

**MAPP Housing Workgroup Meeting**  
 Tuesday, July 2, 2024 1:00 – 2:30 pm  
**Via In-Person & Zoom**

Present In-Person: Hannah Gustafson, Brian Partridge, Dorothy Duncan, Nona Safra, Karrin Marks, Emily Springer, Julie Engebretsen, Melisa Jacobson, Lorne Carroll

Present via Zoom: Mary Darbonne, Meg Friedenauer, Mayor Micchiche, Foot

Notetaker: Mary Darbonne

TIME	TOPIC	DISCUSSION	ACTION
1:00-1:15	<b>Welcome, Intros &amp; Agreements</b>	<p><b>*Group Agreements</b>            To help build trust and momentum, workgroup members commit to make their best efforts to:</p> <ul style="list-style-type: none"> <li>● Attend all scheduled meetings (in-person or hybrid)</li> <li>● Be prepared to participate fully in the workgroup sessions</li> <li>● Honor that decisions will be made by consensus</li> <li>● Hear, engage, and represent the community with humility</li> <li>● Understand that solutions will be nuanced, multi-tiered, and may be imperfect</li> <li>● Seek Common Ground</li> </ul> <p>Intros and Announcements:</p> <ul style="list-style-type: none"> <li>- <b>Hannah Gustafson</b>, MAPP Coordinator</li> <li>- <b>Brian Partridge</b>, Director of KBC, MAPP SC</li> <li>- <b>Dorothy Duncan</b>, no agency. Property manager/landlord of long term rentals in Homer and surrounding areas. Update: Poured foundation for a 2 unit duplex about 6 miles down East</li> <li>- <b>Nona Safra</b>, Alaska commission on aging, brain injury council, etc. Represents vulnerable populations. Transportation is a huge barrier related to housing.</li> <li>- <b>Karrin Marks</b>, Chair of Homer Economic Development Advisory commission in Homer, KPED board</li> <li>- <b>Emily Springer</b>, Homer News</li> </ul>	

		<p>*recording began*</p> <ul style="list-style-type: none"> <li>- <b>Julie Engebretsen</b>, City of Homer Director of Community Development. Currently working on Comp plan, zoning code rewrite.</li> <li>- <b>Melissa Jacobson</b>, Interim City Manager, City Clerk</li> <li>- <b>Mary Darbonne</b>, Elemental Consulting</li> <li>- <b>Meg Friedenauer</b>, Agnew Beck, contracted to work on City comp plan. Housing has emerged as a top priority during Comp Plan outreach. Update: Comp Plan survey is on a “soft close”, 556 responses - will keep open through the holiday</li> <li>- <b>Mayor Micchice</b>, Kenai Peninsula Borough Mayor - only reason in office today is to be here and hear what group is doing</li> <li>- <b>Penelope Haas</b>, Guiding Growth. Housing concerns connecting to all other concerns</li> <li>- <b>Nicole Reblow</b>, Economic advisory commission</li> </ul>	
1:15-1:30	<p><b>City &amp; Borough Governments -</b>  What can and can't we do related to Housing Policy?</p>	<p>Hannah introduces topic:</p> <ul style="list-style-type: none"> <li>- Group discovered that we have a lot to learn about policy and what the Borough and City can and cannot do</li> <li>- Goal today is to spend time hearing from representatives about their powers and what is actually possible within these entities</li> <li>- Informal dialog to learn from one another</li> </ul> <p><b>Julie Engebretsen, Community Development Director, City of Homer</b></p> <ul style="list-style-type: none"> <li>- Where City has been when it comes to housing: <ul style="list-style-type: none"> <li>- In mid-2000s donated lots for Habitat for Humanity</li> <li>- Donated the original land for kenai peninsula housing initiatives when they built their brookside facility</li> </ul> </li> <li>- City has looked at what happens if we wave fees and whether that helps with affordability - doesn't make much of a difference (~\$1,000)</li> <li>- Duplex bank financing is easier than Triplex (goes from 10% down to 30% down)</li> <li>- Biggest things City can do:</li> </ul>	

- Encourage more houses to be built closer together, but many people not comfortable with this. Want to live here on 1-5 acres and have city water, sewage, maintained road, emergency services, but don't want neighbors. This makes water and sewage a very expensive infrastructure if you don't have enough users per mile.
- Comp Plan and Zoning Code currently in revision

- **Discussion:**

- What can be done without a permit within City limits in regards to building on your own property?
  - Depending on lot size, you can have your primary structure and an accessory dwelling unit. If you want any other configuration, now require an additional use permit
  - Can build a triplex if it is all in one building, but many people tend to build house w/ a garage apartment, and then a separate accessory dwelling unit
- Comment from last meeting of someone stating, "I wish Homer would make it easier to build like Kenai and Soldotna." What is the response to this?
  - Most Zoning codes will have an r-code to determine how many units and how big they can be – Homer's code does not do that - it makes you go through a long math equations to figure out how many units you can have and how big they can be
  - More Wet lands or soils require more regulations
- Still thinking of building codes?
  - Separate topic. City applied for BRICK grant (FEMA Program) that would pay for the creation of a building inspection program. Could be year or two years before this funding would come through.

- Would having a building code add movement towards the building problem?
  - Not necessarily part of the equation
  - Half of the homes and builders in Homer are already built to code and inspected and have energy ratings as part of the process
- Homer Senior center now owns 4 lots - supposed to become independent living. Trying to envision how we can get the most housing for seniors w/ universal design and density.
  - Recommend waiting a year and a half until comp plan and zoning code is complete.
  - Would not build Tiny Homes - could be able to build something larger/taller with more units w/ elevator and could house more people
  - When we build single story, we can only get so much housing
  - Maximum density examples:
    - Oldtown cottages (housing by AJs) is using as much building square footage as is able to be put on those lots
    - Conifer Woods apartments on Ben Walters Ln

**Peter Micciche, Mayor, Kenai Peninsula Borough**

- Borough developed an affordable housing report
- This prompted a housing focused working group
- Critical housing areas are on the eastern and southern peninsula (Seward is actually more critical)
- The workgroup wanted to attack housing first by visiting with various agencies - in some cases they didn't seem to recognize the problem. KPED, rural CAP, Alaska Housing, UAA Center for Development, Denali Com, Department of Labor

- |  |  |  |  |
|--|--|--|--|
|  |  | <ul style="list-style-type: none"><li>- Market has been here 42 years. Has been through similar trends as population fluctuates, but the housing market has responded. This is the first time we have not had adequate housing for work crews, so the workforce has no where to stay to build new places</li><li>- A couple of key builders in Cen Pen had to shut down because of scarcity of labor, supplies, etc.</li><li>- Often want to point at VRBOs and Airbnbs, but those types of dwellings have always existed. Housing is always more scarce during the summer. It's becoming more obvious because of the platforms. That's just the reality and it doesn't fix the shortage</li><li>- Borough can do:<ul style="list-style-type: none"><li>- In most of borough, seeing land values remain very high (saw land recently sold for 150% of borough assessment)</li><li>- Another tax foreclosure sale coming up in the fall that borough will acquire</li><li>- Producing subdivisions in areas that have been previously identified as key shortages that will be coming on market as seen necessary</li></ul></li><li>- One bottom line problem is absentee owners (29% of the SKP is owned by people who live somewhere else). There are many vacant residential tax parcels that are just sitting. Could have vacant parcels pay a bit higher tax rate.</li><li>- Plenty of in-field opportunities. Borough would like to motivate land owners to build responsible housing</li><li>- Don't want to create density issues - need to be careful and thoughtful about how we solve these problems. Don't want to squeeze people into places that they don't want to live, only to create further problems down the line.</li><li>- Borough is looking for opportunities that make sense. Willing to put our lands on the market and prioritize borough residents to the highest extent of law allows.</li></ul> |  |
|--|--|--|--|

- Want to incentivize private property/land owners to get existing residential properties into residential use
- Chapman was destined to be closed a few years ago and now is bursting at the seams because people are moving towards the more affordable housing in Anchor Point. Population/family shift will occur as more housing becomes available/affordable.
- Trying to take all these things into account in our planning and would really love to work with this group and others to dovetail efforts instead of working in different directions
- Will continue borough wide awareness of the housing issue

- **Questions:**

- For people who own land but who do not live here, How would the borough incentivize? Also, regarding vacant lots - is the borough looking into policies for owner occupancy?
  - Currently looking at policies for people who are sitting on empty properties
  - Borough doesn't have power within the City limits but could work with City to reward those with developed properties
  - Borough is not going to work on Airbnb or VRBO policies, but will work with residential land owners to build and help them make a profit
  - Market has been very slow to respond to this pinch point
- What would have to be done for incentives like financial support for roads or utilities, etc.?
  - Individuals could come to borough with requests to help make these things marginally positive for the builder.
  - Also willing to work with legislature and federal programs that may help support. Borough could be the entity that lends a grant.

- Mayor proposed \$700,000 in capital budget for development of roads in critical areas, but this was vetoed by governor last week
- Any more info about the new subdivision?
  - 7 subdivisions that have been started - can send info on where they are being planned
  - Would like to create interest and diversity in particular sales
  - The upcoming tax foreclosure sale has 78 properties - very nice parcels that will be desirable for development
- Habitat protections - not cutting corners
- There seems to be demand for housing that is not very dense, but difficult to provide services otherwise (road, water, sewage, etc).  
What is the cost of maintaining developments?
  - Borough has over 1500 miles of road, only about half is maintained
  - A lot of roads are platted but not in existence
  - Would like to develop quality roads with quality soils, but do not want to repeat issues like in K-Beach flood area where land was cheap but roads are not maintainable.
  - More interested in building road for subdivision with 1 acre parcels would be ideal
- What is the water source or requirement for septic?
  - Water resources vary dramatically across the borough
  - Looking for people to come to us and borough can help them get on their feet in regards to utilities
  - Often developers need a helping hand at the beginning and then can get financing on their own.
  - Borough has road powers, just need to work on funding mechanisms. RIAD - Road Improvement Assessment District

Follow-Up on info about planned subdivisions - send to group.

<p>1:30-2:15</p>	<p><b>Group Activity</b> - Q&amp;A/Policy Discussion</p>	<ul style="list-style-type: none"> <li>- <b>Question for both Julie and Mayor</b> <ul style="list-style-type: none"> <li>- Just because builders are creating housing, doesn't mean they are attainable for residents. How do we ensure the housing being built is attainable?           <ul style="list-style-type: none"> <li>- Julie: It is a question of housing for who – we have a lot of housing being built in Homer. To develop the raw land is \$400,000. There are mechanisms (like the city loaning the money for the infrastructure and then whoever buys the house has to own it for 10 yrs) to assure the first owner can afford it, but not sure if this pushes the needle on housing numbers</li> <li>- Mayor: Homer became the most expensive per unit housing market in Alaska last year at \$494k - surpassed Juneau in 2023               <ul style="list-style-type: none"> <li>- Options like manufactured homes. Will have to do some extraordinary things like this to get on top of this, But the supply and demand roller coaster will happen again - Even though housing is expensive right now, Every house that is being built will be a part of the oversupply eventually</li> <li>- Working with Rural Cap in planning of subdivisions</li> <li>- Evaluate where the gap is through all these various groups</li> <li>- Can't prioritize young buyers - not constitutional, but could design land sales where borough residents would likely be the ones to purchase, or requiring housing within 3 years on property, etc. to encourage local ownership</li> </ul> </li> </ul> </li> <li>- What makes a lot more attractive to a resident vs. outside?</li> </ul> </li> </ul>	
------------------	--	--	--



		<ul style="list-style-type: none"><li>- Pushing limit with legal team for a requirement that you have to be a borough resident. State has recently done this and it hasn't been challenged</li><li>- Want land sales to be based on how many people build their lives, stay here, fill our schools, build our communities. Not about the money and not trying to give it away</li><li>- Ex. Previously, borough sold 1400 acres of land for \$200,000 in Sunrise (near hope) to an attorney in California - now people are having to commute to Hope - this is a shame</li><li>- Categorizing properties in borough to have a bigger view of what makes sense for a resident-only sale and then could open it up<ul style="list-style-type: none"><li>- Follow-up question: The ;and classification process in the late 90s that went through advisory planning commissions and unincorporated boroughs - Do you anticipate a process like this in the future where local folks can talk about borough lands and their properties?<ul style="list-style-type: none"><li>- Yes - borough will give it a first flush because most categories are very obvious and then will get local input.</li><li>- Don't want to deliver permanent while trying to solve the temporary housing problem</li></ul></li></ul></li><li>- Can borough work w/ VFW in AP who wants to put in housing for veterans? They have no idea where to start. Also, for those living in independent in senior center housing - it's a month to month lease. No one wants to speak up if they have issues because they are threatened to be evicted. How do we fix this?<ul style="list-style-type: none"><li>- Mayor: Borough can support independent living, veterans, etc. through city or independently</li></ul></li></ul>	
--	--	---	--

- Borough working group objectives: identify partnerships, identify funding sources, explore land options to increase inventory, motivate potential sellers to sell or develop, partner with municipalities and other groups, look at policies that are detrimental to development, and incentivise owners to build in the short-term.
- There is so much power in working together! We are one large community and it matters.
- Have issues turning lose thousands of acres when there is still Private sector land available. If private sectors don't develop, we will put it out there.
- If city is going to build housing, what can you do to ensure the housing that is created will in fact be affordable or helpful?
  - Julie: If you live in unincorporated borough, you are choosing this lifestyle vs folks who chose to live within city limits are willing to accept the amenities that come with that. Difference in choice.
  - A lot of single family home owners that do incremental development
  - KBHI is fairly new larger unit builder
  - Having a building inspection program is important so that future homeowners do not have "homer build"
- Can you have a "Resident only" sale of land? States and Cities have incentives for living on your property
  - Mayor: State just did a land sale based on residency. Borough is hoping to do the same
  - Borough already rewards for local homestead owners with tax exemptions, which goes up to \$300,000 for seniors - All sorts of levers available.
  - Can do policies on "must build within x amount of years"
- City and borough have different tax break rates for residents and seniors.

- Title 29 says what is allowed on property tax - required to tax at local mill rate or exempt at required exempt rate
- Senior exemption is very generous - most generous in state. Not going to work to eliminate senior exemption, but would be nice if seniors got together to figure out how to cover some of these costs.
- No interest in increasing senior exemption - that doesn't make sense.
- Could borough create a similar exemption to the senior exemption for local residents?
  - Julie: Question is who pays - residents or non-residents?
  - Mayor: We already do this. Residents pay less in their primary residence than if they are somewhere else. Non-residents pay more. (City is 20, Borough is 50, senior residence pay much less)
- Bed tax issue. Was going to be scheduled for a vote but was vetoed. What are your thoughts if this were to be brought up again.
  - Came up at last meeting, but has been tabled because there was no thought or plan for what would be covered. Would like entire borough to have the same rate and same idea for what costs we want visitors to cover. Borough gets hit really hard on solid rates and emergency services. Would like to get group together who understand cost structure and where revenue goes to talk about borough wide bed tax where municipalities and borough gets a cut. KPB doesn't just need money. If we had more money, we would give break to residents. Support a bed tax, think it's fair, just want it to be done thoughtfully and correctly.

End of panel discussion.

- Julie is looking forward to continuing to work on these housing issues.

		<ul style="list-style-type: none"><li>- Mayor will be available for this group. Aaron Hughes is new planning manager - would like him to participate in this group, you all are always welcome to our group. Willing to take assignments.<ul style="list-style-type: none"><li>- Assignment request: Would love to see most uptodate statistics about where owners of parcels live - would love to be able to see this as a table that includes whether there is a structure on the lot.</li></ul></li></ul>	
2:15-2:30	<b>Closing, Date &amp; Agenda for next meeting</b>	<ul style="list-style-type: none"><li>- <b>Next Meeting: August 6th 1-2:30p</b><ul style="list-style-type: none"><li>- Workgroup updates from two workgroups</li><li>- Come up with measures for this group by September</li></ul></li></ul>	
	<b>Zoom Chat</b>		