



City of Homer

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Office of the City Clerk

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Memorandum

Agenda Changes/Supplemental Packet

TO: PLANNING COMMISSION
FROM: RENEE KRAUSE, DEPUTY CITY CLERK II
DATE: FEBRUARY 21, 2024
SUBJECT: SUPPLEMENTAL PACKET

REPORTS

B. Comp Plan Steering Committee Report

Unapproved Minutes for February 5, 2024 Regular Meeting

page 3-6

NEW BUSINESS

B. Ordinance 23-61(S) – Short Term Rentals

Ordinance 23-61, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 5 to Add Chapter 5.48 Short Term Rentals. Aderhold/Davis. Introduced November 13, 2023 Referred to Economic Development Advisory Commission and Planning Commission, Public Hearing and Second Reading February 26, 2024

pages 4-12

Public Comment Received

pages 13-16

CALL TO ORDER

Session 24-01 a Regular Meeting of the Comprehensive Plan Steering Committee was called to order by Acting Chair Kathy Carssow at 3:30 p.m. on February 5, 2024 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

PRESENT: COMMITTEE MEMBERS BARNWELL, CARSSOW, ERICKSON, & KIM

ABSENT: COMMITTEE MEMBER DAVIS

STAFF: CITY CLERK JACOBSEN & DEPUTY CITY CLERK PETTIT

CONSULTING: MAYOR CASTNER & CITY PLANNER FOSTER

AGENDA APPROVAL

ERICKSON/BARNWELL MOVED TO APPROVE THE AGENDA.

Committee Member Carssow stated that she desired some changes be made to the agenda.

CARSSOW/BARNWELL MOVED TO AMEND THE AGENDA BY MOVING ITEM C (APPROVAL OF MEETING SCHEDULE) TO THE END OF THE AGENDA, AND MOVING ITEMS D (COMMITTEE SCOPE OF WORK AND EXPECTATIONS) AND E (DRAFT PUBLIC PARTICIPATION PLAN) UP IN FRONT OF ITEM C.

Ms. Carssow explained that she wanted to look at the schedule in respect to the work plan and the consultant schedule, reasoning that she didn't want to meet just for the sake of meeting.

Ms. Carssow called for the question on the amendment.

VOTE (AMENDMENT): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VOTE (MAIN MOTION): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

APPROVAL OF MINUTES

VISITORS/PRESENTATIONS

REPORTS

PENDING BUSINESS

NEW BUSINESS

A. Introductions

Committee Members provided their backgrounds and experience to the Committee and members of Agnew::Beck Consulting attending via Zoom. Shelly Wade and Meg Friedenauer of Agnew::Beck also provided their backgrounds and professional experience.

B. Memorandum CPSC-24-001 from City Clerk re: Election of Chair and Vice Chair

BARNWELL/ERICKSON MOVED TO ELECT KATHY CARSSOW AS THE CHAIR OF THE COMMITTEE.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

BARNWELL/KIM MOVED TO ELECT SHELLY ERICKSON AS VICE CHAIR OF THE COMMITTEE.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

C. Memorandum CPSC-24-002 from City Clerk re: Approval of Meeting Schedule

ERICKSON/KIM MOVED TO SCHEDULE A MEETING ON THE 20TH AND THE 27TH OF FEBRUARY.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

D. Committee Scope of Work and Expectations

City Planner Foster noted the corrected resolution that created the committee, and the goals outlined in the resolution. He then alluded to the Draft Public Participation Plan that was to come up later in the meeting, stating that much of the focus of this group would entail refining and executing the public outreach plan.

Committee Member Barnwell stated that Goals #1 and #2 felt a bit redundant to him given that they're both public outreach activities. He questioned why those two goals weren't combined into public outreach. Mr. Foster stated that the public participation plan needs to be figured out before diving into a robust outreach plan. He continued, reasoning that the first task should be finalizing the Draft Public Participation Plan followed by the second task of executing the public outreach plan.

Committee Member Kim questioned whether the time frame set forth for the public outreach period will be adequate enough to capture the necessary data for a population that varies seasonally. Mr. Foster stated that this is the timeframe that was set at the time, and that it's really just a ballpark guesstimate. He added that it's likely that the timeframe has shifted to more of a March-May time period.

Committee Member Erickson shared her concern that the plan only targets input from people that work in Homer, and not people who live here year-round. Mr. Foster stated that the intent behind the plan was to be as inclusive as possible.

Chair Carrsow shared her concern that the scope of work in Agnew::Beck's contract and the plan set out don't match. She added that it was clear to her that the Steering Committee was an afterthought. Ms. Carrsow continued, stating that it's hard to tell where the Steering Committee fits into this project.

Ms. Wade intervened to suggest reviewing the Draft Public Participation Plan with the committee, as she felt this would help to clear up some of the questions that were being asked.

E. Draft Public Participation Plan

Ms. Wade and Ms. Friedenauer reviewed the document with the Committee. Together, they addressed the public participation section of the document, Steering Committee Member's roles, the potential for a bi-weekly schedule at the front end of the process for collecting data, and using public input to stay connected and engage residents. Other discussion topics included:

- Developing a project website before the next meeting.
- Developing a project flyer that explains the what and why for the project.
- Who the core team (coordination and process team) is in reference to the scope of work.
- Providing agendas and topics to Steering Committee Members so that members can have a sense of what the focus is.
- Potential stakeholder interview questions.
- Other case studies and previous work that Agnew::Beck has been a part of in the past and is a part of currently.
- An opportunity for Committee Members to review the 2018 Comprehensive Plan.

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE

Mayor Castner emphasized the importance of involving key community stakeholders in the process of updating the City's comprehensive plan. He criticized past approaches that lacked community engagement and stressed the need for a broad, aspirational plan that guides decision-making without being overly restrictive. Mayor Castner highlighted the significance of the newly formed Steering Committee, composed of individuals well-versed in the City's processes and aspirations, to ensure effective community input and direction.

COMMENTS OF THE CITY STAFF

COMMENTS OF THE TASK FORCE

Committee Member Erickson thanked the Mayor for his clarification on what the Committee has been tasked with doing. She also said that she is looking forward to working with the group.

Committee Member Kim stated that it's important to recognize that there are a lot of people that aren't part of the public engagement process, and that it's important to keep these people in mind. He added that he's looking forward to Agnew::Beck's expertise.

Committee Member Barnwell agreed with Mayor Castner about not getting too deep into the weeds. He also said that he's excited to work with the committee.

Chair Carssow thanked everyone for their help and added that she is looking forward to working with Agnew::Beck.

ADJOURNMENT

There being no further business to come before the Committee, Chair Carssow adjourned the meeting at 5:05 p.m. The next regular meeting is Tuesday, February 20, 2024 at 2:00 p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers and via Zoom Webinar.

ZACH PETTIT, DEPUTY CITY CLERK I

Approved: _____

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Aderhold/Davis

4 **ORDINANCE 23-61**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE TITLE 5 TO ADD CHAPTER 5.48
8 SHORT TERM RENTALS.
9

10 WHEREAS, The Council and the public are very concerned with the impacts of housing
11 availability on seasonal workers and year-round community members; and
12

13 WHEREAS, Short term rentals have been identified as one of many challenges facing
14 housing availability in the City; and
15

16 WHEREAS, The use of private residences has been a very common source of income for
17 property owners in the City which also supports our visitor-serving businesses; and
18

19 WHEREAS, Visitors staying in short term rental have many positive impacts, however,
20 they also consume City services in ways that are difficult to recoup financially when short term
21 rental owners fail to collect existing sales taxes; and
22

23 WHEREAS, The City has no existing regulations for short term rentals; and
24

25 WHEREAS, There is an interest to enact reasonable regulations related to short term
26 rentals to ensure that they are operated safely, not creating public nuisances, and are
27 remitting the appropriate taxes; and
28

29 WHEREAS, The Council intends for this to be an iterative process whereby the short
30 term rental regulations will be adjusted over time to best fit the needs of the community and
31 short term rental operators.
32

33 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
34

35 Section 1. Homer City Code is amended to include Chapter 5.48, entitled “Short Term
36 Rentals”, to read as follows:
37

38 **Chapter 5.48 Short Term Rentals**

39
40 **Sections:**

41
42 **5.48.010 Definitions**

43 **5.48.020 Intent**

44 **5.48.030 Short Term Rental Permits**

45 **5.48.040 Permit Renewals**

46 **5.48.050 Nonconforming Uses**

47 **5.48.060 Public Safety, Noise, and Nuisances**

48 **5.48.070 Violations and Penalties**

49 **5.48.080 Appeal of Decision**

50

51 **5.48.010 Definitions**

52

53 **“Short-term rental” means a dwelling unit, or portion thereof, that is offered or provided**
54 **to a guest for compensation for a period of less than 30 consecutive days. Short-term**
55 **rentals may be in individual rooms in single-family homes, units in apartments,**
56 **condominiums, townhouses, and multifamily dwellings.**

57

58 **“Guest” means an individual, corporation, partnership or association paying monetary**
59 **or other consideration for the use of a short-term rental.**

60

61 **“Operator” means a person, firm, corporation, or other designated legal entity, who**
62 **offers for rent or otherwise makes available in the City dwelling units for monetary or**
63 **other consideration.**

64

65 **“Property” means real estate offered by an operator as a short term rental.**

66

67 **5.48.020 Intent**

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69 **The intent of this chapter is to protect general health and safety of the public within the**
70 **City of Homer while ensuring short term rentals are operated in such a way that they pay**
71 **any applicable fees or taxes and do not create a public nuisance which decreases quality**
72 **of life for neighboring residences.**

73

74 **5.48.030 Short Term Rental Permits**

75

76 **a. Any owner wishing to make a dwelling unit available for use as a short term rental**
77 **must apply for and receive approval of a short term rental permit for each**
78 **intended unit.**

79

80 **b. An annual short term rental permit application shall be submitted on a specified**
81 **form or platform provided by the City before offering a dwelling unit for rent. The**
82 **application shall include a fee as set by the City Council in the City’s fee schedule.**

83

84 **c. No short term rental operator shall offer, advertise, or facilitate the short term**
85 **rental of property in the City unless the operator possesses a valid short term**

86 **rental permit. Any offer or advertisement for the short term rental of property in**
87 **the City that does not contain a valid short term rental permit number, or which**
88 **the City identifies as illegal, shall be immediately removed.**

89
90 **d. Required Information and Documentation: Applications shall provide:**

- 91
92 **1. Name, address, phone number, and email of the property owner, and, if**
93 **different from the owner, the short term rental operator.**
- 94
95 **2. A general description of the dwelling unit to be used as a short term rental**
96 **to include address, zone district, number of bedrooms, and available**
97 **parking spaces compliant with City code.**
- 98
99 **3. A 24-hour emergency contact residing within 50 miles of city limits.**
- 100
101 **4. State business license number.**
- 102
103 **5. Certification by the Kenai Peninsula Borough Finance Department in a tax**
104 **compliance certificate that the applicant is current in the payment of any**
105 **sales tax to the City and the Kenai Peninsula Borough.**
- 106
107 **6. Completed fire safety inspection form for the dwelling unit.**

108
109 **e. Permit Number: Short term rental permits will be issued a unique permit number**
110 **which must be displayed in all advertisements and public listings for the short**
111 **term rental.**

112
113 **f. Permit Renewal: Short term rental permits must be renewed annually and are**
114 **valid from January 1 to December 31.**

115
116 **g. Transfer of Permits: Annual short term rental permits are transferrable between**
117 **owners with City Manager or designee approval, provided the use and operations**
118 **remain consistent. Permits are not transferrable between units or parcels.**

119
120 **5.48.040 Permit Renewals**

121
122 **a. Short term rental permits may be renewed starting November 1 each year using**
123 **the form or platform provided by city, and shall include a fee as set by Council in**
124 **City Fee Schedule.**

127 **b. Permits are eligible for renewal if the property and dwelling unit comply with all**
128 **applicable City regulations, taxes, fees are paid, and there are no outstanding**
129 **public safety or public nuisance violations.**

130
131 **c. Expired permits require a new application to resume short term rental use.**
132

133 **5.48.050 Nonconforming Uses**
134

135 **a. Existing short term rentals with proof of operation and sales tax remittance to the**
136 **Kenai Peninsula Borough within the period between January 1, 2020 and**
137 **December 31 2023 will be exempted as non-conforming uses if they meet all other**
138 **short term rental standards, even if they are located in zones no longer principally**
139 **permitting such use.**

140
141 **b. Non-conforming short term rentals not used for 18 months or not permitted by**
142 **[DATE] will cease to be available on the property.**

143
144 **c. Approvals of non-conforming short term rental permits are transferrable to new**
145 **property owners upon request, provided updates are made to the information on**
146 **file with the City.**

147
148 **5.48.060 Public Safety, Noise, and Nuisances**
149

150 **a. Capacity: Maximum occupancy for a vacation rental is two persons per bedroom**
151 **plus an additional two persons (e.g., a two-bedroom unit may have six occupants).**
152 **Children aged 12 and under are not counted toward the occupancy total.**

153
154 **b. Emergency Contact: The Emergency Contact provided on the permit application**
155 **will be shared with the Homer Police Department and all neighboring properties**
156 **within 300 feet of the parcel containing the permitted short term rental unit(s).**
157 **The permit holder must promptly notify the City of any changes to the designated**
158 **emergency contact information.**

159
160 **c. Fire Department Access: Properties with gated entries must have a Fire**
161 **Department approved device that allows emergency response access.**

162
163 **d. Noise: Short term rentals are subject to HCC 21.59.010 (b) regarding noise.**

164
165 **e. Nuisance: Any property with an unresolved nuisance complaint under HCC**
166 **Chapter 5.16 is ineligible for short term rental permit approval or renewal.**

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168 **f. Parking: Short term rentals must have sufficient off-street parking, validated by**
169 **the City planner or designee.**

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5.48.070 Violations and Penalties

- a. **Operating a short term rental without a permit, or in violation of this chapter, is unlawful.**

- b. **The City Manager, or designee, may revoke a permit for a short term rental upon finding one or more of the following:**
 - 1. **Negligence in responding to emergencies more than two times in a rolling 12-month period.**

 - 2. **More than two documented law enforcement violations related to the short term rental in a rolling 12-month period.**

 - 3. **Chronic non-compliance with the requirements this chapter’s requirements.**

 - 4. **Failure to pay required sales taxes to the Kenai Peninsula Borough.**

 - 5. **Failure to correct noted Building or Fire code violations.**

 - 6. **Documented, significant violations supported by citations, written warning, or other documentation from relevant authorities.**

- c. **The penalty for an offense in this chapter is the fine listed in the fine schedule in HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the defendant must appear in court, and, if convicted, is subject to the general penalty as provided in HCC 1.16.010 unless another penalty is specifically provided.**

5.48.080 Appeal of Decision

Judicial review by the superior court of a final decision on a short term rental permit issued by the City may be had by filing a notice of appeal in accordance with the applicable rules of court governing appeals in civil matters. The notice of appeal shall be filed within 30 days of notice of the final decision on the permit. Appeals of short term rental permits are heard solely on the administrative record which shall be prepared by the City. A copy shall be filed in the superior court within 30 days after the appellant pays the estimated cost of preparing the complete of designated record or files a corporate surety bond equal to the estimated cost.

Section 2. Homer City Code 1.16.040, entitled “Disposition of scheduled offenses – Fine Schedule” is hereby amended as follows:

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Chapter 5.46 HCC	Special event – Permit required	\$1000
Chapter 5.48 HCC	Short term rental – Permit required	\$100 per day
HCC 8.08.020	Itinerant or transient merchant – License required	\$300.00

Section 3. This Ordinance is of a permanent and general character and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of _____, 2018.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

February 19, 2024

City of Homer
Planning Commission
Sent via email

Dear Planning Commission Members,

As you consider the draft ordinance regarding STRs at your meeting on February 21, I would like to reiterate a couple of points made previously in my written comments to the Economic Development Commission.

First, the EDC, City staff, and others have correctly determined that **this ordinance is not about housing**. It does not increase housing of any kind, nor offer any kind of incentive to encourage additional long-term or workforce housing in Homer.

Second, the issues put forward in the whereas clauses as **the other rationales for the ordinance are already effectively solved or are otherwise not changed in any way with this ordinance**. Sales tax compliance is being investigated and handled at the Borough level (spoiler: compliance levels are very high), nuisances are almost non-existent (one possible parking violation in the past year), and the City's planned self-certification of safety items pales in comparison to the standards and transparency that Airbnb and VRBO require of hosts on their platforms.

Finally, it is well known that this ordinance was only put forward as an attempt to address the perceived impact of STRs on the overall housing market of Homer. Much evidence to the contrary has been provided to the EDC during the recent work sessions and comment periods, and I encourage you to read those minutes and comments in full and reach out with additional questions to those that actually follow the market and have data to back up their claims. **Perceptions, anecdotes, and a few Facebook posts are not the foundation of good public policy.**

It's my request that the ordinance in its entirety be set aside, and more efforts given to actually addressing housing by determining 1) the actual housing deficit in Homer (type of number of housing units that would meet demand), 2) the housing potential of Homer in the free market, and 3) ways the City could encourage our recent housing construction boom to continue to meet future needs.

Work on this ordinance, or any similar ordinance that does not have a clear path towards actually solving an actual problem, is a waste of time.

Thank you for considering these comments. I always welcome any questions you may have.

Respectfully,

Dorothy Duncan

(907) 299-2265
ursaminor907@gmail.com

From: [Melissa Jacobsen](#)
To: [Renee Krause](#); [Ryan Foster](#); [Julie Engebretsen](#)
Subject: FW: For planning commission re Ordinance 23-61S
Date: Wednesday, February 21, 2024 10:15:24 AM

From: Penelope Anne Haas <pah02003@mymail.pomona.edu>
Sent: Wednesday, February 21, 2024 10:14 AM
To: Department Clerk <clerk@ci.homer.ak.us>
Subject: For planning commission re Ordinance 23-61S

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear members of the Homer Planning Commission,

Please encourage the City Council to include a provision in the short term rental ordinance, 23-61 S, clarifying that short term rentals require owner occupancy in residential zones for the following reasons:

Occupancy Requirements for Short Term Rentals

The proposed STR ordinance, if it does not clearly require occupancy in the definition of the STR and in zoning code, would allow the transformation of Rural Residential and Urban Residential Zones into places that allow for a much larger business presence—more like a Mixed Use Zones. If that is what Council or commissions intend, they should be very clear about *why* they want that and let the public weigh in on the matter.

Taking away occupancy requirement for STRs—while occupancy is required for BnBs and other “Home Occupations”—could have a number of undesirable consequences, many of which are on display in communities across Alaska and the United States:

- It could contribute to the loss of neighborhood character and neighbor relations.
- It could create unfair market conditions, by favoring STRs over other businesses.
- It could transform neighborhoods and residential areas into mixed use districts.
- It could contribute to an increased cost of housing over time.
- It could tighten the long-term housing market significantly.

The City of Homer has occupancy requirements for Bed and Breakfasts

Homer City Code 21.51.100 reads “A bed and breakfast must be accessory to and in a dwelling **occupied by the operator as the operator’s primary residence.**”

- For what reason would we manage BnBs differently than STRs?
- There is a strong case to be made that STRs should simply be considered a BnB

since they are just a BnB with an online platform, as the name “Air BbB” indicates.

- The ordinance should have language that says, in this Homer City Code 21.51.100 that an STR shall be treated as a BnB.
- When this code was adopted, there was clear intent that we not transform residential neighborhoods into hospitality districts. I believe that the public still supports this view.

STRs in Rural Residential and Urban Residential Zoning

Short term rentals are not called out by name “permitted uses” in Rural Residential or Urban Residential zones. There are a number of uses that are permitted outright in dwelling units Urban Residential and Rural Residential Districts (HCC 21.12.020), including:

e. Rooming house, bed and breakfast and hostel;

- Which of these categories does short term rentals fit into?
- Bed and Breakfasts seem the obvious category.
- If the council wishes to add Short Term Rentals as their own category, they will need to do that by ordinance.
- If the council wishes to add Short Term Rentals as their own category, they should give them the same standards as the Bed and Breakfasts, requiring owner occupancy. Anything else would be unfair to bed and breakfast owners, who are their direct competitors.
- If the council wishes to remove the home occupancy requirement for STRs, it would only seem logical that they would remove that requirement for other businesses, including bed and breakfasts, all “home occupations” *, as well as “Day care homes.” This shift would make our residential areas into mixed use. That is a big shift, for which I don’t think there is public support. But if it is what council wants, again, they should be crystal clear about it and let the public weigh in.

* Home Occupations require occupancy per Homer City Code 21.51.010: “the home occupation shall be carried on entirely within the dwelling unit or accessory building and its function shall be **clearly subordinate to the principal residential use of the premises....A home occupation shall be carried on only by the full-time occupants of the dwelling unit.**”

Here are some relevant definitions from City Code

“**Bed and breakfast**” means a dwelling in which an individual or family resides and rents bedrooms in the dwelling to overnight guests, if the bed and breakfast use is accessory to the principal use of the dwelling as the primary residence of the operator. If the dwelling has six or more bedrooms available for rental to overnight guests it is a hotel and not a bed and breakfast (21.03.040 Definitions used in zoning code).

“**Home occupation**” means any use customarily conducted entirely within a dwelling or a building accessory to a dwelling, and carried on by the dwelling occupants, that is clearly incidental and secondary to the use of the dwelling for dwelling purposes and does not change the character thereof, and includes no display of stock in trade, no outside storage of materials or equipment and no commodity sold upon the premises. “Home occupation”

does not include bed and breakfast (21.03.040 Definitions used in zoning code).

“Rooming house” means a dwelling containing not more than five guest rooms that are used, rented or hired out to be occupied for sleeping purposes by guests. A rooming house shall not accommodate in excess of 15 guests. A rooming house shall also include any structures associated with the dwelling, such as guest cabins; provided, that a conditional use permit was obtained for any associated structures, if a permit is required in order to have more than one building containing a permitted principal use on the lot. “Rooming house” does not include bed and breakfast (21.03.040 Definitions used in zoning code).

“Hostel” means any building or portion of a building containing dormitory-style sleeping accommodations for not more than 15 guests that are used, rented or hired out on a daily or longer basis.

Sincerely,

Penelope Haas