

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

September 18, 2023 at 5:30 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

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

Members Present: Chair Alicia Hughes-Skandijs, Wade Bryson, Wáahlaal Gíidaak, Christine Woll

Members Absent: none

Liaisons Present: Mandy Cole, Planning Commission; Jim Becker, Docks & Harbors Committee

Liaisons Absent: Chris Mertl, PRAC

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Scott Ciambor, Planning Manager; Joseph Meyers, Senior Planner/Housing & Land Use Specialist; Sherri Layne, Assistant Municipal Attorney

D. APPROVAL OF AGENDA – approved as presented

E. APPROVAL OF MINUTES - August 28, 2023 Draft Minutes – approved as presented

1. August 28, 2023 Draft Minutes

F. STAFF REPORTS

2. Municipal Way Lease Verbal Update

Mr. Bleidorn discussed this topic. No questions or discussion from the committee.

3. Second Street and Franklin Street

Mr. Bleidorn, Mr. Ciambor, and Mr. Meyers discussed this topic. Ms. Woll asked if this property was in the town center parking area, or the no parking required area. Mr. Ciambor replied that it was in the town center. Chair Hughes-Skandijs followed up to ask that this is not in the no parking required area as that was certainly something we talked about and needs this clarified. Mr. Ciambor replied that the parking in the town center parking area has been greatly reduced but there's also a waiver option for potential projects that could further reductions on parking in that area.

Mr. Bryson commented that when we were having the parking discussion, Ms. Triem specifically brought this piece of property up, so when we expanded the no parking area, this being part of it, because we were planning for that at that time. He was looking for follow up on that for a future meeting and added that we hear the phrase that when something doesn't pencil out, the rule of thumb for rent is, it should be roughly, 1% of the value of the property would be the rent roll per month. If you take a property, for example, a \$600,000 fourplex should roughly pencil out to \$6,000 a month in rents. As we're discussing things, trying to get down to \$700 or \$900 rents, that means that the unit has to cost \$70,000 \$90,000 to accomplish that or the Juneau Affordable Housing Fund is subsidizing it to get to that point. As we're discussing housing options, those are the 2 numbers that we're working on with the private sector to get stuff to pencil out for them. We have to figure out how we want to get our incentives down to make those numbers match, that's where numbers aren't matching. That's why

people aren't developing, if they go to develop a project and the unit costs \$200,000, that means rent's going to be \$2,000 a month for that unit. When you multiply that into larger things, and all of a sudden that's where some of these issues have run up against and a background on penciling out for rents, those are the 2 benchmark figures that landlords use. Chair Hughes-Skandijs noted that she had the same memory on this. Attorney Layne pulled up the ordinance for the special parking areas, the town center parking area and then the no parking required area, which are the lots within the area bound by Gastineau Avenue, Fourth Street, Seward Street, Gastineau Channel, and 290 South Franklin Street, those are excluded from parking requirements.

Ms. Woll asked about Second and Gold, the city applied to acquire it, do we have any sense of when we're going to hear something on that, or should we wait, but how long would it be for us to wait, what is the latest on this. Mr. Bleidorn replied that he doesn't have a timeframe from the state but if acquiring that property is an assembly goal then we make it a priority and begin to work with the state. I'll continue to contact them in the next few weeks, we just submitted it before the last meeting, so it was probably about a month or 2 ago. I'll start calling and reaching out to them to make sure they understand that it's something that the city's really considering and wants to move forward with.

Chair Hughes-Skandijs commented that this is a great summary and background for thinking about the retreat. Mr. Ciambor in the past has talked about what's typical now for development and how many funding sources developers typically tap into, maybe having that for the future assembly would be useful. Mr. Ciambor replied that moving forward, he wanted to highlight the last paragraph in the memo which talks about getting to disposal. The assembly is going to decide on the parking lot whether you want to wait for the other property because that changes the whole timeline for everything. What you have to do think about is the disposal process. Highlighting the Riverview Assisted Living, that was a sealed competitive bid process, which is similar to this scenario, except instead of senior assisted living, you would just be going for multifamily workforce housing, but the process is pretty much the same. What really helped was an individual assisted living developer had tried to develop that property on their own for 10 years with 2 different attempts and they provided the city the pro forma and financial analysis showing us where that gap was missing. It became clear that they were not going to be able to develop assisted living unless they had some sort of city support. With a lot of that information it came down to a lot of the same tools that the assembly has at their disposal, a \$2 million grant to purchase the property for them with a deferred payment for 5 years and 12 years of tax payment. That was the incentive needed to make that happen. Looking at the sealed competitive bid process, you might want to think about providing the incentives into that sealed competitive bid when you're trying to get rid of the property, such as "we are looking for XYZ, these are the tools that you can use, we are open to other requests if it still doesn't pencil out." Then at that point you go out and really solicit hard to find somebody who can put that project together for you.

Chair Hughes-Skandijs commented that knowing that a developer, depending on what they like to develop, would be bringing us different flavors of development, but as the assembly considers whether it's worth just going with what we have now versus waiting a bit for the State, and aggressively bothering the State to know the difference in scale. I've talked one on one with Mr. Bleidorn, but that would probably be helpful to an assembly that was trying to make that decision. Mr. Bleidorn replied that he will talk to the engineering department and see the difference in scale between that property and if we could get it from the State, and I'll work on that and bring it forward once we have it, that way we can compare what it would be going forward with or without the State.

4. Housing Update Staff Report

Mr. Ciambor, and Mr. Meyer discussed this topic. Ms. Woll asked about the Mobile Home Down Payment Assistance Program, is that something that people are using and what's the status of that program. Mr. Ciambor replied that the Mobile Home Down Payment Assistance Program started in 2016 and was active for the first 4 or 5 years and we're averaging about 4 loans. As everything in the housing world has changed, the \$10,000 doesn't go as far and there's been less turnover in the mobile home market. We did reach out and talk with True North Federal Credit Union last year and felt like it would probably be a good time to sit down for a revamp. Changes to consider would be upping the down payment amount and whatever else tech staff might technically need to make it more effective. People do continue to ask about it, but we just haven't done any loans lately.

G. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Newly appointed D&H liaison Jim Becker introduced himself to the committee.

PC Cole commented that the Planning Commission has a couple of items they are working on with law but hopefully you will see some new ordinances that are meant to make the code a little bit more flexible in terms of development. One thing I wanted to say which is that something I've heard a lot from developers who talk to me a lot about problems, there used to be a practice of asking for a variance if your lot size was substandard if you're development just needed a little bit of tweaking in order to come to fruition. We, based on our direction from law, really tighten down the variances that you can do, what conditions have to be in place in order to get a variance, but the sum total of that is that there isn't a lot of wiggle room. It means basically all the flexibility has to be rewritten into the code rather than looked at on a case by case basis. This is a difficult situation to work with, because basically, it means if someone's 6 inches into a setback, we have to change the rules for step backs instead of varying that property, and I understand from all that there are very good reasons why that happened, and I have to say it's very difficult, I would imagine, for the Assembly, and definitely for the Commission, to hear what feels like reasonable requests for things to be slightly different in order to make something happen for our community, and we're really kind of hamstrung to not allowing those variances. As you're thinking of just global tools, but dang if I wouldn't like some ability to make some small tweaks that would allow us to bring some of these projects forward. I mean, the public hates it, we hate it, everybody hates it, so there's got to be an answer.

H. NEXT MEETING DATE - November 6, 2023

I. ADJOURNMENT – 6:32pm