

Session 13-05 a Regular Meeting of the Economic Development Advisory Commission was called to order by Chair Sarno at 6:00 p.m. on May 14, 2013 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER BARTH, ROSS, SARNO, WAGNER

ABSENT: KRISINTU

STAFF: COMMUNITY & ECONOMIC DEVELOPMENT COORDINATOR KOESTER
DEPUTY CITY CLERK JACOBSEN

At the request of Chair Sarno the Commissioners introduced themselves and told why they are interested in economic development.

AGENDA APPROVAL

WAGNER/ROSS MOVED TO APPROVE THE AGENDA

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

None

RECONSIDERATION

None.

APPROVAL OF MINUTES

A. April 9, 2013 Regular Meeting Minutes

ROSS/WAGNER MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

A. Philip Alderfer, Affordable Housing

Philip Alderfer, owner of Alderfer Group Relators, gave an overview of his information in the commission's packet and explained the formula of taking the median income and median home price, to calculate the percentage of homes that sold within the community in a given period of time. There are other variables that come into play, based on a potential buyers needs and lifestyle, which he did not take into consideration. There are things governments can do to impact affordability like managing local economy, providing decent infrastructure, and maintaining school districts. As a community, Homer is different in the sense that we don't have what normally constitute the mix of starter homes. In a lot of other markets a first time homebuyer expects to buy the 400 sf town home, affordable for a starting salary, but that isn't something Homer offers.

In response to questions, Mr. Alderfer commented that new construction is almost impossible make affordable. There is a premium for being in Alaska based on cost of shipping materials, equipment, and infrastructure. Then there is an additional premium for being at the end of the road. We have a very talented but somewhat limited labor pool, and also challenges with good water and good soils in most areas. These factors generally result in higher construction costs. He thinks affordability is going to come from existing stock. Another point is that builders face a relatively low degree of regulatory oversight, which encourages building to the degree it can be done, which is a good thing. The rules as they relate to utility infrastructure raise issue. He cited an example of a property with multiple buildings on a single lot that are served by one main water and sewer connection. Because of the way utility billing is done and utility easements only in the road, there is one water tap the city can access to shut off in the event of non-payment. That makes it difficult to take the buildings and create three small affordable homes because it creates a set of rules for utility payments. He understands it is convenient for the city, but it is an active impediment to the creative use of real estate that could lead to some things that are more affordable. It also plays into conversion of a 12-plex apartment building to a co-op or condominium. There are ways to do metering and it isn't an issue of technology. If the city has one water meter to shut off in the event of non-payment, a way to address it could be to require a bond be put up by the creator of the condo association, which could be better than putting the building owner in the position of collecting utility bills.

In relation to urban infill, he understands and appreciates the notion, but pointed out that part of the reason the urban infill areas weren't built originally is that they were terrible. They were steep, wet, harder to build on, and weren't as desirable. He doesn't suggest giving up on urban infill, but if it something you think is really going to make a difference, you have to incentivize it. You can't just hope it will happen. Mr. Alderfer commented briefly about rental property challenges relating to investing here versus investing in Anchorage where rental rates are more profitable for investors. There are also the homeowners who leave Homer for half the year and let someone stay in their home at a minimal cost.

In further questions about condominiums as the city considers mixed use development, Mr. Alderfer doesn't feel that the 400 sf condominium development would necessarily work in Homer. There probably is demand for some of that, but a reality is that we don't have a community that expects to move up the property ladder, the same way because we aren't a particularly "big business" community as most of the stable jobs are government and quasi-government where one would max out at a pay range. Their first home tends to be a three bedroom, two car garage, ranch style home they plan to stay in and bypass the 400 sf condo. Mr. Alderfer also touched on challenges that arise for mortgage lending institutions when considering loaning in mixed use zoned area. A large issue is there is almost no way to put something that is 40% residential, 40% commercial, and 20% industrial into a shared pool of securitized mortgages. Another thing is that if you are going to encourage urban infill, there has to be

upkeep of what there is, sidewalks, parks, roads, etc., and make it possible to say, look at this fabulous downtown.

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Staff Report: RV Parking Update, Lone Eagle Survey Report

Community and Economic Development Coordinator Koester reviewed her report. There was brief discussion about the RV day use parking in relation to encouraging trolley stops there, or at least nearby, and being able to post contact information of transportation services for people who may not want to walk.

In relation to the lone eagle survey they have been working on, Mrs. Koester said she has not received any responses so maybe they need to consider a different technique. There was discussion that this is still valid, and maybe it would be good to expand the venue to editorials, inclusion on the city website, and so forth. The commission agreed to revisit this in the fall.

PUBLIC HEARING

PENDING BUSINESS

A. Affordable Housing: Staff Report/Update
i. Coast Guard Housing

The Commission talked briefly about the information presented by Mr. Alderfer and the the information relating to Coast Guard housing that was included in their packet. There was discussion that in Anchorage private companies own buildings and lease them back to the military. There is a fair amount of land owned by native corporations or other organizations who might be interested facilitating something with more of a town house feel similar to what other bases are doing around the country. CIRI owns land in the town center and the commission felt it would be beneficial to have some dialog with CIRI to find out if this is a direction they have interest in, or what they are interested in doing with their property in the town center. The commission acknowledged their understanding CIRI wasn't pleased when the Fred Meyer development fell through, but starting a dialog with them might be helpful in making some future progress. Mrs. Koester said she would look into having someone from CIRI attend a meeting in the near future.

NEW BUSINESS

A. City Council Meeting Sign up. May 13 and 27

Community and Economic Development Coordinator Koester clarified that the next council meeting date is May 28th. Most commissioners were unable to commit to attend and Chair Sarno agreed to attend.

INFORMATIONAL ITEMS

None

COMMENTS OF THE AUDIENCE

None

COMMENTS OF CITY STAFF

Community and Economic Development Coordinator Koester advised the Commission that the City will be working with the Chamber in hosting the Governor's Picnic in Homer on July 25 from noon to 2 pm. It will be a big event. She also noted that there will be a lot of projects happening this summer that will cause some temporary delays and disruptions around town. Projects include the gas line, repaving on the Sterling Highway, Spit Trail construction, improvements in the Harbor, and the load and launch ramp. These improvements will be good for economic development, but we will need to have patience while they are happening.

COMMENTS OF THE COUNCILMEMBER

COMMENTS OF THE CHAIR

Chair Sarno encouraged the other members to let people know what the Commission is doing. They are having some really interesting conversations, tonight being a great example, but no one from the public is here to hear them.

COMMENTS OF THE COMMISSION

Commissioner Wagner said this was a good meeting. He feels kind of bad in that he is so overcommitted right now, but this is a great group and he enjoys their meetings.

Commissioner Barth thanked everyone for welcoming him. He enjoyed his first meeting and is looking forward to working on affordable housing.

Commissioner Ross agreed that it was a good meeting and is excited about working on affordable housing. A point that Mr. Alderfer brought up that struck him was for the city to focus on the amenities that attract people to Homer and encourage that the commission keep thinking about that part too.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:26 p.m. The next regular meeting is scheduled for Tuesday, June 11, 2013 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____