ANCHORAGE, ALASKA
AO NO. 2022-107

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE, TITLE 21
SECTION 21.05.070, ACCESSORY USES, AND 21.10.050, USE
REGULATIONS.

(Planning and Zoning Commission Case No. 2022-0090)

WHEREAS, Goal 4 of the 2040 Land Use Plan (LUP) calls for neighborhoods to
provide a range of places to live and meet the housing needs of residents at all
income levels, household sizes, interests, ages, abilities, and races, and
ethnicities; and

WHEREAS, the 2040 LUP encourages 1,000 new Accessory Dwelling Units
(ADUs) in the Bowl by 2040; and

WHEREAS, 2040 LUP policy 4.2 allows for and encourages innovative compact
housing types and a variety of housing options that respond to changing
preferences; and

WHEREAS, 2040 LUP Action 4-7 states an amendment to Title 21 is needed to
ease restrictions that deter the construction of ADUs; and

WHEREAS, building permits since the most recent changes to Accessory Dwelling
Unit zoning regulations in 2018 do not indicate substantial increases in the number
of ADUs produced; and

WHEREAS, between 2021 and 2022, the Planning Department has conducted
outreach, hosted a workgroup, and conducted a survey of community councils on
perceived obstacles within the zoning code and developed a proposal to address
needed changes to improve ADU production; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code 21.05.070 is hereby amended to read as
follows (the remainder of the section is not affected and therefore not set out):

21.05.070 Accessory Uses and Structures

*** *** ***

D. Definitions and Use-Specific Standards for Allowed Accessory Uses and
Structures. This section defines the accessory uses listed in table 21.05-3
and also contains use-specific standards that apply to those uses.
Accessory uses shall comply with the applicable use-specific standards in this subsection, in addition to complying with the general standards in subsection B.

1. **Accessory Dwelling Unit (ADU).**

   a. **Definition.** A subordinate dwelling unit added to, created within, or detached from a detached single-family or two-family dwelling which provides basic requirements for living, sleeping, cooking, and sanitation. The unit may have a separate exterior entrance or an entrance to an internal common area accessible to the outside.

   b. **Use-specific Standards.**

      i. **Purpose and Intent.** The purpose and intent of this section are to:

         (A) Fulfill housing policy #15 of Anchorage 2020: Anchorage Bowl Comprehensive Plan, which provides that accessory housing units shall be allowed in certain residential zones;

         [(B) PROVIDE A MEANS FOR HOMEOWNERS, PARTICULARLY THE ELDERLY, SINGLE PARENTS, AND FAMILIES WITH GROWN CHILDREN, TO REMAIN IN THEIR HOMES AND NEIGHBORHOODS, AND OBTAIN EXTRA INCOME, SECURITY, COMPANIONSHIP, AND SERVICES;]

         (B[C]) Allow more efficient and flexible use of existing housing stock, land supply, and infrastructure;

         [(D) RESPOND TO CHANGING FAMILY NEEDS AND SMALLER HOUSEHOLDS BY PROVIDING A MIX OF HOUSING;]

         (E) IMPROVE THE AFFORDABILITY OF HOMEOWNERSHIP AND ENHANCE PROPERTY VALUES THROUGH RENTAL INCOME OPPORTUNITIES;

         (F) PROVIDE A BROADER RANGE OF ACCESSIBLE AND MORE AFFORDABLE HOUSING WITHIN THE MUNICIPALITY; AND

         (G) PROTECT NEIGHBORHOOD STABILITY, PROPERTY VALUES, AND CHARACTER BY
ENSURING THAT ADUS ARE INSTALLED UNDER THE PROVISIONS OF THIS TITLE.]

ii. Application, Review, and Approval Procedures

(A) Any landowner operating or seeking to establish an ADU shall obtain a building or land use permit from the Development Services Department. The permit shall constitute an ADU permit.

[(B) WITH THE PERMIT APPLICATION, THE LANDOWNER SHALL SUBMIT AN AFFIDAVIT ON A FORM PROVIDED BY THE MUNICIPALITY, AFFIRMING THAT AT LEAST ONE LANDOWNER WILL OCCUPY THE PRINCIPAL DWELLING OR THE ACCESSORY UNIT AND THAT THE ADU WILL CONFORM TO THE REQUIREMENTS OF THE PERMIT AND THE REQUIREMENTS OF THIS SECTION. ANY OTHER RESTRICTIONS OR OBLIGATIONS RELATED TO THE ADU USE AND REQUIRED TO BE RECORDED SHALL BE INCLUDED IN THE AFFIDAVIT.]


[B[D]) For purposes of securing financing, potential landowners may request and receive a letter of pre-approval from the municipality indicating the property is eligible for an ADU permit if the potential landowner completes the application process and construction in accordance with this section.

iii. Requirements. All ADUs shall meet the following requirements:

[(A) PURPOSE. REQUIREMENTS FOR ACCESSORY DWELLING UNITS ADDRESS THE FOLLOWING PURPOSES:
(1) ENSURE THAT ACCESSORY DWELLING UNITS MAINTAIN AND ARE COMPATIBLE WITH THE APPEARANCE AND CHARACTER OF THE PRINCIPAL RESIDENCE, LOT, AND NEIGHBORHOOD;

(2) ENSURE THAT ACCESSORY DWELLING UNITS ARE SMALLER IN SIZE THAN THE PRINCIPAL DWELLING ON THE LOT, AND PRESERVE UNDERLYING LOT COVERAGE LIMITS;

(3) MINIMIZE NEGATIVE IMPACTS TO ON-STREET PARKING IF ALLOWED BY THE TRAFFIC ENGINEER, AND MINIMIZE THE AMOUNT OF PAVED SURFACE ON A SITE; AND

(4) PROVIDE CLEAR AND FLEXIBLE STANDARDS THAT MAKE IT PRACTICAL AND ECONOMICAL TO DEVELOP ACCESSORY DWELLING UNITS THAT ARE IN COMPLIANCE WITH THIS CODE.]

(A[B]) Allowed Zoning Districts. ADUs are allowed in all residential zoning districts.

(B[C]) Requirements for Developing an ADU.

(1) One Principal Structure. One ADU may be added to or created within a [DETACHED SINGLE-FAMILY DWELLING ON A LOT, TRACT, OR PARCEL, BUT ONLY IF THE DETACHED SINGLE-FAMILY DWELLING IS THE SOLE PRINCIPAL STRUCTURE ON THAT LOT, TRACT, OR PARCEL] dwelling or two-family dwelling on a lot, tract, or parcel.

(2) Detached ADU. One ADU detached from a single-family or two-family dwelling is permitted on a lot, tract, or parcel in all residential zoning districts.
(3) **Lot Coverage.** The lot coverage of the principal dwelling unit and all accessory structures combined, including but not limited to the ADU, shall be less than or equal to the maximum lot coverage allowed by the zoning district.

(4) **Uses.** The landowner shall reside in either the principal dwelling unit or the ADU as his or her primary residence for more than six months of each year.] **Building Code Requirements.** All ADUs shall be built to the adopted municipal building code standards.

(5) **Size.** ADUs shall be subordinate in size to the primary structure on the lot. The gross floor area of the ADU, not including any related garage, shall be up to 900 square feet or 40 percent of the total gross floor area of the principal dwelling unit (excluding the ADU and garages), whichever is greater.

[(A) IN CLASS A DISTRICTS, THE GROSS FLOOR AREA OF THE ADU, NOT INCLUDING ANY RELATED GARAGE, SHALL BE NO GREATER THAN 900 SQUARE FEET OR 75 PERCENT OF THE TOTAL GROSS FLOOR AREA OF THE PRINCIPAL DWELLING UNIT (EXCLUDING THE ADU AND GARAGES), WHICHEVER IS LESS.

(B) IN CLASS B DISTRICTS, THE GROSS FLOOR AREA OF THE ADU, NOT INCLUDING ANY RELATED GARAGE, SHALL BE NO GREATER THAN 900 SQUARE FEET OR 35 PERCENT OF THE TOTAL GROSS FLOOR AREA OF THE PRINCIPAL DWELLING UNIT (EXCLUDING THE ADU AND GARAGES), WHICHEVER IS LESS.
(C) THE ADU SHALL HAVE NO MORE THAN TWO BEDROOMS.]

(6) \textit{Setbacks.} [AN ADU SHALL NOT ENCROACH INTO ANY REQUIRED SETBACK, EXCEPT THAT ADUs are subject to the same setbacks of the underlying zone except that an ADU may encroach into the side or rear setback abutting an alley. [DELETED ACCESSORY UNITS TALLER THAN 15 FEET SHALL ADHERE TO A 10-FOOT SIDE SETBACK ABUTTING A NEIGHBORING R-1 OR R-1A LOT.]

[(7) PARKING. ONE PARKING SPACE IN ADDITION TO THE PARKING SPACES REQUIRED FOR THE PRINCIPAL DwELLING UNIT IS REQUIRED FOR THE ACCESSORY DWELLING UNIT; BUT IN NO EVENT SHALL THERE BE FEWER THAN THREE PARKING SPACES PER LOT. THE ADDITIONAL PARKING SPACE REQUIRED FOR THE ADU MAY BE ON THE PARENT LOT OR ON-STREET WHEN APPROVED BY THE MUNICIPAL TRAFFIC ENGINEER AS PROVIDED IN SUBSECTION 21.07.090F.19. NOTWITHSTANDING THE PROVISIONS OF CHAPTER 21.13, NONCONFORMITIES, ALL OFF-STREET PARKING DEFICIENCIES SHALL BE CORRECTED. EXCEPTIONS:

(A) NO ADDITIONAL PARKING SHALL BE REQUIRED FOR THE ACCESSORY DWELLING UNIT IF THE LANDOWNER OF THE REAL PROPERTY EXECUTES A COVENANT, INCLUDED AS A PROVISION IN THE AFFIDAVIT REQUIRED FOR THE ADU PERMIT ON A FORM PROVIDED
BY THE MUNICIPALITY, THAT  
PROHIBITS THE PERSON  
OCCUPYING AND RESIDING IN  
THE ADU FROM OWNING,  
LEASING, OR HAVING A RIGHT  
TO USE A MOTOR VEHICLE;  
EXCEPT THE PERSON MAY  
OWN OR LEASE A MOTOR  
VEHICLE THAT IS NOT  
INTENDED FOR USE BY THE  
PERSON OCCUPYING AND  
RESIDING IN THE ADU AND  
NOT REGULARLY PARKED AT  
THE SITE. THE COVENANT  
SHALL INCLUDE AN  
AGREEMENT BY THE  
LANDOWNER TO REQUIRE  
ANY LEASE, RENTAL  
AGREEMENT, OR OTHER  
ARRANGEMENTS WITH THE  
TENANT OF THE ADU TO  
INCLUDE THE PROHIBITION,  
WITH THE RIGHT OF EVICTION  
IF THE SUCH PERSON  
ACQUIRES ONE. FOR  
PURPOSES OF THIS SECTION,  
A “MOTOR VEHICLE” IS A SELF-  
PROPELLED VEHICLE  
DESIGNED TO TRAVEL ON  
THREE OR MORE WHEELS IN  
CONTACT WITH THE GROUND.  

(8) DESIGN AND APPEARANCE.  

(A) THE CONSTRUCTION OF AN  
ADDITIONAL ENTRY DOOR ON  
THE SIDE OF A PRINCIPAL  
STRUCTURE FACING A  
STREET FOR ENTRANCE INTO  
AN ACCESSORY DWELLING  
UNIT IS PROHIBITED UNLESS  
NO OTHER ENTRY DOOR  
ALREADY EXISTS ON THAT  
SIDE. ENTRANCES ARE  
PERMITTED ON NON-STREET-FACING SIDES OF THE  
PRINCIPAL STRUCTURE.  
DETACHED ADUS ARE
EXEMPT FROM THIS STANDARD.]

(7[9]) *Utilities.* To the extent allowed by law and utility tariff, the ADU shall be connected to the water, sewer, gas, and electric utilities of the single-family dwelling unit. However, lots with on-site water or septic systems may have a separate water and/or septic system for the ADU.

[(D) ADDITIONAL REQUIREMENTS FOR DETACHED ADUS

1. **THE ADU SHALL, ON ALL STREET FRONTAGES, EITHER HAVE A FRONT SETBACK OF AT LEAST 40 FEET OR BE AT LEAST 10 FEET BEHIND THE STREET-FACING FAÇADE OF THE PRINCIPAL DWELLING UNIT.**

2. **THE MAXIMUM HEIGHT OF A DETACHED ADU SHALL BE 25 FEET.**]

(C) *Height.* ADUs shall be subject to the same height limits as the principal structure on the lot.

(D[E]) *Density.* ADUs are not included in the density calculations for a site.

(E[F]) *Expiration of Approval of an ADU.* Approval of an ADU expires when:

1. The ADU is altered and is no longer in conformance with this code;

2. **THE PROPERTY CEASES TO MAINTAIN ALL REQUIRED PARKING SPACES;**

3. A LANDOWNER OF THE PROPERTY DOES NOT RESIDE IN EITHER THE PRINCIPAL OR THE ACCESSORY DWELLING UNIT; OR]

2[4] The ADU is abandoned by the landowner through written notification to the municipality on a form provided by the municipality.
[(G) [TRANSFER. WHEN A PROPERTY WITH AN ADU IS SOLD OR OTHERWISE TRANSFERRED, THE NEW LANDOWNER SHALL FILE AN AFFIDAVIT OF OWNER-OCCUPANCY WITH THE DEPARTMENT WITHIN 30 DAYS OF THE TRANSFER, AND PAY A PROCESSING FEE. FAILURE TO FILE AN AFFIDAVIT BY THE DUE DATE CONSTITUTES A FAILURE TO HAVE A PERMIT, IN VIOLATION OF THIS SECTION. TRANSFERS FROM ONE LANDOWNER TO ANOTHER LANDOWNER DO NOT REQUIRE A NEW AFFIDAVIT SO LONG AS THE RECIPIENT LANDOWNER SIGNED THE ORIGINAL AFFIDAVIT.]

(F[H]) Prior Illegal Use.

(1) All structures which meet the definition of accessory dwelling unit which are not recognized as legal nonconforming structures or uses of structures under chapter 21.13 shall comply with this subsection. Such structures may continue in existence provided the following requirements are met:

(a) A permit application for an ADU is submitted to the building safety division within six months of the effective date of this ordinance.

(b) The unit complies with the requirements of this section.

(2) If the unit does not comply with the requirements of this section at the time the permit application is filed, the building official may grant six months to bring the unit into conformance.

(3) In addition to any other remedies provided in this code, failure to legalize an existing unit under this subsection shall result in civil penalties as provided in AMC section 14.60.030. [ALL LANDOWNERS OF ILLEGAL UNITS SHALL ALSO BE REQUIRED TO]
EITHER LEGALIZE THE UNIT OR REMOVE IT.]

(4) This subsection does not apply to existing legal nonconforming uses of structures established pursuant to chapter 21.13.

*** *** ***


Section 2. Anchorage Municipal Code 21.10.050 is hereby amended to read as follows (the remainder of the section is not affected and therefore not set out):

21.10.050 USE REGULATIONS

*** *** ***

H. Accessory Uses and Use-Specific Standards.

Except for those uses listed below, see section 21.05.070. For those uses listed below, the use-specific standards or applicable portions of such standards of this chapter shall apply instead of the use-specific standards of chapter 21.05.

1. Accessory Dwelling Unit (ADU).

a. Size. The gross floor area of an ADU, not including any related garage, shall be up to 1,000 square feet or 40% of the total gross floor area of the principal dwelling unit, whichever is larger.

I. DETACHED ADUS ON lots of one acre or more shall have a maximum gross floor area of 1,000 square feet. (Amends subsection 21.05.070D.1.B.III.(C).(6).(A).)

II. NOTWITHSTANDING SUBSECTION 1.A. ABOVE, the gross floor area of an ADU (excluding a garage) shall not exceed 10 percent of the gross floor area of the principal dwelling (excluding any garage). (Replaces subsection 21.05.070D.1.B.III.(C).(6).(B)).]
Section 3. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _______ day of ________________, 2022.

________________________________
Chair of the Assembly

ATTEST:

________________________________
Municipal Clerk

(Planning and Zoning Commission Case No. 2022-0090)
## MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2022-107 Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE, TITLE 21 SECTION 21.05.070, ACCESSORY USES, AND 21.10.050, USE REGULATIONS.

Sponsor: MAYOR Preparing Agency: Planning Department Others Impacted:

### CHANGES IN EXPENDITURES AND REVENUES: (In Thousands of Dollars)

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### REVENUES:

**CAPITAL:**

**POSITIONS:** FT/PT and Temp

### PUBLIC SECTOR ECONOMIC EFFECTS:

No direct impacts anticipated.

### PRIVATE SECTOR ECONOMIC EFFECTS:

No direct impacts anticipated.

Prepared by: Daniel Mckenna-Foster Telephone: 907-343-7918
FROM: MAYOR

SUBJECT: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE, TITLE 21 SECTION 21.05.070, ACCESSORY USES, AND 21.10.050, USE REGULATIONS.

INTRODUCTION AND PZC RECOMMENDATION

At its September 19, 2022 work session and regular meeting, the Planning and Zoning Commission (PZC) heard an overview and discussed Case No. 2022-0090, changes to Title 21 code sections regulating Accessory Dwelling Units. At this meeting, PZC held a public hearing, discussed the ordinance, and recommended approval to the Anchorage Assembly. The PZC recommendation is attached as PZC Resolution No. 2022-033 (Exhibit A).

OVERVIEW

The Anchorage 2040 Land Use Plan (2040 LUP) advocates for the simplification or streamlining of rules governing accessory dwelling units and encourages more compact housing types within the Anchorage Bowl. The 2040 LUP called for 1,000 new ADUs in the Bowl by 2040; records since 2016 indicate that fewer than 160 have been built legally.

SUMMARY OF UPDATES TO TITLE 21

This ordinance addresses a number of limitations in the existing code, including (1) removing owner-occupancy requirements, (2) restrictions on the number of bedrooms, (3) special limitations on ADU heights and setbacks, (4) vehicle storage requirements, (5) allowing an accessory dwelling unit to be added to a duplex, and (6) increasing the allowable size of an ADU.

The proposal does not change the overall heights or lot coverage maximums for any lot or supersede any existing life-safety regulations or those related to slopes, wells, or septic systems. The proposal does not include ADU regulations for Girdwood but does include changes to the size of ADUs allowed in Chugiak-Eagle River, including at the community’s request.

WORKING GROUP AND PUBLIC PARTICIPATION SUMMARY

The Department convened a working group including builders, developers, representatives from AARP Alaska, NeighborWorks Alaska, Cook Inlet Housing Authority, and others, which met five times between November 2021 and July 2022. The Planning Department conducted a public survey of the Federation of
Community Councils in the fall of 2021 and received over 330 responses by January 2022. The project also benefited from the work of Lindsey Hajduk of NeighborWorks America, who completed an additional survey of over 500 respondents to provide additional data about ADUs and the role of local government in facilitating their production.

Staff toured the South Addition neighborhood with representatives of the South Addition Community Council on May 5, 2022, and held additional meetings with nine community councils between April and June 2022. Staff heard from many residents throughout the process; and for all questions, including comments immediately prior to the PZC public hearing, staff endeavored to address this as quickly and comprehensively as possible.

SPECIAL CONSIDERATIONS

One of the most frequent comments staff heard during this process was concern about ADUs and short-term rentals (STRs). Staff’s response to this concern has been that STRs may be better managed by adding short-term rentals as a use in Chapter 5 of Title 21. This option would provide for more direct management of the problem and more precise management of any issues that might arise from behavior associated with short-term rentals.

Although some people have requested owner-occupancy requirements as a way to prevent STRs specifically in ADUs, this type of regulation does not directly address the problem; and there are no similar restrictions for other types of housing, such as apartments or single-family houses, which can also be used for short-term rentals.

PLANNING DEPARTMENT CHANGES TO PZC PUBLIC HEARING DRAFT

The planning staff made two corrections to the final ordinance after PZC approval. The PZC’s Public Hearing Draft AO had (1) a section physically deleted from the document rather than shown as bracketed text and (2) a section added but not underlined as new text. These have been corrected in the ordinance to show the deletion in brackets and the added text as underlined (Exhibit B).

These errors do not change the intent of the ordinance as adopted by the PZC because their meaning was clarified by another language or the language was available for review as part of the ordinance overall.

RECOMMENDATIONS

Staff requests Assembly approval of the ordinance as recommended on September 19, 2022, PZC staff packet (Exhibit C) and adopted in PZC Resolution No. 2022-033 (Exhibit A), and to include the two corrective edits (Exhibit B).

Also attached are the PZC meeting minutes for September 19, 2022 (Exhibit D).
THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by: Daniel Mckenna-Foster, Planning Department
Approved by: Craig H. Lyon, Planning Director
Concur: Lance Wilber, Acting Community Development Director
Concur: Courtney Petersen, OMB Director
Concur: Blair M. Christensen, Acting Municipal Attorney
Concur: Grant Yutrzenka, Acting CFO
Concur: Amy Demboski, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor

Attachments: Exhibit A—Planning and Zoning Commission Resolution 2022-033
Exhibit B—Planning Department Changes to PZC Draft Ordinance
Exhibit C—Planning and Zoning Commission Staff Packet
Exhibit D—Planning and Zoning Commission Meeting Minutes

(Planning and Zoning Commission Case No. 2022-0090)
WHEREAS, Goal 4 of the Anchorage 2040 Land Use Plan (2040 LUP) calls for neighborhoods that provide a range of places to live and meet the housing needs of residents at all income levels, household sizes, interests, ages, abilities, and races and ethnicities; and

WHEREAS, the 2040 LUP called for 1,000 new Accessory Dwelling Units (ADUs) in the Bowl by 2040; and

WHEREAS, 2040 LUP policy 4.2. calls for allowing and encouraging innovative compact housing types and a variety of housing options that respond to changing preferences; and

WHEREAS, 2040 LUP Action 4-7 calls for easing restrictions that deter the construction of ADUs; and

WHEREAS, building permits since the most recent changes to Accessory Dwelling Unit zoning regulations in 2018 do not indicate substantial increases in the number of ADUs produced; and

WHEREAS, between 2021 and 2022, the Planning Department has conducted outreach, hosted a work group, and conducted a survey of over 330 respondents, met with community councils to discuss perceived obstacles within the zoning code, and developed a proposal to address needed changes to improve ADU production; and

WHEREAS, following a six-week review period, a work session was held before the Planning and Zoning Commission public hearing on September 19, 2022, eight in-person comments and one call-in comment were received, and a comment-response summary table was prepared and presented at the public hearing; and

WHEREAS, the Planning and Zoning Commission concluded its deliberations and finalized its recommendation to the Anchorage Assembly on September 19, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Anchorage Planning and Zoning Commission:

A. The Commission makes the following findings of fact:

1. A great deal of work has been done on this issue for many years and although there is no silver bullet, this amendment is a step in the right direction that advances a path that the community has already been following.

2. The amendment speaks to the root of what accessory means, by increasing access to housing.
3. The Commission heard from members of the public on both sides of the issue, with more statements in favor of the amendment than in opposition.

4. There were some remaining concerns about the issues of requiring vehicle parking with Accessory Dwelling Units.

5. The changes proposed by this amendment may not immediately lower costs.

6. The short-term rentals are a concern for many people in the community, and this amendment may not be able to address the need for long-term dwelling units in the Municipality.

7. Bringing the ADU codes in line with the standard zoning codes will benefit the community.

B. The Commission recommends to the Anchorage Assembly approval of the ordinance amending Title 21 sections 21.05.070, Accessory Uses, and 21.10.050, Use Regulations, as presented in the September 19, 2022 staff packet.

PASSED AND APPROVED by the Anchorage Planning and Zoning Commission on the 19th day of September 2022.

ADOPTED by the Anchorage Planning and Zoning Commission this 3rd day of October 2022.

Craig H. Lyon  
Secretary

Jared Gardner  
Chair

(Case No. 2022-0090)

dmf
FROM: MAYOR

SUBJECT: SUPPLEMENTAL INFORMATION ON ACCESSORY DWELLING UNITS, AO NO. 2022-107.

This AIM transmits supplementary information on the accessory dwelling unit code update project. Staff has received an influx of comments after the item was approved by the Planning and Zoning Commission (PZC) and sought to provide additional background for these questions.

The Planning Department has been working on code amendments related to Accessory Dwelling Units since the fall of 2021. Public outreach has included:

- A survey to all community councils, with over 330 respondents.
- Access to a concurrent survey of over 500 residents by NeighborWorks Alaska.
- An ADU Working Group to advise on code amendments throughout 2022.
- A presentation on March 10, 2022, to the Community and Economic Development Committee.
- A walking tour of known compact housing with South Addition residents on May 5, 2022.
- A PZC work session and public hearing on September 19, 2022, with a favorable vote to recommend approval to the Assembly.
- Presentations to 10 community councils between April and June of 2022, then 7 more following PZC approval.

Overview of ADU Comments Received

This project generated substantial interest throughout the community. Planning received many questions from both people concerned about the changes as well as people supporting amendments that would allow for more ADUs. The ADU
amendment has appeared on several community council agendas after the PZC’s recommendation of approval on September 19, 2022, and planning staff attended as many of those community council meetings as possible. Below are some of the issues which came up most frequently.

**Why is this happening now?**

- Anchorage has a housing crisis. Refining code to allow for more housing through ADUs is one more way Anchorage can be proactive in supporting new housing units.

- This project helps implement the *Anchorage 2040 Land Use Plan (2040 Plan)* adopted in 2017.

- The 2040 Plan set a target of 1,000 new ADUs in the Bowl by 2040 and included an action item that stated: “Amend Title 21 to ease restrictions that currently deter construction of accessory dwelling units (ADUs). Determine appropriate measures through a meaningful, collaborative public process and include development standards for neighborhood compatibility.”

- A.O. 2018-43 simplified standards for ADUs, but not enough to reach housing targets from the 2040 Plan.

- The ADU code update project kicked off in the summer of 2021 for a full year of collaborative process including a two-month survey of all Muni residents, presentations of multiple community council meetings, outings, follow up sessions, and collaboration with Neighborworks Alaska to obtain additional qualitative research. The project also relied on several meetings of a multidisciplinary workgroup with Neighborworks Alaska, AARP, CIHA, Andre Spinelli of Spinell Homes, Clai Porter of NCP Design Build, Visser Construction, Professor Ian Hartman of UAA, Drew Cason, and Jeannette Lee from the Sightline Institute.

**Will this solve the “affordable” housing crisis?**

- Anchorage’s housing issues are multifaceted, and a variety of actions that result in provision of all housing types are needed to resolve them.

- The Municipality’s 2021 ADU survey revealed property owners interested in building ADUs face several obstacles, some of which relate to zoning, and some of which (such as materials costs) are out of municipal control.

- Simplifying zoning rules to allow people to build more housing on their property is a proven, cost-effective solution for facilitating more housing where people desire it.
• This code proposal removes purpose statements about affordability because purpose statement language carries no regulatory weight, and “affordable housing” has a specific meaning in 21.15.040. Leaving this section in code would invite confusion during implementation of building requirements.

• To the extent of staff’s knowledge, none of the ADUs built under existing purpose statement language have had affordability or income restrictions attached to them.

What about short-term rentals?

• The project team has received consistent feedback about short-term rentals (STRs).

• STRs are an important issue that may warrant attention in the future in a separate code amendment.

• Regulating ADUs specifically with the intent of regulating short-term rentals is not the most fair or effective way to resolve the problem.

• There is no owner-occupancy requirement for other types of housing units (such as single-family homes, townhomes, or duplexes), which can also be used as STRs.

• Short-term rentals are not defined as either a primary or accessory use in Title 21, while similar uses like Bed and Breakfasts are.

Will these proposed changes impact neighborhood character?

• Assessor data shows that ADUs already exist in all neighborhoods throughout the Bowl, indicating this housing has contributed to the community’s character for many decades.

• According to affidavit data, the community council areas with the greatest numbers of existing ADUs are Hillside and Rabbit Creek.

• Zoning plan review staff reported that they have not seen any complaints or special issues related to ADUs in Hillside and Rabbit Creek.

• The code uses design standards in Chapter 7 to define neighborhood compatibility. The proposed ADU amendments do not exceed existing design standards such as lot coverage, height, or setbacks.

• For an example of possible changes under the proposal, if the R-1 zoning district allows a 10,000 lot to have 30% lot coverage up to 30’ for a principal structure, the property owner could now have 1) a 2,800 SF house that was 30’
tall or 2) a 2,000 SF house that was 30’ tall and an 800 SF ADU that was 30’
tall.

- Some comments mentioned “neighborhood stability.” The 2040 Plan does not
  define “neighborhood stability” or speak to it directly. The Municipality does not
  have a way of measuring or tracking stability, or how code amendments
  encouraging housing types might affect this in a negative or positive way.

- The ADU proposal focuses on facilitating a type of housing, not a type of tenure.
  There is no meaningful relationship between the intrinsic properties of various
  physical forms of housing and how often people move in or out of that housing.

**Does this increase density?**

- Several letters or comments received have referenced a “random doubling of
  density.” The existing code (21.05.070D.1.b.iii.(E).) states: “ADUs are not
  included in the density calculations for a site” and this proposal does not
  change that.

- As noted above, ADUs already exist throughout the Municipality, including in
  some neighborhoods which have on paper one dwelling unit per acre or less.

**Will this override covenants, deed restrictions, or HOA rules in my
neighborhood?**

- No. Covenants, deed restrictions, and HOA rules are private contracts which
  the Muni does not enforce. This code proposal allows more flexibility to build
  more housing, not less.

**How does this amendment impact solar access?**

- This amendment is not intended to impact solar access between properties.

- The amendment does not allow for greater building heights than what is already
  allowed for a principal structure in each zoning district.

**Final Points to Consider**

This code amendment is the result of extensive outreach, research into best
practices, and regular feedback from a working group of experts in the field. Project
partners Neighborworks Alaska and AARP Alaska provided substantial
background on how ADUs can play a role in providing more stable housing to
vulnerable and especially to older members of our community. Due to their size,
ADUs are often an economical way for people to stay in the neighborhoods they
love as they age, their needs change, or they seek to accommodate the needs of
intergenerational families. Some specific points for older residents and Anchorage
specifically:
• ADUs can generate rental income to help homeowners cover mortgage payments or simply make ends meet. The income provided by an ADU tenant can be especially important for older people on fixed incomes.

• Around 24% of Anchorage residents are 55 or older.

• Over one-third of Anchorage residents between age 55 and 75 are likely to move out of Anchorage in the future.

• Residents 65 and older account for 12% of Anchorage’s population and collectively account for about $1.2 billion in household income.

• Residents likely to move within Anchorage were most interested in single-family, stand-alone homes with a yard and indoor parking. Desired home sizes are modest (three-quarters want a home under 2,000 square feet). New housing developments meeting these criteria would most attract residents aged 55 to 75.

• ADUs can help provide housing flexibility to people of all ages at the scale that meets their needs.

Prepared by: Daniel Mckenna-Foster, Senior Planner
Planning Department

Approved by: Craig H. Lyon, Planning Director
Concur: Lance Wilber, Acting Community Development Director
Concur: Amy Demboski, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor
From: Chair LaFrance

Subject: RABBIT CREEK COMMUNITY COUNCIL COMMENTS REGARDING AO 2022-107.

Please see the attached comments from the Rabbit Creek Community Council for your review and information.

Prepared by: Jenna Brister, Executive Administrative Assistant
Approved by: Barbara A. Jones, Municipal Clerk
Respectfully submitted: Suzanne LaFrance, Chair
MOA Assembly  
PO Box 196650  
Anchorage, AK 99519  

RE: 2022-170: S-version for Title 21.05.070.D.1 Amendment to ADU Regulations  

Thank you for accepting our comprehensive comments and our redline edits to AO 2022-170 (S) version.  

Please note a main concern--regulating Short Term Rentals (STRs)--is supported at the end of our August letter to PZC, with documentation from Title-21 and other land use plans.  

We believe the need to regulate STRs is critical to implementing the Intent and Purpose statement of the current ADU ordinance, which is to expand resident and affordable housing. If the Assembly decides to regulate STRs in another Title or another section of Title 21, we ask that STR codes and AO 2022-170 be passed concurrently.  

In summarizing some of our comprehensive comments, components of the current ADU ordinance that we have explained in detail in the August letter to PZC, and which we believe should not be deleted, changed or which should be added to fulfill land use policies are:  

- Retain all Intent and Purpose Statements  
- Retain home ownership for one of the structures for at least six months per year  
- Regulate STRs as a commercial business, as have Sitka, Oregon, Hawaii and Washington D.C.  
- Encourage or regulate Long Term Rentals (LTR) to fulfill intent for resident housing  
- Do not increase square footage or height of ADUs.  
- Follow 21.03.070.C, Procedure for Substantive Amendments. The proposed ADU revisions will likely not pass the test of 21.03.070.C.2.b through e.  
- ADUs double the density. Develop a process for calculating ADUs so they will be included in future land use reviews.  

Copies of the Rabbit Creek Community Council comment letter dated August 31, 2022 and our redline edits to AO AO 2022-170 (S) are attached. Thank you for considering these comments.  

Michelle Turner, Co-Chair
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 over-stress 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. (ipropertymanagement.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 absent-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 urges 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
See red-lined S version of AO below.

The proposed changes would erase the intent that ADU should support neighborhood stability, neighborhood character, and homeownership.

The RCCC is concerned that the regulations will:
- **decrease neighborhood stability.** The regulations would abandon the requirement for homeowner occupancy.
- **decrease resident housing capacity.** The regulations would allow conversion of both principal and accessory dwellings to short-term rentals, which is the highest return on investment in central neighborhoods such as Downtown and Midtown.
- **fail to supply smaller and more affordable resident housing,** because of the larger size allowances
- **detract from solar access and privacy in existing neighborhoods,** by expanding the square footage and height and reducing setbacks
- **create random pockets of high density,** rather than following the 2040 Land Use Plan of targeted infill where there is public investment in infrastructure and services.

These concerns are further explained in RCCC’s comments and resolution by Rogers Park Community Council submitted to the Planning and Zoning Commission. The PZC chose not to revise the proposed amendments.

**ANCHORAGE, ALASKA**

**AO NO. 2022-107**

**AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE, TITLE 21 SECTION 21.05.070, ACCESSORY USES, AND 21.10.050, USE REGULATIONS.**

(Planning and Zoning Commission Case No. 2022-0090)

**WHEREAS,** Goal 4 of the 2040 Land Use Plan (LUP) calls for neighborhoods to provide a range of places to live and meet the housing needs of residents at all income levels, household sizes, interests, ages, abilities, and races and ethnicities; and

**WHEREAS,** the 2040 LUP encourages 1,000 new Accessory Dwelling Units (ADUs) in the Bowl by 2040; and
WHEREAS, 2040 LUP policy 4.2 allows for and encourages innovative compact housing types and a variety of housing options that respond to changing preferences; and

WHEREAS, 2040 LUP Action 4-7 states an amendment to Title 21 is needed to ease restrictions that deter the construction of ADUs; and

WHEREAS, building permits since the most recent changes to Accessory Dwelling Unit zoning regulations in 2018 do not indicate substantial increases in the number of ADUs produced; and

WHEREAS the intent of ADUs is to increase resident housing; and not to contribute to the supply of Short Term Rentals, which have increased from 5,000 to 7,000 units in the past two-and-a-half years;

WHEREAS the city benefits from supporting homeownership and homeowner investment, which reduces the transience in neighborhoods and builds social capital as well as personal capital,

WHEREAS increasing density of housing adds value if done incrementally, with attention to building scale, and space with increased infrastructure and public services; and

WHEREAS there is a continued need for affordable resident housing and for small housing units for small households;

WHEREAS, between 2021 and 2022, the Planning Department has conducted outreach, hosted a work group, and conducted a survey of community councils on perceived obstacles within the zoning code and developed a proposal to address needed changes to improve ADU production availability for resident housing while also supporting homeownership and the stability and character of neighborhoods; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code 21.05.070 is hereby amended to read as follows (the remainder of the section is not affected and therefore not set out):

21.05.070 Accessory Uses and Structures

*** *** ***

D. Definitions and Use-Specific Standards for Allowed Accessory Uses and Structures. This section defines the accessory uses listed in table 21.05-3 and also contains use-specific standards that apply to those uses. Accessory uses shall comply with the applicable use-specific standards in this subsection, in addition to complying with the general standards in subsection B.
1. **Accessory Dwelling Unit (ADU).**

   a. **Definition.** A subordinate dwelling unit added to, created within, or detached from a detached single-family or two-family dwelling which provides basic requirements for living, sleeping, cooking, and sanitation. The unit may have a separate exterior entrance or an entrance to an internal common area accessible to the outside.

   b. **Use-specific Standards.**

      i. **Purpose and Intent.** The purpose and intent of this section is to:

         (A) Fulfill housing policy #15 of Anchorage 2020: Anchorage Bowl Comprehensive Plan, which provides that accessory housing units shall be allowed in certain residential zones;

         ([B] **(RETAINT THIS PURPOSE)** provide a means for homeowners, particularly the elderly, single parents, and families with grown children, to remain in their homes and neighborhoods, and obtain extra income, security, companionship, and services;

         (B[C]) Allow more efficient and flexible use of existing housing stock, land supply, and infrastructure;

         ([D] **(RETAINT THIS PURPOSE)** respond to changing family needs and smaller households by providing a mix of housing;

         (E) **(RETAINT THIS PURPOSE)** improve the affordability of homeownership and enhance property values through rental income opportunity;

         (F) **(RETAINT THIS PURPOSE)** provide a broader range of accessible and more affordable housing within the municipality; and

         (G) **(RETAINT THIS PURPOSE)** protect neighborhood stability, property values, and character by ensuring that ADUs are installed under the provisions of this title.]

      ii. **Application, Review, and Approval Procedures**
Any landowner operating or seeking to establish an ADU shall obtain a building or land use permit from the Development Services Department. The permit shall constitute an ADU permit.

WITH THE PERMIT APPLICATION, THE LANDOWNER SHALL SUBMIT AN AFFIDAVIT ON A FORM PROVIDED BY THE MUNICIPALITY, AFFIRMING THAT AT LEAST ONE LANDOWNER WILL OCCUPY THE PRINCIPAL DWELLING OR THE ACCESSORY UNIT, AND THAT THE ADU WILL CONFORM TO THE REQUIREMENTS OF THE PERMIT AND THE REQUIREMENTS OF THIS SECTION. ANY OTHER RESTRICTIONS OR OBLIGATIONS RELATED TO THE ADU USE AND REQUIRED TO BE RECORDED SHALL BE INCLUDED IN THE AFFIDAVIT.


For purposes of securing financing, potential landowners may request and receive a letter of pre-approval from the municipality indicating the property is eligible for an ADU permit if the potential landowner completes the application process and construction in accordance with this section.

Requirements. All ADUs shall meet the following requirements:

RETAIN THIS PURPOSE: purpose. requirements for accessory dwelling units address the following purposes:

(1) ensure that accessory dwelling units maintain and are compatible with the appearance and character of the principal residence, lot, and neighborhood;
ensure that accessory dwelling units are smaller in size than the principal dwelling on the lot, and preserve underlying lot coverage limits;

MINIMIZE NEGATIVE IMPACTS TO ON-STREET PARKING IF ALLOWED BY THE TRAFFIC ENGINEER, AND MINIMIZE THE AMOUNT OF PAVED SURFACE ON A SITE; AND

PROVIDE CLEAR AND FLEXIBLE STANDARDS THAT MAKE IT PRACTICAL AND ECONOMICAL TO DEVELOP ACCESSORY DWELLING UNITS THAT ARE IN COMPLIANCE WITH THIS CODE.

Allowed Zoning Districts. ADUs are allowed in all residential zoning districts.

Requirements for Developing an ADU.

(1) One Principal Structure. One ADU may be added to or created within a detached single-family dwelling on a lot, tract, or parcel, but only if the detached single-family dwelling is the sole principal structure on that lot, tract, or parcel.

(2) Detached ADU. One ADU detached from a single-family or two-family dwelling is permitted on a lot, tract, or parcel in all residential zoning districts.

(3) Lot Coverage. The lot coverage of the principal dwelling unit and all accessory structures combined, including but not limited to the ADU, shall be less than or equal to the maximum lot coverage allowed by the zoning district.

(4) RETAIN THIS CONDITIONUSES. the landowner shall reside in either the principal dwelling unit or the ADU as his or her primary residence for more than six months of each
Building Code Requirements. All ADUs shall be built to the adopted municipal building code standards.

(5) Size. ADUs shall be subordinate in size to the primary structure on the lot. The gross floor area of the ADU, not including any related garage, shall be up to 900 square feet or 40 percent of the total gross floor area of the principal dwelling unit (excluding the ADU and garages), whichever is greater.

(A) IN CLASS A DISTRICTS, THE GROSS FLOOR AREA OF THE ADU, NOT INCLUDING ANY RELATED GARAGE, SHALL BE NO GREATER THAN 900 SQUARE FEET OR 75 PERCENT OF THE TOTAL GROSS FLOOR AREA OF THE PRINCIPAL DWELLING UNIT (EXCLUDING THE ADU AND GARAGES), WHICHEVER IS LESS.

(B) IN CLASS B DISTRICTS, THE GROSS FLOOR AREA OF THE ADU, NOT INCLUDING ANY RELATED GARAGE, SHALL BE NO GREATER THAN 900 SQUARE FEET OR 35 PERCENT OF THE TOTAL GROSS FLOOR AREA OF THE PRINCIPAL DWELLING UNIT (EXCLUDING THE ADU AND GARAGES), WHICHEVER IS GREATER.

(C) THE ADU SHALL HAVE NO MORE THAN TWO BEDROOMS.

(6) Setbacks. [AN ADU SHALL NOT ENCROACH INTO ANY REQUIRED SETBACK, EXCEPT THAT ADUs are subject to the same setbacks of the underlying zone except that an ADU may encroach into the side or rear setback abutting an alley,] DETACHED ACCESSORY UNITS TALLER THAN 15 FEET SHALL ADHERE TO A 10-FOOT SIDE SETBACK ABUTTING A NEIGHBORING R-1 OR R-1A LOT.]
PARKING. ONE PARKING SPACE IN ADDITION TO THE PARKING SPACES REQUIRED FOR THE PRINCIPAL DWELLING UNIT IS REQUIRED FOR THE ACCESSORY DWELLING UNIT; BUT IN NO EVENT SHALL THERE BE FEWER THAN THREE PARKING SPACES PER LOT. THE ADDITIONAL PARKING SPACE REQUIRED FOR THE ADU MAY BE ON THE PARENT LOT OR ON-STREET WHEN APPROVED BY THE MUNICIPAL TRAFFIC ENGINEER AS PROVIDED IN SUBSECTION 21.07.090F.19. NOTWITHSTANDING THE PROVISIONS OF CHAPTER 21.13, NONCONFORMITIES, ALL OFF-STREET PARKING DEFICIENCIES SHALL BE CORRECTED. EXCEPTIONS:

(A) NO ADDITIONAL PARKING SHALL BE REQUIRED FOR THE ACCESSORY DWELLING UNIT IF THE LANDOWNER OF THE REAL PROPERTY EXECUTES A COVENANT, INCLUDED AS A PROVISION IN THE AFFIDAVIT REQUIRED FOR THE ADU PERMIT ON A FORM PROVIDED BY THE MUNICIPALITY, THAT PROHIBITS THE PERSON OCCUPYING AND RESIDING IN THE ADU FROM OWNING, LEASING, OR HAVING A RIGHT TO USE A MOTOR VEHICLE; EXCEPT THE PERSON MAY OWN OR LEASE A MOTOR VEHICLE THAT IS NOT INTENDED FOR USE BY THE PERSON OCCUPYING AND RESIDING IN THE ADU AND NOT REGULARLY PARKED AT THE SITE. THE COVENANT SHALL INCLUDE AN AGREEMENT BY THE LANDOWNER TO REQUIRE ANY LEASE, RENTAL AGREEMENT, OR OTHER ARRANGEMENT WITH THE TENANT OF THE ADU TO INCLUDE THE PROHIBITION, WITH THE RIGHT OF EVICTION IF SUCH PERSON ACQUIRES ONE. FOR PURPOSES OF
THIS SECTION, A “MOTOR VEHICLE” IS A SELF-PROPELLED VEHICLE DESIGNED TO TRAVEL ON THREE OR MORE WHEELS IN CONTACT WITH THE GROUND.

(8) DESIGN AND APPEARANCE.

(A) THE CONSTRUCTION OF AN ADDITIONAL ENTRY DOOR ON THE SIDE OF A PRINCIPAL STRUCTURE FACING A STREET FOR ENTRANCE INTO AN ACCESSORY DWELLING UNIT IS PROHIBITED, UNLESS NO OTHER ENTRY DOOR ALREADY EXISTS ON THAT SIDE. ENTRANCES ARE PERMITTED ON NON-STREET-FACING SIDES OF THE PRINCIPAL STRUCTURE. DETACHED ADUS ARE EXEMPT FROM THIS STANDARD.]

Utilities. To the extent allowed by law and utility tariff, the ADU shall be connected to the water, sewer, gas, and electric utilities of the single family dwelling unit. However, lots with on-site water or septic systems may have a separate water and/or septic system for the ADU.

[[D (D)] ADDITIONAL REQUIREMENTS FOR DETACHED ADUS

(1) (retain this condition) the adu shall, on all street frontages, either have a front setback of at least 40 feet, or be at least 10 feet behind the street facing façade of the principal dwelling unit.

(2) (retain this condition) the maximum height of a detached adu shall be 25 feet.]

(C) Height. ADUs shall be subject to the same height limits as the principal structure on the lot.

(D[E]) Density. ADUs are not included in the density calculations for a site. ADUS are also included in the calculations of housing stocks and for determining levels of infrastructure and public services.
(E(F)) *Expiration of Approval of an ADU.* Approval of an ADU expires when:

1. The ADU is altered and is no longer in conformance with this code;

2. THE PROPERTY CEASES TO MAINTAIN ALL REQUIRED PARKING SPACES;

3. *(RETAIN THIS CONDITION)* a landowner of the property does not reside in either the principal or the accessory dwelling unit; or

2(4) The ADU is abandoned by the landowner through written notification to the municipality on a form provided by the municipality.

(G) *(RETAIN THIS CONDITION)* [transfer. when a property with an adu is sold or otherwise transferred, the new landowner shall file an affidavit of owner-occupancy with the department within 30 days of the transfer, and pay a processing fee. failure to file an affidavit by the due date constitutes failure to have a permit, in violation of this section. transfers from one landowner to another landowner do not require a new affidavit so long as the recipient landowner signed the original affidavit.]

(G[H]) *Prior Illegal Use.*

1. All structures which meet the definition of accessory dwelling unit which are not recognized as legal nonconforming structures or uses of structures under chapter 21.13 shall comply with this subsection. Such structures may continue in existence provided the following requirements are met:

a. A permit application for an ADU is submitted to the building safety division within six months of the effective date of this ordinance.
(b) The unit complies with the requirements of this section.

(2) If the unit does not comply with the requirements of this section at the time the permit application is filed, the building official may grant six months to bring the unit into conformance.

(3) In addition to any other remedies provided in this code, failure to legalize an existing unit under this subsection shall result in civil penalties as provided at AMC section 14.60.030. RETAIN THIS CONDITION: [All landowners of illegal units shall also be required to either legalize the unit or remove it.]

(4) This subsection does not apply to existing legal nonconforming uses of structures established pursuant to chapter 21.13.

*** *** ***


Section 2. Anchorage Municipal Code 21.10.050 is hereby amended to read as follows (the remainder of the section is not affected and therefore not set out):

21.10.050 USE REGULATIONS

*** *** ***

H. Accessory Uses and Use-Specific Standards.

Except for those uses listed below, see section 21.05.070. For those uses listed below, the use-specific standards or applicable portions of such standards of this chapter shall apply instead of the use-specific standards of chapter 21.05.

1. Accessory Dwelling Unit (ADU).

a. Size. The gross floor area of an ADU, not including any related garage, shall be up to 1,000 square feet or 40% of the total gross floor area of the principal dwelling unit, whichever is larger.
I. DETACHED ADUS ON LOTS OF ONE ACRE OR MORE SHALL HAVE A MAXIMUM GROSS FLOOR AREA OF 1,000 SQUARE FEET. (AMENDS SUBSECTION 21.05.070D.1.B.III.(C).(6).(A.))

II. NOTWITHSTANDING SUBSECTION 1.A. ABOVE, THE GROSS FLOOR AREA OF AN ADU (EXCLUDING A GARAGE) SHALL NOT EXCEED 40 PERCENT OF THE GROSS FLOOR AREA OF THE PRINCIPAL DWELLING (EXCLUDING ANY GARAGE). (REPLACES SUBSECTION 21.05.070D.1.B.III.(C).(6).(B.))

*** *** ***


Section 3. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this ______ day of _______________, 2022.

________________________________
Chair of the Assembly

ATTEST:

________________________________
Municipal Clerk

(Planning and Zoning Commission Case No. 2022-0090)