



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Planning Commission Members
From: Katie Riley, Assembly Member
Date: April 8, 2026
Subject: Proposed Accessory Dwelling Unit Code Changes

Background:

The goal of this memorandum is to address the housing crisis in Sitka by altering city code regarding the construction of Accessory Dwelling Units (ADUs). Many communities are altering their ADU code as a way to address increasing housing pressures. The amendments are inspired by changes made in Petersburg, Ketchikan and Juneau, which have taken efforts to incentivize ADU construction, and streamline permitting processes.

It is generally acknowledged that Sitka suffers from a housing crisis. The lack of affordable housing in Sitka disproportionately impacts the economy, as stated in the 2024 State of Sitka's Economy report conducted by Sitka Economic Development Association (SEDA) and Rain Coast Data, Inc. It has been recognized that the decline of workforce age population and vacancies in jobs are caused and exacerbated by this housing shortage.

Accessory Dwelling Units are one tool that communities can utilize to increase the range and affordability of housing stock, provide additional affordable rental options, and meet the needs of changing demographic conditions. The current existing codes regulating the construction of ADUs create an unnecessary burden and create significant hardship for builders, which deters people from pursuing this housing solution. The current code also does not permit for the creation of a pre-approved design process to facilitate expedited ADU construction. This ordinance proposes six changes to the ADU code with the aim of making ADUs easier to construct and making homeownership more affordable for a broader range of Sitkans.

1. Expand zones where ADUs are permitted by right, and by conditional use permit
2. Update design standards for increased flexibility
3. Allow tiny homes on chassis and on foundation to be permitted as ADUs
4. Clarify exterior entrance requirements
5. Allow for construction of an ADU as a 'temporary primary residence'
6. Allow for temporary use of ADUs as short-term rentals

The current code and amendments are as follows:

1. **Expand zones where ADUs are permitted by right and by conditional use permit**
 - Under 22.220.160 (C)(1), ADUs are only permitted on zones R-1 and R-2 and related districts, exclusive of MH and MHP.
 - **Proposed amendment:** ADUs are a **permitted** use by right in all zones where duplexes are allowed: R-1, R-1MH, R-2, R-2MHP, C-1, C-2, WD, GI, LI. ADUs are a conditional use in all other residential zones.
2. **Update design standards for increased flexibility**
 - Condition 22.220.160 (C)(8) states “ADUs must be designed so that the appearance of the structure maintains, to the greatest extent possible, the appearance of a single-family property.”
 - **Proposed amendment:** Accessory Dwelling Units shall comply with objective design standards applicable to residential structures, including height, setbacks, and lot coverage. ADUs constructed using pre-approved ADU plans shall be deemed compliant with design compatibility requirements. Exterior materials and roof forms should be generally consistent with the primary dwelling where feasible.
3. **Allow tiny homes on chassis and tiny homes on foundation to be permitted as ADUs**
 - Condition 22.220.160 (C)(6) states, “mobile homes, travel trailers and recreational vehicles shall not be used as an ADU.
 - **Proposed amendment:** Tiny homes on chassis and tiny homes on foundation are permitted as ADUs subject to the requirements of subsection 6(a) and 6(b) of this section and any applicable building and housing code requirements.
 - a. A tiny home used as an ADU on chassis shall be titled and registered as a manufactured structure as required by applicable state law, shall be placed on a permanent or semi-permanent pad or foundation connection, shall be connected to all required utilities, and shall comply with all applicable setback, lot coverage, and height requirements of the applicable zoning district.
 - b. A tiny home used as an ADU on foundation shall be constructed on a permanent foundation in compliance with the State of Alaska Building Code, and shall comply with all applicable setback, lot coverage, height, and dimensional requirements of the applicable zoning district.
4. **Clarify exterior entrance requirements**
 - Condition 22.220.160 (C)(9) specifies that, “if a separate external entrance for the ADU is necessary, where possible, it shall be located on the side or rear of the structure. On a corner lot, where there are two entrances visible from either street, where possible, solid screening is required to screen at least one of the entrances from the street.”
 - **Proposed amendment:** Exterior entrances for ADUs may be located on any building façade. For ADUs constructed using pre-approved plans, entrance location shall be permitted as shown on the approved plan and shall not require additional screening or modification. Where practicable, entrances facing a public street should incorporate

design features such as setbacks, landscaping, or architectural detailing to reduce visual prominence.

5. Allow for construction of an ADU as a ‘temporary primary residence’

- *Need to change definition of an ADU / add qualification for temporary primary residence.*
- *This temporary primary residence must be for occupancy by owner, and is not eligible for a conditional use permit.*
- **Definition:** 22.05.100 An “accessory dwelling unit (ADU)” is a second dwelling unit that is located on the same parcel as the primary single-family dwelling unit. **An ADU can also be a ‘temporary primary residence’ that meets ADU specifications and is constructed on an empty lot, and is then converted to an ADU after construction on the primary residence is finished.** An ADU must provide a complete, independent residential living space and shall include provisions for living, sleeping, eating, cooking and sanitation. Accessory dwelling units are further regulated under Chapter 22.20 SGC and other sections of this title. (Ord. 13-14A § 4, 2013; S.G.C. § 22.08.025.)
- 22.20.160 (B) states: “*Creation.* An accessory dwelling unit (ADU) is a second dwelling unit that is located on the same parcel as the primary single-family dwelling unit **or a ‘temporary primary residence’ that is located on an empty parcel before a primary residence is built.** ADUs must provide a complete, independent residential living space and shall include provisions for living, sleeping, eating, cooking and sanitation. ADUs can be studio-sized units, and one- and two-bedroom units. An ADU may be created through the following methods:
 - Constructing a detached ADU on a parcel with an existing single-family home.
 - Constructing a new single-family home with a detached ADU.
 - **Proposed amendment:** Constructing an ADU as a temporary primary residence on an empty parcel, and converting it to an ADU once a primary residence is constructed
- 22.20.160 (C) (4) states: “4. The ADU must be located on the same parcel as the primary dwelling unit”
 - **Proposed amendment:** “The ADU must be located on the same parcel as the primary dwelling unit. An ADU can exist as a temporary primary residence provided that the applicant submits preliminary plans detailing the specifications of the primary dwelling unit, including estimated dimensions and positioning on the parcel.

6. Allow for temporary use of ADUs as short-term rentals

- 22.20.160 (C) (2) states “ADUs are intended for long-term rental use only. Rental of an ADU for a period of less than 90 consecutive days is prohibited. ADUs shall not be used for short-term vacation rentals and/or bed and breakfast purposes.”
- **Proposed amendment:** ADUs are intended for long-term rental use. However, to facilitate more affordable homeownership, there shall be a **x year/month period** commencing upon issuance of a certificate of an occupancy certificate, for which an

ADU may apply for a conditional use permit for a short-term rental. The short-term rental period shall be limited to x days per year. The permit will lapse upon transfer or sale of the property.

Analysis

Sitka's housing issues have been widely documented in strategic and comprehensive plans, and solutions are a topic of ongoing discussion over the past 20+ years. This action would directly address Strategic Plan Goal 1.1: Identify and pursue opportunities to address housing needs through policies and CBS assets. Additionally, this action is aligned with priority actions in the Housing chapter of the Comprehensive Plan, including goals H1.1a: allow, encourage, and promote accessory dwelling units by right in more zones, and H1.1e: encourage higher density development.

The 2024 Sitka Housing Summit hosted by the City and Borough of Sitka, Baranof Island Housing Authority and Sitka Tribe of Alaska discussed action items related to facilitating the construction of more ADUs. The summit attendees identified the following solutions as priority ideas: 1) develop options to create new housing at higher densities to reduce costs and 2) develop incentives for creation and retention of year-round housing for Sitka residents. The proposed code changes will accomplish many of the City's longstanding goals towards increasing the proliferation of ADUs as a housing solution.

Many communities within Alaska are changing their ADU code to facilitate increased construction. The changes within this code rewrite take inspiration from ADU code and ADU incentivization programs in Juneau, Ketchikan, and Petersburg. Juneau and Ketchikan, both allocate money to administer grants to those interested in ADU construction. In Petersburg, the government has pre-approved designs for ADUs to streamline their construction. These policies not only simplify the process for those considering or undergoing construction on ADUs, but they also pave the way for ADU funding mechanisms that incentivize their construction.

Currently, the proposed amendments include reference to a pre-approved ADU program that is in development as a collaboration between the Planning Department and the SEDA, inspired by the program in Petersburg. SEDA is currently in the process of procuring pre-approved ADU designs from local architects to donate to the CBS.

Fiscal Note

These code changes does not have a fiscal cost to the City and Borough of Sitka.

Recommendation

The Planning Commission should provide any feedback on the proposed changes and input for additional changes desired. The Commission should also address the questions around the short-term rental conditional use permit for ADUs and any other clarifications needed. If the commission supports the code changes, they should recommend passage to the Assembly.