

# Chapter 5:

## *Testing the Vision*

The East Anchorage Vision, and the subsequent strategies and actions set forth by the Plan are not merely conceptual. They are based on critical analyses that considered how and where new development and improvements might occur and how to manage growth and change in a way that benefits the community of East Anchorage. This chapter explains this analysis and highlights various approaches the District can use to guide future investments, foster development desired by the community and find room for needed housing.

### *Where is residential growth most likely to occur in the District?*

Population growth in most urban places is inevitable. Anchorage, including the District, is no exception. The greater Anchorage Bowl is expected to add roughly 18,000<sup>1</sup> new housing units by 2030. The most recent MTP analyses project that roughly 3,000<sup>2</sup> new households will be located within the District. Expenditures for delivery of services and construction and maintenance of roads and infrastructure are directly linked to the amount of people living and working there. In order to plan for these expenditures, cities must estimate likely future needs and wants – and one very important component of this estimate is the **capacity** for new growth.

<sup>1</sup> 2012 Anchorage Housing Market Analysis (2010-2030 planning horizon)

<sup>2</sup> Projections from the TAZ transportation forecast (2007-2035 planning horizon using Anchorage 2020 policies.

## THE IMPORTANCE OF INCREASING EFFICIENCY, REDEVELOPMENT AND INFILL

In order to examine the District's capacity for new growth, the planning team started by applying recent outcomes from the *Anchorage Housing Market Analysis* (2012). The report found that if development continues to occur almost exclusively on vacant and partially vacant land, and if density remains at historic and recent levels, there is insufficient land to accommodate the municipality's forecasted growth for the District. The *Anchorage Housing Market Analysis* made recommendations to create policies that increase land use efficiency, residential densities, buildable land supply (especially through redevelopment), and to ensure housing affordability. This Plan builds on these recommendations, providing policy strategies – informed by the community's vision – to catalyze and support more efficient and diverse housing in the District.

New construction throughout Anchorage has been developing at close to the minimum densities allowed by each zoning district. For example, development proformas tested by the planning team show that despite being zoned for up to 40 units per acre, the effective density of the R-3 district (one of the zoning districts within East Anchorage) is developed closer to 20 units per acre. In order to achieve the higher densities permitted by the zoning<sup>3</sup>, a developer would likely need to provide structured parking, which is a cost typically better suited to new buildings in high density locations like town centers or downtown.

East Anchorage, similar to the rest of the Anchorage Bowl, has a limited amount of vacant or undeveloped land. Further, only some of it is located along north Muldoon or in the town and neighborhood centers where investment and change is most desired. **By incorporating older, developed properties or underutilized existing sites which are likely to redevelop with new buildings or uses over time, the District expands its capacity for new housing and jobs, as well as its ability to attract desired investment in commercial areas.**

Land uses and buildings within cities are constantly changing. Houses may last 75 years or more, but commercial buildings are often built with an expectant life of a few decades or less. On average any large grocery store is likely to be remodeled every 20 to 30 years. Market trends also change. Commercial corridors built primarily for automobile travel are beginning to lose market share to destination shopping where people can park in one location and visit multiple stores. **Investment in aging properties – either for upkeep, rebuilding or complete repurposing – is necessary to retain an area's economic vitality.**

There are several methods employed to determine viable redevelopment sites, including examining property values, building value, age of construction, building condition, and using a return on investment model. When considering areas likely to develop in the two scenarios used to compare absolute maximum capacity versus growth as depicted in the Vision (discussed later in this chapter), lands zoned for single-family housing or duplexes are not included because these residential building types generally last longer and are assumed unlikely to redevelop.

<sup>3</sup> This describes zoning under Title 21, as of 2012. The forthcoming Title 21 may include lower parking requirements.

## *The Importance of Incorporating Redevelopable Land into Capacity*

Scenarios are narratives about the future. They describe what the future may hold, where people might live and work, the different types of housing and jobs, and how people will get around. The Vision Scenario depicts the development of diverse housing and job opportunities as depicted in the version of the future envisioned by the community – including mixed-use buildings, smaller-lot, single-family homes in new subdivisions and context-appropriate townhomes in existing neighborhoods. In some cases, these development types, although proven to be financially feasible when evaluated with current market conditions, are very different from current development trends. Revised land use designations on the proposed Land Use Map will help make these new housing types possible.

### **LEARNING FROM SCENARIOS**

The Vision Scenario has approximately 6,500 new housing units, providing a net total of 5,208 new units approximately 3,000 new jobs. In the Vision Scenario, job opportunities are located in places where people can walk, bike or ski to work. Job numbers are based on the capacity of the building types created in the Vision Scenario. The employment split is 50% retail jobs, 43% office jobs and 7% industrial.

The comparison table on page 51 shows how considering redevelopable land and innovative programming increases housing and jobs in East Anchorage. Dark blue columns show the development capacity calculated in the *Anchorage Housing Market*

### *Incorporating Redevelopable Lands*

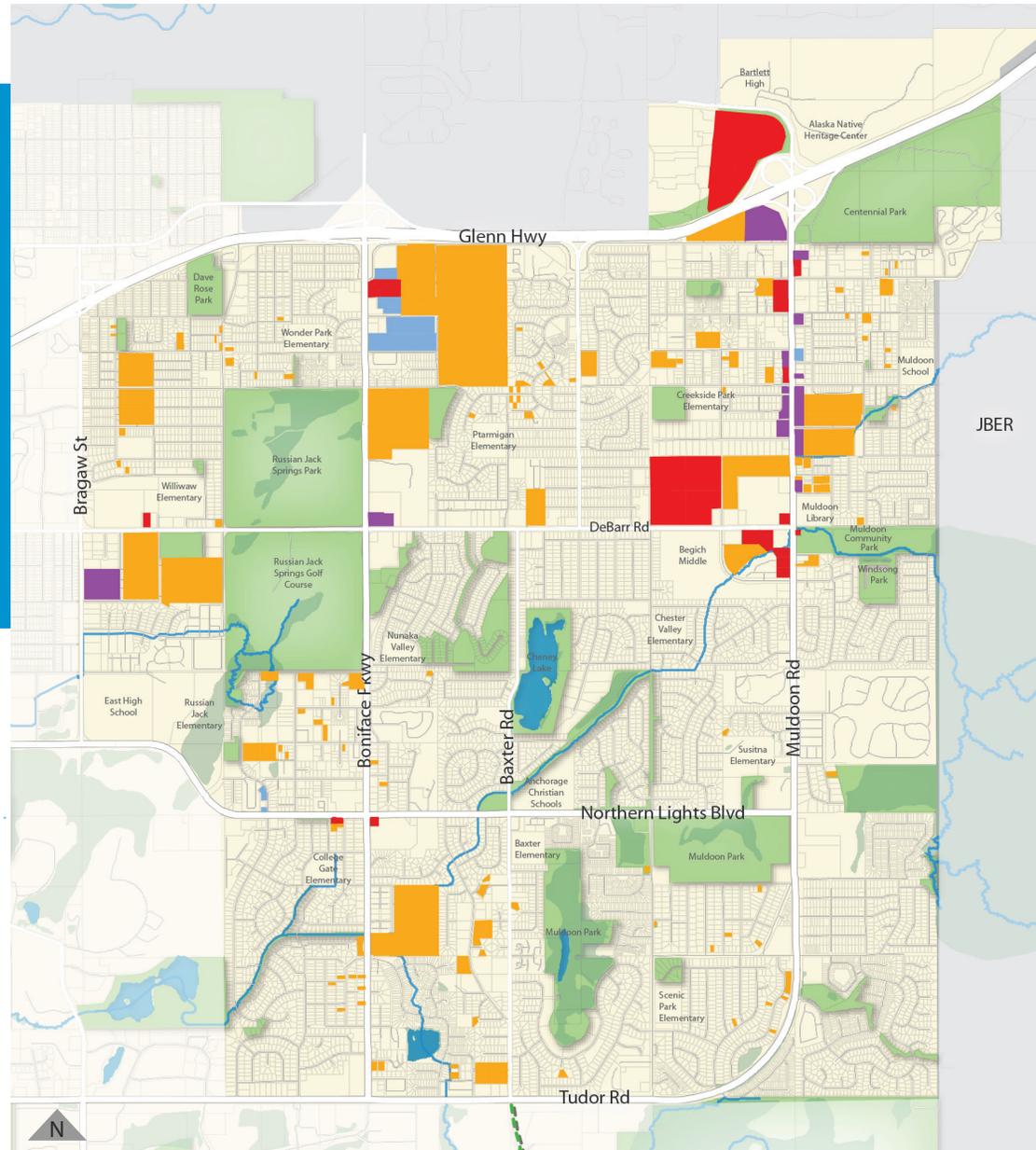
The Vision Scenario map to the right illustrates the lands demonstrating potential for future housing and jobs in the planning team's capacity analysis. This development capacity includes redevelopable as well as vacant and partially vacant land. The Net Supply of Buildable Residential Land map on the next page uses a similar approach, however, it does *not* include redevelopable land, only vacant and partially vacant land. The comparison table on page 51 illustrates the potential for redevelopment to contribute to the future of East Anchorage.

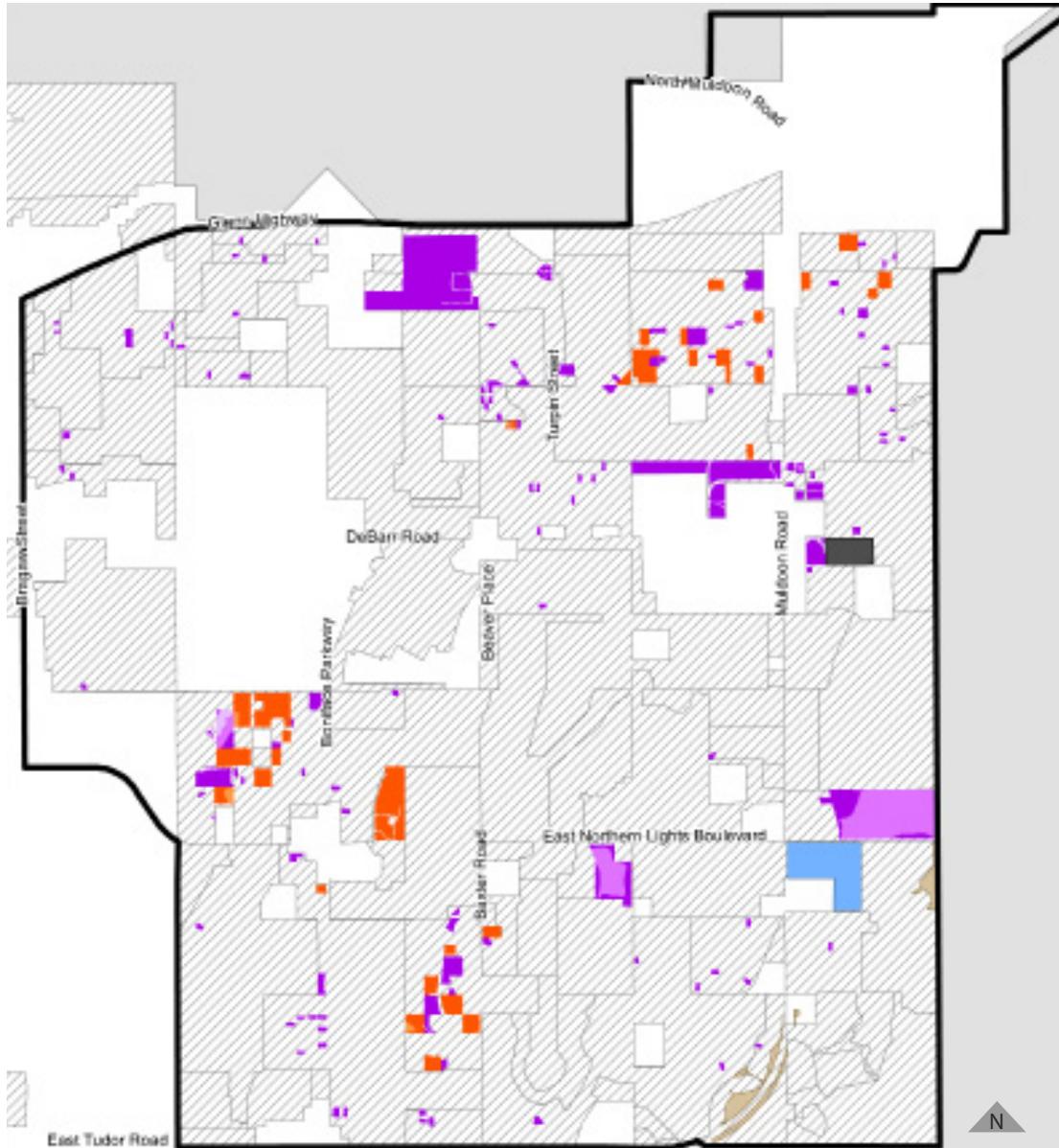
The highlighted lands on the Vision Scenario Map are considered the locations where owners may be most likely to reinvest or develop with a more intensive use over time. This potential is defined by the possible return on investment (ROI) based on the value of land compared to investment required to develop it. This is the land predicted to garner at least 12% ROI - considered acceptable in 2013 market conditions.

The Vision Scenario contains a diverse range of housing types that appealed to the public participants involved in the Vision and Plan. Most of these gains in diversity come from adding townhomes and small-lot, single-family houses to the overall housing mix. Although these housing types were supported by the public and proven to be financially feasible using current market conditions, they have not been proven yet by current lending trends.

*Vision Scenario Map*

- Commercial
- Mixed Use
- Residential
- Areas of Employment
- Parks and Open Space

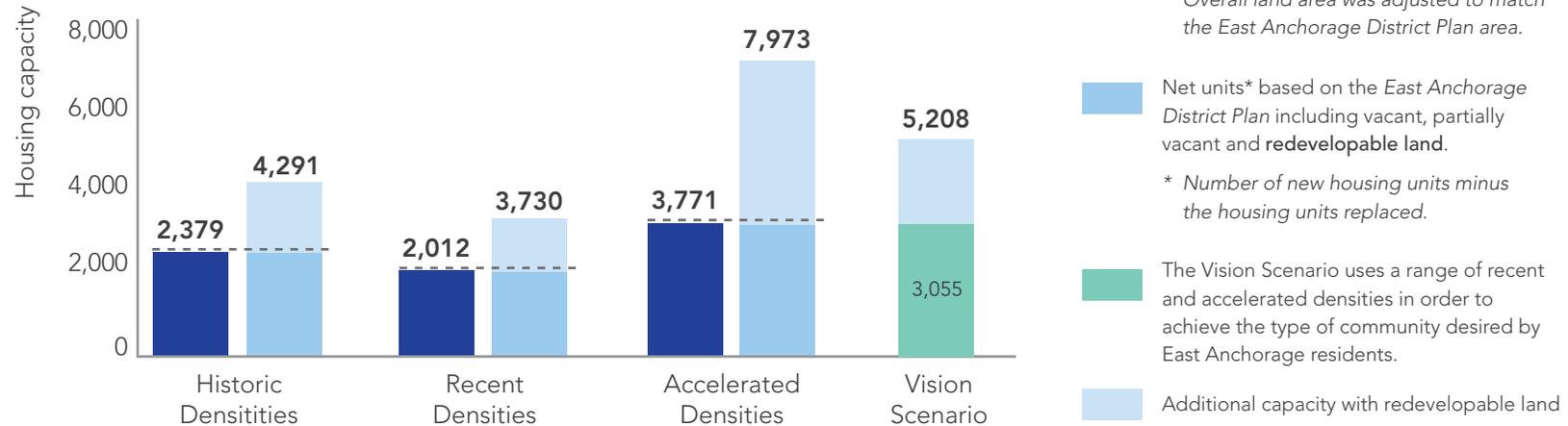




*Net Supply of Buildable Residential Land in East Anchorage*  
 from Anchorage Housing Market Analysis, 2012

-  East Anchorage District Plan study area
-  Residential zoning districts
- Environmental Constraints on Vacant Land**
  -  Unconstrained
  -  Partially constrained
  -  Prohibitively constrained
- Environmental Constraints on Partially Vacant Land**
  -  Unconstrained
  -  Partially constrained
- Land Use Commitments**
  -  Future public facility
  -  Designated future parkland
  -  Conservation easements or other protected lands

*Housing Capacity Comparison Between the East Anchorage District Plan (2013) and Projections from the Anchorage Housing Market Analysis (2012)*



Analysis (2012) using current zoning, with various densities on vacant land only. Light blue columns show the increased capacity achieved by incorporating redevelopable land and considering new methods of zoning, financing and urban design that are believed to be feasible in East Anchorage.

The Vision Scenario and the Plan accommodate for about 2,900 more units than the initial capacity analysis which only considered vacant land and used the density assumptions from the *Anchorage Housing Market Analysis*. **Evaluating development and redevelopment potential at a more detailed lot-by-lot level through application of the proposed Land Use map designations results in this higher capacity. The new designations include a combination of density upgrades and assumptions about growth and redevelopment on larger parcels, trailerparks and infill sites in existing neighborhoods.**

### *Replacement on Redevelopable Lands*

In order to consider the possible relocation of people and jobs that currently reside on redevelopable lands in growth calculations, it is important to account for those existing housing units and jobs. For instance, many of the large opportunity sites included on the Vision Scenario Map and the proposed Land Use Map are currently occupied by aging mobile home parks. If new housing, jobs, and commercial uses locate on all of the identified opportunity sites in the District, these would displace an estimated 1,338 housing units over time. (See page 61-62 of this plan for policy actions on minimizing the displacement of existing low-income households.)

### ACCOMMODATING DENSITY AND HOUSING DIVERSITY ON LARGER LOTS IN THE DISTRICT

Housing capacity can be increased by incorporating higher residential densities than is currently found within the District on strategic sites. Capacity may also be increased by transitioning trailer parks to higher density developments. Denser residential development can take a variety of shapes and sizes ranging from cottages to duplexes, as illustrated on pages 27-28 of this plan, and can be designed to fit with the surrounding context, benefit the community and resonate with the District's Vision. A key finding of the Vision Scenario analysis is: The District's larger redevelopable sites provide most of the capacity for new housing opportunities. These sites include vacant parcels and a mixture of existing single-family homes, apartments and mobile home parks.

Larger sites (greater than five acres) provide an economy of scale that enables efficient development of a range of housing options, efficient road and pedestrian circulation, and the ability to moderate intensity near adjacent single-family neighborhoods. Large sites in or near commercial districts also provide opportunities for including new walkable commercial land uses to support new and existing households.

This kind of transformation is not new to the District. Most recently, the area southwest of DeBarr Road and Muldoon Road transformed from a mobile home park into a new residential area, known as the Creekside Development, with townhomes, apartments, a community center, and future plans for commercial pads, seen in the aerial images to the right.



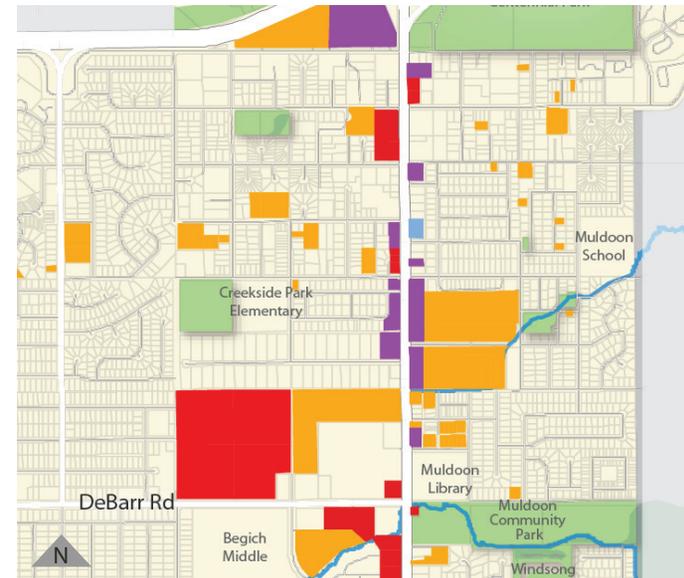
## RETAINING EXISTING NEIGHBORHOOD CHARACTER ON SMALLER LOTS IN THE DISTRICT

Scattered throughout the District are a number of smaller properties that are either vacant or are home to aging and worn buildings. These smaller sites, mostly less than five acres, also provide opportunities for desired development. When located in commercial areas, such sites can provide opportunity for new jobs, shopping and even some housing. Reinvestment in these areas is vital for the rehab of places such as the north end of Muldoon – a place that residents would like to see improved and upgraded. **The District’s residential capacity is increased when housing is included in future commercial uses such as North Muldoon.**

In addition to the commercial and mixed use opportunities, there are many properties nestled within single-family neighborhoods, which are zoned to match their surroundings. These properties provide options for small-lot, single-family housing, duplexes and in some cases townhomes. This type of owner-occupied housing is desired within the District. **When new development or infill redevelopment occurs in single family neighborhoods, care must be taken to minimize negative impacts and developments that are out of character with the surroundings.**



Infill development on lots such as this need to be appropriately scaled to work within the existing neighborhood and lot patterns. **PUBLIC HEARING DRAFT**



An example of vacant and redevelopable properties included on the Vision Scenario map, mostly less than 5 acres in size, appear in many places near the north end of Muldoon.



An example of new, smaller lot, single-family homes.

## SCENARIO CONCLUSIONS

- Growth and meeting future needs won't happen all at once .
- Vacant land alone will not fully provide for the needed residential units to meet forecasted future growth.
- Efficient redevelopment of certain large sites will play a significant role in accommodating growth.
- With redevelopment of existing built lots and targeted density upgrades there is room to meet and even exceed forecasted housing demand.
- With the assumptions and land use recommendations listed above supply is greater than demand within the area (but not for the entire Bowl). Plans, partnerships and investments will be essential to attracting the desired types of growth. For example, new park investment, or new commercial developments to Muldoon may entice nearby redevelopment.
- Accommodating future growth will require the execution of the Plan's recommended land use policies, see Chapter 6.

## *Example Site Design and Feasibility*

The following site design exercise showcases an example of how implementing the kinds of development types desired by residents can actually take place under current market conditions. Similar development types were tested in the Vision Scenario influenced and the Land Use Map designations.

Today, the site (pictured on the opposite page) is a mobile home park located on the east side of Muldoon, bordered by East 6th Avenue, Valley Street and Old Harbor Avenue. Although there are no current plans to redevelop this site, it is included on the Vision Scenario map on page 49, and over time, has the potential for change. This site design enhances the vision for the Muldoon Corridor as well as provides new housing options for the District. The design accounts for displaced housing units and provides additional new units and residential capacity. It shows how redevelopment contributes to higher residential capacity. Findings from this and other proformas applied in the District show that capacity considerations and assumptions can be achieved.

In order to evaluate how the new site design compares to current zoning and historic development trends, building prototypes were created for the site based on typical low-story, multi-family housing conditions (referred here as baseline development) versus the Vision site design proposed by the plan.

Current Site



Vision Site Design Example



Illustration of redeveloped site



**Current Site Conditions:**

- Existing mobile home park
- Approximately 230 Units
- R3 Zoning
- 27 acres

**Current R3 Zoning Regulations:**

- Multi-family residential district
- Densities with up to 40 DU per acre
- 40% maximum lot coverage
- 35-foot height limit
- Intended primarily for multi-family and townhouse dwellings
- Characterized by low-rise, multi-story buildings
- No commercial use allowed

The development of this site under the Vision Scenario results in **34% more project value (total value of new development) compared to development under the baseline.**

*Building Prototype Comparison*

	<b>Baseline</b> <i>2-story apartments</i>	<b>Vision</b> <i>3-story max, mixed-use</i>	<b>Change</b>
Building Footprint	400,000 Sq Ft	394,410 Sq Ft	0%
Building Area	759,882 Sq Ft	1,140,930 Sq Ft	+43%
Project Value	\$146 Million	\$196 Million	+34 %
Housing Units	633	935	+48%
Hotel Rooms	NA	115	115
Jobs	NA	278	278

### *Baseline Development Style*

Characterized by apartment buildings (630 units), single family homes and large surface parking lots.



### *Vision Development Style*

Characterized by a mix of housing (921 units), office, retail and a hotel with high-quality open space and a neighborhood park along an enhanced creek.



## *Overall Conclusions*

The forecasted growth for 2030 is not expected to arrive all at once and neither will new development or redevelopment of existing uses. Achieving the desired level of housing diversity, especially those types not typically built in the District today, may depend on the financial success of targeted test sites to encourage additional investment and development. Further, new investment in one location has a positive effect on nearby properties. For example, creating a new park, or new pedestrian amenities, or new restaurants near Muldoon and DeBarr would increase the desirability of the nearby vacant or underutilized properties.

Public investments, partnerships and policy considerations will need to be strategically aligned to facilitate reinvestment and accommodates the needed housing in the locations and diversity of building types supported by the community. While nobody can predict which sites will develop first, it is important to be ready for opportunities as they arise.