

A housing solution

North Star Neighbors, a community land trust, makes homeownership affordable for households in Northwest Minnesota.



What is a community land trust?

CLT homeownership is a lot like market-rate homeownership, with two unique characteristics:

- North Star Neighbors retains ownership of the land on which a CLT home sits, and
- In exchange for an affordable price at the time of purchase, homeowners agree to share the appreciation on their home based on a 25% appreciated-based resale formula.

This means that if a home's market value increased by \$100,000 during the time of ownership, the CLT homeowner would receive \$25,000 in appreciation at resale plus any principal they've paid down on their mortgage. NSN leaves the other \$75,000 of equity in the home, allowing the home to be sold at an affordable price again at resale.

There is no time limit on CLT homeownership!

The ground lease for North Star Neighbors is a 99-year renewable agreement, which means that as long as a homeowner complies with the ground lease, they and their designated heirs can own the home as long as they'd like.

For more information on buying through North Star Neighbors, visit our website <https://northstarneighbors.org/> or contact Trish at trishr@nwmf.org

Creating successful homeownership opportunities for limited-income buyers is our highest priority.

Lending requirements are a bit stricter than what buyers may have been pre-approved for on a market-rate purchase. That's because we want to be sure monthly payments will be affordable and buyers will be successful homeowners long-term.

If and when a homeowner decides to sell their home, the CLT will be there to assist throughout the process of finding another CLT-qualified buyer, passing the opportunity of CLT homeownership from one family onto the next!

ELIGIBILITY

North Star Neighbors homes are available to any resident or intended resident of the 12 counties of Northwest Minnesota (Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau) who meets the income limit, has sufficient credit to obtain a mortgage through a CLT-participating lender, and who plans to utilize their CLT home as a primary residence.

NORTH STAR NEIGHBORS PROGRAMS

North Star Neighbors offers two types of homebuying opportunities: 1. Acquisition of a NSN Portfolio Home (a home already in NSN's portfolio), or 2. Purchasing through the Homebuyer Initiated Program, which provides subsidy to buyers purchasing homes for sale in the local market, adding the home to NSN's portfolio at the time of acquisition. Because sales prices and subsidy options vary, we encourage those who have pre-qualified for mortgages of \$150,000 or more to submit a pre-application at www.northstarneighbors.org/pre-application. NSN will review and correspond with all applicants to determine the best option for each household.

SELECTION PROCESS & CRITERIA

Effective July 2026, North Star Neighbors will use a standardized selection policy when multiple income-eligible and otherwise qualified households express interest in the same home. When this occurs, NSN will apply a point-based system to evaluate household circumstances across four categories:

- Household Size Alignment — Higher points are awarded to households that closely match and fully utilize the home's bedroom count.
- Household Income — All applicants must fall below program income limits; additional points are awarded to households with lower incomes.
- Homeownership / Life Stage — Points are provided for First-Generation Homebuyers, First-Time Homebuyers, and households with at least one member age 65 or older.
- Previous NSN Applications — Eligible households receive 2 points for each prior qualified application in which they were not selected, up to a maximum of 10 points.

A defined application period will be established for each available home. Applications will be accepted for a minimum of 5 business days for homes listed on the MLS and 10 business days for homes not listed on the MLS. NSN reserves the right to close the application period early once 10 complete applications from apparently qualified applicants have been received. Interested parties are encouraged to apply as early as possible.

PARTICIPATING LENDERS

North Star Neighbors is in the process of building our list of participating lenders. If you have been pre-approved already, we are happy to speak with your lender about partnering with our program.



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