

# **Planning Department Special Report:**

## **Smart Growth America Update and Next Steps**



**Smart Growth America**

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# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## MEMORANDUM

**To:** Mayor Hunter and Members of the Assembly  
Keith Brady, Municipal Administrator

**From:** Michael Scarcelli, Planning and Community Development Department Director   
Samantha Pierson, Planner I

**CC:** Chris Spivey, Planning Commission Chair

**Date:** December 6, 2017

**Subject:** Smart Growth America Update & 9 Month Game Plan

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### Background:

In November 2016, the City and Borough of Sitka (CBS) was selected as one of six recipients of a free smart growth technical assistance workshop offered by Smart Growth America (SGA). CBS chose to focus the workshop on a sustainable land use code audit as a natural progression of our ongoing Comprehensive Plan process. As part of the Sustainable Land Use Code Audit, SGA's team of national experts visited Sitka on September 12-13, 2017 and made a short presentation to the City Assembly and conducted a community workshop. The Land Use Code Audit focused on three selected topic areas: 1) Housing Choices; 2) Downtown Development; and 3) Economic Development. All of these are very interrelated and offer synergistic opportunities.

Recently, our Department received the "Next Steps" memo from SGA that details the 3 topical areas, gives a brief overview of challenges and opportunities, and makes formal recommendations, including implementation strategies.

### Summary of SGA's Topics of Recommendations:

- I. Housing Choices
  - a. Promoting Accessory Dwelling Units
  - b. Regulation and tracking of short-term rentals
  - c. Reduce Lot size and revise development standards
  - d. Off-street parking reductions
- II. Downtown Development
  - a. Explore increasing height maximum and setting a height minimum

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Providing for today...preparing for tomorrow

- b. Incentives for multi-residential mixed use development
- c. Design Standards
- d. Create4 Bike and Walk friendly downtown
- e. Create Master Plan for downtown

### III. Economic Development

- a. Address nonconforming lots, setbacks, and development standards (explore contextual standards).
- b. Study Parking and explore various options
- c. Create Master Plans for Jarvis/Price/Smith, Katlian, Downtown, Sheldon Jackson Campus, etc.
- d. Update Planned Unit Development Standards
- e. Protect Commercial and Industrial uses and areas.

Staff have reviewed the recommendations and presented this information to the Planning Commission and Administrator. Staff have suggested the following broad 9 month game plan to address some issues quickly that could have major positive impact but also offer less negative impacts, controversy, or major dedication of time or other resources. In essence, these are the short-term, easier means to make some powerful changes. This plan is open-ended and each topic will be more fully vetted and will include City Assembly discussion and ultimate approval.

### Planning Commission Prospective Timeline for Next Steps

1. January - February 2018:
  - a. Conclude **monumentation** rewrite proposal.
    - i. This is a proposed amendment to Title 21 that would reduce and simplify the monumentation and flagging that are required for subdividing. This would save a developer anywhere from \$1,000 to \$10,000 for most subdivision, while also adequately 'marking' surveys and property lines.
  - b. **Notice Code**
    - i. This is an amendment to administrative provisions of Title 22 concerning due process notice requirements and that aim to reduce advertising costs, increase use of social media, and increase overall notice to community and affected properties of proposed developments or actions.
2. February - March 2018:
  - a. Reduce **Lot size and setbacks** in various zones to meet more realistic lot size. Draft **formulaic setback** for existing nonconforming lots of record. This will reduce lot development costs, increase density, promote affordable housing and compact design, and will save a lot of staff time that can be refocused on other community development topics; and
  - b. **Notice Code (back-up time)**. This provision is more complicated so more time is given in case it requires further work.
3. March - April 2018:
  - a. **Make ADUs more accessible** by permitting more by right, allowing ADUs in more zones as permitted, and removing barriers of 14 conditions. This would include amending parking standard for ADUs alone. This change will increase potential for ADUs and reduce staff time and municipal costs.
4. April - May 2018: **Horticulture** in Industrial zone and **small animal codes rewrite**.

- a. The industrial zone appears to be a place perfect for horticulture (not agriculture which includes animals).
  - b. In addition, there is the need to revisit our small animal code to address existing issues and also attempt to provide a reasonable local food production options that work for Sitka's community, while addressing potential negative impacts.
- 5. May - June 2018: **Parking Survey.**
  - a. Staff would conduct a Parking Code Audit/Survey of downtown, present suggested options to make efficient use of current available parking, potential code changes for various zones and uses, and other options.
- 6. June - July 2018: Review of CBD and Public Facilities – **Community and Pop-Up Type Uses.**
  - a. Staff would like to present options for temporary conditional uses such as 1 day farmer's/artisan markets on Lincoln, temporary pop-ups, other community uses of core community space.
- 7. July - August 2018. **Review of Business, Commercial, and Industrial uses and zones to promote business development (i.e. CBD and other commercial business areas and uses)**
  - a. Staff would explore and present additional long-term uses and strategies to protect and promote commercial and industrial uses and areas.



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## **City and Borough of Sitka, Alaska**

### **Sustainable Land Use Code Audit**

**September 12-13, 2017**

### **Report and Suggested Next Steps - Revised**

Building Blocks for Sustainable Communities Program

**To:** Matthew Hunter, Mayor  
City and Borough of Sitka Assembly  
City and Borough of Sitka Planning Commission  
Keith Brady, City and Borough of Sitka Administrator

**From:** Chris Duerksen, Clarion Associates  
John Robert Smith, Smart Growth America

**Date:** November 15, 2017

### **Overview/Background**

The City and Borough of Sitka, Alaska (CBS) submitted an application for and was selected to receive a sustainable land use code audit technical assistance workshop from Smart Growth America. The workshop was funded by a *Building Blocks for Sustainable Communities* grant from the US Environmental Protection Agency's Office of Sustainable Communities. The purpose of the audit was to identify potential revisions to the zoning code and other provisions of the city code to promote community sustainability goals related to housing choices, downtown development, and economic development. The audit was completed by Smart Growth America in consultation with CBS staff in June 2017 and was the focus of an all-day workshop in Sitka on September 13, 2017.

The Smart Growth America (SGA) / Clarion Associates team consisted of Mr. John Robert Smith, chair of T4America and senior policy advisor at Smart Growth America, and Mr. Chris Duerksen, a land use attorney and senior counsel at Clarion Associates, who drafted the audit. The team traveled to Sitka to conduct the workshop. On September 12th, CBS staff led them on a community tour to further familiarize them with the key sustainability issues on the ground. After the tour, Mr. Smith and Mr. Duerksen met with the CBS Assembly in a public presentation to discuss the code audit results. Their presentation summarized the main issues to be

discussed during the workshop on September 13 and the menu of options and recommendations from Smart Growth America that would be considered by the working group to address CBS's major sustainability topics of housing choices, downtown development, and economic development.

At the September 13th all-day workshop, a working group of about 15 people (including an assembly member, appointed member of the CBS planning commission, CBS staff, and representatives from the Sitka Tribe of Alaska and business community) reviewed the recommendations for sustainable code amendments from the SGA/Clarion team.

## Key Issues Addressed during the Site Visit

Based on the city's grant application and further discussions with CBS staff, the SGA / Clarion team focused on key sustainability topics for further detailed analysis in terms of potential zoning code amendments as discussed below. The CBS's goals in each of these areas are discussed in greater detail in the recent amendments to the CBS comprehensive plan, the 2010 Climate Action Plan, and other CBS documents and policies.

- Housing Choices—According to the State of Alaska, Sitka has the most expensive housing in the state. The median home price is almost \$350,000 and average rental is about \$1,200/month. Housing is barely affordable for most residents and unaffordable for those with an income of less than \$25,000. Various sources see a shortage of affordable homes and multi-family units for single young adults, young families, and senior citizens. Most of the housing built in Sitka over the last decade has been single-family units. Lack of housing choices is already having an impact on local employers like the hospital and school system as well as broader economic development efforts. Housing costs may also be a contributing factor to the projected decline in Sitka's population over the next 20 years.
- Downtown Development—Sitka has a vibrant downtown, especially during the tourist season, but one that is facing an increasing number of challenges. Because of a lack of affordable housing in the downtown, there is little activity in the evening with many shops closing early or for the season when the cruise ships stop visiting the port in winter. Multi-story buildings that might provide apartments are severely limited by zoning height restrictions, but even so there are many buildings that are only one story on sites that could accommodate more housing or commercial activity. Focusing development downtown and making use of existing CBS infrastructure is increasingly a critical issue as CBS and the state face serious budgetary constraints and cannot afford to extend and maintain infrastructure and services for new outlying development. Finally, like many small community central business districts, parking is another perceived perennial issue.

- **Economic Development**—There are a number of zoning-related issues that have or promise to have a significant impact on CBS's economic development efforts. As discussed above, lack of housing choices is one of the most critical. Another is the difficulty residents in older residential neighborhoods face when they desire to renovate or redevelop structures on lots that fail to meet current zoning code standards. Finally, there is increasing concern that CBS's very limited supply of industrial and heavier commercial land is being eroded by encroaching residential development.

The SGA / Clarion team conducted a detailed audit of the city's zoning and other land development regulations to determine where amendments should be considered to help implement the CBS's goals in each of these areas. The team's recommendations were offered to the working group in a PowerPoint presentation, which was followed by an in-depth discussion as recounted in the following section.

By way of introduction to the suggested revisions, the SGA team pointed out that Sitka has already taken a number of important steps that give the city a running head start to realize its sustainability goals, including:

- Adopting a progressive, well-written update of the CBS comprehensive plan;
- Adopting a Climate Action Plan in 2010;
- Taking steps that resulted in the community being designated as an Alaska Bike- and Walk-Friendly Community.

While CBS has taken these and other positive steps, the code audit points out many other actions Sitka has available to it to address its key sustainability issues.

The SGA / Clarion team also stressed that the audit was not intended to be a one-size-fits-all set of recommendations, but a menu of options and alternatives that the city would need to carefully consider, tailoring actions and implementation to the unique circumstances of Sitka.

## Targeted Sustainable Code Issues and Recommendations Discussed during the Workshop

This section summarizes the key sustainability issues discussed at the September 13th workshop and recommendations for potential zoning code amendments. In each category, the working group discussed removing barriers in the existing codes, creating incentives, and filling regulatory gaps.

## **Housing Choices**

Demographic experts widely agree that the nation has a huge oversupply of single-family homes and not enough multi-family and smaller single-family dwellings. They estimate that 90% of the demand for new housing in the next ten years will be by households without children and 47% will be by senior citizens many of whom are selling off their larger single-family homes. Of seniors who move, 60% will be moving into multi-family units. Sitka is already witnessing these trends and facing the challenges they bring. Moreover, Sitka has the most expensive housing market in the state. Many homes are being sold in the \$300,000-400,000 range and average rents are about \$1,200/month—unaffordable for many residents of the city.

***Accessory Dwelling Units (ADUs):*** Other communities facing housing problems similar to Sitka such as Ketchikan, Portland, and Chula Vista, CA, have found that encouraging ADUs (e.g., basement apartments, carriage house/garage units) in single- and two-family residential areas can be a very good way to add housing choices near jobs and services without building large multi-family structures. Allowing ADUs can also help seniors and young homebuyers generate income to pay mortgages and make housing affordable.

Sitka's zoning code does not allow ADUs in large-lot single-family districts and only by conditional use in most others. ADUs are permitted by right in only the R1 and R2 zone districts, but the current standards in Section 22.20.160 and Table 22.20-1 (Development Standards) specifically applicable to almost all ADUs are quite restrictive. For example:

- Attached/basement ADU's are not allowed, although staff says they exist in the community but are not legal.
- No variances are allowed to accommodate ADUs on smaller lots unless the restrictive conditional use process is utilized.
- Accessory dwelling units in residential zones are limited to 25 feet or the height of the existing principal dwelling unit on the property, whichever is less. In commercial zones, the height limit is 16 feet.

Because of these limitations, according to staff most ADUs must seek approval through the restrictive conditional use process set forth in Section 22.24.010 and must satisfy the very vague list of planning commission findings in Section 22.30.160.C.

All of these regulations make it extremely difficult to legally get approval for and build an ADU. Not surprisingly staff reports that applicants can rarely meet all the requirements.

***Recommendations for ADUs:*** While the CBS has reportedly within the past few years eased some of the requirements for ADUs, much more can be done to promote this potentially

important approach to providing additional affordable housing in Sitka. Attached/basement ADUs should be allowed by right and specific standards for ADUs should be adopted and applied in a streamlined administrative process by staff rather than being treated as conditional uses. These standards might include provisions such as requiring the owner of the ADU to reside in the principal structure to maintain better control over the ADU and simple specific design standards to ensure neighborhood compatibility (e.g., require roof pitch and other exterior elements similar to those of principal structure, location of entrances, etc.). The height limits applicable to ADUs should be removed, and ADUs be allowed to be as tall as principal structure in residential zones. Similarly, the prohibition of variances for ADUs in Section 22.20.160.C.14 should be repealed and normal variance rules applied.

Some working group members suggested opening ADUs for short-term rentals (STRs) and promoting larger primary dwelling units now used for STRs for long-term rentals that would be available for permanent residents. Short-term rental of ADUs is now prohibited in Section 22.20.160 of the zoning code. This idea may be worth exploring, but very carefully, as it could simply open the market for more STRs without any increase in the availability of long-term rentals for permanent residents. Moreover, such a policy would also require revising some of the current restrictions on STRs such as the requirement for two off-street parking spaces per unit, a condition that would be difficult to satisfy on many lots in Sitka.

***Regulation of Short-Term Rentals:*** Short-term rentals (STRs) appear to be a growing issue in Sitka as in many other resort communities. Homeowners can make more money offering short-term rentals to tourists than longer-term rentals to locals, thus reducing the supply of affordable units and driving up the cost of existing housing for locals by reducing market supply. Sections 22.20.150 and 22.24.010.C of the zoning code make short-term rentals a conditional use. The standards are quite comprehensive, but they are apparently being ignored by a growing number of owners who utilize AirBnB and other online rental services. According to staff, there is no comprehensive city system to methodically track STRs, although the finance and planning departments reportedly attempt to track short-term rentals by quarterly review of popular STR websites.

***Recommendations for short-term rentals:*** Some working group members did not feel short-term rentals were a serious issue and others suggested such rentals could be allowed in ADUs. Experience in other resort communities indicates that Sitka should increase its monitoring of short-term rentals, especially in light of the fact that tourist accommodations in Sitka are very expensive (\$200/night and up), thus making short-term rentals very attractive for owners and tourists alike. Some cities have utilized comprehensive annual licensing requirements for short-term rentals to better keep track of their number and location, ensure that safety requirements are being met, and that all relevant taxes are being paid. Other potential standards would be to

require owner occupancy of the primary unit on a site to provide more control over the short-term rental, and to place an overall cap on the number of short-term rentals in the community or in a particular neighborhood to limit potential adverse impacts such as parking and noise.

***Minimum Residential Lot Size:*** The minimum lot size in the R1/R2 residential areas is 8,000 square feet—very high for a mature town with limited residential development areas. Six thousand square foot residential lots are allowed in the Waterfront and C1/C2 zone districts, but these are areas the city may desire to protect from more residential development given the desire to preserve commercial/ industrial development land. In mature towns, 6,000 square foot lots are standard, with a national trend to allow much smaller lots (down to 2,500 square feet) with neighborhood compatibility standards (height, setbacks, etc.). The recent Old City Shops development in Sitka allowed homes on 2,300-3,500 square foot lots. Excessive lot size requirements not only throttle new residential development but also create non-conforming lots that stifle renovations and redevelopment.

***Recommendations for minimum lot size:*** Reduce the minimum lot size in all residential districts to 6,000 square feet and further in existing established neighborhoods where the predominant lot size is smaller. Draft new Planned Unit Development (PUD) standards allowing smaller lots in PUDs in exchange for provision of a specified percentage of affordable units (e.g., 20%).

***Off-Street Parking:*** In addition to the parking recommendations set forth below in the economic development section of this memo, the CBS should consider reducing the off-street parking requirements for all projects qualifying as affordable. Studies in other jurisdictions such as Boulder, Colorado, demonstrated that affordable housing developments require less off-street parking.

***Recommendation for off-street parking:*** Consider reducing the current requirement in Sitka's zoning code from 1.5 spaces per unit to 1 space per unit for affordable multifamily housing projects.

### **Promote Downtown Development**

As noted above, Sitka has a vibrant downtown, especially during the tourist season, but one that is facing an increasing number of challenges such as lack of residential units. Importantly, Sitka's zoning code has several progressive provisions such as not requiring off-street parking downtown that help maintain a compact development pattern and reduce development costs. Similarly, residential units are permitted above ground-floor commercial uses, thereby enabling mixed-use buildings to be constructed. However, there are other shortcomings that need to be addressed.

***Multi-Story, Multifamily Residential Buildings:*** Multi-story buildings featuring both commercial and residential units can increase pedestrian traffic and instill a greater sense of energy in a downtown, including a 24-hour presence. Downtown housing is particularly attractive to young Millennials who favor a more urban, walkable lifestyle—a key group that Sitka must attract and retain to deal with projected population decline as outlined in the comprehensive plan. Currently there is only one multi-story apartment building (Cathedral Arms) of 7 stories with 23 units in downtown Sitka, and it has a long waiting list according to CBS staff.

***Recommendations for multi-story, multifamily residential buildings:*** The zoning code’s CBD district regulations restrict building height to 50 feet, which allows only a 3-4-story building. This should be increased substantially—perhaps to 75-100 feet—to encourage larger, multifamily projects as well as mixed-use developments in the downtown. The CBS might designate specific sites where taller buildings would be allowed in the downtown (e.g., the police department parking lot). In doing so, the CBS should consider enacting design standards for taller buildings so that they do not have undue adverse impacts on historic sites or surrounding residential areas (e.g., location of service functions/docks, lighting, views of the waterfront and mountains).

***Incentives For Multi-Story Buildings:*** Despite the fact that current zoning allows 3-4 story buildings in the downtown, many structures are only one story. The comprehensive plan suggests steps be taken to encourage owners to redevelop these properties at higher densities/intensities more common in central business districts.

***Recommendations for multi-story buildings:*** In addition to allowing taller buildings in the central business district as discussed above, granting a broader list of uses to multi-story buildings including some not now allowed such as microbreweries, could prove to be a potent incentive. As an adjunct, to prevent new construction of one-story buildings, Sitka might consider enacting a minimum height requirement (e.g., 28 feet) for all new buildings in the CBD.

***Bicycle Racks and Other Bicycling Amenities:*** Sitka is a designated bike- and walk-friendly Alaskan community and the CBS comprehensive plan promotes bicycling throughout the community, especially in the downtown, as part of a well-balanced multimodal mobility system. Already the number of people cycling to work in Sitka is reportedly 10 times the national average. However, working group members noted there are few bike racks in the downtown and few “share lane” (also known as “sharrow”) markings painted on downtown streets or anywhere else in the community. With its rainy weather, lack of secure, sheltered bicycle parking facilities is a major hurdle to encouraging more biking in Sitka.

**Recommendations for bicycle racks and other bicycling amenities:** Currently the city zoning code has no requirements for exterior bike racks in new projects in downtown or elsewhere nor standards for bicycle storage for larger multifamily development projects. All new major development or renovation projects should be required to provide bicycle parking facilities either on-site or at an off-site CBS-approved location. The CBS should also consider providing (as illustrated in the code audit) a centrally located moveable pallet of secure, sheltered bicycle parking racks or lockers in the downtown (either replacing a parallel parking space on Lincoln Street or a space in a city owned lot). Finally, the planning department should work with the public works department and volunteers to paint “share lane” markings on preferred bicycling routes in and around the downtown.

**Downtown Planning:** Most communities intent on preserving and promoting their downtowns begin with a focused plan for the CBD that often features recommendations for design standards, preservation of historic buildings, and professional downtown management (e.g., uniform hours when businesses will be open, joint advertising, etc.). While the downtown is recognized in the updated comprehensive plan as a key asset of the community, Sitka does not have a detailed plan for downtown. According to working group members, Revitalize Sitka began work on a plan to create a downtown business historic district, but it was tabled and never completed. Subsequently, some historic facades were reportedly lost.

**Recommendations for downtown planning:** Assuming that the recommendations in this memo regarding nonconforming uses (that follow in the economic development section) are implemented, the CBS planning staff should have more time to focus on and produce area-specific plans for precincts of the city like downtown and Katlian Street. The downtown plan should comprehensively address issues such as downtown zoning updates (e.g., updated use list), design standards and renovation funding for building facades, preservation of historic structures, parking [signage, parking management, need for parking structure], professional management, and other issues.

### **Economic Development**

The CBS’s current fiscal challenges makes it more important than ever to take care of its existing infrastructure as well as promoting infill and redevelopment that can rely on existing infrastructure instead of requiring expensive new investment to accommodate new outlying development. Moreover, the CBS is in competition with many other communities for economic development and must remove unnecessary barriers in its development code to economic activity.

***Non-Conforming Lots and Structures:*** The SGA / Clarion team has rarely reviewed a zoning ordinance such as Sitka's wherein residential zone district regulations relating to minimum lot sizes and dimensional standards (e.g., structure height, setbacks) are so out-of-sync with existing lot sizes and site/building dimensional standards on the ground. Indeed, practically every lot and structure in the mature, attractive, and desirable neighborhoods around the downtown appear to be nonconforming, with the result that homeowners must jump through numerous process hoops to be able to renovate, expand, or replace existing residences. These processes can be time-consuming and expensive and can discourage homeowners from making improvements the CBS sees as desirable. Moreover, planning commission members and staff report that they spend the bulk of their time dealing with variance and other requests for relief relating to nonconformities rather than important broader strategic planning efforts.

***Recommendations regarding nonconformities:*** Other mature communities have addressed this problem by allowing development on non-conforming lots if new structures meet contextual standards (for example, setbacks or heights based on the average setback or height of other established homes/structures on lots on the block/in the neighborhood.) Others have adopted more tailored zone districts for specific residential areas so that lot and dimensional standards more closely reflect what is actually on the ground. Either approach would help cut down on the time and expense landowners incur in seeking variances. Streamlining this process would also free up staff and planning commission time for other efforts that can promote economic development such as customized zoning for the Sheldon Jackson campus that allows accessory commercial and other uses closely related to the campus' current use as a vibrant art/educational center.

***Off-Street Parking:*** The CBS zoning code takes a modern, progressive approach to parking in the downtown (no minimum off-street parking required in the CBD district). However, Sitka's off-street parking requirements everywhere else in the community are as high as those typically seen in newer suburban communities with significant greenfield development and plenty of land for parking--not those typical of an older mature city with an established downtown that wants to encourage infill and redevelopment. An off-street parking space can cost from \$5,000-\$15,000, adding substantially to the cost of housing and commercial development while also eating up land that could be used for other projects. For an excellent discussion of the true cost of parking, see the Transportation Element of Sitka's draft comprehensive plan.

***Recommendations for off-street parking:*** Consider reducing off-street parking requirements for all multifamily residential and residential portions of mixed-use developments throughout the city, including those less than 5 units, from 2 per unit to 1.5 per unit. Studies show that mixed-use developments generate less traffic and have lower car ownership, thus requiring fewer off-street parking spaces.

Similarly, the CBS's parking standards for commercial/retail uses are high in comparison to other older communities. Retail stores and most offices must have one space per 300 square feet and could easily be reduced to 1 space per 400 square feet without any adverse impacts. Also, consider crediting retail businesses with adjacent on street parking as is done in hundreds of older cities (e.g., Oak Park, IL and Denton, TX).

With regard to downtown, as noted there are no parking requirements in Sitka's CBD (ZO 22.20.100.B), despite pressure from some business owners to provide more parking. The CBS already provides several municipal-owned public parking lots in and around the downtown and has literally millions of dollars in valuable land tied up in free parking in the community. Parking is a perennial issue in most downtowns. But before requiring off-street parking there, the CBS should undertake a study of existing parking capacity in the CBD and related issues. These other issues may include providing better directional signage to existing lots as well as the feasibility of and funding for a public parking structure instead of more scattered off-street parking lots that can detract from a pedestrian-oriented, compact downtown.

***Protection of Commercial and Industrial Development Areas:*** Sitka is severely constrained physically by the surrounding mountains and sea, thus placing a premium on suitable sites for residential, commercial, and industrial development. The draft economic development chapter of the comprehensive plan discusses the importance of providing adequate land appropriate for needed commercial and industrial development in Sitka as well as protecting existing commercial and industrial zone districts from intrusion by incompatible uses.

During the tour of the community, the SGA / Clarion team visited several areas zoned for commercial and industrial development (such as in the Price/Jarvis/Smith area) where residential development scattered throughout the area was creating conflicts with commercial and industrial uses. Both the C1/C2 zones allow for residential development as well as heavy commercial and light industrial uses without any requirement for buffering between potentially incompatible uses. Also, the team toured the Alice Loop development near the airport where land that was prime for waterfront-related commercial growth was allowed to be developed for high-end residential uses. Older mature communities like Pittsburgh, PA, with limited commercial and industrial-zoned land, have taken steps to protect those areas from encroachment by residential and other potentially incompatible uses (such as entertainment venues or apartments in old warehouses) by prohibiting or limiting such uses in those zoning districts.

***Recommendations for protection of commercial and industrial development areas:*** As suggested in the draft comprehensive plan update, the CBS should take steps to protect existing commercial and industrially zoned land from intrusion by or conversion to residential

and other potentially incompatible uses. A first priority should be to reexamine the C1/C2 Districts and consider eliminating or limiting residential development in those areas.

A next step would be to undertake detailed plans for areas that have potential for additional commercial/industrial/waterfront development. Candidate areas pointed out by staff include along Katlian Street and the waterfront in the Price/Jarvis/Smith area.

The draft economic development chapter of the updated comprehensive plan also recommends several specific rezonings to provide additional areas for commercial, professional office, and mixed-use development. The former campus of the Sheldon Jackson College is an example of where limited commercial development directly related to the area's function as an arts education center might be allowed in a location now zoned residential. These rezonings should be undertaken upon adoption of the updated comprehensive plan.

***Updating Planned Unit Development (PUD) Provisions:*** Sitka's zoning ordinance (Section 22.24.030) contains provisions common to most zoning ordinances allowing "planned unit developments." Planned unit development regulations were adopted in many communities beginning in the 1960s to provide more flexibility in dealing with large developments that were difficult to address with traditional zoning and its rigid zone districts and development standards. In return for flexibility and a more efficient development layout for the developer, the goal was to achieve higher quality projects while providing compensating community benefits such as more open space, better landscaping, and community facilities like schools. Over time, PUDs fell out of favor with both developers and municipal officials because they became a free-for-all process for negotiation without any guidance which led to long review time frames and uncertainty in the process and outcomes. To address these shortcomings, modern PUD provisions now have more extensive sections that make clear what type of standards are negotiable (e.g., height, setbacks, uses) and which are not (e.g., relating to environmental protection). They also make clear the type of compensating community benefits such as open space, affordable housing, and infrastructure improvements that must be provided.

***Recommendations regarding updating planned unit development provisions:*** According to staff, the CBS has a significant amount of municipally owned land that could be made available for development. PUDs could be a valuable and suitable vehicle for putting these parcels to appropriate economic use rather than a more free-form "let's make a deal" approach that apparently has been the norm in the past. The existing PUD regulations provide very little guidance to staff or prospective developers as to what the city goals are for PUDs or to guide negotiations. The CBS staff and planning commission should consider updating Section 22.24.030 as soon as possible so that they might be utilized more effectively in planning and

developing larger parcels in Sitka for economic development purposes, both privately and municipally owned. Good examples of modern PUD provisions can be found in the zoning ordinances of Henderson, NV.

## Implementation Strategies

The working group concluded its deliberations with a discussion of strategies for implementing the audit recommendations. Group members were asked by the SGA / Clarion team which of the recommended steps they had discussed should be pursued as “low-hanging fruit” to show immediate progress towards sustainability goals in the target sustainability areas and which should be considered as longer-term initiatives. There was a general consensus that the following items should be targeted for immediate or short-term action (within 3-6 months):

- Reducing the minimum lot size in residential districts from the current 8,000 square feet to a size that better reflects existing lot sizes in many of Sitka’s neighborhoods.
- Revising current off-street parking requirements and tailoring them to a more mature, established community (e.g., reducing the existing one space / 300 square feet of retail to one space / 400 square feet).

The working group also discussed key items that should be pursued in parallel with the “low-hanging fruit,” but with the expectation that implementation would take longer given the potentially controversial nature of the code revisions or the need for the staff and planning commission to more fully explore the issue in greater detail.

- Revising the current regulations for accessory dwelling units that are unduly restrictive (as discussed in the code audit) with standards to ensure neighborhood compatibility. While allowing ADUs in established residential neighborhoods can be controversial, working group members felt that, given the increasingly pressing need for affordable housing, the community was ready to address the issue again after having made some revisions a few years ago. In tackling this issue, the CBS should also consider whether to allow short-term rental use of ADUs.
- Revamping residential zone district dimensional standards (e.g., height, lot width, setbacks, etc.) to better reflect the dimensional standards found on existing lots in older established residential neighborhoods. This should greatly reduce the time spent by staff and the planning commission in reviewing applications for variances and other forms of relief for nonconforming lots and structures.
- Protecting land designated for commercial/industrial area, for example, by restricting further residential development in the C1/C2 zone districts.

- Undertaking focused small-area plans for precincts of the CBS that present important development opportunities (e.g., Katlian Street, Price/Jarvis/Smith)

## Working Group Members

Assembly Member Kevin Knox  
Darrell Windsor, CBS Planning Commission  
Mary Miller, STE Director, Sitka Tribe of Alaska  
Lisa Gassman, General Manager, Sitka Tribe of Alaska  
Doug Osborne, Sitka Community Hospital  
Anne Pollnow, CBS Historic Preservation Commission  
Gary White, Sitka Economic Development Association  
Michael Scarcelli, CBS Planning  
Samantha Pierson, CBS Planning  
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### **SGA / Clarion Team**

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Robert Tan

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