

Municipality of Anchorage

MEMORANDUM

DATE: November 1, 2016

TO: Planning and Zoning Commission

THRU: Hal H. Hart, AICP, Planning Department Director

FROM: Erika McConnell,
Office of Economic and Community Development

SUBJECT: Case 2017-0002, Text Amendment to Anchorage Municipal Code,
Title 21, Allowing Unit Lot Subdivisions

Background:

The Live, Work, Play subcommittee of the Alaska Economic Development Corporation (AEDC) was tasked with identifying opportunities to augment housing development in support of workforce development in Anchorage. The sub-committee, which met regularly, prepared a variety of recommendations aimed at expanding housing options and reducing housing costs. This recommendation is to create a subdivision option in Title 21 that will allow fee-simple property ownership of small lots associated with townhouse and cottage style housing development.

Description:

This Title 21 text amendment includes modifications to several chapters of Title 21 including Chapter 3, Review and Approval Procedures; Chapter 21.08, Subdivisions Standards; and Chapter 21.14, Definitions. These modifications will allow a subdivision practice whereby a homeowner can own the land, fee simple, beneath what would otherwise be considered a condominium type of development. The advantage of this approach is that for financing, the units do not have to be pre-sold. For most condominium-style developments 50% to 75% of lots must be presold before financing is made available for construction to start. Additionally, the unit lot subdivision results in lower long-term finance rates and therefore lower housing prices. A key to this approach is that it removes developer risk for constructing housing at the affordable end of the housing spectrum.

Although this unit lot subdivision ordinance change will allow the division of existing lots into smaller fee simple lots, the ordinance will not change the underlying zoning density allowances. This ordinance will maintain the development characteristics of the zoning districts in which they occur.

One concern raised during development of this subdivision option was how to enforce maintenance requirements on individual properties, similar to what occurs with condominium style development. The solution can be found in ordinance language that addresses covenants, conditions and restrictions. This language clearly calls for establishment of reserves for such things as roof replacement, exterior finishes, and

landscape maintenance. It identifies all elements of a development that are subject to maintenance, repair, and replacement and requires a homeowners association to accept responsibility for the upkeep of the development.

Submitted by: Chair Gray-Jackson at the
Request of the Mayor
Prepared by: Office of Economic and
Community Development
For reading:

ANCHORAGE, ALASKA
AO NO. 2016–

**AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING
ANCHORAGE MUNICIPAL CODE TITLE 21 TO ADD A NEW METHOD OF
SUBDIVISION CALLED UNIT LOT SUBDIVISION.**

(Planning and Zoning Commission Case 2017-0002)

WHEREAS, financing for condominium development requires that between 50 and 75 percent of the units be pre-sold before the first unit sale can be closed; and

WHEREAS, such financing often leads to the development of fewer units than allowed by zoning on a parcel due to the difficulties in pre-selling many units at once; and

WHEREAS, fee-simple ownership is desirable for homeowners and for developers, as the financing is then simplified; and

WHEREAS, long term financing for investment properties larger than four units is subject to higher interest rates than one to four unit developments; and

WHEREAS, a unit lot subdivision divides an existing lot into fee simple unit lots, but does not allow any increase in density under the zoning or changes to the development standards;

WHEREAS, allowing unit lot subdivisions could result in more efficient use of residential property, developments that fit in with existing neighborhoods and development patterns, and more affordable developments; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code section 21.03.020 is hereby amended to read as follows (*the remainder of the chapter is not affected and therefore not set out*):

21.03.020 Common Procedures

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B. Pre-Application Conferences

1. Purpose

The pre-application conference is an informal discussion to familiarize the applicant and the municipal staff with the applicable provisions of this title that are required to permit the proposed development.

2. Applicability

a. Required for new applications. A pre-application conference is required prior to submittal of the following types of applications:

- i. Rezoning (Map Amendments) (section 21.03.160);
- ii. Subdivisions, except for most Abbreviated Plats (section 21.03.200);
- iii. Conditional Uses (section 21.03.080);
- iv. Institutional Master Plans (section 21.03.110);
- v. Major Site Plan Review (section 21.03.180D.);
- vi. Public Facility Site Selection (section 21.03.140);
- vii. Girdwood Area Master Plans and Development Master Plans (sections 21.09.030E. and F.); and
- viii. Abbreviated plats (section 21.03.200) or administrative site plan reviews (subsection 21.03.180C.) which include Class A or B wetlands within or adjacent to the application area.
- ix. Abbreviated plats for unit lot subdivisions (21.08.070E.).

No application for these types of approvals shall be accepted until after the pre-application conference is completed and the applicant receives written notification of the conclusions.

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(AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13)

Section 2. Anchorage Municipal Code section 21.03.200 is hereby amended to read as follows *(the remainder of the chapter is not affected and therefore not set out)*:

21.03.200 Subdivision

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B. Applicability

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2. Abbreviated Plat

Certain subdivisions may follow the streamlined procedure set forth in subsection D. below. Eligible preliminary plats are those plats where the applicant is not an agency of the municipal, state, or federal governments, and are:

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b. The subdivision of a single tract, parcel, or lot into no more than three tracts, [OR] eight lots, or eight unit lots (see subsection 21.08.070E.), provided that the subdivision does not:

i. Allow a change in the permitted use to which the lot or tract may be devoted under existing zoning.

ii. Deny adequate access to and from all lots or tracts created by the subdivision or those adjacent to it.

iii. Divide a tract, parcel or lot:

(A) Created within the previous 48 months pursuant to the approval of a preliminary plat under this section;

(B) Contiguous to or having an owner either in an individual capacity or as an owner of a corporation, partnership, or other legal entity of a preliminary plat approved within the previous 48 months; or

(C) That is 10 acres or more in the R-6, R-7, R-8, R-9, and R-10 zoning districts or that is governed by AO 84-21 (G-5 areawide rezoning).

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(AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13)

Section 3. Anchorage Municipal Code section 21.08.070 is hereby amended to add a new subsection as follows (*the remainder of the section is not affected and therefore not set out*):

21.08.070E. Unit Lot Subdivisions

1. Purpose

The unit lot subdivision is intended to allow fee simple ownership of a dwelling unit within a multifamily development, simplifying the financing process for the developer, but not increasing the density allowed on the lot or changing the development standards.

2. Applicability

The unit lot subdivision process may be used to create no more than eight unit lots in the R-2M, R-3, R-4, R-4A, RO, B-1A, B-1B, B-3, gR-4, gR-5, gC-6, gC-7, gC-8, gC-9, CE-R-2M, CE-R-3, CE-RO, and CE-B-3 districts.

3. Approval Process

a. A unit lot subdivision shall be reviewed through the abbreviated plat process at AMC 21.03.200D.

b. Before filing an application, the applicant shall request a pre-application conference with the director, in accordance with subsection 21.03.020B.

c. In addition to the submittal requirements for preliminary plats, an application for a unit lot subdivision shall include a preliminary development plan, drawn to scale, which shall contain:

i. Property lines of the parent lot and the proposed unit lots.

ii. Setbacks of the parent lot.

iii. The footprint of any existing structures to remain, along with the distance to property lines and lot coverage calculations.

iv. The location and footprint for each proposed structure on each unit lot.

v. A delineation of the required open space.

vi. The driveway and parking locations, layout, dimensions, circulation, ingress and egress.

- vii. The location, if applicable, of any buildings to be used in common by the residents of the housing development.
- viii. The layout and dimensions of all pedestrian circulation facilities.
- ix. A utility plan addressing water and wastewater in accordance with the current Design and Construction Practices Manual-DCPM, approved by AWWU.
- x. Any other information the director finds necessary to ensure compliance with this title.

4. Uses

- a. In residential districts where unit lot subdivisions are permitted, the allowed uses are limited to the residential uses as shown in tables 21.05-1, 21.09-2, and 21.10-4 as permitted in the applicable district.
- b. In commercial districts where unit lot subdivisions are permitted, only one unit lot within any parent lot may contain nonresidential uses. Unless authorized by the director, the unit lot containing the nonresidential use(s) shall abut a street. The unit lot containing the nonresidential use(s) may also contain a dwelling unit, in which case subsection 21.04.030G. or H. may apply.
- c. Only one dwelling unit is permitted per unit lot.

5. Dimensional Standards

- a. The dimensional standards of tables 21.06-1, 21.06-2, 21.09-5, 21.09-6, 21.10-6, and 21.10-7 apply to the parent lot, except that the maximum number of principal structures per lot shall apply to the parent lot.
- b. No setbacks are required by this title on lot lines between unit lots, but setbacks may be required by title 23.
- c. The lot size of the parent lot shall determine the maximum number of units permitted on the parent lot, in accordance with the dimensional standards tables.
- d. Where a maximum floor area ratio (FAR) applies, it shall apply to the parent lot.

6. Design Standards

- a. Open space requirements shall be provided in accordance with subsection 21.07.030 and shall be applied to the parent

lot, except that none of the open space is required to be common open space.

- b. Drainage shall be designed for the parent lot. Design and construction on each unit lot shall comply with the approved drainage plan for the parent lot.
- c. Snow storage shall be provided in accordance with subsection 21.07.050F. and shall be applied to the parent lot.
- d. Landscaping requirements shall be applied in accordance with subsection 21.07.080 and shall be applied to the parent lot.
- e. Refuse collection standards shall be applied in accordance with subsection 21.07.080G.2. and shall be applied to the unit lots.
- f. Off-street parking requirements shall be applied in accordance with subsection 21.07.090. The minimum parking requirement (after any applicable reductions are granted) shall be provided but may be provided on a different unit lot from the unit lot it is assigned to, or in a common ownership area, as long as the right to use that parking is formalized by an easement on the plat.
- g. The applicable residential design standards shall be applied in accordance with subsection 21.07.110.
- h. Where multiple unit lots abut a street, driveway cuts shall be minimized, either through shared access on the other side of the buildings from the street, or by shared driveways.
- i. AWWU service standards shall be applied in accordance with AMC sections 26.40, Water Service and 26.50, Sewer Service.

7. Covenants, Conditions, and Restrictions

- a. A Homeowners' Association with covenants, conditions, and restrictions is required for each unit lot subdivision, in order to ensure the long term success, maintenance, cohesive appearance, and curb appeal of a small subdivision.
- b. Prior to recording the final plat, the applicant shall provide access easements, joint use and maintenance agreements, and final covenants, conditions, and restrictions identifying the rights and responsibilities of property owners and /or the homeowners' association, complying with the requirements described below, in a form satisfactory to the municipal attorney. The documents shall be reviewed and approved by

1 the platting officer and AWWU, and shall then be recorded
2 with the State Recorders Office.

3
4 c. Prior to recording the final plat, the applicant shall provide
5 evidence that the Homeowners' Association has been
6 incorporated pursuant to the laws of the State of Alaska.

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8 d. The covenants, conditions, and restrictions shall provide
9 authority for the Homeowners' Association to perform required
10 maintenance, repairs, or replacement, to recover any costs
11 incurred by the Homeowners' Association to maintain, repair,
12 or replace components that are the responsibility of the unit lot
13 owners which are visible from the exterior of the residence,
14 due to a failure of individual owner of the unit lot to adequately
15 maintain, repair, or replace these components.

16
17 e. The covenants, conditions, and restrictions shall
18 identify/define areas and components which are the
19 responsibility of the Homeowners' Association to maintain,
20 repair and replace and areas and components which are
21 responsibility of the individual unit lot owners to maintain,
22 repair, and replace.

23
24 f. In unit lot subdivision developments, the Homeowners'
25 Association shall be responsible for maintenance, repair, and
26 replacement of, including without limitation, shared
27 landscaping; easements for: vehicle and pedestrian access,
28 joint use and access, parking, open space, and similar areas;
29 snow removal within shared areas and easements; on-site
30 private utility infrastructure; and, except as provided in
31 subsection 7.g. below, exterior building components which are
32 visible from outside the building including without limitation:
33 roofs, siding, gutters, decks and porches, and other similar
34 features. For purposes of this section, maintenance
35 obligations of the Homeowners' Association need not include
36 snow removal and clearing of the exterior building
37 components.

38
39 g. For unit lot subdivisions where all units are detached units, the
40 Homeowners' Association is not required to be responsible for
41 exterior building components which are visible from outside
42 the building including without limitation: roofs, siding, gutters,
43 decks and porches, and other similar features. Per subsection
44 7.d. above, the Homeowners' Association does have authority
45 to perform required maintenance, repairs, or replacement and
46 recover costs associated with maintenance, repairs, or
47 replacement to exterior building components which are the
48 responsibility of individual unit lot owners' and which are
49 visible from the exterior of the residence.

- h. The Homeowners' Association shall maintain in reserves, or in their operating budget, adequate funding for maintenance, repairs, and future replacement of the items and areas for which the Homeowners' Association is responsible per subsection 7.f. above.
- i. The Homeowners' Association shall perform all maintenance, repair, and replacement of the improvements that are the responsibility of the Homeowners' Association in accordance with applicable municipal codes and the covenants, conditions, and restrictions.
- j. Individual unit lot owners shall perform all maintenance, repair, and replacement of the improvements that are the responsibility of the individual unit lot owners in accordance with applicable municipal codes and the covenants, conditions, and restrictions.

8. Existing Development

Existing development may be subdivided through the unit lot subdivision process if it meets or can be made to meet the requirements of this title.

Section 4. Anchorage Municipal Code section 21.14.040 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

21.14.040 Definitions

When used in this title, the following words and terms shall have the meaning set forth in this section, unless other provisions of this title specifically indicate otherwise.

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Parcel

A generic descriptive term used to refer to a lot, a tract, a group of lots and/or tracts, or a contiguous quantity of land, under the same ownership.

Parent Lot

A lot meeting the dimensional requirements of chapter 21.06 for its zoning district, or a nonconforming lot of record per AMC section 21.12.050, that may contain between two and eight unit lots.

Parking angle

The angle formed by a parking space and the wall or centerline of the facility, ranging from ninety degrees (perpendicular) to zero degrees (parallel).

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2 Unified sign plan

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4 A comprehensive site plan where contiguous lots and or tracts are
5 considered as a single site for the purposes of determining the size,
6 number, and placement of freestanding signs.
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8 Unit Lot

9 A unit of land within a parent lot that has been subdivided in accordance
10 with AMC section 21.03.200 and in conformance with AMC 21.08.070E. A
11 unit lot is not a lot for the purposes of municipal code unless it is specifically
12 identified as a unit lot.
13

14 Uplight

15 For an exterior luminaire, flux radiated in the hemisphere at or above a
16 horizontal plane.
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19 (AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13; AO No. 2015-82, § 7, 7-
20 28-15; AO No. 2015-100, § 9, 10-13-15)
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22 **Section 5.** This ordinance shall become effective immediately upon passage and
23 approval by the Assembly.
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25 PASSED AND APPROVED by the Anchorage Assembly this ____ day of
26 _____, 201x.
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31 _____
32 Chair

33 ATTEST:
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Municipal Clerk