

# Municipality of Anchorage



P.O. Box 390  
Girdwood, Alaska 99587  
<http://www.muni.org/gbos>

*David Bronson, Mayor*

*GIRDWOOD VALLEY SERVICE AREA BOARD OF SUPERVISORS*

*Mike Edgington & Briana Sullivan, Co-Chairs*

*Jennifer Wingard, Amanda Sassi, Guy Wade*

**June 14, 2022**

## **GBOS/LUC Joint Meeting & Girdwood Town Hall RE: Holtan Hills Minutes Final**

**6:00 p.m. Hybrid meeting: Teams and In-Person**

This meeting is taking place via Microsoft Teams and in-person in the Girdwood Community Room, 250 Egloff Rd.

The Girdwood Board of Supervisors, its committees, and subcommittees are subject to the Alaska Open Meetings Act as found in Alaska Statute 44.62.310 and Anchorage Municipal Code 1.25 - Public Meetings.

The Girdwood Board of Supervisors operates under the Girdwood Public Meetings Standards of Conduct.

Call to Order 6:00 p.m. Mike Edgington, Co-Chair

GBOS Attending: Mike Edgington, Briana Sullivan, Jennifer Wingard, Amanda Sassi, Guy Wade

No disclosures

LUC attending: Kevin McDermott, Shannon O'Brien

Guests attending: Adam Trombley, MOA Director of Community and Economic Development, including HLB, Planning and Real Estate;

CY Investment Team includes Connie Yoshimura; Natalie Swyers, HOA specialist for CY Investments; Tony Hoffman, Surveyor with The Boutet Company; LaQuita Chmielowski, Dowl Engineering contractor to assist with community engagement. Brenden Marcott with Triad Engineering is also a member of this team but unable to attend this meeting.

Meeting is attended by approximately 100 on-line attendees and 55+ in-person attendees

### **Agenda Revisions and Approval**

June 14, 2022 GBOS LUC Town Hall RE: Holtan Hills agenda approval

Kevin McDermott/Guy Wade

### **Agenda:**

1. Chair's Introduction – Overview and expectations for the Town Hall meeting.  
Community discussion has included the following opinions:
  - No more development in the valley
  - Wrong location
  - Project is too big
  - Concerns of community infrastructure (roads, schools, water)
  - Concerns of housing use – too many 2<sup>nd</sup> homes, too many rentals, too many full-time residents
  - Not enough input
  - Lack of information presented to the community
  - Nature of the housing – affordability, matching needs of the community
  - Concern that project doesn't address housing, only lot development

GBOS Meeting Agendas and minutes are available on line: <http://www.muni.org/gbos>

Concerns break into 3 categories:  
Process  
Impact on Infrastructure  
Project help or not help the needs of the community

2. Public Comment: Krystal Hoke: Girdwood Inc Fundraiser SAT @ \$25 at the Sitzmark

3. Presentation from HLB/developer/DOWL

Adam Trombley, Community Development Executive Director. Responsibilities include real estate, traffic, public works, permitting, Maintenance and Operation

Trombley meets with CY Team weekly

CY Investment Team:

Connie Yoshimura, Land developer

Natalie Smyer, HOA specialist

Brenden Marcott, Triad Engineering

Tony Hoffman, Surveyor with The Boutet Company

LaQuita Chmielowski, Dowl Engineering contractor to assist with community engagement, platting actions

Project is partnership of HLB and Developer.

Multiple past failed attempts to develop Holtan Hills for many reasons.

2020 RFP process was open to any to bid on; CY Investments and Spinell Homes completed RFP

9 member panel included 2 Girdwood residents selected CY Investments unanimously

Lack of communication is responsibility of MOA. Project is complex and constantly changing. It has been difficult to provide consistent correct information because of the constant change.

Development agreement has been signed and is available to be reviewed in the meeting packet. Until Development agreement was signed, there was not a lot of information that could be shared.

Land Use Committee recommended that GBOS write resolution to pause the project to address concerns at yesterday's meeting. This topic will move forward to GBOS for possible action next week.

This land is expensive to develop due to wetlands, topography and ground condition suitability for construction; trail and other easements

Entitlements – platting actions, variances, rezones, section line easements, utility easements, etc are all public processes that are handled through additional public process.

Current proposal is 76 units in Phase 1, including 28 multi-family units, including multiple 8-plexes and 48 single family homesites (subject to change).

Short Term Rental concerns are being studied and the following methods are under consideration:

- deed restrictions
- HOA restrictions

Infrastructure concerns will be studied and addressed in the Area Master Plan will be developed soon, including:

- Traffic
- Drainage
- Wetlands
- Trail connectivity
- Utilities

Phased Unit Development will follow the Area Master Plan with more granular in addressing those issue.

Girdwood is in a Limited Service Area and self-taxes for specific areas (Roads, Fire, Police, parks and rec). Development of this land will increase tax revenues collected in Girdwood for these services and savings funds.

Original proposal included Pomeroy Investments. Pomeroy project is the Alyeska Village, this is a completely separate project than the CY Investments project at Holtan Hills.

Tony Hoffman, Land Surveyor for The Boutet Company. Surveyors have been working throughout the winter to survey the boundary area, see maps included in the final meeting packet. This is a state and municipal

process which since it was approved in the past is likely to be approved again. Secondary access will replace the original section line easement. New roads would be part of the GVSA for maintenance. Crow Creek Road is a State-owned road; status of state maintenance and plowing is not known at this time. Tract Plan for state and city should be completed within a month. Prior vacation of section line easement was approved for prior conceptual project, which did not come to completion. It is likely to be approved as it was approved previously and little has changed since the prior approval.

Wetlands and shown on the maps in Phase 1 and 2. Wetlands impact the areas that can be developed for housing.

Original plan was 90 acres, however total developable land is not completely known at this time. Wetlands, ground conditions, trail easements, Glacier Creek setbacks are all factors in total developable land.

Connie Yoshimura, Land Developer for over 30 years in Anchorage. Goal that was attractive in review of the RFP is Mixed Density in the new development, with multi-family (duplex, 4-plex, 8-plex) homes for workforce housing, smaller single family homes and 4-5 luxury homes. Townhouses will be smaller than those that are typically built, 20' wide, 3 bedroom with garage. Luxury homes are key to this development as they help to offset the cost of development. Lots will be developed by a variety of builders, the structures should reflect a variety of architecture.

Concerns about re-renting of multi-family homes under development are partly addressed by loan structure available on those units:

1-year 50% owner occupancy is required for some loans

Fanny Mae loans restrict allowable subrental period to minimum of 30 days

Also, is it now possible for anyone to co-sign on a loan for real estate.

AHFC has declined to make special financing available to teachers, fire fighters, etc seeking housing in Girdwood. CY Investments is exploring this and other options in hopes of finding ways to connect workforce with Girdwood housing.

Price of entry level homes in Holtan Hills is anticipated at \$500,000 for 900-1000sf. There are many factors in this that are out of the developer's control, and current costs of construction remain high. Not many homes are being built in Anchorage of this size.

Lots designated for workforce housing are approximately 6-7,000SF. 50' wide with 5' side yard setback. Cost for utilities and road is over \$100,000 (\$96,000 last year in Sand Lake). Likely cost of the lot is going to be \$140-\$150,000.

There is other vacant land in Girdwood that could be considered for development of other housing projects, including creation of workforce housing. HLB cannot sell land below market rate typically but can work with nonprofits. Third party involvement with HUD, Neighborworks, etc. would be a good partnership for Girdwood to engage with and is outside of the expertise of CY Investments.

Title 25 allows lower than market value of land sale through a non-profit or local government. This structure is not fully formed in Girdwood, although GCLT is a start.

HLB land is available for anyone to consider for development.

RFP in 2020 was developed by the HLB director at the time. It was available for anyone to submit proposals for. HLB land is public land, land must be disposed of for the benefit of the entire MOA, not solely for the benefit of Girdwood.

HLB review of process:

GCLT applied for land with incomplete proposal prior to 2020, was given list of items to complete the application. Application fee was returned to GCLT in 2022. Later, Andre Spinelli submitted a complete application for the land. HLB could have put out to sealed bid, in which case land would have been sold to highest bidder. HLB opted instead to put out a Request for Proposals, to remain a partner in the project. RFP is a sale agreement process, reviewed by committee which included Girdwood residents. This is a committee process, not a public process. Result was unanimously in favor of land development by Connie Yoshimura in June 2021. Documents related to this are available on the HLB page:

<https://www.muni.org/Departments/hlb/Pages/HotTopics.aspx>

HLB earnings stay with HLB for future development. HLB is not tax-funded. Lots that are sold add funds through local taxation. HLB will spend several million dollars on infrastructure on this land.

Timeline for construction is 1 year from now for Phase 1.

4. Presentation from Planning – no specific presentation made, this item was covered under Item #3.
5. Review of Girdwood Community grassroots outreach (prior Town Hall, Girdwood Chamber meetings) and outcome of those meetings. This topic is covered under Topic 1.
6. Public forum on the development proposal  
Workforce housing at \$500,000 remains unattainable for many who work in the community in service, education, etc. Elder housing also is not addressed specifically in this project. People are being forced out of living in Girdwood due to home prices and increasing cost to rent.  
Average cost of Anchorage homes according to Mayor's report is \$400,000. This is substantially lower than the average cost of homes in Girdwood.

Girdwood is in danger of being gutted and no longer being a lived-in community. Other resort towns have faced this, other than Breckenridge model that is often discussed. Laws need to be changed in order to make land affordable to support the community.

Limit number of lots that can be sold to one individual or organization.

HOA structure- community is not interested in landscaping, paint etc. HOA restrictions on Short Term Rentals lack permanence as owners can vote in different rules. Deed Restriction is preferable as it is permanent. Promise of this is not the same as solid action on it.

Concern that the process has not been followed as development of RFP didn't include community input prior to being posted.

Response: Land has not yet been disposed (sale). Disposal process is required and code will be followed. HLBAC will take this up prior to disposal of the land. HLBAC will provide an opinion, then the item will go to the Assembly for final review. Assembly approval is required for sale of the land.

Interest in HLB to sell smaller parcels to individuals to develop minimum size parcels. HLB cannot replat and sell individual parcels.

Frustration that the process seems to be so far along without public process and opportunity for community to weigh in.

This leads to concern that the process does not allow opportunity for public input until after major decisions regarding the development have taken place.

Luxury homes are not a priority need in Girdwood. HLB focus is on land, not on housing.

Girdwood Community Land Trust was formed and expressed interest in HLB land, including part of Holtan Hills. Prior to the RFP, CLT application was rejected as incomplete by HLB. GCLT was encouraged to partner with others to apply.

MOA annexed Girdwood in the 1970's against the wishes of Girdwood residents. Improvements that came about through the annexation include sewer system. Part of the deal was land that was inherited by MOA and now is owned by the HLB. Little HLB land has been developed. One project that was proposed was the "Squirrel Cage" land that was platted for multi-family housing off of Karolius (South Girdwood Townsite). It is unclear why this has been abandoned, the flood plain issues could be handled, other land could be developed for low-cost housing, development cost would be lower because there is sewer and water existing in this area.

Regarding higher density housing: Did CY Investments consider high density housing (apartments)? Was that discarded because it didn't pencil out?

Response: CY Investments opted for 8 plexes instead of apartment-style. Commercial buildings are required to meet commercial construction code, which are more expensive, while construction per linear sf stay the same. Base costs regarding sewer, water, road are front loaded on the first phase of development. Apartment construction would need to be subsidized. This would be a good project for land that is less expensive to develop (lower infrastructure costs) with a partner such as HUD or another group that specializes in workforce housing of this type.

There is a lot of money that will be made by developer, builders, etc. The community is in dire need of housing to support the people who live and work here.

Project requires community support, the project that is proposed does not have full community support. No opportunity was given to the community to voice needs and expectations in development of the RFP. Business owners have cited lack of housing as an issue in daily operation. More people coming to town is not helpful when there are not people here to serve them in restaurants, hotel, ski area, grocery store, fire dept etc.

Girdwood CLT submitted application in 2020, commercial appraisal was supposed to be coming from HLB but never did. When RFP went out, GCLT reached out to CY Investments and Spinell, but both rejected GCLT. RFP did discuss various housing needs, and CY Investments mentioned in their proposal lots to be held to meet these needs.

This development represents the housing that is needed in this community. More housing is needed in order to make housing available overall, this provides opportunity for others to move in and move up. Fighting against this development limits housing. Lot recently sold on Alpina is appraised for \$180K. \$145 is what lots are selling for in Anchorage.

There is not a lot of land in Girdwood that is developable remaining. This is a large percentage of the available buildable land.

Anchorage Assembly can reject the land disposal. GBOS will make a recommendation to the Assembly on this. Girdwood has the opportunity to provide input. There is concern that a large investment precedes the disposal of land.

Has land been appraised and is the information available publicly?

Response: Yes and HLB will share.

Commercial property developer says that the RFP appears dissimilar than expected, lack of transparency, changes in partnership involvement since original proposal. Disappointed in lack of engagement with the community. Project represents large risk to MOA as upfront costs are borne by HLB. Recommend going back to the drawing board with new RFP process.

AWWU upgrades needed to handle increased load? AWWU has been involved in discussions. Upgrades needed at AWWU are part of scheduled.

On average 150 people served per month at the Girdwood Food Pantry. Cost of housing in Girdwood currently is well above the 30% HUD designation for Low income, one person has cited 56% of income used on housing.

Title 21 also designates 30% of gross annual income. 30% of gross income is nowhere near mortgage on \$500,000 home.

- Request for help from MOA/Real Estate to guide Girdwood in developing land for workforce housing. This would be an investment in community and economic development
- Request for solid action on restriction to owner occupied for longer than 1 year & on deed restriction related to short term rental. Statements in the meeting by the developer do not sound concrete on following up on these.
- Request to change code Title 25 to allow less than fair market value sale
- Request for why HLB RFP did not include requirement for workforce housing
- Request for help from MOA/Real Estate to bring in a non-profit (Cook inlet housing, Neighborworks, etc).
- Request for MOA to realize the need to address the local community needs in this project.
- Connie Yoshimura suggests organizing a working group of about 5 members to engage with CY Investment group.

## 7. Discussion of next steps in forming and formalizing community opinion

This will be taken up at the GBOS meeting on MON June 20 at 7PM. Meeting is currently posted.

Adjourn 8:50PM