



RABBIT CREEK COMMUNITY COUNCIL (RCCC)
A Forum for Respectful Communication & Community Relations



1057 West Fireweed Lane, Suite 100 / Anchorage, AK 99503

August 31, 2022

Planning and Zoning Commission
Daniel Mckenna-Foster
daniel.mckenna-foster@anchorageak.gov
Long Range Planning, MOA
4700 Elmore Rd
Anchorage, AK 99507

RE: 2022-0090 Title 21.05.070.D.1 Amendment to ADU Regulations

Thank you for accepting our comprehensive comments. Please note our main concerns that we have supported at the end with documentation from T-21 and other land use plans, including how the MOA can regulate STRs.

At our May 2022 meeting, Rabbit Creek Community Council reviewed potential changes to Title 21's Accessory Dwelling Unit (ADU) regulations during Mr. Mckenna-Foster's presentation. RCCC also reviewed the ADU changes during Land Use and Transportation Committee meetings.

Rabbit Creek Community Council acknowledges the benefits to individuals and to the city of a well-drafted policy for Accessory Dwelling Units. However, RCCC finds the following shortcomings in the proposed amendments to 21.05.070.D:

1. Home ownership and neighborhood stability. 21.05.070.D says that the purpose of ADUs is to support continued homeownership and protect neighborhood stability and character. The provisions to remove the requirement for owner-occupancy, and to increase the bulk and prominence of the ADU, work against continued homeownership and residential stability.
2. Targeted infill. The proposed amendments also appear to contradict the intent of the 2040 Land Use Plan to promote targeted infill and redevelopment, supported by public investment in infrastructure and services. Instead, the ADU regulation change allows a random doubling of housing density, creating pockets of density without additional services or infrastructure.
3. Substantive amendment. In addition, the proposed ADU amendments are substantive enough to require one or more comprehensive plan amendments. The ADU amendments pose a potentially large shift in residential neighborhood character and use patterns: the amendments will allow a doubling in density, and will accelerate short-term visitor rentals by absentee owners as a commercial use in residential neighborhoods. The Municipality should follow the process of 21.03.070.C, Procedure for Substantive Amendments. If the Municipality follows this due process, the proposed ADU revisions will likely not pass the test of 21.03.070.C.2.b through e.
4. Lack of need. Staff Analysis does not offer evidence or data that there is any need for the proposed amendments, particularly the dimensional amendments. The general impediment to any residential is cost and financing. The staff analysis provides no evidence that increases in height and setbacks and size of ADU are necessary to reduce costs or improve financing.

5. Potential backfire: decrease in resident housing capacity. In many cities that are tourist destinations (like Anchorage), conversion of homes to short-term rentals has reduced the resident housing capacity and driven up rents and housing prices. Short-term rentals are already aggravating the Girdwood housing shortage. There is high potential for this in the core areas of Anchorage. The removal of the owner-occupancy requirement for ADUS would pour fuel on this trend.

For reasons further stated below, RCCC requests the following action from P&Z on the proposed amendments to Title 21.05.070.D:

- A. Retain the current requirement that at least one landowner will occupy the principal dwelling or the accessory unit.
- B. Adopt into 21.05.070.D a process for annual verification that properties with ADU have owner-occupancy; and prescribe sufficient penalties to achieve compliance.
- C. Retain the current proportionality in size of the ADU in the Class B district: maintain a maximum of 35 rather than 40 percent of the square footage of the primary dwelling
- D. Retain the 2-bedroom limit in the Class B District, and add a reference to site-specific capacity limits from onsite septic and well systems, and to site development envelopes that may exist on steep-slope lots.
- E. Adopt into 21.05.070 a requirement, or at least offer a strong incentive, for owners of a new ADU to sign a covenant, enforceable by penalties, not to engage in short-term rentals of less than 30 days for a period of 10 years (as Portland Oregon has started to do). Include a process for verification and penalties. The covenant should run with the property, if the owner sells within 10 years.
- F. Recalculate the neighborhood densities to determine current and projected ADU housing stocks for Municipal planning purposes. . Land use plans include periodic reviews of neighborhood density as part of zoning and Title 21 changes. The MOA needs a process for calculating ADUs so they will be included in future land use reviews.

Supporting Reasons

Retain owner-occupancy requirement to ensure continuity of ownership, neighborhood stability, and human capital

- 21.05.070.D1.b.i.B notes that the purpose and intent of ADU is to “provide a means for homeowners a, particularly the elderly, single parents, and families with grown children *to remain in their homes and neighborhood* and obtain extra income, security, companionship and services.
- 21.05.070.D1.b.i.E notes that the purpose and intent of ADU is to “*improve the affordability of homeownership* and enhance property values through rental income opportunity”
- Owner occupancy correlates to lower crime and nuisance calls. Neighborhoods where residents stay put for a long time tend to be associated with lower crime rates, according to the U.S Department of Housing and Urban Development. (from habitat.org)
- There is no evidence that owner-occupancy has limited the construction of new ADUs *by homeowners*, and that is one of the purposes of the ordinance.
- Renters are much more transient than homeowners. The median homeowner occupancy duration nationwide is 13.3 years (National Association of Realtors.) Median tenure has increased by 3 years since 2008. (nar.realtor). Only 6% of owners move within a year. Compare that to 26% of renters moving in less

than one year. A single-family rental tenancy on average lasts 3 years and a multi-family tenant roughly 2.5 years in the US (tenantplanet.com)

- The 2040 Land Use Plan Action 4-10 calls to “reduce restrictions that currently deter construction of compact housing types...[while] including development standards for neighborhood compatibility.” *The proposed amendments strip away the development standards that would ensure neighborhood compatibility: lower height, setback from the principal dwelling, continued requirement for owner occupancy of either the principal dwelling or ADU.*

The ADU changes would promote random infill versus targeted infill that can be supported by services

- The 2040 Land Use Plan calls for compact infill and redevelopment in targeted locations where services can be intensified: transit, active transportation, etc. The effect of the ADU is to increase density randomly, at the whim of unpredictable individual investment decisions.
- *Random* infill does not support the efficient provision of municipal services that are integral to higher-density living: transit, active transportation, public open spaces, emergency services, etc. The need for these services is clearly stated in Policy 12 of the 2020 Anchorage Bowl Land Use Plan: “

New higher density residential development...shall be accompanied by access to...transit and safe pedestrian facilities; and...adequate public or private open space, parks or other public recreation facilities on site or in close proximity... Instead of zones of opportunity and coordinated public/private investment envisioned in the Land Use Plan, the random implementation of this ADU ordinance will create pockets of conflict.

- Higher density requires higher investment in public spaces and public services. “Research has found that increasing the number of spaces for informal contact between neighborhoods is linked to a greater sense of safety for people in urban areas. This speaks to the purpose of investing in “third places”—such as parks, cafes, community centers—within areas that lack them as a means to further the social cohesion that helps prevent crime. (Brookings.edu, citing Sullivan, W.D. “the Fruit of Urban Nature: vital neighborhood spaces).

Re-zoning without due process

- The approval of second housing unit is a de facto doubling of future housing density. This density increase may occur in patches or over a period of years: but the intent and the outcome are to double the housing density of residential areas
- The Hillside District Plan (Map 2.1) clearly states that the intent is for limited intensity of residential use, with 0 to 1 dwelling units per acre (DUA). Doubling the housing density in the rural and peripheral parts of the Anchorage Bowl has potential negative impacts to the entire community, and therefore a density change of this magnitude requires a re-zoning consideration.

Potential Negative Impacts from ADU in the Class B District

- Septic system capacity: Much of the Hillside relies on individual wells and septic systems. Septic systems are rated for a certain number of bedrooms. For this reason, the number of bedrooms in any ADU must be within the septic system capacity; and a maximum of two bedrooms helps to ensure that ADU occupancy will not overstress the septic capacity of rural lots.

- Water capacity: The Municipality currently has no groundwater capacity data, and no regulations to protect and ensure groundwater recharge. The Municipality is blind with regard to the sustainability of the well water resources on the Hillside; but groundwater recharge and quality is negatively impacted by increased lot coverage and increased well usage.
- The Anchorage Hillside has are slopes, natural hazard areas, and access constraints on the Hillside which make some areas unsuited for higher density.
- Wildfire at the urban-rural interface is a concern in all communities. A higher density of homes at the rural edge creates a higher risk of to life and property.
- New residences on the Hillside are almost certainly auto-dependent. They perpetuate a “sprawl” pattern of development, with a very high per capita rate of vehicle miles traveled. This is contrary to the goals of Anchorage 2020, the Anchorage Climate Action Plan, and the 2040 Metropolitan Transportation Plan. This draws away infrastructure resources that are needed for infill and redevelopment of the core areas of Anchorage.
- Neighborhoods where residents stay put for a long time tend to be associated with lower crime rates, according to the U.S Department of Housing and Urban Development. (from habitat.org)

ADU square footage

Keeping an ADU to a certain maximum square footage (with conditions that include consideration for soils and steep slopes) is more reasonable than stating they can be 40% of the main structure. There are large homes in the MOA that are on comparatively small lots with steep slopes, such as one house in Prominence Pointe where a 5,274 sq. foot house is situated on a 4,000 sq. foot sloped lot (PARID: 02010132000). Using the 40% formula, means an ADU could be 2,100 square feet. That would not constitute good land use planning to allow an ADU of that size on a compromised lot with such a large residence.

Affordability of ADU

- 21.05.070.D1.b.i.D notes that the purpose and intent of ADU is to: “provide a broader range of accessible and more affordable housing within the municipality”.
- The Staff Analysis offers no evidence that de-regulating ADU in the Municipality will result in lower rental prices. Housing supply is largely a matter of *affordable housing*. The City of Portland, an innovator in ADU policies, found that 80 percent of ADU charged market rates.
- Short-term rentals of less than 30 days can generate much higher revenues than long-term rentals (monthly or longer). Short term rentals thus can displace resident housing with visitor housing.
- Portland is trying to ensure more ADUS are available for resident housing by offering development fee waivers in return for a 10-year covenant not to offer short-term rentals (less than 30 days) (portland.gov)
- Size of units correlates closely with rental rates. Allowing larger ADU in all areas reduces the likelihood of small, and thus cheaper, units..
- Availability of rental units is not the most critical housing pressure: it’s the *affordability* of rental units. Nationwide, 54% of renters spend over 30% of their household income on rent. By comparison, only 28% of homeowners who spend more than 30% of their household income on mortgage payments. (iproertymanagement.com, “Housing affordability among homeowners vs. renters). Meanwhile, rental

vacancy nationwide is 5.8% as of 2022 First Quarter, which is 86.2% higher than homeowner vacancy of 0.8%.

Short-term rentals and possible drop in resident housing capacity and affordability

- Staff Analysis does not explain how the proposed amendments would achieve an increase in affordable housing capacity in Anchorage; and what would prevent a widespread conversion of properties to absentee-landowner short-term rentals in core areas of Anchorage.
- Short-term rentals disrupt the social cohesion of a residential neighborhood.
- A robust body of evidence demonstrates the relationship between social cohesion and violent crime, with neighborhood attachment (residents' feeling of belonging to a neighborhood) and social cohesion associated with lower violent crime rates (Brookings.edu, US HUD (2016) Neighborhoods and Violent Crime).
- Short-term rentals drain a neighborhood of its human capital. They drive up rental costs and property taxes; and thus they drive out locally-employed residents as well as old-timers who invest their money, energy, and ideas in the community.
- Conversion to short-term rentals is most likely in core areas of Anchorage: areas where Municipal land use policy calls for increased resident housing that is proximate to job locations.
- It is spurious to claim that the Municipality can't regulate short-term rentals (STR). Short-term rentals are a hospitality enterprise, yet they fall through a loophole in the hospitality business regulation. Short-term rentals avoid the neighborhood protections placed on Bed and Breakfast operations. Regulations for Bed and Breakfast operations are a time-proven framework for ensuring compatibility with surrounding residential use. *Owner occupancy is a key component. With Bed and Breakfast establishments, number of occupants (number of beds or "pillows" is regulated.*
- Certain small-scale home-based businesses are allowed in residential areas, and they are strictly regulated to avoid impacts to neighbors.

In summary, the Rabbit Creek Community Council wants to emphasize the importance of urging retaining the owner-occupancy requirement as a key purpose of the ADU program: to promote continued home ownership and neighborhood stability. This will safeguard neighborhood safety and deter a total conversion of ADU properties to short-term rentals and displacement of residents.

Dianne Holmes, Board Member
Submitted on behalf of co-chairs:
Ann Rappoport & Michelle Turner

cc: C. Lyons,
D. Whitfield
Long Range Planning Dir