MUNICIPALITY OF ANCHORAGE
Assembly Memorandum
No. AM 30-2023

Meeting Date: January 10, 2023

From: ASSEMBLY MEMBER ZALETEL


This S-1 version of the ordinance proposes to add certain conditions to the transfer of the Heritage Land Bank parcels. The changes in the S-1 version came from a combination of proposed changes received during public testimony, emails from residents and interested stakeholders since the ordinance was introduced, and from individual Assembly members during the worksession on December 2, 2022.

This memorandum summarizes the changes from the proposed S-version of the ordinance to the S-1 version, and provides additional justification for this proposal.

The summary of changes are:

- Page 5, line 2 through line 17: Requires certain terms to be included in any conveyance as well as be included in the Development Agreement. These include a prohibition of short-term rentals, except for a rental of an Accessory Dwelling Unit. This restriction will remain in effect until the MOA adopts an ordinance allowing such rentals or only if there is 100% approval of all parties entitled to vote on amendments to the homeowners’ association’s bylaws.
- Page 5, line 19 through line 23: Adding language to clarify the restriction described above shall be included with the initial declaration recorded by the Developer and cannot be changed except by unit owners after the formation of the homeowners’ association.
- Page 5, line 25 though page 6, line 11: Conditions Assembly approval on Developer agreeing to certain terms and conditions. These include, requiring at least one multi-family lot for the development of at least eight (8) units to be drawn from HLB’s portion of profits and provided to a
Girdwood housing trust or non-profit to develop community housing for residents within five years of the recording of the plat for Phase 1; the Developer and HLB continue to engage with the Girdwood Board of Supervisors (GBOS); and the Developer must exceed the density of what underlying zoning permits through the Planned Unit Development and Conditional Use Permit process. These terms are required for legal disposal of parcels in this Ordinance.

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

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

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

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

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

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

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

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

I request your support of this S-1 ordinance.

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