HOUSTON COMMUNITY LAND TRUST

NEW HOMES FOR SALE

PRICING:

Homes available from $65,000 to $81,000

Contact us for details

Monthly payments on Houston Community Land Trust homes range from $785 per month to $1000 per month, including taxes, insurance and fees.

Monthly payments may vary based on home size, interest rates, taxes, insurance and other factors.

Houston Community Land Trust homes are available to income-qualified buyers. If the combined income of everyone in your household is at or below 80% of the city's median income, you may qualify for a land trust home. Please see the table on the left for more information on eligibility.

AM I ELIGIBLE?

2020 HOUSEHOLD INCOME LIMITS	
Family Size	80% of the Area Median Income (AMI)
1	$44,150
2	$50,450
3	$56,750
4	$63,050
5	$68,100
6	$73,150
7	$78,200
8	$83,250

ADDITIONAL REQUIREMENTS

In order to qualify, applicants must:

✓ Be a U.S. citizen or resident alien

✓ Qualify for a fixed-rate mortgage

✓ Attend a required Homebuyer Education course and Community Land Trust orientation session

✓ Provide required income and asset documentation (earned and unearned income)

✓ Have limited debt

✓ Meet other program eligibility requirements

COMMUNITY AND LAND TRUST VS. CONVENTIONAL HOMEOWNERSHIP: WHAT'S THE DIFFERENCE?

SAME:

- The homeowner owns the home and enjoys exclusive use of the land.

- The homeowner obtains a mortgage with a bank.

- The homeowner accumulates equity in the home.

- The home and/or home equity can be inherited by the homeowner's spouse or children.

- The homeowner pays property taxes.

DIFFERENT:

- The initial home price substantially lower than the market value.

- The land trust owns the land and leases it to the homeowner for 99 years (renewable) for a nominal fee.

- Property taxes are substantially lower and are stabilized.

- The Houston Community Land Trust offers post-purchase support and connection to community resources.

- The resale price of the home is limited to ensure that the home remains affordable to future generations.

FOR MORE INFORMATION:

1. Attend a Houston community land trust orientation session. For a current orientation schedule, please visit www.houstonclt.org

2. Visit us online at www.houstonclt.org or call 713-512-5575 for more information.

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WHAT ABOUT TAXES?

Property taxes for HCLT homeowners are significantly lower when compared to other market rate homes. This is because the land and home are taxed at a value consistent with the restricted resale price of the home. Nevertheless, homeowners are responsible for paying all the taxes and assessments associated with their property.

HOW DOES HCLT GET PROPERTY FOR THE LAND TRUST?

HCLT partners with the City of Houston's Housing and Community Development Department to sell homes built under the New Home Development Program at deeply affordable prices.

WHAT ARE THE BENEFITS OF A LAND TRUST?

By providing upfront subsidies, HCLT ensures that homes are affordable to individuals earning less than 80% of the area median income. By limiting resale prices, HCLT ensures that these homes remain affordable for generations to come. In areas that are quickly gentrifying, this practice can be an important tool for allowing community members to stay in their homes despite skyrocketing market prices.

HOW DOES HCLT WORK WITH COMMUNITIES?

HCLT is community-directed with two-thirds of its board being comprised of community land trust homeowners and community representatives. Although HCLT operates citywide, its activities are neighborhood-based, meaning that the specific needs and wants of community members are considered when deciding where and how to build HCLT homes. HCLT also actively partners with community organizations and provides resources to help strengthen community connections and ensure that HCLT homeowners can be successful in their new homes.

WHERE ARE HCLT HOMES LOCATED?

Current listings can be found on our website at www.houstonclt.org/programs

For more information about Houston Community Land Trust, visit our website at **www.houstonclt.org**

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HOW IT WORKS:

1. Income-eligible homebuyers attend a HUD-certified homebuyer education class and a community land trust orientation session.

2. Homebuyer completes the application, gets a mortgage pre-approval from an approved lender and selects a HCLT home.

3. Homebuyer purchases the home at the HCLT price and leases the land from HCLT through a 99-year ground lease. This lease gives the buyer with full and exclusive use of the land.

4. Homeowner pays a monthly fee to HCLT to lease the land and contribute to the home's repair escrow fund ($100/month).

5. HCLT provides post-purchase services and community connections to help homeowners be successful.

6. When homeowners sell the home, they will receive their mortgage equity plus 1.25% of the original sales price for every year of ownership. The home will remain affordable for the next family.

WHAT IS THE PROCESS FOR SELLING AN HCLT HOME?

When a homeowner wants to sell his or her home, a formula is used to determine the sale price. 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 for the next lower-income family who buys the home.

HCLT allows homeowners to earn 1.25% in home equity for every year of homeownership. The example below shows how much home equity a homebuyer could earn when selling their home after 10 years.

$72,400	Initial purchase price of 3BR home
$75,000	Mortgage loan amount + financed closing costs
$9,050	Home equity (appreciation) to seller after 10 years of ownership
$81,450	Resale price of home at 10 year (price for next buyer)
$23,043	Cash to seller (less closing costs)

The resale price is the initial price ($72,400) plus 1.25 percent of the sales price for every year of ownership ($$72,400 x .0125 x 10 years = $9,050), which equals $81,450. The seller receives all the equity after paying the outstanding mortgage balance (assuming a 30-year mortgage at an interest rate of 5%). Prices are examples only.