



Fall 2005

# NORTHERN COMMUNITIES LAND TRUST NEWS

*A community-supported, membership-based, nonprofit organization. Providing quality, affordable homeownership opportunities for low and moderate income people.*

## “It’s a Big Dream Come True!”

For Nicholas and Jennifer Chebor, life in their homeland of Africa was good, but the possibilities they saw for their children’s futures were limited. Living on the family farm with many of their relatives, the Chebors grew wheat, corn, bananas and other grains and most of their time was spent with family. “Africa is beautiful!” they said. Days and nights were of equal length, the weather was warm and moderate, they had very little stress in their lives and they never experienced winter. “Our kids had never seen snow,” Jennifer said, “except on the TV and from far away on the top of Mt. Kilimanjaro!”

The future they saw for their children, however, was not as good as what they could provide for them in the U.S.. The schools there were good, but quality jobs for graduates were hard to find, so competition was very high. Many educated people weren’t able to work in their fields, so the Chebors applied for one of the few Visa’s handed out via a lottery system and were chosen. A friend from their country who lives in Duluth offered them a place to stay and in December of 2003, Jennifer, Nicholas and their four children arrived in their new home of Duluth, Minnesota.

For the first year, the Chebors lived in a “tiny” two bedroom apartment in the heart of downtown. Although it was uncomfortable, they never dreamed they could own their own home until their friends Nathan & Emily Johnson encouraged them to learn more about their options.

Initially, the Chebors applied to another homeownership

program, but for various reasons, it didn’t work out. They subsequently qualified for a conventional mortgage with the high rate of 8.7%. Soon, they found a house they could afford, but it was in very bad condition and needed far more work than they could do. This left them feeling like they had no viable options. “We had lost all hope,” said Jennifer, until Beth Wentzlaff, a realtor for F.I. Salter who was helping them with their home search, suggested they apply to the Land Trust.



*Nicholas, Abel (2 1/2), Gavin (10), Marcy (4), Jennifer & Collins (6) Chebor in front of their new home.*

This summer the Chebor family moved into their brand new, 3 bedroom Land Trust home in Duluth Heights. When I asked Jennifer if she knew right away that this was the house she wanted she said “I didn’t know, but I wished!” With \$50,000 in subsidies from the Land Trust, the Chebors could afford much more than they could through the conventional home buying process and since the home was newly built in 2005, they won’t need to worry about paying for updates or repairs for awhile. “We love our house and our neighborhood,” they said.

**“We just want to thank the Land Trust for the good you are doing. If it weren’t for the Land Trust, we wouldn’t be as happy as we are!”**

The neighbors have been friendly and welcoming, the neighborhood feels safe and Gavin and Collins are happy in their new school. They’ve also received a lot of support from the people at the church they attend,

East Ridge Community Church.

“Of course I miss Africa,” Jennifer said. “I miss my family and the climate, but we love Duluth and as time goes by, I’m getting used to life here. We did this for the kids and it’s worth it. I feel so happy!” Nicholas added, “We just want to thank the Land Trust for the good you are doing. If it weren’t for the Land Trust, we wouldn’t be as happy as we are!”

# Land Trust Resales:

Recycling Subsidies & Preserving Affordable Homes for the Future

**2002**

**\$138,000**

*Market Value*

- **\$55,000**

*Community Investment  
40% of the Total Cost*

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= **\$83,000**

*Original Purchase Price  
1st Buyer's Investment  
60% of the Total Cost*



**2005**

**\$160,000**

*Market Value*

- **\$64,000**

*Community Investment  
40% of the Total Cost*

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= **\$96,000**

*Resale Purchase Price  
2nd Buyer's Investment  
60% of the Total Cost*

This Land Trust home was newly built in 2002 by Lake Superior College's building construction program. Originally, it was appraised at \$138,000 but sold at the greatly reduced, affordable price of \$83,000 due to the subsidies the Land Trust raised to pay for the land and offset construction costs. When the original homeowner decided to sell the home in 2005, it was appraised at \$160,000, but thanks to the resale formula in the lease for the community owned land, the original subsidy stayed with the house and a portion of the appreciation was captured to keep it affordable for the next buyer. The home was sold in 2005 for \$96,000, 60% of the appraised value, which is the same percentage paid by the original homeowner. This is the power of the Land Trust model - creating community controlled, permanently affordable homes for people through the stewardship of precious financial resources.

**To date, the Land Trust has resold 11 homes, recycling \$472,550 in subsidies:  
\$240,550 in local funding and \$232,000 in state funding.**

**The Land Trust would like to thank our generous Funding & Lending Partners!**

**Funding Partners**

*City of Duluth  
Community Development Block Grant  
Duluth Economic Development Authority  
Duluth-Superior Area Community Foundation  
Federal Home Loan Bank of Des Moines  
Greater Minnesota Housing Fund  
HOME Program*

*Local Initiatives Support Commission  
MN Housing Finance Agency  
Northland Foundation  
Ordean Foundation  
St Mary's Duluth Clinic  
Wells Fargo Mortgage  
North Shore Mortgage*

**Lending Partners**

*Bremer Bank  
First Residential Mortgage  
MN Housing Finance Agency  
North Shore Mortgage  
US Bank  
Wells Fargo Mortgage*

# “If I Can Do This, Anybody Can!”

Theresa Bunnell had wanted to own her own home for years, so when the owner of the house she had rented for 11 years was ready to sell, she decided to buy it.

But as she began the process, Theresa learned that her credit was not good enough. She sought out help to clear up her finances and found the FAIM program at Community Action Duluth, a program that helps low-wage earners in MN build assets and increase their financial literacy.

Through FAIM, Theresa learned how to better manage her finances and slowly built a savings for the downpayment on her house, often putting more money into the account than she was required. In addition, Angie Miller at Community Action Duluth helped her work with credit agencies to pay back her debt and clear her record.

During this time, Theresa also found out about the Land Trust. Still hoping to buy the house she was

renting, Theresa went through 2 different homebuyer education classes with the Salvation Army and Neighborhood Housing Services. Soon after, she was accepted to the Land Trust and received \$45,000 in subsidies.

After 2 years of hard work, Theresa was finally able to make an offer, but even with her savings and the assistance from the Land Trust, Theresa still only had half of what she needed. At this point, she decided to look elsewhere and this summer, Theresa and her son Scotty moved into their new Land Trust home in West Duluth.



Theresa & Scotty purchased their new home in West Duluth through our HOMELAND program.

Theresa feels good about what she has accomplished. Clearing her credit and buying a house has made life better for herself and her kids (her daughter Amanda lives on her own). She hopes they have learned from her example and will do it for themselves some day. “If I can do this, anybody can!” she exclaims.

## Another Way to Help the Land Trust

During Grandma’s Marathon weekend, June 16-18th, 2006, members and supporters of Northern Communities Land Trust will rent out rooms in their homes or rent their entire homes to out-of-town visitors and donate all the proceeds to our organization. This year we hosted over 40 in- and raised over \$2,000 for the Land Trust! Next year’s race is Grandma’s will be more people here than ever!

Please consider opening your home to some of these visitors while at the same time raising money for us to create permanently affordable homes in Duluth. Here’s what one participant from Minneapolis wrote about her stay this year:



*“Hats off to the Northern Communities Land Trust! My husband, a first-time marathoner, our three school-age children and I enjoyed great hospitality from our Northern Communities Land Trust hosts during our stay in Duluth on Grandma’s Marathon weekend. In addition to very comfortable accommodations (just like home), Andy and Kathy provided us with tales of past marathons and “insider’s information” about details like the best bus stop for getting to the starting line and where exactly to park and walk to enjoy the race (London Road). They made it possible for our family to relax and focus on our marathoner, who finished in good time, with congratulations from his family and new friends.” -- Beth Mercer-Taylor, 2005*

### To be a host during Grandma’s Marathon, please clip here and send to:

NCLT, 206 West 4th Street, #112, Duluth, MN 55806 or call Heather at 218-727-5372.

- Yes, I live in Duluth & can host \_\_\_\_ people in my home on the weekend of June 16-18, 2006, to help with Northern Communities Land Trust’s Grandma’s Marathon Fundraiser.
- Yes, I live in Duluth & can rent my entire \_\_\_\_ bedroom home on the weekend of June 16-18, 2006, to help with Northern Communities Land Trust’s Grandma’s Marathon Fundraiser.

Name \_\_\_\_\_

Address in Duluth \_\_\_\_\_

Daytime Phone # \_\_\_\_\_ Evening Phone # \_\_\_\_\_

Email Address \_\_\_\_\_

# Homes for the Future:

## Building New Homes & Rehabilitating Existing Structures

The Land Trust is in the midst of a very big construction year. This spring and early summer, we completed construction on 4 homes in Gary-New Duluth, 4 homes in Duluth Heights, and 1 home in West Duluth, bringing the total number of new homes built by the Land Trust over the years to 38.

The Land Trust also began construction on 5 homes this summer on 26<sup>th</sup> Ave West & 2<sup>nd</sup> Street, and 2 homes in the new Hawk Ridge Estates development. In addition, the Land Trust and Common Ground Deconstruction deconstructed a home on Vernon Street and a home on 17 1/2 Ave West and began construction of 2 new homes in place of the ones that were taken down. We are building 2 of our new homes again in partnership with Lake Superior College's building construction program, 4 of the homes with Common Ground Deconstruction, and 3 homes in partnership with the Department of Corrections. By years end, the Land Trust plans to begin another 5 homes in Hawk Ridge Estates, making a total of 14 home construction starts for the year.

New this summer is an exciting partnership in which the Land Trust is converting 3 single family homes formerly owned by the Housing and Redevelopment Authority of

Duluth (HRA) into owner-occupied Land Trust homes. These homes in the East Hillside neighborhood were formerly used for public housing. When HRA determined that the work needed to be done to the homes no longer made them appropriate for the public housing program, they asked the Land Trust to rehabilitate and sell the homes so they would remain permanently affordable and owner-occupied.

In 2005, the Land Trust also assisted 10 households in purchasing their first homes through the HOMELAND program. This program provides an average downpayment grant of \$20,000 to purchase an existing home in Duluth, an average rehab grant of \$20,000 to make repairs to the home (roof, siding, windows, doors, furnace etc.), and free home inspections. Six of these ten households were single female heads of household with dependent children; we also assisted one couple, two single women and one single man. The homes, chosen by the buyers, were located in Chester Park, Denfeld, Irving, Riverside, East Hillside, and Lincoln Park. We currently have openings for the program in 2006, so please contact the Land Trust at 218-727-5372 if you are interested. For more information, you can also visit our website at [www.LandTrustDuluth.org](http://www.LandTrustDuluth.org).

## Permanently Affordable Homes in Duluth



The Land Trust currently has 107 homes in the Duluth area which will always be resold at affordable prices to lower income people. The map above shows the distribution of our homes throughout the city.

### NCLT Board of Directors

**Dave Chmielewski**

*Developer*

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*Sherry Mattson, S.C.*

# First Home Brings a Sense of Stability & Security



When Amber Hardwig first became a parent she wanted to buy a home so she could provide her son with roots and a sense of stability like she had growing up in International Falls. But because she had some credit problems, Amber thought it wasn't a possibility, until a co-worker at UMD told her about the Land Trust. When she qualified for the program, Amber had some fear about the owning a home. "The scariest part was going to the bank," she said, "but Troy at US Bank was great. He said, 'You have some work to do, but we can make it work for you.'"

Today, Amber, Simon and their dog Wyatt live in a charming 2 bedroom home in West Duluth with wood floors, big windows and a nice yard. Simon's new room is piled high with stuffed animals and he has already made friends with the kids next door. A few weeks ago they came to his home for movies and popcorn and he's visited with them house for a barbecue.

Amber says the best thing for her is that she feels more invested in her neighborhood now that she is a homeowner. Also, her house payment feels manageable - it is less than what she paid in rent and she now has twice the space plus a garage. "It's a totally different feeling coming home here," she said. "I want to make it my home. It brings a sense of security."

*Left: Amber & Simon & their dog Wyatt at home in West Duluth. Simon & Wyatt love to play together in their new back yard!*

## 100 Homes Special Appeal

In honor of our 100th Land Trust Home in Duluth, we are making a special appeal! Consider becoming a member or making an extra donation at the levels suggested below. All donors to this special appeal will be considered members, will be recognized in the newsletter and donors names will be prominently displayed in the Land Trust Office. Thank you in advance for your support!

- \$100 Carpenter/Sustaining Membership Level**  
Only \$1 per house!
- \$250 Builder/Steward Membership Level**  
Only \$2.50 per house!
- \$500 Developer Membership Level**  
Only \$5 per house!
- \$1,000 Investor Membership Level**  
Only \$10 per house!

Please send your donation with your name, address phone number and email to the Land Trust at 206 West 4th St., Duluth, MN 55806, or go to [www.LandTrustDuluth.org](http://www.LandTrustDuluth.org) to donate on-line.

**Celebrating 100 Homes & 100 Families!**

*Mark your calendars for the 2nd annual ...*

## Trust in the Land

***A Celebration of Local Fine Food and Drink***

**Saturday, January 28, 2006**

**6:00 - 9:00pm**

**The Depot's Great Hall  
506 West Michigan Street**



*Sponsored by Northern Waters Smokehaus.*

*Drinks, appetizers, entrees, & desserts from the finest local merchants & restaurants.*

**Tickets: \$30 in advance, \$35 at the door  
\$20 Student/low income rate  
\$10 NCLT homeowner rate**

**To purchase tickets call the Land Trust at 218-727-5372**

# Bus Driver's Family Buys Their First Home

Until Ted & Cindy Hanson bought their Land Trust home this summer, they raised and home-schooled 6 kids in rentals, many of which were in poor condition. For 10 years they lived in a HUD house in Lakeside which was small, had minimal storage and had severe mold problems. Ted got sick often and they had to wash the walls at least once a month.

The Hanson's looked for a house to buy for 8 of those years, but for a large family with a single income, everything was either too expensive or in very bad condition. When they qualified for the Land Trust and saw some of the

newly built homes for sale, they knew it was the program for them. "It was an easy choice for us," they said.

Ted, Cindy and four of their kids who still live at home, now live in a new Land Trust house in Duluth Heights. They are paying \$1.70 more on their mortgage per month than they were in rent and they love how close they are to church, work, their doctor and shopping. They are also building a new garage. "It's been fun owning our own property," Ted said. "It's nice to be putting money into something that belongs to us!"



*A few members of the Hanson Family:  
Kristy, Cindy, Ted and James.*

## Thank You Donors!

### 100 Homes Special Appeal

#### \$250 Builder/ Steward Level

Joel & Marilyn Bamford

#### \$100 Carpenter/ Sustaining Level

2 Anonymous donors

Patty Beech &

Jeff Brown

Darla Benoit

Judy Harris Brown

Del & Jeanne Case

David & Marge Fraser

Cindy Hale

Tim & Beth Holst

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### We still have yard signs!

Have you seen those cool Land Trust yard signs around town?? We made them to celebrate and publicize our 100th Land Trust home in Duluth and we still have more!

Even better ... when you are ready to take down your sign, you can drop it off at Common Ground Reuse Center, 4112 West Superior Street, and they will reuse it!

## Northern Communities Land Trust

206 West Fourth Street, Suite 112

Duluth, MN 55806

tel: (218) 727-5372 fax: (218) 727-3646

[www.landtrustduluth.org](http://www.landtrustduluth.org)

**Executive Director:** Jeff Corey

**Associate Director:** Jim Mischler-Philbin

**Outreach Director:** Heather Murphy

**Office Manager:** Kathy Dockter

**Accountant:** Jim Glaeser

## Thank You Donors!

### (Continued)

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Erin Keeley

The names above represent donations that have been processed to date. Please excuse us if you sent in a pledge and are not listed! We must not have received it before we went to press. Future donors will have their names listed in the next Annual Report and displayed in the Land Trust office. Thanks for your support!