

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

April 15, 2024 at 5:05 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 – 5:05pm

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, Paul Kelly, Greg Smith, 'Wáahlaal Gídaag,

Members Absent: none

Liaisons Present:; Chris Mertl, PRAC; Mandy Cole, Planning Commission

Liaisons Absent: Jim Becker, Docks & Harbors Committee

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Joseph Meyers, Senior Planner/Housing & Land Use Specialist

Members of the Public: none

D. APPROVAL OF AGENDA – approved as presented

E. APPROVAL OF MINUTES - March 11, 2024 Minutes – approved as presented

F. AGENDA TOPICS

2. CBJ Capital Ave and Village Street Properties

Mr. Bleidorn discussed this topic.

Mr. Smith asked about the conversation with the new owners, the understanding was that with the previous owners, their interest was to not allow the properties to become filled with trash and debris. Is that the sense that that's a similar desire as with new property owner. Mr. Bleidorn replied that it's interesting to think about, because the properties were cleaned just prior to the sale taking place, the new owners didn't seem to have a lot of information at the time when we first spoke as why the application was submitted, and they just seemed interested in consolidation, probably for property control, such as cleaning up.

Mr. Mertl asked if the Willoughby District master plan gives any guidance to this area. I believe that was a master plan that was developed about 8 years ago and approved, does it talk anything about land consolidation. Mr. Bleidorn replied that he believes that document does talk about Village Street and consolidation, which would be investigated if a disposal application moves forward. The 1989 ordinance with the acquisition of Lot 7, that was in the packet, talked about retaining it until such time that we had that area plan. He noted that plan (Willoughby District master plan) was not adopted by the assembly, just the parking part of it was so as much as it's a plan that's out there, it's difficult to reference in a time like this, as far as an adoptive plan goes.

PC Cole asked if both parties are proposing a market rate sale, or do either of them have a nonprofit use where they might be negotiating a lower rate. Mr. Bleidorn replied that we didn't get into the details of what type of acquisition it would be if it was with Tlingit and Haida. They just express expressed interest in acquisition, and I think, depending on the motion this evening, that would be worked out in future negotiations.

Mr. Smith asked about the process with multiple interested parties for this property, does it allow them to compete and make an offer or bid. How do we work through these situations when there's competing

interest for the same property? Mr. Bleidorn replied that in certain situations, if we have 2 adjacent property owners who are looking to acquire a city property that's between them, and they're both residents, we would do a sealed competitive bid type of sale, or competitive bid type sale, in which we would accept applications and would open them up, and the highest bid would get them. In this case we have one private adjacent landowner, and then we have a regional landowner that's not adjacent to the property, and if they were both for-profit businesses, for example, we would be able to do that competitive sale. If the assembly wanted to provide direction to do some type of competitive sale, that's definitely an option at this time. I'm not sure if Tlingit and Haida would be interested in a competitive sale or if they'd take part in a competitive sale.

Mr. Kelly asked if we were to do anything that had to do with the competitive bid, would we be able to put any specifiers on it surrounding development. Mr. Bleidorn replied that if we were going to do some type of competitive sale, the Assembly could definitely have stipulations in there that would state that the qualified bidder would meet certain goals. If we do an appraisal to find out the value, they're not going to be worth much because they are small, oddly shaped and don't have great road frontage or access. There's not much you can do with a strip of land that's between a bunch of neighbors that doesn't have right-of-way and two of the lots are actually on the slope that go up to the Distin Street property, so they're probably not that buildable. There could be value in retaining them to work with a consolidation towards the lower lots on Village Street, because the increased square footage could lead to a higher density on a future property, even though the specific property itself is unbuildable because of slope. The square footage could be included in a larger lot in the future, and to allow density to increase based on lot size. CBJ could do something like that if we went competitive.

Chair Hughes-Skandijis asked about the regional landowner, is Tlingit and Haida the majority landowner? Mr. Bleidorn confirmed.

PC Cole asked about the right-of-way, if it's an undeveloped right of way, if in a lot consolidation, could you then vacate that right-of-way, so that it is a single piece of property because you don't need it if you're not going to develop Lot 2. Mr. Bleidorn replied that the right-of-way has a different vacation process that goes through the Planning Department. When the city receives an application to vacate right-of-way, it is usually split down the middle, and it goes to each neighbor on either side. By consolidation to the lots on Village Street, you could see that that right-of-way would be in the center. If it was one lot consolidation, it would go to the neighbors adjacent to it, which could be the same entity in the future.

Mr. Smith moved that the Lands, Housing and Economic Development Committee consider the competing interests and provide a motion to work with Tlingit and Haida towards a redevelopment plan and sale.

Mr. Smith commented on the motion about any existing, or other property owners of the lots, if those lots could be kept clean, and their interest will be met so that we don't have competition for the land, and this is probably the best way forward. I want it to be fair to people when they're different individuals who are interested in public land and allowing them a fair way to determine who gets it. Mr. Bleidorn replied that this motion would have been a little bit harder to write if the original landowner was still the applicant and we had started that process with them. But it has changed hands, and the new owners were kind of unknown about the application. That being said, the city did go through and clean this property, and it's on our radar, we're keeping an eye on it. When I spoke with Tlingit and Haida, there was definitely the acknowledgment that it had been an illegal dumping spot, and regardless of ownership in the future, the city wants to make sure that it is maintained. When I spoke with Mr. Ware on the phone, he's definitely aware of it and mentioned that they had gone through in the last 10 years and also cleaned this property.

Motion passed unanimously.

3. **Mayflower Building Lease Renewal**

Mr. Bleidorn discussed this topic.

‘Wáahlaal Gídaag asked if there were conversations with the current leadership of the Montessori School, and if they're aware that this is coming. Mr. Bleidorn replied that he has communicated with the Montessori School and that they were the ones who actually brought up the fact that the lease had been expired and started working on the process. There was also a question about the proposed lease terms, and what they would be. The standard term would be 5 years, with probably 3 potential 5 year renewals which would be the total term up to 20 years. But the assembly would review it every 5 years.

Chair Hughes-Skandijs asked if the \$2,200 will cover expenses as the prior fair market lease was \$2,600. Given the 5-year term before the assembly looks at this again, are we in the higher end of covering expenses, and do you think we're going to be at a loss by the time we get to the 5 years. Mr. Bleidorn replied that it's tricky to tell, in 2020 the building expenses were high for a few years. If you look at the paperwork, we were proposing a lease rate of \$2,600 a month, and FY24 is \$2,100, we're probably in the mid-range. I would expect in 5 years that this would be below the maintenance level costs, and then we would re-adjust again for the next 5-year term.

PC Cole asked to clarify that this is not a fair market value lease, the \$2,200 is below fair market, but it is matching the maintenance expenses for CBJ. If this is the fair market value of this land, it would be significantly higher. This is a motion to continue to rent at a reduced rate from fair market value but match CBJ expenses. Mr. Bleidorn confirmed.

Mr. Kelly moved that Lands staff requests that the Lands, Housing, and Economic Development Committee pass a motion of support to continue to lease property to the Montessori School for less than fair market value with the increased rate of \$2,200 per month.

Mr. Smith objected for a question and asked if Mr. Bleidorn anticipates writing the lease at this rate at \$2,200 for 5-years. Mr. Bleidorn replied that was his interpretation. Mr. Smith was supportive of that and removed his objection.

Motion passed unanimously.

G. **STAFF REPORTS**

4. **Housing Programs Annual Update**

Mr. Meyers discussed this topic.

Mr. Smith commented about the current code change in process to allow ADU use at certain properties that aren't allowed, and was wondering where that code change is in the process. Mr. Meyers replied that the code update is currently on hold due to staffing capacity. Mr. Smith followed up to say that he would work with Mr. Meyers as he has been approached by a property owner about this situation and a number of different ones, where they own a duplex or something, and current zoning and code doesn't allow an ADU, even though in my opinion, makes sense to allow that. Mr. Smith will follow up and hopefully can keep this thing moving at some point, because I think it could be beneficial.

Mr. Smith commented about previous presentations with tracking on the number of units being built per year, multifamily or single family, is that something you track and report anywhere, is that somewhere we can find that online. Mr. Meyers replied that we don't currently have that information online, but he did

complete an assessment today and would be willing to share it. Mr. Smith thought it would be a good idea to keep an eye on certain metrics as we're trying to address this issue.

Chair Hughes-Skandijs commented that she is excited about adjusting the mobile or the manufactured home program, just working on a lot of different lines of efforts. There is an interesting program at the federal level as part of the BiLIJA effort that we might be interested in pursuing, but I'll bring that up with the manager's office. This is a wonderful report, there's a lot of information in here, lots more information we could be tracking, but it's great to see how we're doing.

Mr. Smith wanted to know the amount that is going into the Affordable Housing Fund. Mr. Meyers replied that he would follow up with that information.

PC Cole asked about the housing progress tracker, providing options for future actions by the assembly, Housing Action Plan, the Housing and Development Task Force, and assembly annual retreat, where does that live. Mr. Meyers replied that the tracker is on the Juneau Affordable Housing Fund website. It should be linked in the memo. I can share the link offline as well.

Chair Hughes-Skandijs commented about Mr. Smith's remark about tracking. The State Department of Labor has some good stats, but we want to boil it down further to see how we're doing locally, and I know that Alaska Housing Finance Corporation has some good stats, but again, they're tracking statewide. Our 2016 Housing Action plan that's referenced in here, that we reference periodically on the website, could you speak to how we are doing, if you were to give us a grade from A – F. Mr. Meyers replied that our progress has been slow but steady, but feels like we're on the right track. We've had a number of loans go out. We've recently approved 2 more loans to develop another 64 units. We need to keep pushing forward. Those units will come online in 2 to 3 years, which is typical for a housing project. I'm really excited to see results as they come in and I think I think we're doing well. Chair Hughes-Skandijs noted that in the manager's budget, it is \$2.36 million in the Affordable Housing Fund.

Mr. Smith commented that the number he saw was that maybe \$1.6 million that is flowing into the Affordable Housing Fund in FY25 but thought that the year-end balance is supposed to be \$2.3 million, but will confirm.

5. A.J. Mine

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

H. STANDING COMMITTEE TOPICS – none

I. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS – none

J. NEXT MEETING DATE – May 6, 2024

K. ADJOURNMENT – 5:36pm