

Multiple-Unit Project Next for Land Trust

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By Sentinel Staff

As the Sitka Community Land Trust makes plans to break ground on a multiple-unit housing project, it's still seeking a buyer for the first home it has built.

Land Trust president Randy Hughey spoke at the Chamber of Commerce, Wednesday about the newest project at the Old City Shops land on Halibut Point Road, and the groups' first home on Lillian Drive. The goal of the Community Land Trust is to create affordable housing for Sitka.



Mim McConnell and Randy Hughey talk about the Sitka Community Land Trust Project. (Sentinel Photo)

An open house for the Lillian Drive property will be held 5-7 p.m. next Thursday. The three-bedroom house was built on a 3,800 square foot lot given by the city for the purpose of increasing affordable housing.

The idea behind a land trust is to make “starter homes” affordable by removing the cost of the land from the price paid by the buyer. The resident owns the house, but the land it's on would be held in trust. When the owner eventually moves on and sells the house, there's a cap on the sale price, allowing the seller to make a profit but keeping the cost low for the next owner.

Hughey said the project at Lillian Drive has highlighted just how challenging it is to build affordable housing in Sitka.

“The reason there aren’t a lot of affordable houses on the market is because it’s really hard to do. We got a great education on that,” Hughey said.

Finishing touches are under way on the house, and the final cost to the trust is expected to be around \$250,000, he said.

Adding to the costs were the need to excavate and fill to a depth of 10 feet to provide a solid foundation. In addition, the 1,367 square-foot structure is bigger than the size used for estimates.

Still, the group figures that the purchaser will pay around \$1,100 a month based on estimates from Baranof Realty.

Responding to a question from the audience about the value of the lot itself, Hughey said estimates came in at around \$80,000. That cost is being deferred from the expense paid by the buyer because the land trust will retain ownership of the land.

Hughey said the CLT is hoping to do even better on affordable housing with the planned cottage neighborhood at the Old City Shops site located off Halibut Point Road. The group received a \$234,000 Rasmuson grant to begin work on the project, which is going to emphasize smaller homes.

The houses are on 4,000-square-foot lots, which is half of the minimum required in an R-1 zone, Hughey said.

The difference will be made up in shared spaces for the community, including parks and storage areas.

“Even though these houses are densely packed, they have a lot of the features of a larger lot,” he said.

Preliminary work is expected to begin this building season.

Hughey said the idea is not for low-income housing but for making it easier to buy a house than it currently is.

“We do not see this as just a low-income housing issue in Sitka but also a medium-income issue,” he said.