# MEMORANDUM

DATE:	March 8, 2012
TO:	Planning Commission
FROM:	Ben Lyman, Planner Community Development Department
FILE NO.:	AME2012 0002
PROPOSAL:	Revision of sections of CBJ 49, the Land Use Code, to increase residential density limits in select zoning districts, and to provide for development bonuses

The City and Borough of Juneau Code states in CBJ 49.10.170(d) that the Commission shall make recommendations to the Assembly on all proposed amendments to this title, zonings and re-zonings, indicating compliance with the provisions of this title and the Comprehensive Plan.

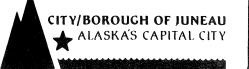
Applicant:	Community Development Department
Property Owner:	Boroughwide
Property Address:	Boroughwide

### BACKGROUND

This proposed revision to CBJ 49, The Land Use Code, is the culmination of several different projects that have resulted in a clear determination that portions of the Land Use Code that limit residential densities excessively are not in conformance with the Comprehensive Plan, and may unduly restrict development of residential and mixed-use projects within portions of the City and Borough of Juneau.

The separate reviews and projects that have resulted in the effort discussed in this memorandum are summarized as follows:

1) Need to revise CBJ 49.25.400, the Table of Dimensional Standards (TDS), for the Mixed Use 2 (MU2) zoning district so as to allow the type of development that zone is intended to contain;



Planning Commission File No.: AME2012 0002 March 8, 2012 Page 2 of 9

- 2) Draft Willoughby District Plan and its calls for changes to the TDS for the MU2 zoning district;
- 3) Proposals to develop residential units at densities greater than 18 dwellings/acre in Light Commercial (LC) and General Commercial (GC) zoning districts;
- 4) Strong support for Transit Oriented Development (TOD) or denser, mixed-use development along Transit Oriented Corridors (TOC) in the Comprehensive Plan.

Each of these projects was briefly described in the February 8, 2012 memorandum on this case; those descriptions are reiterated here for reference:

1) Revise TDS for MU2:

The MU2 zone is described at CBJ 49.25.220(b) as being "intended to place a greater emphasis on residential development than is the case in the MU district. A range of residential development types is allowed. Multifamily residential uses are allowed at a density of 60 units per acre."

The TDS for MU2 sets a height limit of 35 feet, or three stories, and requires setbacks of 5 feet from all sides. Although a height bonus can be earned by a developer that makes it possible to build to 45 feet in the MU2 district, it would still be exceedingly difficult to fit 60 dwellings/acre in a building that is only 45 feet high if that building was to contain other (mixed) uses as well, as is the intent in a mixed-use zone.<sup>1</sup>

2) Draft Willoughby District Plan:

The Draft Willoughby District Plan calls for tripling the number of dwelling units in the Willoughby District, which essentially the MU2 zoning district, to 350-400 units within the next 20 years. This ambitious goal will require an infusion of development capital in infrastructure and residential projects, but will be impossible under regulations that do not support this type of residential density.

The Draft Willoughby District Plan also calls for significant changes to the TDS, as well as the adoption of bonus procedures to encourage developers to provide features that will improve the nature of the district in return for relaxed restrictions on other aspects of the development. Although bonuses may be an appropriate tool in some instances, the MU2 district is a poor candidate for bonuses, as setback requirements are already small, and the recent extension of the PD-1 parking overlay zone to the area reduced the off-street parking requirement as an obstacle to development. The height limit could be increased through bonuses, but bonus procedures add complexity and uncertainty to the permitting of projects, which makes them less attractive to developers as means to obtain permits.

<sup>&</sup>lt;sup>1</sup> Jensen Apts., 305 Sixth St., with six dwellings on a 2447 square foot lot, and the MacKinnon Apts., 236 Third St., with 23 dwellings on a 9283 square foot lot, both top 100 dwellings per acre in only two or three stories. Neither has on-site parking available, and both are built almost entirely to the property lines. Many other examples of dense residential development exist in downtown Juneau, but none under current Building or Land Use Codes.

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 3 of 9

Raising the base height limit, perhaps from 35 feet to 45 feet, and the bonus height limit from 45 feet to 55 feet, may facilitate development of mixed-use projects in the district while not requiring developers to go through bonus procedures that are still available if additional height is needed for a given project.

3) Increase residential density limits in commercial zones:

The Comprehensive Plan only contains one commercial land use designation, General Commercial. The General Commercial land use designation is appropriate for commercial and mixed-use development, with "residential densities ranging from 18- to 60-[residential] units per acre." The LC, GC, WC, MU, and MU2 zoning districts are all appropriate for this land use designation, but the LC and GC zoning districts are particularly applicable. Currently, residential densities in the LC, GC, and WC zoning districts are limited to 18 dwelling units/acre maximum; only the MU and MU2 zoning districts allow residential densities over 18 dwelling units/acre.

A typical tool in determining appropriate allowable/maximum residential densities is a best fit curve; in this tool, the allowable densities of each zoning district are graphed, and a best fit line is plotted, with the goal of achieving a near-perfect relationship between the density limits and the curve.

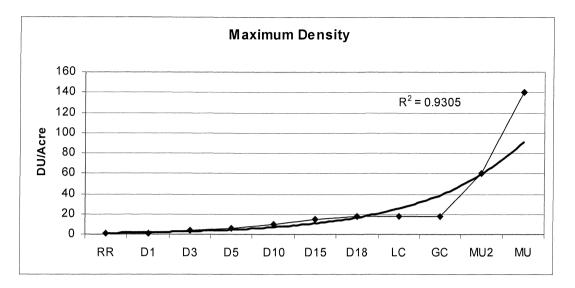
Zone	Maximum Density
RR	1.2
D1	1.2
D3	3.6
D5	6.2
D10	10
D15	15
D18	18
LC	18
GC	18
MU2	60
MU	140

Currently, the maximum allowable residential densities can be listed as follows:

This is graphed, with a best-fit line,<sup>2</sup> as:

<sup>&</sup>lt;sup>2</sup> An  $R^2$  value of 0 indicates no relationship between the line and the data, and an  $R^2$  value of 1 indicates a perfect relationship between the line and the data.

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 4 of 9

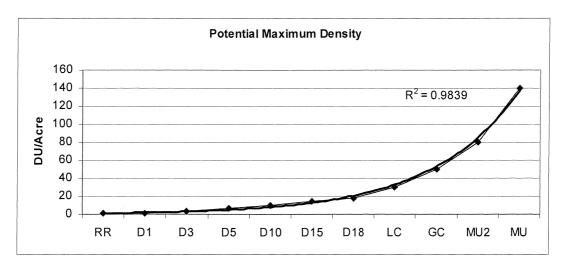


As this chart shows, the best fit line does not match the "flat" density curve of D18, LC, GC.

By increasing the maximum allowable densities of the LC and GC districts to 30 and 50 dwelling units/acre, and the MU2 district to 80 dwelling units/acre, the fit is much better:

Zone	Potential Maximum Density
RR	1.2
D1	1.2
D3	3.6
D5	6.2
D10	10
D15	15
D18	18
LC	30
GC	50
MU2	80
MU	140

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 5 of 9



This scheme of gradually increasing maximum allowable residential densities provides for a gradual transition from less-dense to more-dense neighborhoods, as well as improving the conformance of existing zoning districts with the Comprehensive Plan.

Although this modification to the maximum allowable densities in the LC, GC, and MU2 zoning districts achieves goals of the Comprehensive Plan in terms of promoting compact, in-fill development of mixed uses and high residential densities, there is one question that is beyond a simple metric, and that must be evaluated on a more intuitive level. That question is, should the LC or the GC zoning district be home to more residents?

The LC zone is typically utilized as a buffer between GC or Industrial zoning districts and adjacent residential districts; the LC zone does not allow many uses that could be considered incompatible with residential uses, but the increased traffic, noise, and other impacts of high-density residential developments may be inappropriate for locations adjacent to low-density residential areas.

The GC zone is often adjacent to I-zoned lands, and allows many heavy commercial and light industrial uses that may be considered incompatible with residential uses. On the other hand, this zone would be able to accommodate the heavy traffic an noise impacts of high-density residential development with fewer impacts to adjacent residences than would be the case if the LC zone had higher allowable residential densities.

4) Transit Oriented Development:

The Comprehensive Plan discusses Transit Oriented Development, Transit Corridors, mixed use, high-density residential, "Transit First," and an Affordable Housing Overlay District in so many places that it would be difficult to document all of the places where this type of development is referred to in one way or another. Ultimately, all of these phrases are referring to the clustering of development, including high-density residential and mixed commercial and office uses as well as other major destinations, along transit

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 6 of 9

corridors where public utility infrastructure can serve large populations efficiently, and where automobiles are not necessary for residents to live their lives.

Although reference to this type of development permeates the Comprehensive Plan, there is no map in the Comprehensive Plan that delineates where this type of development is appropriate. To rectify this situation, CDD staff have developed a DRAFT Transit Oriented Corridor (TOC) map and related DRAFT Transit Oriented Node and Corridor Map that will be proposed to be included in the 2012 Update to the Comprehensive Plan; a memorandum filed under this case and under AME2012 0006, the 2012 Comprehensive Plan Update, is presented to the Planning Commission concurrently with this memorandum. This map shows a <sup>1</sup>/<sub>4</sub> mile radius/buffer around established and potential transit lines, within which overlay zones or other regulatory changes can be adopted so as to promote the development of mixed-use and high-density projects, potentially with reduced parking requirements or other development bonuses.

When the map showing the  $\frac{1}{4}$  mile buffer from transit stops is compared to the General Commercial land use designated parcels in the Comprehensive Plan, it is clear that the vast majority of these lands fall within the draft TOC.

Similarly, when the map showing the <sup>1</sup>/<sub>4</sub> miles buffer from transit stops is compared to the zoning districts LC and GC, nearly all of the properties in those zones are within the draft TOC as well.

This culmination of the TOC project and the review of the density limits in the LC and GC zoning districts is that it appears that it would be appropriate to increase the residential density limits in the LC and GC zoning districts before adopting the TOC map, as these properties do not require improved transit service or complicated bonus procedures—they simply warrant higher allowable density limits than are currently imposed on them.

### Other Restrictions and Requirements

### Height Limits:

Building height restrictions (by zoning district) and parking requirements are two other facets of the Land Use Code that affect the potential for developing multi-family and mixed-use projects. Height restrictions in the MU2 zoning district are discussed above under their own heading. Height restrictions in the LC and GC zoning districts are currently 35' and 45', respectively. Adding ten feet to each of these limits would enable development of 33% more floor area in a project on an LC-zoned parcel, and 25% more floor area in a project on a GC-zoned parcel. Comments have been received from multiple architects, developers, property managers, and real estate professionals that indicate that increasing height limits by ten feet in these zones could enable projects to pencil out that do not currently work financially.

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 7 of 9

Parking Requirements:

Parking requirements are also typically cited as being obstacles to developing affordable housing, and due to the high cost of constructing structured parking, most projects rely on surface parking to meet the parking requirements at CBJ 49.40.210. This often results in a situation where the footprint of the proposed building is limited in size by parking requirements. In cases of subsidized or elder housing, the parking utilization rates are much lower than the parking requirement placed on the project. However, amending the parking requirements for these types of housing has been hampered in the past by the apparent need to develop a mechanism to ensure that a given project is managed in perpetuity to provide housing for populations that are less likely to own automobiles than the public at large. There are three factors that may make this concern about ongoing management moot: Development density, demographics, and market forces.

**Development density and design.** Consider the density of the development. Research shows that each time residential density doubles, auto ownership falls by 32 to 40 percent (Holtzclaw et al. 2002). Higher densities mean that destinations are closer together, and more places can be reached on foot and by bicycle—reducing the need to own a car. Density is also closely associated with other factors that influence car ownership, such as the presence of good transit service, the community's ability to support stores located in neighborhoods, and even the walkability of neighborhood streets.<sup>3</sup>

**Demographics.** Consider the characteristics of the people using the development, including employees, customers, residents, and visitors. People of different incomes and ages tend to have different car ownership rates.<sup>4</sup>

**Abolish requirements.** Another approach is for cities to simply abolish all parking requirements in neighborhoods that are served by a range of travel options and where surrounding residential areas are protected from spillover parking from other users (Millard-Ball, 2002). This leaves it up to developers—who have a financial interest in meeting tenants' needs while not oversupplying parking—to determine how many spaces are needed.<sup>5</sup>

Juneau's senior population is growing, both in number and in proportion to the rest of the community. This trend is taking place across the nation, with 10,000 additional Baby Boomers turning 65 every day. Housing availability and cost, as well as transportation, were top concerns listed in the 2010 Senior Needs Survey<sup>6</sup>. Comments received in the survey also referred to problems with climbing stairs experienced by an aging population.

<sup>&</sup>lt;sup>3</sup> Parking Spaces, Community Places, EPA 231-K-06-001, EPA, 2006

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup> http://www.juneau.org/assembly/COW/documents/2010\_Final\_Juneau\_Senior\_Needs\_Survey.pdf

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 8 of 9

Requiring a lower parking provision rate for universal-design multi-family residences than for non-universal design multi-family residences would help encourage development of accessible housing, which would likely be occupied by the growing population for such units: seniors and disabled populations.

The City of Seattle requires one parking space per four low-income/disabled multi-family units, and one parking space per five low-income elder/disabled multi-family units; for general multi-family residences, the requirement is one space per unit.<sup>7</sup>

Dan Austin, General Manager of the St. Vincent de Paul Society, has commented<sup>8</sup> that only 40% of the spaces at Smith Hall are used currently (13 out of 32), and that only 27% of the spaces at the Channel View Apartments (7 out of 26) are used. Clearly, a reduction to the current multi-family parking requirement is warranted for projects that will be occupied by seniors or people with disabilities.

The criteria for that reduction are potentially problematic. Requiring deed restrictions or other oversight of project management by the CBJ is not realistic from an administrative point of view, and simply reducing the parking requirement for multi-family housing would potentially allow projects to be permitted that could not accommodate the parking demand that they created. Staff suggests that a potential solution would be to require fewer parking spaces for multi-family housing that meets universal design requirements such as zero-rise entries, wheelchair and other ADA accessibility features, and dedicated ADA shuttle loading zones. This approach may result in the construction of some multi-family projects that fail to adequately provide parking for tenants and visitors; developers will hopefully recognize that their project will be more successful if they provide adequate, but not excessive, parking for tenants and visitors and provide parking accordingly.

### **COMPLIANCE WITH THE COMPREHENSIVE PLAN**

### Comprehensive Plan Contents

The Comprehensive Plan of the City and Borough of Juneau, 2008 Update, is literally rife with references to increased residential densities, infill development, transit oriented development, mixed use development, and focusing increased development levels within walking distance of transit stops. References are cited in the February 8, 2012 memorandum on this case.

### Discussion

The Comprehensive Plan clearly indicates that regulatory changes are required in order to facilitate the development of residentially dense, multiple-use-rich projects along major transit lines. Additionally, the Plan indicates that the Capital Improvement Program should be used to provide needed urban services serving compact development.

<sup>&</sup>lt;sup>7</sup> Table B for 23.54.015: PARKING FOR RESIDENTIAL USES, Seattle Municipal Code

<sup>&</sup>lt;sup>8</sup> February 23, 2012 letter from Dan Austin to Ben Lyman

Planning Commission File No.: AME2012 0002 March 8, 2012 Page 9 of 9

The Comprehensive Plan provides clear direction to increase residential density limits and other development standards such as height so as to enable the development of denser residential uses than currently exist.

### **STAFF RECOMMENDATION**

Staff recommends that the Planning Commission provide staff direction on the proposed changes to the Table of Dimensional Standards, CBJ 49.25.400 so as to raise base height limits in the LC, GC, and MU2 zoning districts by ten feet. Staff also recommends that the Planning Commission provide staff direction on the proposed changes to the Density Table at CBJ 49.25.500, which would increase residential density limits from 18 dwelling units per acre in both the LC and GC zones to 30 and 50 dwelling units per acre, respectively, and in the MU2 zone from 60 dwelling units per acre to 80 dwelling units per acre.

Staff further requests that the Planning Commission provide guidance on how to address parking requirements for particular types of multi-family housing, particularly the elderly and low-income elderly.

## DRAFT

### **ARTICLE V. - DENSITY DETERMINATION**

### 49.25.500 - Density.

The maximum number of dwelling units allowed per acre shall be as provided in the following table:

### **Zoning District**

	Maximum Dwelling Units/Acre
RR	Density determined by minimum lot size in section 49.25.400 and special density requirements in
	section 49.25.510.
D-1	Density determined by minimum lot size in section 49.25.400 and special density requirements in
	section 49.25.510.
D-3	Density determined by minimum lot size in section 49.25.400 and special density requirements in
	section 49.25.510.
D-5	Density determined by minimum lot size in section 49.25.400 and special density requirements in
	section 49.25.510.
D-10	10 units per acre
D-10	Density determined by minimum lot size in section 49.25.400 and special density requirements in
SF	section 49.25.510.
D-15	15 units per acre
D-18	18 units per acre
MU	No maximum density
MU2	60 80 units per acre
LC	18 30 units per acre
GC	18 50 units per acre

### 49.25.510 - Special density considerations.

(a) *Fractions of units.* If a density calculation results in fractions of dwelling units allowable, such fractions shall be rounded to the nearest whole number.

(b) *Factors precluding maximum density.* The number of units allowed by section 49.25.500 is a maximum, achievement of which may be prevented by other factors, including topography, dimensional standards or dedication requirements.

(c) *Mobile home subdivisions.* Mobile home subdivisions shall meet the density requirements of the zoning district in which they are located, regardless of the lot size allowed.

(d) Two-unit dwellings.

(1) *Duplexes.* The minimum lot size for a duplex dwelling shall be at least 150 percent of the square footage required for a single-family dwelling in the same zoning district, except in multi-family, mixed-use, and commercial zoning districts, where duplexes may be constructed on any lot of sufficient size for two dwelling units.



# DRAFT

# 49.40.210 - Minimum space and dimensional standards for parking and off-street loading.

(a) *Table of minimum parking standards.* The minimum number of off-street parking spaces required shall be as set forth in the following table. The number of spaces shall be calculated to the nearest whole number:

Use	
	Spaces Required
Single-family and duplex	2 per each dwelling unit
Multifamily units	Geographic area Juneau or Douglas
	1.0 per one bedroom
	1.5 per two bedrooms
	2.0 per three or four bedrooms
	All other geographic areas
	1.5 per one bedroom
	1.75 per two bedrooms
	2.25 per three or four bedrooms
Multifamily units with no-rise entries and universal design, within the Urban Service Area Boundary	1 per two units plus 1 ADA-Van Loading Zone per 30 units or portion thereof
Roominghouses, boardinghouses, single-room occupancies with shared facilities, bed and breakfasts, halfway houses, and group homes	Geographic area Juneau or Douglas
	1 per 2 bedrooms
	All other geographic areas
	1 per bedroom
Single-room occupancies with private facilities	1 per each single-room occupancy plus 1 additional per each increment of four single-room occupancies with private facilities
Accessory apartments	1
Motels	1 per each unit in the motel
Hotels	1 per each four units
Hospitals, nursing, and convalescent homes	2 per bed or one per 400 square feet of gross floor area
Theaters	1 for each four seats
Churches, auditoriums, and similar enclosed places of assembly	1 for each four seats in the auditorium
Bowling alleys	3 per alley
Banks and offices	1 per 300 square feet of gross floor area
Medical or dental clinics	1 per 200 square feet of gross floor area
Mortuaries	1 per six seats based on maximum seating capacity in main auditorium
Warehouses, storage, and wholesale businesses	1 per 1,000 square feet of gross floor area

# **ATTACHMENT B**

Restaurants and alcoholic beverage dispensaries	1 per 200 square feet of gross floor area
Swimming pools serving general public	1 per four persons based on pool capacity
Retail commercial	1 per 300 square feet of gross floor area
Shopping centers and malls	1 per 300 square feet of gross leasable floor area
Convenience stores	1 per 250 square feet of gross floor areas or as provided at 49.65.540(b)
Pleasure craft moorages	1 per three moorage stalls
Manufacturing uses; research, testing and	1 per 1,000 square feet gross floor area except
processing, assembling, all industries	that office space shall provide parking as
	required for offices
Libraries and museums	1 per 600 square feet gross floor area
Schools, elementary	2 per classroom
Middle school or junior high	1.5 per classroom
High school	A minimum of 15 spaces per school; where
	auditorium or general assembly area is available,
	one per four seats; one additional space per
	classroom
College, main campus	1 per 500 square feet of gross floor area of an
	enclosed area, or, where auditorium or general
	assembly area is available, one per four seats,
	whichever is greater
College, satellite facilities	1 per 300 square feet of gross floor area of an
	enclosed area, or, where auditorium or general
	assembly area is available, one per four seats,
	whichever is greater
Repair/service station	5 spaces per bay. For facilities with two or more
	bays, up to 60% of the required parking spaces
	may be in a stacked parking configuration
Post office	1 per 200 square feet gross floor area

	רא	UKAF I MODIFICATIONS TO C		allic	allo			<b>DU</b> 4 <b>U</b>	1.40.	400	aDI			<b>EIIS</b>	49.20.400 ladie of Dimensional Standards	Stant	lards				
Zoning Regulations	tions	RR	-1 1	-	D-3	D-5		D-10 SF	D-10		D-15	D-18	MU		MU2	ГС	00	WC		M	_
Minimum Lot Size <sup>1</sup>	ize <sup>1</sup>												$\vdash$								
	Permissible Uses	36,000	0C	36,000	12,	12,000	7,000	360,010	010	6,000	5,000		5,000	5,000	0 5,000 4,000	- 4	2,000	2,000	2,000	2,000	2,000
	Bungalow <sup>9</sup>			18,000	ė	6,000	3,500		2,500	3,000	3,000		2,500								
	Duplex	54,000	oc	54,000	18,	18,000	10,500						-		7,500	0C					
	Common Wall Dwelling						7,000	360,010	010	5,000	3,500		2,500		2,500	00					
	Single-family detached, two dwellings per lot	72,000	0C	72,000	24	24,000							-								
Minimum lot width	dth	150'	150'		100'	,02		40'	50'	u)	50'	50'	50'		50'	20'	20'	20'		20'	20'
	Bungalow <sup>9</sup>		75'		50'	35'		25'	25'	N	25'	25'	-								
	Common wall dwelling					60'		40'	40'	(°)	30'	20'			20'						
Minimum lot depth	spth	150'	150'		100'	85'		85' <sup>10</sup>	85'	ω	80'	80'	80'		80'	80'	60'	60'		60'	60'
Maximum lot coverage	overage																				
	Permissible uses	10%	%(	10%		35%	50%	5	50%	50%	20%	<b>\</b> 0	50% None	ne	8(	80% None	None	None	Ð	None	None
	Conditional uses	20%	%(	20%		35%	50%	ŝ	50%	50%	50%	10	50% None	ne	80	80% None	None	None	e	None	None
Maximum heigi	Maximum height permissible uses	45'	35'		35'	35'		35'	35'	(°)	35'	35'	None	ne	35' 45'(4)	35' 45'	45' 55'	35'4		45 <sup>,4</sup>	None
	Accessory	45'	25'		25'	25'		25'	25'	N	25'	25'	None	ne	35'	25'	45'	35'4		45' <sup>4</sup>	None
	Bungalow <sup>9</sup>		25'		25'	25'		25'	25'	.01	25'	25'	╞								
Minimum front yard setback <sup>3</sup>	yard setback <sup>3</sup>	25'	25'		25'	20'		20' <sup>10</sup>	20'	N	20'	20'	0		5 <sup>-5,8</sup>	25'	10'	10'		10'	10'
Minimum stree	Minimum street side yard setback	17'	17'		17'	13'		10'	13'	-	13'	13'	0		5.	17'	10'	10'		10'	10'
Minimum rear yard setback <sup>3</sup>	/ard setback <sup>3</sup>	25' <sup>2</sup>	25'		25'	20'		10'	20'	-	15'	10'	0		5'	10'	10'	10'		10'	10'
Minimum side yard setback <sup>3</sup>	vard setback <sup>3</sup>	15' <sup>2</sup>	15'		10'	2Î		3	5'	5	10	Q	0		2	10'	10'	10'		10'	0'
	Common wall dwelling					10' <sup>6</sup>		3,	2'2	ω	5'7	5'7	-		5'7						

# DRAFT Modifications to CBJ 49.25.400 Table of Dimensional Standards

Modified cell; delete red text, add black text



Board of Directors

Mindy Voigt, President

Ida Barnack, Vice President

Theresa Harris, Secretary

Robert Rehfeld, Treasurer

**Alan Rogers** 

Anna Marg Rear

**Barbara Bechtold** 

Thomas R Smith

**Charles Van Kirk** 

Fr. Patrick Travis, Spiritual Director

Web Site www.svdpjuneau.org

Federal Tax Number for St. Vincent De Paul – 920125695

### MISSION ST ATEMENT

We provide material and spiritual charity and work for social justice for all.

# St. Vincent de Paul Society Diocesan Council of Southeast Alaska

8617 Teal St., Juneau, Alaska 99801

st.vincentdepaul.juneau@gci.net

(907) 789-5535 Telephone (907) 789-2557 fax

February 23, 2012

Ben Lyman Senior Planner Community Development Department City and Borough of Juneau, Alaska

Mr. Lyman;

Thank you for the opportunity to comment on your project to reevaluate density limits, height limits and parking requirements for the CBJ Light Commercial and General Commercial zones. Though my comments apply generally to both zones, I assume that the Light Commercial zone is viewed as a transition or buffer zone between the General Commercial zone and predominantly residential zones. That would mean density and height limits in the Light Commercial zone should be somewhat less than the General Commercial zone.

First, I'd like to address density limits:

Like any development, the viability of an affordable housing pro forma depends on project cash flow sufficient to meet the cost of building and operations. For an affordable housing developer that margin is much closer.

It costs what it costs to build quality, energy efficient housing. We do have a little latitude with materials and technique. Topography and access to utilities certainly play important roles, but it is mostly an equation of economies of scale. To develop an acre of land for multifamily housing requires spreading the fixed costs per square foot over the gross rent potential of the development. Because we are a non-profit, our emphasis is on household



affordability, but the same market principles apply to any multifamily development. Put more households in more efficient housing on the same acre and your development and operating costs per household fall.

As an example, let's look at just the bare land costs. As a non-profit we enjoy very attractive mortgage rates. In this example I use those rates, not the typically much higher costs a private developer would bear. We own a bit more than one acre of flat, vacant land on paved streets with water, sewer and electric utilities at the site. It is zoned General Commercial. If we spread our actual land costs over a proposed number of units, the difference between 18 units per acre (the current General Commercial density limit) and 80 units per acre translates to more than \$100 in additional rent cost per month per household. This is a significant amount to households with less than \$2,000 gross income per month.

Multiply that same differential by the costs of site preparation, utility connections, foundations, roofs, contractor mobilization—all impacted by density factors and fixed costs--and a piece of the affordable housing puzzle falls in place. And that's just construction costs. The same holds true for month to month operating and management expense—an issue of equal importance to the project owner. We cannot "cash flow" an affordable housing development with a limit of 18 units per acre. At 80 units per acre, we have a pro forma that delivers an energy efficient studio apartment to market for \$500 per month.

Unrealistic and out-dated density limits in the Light and General Commercial zones continue to be a barrier to affordable multifamily housing and appropriate mixed use development. Market demand is predicated on affordability to the target household. Units per acre define the cost per household. Economic viability of the project is determined by market demand. This is precisely why no general, multifamily low-income housing has been built here in a decade.

Second, there is the issue of height limits--closely related to density. Adding 10 feet to the respective height limits will accommodate one additional floor in a multifamily project. This would have the effect of allowing a single development to more closely approach maximum density limits on smaller parcels.

Finally, the contentious parking requirement question! A great deal of progress has been made over the years in understanding the reality of parking requirements in multifamily developments, especially in areas well served by

public transit or close to commercial and other community assets. All of our present projects lie in just such areas. In every case, actual utilization of dedicated parking space falls far below even the reduced requirements granted by CBJ Community Development and the Planning Commission. We have many years of observation and data to support dramatic reductions in parking requirements for similar projects.

For example, at Smith Hall senior apartments we are required to maintain 32 parking spaces—30 regular and 2 handicap. At present, 9 resident households and 4 staff members utilize these 32 spaces. This utilization has varied only slightly over the 15 years of project history. At Channel View Apartments on Gastineau Ave., we have 26 parking spaces on the parking deck. At present these are utilized by 7 residents. Six parking spaces are leased out to commercial developments on Franklin St. Our St. Vincent de Paul campus has 32 housing units and a retail business. Of the 45 parking spaces there, no more than 8 are utilized by residents and 2 by staff. The others are generally utilized at 50% to 70% by customer traffic. All three projects are located no more than <sup>1</sup>/<sub>4</sub> mile from a public transit stop.

Partnerships between developers and the City and Borough through investment in sidewalks, bike paths and transit stops can lead to more efficient, affordable development as well as a more livable environment.

You asked me to address the relative importance and impact of proposed changes to the three subjects above.

I am tempted to place the greatest emphasis on simple density limits per acre. For us, at least that is the greatest bottleneck. However, I want to urge the more comprehensive and holistic approach. We strongly support increasing the density limit in the General Commercial zones to 80 units per acre (the Light Commercial would be something less), AND raising the respective height limits by 10 feet, AND reducing parking requirements based on actual utilization in comparable projects with similar criteria. If you are going to step up to the plate, you should focus on a home run. All three revisions taken together will energize affordable housing development to its greatest potential.

Here is an opportunity to move Juneau forward as a Capital City aware of its responsibility to envision a future of solutions, not barriers. Thank you and the Planning Commission for addressing this extremely important topic. We look forward to the completion of your work as soon as possible. We have two

projects adding more than 100 units of affordable housing that await positive action on the kinds of revisions you are examining. Please let me know if we may help in any way.

Sincerely

B -2~

Dan Austin, General Manager

(907) 321-5222