

**CITY OF UNALASKA  
UNALASKA, ALASKA  
WORK SESSION  
TUESDAY, DECEMBER 2, 2014, 6:00 P.M.**

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The Work Session of the Unalaska city Council was called to order at 6:00 p.m., December 02, 2014, in the Unalaska City Hall Council chambers.

PRESENT      Roger Rowland  
                    Zoya Johnson  
                    Alejandro Tungul  
                    David Gregory  
                    Yudelka Leclere  
                    Shirley Marquardt, Mayor

ABSENT      Tom Enlow                      (Excused)

**PLEDGE OF ALLEGIANCE:** Mayor Marquardt led the Pledge of Allegiance.

**RECOGNITION OF VISITORS:** None.

**WORK SESSION:** Mayor Marquardt announced the standalone Work Session format of a two part presentation and discussion regarding Community Housing and City Employee Housing. Procedures for the Work Session were reviewed for the record.

**DISCUSSION:** HOUSING IN UNALASKA

City Manager Hladick addressed Council and gave an opening statement and brief history and overview of the housing issues in Unalaska and requested Council to give staff direction and encouraged community input following the presentation.

City Manager Hladick stated that City staff has been working on this issue for a long time and gave additional information as to actions taken by the Council to try and move toward a solution to the housing problem.

City Manager Hladick thanked the community for attending the Work Session.

**COMMUNITY HOUSING:**

Planning Director Reinders presented a Power Point presentation on Community Wide Housing. The presentation contained a Summary, Previous Council Action, Background Information, a Housing Plan that identified problems and needs, goals, strategies, accomplishments, possible solutions and possible next steps.

Mayor Marquardt opened the meeting for Public Input on the Community Housing issue.

**COMMUNITY INPUT:**

Dennis Robinson expressed positive comments regarding the presentation, commented on the need for the City to expand utilities, referenced using a "band aid" approach in the past but same problems persist, stated crux of the problem is development costs - primarily utility costs, shipping costs, property taxes and business personal property tax, stated he is opposed to the City owning housing, and suggested a business personal property tax exemption for rental housing. He referred to Interior Telephone and it's practices on installing lines in a new sub-division, commented the City was in the habit of having the customer to pay for utility installation, stated the initial cost is high and drove up other costs, referred to the City 8-Plex as not paying sales tax on fuel, expressed the need to expand the infrastructure,

stated possible reasons for owners not building on currently usable lots, gave examples of low return on investments, and discussed the need for private public partnerships.

Monica Henning expressed positive comments on the presentation, stated that because of high construction costs builders will not build unless there was a demand, referenced oil coming into the community to support new construction, questioned if there is an actual housing shortage, stated possible reasons why people may not want to rent currently available units as seen on the rolodex, encouraged the City to sell more lots, questioned maintenance costs on the 8-Plex, preferred to have RFP before City builds another 8-Plex, and encouraged further community input.

Roger Deffendall stated he would not like the City building housing, stated City does not pay property tax, referred to road maintenance to support his statement, stated how much he has paid in property tax, commented he would like to see City send out RFPs to builder, spoke of conversation with State Troopers, and referred to utility costs.

Rufina Shaishnikoff stated that City provided housing was a long standing issue with potential builders, stated City should not be involved in housing, stated it takes away incentive for private builders to develop, commented there is not a housing shortage, stated utilities are expensive, thanked City for paying part of utilities, requested City make it affordable to extend utilities.

Coe Whittern stated that he is a principle landowner, stated he has tried to keep an inventory of residential lots, stated no one from City asked him how they can help, stated he would welcome conversation, stated he is opposed to City as a landlord, stated City is lousy at it in terms of being business people, referred to City 8-Plex to support his statement, stated government money came from people, stated tax issues do not make for an even playing field, opposed Business Personal Property Tax, and stated that the City should put out RFPs.

Phyllis Whittern is opposed to City being in housing, stated she was not able to compete with City, stated this would discourage development by builders, gave examples of builder paying several taxes, stated community subsidizes City housing, commented that builder's expenses are greater than the City's expenses, stated opposition to Business Personal Property Tax, stated that the City needed to give builders some incentives to build, stated that no one from the City had asked her son about renting his new duplex, and reiterated Coe Whittern's statements regarding possible conversations between builder and City to assist with development.

Alyssa McDonald expressed positive comments regarding presentation, is opposed to the City getting into the business of rentals because the City cannot do it efficiently, stated if City were involved in rentals it would be at tax payers expense, and affirmed the need to have RFPs. She is not in favor of Business Personal Property Tax, requested possible abatement for developers and builders, stated a need for help with setbacks, is in favor of a housing web page, acknowledged the housing problem, commented expensive to build, and encouraged working together.

Zachary Schasteen stated there is a housing shortage, that in the past the City had implemented temporary solutions, and that the City cannot afford to lose employee. He commented on difficulties in hiring new City employees due to housing issues, commented that goals should be short term and long term and stated that the City should not be directly involved in housing.

Mayor Marquardt clarified for the record Work Session divided into two segments: Community Housing/City Employee Housing.

Brian Whittern stated that changes in the lot size requirements enabled him to build and that he would like to see the City make development easier. He suggested lowering the costs and offering incentives, because the costs to make land buildable are huge.

Rufina Shashnikoff acknowledged Public Works Director Tom Cohenour and staff and requested more dialogue between the City and landowners.

Kathy Grimnes commented on utility expenses when building on her property and stated that she would like to see the City help with the extension of the utilities.

Dennis Robinson stated the City helped Alyeska Seafoods hook up to City electricity, commented the City can do that for the local community, stated that people would build if the City installed utilities, and commented that if the community housing problem was solved then the city employee housing problem would be solved.

Tyler Zimmerman stated along with utilities, road building would help, and suggested advertising increasing rebates, reducing lot sizes, and reducing setbacks.

Coe Whittern commented on past conditions of utilities in the community, stated that the entire community paid for improvements collectively, commented on logic in City continuing to pay for utilities, and suggested not taxing newly subdivided property until it has a new owner.

**COUNCIL DISCUSSION:**

City Manager Hladick commented on public input regarding community housing, including RFPs and the State Law allowing for deferral of Property Tax.

Planning Director Reinders commented on State Law giving local Municipality authority to implement a property tax deferral and offered further explanation of RFPs.

Council Member Rowland stated support for exploring the expansion of utilities and abatements, commented that revenue lost through abatements would have to be made up or services would have to be cut, commented on Title 8 changes, questioned if the community was willing to further revise Title 8, and sees zoning as a potential issue.

Council Member Gregory stated that he was interested in exploring the ideas of expanding utilities and abatements, review of Title 8, creating a Housing Forum, and utilizing the barge used to transport scrap metal off the island to bring building materials to the island.

Council Member Johnson agreed with Council Members Rowland and Gregory and questioned whether there is a housing shortage as stated during public comment.

Council Member Leclere agreed with Council Members Rowland, Gregory and Johnson but disagreed that a housing shortage does not exist.

Council Member Tungul agreed with Council Members Rowland, Gregory, and Leclere with regard to utilities and abatements, and suggested opening a dialogue.

Council Member Rowland requested information on impact if Business Personal Property Tax is abolished and on the ability of the Housing Fund to for utilities extensions.

Council Member Leclere requested additional information on what actions other communities are taking.

Planning Director Reinders addressed Council questions.

City Manager Hladick provided comment to clarify discussion on the cost of utilities with regard to the primary and secondary line extensions.

**DISCUSSION: HOUSING IN UNALASKA**

City Manager Hladick commented on the impact the housing issues have had on the efforts to fulfilling employment vacancies for the City.

Assistant City Manager Jordan presented a Power Point presentation on City Employment Housing. The presentation contained a Historic Overview, Current Conditions, Problems and Needs, Possible Solutions and possible Next Steps.

Mayor Marquardt opened the meeting for Public Input on the City Employee Housing issue.

**COMMUNITY INPUT:**

Kelly Stiles commented on consistent increases in her personal rental rates, expressed concern about possible eviction by her landlord due to oil coming to the community, stated she understood the challenges unique to this community, expressed her desire to remain in the community, voiced various difficult options available in order to have decent housing, stated if the City was looking for positive recruitment results in hiring quality City employees then housing needed to be addressed, stated from an HR point of view timelines and services have been affected due to housing issues.

Ruth Marquez stated difficulties in recruiting Police Officers due to housing issues, including included rental rates, first month rent, last month rent, utility and security deposits, and quality and size of the rental property in relation to the employee's needs. She stated that the Unalaska Department of Public Safety has high overtime expenditures and the department has been in recruitment phase for over 2 years due to housing issues.

Tyler Zimmerman suggested a review of the RFP process and the challenges.

Dennis Robinson stated he would like the Council solve long standing housing issue, believes the RFP process is a good solution, and stated that extending utilities would provide more options for builders. He believes that the development of property will make more houses available to buy, and that a lot of City employees make enough to be able to buy property. He is not in favor of the City owning housing and taking care of itself and burdening others in community.

Michelle Cochran stated the importance of valuing employees and providing housing, stated Council has tried many ways to resolve it, and commented on many opportunities to resolve issues as a community. She is in favor of a housing web site, and understands the immediate need for City Employee housing.

Brian Whittern stated if community housing issue addressed it would impact employee housing problem. He is in favor of RFP process for housing.

Clint Huling stated that, as the Water Supervisor, he could not afford to give away main lines otherwise this utility would go broke and asked where the money would come from to finance the water utility. He stated that even if utilities were right to the door many individuals could not afford to build due to lack of financing.

Roger Deffendall stated that funds to pay for utilities would come from lot development and property tax.

Coe Whittern stated if the City leased existing units as they became available this would solve City employee housing issues, stated he preferred this approach rather than City building new units.

Karen Pilande stated her difficulties with housing issues, cited the high cash outlay required for first month, last month, security deposits, and pet deposits, and the limited number of available rental units that accept pets. She questioned if Council could put a cap on rent charged.

Frank Kelty stated that housing has been an ongoing issue, and that in the past the City was told that housing was coming from the private sector. He expressed concern about the lack of affordable housing for entry level City employees, agreed with RFPs, suggested seeking Federal programs to solve housing issues, and is in favor of the City leasing available units.

Rufina Shaishnikoff commented on the high cost of living in her own home and of operating a rental, and expressed her opinion that City employees should not be allowed to live in City housing on a long-term basis.

Roger Defendall cited difficulties with charging lower rent rates.

**COUNCIL DISCUSSION:**

Council Member Rowland expressed agreement with a comment that the housing problem cannot be solved by Council alone, requested patience from community, expressed frustration with the public comment that the City has not taken action, and pointed out that finding a solution is a two way street. He invited the public to approach Council with ideas, requested a rough estimate of how long it will take for extra taxes to pay back cost of utilities, asked if landlord were offered long term guarantees would result in lower rental rates.

Council Member Gregory expressed an interest in looking into leasing units for City Employee housing, and is not in favor of building new units.

Council Member Rowland invited community to speak with him on this issue.

Council Member Leclere stated that if the first issue is addressed then the second issue would resolve itself, commented that finding a solution is a two way street, affirmed the importance of affordable housing, questioned whether landlords were able to offer affordable rental rates, and stated that we need to work as a community to solve the housing problem.

City Manager Hladick commented on the issue of affordable housing for younger City employees who are just starting out and how that impacts attracting young employees to come to Unalaska to work here and stay here.

Mayor Marquardt mentioned a Housing Forum as a valuable tool to get several agencies together to help address the housing issue, commented on dialing down and identifying clearer possible solutions and encouraged continued dialogue at the next meeting.

**Adjournment:** The meeting adjourned at 8:45 pm.



City Clerk