



Appendix B-3

Redevelopment Report

2000-2015 Land Use Redevelopment
Trends and Analysis
Technical Memorandum

Anchorage 2040 Land Use Plan

A Supplement to Anchorage 2020 - Anchorage Bowl Comprehensive Plan



Appendix B:
Future Growth and
Land Capacity
Report

For Planning and
Zoning Commission
Recommended Draft 2040
LUP, dated June 5, 2017

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Anchorage Bowl
2000 - 2015 Land Use Redevelopment Trends and Analysis

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1 Introduction

1.1 Project Background

The Land Use Plan Map (LUPM) project is one of the final major projects to help implement the Anchorage 2020 - Anchorage Bowl Comprehensive Plan. While the Comprehensive Plan laid out goals and policies for the future land use and the physical development of the Anchorage Bowl it did not provide a detailed land use plan map which is typically associated with a Comprehensive Plan.

The updated LUPM has two essential objectives:

- Designate the future location and intensity of residential, commercial, industrial, and institutional development throughout the Anchorage Bowl; and,
- Help ensure Anchorage's growing population will have adequate housing, employment, education, and recreation opportunities.

In order to ensure that these objectives are met, there needs to be a good balance between land supply and land demand. Previous technical reports published as a part of the LUPM project dealt with the land demand side of this equation. The supply side of the equation is equally important. There are several parts to the supply side. In the past, the majority of the land use supply was provided by vacant land. As a result, the amount of redevelopment activity has remained at a relatively low rate (see table 1). Furthermore, it appears that the amount of redevelopment activity has actually decreased since 2006.¹ As the vacant land supply is used, it has become increasingly common to utilize land that has already experienced some type of development. Land redevelopment is expected to be a more important part of the land supply in the future.

The first part of this report provides background information and analysis of what type and where redevelopment has occurred in the past 15 years. It is based on the Municipality of Anchorage CAMA data provided by the Property Appraisal Department. The CAMA database contains information on all of the parcels within the Municipality of Anchorage

¹ The decrease in absolute redevelopment projects is probably due to the overall drop in the number of building permits since 2006.

(MOA). MOA GIS staff extracted information on all parcels in the CAMA database which had an effective year built from 2000 to 2015 in all Anchorage Bowl zoning districts except for single family zoning districts. Planning staff then used current aerial photos overlaid on the parcel layer in order to determine which parcels were developed from vacant land and which were developed on parcels with existing land uses. A total of 520 parcels were identified as redeveloped since 2000 in this manner.

The second part of this report involves the use of this historic information to predict, to the degree possible, where redevelopment is likely to occur in the future. Predictive criteria will be identified which can then be applied to the existing CAMA database to identify potentially redevelopable parcels. The intent of this exercise is to enhance the Municipality of Anchorage’s ability to analyze not only the capacity of the vacant land supply but also to add the capability a to analyze the capacity of the redevelopable land supply.

Table 1
Residential Redevelopment Activity 2000-2015
Number of Redevelopment Parcels

Year	Commercial	Industrial	Residential	Total
2000	10	4	9	23
2001	5	4	7	16
2002	5	6	21	32
2003	4	5	15	24
2004	10	9	27	46
2005	6	7	49	62
2006	8	10	49	67
2007	7	6	20	33
2008	5	4	14	23
2009	4	0	19	23
2010	6	4	32	42
2011	3	7	8	18
2012	7	6	15	28
2013	3	2	18	23
2014	9	2	24	35
2015	9	2	14	25
Total	101	78	341	520

Source: MOA Planning Department

The following sections divides the analysis of the historic redevelopment activity into three classes: residential, commercial and industrial.

2 Residential Redevelopment

2.1 Historic Residential Redevelopment Patterns

A substantial amount of new housing units have resulted from redevelopment. According to Table 2, a total of 1,260 housing units have been developed on previously developed parcels since 2000. This represents about 26 percent of the total number of all housing units and 37 percent of all multi-family housing units that have been built since 2000. The redevelopment activity involving housing is not evenly distributed around the Anchorage Bowl. Almost half of the housing units resulting from redevelopment are located in the northeast part of the Bowl. As expected, few redeveloped housing units are located in the southwest and southeast since the majority of the residential land in these subareas are zoned for single-family use, and these areas are more recently developed parts of the city.²

Table 2
Residential Redevelopment 2000-2015

Subarea	Number of New Redeveloped Housing Units	Number of Housing Units Demolished by Redevelopment	Net Redeveloped Housing Units
Central	235	116	119
Northeast	624	724	-100
Northwest	354	385	-31
Southwest	47	41	6
Southeast	0	0	0
Total	1,260	1,266	-6

Source: MOA Planning Department

While the amount of housing units resulting from redevelopment is significant, there was actually a small net decrease in housing units resulting from this type of activity of 6 housing units. The reasons for the decrease in the absolute number of housing units due to redevelopment is primarily due to two factors. First, a significant amount of housing units have been removed from the housing stock as a result of the redevelopment of mobile home parks. The largest example involved the Centerpoint redevelopment. Centerpoint, is a major office development located in Midtown west of C Street between 36th Ave. and 40th Ave,³ sits on the site of a former mobile home park which originally contained around 189 units. The redevelopment of the Muldoon Town Center located on the southwest corner of Muldoon Rd. and DeBarr Rd. also involved a former mobile home park. About half of the site, which originally contained about 220 mobile homes, was developed as the new Begich

² Single-family zoned districts were not included in this analysis since it was assumed that there would be no net change in the number of units resulting from redevelopment of a single-family house. In other words redevelopment in these zones involve replacing one single-family house with another single-family house.

³ Various phases of Centerpoint were built between 2001 and 2009.

Junior High School. The rest of the site is being developed as a mix of commercial and residential with about 83 total housing units shown as built in 2015. While additional housing units will be built on this site in the future, the total net housing loss will be substantial. The third major mobile home park redevelopment is occurring on a large parcel located on the northeast corner of Boniface Pkwy. and DeBarr Rd. Providence Hospital has developed an extended care and rehabilitative care facility on this parcel which has currently displaced around 115 housing units. Thus, since 2000, about 524 housing units have been lost from conversion of mobile home parks to commercial uses while only 83 new housing units have been added to replace them for a net loss of 441 housing units. The mobile home to commercial land use conversion account for almost all of the residential to commercial housing loss (a total of 526 from 2000 to 2015). On the other hand, very little land has been converted from commercial or industrial use to residential land uses with only 91 total units added under this scenario. It should be noted however that all of these conversions occurred on residentially zoned parcels.

The second factor which contributed to the low net new housing units resulting from redevelopment involves the activity of Cook Inlet Housing Authority (CIHA) in the Mountain View neighborhood. CIHA has done extensive work redeveloping substandard housing in Mountain View. The net effect of this redevelopment, however, has been to reduce the existing housing supply (the vast majority of their projects involve the construction of single-family houses).⁴ As a result, there were about 166 houses built on redeveloped land in Mountain View between 2000 and 2015 compared to about 241 housing units which were demolished on 122 lots.

2.2 Factors Contributing to the Likelihood of Residential Redevelopment

The question remains, what factors contribute to the likelihood of residential to residential redevelopment. For this part of the analysis, only residentially zoned parcels that experienced a net increase in the number of dwelling units were examined. Those residential redevelopments that resulted in an increase in the number of units shared the following characteristics:

Age of Housing – All of the housing that was replaced through redevelopment was older than 1966. The oldest house replaced through redevelopment was 1938.

Grade of Housing Structure – Redeveloped housing units were generally rated grade D or worse according to the MOA Assessors Office. Grade D is described as buildings in fair condition.

Building to Land Value Ratio – The appraised value of all of the houses redeveloped between 2000 and 2015 was less than 3 times the value of the land. This is substantially higher than previously assumed and may indicate that the MOA may have underestimated the potential supply of redeveloped land in its previous studies/analyses.

⁴ The net effect of all housing development in Mountain View is generally housing neutral since some previously vacant land has also been developed. In other words the overall number of housing units in Mountain View has remained about the same since 2000.

A methodology was developed utilizing the results of the above analysis of historic redevelopment activities (see Appendix A). This methodology was applied to the existing CAMA database to create a subset of residentially zoned properties which are considered redevelopable in the Anchorage Bowl. (Note to Tom: should we add a section on the results of the application of the methodology with data on the number of housing units by type that could be constructed through redevelopment?)

2 Commercial Redevelopment

There was substantially less commercial redevelopment activity between 2000 and 2015 than residential redevelopment. The analysis conducted by the MOA Planning Department identified approximately 79 commercial redevelopment projects of which about one-third occurred in the Downtown core.⁵ Redevelopment of commercial land tends to be more complicated than residential redevelopment. Commercial redevelopment often tends to involve more than one parcel of land. Almost half of the cases of commercial redevelopment involve a resubdivision of multiple parcels into a single parcel sometimes involving an adjoining parcel of vacant land. This makes it a little more difficult to identify future commercial redevelopment sites since an individual parcel which might not seem to be a candidate for redevelopment when considered as a stand alone project becomes feasible when it is adjacent to a vacant parcel which can be resubdivided and combined with the developed parcel.

Factors which have been associated with commercial redevelopment in the past (2000-2015) are listed below:

Age of Building – The vast majority of commercial sites (92.5%) that have been redeveloped since 2000 have contained structures that were built before 1980 (73 out of 79). The oldest structure to be redeveloped commercially was built in 1922.

Grade of Structure – Redeveloped commercial properties are generally of higher grade than redeveloped housing units with about 90% of them grade C or worse and about half of them grade D or worse according to the MOA Assessors Office. Grade C is described as buildings in average condition and a grade D building is considered to be in fair condition. There seems to be some correlation between the grade of a building and whether or not it is on a road with high traffic volume. Of those commercially redeveloped properties with a grade of C or better, 71% were located on streets with a high traffic volume. This makes sense since commercial property developers generally seek sites with a high volume of pass-by traffic. Redeveloped commercial properties with a grade of D or worse are not as picky with only around one-third located on high traffic volume streets.

Building to Land Value Ratio – The appraised value of all of commercially redeveloped properties in downtown is generally higher than those outside of the downtown area. A total of 4 out of 20 commercially redeveloped properties in downtown had a building to land value ratio greater than 2 (i.e., the value of the building is two times value of the land).

⁵ Note that the number of commercial redevelopment projects is less than the number of parcels identified as commercial redevelopment in Table 1 due to the resubdivision of multiple parcels into a single redevelopment project parcel.

Outside of the downtown area this number dropped to only 3 out of 54. In other words 94.5% of all commercially redeveloped properties outside of the CBD had a building to land ratio of less than 2.

Existing Use of the Property – The largest source of properties that were redeveloped as commercial involved commercially zoned properties that were for some reason or another first developed as residential. In total 40% of commercially redeveloped properties previously contained residential uses.

2 Industrial Redevelopment

Between 2000 and 2015, there were about 53 redevelopment projects involving industrially zoned land (I-1 and I-2) less than the 79 involving commercially zoned land. The majority of redevelopment occurring in industrially zoned land took place in the I-1 zoning district (over 75%). None of this redevelopment resulted in an industrial land use. This is not surprising since both the I-1 and I-2 allow commercial land uses besides industrial land uses.

Many of the redevelopment projects occurring on industrially zoned properties (25%) also involved a resubdivision of multiple parcels. Once again, this may or may not have involved an adjacent parcel of vacant land.

Factors which have been associated with commercial redevelopment in the past (2000-2015) are listed below:

Age of Building – The vast majority of industrial sites (88%) that have been redeveloped since 2000 have contained structures that were built before 1980 . Grade of Structure – Redeveloped industrial properties are almost all of grade C or worse (96%) with about 40% grade C.

Building to Land Value Ratio – The appraised value of all of industrially redeveloped properties generally had a building to land ratio of less than 1.

3 Redevelopment Suitability Methodologies

3.1 Residential Redevelopment Suitability Methodology

Based on an analysis of historic residentially redeveloped properties (2000 through 2015), the following methodology was used to identify currently underdeveloped Anchorage Bowl residential properties that are most likely to be redeveloped in the future.

Step 1: Select all of the following developed residentially zoned properties that have a building to land value ratio of 3:1 (R-2M, R-3, R-4, and R-5).

Step 2: Use the CAMA grade factor variable of D or worse to further filter the database developed in Step 1.

Step 3: Use the CAMA year built variable of 1970 or older to further filter the database developed in Step 2.

Step 4: Calculate the potential increase in residential units that could be achieved from a future redeveloped property subtracting the potential units that could be built on the property based on the zoning district and the historical achieved densities from existing residential units on the property. Delete all parcels from the database developed in Step 3 that do not have a positive redevelopment potential. In other words, the parcel must be able to be redeveloped with more housing units than currently exist on the property.

Step 5: Map and review the parcel database resulting from Steps 1-4 with planning experts to determine the reasonableness of this methodology. Remove parcels that do not seem to make sense as potential redevelopable properties and add lots which may have been missed based on the screening methodology.

Step 6: Calculate the total potential number of additional housing units that could be developed using this final database. Reassess if this number seems reasonable or if it needs to be adjusted.

3.2 Commercial Redevelopment Suitability Methodology

Based on an analysis of historic commercially zoned redeveloped properties (2000 through 2015), the following methodology was developed to identify currently underdeveloped Anchorage Bowl residential properties that are most likely to be redeveloped in the future.

Step 1: Select all existing residential land uses which contain a 4-plex or less and are within commercial zoning districts. (Note: Retain this as part of the final commercial redevelopable database.)

Step 2: Select all of the following developed downtown zoned properties that have a building to land value ratio of 3:1 or less (B-2A, B-2B, and B-2C). Note that all commercial parking lots have at least some building value according to the Assessor's Office. As a result, it is not necessary to account for the commercial parking lots separately.

Step 3: Select all of the following commercially zoned properties that have a building to land value ratio of 2:1 or less (RO, B-1A, B-1B, B-3).

Step 4: Filter the database developed in Step 3 above, using the following criteria: (1) parcels that have a building grade of C, have a traffic code of 1 (high) and have a FAR of less than 0.2 and (2) parcels that have a building grade of D or worse regardless of the traffic code. Note that this filter is not applied to downtown since it is assumed to have uniformly good access.⁶

⁶ Note: a FAR of 0.2 is assumed to be underdeveloped outside of the downtown zoning districts since a typical retail outlet with parking is on average over 0.2 FAR.) Thus, even if a retail establishment with a FAR over 0.2 is redeveloped it is likely that it will not add to the existing square footage of available commercial space.

Step 5: Use the CAMA effective year variable of 1980 or older to further filter the database developed in Steps 2 and 4. Although this is not the same as the original year built, an effective data later than the year built shows that there has been an effort to extend the useful life of the building.

Step 6: Map and review the parcel database resulting from Steps 1 and 5 with planning experts to determine the reasonableness of this methodology. Remove parcels that do not seem to make sense as potential redevelopable properties and add parcels that might have been overlooked.

3.3 Industrial Redevelopment Suitability Methodology

Based on an analysis of historic commercially zoned redeveloped properties (2000 through 2015), the following methodology was used to identify currently underdeveloped Anchorage Bowl residential properties that are most likely to be redeveloped in the future.

Step 1: Select all existing residential land uses which contain a 4-plex or less and are within industrial zoning districts I-1 and I-2.

Step 2: Select all of the following industrially zoned properties that have a building to land value ratio of 1:1 or less.

Step 3: Filter the database developed in Step 2 above, using the following criteria for buildings with an effective year of 1980 or less.

Step 4: Filter database developed in Step 3 for building grade C or worse.

Step 5: Map and review the parcel database resulting from Steps 1 and 4 with planning experts to determine the reasonableness of this methodology. Remove parcels that do not seem to make sense as potential redevelopable properties.

Step 6: Compare the selected lots to the Anchorage Industrial Land Assessment Volume II (2015) selection of potentially redevelopable lots, which benefited from extensive fieldwork observations and interviews by the Planning Department staff field team. Reconcile differences to determine final set of potentially redevelopable lots.