

**ANCHORAGE, ALASKA
AO NO. 2022-103(S-1)**

AN ORDINANCE AUTHORIZING THE COMPETITIVE DISPOSAL OF PORTIONS OF HERITAGE LAND BANK PARCELS 6-011, 6-016, AND 6-017, LEGALLY DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B GIRDWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-38)(PID 075-031-32-000), AND TRACT 9A SECTION 9 TOWNSHIP 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000), TO CY INVESTMENTS LLC AS DESCRIBED IN THE DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29, 2022, AND AMEND THE HERITAGE LAND BANK 2021 ANNUAL WORK PROGRAM.

WHEREAS, the Municipality of Anchorage (MOA) proposes the disposal of portions of Heritage Land Bank (HLB) Parcels 6-011, 6-016, and 6-017, legally described as Tract I Prince Addition Alyeska Subdivision (Plat 87-131)(PID 075-311-04-000), Tract B Girdwood Elementary School Subdivision (Plat 85-38)(PID 075-031-32-000), and Tract 9A Section 9 Township 10 North Range 2 East (Plat 73-220)(PID 075-041-31-000), To CY Investments LLC as described in the Development Agreement between the developer and the Municipality of Anchorage Dated April 29, 2022, and amend the HLB 2021 Annual Work Program; and

WHEREAS, HLB issued a Request for Proposals on April 6, 2021 for the development of portions of three parcels in Girdwood commonly known as Holtan Hills with the intent to provide housing; and

WHEREAS, HLB obtained an appraisal on December 18, 2021 where the developed area was estimated to have a market value of two million one hundred thousand dollars (\$2,100,000); and

WHEREAS, the successful proposer was identified, and a Development Agreement was drafted and entered on April 29, 2022 between the MOA and the Developer; and

WHEREAS, the disposal will continue to implement residential housing identified in the 1995 Girdwood Area Plan and the 2006 Crow Creek Neighborhood Plan; and

WHEREAS, this disposal will occur according to the terms of the Development Agreement entered into by the Municipality of Anchorage and CY Investments, LLC including equal distribution of net proceeds of lot sales; and

WHEREAS, this disposal will occur over three phases and is intended to take the form of a Planned Unit Development, affording the development a mixed-density

1 model which will allow single-family, multi-family, and condo-type construction by
2 the ultimate purchasers, thereby addressing several areas of housing needs in the
3 community; and

4
5 **WHEREAS, a Planned Unit Development (PUD), which can allow for greater**
6 **density than current zoning would allow, requires a Conditional Use Permit**
7 **approved by the Planning and Zoning Commission; and**

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9 **WHEREAS, Phase I of the proposed Holtan Hills Planned Unit Development**
10 **will propose to have single-family, multi-family, and condo-type units; and**

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12 **WHEREAS, the completed development will include infrastructure comprised of**
13 **roads and utilities that will extend to Crow Creek Road creating a second point of**
14 **egress for the neighborhood and creating the opportunity for development of lands**
15 **west of Crow Creek Road with utilities in the future; and**

16
17 **WHEREAS, development of municipal lands through a public-private**
18 **partnership offers an opportunity for greater public benefit by meeting the**
19 **community's goals in ways not typically feasible with a private development;**
20 **and**

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22 **WHEREAS, HLB and the Community of Girdwood have committed to work**
23 **together to identify and apply for available State and Federal funding to**
24 **develop secondary access on Crow Creek Road to the Holtan Hills**
25 **development; and**

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27 **WHEREAS, AWWU has sought a grant to cover the infrastructure costs of**
28 **sewer to the parcels, which will reduce the development costs for offsite**
29 **improvements; and**

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31 **WHEREAS, the infrastructure development, including roads and utilities will**
32 **attach to all parcels in Phase I, including any lots subject to future conveyance**
33 **to a Girdwood housing entity for the development of housing; and**

34
35 **WHEREAS, to meet the housing needs in Girdwood, the development of**
36 **housing that is at least 50% occupied as primary residences whether owner**
37 **occupied or leased on a five-month to yearly basis should be prioritized; and**

38
39 **WHEREAS, Girdwood has an estimated immediate need to add at least 150-**
40 **300 units of year-round permanent housing for residents to its inventory and**
41 **this demand will be updated through the Girdwood Area Plan that is**
42 **underway; and**

43
44 **WHEREAS, many concerns have been expressed by the residents that the**
45 **addition of more residents will increase the burden on the infrastructure and**
46 **services available within Girdwood; and**

47
48 **WHEREAS, HLB is the primary owner of developable land within Girdwood for**
49 **housing, industrial and commercial uses. HLB's Work Plan which is due for**

1 updating should be developed concurrently and in coordination with the
2 Girdwood Area Plan that is also underway specifically in addressing housing,
3 commercial and infrastructure needs for the community; and
4

5 WHEREAS, the Assembly finds that the Girdwood community recognizes that
6 while there will be opportunity for public involvement during the entitlement
7 process (i.e., conditional use permit and planned unit development) where
8 public feedback can help shape density requirements, the Girdwood
9 community seeks assurance that this development will provide some relief to
10 the housing pressures experienced by current and future full-time residents
11 of Girdwood, specifically by providing more stable long-term rental property
12 and more attainable housing to those at 120 percent and below area median
13 incomes; and
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15 WHEREAS, the land development costs are not typically recouped by the
16 developer until such time as the lots are sold and/or housing units
17 constructed and sold; and
18

19 WHEREAS, in the Development Agreement, CY Investments LLC has a duty
20 to act as Declarant of the homeowners' association for the Project; and
21

22 WHEREAS, as Declarant for the homeowners' association, CY Investments
23 LLC can set the terms of the planned community through the declaration, and
24 of the homeowners' association through the founding bylaws, including any
25 restrictions on short term rentals, percentage required to approve changes to
26 the homeowners' association bylaws, as well as the time period in which the
27 developer shall transfer control of the homeowners' association to the
28 individual owners and any rights retained, and all terms must be approved by
29 HLB; and
30

31 WHEREAS, the return on investment to the HLB Fund will be deferred but likely
32 significant, leading to the long-term health of the Fund; and
33

34 WHEREAS, this land disposal commits approximately 22% of the suitable
35 residential developable land in Girdwood to the Holtan Hills development
36 (2022 Existing Conditions Report by Huddle AK and Agnew::Beck); and
37

38 WHEREAS, the Assembly finds that a public commitment by the Municipality
39 to improved communication and transparency, as well as a return on
40 investment that considers the specific benefit to the Girdwood community as
41 part of the calculation of the benefit for the Municipality as a whole, would be
42 beneficial to the public interest; and
43

44 WHEREAS, the Assembly finds that as a resort community, Girdwood faces
45 high external housing demand and has seen a drastic increase in short term
46 rentals in the last 10 years, making it challenging for year-round residents of
47 Girdwood to obtain housing, and raising concerns among residents that the
48 character of this beloved and close-knit community will be lost as community

1 members, especially working and middle class families, will be increasingly
2 priced out of the housing market; and

3
4 WHEREAS, the projected profits of two Phases of the Holtan Hills
5 development for HLB are estimated at approximately \$1.2 Million and likely
6 additional profits in Phase 3 that are not yet identified, those profits should
7 be reinvested in further development of attainable housing in Girdwood; and

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9 WHEREAS, the housing developed from Holtan Hills will contribute to the
10 overall property tax base of the Girdwood Valley Service Area; and

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12 WHEREAS, return on investments by HLB should not be viewed in strictly
13 monetary terms, but overall benefit to the Municipality of Anchorage; and

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15 WHEREAS, the proposed disposal of portions of HLB Parcel 6-011 is not in the
16 2021 HLB Annual Work Program (AR 2021-25), pursuant to AMC § 25.40.020B, to
17 proceed with the disposal, the 2021 HLB Annual Work Program must be amended;
18 and

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20 WHEREAS, following required public noticing, the HLB Advisory Commission
21 (HLBAC) held a public hearing and passed HLBAC Resolution 2022-09(S),
22 recommending the disposal of portions of HLB Parcels 6-011, 6-016, and 6-017,
23 legally described as Tract I Prince Addition Alyeska Subdivision (Plat 87-131)(PID
24 075-311-04-000), Tract B Girdwood Elementary School Subdivision (Plat 85-
25 38)(PID 075-031-32-000), and Tract 9A Section 9 Township 10 North Range 2 East
26 (Plat 73-220)(PID 075-041-31-000), to CY Investments, LLC as described in the
27 Development Agreement between the developer and the Municipality of Anchorage
28 Dated April 29, 2022, and amend the HLB 2021 Annual Work Program; now,
29 therefore,

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31 **THE ANCHORAGE ASSEMBLY ORDAINS:**

32
33 Section 1. The MOA is hereby authorized to execute disposal of portions of HLB
34 Parcels 6-011, 6-016, and 6-017, legally described as Tract I Prince Addition
35 Alyeska Subdivision (Plat 87-131)(PID 075-311-04-000), Tract B Girdwood
36 Elementary School Subdivision (Plat 85-38)(PID 075-031-32-000), and Tract 9A
37 Section 9 Township 10 North Range 2 East (Plat 73-220)(PID 075-041-31-000), to
38 CY Investments, LLC as described in the Development Agreement dated April 29,
39 2022.

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41 The following terms shall attach to any conveyance of these parcels as well
42 be included in the Development Agreement [This Assembly approval requires
43 and is conditioned upon the memorialization of an agreement by the
44 Developer to the following terms and conditions]:

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46 A[B]. CY Investments LLC will restrict the use of single-family properties
47 built in Holtan Hills, Phase I, to prohibit [not include] short-term
48 rentals (less than 30 days in duration) except for rental of an
49 Accessory Dwelling Unit (ADU) on the property, through the

homeowners' association bylaws; which shall further provide that, until such time as the Municipality adopts an ordinance, applicable to properties in the homeowners' association, otherwise regulating short-term rentals, this specific restriction may be amended only by 100% unanimous approval of all parties entitled to vote on proposed amendments to the homeowners' association's bylaws; and

B. The above restriction and amendment vote requirement shall be included with the initial Declaration recorded by the Developer after approval of HLB and shall not be changed except by unit owners after formation of the homeowners' association and transfer of rights to it.

This Assembly approval requires and is conditioned upon the agreement by the Developer to the following terms and conditions:

C[A]. All developers must submit applications for land use entitlements to the Girdwood Board of Supervisors (GBOS) for review prior to seeking official action by the designated decision-making body; and

D[G]. At least o[O]ne multi-family lot for the development of at least 8 units to be drawn from HLB's portion of profits will be designated for future disposal to a Girdwood housing trust or non-profit entity for the purposes of developing community housing for residents [authority], if and only if a housing trust or [authority] entity is established which can legally receive and own property, and if and only if the housing trust or entity [authority] is established within five years of the recording of the plat for Phase I of Holtan Hills Subdivision entitlements being complete on the parcels [this disposal]. Otherwise, the multi-family lot reverts to Heritage Land Bank ownership; and

E[D]. CY Investments LLC and HLB will continue to engage with the Girdwood Board of Supervisors or delegated committee [the Girdwood Holtan Hills Housing Advisory Committee] as the project progresses; and

E. CY Investments LLC will develop Holtan Hills through the Planned Unit Development and Conditional Use Permit process that must exceed the density of what current underlying zoning - single family zoning (qR3) - permits; and

The above terms are required for legal disposal of parcels in this Ordinance. Conveyance is subject to [null and void without] the agreement of the Developer to comply with the terms of this resolution [the above terms and conditions and the memorialization of those terms and conditions either in the

~~conveyance, by prior amendment of the Development Agreement, or otherwise].~~

Section 2. Within 45 days of passage of this ordinance, HLB and GBOS shall identify and mutually agree on engagement of a third party to liaise between HLB and the Girdwood community until such time as HLB has a newly appointed and confirmed HLB director that has been in the position for at least six months.

Section 3. Within 30 days of the close of the sale, HLB staff shall provide an update to the Assembly through an informational memorandum.

Section 4. The Municipality’s intent for this development in all phases, is to provide community housing opportunities attainable for year-round residents of Girdwood.

Section 5. HLB, in consultation with GBOS or a committee it designates, shall work to identify and apply for available State and Federal funding to develop a secondary access on Crow Creek Road to the Holtan Hills development.

Section 6. Pursuant to AMC § 25.40.020B, this ordinance hereby amends the 2021 HLB Annual Work Program to include this disposal under the terms stated herein.

Section 7. This Ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2022.

Chair

ATTEST:

Municipal Clerk

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