ASSEMBLY STANDING COMMITTEE MINUTES
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES
April 25, 2016 5:00 PM
Assembly Chambers

I. ROLL CALL

Kate Troll, Chair, called the meeting to order at 5:00 pm.
Members Present: Chair Kate Troll; Assembly members: Mary Becker, Jerry Nankervis, and Debbie White
Liaisons Present: Christopher Mertl, PRAC; Carl Greene, Planning Commission
Liaisons Absent: Bob Janes, Docks & Harbors
Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Rachel Friedlander, Lands and Resources Specialist; Scott Ciambor, Chief Housing Officer; Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Beth McKibben, Senior Planner; Bob Bartholomew, Finance Director; Ken Koelsch, Mayor; Jesse Kiehl, Deputy Mayor

II. APPROVAL OF AGENDA

There were no agenda changes.

III. APPROVAL OF MINUTES

A. April 4, 2016
The minutes of the April 4, 2016 Lands Committee meeting were approved.

IV. PUBLIC PARTICIPATION

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Staff presentation about Letters of Interest Concerning Proposals to Develop Lots in the Renninger Subdivision

Mr. Chaney introduced Mr. Ciambor and Mr. Bleidorn, and let the committee know that Mr. Ciambor would be addressing the 'housing aspect' concerning the Renninger Subdivision, and that Mr. Chaney would be addressing the 'land aspect' concerning the Renninger Subdivision.

Mr. Chaney briefly went over the characteristics of the Renninger subdivision and announced that four proposals were received as a result of the advertisements placed for letters of interest for developments in the Renninger Subdivision:

- Alaska Housing Development Corporation (AHDC) requested Lots 6 and 7,
- Educational Homebuilding Program requested Lot 3,
- Prama Inc. requested Lot 4,
- Pacific Development Group (PDG) requested Lots 2, 3, and 4,
- There were no requests for Lot 5.

Ms. White asked if wetlands mitigation would be needed for Lot 5 and Mr. Chaney replied that Lands worked with the Army Corps to secure a permit allowing fill for each Lot. Ms.

White then asked how much fill is permissible and Mr. Chaney replied enough to build an 8-plex. Mr. Mertl asked since Lot 5 received no interest, would it be possible to take part of the preservation easement on the northwest corner and go straight up since the eastern portion of the property is the wettest and spongiest, and Mr. Chaney replied the Lot was laid out in its current state due to the anadromous stream, and that it is possible to realign the preservation area if the applicant would be willing to go before the Planning Commission. Mr. Mertl reiterated he was interested in cutting Lot 5 in half, and if that would make the Lot more appealing and Mr. Chaney replied it might, but the Lot hasn't been placed on the market yet so it's uncertain if it will sell. If there is no interest after it's made available to sell for a reasonable amount of time, the layout of the lot can be reevaluated.

Mr. Ciambor then addressed the continuum of housing as related to income levels and definitions concerning affordable housing. Mr. Ciambor then reviewed the results of the grading criteria for Renninger Subdivision letters of interest as outlined in the April 16, 2016 memo he submitted to the Committee of the Whole.

Ms. Becker asked for confirmation that the City would develop the land, water, sewer, site clearing, and everything else and Mr. Chaney replied that the City is developing the subdivision by installing water, sewer, and roads for the subdivision. Mr. Ciambor said that for a complex partnership deal like what is being proposed with PDG, the City evaluated PDG's letter of intent and saw that CBJ would contribute the land and retain ownership, while PDG would bring in private equity from their financers and their own construction to develop the property over a 30 year period, with the improved property returning to the City at the end of that period.

Mr. Mertl asked if any of these letters of interest best met Juneau's housing needs in terms of the spectrum of housing and Mr. Ciambor replied that there was one more proposal to present, and Mr. Mertl responded it would be fine to wait till the end to answer this question.

Chair Troll stated that if the City would want to proceed with PDG, there would be several steps before things would be finalized, such as a market analysis that the City would share and then become the basis of an MOU. Chair Troll asked with significant development fees, is 15% a normal rate and Mr. Ciambor responded he did not know the answer off hand and that it would be addressed in the MOU. Mr. Ciambor said this is not a standard affordable housing project so he does not have a concept on what percentage this would be since this is closer to a fair market housing deal than affordable housing deal.

Mr. Ciambor then continued to present information regarding the Prama Inc. proposal as outlined in the April 16, 2016 memo he submitted to the Committee of the Whole.

Chair Troll then gave each proposer the opportunity to present any new or additional information that the committee wasn't previously aware of.

Tamara Rowcroft of the AHDC said that AHDC has had a 44 year presence in this area and has partnered with the City in the past when Eaglewood was developed, and would be willing to consider a future relationship similar to this. If the City would be interested in having AHDC do additional development on this subdivision, AHDC would be interested in negotiating to do that, said Ms. Rowcroft.

Chair Troll then asked if there was anything new Ms. Rowcroft would like to share about the Educational Homebuilding Program and Ms. Rowcroft replied the program really fits the need for affordable housing options in the community and is a great educational opportunity for high school and university students.

Mr. Nankervis asked Ms. Rowcroft what the difference is between Lot 2 and Lot 3 regarding the Homebuilding Program and Ms. Rowcroft replied Lot 3 is desirable because it has no wetlands, lends itself very well to a smaller subdivision of 6-8 homes, and also has preferred soils work results.

Chair Troll then asked if Mark Lewis with PDG had anything additional to share with the committee and Mr. Lewis said he would be happy to answer questions. Mr. Nankervis asked if the real substance for the project would be hashed out in the MOU and Mr. Lewis agreed, and that this was a conceptual proposal to develop a plan to add volume to the workforce housing group at an affordable rate. Mr. Nankervis requested more information on PDG's willingness to be flexible on the selection of Renninger Lots and Mr. Lewis responded that in any partnership you want to be flexible. PDG has a lot of experience working with the Army Corps of Engineers and is willing to put the time in, but PDG would put up an interactive performa, track the costs, and see how those numbers look, said Mr. Lewis. PDG has the expertise to develop Lot 5, said Mr. Lewis, but the group also feels that will be an extra effort requiring a partnership. Ideally, if you want to make an impact on affordable housing, PDG would like to have Lots 2, 3, and 4 and is also happy to work with all interested parties at Renninger, said Mr. Lewis.

Mr. Mertl asked if there is a minimum lot size PDG is looking for, and Mr. Lewis responded PDG would like 90 units to make a dent in the workforce housing program. Chair Troll said PDG expressed an interest in Lots 2, 3, and 4 but PDG would have willingness to work with Lot 5, and if there would be a way to reshape Lot 4 to accommodate the Educational Homebuilding Program and Mr. Lewis responded that he walked the property and that there is flat buildable land at the northern end and that there is a nice frontage available for development of single homes.

In the interest of time, Chair Troll then invited Prama Inc. to present their proposal to the committee.

Mr. Charles Wilson with Prama Home Inc. said the group's interest was to provide housing for seniors, that the group feels comfortable to meet this need with Lot 4 of the Renninger subdivision, and briefly explained the services Prama Home Inc. would like to provide to the community.

Chair Troll asked Mr. Wilson to address the financial viability of the program and that conceptually there is a lot of support for what he is hoping to accomplish. Mr. Wilson said Lori London is working with Prama to solicit grant funds for the $13 million dollar facility Prama would like to build. The contacts that have been made so far have not been successful since the group needs evidence of support from a primary organization to be more successful in generating grant funding, said Mr. Wilson. Securing City property such as Renninger Subdivision Lot 4 would be an anchor for the group, said Mr. Wilson, and that Prama would use City financing to afford the property along with financial support from grants.

Ms. White asked Mr. Wilson if he had been able to find similar projects working in other areas and if there were examples and Mr. Wilson responded that he himself is an example of someone becoming successful as the result of the influence senior citizens have had in his life. Mr. Wilson also said that as a trained counselor, it is his intention to work with those seniors who have reservations working with youth to help understand the concept of paying it forward. Mr. Wilson also said it takes a village to improve the relationship between seniors and youth.

Chair Troll said the committee should go through the proposals one by one, and that the most straightforward one would be AHDC's proposal for Lots 6 and 7. Ms. White asked if the group would need to make a motion to go forward and Chair Troll clarified that the motion would be to direct staff to proceed with going through a negotiated agreement with AHDC. Chair Troll then asked if the negotiated sale would come back to the Lands Committee or go before the Assembly, and Mr. Chaney replied that currently before the committee is a concept, and that Lands would fill in the details, which would then go before Lands and then before the full Assembly. Lands would like to get more specificity before taking this before the Assembly, said Mr. Chaney.

The motion was unanimously approved for staff to move forward with the negotiated sale of Lots 6 and 7 with the Alaska Housing Development Corporation and bring it before the Lands Committee for further review.

Chair Troll then addressed the competing interests regarding the other Renninger Lots, and PDG's willingness to work with other groups, and asked the group for a motion. Ms. White then said before a motion was made, she would want to hear from Mr. Fantasia or someone else from the Educational Homebuilding program regarding the use of Lot 2 or 4 for their project. Chair Troll agreed, and said that the Lands Committee could request that any actions come again before the committee but that the committee could go forward with a conceptual approval with the overall development direction.

Justin Fantasia introduced himself as a part of the Juneau Homebuild partnership and Assistant Construction Professor at the University of Alaska Southeast, went over the topographical characteristics of Renninger subdivision, and reaffirmed the program's interest in Lot 3. Chair Troll asked if the group would be open with reevaluating Lot 4 if the committee went forward with PDG and Mr. Fantasia replied that the Homebuild program has been around for 30 years and is not going to stop the program if they're not successful with one area, and may not move forward with Lot 4. Lot 3 would provide the least amount of challenges, said Mr. Fantasia.

Mr. Mertl asked if the organization would be interested in a partnership and if that would be beneficial and Mr. Fantasia said any functioning partnership would be beneficial, that Mr. Lewis with PDG did reach out to the group, and that they have not had a chance to sit down with Mr. Lewis and discuss a potential partnership. Mr. Mertl then asked if an amicable partnership were to form, would the group consider moving to Lot 2 and Mr. Fantasia reiterated the group wants to stay focused on Lot 3. The soils tests from Lot 3 were favorable, and that any challenges on a small development project like the Homebuild Program could make the project unaffordable. Mr. Chaney then brought up a conversation he had with Ms. Rowcroft asking her if the group would consider different options, and emphasized that any of the other Lots will cost more for the program to develop, and that it would be difficult to ask the group spontaneously if other Lots would suffice. Ms. White asked if the Homebuild Program would use the bottom parts of Lots 2 and 3 and having Lot 4 extend behind them and Mr. Fantasia replied that the backside of Lots 2 and 3 is where it gets quite steep. Mr. Mertl recommended that these two groups- Homebuilder Program and PDG- come up with a resolution on their own accord as an easy way for the committee to move forward. Ms. Becker agreed, and stated she appreciated the Homebuild Program standing firm on Lot 3.

Chair Troll said there is a conceptual approval of trying to move forward with PDG and the Homebuild program for Lots 2, 3, and 4, and that the committee sees merit in the proposals and to accommodate them, and directs staff to accommodate discussions between PDG and the Homebuild program. Mr. Nankervis asked if these items would come back before the Lands committee and Chair Troll confirmed it so. Mr. Chaney then asked how Prama would fit in to the committee's arrangement and Chair Troll responded that from her reading of the letters of interest and staff analysis, Prama is not ready to move forward and its time frame is far out. The two proposals from the Homebuild program and PDG are in a position to move forward, but at this point in time, Prama cannot compete with the more viable projects for Lot 4, said Chair Troll. Mr. Mertl responded that the committee should offer Prama the same amount of time granted to the Homebuild program and PDG. Chair Troll confirmed this and said Prama gets the same courtesy if they act quickly. Mr. Chaney confirmed that at this point, the direction from Lands is to let the three groups try to work something out that is collaborative, and then bring something back to the Lands Committee. Mr. Chaney then asked about the timeframe and Chair Troll responded the next Lands Committee meeting.

VI. STAFF REPORTS

There were no staff reports.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

There were no committee member/liaison comments.

VIII. ADJOURNMENT

The meeting was adjourned at 6:07 pm.