



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

To: Chair Spivey and Planning Commission Members

From: Amy Ainslie, Planning Director
Ben Mejia, Planner I

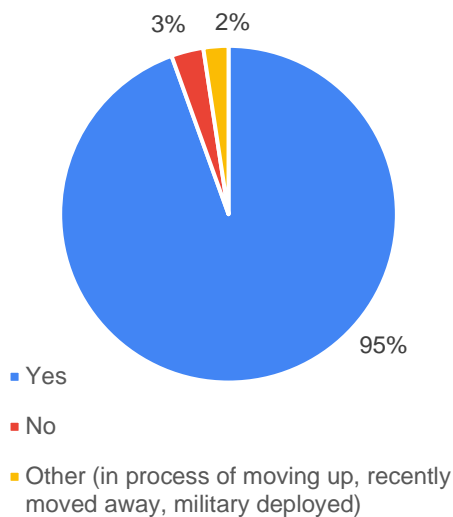
Date: July 30, 2021

Subject: **Short-Term Rental Survey**

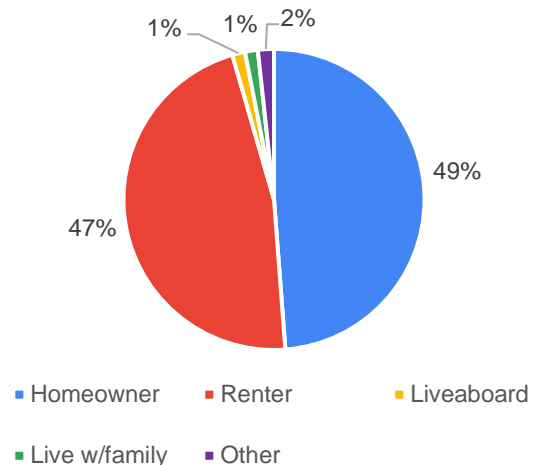
At their May 5, 2021 meeting, Commissioners requested that staff create and publish a community survey to better understand public opinion on short-term rentals, as well as rental and housing price data. Commissioners felt it would be helpful to have information from respondents on their status as a homeowner or renter, their ease or difficulty in finding housing, income and housing expense relative to income, and their opinions on actions that should or should not be taken in terms of regulating short-term rentals.

291 respondents took the survey between May 12 and May 28, 2021. Respondents were not required to give any personal identifier information to fill out the survey, and all questions were optional. Questions on income and housing expenses specifically had the option of “prefer not to answer” for respondents. Most respondents were Sitka residents (~95%). There was a fairly even divide between renters (47%) and homeowners (49%).

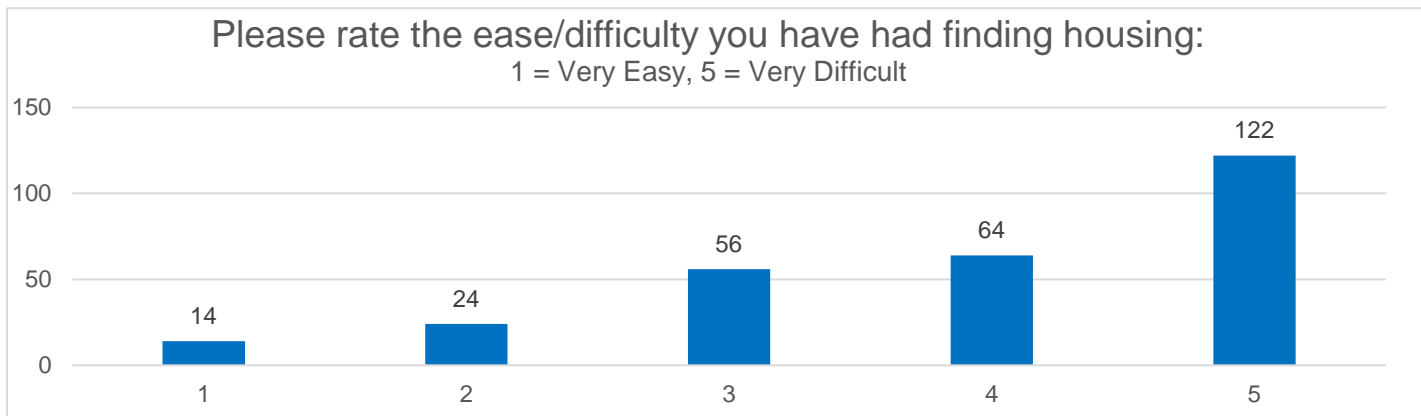
Are you a Sitka Resident?



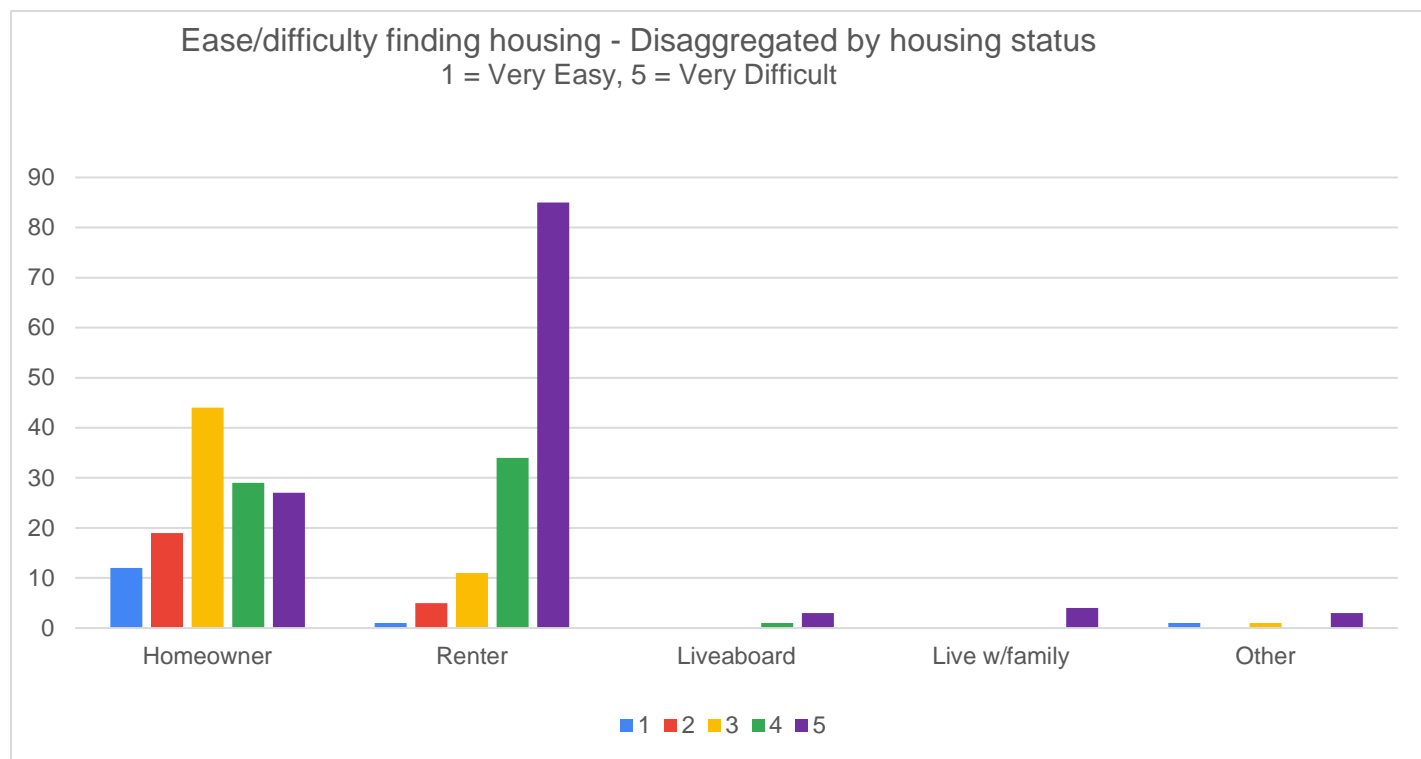
Are you a homeowner or renter?



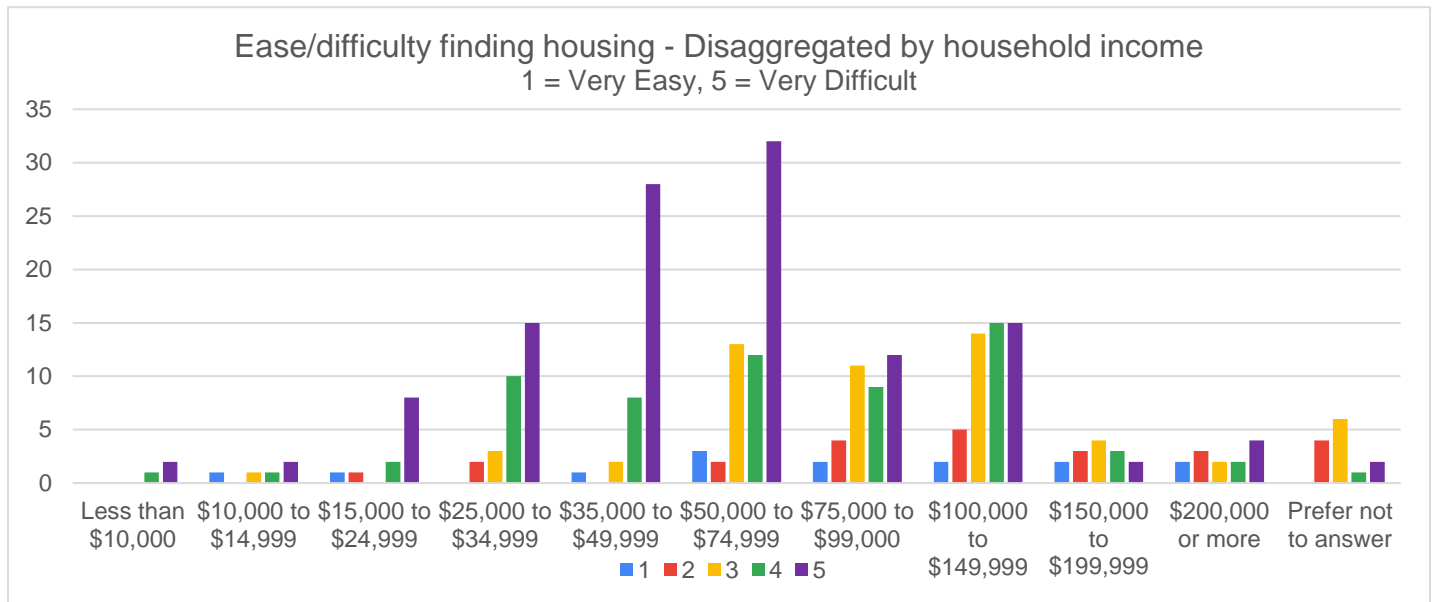
Respondents were asked to rate their experience in the ease/difficulty of finding housing using a scale in which a 1 was “very easy” and a 5 was “very difficult”. 86% of respondents rated their experience as a 3 or higher, indicating a general difficulty of finding housing in Sitka. 44% rated their experience as a 5, very difficult.



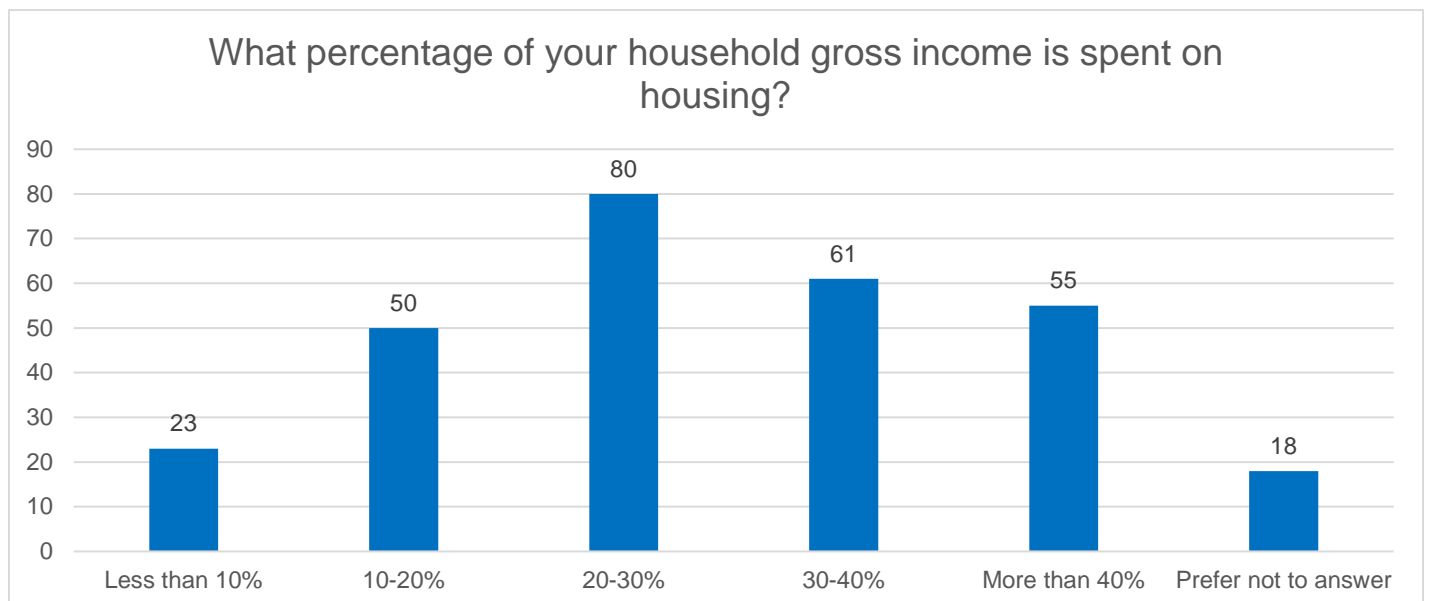
When disaggregated by housing status (homeowner, renter, etc.), homeowners showed more of a “bell curve” distribution in terms of their experiences finding housing with most rating it as a 3, while renters report much more difficulty in finding housing. All respondents who live with family said their experience in finding housing has been very difficult.



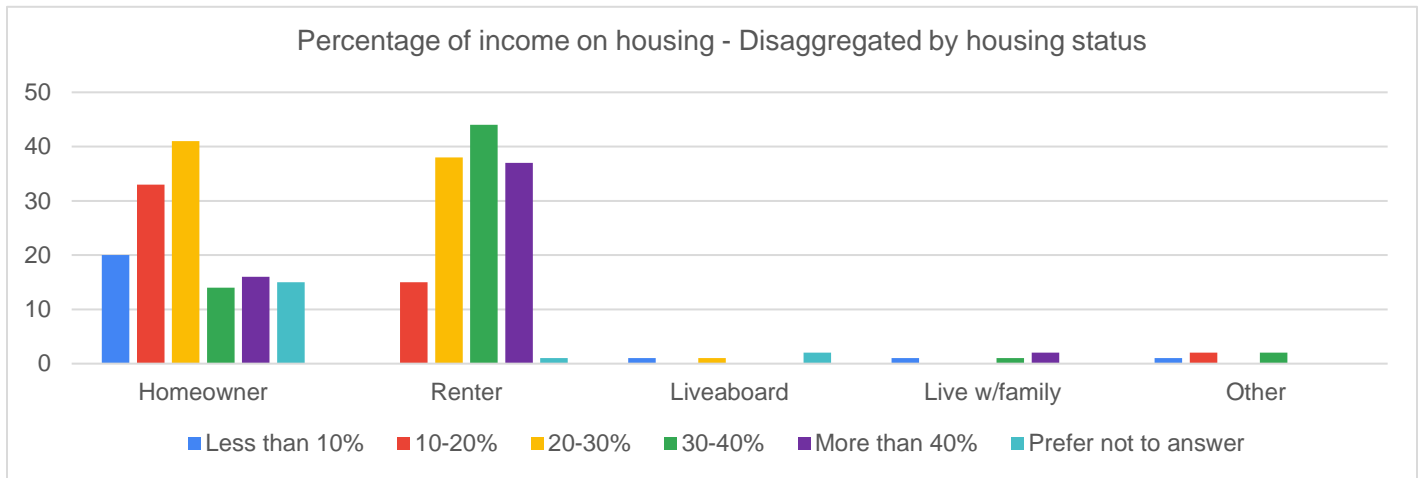
High numbers of those who have had a “very difficult” time finding housing have household incomes that fall within the \$15,000 - \$74,999 ranges, though at least some respondents in every income bracket reported having difficulty finding housing.



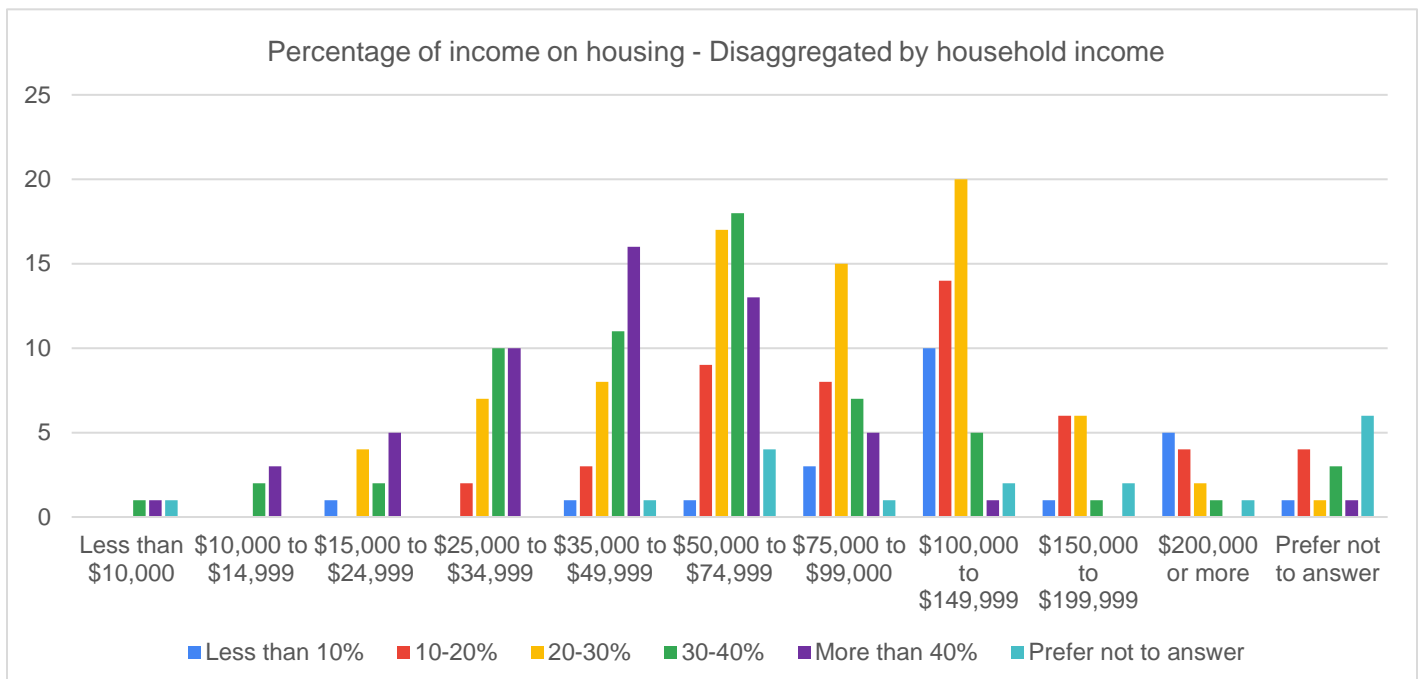
On housing expenses, there was a bell curve distribution with most respondents answering that they spend between 20-30% of their gross household income on housing expenses.



What percentage of your household gross income is spent on housing?					
Income spent on housing:	Percent of Homeowners	Percent of Renters	Percent of Liveaboards	Percent of those who Live w/family	Percent of Other
Less than 10%	14%	0%	25%	25%	20%
10-20%	24%	11%	0%	0%	40%
20-30%	29%	28%	25%	0%	0%
30-40%	10%	33%	0%	25%	40%
More than 40%	12%	27%	0%	50%	0%
Prefer not to answer	11%	1%	50%	0%	0%



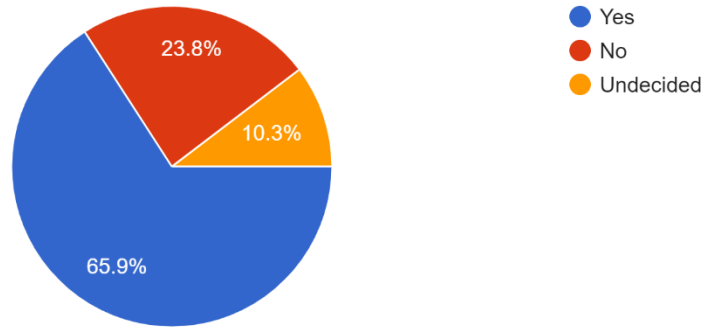
Homeowners and renters alike experience housing cost burden (greater than 30% of gross income spent on housing). No renters reported spending less than 10% of their gross household income on housing. None within reported annual incomes greater than \$150,000 reported spending more than 40% of their income on housing. Almost all income groups reported spending at least 10% - 30% of their incomes on housing.



Short-term rental specific questions:

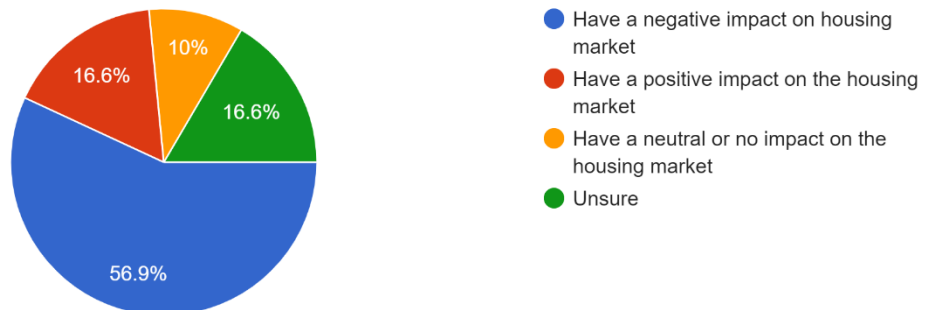
Are you concerned about the number of short-term rentals in Sitka?

290 responses



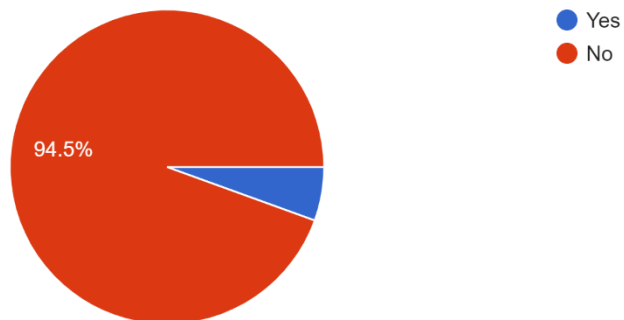
I believe short-term rentals:

290 responses

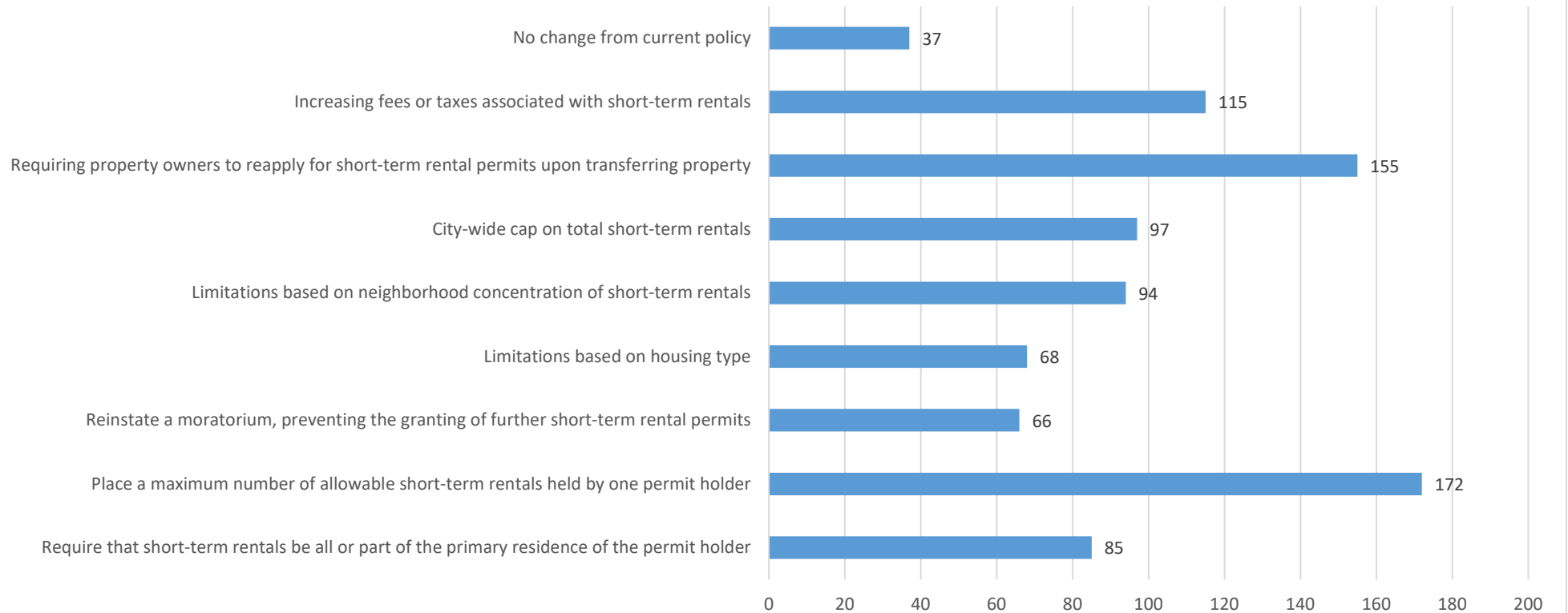


Do you own a short-term rental property in Sitka?

290 responses



Actions you would like to see taken on the permitting of short-term rentals:



Other suggestions included:

- Making more affordable housing/land for housing development available (4)
- Letting market dictate/limited City involvement (11)
- Limit the number any one property manager can manage (1)
- Incentives for converting short-term rentals to long-term (6)
- Fines for illegally operated/unpermitted STRs (2)
- Making more seasonal housing available (2)
- Limit STR permits to Sitka residents (3)

There was also an opportunity for respondents to provide free-form feedback. There were over 100 comments – staff attempted to summarize these by theme to provide the Commission with a sense of the overall comments.

1. Housing Availability and Affordability

Approximately 60-70 respondents provided comments regarding the lack housing availability in Sitka, high prices, and other difficulties of getting into housing. Within this pool, there were mixed feelings on the role that short-term rentals play in these problems; some were specific in citing short-term rentals as having negative effects, some felt that short-term rentals were unrelated to these observed problems, and some did not address whether they felt short-term rentals were having an impact in this area. Other observed problems included competing with Coast Guard and health care employees for housing, and the difficulties in finding pet-friendly housing.

Among popular suggestions were increasing land availability for housing development, easing restrictions on density and ADUs, establishing funds for affordable housing development, initiatives to lower cost of living,

2. Balance and Incentives

Several comments acknowledged a need for diversity in housing and lodging options, but wished for more balance and perhaps incentives for more long-term rentals. Some of those suggestions included tax breaks for ADU construction and long-term rental conversion. Others would like to see more enforcement of short-term regulations, higher taxes/fees associated with short-term rentals, time limitations for permits, or residency requirements for permit holders.

3. Free Market and Choice

Some responses were specifically focused on property owner choice and free market principles (approximately 15-20). These respondents felt that property owners ought to have the right to use their property as they see fit, and that the market should be able to regulate/determine appropriate levels on its own. There was some overlap between this section and that above – there was acknowledgement on both sides that short-term rentals can be an important tool in offsetting high housing costs for residents.

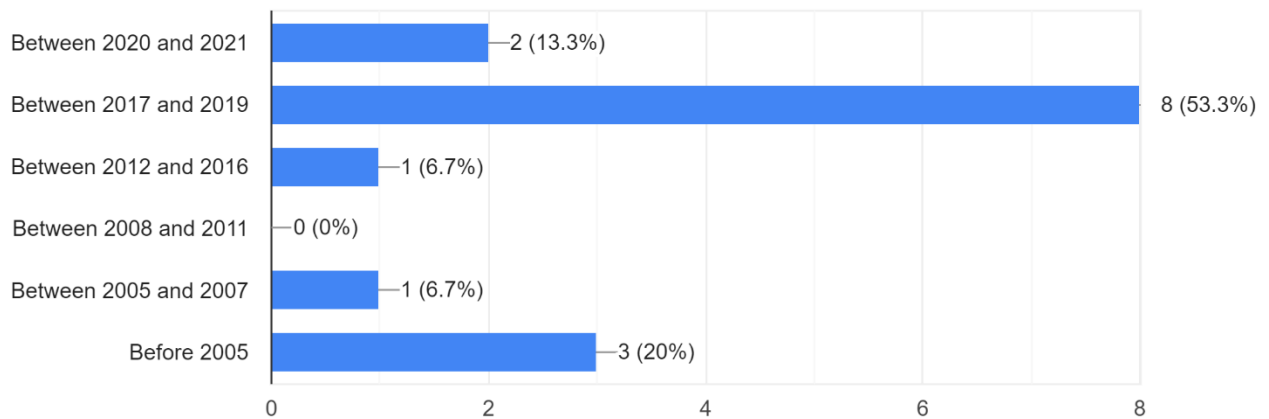
4. Tourism Economy

Many cited the importance that short-term rentals play in the tourism economy, particularly as they support independent travelers that contribute to Sitka's economy. Some respondents felt that allowing short-term rentals more equitably divides the income from the tourism industry among locals (as opposed to benefits only being captured by hotels and lodges). On a related note, there were many comments made regarding the need for expanded seasonal housing given our increase in population over the summer related to the tourism and fishing industries.

This survey also took the opportunity to ask questions of those who own short-term rental properties in Sitka. While we collect some of this data in our annual reports, staff thought we might have some respondents who have short-term rental properties in zones that allow them by right and therefore are not captured in the annual report data.

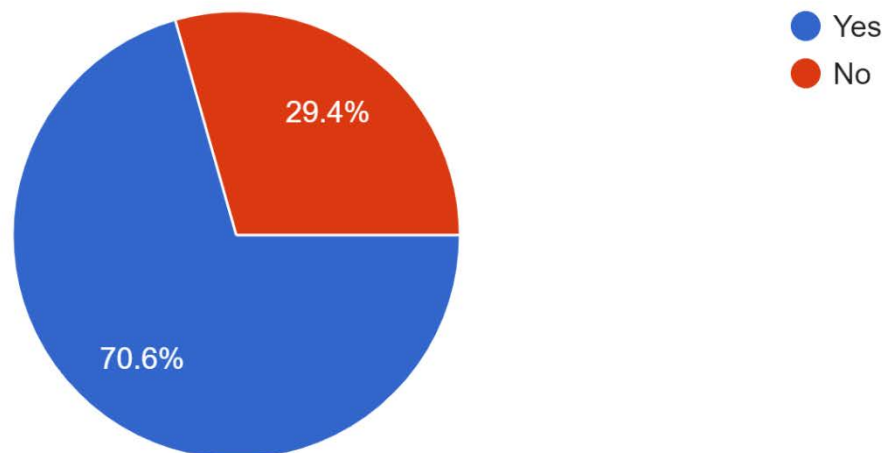
What year did your short-term rental begin operating? (Multiple boxes can be selected in the case you operate more than one short-term rental and they began operation at different times)

15 responses



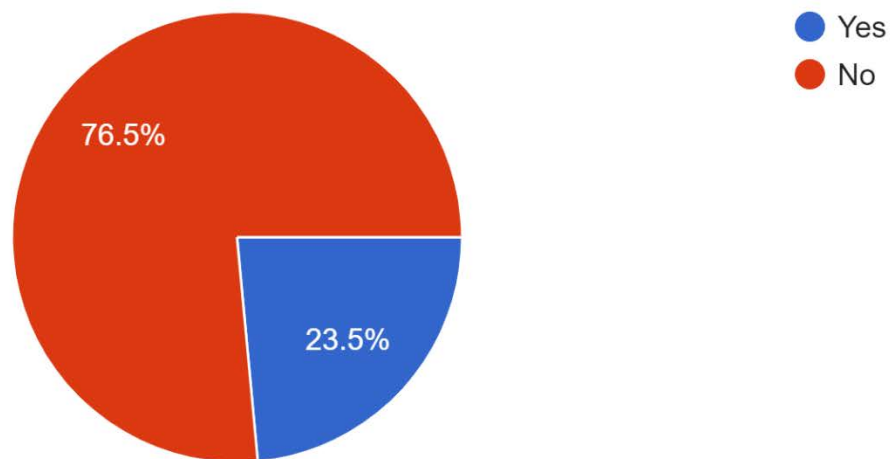
Is your short-term rental on the property of your primary residence?

17 responses



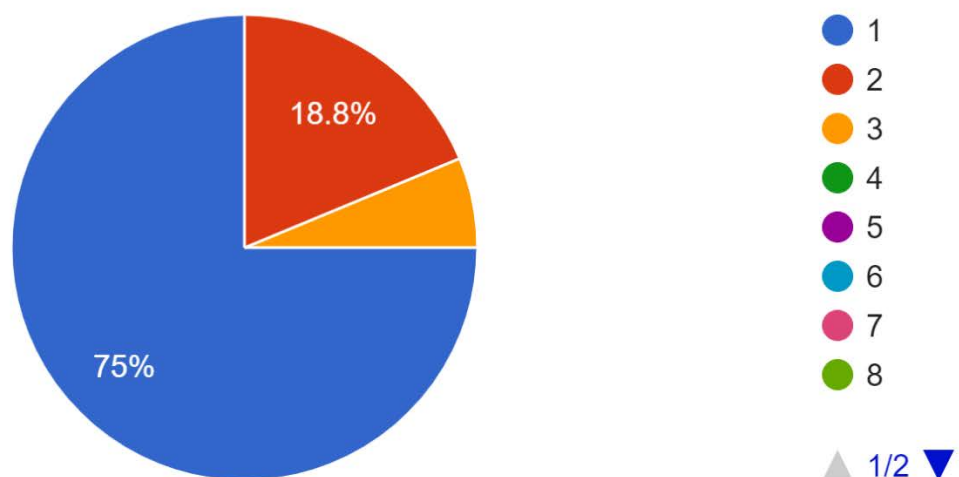
Was the short-term rental property previously used for long-term rental?

17 responses



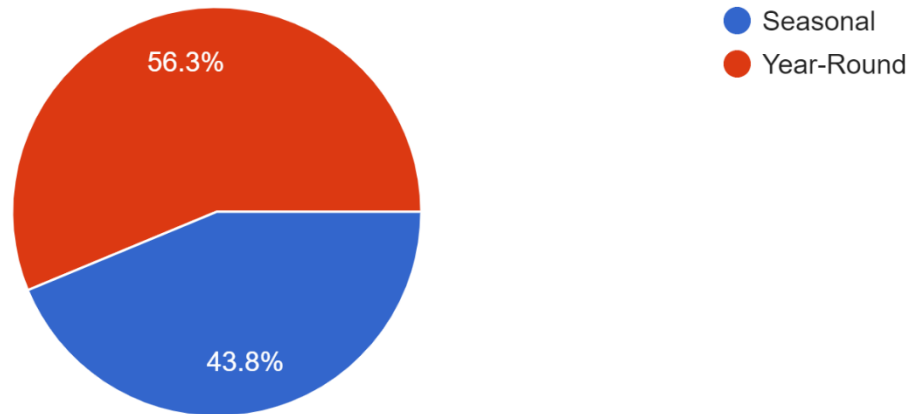
How many dwellings do you own for the purpose of short-term rental?

16 responses



Do you use your short-term rental seasonally or year-round?

16 responses



If your short-term rental is seasonal, what is the use of the rental in the off-season?

12 responses

