Virginia Statewide Community Land Trust

AFFORDABLE HOMES NOW AND FOREVER

VSCLT is a 501(c)(3) nonprofit that partners with communities across the Commonwealth to create permanently affordable homes for low- and moderate-income families. Through an innovative, adaptable, and scalable approach rooted in the community land trust model, we empower Virginians to build lasting equity, stability, and opportunity for generations to come.

HOW DOES A COMMUNITY LAND TRUST (CLT) WORK?

CLTs create permanently affordable homes by retaining ownership of the land and selling only the house to an income qualified buyer. At closing, the homebuyer signs a 99-year Ground Lease which gives them rights to use the land and governs the relationship between the homebuyer and VSCLT.

VSCLT supports homeowners at every step along the ownership journey to ensure stability, safety, and success in their home.

WHY CLTS MATTER: GUARANTEED AFFORDABILITY

Because the homebuyer is only buying their home and not the land, the purchase price is more affordable. This also results in a smaller down payment and lower monthly mortgage expenses.

In exchange for buying the house at a lower price, a CLT homeowner agrees to pass on the gift and sell the home at a price that is affordable to someone in a similar financial situation, if they choose to sell in the future.

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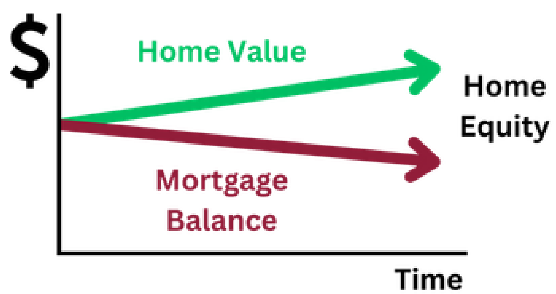
BECOMING A VSCLT HOMEOWNER

WHY BUY? RENTING VS. OWNING

Buying a home is one of the best ways to growth wealth to benefit you and your family. Every time you make a monthly mortgage payment, you build home equity by buying a little more of your home from the lender. Renting doesn't have the same effect because your entire payment goes to your landlord.



As the value of your home grows over time, the total amount of home equity grows as well. This home equity is available to owners to use as a down payment on a future home or for other important needs.

Even better, the interest a homeowner pays on their mortgage is deductible for federal income tax purposes, which reduces your total taxable income each year.

BENEFITS OF OWNING A VSCLT HOME

VSCLT provides affordable homeownership opportunities for buyers who earn low to moderate incomes.

Benefits of becoming a VSCLT homeowner include:

- Owners build wealth through paying down a mortgage and modest home price appreciation
- Homes are built or renovated to high quality standards
- Less upfront funds are needed because a smaller down payment is required for CLT homes
- Property taxes are reduced to reflect the affordable price of the home
- Homeowners use the land with a 99-year renewable lease, which provides long-term stability and certainty
- Homes and equity can be passed down to designated heirs
- Owners have an ongoing relationship with VSCLT for support and input into VSCLT governance

HOW IS OWNING A CLT HOME DIFFERENT?

GROUND LEASE

- The VSCLT Ground Lease gives homeowners a 99-year renewable contract to use the land underneath a VSCLT home. The Ground Lease governs the relationship between VSCLT and homeowners and includes program requirements and resale restrictions.

RESALE FORMULA

- The resale formula, included in the Ground Lease, determines the future resale price of your home should you choose to sell.
- Resale formulas allow modest annual appreciation to build wealth for homeowners while maintaining affordability for the next buyers.

HOME MAINTENANCE & IMPROVEMENTS

- By signing the Ground Lease, homeowners can make use of the land as if they own it. This also means homeowners have full responsibility for maintenance and upkeep of the home and the land.
- However, if the homeowner wishes to significantly upgrade the home or the land, a capital improvement request would need to be approved by VSCLT.

OTHER RESPONSIBILITIES

In exchange for the benefits of affordability, VSCLT homeowners agree to several responsibilities, including:

- Live in the home as their primary residence
- Pay an annual $100 Ground Lease fee to VSCLT
- Maintain the home and property in good condition
- Pay property taxes for both the home and land at a reduced assessment value

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