

Director's Guidance Memo
2017-03
(update)

DATE: October 6, 2023 - Update

TO: Planning Staff

THRU:  Craig Lyon, Planning Director

FROM:  Sonnet Calhoun, Manager, Zoning and Land Use Review

SUBJECT: Updated Interpretation of AMC 21.13.060C. *Bringing Characteristics into Compliance*

Question: How do I determine if my project is subject to this section?

Answer: AMC 21.13.060 applies to all multifamily, commercial, mixed-use, community use, and industrial development projects that have non-conforming characteristics of use and are doing work that meets the definition of "Development" in AMC 21.15, and that costs more than 10 percent of the assessed value of the structure.

Question: How do I determine the assessed value of the structure?

Answer: The assessed value of the structure is determined by the Municipal Property Appraisal Department and is part of the Municipality of Anchorage tax record.

Question: How do I determine how much I have to spend moving characteristics towards compliance?

Answer: The amount you spend is based on the *Total Project Cost*. You are required to spend 10% of the *Total Project Cost* bringing the development towards conformity.

Question: How is the *Total Project Cost* determined?

Answer: The *Total Project Cost* is determined by the project valuation stated on the building permit application as accepted by the building official. Per AMC 21.13.060C.2.f. there are two items that reduce the *Total Project Cost*:

1. The cost of any improvement that is moving in the direction of conformity; and
2. Any interior improvements that are less than 50% of the building replacement value.

Question: What about interior only projects?

Answer: All interior projects are subject to this section; however, the cost of interior improvements that are less than 50 percent of the replacement value of the structure should be removed from the *Total Project Cost*. If the *Total Project Cost* is \$0.00, then no money needs be spent towards moving in the direction of conformity. If the cost of interior improvements exceeds 50 percent of the building replacement value, those costs are included in the *Total Project Cost*.

Question: How is the building replacement value determined?

Answer: Building replacement value is calculated using the *Square Foot Construction Costs* from the Building Valuation Data Chart in the most recent August issue of the Building Safety Journal as published by the International Code Council multiplied by the regional multiplier. For Anchorage, the regional multiplier is 1.3. (See AMC 23.10.104.15.1) A statement using this calculation should be prepared for the Zoning review portion of the building permit. The Building Safety Journal can be found at <https://www.iccsafe.org/codes-tech-support/codes/code-development-process/building-valuation-data/>.

Question: What types of things are considered “moving in the direction of conformity” and how do I get them approved?

Answer: Characteristics of use to be improved include items that are listed as legally nonconforming in the nonconforming determination for the property and are required by code. These items may include (but are not limited to):

- Landscaping
- Paving
- Required Open Space
- Pedestrian Amenities
- Design Standards
- Bicycle Parking, Etc.

Any item that is a violation of current code is not eligible to count towards the value of required changes in the direction of conformity and must be brought into compliance. ADA regulations and snow storage are not eligible for nonconforming rights and must meet current code requirements.

To obtain approval, complete the *Application for Approval of Required Changes in the Direction of Conformity*; include a site plan with proposed changes in the direction of conformity annotated or highlighted, and supporting documentation for cost estimates. Submit it to the Planning Department for review and approval or comments. Once the application is approved, submit it to the building permit file to resolve comments by the Zoning Plan Reviewer.

EXAMPLE 1:

Project valuation on building permit accepted by the Building Official, \$225,000

<p>\$25,000 Interior renovations less than 50% of building replacement value <small>(this number is subtracted from Total Project Cost)</small></p>	<p>\$20,000 Required Direction of Conformity Improvements <small>(10% of Total Project Cost)</small></p>
<p>Interior renovations not included <small>(less than 50% of building replacement value)</small> 200,000 Exterior Improvements \$200,000 Total Project Cost</p>	

EXAMPLE 2:

Project valuation on building permit accepted by the Building Official, \$225,000

<p>\$200,000 Interior renovations <small>(more than 50% of building replacement value)</small> \$25,000 Exterior improvements \$225,000 Total Project Cost</p>	<p>\$22,500 Required Direction of Conformity Improvements <small>(10% of Total Project Cost)</small></p>
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