



CITY AND BOROUGH OF SITKA

Meeting Agenda

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey

Wednesday, October 5, 2016

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

[PM-12](#) Approval of the September 20, 2016 meeting minutes.

Attachments: [Minutes 9 20](#)

IV. REPORTS

V. THE EVENING BUSINESS

[MISC](#)
[16-01.13](#) Sitka's Housing and the Comprehensive Plan. Activities to include a discussion of the current status of housing, discussion of housing goals, and a small group mapping exercise.

Attachments: [Oct 5 Planning Commission Packet-Housing](#)

VI. PLANNING DIRECTOR'S REPORT

VII. PUBLIC BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to planning@cityofsitka.org, or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: September 26 and 28



CITY AND BOROUGH OF SITKA

Legislation Details

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Title: Approval of the September 20, 2016 meeting minutes.
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Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey

Tuesday, September 20, 2016

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Chair Spivey called the meeting to order at 7:00 PM.

Present: Spivey, Windsor, Pohlman, Hughey
Absent: Parker Song - excused

II. CONSIDERATION OF THE AGENDA

Chair Spivey reported that items F and L had been pulled from the agenda.

III. CONSIDERATION OF THE MINUTES

A Approval of the minutes from the September 6, 2016 meeting.

Hughey/Pohlman moved to **APPROVE** the September 6, 2016 meeting minutes.
Motion **PASSED** 4-0.

IV. REPORTS

B Planning Regulations and Procedures.

V. THE EVENING BUSINESS

C Six-month review of a conditional use permit request granted for a specialized instruction school at 213 Harbor Drive. The property is also known as Lot 2 of Wilmac Resubdivision. The request is filed by Terry Bartolaba. The owners of record are Gene and Terry Bartolaba.

Pierson explained the history of the request. The permit was approved in April 2016 with a condition of approval that the Commission would conduct a 6 month review to assess progress toward occupancy requirements. The speed of work has been satisfactory, and the only remaining task is to install panic doors. The Building Official has allowed the school to move into the facility. Staff recommend approval with the condition of another 6 month review.

Windsor/Pohlman moved to **APPROVE** the 6-month review of the conditional use permit granted to Terry Bartolaba for a specialized instruction school at 213 Harbor Drive, with the condition that a review will occur in 6 months to

assess progress toward occupancy. The property is also known as Lot 2 Wilmac Resubdivision. The owners of record are Gene and Terry Bartolaba.

Motion PASSED 4-0.

D

Public hearing and consideration of the final plat of a minor subdivision at 211 Shotgun Alley, zoned SFLD Single Family Low Density Residential. The subdivision would result in four lots. The property is also known as Lot 2 of Johnstone Subdivision Replat. The request is filed by Barth Hamberg. The owner of record is Barth Hamberg.

Scarcelli explained the request. Scarcelli stated that he visited the downhill property after a rain event, and the drainage system was not overflowing, although some runoff did occur. The application complies with existing subdivision codes and the Comprehensive Plan. The increase to runoff is reasonable. Staff recommend approval.

Barth Hamberg stated that his application has been covered thoroughly.

No public comment.

Scarcelli stated that Hamberg is following the code. Pohlman stated that she has problems with the findings of fact, and the covenants were to protect the downhill property. Pohlman stated concern with the findings of fact statement that the harm experienced by the downhill property is caused by the downhill owners' action.

Hughey/Windsor moved to AMEND item E in the recommended staff findings to state that the proposal "Is a reasonable use of the property and existing natural drainage system."

Motion PASSED 4-0.

Hughey/Windsor moved to APPROVE the findings of fact for the final plat for the Cedars Subdivision, subject to the attached condition of approval, for a 4 lot minor subdivision at 211 Shotgun Alley, zoned Single Family Low Density Residential. The property is currently legally described as Lot 2 of Johnstone Subdivision Replat. The request is filed by Barth Hamberg. The owner of record is Barth Hamberg. It is found that the project:

- a. Complies with all applicable zoning regulations, specifically because minimum lot size and dimensions have been met by providing lots that range from 15,029 square feet to 80,796 and on average exceed the width of 80 feet, which further the intent of the zone for less density;
- b. Complies with subdivision regulations, specifically because those criteria addressed in Section 21.40 have been surpassed, and the drainage assessment has been approved by the Municipal Engineer as compliant with the 2013 Stormwater Management Plan;
- c. Does not pose a negative impact to the public's health, safety, or welfare because the proposal as set forth in the application, final plat, recorded covenants, and drainage assessment complies with the subdivision code and it is a reasonable development of a minor subdivision;
- d. Has not caused any apparent unreasonable or substantial direct harm, and further that any potential for harm has been adequately and reasonably addressed in the drainage report, the condition of approval, existing

restrictions and covenants, and/or through development standards and permit review;

e. Is a reasonable use of the property and existing natural drainage system; and

f. Follows the objectives in the Comprehensive Plan by providing for conflict resolution, orderly development of residential land of adequate size and access without adversely impacting surrounding land uses.

Motion PASSED 4-0.

Pohlman/Windsor moved to **APPROVE** the final plat for the Cedars Subdivision, subject to the attached condition of approval, for a 4 lot minor subdivision at 211 Shotgun Alley, zoned Single Family Low Density Residential. The property is currently legally described as Lot 2 of Johnstone Subdivision Replat. The request is filed by Barth Hamberg. The owner of record is Barth Hamberg:

a. Condition of Approval: All subject lots, future sales, and development comply with recorded restrictive covenants of record that state to effect that lots shall not be further subdivided; further, the main stream shall not be filled or otherwise impacted to prevent it from flowing in a free state or would impact natural water levels of such stream; development shall be done with a trained soil scientist, hydrologist, or engineer to prevent soil wasting or erosion to insure no adverse erosion will occur to properties located below said parcel; development shall strive to maintain the natural character of the land with an effort to emphasize the natural landscape with locally appropriate flora; and all of these conditions shall run with the land.

Motion PASSED 4-0.

E

Public hearing and consideration of the final plat of a minor subdivision at 204 Jeff Davis Street, in the R-2 Multifamily Residential District. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock.

Scarcelli described the request for the subdivision to result in 2 lots. The property has received a variance for substandard lot size. The property currently has a 40 foot access and utility easement, and this easement will remain after the subdivision is complete. Scarcelli showed photos of flagging. Staff recommend approval.

Randy Hitchcock stated that he believes all the information has been presented.

No public comment.

Hughey/Windsor moved to **APPROVE** the findings of fact that the final plat for a minor subdivision request for 204 Jeff Davis Street, in the R 2 zone, is not detrimental the public's health, safety, and welfare nor injurious to nearby parcels and that it complies with all applicable development standards and the comprehensive plan. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock.

Motion PASSED 4-0.

Hughey/Pohlman moved to **APPROVE** the final plat for a minor subdivision request for 204 Jeff Davis Street, in the R 2 zone. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock

Motion PASSED 4-0.

- F** PULLED - Public hearing and consideration of a conditional use permit for a short term rental located on a boat in Crescent Harbor 6-45, 500 Lincoln Street, in the P Public zone. The property is also known as a portion of ATS 15. The application is filed by Tiffany Justice and Ben Timby. The owner of record is the City and Borough of Sitka.

Item **PULLED** by applicant.

- G** Public hearing and consideration of a conditional use permit for a short term rental located on a boat in Crescent Harbor 1-24, 500 Lincoln Street, in the P Public zone. The property is also known as a portion of ATS 15. The application is filed by Bruce and Ann-Marie Parker. The owner of record is the City and Borough of Sitka.

Scarcelli stated that short-term rentals on boats have had much discussion in the public process over the past year. Scarcelli stated that staff have tried to receive input from Port and Harbors, but the last meeting was cancelled due to quorum. Conditions of approval would allow Port and Harbors to have input. The harbor is on city infrastructure on ATS 15. Scarcelli stated that, during a site visit, the boat felt just like a home with full-sized appliances. Informational signs were posted. First aid supplies and an AED were available. The applicants have insurance on the vessel. Staff recommend approval.

Hughey asked about life safety issues, as concerns were previously raised for egress in tiny homes. Hughey asked specifically how the building department will evaluate the safety of bedrooms. Scarcelli stated that the building department has not devised review guidelines. Scarcelli stated that the direction from Administration, Assembly, and Port and Harbors Commission was to move forward a standard that is not too onerous on applicants. Hughey stated that he understands Scarcelli as stating that the Fire Marshal will use his best judgement in review. Scarcelli stated that is correct. Spivey stated that Coast Guard guidelines may be included in review. Spivey stated that he is somewhat uncomfortable moving forward without the item being approved by Port and Harbors. Scarcelli stated that the liveaboard status complies with Harbor regulations. Scarcelli stated that Port and Harbors does not meet in the summer, and sometimes has difficulty gathering a quorum. Pohlman stated that the boat is not a home, as it does not have windows that can be pushed out like a home. Pohlman stated that Coast Guard approval should be required. Windsor stated discomfort with approving an item with standards to come later.

Ann-Marie Parker stated that her vessel is 5 star certified by the Coast Guard, which is the highest level of safety rating. The vessel has 5 doors for escape routes. Stateroom windows do not open for water-related reasons. Parker stated they use the vessel primarily 6 months out of the year, and plan to rent to one entity at a time. Parker stated that she has not received any specific

support or opposition from other boat owners. Parker stated that they would not rent when they are out of town. Hughey stated that he believes this is a marvelous thing to try, and if this boat does not meet standards, few will.

No public comment.

Spivey stated that he does not see people staying on a boat if they aren't comfortable with boats. Spivey stated concern with the open-ended nature of building department review and review from Port and Harbors. Spivey would like the building department to use Coast Guard review. Hughey asked about Coast Guard, Fire Chief, Harbormaster, and Fire Marshal coming together to talk to the commission about safety review. Spivey stated that the building department knows building code, but we are not dealing with buildings. Scarcelli stated that he will coordinate a meeting with relevant parties regarding safety review.

Hughey/Windsor moved to POSTPONE until more information can be gathered on safety review and Port and Harbors Commission can provide input.

Motion PASSED 4-0.

Commission took a 5 minute break.

H

Public hearing and consideration of a preliminary plat of a minor subdivision on Whale Island, zoned GI General Island. The request would result in 3 lots. The property is also known as Lot 2 Tract A US Survey 3556. The request is filed by David Russell. The owner of record is John W. Williams.

Pierson described the request for a 3 lot minor subdivision on Whale Island. The lots are of sufficient size, all have ocean access, and no easements are involved. Staff recommend approval of the preliminary plat.

David Russell stated that the request is straight-forward. Pohlman clarified that Russell's reason for buying two lots is to have ease in selling in the future. Russell stated yes.

No public comment.

Spivey stated that it is cut and dry.

Pohlman/Hughey moved to APPROVE the findings 1) that the proposed minor subdivision complies with the comprehensive plan by providing for the development of additional housing options; and 2) that the minor subdivision would not be injurious to the public health, safety, and welfare.

Motion PASSED 4-0.

Pohlman/Windsor moved to APPROVE the preliminary plat of a minor subdivision of a portion of Whale Island, also known as Lot 2 Tract A US Survey 3556. This approval is contingent upon the correction of plat note one. The request is filed by David Russell. The owner of record is John W. Williams.

Motion PASSED 4-0.**I**

Public hearing and consideration of a preliminary plat of a minor subdivision on Whale Island, zoned GI General Island. The request would result in 2 lots. The property is also known as Lot 5 Tract A US Survey 3556. The request is filed by Donald and Patricia Lehman and Eric Speck. The owners of record are Donald and Patricia Lehman and Eric Speck.

Spivey stated that he knows the applicants. Commissioners did not ask him to step down.

Pierson described the request for a 2 lot minor subdivision. The proposed lots are in excess of the minimum lot size. Both lots would have ocean access. Easements are platted for utilities and beach access. Staff recommend approval of the preliminary plat.

Donald Lehmann, Patricia Lehmann, and Eric Speck made themselves available for questions.

No public comment.

Windsor/Pohlman moved to APPROVE the findings 1) that the proposed minor subdivision complies with the comprehensive plan by providing for the development of additional housing options; and 2) that the minor subdivision would not be injurious to the public health, safety, and welfare.

Motion PASSED 4-0.

Windsor/Pohlman moved to APPROVE the preliminary plat of a minor subdivision of a portion of Whale Island, also known as Lot 5 Tract A US Survey 3556. The request is filed by Donald and Patricia Lehmann and Eric Speck. The owners of record are Donald and Patricia Lehmann and Eric Speck.

Motion PASSED 4-0.**J**

Public hearing and consideration of a conditional use permit request for a daycare at 514 Halibut Point Road and 203 Lakeview Drive, in the R-1 Single Family and Duplex Residential District. The property is also known as Lots 1, 2, 30, and 31 of Lakeview Heights Subdivision. The request is filed by Emily Davis and Michelle Barker. The owner of record is First Baptist Church.

Pierson described the request for a daycare at 514 Halibut Point Road and 203 Lakeview Drive. The conditional use permit is required because the church is a legal nonconforming use, and the daycare constitutes an amendment to that use. The facility has sufficient parking and has passed a fire and life safety inspection. As the church property includes 4 lots, the parking for this permit should be tied to all 4 lots. Pierson stated that property tax and utility costs would increase for the church with the addition of this commercial use. Scarcelli stated that this approval would give a stamp of approval to the nonconforming use of the church.

Michelle Barker stated that she is the new owner of Pacific Learning Center. Barker stated that PLC is committed to absorbing the costs of increased tax and utility bills. Enrollment is currently 24.

No public comment.

Spivey stated that he can't think of a better place for this use.

Pohlman/Hughey moved to APPROVE the findings that the proposed conditional use as conditioned: 1) would not be detrimental to the public's health, safety, or welfare because traffic, parking, licensing, and occupancy requirements have been met; 2) complies with the Sitka General Code by seeking a non-conforming use permit for a pre-existing non-conforming use; and 3) complies with the Comprehensive Plan section 2.1.12 supporting "access to high-quality education at all levels" by continuing the operations of a daycare facility to serve the developmental and educational needs of Sitka's youngest residents.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible

- or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
 3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
 4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
 5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Motion PASSED 4-0.

Pohlman/Windsor moved to **APPROVE** the conditional use permit request filed for a daycare at 514 Halibut Point Road and 203 Lakeview Drive subject to conditions of approval. The property is also known as Lots 1, 2, 30, and 31 of Lakeview Heights Subdivision. The request is filed by Emily Davis and Michelle Barker. The owner of record is First Baptist Church.

Conditions of Approval:

1. The facility shall be operated consistent with the application and plans that were submitted with the request.
2. The facility shall be operated in accordance with the narrative that was submitted with the application.
3. The Planning Commission, at its discretion, may schedule a public hearing at any time to mitigate any identified adverse impacts on public's health, safety, and welfare.
4. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales tax, shall be grounds for revocation of the conditional use permit.
5. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
6. The property owner shall update the sales account prior to the Conditional Use Permit becoming valid.
7. Parking must be maintained, and is tied to Lots 1, 2, 30, and 31 of Lakeview Heights Subdivision.

Motion PASSED 4-0.

K

Public hearing and consideration of a conditional use permit for a short-term rental and bed and breakfast at 1948 Dodge Circle, in the R-1 Single Family and Duplex Residential District. The property is also known as Lot 2 of Dodge Circle Estates. The request is filed by Brock and Patricia Bauder. The owners of record are Brock and Patricia Bauder.

Spivey stated that he has a business relationship with the applicants. The commission allowed him to participate and vote on the item.

Scarcelli described the request. The property will operate as a short term rental

at some times and a bed and breakfast at other times. Staff is in support. Scarcelli read an email of support from Laurinda Marcello, and emails of concern from Lynne Ciolli and Mary Todd Andersen.

Spivey asked how many homes use the access easement. Scarcelli stated that three lots use the easement. Hughey wanted be sure that the short-term rental and bed and breakfast would not be operated simultaneously. Scarcelli stated that this is simply packaging the two conditional use permits in one process. Hughey stated that with 4 beds and 3 baths, 3 short term rentals could operate at once. Scarcelli stated that a short-term rental is rented to one entity.

Patricia Bauder thanked staff for their work. Bauder stated that she understands neighbor's concerns for traffic; however, this will result in less traffic than when they had 3 teenagers at home. They previously had 4 cars. Spivey asked about easement maintenance. Bauder stated that there is no formal agreement, but they and neighbors put their own money into repairs.

Mary Todd Andersen from 1937 Dodge Circle stated that the road is in horrible shape, and 5 new neighbors have recently moved in. People regularly park on the knoll. There are a lot of bears in the neighborhood. There are a lot of children in the neighborhood, and traffic is dangerous. Andersen stated that the road was never meant to have so many side easements.

Scarcelli stated that an informational overview could help potential renters to safely access the property. Scarcelli stated that a condition of approval is that review can occur upon meritorious complaint.

Spivey sees concerns for parking; however, concerns are related to parking unrelated to the applicant. Spivey asked how staff will determine if traffic is due to this use or other uses. Scarcelli stated that staff would investigate upon receipt of complaints. Scarcelli stated that the Bauders would need to keep track of nights rented, and staff could compare those notes to the complaints. Windsor stated that he does not see someone parking on Dodge Circle and walking up to this property. Hughey stated that there is adequate space for parking and turning around. Hughey does not see this use as the straw that breaks the camel's back. Pohlman stated concern for late notification mailings. Scarcelli stated that staff followed the normal procedure, but the commission could pursue a change in procedure. Pohlman asked about snowy conditions on Dodge Circle. Windsor stated that he could see that some residents might park on Dodge Circle when it is icy.

Mary Todd Andersen stated that the road is very dangerous when icy, and people do park on Dodge Circle.

Patricia Bauder stated that the McClouds and Bauders share responsibility for plowing their easement. Bauder stated that trees provide protection from sliding downhill.

Spivey stated that he would be surprised if the property was rented out when weather is snowy and icy.

Hughey/Windsor moved to **APPROVE** the required findings for conditional use permits as discussed in the staff report.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conclusion on Findings: The required findings of fact have been met as the conditional use as conditioned would not be detrimental to the public's health, safety, or welfare; that the conditions of approval have satisfactorily mitigated any potential harm or impact to the surrounding land uses and properties through the conditions of approval, by meeting all applicable SGC regulations, and by being in support of the Comprehensive Plan regarding transient housing supply.

Motion PASSED 4-0.

Hughey/Pohlman moved to **APPROVE** the conditional use permit application for a short term rental and bed and breakfast at 1948 Dodge Circle, in the R 1 single family and duplex residential district. The property is also known as Lot 2 Dodge Circle Estates. The request is filed by Brock and Patricia Bauder. The owners of record are Brock and Patricia Bauder.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
9. Owners shall provide renters with a brief rental overview including respecting the residential neighborhood and regarding directions and traffic circulation patterns to mitigate any potential traffic impacts.

Motion PASSED 4-0.

L

Public hearing and consideration of a variance request for 1415 Davidoff Street in the R-1 Single Family and Duplex Residential District. The request is for the reduction of the front setback from 20 feet to 2 feet, the reduction of the easterly side setback from 8 feet to 2 feet, and substandard lot width. The property is also known as Lot 3 of Clyde Franks Subdivision. The request is filed by Sam Smith. The owner of record is Venneberg Family Trust.

Item PULLED by applicant.

M

Public hearing and consideration of a variance request for 702 Etolin Street in the R-1 Single Family and Duplex Residential District. The request is for the reduction of the side setback from 5 feet to 4 feet, the rear setback from 10 feet to 4 feet, the front setback from 20 feet to 5 feet, substandard lot size, and substandard lot width. The property is also known as a Portion of Lot 7 Block 13 of Sitka Townsite, US Survey 1474. The request is filed by Justin Olbrych. The owners of record are Justin Olbrych and Willow Moore-Olbrych.

Scarcelli reviewed the variance request. The lot is constrained by small lot size and a public infrastructure. Without the large utility easement through the middle of the lot, the applicant would be able to build within setbacks. Staff support approval. Pohlman asked about the fence issue raised by the adjacent property owner. Scarcelli stated that a condition of approval of the conditional use permit item could address this concern; however, the applicant makes the case that the fence involves 700 Etolin, not 702 Etolin. Scarcelli read 5 letters of support. Scarcelli stated that 1 letter of concern was included in the packet.

Justin Olbrych stated that the sewer line was unrecorded and they didn't know when they bought the property. Olbrych stated that the city has offered to buy an easement for \$20,000. Olbrych stated that he sees the project as an investment in his neighborhood. Spivey asked if staff have discussed the neighbor issues with him. Olbrych stated that they have. Hughey asked about style. Olbrych stated that he plans to use yellow cedar. Hughey stated that he thinks Olbrych does nice work.

Wendy Alderson stated that Olbrych worked on 409 Degroff and it cheered up the Degroff neighborhood. Alderson stated that Olbrych has a good sense of aesthetic. Alderson stated that Olbrych and his wife are good neighbors, and there is a lot of support for the Olbrych family in the neighborhood.

Nancy Yaw Davis stated that her concerns are legitimate. Davis stated that a cement property marker was moved, and Olbrych's fence bulges over Dog Creek. Davis stated that she has been intimidated while taking steps to address trespassing. Davis stated that the variances are too close to her property, and Olbrych has dumped trash and feces on her property. Spivey called point of order.

Hughey thinks it is a good project, and it's a relatively high density neighborhood. Spivey stated the property was a mess, and Olbrych is attempting to clean it up and do the best with what he has.

Pohlman/Hughey moved to APPROVE the required findings for major structures or expansions as discussed in the staff report.

1. Required Findings for Variances Involving Major Structures or Expansions.
Before any variance is granted, it shall be shown:

- a) That there are special circumstances to the intended use that do not apply generally to the other properties, specifically, the legally subdivided lot is below existing development standards in regards to width, size, and has infrastructure running diagonally through the property constraining development;
- b) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, because here there is the inability to build in the middle of the lot

due to municipal infrastructure, and but for that, the property could have been developed with similar structures;

c) That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels, or public infrastructure, specifically, that the proposed structures and existing lot size would be inline with character of the neighborhood; and

d) That the granting of such will not adversely affect the Comprehensive Plan: specifically, the proposed variance for the reduction of the front setback from 20 feet to 5 feet, the rear setback reduced from 10 to 4, the easterly side setback from 5 feet to 4 feet, and the variance from standard lot width and size conforms to the Comprehensive Plan Section 2.4.19(A) by considering all the relevant factors for applying a variance.

Motion PASSED 4-0.

Pohlman/Windsor moved to APPROVE the variance request for 702 Etolin subject to condition of approval. The variance is to grant the variance from standard lot size and width, and the reduction of the front setback from 20 feet to 5 feet, the easterly side setback from 5 feet to 4 feet, and the reduction of the rear setback from 10 feet to 4 feet for the construction of a house and detached accessory dwelling unit above a garage.. The property is also known as Pt. Lot 7, Block 13 USS 1474. The request is filed by Justin Olbrych. The owners of record are Justin and Willow Olbrych.

a. That the existing rear 10 foot wide drainage easement running parallel to rear property line is vacated.

Motion PASSED 4-0.

N

Public hearing and consideration of a conditional use permit application for an accessory dwelling unit at 702 Etolin Street, in the R-1 Single Family and Duplex Residential District. The property is also known as a Portion of Lot 7 Block 13 of Sitka Townsite, US Survey 1474. The request is filed by Justin Olbrych. The owners of record are Justin Olbrych and Willow Moore-Olbrych.

Scarcelli explained the conditional use permit request for an accessory dwelling unit. In the R-1 zone, a CUP is required for an ADU when variances are involved. Staff recommend approval.

Justin Olbrych stated that they may not build all the way to the setback variances granted.

Spivey stated it is a high density spot, and parking is available.

Hughey/Pohlman moved to APPROVE the required findings for conditional use permits for accessory dwelling units as discussed in the staff report.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;

- b. Adversely affect the established character of the surrounding vicinity; nor
- c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
- 2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
- 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
- 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
- 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
- 6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

- 1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
- 2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
- 3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
- 4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
- 5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conclusion on Findings: That the proposed conditional use as conditioned would not be detrimental to the public's health, safety, or welfare; that the conditions of approval have satisfactorily mitigated any potential harm or impact to the surrounding land uses and properties; and that the required findings have been met as the proposal complies with SGC and

Comprehensive Plan sections regarding ADUs and variances, and affordable housing while protecting the character of the neighborhood and the public's health, safety, and welfare.

Motion PASSED 4-0.

Hughey/Pohlman moved to APPROVE the conditional use permit request for 702 Etolin subject to the attached conditions of approval. The conditional use permit is to grant a detached accessory dwelling unit above a garage that required a variance. The property is also known as Pt. Lot 7, Block 13 USS 1474. The request is filed by Justin Olbrych. The owners of record are Justin and Willow Olbrych.

a. Conditions of Approval:

- i. Applicant specifically acknowledges and shall follow all applicable development standards and zoning regulations such as required parking and height limits for structures;
- ii. ADU shall be no greater than 800 square feet, comply with setbacks as proposed on site and approved by variance, and shall meet all applicable building codes regarding dwelling units;
- iii. Applicant does not impede, damage, or encroach upon any existing or future easements or municipal infrastructure.

Motion PASSED 4-0.

VI. PLANNING DIRECTOR'S REPORT

Scarcelli reported that staff would continue working on concerns related to short-term rentals on boats. Scarcelli reported that staff is working on a grant application for Smart Growth America technical assistance. Pierson stated that the next two meetings would be held on Wednesdays: October 5 and October 19. Spivey stated his preference for holding comprehensive plan meetings at Centennial Hall, although he liked the setup of the meeting at Sheldon Jackson Campus.

VII. PUBLIC BUSINESS FROM THE FLOOR

Richard Parmelee stated that he had submitted an application for the vacant seat on the Commission.

VIII. ADJOURNMENT

Windsor/Pohlman moved to ADJOURN at 9:52 PM.

Motion PASSED 4-0.

ATTEST: _____
Samantha Pierson, Planner I



CITY AND BOROUGH OF SITKA

Legislation Details

File #: MISC 16-01.13 Version: 2 Name:

Type: P&Z Miscellaneous Status: AGENDA READY

File created: 9/19/2016 In control: Planning Commission

On agenda: 10/5/2016 Final action:

Title: Sitka's Housing and the Comprehensive Plan. Activities to include a discussion of the current status of housing, discussion of housing goals, and a small group mapping exercise.

Sponsors:

Indexes:

Code sections:

Attachments: [Oct 5 Planning Commission Packet-Housing](#)

Date	Ver.	Action By	Action	Result
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HOUSING

Current Status

Total Dwelling Units and Recent Construction

Today (Sept 2016), there are an estimated 4,198 dwelling units in Sitka.

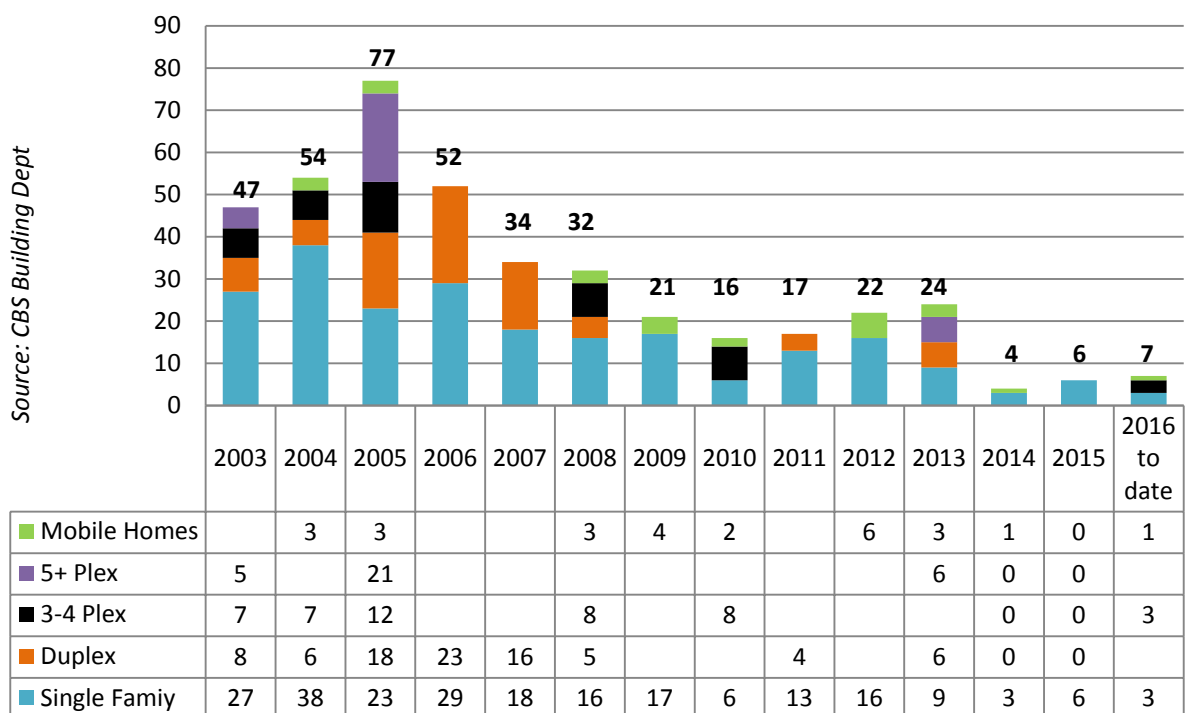
The number of dwelling units has increased from 3,650 in 2000, to 4,102 in 2010, to 4,198 today. Between 2000 and 2010 this was a 12% increase in housing stock. Reduced construction of homes between 2010 and 2016 yields only a total 2% overall increase during the last five-six years (Figure 1). For comparison, since 2010 Sitka's population has grown by 48 or half of one percent, from 8,881 to 8,929, and employment has increased 7%, from 4,256 average annual jobs to 4,566.

Figure 1 - Number of Total Dwelling Units in Sitka

	2000	2010	2016 (Sept)
Total Dwelling Units	3,650	4,102	4,198
<i>Source</i>	<i>US Census</i>	<i>US Census</i>	<i>CBS Building Dept count added to 2010 US Census</i>

Most of the construction since 2010 has been single family dwelling units (Figure 2). Annual housing development has been trending downward for a decade (and from an earlier 2001 peak of 127 units built that year).

Figure 2 - Number of Dwelling Units Built in Sitka, by Type



Types of Dwelling Units

According to the US Census's American Community Survey (ACS) 2010-2014 5-year estimate, just over half (2,164 or 53%) of Sitka's housing are single family homes (Figure 3).

Approximately 13% of all housing is in duplexes. Another 7% are housing units in townhouses or rowhouses ("1-unit attached") and another 17% are in multi-family structures (including 3-4 plexes and more, condos and apartment buildings). Mobile homes account for 10%.

Figure 3 - Total Dwelling Units in Sitka by Type		
Dwelling Units by Type	2010-2014	
Total housing units	4,105	100%
1-unit, detached	2,164	53%
1-unit, attached **	272	7%
2 units	542	13%
3 or 4 units	323	8%
5 to 9 units	170	4%
10 to 19 units	64	2%
20 or more units	111	3%
Mobile home	416	10%
Boat, RV, van, etc.	43	1%
<i>Source: American Community Survey 2010-2014 5-year estimate</i> **townhouses, rowhouses. The ACS defines 1-unit attached structures as those with one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.		

Rental Assistance

A recent tally shows there are approximately 150 rental units in Sitka that are available to those that earn between 50% to 80% (and sometimes up to 120%) of Area Median Income (AMI). Sitka's 2016 AMI is \$80,100. If one qualifies, typically rent is 30% of monthly household income.

In some units, income levels must be recertified annually, in other units once you have qualified you do not need to move if your income rises. Some units are rent to purchase. Some units are reserved for those ages 62 or older. Some units are restricted or give preference to Alaska Natives; other units are open to all.

Occupied and Vacant Dwelling Units¹

The trend over time in Sitka is a decreasing percent of occupied homes and an increasing percent of vacant homes (Figure 4).

Vacant dwelling units can be for sale or for rent, some are rundown and off the market, and some are vacant because they are only seasonally occupied (vacation homes, summer homes, second homes, seasonal workers housing).

Unfortunately, neither the US Census nor the ACS provides data anymore on how many vacant units are seasonally occupied. In 2000, an estimated 169 dwelling units were occupied seasonally (4.6% of all), and by 2010 this grew to 237 units (5.8% of all). Most Sitkan observers expect that if this data were available today it would show continued growth in the number of homes that are only occupied seasonally.

Figure 4 - Housing Occupancy								
	2015	2014-2010	2013-2009	2012-2008	2011-2007	2010-2006	2010	2000
<i>Source:</i>	<i>CBS+Census</i>	<i>ACS 5-year Estimates</i>					<i>US Census</i>	
Total housing units	4,191	4,105	4,095	4,094	4,078	4,047	4,102	3,650
Occupied housing units (%)		86%	87%	88%	89%	92%	86%	90%
Vacant housing units (%)		14%	13%	12%	11%	8%	14%	10%
Of vacant units, those occupied seasonally							237 (5.8%)	169 (4.6%)
Number of residential electrical connections	3,697	3,598	3,728	3,662	3,672			
<i>Source: CBD Electrical Dept</i>								

¹ Differing data sources for housing counts offer differing results. Sheinberg Associates has reviewed all available data and uses what appears to be the best estimate.

The US Census's American Community Survey (ACS) 2014-2010 5-year estimate (a rolling average) of total dwelling units is 4,105 - almost identical to the 2010 US Census's point-in-time number of 4,102, which while affirming a slowdown in residential building over the last 5 years, still should not be the same.

The City and Borough of Sitka (CBS) Building Department keeps accurate track of the number of dwelling units built per year, by type and construction cost. For total dwelling units, we use the 2010 Census count (4,102) and add to it the number of units built each year tracked by the CBS. This yields 4,191 dwelling units in 2015, almost 200 more dwelling units in Sitka today than the ACS 2014-2010 value.

A review of the number of electrical hook-ups for residential service should reflect the number of occupied dwelling units. The 2015 number of electrical hookups is 50 to 100 dwelling units higher than the ACS 2014-2010 estimated number of occupied units. While the CBS electrical department cautions that its data isn't totally reliable because it is extracted from an older system, this seems to match the higher overall dwelling unit estimate. When considering trends in occupied and vacant dwelling units, we recommend focus on the change in percentages rather than the change in numbers.

Finally, the CBS assessor's office is in process of updating its systems; a recent count of Sitka dwelling units yielded 3,085, but this does not yet include tax exempt housing or that not in the general market. When the assessor's update is completed this will be the most accurate data source for Sitka.

Who Rents and Who Owns

A smaller percentage of people own the home they occupy in Sitka (58%), than in Southeast Alaska (62%), Alaska (63%), or the US (64%) (Figure 5).

A larger percentage of people live in rental housing in Sitka (42%), than in Southeast Alaska (38%), Alaska (37%), or the US (36%).

Looking at patterns of for those between age 15 and 34 (older teens and millennials), the ACS 2014-2010 5-year estimate reports 634 Sitkans this age are the primary “householder” owning or renting . A smaller percentage of this age group rents in Sitka than in Southeast Alaska, the state as a whole, or the US. A smaller percentage of Sitkans this age also own than in Alaska or the US (rate is same as Southeast as whole).

Figure 5 –Rent versus Own

	Sitka	Southeast Alaska	Alaska	US
Total Occupied Dwelling Units	3,513	28,511	251,678	116 million
Owner Occupied	58% (2,025)	62% (17,811)	63% (159,415)	64% (75 million)
Renter Occupied	42% (1,488)	38% (10,700)	37% (92,263)	36% (41 million)
% owner-occupied, age 15-34	8% (154)	8% (1,507)	13% (20,912)	10% (8 million)
% renter-occupied, age 15-34	32% (480)	35% (3,694)	43% (39,665)	36% (14 million)
<i>Source: ACS 2014-2010 5-year estimates.</i>				

Current Price of Homes

The most recent data available (2014-2010 5-year average) on the median² value of an owner occupied home shows Sitka is the highest of any borough in Alaska. Sitka is more expensive than other larger Southeast Alaska communities or the state as a whole (Figure 6).

This is apparently not due to the cost of residential construction materials that contractors pay (Figures 13 and 14), which are the lowest of the communities surveyed.

Figure 6 - Median Value Owner Occupied Homes	
US	\$175,700
Alaska	\$246,300
Anchorage	\$286,600
Southeast Alaska Boroughs	
Haines	\$188,700
Hoonah-Angoon	\$219,400
Juneau	\$318,000
Ketchikan	\$261,600
Petersburg	\$225,400
Prince of Wales-Hyder	\$162,600
Sitka	\$335,800
Skagway	\$323,100
Wrangell	\$167,100
Yakutat	\$156,800
<i>Source: ACS, 2014-2010 5 year estimate</i>	

Figure 7 – Distribution of Housing Values, Sitka	
Number of Owner-occupied units	2,025
Less than \$50,000	122
\$50,000 to \$99,999	116
\$100,000 to \$149,999	62
\$150,000 to \$199,999	111
\$200,000 to \$299,999	386
\$300,000 to \$499,999	913
\$500,000 to \$999,999	278
\$1,000,000 or more	37
Median Price (2014 \$)	\$335,800
<i>Source: ACS 2014-2010 5-year Estimate</i>	

² Median is the half way point or top of the bell curve. So half of homes are more expensive than this and half are less expensive.

Compared to the ACS reported 5-year average (median value: \$335,800), a review of single family homes sold in Sitka in 2016 (through August) shows that 31 sold with an average sale price of \$357,573 (source: MLS data aggregated by Baranof Realty LLC).

That includes 7 single family homes that sold in August for an average of \$386,500. Also in August, the average listing price for single family homes was \$564,605 while the median listing price was \$477,000.

Figure 8 - Single Family Homes Sold in Sitka

	Jan-Aug 2016	2015	2014	2013	2012	2011
Homes Sold	31	48	47	53	22	46
Average Sale Price	\$357,573	\$404,344	\$353,104	\$301,413	\$394,612	\$323,464
Sales Volume	11,084,779	\$19,408,530	\$16,595,890	\$15,974,900	\$8,681,462	\$14,879,345
<i>Sources: Multi-Listing Service (MLS). 2011-2015 data courtesy of Davis Realty; 2016 data courtesy of Baranof Realty</i>						

Current Price of Rentals

Adjusted rents (includes utilities) in Sitka were higher than in Ketchikan or Juneau in March 2016, but lower than the statewide average.

Figure 9 - Price of Housing and Rent

	Sitka	Ketchikan (Borough)	Juneau	Alaska	US
Median Rent (ACS, 2014-2010)	\$1,101	\$1,054	\$1,169	\$1,131	\$920
Median Rent contract, March 2016 (ADOLWD)	\$900	\$984	\$1,100	\$1,050	
Median Rent adjusted, March 2016 (ADOLWD)	\$1,163	\$1,094	\$1,115	\$1,175	
Rental Vacancy Rate, March 2016 (ADOLWD)	8.33%	9.25%	3.30%	5.81%	
<i>Sources: ACS = ACS 2014-2010 5-year Estimate; ADOLWD Annual Rental Market Survey, 2016</i>					

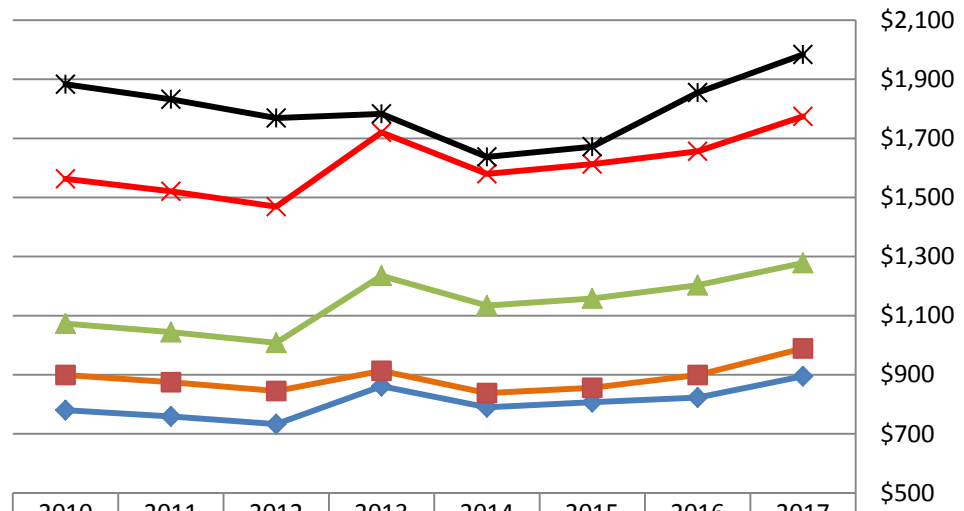
After a break between 2013 and 2014, fair market rents (FMR)³ in Sitka have increased significantly to new highs (Figure 10).

Between fiscal year 2015 and 2017 fair market rent in Sitka for efficiencies jumped 11%, for 1-bedrooms jumped 16%, and for 4-bedroom units jumped 19%.

³ The US Housing and Urban Development (HUD) estimates fair market rent (FMR). It is used primarily to determine payment standard amounts for federal rent subsidy programs (Housing Choice Vouchers, Section 8 contracts, housing assistance payment (HAP) contracts, the rent ceiling in the HOME rental assistance program, etc.). Fair Market Rent is the calculated amount of money that a given property would command if it were open for leasing at the moment. Fair market rent is often used to help decide how much to charge for rental units.

Figure 10 - Fair Market Rent in Sitka, FY 2010-2017

Source: HUD



	2010	2011	2012	2013	2014	2015	2016	2017
◆ Efficiency	\$780	\$759	\$733	\$861	\$790	\$807	\$823	\$895
■ One-Bedroom	\$899	\$875	\$845	\$913	\$838	\$856	\$899	\$989
▲ Two-Bedroom	\$1,073	\$1,044	\$1,008	\$1,235	\$1,134	\$1,158	\$1,203	\$1,278
✕ Three-Bedroom	\$1,563	\$1,521	\$1,469	\$1,720	\$1,580	\$1,613	\$1,656	\$1,774
✱ Four-Bedroom	\$1,883	\$1,832	\$1,769	\$1,783	\$1,637	\$1,672	\$1,855	\$1,984

Fair market rents today in Sitka are in the top one-third in Alaska for all types of units (Figure 11).

Figure 11 - FY2017 Alaska Fair Market Rents <i>(sorted by high to low cost for efficiencies)</i>					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Denali Borough	\$1,134	\$1,237	\$1,579	\$2,044	\$2,451
Aleutians West Census Area	\$1,073	\$1,272	\$1,691	\$2,116	\$2,625
Bethel Census Area	\$1,052	\$1,269	\$1,464	\$1,832	\$2,018
Northwest Arctic Borough	\$1,043	\$1,094	\$1,262	\$1,579	\$1,740
Skagway Municipality	\$1,016	\$1,093	\$1,414	\$2,058	\$2,195
Nome Census Area	\$1,004	\$1,239	\$1,582	\$1,979	\$2,181
North Slope Borough	\$948	\$1,067	\$1,231	\$1,648	\$2,169
Juneau City and Borough	\$930	\$1,103	\$1,466	\$2,109	\$2,348
Kodiak Island Borough	\$902	\$950	\$1,096	\$1,595	\$1,931
Sitka City and Borough	\$895	\$989	\$1,278	\$1,774	\$1,984
Bristol Bay Borough	\$894	\$936	\$1,244	\$1,558	\$1,715
Anchorage Municipality	\$888	\$1,018	\$1,293	\$1,882	\$2,278
Southeast Fairbanks Census Area	\$878	\$1,060	\$1,223	\$1,780	\$2,155
Kenai Peninsula Borough	\$862	\$867	\$1,113	\$1,453	\$1,772
Dillingham Census Area	\$856	\$1,033	\$1,192	\$1,611	\$1,850
Valdez-Cordova Census Area	\$851	\$857	\$1,139	\$1,425	\$1,768
Yakutat City and Borough	\$849	\$926	\$1,182	\$1,479	\$1,835
Ketchikan Gateway Borough	\$836	\$1,006	\$1,317	\$1,722	\$2,280
Prince of Wales-Hyder Census Area	\$822	\$828	\$1,062	\$1,329	\$1,464
Fairbanks North Star Borough	\$804	\$953	\$1,267	\$1,844	\$2,232
Aleutians East Borough	\$774	\$934	\$1,077	\$1,347	\$1,485
Wrangell City and Borough	\$725	\$760	\$1,010	\$1,358	\$1,568
Haines Borough	\$723	\$873	\$1,007	\$1,303	\$1,563
Wade Hampton Census Area	\$697	\$760	\$971	\$1,215	\$1,338
Petersburg Census Area	\$673	\$798	\$1,060	\$1,326	\$1,461
Matanuska-Susitna Borough	\$660	\$783	\$1,041	\$1,515	\$1,834
Lake and Peninsula Borough	\$654	\$789	\$910	\$1,138	\$1,413
Yukon-Koyukuk Census Area	\$595	\$599	\$789	\$987	\$1,390
Hoonah-Angoon Census Area	\$546	\$674	\$861	\$1,182	\$1,187
<i>Source: HUD Annual Fair Market Rents</i>					

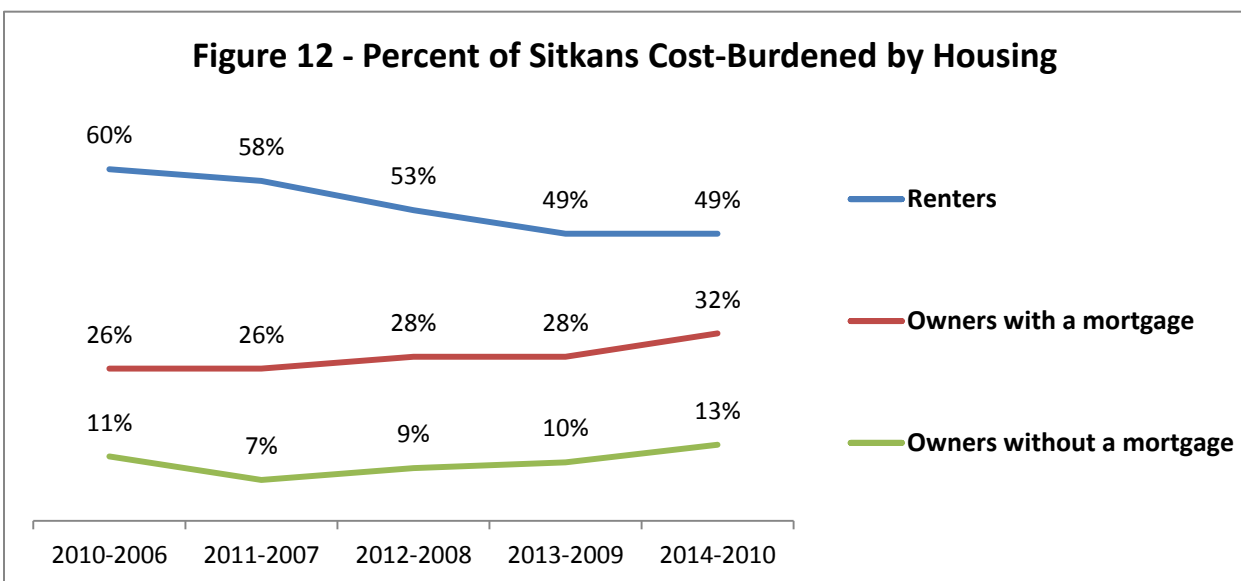
Cost- Burdened by Housing

A household paying more than 30% of their household income for housing (mortgage, rent, utilities, property taxes, heating, etc.) is considered to be “cost-burdened⁴.”

Half of renters and one-third of homeowners with a mortgage in Sitka are cost-burdened by housing.

Over the last five years the percent of homeowners who are cost burdened by housing has been increasing.

The percent of renters cost burdened has been decreasing, though today it is still close to 50%.



⁴ Why the 30 Percent of Income Standard for Housing Affordability?

Talk of housing affordability is plentiful, but a precise definition of housing affordability is at best ambiguous. The conventional public policy indicator of housing affordability in the United States is the percent of income spent on housing. Housing expenditures that exceed 30 percent of household income have historically been viewed as an indicator of a housing affordability problem⁴. Source: “Housing Affordability: Myth or Reality?” Wharton Real Estate Center Working Paper, Wharton Real Estate Center, University of Pennsylvania, 1992

The mid to late 1990s ushered in many less stringent guidelines (source: “Review of Selected Underwriting Guidelines to Identify Potential Barriers to Hispanic Homeownership”, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, March 2006). Many households whose housing costs exceed 30 percent of their incomes are choosing then to devote larger shares of their incomes to larger, more amenity-laden homes. These households often still have enough income left over to meet their non-housing expenses. For them, the 30 percent ratio is not an indicator of a true housing affordability problem but rather a lifestyle choice. But for those households at the bottom rungs of the income ladder, the use of housing costs in excess of 30 percent of their limited incomes as an indicator of a housing affordability problem is as relevant today as it was four decades ago.

What does it cost to build in Sitka?

According to the 2015 ADOLWD annual Construction Costs survey, the average cost to purchase a market basket of residential construction materials in Sitka was lower in 2015 than all places surveyed except Anchorage - including Juneau and Ketchikan (Figure 13).

The market basket cost of construction materials in Alaska increased 7% overall in 2015.

Figure 13 - Average cost of a market basket of residential construction materials, 2015*	
Anchorage	\$23,405
Fairbanks	\$26,971
Juneau	\$27,766
Kenai	\$29,018
Ketchikan	\$29,218
Kodiak	\$30,826
Sitka	\$26,235
Wasilla	\$27,604
Nome	\$46,193
Seattle	\$24,384
<i>Source: ADOLWD, Construction Cost Survey</i>	
* Does not include concrete, rebar, doors or windows	

ADOLWD also looks at how much it costs to ship the Seattle market basket of goods to seven communities. “We add transportation costs to Seattle’s market basket total to estimate what local contractors would pay if they bought directly from Seattle suppliers and shipped their materials north.” (Figure 13)

Local residential construction supplies are less expensive in Sitka than shipping in from Seattle; of the seven places in Alaska surveyed the only place this is not true is Ketchikan.

Costs to Buy Local vs. Ship From Seattle, 2015 **Figure 14**
Alaska and Seattle Suppliers (without concrete, rebar, doors, or windows)



Note: Seattle prices include asphalt shingles for all locations.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Construction Cost Survey 2015

How much House Can Sitkans Afford?

Figure 15 reviews Sitkans' annual and monthly earnings.

Figure 15 - What Sitkans Can Afford for Housing			
	Annual	Monthly	Available for Housing Monthly (30%)
Median Household (HH) income Source: ACS 2014-2010 5-year estimate	\$69,635	\$5,803	\$2,321
Mean HH Income Source: ACS 2014-2010 5-year estimate	\$81,059	\$6,755	\$2,702
Average employment wage 2015 Source: ACS 2014-2010 5-year estimate	\$42,865	\$3,572	\$1,072
Making between \$25,000-\$50,000/year This includes 25% of 2014 tax return filers and 22% of all HH incomes (2014-2010)	\$50,000	\$4,167	\$1,250
Making less than \$25,000/year This includes 32% of 2014 tax return filers and 15% of all HH incomes (2014-2010)	\$25,000	\$2,083	\$625

Three scenarios (Figure 16) are used to estimate monthly housing payments, for a: \$275,000 house, \$335,800 house (median for 2014-2010), and \$400,000 house. Looking at the typical monthly housing payments (last row, figure 16) shows that someone earning the 2015 average wage in Sitka would be cost-burdened under every scenario.

Buying a low to moderately priced house in Sitka for them is simply not affordable unless there are two wage earners, they are determined to cut other living expenses and pay more than 30%, or they can find a less expensive first home to buy.

Figure 16 - Monthly House Payments									
	\$275,000 House			\$335,800 House			\$400,000 House		
DOWN PAYMENT									
% down	0%	5%	20%	0%	5%	20%	0%	5%	20%
\$ down	\$0	\$13,750	\$55,000	\$0	\$16,790	\$67,160	\$0	\$20,000	\$80,000
Amount financing	\$275,000	\$261,250	\$220,000	\$335,800	\$319,010	\$268,640	\$400,000	\$380,000	\$320,000
MORTGAGE									
rate	3.58%		3.46%	3.58%		3.46%	3.58%		3.46%
type	1 st time homebuyer 30 year fixed		30 yr fixed	1 st time homebuyer 30 year fixed		30 yr fixed	1 st time homebuyer 30 year fixed		30 yr fixed
MONTHLY PAYMENT									
loan	\$1,247	\$1,185	\$983	\$1,523	\$1,447	\$1,200	\$1,814	\$1,723	\$1,430
+15%	\$187	\$178	\$147	\$228	\$217	\$180	\$272	\$258	\$215
TOTAL	\$1,434	\$1,363	\$1,130	\$1,751	\$1,664	\$1,380	\$2,086	\$1,981	\$1,645
Source for mortgage calculations: First Bank mortgage calculators									

HOUSING GAPS: Current + Future

1. “Starter” homes for millennials and new families, seniors (for sale and rent)
 - many millennials and older boomers+ want same thing
2. Mobile Home Court Upgrades
3. Higher-End Homes (In town and more rural/larger lot)
4. Transitional Housing for Homeless and down-on-their-luck Sitkans
 - Significant population growth is not anticipated, but maintaining the current population and preventing population loss is needed. If successful slow population growth will increase housing demand.
 - Some housing stock is aging and needs upgrade or replacement.
 - A key to Sitka’s future is having more homes available to buy and units for rent for millennials and young families.
 - There are virtually no vacancies in Sitka’s rent subsidized housing (approximately 150 units).
 - There is no transitional housing or shelter for Sitka’s homeless population.

Group Discussion & Small Table Talk/Drawing on Maps---- Ways to Fill Housing Gaps/Needs

BIGGEST CHALLENGES

- Limited land supply
- Urgent need for more homes to buy and units for rent for millennials and young families

BIGGEST OPPORTUNITIES

- Several local builders, realtors, financiers, and non-profits earnestly want to solve challenges. Obstacles seem to be lack of time and lack of coordination, not lack of willingness and interest.
- BIHA 200 acres purchased fee simple without restriction.
- Sitka qualifies for USDA home loans

IDENTIFY UNDEVELOPED LAND SUITABLE FOR RESIDENTIAL LAND DEVELOPMENT:

- a) Identify undeveloped lots within 1 mile of downtown, including surface parking lots
- b) Identify parcels where land is worth more than building within 1 mile of downtown
 - o How to incentivize re/development of (a) and (b)
- c) Pending results of geotechnical hazard survey and policy calls on acceptable risk, identify undeveloped land suitable for residential development

REDUCE PRICE OF HOMES:

Identify appropriate locations for :

- a) infill and higher density development
- b) smaller houses
- c) smaller required lot sizes
- d) manufactured and modular homes
- e) Community Land Trust housing development (Remove price of land from house price)
- f) a “modern” apartment complex
- g) Make it easier to develop/reduce regulatory burden

DEVELOP PARTNERSHIPS TO BUILD AFFORDABLE AND MIXED-MARKET HOUSING

TEAM PROBLEM-SOLVING WITH WILLING MOBILE HOME PARK OWNERS:

- a) How to improve utilities and housing stock, and as appropriate increase density or redevelop, without forcing current tenant to leave town

BETTER INFORMATION ON ATTRACTIVE LOANS FOR 1ST TIME HOMEBUYERS, LOW AND MODERATE INCOME BUYERS, AND LOANS/GRANTS FOR DEVELOPERS:

- a) Annual Housing Fair
- b) Clearinghouse for home financing information

ADOPT AFFORDABLE HOUSING GOALS AS A MATTER OF PUBLIC POLICY, AND IDENTIFY SPECIFIC MEASURABLE TARGETS

REDUCE DEVELOPMENT COSTS:

- a) City/BiHA reduced fee for rock for residential development if a certain percent are affordable homes

Housing Goals, Objectives and Actions

(Unless noted, from 2007 Sitka Comprehensive Plan)

NEW – GOAL: Expand the range, affordability and quality of housing in the community while maintaining attractive, livable residential neighborhoods.

Objective 1. It is the objective of the City and Borough of Sitka to seek out ways to make housing more affordable for all Sitkans through various measures.

Actions:

- A. Develop more affordable housing opportunities, including single-family homes and multi-family homes and multi-family dwellings.
- B. Creative site design.
- C. Minimizing utility extension networks.
- D. Relaxation of code requirements in cases where a thorough analysis has been conducted.
- E. Placing a high priority on working with the University of Alaska Land Trust to obtain the release of the 150 lots in the platted benchland subdivision for a coordinated plan of development and sale for residential use.
- F. Prepare a long range, affordable housing action plan.
- G. Increase the supply of land available for housing.
- H. Develop partnerships to provide affordable housing.
- I. Establish a local organization to provide affordable housing.

Objective 2. It is the objective of the City and Borough of Sitka to ensure that new residential development occurs in an orderly manner, which will enhance rather than deteriorate the community and lifestyle.

Objective 3. It is the objective of the City and Borough of Sitka to recognize the need for and value of mobile home parks.

Actions:

- A. Revise the mobile home park regulations to clarify the types of uses and structures that are allowed in the parks, and, update the setback requirements.
- B. Develop a process for enforcing a set of minimum health and safety standards for mobile homes, and, trailers, and, mobile home parks.
- C. Develop a mechanism for improving the appearance of mobile homes and mobile home parks and decreasing the density of existing mobile home parks.

- D. Develop mechanisms that encourage the replacement of substandard mobile homes with protective time frames for displaced residents.

Objective 4. It is the objective of the City and Borough of Sitka to assure lots within the City and Borough are of reasonable size and access.

Actions:

- A. Take adequate lot width ratios into account during the subdivision review process.
- B. Encourage large corner lots on parcels at the intersection of public right of ways.

Objective 5. It is the objective of the City and Borough of Sitka to ensure that new developments pay the cost of required utility and road extensions to Municipal standards; to ensure that new commercial developments pay the cost of required major line extensions; and to develop a specific utility infrastructure such as water tanks.

Objective 6. It is the objective of the City and Borough of Sitka to acknowledge animals as an integral part of the community through carefully considered regulations and enforcement, and to develop an animal ordinance for residential property within the road system.

Objective 7. It is the objective of the City and Borough of Sitka to acknowledge that single-family residential use is acceptable as a waterfront land use, and to assure that single-family residential use along the waterfront will be discouraged only in those zones where prohibited.

Objective 8. It is the objective of the City and Borough of Sitka to develop more affordable housing opportunities, including single-family homes and multi-family homes and multi-family dwellings (see objective 1).