



Lowry Hill East Neighborhood Association
Wednesday, November 17, 2021
6:30pm-8:30pm
Virtual

Board Members:

Pete Boisclair
Jessica Burge
Jason Garcia
Manny Minter - absent
Kevin O'Hara - absent
Eric Ortiz
Jordan Peacock - absent
Peter Schmitt
Mariah Weitzenkamp
Janet Wigfield
Dave Whorton - absent

Staff:

Paul Shanafelt
Nassise Geleta

Guests: Jake Soper, Staci Horwitz, Aisha Chughtai

Attendees: Mikey (full info unavailable)

Meeting Agenda:

- Call to Order & Welcome - *Eric Ortiz*
 - Welcoming statements
 - Meeting expectations
 - Ice breaker

- Approval of October Meeting Minutes - *Eric Ortiz*

- Approved
- Approval of Agenda and Rules of Order - *Eric Ortiz*
 - *Approved*
- Welcoming Ward 10 councilmember-elect - *Aisha Chughtai*
- [City of Lakes Community Land Trust](#) - *Staci Horwitz, Jake Soper*
 - General Info
 - What does it mean for individuals and families to own homes?
 - Community land trust model rose to the forefront
 - Not a huge shift in affordability upon resale
 - Commercial property has since split off into a separate org
 - No recertification to ensure that people stay low income following home ownership (in fact, it's encouraging if they don't)
 - Right of first refusal
 - 25/75 split is for price increases or decreases.
 - Out of pocket at time of closing is typically 1500-2000 for buyers.
 - Some people donate homes to CLCLT



Organization Background

- Service Area: City of Minneapolis
- Incorporated in 2002; currently at 7 FTE's
- 330+ homes in trust
- 430+ households assisted
- 100+ resales
- Realty LLC
- SF Homes, Duplexes, Multi-generational Homes, Condos, Townhomes
- Avenues for Ownership
 - Developer-Initiated
 - CLCLT-Initiated
 - Homebuyer Initiated Program (HIP)
 - Project: Sustained Legacy



Affordable, Responsible Homeownership Opportunity

Conventional Transaction

\$250,000 value

\$240,000 loan (assumes \$10k DP)

Principal + Interest = \$1,012

Taxes + Insurance = \$300

Mortgage Insurance = \$136

Ground Lease Fee = N/A

Total Monthly Cost = \$1,448

CLCLT Transaction

\$250,000 value

\$200,000 loan (\$50k from CLCLT)

Principal + Interest = \$843

Taxes + Insurance = \$300

Private Mortgage Insurance = \$0

Ground Lease Fee = \$20

Total Monthly Cost = \$1,163

Monthly savings of \$285/month



At CLCLT Homeowner Resale

Several years later...

Property value now: \$290,000

Less previous value: -\$250,000

Increase in value: \$40,000

Homeowner's Share
\$10,000 (25% of value increase)

CLCLT Property Share
\$30,000 (75% of value increase)



Retained Affordability for Next Household

Initial buyer's CLCLT price	\$ 200,000
plus initial buyer's share increase	<u>\$ 10,000</u> (25% of value increase)
New CLCLT buyer purchase price	\$210,000

OR, ANOTHER WAY TO LOOK AT THE RESALE

New Value	\$ 290,000
less CLCLT Share	- \$ 30,000 (75% of value increase)
less initial affordability investment	<u>- \$ 50,000</u>
New CLCLT buyer purchase price	\$210,000

The incoming CLCLT buyer would be purchasing the home for \$210,000 vs. \$290,000.

This also means the Initial CLCLT investment of \$40,000 has grown by \$30,000 to \$70,000



3 Avenues into Homeownership:

Homes for Sale

CLCLT partners with builders and developers to create new homes and sell them to CLT homebuyers at below-market prices. This also includes the resale of existing CLCLT homes and solely-developed properties by the CLCLT. Homes can be single family homes, duplexes, multi-generation homes, townhouses, and condos and remain affordable for future limited income buyers.

Project: Sustained Legacy

Assists existing homeowners facing financial challenges to remain in their homes and to address what is oftentimes substantial deferred maintenance on the home. P:SL allows existing low- to moderate-income Minneapolis homeowners to reset their financial obligations and return to safe, stable homeownership.

Homebuyer Initiated Program (HIP)

HIP helps families and individuals purchase and fix-up homes that are for sale in Minneapolis by providing both an affordability grant and a rehab grant.* HIP allows buyers to choose homes and neighborhoods in Minneapolis that meet their needs.

**Lender restrictions may apply. Not applicable to CLCLT resales or partner developments.*

- Q&A
 - Feasibility of commercial in conjunction with neighborhood associations?
 - Yes feasible, spun off into a separate program.
 - Not aware of NAs investing but there are public partners

- Will share additional info later
 - Nicollet & 26th one example
 - Duplex policy set up for multi-gen arrangements
 - Can LHENA advertise buyer-initiated?
 - All funds allocated atm
 - If people are interested, get on the waitlist
 - Once funding arrives, it goes to waitlist first
 - Peter: Possible to set up a geography-constrained fund?
 - Profit/revenue share after using seed funding?
 - Not sure; hesitant about recoverability of funds at time of resale being at odds with the goal of keeping things affordable.
 - What level of investment could pay dividends without impairing resale affordability?
 - Peter: any possibility to do a “LHENA scholarship” but limit eligibility to the neighborhood.
- President’s Report - *Eric Ortiz*
 - Crime & Safety issues - *group discussion*
 - LHENA’s role
 - *Took complaints/concerns to city re: 22nd/Lyndale building*
 - *Saturday morning ongoing informal calls, esp. re: shootings at Speedway.*
 - *Updates from Inspector Blackwell.*
 - *Will be sending out safety updates.*
 - Maria: appreciated the emails and the summary and the response from the inspector felt reassuring to have the communication, felt helpful.
 - Are there positive stories we can share?
 - Pete: Share best practices to help protect/mitigate
 - Discussions around how to show vulnerability, build connections
 - Support healthy options for youth in our community
 - Pete: What is the block club thing about?
 - Eric: Options that are being considered. Some exist already. Each block has their own community, but LHENA can be involved to help liaise.
 - There’s uncertainty with process.
- Executive Director’s Report - *Paul Shanafelt*
 - Q&A
 - **Motion A** (via Executive Committee): [Strategic Plan](#) extension
 - Motion: approval of extending the timeline of Strategic Plan by one calendar year. **Motion unanimously approved.**
- Treasurer’s Report - *Kevin O’Hara*

- **Motion B:** Treasurer's Report
 - Motion: LHENA approval of the monthly treasurer's report.
 - **Kevin was absent; treasurer's report will be emailed to board for electronic vote.**
 - *Report was approved via email*
- **Motion C:** LHENA 2022 Budget
 - Motion: approval of the [2022 LHENA budget](#) **Motion approved unanimously.**
- Committees, Projects, Work Groups and Programs.
 - LHENA Volunteer Network - *Nassise Geleta*
 - Formerly Neighbors Helping Helpers
 - Coat drive in planning stages
 - Looking into ride share, sidewalk maint.
 - Not looking to becoming a formal committee yet, but will be submitting minutes to the board
 - Will still be doing mutual aid, but requests have dropped lately and they are wanting to adapt
 - Environmental Committee - *Mariah Weitzenkamp*
 - Leaf Cleanup event went well despite snow
 - Can use them as mulch, put around trees, etc
 - No Parking signs created
 - Wave Bridge + Parks Initiative - *Peter Schmitt/Kevin O'Hara*
 - Looking into ownership structures, community engagements, and how we can improve that space for the neighborhood.
 - Volunteer Needs
 - Updates/Q&A
- New Business & Announcements
 - Board Social - *Pete Boisclair*
 - [LHENA Talk with Eric Won](#) - *Eric Ortiz*
 - Other?
- Adjourn