



# MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office  
155 S. Seward St., Juneau, Alaska 99801  
[Heather\\_Marlow@ci.juneau.ak.us](mailto:Heather_Marlow@ci.juneau.ak.us)

TO: Planning Commission

FROM: Heather Marlow, Lands and Resources Manager   
Rorie Watt, Engineering Director 

DATE: October 23, 2012

SUBJECT: CBJ Buildable Land for Housing

Over the past two years, preliminary development plans have been prepared for lands on Pederson Hill, and the Switzer Creek area and preliminary cost estimates have been prepared for a road and utility connection between West Juneau and North Douglas.

The Affordable Housing Commission, Assembly Lands Committee and Assembly Public Works and Facilities Committee have met to consider housing needs and these possible land development projects. The purpose of this meeting is to discuss the projects, consider recommendations from the Affordable Housing Commission and City Staff and to generate a recommendation from the Planning Commission on project area(s) to use existing and future CIP funds to accommodate affordable housing.

**A. Housing Needs Assessment Report, Executive Summary – June 2010**  
[www.juneau.org/lands/documents/JuneauHousingNeedsAssessment.pdf](http://www.juneau.org/lands/documents/JuneauHousingNeedsAssessment.pdf)

## Summary of Recommendations

1. Continue to develop the organizational capacity for affordable housing and continue to monitor local housing data.
2. Encourage the creation of more one and two-bedroom apartments and single-family homes to manage the unmet need.
  - 205 single family homes
  - 138 multifamily rental units (duplex to apartments)
  - Additional senior housing – an increasing segment of the population
3. Establish an Affordable Housing Trust Fund.

4. Address the buildable land issue – establishment of a housing planning process would allow for the collaboration of resources and help determine where needed housing units will fit within the CBJ.

5. Strengthen the Continuum of Care Network (CoC) – success of the CoC is partially dependant on the availability of housing outside of their network, typically 1 and 2 bedroom apartments or single-room occupancy apartments, that clients can be moved to and include the appropriate level of services, to free up space with the CoC system.

**Staff Comment:** Recommendation #1 is an on-going task, an update to the Housing Needs Assessment Report is expected prior to the end of the year. Recommendation #3 has been completed. Recommendations #2 and #4 are the focus of this effort, which also assists Recommendation #5.

### **B. CBJ Buildable Lands Study – January 2007**

[www.juneau.org/cddftp/documents/DelineationandFunctionRatingofJurisdictionalWetlandsandsonPotentiallyDevelopableCity-ownedParcel.pdf](http://www.juneau.org/cddftp/documents/DelineationandFunctionRatingofJurisdictionalWetlandsandsonPotentiallyDevelopableCity-ownedParcel.pdf)

**Staff Comment:** The four CBJ parcels listed below are most suitable for affordable housing development, including the creation of needed apartments, single family homes and additional senior housing:

Parcel #1 Switzer Creek/DZ school area

Parcel #4 Pederson Hill

Parcel #5 S'it' tuwan Subdivision

Parcel #7 Goat Hill

### **C. Residential Development Studies on CBJ Owned Parcels**

**Staff Comment:** These three parcels have received further analysis and study for residential development. Goat Hill was not considered due to zoning, wetlands and topography constraints.

Parcel #1 Switzer Creek/DZ School area  
[www.juneau.org/clerk/ASC/LC/Hill%20560/Switzer.php](http://www.juneau.org/clerk/ASC/LC/Hill%20560/Switzer.php)

Parcel #4 Pederson Hill  
[www.juneau.org/clerk/ASC/LC/Hill%20560/PedersonHillAccessStudy.php](http://www.juneau.org/clerk/ASC/LC/Hill%20560/PedersonHillAccessStudy.php)

Parcel #5 S'it' tuwan Subdivision  
-June 16, 2011 memo from Tom Mattice – avalanche hazard  
-Development area and avalanche hazard maps

## **D. Summary of CIP Projects to Support Residential Development**

### Completed Projects

- North Douglas Sewer
- Industrial Boulevard/Glacier Highway Sewer

### Proposed Projects

- Kowee creek Bridge/Utility Extension
- Mendenhall Peninsula Sewer Process Recap
- Pederson Hill
- Switzer Area

## **E. Project Funding**

Prior fiscal years have allocated \$3.1 million towards these projects, with an additional \$2.6M and \$0.6M in FY13 and FY14. Total funding available is approximately \$6.3M.

## **F. Decision Matrix**

Included in this presentation are a cost summary sheet and a decision matrix that summarizes information about the Pederson and Switzer projects. The area plans and matrix have been prepared for the purpose of comparing various phases against one another. There are more development projects that funding will allow. The Pederson and Switzer projects would develop municipal lands, the West Juneau/N Douglas project would benefit existing undeveloped lands as well as providing other benefits.

## **G. Recommendation**

Project recommendations have been generated by the Affordable Housing Commission and City Staff. There is shared support for Switzer Development Area 2A to be pursued as a near term project (on-line in 1 to 2 years).

For long term phased development (on-line in 3 to 4 years), the Affordable Housing Commission recommended Switzer Development Area 3, totaling 100 units. Commission comments in support of the recommendation included: the potential to reduce site preparation/hauling costs due to the proximity of material sources; the area is appropriate for residential infill, similar to the surrounding density; and the potential for infrastructure cost sharing with a future school site.

City Staff recommends Pederson Hill Development Area 3-4, totaling 100 units. Staff comments in support of the recommendation include: ease of permitting; the desire to spread development impacts through out the community; favorable development

costs; and the strong potential for long term phasing to support affordable housing and community expansion, beyond Pederson Hill Development Area 3-4.

**Staff recommends that the Planning Commission forward a recommendation to the Assembly to take the following actions:**

- 1. Direct staff to proceed with design, permitting and construction of a road and utilities to Switzer Area 2A.**
- 2. Direct staff to proceed with master planning, design, permitting and construction of a road and utilities to Pederson Hill Area 3-4**

# Executive Summary

The City and Borough of Juneau (CBJ), like many other municipalities, has struggled with the responsibility of providing safe, sanitary and affordable housing for its residents. Juneau is experiencing a shortage of affordable housing that is exacerbated by a lack of sufficient rental housing and single-family homes.

A complex set of factors affects the local housing market and individual households' ability to afford housing. Although the nature of these difficulties has long been recognized, housing prices continue to increase and construction of new housing has slowed almost to a halt, further aggravating Juneau's housing problems. Housing prices have increased significantly since 2000, without a corresponding increase in wages. To better understand these dynamics, the Juneau Economic Development Council (JEDC) conducted a housing needs assessment of the current housing situation for all income and housing need categories in Juneau.

It is commonly understood in the housing industry that "Local housing issues require local housing solutions." Whereas state and federal agencies provide funding resources and general housing information that address some of the issues at the local level, the ultimate responsibility for providing safe, sanitary, and affordable housing for all CBJ households resides with the local community. This report has been prepared with the idea that it can be updated on an annual basis to allow the community to create policies and solutions that address Juneau's most critical unmet needs.

Several of the key points to come out of this study are presented below:

## **Recommendations**

Based on analysis of the data compiled for this report, JEDC makes the five following recommendations to improve Juneau's housing situation:

### **1. Continue to develop the organizational capacity for affordable housing and continue to monitor local housing data.**

Given the complexity and the demanding nature of the affordable housing industry, as well as the constant changes in the overall housing market, it is essential to invest resources in organizational capacity and the collection of research and data necessary to understand local housing needs. This information will assist in the acquisition of resources necessary to remedy local housing problem areas, including the identification of gaps within the local Continuum of Care system that assists low-income and homeless persons. Without this information it will be difficult for community stakeholders to collaborate and create strategies to alleviate the stresses on the local housing market.

## **2. Encourage the creation of more one- and two-bedroom rental apartments and single-family homes to manage unmet needs.**

Juneau rental vacancy rates are significantly lower than the region, state or nation. In 2008, Juneau's rental vacancy rate was 2.3%, compared to 6.1% for Alaska and 7.8% for the nation.<sup>1</sup> For owner-occupied homes, Juneau's vacancy rate was 2.5%. According to JEDC calculations, Juneau currently needs 343 more housing units to meet pent-up demand and reach a five percent vacancy rate in each housing category, including 205 single-family homes and 138 new units in multi-unit buildings (duplex to apartment building units).

**Rental Housing**—One- and two-bedroom apartments and three- and four-bedroom single-family homes have very low vacancy rates.<sup>2</sup> A low vacancy rate means limited available housing and a limited ability for renters to choose housing that adequately meets their needs in terms of cost, size, quality, and location. **In 2010, the vacancy rate for single-family rental homes decreased to zero for rental homes with one, three, or four bedrooms.**

One element driving Juneau's shorter-term rental housing demand is the fact that Juneau has a very mobile population. Approximately one-fifth of Juneau's housing units changed hands in the last year, resulting in a higher demand for shorter-term rental housing.

Juneau's large nonresident workforce further exacerbates Juneau's rental crisis by competing with Juneau's lower income households for rental housing. One quarter of Juneau's workforce (approximately 5,000 positions) are not residents of Juneau, and therefore are more likely to require rental housing. Since 2000, the number of nonresidents working in Juneau has increased by nearly 1,500, while the type of rental units necessary to accommodate the housing needs for this group has seen very little growth.

Seven of the top ten private sector nonresident occupations are relatively low-paying positions (retail, tour guides, food service, cashiers, bus drivers, waiters, and maids), meaning many nonresident workers have low-cost rental needs. More than 80% of the renter households with annual incomes less than \$35,000 are cost-burdened. Overall, there are 1,466 renter households with at least some cost burden and only 966 units set aside for low-income households. As the cost of housing has increased in the last decade, demand for more low-income housing has also risen. However, vacancy rates in the 966 designated affordable units is typically between 1-2%, meaning that those most in need of affordable housing have the least amount of choice.

With a current pent-up demand of 138 multi-family units, attention might be given to the acquisition and rehabilitation of existing housing stock to meet this need. This solution is typically less expensive and many of Alaska Housing Finance Corporation's programs focus use this approach. Currently, there are 17 organizations that develop affordable housing rental units and provide housing services in Juneau. Many of these organizations specialize in housing and housing for persons with special needs. Even were these 138 units to be provided it might

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<sup>1</sup> U.S. Census Bureau, 2008 American Community Survey.

<sup>2</sup> Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation - 2009 Rental Market Survey

also be necessary to consolidate ownership and management of these housing organizations to provide better economies of scale.

**Single-Family Homes**—JEDC has identified approximately 1,000 renter households that can afford to purchase a home, but have not. The creation of more single-family homes will provide more options for potential buyers, allow more renters to purchase homes, and help relieve some of the pressure on the rental market. The hurdle to filling this is the lack of available, buildable land.

**Senior-Friendly Housing**—A not immediate, but fast-approaching need, is housing for Juneau's growing senior population. Juneau has aged at a faster pace than the state or the nation. The proportion of those 55 and older in Juneau increased from 10 percent in 1990 to 21% in 2007. By 2020 those 55 and older are expected to make up 30% of the local population. Consequently, Juneau will need to increase its senior-focused housing stock to enable seniors to remain in Juneau in the coming decades. One option is to focus attention on the acquisition and rehabilitation of existing stock as the most cost-effective measure.

### **3. Establish an Affordable Housing Trust Fund.**

Funding is the major difficulty in the development of affordable housing, especially for low-income and special needs populations. Local housing agencies, which are often small with limited organizational capacity, have difficulty raising the matching funds necessary to apply for state and federal funding. According to a HUD Study, nonprofit development deals involve, on average, 7.8 different sources of funding.<sup>3</sup> Additionally, the local home-building community finds it unprofitable to build market-rate single-family homes in the affordable range for Juneau residents.

This study recommends creating an Affordable Housing Trust Fund with a local, dedicated revenue source to encourage the creation of housing that targets local housing needs. A local Affordable Housing Trust Fund would (1) provide a dependable source of capital for the production, acquisition and rehabilitation of rental units, owned homes, and associated supportive services, (2) provide funding without restriction that would give the community the ability to focus on most pressing local housing needs, and (3) would be used to leverage other funds for the production of more affordable housing.

A focus of the Affordable Housing Trust Fund should be the establishment of a dedicated revenue source so that affordable housing can be developed consistently and is not subject to periods of inactivity. Of course, this raises the all-important question—from where will the dedicated revenue source come?

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<sup>3</sup> Bratt, Rachel G. 2006. *Should We Foster the Nonprofit Housing Sector as Developers and Owners of Subsidized Rental Housing?* Paper presented at the Joint Center for Housing Studies Symposium on Revisiting Rental Housing: A National Policy Summit, Cambridge, MA. November 14—15.

#### **4. Address the buildable land issue.**

The purpose of the Juneau Housing Needs Assessment is to determine the unmet housing need in the community. However, one of the primary barriers to the creation of more housing is the lack of affordable land on which to build new housing. This situation is likely to become even more restrictive in future years.

Most local undeveloped lands are wetlands, forests, steep slopes and variable terrain and/or are inaccessible by roads. Unfortunately, the cost to develop those lands (and mitigate environmental impacts) for most residential uses is cost-prohibitive.<sup>4</sup>

A search for buildable land, an examination of how land-banking options might provide more buildable land, and an analysis of opportunities for conversion of existing buildings into rentals or other potential housing all must be undertaken. A plan that proposes the best mix of these options should be prepared and presented to the CBJ planning department.

#### **5. Strengthen the Continuum of Care Network.**

The lack of affordable one- and two-bedroom rental units is especially burdensome on the low-income population. This in turn increases the pressure on the Continuum of Care network (Juneau Homeless Coalition) that aims to provide housing options for these residents. With limited opportunities to move clients out of the Continuum of Care (CoC) system – Emergency Shelter, Transitional Housing, Permanent Supportive Housing – the existing housing options for low-income and special needs populations are often not utilized for their intended purpose. Thus fewer clients are assisted than meets the need.

In addition to the need for more housing options for the homeless, low-income, and special needs populations, other strategies that are necessary to improve the housing situation for this segment of Juneau's population include:

- Community-wide utilization of the Health Management Information System (HMIS) or another data collection system that would help track and assess the needs of clients and identify current gaps.
- Comprehensive intake, assessment, and prevention efforts that match clients' housing needs with the appropriate available resources.
- Establishment of a community-adopted Ten-Year Plan to End Homelessness.

The success of these strategies will also depend on the availability of housing outside of the Continuum of Care network. Typically there are one- and two-bedroom apartments or newly allowed Single-Room Occupancy (SRO) apartments to which clients can be moved for the appropriate level of service. This would free up space within the CoC system.

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<sup>4</sup> City and Borough of Juneau Comprehensive Plan, 2008



## Other Key Findings

Other key findings from the report are summarized below:

### Housing Values and Sales

- The average price of a single-family residence in 2009 was \$307,955, which was 4.3% higher than the 2008 average. In the first half of 2010, home prices have continued to rise. The average price of a single-family residence in the first half of 2010 was \$318,385. In 2009 there were a total of 228 single-family homes sold, similar to 2008. The average number of days on the market was 93.<sup>5</sup>
- An average Juneau home was built in 1971 and is 1,740 square feet with three bedrooms. Of the 6,319 single-family homes in Juneau, only six percent are assessed at \$200,000 or less (in 2010).<sup>6</sup>
- The median assessed value of an owner occupied housing unit was 53% higher in Juneau than the national median value, and 30% higher than the Alaska median value in 2008.<sup>7</sup>

### General

- Of Juneau's 12,911 housing units, nearly half (49%) are single-family homes.<sup>8</sup>
- Two-thirds of housing units in Juneau are occupied by the homeowner.<sup>9</sup>
- One-third of Juneau residents have lived in their current housing unit for three years or less.<sup>10</sup>

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<sup>5</sup> Southeast Alaska Multiple Listing Services, 2009

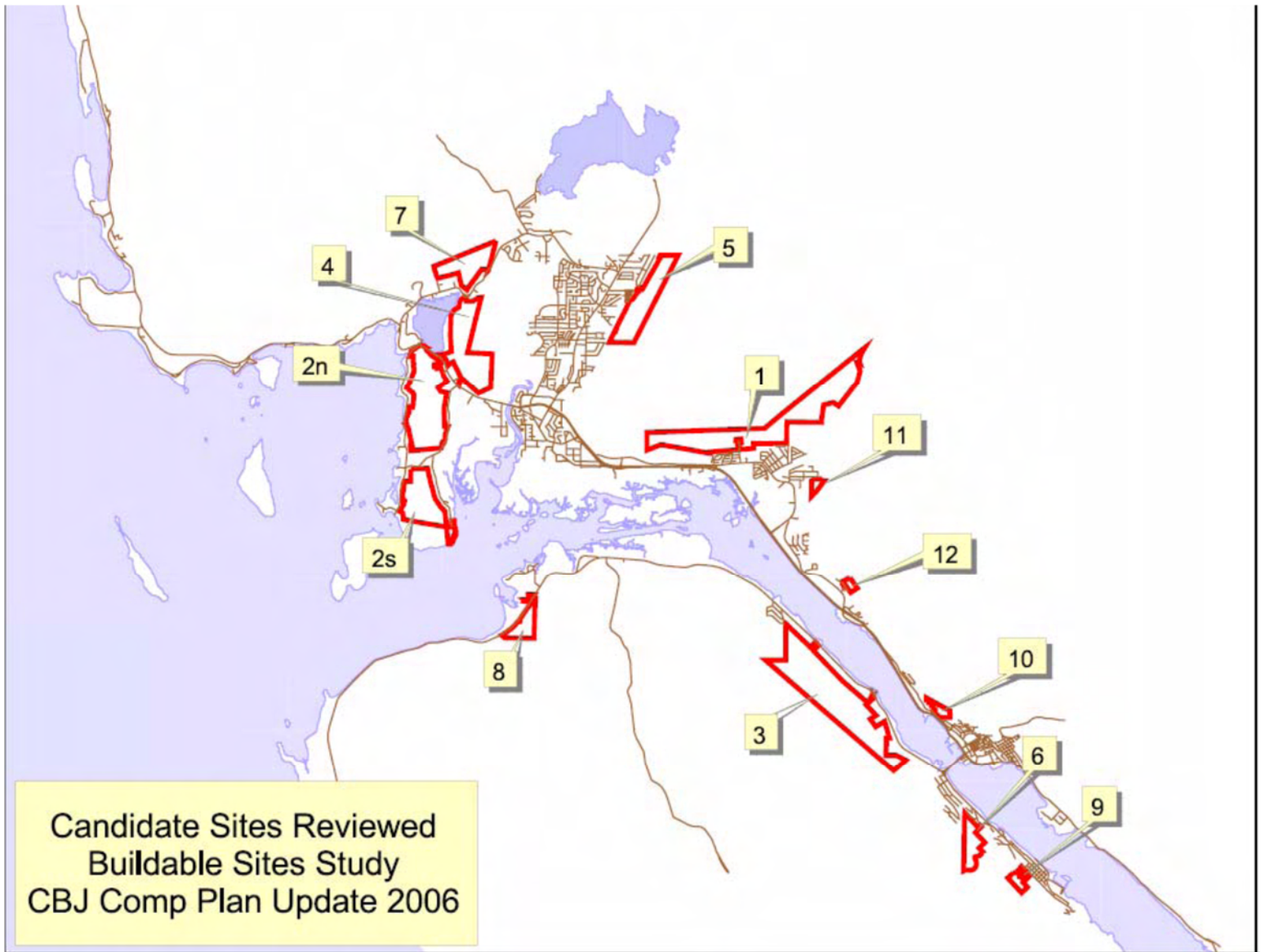
<sup>6</sup> City and Borough of Juneau, Finance Department, Assessor's Database, 2010. Analysis by the Juneau Economic Development Council

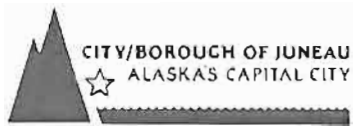
<sup>7</sup> 2008 American Community Survey, U.S. Census Bureau

<sup>8</sup> City and Borough of Juneau, Finance Department, Assessor's Database, 2010. Analysis by the Juneau Economic Development Council.

<sup>9</sup> 2008 American Community Survey, U.S. Census Bureau.

<sup>10</sup> 2008 American Community Survey, U.S. Census Bureau.





## EMERGENCY PROGRAMS

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DATE: June 16, 2011

TO: Heather Marlow

FROM: Tom Mattice  
Emergency Programs Manager

SUBJECT: Kanata Street Potential Development

Heather,

Having taken an initial look at the property for the Kanata Street Potential Development and having read through the 1972 Avalanche Hazard Inventory Report prepared by Hans Frutiger of the Swiss Federal Institute for Snow and Avalanche Research there are a few considerations I would like to point out:

1. This report was generated for many areas of the city and the area in question was not the focal point of this study.
2. Avalanche research and engineering has changed a great deal since this report was generated in '72. New slope modeling is much more accurate and takes more variables into consideration.
3. In the case of avalanches in the Juneau Region, the topographic factors can be studied well on the large scale map whereas the knowledge of the significant climatic and snow cover factors is very poor. Climatic factors influence to a great extent the occurrence, the type and magnitude of the avalanches for given terrain features. The evaluation of potential big and long term avalanches becomes very questionable when climatic data for the regions where avalanches start are not available. This, in fact, is the case for the Juneau Region. The report states, "Almost no data on snow cover conditions is available." New studies would use newer, more accurate data for the weather input.
4. Upon examining the area in person a few things came to mind. The tree/vegetation cover in the region varies. Some larger old growth is present that shows historical avalanche damage in areas near the slide zones. Younger trees are also present in areas more prone to avalanche activity. The report states, "Because of lack of time, no thorough inspection of the age of the timber stands in the neighborhood of avalanche tracks was made. This would be most

important to detect past avalanche occurrence.” By understanding past avalanche occurrences it allows us to better determine the avalanche return interval.

Another factor to take into consideration from the reports perspective is the unusual steepness of the slope, the low altitude combined with heavy precipitation and adequate abundant vegetation and intricate weather pattern makes the use of now standard parameters almost impossible at the time the report was created. New modeling takes into account many additional variables.

5. For the purposes of the new development we will be discussing Report Area IV Thunder Mt. West Slope. Primarily Sub Area 4-1 and 4-2. Hazard under area 4-1 looks to be limited by heavy timber on smaller slopes. Residential development below Area 4-1 could occur without additional study. The corridor of concern will be area 4-2 and below.

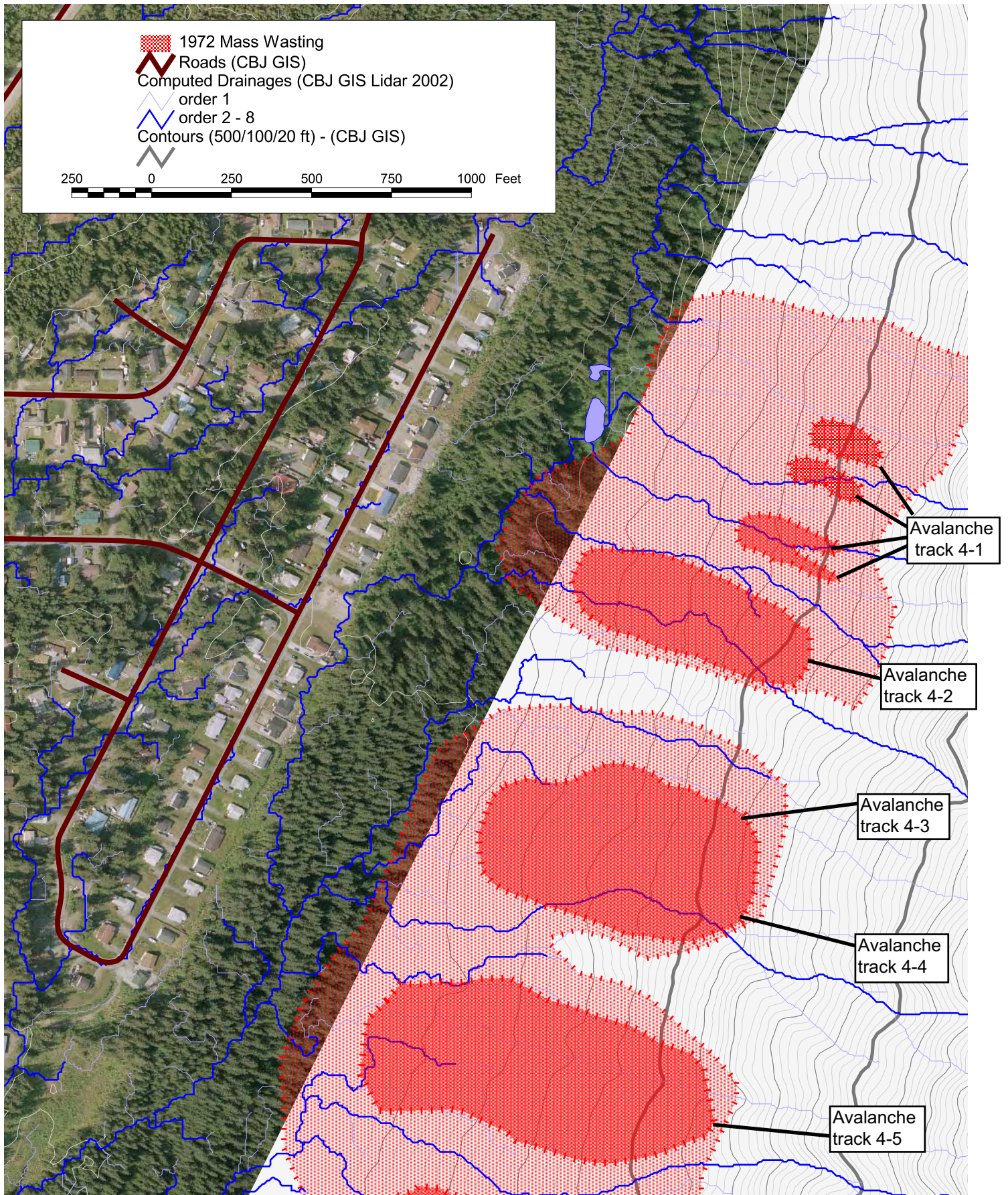
My concern with the report is this: The avalanche danger shown continues all the way down a steep hill and stops as soon as it hits flat land. This is not typical with avalanche areas. The toe of the debris is most often found on slopes of less angle than that of the avalanche track. The flow equations for the report used one meter of depth for the snow in the avalanche equations, due to the fact that good local data was not available. In my limited time in Juneau I have seen the potential for avalanches greater than a meter in depth. These two findings would allow me to believe that this report is conservative in the area in question and should perhaps be revisited with modern techniques now that it may become a focal area of concern and not an afterthought.

It would be my recommendation that a proposed development below Area 4-2 be reviewed with a pre development assessment and that new slope modeling studies be performed by the Swiss Snow Institute’s Stephan Margreth. This would allow you to insure that any new development below Area 4-2 would be removed from areas of avalanche potential.

Please let me know if there is anything else I can do for you as you work through this project.

Thank you,

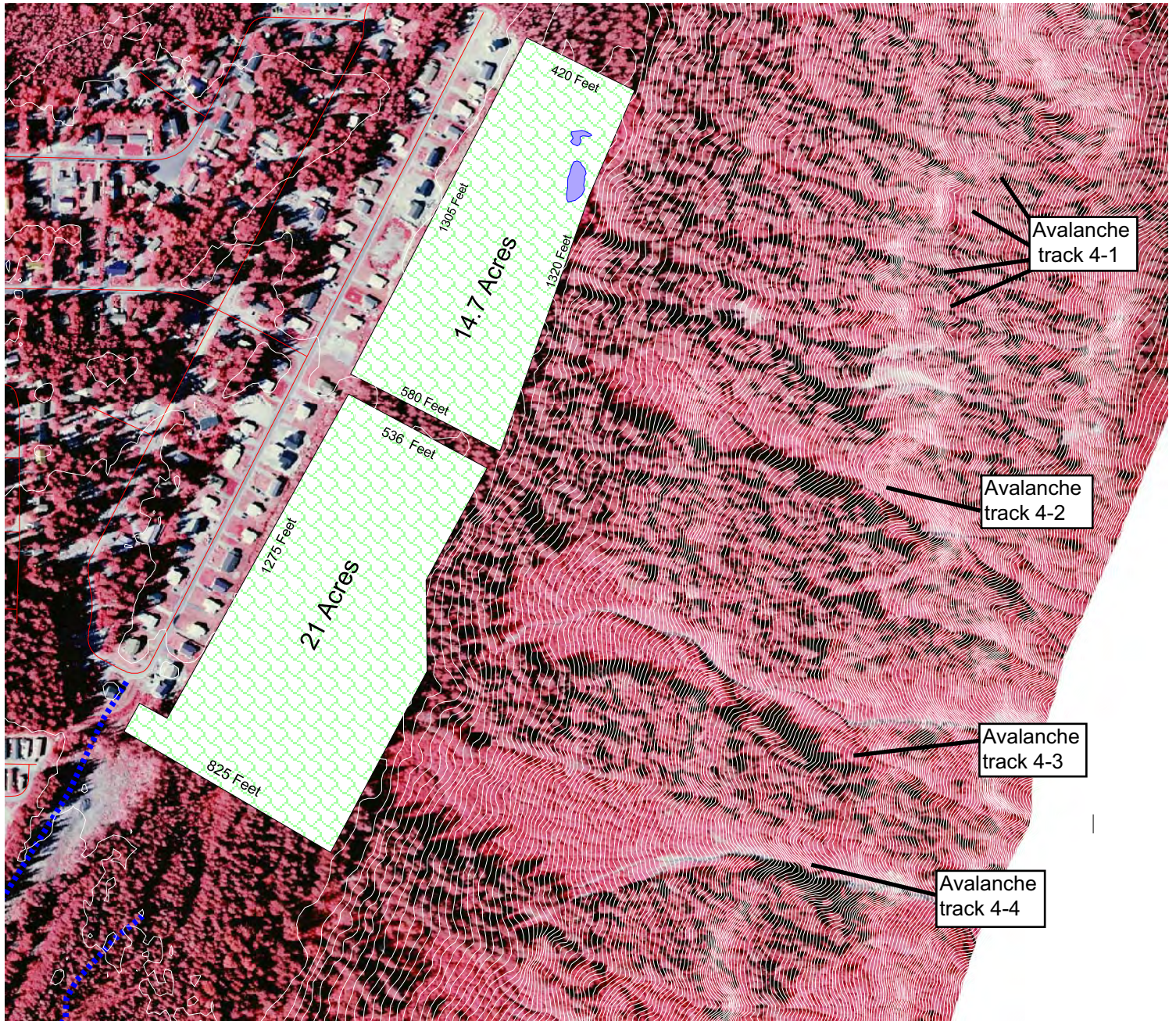
Tom Mattice  
CBJ Emergency Programs Manager/ Avalanche Forecaster  
907-209-9207



The overlay of avalanche mass wasting zones from the CBJ 1972 study is approximate in this map. The 1972 maps were scanned and coregistered with GIS data from 2002 and 2006 (based on mountain summits in the maps and databases), with an XY error of 34.87 feet, 1.00 RMSE.

In rough terms, there is a one in three chance a given boundary is more than 35 feet from where it appears on the map, based on the coregistration process alone. There may be additional positional errors, based on the (undocumented) accuracies of the maps in the 1972 study.

# Kanata Street Developable City Owned Parcels



City owned buildable land



2006 wetlands



1997 Stream data



10 foot topographic



**Switzer Development**

	Total Project Development Cost	Dwelling Units	Cost Per Dwelling Unit
Development Area 1A	\$ 2,652,000	43	\$ 62,000
Development Area 1B	\$ 5,066,000	68	\$ 75,000
Development Area 2A	\$ 671,000	32	\$ 21,000
Development Area 2B	\$ 1,571,000	14	\$ 113,000
Development Area 2A & 2B	\$ 2,284,000	46	\$ 50,000
Development Area 3	\$ 6,777,000	100	\$ 68,000
Development Area 3 -full buildout w/conxn from DA 2A to DA 3	\$ 16,626,000	143	\$ 117,000

**Pederson Hill**

Development Areas 5,6 and 3 - access from Wildmeadow	\$ 7,637,000	100	\$ 77,000
Development Areas 3 and 4- access across from Sherwood Ln	\$ 5,548,000	100	\$ 56,000

**Sit'uan expansion**

	\$ 3,465,000	50	\$ 70,000
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**CBJ Lands  
Evaluation Matrix  
Affordable Housing Development Areas**

+ yes/favorable	Ease/ability to permit	Potential for long term development with phasing	Cost estimate* per dwelling unit (du), based on D-10 zoning	Minimizes property acquisition	Impact to private land	Proximity to transit, retail/services, jobs, schools, recreation	Certainty that affordable housing will result
*maybe/moderate							
- no/not favorable							
<b>Pederson Hill</b>							
Development Areas 1-2	+	*	\$100,000+/32 du	*	*	+	-
Development Areas 3-4	+	++	\$56,000/100 du	*	*	+	+
Development Areas 3, 5, 6	*	++	\$77,000/100 du	*	*	+	*
<b>Switzer Lands</b>							
Development Area 1A	+	*	\$62,000/43 du	+	+	+	+
Development Area 1B	*	*	\$75,000/68 du	+	+	+	+
Development Area 2A	+	-	\$21,000/32 du (\$50,000 2A + 2B)	+	+	+	+
Development Area 2B	+	-	\$113,000/14 du (\$50,000 2A + 2B)	+	+	+	*
Development Area 3	*	*	\$68,000/100 du	+	*	*	+
Development Area 3 (full build-out)	+	+	\$117,000/ additional 143 du	+	*	*	*
<b>Under Thunder</b>							
Situwaan Phase 2	+	*	\$70,000/50 du	+	*	-	+

\*Cost estimate includes master planning, permitting, infrastructure development and subdivision plat