (Downtown)
Lori Moe, 218-726-9384 (West Duluth)

US Bank:

Gloria Moen, 218-720-1064 (Lincoln Park)

MN Chippewa Tribe Finance Corp: (new construction homes only) 218-335-8582



NORTHERN COMMUNITIES
LAND TRUST

206 W. 4th Street #201
Duluth, MN 55806

218-727-5372

www.LandTrustDuluth.org



How to Buy a Home with the Land Trust

*Creating affordable homes
and strengthening communities
through the wise stewardship
of land and resources.*

Acquisition-Rehab Program:

- The goals of the Land Trust's renovation program are to update the major systems of the home, to improve energy efficiency, to increase indoor comfort, health and safety, to use products that are durable and sustainable, to have a home that is affordable to purchase and to maintain, and to be an asset to the neighborhood.
- Completely renovated homes are offered at \$20,000-\$40,000 below market value.
- Qualified buyers *do not* need to be first-time homebuyers.



Before



After

Resales:

- Any qualified buyer can purchase a Land Trust home when it comes up for resale.
- Current Land Trust homes up for resale are sold well below market price, so no additional financial assistance is needed.

Common Ground Construction, LLC

Common Ground is a nonprofit started by the Land Trust in 2004. They serve as the General Contractor for all of NCLT's acquisition-rehab homes and are available to the public for complete construction services. For more information about all of Common Ground's services, call 218-740-3666.

- Anyone who meets the Income Guidelines on the right side of this page.
- Anyone who has good credit and can obtain a mortgage through one of our participating lenders: North Shore Bank, Wells Fargo, US Bank, and the MN Chippewa Tribe Finance Corporation.
- Anyone who has regular income from an employer, from self-employment, or from other sources such as SSI.
- Anyone who completes all four steps under "How to Apply" (see back of brochure).
- Asset limits may apply.

Conventional Homeownership vs. Land Trust Homeownership

Land Trust homeownership is similar to conventional homeownership, but the land beneath the homes is owned by Northern Communities Land Trust.

The Same

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

Different

- The Land Trust purchase price is lower—about 20-30 percent below the market rate
- The CLT owns the land under the Land Trust home and the homeowner leases the land from the CLT for a nominal fee (\$25/month)
- The Resale Formula ensures that the Land Trust home will remain affordable when it is sold in the future.

Household size/Income limit	Household size/Income limit
1 \$33,550	5 \$51,750
2 \$38,300	6 \$55,550
3 \$43,100	7 \$59,400
4 \$47,900	8 \$63,250

The Lease Agreement

Since the Land Trust owns the land and the homeowner owns the home, NCLT 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.

When You Sell Your 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 given to the homeowner's children or spouse.

To determine the sale price of the home, the Land Trust uses a resale formula which provides 100% of what the homeowner has paid off on their mortgage plus 30% of the increased value of the home. 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.