

**ASSEMBLY STANDING COMMITTEE
LANDS, HOUSING & ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 24, 2022, 5:00 PM.

Zoom Webinar

5:00pm: Assembly Lands Housing and Economic Development Committee
<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

AGENDA

I. CALL TO ORDER

II. LAND ACKNOWLEDGEMENT

III. ROLL CALL

IV. APPROVAL OF AGENDA

V. APPROVAL OF MINUTES

A. November 29, 2021 Draft Minutes

VI. PUBLIC PARTICIPATION

This meeting will be conducted via Zoom only. Anyone wishing to comment during the public participation portion of the meeting is asked to call the Lands Division at 907-586-5252 by Noon on Monday, Jan. 24 or send an email to Lands_Office@juneau.org and provide their name, email address, and phone number they will be calling from. Testimony time will be limited by the Chair based on the number of participants signed up to speak. The public is encouraged to send comments in advance of the meeting to BoroughAssembly@juneau.org and cc: lands_office@juneau.org When attending the zoom webinar [login info listed at top of agenda] please hit the 'raise hand' button if participating via a computer/tablet; if participating by phone press *9 on your phone; this will place a 'raised hand' icon next to your phone number and will add you to the queue and then press *6 to unmute your phone when you are called upon to speak.

For up to the minute meeting calendar/details with links to the Zoom webinars, check our online CBJ Meeting Calendar at: <https://juneau.org/calendar>

VII. AGENDA TOPICS

A. 2021 City Foreclosure Property Disposal

B. Maller Request to Purchase City Property

VIII. STAFF REPORTS

IX. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

X. STANDING COMMITTEE TOPICS

A. Status of Title 49 Updates

B. Status of Housing Initiatives

XI. NEXT MEETING DATE - February 14, 2022

XII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

**ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
November 29, 2021, 5:00 P.M.**

I. CALL TO ORDER

II. LAND ACKNOWLEDGEMENT

III. ROLL CALL - Chair Hale called the meeting to order at 5:02 pm.

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

Members Absent: none

Liaisons Present: Chris Mertl, Parks and Recreation

Liaisons Absent: Dan Hickok Planning Commission; Lacey Derr, Docks and Harbors

Other Assembly Members Present

Some Members of the Public Present: Noah Molnar, Secon; Mariya Lovishchuk, Glory Hall executive director; KINY News of the North

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Jill Maclean, CDD Director; Scott Ciambor, Chief Housing Officer

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

V. APPROVAL OF MINUTES - November 1, 2021 Draft Minutes were approved as presented.

VI. PUBLIC PARTICIPATION - No public participation.

VII. AGENDA TOPICS

A. Hidden Valley Easement Request

Mr. Bleidorn discussed this topic. Mr. Smith asked with easements, does the applicant pay fair market value or if there is an easement price. Mr. Bleidorn replied that the code states that fair market value as determined by the City Manager. In some cases, appraisals are done for these requests. This is a small, insignificant easement and I think we will probably come to some agreement with Secon. There is also some value to the City in accessing other property through something similar to this in the same area. On the PowerPoint slides, the area in the red is the easement that they are asking for, and the long, skinny line area is the existing easement; they are asking just cutting a corner to access their property. Secon is going to work with the Corps of Engineers and they have some permitting already processed.

Mr. Mertl asked what City department manages the area that this easement would cross. Mr. Bleidorn replied that it is managed by Lands & Resources.

Chair Hale asked to confirm if this area is Lemon Creek and about the map in the presentation, what the different purple markings were. Mr. Bleidorn replied that it is Lemon Creek and it would allow Secon to cross the creek more efficiently than they do now. Mr. Bleidorn invited Mr. Molnar from Secon to speak.

Mr. Molnar commented that they have approval from the Army Corp of Engineers for the road design and a verbal agreement from the State of Alaska Fish and Game. They prefer this to the route Secon would have to take if the easement was not approved. It will have a lesser impact on the Coho that spawn up there. The purple lines on the inside, is the actual road and the darker blue lines, towards the outside, are the edge of what will be disturbed.

Motion passed that the Lands, Housing and Economic Development Committee forward a motion of support to the Assembly for granting an access easement through City property to Secon Inc.

B. Juneau Affordable Housing Fund – 2021 Funding Recommendations.

Mr. Ciambor discussed this topic.

Ms. Lovishchuk the Glory Hall project and for the Committee to reconsider. Assembly recommendations in development of affordable housing downtown has been an Assembly priority for many years. Affordable housing downtown is vital to health and well-being of our city. The general economic development and the comprehensive plans both described bulk housing downtown as a top priority, as do the Blueprint Downtown discussions. There is a severe shortage of affordable housing in United States, and the shortage is particularly acute in Juneau. Our project is not recommended for funding and our application was denied primarily for three reasons: the project is in a severe avalanche zone, the timeline is too ambitious, and other funding has not been secured. According to the 1987 maps, the project is located in the severe avalanche zone. According to the new Tetra Tech maps, the project is not located in a severe avalanche zone. The Glory Hall is working on obtaining civil engineer evidence that this project is not in an avalanche zone, as permitted by Title 49, 49.70.300 (4). We expect to present this information to CDD or on appeal to the Planning Commission.

Ms. Lovishchuk continued that they dispute the density increase considering that our building was permitted to house over 53 people, and we are trying to build apartments for 14. There is nothing wrong with ambitious timelines as the new Glory Hall building was completed in less than nine months. It would have been completed faster if the Glory Hall was able to secure a conditional use permit before late fall, forcing our contractor to contend with extreme temperatures and other hazards. Much of preliminary work has been accomplished on the 247 S. Franklin conversion project and the design is very close to being completed with contractors in place and ready to proceed. Other funding not secured but considered in order to secure this funding are the Rasmussen Foundation and Alaska Mental Health Trust. The Juneau Affordable Housing Trust Fund would provide the match, allowing the Glory Hall to secure additional funding for the project. The strategy of initial CBJ investment to secure other funds, worked marvelously in the construction of both phases of Housing First and the new Glory Hall projects. Additionally, there was no language requiring a 20% match in the Juneau Affordable Trust Fund application. I urge you to recommend this project for the funding with the following conditions: 1) Glory Hall will receive the funds only if necessary permits or security before March 2022; 2) the Glory Hall will receive the funds only upon securing other funds listed in our application. If there a chance to convert the downtown building into affordable housing, funding is needed now not next year if the project is to move forward. The Glory Hall has repeatedly demonstrated their ability to successfully execute capital projects, important to the community.

Mr. Bryson asked if at the completion of this project, the Glory Hall would own a residential apartment building in the downtown waterfront commercial district, if that the final outcome of this project. Ms. Lovishchuk replied that was correct. The Glory Hall already manages 64 apartments in the Lemon Creek area, and are qualified to match an additional seven apartments because we have property owner and the capability. Mr. Bryson asked if the additional properties and the rents that is collected, would seven more rental units help the bottom line, will more rental revenue offset some of your costs and could the City help your organization by helping re-outfit the building that the Glory Hall owns outright. Ms. Lovishchuk replied that the Glory Hall as able to develop a conservative operating performance with the apartment rentals, the generous vacancy rate calculation, and renting out the bottom floor for some purposes again the for very low rental calculation. The Glory Hall will end up with not a significant amount of profit, but certainly profit, which would help our operation. Sustainability is definitely something about the Glory Hall is trying to work toward, especially in the time of unknown grant cycles and State budgets. When the Glory Hall board made the decision to pursue this avenue, we did not take into account with the building with help or other operations, in addition to providing housing to people

downtown that would in turn make housing elsewhere less desirable areas available for our clients that could have a hard time finding housing.

Wáahlaal Gídaak asked if there was any conversations with Rasmussen or the Alaska Mental Health Trust if you were not able to come up with a match for CBJ. Ms. Lovishchuk replied that they have had preliminary discussion with all of those organizations. The Trust was supportive and has contributed \$30,000, which is what we were able to fund our preliminary engineering and architectural studies. We have also spoken to several substantial private donors who are the customarily go to for capital projects like those that these and they have express their support. That is the first major chunk of funds that are needed for all of the other applications, but we do have a very specific metric parameter.

Mr. Smith noted that he is a board member of the Glory Hall and has spoken with the City Attorney in the past about speaking or discussing potential projects that would impact the Glory Hall. His concern is about the severe avalanche zone and that Ms. Lovishchuk does not think will be a problem, and that the new Tetra Tech maps show it not in a severe zone. I am interested in trying to work on those hazard preventions or the prohibitions on construction due to due to hazard designations. If those do not change, why don't you feel like that is a significant hurdle for building this project. Ms. Lovishchuk replied that the Assembly has not approved the new maps from Tetra Tech, and there is doubt about the timeframe for their approval, due to the fact that many folks in our community, particularly those who live in those areas are opposed to the new maps with our project. This does not make the Tetra Tech maps any less accurate. We know the Glory Hall is not in a severe avalanche zone. Stantec Engineering and Architecture is our firm for development and design. I have had several conversations with them, but neither Mr. Denton, the political board member, or the architect are here so I am not going to try to explain the technical aspects of the mass wasting and how we do not think it is dangerous for our project. The reason why we cannot proceed is because the old maps show the Glory Hall in a severe avalanche zone and the new maps do not. We are working on a study that demonstrates that this particular parcel, not just the entire S. Franklin Street, is not in an avalanche zone, which is what CDD asked us to do. We believe it will be successful, because the Tetra Tech maps already exist.

Mr. Smith asked about the current hazard maps and if a building or property owner in a severe avalanche hazard zone could petition to get out of that and what are reasonable ways so that they could construct new units in a current hazard zone. Ms. Maclean replied that the code does allow property owners to hire their own civil engineer and sort "engineer their way" around being in the hazard zone. I want to clarify that Ms. Lovishchuk is correct, that under the proposed Tetra Tech maps, the Glory Hall's downtown location on Franklin Street, it's not in a severe avalanche zone under the proposed maps with the caveats that we don't know what's going to happen as we move forward with this process. The proposed maps could be adopted, or they may never be adopted. If they are adopted, will this Assembly and CBJ adopt new regulations or keep the same regulations, or have no regulations at all and just say that the proposed maps are there for public information and you go at your own risk. It is difficult to say that adoption of the new maps will make a difference for downtown properties at this time. Unless the new maps take you completely out of both zones, in which case we can safely say, then it would be that they would not have any regulations associated with them. To your first question, Mr. Smith, yes, there is a way to hire civil engineer and potentially engineer your way out of the situation.

Mr. Bryson commented that he was glad to hear the different perspectives and was wondering why the Glory Hall project was not recommended for funding. He thought the Committee should reconsider, or have staff reconsider their decision, because when broken down, the \$350,000 at seven units, we are getting at 50,000 a unit. If a developer other than the Glory Hall renovates that building, it means that a wealthy developer has to buy the and renovate it. That would put the cost of the project above \$5

million for seven apartments plus a retail rental space. If a private landlord and building developer come in, it is going to be an expensive project. It will make rent prohibitive because they would have to recover their costs if the Glory Hall cannot make this work as a residential rental, then that means a private developer has to turn it into a residential development and that is where the big bucks come in. I would hesitate to say that this might fall under systemic racism if we purposely make a building go up in rent because we do not want it to be part of this organization. The other thing that I wanted to address was the fast track nature of the program. Residential rental is not a government function and so with residential rentals you decide you want to buy the property and the only thing that holds you back is the length of financing. This is a similar situation, they have the financing piece to put in place, and they were able to come up with the idea of wanting to turn it into rentals. We are in the business of housing people, and we have a paid-for-building that we could renovate through funds. It is a natural progression as the Glory Hall graduates people; they have a building that has residential rental space for them. If we use the maps that are being proposed, that puts them out of the severe zone and they could have a higher score, then we could get affordable housing downtown. Any other path makes this so expensive that no one would be able to afford to do it, and that is the issue we have run into, nobody can afford to build downtown. We have an opportunity to develop downtown for a very small cost, and we should support the Glory Hall on this matter.

Wáahlaal Gíidaak noted she was inclined to lean towards A question to Ms. Lovishchuk, I thought I heard you say that there may be not potential to move on next year, is that correct. Ms. Lovishchuk replied that the Glory Hall board has decided to pursue two options, at the same time, option number one is to sell the building and option number two is to do all of this with these units. The problem of not pursuing this project right away is that, as the building sits it just becomes a liability, we can rent it out for a short term. Construction could start at any time but we do not want to impede the construction in any way and the chances are very high, but if you have had to wait for another year of funding, the choice to sell the building would just become a lot more desirable as the building depreciates in property as it sits there. We are using it for overflow because our shelters are full, but because of staffing concerns is just it is very difficult to do that indefinitely.

Mr. Mertl asked about the facility potentially being located in a severe hazard zone and if the Glory Hall is able to say they are not in a hazard zone, do they think the committee then would give it a thumbs up and recommend it for funding. Mr. Ciambor replied that he wanted to make sure that it is clear to the committee that the Glory Hall was highly favorable in the initial scoring with the review committee. They wanted to see all of the projects done and felt as if they met the qualifications and it became a combination of comparing projects and then the added information of being in a severe hazard zone that affected the overall recommendation. Prior to that understanding there was a favorable idea for many of the ideas that Ms. Lovishchuk mentioned. Even though the timeline is quick and they have had success with various funders in the past, there was just a little bit of pause and question on whether it was going to be completed as quickly as stated. I think you are correct if the hazard map issue were not, the Glory Hall would likely have been recommended.

Mr. Mertl asked Ms. Lovishchuk and Ms. Maclean how quickly they anticipate getting an independent review of hazard lands and when that is done, to Ms. Maclean, how long does that process take. Ms. Lovishchuk replied that their timeline is two to three weeks. Ms. Maclean replied that that she has not been through the process of reviewing civil engineer's report, but thought it would be similar to a conditional use permit. Depending on the completeness of the application, CDD should be able to get it to the Planning Commission in about six to eight weeks, depending on how it hits their calendar.

Chair Hale appreciated the detailed discussion and the Committee's work. She noted that on the middle of the page 11 of the packet, those three projects total \$300,000. The Glory Hall project totals \$350,000 and we have \$700,000 available, with the understanding that the Committee has also recommended to continue to work with the Gastineau Lodge Apartments project. She also note that there is more funding in the Affordable Housing Fund than the \$700,000 if the Assembly did choose to go above that amount. She recommended that that the Committee look at that Glory Hall project because that fits within that \$700,000. The Committee could look at this with the additional information that we have learned tonight about having an engineer look at whether the severe hazard zone applies and provide their recommendation.

Mr. Bryson amended the motion to include the Glory Hall project. Mr. Smith objected for a question. If Mr. Bryson totals were \$650,000 from the Affordable Housing Fund, and are you anticipating appropriating more funds should that Gastineau Lodge Apartments project come back up. Mr. Bryson replied that from his understanding that there was substantial more in the Affordable Housing Fund and if another project came up, he would want us to discuss it. He was moving these forward as the \$650,000 of the \$700,000 that we appropriated for this year. It seemed like the right number and this will get us actual affordable housing in the middle of downtown, that is why he is in favor of the project.

Mr. Smith made a motion to amend Mr. Bryson's motion to forward this to the Committee of the Whole instead of the Assembly for approval or discussion. No objections, motion passes.

No objections to Mr. Bryson's motion.

Amended Motion passed that the Lands, Housing and Economic Development Committee adopt the Juneau Affordable Housing Fund review committee recommendations and forward the following funding requests to the Committee of the Whole for approval: AWARE Cordova Street project for \$150,000; St. Vincent DePaul Channelview project for \$50,000; St. Vincent DePaul Teal Street project for \$100,000; and the Glory Hall 247 N. Franklin project for \$350,000.

VIII. STAFF REPORTS

CBJ Christmas Tree Policy

Mr. Bleidorn discussed this item and noted that next year staff would be working on changing the Christmas tree harvesting date to an earlier one, November 15. Mr. Mertl asked if the area for Christmas tree cutting is the same as last year. Mr. Bleidorn confirmed.

IX. COMMITTEE MEMBER/LIAISON COMMENTS AND QUESTIONS - None

X. STANDING COMMITTEE TOPICS

- A. Status of Housing Initiatives
- B. Status of Title 49

XI. NEXT MEETING DATE – December 20, 2021

XII. SUPPLEMENTAL MATERIALS – RED FOLER ITEM: JUNEAU AFFORDABLE HOUSING FUND HAZARD MAP and PRESENTATION

- A. Juneau Affordable Housing Fund Hazard Map
- B. Juneau Affordable Housing Fund Presentation

XIII. ADJOURNMENT - Chair Hale adjourned the meeting at 5:57 PM.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.org
(907) 586-5252

TO: Michelle Hale, Chair of the Assembly Lands Housing and Economic Development Committee
Daniel Bleidorn
FROM: Dan Bleidorn, Lands and Resources Manager
SUBJECT: 2021 City Foreclosure Property Disposal
DATE: January 14, 2022

Every year at the end of the property tax cycle, any properties that have unpaid property taxes (in this case since 2019) will be foreclosed upon and a Clerk's Deed is issued to the City and Borough of Juneau from the State of Alaska. At the end of 2021, the City and Borough of Juneau received the Clerk's Deeds for the following properties that have not paid property taxes:

Robert F. Dunlap	Peter D. Lie-Nielsen
Parcel Code Number 1C030C080060	Parcel Code Number 1B0201000102
416 W. Tenth Street	0 Thane Road (vacant lot)
Total Due as of December	Total Due as of December
2018-2021 \$15,656.14	2018-2021 \$9,640.56

State law concerning property taxes is very clear. If the properties are not needed for a public purpose, the municipality can sell them. Importantly, the municipality only retains the value of the outstanding taxes, fees and interest. If the properties sell for more than this amount owed to the CBJ, the remainder is forwarded to the former owner and lienholders. If the former owner cannot be located and there are no lienholders, the extra funds are sent to the State of Alaska. If at any time up until the day before the sale, the former owner pays the outstanding balance, then the property is returned to their ownership.

The Lands Division solicited comments from the Parks Department, Docks and Harbors, Engineering and Public Works, CCFR, and the Chief Housing Officer and determined that these properties should be sold by the CBJ because staff does not believe there is a public purpose to retain them. The CBJ prefers to dispose of foreclosed property quickly because it poses a higher amount of risk and liability.

Staff requests a motion to direct the attorney to draft and introduce ordinances that authorize disposal of these properties because of delinquent property taxes.



Parcel Code Number 1C030C080060
416 W. Tenth Street



Parcel Code Number 1B0201000102
0 Thane Road (vacant Lot)

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.org
(907) 586-5252

TO: Michelle Hale, Chair of the Assembly Lands Housing and Economic Development Committee

FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*

SUBJECT: Maller Request to Purchase City Property

DATE: January 19, 2022

In December 2021, Brian Maller submitted an application to purchase City property adjacent to his property located on Fritz Cove Road. The application states that the requested property will be used to create driveway access to an area of the applicant's property that currently has no vehicle access due to the steep terrain. The application continues by stating that the additional land will allow a length to be added to the driveway to reduce the steepness to allow for a safe access to the higher elevation of the property and space for building a home.



City Code 53.09.260 states that the Assembly must determine "whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals. Upon direction of the Assembly by motion, the Manager may commence negotiations for the lease, sale, exchange, or other disposal of City and Borough land."

Given the nature and location of this request, it is not appropriate to solicit competition for this disposal. The applicant will be responsible for all costs associated with the minor subdivision

and acquisition of this property including the fair market value of the land. Proceeds from this proposed request will be deposited in to the Land Fund.

Staff request that the Lands, Housing and Economic Development Committee forward this application to the Assembly with a motion of support for working with the original proposer for the negotiated sale of City property.



City and Borough of Juneau Land Purchase Applicants

Edit Entry

Applicant Information

Business / Individual *

rian llera

Address *

9574 adaw ane h

Street Address

uneau

tj

AK

State / Province / Region h

99801

ZIP / Postal de

Phone *

(907) 723-7989

Email

bmaller@colaska.com

☐ Add Anot er usiness/Individual h

CBJ Land Information

T e [Assessor's Database](#) will provide information regarding site address and legal description. T e h [Parcel Viewer](#) tool can provide necessary maps needed to complete t is application.

Site Address *

3145 Fritz ove Road h

Legal Description *

USS 3262 T 57 - Is t e property in front of t e land proposed for Purc ase

Provide Brief Description of Your Proposal *

I am proposing t e purc ase of one acre of land adjacent to property I already own. T e additional land will be used to create driveway access to an area of my property t at currently as no ve icle access due to steep terrain. T e additional land will allow for lengt to be added to t e driveway to reduce t e steepness to allow safe access to t e ig er elevation of t e property and space for building a ome.

Provide a Map of CBJ Land you wish to Purchase *
[and-Purc ase-Application- p- arian- llerapdf](#)  
Have you mailed the \$500.00 filing fee? * h☒ Yes☐ Not Yet

Applications can only be processed w en t e \$500 fee is received. All c ecks are made out to "T e ity and h oroug of uneau" and can be sent to:

The City and Borough of Juneau
Attn:Lands and Resources Division
155 S. Seward St.
Juneau, AK 99081

Additional Comments for CBJ Staff to Consider

re details and a roug site map can be provided if needed upon request. T ank you for your h consideration.

Upload Supporting Documents (optional)

Drop files ere or h

SELECT FILES

Accepted file types: pdf, docx, x. file size: 50 . h

[- and-Sale-Application- rian- llerapdf](#)  

"By submitting this form, I agree all information is accurate. Submission of this request is NOT approval by the City and Borough of Juneau. I understand that staff will review my application and follow up with questions. Once staff have reviewed my application, ultimate determination of my request to purchase City property will be made by the City Assembly."

Legal Representative of Business / Individual *

rian

First

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ast

UPDATE

CANCEL

DELETE