



Agenda

City Council Regular Meeting

Monday, February 26, 2024 at 6:00 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 205 093 973 Password: 610853

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, PLEDGE OF ALLEGIANCE

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual)

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Homer City Council Unapproved Regular Meeting Minutes of February 12, 2024. City Clerk. Recommend adoption.
- b. Memorandum CC-24-055 from Mayor Castner re: Appointment of Jessica Williams to the Parks Art Recreation and Culture Advisory Commission. Recommend approval.
- c. Ordinance 24-16, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Accepting and Appropriating a Dingell-Johnson Sport Fish Restoration Act Grant from the Alaska Department of Fish and Game in the Amount of \$41,950 for Phase I of the Fish Grinding Building Replacement Project. City Manager/Port Director. Recommended dates Introduction February 26, 2024, Public Hearing and Second Reading March 11, 2024.

Memorandum CC-24-051 from Port Director as backup.

- d. Resolution 24-024, A Resolution of the City Council of Homer, Alaska Authorizing Issuance of a Change Order to Coble Geophysical Services, LLC, in the Amount of \$34,505 to Continue Work on the Beluga Slough Green Infrastructure Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum CC-24-052 from Project Technician as backup.

- e. Resolution 24-025, A Resolution of the City Council of Homer, Alaska Awarding a Sole Source Contract to Galaxy Welding in an Amount not to Exceed \$10,667.50 for the Fabrication of a Port Fish Carcass Trailer and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director. Recommend adoption.

Memorandum CC-24-054 from Port Director as backup.

VISITORS

- a. Legislative Update - Representative Sarah Vance
- b. Community Youth Advocates - Sofia Loboy, Ashe Dias, and Ginny Espenschade
- c. Nine Star Education and Employment Services

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- a. Worksession Report
- b. Committee of the Whole Report
- c. Mayor's Report
- d. Borough Report
- e. Economic Development Advisory Commission
- f. Parks Art Recreation and Culture Advisory Commission
- g. Planning Commission
- h. Library Advisory Board
- i. Comprehensive Plan Steering Committee

PUBLIC HEARING(S)

- a. 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. Introduction November 13, 2023, Referred to Economic Development Advisory Commission and Planning Commission, Public Hearing and Second Reading February 26, 2024.

Memorandum CC-23-260 from City Manager as backup.

Ordinance 23-61(S), An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Title 5 8 to add Chapter 5.48 8.05 Short Term Rentals. Aderhold Davis.

Memorandum CC-24-053 from Economic Development Manager as backup.

- b. Ordinance 24-12, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating \$30,000 from the Port Reserves fund for the Purpose of Issuing a Task

Order to HDR Engineering in an Amount not to Exceed \$30,000 for Professional and Technical Assistance with Submission of an FY2024 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-039 from Port Director and Special Projects Coordinator as backup.

- c. Ordinance 24-13, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating \$7,350 from the Port Reserves fund for the Purpose of Issuing a Task Order to Alaska Harbors Consulting, LLC. in an Amount not to Exceed \$7,350 for Design and Cost Estimating Services in Support of the City's FY2024 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-040 from Port Director and Special Projects Coordinator as backup.

- d. Ordinance 24-14, An Ordinance of the City Council of Homer, Alaska Appropriating an Additional \$16,156 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund for a Bi-Directional Amplifier System for Homer Police Department and Microwave Links for Homer's Repeaters. City Manager. Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-046 from Police Chief as backup.

- e. Ordinance 24-15, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Accepting and Appropriating an FY22 State and Local Cybersecurity Grant (SLCGP) Award in the Amount of \$50,000 from the Alaska Division of Homeland Security and Emergency Management for the Completion of a Cybersecurity Risk Assessment. City Manager/Chief Technology Officer. Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-041 from Chief Technology Officer as backup.

ORDINANCE(S)

CITY MANAGER'S REPORT

- a. City Manager's Report
- b. Finance Report
 - i. Police Station Debt Service Fund - Financial Reconciliation Update
 - ii. Monthly Financial Report

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

COMMENTS OF THE CITY MANAGER

COMMENTS OF THE MAYOR

COMMENTS OF THE CITY COUNCIL

ADJOURNMENT

Next Regular Meeting is Monday, March 11, 2024 at 6:00 p.m. and Committee of the Whole at 5:00 p.m. and Work Session at 4:00 p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Session 24-03 a Regular Meeting of the City Council of Homer, Alaska was called to order on February 12, 2024 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS ADERHOLD, DAVIS, ERICKSON, HANSEN, VENUTI

EXCUSED: COUNCIL MEMBER LORD

STAFF: CITY MANAGER DUMOUCHEL
CITY CLERK JACOBSEN
LIBRARY DIRECTOR BERRY
FINANCE DIRECTOR FISCHER
PORT DIRECTOR HAWKINS
CHIEF TECHNOLOGY OFFICER JIRSA
PUBLIC WORKS DIRECTOR KORT
CITY ATTORNEY GATTI

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual)

Mayor Castner announced the supplemental item - City Council Work Session Schedule as an attachment to the City Manager's report.

ADERHOLD/VENUTI MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Homer City Council Unapproved Regular Meeting Minutes of January 22, 2024. City Clerk. Recommend adoption.

- b. Memorandum CC-24-037 from Mayor Castner re: Re-appointment of Crisi Matthews to the Port and Harbor Advisory Commission. Recommend approval.
- c. Memorandum CC-24-038 from Deputy City Clerk re: Marijuana License Transfers for Cosmic SeaWeed and Cosmic Cannabis Company. Recommend approval.
- d. Ordinance 24-12, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating \$30,000 from the Port Reserves fund for the Purpose of Issuing a Task Order to HDR Engineering in an Amount not to Exceed \$30,000 for Professional and Technical Assistance with Submission of an FY2024 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Recommended dates Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-039 from Port Director and Special Projects Coordinator as backup.

- e. Ordinance 24-13, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating \$7,350 from the Port Reserves fund for the Purpose of Issuing a Task Order to Alaska Harbors Consulting, LLC. in an Amount not to Exceed \$7,350 for Design and Cost Estimating Services in Support of the City's FY2024 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Recommended dates Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-040 from Port Director and Special Projects Coordinator as backup.

- f. Ordinance 24-14, An Ordinance of the City Council of Homer, Alaska Appropriating an Additional \$16,156 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund for a Bi-Directional Amplifier System for Homer Police Department and Microwave Links for Homer's Repeaters. City Manager. Recommended dates Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.
- g. Ordinance 24-15, An Ordinance of the City Council of Homer, Alaska Amending the Fy24 Capital Budget by Accepting and Appropriating an FY22 State and Local Cybersecurity Grant (SLCGP) Award in the Amount of \$50,000 from the Alaska Division of Homeland Security and Emergency Management for the Completion of a Cybersecurity Risk Assessment. City Manager/Chief Technology Officer. Recommended dates Introduction February 12, 2024 Public Hearing and Second Reading February 26, 2024.

Memorandum CC-24-041 from Chief Technology Officer as backup.

- h. Resolution 24-016, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Apply to the State of Alaska Department of Environmental Conservation Brownfields Program in Support of the Revitalization of the HERC Site. City Manager. Recommend adoption.

Memorandum CC-24-042 from Economic Development Manager as backup.

- i. Resolution 24-017, A Resolution of the City Council of Homer, Alaska Opposing and Providing Comments on Alaska State House Bill 250, Titled "An Act Relating to Municipal and School Board Elections; Declaring Election Day a Holiday; Relating to Terms of Office for Municipal Mayor, Municipal Governing Bodies, Elected Utility Boards, and School Boards; and Providing for an Effective Date. Aderhold. Recommend adoption.
- j. Resolution 24-018, A Resolution of the City Council of Homer, Alaska Expressing Support for the Realizing Equitable Accessible Connectivity in Homer (REACH) Project and Endorsing the City's Application to the FY24 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) for REACH Planning and Design Funds. City Manager. Recommend adoption.

Memorandum CC-24-043 from Special Projects Coordinator as backup.

- k. Resolution 24-019, A Resolution of the City Council of Homer, Alaska Summarizing the Joint Work Session with the Parks Art Recreation and Culture Advisory Commission and Stating Action Items for the Council and Commission. Aderhold/Erickson. Recommend adoption.

Memorandum CC-24-027 from Council Members as backup.

- l. Resolution 24-020, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Homer Public Library Office Task Chairs to the Firm of Arctic Office Products of Anchorage, Alaska in the Amount of \$19,883.75 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Library Director. Recommend adoption.

Memorandum CC-24-044 from Library Director as backup.

- m. Resolution 24-021, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Homer Public Library Lounge Chairs to the Firm of ODP Business Solutions of Anchorage, Alaska in the Amount of \$23,048.25 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Library Director. Recommend adoption.

Memorandum CC-24-045 from Library Director as backup.

- n. Resolution 24-023, A Resolution of the City Council of Homer, Alaska Approving a Request to Sublease from Eagle Eye Charters LLC to Permit a Commercial Sublease on the Lease Property Tract 1-C, The Fishing Hole Subdivision No. 2. City Manager. Recommend adoption.

Memorandum CC-24-047 from Port Director as backup.

- o. Resolution 24-024, A Resolution of the City Council of Homer, Alaska Providing Direction to the Port & Harbor Advisory Commission and Parks, Art, Recreation, and Culture Advisory Commission Regarding Annual Review of the Land Allocation Plan. City Manager/Economic Development Manager. Recommend adoption.

Memorandum CC-24-048 from Economic Development Manager as backup.

City Clerk Jacobsen read the consent agenda with its recommendations.

ADERHOLD/VENUTI MOVED TO ADOPT THE RECOMMENDATIONS OF THE CONSENT AGENDA AS READ.

Mayor Castner gave a brief explanation of how he determines items that are included on the consent agenda and reminded the public they can comment on consent agenda items under Public Comments at the beginning of the meeting.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

a. Worksession Report

There was no Council work session.

b. Committee of the Whole Report

Council Member Aderhold reported the Council addressed a minor typo in Resolution 24-019 that the Clerk will correct. They discussed Resolution 24-022 and House Bill 3, and preliminary work on the Land Allocation Plan. Economic Development Manager Engebretsen presented on a property the city purchased in the Bridge Creek Watershed, Jack Gist Park and associated parking issues, the spit property where city camping, Pier 1 Theater, and the haul out facility are competing uses, and the parcel that was purchased for a future Public Works complex. They also heard public comment, which is always appreciated.

c. Mayor's Report

Mayor Castner reported there's a lot going on in the City right now. A large number of the Commissions have been attending Council meetings, and he appreciate the work they've been doing. He's looking forward to attending the Boat Show in Anchorage with the members of the Marine Trades and Harbor personnel. It's the first time he'll be attending.

d. Borough Report

e. Port and Harbor Advisory Commission

Commissioner Bruce Friend thanked Council for appropriating the funds to continue the harbor general investigation. The Commission is looking forward to considering and making recommendations on competing uses in the area of the haul-out. There are a lot of big boats using the

haul-out and the Commission has been discussing it. They're working on a memorandum of understanding with the City on the campground management, and a suggested code update related to leasing. He noted movie Cruise Boom that will be playing at the theater, and that they're looking forward to the community being involved in seeing how Sitka has been impacted. The Commission supports Ordinance 24-09 and the amendments to the Port and Harbor Tariff, and they've been having ongoing conversations with staff and DOT regarding collection of right of way monies and drainage improvements to increase parking. They're also talking about the traffic load in the area near the proposed new hotel. The Commission supports the PIP application for float repair grant, and the sublease for Bob's Trophy Charters. They'll review Resolution 24-024 at their February meeting.

f. Americans with Disabilities Act Compliance Committee

Council Member Aderhold reported the Board discussed the ongoing work on the Trails Transition Plan and hope to see the final draft at their next meeting. They discussed the joint work session with Council that was scheduled in March, but several members are unavailable, so they're looking forward to meeting with Council at a later date. They reviewed and had good discussion on the Bayview Park Plan and heard public comments regarding the need for clearing snow on the Fairview trail. She shared that she announced her resignation from the ADA Board Council Member seat and encouraged interested members submit an application.

g. Council Champion Report – Homer Harbor Expansion General Investigation Report
Lord/Hansen

i. Memorandum CC-24-050 Re: Champion Report Homer Harbor Expansion General
Investigation

Council Member Hansen provided a brief overview of the report in the packet.

PUBLIC HEARING(S)

- a. Ordinance 24-07, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Accepting and Appropriating an Alaska Department of Environmental Conservation Clean Water Fund Loan in the Amount of \$228,704.19 for the Tasmania Court Sewer Improvement Project. City Manager/Finance Director. Recommended dates Introduction January 22, 2024 Public Hearing and Second Reading February 12, 2024.

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-07 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- b. Ordinance 24-08, An Ordinance of the City Council of Homer, Alaska Amending the FY24/25 Operating Budget to Provide for Necessary Adjustments Connected to the Creation of an Exempt Wage Scale. City Manager. Recommended dates Introduction January 22, 2024 Public Hearing and Second Reading February 12, 2024.

Memorandum CC-24-029 from Personnel Director as backup.

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-08 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Council Member Aderhold expressed her support for the ordinance and appreciation for the work the Personnel Director did in bringing this to us.

Mayor Castner shared his appreciation for the thoughtfulness that went into the discussion leading up to this ordinance.

Council Member Venuti appreciates the clear communication about what funds are affected by this change. She thinks it addresses the disparity and also appreciates the discussions they've had regarding this.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- c. Ordinance 24-09, An Ordinance of the City Council of Homer, Alaska Adopting the Revised Port and Harbor Tariff No. 1. City Manager/Port Director. Recommended dates Introduction January 22, 2024 Public Hearing and Second Reading February 12, 2024.

Memorandum CC-24-030 from Port Director as backup.

Mayor Castner opened the public hearing.

Scott Adams, city resident, commented regarding parking fee changes, removal of the seasonal pass, and commercial vehicles hauling vessels back and forth who are still able to get an annual pass. He questions when people park in day use with a long term permit will they get a citation for having the wrong permit. He thinks we should be looking at annual passes for people who use the harbor for other than commercial or industrial.

There were no other comments and the hearing was closed.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-09 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Council Member Aderhold asked if Port Director Hawkins could provide an overview of parking changes in the tariff.

Port Director Hawkins explained the Load and Launch ramp fee is a proposed increase from \$20 to \$25 per launch, \$13 for launch and \$12 for parking. They are proposing not to sell an annual pass to commercial operators, and there will still be an annual pass for private operators. Annual passes for day use in paved area at ramps 1-4 and the Boathouse Pavillion parking lot annual passes change from \$200 down to \$150 per year, and the long term parking annual pass would be \$150 per vehicle per year. The reasoning for the reduction is that an annual pass can no longer be used for two vehicles per pass, as they have been in the past. No physical permits will be issued, it will be tied to the vehicle license plate.

Mayor Castner questioned if the people who have businesses near the prime spots will fill the spots? It's a heck of a deal for summer parking. Port Director Hawkins agreed that's possible but they'll watch for the year and see if it needs to be addressed.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- d. Ordinance 24-10, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Operating and Capital Budget by Authorizing Pass Through Funds from Doyon, Limited Related to Delivery of a Traffic Impact Analysis Prepared by Kinney Engineering. City Manager/Finance Director. Recommended dates Introduction January 22, 2024 Public Hearing and Second Reading February 12, 2024.

Memorandum CC-24-034 from City Planner as backup.

Mayor Castner opened the public hearing.

Scott Adams, city resident, commented he sat through the Planning Commission meetings regarding this matter. The traffic impact analysis only addressed pedestrians, and nothing about turning traffic into the development or on to Kachemak Drive. It's flawed because it's not looking at the big picture.

Mike Stark, Homer resident, noted the traffic analysis was specifically meant to deal with the impact of trips per hour for the proposed complex so the scope of the study didn't go beyond that. He agrees it would behoove the City to have an in-depth analysis of that area.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-10 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Council Member Aderhold briefly explained this ordinance is the City receiving money from Doyon for costs related to the traffic impact analysis for their project. The work has been done and any perceived deficiencies aren't pertinent to this ordinance.

Mayor Castner concurred this action is to approve the pass through and noted we need to put a tickler in to talk about how we want to do this in the future, because the study wasn't all that helpful to the Planning Commission from his perspective.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- e. Ordinance 24-11, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating \$20,000 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund for Events, Exhibits, and Programs Celebrating the 40th Year of the Sister-City Relationship between the City of Homer and Teshio, Japan. Lord/Venuti. Recommended dates Introduction January 22, 2024 Public Hearing and Second Reading February 12, 2024.

Memorandum CC-24-035 from Library Director as backup.

Mayor Castner opened the public hearing.

Dave Berry, Library Director, commented a delegation from Teshio coming to Homer likely won't happen in 2024. Other options are being considered, like a virtual conference or other some other form of outreach. Other parts of the project are moving ahead at full speed, the Pratt Museum exhibit is under-way and should be ready to go at the start of May. The banners for Pioneer Avenue are in the design phase, with Rachel Tussey lending her expertise on the design.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-11 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Council Member Venuti thanked everyone who has been working on developing the celebration.

VENUTI/ADERHOLD MOVED TO AMEND LINE 26 TO STRIKE HOSTING A VISIT FROM A DELEGATION FROM TESHIO.

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion as amended.

VOTE (main motion as amended): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Dumouchel noted his report in the packet and highlighted the graph and increase of annual calls for the Homer Volunteer Fire Department, we should be proud of the service they provide the community with the resources they have. He shared that the Master Transportation Plan is on its way to the Planning Commission in March, then to Council; and that multiple Homer projects were referenced in the State Transportation Improvement Plan (STIP). The STIP is pending approval by federal agencies, it doesn't guarantee funding for the project, but it positions us to be eligible and more competitive for funding. He also touched on the upcoming showing of the movie Cruise Boom on February 27th at Homer Theater, the movie addresses the impacts of tourism and cruise ships on Sitka, Alaska; and February 20th Chuck Marohn from Strong Towns will be speaking at the Kachemak Bay Campus.

There was brief discussion questioning the debt service schedule on the Police Station Bond, timing to retire the note, and when it would be feasible to bring a question to the voters to extend the sales tax for the purpose of funding a Recreation Center. City Manager Dumouchel said he will work with Finance to prepare an updated report for February 26th, and noted that there is a 10 year window where the City has to make payments before it can be paid off.

b. Financial Report - FY24 2nd Quarter

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- a. Resolution 24-022, A Resolution of the City Council of Homer, Alaska Opposing Alaska House Bill 3, Titled "An Act Relating to Specie as Legal Tender in the State; and Relating to Borough and City Sales and Use Tax on Specie". Aderhold.

ADERHOLD MOVED TO ADOPT RESOLUTION 24-022 BY READING OF TITLE ONLY.

Motion failed for lack of a second.

COMMENTS OF THE AUDIENCE

Pat Case, city resident, commented that he spoke with the State DOT Director of Crossings and Traffic Lights and he's issued a purchase order for audible crossing signals for Lake Street and Main Street crossings at Sterling Highway, so it looks like that will happening. He also mentioned the need for removing snow around the curb stops and crosswalks, it never happens and is a hazard for the community.

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti had no comments.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen announced an opening on the ADA Advisory Board.

COMMENTS OF THE CITY MANAGER

City Manager Dumouchel had no comments.

COMMENTS OF THE MAYOR

Mayor Castner shared he'll be in Anchorage the last week of February and will zoom in for the next meeting. He plans to meet with DOT to talk about the Diamond Creek underpass.

COMMENTS OF THE CITY COUNCIL

Council Member Venuti wished everyone Happy Valentine's Day and encouraged shopping locally for gifts. She welcomed Public Works Director Kort who stayed for all the meetings. She missed Council Member Lord tonight and shared condolences to her family on the passing of Steve Gibson. She thanked the Mayor for planning to attend the meeting with DOT.

Council Member Aderhold commented about walking to Save U More recently and couldn't tell if she was on the sidewalk or the side of the road because the sidewalks weren't cleared. She also reminded the public to stop for pedestrians waiting at the cross walk to cross the road, that's the law.

Council Member Davis welcomed Public Works Director Kort. He had the opportunity to walk on Pioneer Avenue to Main Street yesterday and the conditions are pretty dicey, like Mr. Case mentioned in his comments.

Council Member Erickson recognized over the last couple weeks we've lost several people who have been here for years, Steve Gibson, Willy Flyum, and Bob Haines. She shared some of her memories and emphasized the importance of recording family stories. She's looking forward to the movie Cruise Boom, she thinks it's important because it's starting to affect Homer in ways we haven't realized. It will be a good starting place for discussions about our town. She also commented about community buy in for a recreation center, and an upcoming meeting about looking at how to start a Friends of Recreation and bringing people together for the conversation, folks who are interested can email Recreation Manager Mike Illg for information. She was encouraged by the DOT letter in the City Manager's report.

Council Member Hansen reflected on Steve Gibson, Willy Flyum, and Bob Haines, and encouraged a forum to get family stories together.

ADJOURNMENT

There being no further business to come before the Council, Mayor Castner adjourned the meeting at 7:12 p.m. The next Regular Meeting is Monday, February 26, 2024 at 6:00 p.m. and Committee of the Whole at 5:00 p.m. and Work Session at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Melissa Jacobsen, MMC, City Clerk

Approved: _____



MEMORANDUM

Appointment of Jessica Williams to the Parks Art Recreation and Culture Advisory Commission.

Item Type: Action Memorandum
Prepared For: Homer City Council
Date: February 21, 2024
From: Mayor Castner

Jessica Williams is appointed to the Parks Art Recreation and Culture Advisory Commission to fill the seat vacated by Leon Galbraith. The term expires October 31, 2027.

Recommendation

Confirm the appointment Jessica Williams to the Parks, Art, Recreation, and Culture Advisory Commission.

Attachments:

Jessica Williams Application

Published on *City of Homer Alaska Official Website* (<https://www.cityofhomer-ak.gov>)

[Home](#) > [Application for Appointment to an Advisory Body](#) > [Webform results](#) > Application for Appointment to an Advisory Body

Submission information

Form: [Application for Appointment to an Advisory Body](#) ^[1]

Submitted by Visitor (not verified)

Mon, 11/13/2023 - 12:27pm

146.71.68.181

Applicant Information

Full Name

Jessica Williams

Physical Address Where you Claim Residency

357 E Fairview Ave Apt C, Homer, AK 99603

Mailing Address

PO Box 2713, Homer, AK 99603

Phone Number(s)

9072992279

Email

jessica.annewilliams@yahoo.com

Advisory Bodies

Parks, Art, Recreation & Culture Advisory Commission – Meetings held on the 3rd Thursday of February through June and August through November at 5:30 p.m.

Residency

Are you a City Resident? Yes

If yes, how long have you been a City Resident? 5 years

How long have you been a resident of the South Peninsula Area? 5 years

Background Information

Have you ever served on a similar advisory body?

N/A

Other memberships

Americans for the Arts and Society of Human Resources Management

Special Training & Education

Bachelor's in Musical Theatre, Master's in Arts Administration

Why are you interested in serving on the selected Advisory Body?

Change begins at home and it would be so rewarding to lead the change in Homer. I am a volunteer and supporter of the arts in Homer. It would be so rewarding to give back to the community that has given us so much.

Source URL:<https://www.cityofhomer-ak.gov/node/9051/submission/51399>

Links

[1] <https://www.cityofhomer-ak.gov/cityclerk/application-appointment-advisory-body>

Jessica Anne Williams

ARTS ADMINISTRATOR

EDUCATION

Master of Arts, Arts Management

University of Kentucky, December 2020

Graduate Certificate, Fundraising and Development

University of Kentucky, December 2020

PROFESSIONAL EXPERIENCE

Program Manager

Homer OPUS, Dec 2023 - present

- Create donor recognition and membership program, develop annual campaign.
- Assist organization in re-branding and developing marketing strategies.
- Facilitate process changes, including student registration and instrument delivery.

Development Intern

Pier One Theatre, May 2019 - May 2020

- Graduate internship focusing on grant writing and donor development.
- Created and implemented new recognition program, donor forms and marketing design.
- Researched and developed board education to re-align with mission.

Fundraising and Development Consultant

Kachemak Bay Family Planning Clinic, Oct 2018 - Oct 2019

- Creator and Organizer of Rocky Horror Picture Show Fundraiser for R.E.C. Room.
- Coordinated with local theatre and film studio to secure screening rights.
- Managed casting, staffing, budgeting and co-developed marketing.

Fundraising and Development Consultant

Homer Council on the Arts, Dec 2013 - Apr 2014

- Creator and Organizer of Broadway Babies Cabaret Fundraiser for HCOA Summer Youth Arts Program.
- Coordinated casting, budgeting, technical design and location for event.
- Developed and integrated multi-media presentation for performance.

Jessica Anne Williams

ARTS ADMINISTRATOR

COMMUNITY ENGAGEMENT

Homer Council on the Arts

- Performer, *Theatreworks*, 2012-2013
- Performer, *Out of the Woodwork*, February 2012
- Assistant Director, *Theatreshakes*, November 2013
- Director, *Stepping Out*, January 2014
- Co-Creator, Educator and Director, Youth/Teen Musical Theatre Program, March 2014
- Creator/Director, *Broadway Babies*, April 2014

AK World Arts Festival

- Founding Board Member
- Volunteer/Performer, 2019, 2020, 2022 and 2023
 - Highlights include *Villains: Modern Theatre*, *Friday Night Dance Party*, and *Staged Reading of Try, Hard*

Pier One Theatre

- Development Intern, 2019-2020
- Board Member, 2023-present
- Emcee for Fundraising Event, *Fezziwig Ball*, December 2023
- Performer/Volunteer, 2011-present
 - Highlights include *Diana in Next to Normal*, *Patsy Cline in Always, Patsy Cline*, *Mrs. Potts in Beauty and the Beast*, and *Diva/Historian in Spamalot*

Nutcracker Productions

- Performer, *Old Songs and Reruns*, 2012 and 2013
- Performer, *Nice Moves: Dances That Annoyed Our Parents*, September 2022

Bunnell Street Arts Center

- Performer, Premiere Performance of *Momologues*, December 2022
- Director and Event Creator, *Vagina Monologues*, February 2024

SPH Foundation

- Board Member, 2020-2021
- Emcee for Fundraising Event, *Bounty on the Bay*, August 2021

Hospice of Homer

- Emcee for Fundraising Event, *Live Auction at Wasabi's*, 2019
- Performer, *Hospice Event for NEA Big Read* 2018-2019

Homer Theatre

- Emcee Movie Premiere Event, *The Rise of Skywalker*, 2019

Homer High School

- Drama, Debate & Forensics Coach, 2012-2014
 - Solo and Duet Acting, and Duo Interpretation



MEMORANDUM

Ordinance 24-16, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Accepting and Appropriating a Dingell-Johnson Sport Fish Restoration Act Grant from the Alaska Department of Fish and Game in the Amount of \$41,950 for Phase I of the Fish Grinding Building Replacement Project. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor and City Council
Date: February 21, 2024
From: Port Director Hawkins
Through: Rob Dumouchel

I am pleased to report that the City has been awarded a Dingell-Johnson Sport Fish Restoration Act grant from the Alaska Department of Fish and Game (ADF&G) to assist with replacing the Fish Grinding Building and completing drainage improvements to meet DEC standards.

The current 22-year old, metal clad building is rusting out in several areas, compromising its structural integrity and severely degrading electrical fixtures. The new proposed building will be constructed on the same concrete footprint, utilize existing utility hook ups and designed with corrosion-resistant materials to protect the fish grinder and associated equipment from the elements, saving on costly equipment maintenance and repairs. Site work completed as part of the project will create a drainage system in the tote storage area to insure the facility remains compliant with DEC regulations.

Under a Cooperative Agreement #23-177 with ADF&G, funding for the Fish Grinding Building improvements will proceed in two phases. The Ordinance before you for consideration provides \$41,950 in State and Federal grant funds to complete Phase I, design and permitting. Phase II is construction of the improvements. Once Phase I is complete and a final construction budget is submitted, ADF&G will submit an amended application for Federal Assistance to request the additional funds needed for bidding and construction. The City will be responsible for 25% match for Phase II.

Port and Harbor Reserve funds in the amount of \$100,000 that were originally appropriated in the FY22 Capital Budget (and renewed in the FY24 Capital Budget) for the Fish Grinding Replacement Project will be used for local match funds.

Recommendation: Accept and appropriate the Dingell-Johnson Sport Fish Restoration Act Cooperative Agreement for a grant in the amount of \$41,950 for Phase I of the replacement project.



Alaska Department of Fish and Game
Division of Administrative Services
P.O. Box 115526
Juneau, AK 99811-5526

Cooperative Agreement # 23-177

Title: Homer Harbor Fish Grinding Building Renovation, Project F-13-D-186

Between:

**Alaska Department of Fish and Game
Division of Sport Fish
and
City of Homer**

I. AUTHORITY:

This agreement is entered into by and between the Alaska Department of Fish and Game, Division of (hereinafter referred to as the "ADF&G" or the "Department") and the City of Homer (hereinafter referred to as "CITY").

ADF&G enters into this agreement under the authority of AS 36.30.850 (c), and the Federal Formula Grant Sport Fish Restoration, Homer Harbor Fish Grinding Building Renovation Program (USDOI, CFDA# 15.605, FAIN: F24AF00346-00, Project F-13-D-186 Boating Access Funding Coastal States Allocation: Marine 100%).

II. PURPOSE OF THE AGREEMENT:

This agreement will improve public recreational boating and sport fishing facilities by replacing the fish carcass grinding building and improving drainage to comply with regulatory requirements at the Fish Grinding Facility located at the City of Homer Small Boat Harbor. The City of Homer Port and Harbor Department manages several fish-cleaning tables where boating anglers clean their sport-caught fish. The discarded fish carcasses are transported from the fish cleaning tables to a grinding building where fish waste is mixed with saltwater and ground, then pumped to an underwater outfall into Kachemak Bay.

The existing 22-year-old fish grinding building has reached the end of its useful life and needs replacement. Due to salt air and the saltwater slurry used in the fish grinding process, the metal building has rusted in several areas compromising its structural integrity, as well as plumbing and electrical fixtures. In addition, drainage improvements to prevent fish waste from incorrectly entering a storm drain are needed to comply with regulatory requirements set by the Alaska Department of Environmental Conservation (DEC). This project will replace the fish grinding building with materials to withstand the salt environment, and correct water quality issues by creating a drainage system to ensure all fish leakage is channeled into the outfall line.

III. TERM OF THE AGREEMENT:

The effective date of this agreement shall be from the date of the final signature and expiring 12/31/2044. Federal Funding is approved through 12/31/2024; however, the design life of this facility is 20 years therefore this COOP will expire 12/31/2044.

IV. PROJECT OBJECTIVES:

This project will be divided into two phases: Phase I will provide design and permitting; Phase II will provide for construction of the improvements. Upon Completion of Phase I, ADF&G will submit an amended Application for Federal Assistance to request additional funds needed for bidding, and construction of the improvements (Phase II).

1. ADF&G and The CITY shall cooperate in making the improvements to be provided under this agreement. ADF&G shall provide design criteria for the improvements. The CITY shall be the leading agency in accomplishing all the work necessary to make the improvements. The CITY will be the lead agency responsible for hiring a consulting firm to provide design services and permitting. The CITY will also be the lead agency responsible for all construction related activities to complete the project. The project shall be designed by a professional engineer registered in the State of Alaska unless exempt under AS 08.48.331.
2. The CITY shall perform the following tasks in accomplishing this project:

Phase I: Design and land status: The design shall be of sufficient detail to allow the CITY to develop a project budget, obtain all required permits and dedicate the land as specified in paragraph VI.1. below. Any funds not used for Phase I tasks shall be available for construction-related (Phase II) activities.

Phase II: Construction bidding: The CITY shall not proceed to start work with its own personnel or advertising for contractor bids until notified in writing by ADF&G that USF&WS has approved the project. In the event USF&WS approval is not obtained by ADF&G or the non-federal match requirement cannot be acquired, this agreement shall be terminated. During the bidding process, the CITY shall send to ADF&G a copy of the bid package and all addenda that may be issued.

Construction: The CITY shall provide ADF&G with a copy of the proposed construction schedule. The CITY shall also promptly notify ADF&G of all changes made to the schedule or the design. At the completion of the construction work, the CITY shall provide ADF&G with a copy of the as-built plans. Reimbursement for construction work shall be contingent on ADF&G approval of work actually performed.

ADF&G review of designs, plans, specifications, or other project-related documents will be to ensure conformance to the purpose of this agreement and shall not constitute engineering review nor relieve the CITY from responsibility to prepare an adequate design, meet code compliance, or assure that cost principles are applied to change orders.

V. COVENANTS OF THE ALASKA DEPARTMENT OF FISH AND GAME:

1. To provide design criteria for the improvements (Phase I) for the future construction of the City Homer Small Boat Harbor fish grinding facility, hereinafter referred to as the "facility." Phase I will consist of design, permitting, and compliancy activities and Phase II will consist of construction-related activities. Once Phase I is complete, this agreement will be amended to address additional funding needed for Phase II of the project. The total estimated cost of Phase I is \$41,950. The source of funding for Phase I shall be 75% from the Federal Aid in Sport Fish Restoration Act (Dingell- Johnson/Wallop-Breaux) and 25% from ADF&G matching funds. Availability of these funds shall be subject to approval of the project by the Federal Aid Office of the U.S. Fish and Wildlife Service (USF&WS).
2. To authorize the CITY to continue to manage and maintain the fish cleaning and fish waste disposal facility as a CITY facility, which will be operated primarily for the benefit of recreational power boaters and sport anglers.
3. To perform a final inspection of the completed project to verify compliance with this agreement.

VI. COVENANTS OF THE CITY OF HOMER:

The CITY will be the lead agency in accomplishing all work necessary to make the improvements. The CITY will be the lead agency responsible for hiring a consulting firm to provide permitting and design services. The CITY will also be the lead agency responsible for all construction related activities to complete the project.

1. To dedicate to this project, the CITY owned uplands and/or tidelands under and immediately adjacent to the facility. The parcel shall be used exclusively for the facility and related uses incidental to this project. The CITY fish cleaning tables and fish grinding facility locations are shown on Attachment A.

The CITY warrants that it has the right, power, and authority to construct the improvements on the property and that there are no restrictions, covenants, easements, rights-of-way, or uses which would prevent the CITY from constructing the improvements on the property.

2. To complete the construction of the facility funded by this agreement prior to 12/31/2024. In the event the funding provided by ADF&G is not sufficient to cover all costs incurred by the CITY in completing this project, the CITY shall provide all additional funding that may be needed; provided, however, that the CITY shall not be obligated to provide additional funding for Phase II of the project unless and until this agreement is amended by mutual agreement to address additional funding needed for Phase II
3. To manage and maintain the facility for public use until 12/31/2044. The facility will be managed primarily for the benefit of the recreational boating and sport fishing public to clean sport caught fish. No change in this use will be made without prior written approval of ADF&G.
4. Management activities and maintenance services shall ensure orderly public use and keep the facility clean and in a good state of repair. Management and maintenance may be adjusted seasonally commensurate with seasonal use.
5. ADF&G will consider the CITY in default of this agreement if the CITY fails to provide adequate management or maintenance, or allows incompatible uses of the facility that effectively limits public use by recreational boaters and sport anglers. Reasonable regulation of use of the facility and temporary closure for maintenance and repair shall not constitute a denial of access to the facility.
6. To obtain and comply with all federal, state, and local permits required for construction and maintenance of the project.
7. To install a sign identifying the participation of ADF&G, the Federal Aid in Sport Fish Restoration program, and sport anglers in facility development. To install additional signage as deemed appropriate, to indicate that the primary use of the facility is for the benefit of the recreational boating and sport fishing public.
8. To be responsible, for a period of one year from the date of ADF&G's final inspection, for correcting all defects in the design or construction when the defect is brought to the attention of the CITY, without additional cost to ADF&G. Liability for damages to persons and arising out of the Project and caused by inferior or defective equipment or workmanship, or which not in accordance with the terms of this agreement shall be borne by the CITY in accordance with Alaska law. The forgoing shall not be construed to limit or restrict the liability of any third-party for such claim or for contribution to same.
9. To maintain adequate insurance in conjunction with the design, construction, and maintenance of the improvements.
10. The CITY shall perform all aspects of the project in compliance with appropriate laws and regulations which include but are not limited to the following:
 - a. Local Building Codes - the CITY shall comply with applicable local buildings codes and shall obtain a building permit if required (AS 35.10.025).
 - b. Historic Preservation - the CITY shall comply with AS 41.35.070 to preserve historic, prehistoric, and archeological resources threatened by public construction.
 - c. Public Contracts - the CITY shall comply with AS 36.05 in determining the wages and hours of labor on public contracts.
 - d. Political Activity - Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally assisted programs.
 - e. Civil Rights - Pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title I, II & III of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975 and Title IX of the Education Amendments of 1972, no person shall, on the grounds of race, color, national

origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded in whole or in part by federal funds.

- f. Allowable costs/Cost principles - OMB 2 CFR 200 establishes principles and standards for determining costs applicable to grants, contracts, and other agreements with state and local governments. A cost is allowable for federal reimbursement only to the extent of benefits received by federal programs, and costs must meet the basic guidelines for allowability, reasonableness and allocability.
 - g. Drug-free Workplace Act - the CITY, by signing this agreement, certifies that they will provide a drug-free workplace.
 - h. Debarment/Suspension – The CITY, by signing this agreement, certifies that neither it, nor its principals or subcontractors is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from federal financial assistance programs or activities.
 - i. Audits- The CITY acknowledges that 75% of the funding for this agreement is from the Federal Aid office of the U.S. Fish and Wildlife Service under CFDA 15.605. THE CITY acknowledges that receipt of federal funds may create audit requirements under OMB 2 CFR 200.
 - j. Workers Compensation Insurance – The CITY shall provide and maintain, for all employees engaged in work under this agreement, coverage as required by AS 23.30.045, and, where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
 - k. Open Competition – The CITY shall comply with Executive Order 14063 dated February 4, 2022, prohibiting any requirements or bidding preferences based on contractor affiliation with labor organizations.
11. If the CITY handles hazardous materials on the site, the CITY agrees to employ adequate procedures for safely storing, dispensing, and otherwise handling hazardous materials in accordance with applicable federal, state, and local laws. Hazardous materials include but are not limited to fuels and lubricants commonly used in vehicles and boats.

In the event of a hazardous materials spill by the CITY or the public using the site, the CITY shall act promptly, at its own expense, to contain the spill, repair any damage, absorb, and clean up the spill area, and restore the site to a condition satisfactory to the ADF&G and in accordance with applicable federal, state, and local laws. The CITY shall be the lead agency in requesting additional funds from the legislature to cover the cost of spill clean-up. ADF&G shall support such requests.

If contamination of the site occurs as a result of the CITY's negligence, reckless or misconduct in the management of the site, the CITY shall indemnify, defend, and hold harmless the ADF&G from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses.

VII. POINTS OF CONTACT:

ADF&G Contacts:

Primary Point of Contact: Tracy Smith, ADFG Fishery Biologist 4, 907-746-6337, tracy.smith@alaska.gov.
Twyla Anderson, ADFG Accounting Technician 3, 907-465-1388, dfg.dsf.boat.access@alaska.gov.

City of Homer Contacts:

Primary Point of Contact: Jennifer Carroll, Cooperator Project Leader, 907-435-3101, jcarroll@ci.homer.ak.us.
Rob Dumouchel, City of Homer, City Manager, 491 E Pioneer Avenue, Homer, AK 99603, 907-235-8121, citymanager@cityofhomer-ak.us.

VIII. FINANCIAL CONSIDERATIONS:

This project is funded by the U.S. Department of the Interior, CFDA 15.605, FAIN# F24AF00346-00, \$31,462.50 75% Fed / \$10,487.50 25 % Fish & Game (Phase I). Upon Completion of Phase I, ADF&G will submit an amended Application for Federal Assistance to request additional funds needed for Phase II. The CITY of Homer will be responsible for providing the 25% Match in Phase II. 75% Fed / 25% City of Homer (Phase II).

The CITY will be reimbursed only for the cost of work actually completed which is directly related and allocable to the project and which ADF&G has approved. Reimbursement will be made within 30 days of receipt and approval, by ADF&G, of a request for reimbursement from the CITY. All requests for reimbursement shall be adequately documented. Documentation may include copies of materials invoices, payroll ledgers, equipment logs, contract payments, etc. In the event of a late payment, ADF&G will not pay late fees. Requests for reimbursement shall be emailed no more frequently than once a month to Tracy Smith at: Tracy.smith@alaska.gov.

The CITY shall maintain a separate set of accounting records for this project and shall retain these records for a period of three years from the termination of the agreement. These records shall be made available to the state for audit purposes. With the exception of the initial and final payment, requests for reimbursement shall be in amounts not less than \$25,000. If the CITY chooses to make monthly billings, such billings will be held by ADF&G until the total amount reaches at least \$25,000.

IX. FEDERAL COMPLIANCE REQUIREMENTS:

1. Political Activity – Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally assisted programs.
2. Civil Rights – No person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded in whole or in part by federal funds.
3. Allowable Costs/Cost Principles – 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, establishes principles and standards for determining costs for Federal awardees carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units). A cost is allowable for federal reimbursement only to the extent of benefits received by federal programs, and costs must meet the basic guidelines for allowability, reasonableness, and allocability.
4. Drug-Free Workplace Act – THE CITY OF HOMER, by signing this agreement, certifies that they will provide a drug-free workplace.
5. Debarment/Suspension – THE CITY OF HOMER, by signing this agreement, certifies that neither it, nor its principals or subcontractors is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from federal financial assistance programs or activities.
6. Where THE CITY OF HOMER is unable to certify to any of the statements in this certification, THE CITY OF HOMER shall attach an explanation to this agreement.
7. The terms of the Build America, Buy America Act apply to this project.
Pursuant to Section 70914 of the Infrastructure Investment and Jobs Act (Public Law 117-58) and the Build America, Buy America Act requires that on or after May 14, 2022, none of the funds under a Federal award may be obligated for an infrastructure project unless all the iron, steel, manufactured products, and construction materials used in the project are produced in the United States, unless subject to an approved waiver. [“Buy America” Domestic Sourcing Guidance and Waiver Process for DOI Financial Assistance Agreements | U.S. Department of the Interior](#)
8. Audits – THE CITY OF HOMER acknowledges that 75% of the funding for this agreement is from the Federal Formula Grant, Sport Fish Restoration, CFDA 15.605. THE CITY OF HOMER acknowledges that receipt of federal funds may create audit requirements under OMB 2 CFR 200.

X. GENERAL PROVISIONS

1. Nothing in this agreement shall obligate any party in the expenditure of funds, or for future payments of money, in excess of appropriations authorized by law.
2. Each party agrees that it will be responsible for its own acts and omissions including those of its officers, agents, and employees for damages to property or injury to persons occasioned by each party's own acts or omissions in connection with the terms of this agreement.
3. Both parties agree to comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.
4. Each party will comply with all applicable laws, regulations, and executive orders relative to Equal Employment Opportunity.
5. Nothing herein is intended to conflict with federal, state, or local laws or regulations. If there are conflicts, this agreement will be amended at the first opportunity to bring it into conformance with conflicting laws or regulations.
6. Policy and position announcements relating specifically to this cooperative program may be made only by mutual consent of the agencies.
7. The effective date of this agreement shall be upon final signature.
8. The termination date of this agreement shall be 12/31/2044. However, either party may terminate its participation in this agreement by providing the other party notice in writing 30 days in advance of the date on which its termination becomes effective.

a. Agreement expires on 12/31/2044:

ADF&G shall have the option to negotiate an extension of this agreement with The CITY for the continued use of the facility for sport fishing's benefit. ADF&G shall have 90 days after the expiration of this agreement in which to notify The CITY of its intent to exercise this option. If ADF&G does not exercise this option, all improvements shall become the property of the CITY.

b. ADF&G terminates its involvement:

If prior to 12/31/2044, ADF&G finds that there is no longer a need for the sport fishing improvements covered by this agreement, then this agreement shall be terminated. Improvements funded by ADF&G shall become the property of The CITY at no additional cost to the CITY.

c. The CITY terminates its involvement:

If prior to 12/31/2044, The CITY closes the facility to the public, does not comply with the requirements of this agreement or terminates its involvement in the purpose of this agreement, this agreement shall be terminated, and The CITY shall reimburse ADF&G:

- i. An amount equal to 5 percent of the total project funding provided by ADF&G for each full year remaining in the initial term of this agreement between the date of termination and 12/31/2044 (e.g., if three years remain, an amount equal to 15 percent of the total project funding provided by ADF&G); and
- ii. The appraised fair market value, as of the date of The CITY's termination, of any land acquired for the project with ADF&G funds.

This agreement shall be terminated when The CITY's reimbursement to ADF&G is completed. The CITY shall not be required to reimburse ADF&G in the event the facility must be closed to protect public safety because of casualty damage arising from a catastrophic occurrence.

9. A free exchange of research and assessment data among agencies is encouraged and is necessary to ensure the success of these cooperative studies.
10. The CITY, and any agents or employees act in an independent capacity and not as officers, employees, or agents of the State in performance under this agreement.
11. This agreement may be amended by mutual written consent of the parties.
12. The CITY, by signing this agreement, certifies that neither it, nor its principals or subcontractors, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from federal financial assistance programs or activities.
13. Force Majeure: The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.
14. The CITY shall indemnify, hold harmless and defend ADF&G from and against any claim of, or liability for error, omission, or negligent act of The CITY under this agreement. The CITY shall not be required to indemnify ADF&G for a claim of, or liability for, the independent negligence of ADF&G. If there is a claim of, or liability for, the joint negligent error or omission of The CITY and the independent negligence of ADF&G, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "CITY" and "ADF&G" as used within this paragraph, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in ADF&G's selection, administration, monitoring or controlling of the CITY and in approving or accepting the CITY's work.
15. Nothing in this agreement transfers title or land jurisdiction other than set forth herein.

XI. APPROVING SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Cooperative Agreement to be executed as of the date of last signature below.

THE CITY OF HOMER

ALASKA DEPARTMENT OF FISH AND GAME

Rob Dumouchel, City Manager
City of Homer

Israel Payton, Director
Division of Sport Fish

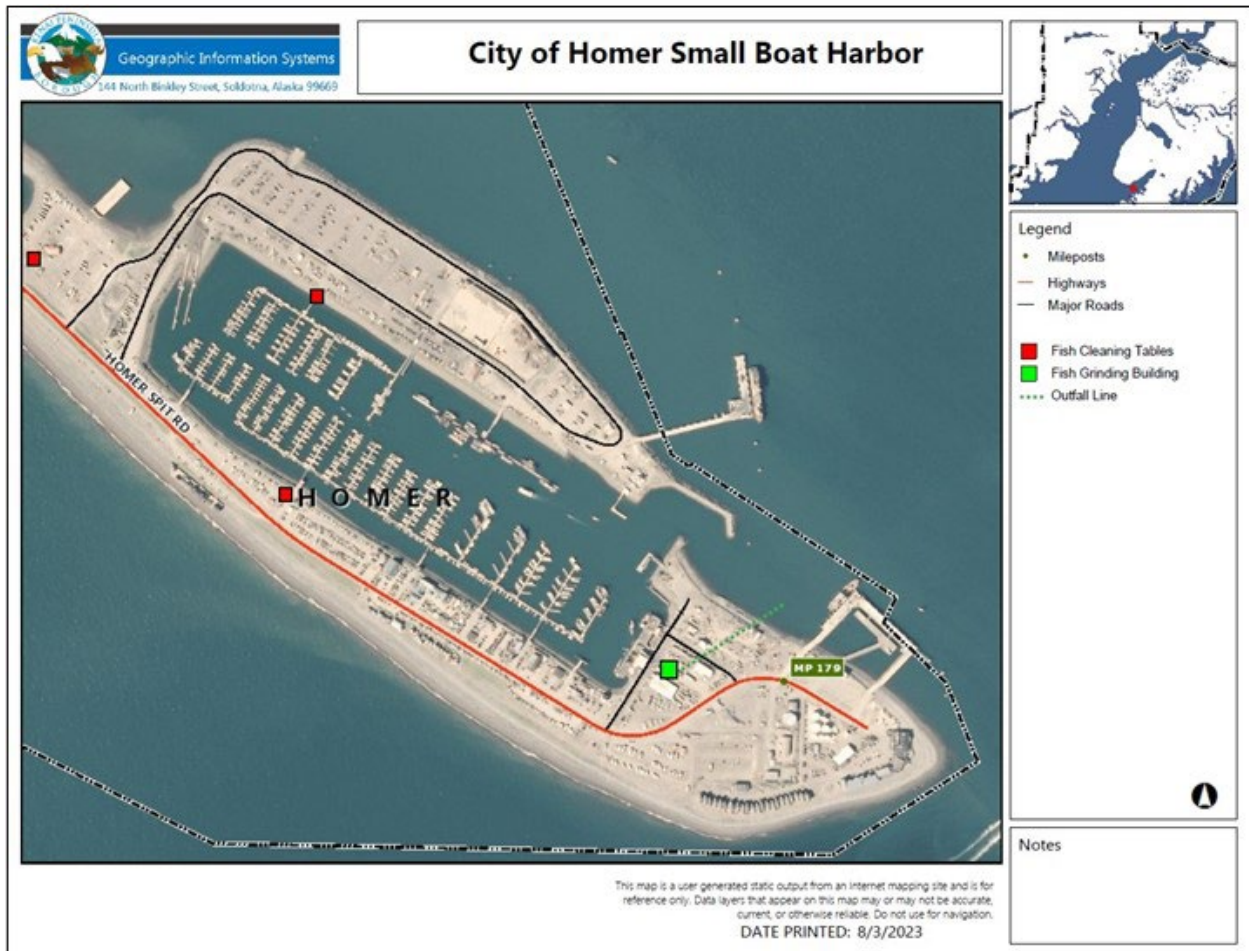
Date

Date

Bonnie N. Jensen, Director
Division of Administrative Services

Date

Attachment A: Fish cleaning tables and grinding building locations.



APPENDIX A INDEMNITY AND INSURANCE

Article 1. Indemnification

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission, or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency," as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

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

3 City Manager/
4 Port Director

5 **ORDINANCE 24-16**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 AMENDING THE FY24 CAPITAL BUDGET BY ACCEPTING AND
9 APPROPRIATING A DINGELL-JOHNSON SPORT FISH
10 RESTORATION ACT COOPERATIVE AGREEMENT AWARD FROM
11 THE ALASKA DEPARTMENT OF FISH AND GAME IN THE AMOUNT
12 OF \$41,950 FOR PHASE I OF THE FISH GRINDING BUILDING
13 REPLACEMENT PROJECT.
14

15 WHEREAS, The City’s Fish Grinding Building annually processes a large amount of fish
16 waste generated by commercial sport fishing activity and collected from the City’s public fish
17 cleaning tables for environmentally sound disposal; and
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19 WHEREAS, Replacing the twenty-two-year-old, badly-corroded metal clad Fish
20 Grinding Building with corrosion-resistant materials and correcting a site drainage/water
21 quality issue is a project in the City’s Capital Improvement Plan; and
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23 WHEREAS, The City of Homer applied for and was awarded \$41,950 in Dingell-Johnson
24 Sport Fish Restoration Act grant funds from the Alaska Department of Fish and Game (ADF&G)
25 to complete project design and permitting (Phase I) for the Fish Grinding Building Replacement
26 project; and
27

28 WHEREAS, Upon completion of Phase I of the project and receipt of a final construction
29 budget, ADF&G will submit an amended application for Federal Assistance to request the
30 additional funds needed for bidding and construction; and
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32 WHEREAS, Construction costs in Phase II will be covered 75 percent by grant funds and
33 25 percent local match utilizing Fish Grinding Building Replacement funds budgeted in the
34 FY2024 Capital Budget; and
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36 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
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38 Section 1. The Homer City Council hereby amends the FY24 Capital Budget by
39 accepting and appropriating the Dingell-Johnson Cooperative Agreement #23-177 award from
40 the State of Alaska Department of Fish and Game in the amount of \$41,950 as follows:
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<u>Fund</u>	<u>Description</u>	<u>Amount</u>
415-XXXX	Dingell-Johnson Cooperative Agreement #23-177	\$41,950

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This ordinance is a budget amendment only, is not of a permanent nature and is a non code ordinance.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 11th day of March, 2024.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:



MEMORANDUM

Resolution 24-024, An Ordinance of the City Council of Homer, Alaska Authorizing Issuance of a Change Order to Coble Geophysical Services, LLC, in the Amount of \$34,505 to Continue Work on the Beluga Slough Green Infrastructure Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager.

Item Type: Backup Memorandum
Prepared For: City Council
Date: February 13, 2024
From: Owen Meyer, Project Technician
Through: Rob Dumouchel, City Manager

I. Issue: The purpose of this Memorandum is to request approval to issue a change order to Coble Geophysical Services LLC., in the amount of \$34,505 for the Beluga Slough Green Infrastructure Project.

II. Background:

At its regular meeting of April 10, 2023, The City Council passed Ordinance 23-16(S) authorizing funding to support the Beluga Slough Green Infrastructure Storm Water Treatment System (Project) as follows:

- | | | |
|----|--------------------|---|
| a. | \$153,307 | 2023-2025 Alaska Clean Water Actions (ACWA) Grant |
| b. | \$83,388.44 | HART Road Fund |
| c. | <u>\$23,792.43</u> | Employee wages as in-kind services |
| | \$260,487.87 | Total Project Cost |

The goal is to develop a storm water treatment installation that filters out particulates, dissolved metals and other contaminants that storm water carries, before the water is discharged into the Slough.

In reality, this budget has not turned out quite as planned. Some of matching funds which Public Works said would come from City staff hours came from Coble Geophysical Services instead. These expenses were coded to the Public Works operating budget (GL# 100-0177-5210). This is an entirely new concept for a project. Homer has never designed or built any infrastructure of this type before and there were unforeseen complications in the design meaning that design expenses for the first reporting period were greater than expected. Additionally, City staff hours spent on the project were less than expected and we needed a way to fulfill our match obligations. As of yet, the match has consisted of \$6,868.81 in City

staff hours and use of Public Works office space and \$15,969.03 in design services and materials purchased by CGS.

Resolution 23-041 authorized issuance of Task Order 23-01 to Coble Geophysical Services, LLC., (“Coble”) to design the project, which involved the following activities:

- Task 1 – Collecting baseline data to properly characterize the site, including collecting data regarding sediment load and water volumes
- Task 2 – Researching containment structure alternatives & recommending a preferred alternative
- Task 3 – Designing the treatment facility
- Task 4 – Assisting the City with permitting
- Task 5 – Assisting the City with installation

Activities related to these Tasks have been on-going all year. We have been testing the density, porosity and chemical constituency of the existing soils to ascertain their suitability for a nature-based storm water treatment facility and researching the type of facility that would be compatible with the site’s soils, ground water levels and vegetation. Sadly, we found that much of the soils at the Beluga Slough site have dried out over time, due to the City’s construction of a gravel berm that extends into the Beluga Slough wetland. This means this site would not have the potential we had hoped for to serve its original purpose, so we looked for a supplemental site.

Design work for a vault at the East end of Bunnell Avenue is almost complete. Construction of the vault is expected to begin in the spring or summer of 2024. Part of the envisioned plan was for Coble Geophysical Services to aid the City in organizing and overseeing construction of the vault. In September of this year, the Council approved an increase of \$23,000 to Coble Geophysical Services’ task order. At the time, Public Works knew that this increase would be insufficient to cover the remainder of the work, but we did not know what the full amount needed would be so we asked for the \$23,000 to cover expenses that we knew about.

Public Works now estimates needed funds will be \$34,505. Using the grant money and the money appropriated from HART roads for the match, there will be enough budgeted to cover all remaining expenses.

Costs (Current + Projected)

Coble Geophysical Services – Design Engineer	\$87,217
Jay Rand – Vault Materials	\$80,000
Fritz Creek Welding – Vault Materials	\$18,000
Installation Contractor (Vendor TBD)	\$20,000
Overflow Pipe (Vendor TBD)	\$10,000

City Staff	<u>\$6,868.81</u>
Total	\$222,085.81

In order to continue the work on the Bunnell Avenue, site, we recommend an increase of \$34,505, to complete the final design and assist with installation of the component parts that will comprise the treatment facility.

- III. RECOMMENDATIONS:** That the City Council authorizes the issuance of a Change Order to Coble Geophysical Services, LLC., in the amount of \$34,505 to continue work on the Beluga Slough Green Infrastructure Project.

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

3 City Manager
4 Public Works Director

5 **RESOLUTION 24-024**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8 AUTHORIZING ISSUANCE OF A CHANGE ORDER TO COBLE
9 GEOPHYSICAL SERVICES, LLC., IN THE AMOUNT OF \$34,505 TO
10 CONTINUE WORK ON THE BELUGA SLOUGH GREEN
11 INFRASTRUCTURE PROJECT AND AUTHORIZING THE CITY
12 MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE
13 DOCUMENTS.

14
15 WHEREAS, Ordinance 23-16(S) appropriated the following funds to design and
16 construct the Beluga Slough Green Infrastructure Project:

17	Alaska Clean Water Actions (ACWA) Grant	\$153,307
18	City of Homer Matching Funds – HART Road Fund	\$ 81,313
19	City of Homer Matching Funds – In-kind services	<u>\$ 25,869</u>
20	Total	\$260,489

21
22 WHEREAS, The goal is to develop a storm water treatment installation that filters out
23 particulates, dissolved metals and other contaminants that storm water carries, before the
24 water is discharged into the Slough; and

25
26 WHEREAS, Resolution 23-041 authorized issuance of Task Order 23-01 to Coble
27 Geophysical Services, LLC., (“Coble”) to design the project and work has been on-going all
28 summer as we tested the density, porosity and chemical constituency of the existing soils to
29 ascertain their suitability for a nature-based storm water treatment facility and researched the
30 type of facility that would be compatible with the site’s soils, ground water levels and
31 vegetation; and

32
33 WHEREAS, We found that much of the soils at the Beluga Slough site have dried out over
34 time, due to the City’s construction of a gravel berm that extends into the Beluga Slough
35 wetland; and

36
37 WHEREAS, Work to work around this issue has caused us to fully expend the Coble
38 contract; and

39
40 WHEREAS, Part of the original plan was for Coble Geophysical Services to coordinate
41 and supervise the construction of the vault; and

42
43 WHEREAS, Public Works estimates that there will be an additional \$34,505 worth of
44 work needed from Coble Geophysical Services; and

45 WHEREAS, The total cost of the project, including both current and future expenses, is
46 estimated by Public Works to be \$222,086, which is within the funds allocated by the ACWA
47 Grant and City match.

48
49 NOW THEREFORE BE IT RESOLVED that the Homer City Council hereby authorizes a
50 change order in the amount of \$34,505 to the Coble contract to continue work on the Beluga
51 Slough Green Infrastructure Project and authorizes the City Manager to negotiate and execute
52 the appropriate documents.

53
54 PASSED AND ADOPTED by the Homer City Council this 12th of February, 2024.

55
56 CITY OF HOMER
57
58 _____
59 KEN CASTNER, MAYOR

60
61 ATTEST:
62
63 _____
64 MELISSA JACOBSEN, MMC, CITY CLERK

65
66 Fiscal note: Ordinance 23-16(S) appropriated \$153,307 from ACWA Grant funds; \$124,612.75
67 remains. Ordinance 23-16(S) appropriated \$81,313 from HART Roads Fund; \$81,313 remains.
68 Ordinance 23-16(S) appropriated \$25,869 from In-Kind Services; \$25,869 remains.



MEMORANDUM

Resolution 24-025, A Resolution of the City Council of Homer, Alaska Awarding a Sole Source Contract to Galaxy Welding in an Amount not to Exceed \$10,667.50 for the Fabrication of a Port Fish Carcass Trailer and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: February 21, 2024
From: Bryan Hawkins, Port Director
Through: Rob Dumouchel, City Manager



Background

To the left is a photo of the Homer Harbor's fish carcass trailers, taken in 2021. The original trailers have been in service since the mid 1990's, and are used to support the public sport fish cleaning tables by storing and transporting fish carcasses from the fish cleaning stations to the community grinder for disposal. The cleaning tables are a necessity for the sport fishing in this community and are highly utilized. There are no backup units for the instance when a trailer breaks down or has to be pulled out of service. As you can see from the picture, storing and

transporting fish guts is a hard life for a trailer and these have seen better days. The inevitability of one of these trailers breaking down, while full of decomposing fish guts, was enough to budget for at least the two oldest trailers to be replaced during the 2022-2023 budget cycle. An educated estimation from staff led us to allocate \$15,000 per trailer. When soliciting bids, most came in at around, or over, \$15,000. Galaxy Welding submitted a bid of approx. \$10,000 per trailer, and as a local company and the lowest bidder, Galaxy successfully won the bid and was given the specification outlines for fabrication of the two new trailers. They have since delivered two robust and high-quality trailers at a cost lower than the allocated budget.

Current

Because of Galaxy Welding’s efficient use of funds in the fabrication of the two trailers we have enough left in the budget allocation to replace the 3rd old trailer as well. Given the success of Galaxy’s performance and their familiarity with the trailer specifications, and the fairly recent timing of the last solicitation of quotes, staff are proposing to single source the fabrication of the 3rd harbor fish carcass trailer to Galaxy Welding in an amount not to exceed \$10,667.50 (see attached quote) We believe this will allow us to take advantage of the opportunity that the past cost saving has made possible, and also streamline the process of fabricating/replacing the 3rd and final trailer.

Recommendation

Council approval of Resolution 24-025 awarding a single source contract to Galaxy Welding for the fabrication of the 3rd harbor fish carcass trailer in an amount not to exceed \$10,667.50 and authorizing the City Manager to execute the appropriate documents.

Fiscal Note: This project will use remaining funds appropriated from 456-0380-XXXX in Ordinance 21-36(S-2)(A) equal to \$10,856.

Attached: 2024 02 13 Galaxy Welding Bid-Quote for fish carcass trailer 3.

Subject: Fwd: Pay invoice 1210 from GALAXY WELDING LLC with a few clicks

Sent from my iPhone

Begin forwarded message:

From: Galaxy Welding <quickbooks@notification.intuit.com>

Date: February 13, 2024 at 11:06:42 AM AKST

To: Del Masterhan <dmasterhan@ci.homer.ak.us>

Subject: Pay invoice 1210 from GALAXY WELDING LLC with a few clicks

Reply-To: galaxywelding01@gmail.com

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

Your invoice is ready!

Total \$10,667.50

BALANCE DUE **\$10,667.50**

Dear Del Masterhan,

Here is your bid! Thank you for your interest in having Galaxy Welding do this work for you. In the past we have requested \$3,500 for materials and start up time.

If you could send that check to 818 Smoky Bay Way 107, Homer AK 99603, that would be great.

Let us know if you have any further questions.

Have a great day,
GALAXY WELDING LLC

[Pay invoice](#)

BANK

Thank you for your business! Please pay via bank transfer or feel free to send a check to 818 Smoky Bay Way #107 Homer Alaska 99603.

If you would like to pay via credit card, let us know.

Galaxy Welding

818 Smoky Bay Way, 107

Homer, AK 99603

galaxywelding01@gmail.com

+1 (907) 885-7209

<https://galaxyweld.co>

If you receive an email that seems fraudulent, please check with the business owner before paying, or you can forward the email to security@intuit.com so we can look into it. Read more at security.intuit.com.

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

3 City Manager/
4 Port Director

5 **RESOLUTION 24-025**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AWARDING A SINGLE SOURCE CONTRACT TO GALAXY WELDING,
9 IN AN AMOUNT NOT TO EXCEED \$10,667.50, FOR THE
10 FABRICATION OF A PORT FISH CARCASS TRAILER AND
11 AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
12 THE APPROPRIATE DOCUMENTS.

13
14 WHEREAS, The harbor has three fish carcass trailers, in service since the mid 1990's,
15 that support the public sport fish cleaning tables around the harbor by storing and
16 transporting fish carcasses for disposal; and

17
18 WHEREAS, In 2021, The condition of the trailers, and the need to maintain consistent
19 cleaning table operation and carcass disposal led to the allocation of \$30,000 to be included
20 in the 2022-2023 budget cycle for the replacement of the two oldest trailers (\$15,000 per
21 trailer); and

22
23 WHEREAS, Bids were solicited and Galaxy Welding, as the lowest bidder, successfully
24 won the bid and was given the specification outlines for fabrication of the two new trailers.
25 They have since delivered two robust and high-quality trailers at a cost lower than the
26 allocated budget; and

27
28 WHEREAS, Galaxy Welding's efficient fabrication of the two trailers has left enough in
29 the current budget allocation to present an opportunity to replace the third trailer as well; and

30
31 WHEREAS, The replacement of the third fish carcass trailer will further enhance the
32 overall efficiency and reliability of the harbor's fish cleaning tables and carcass disposal
33 operations; and

34
35 WHEREAS, Given the success of Galaxy's performance and their familiarity with the
36 trailer specifications, and the fairly recent timing of the last solicitation of quotes, staff are
37 proposing to single source the fabrication of the third harbor fish carcass trailer to Galaxy
38 Welding to streamline the process and ensure full operation of the fish cleaning tables for the
39 summer season; and

40
41 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards a
42 single source contract to Galaxy Welding for the fabrication of the 3rd harbor fish carcass trailer
43 in an amount not to exceed \$10,667.50 and authorizing the City Manager to negotiate and
44 execute the appropriate documents.

45 PASSED AND ADOPTED by the Homer City Council this 26TH day of February, 2024.

46

47

CITY OF HOMER

48

49

50

KEN CASTNER, MAYOR

51 ATTEST:

52

53

MELISSA JACOBSEN, MMC, CITY CLERK

55

56 Fiscal note: Ordinance 21-36(S-2)(A) appropriated \$30,000 from Port Reserves; \$10,856
57 remains.



MEMORANDUM

Ordinance 23-61 An Ordinance of the City of Homer, Alaska Amending Homer City Code Title 5 to Add Chapter 5.48 Short Term Rentals. Aderhold/Davis.

Item Type: Backup Memorandum
Prepared For: City Council
Date: 25OCT23
From: Rob Dumouchel, City Manager

Short term rentals are a very common business operated by property owners in Homer. These businesses support the local tourist economy, and, when in compliance with existing sales tax regulations, create revenue to support City services. Short term rentals are also perceived as creating pressure on the local housing market making it difficult for seasonal workers and year-round community members to find housing within the City. Homer’s housing challenges are significantly more complex than this one issue, however, short term rentals are clearly a contributor to the lack of availability and affordability in our local housing market.

Ordinance 23-60 seeks to create a very basic framework for short term regulations with the goal of ensuring these rentals are operated safely, do not create public nuisances, and are contributing their fair share of sales tax as required by existing code. We expect this to be an iterative process where a basic code is put in place in 2024. That code should then be reviewed in future years to adjust and fine tune the short term rental program to best meet the needs of the City and the community.

It is recommended that this ordinance be introduced and then sent down to the Planning Commission and Economic Development Commission for extensive review and commentary. There are many questions which need to be investigated by each Commission. We also have stakeholder groups we’d like to engage with this draft.

A companion ordinance will be required to add short term rentals to Title 21 as a specific use that is either principally or conditionally allowed within specific zone districts. I suggest that the Planning Commission take up the zoning discussion in parallel to the short term rental ordinance and send their recommendations to Council when complete.

RECOMMENDATION: Introduce Ordinance 23-61, refer to the Planning Commission and Economic Development Advisory Commission, and schedule Public Hearing and Second Reading for February 24, 2024.

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**

68

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.**

167
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:

213

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

214

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

217

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

219

220

CITY OF HOMER

221

222

223

KEN CASTNER, MAYOR

224

225

226

227

228 ATTEST:

229

230

MELISSA JACOBSEN, MMC, CITY CLERK

231

232

233

234 YES:

235 NO:

236 ABSTAIN:

237 ABSENT:

238

239 First Reading:

240 Public Hearing:

241 Second Reading:

242 Effective Date:



MEMORANDUM

Ordinance 23-61(S), An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Title 5.8 to add Chapter 5.48 8.05 Short Term Rentals. Aderhold/Davis.

Item Type: Backup Memorandum
Prepared For: City Council
Date: February 21, 2024
From: Julie Engebretsen, Economic Development Manager

Staff will be making a presenting on this ordinance at the work session.

Introduction

Council introduced Ordinance 23-61 regulating short term rentals in November. The ordinance was sent to the Economic Development and Planning Commissions for comment, with a return to Council for the February 26th 2024 meeting. Staff, Commissions and members of the public have worked diligently to meet this timeline.

Public process

There has been a lot of outreach on this ordinance and several community members have been engaged throughout the process. Staff spoke at a Guiding Growth luncheon, launched a website, and participated in a Chamber of Commerce panel with local realtor Chris Story and Marcia Kuszmaul, President of the Homer Bed and Breakfast association. The EDC held two work sessions and two regular meetings on the topic. Local AirBnB hosts and Homer residents provided written testimony and public comment and the EDC meetings were well attended. The Planning Commission also considered the ordinance at one well attended meeting.

Recommendations:

The EDC had a lot of discussion and Commissioners each provided comment at the 2/13/24 meeting which is provided as backup to this memo. The EDC passed the following motion: **EDC RECOMMENDS THAT CITY COUNCIL BRING THIS ORDINANCE BACK TO THE DRAWING BOARD AND DRILL DOWN DEEPER INTO THE ISSUES THAT THEY ENVISIONED THAT THIS ORDINANCE WOULD ADDRESS AND TAKE INTO CONSIDERATION ALL POINTS MADE BY THE EDC, THE PLANNING COMMISSION, AND MEMBERS OF THE PUBLIC.**

The Planning Commission passed the following motion. Their further comments will be provided to Council when they are ready – likely for the supplemental packet.

STARK/VENUTI MOVED THAT THE PLANNING COMMISSION SUPPORTS THE MOTION ADOPTED BY THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION AT THEIR REGULAR MEETING OF FEBRUARY 13, 2024 THIS ORDINANCE WOULD ADDRESS AND TAKE INTO CONSIDERATION ALL POINTS MADE BY THE EDC, THE PLANNING COMMISSION, AND MEMBERS OF THE PUBLIC.

Staff Comments: Staff is working through legal review of the ordinance on a few final details. Staff expects to work with the attorney and Council sponsors the week of March 26 and provide a final ordinance in time for the March 11 packet.

Recommendation for February 26, 2024: Substitute Ordinance 23-61 (S), conduct a public hearing, and postpone action until March 11, 2024. Ordinance 23-61(S-2) should be available for public hearing and action on March 11th.

Attachments

EDC minutes excerpt 2/13/24

EDC minutes from January 12th 2024 meeting

Public comment from Mel Kim

Public comment from Dorothy Duncan (3 letters, 1/6/24, 2/12, 2/19)

Public comment from Penelope Haas 2/21/24

Public comment from Charles Anderson (2 documents, February 6th)

Public comments from William and Marianne Schlegelmilch 12/26/24

Public comment from Maureen Kennedy 12/6/23

KPB Landlords or Lodging Providers booklet

City of Homer Draft Short Term Rental Regulation website

State of Alaska Business Licensing FAQ's

2/13/24 Staff report to the EDC

Excerpt, EDC Unapproved Minutes 2/13/24 meeting

PENDING BUSINESS

A. Short Term Rental Ordinance

BROWN/KIM MOVED TO ADOPT ORDINANCE 23-61 EDC FEBRUARY DRAFT AS PRESENTED.

Commissioner Brown stated that she was going to be voting against this draft of the ordinance, and she strongly encouraged all other members of the EDC to vote against it as well. She explained her reasoning for voting against it, stating that the first two whereases that the ordinance was drafted on have been stricken from the document, adding that there was no question that those two reasons were the premise for this ordinance in the first place. She continued, voicing that she's not attuned to supporting something that there's not a need for. She felt strongly that the ordinance isn't addressing the problems listed.

Commissioner Arevalo said that she was at a mental crossroad, claiming that this ordinance doesn't do a lot of anything in actuality, but added that it does bring forth some points that bear further discussion. She warned the Commission about scrapping the entire ordinance as a whole, explaining that doing so might make it hard for the ordinance to be brought back at a later time.

Commissioner Pitzman agreed with Ms. Arevalo in terms of this ordinance not doing a whole lot. Mr. Pitzman stated that he felt a lot of good things come out of regulation, pointing to his experience in the commercial fishing industry and the safety precautions that have been put in place within that industry as a result of regulations. Mr. Pitzman provided that he even has a rental in Homer, and would still be willing to provide his business license and meet all other proposed requirements of the ordinance. He added that communities change over time and the City needs to be able to react to changing times. His closing thoughts were that the City is well within its right to know who's conducting business within the City limits, and furthermore that the proposed ordinance is so innocuous in his opinion that he is in support of it.

Commissioner Hasche stated that he felt lines 19 through 21 should be stricken from the document. He was in favor of making the ordinance smaller.

Commissioner Brennan stated that she is still confused as to why this ordinance is being put forth. She continued, saying that overall she would be voting no in support of the ordinance, simply because that's what she's hearing from the majority of everyone, and that the ordinance isn't solving the issues that it was intended to.

Commissioner Kim said that he wished he had more context from Council Members Aderhold and Davis. He added that the policy objectives of this ordinance are not clear, and he felt that was being echoed by many in the room. He also said that the language of the ordinance doesn't clearly reflect what they're trying to do. Mr. Kim said that his overall feeling is that the ordinance needs a lot of work. He reasoned that the proposed outcomes don't seem unreasonable to him, but that he's also not a short term rental owner.

Commissioner Brown commented again, reiterating that she felt the ordinance needs to be voted down. She felt strongly that this proposed ordinance doesn't do anything to remedy the housing issues that are being raised.

Commissioner Pitzman took the floor again to explain that he's operating on the basis that the City having this information (registration, self-certification, emergency contact), they will be able to make informed decisions now and in the future. He added that it seems the ordinance should be kicked back to Council for them to have another look at it. Chair Marks stated that what Mr. Pitzman said would be a good lead into the process.

Chair Marks stated that she felt the wherases and the reason for doing something are very important. She continued, saying that she agreed that having statistics is important, but at the same time to pass something just so they can have some information might not be a good reason to have another ordinance. She suggested rather than amending it, it should be sent back to City Council with the basics of what's been said at the meeting tonight.

HASCHE/PITZMAN MOVED TO AMEND THE EDC DRAFT OF ORDINANCE 23-61 BY STRIKING OUT LINES 19 THROUGH 21.

Commissioner Pitzman stated that it's difficult to pick out there wherases, and that it seems that Council needs to readdress the whole whereases section and take another look at where this is coming from.

There was no further discussion on the amendment.

Chair Marks requested a roll-call vote for the amendment.

VOTE (AMENDMENT): NO: MARKS, AREVALO, BROWN, PITZMAN, BRENNAN, KIM.

VOTE (AMENDMENT): YES: HASCHE.

The motion for amendment failed with 6 against and 1 in favor.

Chair Marks requested a roll-call vote for the main motion.

VOTE (MAIN MOTION): NO: PITZMAN, BRENNAN, KIM, MARKS, HASCHE, BROWN, AREVALO.

The motion to adopt the EDC Draft of Ordinance 23-61 failed with 7 votes against and 0 in favor.

AREVALO/PITZMAN MOVED THAT THE EDC RECOMMENDS THAT CITY COUNCIL BRING THIS ORDINANCE BACK TO THE DRAWING BOARD AND DRILL DOWN DEEPER INTO THE ISSUES THAT THEY ENVISIONED THAT THIS ORDINANCE WOULD ADDRESS AND TAKE INTO CONSIDERATION ALL POINTS MADE BY THE EDC, THE PLANNING COMMISSION, AND MEMBERS OF THE PUBLIC.

Commissioner Kim stated that he felt it might be prudent of the Commission to give an economic reason for sending it back. He added that providing clear goals so that the Council knows what the Commission is asking of them would be a good idea.

Chair Marks requested a roll-call vote for the motion proposed by Commissioner Arevalo.

VOTE: YES: AREVALO, BROWN, KIM, BRENNAN, PITZMAN, MARKS, HASCHE.

Motion carried.

Commissioner Brown provided her reasons for voting to send the ordinance back to City Council, stating that the original ordinance is not necessary based on the objectives that she believes were the purpose of it. Further, she said that it's not solving a problem clearly.

Commissioner Kim stated that he voted against the ordinance because it lacks explicit policy objectives, the corresponding language doesn't clearly reflect these policy objectives, and that a lot more work can be done to address the root issues.

Commissioner Arevalo voted against the ordinance, stating that while she sees many flaws with the ordinance, she doesn't believe it should be scrapped entirely because there are issues that, with modification, could potentially be addressed, and also because the Commission is uncertain as to some of the objectives behind the authors of the ordinance. She concluded that the ordinance isn't very clear to anyone and could use some work.

Commissioner Hasche stated his reasons for sending the ordinance back to City Council, citing lack of enforceability and his feeling that the ordinance doesn't address the problems that it set out to solve.

Commissioner Pitzman said that his reason for sending the ordinance back to City Council was for them to reconsider it, and to modify the intent and the wherases to line up more closely with the ordinance.

Commissioner Brennan provided her reason for voting to send the ordinance back to the Council, stating that it was mostly due to the reason that she keeps finding perceptions and feelings rather than facts throughout the ordinance and documents pertaining to it. She pointed to the City Manager's memo from October that claims that short term rentals are clearly a contributor to the lack of availability and affordability in our local housing markets, stating that after months of meetings and forums the Commission has not been able to prove that's true.

Chair Marks gave her reasons for voting to send the ordinance back to City Council, saying that she thinks this ordinance unduly reflects zeroing in on one business sector. She added that she would like to see something addressed on a broader business-like situation, so that the entire business community is looked at in general.

Economic Development Manager Engebretsen stated that the Chamber of Commerce is celebrating its 75th Anniversary on Friday, January 26th at Land's End.

C. Homer Marine Trades Association Report

Chair Marks noted the minutes from the last meeting of the Homer Marine Trades Association that were included in the packet.

D. Kenai Peninsula Economic Development District Report

Chair Marks noted that KPEDD's meeting is scheduled for January 18th, and further that she would report back at the Commission's February meeting.

E. Port Expansion Project

Mayor Castner stated that the only update is that the Council is halfway through an ordinance to approve the additional studies that the Corps has requested the City to do.

F. Guiding Homer's Growth Group

Ms. Engebretsen informed the Commission about the potential of the group hosting a movie called "Cruise Boom."

G. HERC Update

Ms. Engebretsen shared her excitement about the new special projects/City engineer coming on board in the next month or so who has experience with Brownfield Grants.

PUBLIC HEARING

PENDING BUSINESS

A. Short Term Rentals

The Commission reached a general consensus to host the February 13th Work Session at 4:30 p.m.

The Commissioners went on to discuss short term rentals and the proposed ordinance. Discussion points included:

- The purpose of the ordinance
- Registration requirements and tax compliance of short term rental owners
- Enforcement and implementation
- Potential future regulations
- Housing and zoning issues
- Data and evidence of perceived issues
- Call for transparency and clarity in the ordinance's wording
- Nuisances and complaints

The Commission agreed that there was a need for further discussion regarding the proposed ordinance.



A Practical Guide To Effectively Regulating Short-term Rentals on the Local Government Level

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Introduction: The meteoric rise of “home-sharing” and short-term rentals

Sharing our homes has been commonplace for as long as there have been spare rooms and comfortable couches. Whether through word of mouth, ads in newspapers or flyers on community bulletin boards, renters and homeowners alike have always managed to rent out or share rooms in their living spaces. Traditionally these transactions were decidedly analog, local and limited in nature, but with advance of the internet and websites such as Airbnb.com and HomeAway.com it has suddenly become possible for people to advertise and rent out their homes and spare bedrooms to complete strangers from far-away with a few mouse-clicks or taps on a smartphone screen. As a result, the number of homes listed for short-term rent has grown to about 4 million, a 10 fold increase over the last 5 years. With this rapid growth, many communities across the country are for the first time experiencing the many positive and negative consequences of an increased volume of “strangers” in residential communities. While some of these consequences are arguably positive (increased business for local merchants catering to the tourists etc.) there are also many potential issues and negative side-effects that local government leaders may want to try to mitigate by adopting sensible and enforceable regulation.

How to effectively regulate home-sharing and short-term rentals has therefore suddenly become one of the hottest topics among local government leaders across the country. In fact, at the recent National League of Cities conference in Nashville, TN, there were more presentations and work sessions dedicated to this topic than to any other topic. Yet, despite more than 32,000 news articles written on the topic in recent years¹, surprisingly little has been written on how to implement simple, sensible and enforceable local policies that appropriately balances the rights of homeowners with the interests of neighbors and other community members who may only experience the negative side-effects associated with people renting out their homes on a shortterm basis. This guide seeks to address this knowledge gap and offer practical advice and concrete examples of short-term rental regulation that actually works.

Why regulate home-sharing and short-term rentals in the first place?

There are many good reasons why local government leaders are focused on finding ways to manage the rapid growth of home-sharing and short-term rental properties in their communities. To name a few:

1. Increased tourist traffic from short-term renters has the potential to slowly transform peaceful residential communities into “communities of transients” where people are less interested in investing in one another’s lives, be it in the form of informal friend groups or church, school and other community based organizations.
2. Short-term renters may not always know (or follow) local rules, resulting in public safety risks, noise issues, trash and parking problems for nearby residents.
3. So-called “party houses” i.e. homes that are continuously rented to larger groups of people with the intent to party can severely impact neighbors and drive down nearby home values.
4. Conversion of residential units into short-term rentals can result in less availability of affordable housing options and higher rents for long-term renters in the community.
5. Local service jobs can be jeopardized as unfair competition from unregulated and untaxed short-term rentals reduces demand for local bed & breakfasts, hotels and motels.
6. Towns often lose out on tax revenue (most often referred to as Transient Occupancy Tax / Hotel Tax / Bed Tax or Transaction Privilege Tax) as most short-term landlords fail to remit those taxes even if it is required by law.
7. Lack of proper regulation or limited enforcement of existing ordinances may cause tension or hostility between short-term landlords and their neighbors.

8. The existence of “pseudo hotels” in residential neighborhoods (often in violation of local zoning ordinances etc.) may lead to disillusionment with local government officials who may be perceived as ineffective in protecting the interests of local tax-paying citizens.

In short, while it may be very lucrative for private citizens to become part-time innkeepers, most of the negative externalities are borne by the neighbors and surrounding community who may not be getting much in return. The big question is therefore not whether it makes sense to regulate short-term rentals, but how to do it to preserve as many of the benefits as possible without turning neighbors and other local community members into “innocent bystanders”. In the next sections we will explore how to actually do this in practice.

Effective short-term rentals regulation starts with explicit policy objectives and a clear understanding of what regulatory requirements can be enforced

As with most regulation enacted on the local level, there is no “one size fits all” regulatory approach that will work for all communities. Instead local regulation should be adapted to fit the local circumstances and policy objectives while explicitly factoring in that any regulation is only worth the paper it is written on if it can be enforced in a practical and cost-effective manner.

Start with explicit policy objectives!

As famously stated in Alice in Wonderland: “If you don't know where you are going, any road will get you there.” The same can be said about short-term rental regulation, and unfortunately many town and city councils end up regulating the practice without first thinking through the community’s larger strategic objectives and exactly which of the potential negative side effects

As an example, the Town of Tiburon in California recently passed a total ban of short-term rentals without thinking through the severely negative impact of such regulation on its stated strategic policy objective of revitalizing its downtown. Likewise the City of Mill Valley, California recently adopted an ordinance requiring short-term landlords to register with the city, while failing to put in place an effective mechanism to shut-down “party-houses” although there had been several complaints about such properties in the past. Such oversight was clearly unintentional but highlights the fact that the topic of regulating short-term rentals is extremely complicated and it is easy to miss the forest for the trees when it comes time to actually writing the local code. To avoid this pitfall, local government leaders should therefore first agree on a specific list of goals that the new short-term rental regulation should accomplish before discussing any of the technical details of how to write and implement the new regulation. Any draft regulation should be evaluated against these specific goals and only code requirements that are specifically designed to address any of those concrete goals should be included in the final ordinance. Below are a few concrete examples of what such lists of concrete policy objective could look like for various types of communities:

Example A: List of short-term rental policy objectives for an affluent residential community in attractive location

- Ensure that traditional residential neighborhoods are not turned into tourist areas to the detriment of long-time residents
- Ensure any regulation of short-term rentals does not negatively affect property values (and property tax revenue)
- Ensure that homes are not turned into pseudo hotels or “party houses”
- Minimize public safety risks and the noise, trash and parking problems often associated with short-term rentals without creating additional work for the local police department
- Give permanent residents the option to occasionally utilize their properties to generate extra income from short-term rentals as long as all of the above mentioned policy objectives are met

Example B: List of short-term rental policy objectives for an urban community with a shortage of affordable housing

- Maximize the availability of affordable housing options by ensuring that no long-term rental properties are converted into short-term rentals
- Ensure that short-term rentals are taxed in the same way as traditional lodging providers to ensure a level playing field and maintain local service jobs
- Ensure that the city does not lose out on hotel tax revenue that could be invested in much needed services for permanent residents
- Minimize public safety risks and the noise, trash and parking problems often associated with short-term rentals without creating additional work for the local police department
- Give citizens the option to utilize their properties to generate extra income from shortterm rentals as long as all of the above mentioned policy objectives are met

Example C: List of short-term rental policy objectives for a workingclass suburban community with ample housing availability and a struggling downtown

- Give property owners the option to utilize their properties as short-term rentals to help them make ends meet
- Encourage additional tourism to drive more business to downtown stores and restaurants
- Minimize public safety risks and the noise, trash and parking problems often associated with short-term rentals without creating additional work for the local police department
- Ensure that the city does not lose out on tax revenue that could be invested in much needed services for permanent residents

Example D: List of short-term rental policy objectives for beach town with a large stock of traditional vacation rentals

- Ensure any regulation of short-term rentals does not negatively affect the value of second homes (and thereby property tax revenue)
- Encourage increased visitation to local stores and restaurants to increase the overall availability of services and maximize sales tax collections
- Minimize public safety risks and the noise, trash and parking problems associated with existing short-term rentals without creating additional work for the local police department

Once clear and concrete policy objectives have been formulated the next step is to understand what information can be used for code enforcement purposes, so that the adopted short-term rental regulation can be enforced in a cost-effective manner.

Only adopt policy requirements that can and will be enforced!

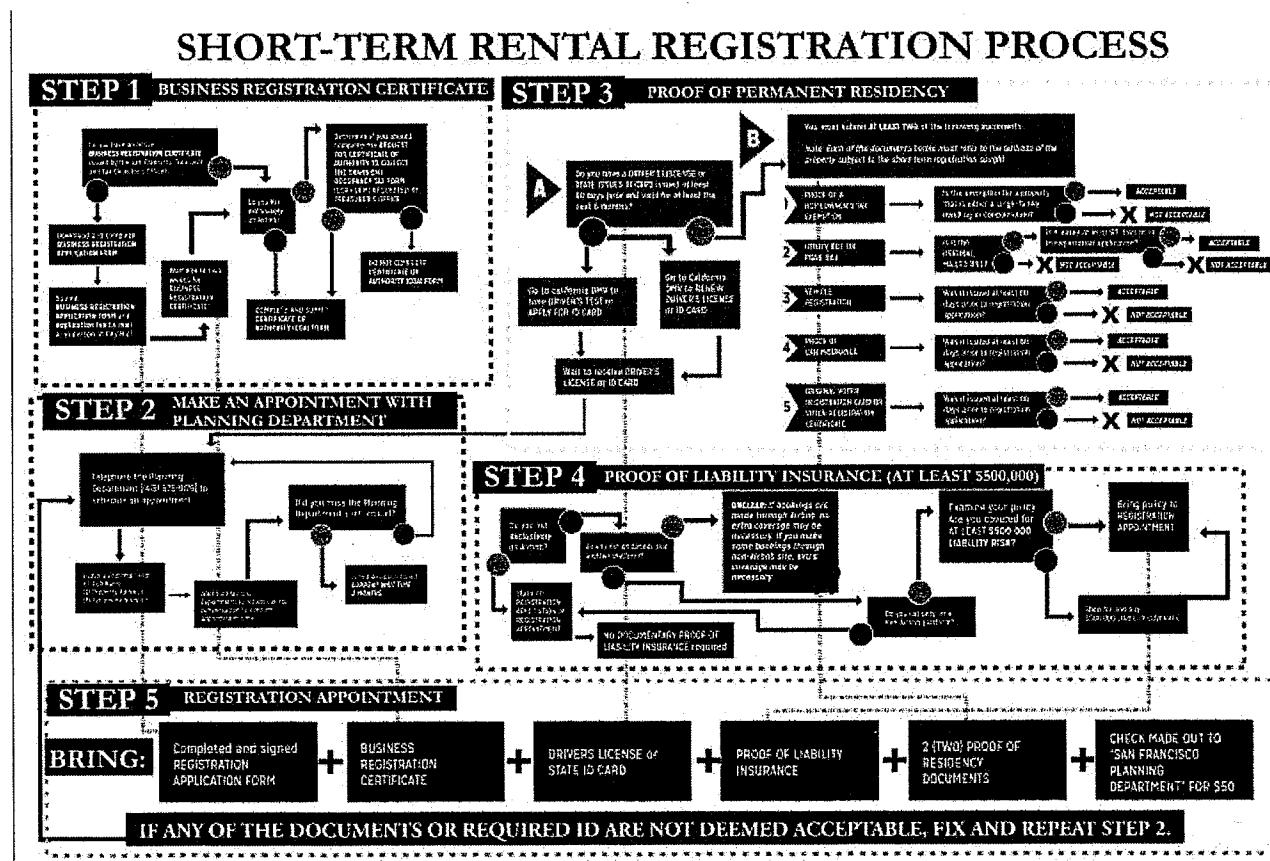
While it may seem obvious that *only enforceable legislation should be adopted*, it is mindboggling how often this simple principle is ignored. To give a few examples, the two California towns previously mentioned not only failed to adopt regulation consistent with their overall strategic policy objectives, but also ended up adopting completely unenforceable rules. In the case of Tiburon, the town council instituted a complete ban of all short-term rentals within its jurisdiction, but not only failed to allocate any budget to enforce it, but also failed put in place fines large enough to deter any violation of the ban. As a result, the number of properties listed for rent has remained virtually unchanged before and after the ban.

In the case of Mill Valley, the town's registration requirement turned out to be completely unenforceable as the town's personnel had neither the technical expertise, time nor budget to track down short-term landlords that failed to register. As a result, the town has had to rely exclusively on self-reporting, and unsurprisingly the compliance rate has been less than 5%.

As for local governments that require short-term rental property owners to pay tax to the local jurisdiction without allocating budget to enforcing such rules, they have found themselves in similar situations, with compliance rates in the 5% range.

Keep it simple!

Another common mistake is for cities to adopt complicated rules that are hard for citizens to understand and follow and that require large investments in enforcement. As an example, despite setting up a dedicated department to enforce its short-term rental regulation, the City of San Francisco has only achieved a 10–15% compliance rate as its regulation is so complicated and its registration process so agonizing that most people give up before even trying to follow the rules. Below is flow-chart that illustrates San Francisco's cumbersome short-term rental registration process.



While hindsight is 20/20, it is worth noting that the registration requirements were probably wellintended and made logical sense to the council members and staff that adopted them. The problem was therefore not ill-will but a lack of understanding of the practical details as to how the various short-term rental websites actual work. As an example, San Francisco’s short-term rental regulation require that property owner’s display their permit number on any advertising (including online listings) whereas Airbnb’s website has built-in functionality that specifically prevents short-term landlords from doing so and automatically deletes all “permit sounding” information from the listings in most locations. Likewise, San Francisco’s legislation bans anyone for renting their homes for more than 90 days per calendar year, while none of the home-sharing websites give code enforcement officers the ability to collect the data necessary to enforce that rule. To make matters worse, the listing websites have refused to share any property specific data with the local authorities and have even gone as far as suing the cities that have been asking for such detailed data. Local government officials should therefore not assume that the listing websites will be collaborative when it comes to sharing data that will make it possible for local code enforcement officers to monitor compliance with complicated short-term rental regulation on the property level. Instead, local government leaders should seek to carefully understand the data limitations before adopting regulation that cannot be practically enforced. To get a quick overview of what information that can be relied on for short-term rental compliance monitoring and enforcement purposes, please see the diagram below that shows which:

1. Data is publicly available on the various home-sharing websites
2. Information that can be uncovered through the deployment of sophisticated “big data technology and trained experts (or time-consuming and therefore costly detective work conducted by a town’s own staff)
3. property specific details that are practically impossible to obtain despite significant investment of time and money

So where does that leave local government leaders who want to put in place enforceable shortterm rental regulation? In the next section we will explore, describe, and assess the viable regulatory tools available for local government leaders to effectively address the key issues related to taxation, regulation, social equity and economic development.

Viable regulatory approaches to managing short-term rentals

As mentioned earlier, the first step to creating effective short-term rental regulation is to document and get agreement on a set of clear and concrete policy objectives. Once this has been accomplished, putting together the actual regulatory requirements can be simplified by referring to the “cheat sheet” below, which lists the regulatory levers that can be pulled to accomplish those goals in a practical and cost-effective manner while factoring in the data limitations highlighted in the previous section.

Short-term Rental Policy Objectives and the Associated Viable Regulatory Approaches		
Policy Objective	Viable Regulatory Approach(es)	Unviable Regulatory Approach(es)
<p><i>Give law abiding and respectful</i> citizens the option to utilize their homes as short-term rentals</p>	<p>Adopt a formal annual permitting requirement and a process for revoking permits from “trouble properties”. As an example a local government can adopt a “3 strikes rule” whereby a permit is automatically revoked for a number of years in the event the local government receives 3 (substantiated) complaints about a property within a certain time frame (i.e. a 24 month period). Alternatively, a local government can adopt a rule by which a permit is</p>	<p>Failing to clearly specify what rules law abiding and respectful shorterterm landlords and their renters must comply with. Adopting regulation that does not clearly define the criteria and process for revoking a short-term rental permit.</p>



	<p>automatically revoked in the event the town receives conclusive evidence (police report, video evidence etc.) that a city ordinance has been violated.</p>	
<p>Ensure that speculators do not buy up homes to turn them into pseudo hotels while still giving <i>permanent residents</i> the option to utilize their homes to generate extra income from short-term rentals.</p>	<p>Adopt a formal permit requirement and make it a condition that the permit holder verifies residency on an annual basis by submitting the same documentation as is required to verify residency for public school attendance purposes.</p>	<p>Adopting a permitting process that does not formally require shortterm rental permit holders to verify that they are permanent residents of the permitted property.</p>
<p>Ensure that homes are <i>only</i> occasionally used as shortterm rentals (and <i>not</i> continuously rented out to new people on a short term basis).</p>	<p>It is unfortunately not practically possible to enforce any formal limits on the number of times or number of days that a particular property is rented on an annual/quarterly/monthly basis, but adopting a permanent residency requirement for shortterm rental permit holders (see above) can ensure that there is a practical upper limit to how often most properties are rented out each year (most people can only take a few weeks of vacation each year and they are therefore practically restricted to rent out their homes for those few weeks). There is unfortunately no easy way to deal with the tiny minority of homes where the "permanent resident" owners have the ability to take extended vacations and rent out their home continuously. That said, if the above mentioned "permanent residency requirement" is combined with rules to</p>	<p>A formal limit on the number of times or number of days each property can be rented on an annual/quarterly/monthly basis is not enforceable as occupancy data is simply not available without doing a formal audit of each and every property.</p>

	<p>mitigate noise, parking and trash related issues, the potential problems associated with these few homes should be manageable. Adopting a “permanent residency requirement” also comes with the additional side benefit that most people don’t want to rent out their primary residence to people who may trash it or be a nuisance to the neighbors. The “permanent residency requirement” can therefore also help minimize noise, parking and trash related issues.</p>	
<p>Ensure homes are <u>not</u> turned into “party houses”.</p>	<p>Adopt a formal permit requirement and put in place a specific limit on the number of people that are allowed to stay on the property at any given time. The “people limit” can be the same for all permitted properties (i.e. a max of 10 people) or be correlated with the number of bedrooms. In addition, the regulation should formally specify that any advertisement of the property (offline or online) and all rental contracts must contain language that specifies the allowed “people limit” to make it clear to (potential) renters that the home cannot be used for large gatherings. While not bullet-proof, adopting these requirements will deter most abuse. In addition it is possible to proactively enforce this rule as all listing websites require (or allow) hosts to indicate their property’s maximum occupancy on the listings.</p>	<p>Adopting any regulation that does not clearly define what types of uses are disallowed will be ineffective and likely result in misinterpretation and/or abuse.</p>



<p>Minimize potential parking problems for the neighbors of short-term rental properties.</p>	<p>Adopt a formal permit requirement and put in place a specific limit on the number of motor vehicles that short-term renters are allowed to park on/near the property. The “motor vehicle limit” can be the same for all permitted properties (i.e. a max of 2) or be dependent on the number of permanent parking spots available on the property. In addition, the regulation should formally specify that any advertisement of the property (offline or online) and any rental contract must contain language that specifies the allowed “motor vehicle limit” to make it clear to (potential) renters that bringing more cars is disallowed. As with the “people limit” rule mentioned above, adopting these parking disclosure requirements will deter most abuse. In addition it is easy to proactively enforce this rule as most listing websites require or allow their hosts to describe their property’s parking situation on the listing.</p>	<p>Adopting any regulation that does not clearly define a specific limit on the number of motor vehicles that short-term renters are allowed to park on/near the property.</p>
<p>Minimize public safety risks and possible noise and trash problems without creating additional work for the local police department and code enforcement personnel.</p>	<ol style="list-style-type: none"> 1. Require that all short-term rental contracts include a copy of the local sound/trash/parking ordinances and/or a “Good Neighbor Brochure” that summarizes the local sound/trash/parking ordinances and what is expected of the renter. 	<p>Adopting any regulation and enforcement processes that do not explicitly specify how non-emergency problems should be reported and addressed.</p>

<p>Minimize potential parking problems for the neighbors of short-term rental properties.</p>	<ol style="list-style-type: none"> 2. Require that short-term rental permit holders list a "local contact" that can be reached 24/7 and immediately take corrective action in the event any nonemergency issues are reported (i.e. deal with suspected noise, trash or parking problems). 3. Establish a 24/7 hotline to allow neighbors and other citizens to easily report nonemergency issues without involving local law/code enforcement officers. Once notified of a potential ordinance violation, the hotline personnel will contact the affected property's "local contact", and only involve the local law and/or code enforcement personnel in the event that the "local contact" is unsuccessful in remedying the situation within a reasonable amount of time (i.e. 20-30 minutes). 	<p>Adopting any regulation that does not clearly define a specific limit on the number of motor vehicles that short-term renters are allowed to park on/near the property.</p>
<p>Ensure that no long-term rental properties are converted to short-term rentals to the detriment of long-term renters in the community.</p>	<p>Adopt a permanent residency requirement for short-term rental permit holders (see above) to prevent absentee landlords from converting long-term rental properties into short-term rentals.</p>	<p>Adopting a permitting process that does not formally require short-term rental permit holders to verify that they are permanent residents of the permitted property will be ineffective in preventing absentee landlords from converting their longterm rental properties into short-term rentals.</p>

<p>Ensure that residential neighborhoods are not inadvertently turned into tourist areas to the detriment of permanent residents.</p>	<p>Implement one or both of the following regulatory approaches:</p> <ol style="list-style-type: none"> 1. Adopt a formal permit requirement and set specific quotas on the number of short-term rental permits allowed in any given neighborhood, and/or 2. Adopt the “permanent residency requirement” for short-term rental permit holders (mentioned above) to ensure that there is a practical upper limit to how often any property is rented out each year. 	<p>Adopting a complete ban on short-term rentals, unless such a ban is heavily enforced.</p>
<p>Ensure any regulation of short-term rentals does not negatively affect property values or create other unexpected negative longterm side-effects.</p>	<p>Adopt regulation that automatically expires after a certain amount of time (i.e. 2-5 years) to ensure that the rules and processes that are adopted now are evaluated as the market and technology evolves over time.</p>	<p>Adopt regulation that does not contain a catalyst for evaluating its effectiveness and sideeffects down the line.</p>
<p>Ensure the physical safety of short-term renters.</p>	<p>Adopt a physical safety inspection requirement as part of the permit approval process. The inspection can be conducted by the municipality’s own staff or the local fire/police force and can cover various amounts of potential safety hazards. As minimum such inspection should ensure that all rentals provide a minimum level of protection to the renters who are sleeping in unfamiliar surroundings and therefore may be disadvantaged if forced to evacuate the structure in the event of an emergency.</p>	<p>Adopting a selfcertification process that does not involve an objective 3rd party.</p>

In addition to the above targeted regulatory measures, local governments should adopt requirements for short-term rental permit holders to maintain books and records for a minimum of 3 years so that it is possible to obtain the information necessary to conduct inspections or audits as required. Finally, it is imperative that local governments adopt fine structures that adequately incentivizes short-term landlords to comply with the adopted regulation. Ideally the fines should be proportionate to the economic gains that potential violators can realize from breaking the rules, and fines should be ratcheted up for repeat violators. Below is an example of a fine schedule that will work for most jurisdictions:

	1st Violation	2nd Violation	3rd Violation	4th Violation
Fine for advertising a property for short-term rent (online or offline) without first having obtained a permit or complying with local listing requirements.	\$200 per day	\$400 per day	\$650 per day	Upon the fourth or subsequent violation in any twenty-four month period, the local government may suspend or revoke any permit. The suspension or revocation can be appealed.
Fine for violating any other requirements of the local government's short term rental regulation.	\$250 per day	\$500 per day	\$750 per day	
<p>Notes:</p> <p>(A) Any person found to be in violation of this regulation in a civil case brought by a law enforcement agency shall be ordered to reimburse the local government and other participating law enforcement agencies their full investigative costs, pay all back-owed taxes, and remit all illegally obtained short-term rental revenue proceeds to the local government.</p> <p>(B) Any unpaid fine will be subject to interest from the date on which the fine became due and payable to the local government until the date of payment.</p> <p>(C) The remedies provided for in this fine schedule are in addition to, and not in lieu of, all other legal remedies, criminal or civil, which may be pursued by the local government to address any violation or other public nuisance.</p>				



Best Practices for Enforcing Short-term Rental Regulation

To implement any type of effective short-term rental regulation, be it a total ban, a permitting requirement, and/or a tax, local governments must expect to invest some level of staff time and/or other resources in compliance monitoring and enforcement. That said, most local governments are neither technically equipped nor large enough to build the true expertise and sophisticated software needed to do this cost-effectively. There are several reasons why this is the case:

1. Rental property listings are spread across dozens (or hundreds) of different home sharing websites, with new sites popping up all the time (Airbnb and HomeAway are only a small portion of the total market).
2. Manually monitoring 100s or 1,000s of short-term rental properties within a specific jurisdiction is practically impossible without sophisticated databases as property listings are constantly added, changed or removed.
3. Address data is hidden from property listings making it time-consuming or impossible to identify the exact properties and owners based just on the information available on the home-sharing websites.
4. The listing websites most often disallow property owners from including permit data on their listings, making it impossible to quickly identify unpermitted properties.
5. There is no manual way to find out how often individual properties are rented and for how much, and it is therefore very difficult to precisely calculate the amount of taxes owed by an individual property owner.

Luckily, it is possible to cost-effectively outsource most this work to new innovative companies such as Host Compliance that specialize in this area and have developed sophisticated big data technology and deep domain expertise to bring down the compliance monitoring and code enforcement costs to a minimum. In many situations, these companies can even take on all the work associated with managing the enforcement of the short-term rental regulation in return for a percentage of the incremental permitting fees, tax revenue and fine revenue that they help their local government partners collect.

Adopting short-term rental regulation and outsourcing the administration and enforcement can therefore be net-revenue positive for the local government, while adding no or little additional work to the plates of internal staff. What's more, getting started generally requires no up-front investment, long-term commitment or complicated IT integration.

That said, while it is good to know that adopting and enforcing short-term regulation can be net revenue positive if done in partnership with an expert firm, it is important to note that the economic benefits are only a small part of the equation and that local government leaders should also factor in the many non-economic benefits associated with managing and monitoring the rapidly growing short-term rental industry in their local communities. These non-economic benefits are often much more important to the local citizens than the incremental tax revenue, so even if the incremental revenue numbers may not seem material in the context of a local government's overall budget, the problems that unregulated and/or unmonitored short-term rentals can cause for the neighbors and other "innocent bystanders" can be quite material and should therefore not be ignored. Or as Jessica C. Neufeld from Austin, TX who suddenly found herself and her family living next to a "party house" reminds us: "We did not buy our house to be living next to a hotel. Would you buy a home if you knew a hotel like this was operating next door, if you wanted to set your life up and raise a family?"².

Conclusion

It is the responsibility of local government leaders to ensure that as few people as possible find themselves in the same unfortunate situation as Jessica and her family. In this white-paper we have outlined how to make it happen - in a revenue positive way. To find out more about how we can help your community implement simple, sensible and enforceable short-term rental regulation, feel free to **visit us on www.hostcompliance.com or call us for a free consultation on (415) 715-9280**. We would also be more than happy to provide you with a complimentary analysis of the short-term rental landscape in your local government's jurisdiction and put together an estimate of the revenue potential associated with adopting (or more actively enforcing) short-term rental regulation in your community.



About the Author

Ulrik Binzer founded Host Compliance LLC (now Granicus), the industry leader in short-term rental compliance monitoring and enforcement solutions for local governments. Ulrik got the idea to found Host Compliance when he was serving on a committee appointed by his local town council to study possible ways to regulate short-term rentals in the local community. In preparation for his work on the committee, Ulrik spent countless hours researching how other municipalities had approached the regulation of short-term rentals, and it became evident that enforcing the regulations and collecting the appropriate taxes without the support of sophisticated technology was virtually impossible. As a result, Ulrik set out to build those tools and make them available to municipalities of all sizes at a fraction of the cost of what it would cost them to build and run such technology internally.

Prior to founding Host Compliance, Ulrik served as Chief Operating Officer of Work4 Labs – an 80 person Venture Capital backed technology company with offices in Silicon Valley and Europe, and Soligent Distribution LLC – the largest distributor of solar equipment to local governments and businesses in the Americas.

Before assuming executive management roles in technology companies, Ulrik served as Vice President of the private equity firm Golden Gate Capital, as a strategy consultant at McKinsey & Company and as an Officer in the Danish Army where he commanded a 42-person Platoon and graduated first in his class from the Danish Army's Lieutenant School.

Ulrik received his M.B.A. from Harvard Business School where he was as a Baker Scholar (top 5% of his class) and earned his Bachelor of Science degree in International Business from Copenhagen Business School and New York University.

Ulrik can be contacted on (415) 715-9280 or ulrik.binzer@granicus.com.

¹ Google News accessed on 1/5/2016

² New York Times article: "New Worry for Home Buyers: A Party House Next Door", October 10, 2015

January 6, 2024

City of Homer
Economic Development Commission
Sent via email

Dear Economic Development Commission Members,

Thank you for considering these comments regarding the draft short-term rental (STR) ordinances for the City of Homer. I own and operate several residential rental properties both inside and outside of city limits of Homer. All are currently long-term or mid-term rentals, but I have also operated a STR within city limits in the past. I am also working on developing short-term and mid-term workforce/student/intern housing in the Central Business District, which should be fully operational by this spring.

In addition to my general comments below, I've included comments organized by the proposed ordinance citation for clarity and ease of reference.

I do agree that ensuring that all businesses in Homer are following the laws already on the books regarding noise, nuisance, and sales tax collection is a worthy goal. However, the City has a lot of work to do to connect the dots about how this proposed ordinance relates to improving housing availability in Homer, besides just a loose mention of it in a Whereas clause or two. It also requires to City to explain why they cannot, with existing information and resources, achieve the same results (sales tax compliance, reduction of nuisances) without additional regulation of a very specific industry.

As this regulatory process unfolds over the next several weeks to months, I think committing to delayed enactment until 2025 would be crucial, as many STR operators are currently receiving bookings daily for the summer 2024 season. Significant changes to the regulatory landscape mere weeks before visitors come flocking to Homer could be damaging to local businesses, with no tangible benefits or improvement to the tight housing market.

I would also ask all the advisory commissions, City Council, Mayor, City Manager, and staff to consider whether this is the best use of time and resources to address the housing shortage in Homer. What are we *not* working on by focusing on STRs?

Thank you again for considering these comments. Unfortunately, I am not able to attend the EDC meeting in person, but I welcome any questions you may have by phone or email.

Respectfully,

Dorothy Duncan

(907) 299-2265
ursaminor907@gmail.com

5.48.010 Definitions

Some terms are used inconsistently throughout the ordinance and should be reviewed. “Owner” vs. “operator”. “Short-term rental” vs. “property” vs. “dwelling unit” vs. “vacation rental”.

5.48.020

General comment - are there other ways to ensure that existing laws are being followed? The City should have the same intent (collect taxes, reduce public nuisances) for all businesses equally. Are there specific barriers to obtaining this information from STRs vs other businesses? If there is a specific problem with rental properties, perhaps an educational campaign directed to STR operators would be more helpful.

5.48.030

(a) Substitute “operator” for “owner”. An owner of a property may lease to someone on a long-term basis, with the operator being the one that rents the unit short-term. This is a common practice.

(b) Specify that the operator, and not the owner, needs to apply for the permit.

(d)(2) How many parking spaces are required? Is there a cross reference to a City code that describes the exact measurements for what is considered a parking space? Perhaps 21.55.090? Otherwise, this seems subjective and essentially unenforceable.

(g) Strike the phrase “with City Manager or designee approval”. The text following it should set the standard for when transfers will be approved, and by including the additional language it makes it sound like there is additional discretionary power that the City Manager could carry out on a whim. See proposed 5.48.050(c) for a phrasing that does not add in the City Manager approval requirement.

5.48.050

General comment - without the companion ordinances regarding zoning districts that allow STRs as a primary use, it’s hard to meaningfully comment on this section. Suggest combining the two proposed code sections into one package for all future commenting and public hearing processes.

(a) Regarding the date of operation (currently cut off on December 2023), this could severely impact planned STR investments made in 2023 for the 2024 summer season. If not eliminated entirely, this date should be revised to be December 2024 or to read “prior to the effective date of these ordinances”.

5.48.60

(a) I highly recommend deleting this subsection entirely.

First, it is in the property owner’s/operator’s best interest to manage guest use to be as low impact as possible. No owner or operator wants an over-capacity rental, whether it is long-term or short-term. In fact, in the conversations in many STR investor circles is exactly about how to ensure stated capacity levels are maintained (most often, 2 people per *bed*, not *bedroom*). Leave this to the individual operators to self-regulate – they will. And if they don’t, regulations already on the books regarding noise, nuisance, parking, etc. will be waiting.

Second, this is too low of a threshold and does not address some of the unique lodging experiences in Homer. Studio apartments (zero bedrooms), boats, yurts, bunkhouses, hostels, temp workforce housing, etc. Many local real estate investors are currently trying to think out of the box to meet some of Homer’s unique and seasonal needs, and limiting them in this way discourages innovation and could cause a previously viable project to not pencil out anymore.

Third, it is an inequitable and unreasonable standard. No other ordinance in the City of Homer determines how many people can sleep in a room. No other ordinance in the City of Homer requires checking the ages of room occupants, and potentially having to evict a family when a child turns 13.

Fifth, this does not make a rental “safer” whether it is long or short-term.

Sixth, this is unenforceable. It is difficult even for STR operators with doorbell cameras to monitor and enforce the number of people in a rental, regardless of the occupancy limit set by the operator. How is the City going to enforce this?

(b) Remove the part about sharing the Emergency Contact with neighbors within 300 feet. If there is a bona fide emergency (fire, domestic dispute, etc.), neighbors should immediately call 911. If there is an alleged code violation, neighbors should contact the City during regular business hours to lodge a complaint. Not only would that lead to quicker response times for an actual emergency, it would ensure that the City be made aware of all issues as they happen. Its not common practice for businesses to have to share personal contact information with neighbors, and STRs should not be required to either as a matter of privacy and to avoid harassment. There are other options for neighbors if something is not to their liking.

(f) This seems to be a whole separate process, what are the standards by which someone needs to prove adequate parking?

5.48.70

General comment – all of these reasons for permit revocation sound good in simple terms, but in the real world would be very subjective and difficult to enforce in a non-arbitrary way. Recommend deleting this section, or amending to require more defined circumstances that would result in permit revocation.

(b)(1) Who determines what an “emergency” is, and what “negligence in responding” is? By what standards?

(b)(2) What is a “law enforcement violation related to the short-term rental”?

(b)(3) What is the threshold of if non-compliance is considered “chronic”?

(b)(5) What is a “noted” Building or Fire code violation? Is there a code cross reference that would be helpful here?

(b)(6) What is a “significant” violation vs a non-significant violation? What is a “relevant” authority?

5.48.80

General comment – especially as these proposed ordinances are new, and the unintended consequences have not yet been discovered, there should be an option for appeal that does not involve the court system. If the City Manager is the issuer of the permit, you could add an avenue to appeal to the City Council as a first step to more effectively hear complaints and resolve any issues. Having to sue the City (and pay their administrative expenses in advance) in order to have a legitimate issue or discrepancy heard would be extremely burdensome.

February 12, 2024

City of Homer
Economic Development Commission
Sent via email

Dear Economic Development Commission Members,

I want to thank the Commission and the City staff for acting on the comments received on the first draft of the STR ordinance last month. I see that many of the specific changes requested have been made to the new draft.

Anyone who has followed the discussion of STRs in Homer all know that this ordinance/conversation is at the request of the City Council due to the perceived impact of STRs on housing availability in Homer. The EDC and staff made the right call in declining to give legitimacy to that claim by striking the whereas clauses that allude to a correlation between regulating STRs and increased housing in Homer.

The remaining whereas clauses, however, are similarly flawed/unnecessary, and make the entirety of the draft ordinance moot.

For example, the issue of ensuring that sales tax is collected, while a valid objective, has several much simpler solutions. AirBnB can implement an automatic tool that will collect and remit sales or occupancy taxes if a law is passed by the local jurisdiction. I am not sure if this could be the City, or would have to be the Borough, but it is worth a few conversations amongst staff and Council/Assembly/AirBnB vs. enacting and implementing a burdensome regulation on potentially hundreds of Homer business owners. Perhaps all it takes is a Resolution by City Council?

Another example is the issue of nuisances attributed to STRs. As others have testified, per a records request, only one "STR" complaint was made to the City during last summer's tourist season, and it wasn't even clear if a violation had occurred. As Ms. Engelbretsen has often said, Homer is not the Jersey Shore, and our visitors are more of the quiet kayaking/birder types than hard core partiers. It makes sense that Homer STR guests make good neighbors.

The whereas clause about needing an ordinance just because there are no existing ordinances? I'll just leave that here...

It's my request that the ordinance in its entirety be set aside, and more efforts given to actually addressing housing by determining:

- 1) What exactly is the housing deficit in Homer? Is it 100 summer/workforce housing units? Is it 10-20 single family homes? Is it a new low-income apartment complex? Answering this question would be a valuable data point for future discussions about housing in Homer, and something the EDC could spearhead via surveys, statistical analysis, etc.
- 2) What is the housing potential of Homer? Surely the City was involved with the new development of a dozen or so 2-bedroom places for rent on Adams Street, the new neighborhood being developed next to Paul Banks Elementary School, and the re-development of the lot on Mattox and East End Road? What is on tap for construction season 2024, and will that address housing faster and more efficiently than squeezing STRs out of existence?

- 3) How can the City encourage the or facilitate a continuance of the boom in housing development? The answer may be as simple as staying out of the way of the free market and let supply and demand work towards equilibrium. Other options may include tax incentives for certain developments that fill need gaps or increasing subsidies for infrastructure development.

Again, I would also ask all the advisory commissions, City Council, Mayor, City Manager, and staff to consider whether this is the best use of time and resources to address the housing shortage in Homer. What are we *not* working on by focusing on STR regulation?

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

Respectfully,

Dorothy Duncan

(907) 299-2265

ursaminor907@gmail.com

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: [Penelope Anne Haas](#)
To: [Department Clerk](#)
Subject: For planning commission re Ordinance 23-61S
Date: Wednesday, February 21, 2024 10:14:27 AM

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 BnB” 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

February 6th 2024

To the Homer City Council and Mayor

The memorandum Submitted Sep. 27 2022 titled Short term rental basics appears to be the foundation and Start of the push to regulate Short term rentals.

There is a distinct theme that emerges that tries to tie STR business to the lack of housing and affordability.

The first 2 WHEREAS paragraphs in ordinance 23-61 try to do this.

Not only has the city has yet to provide any clear link from STR to a housing crisis or shortage,

Further analysis of the statistics and data from [Census.gov](https://www.census.gov) and live.laborstats.alaska.gov

Make the case that Homer is doing better than most municipalities when it comes to housing availability and affordability.

No compelling evidence has been presented that there is a problem with safety or nuisance as stated as intent in section 5.48.020 .

1. Requirement that they operate safely.

There is not a single case in Homer of a STR burning down. There is no evidence that emergency services have not been able to respond to a situation because it was a STR.

Safety is already a function of the STR websites (ie Airbnb, Vrbo). You are required to declare if you have smoke detectors and carbon monoxide detectors. Additionally, Every single person that stays in your unit writes a review and lets new potential guests know exactly what they are getting when they book with you. A high level of scrutiny, detail and accountability is built into the system. The potential guests have much more information and detail about parking, number of beds, safety equipment, etc. than anything this ordinance would supposedly cover.

Additionally, because of the accountability factor, the hosts are very attentive to details , especially the safety and comfort of their guests. If not, they are taken out of the rotation by market forces.

2. Nuisances.

A records request to the City of Homer on Dec. 13 2023 revealed that from May to October In the 2023 tourist season , there was not a single call to HPD of a nuisance caused by a STR. Interestingly the majority of the calls were from long term rentals and Hotels.

In that same time period there was only 1 call to HPD referencing a parking complaint tied to a STR. The issue was resolved, and there was no indication that a law was broken, just a single complaint.

There are already systems in place to handle any nuisance or parking complaints if they become an issue in the future.

4. Taxes.

Collection of Taxes is a function of the KPB.

The Borough is currently using the Harmari software to identify, educate and enforce tax compliance.

As of Feb. 2024 they have Identified 154 individual accounts/operators that have short term rentals in Homer city limits. (111 of the overall listings are hotels using the platform) They are at over 80% compliance and of the remaining 32 operators, they have identified them and are reaching out to facilitate compliance.

The Borough is doing their job and has tremendous momentum. In less than a year they anticipate near 100% compliance.

My overall sense is that there was a desire to regulate Short Term rentals as a reaction to an unproven and emotional narrative that short term rentals are bad.

This was an ordinance looking for a problem.

There is no good, or demonstrated reason to re-write or modify this ordinance. It needs to go away, and I recommend that this ordinance be abandoned.

Charles Anderson

Charlesgoldenanderson@gmail.com

907-756-1973

February 6th 2024

To the Homer City Council and Mayor

Housing Analysis in Homer, Alaska: Navigating Affordability and Crisis Perspectives

*Presented by Charles Anderson

Overview:

This comprehensive analysis delves into the housing landscape of Homer, Alaska, addressing prevalent terms like "The housing crisis" and "Lack of affordable housing." By combining statistical insights with real-world observations, the paper aims to demystify these terms, providing a nuanced understanding of the challenges and opportunities in the local housing market.

Key Findings:

1. **Affordable Housing Criteria:**

- Definition: Not more than 30% of income allocated to housing (rent/mortgage).
- Statistical Baseline in Homer, Alaska: \$1,743.92 per month.
- Homeowner vs. Renter Affordability Discrepancies.

2. **Rental Market Dynamics:**

- Survey of Long-term Rentals: Average cost trends and availability.
- Affordable Housing Accessibility: Wage thresholds and rental affordability.

3. **Housing Crisis Evaluation:**

- Comparative Analysis: New housing starts, median home prices, and rental statistics.
- Homer's Position: Significantly high housing starts per capita, below-state-average median home price.

4. **Inflation's Role in Housing Costs:**

- Unpacking Speculations: Non-resident buyers, short-term rentals, and the true culprit.
- 1992 vs. 2022: Inflation-adjusted median home prices in Alaska.

5. **Affordability in Rental Market:**

- Navigating Individual Experiences: Challenges and successes in securing affordable housing.
- Ebbs and Flows: Impact of market dynamics on rental availability.

6. **Argentinian Experiment:**

- Lessons from Legislation: Consequences of government intervention in the housing market.
- Repeal Impact: Inventory increase and price reduction in Argentina.

****Conclusion and Recommendations:****

- Homer's Housing Landscape: A closer look at the statistics and facts.
- Future Steps: Advocating for free market dynamics and strategic city interventions.

****Recommendations for City Action:****

- Financial Participation in Utility Extensions.
- Property Tax Reductions and Increased Exemptions.
- Strategies for Lowering Water/Sewer Rates.
- Incentives for Multi-Family Housing.
- Sales Tax Exemption for Year-Round Rental Housing.

****Note:**** *2022 statistics were used due to the unavailability of complete 2023 statistics from the State of Alaska Department of Labor and Workforce Development.*

When discussing public policy on housing, "The housing crisis" and "Lack of affordable housing" are terms that are thrown about, and used quite a bit. They tend to convey a sense of desperation, doom, and despair, especially for young people and those who are trying to establish themselves in a given community. Given that shelter is one of our basic human needs, it is no wonder that people get concerned and agitated when those terms are used. They are often used to justify public policy discussions and action, but rarely defined. So let's dive in and analyze what they actually mean statistically vs what some people mean when they use those terms. Then we can look at what criteria would need to be met to justify the use of the terms objectively.

****Affordable Housing:****

The generally accepted definition of affordable housing is that no more than 30% of your income is to go toward your housing (rent/mortgage).

According to the latest census data gathered at census.gov, the median home price in Homer, Alaska is \$348,000. With the median monthly owners' cost for someone in Homer, Alaska with a mortgage is \$1,945 (for homeowners without a mortgage, the fixed costs such as insurance, taxes, etc. are \$632). For rentals, the median gross rent in Homer, Alaska is \$1,180 per month. The median household income for Homer is \$69,757. The median household income divided by 12 months is \$5,813. 30% of that is \$1,743.92. \$1,743.92 per month is the statistical baseline in Homer, Alaska for affordable housing.

Some quick math tells us that the average homeowner with a mortgage in Homer is spending 33.45% of their income on housing, slightly above the affordability threshold. When we do the same math for median gross rent, we have 20.29% of median income spent on housing, well below the baseline for affordable housing. A survey of available rentals over the last 2 months (Facebook Marketplace was the primary source, as Craigslist use has all but ceased) has shown an average of 19 long-term rentals on the market at any given time. (Care was given to exclude short-term winter rentals, dry cabins, and rentals past Diamond Ridge and past Fritz Creek.) Of the 22 rentals available in Dec. 2023, only 3 were over \$2,000 a month, 15 of them were under \$1,500, and 4 were under \$1,000. An average cost of \$1421.30. In January 2024, the average had dropped to \$1,349. One major finding was that the East End Cottages (the low-income, subsidized apartments across from the gear shed) have never been full since they opened several years ago. They have units available now under \$1,000.

Someone making \$24.58 an hour working full time would still come in at the 30% affordability threshold if they were renting. A couple or two roommates could make starting wages at McDonald's (\$13 an hour for normal shifts, \$15 an hour for premium shifts) and still afford housing at or below the threshold for affordable housing. The starting wage at Safeway is \$17 an hour.

****Housing Crisis:****

Housing crisis generally refers to a limited/short supply compared to the demand. This can be a bit more tricky to pin down; however, new housing starts, median home prices, rolling average of long-term rental availability, average rental costs, etc. all compared to the state average and compared to other municipalities can be an indicator of how your city is faring. Like so many questions, "compared to what?" is crucial.

Single-family loan activity for 2022 reported at live.laborstats.alaska.gov has the statewide average sales price at \$422,584. The state does not have individual statistics for Homer; however, the average sales price for the Kenai Peninsula is \$385,049. To corroborate this information, a local lender provided the information that of the 40 loans they closed in Homer in 2023, the average was \$390,580. This is anecdotal evidence indicating that the State of Alaska Statistics for the Kenai Peninsula are close to that of Homers. Given that these are sales statistics, and that the US census states the median value of an owner-occupied home is \$348,000, we can reliably say that Homer is solidly below the state average.

Using 2022 data found @ live.laborstats.alaska.gov, Homer is second in the state for new housing starts, only behind Anchorage. Anchorage had 402 new housing starts (combined single-family and multi-family), and Homer had 74 total new units. With Anchorage's population of 291,247, that is one new housing start per 725 people. Homer's population is 5522 and has one new housing start per 75 people. Homer is second in the state overall and has over 10 times more housing starts than Anchorage when adjusted for population. (The next closest in overall

was Juneau, with 64 new housing starts with a population of 32,255, one new start for every 504 people.)

When it comes to new lots and building opportunities in the non-view more affordable range, the new subdivisions on Early Spring and the one across from East Hill provide over 50 new opportunities on the "non-view" more affordable end.

According to the Alaska Department of Labor and Workforce Development (live.laborstats.alaska.gov), 30 years ago in 1992, the average sales price for a single-family home in Alaska was around \$133,952. In 2022 that number was \$422,584.

Many speculate on the cause of such a tremendous rise in cost. Non-resident buyers driving up demand, short-term rentals, greedy real estate agents, greedy contractors, etc., are all popular scapegoats.

However, the most significant factor contributing to the rise in housing costs is inflation. Clearly demonstrated when we look at what that 1992 median home cost would be today when adjusted for inflation. According to the State of Alaska statistics, it turns out the Average sales price in Alaska for 2022 would only be about \$209,744 (for Homer, Alaska, it would be about \$192,316) when adjusted for inflation.

A modest rise that could easily be attributed to a better-built product and reasonable rise in demand. While the tendency is to find a group to blame perceived housing problems on, the true culprit is inflation.

Homer, Alaska, has affordable housing when it comes to the rental market. It is understood that this statement will be triggering for many and contested. This statement is not meant to ignore or discount people's past and current challenges when searching for and procuring housing. There are many factors that go into a landlord and a tenant's mutual agreement to contract. Not every rental is suitable for every tenant, and not every tenant is suitable for every rental. When discussing housing to guide public policy, it is important to resist the tendency to reference a given individual's experience with housing and infer or conflate that their experience constitutes the statistical norm. It is important to look at statistical data and use facts.

For example, someone could share their experience of having a near impossible time finding a suitable place to rent at a price that fits their budget and could make the claim that "Homer doesn't have affordable housing". While the next person can share their experience of finding a place quickly, that meets all their needs at a price that doesn't even take up 20% of their income. "Homer has great rental opportunities" would be the takeaway. While both sides of the argument would be quick to use their preferred examples, the reality is that the circumstances surrounding each instance can affect the situation drastically. The person having difficulty could be working only 20 hours a week, have a negative rental history, and also have several pets. While the person who had no trouble may be well-established in a good job and received a below-market deal from a family friend. Either scenario does not provide a clear picture, and it is the individual circumstances that have the most bearing on the experience, not the overall rental market. Many

times life and lifestyle decisions will impact the options available to you. Both positive and negative.

There is also ebb and flow when it comes to the rental market. In 2020, the demand for short-term rentals significantly increased due to the rise in domestic travel caused by international travel restrictions. Some units were shifted from the long-term market to the short term, along with new units that were created to capitalize on the short-term spike in demand. Fast forward 3 years, and due to falling prices in the short-term market, former short-term units are being offered back on the long-term market, including units built initially for the short-term boom. In this instance, the initial rise in demand of short-term rentals eventually subsidized and brought to market more long-term rentals. Using government regulation to try to chill one sector of housing in favor of another will have the effect of decreasing supply overall.

The major point being that housing is housing. An increase in any type of housing supply will ultimately increase all supply over time, no matter how it is initially allocated.

Argentina's 4-year experiment with government intervention in the housing free market is a textbook case of unintended consequences and opposite results. In an alleged attempt to help renters and the public secure affordable housing, in 2020 Argentina's government implemented a series of laws and rent controls. The result was many owners simply exiting the rental market, driving up prices, and shrinking supply. When newly elected President Milei scrapped the 2020 rent control laws in December 2023, within a month the rental inventory had doubled, and prices had fallen 20 to 30%.

As demonstrated recently in Argentina, attempts to mitigate the lag effects between rents and inflation, via legislation, only make the problem worse and have the opposite effects.

Statistics and facts indicate that Homer's rental market can be classified as affordable.

As to a Housing Crisis, I do not see where a credible case can be made that we are experiencing a housing crisis in Homer. New housing starts are the highest per capita in the state (by a large margin) while our median home price is well below the State average. Homer is growing and there will be peaks and valleys. However, the facts and statistics make a strong case for us to keep doing what we are doing. Let the free market work, and over time it will smooth out the highs and lows, and ultimately provide for growth that is inevitable.

****Next Steps:****

It is clear that compared to other municipalities in the state, free market forces are doing a better than average job of responding to the housing demand in Homer. In discussions with several developers who have recently worked with the city on new subdivisions, they expressed their frustration at the resistance they received from the city and the planning commission, despite meeting all codes and regulations.

****Some Recommendations:****

- The city could participate financially with utility main extensions, instead of the cost being shouldered 100% by the developer. The extension, after all, is bringing the city new customers.
- Help reduce property taxes - lower mill rate
- Increase primary home exemption in City to Match the KPB at \$350,000 (vs \$150,000 current)
- Strive to lower water/sewer rates. The most expensive in the state (perhaps the country).
- Create tax incentives for building multi-family housing - a tax abatement for a period of time.
- Remove sales tax from year-round rental housing. (Short-term rentals still pay tax on their business)

****Note:****

2022 statistics were used due to the fact that the State of Alaska Department of Labor Workforce and Development site did not have all of 2023 statistics published yet.

Charles Anderson

Charlesgoldenanderson@gmail.com

907-756-1973

From: [Department Planning](#)
To: [Zach Pettit](#)
Subject: FW: Form submission from: Draft Short Term Rental Regulations
Date: Monday, January 8, 2024 8:35:46 AM

From: City of Homer Alaska Official Website [mailto:homer-ak@municodeweb.com]
Sent: Tuesday, December 26, 2023 1:23 PM
To: Department Planning <Planning@ci.homer.ak.us>
Subject: Form submission from: Draft Short Term Rental Regulations

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

Submitted on Tuesday, December 26, 2023 - 1:22pm

Submitted by anonymous user: 209.112.183.200

Submitted values are:

Name William D. and Marianne Schlegelmilch
Comment

Dear Planning Department,

Short term rentals ruin neighborhoods, turning them from close-knit supportive and friendly environments into throngs of strangers wandering around day and night talking on their cellphones and disrupting neighborhood solitude. They also drive up property values and make it all but impossible for residents who do not have deep pockets to ever consider moving within our city as sales often happen within the span of 2-3 days to cash paying profiteers.

This has become increasingly evident in the Mountain View neighborhood where we live, along with unregulated new construction obviously designed for short term rentals that violate city codes on size and

height restrictions, all with the city apparently turning a blind eye to their significant negative impacts on neighborhoods, such as run-off issues, increased density and major uptick in traffic noise and congestion—all issues which our city council seem unconcerned with as they push their personal views and agendas on long-term citizens and even adjacent business owners who have invested heavily in this area.

As citizens, you have asked for our input. As government officials, will you care to hear us?

William D. and Marianne Schlegelmilch

4470 Kachemak Way

Homer

907 235-6913

STR owner or employee? Y/N Home owner, city resident

The results of this submission may be viewed at:

<https://www.cityofhomer-ak.gov/node/78385/submission/51508>

From: [Melissa Jacobsen](#)
To: [Julie Engebretsen](#); [Ryan Foster](#)
Cc: [Zach Pettit](#); [Renee Krause](#)
Subject: FW: Comments on STR regs
Date: Wednesday, December 6, 2023 12:13:06 PM

Here is public comment for the PC and EDC when they have Ordinance 23-61 on their agenda.

Thanks! Melissa

From: Maureen Kennedy <maureenkenedy@aol.com>
Sent: Monday, December 4, 2023 12:51 PM
To: Department Clerk <clerk@ci.homer.ak.us>
Subject: Comments on STR regs

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

Hi: I'm the owner of a rental property outside City limits.

I live primarily in West Marin County, CA where short term rentals have been a big issue in recent years. The county is in the middle of a process of finalizing regulation of short term rentals here. The process it proposes is much more complex, expensive and detailed than Homer's (e.g. a septic system **and** water quality test has to be submitted, you need proof that the space was originally permitted under the building code, etc. etc.). But nevertheless I've read a lot of these draft regulations in the past couple of years. By the way, Scotland's new regulation prohibits you from lending the house to a friend for a weekend or donating it for a couple nights for a charity auction if there's no STR permit in place. We can definitely over-think this.....

I have three comments on the current draft:

—**At .050 (a) regarding non-conforming uses**, I'm concerned about the window in the draft for "grandfathering in" that extends through the end of this year. For those paying attention, the City might see lots of non-conforming units jamming in supposed short term renters (Neighbors? Children? Etc.) in the coming three weeks just to get retroactive approvals for units that really shouldn't get sign off (or have not been paying required taxes). Given that it's a proposed rule which could be changed before finalization, I'm not sure how this even works. If the Council changes the draft to the date of publication of the draft (which I think would be the normal protocol on this, precisely to avoid folks gaming the system), then some who thought they were likely grandfathered in would no longer be. **I'd argue that at the next reading, that language should be changed to the date of release of the draft language, and there should be no move to extend the date again into the future, so there is no "race to the barn" for properties that by definition, don't meet the planned City minimum requirements.** I totally understand the preference to grandfather-in local owners who legitimately have been in business and playing by the [looser] rules in place until now. But I'd really advocate that you not encourage owners with units that won't meet basic standards to get one tenant for one night before 12/31 just to qualify for the loophole.

—At 060 (a) I’m not sure on the definition of a bedroom. I’m not sure the City has a definition of a bedroom given its building code. Does it require a door that closes? I’m staying at a Homer AirBnB this summer that I believe is a larger studio, with a double bed in the one room and a fold out bed also in the one room. A curtain can enclose the main permanent double bed creating a bit of privacy. The owners coincidentally advertise it as a “one bedroom” and have a self imposed limit of 4 guests. Can that unit accommodate 4 adults and unlimited children in the one large room? If the owners considered the curtained area to be a bedroom and the open area by the kitchen with the second bed to be a second bedroom, is the limit 2+2+2 free plus kids? Is the plan to rely on the preferences of the owner in that case? Does a potential tenant have the right to argue for a total of 4 (or 6) adults and 3 kids in 300 square feet even though the owner prefers no more than four (i.e. is it a floor or a ceiling)? I’d suggest you clarify the definition of bedroom and either allow two extra adults OR unlimited kids but not both, just to reduce the potential for overcrowding.

--Relatedly, it would be useful to know if the fire certification requires two forms of egress; or perhaps just include a link in the reg to the standard that the fire department uses in making their assessment. If I owned a house in the City and was thinking about creating a compliant STR, it would be useful for me to know that information early in the process.

Thanks,

Maureen Kennedy
510-290-8535

Landlords or Lodging Providers

Helpful Tips Regarding the Sales Tax Code



Sales Tax Division
Finance Department
Kenai Peninsula Borough
Soldotna, Alaska 99669
salestax@kpb.us Email
(907) 714-2170 Office
(800) 478-4441 Toll Free
(within the borough)

Introduction

The Kenai Peninsula Borough Finance Department (Department) is responsible for educating and confirming compliance with the Borough's Sales Tax Code (Code).

Education

Written Material - The Borough makes information available in order to assist sellers in understanding their responsibilities under the KPB Code. This includes: KPB Code publication; jurisdictional calculation charts; return forms; notification of changes in the KPB Code; forms required to claim refunds, to file a protest, or to apply for a resale or exempt certificate. Forms are found on our webpage: kpb.us/finance-dept/salestax

Assisting Sellers - The Staff in the Finance Department are willing and glad to answer any of your questions concerning sales tax. This includes specific questions regarding the KPB Code or help with compilation of returns. Please feel free to call upon the Staff if you have questions.

Confirm Compliance

Random Review of Borough Records - The Department monitors significant account changes, delinquent accounts, and changes in industries to ensure all sellers are treated fairly according to the KPB Code.

Random Audits - The Department performs audits on sellers to: check the correctness of the Borough's records; determine the accuracy of the seller's reported sales versus their bookkeeping records; and to answer the seller's questions.

Confirm Registration - The Department investigates and assists in registering all sellers conducting business in the Borough.

Reminders

As a seller registered to collect sales tax there are a few items you may want to keep in mind.

Landlord - Defined as any seller who is providing rent or leasing services for land, building, or dwelling units regardless of the amount of time (nightly or longer).

Temporary Lodging - The KPB Code requires that all temporary lodging (lodging services provided for less than 30 days to the same party) be taxed on a per room - per night basis subject to the first \$500 maximum per sale transaction, on a per room - per night basis, KPB 5.18.430(D).

Utilizing \$500 Maximum Gross Sale Exemption - Sales tax shall be applied only to the first \$500 of each separate sale, rent, or service transaction except:

- 1) The payment of rent, whether for real or personal property, in excess of \$500 and for more than one month, shall be treated as several separate transactions covering the rental/lease for one month each. This means that a lease agreement needs to be broken down into individual months, KPB 5.18.430(A).

Example: A 3 month rental for \$900 equates to 3 months of \$300 each month, therefore, in a 6% tax jurisdiction, \$54 in tax is collected for the 3 months, or \$18 per month.

- 2) When it relates to temporary lodging (refer to above).

- 3) Recreational sales shall be treated on a per person per day basis and therefore the maximum tax computation shall be calculated on a per person per day basis. For purposes of this subsection, the term "person" means an individual human being.

Using an online marketplace or online travel agency for booking lodging - When landlords utilize online facilitators to market their rental properties whether for monthly rentals or recreational lodging, it is the responsibility of the property owner to properly collect and report the correct sales tax. When creating the online listing, it is incumbent on the landlord to assess sales tax based on the total price of rental; total price includes all additional

charges such as cleaning or pet fees passed on to the tenant. The rate of sales tax is to be based on the total sale, taxing at the jurisdiction rate where the property is located. Recreational lodging is taxed based on the total per unit per night charge, and is only eligible for “Maximum Tax”, consideration when the nightly per unit rate exceeds \$500.

- Examples of online market places are: VRBO, AirBnB, Orbitz, Tripadvisor, etc..

Determining Taxing Jurisdiction

The taxing jurisdiction for rentals is the place where the real property is located.

- Restriction on Imposition of Tax - The seller shall, whenever feasible, separately state the tax to the buyer on each taxable transaction, KPB 5.18.410(A).
- Agent - The seller is acting as an agent for the Borough by collecting and remitting sales tax to the Borough. Taxes collected from the buyer are Borough funds.
- Determination of Charging Tax - The seller is responsible for all sales tax collected and those taxes that should have been collected. It is the responsibility of the seller to determine if a sale is exempt or not exempt from sales tax. If there is doubt, collect the sales tax and contact the Borough for a determination. A refund to the buyer is possible.
- Personal Property Tax - All businesses are required to file a Business Personal Property Statement with the Borough Assessing Department prior to February 15th of each year. Business Personal Property consists of items used to operate a business, such as washers, dryers, all types of furniture, etc. For more information on what items are taxable contact the Assessing Department at 262-4441.
- Accounting Records - If the seller's business is audited by the Borough, the seller's accounting records, federal tax returns, and filed sales tax returns will be reviewed to determine if reported gross sales coincide. Therefore keeping accurate and complete records is very important.

Package Deals

If sellers are providing a recreational package by themselves or with another business which offers recreational services (services provided by a seller for amusement, relaxation, diversion of attention, or play), the sales tax is to be calculated on each activity on a per-person per day basis at the rate of the jurisdiction where each day's service is rendered. The lodging component of the package is taxed on a per room per night basis at the rate of the jurisdiction where the lodging facility is located.

- Use of Resale Certificates by the Seller of Recreational Packages.
If any of the services included in the package are provided by other businesses and the seller of the package provides a valid resale certificate to those businesses, then the provider of the services would not charge sales tax to the package seller. If the seller of recreational packages does not have a valid resale certificate, the provider of the services would charge tax to that seller.
- Reporting the Sale of Package Deals – Assuming that no individual activity costs the purchaser of a package more than \$500 per person per day, the seller of the package collects sales tax on the full price of the package for the jurisdictions in which the activities of the package take place. The seller of the package would report the entire sale in gross sales. The provider of the service would report the sale as a sale for resale (a non-taxable item) if a valid resale certificate was provided by the seller of the package deal. If there was no valid resale certificate provided, the provider of the services would report the sale in his gross sales and also report the sales taxes collected.

Your Rights

If the seller disagrees with the Borough's final audit result, estimate result, exemption determination, or other sales tax determination, the seller has the right to appeal the final determination to court within 30 days.

- 1) If the seller disagrees with the written determination of the Borough Auditor, a protest may be filed with the Finance Director, KPB 5.18.580. The Director will review the methods used, documents presented, and results of the audit or estimate. The Director will issue a written decision regarding the validity of the audit or estimate. If the determination involves estimate results, as opposed to audit results, the Borough may require the seller to submit to an audit. If the seller disagrees with the Director's final written decision, the decision may be appealed within 30 days of distribution to the Superior Court in Kenai, Alaska.
- 2) If the seller or consumer believes a sale is exempt, either the seller or the buyer may protest taxing the sale by filing a protest with the Borough within 60 days of the date of the sale. The Mayor will issue a written determination regarding the exemption. The seller must continue to collect the tax until the Borough issues a determination regarding the exemption. If the exemption is allowed, the sales tax paid will be remitted to the consumer with the determination. The determination may be appealed within 30 days of distribution to the Superior Court at Kenai, Alaska, KPB 5.18.250.
- 3) If a written decision has been issued by the Mayor regarding application of the KPB Code to a particular factual situation, the decision may be appealed by the seller or taxpayer within 30 days of distribution to Superior Court at Kenai, Alaska, KPB 5.18.140(C).



Draft Short Term Rental Regulations

The City of Homer is considering adopting regulations for Short Term Rentals, such as Airbnb and VRBO. You can read the draft regulations and memorandum [here](#).

Some notes based on questions received as of 12/22/23:

*As of 12/23, the concept is for business to be able to register, for free, through 2024, with required registration and fee payment beginning in 2025. Typical fees in the City are \$50-\$300; City Council will determine the final fee and enactment date of the regulations.

* There is NO cap or limitation proposed on the number of short term rentals within the City.

* No life safety inspection is required. Operators will self certify they have appropriate fire extinguishers, etc. A checklist is under development and will be posted here by the end of January.

Draft Meeting Timeline - 2024

There are several opportunities to speak about the proposed regulations. Attend whichever meeting time and date works for you! You can also provide comments on the webform below. As dates and times are confirmed, this page will be updated.

- **January 9th**, Economic Development Advisory Commission (EDC) Meeting. This includes a work session with small group breakout conversations. Work session starts at 4:30 pm. Regular meeting starts at 6 pm.

- **January 17th**, Chamber of Commerce Panel, noon at the college
- ~~January 24~~, Lunch time Q & A at the college, hosted by grassroots group Guiding Growth. (time tbd)
- **February 7**, Planning Commission (PC) Meeting (tentative)
- **February 13**, EDC Work Session (time tbd) and Meeting
- **February 21**, PC Meeting
- **February 26**, City Council Public Hearing. * It is likely there will be a substitute ordinance at this meeting, based on public comments received through February 15th.

Past Work

- [Homer Housing Event, March 2023](#)
- Short Term Rental Report, Fall 2022 - see [Council Work Session packet HERE](#)

Resources

- [State law on rentals and business licensing](#)
- [Kenai Peninsula Borough FAQ's on sales tax](#)
- [Kenai Peninsula Borough Brochure "Landlords or Lodging Providers" \(download\)](#)

Questions?

If you have questions, contact 907-435-3119, email planning@ci.homer.ak.us, or use the comment form below.

Please comment on the proposed regulation with the form below.

Name *

Comment *

STR owner or employee? Y/N *

Describe your interest in this topic: STR owner or operator/employee, or general public

Submit



Planning

[City Code](#)

[Planning Commission](#)

[Documents](#)

[Coastal Bluff Information](#)

[Flood Maps, Permits and Flood Protection](#)

[HERC 1 Historical Information](#)

[Long Range Planning](#)

[Map Resources](#)

[Permits](#)

[Signs](#)

[Helpful Links](#)

[How Do I](#)

[FAQs](#)

Contact Information

Mailing address:

Homer City Hall

491 East Pioneer Ave

Homer AK 99603

Phone:

907-235-3106

Email:

planning@ci.homer.ak.us

Fax:

907-235-3118

Office Hours: Monday through Thursday 8 a.m. to 5 p.m.

[View Full Contact Details](#)

Planning Public Hearings

There are no upcoming public notices posted at this time.



City of Homer (907) 235-8121
491 E. Pioneer Avenue Homer, AK 99603

Department of Commerce, Community, and Economic
Development

DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

[State of Alaska / Commerce / Corporations, Business, & Professional Licensing / Business Licensing / PropertyRentalFAQs](#)

BUSINESS LICENSING

AirBnB, mother-in-law apartments, and property rental FAQs

1. I want to operate an AirBnB. Do I need an Alaska Business License?

Airbnb is an accommodation-sharing online marketplace which lets people rent out their properties or spare rooms to guests.

Yes, if you are collecting rental income then you are engaged in business activity and an Alaska Business License is required.

Per [AS 43.70.020\(a\)](#) a business license is required for the privilege of engaging in a business in the State of Alaska.

Per [AS 43.70.110\(1\)](#) “Business” means a for-profit or non-profit entity engaging or offering to engage in a trade, a service, a profession, or an activity with the goal of receiving a financial benefit in exchange for the provision of services, or goods, or other property.

Per [AS 43.70.020\(f\)](#) a business license may cover multiple lines of business. For more information go to: [Multiple Lines of Business FAQs](#)

In addition, if your business structure is an entity (i.e. corporation, LLC, LLP, LP, etc.), per Alaska Statute Title 10, then you must register your entity prior to obtaining an Alaska Business License; for more information go to: [Corporations Section](#)

TIP: prepare before you begin to get licensed by going to: [How To Get Licensed](#)

2. I have a “mother-in-law” apartment and I want to rent it out. Do I need an Alaska Business License?

A “mother-in-law” apartment is a small apartment attached to or next to a house, ostensibly intended for occupancy by a mother-in-law or other relative, but potentially also rented out to a stranger.

Yes, if you are collecting rental income then you are engaged in business activity and an Alaska Business License is required.

Per [AS 43.70.020\(a\)](#) a business license is required for the privilege of engaging in a business in the State of Alaska.

Per [AS 43.70.110\(1\)](#) “Business” means a for-profit or non-profit entity engaging or offering to engage in a trade, a service, a profession, or an activity with the goal of receiving a financial benefit in exchange for the provision of services, or goods, or other property.

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TIP: prepare before you begin to get licensed by going to: [How To Get Licensed](#)

3. I have a room I want to rent it out. Do I need an Alaska Business License?

Yes, if you are collecting rental income then you are engaged in business activity and an Alaska Business License is required.

Per [AS 43.70.020\(a\)](#) a business license is required for the privilege of engaging in a business in the State of Alaska.

Per [AS 43.70.110\(1\)](#) “Business” means a for-profit or non-profit entity engaging or offering to engage in a trade, a service, a profession, an activity with the goal of receiving a

financial benefit in exchange for the provision of services, or goods, or other property.

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In addition, if your business structure is an entity (i.e. corporation, LLC, LLP, LP, etc.), per Alaska Statute Title 10, then you must register your entity prior to obtaining an Alaska Business License; for more information go to: [Corporations Section](#)

TIP: prepare before you begin to get licensed by going to: [How To Get Licensed](#)

4. I have rental property I want to rent out. Do I need an Alaska Business License?

Yes, if you are collecting rental income then you are engaged in business activity and an Alaska Business License is required.

Per [AS 43.70.020\(a\)](#) a business license is required for the privilege of engaging in a business in the State of Alaska.

Per [AS 43.70.110\(1\)](#) “Business” means a for-profit or non-profit entity engaging or offering to engage in a trade, a service, a profession, or an activity with the goal of receiving a financial benefit in exchange for the provision of services, or goods, or other property.

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TIP: prepare before you begin to get licensed by going to: [How To Get Licensed](#)

5. Will I need a business license from my local government, municipality, city, or village?

Check with your local government or agency for any additional business licensing requirements, potential restrictions per local ordinances, and/or sales tax requirements.

6. IMPORTANT – Check with other agencies.

After you have met the requirements of this Division there will be other agencies you need to work with to ensure compliance with local, state, and federal government requirements.

For more information go to: [Business Structure FAQs and click your entity type.](#)

For additional resources, which may provide technical, informational or advisory assistance, go to:

- [Alaska Small Business Development Center](#)
- [IRS Small Business Center](#)
- [Small Business Assistance Center](#)
- [U.S. Small Business Administration](#)
- [Workshops for Small Business](#)

In addition, you may wish to contact a professional association or organization affiliated with your business activity.

If you need further assistance you are advised to seek the services of an attorney or other qualified professional.

7. Where can I find additional information on landlord and tenant rights?

[Landlord and Tenant Information](#)

[The Alaska Landlord & Tenant Act: what it means to you](#)

In addition, landlords and tenants should read and familiarize themselves with the Alaska Uniform Residential Landlord and Tenant Act ([AS 34.03.010 – 34.03.380](#)).

Complaint FAQs

[Complaint FAQs](#)

This Division does not provide legal advice. The information contained within these webpages is provided for your convenience and is not to be interpreted as legal advice. It is

your responsibility to know what your registering, reporting and filing requirements are based on your specific business activities. Not knowing what is expected of you may not preclude you from the legal obligation to meet these requirements and compliance with the law. You are encouraged to seek the advice of a professional, such as a Certified Public Accountant (CPA) and/or Attorney if you need additional assistance.

Contact Us

When contacting this office, please direct your questions to the appropriate Section: Corporations, Professional Licensing, or Business Licensing. Each Section specializes in its own requirements per Alaska statutes and regulations.

Professional Licensing Section

Email: License@Alaska.Gov

Corporations Section

Email: Corporations@Alaska.Gov

Business Licensing Section

Email: BusinessLicense@Alaska.Gov

Mission Statement

Ensure that competent, professional and regulated commercial services are available to Alaska consumers.

Anchorage

Mailing/Physical Address

550 W 7th AVE, STE 1500
Anchorage, AK 99501-3567

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AGENDA ITEM REPORT

Short Term Rental Ordinance

Item Type: Action Memorandum
Prepared For: Economic Development Advisory Commission
Meeting Date: 13 Feb 2024
Staff Contact: Julie Engebretsen, Economic Development Manager

Summary Statement: Review the “EDC February Draft” of the Short Term Rental Ordinance, and make comments and a recommendation to City Council.

Work Session

The EDC has a work session scheduled at 4:30. The structure of the work session is as follows:

1. Short presentation by staff on the process to date
2. Presentation of the “EDC” draft ordinance
3. Q&A on the draft ordinance
4. Group conversation (or break out groups if there are a lot of attendees)

Council asked the Commission to comment on the ordinance. Based on the discussion at the last meeting, I drafted the version titled “EDC February Draft”. The Commission can move to send this version to Council with your comments. The Commission can freely edit this EDC version.

How is the EDC Draft Different?

- All mention of housing in the whereas clauses are struck
- Regulations move from title 5 to title 8. (not a big change but puts it in the same place as mobile food permits
- Further refined definition of short term rental
- Change the requirement from a permit for each STR unit, to each parcel of land; if you have two rental cabins, you need one permit for the property that covers both, rather than one for each unit. City records generally follow property and this will streamline recordkeeping.
- Changed the permit term from one year to two years – permits would be good for two years.
- The non-conforming uses section is struck. Its confusing and conflicts with Title 21.
- Capacity: removed maximum occupancy for bedrooms. (Staff doesn’t see how the city would enforce this currently). The standard of five guest rooms and 15 guests, which is a standard under title 21 and the state fire marshal is used instead.
- Emergency contact info would only be shared with the police department, and the requirement to notify neighboring properties within 300 feet has been removed.
- Enactment date would be January 1, 2025

Wrapping Up at the Regular Meeting:

- The Commission can edit the draft; come to the meeting with your ideas for changes and the line numbers you'd like to see amended.
- Council has said they appreciate seeing each person's comments. Therefore, after the Commission votes on the motion, I am requesting that you provide brief comments on why you voted the way you did, and why you support or don't support the ordinance. This is not a discussion time between Commissioners; this is for each Commissioner to say their piece.

Next Steps

- EDC comments will be sent to Council, in time for the February 26th meeting packet.
- The Planning Commission will discuss this topic at their February 21st meeting. I will be explaining the process and EDC recommendations, followed by discussion of the ordinance and taking their comments.
- Council on Feb 26th: There is a work session at 4:00 on the ordinance. I will be presenting a version of the EDC work session PowerPoints, and including Planning Commission comments. If the Council sponsors have a substitute ordinance, that will also be covered. Council has a public hearing on February 26th at the regular meeting. They can adopt the original ordinance as is, make changes, postpone... lots of things could happen.
- This topic will be on the March EDC agenda for any follow up.

Summary Statement: Review the "EDC February Draft" of the Short Term Rental Ordinance, and make comments and a recommendation to City Council.

Attachments

EDC February Draft Ordinance

Two comment documents from Charles Anderson

January staff report and attachments

1 CITY OF HOMER
2 HOMER, ALASKA

Aderhold/Davis

3
4 ORDINANCE 23-61(S)

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE TITLE 5 8 TO ADD CHAPTER 5.48
8 8.05 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 **WHEREAS, The use of private residences as short term rentals for visitors to Homer**
34 **has been a very common source of income for property owners in the City, and has**
35 **provided an important support for our local economy and our visitor-serving businesses;**
36 **and**
37

38 **WHEREAS, Visitors staying in short term rentals have many positive impacts, in**
39 **some cases enabling homeowners who might otherwise be priced out of the local housing**
40 **market to afford to live in Homer; and**
41

42 WHEREAS, There are anecdotal reports of a shortage of year round, and especially
43 summer, housing in Homer, with tenants reporting that it is easy to rent a house or
44 apartment in September, as long as they agree to move out May 1; and

45
46 WHEREAS, May-August is the period when our small businesses report that their
47 need for workforce housing is the greatest; and

48
49 WHEREAS, The City, even as it welcomes the contributions that existing short term
50 rentals are making, is interested in exploring the possibility of limits to future growth in
51 this sector, for example, by discouraging the operation of multiple short term rental
52 properties by out-of-town owners; and

53
54 WHEREAS, A necessary first step in considering possible limits to future growth in
55 this sector is obtaining a clear understanding of its present scope; and

56
57 WHEREAS, In contrast to other local small businesses, details about the location
58 and ownership of short term rentals are not readily available; and

59
60 WHEREAS, The Kenai Peninsula Borough’s ongoing effort to identify the number
61 and location of current short term rentals has so far identified only a small fraction of the
62 estimated total; and

63
64 WHEREAS, There is an interest to enact reasonable regulations related to short
65 term rentals to ensure that they are operated safely, not creating public nuisances, and
66 are remitting the appropriate taxes.

67
68 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

69
70 Section 1. Homer City Code is amended to include Chapter, 5.48 8.05 entitled “Short
71 Term Rentals”, to read as follows:

72
73 **Chapter 5.48 Short Term Rentals**

74
75 **Sections:**

76
77 **5.48.010 Definitions**

78 **5.48.020 Intent**

79 **5.48.030 Short Term Rental Permits**

80 **5.48.040 Permit Renewals**

81 **5.48.050 Nonconforming Uses**

82 **5.48.060 Public Safety, Noise, and Nuisances**

83 **5.48.070 Violations and Penalties**

84 **5.48.080 Appeal of Decision**

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5.48.010 Definitions

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

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

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

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

5.48.020 Intent

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

5.48.030 Short Term Rental Permits

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

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

~~**c. No short term rental operator shall offer, advertise, or facilitate the short term rental of property in the City unless the operator possesses a valid short term rental permit. Any offer or advertisement for the short term rental of property in the City that does not contain a valid short term rental permit number, or which the City identifies as illegal, shall be immediately removed.**~~

~~**d. Required Information and Documentation: Applications shall provide:**~~

- 127 **1. Name, address, phone number, and email of the property owner, and, if**
128 **different from the owner, the short term rental operator.**
129
130 **2. A general description of the dwelling unit to be used as a short term rental**
131 **to include address, zone district, number of bedrooms, and available**
132 **parking spaces compliant with City code.**
133
134 **3. A 24-hour emergency contact residing within 50 miles of city limits.**
135
136 **4. State business license number.**
137
138 **5. Certification by the Kenai Peninsula Borough Finance Department in a tax**
139 **compliance certificate that the applicant is current in the payment of any**
140 **sales tax to the City and the Kenai Peninsula Borough.**
141
142 **6. Completed fire safety inspection form for the dwelling unit.**
143
144 **e. Permit Number: Short term rental permits will be issued a unique permit number**
145 **which must be displayed in all advertisements and public listings for the short**
146 **term rental.**
147
148 **f. Permit Renewal: Short term rental permits must be renewed annually and are**
149 **valid from January 1 to December 31.**
150
151 **g. Transfer of Permits: Annual short term rental permits are transferrable between**
152 **owners with City Manager or designee approval, provided the use and operations**
153 **remain consistent. Permits are not transferrable between units or parcels.**
154

155 **5.48.040 Permit Renewals**

- 156
157 **a. Short term rental permits may be renewed starting November 1 each year using**
158 **the form or platform provided by city, and shall include a fee as set by Council in**
159 **City Fee Schedule.**
160
161
162 **b. Permits are eligible for renewal if the property and dwelling unit comply with all**
163 **applicable City regulations, taxes, fees are paid, and there are no outstanding**
164 **public safety or public nuisance violations.**
165
166 **c. Expired permits require a new application to resume short term rental use.**
167

168 **5.48.050 Nonconforming Uses**

169

- 170 ~~a. Existing short term rentals with proof of operation and sales tax remittance to the~~
171 ~~Kenai Peninsula Borough within the period between January 1, 2020 and~~
172 ~~December 31 2023 will be exempted as non-conforming uses if they meet all other~~
173 ~~short term rental standards, even if they are located in zones no longer principally~~
174 ~~permitting such use.~~
- 175
- 176 ~~b. Non-conforming short term rentals not used for 18 months or not permitted by~~
177 ~~[DATE] will cease to be available on the property.~~
- 178
- 179 ~~c. Approvals of non-conforming short term rental permits are transferrable to new~~
180 ~~property owners upon request, provided updates are made to the information on~~
181 ~~file with the City.~~

182

183 ~~**5.48.060 Public Safety, Noise, and Nuisances**~~

- 184
- 185 ~~a. Capacity: Maximum occupancy for a vacation rental is two persons per bedroom~~
186 ~~plus an additional two persons (e.g., a two-bedroom unit may have six occupants).~~
187 ~~Children aged 12 and under are not counted toward the occupancy total.~~
- 188
- 189 ~~b. Emergency Contact: The Emergency Contact provided on the permit application~~
190 ~~will be shared with the Homer Police Department and all neighboring properties~~
191 ~~within 300 feet of the parcel containing the permitted short term rental unit(s).~~
192 ~~The permit holder must promptly notify the City of any changes to the designated~~
193 ~~emergency contact information.~~
- 194
- 195 ~~c. Fire Department Access: Properties with gated entries must have a Fire~~
196 ~~Department approved device that allows emergency response access.~~
- 197
- 198 ~~d. Noise: Short term rentals are subject to HCC 21.59.010 (b) regarding noise.~~
- 199
- 200 ~~e. Nuisance: Any property with an unresolved nuisance complaint under HCC~~
201 ~~Chapter 5.16 is ineligible for short term rental permit approval or renewal.~~
- 202
- 203 ~~f. Parking: Short term rentals must have sufficient off-street parking, validated by~~
204 ~~the City planner or designee.~~

205

206 ~~**5.48.070 Violations and Penalties**~~

- 207
- 208 ~~a. Operating a short term rental without a permit, or in violation of this chapter, is~~
209 ~~unlawful.~~
- 210
- 211 ~~b. The City Manager, or designee, may revoke a permit for a short term rental upon~~
212 ~~finding one or more of the following:~~

- 213 **1. Negligence in responding to emergencies more than two times in a rolling**
214 **12-month period.**
215
216 **2. More than two documented law enforcement violations related to the short**
217 **term rental in a rolling 12-month period.**
218
219 **3. Chronic non-compliance with the requirements this chapter's**
220 **requirements.**
221
222 **4. Failure to pay required sales taxes to the Kenai Peninsula Borough.**
223
224 **5. Failure to correct noted Building or Fire code violations.**
225
226 **6. Documented, significant violations supported by citations, written**
227 **warning, or other documentation from relevant authorities.**
228
229 **c. The penalty for an offense in this chapter is the fine listed in the fine schedule in**
230 **HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the defendant**
231 **must appear in court, and, if convicted, is subject to the general penalty as**
232 **provided in HCC 1.16.010 unless another penalty is specifically provided.**
233

5.48.080 Appeal of Decision

234
235
236 **Judicial review by the superior court of a final decision on a short term rental permit**
237 **issued by the City may be had by filing a notice of appeal in accordance with the**
238 **applicable rules of court governing appeals in civil matters. The notice of appeal shall be**
239 **filed within 30 days of notice of the final decision on the permit. Appeals of short term**
240 **rental permits are heard solely on the administrative record which shall be prepared by**
241 **the City. A copy shall be filed in the superior court within 30 days after the appellant pays**
242 **the estimated cost of preparing the complete of designated record or files a corporate**
243 **surety bond equal to the estimated cost.**
244
245

Chapter 8.09 Short Term Rentals

Sections:

249
250 **8.09.010 Definitions**

251 **8.09.020 Intent**

252 **8.09.030 Short Term Rental Permits**

253 **8.09.040 Permit Renewals**

254 **8.09.060 Public Safety, Noise, and Nuisances**

255 **8.09.070 Violations and Penalties**

256 **8.09.080 Appeal of Decision**

257

258 **8.09.010 Definitions**

259

260 **“Short-term rental” means a dwelling unit as defined in HCC Title 21, or portion thereof,**
261 **that is offered or provided to a guest for compensation for a period of less than 30**
262 **consecutive days. Short-term rentals may be in standalone buildings, individual rooms in**
263 **single-family homes, units in apartments, condominiums, townhouses, and multifamily**
264 **dwellings. They may be operated as a bed and breakfast, rooming house, not to include**
265 **commercial accommodations such as lodging, hotels and motels as defined in Title 21.**

266

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

269

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

273

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

275

276 **8.09.020 Intent**

277

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

282

283 **8.09.030 Short Term Rental Permits**

284

285 **h. Any owner wishing to make a dwelling unit available for use as a short term rental**
286 **must apply for and receive approval of a short term rental permit for each parcel**
287 **of land with an intended unit.**

288

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

292

293 **j. No short term rental operator shall offer, advertise, or facilitate the short term**
294 **rental of property in the City unless the operator possesses a valid short term**
295 **rental permit. Any offer or advertisement for the short term rental of property in**
296 **the City that does not contain a valid short term rental permit number, or which**
297 **the City identifies as illegal, shall be immediately removed.**

298

- 299 **k. Required Information and Documentation: Applications shall provide:**
300
301 **7. Name, address, phone number, and email of the property owner, and, if**
302 **different from the owner, the short term rental operator.**
303
304 **8. A general description of the dwelling unit to be used as a short term rental**
305 **to include address, zone district, number of bedrooms, and available**
306 **parking spaces compliant with City code.**
307
308 **9. A 24-hour emergency contact residing within 50 miles of city limits.**
309
310 **10. State business license number.**
311
312 **11. Certification by the Kenai Peninsula Borough Finance Department in a tax**
313 **compliance certificate that the applicant is current in the payment of any**
314 **sales tax to the City and the Kenai Peninsula Borough.**
315
316 **12. Completed fire safety inspection form for the dwelling unit.**
317
318 **l. Permit Number: Short term rental permits will be issued a unique permit number**
319 **which must be displayed in all advertisements and public listings for the short**
320 **term rental.**
321
322 **m. Permit Renewal: Short term rental permits must be renewed every two years and**
323 **are valid from January 1 to December 31.**
324
325 **n. Transfer of Permits: short term rental permits are transferrable between owners**
326 **with City Manager or designee approval, provided the use and operations remain**
327 **consistent. Permits are not transferrable between units or parcels.**
328

329 **8.09.040 Permit Renewals**
330

- 331 **d. Short term rental permits may be renewed starting November 1 each year using**
332 **the form or platform provided by city, and shall include a fee as set by Council in**
333 **City Fee Schedule.**
334
335
336 **e. Permits are eligible for renewal if the property and dwelling unit comply with all**
337 **applicable City regulations, taxes, fees are paid, and there are no outstanding**
338 **public safety or public nuisance violations.**
339
340 **f. Expired permits require a new application to resume short term rental use.**
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8.09.060 Public Safety, Noise, and Nuisances

- g. Capacity: Maximum occupancy for a short term rental is five guest rooms or 15 guests, whichever is less.**
- h. Emergency Contact: The Emergency Contact provided on the permit application will be shared with the Homer Police Department. The permit holder must promptly notify the City of any changes to the designated emergency contact information.**
- i. Fire Department Access: Properties with gated entries must have a Fire Department approved device that allows emergency response access.**
- j. Noise: Short term rentals are subject to HCC 21.59.010 (b) regarding noise.**
- k. Nuisance: Any property with an unresolved nuisance complaint under HCC Chapter 8.09 is ineligible for short term rental permit approval or renewal.**
- l. Parking: Short term rentals must have sufficient off-street parking, validated by the City planner or designee.**

8.09.070 Violations and Penalties

- d. Operating a short term rental without a permit, or in violation of this chapter, is unlawful.**
- e. The City Manager, or designee, may revoke a permit for a short term rental upon finding one or more of the following:**
 - 7. Negligence in responding to emergencies more than two times in a rolling 12-month period.**
 - 8. More than two documented law enforcement violations related to the short term rental in a rolling 12-month period.**
 - 9. Chronic non-compliance with the requirements this chapter's requirements.**
 - 10. Failure to pay required sales taxes to the Kenai Peninsula Borough.**
 - 11. Failure to correct noted Building or Fire code violations.**

384 **12. Documented, significant violations supported by citations, written**
385 **warning, or other documentation from relevant authorities.**

386
387 **The penalty for an offense in this chapter is the fine listed in the fine schedule in HCC**
388 **1.16.040.**

389
390 **8.09.080 Appeal of Decision**

391
392 **Judicial review by the superior court of a final decision on a short term rental permit**
393 **issued by the City may be had by filing a notice of appeal in accordance with the**
394 **applicable rules of court governing appeals in civil matters. The notice of appeal shall be**
395 **filed within 30 days of notice of the final decision on the permit. Appeals of short term**
396 **rental permits are heard solely on the administrative record which shall be prepared by**
397 **the City. A copy shall be filed in the superior court within 30 days after the appellant pays**
398 **the estimated cost of preparing the complete of designated record or files a corporate**
399 **surety bond equal to the estimated cost.**

400
401 Section 2. Homer City Code 1.16.040, entitled “Disposition of scheduled offenses – Fine
402 Schedule” is hereby amended as follows:
403

Chapter 5.46 HCC	Special event – Permit required	\$1000
<u>Chapter 5.48 8.09 HCC</u>	<u>Short term rental – Permit required</u>	<u>\$300</u>
HCC 8.08.020	Itinerant or transient merchant – License required	\$300.00

404
405 Section 3. ~~This Ordinance is of a permanent and general character and shall be~~
406 ~~included in the City Code.~~ **This ordinance shall take effect January 1, 2025.**

407
408 **Section 4. This Ordinance is of a permanent and general character and shall be**
409 **included in the City Code.**

410
411 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of _____, 2024.

412
413 CITY OF HOMER

414
415
416 _____
417 KEN CASTNER, MAYOR
418
419
420
421

422 ATTEST:
423
424 _____
425 MELISSA JACOBSEN, MMC, CITY CLERK
426
427
428 YES:
429 NO:
430 ABSTAIN:
431 ABSENT:
432
433 First Reading:
434 Public Hearing:
435 Second Reading:
436 Effective Date:

Published on *City of Homer Alaska Official Website* (<https://www.cityofhomer-ak.gov>)

[Home](#) > [Submit Written Testimony to City Council](#) > [Webform results](#) > Submission #102

Submission information

Form: [Submit Written Testimony to City Council](#) [1]

Submitted by Visitor (not verified)

Thu, 02/22/2024 - 1:38am

104.254.226.134

First Name Marcia

Last Name Kuszmaul

Email [REDACTED]

Phone Number [REDACTED]

Are You A City or Non-City Resident? Non-City Resident

Which City Council Meeting do you want to participate in? Regular Meeting

Date of Meeting you want to participate in? Mon, 02/26

What type of comments will you be giving?

Public Hearing Comments - Citizens may comment on items scheduled for public hearing.

Public Hearing Agenda Item: Ordinance 223-61 (S)

Written Testimony

Thank you for the opportunity to provide written testimony with regard to Ordinance 23-61(S) on Short-Term Rentals. I am president of the Homer Bed & Breakfast Association (HBBA), a group of small business owners that have worked together for more than 25 years to ensure visitors have a fantastic time in our community. We represent more than 20 lodging members – traditional bed & breakfasts, vacation rentals, cabins, lodges and boutique hotels – and more than 40 associate business offering charters, dining, transportation, and other local services.

HBBA has provided input to the ordinance from its inception, meeting 1:1 with the City Manager and Economic Development Manager in November, serving on the Chamber of Commerce discussion panel, participating in the Economic Development Advisory Commission and Planning Commission work sessions and regular meetings. We have offered our association and its years of experience as a resource to the city, community and process, and we appreciate that our input has been well received.

Our initial reactions to the original ordinance were:

- Sympathy to the community issues the ordinance is trying to address. We long have been concerned about the proliferation of short-term rentals not operating in compliance with existing rules & regs – not getting business licenses, not collecting and remitting sales tax, not carrying business liability insurance – all of which we require of our members and which increase our cost of operation. We also are concerned with the lack of seasonal housing as it impacts our guests' experiences -- closed restaurants & businesses for lack of staffing due to lack of housing. The Ordinance points to STRs as a root cause of such housing shortages but based only on anecdotal reports and assumptions. We need better data to make decisions about the most impactful actions to take, if any.

- Concern that the Ordinance be consistent with existing local & state requirements. The State of Alaska Requirements for Bed & Breakfasts (https://dps.alaska.gov/getmedia/1eea248b-b076-4e21-bf7c-432325a8a450/b-b_requirements-2013.aspx) has been our bible for doing business. The publication was last updated in 2013, but none of the regulations have changed as best we can tell. The state makes a clear distinction between two types of property: 1) an owner-occupied (primary residence) property of 5 or fewer rooms, which is defined as a Private Residence subject to residential codes plus escape windows, smoke alarms, and carbon monoxide detector; and 2) and an owner-occupied property of more than 5 rooms OR any property that is not owner occupied regardless of number of rooms, both of which are defined as Public Accommodation subject to commercial codes and plan review, including having automatic fire-extinguishing systems and ADA compliance. Homer Code 21.51.100 specifies that a B&B in areas where permitted must be “accessory to and in a dwelling occupied by the operator as the operator’s primary resident” and have a “maximum of five bedrooms.” This is consistent with the state’s definition of a Private Residence. We also believe that owner-occupied properties do not pose the same risk of becoming nuisances as properties where the owner is absent. So, with regards to the Ordinance, we support the state’s distinction between the types of B&Bs (aka STRs) and associated requirements and believe these distinctions and differences should be maintained and reflected in any Ordinance, Permit Application, and Fire Safety Form and enforced. One set of fire safety requirements, for example, does not apply equally to all.

- Willing and able to help with public education efforts, which we believe are considerable. We believe that some level of noncompliance with business licensing and sales tax collection and remission is a result of people not being fully informed about requirements for being in business. We recommend the City, before implementing an Ordinance, develop a strategy and plan for public education and helping people become compliant. While some platforms like VRBO, Expedia family and Booking.com make it easy to add taxes to your listings, AirBnB does not and there is a lot of confusion about whether or how AirBnB collects and pays taxes and how to set up tax collection for an AirBnB listing. HBBA could help with educating people about how to comply.

Additionally, as we’ve participated in various community events and discussion, which have provoked these additional thoughts for consideration:

- Overall, the Ordinance seems, at best, premature. The City would be better served to first have a vision for the role of STRs in the community and then implement code/ordinances that support the behaviors needed to drive toward that vision. Implementing an Ordinance with such limited scope risks short-stopping more comprehensive consideration and problem-solving. The Homer comprehensive plan is a good opportunity to tackle the larger issue and develop a coordinated set of requirements that an Ordinance or series of Ordinances, if deemed necessary, could be based on.

- A major concern throughout the community is that the assumptions about the impact of short-term rentals are not backed by data. More data is needed to identify issues more precisely and develop appropriate solutions.
- Definitions and alignment with Homer Code 21.51.100. What does Operator mean in both, what does bed & breakfast mean in both. Does 21.51.100 only apply to a bed & breakfast or any STR?
- Make sure the permit requirements can be implemented -- for example 5.48.030.c. in many cases cannot be complied with because some of the online travel agents (OTAs) we use, such as Booking.com, do not allow properties to write their own business descriptions and do not have a field to enter and display a permit number.
- Any future permitting or registration process should determine whether the property is owner-occupied or, at minimum, operator-occupied. Ask for permanent residence address of owner. Either enforce or change the existing code 21.51.100 with community input. There is a high level of concern about maintaining quality of neighborhoods and not having commercial hospitality businesses next door.
- How will the Ordinance be enforced? It states that location details and ownership of STRs are not readily available and that ongoing efforts to ID STRs have identified a "small fraction" of what's estimated. Without enforcement, we believe the businesses that already are in compliance will apply; those who want to fly under the radar will continue to do so.
- With regards to sales tax collection, a local business license would have more impact than targeting a single business sector. In addition, having all businesses register would provide the City more comprehensive information about local business sectors

The issue of Short-Term Rentals is multifaceted and complex. We believe the City needs to better define and verify the issues of concern and develop a more comprehensive approach to ensure STRs play an appropriate role in the community.

THANKS for your consideration of our thoughts.

Electronic Signature

Marcia Kuszmaul

I understand that checking this box constitutes a legal signature confirming that I acknowledge and agree that I am the person identified above and that I acknowledge and agree to the above Terms of Acceptance.

Source URL: <https://www.cityofhomer-ak.gov/node/60081/submission/51729>

Links

[1] <https://www.cityofhomer-ak.gov/cityclerk/submit-written-testimony-city-council>

Kathryn Carssow
PO Box 3518
Homer, Alaska 99603

February 21, 2024

Mayor Ken Castner
City Council Members
City of Homer, Alaska

Dear Mayor Castner and City Council Members,

I would appreciate your considering the following with regard to Short Term Rentals, referred to in our zoning ordinance as “bed and breakfasts.”

Our current zoning ordinance, 21.51.100 Bed and breakfast facilities. reads:

a. A bed and breakfast must be accessory to and in a dwelling occupied by the operator as the operator’s primary residence.

The 2018 comprehensive plan specifies the same:

"for purposes of this plan, a B&B is defined as lodging where owner proprietor resides on site."

This should assure us that the houses next door, across the street or down a block are occupied by people and families that we think of as our “neighbors.” Neighbors are people and families whom we come to know, with whom we build relationships, whom we help out from time to time and who help us out. Knowing our neighbors contributes to our feelings of safety and wellbeing and, in turn to the social capital of our community. Knowing our neighbors contributes to our feelings of safety and wellbeing and, in turn to the social capital of our community.

The proposed STR ordinance needs to be consistent with our zoning law as well as state laws (attached). It must be clear that what was known as “bed and breakfasts” in 2018, when that was the common term, and, are now also known as STRs and by other names, are not allowed to operate in houses that are not in or accessory to the operator’s primary residence. It needs to discourage people from buying houses in our neighborhoods, not to be our neighbors, but to operate as hospitality businesses, or what state law refers to as “public accommodations.”

As our community foresaw in adopting the zoning ordinance and 2018 comprehensive plan, a bed and breakfast happening in or accessory to the primary residence of the owner, can and has worked pretty well in our neighborhoods. We still have a neighbor there. And their having paying guests is not much different than my having family and friends visiting overnight,

As many of us have learned the hard way, due to lack of zoning enforcement, this invasion of our neighborhoods by AirBnB and VRBO rental businesses is already happening.

Sitka, Soldotna, Seward and Ketchikan are a few examples of the many other communities that are doing what Homer did, via our zoning ordinance: they are limiting STRs in residential zones to only those on the operator’s premises.

At the Strong Towns presentation, the speaker and others addressed the threat posed by people, who reside out-of-state buying houses in Homer intending to operate STRs. Some argue that this is not a problem yet. Others believe non-owner-occupied STRs are taking houses off the market, causing housing shortages, and impacting our neighborhoods already. Regardless, now is the time act to protect our neighborhoods from becoming victims of the hospitality industry.

My recommendation is to start with the zoning ordinance.

- **Make any zoning code clarification necessary, e.g. that “bed and breakfast” and “short term rental” are synonymous. Distinguish them from “hostels” and “rooming houses,” if necessary. I would argue that it isn’t, but any further clarification will only help.(1)**
- **Require permits for STRs, as proposed, to ensure zoning code and state law knowledge and compliance and business tax registration. This is no more onerous than requiring building permits for the same purposes.**

I further recommend that the city follow-up when residents report a non-owner-occupied STR operating in their neighborhood. This should have been happening all along. I also recommend that the city notify AirB&B and VRBO that non-owner-occupied STRs are in violation of Homer’s zoning ordinance.

Thank you,
Kathryn Carssow

Footnote:

(1) If I’m understanding correctly, the planning staff is arguing that they are unable to enforce the B&B owner-primary-premises requirement because of confusion between what constitutes a “bed and breakfast” verses a “hostel,” versus a “rooming house.” 21.03.040 Definitions used in zoning code requires basic logic, as zoning code application does, but is sufficiently clear to make these distinctions.

The Rural Residential zone permits bed and breakfasts and hostels, but not rooming houses. And clearly, non-owner-occupied bed and breakfasts are not permitted.

“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.”

“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.

- “Dormitory” means a building or portion of a building that provides one or more rooms used for residential living purposes by a number of individuals that are rented or hired out for more than nominal consideration on a **greater than weekly or pre-arranged basis**. A building or **structure that provides such rooms on less than a weekly basis shall be classified as a “hotel” or “motel,” “rooming house,” or other more suitable classification.** “Dormitory” **excludes** hotel, motel, shelter for the homeless and **bed and breakfast.**

The Urban Residential and Office Residential zones allow “bed and breakfasts,” “hostels,” and “rooming houses.”

““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.**”

- ““**Guest room**” means a single unit for the accommodation of guests **without kitchen or cooking facilities** in a bed and breakfast, rooming house, hotel or motel.”

So, a rooming house, hotel, motel and bed and breakfast, can rent out “guest rooms” without kitchen or cooking facilities. If someone is making a whole house with kitchen facilities available for short term renting, and that house is not their primary residence, it is out of compliance with the zoning ordinance. It’s not a “rooming house” nor is it a permitted “bed and breakfast.” To rent out “guest rooms” as a “bed and breakfast” it must be owner occupied, per the definition above of “bed and breakfast.” It can’t be both a “bed and breakfast” and a “rooming house” if the renter is renting the whole house that is not the owner’s primary residence.

Hence, a house made available for short term renters that is not the primary residence of the owner operator, is out of compliance with our zoning code. This is regardless of whether it is called a “short term rental,” a “vacation rental,” or a “short term unit,” or by any other name. In our zoning code, it is called a “bed and breakfast” and it must be the owner-operator’s primary residence.

Thanks for your diligence in walking through this with me.
-KC



MEMORANDUM

Ordinance 24-12, An Ordinance of the City Council Of Homer, Alaska, Amending the FY24 Capital Budget by Appropriating \$30,000 from the Port Reserves Fund for the Purpose of Issuing a Task Order to HDR Engineering in an Amount Not To Exceed \$30,000 for Professional and Technical Assistance with a FY2024 Port Infrastructure Development Program Grant Application To Replace Float Systems 4 and 1 in The Small Boat Harbor. City Manager/Port Director

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: February 5, 2024
From: Port Director Hawkins and Special Projects Coordinator Carroll
Through: Rob Dumouchel, City Manager

Summary Statement: The purpose of this Memorandum is to recommend appropriating Port & Harbor Reserve Funds and authorize a Task Order to HDR Engineering to assist with a FY24 Federal PIDP Grant application for replacing Float Systems 4 and 1 in the Homer Small Boat Harbor.

Background: A 2023 Comprehensive Harbor Assessment rated Float Systems 4 and 1 in serious to critical condition; replacing them is a 2022 Council Priority and a Legislative priority project in the City's FY25 Capital Improvement Plan.

The City has looked to the Federal Port Infrastructure Development Program (PIDP), with augmented funding from the five-year Federal Infrastructure Improvement and Jobs Act, as a key opportunity to leverage outside funds for the project. The City applied for Federal PIDP assistance for the float replacement project in FY2023. The FY23 application made it to the Secretary of the US Department of Transportation for final funding consideration, but was ultimately not selected for award.

In an application debrief, the US Department of Transportation Maritime Administration (MARAD) encouraged the City to reapply for PIDP funding and offered recommendations for strengthening the application. MARAD recently issued a preliminary Notice of Funding for the FY2024 PIDP and staff have been strategizing on submitting a stronger application in the FY24 funding round.

HDR Engineering, a Term Contractor with the City assisted Harbor administrative staff and Special Projects Coordinator Carroll with the FY2023 application. HDR provided invaluable expertise in the area of Cost Benefit Analysis and other technical aspects of the application. Staff feels a FY24 PIDP

application will similarly benefit from participation from HDR and requested a cost estimate from HDR. See Task Order attached.

Recommendation: Adopt Ordinance 24-12 to appropriate funds and authorize the City Manager to negotiate and execute a Task Order to HDR Engineering to assist with a FY24 PIDP Grant application to replace harbor float systems in critical and serious condition.

TASK ORDER #24-02 IIJA Grant Assistance

This Task Order pertains to an Agreement by and between the City of Homer, (“OWNER”), and HDR Engineering Inc., (“ENGINEER”), dated February ____, 2024, (“the AGREEMENT”). Engineer shall perform services on the project described below as provided herein and in the Agreement.

PART 1.0 PROJECT DESCRIPTION

Update the City’s FY23 PIDP Application and submit for FY24 PIDP.

PART 2.0 SCOPE OF SERVICES TO BE PERFORMED BY ENGINEER

Task 1: FY24 PIDP Application and BCA

This scope describes HDR’s approach to updating The City’s FY23 PIDP Application and submitting it to the FY24 PIDP funding opportunity.

We propose to coordinate and lead The City’s PIDP application development process while working closely with City staff to agree on key strategic decisions. At least two rounds of review will confirm that the application captures the essence of The City’s needs, plans, and expected impacts, and aligns with federal grant program priorities.

1.1 Initial Application Internal Review

HDR will select two senior grant writers who have either reviewed grants for MARAD or won PIDP grants under IIJA. These grant writers will read the FY23 agency debrief notes, Gateway Director notes, and then review the FY23 application in detail to provide critical comments aimed at strengthening the application. They will provide suggestions for addressing deficiencies identified in the FY23 debrief and strategies for addressing Gateway Director recommendations.

1.2 Kick-Off Meeting, Grant Program Requirement Checklist, and Application Management

Working closely with The City’s staff, HDR will discuss the project and develop a unique work plan and schedule to address the specific application requirements, including grants.gov workspace and supporting documentation, data, and analyses. This schedule will be used to monitor progress, identify critical path items, meet client deadlines, and document issues and concerns as they arise.

HDR will hold a brief virtual kickoff meeting to:

- Review results of subtask 1.1
- Identify data and other substantive content needed to support the application
- Develop a schedule for grant application including discussing a small port/small harbor application strategy
- Develop a strategy for continuing MARAD advocacy

DELIVERABLES

- Grant application virtual kick-off meeting
- Strategic guidance
- Grant application work plan

- Brief virtual meetings weekly to coordinate on grant progress
- Oversight and coordination of tasks required to complete grant application
- Assistance preparing for grants.gov submission
- Shared file space

1.3 Grant Application Narrative

HDR will revise the narrative to strengthen it for FY24 PIDP, first focusing on areas identified in the agency debrief then reviewing the entire application. Our grant writing team will revise the narrative and supporting data analyses and guide The City in gathering relevant project documentation.

Concurrently, HDR’s graphic designer will utilize the FY23 application template and provide minor updates for dates, pagination, and flow as required by document revisions for FY24 application.

Our team will deliver a draft version of the Application Narrative in MS Word for review and a final version of the Application Narrative in PDF for submission, including the Work Plan appendix and letters of support. We will work with The City to prepare for final submission at least a day before the application deadline, when City staff will upload the documents onto the grants.gov web portal.

This scope assumes no major merit or selection criteria changes between the FY 2023 NOFO and FY 2024 NOFO.

DELIVERABLES

- Draft and final versions of a clear, concise, and narrative that answers grant evaluation metrics
- Draft and final layout templates

1.4 BCA

HDR will update the BCA to meet current BCA guidelines and revise the percentage of O&M benefits. Further work on the BCA is not anticipated at this time.

DELIVERABLES

- BCA narrative and calculation workbook

1.5 Post-Application Debrief

HDR will attend an application debrief to garner lessons learned from the funder’s project review.

DELIVERABLES

- Virtual attendance at debrief meeting and a summary and discussion of lessons learned

Level of effort breakdown and assignment of work on the application can be summarized as follows:

Document/Section	Level of Effort	HDR Initial QC	The City	HDR Writing Team	HDR Final QC
1. Intro Info	Review	n	n	Review	y
2. Project Description & Location	Review & revise	y	Provide data/new content; Review draft & approve final	Review & revise	y
3. Merit Criteria (4)	Rewrite 3 (safety, sustainability, jobs); Review & revise others; Safety & equity likely to need data	y		Rewrite/Update	y

Document/Section	Level of Effort	HDR Initial QC	The City	HDR Writing Team	HDR Final QC	
4. Selection Considerations (3)	Rewrite 1 (technical capacity – budget & org capacity); Review & revise others	y	Provide data & new content; Review draft & approve final	Update	y	
5. Project Readiness	Update	y		Update	y	
		y			y	
6. Budget	Review & revise	y			y	
7. Domestic Preference		y			y	
8. Statutory Determinations		y			y	
9. Schedule (document)		y			y	
10. Funding Commitment Documentation		y			n	y
11. Letters of Support	Get letters with current date & signatures – include data	n			Draft & complete	y
12. BCA	Update per current BCA guidelines & to address percentage of O&M costs	n	n	y	y	
13. Forms	Update	n	Update		y	
14. Tech edit		n	y	n	n	
15. Document compilation		n	n	y	n	
16. Grants.gov upload & submission		n	y	n	n	

PART 2.0 OWNER’S RESPONSIBILITIES

Owner shall provide:

- 1) Financial documentation
- 2) Project information and data
- 3) Liaison staff
- 4) Technical editing
- 5) PIDP application certification and submission

PART 3.0 DELIVERABLES AND SCHEDULE

Deliverables are detailed in subtasks above.

HDR will perform this task between February __, 2024 and the PIDP grant submission deadline of April 30, 2024. This task order will conclude after the application debrief, which is anticipated by December 30, 2024.

PART 4.0 PAYMENTS TO ENGINEER

Fee will be based on a not to exceed T&M contract price of \$_____.

This Task Order is executed this _____rd day of February, 2023.

City of Homer
"OWNER"

HDR Engineering, Inc.
"ENGINEER"

By: Rob Dumouchel

By: Matthew Stone, PE

Signature: _____
Title: City Manager

Signature: _____
Title: Alaska Area Manager/Vice President

DRAFT

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>PIDP - HDR Task Order</u>	DATE	<u>02/06/2024</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 30,000</u>		

DESCRIPTION	<p>The City has long recognized the need to replace floats in the Small Boat Harbor that are past or near the end of their useful life; the project is designated a Legislative Priority project in the City's FY25 Capital Improvement Plan. In 2023, the City contracted with HDR to assist with a FY2023 Port Infrastructure Development Program grant application for Federal assistance to replace Float Systems 4 and 1 in Homer's Small Boat Harbor.</p> <p>After Federal review, the City's project, Homer Port FREIGHT, was submitted to the Secretary of the US Department of Transportation for final funding consideration, but was ultimately not selected for award. In a debrief of the Homer Port FREIGHT submission with PIDP program officials, the City of Homer was highly encouraged to resubmit a proposal in the FY2024 PIDP grant cycle. The US Department of Transportation Maritime Administration has published a preliminary Notice of Funding Opportunity for the FY 2024 PIDP for projects that improve the safety, efficiency, and reliability of the movement of goods into, out of, around, or within a port. To be successful an application must demonstrate competitiveness on a national level in alignment with the program goals and the benefits provided by the project, which requires significant project planning time, engagement of partners and the public, environmental review, technical and benefit-cost analyses, identification of matching funds and grant writing.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
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"OWNER"

HDR Engineering, Inc.
"ENGINEER"

By: Rob Dumouchel

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DRAFT

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>PIDP - HDR Task Order</u>	DATE	<u>02/06/2024</u>
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**CITY OF HOMER
HOMER, ALASKA**

City Manager/Port Director

ORDINANCE 24-12

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING \$30,000 FROM THE PORT RESERVES FUND FOR THE PURPOSE OF ISSUING A TASK ORDER TO HDR ENGINEERING IN AN AMOUNT NOT TO EXCEED \$30,000 FOR PROFESSIONAL AND TECHNICAL ASSISTANCE WITH A FY2024 PORT INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT APPLICATION TO REPLACE FLOAT SYSTEMS 4 AND 1 IN THE SMALL BOAT HARBOR.

WHEREAS, The City has long recognized the need to replace floats in the Small Boat Harbor that are past or near the end of their useful life; the project is designated a Legislative Priority project in the City’s FY25 Capital Improvement Plan; and

WHEREAS, In 2023, the City contracted with HDR to assist with a FY2023 Port Infrastructure Development Program grant application for Federal assistance to replace Float Systems 4 and 1 in Homer’s Small Boat Harbor; and

WHEREAS, After Federal review, the City’s project, Homer Port FREIGHT, was submitted to the Secretary of the US Department of Transportation for final funding consideration, but was ultimately not selected for award; and

WHEREAS, In a debrief of the Homer Port FREIGHT submission with PIDP program officials, the City of Homer was highly encouraged to resubmit a proposal in the FY2024 PIDP grant cycle; and

WHEREAS, The US Department of Transportation Maritime Administration has published a preliminary Notice of Funding Opportunity for the FY 2024 PIDP for projects that improve the safety, efficiency, and reliability of the movement of goods into, out of, around, or within a port; and

WHEREAS, To be successful an application must demonstrate competitiveness on a national level in alignment with the program goals and the benefits provided by the project, which requires significant project planning time, engagement of partners and the public, environmental review, technical and benefit-cost analyses, identification of matching funds and grant writing; and

42 WHEREAS, HDR, a term contractor with the City of Homer, has expertise with
43 transportation infrastructure project planning and developing Federal grant applications,
44 assisted city staff with the FY23 PIDP grant application and attended the application debrief;
45 and

46
47 WHEREAS, Administration requested a proposal from HDR to provide FY2024 PIDP
48 application revision and resubmission support.

49
50 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

51
52 Section 1. The Homer City Council hereby amends the FY24 Capital Budget by
53 appropriating \$30,000 as follows:

54

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	2024 PIDP Application & BCA	\$30,000

57

58 Section 2. The Homer City Council hereby authorizes a Task Order to HDR Engineering
59 to assist the City with developing and writing a FY24 PIDP grant application in an amount not
60 to exceed \$30,000 and authorizes the City Manager to negotiate and execute the appropriate
61 documents.

62
63 Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall
64 not be codified.

65
66 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____,
67 2024.

68
69 CITY OF HOMER

70
71 _____
72 KEN CASTNER, MAYOR

73 ATTEST:

74
75 _____
76 MELISSA JACOBSEN, MMC, CITY CLERK

77
78 YES:

79 NO:

80 ABSTAIN:

81 ABSENT:

82

- 83 First Reading:
- 84 Public Hearing:
- 85 Second Reading:
- 86 Effective Date:



MEMORANDUM

Ordinance 24-13, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating \$7,350 from the Port Reserves fund for the Purpose of Issuing at Task Order to Alaska Harbors Consulting, LLC. in an Amount not to Exceed \$7,350 for Design and Cost Estimating Services in Support of the City's FY2024 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: January 30, 2024
From: Port Director Hawkins and Special Projects Coordinator Carroll
Through: Rob Dumouchel, City Manager

Summary Statement: The purpose of this Memorandum is to recommend appropriating Port & Harbor Reserve Funds and authorize a Task Order to Alaska Harbors Consulting, LLC to provide professional services related to a FY24 Federal PIDP Grant application for replacing Float Systems 4 and 1 in the Homer Small Boat Harbor.

Background: A 2023 Comprehensive Harbor Assessment rated Float Systems 4 and 1 in serious to critical condition; replacing them is a 2022 Council Priority and a Legislative priority project in the City's FY25 Capital Improvement Plan.

The City has looked to the Federal Port Infrastructure Development Program (PIDP), with augmented funding from the five-year Federal Infrastructure Improvement and Jobs Act, as a key opportunity to leverage outside funds for the project. The City applied for Federal PIDP assistance for the float replacement project in FY2023. The FY23 application made it to the Secretary of the US Department of Transportation for final funding consideration, but was ultimately not selected for award.

In an application debrief, the US Department of Transportation Maritime Administration (MARAD) encouraged the City to reapply for PIDP funding and offered recommendations for strengthening the application. Among the recommendations was 30% design and an engineers' cost estimate, including Build America, Buy America specifications.

MARAD recently issued a preliminary Notice of Funding Opportunity for the FY2024 PIDP and staff have been strategizing on submitting a stronger application in the FY24 funding round. Kim Nielson of Alaska Harbors Consulting, LLC, a Term Contractor with the City, performed the Homer Harbor

Condition Assessment in 2022 and has experience working with design for other successful Alaskan float replacement projects, including for Cordova and Seward harbors. Administration requested a cost estimate from Alaska Harbors Consulting LLC. See Task Order attached.

Recommendation: Adopt Ordinance 24-13 to appropriate funds and authorize the City Manager to negotiate and execute a Task Order to Alaska Harbors Consulting, LLC to provide design and cost estimating services for a FY24 PIDP Grant application to replace harbor float systems in critical and serious condition.

TASK ORDER # 1

Homer FREIGHT PIDP Grant Application Support

In accordance with Paragraph 1.01 of the Agreement Between Owner and Engineer for Professional Services – Task Order Edition, dated [February 26, 2024](#) ("Agreement"), Owner and Engineer agree as follows:

1. Background Data

- a. Effective Date of Task Order: [February 26, 2024](#)
- b. Owner: [City of Homer, Alaska](#)
- c. Engineer: [Alaska Harbor Consulting, LLC](#)
- d. Specific Project (title): [Homer FREIGHT Concept Design & Estimate](#)

2. Services of Engineer

A. The specific services to be provided or furnished by Engineer under this Task Order are:

1. Consult with Owner to define and clarify Owner's requirements for the Project and available data. Work with City staff to provide base drawings, and redlines for concept design drawings in AutoCAD to be completed by City staff.

2. Prepare Deliverables to include: a schematic layout(s), sketches and conceptual design criteria with appropriate exhibits as necessary to communicate the project limits, scope of work, and other Engineer-recommended and/or agreed-to requirements. The Deliverables will be accompanied by: Engineer's opinion of Total Project Costs with each component separately itemized, including the following, which will be separately itemized:

- a. Opinion of Probable Construction Cost, including a breakdown itemization of major work elements and citing backup data sources by which the unit costs were derived.
- b. Allowances for contingencies and for the estimated total costs of design, professional, and related services and,
- c. On the basis of information furnished by Owner, allowances for other items and services included within the definition of Total Project Costs.

3. BABA documentation: Prepare a list of materials and suppliers that are *typical* to a marina float project in Alaska, including an example letter(s) of BABA certification from supplier(s) from other projects. However, because the Contractor who will build the project is not yet known, and the suppliers are not yet known, the BABA documentation effort will focus on language and forms that will be included in the construction RFP and contract to demonstrate how the City will ensure the Contractor will comply with BABA per the grant agreement.

4. Furnish one electronic review copy of the Deliverables to Owner within the time period set forth in the Task Order.

5. Revise the Deliverables in response to Owner's and other parties' comments, as appropriate, and furnish one revised/final electronic copy of the revised Deliverables to the Owner within the time period set forth in the Task Order.

B. All of the services included above comprise Basic Services under this Task Order.

C. Additional Services: Owner may authorize Engineer in writing to furnish or obtain from others Additional Services. The Task Order shall be amended to reflect the inclusion of such Additional Services.

3. Owner's Responsibilities

Owner shall have those responsibilities set forth in Article 2 of the Agreement, subject to the following amendments:

1. Owner shall provide AutoCAD drafting services. Engineer will provide AutoCAD files and hardcopy redlines of all revisions to the base drawings, as well as typical details to be included in the Concept Design drawings to be prepared for the grant application submittal. Alternately, more simplistic not-to-scale figures may be prepared by Engineer and/or drafting services may be procured as a subconsultant service, at an additional cost upon Owner's request.

4. Task Order Schedule

A. The parties shall meet the following schedule:

Party	Action	Schedule
Engineer	Draft Deliverables	March 22, 2024
Owner	Review Comments	April 5, 2024
Engineer	Final Deliverables	April 19, 2024

B. Services under this Task Order will be considered complete on the date when the final Deliverables are sent.

5. Payments to Engineer

A. Owner shall pay Engineer for services rendered under this Task Order on a *Standard Hourly Rates and Reimbursable Expenses* (Time and Expenses) basis in accordance with the terms and provisions of Article 4 of the Agreement.

b. The Engineer's estimated fee for the scope of services described in this Task Order is **\$7,350**. A detailed breakdown of the fee estimate is shown in the table below or attached to this Task Order.

Compensation items and totals based in whole or in part on Hourly Rates or Direct Labor are estimates only. Lump sum amounts and estimated totals included in the breakdown by phases incorporate Engineer's labor, overhead, profit, reimbursable expenses (if any), and Consultants' charges, if any. Engineer may alter the distribution of compensation between individual phases (line items) to be consistent with services actually rendered, but shall not exceed the total compensation amount unless approved in writing by the Owner.

6. Terms and Conditions

Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

OWNER:

Owner: City of Homer

Signature: _____

Name: _____

Title: _____

Date: _____

ENGINEER:

Alaska Harbors Consulting, LLC:

Signature: 

Name: _____

Title: _____

Date: _____

Kimberly Nielsen, PE

Owner/Sr. Waterfront Engineer

1/30/24

DESIGNATED REPRESENTATIVE FOR THIS TASK ORDER:

Name:

Title:

Phone number:

Email:

DESIGNATED REPRESENTATIVE FOR THIS TASK ORDER:

Name: Kimberly Nielsen, PE

Title: Owner/Sr. Waterfront Engineer

Phone number: 907-301-4206

Email: AlaskaHarbors@gmail.com

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>PIDP - AHC Task Order</u>	DATE	<u>02/06/2024</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 7,350</u>		

DESCRIPTION	<p>City Council identified Small Boat Harbor float replacement as a high priority project in their 2022 Visioning session and designated it a Legislative Priority project in the City's FY25 Capital Improvement Plan. In 2023, the City submitted an FY2023 Port Infrastructure Development Program (PIDP) grant application for Federal assistance to replace Float Systems 4 and 1 in Homer's Small Boat Harbor.</p> <p>After Federal review, the City's project, Homer Port FREIGHT was submitted to the US Department of Transportation Secretary's for final funding consideration, but was ultimately not selected for award. In a debrief of the Homer Port FREIGHT submission with PIDP program officials, the City of Homer was highly encouraged to resubmit a proposal in the FY2024 PIDP grant cycle with 30% design completion and an engineers' cost estimate, including Build America, Buy America specifications. The US Department of Transportation Maritime Administration has published a preliminary Notice of Funding Opportunity for the FY2024 PIDP and the City intends to reapply. Alaska Harbors Consulting, LLC, a term contractor for the City of Homer, completed a comprehensive harbor condition assessment, which informed the City's FY2023 PIDP grant application and attended an application review with the US Department of Transportation Maritime Administration.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 1,479,505</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 829,011</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 7,350</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 30,000</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 613,144</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

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

3 City Manager/Port Director

4 **ORDINANCE 24-13**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING
8 \$7,350 FROM THE PORT RESERVES FUND FOR THE PURPOSE OF
9 ISSUING A TASK ORDER TO ALASKA HARBORS CONSULTING, LLC
10 IN AN AMOUNT NOT TO EXCEED \$7,350 FOR DESIGN AND COST
11 ESTIMATING SERVICES IN SUPPORT OF THE CITY'S FY2024 PORT
12 INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT
13 APPLICATION TO REPLACE FLOAT SYSTEMS 4 AND 1 IN THE SMALL
14 BOAT HARBOR.

15
16 WHEREAS, City Council identified Small Boat Harbor float replacement as a high priority
17 project in their 2022 Visioning session and designated it a Legislative Priority project in the
18 City's FY25 Capital Improvement Plan; and

19
20 WHEREAS, In 2023, the City submitted an FY2023 Port Infrastructure Development
21 Program (PIDP) grant application for Federal assistance to replace Float Systems 4 and 1 in
22 Homer's Small Boat Harbor; and

23
24 WHEREAS, After Federal review, the City's project, Homer Port FREIGHT was submitted
25 to the US Department of Transportation Secretary's for final funding consideration, but was
26 ultimately not selected for award; and

27
28 WHEREAS, In a debrief of the Homer Port FREIGHT submission with PIDP program
29 officials, the City of Homer was highly encouraged to resubmit a proposal in the FY2024 PIDP
30 grant cycle with 30% design completion and an engineers' cost estimate, including Build
31 America, Buy America specifications; and

32
33 WHEREAS, The US Department of Transportation Maritime Administration has
34 published a preliminary Notice of Funding Opportunity for the FY2024 PIDP and the City
35 intends to reapply; and

36
37 WHEREAS, Alaska Harbors Consulting, LLC, a term contractor for the City of Homer,
38 completed a comprehensive harbor condition assessment, which informed the City's FY2023
39 PIDP grant application and attended an application review with the US Department of
40 Transportation Maritime Administration; and

42 WHEREAS, Administration requested a proposal from Alaska Harbors Consulting, LLC
43 to provide a 30% design and an engineer’s cost estimate for replacing Harbor Float Systems 4
44 and 1.

45
46 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

47
48 Section 1. The Homer City Council hereby amends the FY24 Capital Budget by
49 appropriating \$7,350 as follows:

50

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
51 456-0380	52 Float System Replacement Design 53 and Cost Estimate	54 \$7,350

55 Section 2. The Homer City Council hereby authorizes a Task Order to Alaska Harbors
56 Consulting, LLC for design and cost estimating services for replacing Float Systems 4 and 1 in
57 support of an FY24 PIDP grant in an amount not to exceed \$7,350 and authorizes the City
58 Manager to negotiate and execute the appropriate documents.

59
60 Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall
61 not be codified.

62
63 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____,
64 2024.

65
66 CITY OF HOMER

67
68 _____
69 KEN CASTNER, MAYOR

70 ATTEST:

71
72 _____
73 MELISSA JACOBSEN, MMC, CITY CLERK

74
75 YES:

76 NO:

77 ABSTAIN:

78 ABSENT:

79
80 First Reading:

81 Public Hearing:

82 Second Reading:

83 Effective Date:



MEMORANDUM

Ordinance 24-14, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Appropriating an Additional \$16,156 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund for a Bi-Directional Amplifier System for Homer Police Department and Microwave Links for Homer's Repeaters. City Manager.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: January 30, 2024
From: Police Chief Robl
Through: Rob Dumouchel, City Manager

The City Council adopted Ordinance 21-64 accepting and appropriating a grant in the amount of \$40,576 for Microwave Links and IP Radio Gateways for Homer's Repeaters from the State Homeland Security Grant Program. The project cost came in higher than the amount of grant funding received. Additional funding in the amount of \$16,156 from our CARMA account is requested to pay the additional costs.

This project was originally proposed and developed by our former IT director. The purpose of the project was to build two new IP based links to improve our radio communications and add additional capabilities to the system. The links are between dispatch and the antenna tower on the Spit, and dispatch and the antenna tower on Skyline Drive. These links carry traffic for both us and the fire department.

Pricing for this project was initially determined in 2021 and the grant was awarded the same year. For various reasons the project was delayed until 2023 and by this time market conditions had changed and prices had increased substantially. After another review by IT the project was re-bid in August of 2023 and the cost was determined to have increased by \$16,156.

The project completion date for this grant cycle was September 30th, 2023. We received an extension on the completion date to December but had to issue the purchase order within a few days of receiving the new bid and the project extension to ensure we could get the equipment here with enough time to get it installed, tested and meet the completion date without losing our grant funding. The overage can be covered by available funds within the operating budget, however, this ordinance requests an appropriation from General Fund CARMA to keep the expenses with that funding source.

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>Additional Funding - Bi Directional Amplifier</u>	DATE	<u>02/06/2024</u>
DEPARTMENT	<u>Police</u>	SPONSOR	<u>City Manager/Police Chief</u>
REQUESTED AMOUNT	<u>\$ 16,156</u>		

DESCRIPTION	<p>Ordinance 21-64 accepted and appropriated an FY 2021 State Homeland Security Program Grant in the amount of \$142,132 for a bi-directional amplifier system for the Homer Police Department and microwave links for Homer's repeaters. The City of Homer was awarded a grant from the State Homeland Security Grant Program in the amount of \$40,576 to implement the microwave links and IP radio gateways for Homer's repeaters. The project is to build two point-to-point IP-based links between dispatch and the antenna towers on the Spit and Skyline Drive, enhancing radio communications for both the police department and the fire department.</p> <p>The pricing for the project was determined in 2021, and the grant was awarded in September of the same year, however the project was delayed until 2023 and re-bid, revealing an increased cost of \$16,156 for the completion of the project.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	100%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: GF CARMA (156)	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 1,766,049</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 981,458</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 16,156</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 768,435</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 21-64

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA ACCEPTING AND APPROPRIATING AN FY 2021 STATE HOMELAND SECURITY PROGRAM GRANT IN THE AMOUNT OF \$142,132 FOR A BI-DIRECTIONAL AMPLIFIER SYSTEM FOR HOMER POLICE DEPARTMENT AND MICROWAVE LINKS FOR HOMER'S REPEATERS.

WHEREAS, The Alaska Division of Homeland Security and Emergency Management (DHS&EM) makes funds available to strengthen a City's ability to prevent, protect against, respond to and recover from all hazard events; and

WHEREAS, Effective emergency response operations are dependent on the delivery of timely communications; and

WHEREAS, The City recently became aware of two vulnerabilities in the City's emergency response communications systems that compromise delivery of timely communications, namely:

- Very low radio signal strength within the new Homer Police Department building, which jeopardizes officer and public safety if personnel are unable to pick up radio traffic when inside the building; and
- The one existing microwave link to one of Homer's repeater sites has insufficient capabilities to carry radio control, data, video and voice traffic for Homer Police Department and the other repeater site lacks a microwave link; and

WHEREAS, Purchasing and installing a bi-directional amplifier system in the Homer Police Department will strengthen signals to allow reliable communication between portable radios inside the building and the ALMR sites outside the building; and

WHEREAS, Purchasing and installing microwave links and IP radio gateways at two of Homer's repeater sites provides necessary communications capability and backup; and

WHEREAS, The City is pleased to have been awarded \$142,132 from the DHS&EM to purchase and install a Bi-directional amplifier system at the Police Department and microwave links for Homer's repeaters.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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Section 1. The Homer City Council hereby accepts and appropriates an FY2021 State Homeland Security Program Grant to the City of Homer in the amount of \$142,132 for the purposes as follows:

Revenue:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
	FY21 State Homeland Security Grant Program	\$142,132

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
	Homer Police Department Bi-Directional Amplifier System	\$101,556
	Microwave Links and IP Radio Gateways for Homer's Repeaters	\$ 40,576

Section 2. Homer City Council hereby authorizes The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

Section 4. Sole source procurement from the manufacturer is hereby authorized.

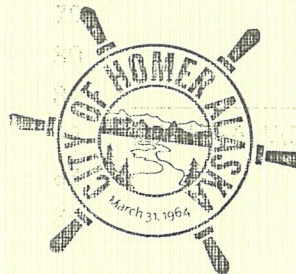
ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 8th day of November, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK



85 YES: 6
86 NO: 0
87 ABSENT: 0
88 ABSTAIN: 0
89
90 Introduction: 10.25.21
91 Public Hearing: 11.8.21
92 Second Reading: 11.8.21
93 Effective Date: 11.9.21

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

3 City Manager

4 **ORDINANCE 24-14**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING AN
8 ADDITIONAL \$16,156 FROM THE GENERAL FUND CAPITAL ASSET
9 REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND FOR A BI-
10 DIRECTIONAL AMPLIFIER SYSTEM FOR HOMER POLICE
11 DEPARTMENT AND MICROWAVE LINKS FOR HOMER'S
12 REPEATERS.

13
14 WHEREAS, Ordinance 21-64 accepted and appropriated an FY 2021 State Homeland
15 Security Program Grant in the amount of \$142,132 for a bi-directional amplifier system for the
16 Homer Police Department and microwave links for Homer's repeaters; and

17
18 WHEREAS, The City of Homer was awarded a grant from the State Homeland Security
19 Grant Program in the amount of \$40,576 to implement the microwave links and IP radio
20 gateways for Homer's repeaters; and

21
22 WHEREAS, The project is to build two point-to-point IP-based links between dispatch
23 and the antenna towers on the Spit and Skyline Drive, enhancing radio communications for
24 both the police department and the fire department; and

25
26 WHEREAS, The pricing for the project was determined in 2021, and the grant was
27 awarded in September of the same year, however the project was delayed until 2023 and re-
28 bid, revealing an increased cost of \$16,156 for the completion of the project.

29
30 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

31
32 Section 1. The Homer City Council hereby amends the FY24 Capital Budget by
33 appropriating an additional \$16,156 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
156	General Fund CARMA	\$16,156

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38 Section 2. Homer City Council hereby authorizes The City Manager is authorized to
39 execute the appropriate documents.

40
41 Section 3. This is a budget amendment ordinance, is not permanent in nature, and
42 shall not be codified.

44 ENACTED BY THE HOMER CITY COUNCIL this _____ day of February, 2024.

45

46

CITY OF HOMER

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KEN CASTNER, MAYOR

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52 ATTEST:

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56 MELISSA JACOBSEN, MMC, CITY CLERK

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58 YES:

59 NO:

60 ABSTAIN:

61 ABSENT:

62

63 First Reading:

64 Public Hearing:

65 Second Reading:

66 Effective Date:



MEMORANDUM

Ordinance 24-15, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Capital Budget by Accepting and Appropriating an FY22 State and Local Cybersecurity Grant (SLCGP) Award in the Amount of \$50,000 from the Alaska Division of Homeland Security and Emergency Management for the Completion of a Cybersecurity Risk Assessment. City Manager/Chief Technology Officer.

Item Type: Backup Memorandum
Prepared For: Mayor and City Council
Date: January 30, 2024
From: Bill Jirsa, Chief Technology Officer
Through: Rob Dumouchel, City Manager

I am pleased to report that the City has been awarded a FY2022 State and Local Cybersecurity Grant Program award from the Alaska Division of Homeland Security and Emergency Management in the amount of \$50,000 to conduct a comprehensive cybersecurity risk assessment.

Technology plays an increasingly important role in municipal operations and brings great efficiency and productivity to delivering City services. At the same time, though, the proliferation of the links between physical and digital systems increases the “attack surface” available to potential adversaries working remotely around the world and increases the kinds of risks that the City of Homer must manage. Recent cyberattacks such as the breach of small water utilities in Texas and Pennsylvania demonstrate that there’s no such thing as a small town on the internet.

Performing a comprehensive cybersecurity risk assessment is an important first step to establish a strong cybersecurity program. Although local IT teams may have a grasp on many of the threats, a formal assessment by cybersecurity experts serves as a structured method for prioritizing and addressing them in a risk management framework. This assessment not only establishes a baseline for ongoing enhancements but also positions the City to potentially receive future SLCGP funds for implementing cybersecurity improvements identified in the assessment. Accepting this grant funding would contribute significantly to the development of a robust cybersecurity program at the City of Homer.

Recommendation: Accept and appropriate the FY 2022 State Homeland Security and Emergency Management SLCGP Grant in the amount of \$50,000 for the purpose of contracting professional services to conduct a comprehensive Cybersecurity Risk Assessment in 2024.

**2022 State and Local Cybersecurity Grant Program
(SLCGP)**

Jurisdiction Total Allocations

Jurisdiction	Funding
Bristol Bay Borough	\$74,190.00
Native Village of Dot Lake	\$15,000.00
Fairbanks North Star Borough School District	\$91,140.00
City of Gustavus	\$12,000.00
Haines Borough	\$9,469.65
City of Homer	\$50,000.00
City and Borough of Juneau	\$75,000.00
City of Kake	\$21,500.00
Kake City School District	\$3,611.60
City of Ketchikan	\$35,000.00
Kodiak Island Borough	\$55,000.00
Lake and Peninsula Borough	\$10,000.00
Matanuska-Susitna Borough	\$97,000.00
City of North Pole	\$31,460.00
North Slope Borough School District	\$5,750.00
City of Nuiqsut	\$22,335.00
Pauloff Harbor Tribe	\$75,000.00
Petersburg City School District	\$4,140.80
City of Saint Paul	\$30,000.00
City of Sand Point	\$20,000.00
City of Seldovia	\$9,450.00
City of Seward	\$40,000.00
City of Shungnak	\$21,600.00
Municipality of Skagway	\$28,000.00
City of Soldotna	\$24,000.00
City of Tenakee Springs	\$8,850.00
City of Toksook Bay	\$11,000.00
City of Wasilla	\$35,000.00
City and Borough of Wrangell	\$50,000.00
Yakutat School District	\$3,317.60
Total Allocations	\$968,814.65

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

3 City Manager/
4 Chief Technology Officer

5 **ORDINANCE 24-15**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 AMENDING THE FY24 CAPITAL BUDGET BY ACCEPTING AND
9 APPROPRIATING A FY 2022 STATE AND LOCAL CYBERSECURITY
10 GRANT PROGRAM (SLCGP) AWARD IN THE AMOUNT OF \$50,000
11 FROM THE ALASKA DIVISION OF HOMELAND SECURITY AND
12 EMERGENCY MANAGEMENT FOR THE COMPLETION OF A
13 CYBERSECURITY RISK ASSESSMENT.

14
15 WHEREAS, The City of Homer recognizes the importance of cybersecurity in
16 safeguarding its digital infrastructure; and

17
18 WHEREAS, The Alaska Division of Homeland Security and Emergency Management
19 (DHS&EM) offers grants through the State and Local Cybersecurity Grant Program (SLCGP) to
20 assist local governments with managing and reducing systemic cyber risk; and

21
22 WHEREAS, The City of Homer applied for and has been awarded a FY 2022 SLCGP grant
23 in the amount of \$50,000 for the purpose of contracting information security professionals to
24 conduct a comprehensive cybersecurity risk assessment; and

25
26 WHEREAS, The completion of a formal cybersecurity risk assessment is crucial to
27 systematically understanding the specific threats and vulnerabilities faced by the City and
28 prioritizing what measures to employ in response to those threats.

29
30 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

31
32 Section 1. That the FY 2022 State Homeland Security & Emergency Management award of
33 \$50,000 from the State and Local Cybersecurity Grant Program is hereby accepted and appropriated
34 as follows and that the City Manager is authorized to execute the appropriate documents:

35
36

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
151-xxxx	DHS&EM FY2022 State and Local Cybersecurity Grant Program Grant for a Cybersecurity Risk Assessment	\$50,000

42 Section 2. This is a budget amendment ordinance, is temporary in nature and shall not
43 be codified.

44

45 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this XXth day of February, 2024.

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CITY OF HOMER

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49

KEN CASTNER, MAYOR

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51

52 ATTEST:

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54

MELISSA JACOBSEN, MMC, CITY CLERK

56

57 YES:

58 NO:

59 ABSTAIN:

60 ABSENT:

61

62 First Reading:

63 Public Hearing:

64 Second Reading:

65 Effective Date:



MEMORANDUM

Homer Harbor Expansion Study Monthly Written Update

Item Type: Informational Memorandum
Prepared For: Mayor and City Council
Date: February 22, 2024
From: Jenny Carroll, Special Projects and Communications Coordinator
Through: Rob Dumouchel, City Manager and Bryan Hawkins, Port Director

Purpose: This memorandum provides the Homer Harbor Expansion Study monthly written update to Homer City Council per Resolution 23-037.

The U.S. Army Corps of Engineers (USACE) Project Development Team (PDT)

Continuing study activities:

- USACE Vertical Team Alignment on the Project Management Plan (PMP): The scope and cost components of the PMP have Pacific Ocean Division (POD) approval; POD approval of the PMP is pending review and approval of work-in-kind related to the geophysical investigation and modeling activities. Confirming the study schedule in the PMP is pending release of President's FY25 Federal Budget.
- A two-day Ecological Modeling Workshop for environmental specialists is being organized.
- Homer Small Boat Harbor Vessel Economic Survey is routing through the USACE for approval.
- Permit applications are out to proceed with geotechnical investigations.
- Preparing to conduct environmental fieldwork in summer 2024 utilizing FY23 funds. This, coupled with completion of the geotechnical survey and core sampling plan will allow the USACE to move forward with design work when study activities resume in full.

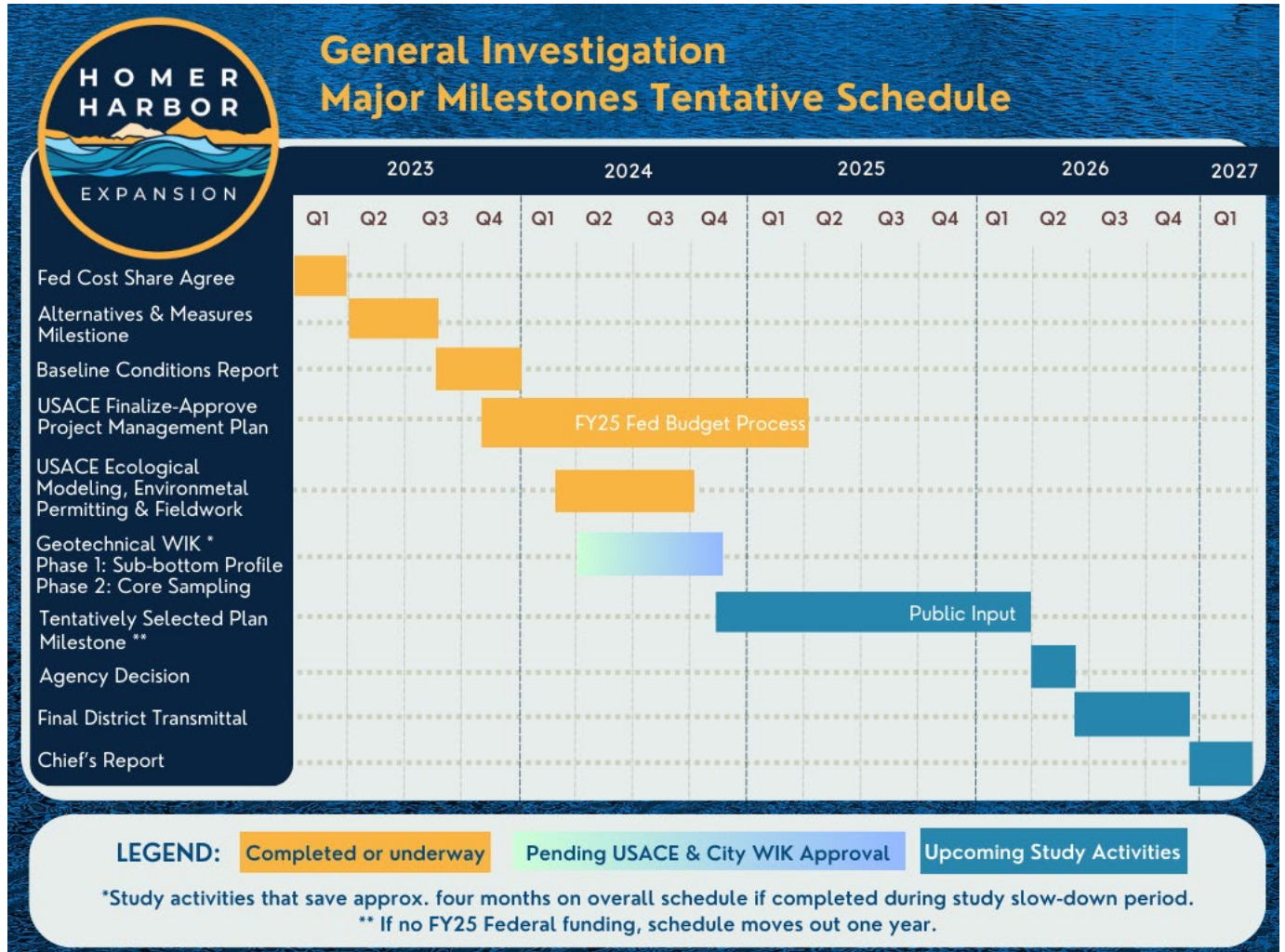
HDR – Owner Representative:

- Completed and submitted the Baseline Conditions Report for USACE PDT review.
- Presented overview of the Baseline Conditions Report to City Council at the January 22, 2024 meeting.
- Provides communications support on an as-needed basis.

City of Homer staff:

- Attended monthly USACE Project Development Team meeting and weekly meeting with HDR.
- Provided updated HHE State Legislative Request materials for advocacy in Juneau during AML's 2024 Winter Legislative Conference, February 20-22, 2024.
- Ongoing Communications/outreach: Information and updates about the study are being disseminated through the Homer Harbor Expansion website, the City's monthly newsletter, the City of Homer Facebook and Instagram pages and through HHE email subscriber list as needed.

During the HHE Quarterly Report on January 22, 2024 there was a request for a timeline of HHE General Investigation activities. A Major Milestone tentative schedule is provided below.



RECOMMENDATION:
 Informational Only.

FY23 Project Supported	TPC	Grant Fund	Grant Funds Req	Match/Local Cost	Status	Notes
Slope Stability-Erosion Mitigation Program						
Kachemak Drive Peatland Water Quality Improvement (Kahcemak Sponge)	\$4,388,791	NOAA Habitat Conservation KBNERSS led/City partner	\$ 1,188,275.00 (land acquisition)	\$ 418,000.00 (land acquisition)	Submitted Awarded 4/1/2023 Award Executed	UAA accepted award; sent sub-award agreement to City Ord 23-46 to accept sub-award introduced 6/26/23 Grant is for Kachemak Drive peatlands acquisition
Beluga Slough Stormwater Treatment System	\$ 690,000.00	Alaska Clean Water Actions	\$ 153,307.00	\$ 107,182.00	Submitted 11/9/2022 Awarded 3/1/2023 Accepted via Ord 23-16(S)	City Council approved grant agreement Ord City costs in-kind + eligible for funds from ADEC Clean Water Revolving Loan Fund
Transportation						
Transportation Planning	\$ 960,000.00	Safe Streets For All KPB Applic/City partner	\$ 960,000.00	\$ 23,000.00 (in-kind)	Award announced KPB executing grant agreement	Application approved Reso 22-063
Non-Motorized Trans Network (REACH Project)	\$ 2,050,000.00	Fed FY24 RAISE Planning Grant	\$ 2,050,000.00	\$ -	Grant deadline 2/28/24	FY23 RAISE REACH application made to Sec. of Transportation Desk; not awarded by a Merit application and encouraged to apply in FY24. Reso 24-007 approving HDR grant writing assistance Reso 24-018 Supporting FY24 application
Homer All-Ages & Abilities Pedestrian Pathway	\$ 3,900,000.00	State of AK Transportation Alternatives (TAP)	\$ 3,432,000.00	\$ 468,000.00	Submitted 2/15/2023 Advanced to final round: Public Evaluation Board (PEB) Awaiting DOT cost estimate (AK DOT&PF manages/constructs project)	HAPP sections in PW's 5-year road plan Project support Reso 23-011 approved Date of PEB Review pending Unknown award date; Perf period end date June '25 (\$500,000 set aside in HART for grant matching)
Main Street Rehab/ Sidewalk South	\$ 4,200,000.00	State of AK Community Transportation Program (CTP)	\$ 3,696,000.00	\$ 504,000.00	Submitted 2/15/2023 Advanced to final round: Public Evaluation Board (PEB) Awaiting DOT cost estimate (AK DOT&PF manages/constructs project)	Main St in 7-10 year horizon in PW Road Plan Project support Reso 23-011 approved Date of PEB Review pending Unknown award date; Perf period end date June '25 (\$500,000 set aside in HART for grant matching)
Port & Harbor						
Float Systems 4 & 1 Replacement	\$ 59,289,547.00	FY24 Fed Port Infrastructure Development Projects (PIDP)	\$47,135,190	\$ 12,154,357.00 (20.5% match)	Grant deadline 4/30/24	FY23 applic made it to Secretary's desk but was not funded Added to draft STIP as illustrative project HDR application support Ords 24-12 & 24-13 pending Revenue bond or TIFIA loan for match
		Municipal Harbor Grant			Grant for construction only must complete design to apply	If funded, leverages State match to lower City match on Federal PIDP Grant
		Denali Commission Grant			Grant deadline 4/14/24	Can be used as non-Federal Match May not be competitive - \$1M max award Could apply in '24 for Design/Engineering

Grant Activity Update 2/22/2024

FY23 Project Supported	TPC	Grant Fund	Grant Funds Req	Match/Local Cost	Status	Notes
Fish Grinding Building Replacement & Drainage Improvements	\$ 374,978.00	ADFG Dingle-Johnson	\$ 250,000.00 (preliminary)	\$ 93,744.50 (preliminary)	Submitted 7/12/2022 Preliminary award announced 7/7/2023 \$41,950 awarded for Phase 1	\$100,000 allocated in FY23 City Capital Budget; for final design and partial match; additional match to meet 25% Ordinance to accept grant for Phase 1 pending
Building Code Development	\$ 587,500.00	State BRIC Sub-Grant (Building Resilient Infrastructure & Communities)	\$ 470,000.00	\$ 117,500.00 (covered by State of Alaska)	Submitted 12/21/2022 Accepted for further review Awaiting decision	Council Approved application Reso 22-086 As a sub-applic State covers local match
Parks & Recreation						
Bayview Park Renovations	\$ 139,230.00	State of AK Healthy & Equitable Community Round 2	\$ 74,919.00	\$ 52,314.00 Addl redistribution funds requested	Submitted 4/24/2023 Awarded 5/8/2023 Accepted via Ord 23-36	Council Approved Resolution 23-031 \$12,000 donation from Kach Bay Rotary Additional funds from HART approved in COH Cap budget
HERC HazMat Assessment & Remediation		EPA Multipurpose Brownfield Federal Discretionary Grant	\$1,000,000		Submitted 11/13/2023	Council Approved Resolution 23-117
Utilities - Infrastructure Resilience						
Spit Road Erosion Mitigation	\$ 1,812,052.00	Federal PROTECT Grant	\$ 1,812,052.00	-	Submitted 8/18/2023 Awaiting Decision	Application requested planning funds for Homer Spit Erosion Mitigation. City of Homer is project sponsor, but if awarded City will enter MOU with DOT to implement grant activities AML working w/ State of AK on Application
Raw Water Transmission Main		FEMA Disaster Mitigation	\$ 1,988,650.00 (direct project costs)	-	Submitted 1/30/2020 Obligating Award Document Recd 11/3/2023	4/11/23: Responded to latest FEMA request for information 5/2/23: Congressional Delegation approved award 7/11/23: FEMA Received Period of Performance Waiver 11/13 Ordinance to accept the grant approved
IT - Communications						
FY22 Cybersecurity (City-wide Cybersecurity Assessment and Remote Backup System for Cybersecurity Response & Recovery)	\$ 252,794.00	AK Division of Homeland Security FY22 State & Local Cybersecurity Grant Program	\$ 50,000.00	-	Submitted 8/31/2023 Award announced	\$50,000 awarded for Cybersecurity Assessment Ord to accept pending
FY22-23 Cybersecurity Remote BU system, others	TBD	AK Division of Homeland Security	TBD	-	3/8/2024 Grant Deadline	Staff working to develop application
Public Safety Communications (HPD Backup Repeater & Radio Equip HVFD APX-600 Radio Upgrade)	\$ 119,046.56	AK Division of Homeland Security FY23 State Homeland Security Grant Program	\$ 88,196.56	\$ -	Submitted 1/31/2023 Prelim Award Announcement 9/18/2023 Obligating Award Document Recd	11/13 Ordinance to accept approved

designates grants awarded

designates grants NOT awarded

designates updates since the 11/02/23 grant update



MEMORANDUM

Police Station Debt Service Fund – Financial Reconciliation Update

Item Type: Informational Memorandum
Prepared For: Mayor and City Council
Date: February 21, 2024
From: Elizabeth Fischer, Finance Director
Through: Rob Dumouchel, City Manager

BOND BACKGROUND:

The City of Homer authorized the issuance of a General Obligation Bond for the construction of the police station totaling \$4,100,000 for a term of 15 years. Each year two payments are due (interest/principal on May 1 and interest only on November 1).

The following statement is included in the loan agreement with the Alaska Municipal Bond Bank:

Optional Prepayment: The Municipal Bond principal installments due on or after May 1, 2030 are subject to prepayment in whole or in part at the option of the Borough on any date on or after May 1, 2030, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date of prepayment.

FINANCIAL INFORMATION:

Attached to this memo is a fund reconciliation for the Police Station Debt Service Fund (Fund 154). This chart represents the current fund balance (as of 1/31/24) for the debt service and it illustrates the outstanding debt balance.

FY24 YTD represents the sales tax revenue received fiscal year to date and the remaining budgeted sales tax. This remaining amount is the difference between the budgeted sales tax for this fund and the actual revenue received year to date. The debt payment amounts include the actual interest payment made in November 2023 and the scheduled interest/principal for May 2024. The ending balance for FY24 is currently estimated to be \$2,173,535 and the outstanding debt balance is \$3,050,000 at the end of the year. This leaves a funding gap of \$876,465.

Using budgeted sales tax revenue and the amortization schedule for expenditures, the funding gap is currently projected to decrease to \$99,705 by the end of FY25. We anticipate to have collected enough through sales tax revenue to pay the bond by 12/31/25. However, we are unable to prepay the bond until 2030.

RECOMMENDATION:

Informational Only.