

SITKA
COMMUNITY LAND TRUST

Affordable
Home Ownership
for Alaskans

Alaska Municipal League
Spring 2024



Lingit Aani
Sheet'ka
Sitka, Alaska

What I want You to Learn:

What a community land trust is

How it achieves initial affordability

How it achieves permanent affordability

Something of our experience in Sitka

 **SITKA COMMUNITY LAND TRUST**

Community | Opportunity | Equity | Sustainability | Affordability

Sitka Community Land Trust

Sitka has an
Economic & Demographic Problem



SITKA COMMUNITY LAND TRUST

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Sitka Community Land Trust – est. 2014

Mission - The SCLT creates lasting affordable home ownership opportunities for people of low and moderate income in Sitka.

Vision - To sustain a healthy, economically diverse community by providing permanently affordable homes

The logo consists of a stylized mountain range with three peaks in shades of green and brown, set against a white background.

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Sitka Community Land Trust

Mission - The SCLT creates lasting **affordable home ownership** opportunities for people of low and moderate income in Sitka.

Vision - To sustain a healthy, economically diverse community by providing permanently affordable homes

Home
ownership

So people
stay in Sitka

Sitka Community Land Trust

Mission - The SCLT creates lasting affordable home ownership opportunities for people of low and moderate income in Sitka.

Up to 120%
of AMI

Vision - To sustain a healthy, economically diverse community by providing permanently affordable homes

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Sitka Community Land Trust

Mission - The SCLT creates lasting affordable home ownership opportunities for people of low and moderate income in Sitka.

Vision - To sustain a healthy, economically diverse community by providing permanently affordable homes

House value
remains
affordable to
same
income level
over time



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How a Community Land Trust Works:

- Land is acquired and placed in a 99 year Trust
- House is built and house deed separated from land deed
- Homebuyer buys only the house
- Land is leased for modest monthly fee - \$50 @ SCLT

Community Land Trust Economics

Initial Affordability & Permanent Affordability

Initial Affordability & Permanent Affordability

- No Land Cost
- Small House
- Whatever subsidies can be brought to bear

Initial Affordability Worksheet

1350 HPR		3 Bedroom Home
\$ 24,000	Land Prep	
\$ 11,000	Utility Infrastructure	
\$ -35,000	Rasmuson Foundation Subsidy	
\$ 240,000	Home Construction Costs	
\$ 12,000	Construction Loan Finance Fees	
\$ 4,000	Utility Connection Fees	Electric, Water, Sewage
\$ 24,000	Developer Fee	10% construction costs
\$ 280,000	Total Home Purchase Price	



Initial Affordability & Permanent Affordability

- Profit taking is limited at resale
- The resale formula which SCLT adopted:
 - Owner keeps all equity purchased by downpayment and monthly payments
 - + 25% of increase in appraised value

Resale Formula based on appraisals

\$ 280,000 initial home purchase price

\$ 330,000 initial appraised value

Hypothetical future appraisal at **\$430,000**

Seller gets equity + \$25,000 (25% appraisal increase)

House sold to income qualified person for **\$305,000**



Limiting Profit Taking at Resale is the Genius of the CLT Model

If the seller takes all of the increase in value
Then the house is no longer affordable
to a low to moderate income family



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\$280,000

1,100 Sq Ft

3 Bdrm
2 Bath

Purchased
Spring 2023



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1306 & 1410 Halibut Point Road



January 2017

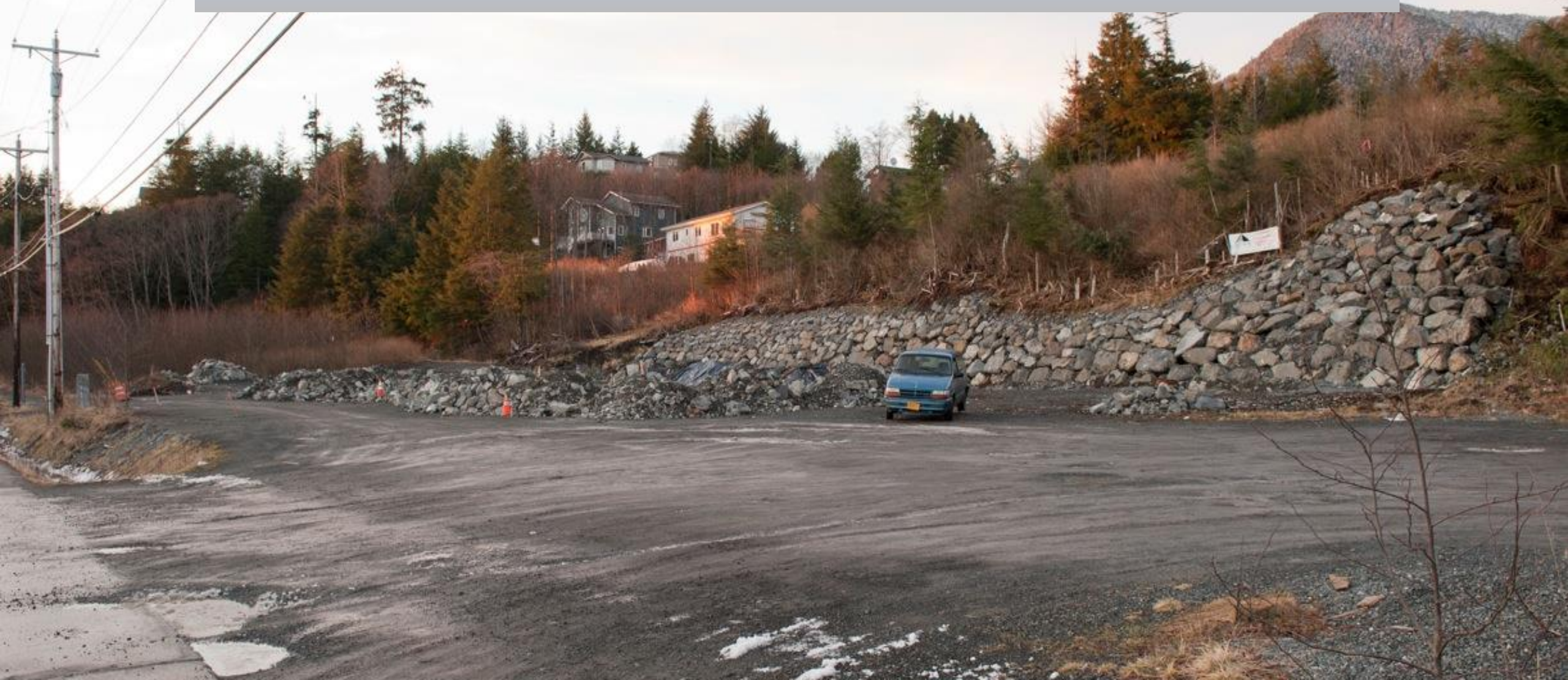


Spring 2017 - \$80,000 w/o Utilities



February 2018

Banner: Coming Soon! SCLT Cottages!

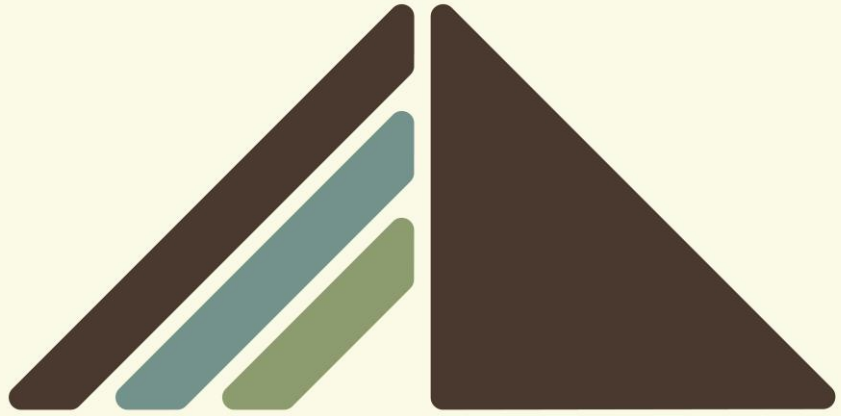


Spring 2020 – First house complete





S'us' Héeni Sháak Community, Spring 2024



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6 Home Designs

Small Homes

2 and 3 bedrooms

825 sf to 1,100 sf

- Spruce
- Cedar
- Alder
- Cottonwood
- Hemlock
- Elderberry



Cedar



Spruce



Hemlock



Elderberry



Alder



Cottonwood

	Beginning Appraised Value		Beginning Principal			
	\$ 330,000.00		\$ 263,500.00		(5% down)	
Year	Property Value w/ 5% increase	25% of increase in appraised value	Loan Balance owed	Equity purchased monthly	down payment	Owner take-away
1	\$ 346,500.00	\$ 4,125.00	\$ 260,817.00	\$ 2,683.00	\$ 16,500.00	\$ 23,308.00
2	\$ 367,290.00	\$ 9,322.50	\$ 257,415.00	\$ 6,085.00	\$ 16,500.00	\$ 31,907.50
3	\$ 389,327.40	\$ 14,831.85	\$ 253,804.00	\$ 9,696.00	\$ 16,500.00	\$ 41,027.85
4	\$ 412,687.04	\$ 20,671.76	\$ 249,970.00	\$ 13,530.00	\$ 16,500.00	\$ 50,701.76
5	\$ 437,448.27	\$ 26,862.07	\$ 245,900.00	\$ 17,600.00	\$ 16,500.00	\$ 60,962.07
6	\$ 463,695.16	\$ 33,423.79	\$ 241,579.00	\$ 21,921.00	\$ 16,500.00	\$ 71,844.79
7	\$ 491,516.87	\$ 40,379.22	\$ 236,991.00	\$ 26,509.00	\$ 16,500.00	\$ 83,388.22
8	\$ 521,007.88	\$ 47,751.97	\$ 232,120.00	\$ 31,380.00	\$ 16,500.00	\$ 95,631.97
9	\$ 552,268.36	\$ 55,567.09	\$ 226,949.00	\$ 36,551.00	\$ 16,500.00	\$ 108,618.09
10	\$ 585,404.46	\$ 63,851.11	\$ 221,459.00	\$ 42,041.00	\$ 16,500.00	\$ 122,392.11