

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

March 11, 2024 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** – 5:11pm

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: Acting Chair Paul Kelly, Greg Smith, 'Wáahlaal Gídaag,

Members Absent: Alicia Hughes-Skandijs

Liaisons Present: Chris Mertl, PRAC; Matthew Bell, Planning Commission

Liaisons Absent: Jim Becker, Docks & Harbors Committee

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Katie Koester, City Manager; Joseph Meyers, Senior Planner/Housing & Land Use Specialist; Alix Pierce, Tourism Manager

Members of the Public: none

D. **APPROVAL OF AGENDA** – approved as presented

E. **APPROVAL OF MINUTES** - 1. February 26, 2024 LHED Draft Minutes – approved as presented

F. **AGENDA TOPICS**

2. **Ruschmann Application to Purchase CBJ Property**

Mr. Bleidorn discussed this topic. Mr. Smith asked to see the images for a description.

Mr. Smith moved that the Lands, Housing and Economic Development Committee provide a motion of support to the full Assembly for working with the original proposer in accordance with CBJ 53.09.260. motion passed unanimously.

3. **Resolution 3022 Adopting Juneau Affordable Housing Fund Guidelines**

City Manager Koester and Mr. Meyers discussed this topic.

Mr. Smith asked about the guidelines and the eligible uses of the fund and whether it allowed for land surveying, site engineering, or permitting, but didn't see it in the resolution. Ms. Koester replied that she was trying to simplify the resolution and instead of listing out all eligible uses, it list them out in categories, fees for architects and other professionals would fall under that. This resolution does not reflect the guidelines exactly but was constructed to keep it simple.

Mr. Mertl asked if there is any criteria here that prioritizes affordable over middle income housing as a selection criteria, he didn't see it in the resolution. Ms. Koester replied that in Section D of the resolution, the criteria prioritizes affordable over middle income housing as a selection criteria and there is a section that talks about the median income and middle income housing units, that the priority of the fund to create housing for middle income units. One of the criteria of the fund is that 20% of housing is reserved for 80% or below median income and that is the standard that the Juneau Affordable Housing Fund agreed on.

Mr. Smith asked if this resolution should be adopted, will there be any changes to the forms or the grading or ranking materials, are those going to change? Mr. Meyers replied that a lot of the forms will be the same, the guidelines and the score sheets may make some minor changes, but overall it's the same program.

Mr. Mertl asked if affordable housing would get priority over middle income housing. As a voting member, when I voted for this, my intention was that the priority would be for affordable, and I realize there's economics tied in with it, but everything's an "or" that I'm seeing in here in terms of the criteria. Mr. Bleidorn replied that as someone who is part of the review committee for the last few rounds of Affordable Housing fund dollars, when we're talking about affordability, there's also the opportunity for a grant versus a loan, whereas affordability allows the opportunity for grants, whereas market rate or middle housing would be a loan, which is also part of the application process.

Mr. Smith asked about some type of bonus that was part of the grading criteria for downtown housing. Someone could get points if the housing was downtown, I didn't see that in this resolution. Ms. Koester replied that there's no intention to do anything differently and there is a line about prioritizing downtown housing. It would be appropriate if this body wants to make sure that it is included, that you make that amendment, and we can bring it to the Assembly with that explicit in there.

Mr. Smith made an amendment to the motion to move that downtown housing be included in the resolution as a criteria or part of scoring. Amendment passed unanimously. Mr. Smith will work with the manager to provide language to bring to the Assembly.

Wáahlaal Gíidaak would appreciate discussing middle income housing versus affordable housing, as it relates to our loans, what is the difference in us providing a loan, if it's essentially just for any kind of housing versus them going to a bank. In my mind, we as an Assembly set this up to create affordable housing, the thought process, as it is a policy call for me, would lean more towards affordable housing versus the median income or even for our loans. And I know that was something that had come up before and I'd like a discussion before I try and make an amendment. Mr. Bleidorn replied that it's definitely a valid point in thinking about previous applications that we've had when moving forward and there hasn't been a situation where an application was better or worse if it was a grant or a loan, we were working with what we got and basically negotiating the final terms. But as far as your question about why a developer wouldn't necessarily just go to a bank to finance it 100%, a lot of times the city loan, being for \$50,000 max per unit, is a stopgap funding. They have traditional funding for the majority of their project, but the city would finance it at a lower, favorable rate to facilitate the development taking place sooner rather than later.

Wáahlaal Gíidaak followed up that she was trying to find a good solution and was wondering if this was related to workforce housing. Ms. Koester replied that the intent of the last round of the Affordable Housing Fund, which is why we saw both of the applications for loans, targeting efficiencies and single bedroom apartments and that's the best way to leverage that \$50,000 per unit. This is a policy goal and it's what type of housing the Assembly wants to create, what does the Assembly feel like the market will bear. In previous rounds, with this last round really been the most, I would say successful round where we've seen really good applications. We feel like the developer community is starting to take notice and use this tool. And certainly, if the Assembly feels like you want to tweak this tool to target a different demographic or a different type of housing, that would be absolutely what this resolution is for, for you to take a take a look at those goals and tweak them from time to time. Just because these have been the criteria since the fund evolved and what we're working with, it doesn't mean that it's the right criteria for this moment in time. I don't have the ability right now to advise on market conditions, and if we require different affordability components, we will still get the same level of quality respondents. I will say that the loans that were just awarded really did fall below that requirement of 20% that had to meet 80% AMI. We required one developer to do the 20%, but then we also required that the remainder of the units would be \$1,400 or less, which is actually substantially below the 80% AMI. A long way of saying, if you want to work on a different metric or a different goal, I think that's absolutely in in your wheelhouse, and I would just love the chance to work on the details of that a little bit with you, so that I can make sure we're presenting something that meets your intention.

Wáahlaal Gíidaak made an amendment to the motion to have the Affordable Housing Fund lean more towards affordable housing versus medium or middle income housing. Mr. Smith objected for a comment that he wanted information about the middle income or workforce housing and that might also be an area to incentivize, as well as other financial tools that might be available. Amendment passed unanimously. Wáahlaal Gíidaak will work with the manager to provide language to bring to the Assembly.

Mr. Smith moved that Resolution 3022 be forwarded to the Committee of the Whole as amended for further discussion. Motion passed unanimously.

Mr. Bleidorn added one further point on this topic that the outcome of these applications and negotiations would come forward as an agreement and ordinance to the assembly. Each individual loan or grant would have terms and conditions that would be approved by the Assembly, as an ordinance.

4. Pederson Hill Development Update

Mr. Bleidorn updated the committee on this topic. No discussion from the committee.

G. STAFF REPORTS

5. VITF Implementation Update

Ms. Pearce discussed this topic. She gave an update to the spreadsheet in the packet regarding item number 35, "CBI law to research how other US. Communities have identified limitations on visitor numbers," where in the comments it says we're awaiting the outcome of the Bar Harbor lawsuit, that lawsuit has been resolved. It was found in favor of the city allowing the city to legislate visitor caps on cruise ship passengers. This is not precedent setting for us at this time, but it is currently at the state level in Maine. The opposition has stated that they will appeal as it moves through the courts. It may become a precedent setting for us, it's something that I'm watching very closely and have been in contact with the State Cruise Director for Maine, that's the closest counterpart that I have. I also wanted to bring the committee's attention to the items around negotiated agreements. We are making progress with those and have some options in front of industry stakeholders. I'm hoping to have something in front of the Assembly soon for discussion. I also wanted to just give an update on summer tourism. We have been working on the glacier situation, the Public Works and Facilities committee saw options for a tripper, capital transit service. We're working to add capacity to Capital Transit to help mitigate glacier issues. We've kicked off our commercial rec use study, Mr. Mertl's firm is our consultant on that, and we will be beginning public engagement in early May. With some of the proposed changes to Title 85 and Title 3, I've been reaching out to other empowered boards and have had some good conversations with Mr. Scanlan up at Eaglecrest about their summer operations, tourism plans, and becoming more involved in that discussion and public outreach around those. We are making progress on the Seawalk between the Franklin Dock and the AJ Dock, we have a cost estimate, and an upcoming meeting to try to work out a deal between Petro Marine, the landowner in between the 2 docks, and the Franklin Dock owner has some interest in the area. With the whale watching situation, the Whale Watch Committee, the Southeast Alaska Whale Watch Association has put forward some new TBMP recommendations that will go into effect for this year. We're making some tweaks to some of them to be a little more user-friendly and readable. I am planning to start work with the Law department on opportunities for whale watch management through our Statter Harbor facility. No questions from the committee.

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS – no questions or discussions.

I. NEXT MEETING DATE – April 15, 2024

J. ADJOURNMENT – 5:53pm