



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Members of the Assembly

From: Michael Scarcelli, Planning and Community Development Director
Maegan Bosak, Community Affairs Director

Subject: Critical Areas Ordinance

Date: May 2, 2017

In response to the August 18, 2015 landslides, community discussion began regarding a City response to the risk landslides posed to human life, public safety, and property. Initially, the municipal discussion centered on hazard mapping. Staff presented to the Planning Commission and the City Assembly the pros and cons of such mapping. The pros included enhanced safety to persons and property and increased knowledge of hazard information. The cons included possible impact to property values or sales and impacts on development costs. Safety was a key concern in many of the discussions. The Planning Commission and City Assembly voted unanimously in support of city-wide mapping.

Currently, subdivision code (SGC 21.40.010) ceases subdivision of any lands which have been found to be unsuitable for development unless the hazards are eliminated or will be overcome. In addition, the International Building Code prevents the Building Official from issuing permits or certificates of occupancy in hazard areas unless geotechnical analysis and mitigation is completed. The proposed ordinance is one means to offer flexibility and options for development and occupancy by allowing property owners to know the risks and to choose to mitigate the risks or accept the known risks, while protecting the financial interests of City and Borough of Sitka on behalf of all Sitkans. The proposed ordinance is a less restrictive option than the current scenario.

As we can best tell, the waiver option for the proposed ordinance would not negatively impact the ability to get a mortgage or receive special insurance. According to local agents and other research, properties within 1 mile of an existing debris flow of any type, or identified in a high or moderate risk zone, would have a low probability of securing such insurance¹ even if the proposed ordinance

¹ Insurance exempts under standard homeowners insurance landslide, mudslide, mudflow, & debris flow. Difference in conditions (aka surplus or specialty insurance) is where additional coverage for such events may be purchased. However, this is a non-option for most properties in Sitka. Staff research reports that local agents/companies do not provide landslide coverage at this time however FEMA and other DIC specialty insurance lines may.

did not exist. This is primarily an issue between the finance industry and the existing presence of landslides and risk mapping – not the proposed ordinance.

Whether the finance industry would finance the purchase of homes within 1 mile of landslides or found within known and mapped risk areas without ‘special insurance’ is uncertain and speculative, but also not negatively affected by the proposed ordinance. Representatives of the finance industry have not responded to staff inquiries. Further, there are existing homes that have been financed within these areas. How the finance industry acts tomorrow may change and the concern is valid, but separate from this ordinance.

Ultimately, the mapping has begun. The City, community, and finance industry may have to change in response to these new risks. And the proposed ordinance, if adopted, may also have to change as things develop. However, staff do not see the proposed ordinance as being the direct causal factor for potential impacts to the banking or insurance markets.

For approximately the past year, staff have been working together diligently, analyzing other municipal landslide or hazard ordinances, and consulting outside legal counsel. The ordinance proposed provides for responsible risk management without stifling future development.

Proposed motion: Approve the ordinance.