

HOUSING

Current Status

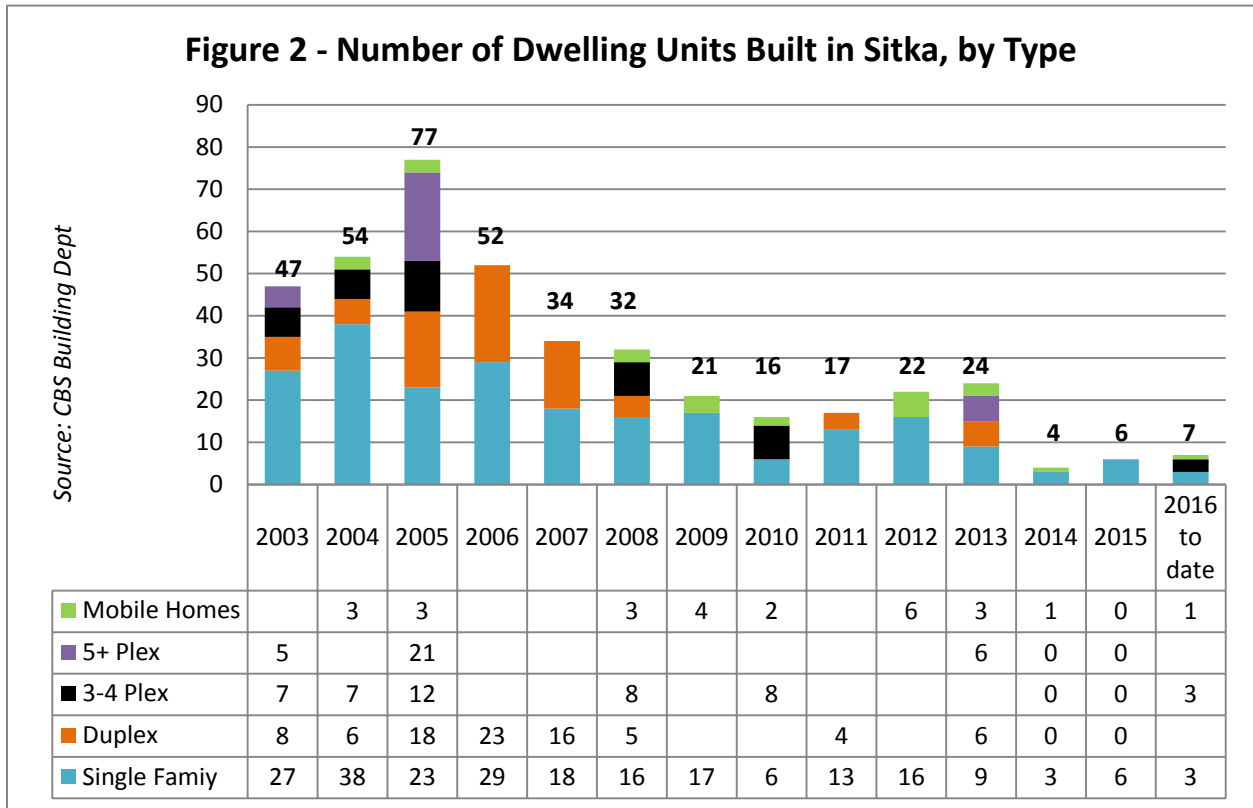
Total Dwelling Units and Recent Construction

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).



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% |
| <p><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.</p> | | |

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 | |
| Source: | CBS+Census | ACS 5-year Estimates | | | | | US Census | | |
| 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 <i>Source: CBD Electrical Dept</i> | 3,697 | 3,598 | 3,728 | 3,662 | 3,672 | | | | |

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) |

Source: ACS 2014-2010 5-year estimates.

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 |

Sources: Multi-Listing Service (MLS). 2011-2015 data courtesy of Davis Realty; 2016 data courtesy of Baranof Realty

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% | |

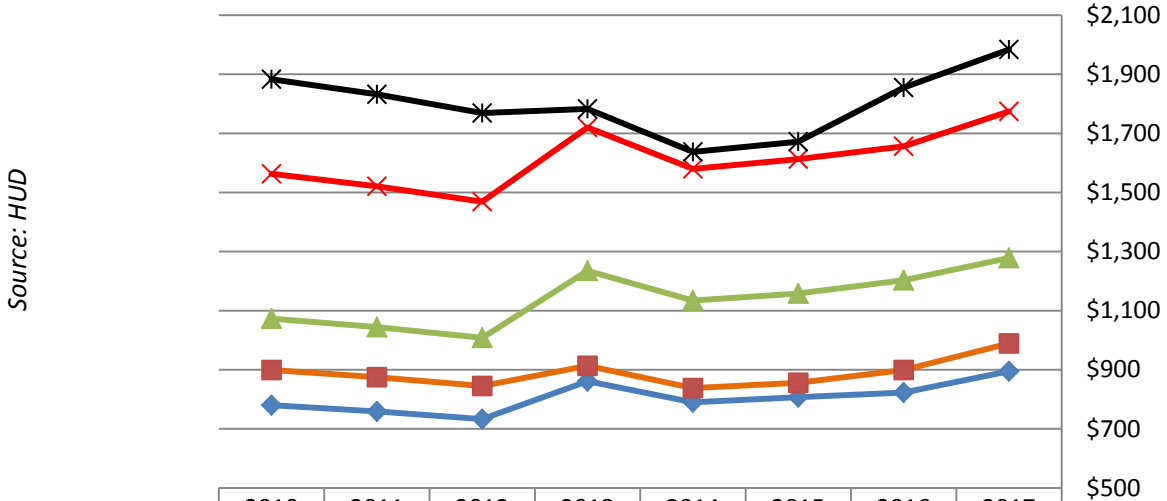
Sources: ACS = ACS 2014-2010 5-year Estimate; ADOLWD Annual Rental Market Survey, 2016

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



| | 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> | | | | | |

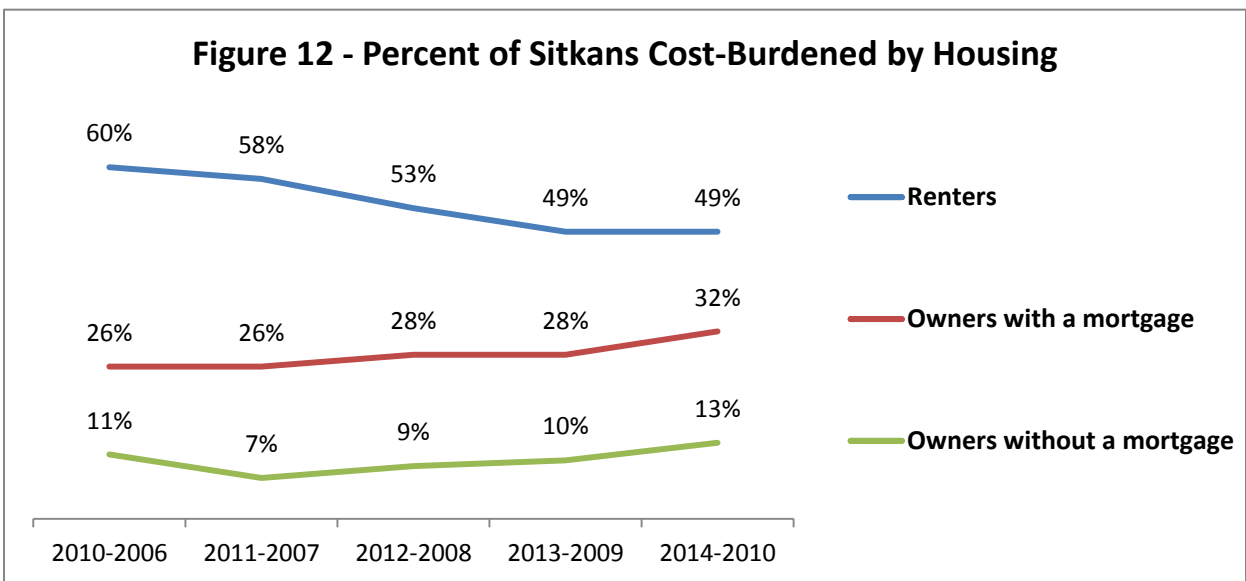
Cost- Burdened by Housing

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).

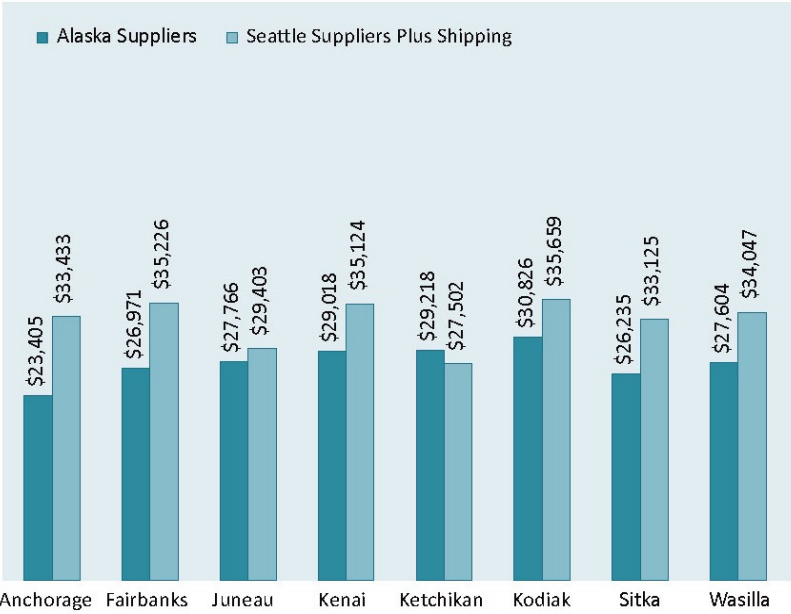
The market basket cost of construction materials in Alaska increased 7% overall in 2015.

| 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 OPPORTUNITES

- 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).