



# ASSEMBLY COMMITTEE OF THE WHOLE AGENDA

September 26, 2022 at 6:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream

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Immediately following the Special Assembly Meeting 2022-23

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

**A. CALL TO ORDER**

**B. LAND ACKNOWLEDGEMENT**

**C. ROLL CALL**

**D. APPROVAL OF AGENDA**

**E. AGENDA TOPICS**

1. **Ordinance 2022-06(b)(P)** Gastineau Lodge Apartment Update
2. THRHA Request to Acquire City Property Located at Pederson Hill
3. **Resolution 2993** A Resolution Amending the Accessory Apartment Grant Incentive Program Criteria Regarding Short Term Rentals.
4. **Ordinance 2022-21** An Ordinance Related to Property Tax Appeals and Codifying the Board of Equalization Rules of Procedure.
5. Off Street Parking Management

**F. STAFF REPORTS**

**G. SUPPLEMENTAL MATERIALS**

**H. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.org](mailto:city.clerk@juneau.org).



DATE: 9/23/2022  
TO: Maria Gladyszewski, Deputy Mayor; Committee of the Whole  
FROM: Robert Palmer, Municipal Attorney; Robert Barr, Deputy Manager  
SUBJECT: Ordinance 2022-06(b)(P): \$700k to Gastineau Lodge Apartments

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This ordinance concerns a potential \$700,000 loan for development of a 70+ unit multi-family residential building along Gastineau Avenue. The ordinance was introduced on September 12, 2022.

Unfortunately, we just realized the abbreviation “LLC” was inadvertently added to the title and throughout the text of the ordinance when referring to Gastineau Lodge Apartments. The “LLC” abbreviation changes the substance of the ordinance and conflicts with provisions of the ordinance. If the Assembly wants to consider the \$700,000 loan, then the ordinance likely needs to be reintroduced, and the Committee of the Whole needs to decide whether the developers need to bear risk for the loan beyond the value of the property.

First, unlike a partnership in which the partners are personally liable, members of a limited liability corporation (LLC) are generally not personally liable. In other words, the inadvertent addition of LLC to the title of this ordinance and to the substance of this ordinance shifts nearly all of the risk away from the two developers and onto the CBJ. Given the circumstances of this loan arrangement, we recommend the Assembly be aware of the increased risk of lending to an LLC versus a partnership, and, if the Assembly determines that risk acceptable, direct staff to reintroduce.

Second, the inadvertent addition of “LLC” into the title and substance conflicts with various provisions of the ordinance that were drafted for a partnership form of development entity. The following provisions are now inconsistent due to the addition of “LLC”: page 1 lines 15-17 and page 2 lines 23-24. Once the Committee of the Whole decides the first issue, the Municipal Attorney will correct the ordinance, which will likely require reintroduction.

In addition to the LLC issue, there is a question from the developer about potential changes to post-permitting loan, or 2<sup>nd</sup> tranche of loan funding, which would allow this tranche to be spent on engineering and design services in addition to site improvements. We do not recommend changes and believe the 2<sup>nd</sup> tranche should be expended solely on site improvements, at a 50% rate, that increase the value of the site due to financial exposure risk.

**Recommendation:**

Decide if the increased risk of lending to an LLC versus a partnership is desired.

Discuss and determine whether any changes to the substance of the loan terms are desired.

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Presented by: The Manager  
Presented: 09/12/2022  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2022-06(b)(P)**

**An Ordinance Appropriating \$700,000 to the Manager for a Pre-Development Loan to the Gastineau Lodge Apartments, LLC; Funding Provided by the Affordable Housing Fund.**

WHEREAS, during the 2021 Affordable Housing Fund solicitation, the City and Borough of Juneau (CBJ) received a proposal from a private development group for a pre-development loan of \$700,000 for a 72-unit apartment building in Downtown Juneau; and

WHEREAS, the scoring team (including a banker and a developer) supported a loan to the private development group only if the loan was collateralized; and

WHEREAS, the developer (Gastineau Lodge Apartments, LLC, a partnership between Verde Infrastructure Partners, LLC and Douglas Trucano) has proposed that CBJ accept the property as collateral for the loan, it is three separate buildable lots, each about 5,000 square feet, for a total of 14,995 square feet of property that is zoned Mixed Use – the CBJ zoning district with the fewest development restrictions; and

WHEREAS, the assessor has the property valued at \$134,100 and a recently provided appraisal has the property valued at \$795,000. Given these very different values, if CBJ accepts the land as collateral for a \$700,000 loan, then CBJ needs confidence in the appraisal; and

WHEREAS, given the high demand for housing and the potential reward for the community if this housing project is fully developed, the following appropriation terms and conditions are in the best interest of the community.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Appropriation.** There is appropriated to the Manager the sum of seven hundred thousand dollars (\$700,000) for a loan to Gastineau Lodge Apartments, LLC.

**Section 3. Source of Funds.**

|                         |           |
|-------------------------|-----------|
| Affordable Housing Fund | \$700,000 |
|-------------------------|-----------|

**Section 4. Loan Purpose and Terms.** The Manager is authorized to negotiate a financing agreement with the following essential terms, in addition to other reasonably necessary contractual and financing provisions deemed necessary by the Manager to protect the City and Borough of Juneau:

- (a) **Intent.** Housing, especially workforce housing in downtown Juneau, is in high demand. The purpose of this loan is to provide an injection of capital, secured by liens, to jumpstart the development of a 72-unit apartment building in downtown Juneau. Given the disparity between the assessed value (\$134,000) and the developer’s appraised valuation (\$795,000) and the risks of pre-construction loans, a phased loan disbursement with benchmarks and private match is reasonable.
- (b) **Borrower.** The developer and borrower is Gastineau Lodge Apartments, LLC, represented by Steven Soenksen and Douglas Trucano.
- (c) **Real Property (“Property”).** This appropriation is for a 72-unit apartment building on the following real property:

Lots 12, 13, and 14 in Block 2, Pacific Coast Addition to the Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska, as recorded April 22, 1913 in the “Trustee’s Deed Book,” Page 684, in the District Recorder’s Office Juneau, Alaska.

- (d) **Payment Term.** The term of a loan shall not exceed five years.
- (e) **Interest Rate and Calculation.** The balance of a loan shall bear interest at the rate estimated by the finance director to be the average rate the City and Borough of Juneau earned or will earn on its certificates of deposit over the applicable period with interest computed on an annual basis; principal and interest on the balance shall be repaid to the City and Borough of Juneau.
- (f) **Loan amounts.** A total of \$700,000 is available as follows:
  - (1) **Pre-permitting loan.** A loan of up to \$350,000 is available for new invoiced expenditures for design, permitting, mobilization and ordering of long-lead retaining wall materials that are reasonably necessary for the 72-unit apartment development.
  - (2) **Post-permitting loan.** An additional loan of up to \$350,000 is available—after grading, drainage, and all necessary permits have been received from the City and Borough of Juneau departments (i.e. Community Development, Engineering and Public Works, etc.) as determined by the Manager—for fifty percent (50%) of invoiced work that improves the property (i.e. utilities, grading, drainage, retaining walls, etc.); the remaining fifty percent (50%) must be provided by the private developer as match.

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- 2 (g) **Security.** The Borrower and real property owner must agree that in exchange for the
- 3 City and Borough of Juneau providing the loans, the City and Borough of Juneau is
- 4 authorized to secure each loan with a lien against the real property. In addition, the
- 5 Borrower must agree to authorize the City and Borough of Juneau to secure each loan
- 6 with liens on any materials purchased with the loaned money; the City and Borough of
- 7 Juneau must release the materials liens either upon the Borrower completing
- 8 repayment or upon permanently installing the materials onto or into the Property.
- 9
- 10 (h) **Additional Loan Terms.** The Manager may add additional terms consistent with the
- 11 intent of this ordinance.
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13 **Section 5. Effective Date.** This ordinance shall be effective 30 days after its adoption.

14 Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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Beth A. Weldon, Mayor

18 Attest:

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Elizabeth J. McEwen, Municipal Clerk

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# MEMORANDUM

## CITY/BOROUGH OF JUNEAU

Lands and Resources Office  
155 S. Seward St., Juneau, Alaska 99801  
Dan.Bleidorn@juneau.org  
(907) 586-5252

**TO:** Deputy Mayor and the Committee of the Whole  
**FROM:** Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*  
**SUBJECT:** THRHA Request to Acquire City Property located at Pederson Hill  
**DATE:** September 14 2022

At the August 29, 2022 LHED Committee meeting Jacqueline Kus.een Pata, the President & CEO of Tlingit Haida Regional Housing Authority (THRHA), answered questions regarding their request to acquire property located at Pederson Hill. The application requests that the Assembly consider the less than fair market value disposal of City property for the public purpose of developing City property to provide housing for "low-income tribal citizens" and "moderate income Juneau residents" under City code section 53.09.270.

The property that the THRHA is requesting consists of a roughly 11.5 acre parcel. This parcel has an approved preliminary plat that is known as Phase 1B and 1C of Pederson Hill. The preliminary plat shows 69 lots in total; however, the tract has not yet been subdivided. The application states that THRHA anticipates construction of roads and utilities would begin in 2023, with construction of homes beginning in 2024.

The property was recently appraised at \$635,000. The City has already invested time and money into the preliminary plat and design for the next two phases. Prior to developing Karl Reishus Blvd., the value of the City property with no access was estimated at \$10,000 per acre. While the THRHA did not specify the requested purchase price, it did indicate that the request is for less than fair market value. THRHA further indicated it was asking for the property at no cost. The property included in the request has not been offered for sale, nor has there been any competitive bid process to solicit projects for this property. Like many CBJ properties, the Land Management Plan categorizes this property as Retain/Dispose, which generally means that the property is a large tract that can be

disposed but includes areas that should be retained for parks and sensitive habitat.

The LHED Committee reviewed this request, provided a motion, and forwarded the application to both the Committee of the Whole and the Full Assembly. The Assembly reviewed this application at the September 12<sup>th</sup> meeting and passed a motion of support to work with the Housing Authority towards the disposal of City property in accordance with City Code 53.09.270.

53.09.270 - Disposals for public use.

(b) Disposal to nongovernmental agency. The sale, lease, or other disposal of City and Borough land or resources may be made to a private, nonprofit corporation at less than the market value provided the disposal is approved by the assembly by ordinance, and the interest in land or resource is to be used solely for the purpose of providing a service to the public which is supplemental to a governmental service or is in lieu of a service which could or should reasonably be provided by the state or the City and Borough.

The next steps in the Assembly process will be for this application to be reviewed by the Planning Commission. After the Planning Commission review, and if the Assembly chooses to proceed with this application, the City Manager and the City Attorney will draft a Purchase and Sales Agreement and Ordinance for assembly introduction and public hearing.

**No motion is being requested as this was forwarded to the COW for continued committee discussion and to provide the applicant the opportunity to answer assembly questions prior to continuing this application process.**

Attachment:

1. August 5<sup>th</sup>, 2022 Jacqueline Kus.een Pate, President & CEO of Tlingit Haida Regional Housing Authority (THRHA) letter of interest to purchase Pederson Hill lots
2. Area maps
3. Appraisal Summary





**TO:** Dan Bleidorn, Lands & Resources Manager  
**FROM:** George Schaaf, Parks & Recreation Director  
**DATE:** September 20, 2022  
**RE:** Park Infrastructure - Pederson Hill

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The Assembly is currently considering a proposal to transfer CBJ property at Pederson Hill to Tlingit & Haida Regional Housing Authority for future development. At the request of the Mayor, you requested additional information about parks and recreation infrastructure planned for this area. The Parks & Recreation Department recommends that Lot 5 be developed as a Mini Park to meet the service standards adopted by the CBJ Parks & Recreation Master Plan (2019-29). The Department recommends that CBJ not retain Lot 7.

### **Background**

The plat for Pederson Hill Subdivision Phase II reserves two lots for recreation and conservation purposes: Lot 7 is identified as a “Conservation Lot” and Lot 5 is identified as a “Park Lot.” Staff from Parks & Recreation and Lands & Resources conducted a site visit in May 2019. Lot 7 is not suitable for development due to drainage, but has low conservation value due to its proximity to other parcels. Lot 5 is centrally located and well-suited for a development as a small Mini Park, including a playground.

### **Service Levels & Community Need**

The CBJ Parks & Recreation Master Plan is adopted by the Assembly and establishes service standards for various types of Recreation Service Parks (RSPs). Juneau’s smallest RSPs are “Mini Parks,” which are “intended to provide close-to-home opportunities to young children, senior citizens, or those who are unable to travel farther for open space and unstructured activities” (p.81). The service area for a Mini Park is 5-10 minutes travel time, and/or a population of 2,000 – 4,000. Development criteria for Mini Parks include playgrounds, open play areas, picnic tables, benches, and small community gardens. The site should be centrally located to the area it serves, be within walking distance of the residents it serves, and not require crossing busy streets. According to the Parks & Recreation Master Plan, new parks should be acquired and developed when it is in the public interest, including to accommodate new development. The closest existing RSP with a playground is Riverside Rotary Park, which is a 40-minute walk from Pederson Hill. While school playgrounds are not always available, they do provide some access to playgrounds. The closest school playgrounds are Riverbend Elementary School (27 minutes) and Auke Bay Elementary School (43 minutes).

Similarly, the Juneau Comprehensive Plan is adopted by the Assembly and establishes a policy that supports the acquisition and development of parks and recreation facilities:

**Policy 9.1**

*To provide quality dispersed outdoor recreation opportunities and to acquire and develop sufficient local parks and recreational facilities in locations convenient to all areas of the CBJ. Places given priority for new facilities include rapidly developing areas and currently developed areas that lack adequate parks and recreation facilities.*

Implementing Action 9.1 - IA1

*CDD staff should work with P&RD staff and interested parties to develop thresholds and standards in the Land Use Code for construction of playgrounds and trail linkages by developers to serve their proposed new subdivisions and residential developments, taking into account existing facilities within the area, proposed development population play and recreation needs, and size of the proposed development. CDD and the P&RD should work with developers to address neighborhood park needs. P&RD and CDD staff should work cooperatively to monitor commitments by developers of new residential developments that may fulfill a condition of the development. These may include construction of new trails and playgrounds. CDD should work with P&RD to monitor existing community improvements in permitted residential developments.*

Implementing Action 9.1 - IA11

*Investigate the location and number of mini parks needed in the community and construct new mini parks as needed.*

The Master Plan provides no service standards for Conservation Areas, which are not managed by CBJ except for resource damage and other problems. While Conservation Areas (e.g. “Greenbelts”) can help protect sensitive habitats or mitigate natural hazards, they can be problematic when located adjacent to residential developments due to dumping, hazard trees, and other issues that must be mitigated by CBJ.

**Capital & Operating Costs**

Planning and designing new park facilities requires an extensive public process; however, it is possible to estimate construction costs by comparing similar Mini Parks in Juneau. Examples of Mini Parks include West Juneau Rotary Park, Mendenhaven Park, and Bonnie Brae Park. These parks offer play structures, picnic tables, and park benches. Newly constructed parks may include lighting and must comply with modern standards for accessibility and safety, including fall-protection surfaces. A small playground with typical park furnishings would cost approximately \$500,000, including design, contingency, construction administration services and CBJ overhead. Maintenance costs for staff time and materials for garbage removal, litter cleanup, inspections and repairs is estimated at \$20,000 per year. The addition of one small park to the Juneau Park system may not warrant adding additional staff for maintenance at this time, however, multiple additions to the Park system may require additional maintenance staff.

**Recommendation**

Staff recommend that Lot 5 be developed as a Mini Park to meet service standards adopted in the CBJ Parks & Recreation Master Plan (2019-29). Because Lot 7 has little conservation value and is likely to require costly maintenance in the future, it should not be retained by CBJ.

Note: Like roads, sidewalks, and streetlights, parks are public infrastructure. Staff strongly recommend that Lot 5 be developed by CBJ, including design and construction so it meets current standards and to reduce future maintenance costs. Private developers should not build public playgrounds because CBJ has no control over the design, quality, or installation of playground equipment and other items. There are many playgrounds in Juneau that were built by private developers and either abandoned or transferred to CBJ. Those that were transferred to CBJ (Steelhead Street Playground and Sit'wan Park) are in very poor condition and must be replaced using public funds.

August 5, 2022

Mr. Dan Bleidorn  
Division of Lands and Resources Manager  
City and Borough of Juneau  
[Dan.Bleidorn@juneau.org](mailto:Dan.Bleidorn@juneau.org)

Re: Letter of interest to purchase Pederson Hill lots

Dear Dan,

Tlingit Haida Regional Housing Authority (THRHA), a 501(C)(3) nonprofit corporation, is requesting to partner with the City and Borough of Juneau to develop Phase 1B and 1C of the Pederson Hill subdivision. As a nonprofit corporation, we are making our request under the CBJ code for a negotiated sale or for disposal for a public purpose.

In 1995, THRHA and the CBJ negotiated the sale/purchase of the 50-unit S'it'tuwan Subdivision in the valley. The majority of those lots are still providing low-income families with homes today either as a rental or as a homeownership unit. We are interested in negotiating a similar agreement for the Pederson Hill Subdivision. However, for this project we plan to develop a mixed income homeownership subdivision. Our request is to develop phase 1B first, and then phase 1C.

THRHA plans to build homes on these lots and sell 50% to low-income tribal citizens and the other 50% will be available to moderate income Juneau residents for purchase. We have successfully executed similar sales outside of Juneau in the smaller communities over the last two years. We will use grant funds to build the low-income homes and provide down payment assistance. We will use other unrestricted funding to build the moderate-income homes.

We have partnered with our mortgage lending subsidiary, Haa Yakaawu Financial Corporation (HYFC) under our Success Starts With Me program to qualify low-income families for mortgage loans. HYFC provides financial education and one on one counseling to these families. As a Community Development Financial Institution (CDFI), HYFC is able to create unique loan packages to meet the needs of each family. The package may include a first and second mortgage, forgivable down payment assistance, extended loan terms, and we have had success offering a sweat equity option. Staff also work with other agencies to qualify the family for additional mortgage assistance. Our target population is 60%-120% MFI.

THRHA's current funding requires an environmental review to be conducted before any ground disturbing activity can begin. We anticipate that the construction of roads and utilities would begin in 2023 for 1B. Construction of the homes would begin in 2024 with the first families moving in during 2025. The development of 1C would begin after the completion of 1B.

THRHA would be the general contractor and has a construction crew that would build the homes. Work such as electrical and plumbing will be subcontracted. Other carpentry work may be subcontracted as well depending on our other projects. Our crews consist mostly of tribal citizens and include those in our apprenticeship program. The homes will be moderate in size, 1200-1400 sqft. We anticipate the purchase price

to be around \$450,000, but as stated above we are usually able to reduce the amount of the mortgage below the purchase price.

Regarding the properties designated as parks/open space, THRHA is interested in keeping them as such, and would look for additional funding to create a park and or playground. We would be interested in working with the CBJ to maintain any parks or playgrounds in the neighborhood.

THRHA is currently working on a HUD grant application to provide funding for this project and will be applying for the CBJ's upcoming CDBG grant for infrastructure.

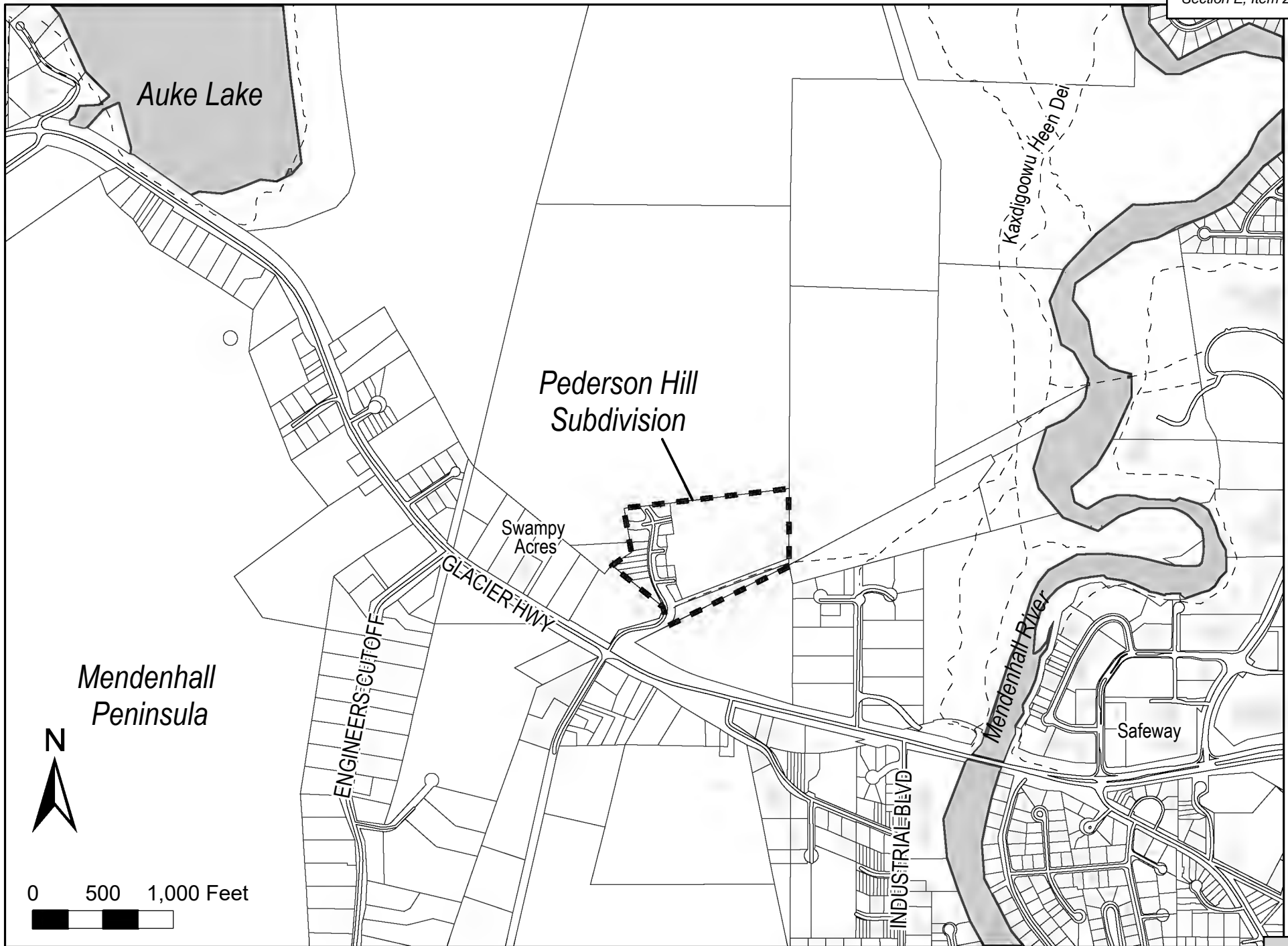
While other contractors are building market rate housing to address Juneau's housing crisis, THRHA can create quality housing opportunities for low-income residents. THRHA is a recognized leader in quality, energy efficient construction. THRHA has achieved 6-star ratings in all 24 homes it has built over the past two years and incorporates features such as energy heel trusses (allowing more attic insulation), EV chargers, heat pumps, hybrid hot water heaters and even heat pump dryers as standard features.

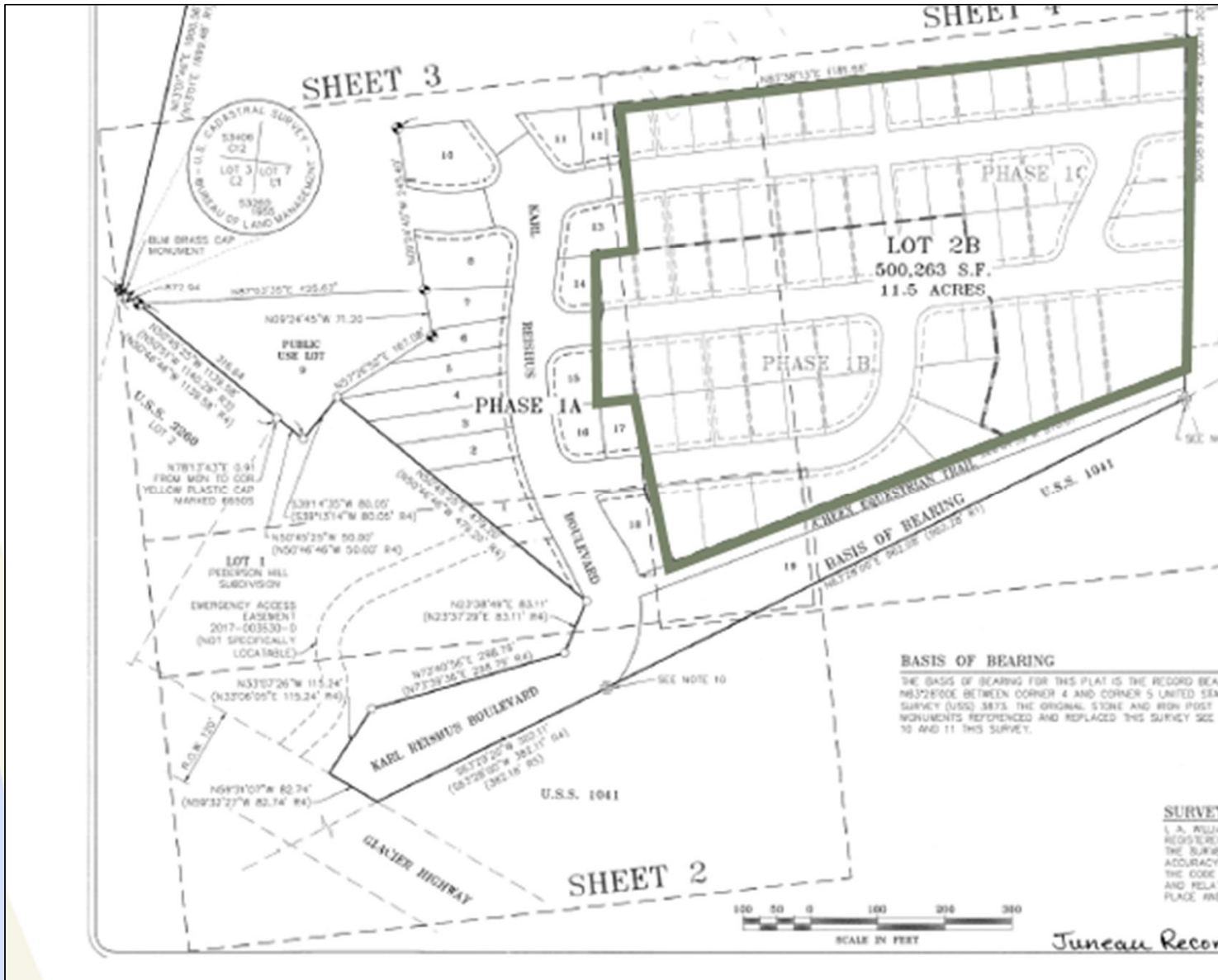
Thank you for considering our request. We look forward to another successful partnership with the CBJ to create more affordable housing in Juneau.

Sincerely,



Jacqueline Kus.een Pata  
President & CEO



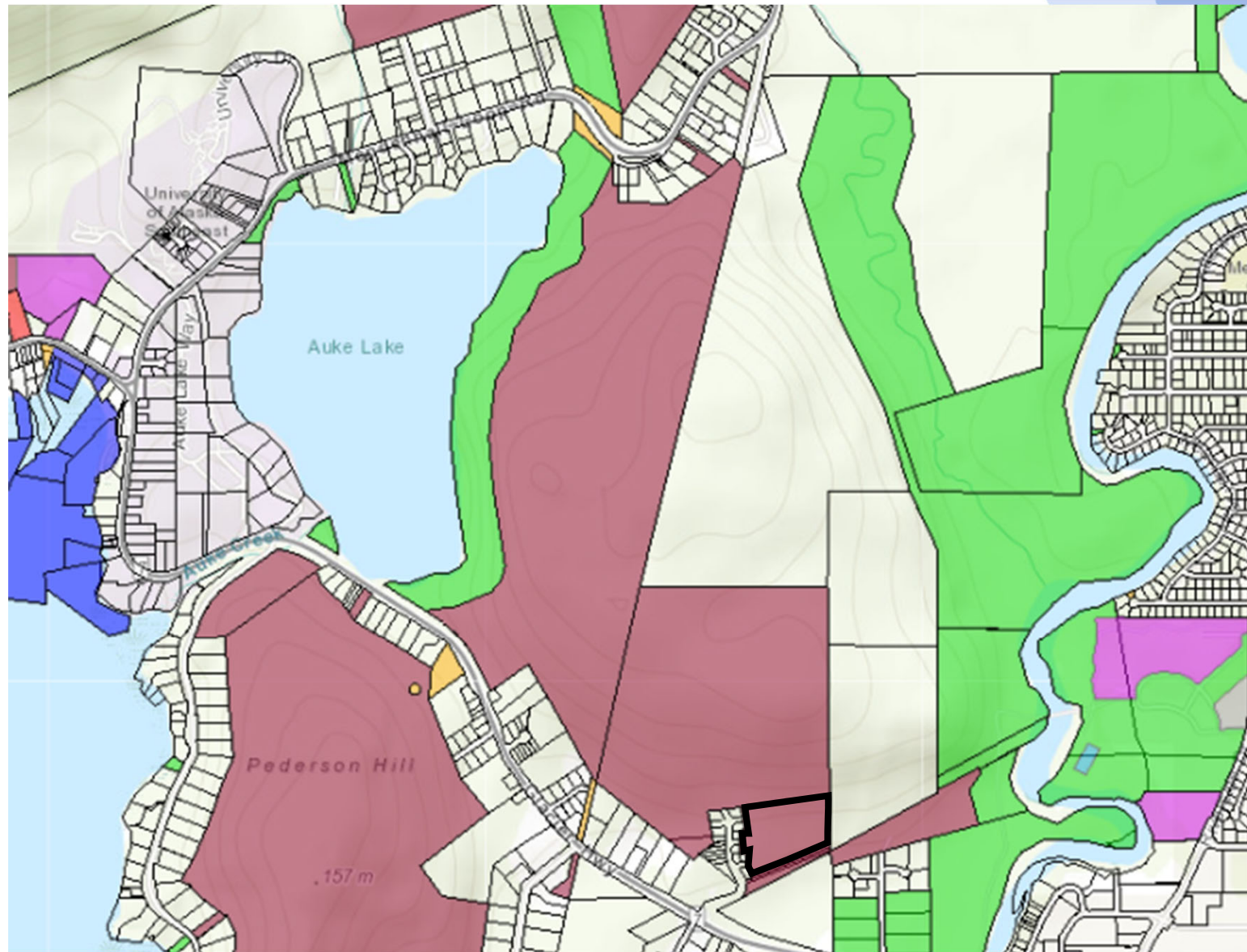


11.5 acre parcel.

Approved preliminary plat with 69 additional lots.



- ☒ ☐ managed lands
- ☐ Airport
- ☐ Docks & Harbors
- ☐ Eaglecrest
- ☐ Fire Department
- ☐ Hospital
- ☐ Lands & Resources
- ☐ Library
- ☐ Parks & Recreation
- ☐ Police Department
- ☐ Public Works
- ☐ School District





**REAL ESTATE APPRAISAL**

**Of**  
Pederson Hill



Pederson Hill Lot 2B, Juneau  
AK, 99801

**As of**  
April 28, 2022

**Prepared For**  
Ms. Roxie Duckworth  
City and Borough of Juneau Lands  
155 S. Seward St  
Juneau, AK, 99801

CBJ Purchase order **114664**

**Prepared by**  
RAMSEY APPRAISAL RESOURCE  
Roger Ramsey, AK-APRG570

**File Name:**  
22-016

## RAMSEY APPRAISAL RESOURCE

10615 Horizon Drive  
Juneau,  
AK, 99801

9077232936  
Fax:  
rogerramsey@mac.com

July 13, 2022

Ms. Roxie Duckworth  
City and Borough of Juneau Lands  
155 S. Seward St  
Juneau, AK 99801

Re: Appraisal Report, Real Estate Appraisal  
Pederson Hill  
Pederson Hill Lot 2B, Juneau,  
AK, 99801

File Name: 22-016

Dear Ms. Duckworth:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is piece of raw vacant land approximately 11.5 acres in size. It is zoned D10 SF, which is a unique zoning district, and the only land zoned this way is the land which the city owns and has developed or is developing immediately proximate to the subject. No large tracts of D10 SF land have been sold to private developers.

Please reference page 9 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

**Current As Is Market Value:**

The “As Is” market value of the Fee Simple estate of the property, as of April 28, 2022, is

**Six Hundred Thirty Five Thousand Dollars (\$635,000)**

The market exposure time preceding April 28, 2022 would have been 12 months and the estimated marketing period as of April 28, 2022 is 12 months.

Respectfully submitted,  
Ramsey Appraisal Resource



Roger Ramsey  
AK-APRG570

# ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

August 29, 2022 at 5:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

## A. CALL TO ORDER

## B. LAND ACKNOWLEDGEMENT

## C. ROLL CALL - Chair Hale called the meeting to order at 5:00 pm.

**Members Present:** Chair Michelle Hale, Greg Smith, Wade Bryson, Wáahlaal Gíidaak,

**Other Assembly Members Present:** Mayor Beth Weldon, Maria Gladyszewski, Christine Woll

**Members Absent:** none

**Liaisons Present:** Mandy Cole, Planning Commission; Chris Mertl, Parks and Recreation

**Liaisons Absent:** Lacey Derr, Docks and Harbors

**Staff Present:** Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Robert Palmer, City Attorney

**Members of the Public Present:** Jackie Pata, THRHA

## D. APPROVAL OF AGENDA – The agenda was approved as presented

## E. APPROVAL OF MINUTES

### 1. August 8, 2022 LHED Minutes – approved with minor spelling corrections

## F. AGENDA TOPICS

### 2. THRHA Request to Acquire City Property located at Pederson Hill

Dan Bleidorn discussed this topic.

Mr. Bryson asked if this neighborhood would be similar to that of Kanat'a Street, such as in the transition, street service and maintenance, and the way that those properties are owned and taxed, would this create a similar neighborhood to that one. Ms. Pata replied that there will some similarities to the S'it'Tuwan subdivision on Kanat'A. That subdivision was built in 1995 with 50 units, the city donated the property and we paid payment in lieu of taxes for the units that were being managed. There were several different types of housing projects put in there with different sources of funds, and we plan to have multiple sources of programs and funds for this project. This development would include using some of the approaches we did in Glacier Village, funds that the housing gets directly from HUD and other programs. In Kanat'A, some were home ownership, some rentals, but in this new subdivision, we are looking to do as much home ownership as possible. We have been updating our home ownership model so it is more like a mortgage loan for those that can get to that point. Sometimes it is the lease-to-mortgage loan, but we try to initiate that feeling of owning and being responsible for your home upfront. It will be similar to the pilot homes in Kanat'a, with several of those units having reached home ownership and are now on the tax rolls.

Mr. Bryson asked how snow removal and street maintenance are handled in a neighborhood that has some property tax owners and some properties that are not taxes. Ms. Pata replied that those would be CBJ roads and maintained by CBJ.

Wáahlaal Gíidaak asked about timing with a layout in 2023 and by 2024 to have houses started, and was wondering from the CBJ side how soon you would need a decision. It sounds like you have multiple federal and state funds coming, is there a hard deadline that you would need an answer

from us so that you can get that rolling. Ms. Pata replied that several of the grant applications are due this fall by November, and having a commitment of land helps, we get more points in the scoring of grant applications; it would be beneficial to know that before we submit those applications. I can send you a schedule of what that looks like, but there is a number of different grants that we would have to apply for. We are trying to take advantage of any infrastructure grants that are available, either to us directly through the tribe or through the city, as well as other housing grants. We usually have multiple grants in order to help deal with site development costs. Timeline-wise, it depends upon when we get the commitment, because that allows us to leverage those grants and get higher points to score effectively.

PC Cole asked Ms. Pata that the idea would be not to have the land cost rolled into the cost of the house, which means that that a house would be more affordable, but \$450,000 for a 1,200 square foot house feels like market rate, which I could be wrong, because prices have sharply escalated this year. Does the \$450,000 estimate include the amount of money you have to pay to construct those roads, is that why it is more expensive than one might guess. Ms. Pata replied that it depends upon how much we are able to get in grants, if we end up not getting grants for the infrastructure, then, yes, that would include the cost. I understand that neighborhood is quite expensive to develop with the infrastructure cost to meet the city requirements. What we have done is make a best estimate on the cost of a house right now, but we have rising construction cost and I am hoping that they will come down. We have been building many houses in other communities the last couple of years and have a good handle on what the costs are to be able to make the units still energy-efficient and affordable for the people to live in. The infrastructure seems to be what we do not have a handle on until you get the engineers out on-site for estimates.

Mr. Mertl asked if we are seeing a lot of interest in this neighborhood for housing. Are there any requirements from any applicants, or in the works for CBJ to develop any neighborhood parks in this area, because there is currently no parks in the immediate vicinity? Mr. Bleidorn replied that the application that THRHA submitted mentions the parks that are already part of this subdivision's preliminary plat and they are interested in collaborating with CBJ for development of those parks.

Mr. Bryson asked what the connections to other lands are and if this neighborhood were built, would it allow access to new CBJ land or block something off. Has the city looked at the possibility of the surrounding lands, and what may or may not open up, or close off. Mr. Bleidorn replied that the city does not own property to the east of this that is university property. As this moves forward, we are going to consider those areas, and he would not be surprised if between now and when there is a final plat, one of the things that looks like a cul-de-sac now would end up being a right-of-way that is platted to the university property. Karl Reishus Blvd currently has five stub out streets, this would be three, and we still have two, one going towards a property that is currently under investigation by Moline, and then one that goes to other city property.

Mr. Smith asked if there is an estimate on how many of these properties will be paying property tax. Ms. Pata replied that she could not give an estimate at this time but eventually the majority of them will pay property tax. THRHA used a tax credit program to build in the Glacier Village Subdivision on Valley Blvd. Those were payment in lieu of taxes for 15 years, and now we are conveying them over to homeowners, with those that are choosing to become a homeowner are getting on the tax rolls. Therefore, it usually is about a 15 – 30 year period, where they come back on the tax rolls. The ones out in Kanat'a Street, they started conveying over to be on the tax rolls

around year 25, we are at year 27 now, and still have probably another 18 or so more that will be getting on the tax rolls in the next two years.

Mayor Weldon asked if the homeowner sells, would CBJ get the property tax sooner. Ms. Pata confirmed. Mayor Weldon followed up to ask what happens in this case since we're donating the land, and but it was probably true of the Kanat'a, if for some reason the homeowner defaults who gets the land. Ms. Pata replied if there is a default then it goes back to the housing authority and we would put in another person who is eligible for the program. Mayor Weldon commented that with the low-income tribal citizens and modern income general residents, I am hoping you get enough tax credits for them to afford that those kind of houses. On the moderate-income general residents, could those also be tribal residents. Ms. Pata replied that they could be and similar to the spirit of Kanat'a, at that point when the CBJ gave the land to us we developed the infrastructure and the roads, and every other parcel of land we developed initially houses, we ended up filling in some other lots that were available. The city sold some of those lots and gave some of those lots away to other nonprofits. I remember you had the youth build do a house out there and other lots were sold to private owners who built in between, so that there was that was a mixed housing type of situation. We were hoping to be able to create a mixed housing opportunity in Pederson Hill. Mayor Weldon asked if Ms. Pata would be opposed to a contingency on the donation that they cannot be short-term rental. Ms. Pata replied they would be ok with that.

Chair Hale commented that she would ask of the committee to amend the motion to refer this to the Committee of the Whole. She also asked about the youth build programs and Housing Trust, if they maintains ownership of the land, but the house sells, and then that brings the house price down, I think there might be an opportunity for us to explore something like that here. Ms. Pata replied that Mr. Bleidorn and she have had a little conversation about that. I know the Alaska Housing Finance has done that, and we have not done that because we are really hoping to have true home ownership and make people feel responsible for taking care of their homes. I found that some of the versions of our previous programs, it left people still feeling dependent that the housing authority was going to be the be-all-end-all to their maintenance responsibilities. Potential homeowners are required to go through our financial and maintenance counseling and sessions. We do a lot to prepare them for true home ownership. We are not opposed to looking at this idea depending upon how the numbers come out, and if we cannot get the grants to be able to help us with the development. We are very creative, we also have our community financial institution, we are able to do things that other lenders are not able to do by working directly with each client and packaging a mortgage that can work for them.

**Mr. Bryson moved that the Lands, Housing and Economic Development Committee provide a motion and forward this application to the Full Assembly in accordance with 53.09.270 – Disposals for Public Use. Wáahlaal Gíidaak objected to amend motion to add that this item to be forwarded to both the Committee of the Whole and Full Assembly. Amended motion passed no objections.**

### **3. Telephone Hill Appropriation Ordinance**

Dan Bleidorn discussed this topic. Mr. Bryson asked if there was anything that could stop the transaction or the land conveyance for Telephone Hill. Mr. Bleidorn replied that this would be very complicated to prevent the city for gaining ownership.

## ACCESSORY APARTMENT INCENTIVE GRANT PROGRAM



(907) 586-0715

CDD\_Admin@juneau.org

www.juneau.org/community-development

155 S. Seward Street • Juneau, AK 99801

**DATE:** September 26, 2022**TO:** Maria Gladziszewski, Chair, Committee of the Whole**BY:** Scott Ciambor, CDD Planning Manager *Scott Ciambor***Re:** Short Term Rental Language on Accessory Apartment Grant Incentive Program

In Assembly discussions about the CBJ Accessory Apartment Incentive Program, ([8.30.2021 LHED Committee](#), [07.06.2022 Finance Committee](#)) the idea to disallow homeowners who utilize the grant incentive program from operating the newly created accessory apartment as a short-term rental has been proposed.

Staff have explored potential options for implementation of this concept within the current administration of the program and have run into significant administrative and compliance hurdles. Below is a list.

### Accessory Apartment Incentive Grant Program

The Accessory Apartment Incentive Grant is currently eligible to homeowners that apply, develop a unit within 12 months, receive a Certificate of Occupancy, and then receive a \$6,000 lump sum payment for meeting the requirements. CDD staff assists in setting up vendor accounts, checking for code compliance infractions, ensuring taxes and assessments are in good standing, and providing an award letter.

In most cases, this fits into a two-year CBJ budget cycle. Once the grant payment is made to the homeowner, CBJ administrative oversight is complete.

### Adding a Requirement Not to Use Grants for Short-Term Rental Unit

- Adding a requirement not to use the accessory apartment grant program as a short-term rental for a period of time (1, 3, 5 years) would require continued monitoring and engagement with the homeowner -- with budget tracking over multiple years potentially in fiscal years with unapproved budget;
- CDD practice is to issue the payment to the applicant that must be the property owner. If there is a short term rental (STR) compliance period beyond the Certificate of Occupancy, there will be possible changes in ownership or other scenarios that would have to be considered;
- Penalty Options:
  - If payment or partial payment is not awarded at the time of the Certificate of Occupancy -- but instead withheld until completion of a short-term rental compliance period (1, 3, 5 years), administrative responsibilities would have to be duplicated each time a payment is made; Also, homeowners that spend the money in the construction phase would have to wait multiple years for payment;

- If the full \$6,000 payment is made at the time of the Certificate of Occupancy and then a violation occurs, a mechanism to recoup all or partial grant funding would have to be determined. This would not be a straightforward task.

**Recommendation**

Given the difficulties to add restriction of use language to the existing program, staff would suggest keeping the program as is through the FY23 funding cycle and address the STR issue in the future when deciding to renew the grant program or not.

This would allow a number of things to happen: 1) data from the short-term rental tracking service will be available through the Finance Department by then; and 2) CDD will have updated to new permitting software with better tracking capabilities for permits and programs.



Presented by:  
Presented:  
Drafted by: R. Palmer III

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2993 vLHED1 DRAFT**

**A Resolution Amending the Accessory Apartment Grant Incentive Program Criteria Regarding Short Term Rentals.**

WHEREAS, consistent with the CBJ Housing Action Plan, to ensure a healthy housing market, the CBJ needs to spend its own resources to create more housing for young families, workers, and seniors;

WHEREAS, in 2015, the Assembly established an accessory apartment grant pilot program with \$72,000 in \$6,000 individual grants, which resulted in 12 new accessory apartments;

WHEREAS, by early 2017, the \$72,000 pilot program created more than \$1M in development, which is being recognized through property taxes;

WHEREAS, because of the success of the pilot program, the Assembly appropriated \$480,000 as funding for the accessory apartment grant incentive program for five years via Ordinance 2017-06(AD);

WHEREAS, the LHED considered amending the accessory apartment grant incentive program related to short term rentals on August 30, 2021;

WHEREAS, the accessory apartment grant incentive program criteria used since Ordinance 2017-06(AD) should be amended to clarify the Assembly's intent is not to create accessory apartments for short term rental use;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Accessory Apartment Grant Incentive Program Criteria.** The following program criteria governs new accessory apartment grants:

A. **Intent.** The Accessory Apartment Incentive Grant program is intended to provide encouragement for homeowners to add an accessory apartment to their home. This

program should not create short term rentals or allow the apartment to be a short term rental for three years after qualifying. This incentive is a \$6,000 grant per new apartment created. Grants are limited based on available funding. The CBJ is free to reduce or eliminate the funding for this program. Applicants do not vest any rights in this program. Funding for this program is provided by the Juneau Affordable Housing Fund.

#### B. Preliminary Eligibility Requirements to Apply

1. One grant per person;
2. One grant per property;
3. Applicant must be the property owner and at least 18 years of age;
4. Outstanding Code Enforcement cases must not exist on the subject property;
5. Only new accessory apartment units are eligible for this incentive program;
6. Building permit must have been issued after the program launch date; and
7. Building permit and grant application must be compliant with Title 19, Title 49, CBJ Engineering Code, and incentive grant criteria.

#### C. Eligibility for Award

1. Pass final inspection within one year of issuance of associated building permit.
2. This award is non-transferable; therefore, if there is a conveyance of property prior to awarding this grant, this application becomes null and void.
3. Receive a full Certificate of Occupancy within 1 year from date building permit was issued. A Temporary Certificate of Occupancy is insufficient.
4. Have no outstanding or active code enforcement cases on subject property. Building permit and grant application must be compliant with Title 19, Title 49, CBJ Engineering Code, and incentive grant criteria.
5. Submit exterior and interior photo of new unit.
6. Property taxes and assessments, including bonds, must be in good standing.
7. Agree not to rent the apartment as a short term rental from issuance of the certificate of occupancy for three years, and a default would cause the property owner to owe the CBJ the grant award. A short term rental means a dwelling unit, or portion of a dwelling unit, offered for overnight occupancy in exchange for a fee and that is available for rent for fewer than 30 consecutive days.

Commented [RP1]: One option

#### D. Application and Disbursement Process

1. Property owners shall complete an Accessory Apartment Incentive Grant application concurrently with a Building Permit application for an Accessory Apartment. Applications are accepted at the Community Development

Department Permit Center on the 4th floor of the Marine View Building, located at 230 South Franklin Street. Staff will be available to provide assistance and answer any questions.

2. Availability of funding currently allows for 16 grant awards per fiscal year, from FY23. Applications are received on a first come, first served basis. Grant application approval will be determined by the Community Development Department; approval is subject to meeting preliminary eligibility requirements. The first 16 eligible applicants will be awarded after meeting the final eligibility for award requirements. After the first 16 applications have been received, eligible applicants will be placed on a waitlist in the event more funding becomes available, or an applicant on the primary list fails to meet award eligibility requirements.
3. Grant proceeds will be disbursed after a full Certificate of Occupancy is issued by the CBJ Building Division, within the 1 year timeframe, and all other award eligibility requirements are met. Extension of grant deadlines will not be provided. Temporary Certificates of Occupancy are insufficient to receive an incentive grant award.

**Commented [RP2]:** Alternatively, this could be split for example, \$1k at CO and \$5k at expiration of STR prohibition timeframe.

**E. Final Inspections.** Applicants are cautioned that the building inspection process often takes more time to complete than one may anticipate. Inspectors may have several inspections pending. Depending on the season, inspectors may be unable to respond rapidly to a request for an inspection. Please allow adequate time after inspections to make necessary corrections. Final inspections should be scheduled at least 1 month in advance of the 1 year deadline.

**F. Income and Taxes.** Applicant is solely responsible for any tax implications upon receiving this incentive grant.

**Section 2. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager  
Presented:  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2022-21 vCOW**

**An Ordinance Related to Property Tax Appeals and Codifying the Board of Equalization Rules of Procedure.**

WHEREAS, Alaska law articulates standards for property taxation, including appeals to the board of equalization and to the superior court (A.S. 29.45.190-210), which were codified in 1985; and

WHEREAS, A.S. 29.45.200(b) provides the board of equalization is governed in its proceedings by rules adopted by ordinance that are consistent with general rules of administrative procedures; and

WHEREAS, A.S. 29.45.210(d) provides a property owner may appeal a board of equalization determination to the superior court, and that appeal is heard on the record established at the hearing before the board of equalization; and

WHEREAS, many of the property tax appeal provisions in CBJ code predate the 1985 amendments to Alaska law, and this ordinance is intended to make the CBJ provisions consistent with state law and provide clarity for board of equalization proceedings.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

**Section 2. Amendment of Section.** CBJC 15.05.041 Challenges of tax status, is amended to read:

**15.05.041 Challenges of tax status.**

The owner of a property placed on the assessment roll may request the assessor remove such property from the roll if the owner believes the property is exempt. The assessor may require the owner to provide affidavits relating to the use of the property and other information relevant to the determination of tax status of the property. The procedure and period for challenging the tax status of a property shall be the same as for challenging the assessed value except that the appeal from the assessor's final decision shall be directly to superior court. ~~shall be to the assembly which shall hear such appeals immediately prior to sitting as a board of equalization.~~

(Serial No. 79-48, § 6, 1979)

State law reference(s)—Corrections, AS 29.45.180; appeal, AS 29.45.200190.

**Section 3. Amendment of Section.** CBJC 15.05.140 Board of equalization to send additional notices, is repealed and reserved:

**15.05.140 Reserved. Board of equalization to send additional notices.**

~~If it appears to the board of equalization that there are overcharges or errors or invalidities in the assessment roll, or in any of the proceedings leading up to or after the preparation of the roll, and there is no appeal before the board of equalization, or if the name of a person is ordered by the board of equalization to be entered on the assessment roll, by way of addition or substitution, for the purpose of assessment, the board of equalization shall require the assessor to mail notice of assessment to that person or that person's agent giving him or her at least 30~~

1  
2 days from the date of mailing within which to appeal to the board of equalization against the  
3 assessment.

4 (CBJ Code 1970, § 15.05.140; Serial No. 70-33, § 3, 1971)  
5

6       **Section 4. Amendment of Section.** CBJC 15.05.150 Appeal by person assessed, is  
7 repealed and replaced as follows:  
8

9 **15.05.150 Appeal to Board of Equalization ~~Appeal by person assessed.~~**

10 (a) *Appellant.* A taxpayer whose name appears on the assessment roll or the agent or assigns  
11 of that taxpayer may appeal to the board of equalization for relief from an alleged error in  
12 valuation not adjusted by the assessor to the taxpayer's satisfaction. A person who receives  
13 notice or whose name appears on the assessment roll, or agent or assigns of that person, may  
14 appeal to the board of equalization for relief from any alleged error in the valuation, overcharge,  
15 or omission or neglect of the assessor not adjusted to the taxpayer's satisfaction.

16 (b) *30-day appeal period.* The taxpayer shall, within 30 days after the date of mailing of notice  
17 of assessment, submit to the assessor a written notice of appeal specifying grounds in the form  
18 that the board of equalization requires. Otherwise, the right of appeal ceases unless the board  
19 of equalization finds that the taxpayer was unable to comply.

20 (c) *Late-filed appeal.* A taxpayer who seeks to appeal the assessor's valuation after the 30-day  
21 appeal period has closed shall file a letter and supporting documents, if any, with the assessor  
22 stating the reasons why the taxpayer was unable to comply within the 30-day appeal period. A  
23 panel of the board shall consider each letter but shall not consider evidence regarding property  
24 valuation. The board shall only consider reasons the taxpayer was unable to comply within the  
25 30-day appeal period. The taxpayer shall have five minutes to make an oral presentation solely

1  
2 focused on the taxpayer’s inability to comply within the 30-day appeal period. The board’s  
3 determination shall be based on the taxpayer’s letter and any supporting documents or oral  
4 presentation. If the request is granted, the taxpayer shall have 30 days from the board’s  
5 decision to file a valuation appeal and submit all evidence required by this title. The assessor  
6 shall send notice of the of the board's decision to the taxpayer.

7       (1) Unable to comply. The board shall interpret the term "unable to comply" as  
8       meaning that a taxpayer must demonstrate compelling reasons or circumstances  
9       that would have prevented a reasonable person under the circumstances from filing  
10       an appeal. The term “unable to comply” does not include situations in which the  
11       taxpayer forgot about or overlooked the assessment notice, was out of town during  
12       the 30-day appeal period for filing an appeal, or similar situations. Rather, it covers  
13       situations that are beyond the control of the taxpayer and, as a practical matter,  
14       prevent the taxpayer from recognizing what is at stake and dealing with it. Such  
15       situations would include a physical or mental disability serious enough to prevent  
16       the taxpayer from dealing rationally with the taxpayer’s financial affairs.

17  
18 (CBJ Code 1970, § 15.05.150; Serial No. 70-33, § 3, 1971)

19 State law reference(s)—Appeal, AS 29.45.190.

20  
21       **Section 5. Amendment of Section.** CBJC 15.05.160 Time for appeal and service  
22 notice, is repealed and reserved:

23 **15.05.160 Reserved. Time for appeal and service of notice.**

24 (a) ~~Notice of appeal, in writing, specifying the grounds for the appeal, shall be filed with the~~  
25 ~~board of equalization within 30 days after notice of assessment is mailed to the person~~  
~~appealing. If notice of appeal is not mailed within 30 days, the right of appeal ceases as to any~~

~~matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board of equalization that the taxpayer was unable to appeal within that time.~~

~~(b) A copy of the notice of appeal shall be sent to the assessor, by the person appealing, and the notice filed shall include a certificate that a copy was mailed or delivered to him or her.~~

(CBJ Code 1970, § 15.05.160; Serial No. 70-33, § 3, 1971)

**Section 6. Amendment of Section.** CBJC 15.05.170 Appeal record, is repealed and reserved:

**15.05.170 Reserved. Appeal record.**

~~Upon receipt of a copy of the notice of appeal, the assessor shall make a record of the appeal in such form as the board of equalization may direct. The record shall contain all the information shown on the assessment roll in respect to the subject matter of the appeal, and the assessor shall place the record before the board of equalization prior to the time for hearing the appeal.~~

(CBJ Code 1970, § 15.05.170; Serial No. 70-33, § 3, 1971)

**Section 7. Amendment of Section.** CBJC 15.05.185 Board of equalization, is amended to read:

**15.05.185 Board of equalization.**

(a) *Membership; duties; term of office; term limits.*

- (1) *Membership.* The board of equalization shall comprise a pool of no fewer less than five ~~six~~, and up to nine, members, not assembly members, appointed by the assembly. Quorum for the board when conducting non-quasi-judicial matters is five members. ~~There shall be up to three panels established each year. Each panel hearing appeals shall consist of three members. The board chair shall assign~~



~~members to a specific panel and schedule the panels for a calendar of hearing dates.~~  
The board shall hear appeals in panels consisting of three members. The assignment of members to panels and the establishment of a hearing calendar shall be done in consultation with the individual members. ~~Additionally, members may be asked to take the place of regular assigned panel members in the event an assigned panel member is unable to attend a scheduled meeting.~~

(2) *Qualifications of members.* Members shall be appointed on the basis of their general business expertise and their knowledge or experience with quasi-judicial proceedings. General business expertise may include, but is not limited to, real and personal property appraisal, the real estate market, the personal property market, and other similar fields.

(3) *Duties.* The board, acting in panels, shall only hear appeals for relief from an alleged error in valuation on properties brought before the board by an appeal filed by a taxpayer. A panel hearing a case must first make a determination that an error in valuation has occurred. Following the determination of an error in valuation, the panel may alter an assessment of property only if there is sufficient evidence of value in the record. Lacking sufficient evidence on the record, the case shall be remanded to the assessor for reconsideration. ~~A hearing by the board may be conducted only pursuant to an appeal filed by the owner of the property as to the particular property.~~

(4) *Term of office.* Terms of office shall be for three years and shall be staggered so that approximately one-third of the terms shall expire each year.

(5) *Term limits.* No member of the board of equalization who has served for three consecutive terms or nine years shall again be eligible for appointment until one full year has intervened, provided, however, that this restriction shall not apply if there are no other qualified applicants at the time reappointment is considered by the assembly human resources committee.

(6) *Compensation of members.* Compensation for members shall be \$100.00 per meeting. Board members may decline compensation by providing written notice to the municipal clerk.

(b) *Chair.* The board annually shall elect a member to serve as its chair. The chair shall coordinate all board activities with the municipal clerk ~~assessor~~ including assignment of panel members, scheduling of meetings, and other such board activities.

(c) *Presiding officer.* Each panel shall ~~elect~~ appoint its own a presiding officer who shall ~~to~~ act as the chair for the panel and who shall exercise such control over meetings as to ensure the fair and orderly resolution of appeals. ~~In the absence of the elected presiding officer the panel shall appoint a temporary presiding officer at the beginning of a regular meeting.~~ The presiding officer shall make rulings on the admissibility of evidence and shall conduct the proceedings of the panel in conformity with this chapter and with other applicable federal, state and municipal law.

(d) *Report to the assembly.* The board, through its chair, shall submit an independent report to the assembly each year by September 15 identifying, at a minimum, the number of cases appealed, the number of cases scheduled to be heard by the board, the number of cases actually heard, the percentage of cases where an error of valuation was determined to exist, the number of cases remanded to the assessor for reconsideration, the number of cases resulting in the

board altering a property assessment, and the net change to taxable property caused by board action. The report shall also include any comments and recommendations the board wishes to offer concerning changes to property assessment and appeals processes.

(Serial No. 2005-51(c)(am), § 4, 1-30-2006)

State law reference(s)—Appeal, AS 29.45.200.

**Section 8. Amendment of Section.** CBJC 15.05.190 Hearing of appeal, is repealed and replaced as follows:

**15.05.190 Board of Equalization hearing ~~Hearing of appeal.~~**

**(a) Preparation of appeal packet.**

The appellant must submit to the assessor's office all documentary evidence and briefing in their possession that the appellant believes is relevant and wishes the board to consider within 15 days following the close of the 30-day appeal period. Upon receipt of the notice of appeal and the appellant's documentary evidence, the assessor shall make a record of the appeal for presentation to the board of equalization. The record shall contain the notice of appeal, the appellant's timely filed documentary evidence and briefing, all the information shown on the assessment roll in respect to the subject matter of the appeal, and the assessor's briefing. The parties may supplement the record by a witness list and additional documents in accordance with subsection (c)(8) of this section up to ten days prior to the appeal hearing. The assessor shall place the complete record before the board of equalization at least seven days prior to the appeal hearing.

**(b) Quorum and voting.**

(1) Quorum. A quorum for hearing appeals shall consist of three board members.

1  
2       (2) Voting. To alter an assessment or to grant an appeal in part or in whole for the  
3       appellant, at least two members of the board must vote in the affirmative to either  
4       (i) reverse and remand to the assessor for further consideration or (ii) alter the  
5       assessment. Any appeal or part thereof that is not granted by the board shall be  
6       deemed denied, and the assessor's original assessment giving rise to the appeal  
7       remains the final valuation determination. Any alteration to the assessment made  
8       by the assessor during a hearing shall require an affirmative vote by at least two  
9       members in order to become a final valuation determination.  
10

11       (c) Conduct of hearings; decisions. Except as otherwise provided in this chapter, hearings  
12       shall be conducted by each panel of the board of equalization in accordance with the following  
13       rules:

14       (1) Application of CBJC 01.50. The appeal procedures of chapter 01.50 do not apply to  
15       hearings conducted under this chapter except as specifically provided.

16       (2) Record. The municipal clerk of the assembly is ex officio clerk of the board of  
17       equalization. The municipal clerk shall keep electronic recordings of the board's  
18       proceedings. The municipal clerk shall record in the minutes of each meeting or  
19       record of appeals all proceedings before the board of equalization, the names of  
20       persons protesting assessments, and all changes, revisions, corrections, and orders  
21       relating to claims or adjustments.  
22

23       (3) Counsel. All parties may be represented by counsel during hearings before the  
24       board.

25       (4) Commencement of hearing. Every appeal shall be assigned an appeal case number,  
      which should be read into the record along with the name of the appellant and the

1  
2 tax identification number at the commencement of the hearing. If an appellant fails  
3 to appear, the board of equalization may proceed with the hearing in the appellant's  
4 absence.

5 (5) Burden of proof. The appellant bears the burden of proof. The only grounds for  
6 adjustment of an assessment are proof of unequal, excessive, improper, or under  
7 valuation based on facts that are stated in a valid written appeal or proven at the  
8 appeal hearing. If the valuation is found to be too low, the board may raise the  
9 assessment. The board should sustain the original assessed value if the relevant  
10 documentary evidence or briefing is not timely submitted to the assessor's office  
11 within 15 days from the close of the 30-day appeal period absent a good faith  
12 attempt at compliance.

13  
14 (6) Rules of evidence. Evidence shall only be presented by the appellant and the  
15 assessor or their authorized representatives. The board shall not be restricted by  
16 the formal rules of evidence; however, the presiding officer may exclude evidence  
17 irrelevant to the issue(s) appealed. Relevant evidence includes but is not limited to  
18 purchase and closing documents, appraisal reports, broker opinions of value,  
19 engineer reports, estimates to repair, rent rolls, leases, and income and expense  
20 information. Hearsay evidence may be considered provided there are adequate  
21 guarantees of its trustworthiness and it is more probative on the point for which it  
22 is offered than any other evidence that the proponent can procure by reasonable  
23 efforts.

24  
25 (7) Order of presentation. Each party shall be allowed a total of fifteen minutes to  
present evidence including personal presentations and direct or cross-examinations.

1  
2       The appellant shall present evidence and argument first. Following the appellant,  
3       the assessor shall present evidence and argument. The appellant may reserve up to  
4       ten minutes for rebuttal directed solely to issues raised by the assessor. At the  
5       conclusion of the parties' presentations, board members may ask questions, through  
6       the presiding officer, of either the appellant or the assessor. The presiding officer  
7       may end the questioning and call for a motion from the other board members.

8  
9       (8)     Witnesses, exhibits and other evidence.

- 10       (i)     The appellant and the assessor may offer oral testimony of witnesses and  
11       documentary evidence during the hearing.
- 12       (ii)    The appellant and assessor may agree to waive deadlines to supplement the  
13       record more than ten days prior to the appeal hearing. However, only the  
14       chair can authorize requests to supplement the record—upon motion to the  
15       municipal clerk by a party if the evidence being offered satisfies the criteria  
16       in CBJC 01.50.110(e)—filed within ten days preceding the appeal hearing.
- 17       (iii)   The assessor shall make available to the appellant all reasonably relevant  
18       assessor records requested within 15 days following the close of the 30-day  
19       appeal period.
- 20       (iv)    If an appellant has refused or failed to provide the assessor or assessor's  
21       agent full access to property or records, the appellant shall be precluded  
22       from offering evidence on the issue or issues affected by that access and  
23       those issues shall be decided in favor of the assessor.
- 24       (v)    At the request of the appellant, evidence submitted pursuant to subsection  
25       (c)(6) or (c)(8) of this section relating to the assessed valuation of property

used in an income-producing commercial enterprise shall be confidential.

The assessor and the appellant may stipulate to facts to be presented to the board provided the assessor has received credible and reliable evidence to establish the facts.

(9) Decisions. At the conclusion of the hearing the board shall determine, based solely on the evidence submitted, whether the assessment is unequal, excessive, improper, or an under valuation. The board should issue findings of fact and conclusions of law clearly stating the grounds upon which the board relied to reach its decision and advising all parties of their right to appeal the decision to superior court.

(10) Certification. The presiding officer shall review and give final board certification to all appeal decisions.

(11) Termination of appeal upon agreement between appellant and assessor. After an appeal to the board of equalization has been filed, any value which has been agreed to by the assessor and the appellant shall constitute a withdrawal and termination of the appeal by the appellant and the agreed upon valuation shall become the assessed value.

~~(a) At the hearing of the appeal, the board of equalization shall hear the appellant, the assessor, other parties to the appeal, and witnesses, and consider the testimony and evidence, and shall determine the matters in question on the merits.~~

~~(b) If a party to whom notice was mailed as provided in this title fails to appear, the board of equalization may proceed with the hearing in the party's absence.~~

~~(c) The burden of proof in all cases is upon the party appealing.~~

~~(d) The board of equalization shall maintain a record of appeals brought before it, enter its decisions therein and certify to them. The minutes of the board of equalization shall be the record of appeals unless the board of equalization shall provide for a separate record.~~  
(CBJ Code 1970, § 15.05.190; Serial No. 70-33, § 3, 1971)  
State law reference(s)— Board of Equalization, AS 29.45.210; Hearing, AS 29.45.210.

**Section 9. Amendment of Section.** CBJC 15.05.200 Judicial review, is amended to read as follows:

**15.05.200 Judicial review.**

An appellant or the assessor may appeal a determination of the board of equalization to the superior court within 30 days as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established at the hearing before the board of equalization.

~~A person aggrieved by an order of the board of equalization may appeal to the superior court for review de novo after exhausting administrative remedy under this title.~~  
(CBJ Code 1970, § 15.05.200; Serial No. 70-33, § 3, 1971)  
State law reference(s)—Appeal to superior court, AS 29.45.210(d).

**Section 10. Amendment of Section.** CBJC 15.05.210 Municipal clerk record keeping certification of changes, is amended to read as follows:

**15.05.210 Municipal clerk record keeping certification of changes.**

~~The municipal clerk of the assembly is ex officio clerk of the board of equalization. The municipal clerk shall record in the minutes of each meeting or record of appeals all proceedings~~



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City and Borough of Juneau  
City & Borough Manager's Office  
155 South Seward Street  
Juneau, Alaska 99801  
Telephone: 586-5240 | Facsimile: 586-5385

TO: Maria Gladziszewski, Deputy Mayor & Assembly Committee of the Whole

DATE: September 23, 2022

FROM: Robert Barr, Deputy City Manager

RE: Off-street parking management

Currently the Parks & Recreation Department manages off-street paid parking downtown at two parking garages (MPG & DTC) as well as at two parking lots: the Shopper's Lot on the corner of Main & Egan and the North Franklin Lot on the corner of Franklin & Second.

Our existing management practices are largely manual and present a number of problems and challenges:

1. Poor experience
  - a. Permits must be purchased in person at City Hall – there is no option for online, mobile, or on-site purchases for weekly/monthly/annual permits.
  - b. Reliance on enforcement (citations) rather than compliance (easy ability to pay at the point of service)
  - c. Enforcement is prone to human error, resulting in appeals
  - d. Hourly parking relies on 3 mechanical boxes – no option for credit card or mobile payment and prone to failure, vandalism, and human error
2. Poor process
  - a. Mechanical boxes require costly on-site inspection and enforcement throughout the day (roughly \$186,000/year)
  - b. Mechanical boxes must be emptied by CBJ employees daily (520 staff hours / \$20,000/year)
  - c. Monthly and annual permits require 10 minutes to produce and we issue up to 2,000 permits each year
3. Poor inventory control
  - a. Empty parking spaces are manually tracked by contractors using paper forms, which CBJ staff enter into a spreadsheet. This lagging data ultimately results in customers being placed on wait lists even when spaces are available.

Most municipalities and public entities that manage parking have switched from manual parking management practices to computerized parking access & revenue control systems (PRACS). These systems are characterized by access control (gates), the ability to pay for hourly/daily/monthly parking fees by smartphone (card) or in-person kiosk (card, cash, coin), and dynamic space management where excess spaces can be sold at hourly rates during peak demand.

Vendors that supply PRACS are compensated based on a minimum annual guarantee and a percentage of gross revenue which is negotiated prior to award. Given our existing contractual and management expenses, we expect the implementation of a PRACS to be close to cost neutral and potentially cost neutral.

In addition to off-street parking, we currently have an on-street downtown parking management zone. In this zone, parking is available for free for two consecutive hours per day. In practice, it is common for individuals needing more than two hours of parking to move their vehicles to another spot to avoid a citation and purchasing off-street parking. The zone exists between Franklin & Main, and Fourth St down to Admiral Way.

In general, it is a best practice to charge more for on-street parking and less for off-street parking to incentivize individuals to park in garages and lots rather than on-street; however, a complete lack of free parking downtown disincentivizes visiting downtown. It is possible to offer a short free period of time followed by paid time thereafter.

### **Recommendation**

- 1) Discuss and determine if a different direction for off-street parking management is desired. If not, staff will proceed with an RFP and bring the results back to the Assembly at a future date.
- 2) Discuss and determine if, as part of a future project, the Assembly is likely to desire paid on-street parking downtown. If so, staff will ensure that on-street management capabilities are included in the vendor selection process for a future phase. Due to staff capacity, scope, and public input concerns, we do not recommend pursuing solutions to off-street and on-street at the same time.