



Grand Forks Community Land Trust

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Executive Director
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Grand Forks Community Land Trust

Basic CLT Characteristics

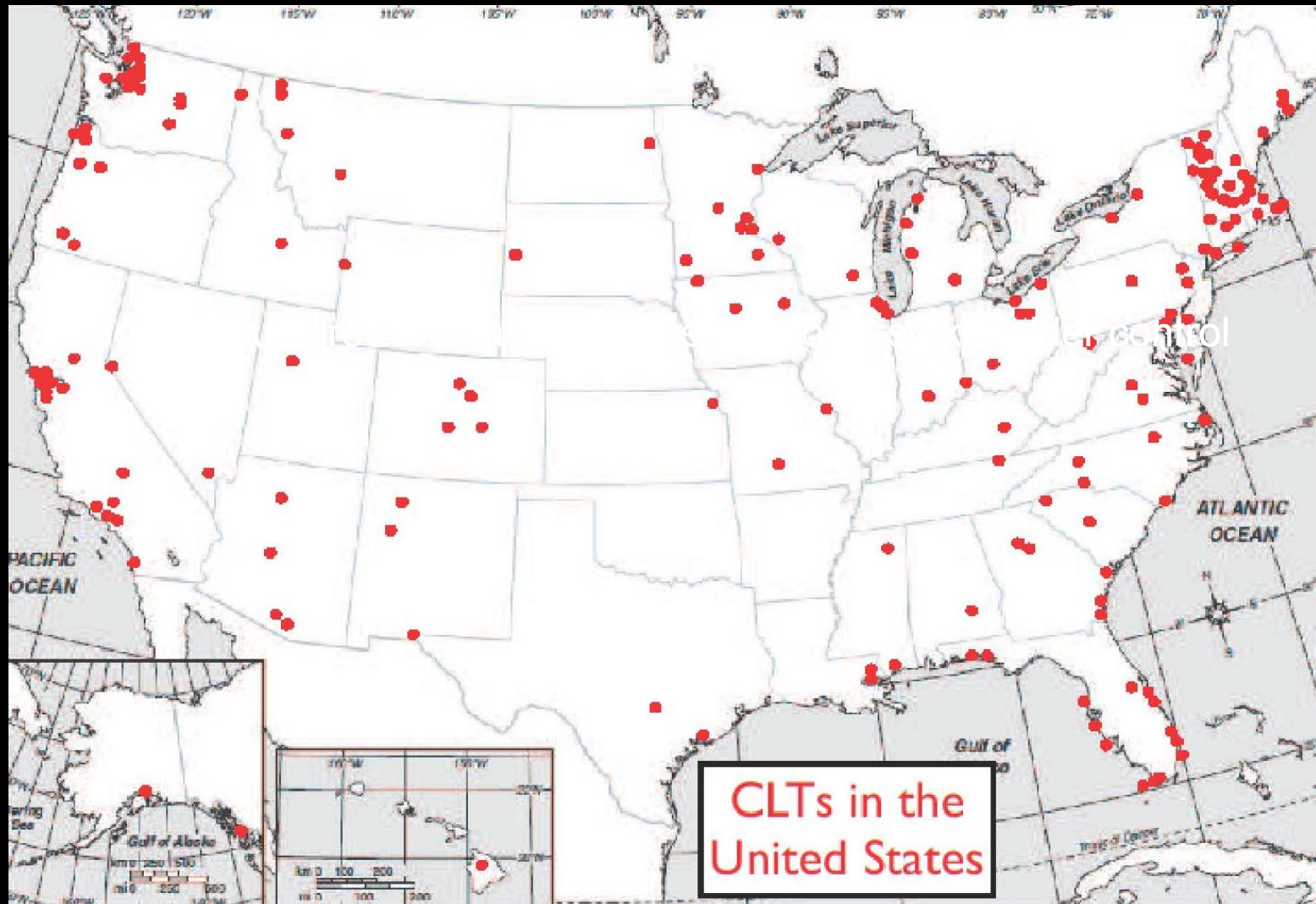
- Flexible CLT Model
- Board structured with a commitment to local stakeholder control
- Dual Ownership
- Perpetual Affordability of Housing
- Active Acquisition/ Development Plan
- STEWARDSHIP

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Expansion of CLT Principles

- Flexible CLT Model
 - Different formats for CLTs encouraging long or short tenure
 - Variety in CLTs focused on specific neighborhoods or large geographic areas
 - Wide range of CLTs from large metropolitan areas to rural communities

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Expansion of CLT Principles

- Board structured with a commitment to local stakeholder control
 - 1/3 Homeowners/Target Market
 - 1/3 Technical Experts
 - 1/3 Community Members

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Expansion of CLT Principles

CLT Concept of Dual Ownership

1. CLT Develops/Rehabs Home

Market value becomes \$150,000

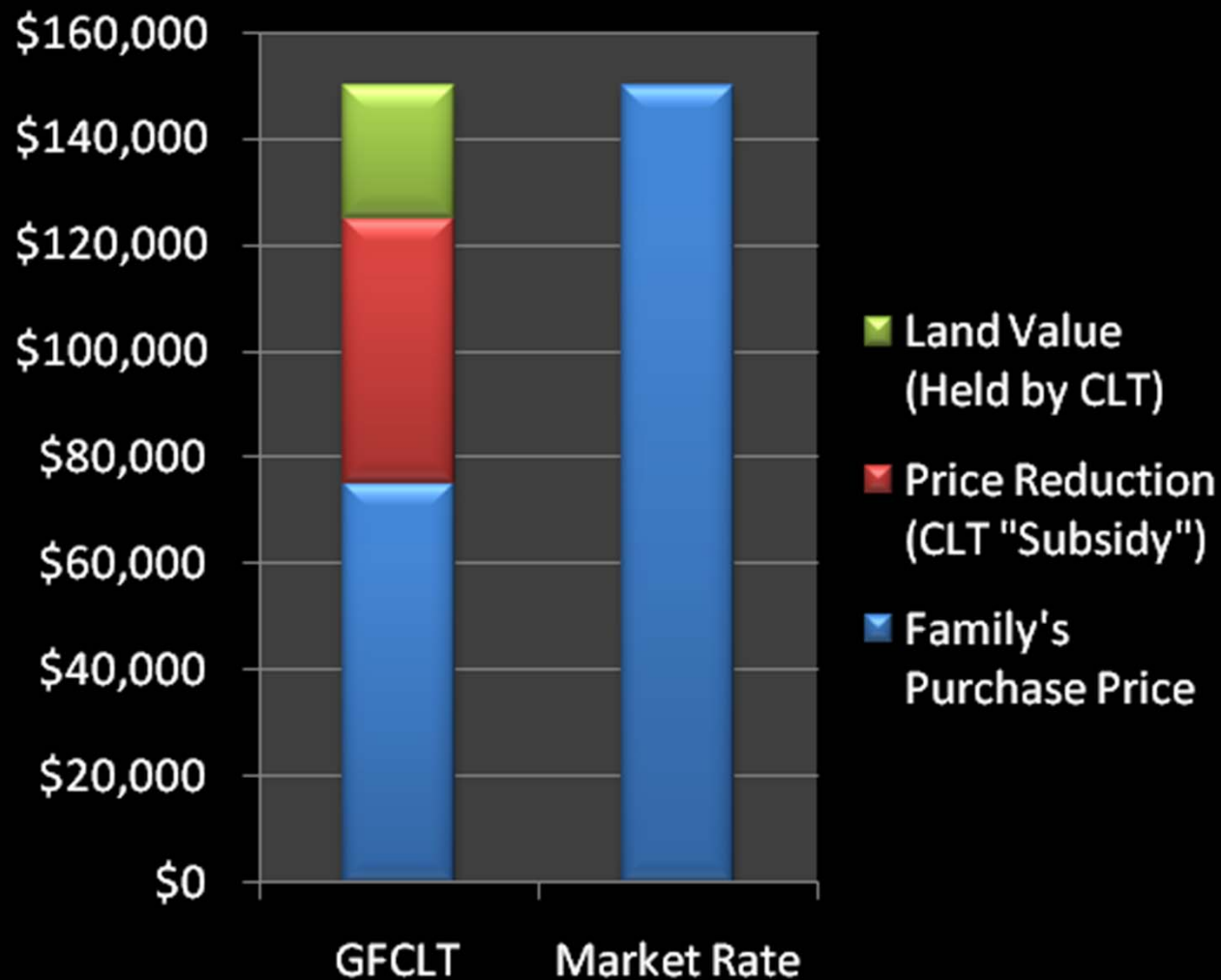
2. CLT Maintains Ownership of Land (\$25K)

$\$150,000 - \$25,000 = \$125,000$

3. Family can Afford \$75,000

CLT Provides \$50,000 in "subsidy"

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Expansion of CLT Principles

- Perpetual Affordability of Housing
 - Resale Formula Structured to meet the needs of the community
 - GFCLT Utilizes “Appraisal Based” Formula
 - Higher percentage of appreciation to homeowner encourages shorter tenure, lower percentage encourages longer tenure.

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Resale Formula (RF) Example:

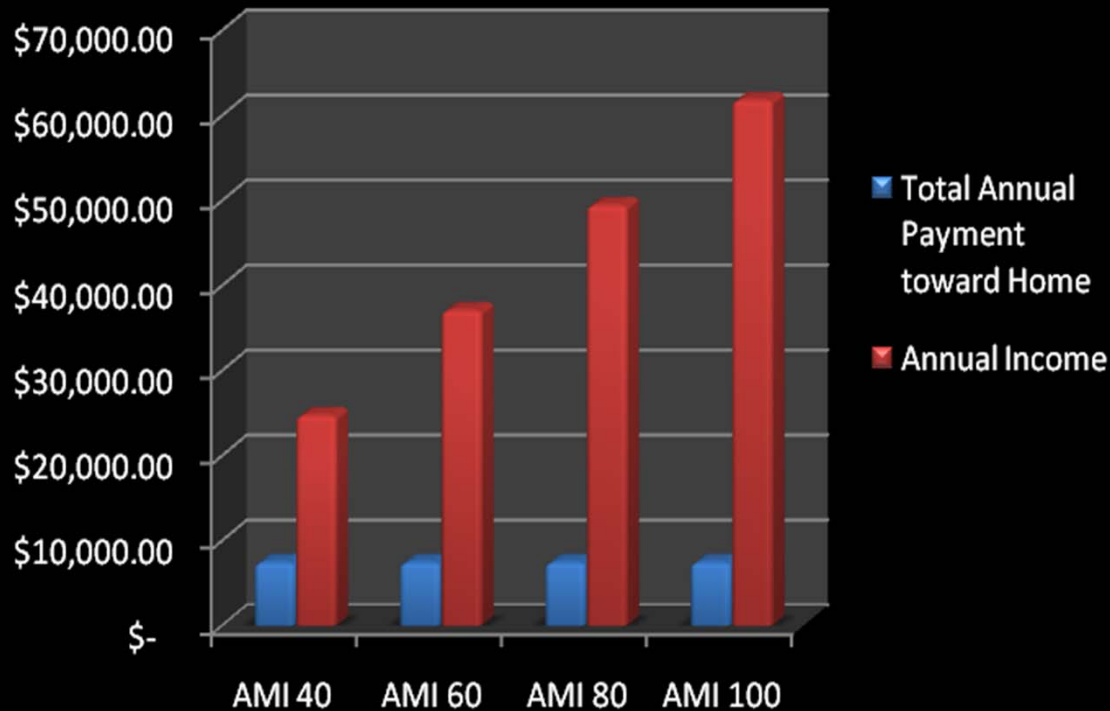
| | |
|------------------------------|--------------------|
| New Appraised Value @ Resale | \$200,000 |
| Original Appraised Value | - <u>\$150,000</u> |
| <i>Appreciation</i> | \$50,000 |

\$50,000 @ 40% = \$20,000

| | |
|--|-------------------|
| Home Owner receives their original portion | \$75,000 |
| Portion of Appreciation | + <u>\$20,000</u> |
| | \$95,000 |

Homeowner receives \$95,000 upon resale. If new family can afford more, GFCLT receives additional payment. If new family can afford less, GFCLT adds additional subsidy.

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Additional Savings:

A GFCLT family's basic house payment will not increase while they live in their home. This shows the increased difference between a family's income and their payment from when they purchase while earning 40% AMI until they move on to purchase a market-rate home, which requires an estimated 80-100% AMI.

This projection is for a family of 4 and assumes the original payment is 30% of the family's annual income.

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CLT Model + Housing Choice Voucher Home Ownership

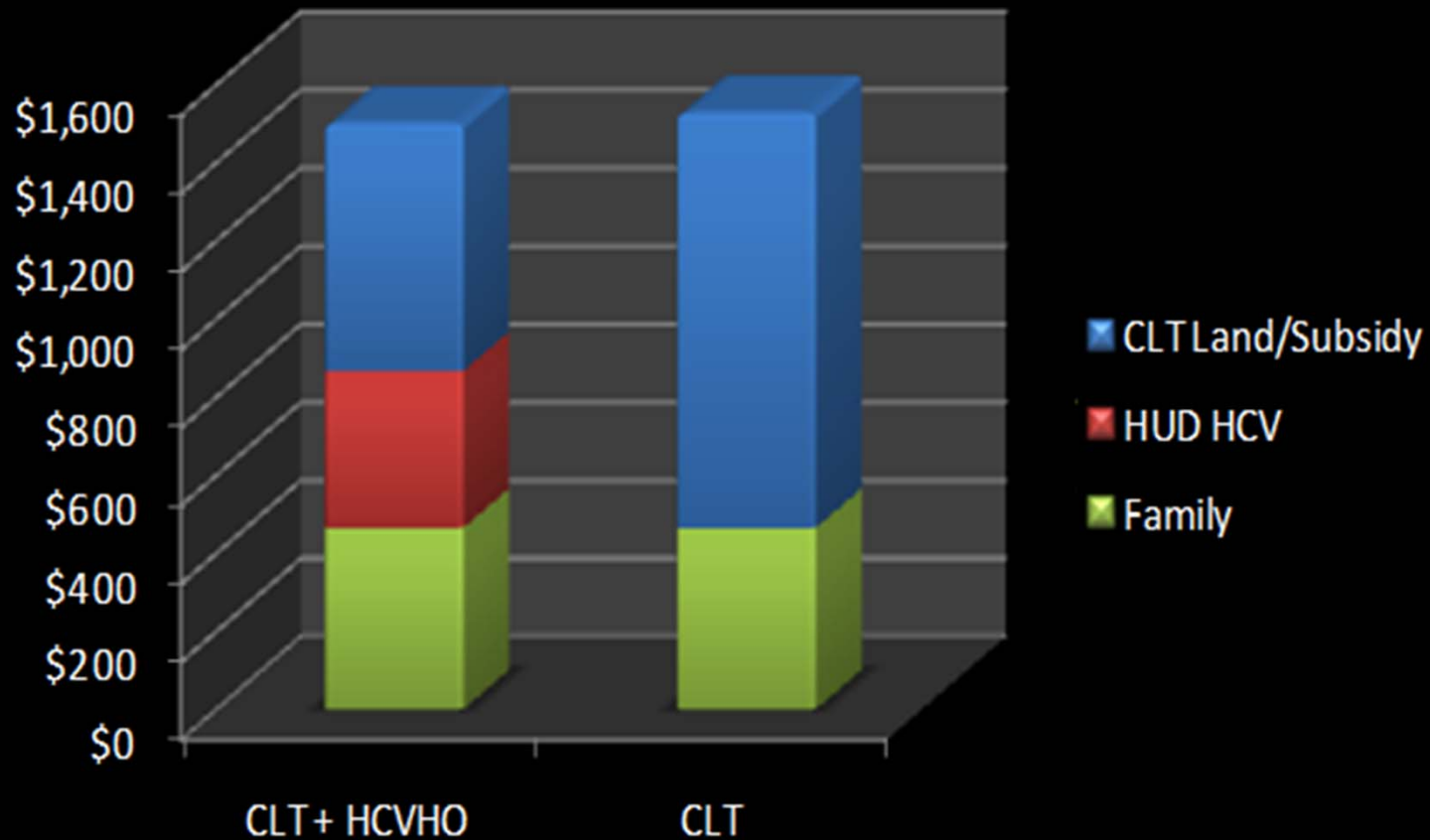
Family utilizing a HUD-Housing Choice Voucher may use their HCV for monthly mortgage rather than a monthly rent payment.

Example: Family of 4 in a 3 bedroom home

3 Bedroom Payment Standard = \$866/month

30% AMI Family can afford = \$464/month

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Expansion of CLT Principles

- Active Acquisition/Development Plan
 - CLTs are committed to improving their communities as well as providing affordable housing.
 - GFCLT is focused on work in the areas left without rehab after the flood of 1997.

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Sample CLT Properties



Midtown Exchange
Minneapolis, MN



11th Avenue Town Homes
Minneapolis, MN



Columbus Avenue Home
Minneapolis, MN

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Sample CLT Properties



Waverly Place Home
Duluth, MN



Potlatch Drive
Orcas Island, WA



Burlington Co-Housing
Burlington, VT

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Expansion of CLT Principles

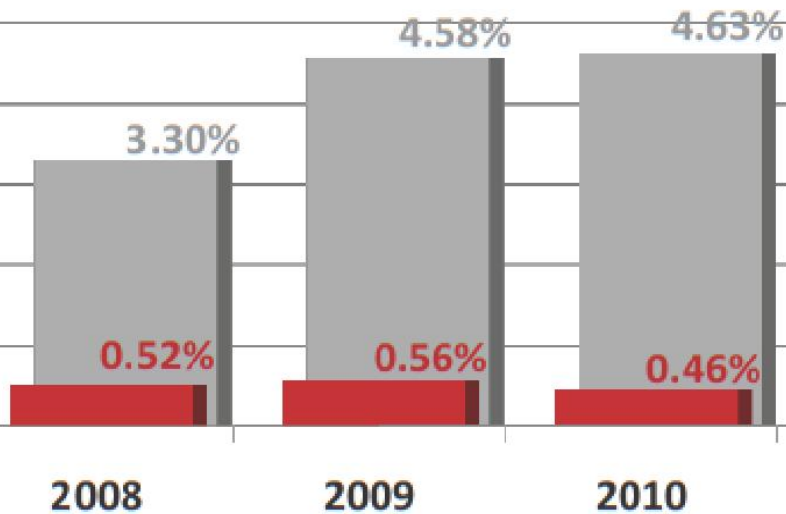
■ STEWARDSHIP

- Most important, consistent element of CLTs
- GFCLT requires pre-purchase homebuyer education through The Village
- Continued involvement throughout tenure, including monitoring of ground lease fee payment
- Resource for families moving on to market-rate purchases

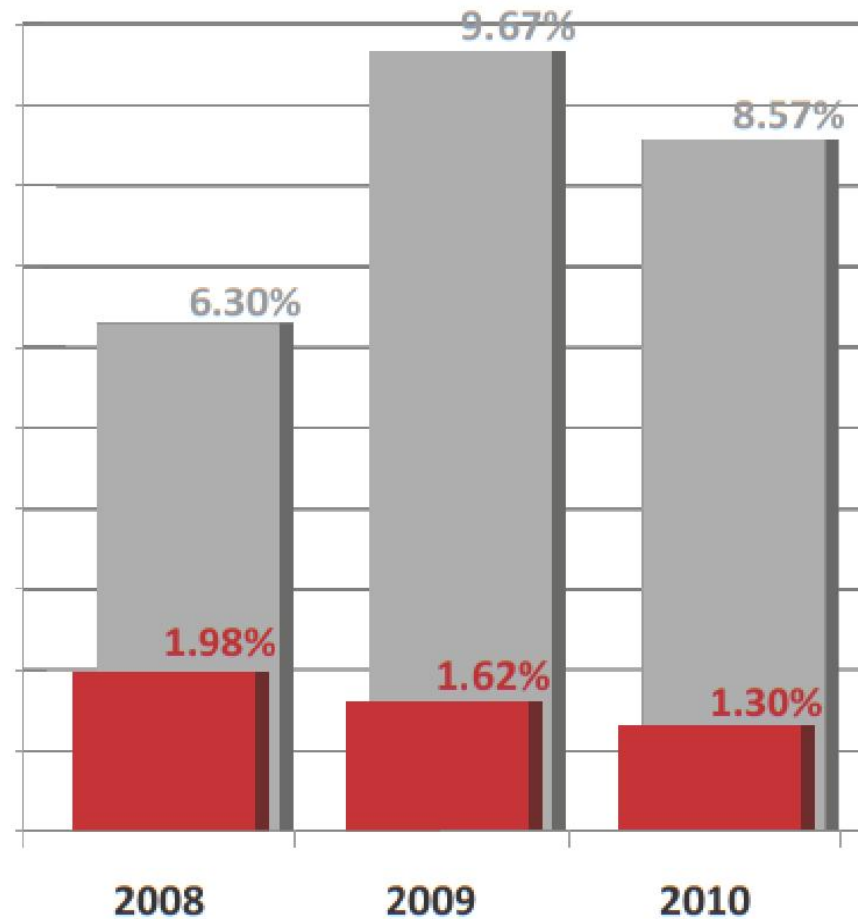
End of 2008-2010 Percentages of Foreclosure Proceedings & Seriously Delinquencies

■ CLT loans

■ MBA total loans



Foreclosure Proceedings



Seriously Delinquencies



Thaden, 2011

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GFCLT Today

- Breaking ground on first home this Monday
 - Home is designed with “Universal Design” principles rather than only ADA
- Anticipate adding 5 – 10 new homes to GFCLT’s portfolio in 2012
- Currently accepting pre-applications on our Web site, www.gfclt.org

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- Forms of Support
 - Federal funding programs
 - Primarily through HUD (CDBG, HOME, NSP)
 - Local Support
 - Donation of city infill lots
 - Corporate Giving
 - Bank CRA funds
 - Private Foundations/Donors
 - Bremer, Knight, United Way
 - Social Investors & Entrepreneurs

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- Other Resources
 - Local housing providers:
 - CHDO, Housing Authorities, Community/Urban Development offices, Economic Development, Community Action agencies...
 - National CLT Network: www.cltnetwork.org
 - Burlington Associates in Community Development (Burlington, VT)

GFCLT Board of Directors



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