

September 20, 2022

Dear Anchorage Assembly, Heritage Land Bank, GBOS, and Holtan Hills Housing Advisory Committee:

I have concerns about the proposed Holtan Hills development in Girdwood. I believe the project as proposed stands to harm the community by deepening its housing crisis, and like a growing number of Girdwood residents, I perceive a lack of transparency in the development process. Also like many residents, I do not believe the community's concerns are being heard. Instead, it appears that the developer, CY Investments, and Heritage Land Bank are expediting the process without serious consideration for the community's needs.

I'm not opposed to development, but I ask GBOS, Anchorage Assembly, HLB, and CY Investments to each do their part to improve the transparency of the process and work with the Girdwood community to design a project that benefits rather than harms the community. Achieving this will require:

1. All parties must carefully consider the forthcoming HHHAC recommendations, and
2. a community impact study or similar effort must be undertaken to ensure the development benefits rather than harms the Girdwood community. Such a study is consistent with HLB's operating guidelines.

Taking these steps will require slowing down the process, increasing transparency, and possibly even canceling the project until community concerns can be addressed. In the end, this represents the best path forward for the Girdwood community and the most fiscally responsible approach for HLB, since anything that worsens the current housing crisis also brings negative economic impacts to Girdwood.

Like other US resort communities, Girdwood is affected by dramatic rises in second-home construction, soaring real estate costs, and a boom in nightly rentals in residential areas. These trends have severely tightened both the rental and real estate markets, leaving residents with few options for establishing homes in Girdwood. Long-term residents have been forced to move away, taking away their skills, businesses, families, and commitments to the community. At the same time, prospective new residents report difficulty entering the community because of a lack of housing. These trends erode the Girdwood community and negatively impact the local economy, with many business owners now struggling to find employees and reducing their hours instead of growing their businesses.

This is the definition of a housing crisis, and it is perhaps the biggest challenge facing Girdwood. Introducing a major new housing development that does not include thoughtful mitigations for this problem exacerbates the crisis and harms the community and the economy.

Holtan Hills, as proposed, not only lacks any commitment toward housing crisis mitigation. Instead, it would deepen the crisis by increasing opportunities for second-home ownership, real estate speculation, and nightly rentals of residential properties. This so clearly worsens the problems facing Girdwood that is at odds with the HLB stated commitment to community benefits. Additionally, the lack of transparency and community involvement by HLB and CY Investments signals a recklessness in the proposed development.

The situation cries out for careful analysis of how major housing development can occur in Girdwood while not adding to the housing crisis. Luckily, GBOS has taken the first steps toward this by appointing the HHHAC. The committee is comprised of knowledgeable professionals with deep roots in Girdwood

and I'm grateful for their hard work in seeking solutions in the little time given to them. The ideas they are putting forward deserve careful consideration by GBOS, HLB, and the Anchorage Assembly. Moving forward with the CY Investments/HLB proposal, including platting or disposing of the HLB lands, without integrating the HHHAC recommendations into the development design shows a disregard for Girdwood and its housing crisis and will carry negative impacts to the local economy.

The HHHAC discussions have drawn upon examples from other resort communities around the US that are experiencing similar housing crises. They adapted those ideas to the unique conditions and legal frameworks of Girdwood. And they show that more discussion and some level of community analysis are needed before moving forward with the CY Investments/HLB development. To many of us in Girdwood, these earnest efforts stand in stark contrast to the accelerated pace and lack of community involvement exhibited by CY Investments and HLB.

Many years ago, I resided in resort communities in Montana and Colorado that were affected by housing crises like the one now straining Girdwood. I watched these communities implement policies and incentives that eased their crises. *They achieved this while maintaining opportunities for lucrative housing development but also creating opportunities for residents to rent or own homes.* I personally and financially benefited from these programs, and the communities benefited from my participation in the local workforce, so I know they can work.

I support the creation of deed restrictions that create housing options for Girdwood residents, strict limits or a ban on short-term rentals in the Holtan Hills development, and incentives or policies that encourage long-term rentals and the prioritization of home purchase by Girdwood residents. I also support deeding a percentage of HLB lands currently proposed for CY Investments/HLB development to the Girdwood Community Land Trust for creation of more equitable housing opportunities. But at a minimum that would need to be 30% of the development's acreage to ensure meaningful impact. Anything less amounts to a giveaway to the developer and a deepening of the housing crisis. Of the remaining acreage, only a small fraction such as 10% should be open to short-term nightly rentals.

None of these actions represent an overall solution to the housing crisis. And each has details, funding sources, municipal codes, and deed restriction frameworks that need to be developed. For CY Investments and HLB, an ideal scenario might entail Girdwood and the Anchorage Assembly simply figuring these details out independent of Holtan Hills. But the reality of the situation is that Girdwood currently has a housing crisis that the current CY Investments/HLB proposal stands to worsen. In this way, the CY Investments/HLB proposed project has brought the housing crisis discussion to a head, and it is incumbent upon HLB, GBOS, and the Anchorage Assembly to seek solutions that will make Holtan Hills the beginning point for relief from the Girdwood housing crisis.

Lastly, the HHHAC work shows the value and need for study before a major housing development is plopped into Girdwood. Such work would surely demonstrate that the most fiscally responsible approach for HLB is to bring forward a development partner who can integrate housing crisis mitigations into a development so that local businesses and the Girdwood community can thrive.

Sincerely,

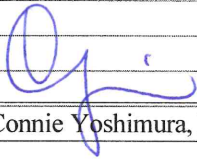
Tim and Barbara Lydon
Girdwood

Phase 1 Schematic of Proposed Lot Configuration

% OF TOTAL	ACRES	# OF LOTS	WIDTH	TYPE
19.0%	2.0	5	VARIES	MULTI-FAMILY (32 UNITS)
9.4%	1.0	8	50'	DUPLEX
19.0%	2.0	6	VARIES	LARGE LOT SINGLE-FAMILY
9.0%	0.96	4	70'	SINGLE-FAMILY
7.0%	0.74	4	65'	SINGLE-FAMILY
14.5%	1.54	8	60'	SINGLE-FAMILY
15.5%	1.65	11	50'	SINGLE-FAMILY
6.6%	0.71	6	45'	SINGLE-FAMILY
100%	10.60	52	TOTAL	

There is a total of 40 mixed density units and 39 single family lots

Holtan Hills Phase 1 & 2**PROFORMA 8/20/22**

	HH Ph. 1	HH Ph. 2
Revenue from Lot Sales (Based on Market Survey)	9,407,000	7,640,000
Onsite Development Costs		
Onsite Pre-Development Costs (Sec 8.3(a) - 8.3(e))	222,500	161,200
Engineering, Review, and Inspections (Sec 8.3(a) - 8.3(e))	427,345	451,350
Onsite Construction Costs (Sec 8.3(b)) - Based on 2022 Construction Cost Provided by Triad Engineering	4,425,287	4,413,250
Financing Costs (Sec 8.3(f)) - Based on 6.5% interest for 3 years	638,323	634,499
Total Onsite Development Costs	5,713,455	5,660,299
Post Development Costs - Based upon Appraisal Review of Standard Fees		
Closing Costs (Sec 6.9 - Title insurance, recording fee, warrenty deeds, etc...)	51,000	44,000
Marketing Fee (Sec 6.9 - 3% of Sales Price)	282,210	229,200
General and Administrative Expense (Sec 8.3(h))	30,000	30,000
Developer Administrative Fee (Sec 6.8 - 1% of Sec 8.3(a) - 8.3(h))	57,435	56,903
Developer Management Fee (Sec 6.8 - 3.5% of Sec 8.3(a) - 8.3(h))	201,021	199,160
Total Post Development Costs	621,665	559,263
Net Income before Tax	3,071,880	1,420,437
Holtan Hills LLC		
Approved By: 		
Connie Yoshimura, Manager		
Date: <u>8/20/22</u>		
Municipality of Anchorage and Its Heritage Land Bank		
Received By (Sign): <u>REAL ESTATE DEPARTMENT</u>		
Received		
Name (Print): <u>AUG 26 2022</u>		
Its: <u>Real Estate Services</u>		
<u>Heritage Land Bank</u>		
Date: _____		

HLBAC Work Session

THU Oct 13 11:30AM

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From: [Krystal Hoke](#)
To: [Tyler, Margaret S.](#)
Subject: Fwd: Drafted Housing Resolution
Date: Wednesday, September 21, 2022 6:04:27 PM

[EXTERNAL EMAIL]

Can you forward this to HHHAC?

Krystal Hoke
907-301-1558

Begin forwarded message:

From: Krystal Hoke <krystalhoke@gmail.com>
Date: August 2, 2022 at 7:04:34 PM AKDT
To: gbos@muni.org
Subject: Drafted Housing Resolution

Margaret,

Here is the verbiage for the resolution read allowed at the Holtan Hills Housing Advisory Committee:

Since Crow Creek Neighborhood Plan is the land plan associated with Holtan Hills, it is applicable to this committee, in addition to Land Use for the future.

**GIRDWOOD LAND USE RECOMMENDATION FOR A GBOS
RESOLUTION OF SUPPORT
FOR GIRDWOODS HOUSING AND COMMUNITY NEEDS TO BE
ADDRESSED**

Whereas, Girdwood has identified many community land use needs including a childcare facility, workforce housing, senior housing, community gardens and recreational center; and

Whereas, the Crow Creek Neighborhood Land Use Plan specifically states that “Key elements of a

Girdwood affordable housing strategy include the following:

- 1.) Formal commitment to providing affordable housing in Girdwood
- 2.) Definition of level of affordability to be addressed
- 3.) Creation of a management body, or affiliation with an existing entity equivalent to the housing authorities used in other resort communities
- 4.) Definition of a funding strategy, such as requiring new development to contribute to developing affordable housing
- 5.) Definition of a target for the amount/level of affordable housing in the Crow Creek

Neighborhood;”

Whereas, the community of Girdwood seeks to define these “key element” 1-5 as a public example of formal commitment for the following:

- 1.) Girdwood seeks to provide affordable housing for individuals in the valley, specifically for workforce and senior housing needs.
- 2.) Rents and Mortgage Payments shall strive to be capped at or below 30% of an individual’s direct income. Those who make 100% (and under) Area Median Income, which is currently \$104,300 for the Anchorage Municipality, may qualify.
- 3.) Those under the income limit are eligible to be assisted under a local non-profit, such as Girdwood Community Land Trust, Neighborworks, Cook Inlet Housing Authority, etc. or governmental body, set up without delay.
- 4.) Inter-governmental loans, such as those which funded the completion of the Girdwood Library, may be utilized for funding projects. Other possibilities include HUD Home Partnership grants or traditional private financing. A specific amount of affordable housing needs to be a commitment from the developer to be included in any projects on public lands.
- 5.) The target amount for housing to assist those under the Area Median Income limits shall be a minimum of 25%.

Therefore, Girdwood Board of Supervisors be it resolves:

New Service Area Power for
Community Housing?

Isn't housing expensive everywhere?

- Economics 101 - rough balance between local housing costs and local economy

- But resort communities are *desirable*

- Demand for second homes / vacation rentals
- By definition, second home buyers are upper income
- Local economy concentrated in lower wage recreation, hospitality & tourism

-> Mismatch between economics of mostly *external* demand and local need

- Girdwood is near (or slightly beyond) an inflection point

What do our plans say?

- Limited guidance in 1995 Girdwood Area Plan
 - Focus area in 2023 rewrite
- 2006 Crow Creek Neighborhood Plan does address *affordable housing* i.e. lower income housing
 - A. Formal commitment to providing affordable housing in Girdwood
 - B. Creation of a management body, or affiliation with an existing entity equivalent to the housing authorities used in other resort communities
 - C. Defining a funding strategy, such as requiring new development to contribute to developing affordable housing.
- Problem in 2022 is much broader than in 2006
 - Housing affordability now extends to mid and mid-upper income
 - \$3,600 pcm rent for a 3 bed home -> household income \$145k+

Proposal

- Create new GVSA service “Economic and Housing Stability”
- Similar to Cemetery service approved in 2015
 - Can fund studies & plans
 - Ties funding to increase in housing values & new construction
 - Allows local management
 - Any funding *must* be spent withing GVSA geographic boundary
 - No change to GVSA tax cap of 6.0 mil
 - No commitment to long term funding of “programs”
- On Municipal ballot as early as April 2023
 - Community vote – would confirm Girdwood’s commitment to addressing local housing issues

“Economic and Housing Stability”

- **Economic stability**

- local businesses are cutting services and opening times due to the lack of housing
- affects restaurants and retail, the resort and recreation, government services such as teaching and firefighting, and even local professional services

- **Housing stability**

- community members who rent are at constant risk of losing their housing due to sale or conversion to short-term rental
- lack of stability has driven many longer-term residents and young families from our community

The character of the Girdwood community is inextricably linked to the availability of stable housing for those who live and work in the community.

Community Housing is critical infrastructure for resort communities