



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 30-2023

Meeting Date: January 10, 2023

1 **From:** ASSEMBLY MEMBER ZALETEL

2
3 **Subject:** AO 2022-103(S-1): AN ORDINANCE AUTHORIZING THE
4 COMPETITIVE DISPOSAL OF PORTIONS OF HERITAGE LAND
5 BANK PARCELS 6-011, 6-016, AND 6-017, LEGALLY
6 DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA
7 SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B
8 GIRDWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-
9 38)(PID 075-031-32-000) AND TRACT 9A SECTION 9 TOWNSHIP
10 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000),
11 TO CY INVESTMENTS LLC AS DESCRIBED IN THE
12 DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER
13 AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29,
14 2022, AND AMEND THE HERITAGE LAND BANK 2021 ANNUAL
15 WORK PROGRAM.
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17 This S-1 version of the ordinance proposes to add certain conditions to the transfer
18 of the Heritage Land Bank parcels. The changes in the S-1 version came from a
19 combination of proposed changes received during public testimony, emails from
20 residents and interested stakeholders since the ordinance was introduced, and
21 from individual Assembly members during the worksession on December 2, 2022.
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23 This memorandum summarizes the changes from the proposed S-version of the
24 ordinance to the S-1 version, and provides additional justification for this proposal.
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26 The summary of changes are:

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- 28 • Page 5, line 2 through line 17: Requires certain terms to be included in any
29 conveyance as well as be included in the Development Agreement. These
30 include a prohibition of short-term rentals, except for a rental of an
31 Accessory Dwelling Unit. This restriction will remain in effect until the MOA
32 adopts an ordinance allowing such rentals or only if there is 100% approval
33 of all parties entitled to vote on amendments to the homeowners'
34 association's bylaws.
 - 35 • Page 5, line 19 through line 23: Adding language to clarify the restriction
36 described above shall be included with the initial declaration recorded by
37 the Developer and cannot be changed except by unit owners after the
38 formation of the homeowners' association.
 - 39 • Page 5, line 25 though page 6, line 11: Conditions Assembly approval on
40 Developer agreeing to certain terms and conditions. These include,
41 requiring at least one multi-family lot for the development of at least eight
42 (8) units to be drawn from HLB's portion of profits and provided to a

1 Girdwood housing trust or non-profit to develop community housing for
2 residents within five years of the recording of the plat for Phase 1; the
3 Developer and HLB continue to engage with the Girdwood Board of
4 Supervisors (GBOS); and the Developer must exceed the density of what
5 underlying zoning permits through the Planned Unit Development and
6 Conditional Use Permit process. These terms are required for legal disposal
7 of parcels in this Ordinance.

- 8 • Page 6, line 16 through line 20: Within 45 days of passage, HLB and GBOS
9 must mutually agree on engagement of a third party to liaise between the
10 groups until such time as HLB has a confirmed director for at least six
11 months.
- 12 • Page 6, line 25 through line 27: Clarifies the Municipality's intent of this
13 development is to provide attainable community housing opportunities for
14 year-round residents of Girdwood.
- 15 • Page 6, line 29 through line 32: Directs HLB, in consultation with GBOS, to
16 identify and apply for available state and federal funding to develop
17 secondary access on Crow Creek Road to the Holton Hills development.

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19 In addition to the above summary of changes in the S-1 version, a background
20 summary of the proposal provided by the Administration on how we got here is
21 helpful.

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23 On April 6, 2021, HLB issued a Request for Proposals for development of the
24 Girdwood tracts known as Holtan Hills. The proposal included development
25 priorities along with the goals for developing the site. Respondents were ranked
26 on six (6) weighted criteria including the following: experience and qualifications of
27 the development team, business plan, level of return and benefit to the MOA,
28 consistency with adopted plans and ordinances, description and clear scope/scale
29 of project, and project timeline.

30
31 HLB Parcels 6-011, 6-016, and 6-017 have been reviewed by relevant MOA
32 agencies and have been deemed excess to municipal need. This area has been
33 the focus of potential residential development since as early as 1995 with the
34 adoption of the Girdwood Area Plan. In 2006, the Crow Creek Neighborhood Land
35 Use Plan was adopted that further described potential residential development in
36 this area, and is the Area Master Plan required by AMC 21.09.070E..

37
38 The successful proposer was identified and the Municipality entered into a
39 Developer Agreement with CY Investments, LLC on April 29, 2022. The developer,
40 CY Investments, in coordination with HLB, will replat Holton Hills, construct on and
41 off-site infrastructure, and complete rezoning to implement the development of
42 Holton Hills consistent with the Crow Creek Neighborhood Plan. Compensation to
43 HLB will be deferred and will be based on sales of the lots within Holton Hills.

44
45 The Holton Hills residential development provides public benefit by providing
46 developed lots for multi and single-family residential development. Housing has
47 been identified as a strong need in the Girdwood Community and this
48 development, with the proposed changes in the S-1 version, would meet a portion
49 of that overall need. This development will also eventually develop secondary
50 access to Crow Creek Road and relocate the National Historic Iditarod Trail.
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1 AMC 25.40.025H. requires that, when HLB land is disposed of for a specific
2 project, the project provide public benefits. Aspects of the Development Agreement
3 that demonstrate the public benefits of the project include: the developer is sharing
4 responsibility for pre-development costs; timeframes for meeting development
5 milestones are specifically described; the developer provides monthly budget
6 reports, and any requests for increases to the budget exceeding three percent
7 require MOA approval; the Municipality has approval authority for the
8 Homeowner's Association creation document; the project will incorporate the
9 planning and design of Crow Creek Secondary Access; and, finally the Municipality
10 will receive fifty percent of the net profits from the sale of Holtan Hills lots. The S-
11 1 version also prohibits short-term rentals for single family homes, except for
12 Accessory Dwelling Units on the property, unless 100% of the homeowners'
13 association agree.

14
15 Public notice of the HLB Advisory Commission (HLBAC) hearing was posted on
16 the MOA public notice website, paper notices were mailed to surrounding property
17 owners, and the property was physically posted on Thursday, September 8, 2022.
18 HLBAC passed resolution 2022-09(S) recommending competitive disposal to CY
19 Investments, LLC, finding the disposal to be in the best interest of the MOA and
20 consistent with the HLB mission with condition of approval.

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22 Disposal of HLB Parcel 6-011 is not included in the *2021 HLB Annual Work Plan*,
23 so to proceed with the disposal, pursuant to AMC 25.040.020B, the *2021 HLB*
24 *Annual Work Program* must be amended. This Ordinance authorizes that
25 amendment.

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27 **I request your support of this S-1 ordinance.**

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29 Respectfully submitted: Meg Zaletel, Assembly Member
30 District 4, Midtown
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