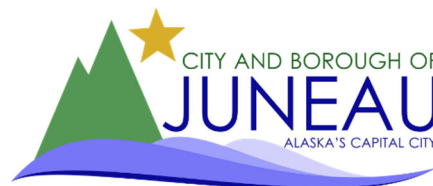


ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

August 29, 2022 at 5:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

C. ROLL CALL - Chair Hale called the meeting to order at 5:00 pm.

Members Present: Chair Michelle Hale, Greg Smith, Wade Bryson, Wáahlaal Gíidaak,

Other Assembly Members Present: Mayor Beth Weldon, Maria Gladyszewski, Christine Woll

Members Absent: none

Liaisons Present: Mandy Cole, Planning Commission; Chris Mertl, Parks and Recreation

Liaisons Absent: Lacey Derr, Docks and Harbors

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Robert Palmer, City Attorney

Members of the Public Present: Jackie Pata, THRHA

D. APPROVAL OF AGENDA – The agenda was approved as presented

E. APPROVAL OF MINUTES

1. August 8, 2022 LHED Minutes – approved with minor spelling corrections

F. AGENDA TOPICS

2. THRHA Request to Acquire City Property located at Pederson Hill

Dan Bleidorn discussed this topic.

Mr. Bryson asked if this neighborhood would be similar to that of Kanat'a Street, such as in the transition, street service and maintenance, and the way that those properties are owned and taxed, would this create a similar neighborhood to that one. Ms. Pata replied that there will some similarities to the S'it'Tuwan subdivision on Kanat'A. That subdivision was built in 1995 with 50 units, the city donated the property and we paid payment in lieu of taxes for the units that were being managed. There were several different types of housing projects put in there with different sources of funds, and we plan to have multiple sources of programs and funds for this project. This development would include using some of the approaches we did in Glacier Village, funds that the housing gets directly from HUD and other programs. In Kanat'A, some were home ownership, some rentals, but in this new subdivision, we are looking to do as much home ownership as possible. We have been updating our home ownership model so it is more like a mortgage loan for those that can get to that point. Sometimes it is the lease-to-mortgage loan, but we try to initiate that feeling of owning and being responsible for your home upfront. It will be similar to the pilot homes in Kanat'a, with several of those units having reached home ownership and are now on the tax rolls.

Mr. Bryson asked how snow removal and street maintenance are handled in a neighborhood that has some property tax owners and some properties that are not taxes. Ms. Pata replied that those would be CBJ roads and maintained by CBJ.

Wáahlaal Gíidaak asked about timing with a layout in 2023 and by 2024 to have houses started, and was wondering from the CBJ side how soon you would need a decision. It sounds like you have multiple federal and state funds coming, is there a hard deadline that you would need an answer

from us so that you can get that rolling. Ms. Pata replied that several of the grant applications are due this fall by November, and having a commitment of land helps, we get more points in the scoring of grant applications; it would be beneficial to know that before we submit those applications. I can send you a schedule of what that looks like, but there is a number of different grants that we would have to apply for. We are trying to take advantage of any infrastructure grants that are available, either to us directly through the tribe or through the city, as well as other housing grants. We usually have multiple grants in order to help deal with site development costs. Timeline-wise, it depends upon when we get the commitment, because that allows us to leverage those grants and get higher points to score effectively.

PC Cole asked Ms. Pata that the idea would be not to have the land cost rolled into the cost of the house, which means that that a house would be more affordable, but \$450,000 for a 1,200 square foot house feels like market rate, which I could be wrong, because prices have sharply escalated this year. Does the \$450,000 estimate include the amount of money you have to pay to construct those roads, is that why it is more expensive than one might guess. Ms. Pata replied that it depends upon how much we are able to get in grants, if we end up not getting grants for the infrastructure, then, yes, that would include the cost. I understand that neighborhood is quite expensive to develop with the infrastructure cost to meet the city requirements. What we have done is make a best estimate on the cost of a house right now, but we have rising construction cost and I am hoping that they will come down. We have been building many houses in other communities the last couple of years and have a good handle on what the costs are to be able to make the units still energy-efficient and affordable for the people to live in. The infrastructure seems to be what we do not have a handle on until you get the engineers out on-site for estimates.

Mr. Mertl asked if we are seeing a lot of interest in this neighborhood for housing. Are there any requirements from any applicants, or in the works for CBJ to develop any neighborhood parks in this area, because there is currently no parks in the immediate vicinity? Mr. Bleidorn replied that the application that THRHA submitted mentions the parks that are already part of this subdivision's preliminary plat and they are interested in collaborating with CBJ for development of those parks.

Mr. Bryson asked what the connections to other lands are and if this neighborhood were built, would it allow access to new CBJ land or block something off. Has the city looked at the possibility of the surrounding lands, and what may or may not open up, or close off. Mr. Bleidorn replied that the city does not own property to the east of this that is university property. As this moves forward, we are going to consider those areas, and he would not be surprised if between now and when there is a final plat, one of the things that looks like a cul-de-sac now would end up being a right-of-way that is platted to the university property. Karl Reishus Blvd currently has five stub out streets, this would be three, and we still have two, one going towards a property that is currently under investigation by Moline, and then one that goes to other city property.

Mr. Smith asked if there is an estimate on how many of these properties will be paying property tax. Ms. Pata replied that she could not give an estimate at this time but eventually the majority of them will pay property tax. THRHA used a tax credit program to build in the Glacier Village Subdivision on Valley Blvd. Those were payment in lieu of taxes for 15 years, and now we are conveying them over to homeowners, with those that are choosing to become a homeowner are getting on the tax rolls. Therefore, it usually is about a 15 – 30 year period, where they come back on the tax rolls. The ones out in Kanat'a Street, they started conveying over to be on the tax rolls

around year 25, we are at year 27 now, and still have probably another 18 or so more that will be getting on the tax rolls in the next two years.

Mayor Weldon asked if the homeowner sells, would CBJ get the property tax sooner. Ms. Pata confirmed. Mayor Weldon followed up to ask what happens in this case since we're donating the land, and but it was probably true of the Kanat'a, if for some reason the homeowner defaults who gets the land. Ms. Pata replied if there is a default then it goes back to the housing authority and we would put in another person who is eligible for the program. Mayor Weldon commented that with the low-income tribal citizens and modern income general residents, I am hoping you get enough tax credits for them to afford that those kind of houses. On the moderate-income general residents, could those also be tribal residents. Ms. Pata replied that they could be and similar to the spirit of Kanat'a, at that point when the CBJ gave the land to us we developed the infrastructure and the roads, and every other parcel of land we developed initially houses, we ended up filling in some other lots that were available. The city sold some of those lots and gave some of those lots away to other nonprofits. I remember you had the youth build do a house out there and other lots were sold to private owners who built in between, so that there was that was a mixed housing type of situation. We were hoping to be able to create a mixed housing opportunity in Pederson Hill. Mayor Weldon asked if Ms. Pata would be opposed to a contingency on the donation that they cannot be short-term rental. Ms. Pata replied they would be ok with that.

Chair Hale commented that she would ask of the committee to amend the motion to refer this to the Committee of the Whole. She also asked about the youth build programs and Housing Trust, if they maintains ownership of the land, but the house sells, and then that brings the house price down, I think there might be an opportunity for us to explore something like that here. Ms. Pata replied that Mr. Bleidorn and she have had a little conversation about that. I know the Alaska Housing Finance has done that, and we have not done that because we are really hoping to have true home ownership and make people feel responsible for taking care of their homes. I found that some of the versions of our previous programs, it left people still feeling dependent that the housing authority was going to be the be-all-end-all to their maintenance responsibilities. Potential homeowners are required to go through our financial and maintenance counseling and sessions. We do a lot to prepare them for true home ownership. We are not opposed to looking at this idea depending upon how the numbers come out, and if we cannot get the grants to be able to help us with the development. We are very creative, we also have our community financial institution, we are able to do things that other lenders are not able to do by working directly with each client and packaging a mortgage that can work for them.

Mr. Bryson moved that the Lands, Housing and Economic Development Committee provide a motion and forward this application to the Full Assembly in accordance with 53.09.270 – Disposals for Public Use. Wáahlaal Gíidaak objected to amend motion to add that this item to be forwarded to both the Committee of the Whole and Full Assembly. Amended motion passed no objections.

3. Telephone Hill Appropriation Ordinance

Dan Bleidorn discussed this topic. Mr. Bryson asked if there was anything that could stop the transaction or the land conveyance for Telephone Hill. Mr. Bleidorn replied that this would be very complicated to prevent the city for gaining ownership.