

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
October 22, 2018, 6:00 PM.
Assembly Chambers - Municipal Building**

Immediately following Special Assembly Meeting; Assembly Work Session - No Public Comment

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

- A. **August 20, 2018 Assembly Committee of the Whole Minutes**

IV. AGENDA TOPICS

- A. **AMCO On-Site Consumption Regulations**
- B. **State of Alaska Smokefree Workplace Statute**
- C. **Affordable Housing Fund Update**
- D. **Resolution in Support of Alaska Salmon Hatchery Program**
- E. **Ordinance 2018-41 An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.**

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

ASSEMBLY COMMITTEE OF THE WHOLE

DRAFT MINUTES

THE CITY AND BOROUGH OF JUNEAU, ALASKA

August 20, 2018, 5:00 PM.

Assembly Chambers - Municipal Building

Immediately followed by Special Assembly Meeting

I. ROLL CALL

Deputy Mayor Jerry Nankervis called the meeting to order at 5:00p.m.

Assemblymembers Present: Ken Koelsch, Mary Becker, Rob Edwardson, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis

Assemblymembers Absent: None.

A quorum was present; there were 2 vacant seats on the Assembly due to resignations of Beth Weldon (7/31/2018) and Norton Gregory (8/13/2018).

Staff present: Deputy Manager Mila Cosgrove, Interim City Attorney Robert Palmer, Mead, Municipal Clerk Beth McEwen, Finance Director Bob Bartholomew, Deputy Clerk Diane Cathcart

II. APPROVAL OF AGENDA

No changes, approved as presented.

III. APPROVAL OF MINUTES

IV. AGENDA TOPICS

Public Testimony on Ordinances 2018-40, 2018-43, and 2018-39

Ordinance 2018-40: *An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.*

Ordinance 2018-43: *An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$7,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.*

Ordinance 2018-39: *An Ordinance Increasing the Hotel-Motel Room Tax by Two Percent and Providing for a Ballot Question Ratifying the Increase.*

The following citizens testified in support of or against adoption of the above ordinances:

Nancy DeCherney spoke in favor of passing the ordinances, and specifically in support of placing the Juneau Arts and Culture Center (JACC) question on the ballot under Ordinance 2018-40.

Bud Carpeneti spoke in support of Ordinance 2018-40 and pointed out that the New JACC will be self-sustaining and that Juneau and Alaska have never seen a project of this scope where most of the funds for the project is primarily coming from private funds. He said that if Ordinance 2018-40 passes that only 20-30% of this project would be coming from public funds while the rest is through donations and grants.

John Pugh spoke in support of Ordinance 2018-40. He also testified as to the fundraising aspect Mr. Carpeneti mentioned and how much of the new JACC funding was coming from private sector funding.

Crystal Sommers-Brand spoke in support of Ordinance 2018-40. She said she sees the new JACC as an economic issue, Juneau has been compared as one of the top ten cities in the country. She noted that Centennial Hall and the JACC are city properties and should continue to be city properties.

Joe Nelson, president of Sealaska Heritage Center said he was speaking on behalf of the Sealaska Board and they are in favor of the new JACC project and that the community needs to be able to have a fair debate on this topic.

Mike Stanley spoke in support of adopting the ordinance to place the question of the JACC on the ballot.

Jim Clark spoke in favor of the JACC question appearing on the ballot and he provided copies of document/brochure entitled "The Arts Economy of Southeast Alaska" from September 2014. After clarifying questions by Assemblymembers, Mr. Clark said his support specifically related to Ordinance 2018-40.

John Clough said that although he is on the board for the new JACC, he was speaking on his own behalf in a personal capacity. He noted that in his role as one of the primary spokespersons for this project, he has had the privilege to speak with hundreds of people about this project and he also did a lot of listening. He said that the one thing that struck him as he was listening was the broad spectrum of Juneau residents who support this project and how it crossed a wide variety of socio-economic lines. He said that while it was not unanimous, he felt it was important to place the question on the ballot to allow it to be debated by the community at large.

Maryann Ray said she is the owner of Pearson's Pond B&B in the valley and was speaking on her own behalf but also other B&B and hotel owners who are in favor of the new JACC but are opposed to raising the hotel/bed tax in order to pay for it. She said Juneau is one of the highest cities in the state of Alaska and if 2% is added to it, we would be approaching the rates of New York City. Their concern is primarily

on the impact it will have on the independent travelers. She said they believe that looking for the funding to come from a property tax mill rate that is already expiring without having to increase taxes is not a bad way to fund it but to lay part of the tax burden on the travelers coming to Juneau is something they strongly oppose.

Mr. Jones noted that they have had some discussion with Ms. Ray on this over the email. He noted that Travel Juneau had also submitted a letter opposed to the increase in the bed tax. In that letter they reference a study by the tourism council that notes that a 1% increase in the bed tax would have a .32% change in occupancy in hotels. He said that he tried to read the literature, but could not find anywhere where it referenced the effect of a decrease in the bed tax and if that had any effect on increasing occupancy. He asked Ms. Ray if she would support a decrease in the bed tax as a way to increase occupancy in her B&B or local hotels.

Ms. Ray said that she would support a decrease in the bed tax but she would not suggest doing that or increasing the tax without putting more work into assessing what the action implications are. She said the idea of using the JACC expansion as a way to slip in a non-sun setting, ongoing tax to independent travelers is, in her opinion, not the right way to go.

Ben Brown said he is employed by the Juneau Arts and Humanities Council [JAHc] doing marketing development. He said he was not speaking as their employee however but rather as the Chairman of the Alaska State Council of the Arts (ASCA). He noted that for the past year, he has also served as the Chairman of the National Assembly of Arts Agencies Board of Directors and in that role he has had the opportunity to see how arts agencies across the nation work and receive their funding. Every arts agency is different but they all have to come up with matching funds locally in order to receive funding from the National Endowment for the Arts (NEA). NEA has a formula for funding and will not give the state any money unless there is a match dollar/dollar. He said that across the nation, more and more state art agencies are trying to do get more funding through public/private partnerships.

Art Peterson, resident of Parkshore Condos, said that when he served in the National Guard they marched around in the facility that is the current JACC. He said he was in support of virtually everything before them tonight but he is not in support of the funding coming from a raise in the hotel/motel bed tax. He noted that he is a member of the National Law Commission and that many of their members want to come to Juneau and a facility like the new JACC would be a good way to bring them to Juneau.

Renda Heimbigner, a member of the hospitality industry for the past 16 years, spoke in opposition to the ordinances that use city funds for financing the new JACC. She compared the city budget to that of family budgets and what is left over after essentials are paid. She referred to those expenditures as luxury/discretionary spending and what the Assembly is considering is a mandatory expense for a luxury/discretionary item when essential services are in need of attention, maintenance, and repair. She said that competition for the spending of city sales tax dollars is fierce and that the \$1 million has already been given to refurbish the current JACC and she asked why they are considering pillaging Centennial Hall to make way for other facilities that would require additional ongoing maintenance. She said that in all her years of owning/operating a B&B, none of her guests have indicated a desire to

attend a concert or event due to the many other competing local offerings for tourist time. She noted that any funding sources with taxes are a burden to someone.

Paula Terrel spoke in support of putting these questions in front of the voters to get a sense of how Juneau voters feel. She noted that for those who think this is a luxury, one of the beneficiaries would be the kids of Juneau. We have a lot of programs like the Music Matters, the Star Program and other programs that the kids thrive as a result of participating in these programs locally and can't really be called a luxury but rather a necessity for these families.

Kathleen Harper stated that she works at the JACC currently and previously worked at Perseverance Theater for 16 years. Juneau's vibrant art community allowed her to go away to school and come back to Juneau. Many people have moved to Juneau and/or returned to Juneau to work in the arts community. She stated that the building is needed. Her husband is the high school auditorium manager and they are often running up against the problem that there are more needs than venues available to meet the needs of our community.

Norton Gregory said he was recently up in Fairbanks at the state fair and the number one concern he heard from people there was related to having access to the community and the number two concern was the expense to stay here. He said that as the Capital City, we need to consider the expense of those who come to visit the capital. He said he has some concerns about the JACC and while he supports the arts community, he had a number of questions: 1) Is the new JACC big enough for the Symphony? 2) Is the new JACC too big for Perseverance Theater? 3) If they build the facility based on the "if we build it, they will come" mentality, has there been any studies showing that the need is there and they will come? He said there are \$3 million in deferred maintenance for CBJ properties that should be considered as well when making these decisions. He said if they do consider bonding for this request, there is already a high cost of living in Juneau and this would increase property taxes. He said as a capital city, we need to remain affordable as a place to visit and as far as the JACC goes, to look at how much has been raised, how much is being asked for and where the difference may need to come from and what is the return on the community's investment.

Rodney Hesson, President of the Juneau Building Trades Council said that this would be a "perfect storm" of opportunities include a building project in the community. He noted that with the JAHC Board's promise to use PLAs in this project, it would be possible to train apprentices in the community. He distributed a copy of a letter to the Assemblymembers in more detail.

Tom Williams stated that having a new JACC would be terrific but that it should not be publicly funded. He said that initially, that the project was proposed to cost \$26 million but that now it is being proposed at \$32 million. He said that initially, this project was going to be owned and operated by a non-profit but that now it is being proposed to be owned by the city and operated by a non-profit entity. The project was initially proposed to be totally privately funded and now they want the tax payers to help pay for it and then ultimately maintain it. He said this is beginning to feel like a bait and switch. He noted that projects do tend to grow in cost but there are other facilities that can and are used to support the arts and by passing this on to the voters, the City is basically endorsing it and he encouraged them not to

pass this on to the voters. He said more importantly, there are other projects that should take a higher priority over the new JACC. He said that as a B&B owner, he opposes the bed tax increase. He also stated that if they did in fact raise the bed tax, that it should not go to the new JACC but rather, it should go towards Centennial Hall.

Mr. Kiehl asked Mr. Williams where and when the comments were made that there would not be any public monies used for this project as he looked back through the minutes on this subject and could not where that was said during Assembly meetings on this issue. Mr. Williams noted that Mr. Peter Juraz stated that during one of the first meetings at which they presented this issue during a Thursday luncheon of the Juneau Chamber of Commerce. Mr. Kiehl asked if that was before or after the 2012 vote on the 1% tax. Mr. Williams said that it was sometime within the last two years.

Mel Perkins is owner of the Best Western Country Lane Inn and Best Western Grandma's Feather Bed. He said that he has his pulse on what is happening with respect to the independent travelers and the tourism industry and particularly those who come to Juneau during the legislative session. He said there is a lot of heartburn from those coming from South-central Alaska, that we are far away and many ask about the bed tax when they are checking out. He cautioned about the unintended consequences of these proposed tax changes. He said he is very supportive of the arts, especially since his granddaughter, Anna Graceman, was on America's Got Talent and is currently in Nashville. He said they love what is happening with the arts but he is concerned about the head tax as well as the 7% bed tax that we've been collecting since 1998 and how that has been utilized. He said he is very concerned when he goes into Centennial Hall as it is an embarrassment. Is there a way the efforts could be unified and improve the existing building.

Mr. Jones asked about his concerns regarding the 7% that has been collected and said that about 3/7 of that money has gone to Centennial Hall and about 4/7 of that money has gone to Travel Juneau and he asked Mr. Perkins what his concerns might be specifically.

Mr. Perkins asked if the maintenance of Centennial Hall funds has been used prudently and that it is in need of major repairs.

Bill Heueman spoke in support of the JACC from a business perspective. He said he has several rental units in Juneau and they rent to many lower level professionals here and it is important to be able to provide the amenities that people find elsewhere in order to attract and keep people in Juneau. He said that while times are tough and no one wants to pay taxes, if they want to build an economy, they have to invest in the economy.

Mr. Nankervis closed public testimony and opened up Assembly discussion on all three ordinances at once. Mr. Nankervis handed the gavel over to Mr. Koelsch so he could provide a handout with a red lined version (c) of Ordinance 2018-43. Mr. Jones asked procedurally how they would be handling the three ordinances. Mr. Koelsch noted that since this is a worksession, it is less formal and the body can decide if it wants to take up discussion on all matters at once or if they wish to consider the ordinances one at a time. Mr. Nankervis explained that the reason he chose to proceed in this fashion was that it was rather unusual to have two very similar ordinances in front of them for consideration at the same

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time. He said he was going to offer an amendment to one of those so it seemed to him to do that up front and then they could consider them at the same time. He said he'd like to speak briefly to his proposal of Ordinance 2018-43(c) amendments and then would ask for a few minutes break so everyone had a chance to read through the document before proceeding.

Mr. Nankervis noted that with his version (c) of Ordinance 2018-43, he is picking up on the idea of doing a grant to the JACC and it would move \$2 million from the \$4.5 million they had set for sales tax to Centennial Hall to a \$2 million grant to the JACC. That would then require a \$2 million bond sale to make Centennial Hall whole again. He said that is what they had originally scheduled for Centennial Hall at the \$4.5 million, and it gets a grant that hopefully would help the JACC in its fundraising efforts for their facility. He said that with the smaller bond sale, it would allow them to lower the mill rate, not keep it the same. He said he anticipates they will need a bunch of school bonds soon. They don't know what the schools will be asking for but they have had Mendenhall River School before them with estimated costs needing at least \$1.5 million to repair their roof. That is just one thing and they will need to sale bonds to do that.

The Assembly took a break at 5:55 p.m. and returned at 6:03 p.m.

Mr. Kiehl said that as he reads Ordinance 2018-43(c) he noted that all references to the new arts and culture center has been removed from the proposition to go before the voters. He asked if it is the intention for \$6.5 million to go to Centennial Hall; the \$4.5 already approved by voters plus \$2 million in bonds as that is how he reads the ballot language.

Mr. Nankervis asked Mr. Kiehl for clarification as to where the \$6.5 million was coming from that he was referring to.

Mr. Kiehl stated that in 2017 voter approved \$4.5 million in sales tax monies to Centennial Hall. He said that what he sees in front of him, it doesn't make any reference to go before the voters reference to a new arts and culture center as that language is struck out. He asked if it was Mr. Nankervis' intention that the \$2 million in bond funding that would go before the voters is on top of the \$4.5 which comes out to \$6.5 million total.

Mr. Nankervis said that the \$2 million bond would replace the \$2 million that he is proposing would be granted to the new JACC which would restore the total to Centennial Hall at \$4.5 and with regards to the language, it is not under the explanation paragraph but it is in the whereas clause.

Mr. Kiehl said his concern is that the whereas clauses don't get before the voters and the voter approved \$4.5 million for Centennial Hall, it would make sense to him to ask the voters if it is the Assembly's intention to reprogram some of those funds and that is a challenge he has with the version (c) of the ordinance as currently proposed.

Mr. Nankervis said he did not wish to rebut that at this time, rather he is looking for a way to fit that into the amendment.

Ms. Gladyszewski said she appreciates the attempt to move something forward but her concern for this proposal is that it doesn't do enough for Centennial Hall. There are many things needing to be addressed at Centennial Hall and as many have said, you need to invest in the economy in order to grow it. She said in discussing the three ordinances at once, the original version included more upgrades to Centennial Hall but she feels this amended version doesn't include enough in this sector.

Mr. Nankervis said doesn't disagree with Ms. Gladyszewski's notion that more is needed but that they already considered those numbers during Assembly Finance Committee meetings at it was at that point that it was reduced to the current amount.

Mr. Kiehl asked Mr. Nankervis that as they look at this much smaller proposal, does that allow them to look at this as one facility with a causeway linking them or are they looking at two separate facilities.

Mr. Nankervis said he would anticipate those discussions would happen if the fundraising efforts are successful at that time and that it would be up to Centennial Hall to identify what was needed that they could afford at the \$4.5 million amount. That is why he struck the language setting out specific items such as the HVAC, sound system, lighting, etc... He said that he expects the Assembly would revisit those issues if the fundraising efforts are successful at that time.

Mr. Jones said he has a hard time support this amendment and he would rather support Ordinance 2018-40 in total. He asked if Mr. Bartholomew would be able to answer some questions. He asked if there were different costs by bonding at different times or for different types of bond issues.

Mr. Bartholomew said that the costs are somewhat variable. There are a couple of fees in a bond issue: 1) bond counsel fees which are a fixed cost and 2) underwriter costs which are a variable cost based on dollar amount. He said that there is also a potential for different interest rates depending on if CBJ were to go through a direct bond issuance itself, or if it was being part of a bond bank sale.

Mr. Jones said that if this amendment was in a way that we would use the current \$4.5 million in sales tax that has been approved by voters and if they took out a bond similar to Mr. Nankervis' proposal but at a \$4 million amount instead of \$2 million, he could support it. However, he said that he thinks the \$12 million proposal had the best package and the best balance between the needs of the JACC and Centennial Hall to bring the complex up that would be easier for Travel Juneau to market.

Mr. Kiehl said he was not terribly concerned with who owns the walls and that is the main difference between Ordinances 2018-40 and 2018-43. He said that if everything went together, it would still be on CBJ land and still be managed by the same entity. He was interested by the discussion about the economic returns and the efficiencies based on the economy of scale. He said that he is concerned that this drastically reduced amount does not get them the unified facility and it leaves them with the worst of all worlds.

Mr. Edwardson said this is a very different discussion than what he had anticipated going into these meetings. He said they are discussing the merits of the proposals and he was expecting this discussion to be about what would or would not be going on the ballot. He said the Assembly had asked the

organization to prepare items they wished to be submitted to the voters. He said the organization prepared the language in good faith and it was up to the Assembly to decide whether or not to put them on the ballot. He said he objects to the amendment as the amendment is not what was asked for by the organization. In light of that he would like to see Ordinance 2018-40 and 2018-43 be passed as presented and forwarded to the voters on the ballot.

Mr. Nankervis said he had some language in response to Mr. Kiehl's request about the sales tax but he didn't want to put it out there unless the body was willing to consider the amended ordinance.

Mayor Koelsch asked if there was any further discussion re: these ordinances. Ms. Gladziszewski said she thought they were considering the amendment of Ordinance 2018-43(c). Mayor Koelsch clarified that during they COW, there were discussing all the ordinances on the agenda, including the proposed amended Ordinance 2018-43(c) but that when this goes to the Assembly meeting, they would be taking action on the various items, one ordinance at a time.

V. ADJOURNMENT

There being no further discussion to come before the committee, There Assembly COW meeting was adjourned at 6:30p.m.

*Respectfully Submitted,
Beth McEwen, MMC
Municipal Clerk*



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

DATE: October 17, 2018

TO: Deputy Mayor Gladziszewski

FROM: Rorie Watt, City Manager

A handwritten signature in black ink, appearing to read "Rorie Watt".

RE: MCB On-Site Marijuana Consumption Regulations

The Marijuana Control Board has advertised draft regulations for public comment regarding the on-site consumption of marijuana products. Written comments are due 11/1/18.

The regulations would accomplish the following:

1. Authorize an onsite consumption endorsement to the marijuana retail store licensing system.
2. Allow for local option for the Assembly or voters to prohibit onsite consumption.

If the regulations are passed, the Assembly will have to determine its policy stance on whether or not onsite consumption should be allowed in CBJ.

Recommendation:

Direct Manager to comment to the MCB that the CBJ's position is neither for/nor against on-site consumption but that it is critical that the local option for onsite consumption remain in the regulations.

NOTICE OF PROPOSED CHANGES TO THE REGULATIONS OF THE MARIJUANA
CONTROL BOARD REGARDING THE ADDITION OF AN ONSITE MARIJUANA
CONSUMPTION ENDORSEMENT TO THE RETAIL MARIJUANA LICENSE

The Marijuana Control Board proposes to adopt regulation changes in 3 AAC 306 of the Alaska Administrative Code, dealing with onsite marijuana consumption endorsements for retail marijuana establishments, including the following:

- (1) 3 AAC 306.015(d) is amended to add endorsements to board conditions or restrictions
- (2) 3 AAC 306.025 amends the application procedures
- (3) 3 AAC 306.060 amends the process for local government procedure
- (4) 3 AAC 306.100 amends fees and refund procedures
- (5) 3 AAC 306.110 adds a new section for endorsements
- (6) 3 AAC 306.200 amends the local option process
- (7) 3 AAC 306.250 amends the effect on licenses of restrictions on sale
- (8) 3 AAC 306.310 amends marijuana retail store restrictions
- (9) 3 AAC 306.355 amends limits on quantities sold
- (10) 3 AAC 306.370 adds a new section for onsite consumption endorsements for retail marijuana stores
- (11) 3 AAC 306.990(b) is amended to add relevant definitions

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to the Alcohol & Marijuana Control Office at 550 West 7th Avenue, Suite 1600, Anchorage, AK 99501. Additionally, the Marijuana Control Board will accept comments by electronic mail at amco.regs@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received not later than 4:30 pm on November 1, 2018.

Oral comments may also be submitted at a hearing to be held on December 19, 2018, at 4805 Dr. MLK Jr. Avenue, Anchorage, AK 99507. The hearing will be held from 1 p.m. to 4 p.m. and might be extended to accommodate those present by 1 p.m. who did not have an opportunity to comment.

You may submit written questions relevant to the proposed action to the Marijuana Control Board by email at amco.regs@alaska.gov or at 550 West 7th Avenue, Suite 1600, Anchorage, AK 99501. The questions must be received at least 10 days before the end of the public comment period. The Alcohol & Marijuana Control Office will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact amco.regs@alaska.gov or (907) 269-0350 not later than October 20,

2018, to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting the Alcohol & Marijuana Control Office at (907) 269-0350 or amco.regs@alaska.gov.

After the public comment period ends, the Marijuana Control Board will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected. Written comments received are public records and are subject to public inspection.

Statutory authority: AS 17.38.010; AS 17.38.070; AS 17.38.121; AS 17.38.150; AS 17.38.190; AS 17.38.200; AS 17.38.210; AS 17.38.300; AS 17.38.340; AS 17.38.900

Statutes being implemented, interpreted, or made specific: AS 17.38.070 AS 17.38.200 AS 17.38.210

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

Date: August 22, 2018

A handwritten signature in black ink that reads "Erika McConnell". The signature is written in a cursive, flowing style.

Erika McConnell, director

3 AAC 306.015(d) is amended to read:

(d) The board will impose other conditions or restrictions on a license **or endorsement** issued under this chapter when it finds that it is in the interests of the public to do so.

3 AAC 306.025 is amended to read:

3 AAC 306.025. Application procedure.

(a) An applicant must initiate a new marijuana establishment license **or endorsement** application on a form the board prescribes, using the board's electronic system.

(b) As soon as practical after initiating a new marijuana license **or endorsement** application, the applicant must give notice of the application to the public by

(1) posting a copy of the application, on the form the board prescribes, for 10 days at

(A) the location of the proposed licensed premises; and

(B) one other conspicuous location in the area of the proposed premises;

(2) publishing an announcement once a week for three consecutive weeks in a newspaper of general circulation in the area; in an area where no newspaper circulates, the applicant must arrange for broadcast announcements on a radio station serving the local area where the proposed licensee seeks to operate twice a week for three successive weeks during triple A advertising time; the newspaper or radio notice must state

(A) the name of the applicant;

(B) the name and location of the proposed premises;

(C) the type of license **or endorsement** applied for along with a citation to a provision of this chapter authorizing that type of license **or endorsement**; and

(D) a statement that any comment or objection may be submitted to the board; and

(3) submitting a copy of the application on the form the board prescribes to

(A) the local government; and

(B) any community council in the area of the proposed licensed premises.

(c) After the applicant completes the notice requirements in (b) of this section and submits each remaining application requirement listed in 3 AAC 306.020, the applicant must pay the application and licensing fees set out in 3 AAC 306.100. The applicant must then use the board's electronic system to inform the board that the applicant has submitted a complete application.

(d) When the director receives an application for a marijuana establishment license **or endorsement**, the director shall determine if the application is complete. Any application for a marijuana establishment license **or endorsement** that the director receives without the application fee is incomplete. If the director determines the application is complete, the director shall immediately give written notice to;

(1) the applicant;

(2) the local government with jurisdiction over the applicant's proposed licensed premises;

(3) the community council if the proposed licensed premises are located within the boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in writing.

(e) If an application for a marijuana establishment license **or endorsement** is incomplete, the director shall notify the applicant by electronic mail at the address provided by the applicant and shall either

(1) return an incomplete application in its entirety; or

(2) request the applicant to provide additional identified items needed to complete the application.

(f) When the director informs an applicant that its application is incomplete as provided in (e) of this section, the applicant must complete the application not later than 90 days after the date of the director's notice. If an applicant fails to complete its application during the 90-day period after the director's notice, the applicant must file a new application and pay a new application fee to obtain a marijuana establishment license **or endorsement**.

3 AAC 306.060 is amended to read:

3 AAC 306.060. Protest by local government.

(a) Not later than 60 days after the director sends notice of an application for a new marijuana establishment license, **a new onsite consumption endorsement**, renewal of a marijuana establishment license, **renewal of an onsite consumption endorsement**, or transfer of a marijuana establishment license to another person, a local government may protest the application by sending the director and the applicant a written protest and the reasons for the protest. The director may not accept a protest received after the 60-day period. If a local government protests an application for a new or renewal license, **a new or renewal onsite consumption endorsement**, or for a transfer of a license to another person, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

(b) A local government may recommend that the board approve an application for a new license, a new onsite consumption endorsement, renewal of a license, renewal of an onsite consumption endorsement, or transfer of a license to another person subject to a condition. The board will impose a condition a local government recommends unless the board finds the recommended condition is arbitrary, capricious, and unreasonable. If the board imposes a condition a local government recommends, the local government shall assume responsibility for monitoring compliance with the condition unless the board provides otherwise.

(c) If a local government determines that a marijuana establishment has violated a provision of AS 17.38, this chapter, or a condition the board has imposed on the licensee, the local government may notify the board. Unless the director finds that the local government's notice is arbitrary, capricious, and unreasonable, the director shall prepare the determination as an accusation against the licensee under AS 44.62.360 and conduct proceedings to resolve the matter as provided under 3 AAC 306.820.

3 AAC 306.100 is amended to read:

3 AAC 306.100. Fees; refund.

(a) The non-refundable application fee for a new marijuana establishment license or an application to transfer a license to another person is \$1,000. The non-refundable application fee for a new onsite consumption endorsement is \$1,000.

(b) The non-refundable application fee for a license renewal application is \$600. If a renewal application is late as provided under 3 AAC 306.035(e), an additional non-refundable late renewal application fee is \$1,000. The non-refundable application fee for renewal of an onsite consumption endorsement is \$600.

(c) The non-refundable fee to request board approval of a change in a licensed marijuana establishment's business name, ownership, licensed premises diagram, operating plan, or proposed new marijuana product is \$250. A change fee does not apply to an application for transfer of a license or a transfer of controlling interest to another person. The annual license **or endorsement** fee, to be paid with each application for a new marijuana establishment facility license **or endorsement** and each license **or endorsement** renewal application is

- (1) for a retail marijuana store license, \$5,000;
- (2) for a limited marijuana cultivation facility license, \$1,000;
- (3) for a marijuana cultivation facility license, \$5,000;
- (4) for a marijuana concentrate manufacturing facility license, \$1,000;
- (5) for a marijuana product manufacturing facility license, \$5,000;
- (6) for a marijuana testing facility license, \$1,000;
- (7) **for an onsite consumption endorsement to a retail marijuana store**

license, \$2,000.

(d) The fee for a marijuana handler permit card is \$50.

(e) If the board denies an application for a license **or endorsement**, or for renewal of a license **or endorsement**, the board will refund the annual license **or endorsement** fee. The board will not refund a license **or endorsement** fee after the license **or endorsement** has been issued.

(f) Processing fees for late renewal after failure to pay taxes are as follows:

(1) if a licensee pays its delinquent tax after a local government protests renewal of the license, but before the board denies license renewal, \$200;

(2) if a licensee pays its delinquent tax after appealing the board's denial of a license renewal, but before a hearing officer is appointed to hear the applicant's appeal, \$500;

(3) if a licensee pays its delinquent tax after appealing the board's denial of a license renewal, but before the administrative hearing begins, \$5,000;

(4) if a licensee pays its delinquent tax after an administrative hearing that results in a hearing officer recommendation to deny the license renewal, \$10,000.

3 AAC 306 is amended by adding a new section to read:

3 AAC 306.110. Endorsements generally.

(a) An endorsement expands the boundaries of a licensed premises or the authorized activities of the licensed business.

(b) Only the board may issue an endorsement.

(c) An endorsement is valid only in conjunction with a license. An endorsement may only be transferred to another person if the license for which the endorsement was issued is also transferred to that person. An endorsement expires if the license expires or the license is revoked. An endorsement is suspended if the license is suspended.

3 AAC 306.200 is amended to read:

3 AAC 306.200. Local options.

(a) If a majority of the persons voting on the question vote to approve the option, or if a local government's assembly or city council passes an ordinance to the same effect, the local government shall adopt a local option to prohibit

(1) the sale or importation for sale of marijuana and any marijuana product;

(2) the operation of any marijuana establishment, including one or more of the following license **or endorsement** types:

- (A) a retail marijuana store;
- (B) a marijuana cultivation facility;
- (C) a marijuana product manufacturing facility;
- (D) a marijuana testing facility;[.]
- (E) **an onsite consumption endorsement to a marijuana retail store license;**

(3) **specific operational characteristics of an onsite consumption endorsement to a marijuana retail store license, including consumption by smoking or vaping, or outdoor consumption.**

(b) A ballot question to adopt a local option under this section must at least contain language substantially similar to: "Shall (name of local government) adopt a local option to prohibit (local option under (a) of this section)? (yes or no)."

(c) The ballot for an election on the options set out in (a)(2) of this section must include a brief explanation of the activity that each license **or endorsement** type on the ballot may carry out.

(d) If a local government dissolves under AS 29.06.450, any marijuana establishment license issued to that local government expires when the local government dissolves.

(e) A local government may not prohibit the personal use and possession of marijuana and marijuana products as authorized under AS 17.38.020.

(f) Nothing in 3 AAC 306.200 - 3 AAC 306.260 precludes a local government from applying for a marijuana establishment license or endorsement under other provisions of this chapter.

3 AAC 306.250 is amended to read:

3 AAC 306.250. Effect on licenses of restriction on sale.

If a majority of the voters vote under 3 AAC 306.200(a) to prohibit sale of marijuana and marijuana products or the operation of marijuana establishments, or if the assembly or city council passes an ordinance to the same effect, the board will not issue, renew, or transfer to another person a license for a marijuana establishment, or issue or renew an endorsement, with premises located within the boundary of the local government. A license for a marijuana establishment or endorsement within the boundary of the local government is void 90 days after the results of the election are certified, or after the effective date of an ordinance to the same effect if the local government opted out by ordinance. A license or endorsement that expires during the 90 days after the certification of a local option election, or during the period of time between passage of an ordinance to the same effect and the effective date of that ordinance, may be extended until it is void under this section, by payment of a prorated portion of the annual license or endorsement fee. (Eff. 2/21/2016, Register 217, am 7/27/2017, Register 223)

3 AAC 306.310(b) is amended to read:

(b) A licensed retail marijuana store may not

Register _____, _____ 2018

COMMERCE, COMMUNITY AND EC. DEV.

(1) conduct business on or allow a consumer to access the retail marijuana store's licensed premises between the hours of 5:00 a.m. and 8:00 a.m. each day;

(2) allow a person to consume marijuana or a marijuana product on the retail marijuana store's licensed premises, except as provided in 3 AAC 306.305(a)(4);

(3) offer or deliver to a consumer, as a marketing promotion or for any other reason,

(A) free marijuana or marijuana product, including a sample; or

(B) alcoholic beverages, free or for compensation; **or** [.]

(4) **allow intoxicated or drunken persons to enter or to remain on the licensed premises.**

3 AAC 306.355 is amended to read:

3 AAC 306.355. Limit on quantity sold.

(a) A retail marijuana store may not sell **to any one person per day**[IN A SINGLE TRANSACTION]

(1) more than one ounce of usable marijuana;

(2) more than seven grams of marijuana concentrate for inhalation, or

(3) marijuana or marijuana products if the total amount of marijuana, marijuana products, or both marijuana and marijuana products sold contains more than 5,600 milligrams of THC.

(b) These limits include marijuana or marijuana product sold for onsite consumption under 3 AAC 306.370(a)(2).

3 AAC 306 is amended by adding a new section to read:

3 AAC 306.370. Onsite consumption endorsement for retail marijuana stores.

(a) Unless prohibited by local or state law, a freestanding licensed retail marijuana store with an approved onsite consumption endorsement is authorized to

(1) sell marijuana and marijuana products, excluding marijuana concentrates, to patrons for consumption on the licensed premises at the time of purchase only in an area designated as the marijuana consumption area and separated from the remainder of the premises, either by a secure door and having a separate ventilation system, or by being outdoors in compliance with (c)(4) below;

(2) sell for consumption on the premises

(A) marijuana bud or flower in quantities not to exceed one gram to any one person per day; or

(B) edible marijuana products in quantities not to exceed 10 mg of THC to any one person per day; and

(C) food or beverages not containing marijuana or alcohol; and

(3) allow a person to remove from the licensed premises marijuana or marijuana product that has been purchased on the licensed premises for consumption under this section, provided it is packaged in accordance with 3 AAC 306.345.

(b) A licensed retail marijuana store with an approved onsite consumption endorsement may not

(1) sell marijuana concentrate for consumption in the marijuana consumption area or allow marijuana concentrate to be consumed in the marijuana consumption area;

(2) allow any licensee, employee, or agent of a licensee to consume marijuana or marijuana product, including marijuana concentrate, during the course of a work shift;

(3) allow a person to consume tobacco or tobacco products in the marijuana consumption area;

(4) allow a person to bring into or consume in the marijuana consumption area any marijuana or marijuana product that was not purchased at the licensed retail marijuana store;

(5) sell, offer to sell, or deliver marijuana or marijuana product at a price less than the price regularly charged for the marijuana or marijuana product during the same calendar week;

(6) sell, offer to sell, or deliver an unlimited amount of marijuana or marijuana product during a set period of time for a fixed price;

(7) sell, offer to sell, or deliver marijuana or marijuana product on any one day at prices less than those charged the general public on that day;

(8) encourage or permit an organized game or contest on the licensed premises that involves consuming marijuana or marijuana product or the awarding of marijuana or marijuana product as prizes; or

(9) advertise or promote in any way, either on or off the premises, a practice prohibited under this section.

(c) A marijuana consumption area shall have the following characteristics:

(1) the consumption area shall be isolated from the other areas of the retail marijuana store, separated by walls and a secure door, and shall have access only from the retail marijuana store;

(2) a smoke-free area for employees to monitor the marijuana consumption area;

(3) a ventilation system that directs air from the marijuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;

(4) if outdoors, be found by the board to be compatible with uses in the surrounding area through evaluation of

(A) neighboring uses;

(B) the location of air intake vents on neighboring buildings;

(C) a sight-obscuring wall or fence around the outdoor marijuana consumption area;

(D) objections of property owners, residents, and occupants within 250 linear feet or the notification distance required by the local government, whichever is greater; and

(E) any other information the board finds relevant.

(d) An applicant for an onsite consumption endorsement must file an application on a form the board prescribes, including the documents and endorsement fee set out in this section, which must include

(1) the applicant's operating plan, in a format the board prescribes, describing the retail marijuana store's plan for

(A) security, in addition to what is required for a retail marijuana store, including:

(i) doors and locks;

- (ii) windows;
- (iii) measures to prevent diversion; and
- (iv) measures to prohibit access to persons under the age of 21;

(B) ventilation. If consumption by inhalation is to be permitted, ventilation plans must be

- (i) signed and approved by a licensed mechanical engineer;
- (ii) sufficient to remove visible smoke; and
- (iii) consistent with all applicable building codes and ordinances;

(C) monitoring overconsumption;

(D) unconsumed marijuana, by disposal or by packaging in accordance with 3 AAC 306.345; and

(E) preventing introduction into the marijuana consumption area of marijuana or marijuana products not sold by the retail marijuana store, and marijuana or marijuana products not sold specifically for onsite consumption;

(2) the applicant's detailed diagram of the marijuana consumption area which must show the location of

- (A) the licensed premises of the retail marijuana store;
- (B) serving area or areas;
- (C) ventilation exhaust points, if applicable;
- (D) the employee monitoring area;
- (E) doors, windows, or other exits; and
- (F) access control points;

(3) the title, lease, or other documentation showing the applicant's sole right of possession of the proposed marijuana consumption area, if the area is not already part of the approved licensed premises for the retail marijuana store;

(4) an affidavit that notice of an outdoor marijuana consumption area has been mailed to property owners, residents, and occupants of properties within 250 linear feet of the boundaries of the property on which the onsite consumption endorsement is proposed, or the notification distance required by the local government, whichever is greater.

(e) The retail marijuana store holding an onsite consumption endorsement under this chapter shall

(1) destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with the operating plan and 3 AAC 306.740;

(2) monitor patrons in the marijuana consumption area at all times, specifically for overconsumption;

(3) display all warning signs required under 3 AAC 306.360 and 3 AAC 306.365 within the marijuana consumption area, visible to all consumers;

(4) provide written materials containing marijuana dosage and safety information for each type of marijuana or marijuana product sold for consumption in the marijuana consumption area at no cost to patrons;

(5) package and label all marijuana or marijuana product sold for consumption on the premises as required in 3 AAC 306.345; and

(6) comply with any conditions set by the local government or placed on the endorsement by the board.

(f) The holder of an onsite consumption endorsement must apply for renewal annually at the time of renewal of the underlying retail marijuana store license.

3 AAC 306.990(b) is amended to add the following subsections:

(41) “drunken person” has the meaning given in AS 04.21.080(b)(9);

(42) “freestanding” has the meaning given in AS 18.35.301(i)(1);

(43) “intoxicated” has the meaning given in AS 11.81.900(b)(34);

(44) “marijuana consumption area” means a designated area within the licensed premises of a retail marijuana store that holds a valid onsite consumption endorsement, where marijuana and marijuana products, excluding marijuana concentrates, may be consumed.

(45) “retail marijuana store premises” means an area encompassing both the retail marijuana store and any marijuana consumption area.

(46) “sight-obscuring wall or fence” means a wall or fence, including any gates, constructed of solid material and a minimum of six feet in height.



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

DATE: October 17, 2018

TO: Deputy Mayor Gladziszewski

FROM: Rorie Watt, City Manager

RE: Smoking

The State recently adopted SB63, an act prohibiting smoking in certain places and allowing for a local option. The CBJ already has a second hand smoke ordinance on the books, CBJ 36.60:

https://library.municode.com/ak/juneau/codes/code_of_ordinances?nodeId=PTIICOR_TIT36HESA_CH36.60SENDSMCOCO

The State Statute is different from CBJ's, notably in several ways:

1. CBJ 36.60 allows smoking closer to doorways than SB63 (SB63 increases distance from 10' to 20' in some instances).
2. SB63 does not have a small employer exception, CBJ 36.60 does.
3. SB63 allows a local option to make the AS not enforceable (requires public vote).

Recommendation:

Bring CBJ 36.60 into conformance with SB36. In my opinion it will be least confusing to the public and easiest to enforce. You should be aware of two consequences that are likely to occur:

- A. Outdoor smoking may become concentrated downtown, downtown owners who are nearer or further from the concentration areas will respond in accordance to their situation.
- B. As public education of the AS increases, there will likely be an increase in request for enforcement resources in this area. As a practical matter, JPD must prioritize its patrol response resources to crimes against persons and then property.

With the consent of the COW, we will place an Ordinance on an upcoming agenda to bring municipal code into conformance with SB63.

Welcome!

Thank you for requesting and reviewing these materials to help make your workplace smokefree! As you start this process, it is likely that you have many questions. This Smokefree Alaska Business Packet will help answer these questions and guide you through the process of implementing the Smokefree Alaska Law at your workplace.

What is the Smokefree Alaska Law?

On October 1, 2018, the Smokefree Alaska Law replaces the current smoking law with a comprehensive, statewide law and protects all Alaska workers, residents and visitors from the well-known health harms of secondhand smoke. The Smokefree Alaska Law prohibits smoking and vaping in all workplaces and public spaces, such as office buildings and offices, hotels/motels, restaurants, bars, health care facilities, entertainment venues/sports arenas, and buses, ferries, taxis or any other vehicle used for public transportation. Vaping includes e-cigarettes, vape pens/personal vaporizers and e-hookah (i.e. vaping devices - with or without nicotine). Your local smokefree law may contain stronger protections.

Who should use this packet?

It can be used by any worksite in Alaska that begins implementing the Smokefree Alaska Law. This information is relevant for all types of businesses and will inform business owners and managers how to comply with the law and how to create a safe, healthy environment that enhances employee and customer well-being.

- **How do I use the information provided?**

There are step-by-step instructions on how to implement the Smokefree Alaska Law. You can follow the packet in its entirety or skip around to the sections that most pertain to you and your worksite. Even if your worksite is already smokefree, these tools will ensure that you are in compliance with the new, comprehensive law that prohibits the exposure to secondhand

smoke, including electronic cigarettes, in company buildings, on company grounds, and in company-owned vehicles.

- **What is included?** The Smokefree Alaska Business Packets will be distributed to businesses throughout Alaska and include the following resources:
 1. **Compliance Checklist** for all business owners and managers
 2. **Frequently Asked Questions (FAQs)**
 3. **Notice to Employees**
 4. **Steps for Addressing Smoking Within Your Establishment** overview
 5. **Ready to Live a Smokefree Life?** Cessation resources list

We hope to provide all the tools you will need to make your workplace smokefree. It is important to be prepared for handling questions and concerns you may receive, particularly from those who smoke. The goal is to equip all Alaska business owners and managers with the most efficient and valuable assistance needed to ensure they can create safe, healthy environments. For additional information and assistance with any of the materials, please visit smokefree.alaska.gov.

This packet was a collaborative product brought to you by the Smokefree Alaska Law Implementation Team, composed of the following agencies: the American Lung Association, American Cancer Society — Cancer Action Network, Americans for Nonsmokers' Rights, the Alaska Native Tribal Health Consortium, American Heart Association and the State of Alaska Tobacco Prevention and Control Program.



COMPLIANCE CHECKLIST

The new Smokefree Alaska Law goes into effect on October 1, 2018, and will prohibit smoking and vaping in all Alaska workplaces and public places. Help your business count down to smokefree air.

Before October 1, 2018

Learn about the Smokefree Alaska Law and how it affects your business

Carefully review all the information in your Smokefree Alaska Business Packet, and visit **smokefree.alaska.gov** for updates. Understand what the law requires and ensure those provisions are implemented. The new statewide smokefree indoor workplace law will not require expenditures on the part of affected businesses to comply.

Discuss the law with your employees, contractors, volunteers and visitors

As of October 1, 2018, smoking/vaping is not allowed in places of employment. “Places of employment” means work areas, private offices, hotel and motel rooms, warehouses, employee lounges, restrooms, conference rooms, classrooms, cafeterias, hallways, vehicles and other employee work areas that are under the control of an employer.

Remove all ashtrays and other smoking receptacles

Smoking outside of your establishment is not allowed within 20 feet of any entrance/exit, windows or air intake systems, or 10 feet if your business is a bar or restaurant that serves alcoholic beverages. Although outdoor designated smoking areas are not recommended, they are allowed as long as they are within the regulated distances.

Visit **smokefree.alaska.gov** to review requirements and ensure that your designated smoking area(s) meet those requirements.

Train your employees to implement the law

Train staff on the new requirements and how to deal with customers who want to smoke. Practice scenarios with your staff so they feel comfortable talking to customers. For example: “All workplaces and public spaces in Alaska are now smokefree, you’ll have to put out your cigarette or please take it outside.” Another example is: “The new Smokefree Alaska Law prohibits smoking/vaping indoors. Thank you for your cooperation.” Please remind employees to use common sense. If necessary, use your normal protocol for removing disruptive customers from your premises.

Print/hang required signs, both indoors and outdoors, and educational materials

Posting signs before the effective date of the new law will help make the transition to smokefree air smooth for both employees and patrons. Post the required “no smoking or vaping” signs in plain view at all entrances to your business.

Signage

The Smokefree Alaska Law allows for a variety of messaging for signs, including “Smoking Prohibited by Law—Fine \$50” and more. Please visit **smokefree.alaska.gov** to view sign requirements and print additional materials as they become available.

On and after October 1, 2018

Make sure all education materials have been distributed to your staff

This Smokefree Alaska Business Packet contains educational materials to share with your visitors and employees, such as pay stub inserts. If your business needs additional signage or has specific needs, please visit **smokefree.alaska.gov** for more information and resources.

Kindly ask individuals smoking or vaping on the premises to stop and to step outside

Compliance with the law is the responsibility of the owner, manager or other person in charge of the business, organization and/or building. Remember, businesses must prohibit smoking and vaping in all places of employment, including prohibiting smoking in employee lounges, restrooms, conference rooms, classrooms, hallways and work vehicles. Please see the Steps for Addressing Smoking Within Your Establishment document in this packet. If businesses fail to comply with the new law, employees or members of the public may file a complaint with the State of Alaska and you may be issued warnings, fines or violations.

Provide cessation resources to staff who have voiced a desire to quit

Support and encourage staff members who have discussed wanting to quit tobacco use. Educate them about resources, including the State of Alaska's FREE cessation support for all Alaskans through Alaska's Tobacco Quit Line. Interested people can call **1-800-QUIT-NOW** or visit **alaskaquitline.com** to connect with a quit coach and receive support to start their quit attempt. As a business owner, consider offering additional wellness resources and cessation options, and share the Cessation Resources document found in this business packet.

Celebrate the successful transition to healthy air!

Enjoy the ongoing cost savings from employee wellness and reduced maintenance!



Frequently Asked Questions

General:

Q: What is the Smokefree Alaska Law?

A: The Smokefree Alaska Law (AS 18.35.300 – 18.35.399) is a state law that prohibits smoking and vaping in workplaces and public places, protecting the health of all Alaska workers, residents and visitors. The Alaska Legislature passed the law during the 2017-2018 regular legislative session, with an effective date of October 1, 2018.

Smoking and vaping devices include e-cigarettes, vape pens/personal vaporizers and e-hookah, whether or not the device contains nicotine.

- Health care facilities, including residential units in health care facilities
- In buildings or homes used to provide paid child care, whether or not children are present in the building, or in buildings or residences that provide care for adults on a fee-for-service basis
- Vessels operating as a shore-based fisheries business
- Entertainment venues or sports arenas
- Buses, ferries, taxis or other vehicles used for public transportation

Q: Why do we need a smokefree workplace law?

A: The Smokefree Alaska Law protects the health of all Alaskans by reducing exposure to secondhand smoke. Nonsmokers who are exposed to secondhand smoke at work are more likely to develop heart disease, lung cancer or other diseases.

Q: Where is smoking and vaping not allowed indoors?

A: Under the Smokefree Alaska Law, smoking and vaping is not allowed in the following:

- All places of employment including vehicles
- Office buildings and offices
- Hotels and motels
- Restaurants and bars
- Retail stores and shopping centers
- Common areas in an apartment building or multiple-family dwelling
- Public or private educational facilities
- Places of government or public assembly
- Public transportation facilities including bus shelters, airport terminals and transit depots

Q: Where is smoking and vaping not allowed outdoors?

A: Under the Smokefree Alaska Law, smoking and vaping is not allowed in the following outdoor areas:

- Within 20 feet of an entrance, open window, or heating or ventilation system air intake vent at an enclosed area at a place where smoking is prohibited
- Within a reasonable distance, as determined by the owner or operator, in the case of a vessel operating as a shore-based fisheries business or a long-term health care facility
- A seating area for an outdoor arena, stadium or amphitheater
- At a place of employment or health care facility that has declared the entire campus smokefree or outside grounds or property to be smokefree
- Within 10 feet of an entrance to a bar or restaurant that serves alcoholic beverages
- Within 10 feet of playground equipment located at a public or private school, or at a state or municipal park while children are present

Q: Where can I smoke and vape?

A: Smoking is allowed in private residences and vehicles. Unless prohibited by a business owner/operator, smoking is permitted in a business vehicle used exclusively by only one person, on vessels engaged in commercial or sport charter fishing, private clubs under circumstances defined in the law, some stand-alone shelters, at retail tobacco or e-cigarette stores under circumstances defined in the law, and other outdoor areas specifically identified as allowing smoking.

Q: Does the Smokefree Alaska Law include marijuana?

A: Yes. The definition of smoking in the Smokefree Alaska Law includes marijuana smoking.

However, the Smokefree Alaska Law defers authority for on-site consumption, in licensed marijuana retailers, to the Alaska Marijuana Control Board. Rulemaking is currently under development for on-site consumption. There are additional restrictions that prohibit the use of marijuana in public places, as guided under AS 17.38.040.

Q: Are taxis and other ride hailing businesses affected by the Smokefree Alaska Law?

A: Yes. Under the Smokefree Alaska Law vehicles used to provide paid transportation are considered places of employment. Many familiar ride hailing companies already have their own smokefree policy that drivers are required to follow.

Q: Are fishing boats covered under this law?

A: Smoking is prohibited on vessels operating as shore-based fisheries businesses. Smoking is allowed on commercial or sport charter fishing boats, while the vessel is fishing, unless prohibited by the owner or operator.

For Individuals:

Q: As a patron or employee, how do I comply with the policy?

A: Do not smoke or vape where it is not allowed.

Q: What is secondhand smoke?

- A:**
1. Smoke from burning cigarettes, cigars, pipes, smoke exhaled by the person smoking, and smoke from use of tobacco, marijuana or other plant product intended for inhalation.
 2. Exhaled aerosol or vapor from electronic smoking devices such as e-cigarettes, vape pens/ personal vaporizers and e-hookah.

Q: I want to stop smoking. Are there resources to help me to quit?

A: The State of Alaska offers free cessation support to all Alaskans through Alaska's Tobacco Quit Line. Interested persons can call 1-800-QUIT-NOW (1-800-784-8669) or visit alaskaquitline.com to connect with a quit coach and start their quit attempt. Visit <http://dhss.alaska.gov/dph/Chronic/Documents/Tobacco/SmokeFreeWorkplace/BusinessPacket.pdf> to view other resources to help you quit.

Q: Are there fines or penalties for individuals who choose not to comply with the law?

A: Under the Smokefree Alaska Law, individuals who choose not to comply with the law are subject to a \$50 fine.

Q: How can I find out more information?

A: For more information about the Smokefree Alaska Law, visit smokefree.alaska.gov.

For Businesses:

Q: How does the Smokefree Alaska Law apply to my business?

A: As of October 1, 2018, smoking/vaping is not allowed in places of employment. “Place of employment” means work areas, private offices, hotel and motel rooms, employee lounges, restrooms, conference rooms, classrooms, cafeterias, hallways, vehicles and other employee work areas that are under the control of an employer.

Q: What do I have to do to comply with the law?

A: Effective October 1, 2018, smoking/vaping is not allowed at your establishment.

- Remove all indoor ashtrays or other smoking accessories
- Place signs in prominent locations in your establishment and near entrances as described in the next answer below. Signs can be requested at smokefree.alaska.gov.
- If you see customers, staff or visitors smoking, direct them to take it outside. Smoking outside of your establishment is not allowed within 20 feet of any entrance/exit, windows or air intake systems, or within 10 feet of the entrance if you are a bar or restaurant that serves alcoholic beverages.

Q: What kind of signs are required for my business?

A: Required signs inside your business must include one of the following:

- Reads “Smoking Prohibited by Law — Fine \$50”;
- Includes the international symbol for no smoking; OR
- Includes the words “No Puffin” with a pictorial

representation of a puffin holding a burning cigarette enclosed in a red circle crossed with a red bar.

Signs must be easily visible in places or vehicles where smoking is prohibited.

Buildings at which smoking is not allowed within a specific distance from the entrance of the building must also have signs easily visible from outside each building entrance. Signs should read:

- “Smoking within (number of feet) Feet of Entrance Prohibited by Law — Fine \$50”

Business owners can request signs at no cost, by visiting smokefree.alaska.gov.

Q: Can I provide an outdoor designated smoking area?

A: Although they are not recommended, designated smoking areas are allowed if they are located more than 10 feet away from an entrance to a bar or restaurant that serves alcoholic beverages. For other types of establishments, a designated smoking area is allowable if it's more than 20 feet away from all entrances, windows and air intakes.

Q: As a business owner, can I make my own smoking policy that has stricter requirements, such as requiring a further distance from the door or making my entire property smokefree?

A: Yes. The Smokefree Alaska Law has established minimum requirements. Business owners can post more signs, or increase the distance at which they allow smoking, so long as that number of signs/ distance is greater than what the law requires. Additionally, although the law requires businesses to be smokefree on October 1, business owners are encouraged to begin the process before the effective date. To learn more about how you can transition to a smokefree workplace, visit <http://dhss.alaska.gov/dph/Chronic/Documents/Tobacco/SmokeFreeWorkplace/BusinessPacket.pdf>.

Q: How is the law enforced?

A: The Smokefree Alaska Law is enforced through a complaint driven system. Complaints can be filed at smokefree.alaska.gov.

Q: How can I support my employees and patrons if they wish to quit smoking?

A: The State of Alaska offers free cessation support to all Alaskans through Alaska's Tobacco Quit Line. Call 1-800-QUIT-NOW (1-800-784-8669) or visit alaskaquitline.com to connect with a quit coach and start a quit attempt. Visit <http://dhss.alaska.gov/dph/Chronic/Documents/Tobacco/SmokeFreeWorkplace/BusinessPacket.pdf> to view additional cessation resources.

Q: I own a business that sells tobacco. Are customers allowed to smoke (includes sampling) inside my store?

A: Under the Smokefree Alaska Law an owner or operator may allow customers to smoke at a retail tobacco store if the store meets the definition of

a "retail tobacco or e-cigarette store" AND is in a building that is freestanding.

Q: Does my business qualify as a retail tobacco or e-cigarette store?

A: Under the Smokefree Alaska Law, a retail tobacco or e-cigarette store:

- Primarily sells cigarettes, e-cigarettes, cigars, tobacco and products containing tobacco, pipes, and other smoking or e-cigarette accessories;
- Has only incidental sales of other products;
- Makes at least 90 percent of its gross revenue from the sale of cigarettes, e-cigarettes, cigars, tobacco and products containing tobacco, pipes, and other smoking or e-cigarette accessories; AND
- Is not a tobacco or e-cigarette department in a larger business, restaurant or grocery store.

Q: Are private clubs such as Elks, Moose and American Legion affected by the Smokefree Alaska Law?

A: Yes. Under the Smokefree Alaska Law, smoking in private clubs is only allowed if the club is not licensed to serve alcohol, is not a place of employment and has been in continuous operation at the same location since January 1, 2017.

Q: What if my private club is staffed by volunteers?

A: Volunteers are considered employees under the law and require the same protection as regular employees.

Q: I own a business that sells e-cigarettes/vape products. Are customers allowed to smoke/vape (includes sampling) inside my store?

A: An owner or operator may allow customers to smoke or vape at a retail e-cigarette store if the store meets the definition of a “retail tobacco or e-cigarette store” AND meets one of the following sets of conditions:

- It is in a building that is freestanding

OR

- It has been in continuous operation at the same location since January 1, 2017;
- It is not a business that is licensed to sell alcohol at an outdoor location, a business licensed to sell pull tabs, or a retail store that is within an indoor public place or workplace including a restaurant or grocery; AND
- Smoking is limited to use of an e-cigarette.

OR

- It is attached to another business or building;
- It is not a business that is licensed to sell alcohol at an outdoor location, a business licensed to sell pull tabs, or a retail store that is within an indoor public place or workplace including a restaurant or grocery;
- It has a separate entrance;
- It is separated from another business or building in a manner that does not allow e-cigarette vapor or aerosol to travel into the other businesses or building;
- The other business or building does not serve as a residence, child care facility, facility providing care for adults on a fee-for-service basis, school or health care facility; AND
- Smoking is limited to use of an e-cigarette.

Q: I own a bingo hall or pull tab parlor. Is my business affected by the Smokefree Alaska Law?

A: Yes, smoking is prohibited. Bingo halls and pull tab parlors are places of employment, as defined in the Smokefree Alaska Law.

Q: I have a question specific to my business, how do I get more information?

A: Visit smokefree.alaska.gov to ask questions about how the Smokefree Alaska Law affects specific businesses, or email tobacco@alaska.gov.

Disclaimer

The contents of this document are intended to convey general information only and should not be construed as, and should not be relied upon, for legal advice. An attorney should be contacted for advice on specific legal issues.



Notice to All Employees — NEW SMOKEFREE ALASKA STATE LAW (AS 18.35.301)

To protect employees and customers from the dangers of secondhand smoke and ensure a healthy workplace, all places of employment and public spaces will be smokefree, beginning October 1, 2018. In compliance with the new Smokefree Alaska Law, smoking and vaping are not permitted in any workplaces and public spaces. This includes:

- **Smoke from burning cigarettes, cigars and pipes**
- **Smoke exhaled by the person smoking**
- **Exhaled aerosol from electronic smoking devices such as e-cigarettes, vape pens/personal vaporizers and e-hookahs**



FOLD HERE

Any form of smoking or vaping is strictly prohibited in office buildings, offices, hotels/motels, restaurants, bars, retail stores, shopping centers, common areas in apartment buildings and multiple-family dwellings. Smoking is prohibited within 20 feet of any entrance/exit, window or air intake system, or within 10 feet if your business is a bar or restaurant that serves alcoholic beverages. All employees share the responsibility of adhering to and reminding others of this law. No smoking signs will be posted at all building entrances to ensure all individuals are aware of the law as they enter the workplace. If you see customers, staff or visitors smoking, please kindly ask them to take it outside. The Smokefree Alaska Law will be enforced through a complaint-driven system. Complaints can be filed here: smokefree.alaska.gov

READY TO QUIT? CALL 1-800-QUIT-NOW OR VISIT ALASKAQUITLINE.COM

For more information, visit smokefree.alaska.gov.

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READY TO QUIT? CALL 1-800-QUIT-NOW OR VISIT ALASKAQUITLINE.COM

For more information, visit smokefree.alaska.gov.

Steps for Addressing Smoking Within Your Establishment

Smokefree laws that protect everyone's right to breathe clean air in workplaces and public places now cover a majority of the U.S. population. Smokefree laws are popular, easy to implement and enforce, and result in either a neutral or positive impact on businesses, including the hospitality sector.

Smokefree laws are largely self-enforced and have high compliance, improving health and saving health care dollars. While most Alaskans (80%) do not smoke and most Alaskans (75-84% of the population throughout all regions in Alaska) support statewide smokefree workplace laws (Alaska Tobacco Facts, 2017), **we still need your help to ensure a successful implementation!**

Please help educate employees, visitors, contractors and volunteers about the new Smokefree Alaska Law

It is important to recognize that most people want to live and work where they are free from exposure to secondhand smoke and tend to speak up if they are being exposed, especially when they know a law is in place and being violated. Let employees know there are clear and consistent enforcement procedures in place to address any problematic behavior in the workplace and they can report a suspected violation. Follow through will enhance compliance, showing employees that management takes the Smokefree Alaska Law seriously and is consistent and responsive to reported violations.

As the owner, manager or other person in charge of the business, organization and/or building, **compliance is your responsibility and all employees should be trained to follow these important steps when addressing smoking within your establishment:**

1. **Smile, introduce yourself, be friendly.**
2. **Make the approach with the assumption that the person smoking does not know the new law.**
3. **Kindly ask individuals smoking or vaping if they know about the Smokefree Alaska Law.**
Allow them to answer and then politely ask if they could step outside the establishment or restricted area, if they wish to continue smoking or vaping.
4. **Offer information about the new law and where they can smoke or vape.**
Make sure your messages show compassion toward smokers and avoid stigmatizing them. **Frame the issue around protecting workers' health** by emphasizing that all individuals have the right to a smokefree worksite and should not be exposed to carcinogenic and toxic substances on the job.
5. **Keep calm and reassure them they can come in and out of your establishment as necessary without smoking.**
6. **Use common sense.**
If necessary, use your normal protocol for managing disruptive customers and/or employees.

(Continued on back)

7. Empathize. This is really tough for some people, physically and mentally.

More people in the United States are addicted to nicotine than to any other drug. Research shows that nicotine may be as addictive as heroin, cocaine or alcohol. Quitting smoking is hard and may require several attempts. People who stop smoking often start again because of withdrawal symptoms, such as feeling irritable or anxious, and due to stress and weight gain. Many smokers quit without using treatment. You can, however, provide the Cessation Resources document within this business packet, which contains treatment options that are proven to be effective for smokers who want help to quit.

8. Only discuss penalties as a last resort.

- Noncompliance can result in a \$50 fine.
- If businesses fail to comply with the new law, employees or members of the public may file a complaint with the State of Alaska and these businesses may be issued warnings, fines or violations.



Ready to Live a Smokefree Life?

Smoking Cessation Resources:

Alaska's Tobacco Quit Line

alaskaquitline.com

1-800-QUIT-NOW (1-800-784-8669)

- Free phone and web coaching
- Free text and email support
- Free nicotine replacement therapy, including patches, gum and lozenges

American Lung Association

lung.org/stop-smoking/i-want-to-quit/

- Free support through 1-800-LUNGUSA
- Quitter's Circle, an online support community, available online and through a mobile app
- Freedom From Smoking, available in person and online

U.S. Department of Health and Human Services (HHS)

BeTobaccoFree.gov

- HHS website with one-stop access to tobacco-related information
- Information on quitting tobacco use from various agencies

smokefree.gov

- Free resource, including quit coaches and quit plans supporting those trying to quit smoking or chewing tobacco
- Smokefree text messaging
- Mobile support
- Daily challenges to help prepare for situations where you can't smoke

Centers for Disease Control and Prevention

Tips From Former Smokers:

cdc.gov/tobacco/campaign/tips

- Learn more about the people featured and their health conditions
- Access quit smoking resources

Alaska Native Tribal Health Consortium's Tobacco Information Line

907-729-4343

- Learn more about resources specific to Alaska Natives and American Indians

Resources for Teens:

- smokefree.gov/smokefreetxt

Quit Smoking Apps:

- smokefree.gov/apps-quitstart
- teen.smokefree.gov
- therealcost.betobaccofree.hhs.gov/?g=t
- smokingstinks.org/quitkit/expect.html

Tips on Quitting Smokeless Tobacco:

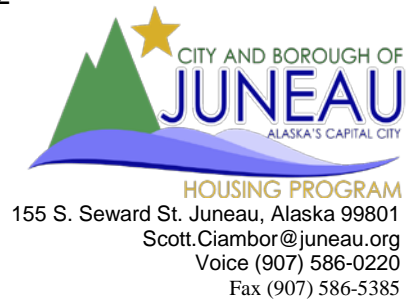
- nidcr.nih.gov/oralhealth/Topics/SmokelessTobacco/SmokelessTobaccoAGuideforQuitting.htm
- cancer.org/cancer/cancercauses/tobaccocancer/smokelesstobaccoandhowtoquit/index



READY TO QUIT? CALL 1-800-QUIT-NOW OR VISIT ALASKAQUITLINE.COM

For more information, visit smokefree.alaska.gov.

MEMORANDUM



Date: October 22, 2018

TO: Committee of the Whole

FROM: Scott Ciambor, Chief Housing Officer 

Re: Improvements to the Juneau Affordable Housing Fund

Dear Committee of the Whole:

At the [August 9, 2018 COW meeting](#), as part of a larger housing incentives discussion, staff was tasked with bringing back suggested improvements to the Juneau Affordable Housing Fund to spur development of affordable and workforce housing.

Summary of recommendations

1. **Creating and defining two categories for funding eligibility.** This will address developer confusion about what projects might qualify for funding and help to track and monitor the types of requests to the Assembly. Recommended new definitions:
 - Affordable Housing (0% to 80% AMI), typically non-profits with grant requests, targeting low-income or special needs housing.
 - Workforce Housing (80% to 120% AMI), for-profit or non-profit, most likely to be zero-interest loans.
2. **Establishing a grant or loan limit of \$50,000 per unit created.** By increasing the eligibility award this would address the affordability gap outlined in the Housing Action Plan and spur development. Current maximum loan available to developers is the lesser of \$150,000 or 50% of a project's total cost *and* indicates that no more than 5% of JAHF funds can be dispersed as zero-interest loans. This level of funding is ineffective.
3. **Streamline the application process.** An annual application process, similar to the Community Development Block Grant program, will improve transparency, reduce confusion for developers, and reduce workload for Assembly and staff.
 - a. **Create an application review committee.** The committee would include Manager's staff representing departments that partner with developers to make sure that the Assembly is presented with options that have been appropriately vetted. Proposed departments include Community Development Department, Lands & Resources, Public Works, and Finance.
4. **Continue City funding stream, and advocate for State match.** This creates stability in our housing program, a key consideration for developers and financiers. The Assembly recommended and the voters approved Sales Tax extension that will provide \$2M over five years. Other options include placing one time monies in the fund, such as the \$1.5M in settlement payments from the Gastineau Apartments litigation.

Tonight, the request of the Assembly is:

- Approve or alter recommended course of action; and
- Approve streamlined process and request draft ordinance reflecting these changes in the management of the Juneau Affordable Housing Fund.

The following pages provide more details on these recommendations.

Background

The Juneau Affordable Housing Fund (JAHF) is the main tool for the City and Borough of Juneau to provide grant and loans to workforce, affordable, and special needs housing projects. The JAHF was established in 2010 and has not been significantly updated since then.

The CBJ Housing Action Plan, passed by resolution in December 2016, indicated a need to improve and expand the uses of the JAHF to meet more of the identified housing goals. These goals for Fund improvements include:

1. Increasing the Fund capital;¹
2. Broaden the scope of the fund;
3. Prioritize for new fair market workforce (80% to 120% AMI) and senior housing;
4. Report on annual projects supported by the Fund; and
5. Develop a sustainability and operational plan for the Fund.

FY19 budget balance is \$927,700 – after a \$116,000 set aside for use for the CBJ Homeowner Accessory Apartment Incentive Grant program.

Proposed Changes

1. Clarify use of Juneau Affordable Housing Fund by creating and defining two categories for funding eligibility.

Eligible Juneau Affordable Housing Fund projects range from 0% to 120% AMI. This eligibility spans affordable, special needs, and fair market housing projects.

One proposed change would be to clarify the terms for potential eligible applicants and align with a goal of the Housing Action Plan. Potential developers have expressed confusion on how and if they can access the funds. The following categories would be made clear in the application and guidelines:

- Affordable Housing (0% to 80% AMI), typically non-profits with grant requests, targeting low-income or special needs housing.
- Workforce Housing (80% to 120% AMI), for-profit or non-profit, most likely to be zero-interest loans.

Affordability: By nature, affordable housing projects target other state or federal funding sources that also have income restrictions (0% to 80% AMI) or focus on certain sub-populations (re-entry, seniors, chronically homeless). No additional affordability language or requirements are needed for these types of projects to utilize JAHF funds.

For for-profit workforce housing programs (80% to 120% AMI) across the country, states and municipalities put affordability language in place requiring that the subsidy is used for at least a

¹ In 2017, the CBJ Assembly and Juneau voters approved using \$2 million of the FY2019-FY24 1% sales tax renewal for the Fund.

Page 3

portion of the units at the lower end of the eligible income spectrum. For the Juneau Affordable Housing Fund, the following affordability target could be used to provide clarity for workforce housing developers:

At least 20% of units must be reserved for tenants with gross incomes at 80% or less AMI for ten years or the life of the loan.

This target language is fair in that 1) it should be attainable for for-profit housing developers; 2) still ensures housing for a targeted need, and 3) is consistent with terms used by CBJ in the past. (1982 Juneau Rental Housing Stimulation Program)

A rental verification form would be collected annually to verify compliance with loan requirements – similar to how local Low-Income Housing Tax Credit (LIHTC) programs report yearly to the Assessor's office.

Senior Housing: The Housing Action Plan notes prioritizing senior housing along with workforce housing. Senior housing projects would qualify for funding in the affordable and workforce housing categories, so a separate category was not created.

Recommendation: CBJ staff to reflect these category changes and add affordability language for workforce housing in the JAHF guidelines and application packet.

2. Increase limits on grant and loan requests

Current JAHF grant and loan limits are too low to be effective given the high cost of local housing development. Even historically, CBJ has provided much larger grants and loans to spur housing construction. Also, the Housing Action Plan notes that to have a significant impact on the housing market that it will take close to \$45,000 per unit in subsidy to meet the financing gap and 30-year housing targets.

The recommendation is to increase the JAHF grant and loan limits to \$50,000 per qualifying unit - affordable or workforce housing. By putting in place these parameters, it will provide clarity to developers as they put together projects and these terms are comparable to other workforce housing programs:

- Iowa Finance Authority: \$50,000 per unit at/or below 140% AMI.
- MassHousing Workforce Housing Initiative: \$100,000 per workforce unit, with a limit of \$5,000,000 per development.

Rents in Juneau tend to be 77% higher than those in Iowa but roughly 36% lower than Boston, Massachusetts. (<https://www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx>).

How would this work? A couple of scenarios:

- A for-profit developer might propose a 50-unit development, 10 of which would be targeted toward an affordable or workforce housing unit. The developer would qualify for a \$500,000 loan – subject to funding availability.

- In the case of the recent Juneau Housing First Collaborative grant request for 32 units of permanent supportive housing, the qualifying grant would have been \$1.6 million

The 2010 Juneau Affordable Housing Fund guidelines indicate that the maximum loan available to developers is the lesser of \$150,000 or 50% of a project's total cost *and* indicates that no more than 5% of JAHF funds can be dispersed as zero-interest loans. The 2010 JAHF guidelines were conservative due to 1) not identifying a consistent future funding source to add resources to the JAHF and 2) because of the narrow goal at the time to serve as final gap funding for affordable housing projects.

Recommendation: With the 30-year Housing Action Plan focus in mind, increase the grant and loan eligibility amount to \$50,000 per affordable or workforce housing unit created. CBJ staff to reflect these changes in JAHF guidelines and application packet.

3. **Streamline Juneau Affordable Housing Fund Process:**

A consistent annual application process will provide clarity and structure for interested developers with funding requests. This would reduce impact on Assembly and staff that otherwise field requests on an *ad hoc* basis. The recommendation is to mirror the existing process for the Community Development Block Grant (CDBG) program, managed through the Community Development Department.

Potential Juneau Affordable Housing Fund Application and Selection Timeline

- **Early July:** Press release and information on funding available
- **Mid-July:** JAHF guidelines and applications posted and available
- **Mid-August:** Project proposals due
- **Late- August:** Projects submitted to review committee for scoring
- **Early September:** Project ranking and staff analysis prepared for COW
- **Late September:** COW recommendation to Assembly for approval
- **Jan-March:** Staff report on Juneau Affordable Housing Fund to the COW to prepare for budget meetings and to provide guidance for next JAHF funding round.

Throughout the year CBJ staff would be available to field questions and work with developers on how best to prepare projects for JAHF funding.

Review Committee

Housing development projects touch on a wide-range of CBJ departments. A JAHF proposal review committee would include the Chief Housing Officer and representatives from Community Development, Lands & Resources Department, Public Works & Engineering, and Finance Department.

Currently the working ordinance Serial No. 2010-11(G) (b) 06/28/2010 for the Juneau Affordable Housing Fund bases use of funds on review and recommendation of the Affordable Housing Commission. Since 2010, as housing has become a higher priority for the Assembly, a number of additional pieces have been put into place; the Housing Action Plan was approved, a Chief Housing Officer was hired, additional funds were added to the JAHF, and there is a greater capacity to handle developer requests and administrative responsibilities.

Recommendation: CBJ Assembly to approve of streamlined JAHF process and introduce an ordinance that reflects these changes for future management of the JAHF.

4. **Future Funding**

The City and Borough of Juneau has been a leader in the state in its' willingness to put local dollars into affordable housing projects, land and infrastructure development for housing (Renninger, Pederson Hill), housing programs (CBJ Mobile Home Loan Down Payment Assistance Program and CBJ Homeowner Accessory Apartment Incentive Program) and the Juneau Affordable Housing Fund.

Affordable Housing Funds are most successful with a consistent funding stream, so it is not too early to begin thinking about inputs to the JAHF post-FY'24.

Affordable Housing Funds are also more successful when paired with additional state matching funds that mirror the housing needs at the local level. Currently the state does not have a State Housing Trust Fund or a workforce housing fund for local developers to target as well.

Recommendation: Continue to consider direct resources for the Juneau Affordable Housing Fund and encourage matching opportunities for developers at the state and federal level.



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

DATE: October 17, 2018

TO: Deputy Mayor Gladziszewski

FROM: Rorie Watt, City Manager

A handwritten signature in black ink, appearing to read "Rorie Watt".

RE: Housing Fund Decision Making

With my support, staff is making a recommendation to remove the Affordable Housing Commission from decision making on the award of public funds for private development. They are doing so for good reasons.

The Affordable Housing Fund is not currently meeting development needs for Juneau housing:

- Developers are confused about how much they can ask for and for what sorts of projects.
- Developer proposals are currently an ad hoc approach to whichever Assembly member or staff member they can get a meeting with. Key stakeholders are inadvertently left out of discussions.
- Old guidelines have not kept up with market needs for funding or with new funding strategies.

It is my opinion that the allocation of public resources is a function that the Assembly should not delegate. Adding the AHC into the decision making adds another layer into the process. The Community Development Block Grant process is an effective model to emulate.

The AHC did a great job of evolving the CBJ's focus on housing issues which led to the adoption of the Housing Action Plan and the hiring of the Chief Housing Officer. It is appropriate for the AHC to yield on this and spend time focusing on new idea generation.

Recommendation:

Request a draft ordinance reflecting these changes in the management of the Juneau Affordable Housing Fund.



Housing Incentives Discussion

CBJ receives dozens of housing development incentive requests each year.

- 1. Grants and Loans**
- 2. Tax abatement** for housing development
- 3. CBJ land at less than fair market value** for housing development



Juneau Affordable Housing Fund

Program Description & Application Guidelines

For more information, contact:
Lands & Resources Department
City & Borough of Juneau
155 S. Seward St.
Juneau, Alaska 99801
Phone: (907) 586-5252
Email: lands_office@ci.juneau.ak.us

Tonight's Request

1. Approve or alter recommended course of action for the Juneau Affordable Housing Fund; and
2. Approve streamlined process and request draft ordinance reflecting these changes in management of the Juneau Affordable Housing Fund

Clarify Uses of the Juneau Affordable Housing Fund

Affordable Housing (0% to 80% AMI): typically non-profits with grant requests, targeting low-income or special needs housing

Workforce Housing (80% to 120% AMI): for-profit or non-profit, most likely to be zero-interest loans

Affordability: *At least 20% of units must be reserved for tenants with gross incomes at 80% or less AMI for ten years or the life of the loan.*

Establishing a grant or loan limit of \$50,000 per unit created

Current: *maximum loan is lesser of \$150,000 or 50% of projects cost and no more than 5% as zero-interest loans*

This would address the affordability gap of at least \$45,000 outlined in the Housing Action Plan

Establishing this criteria will provide clarity for affordable and non-profit housing developers to work off of as they develop a pro forma

Streamline the Application Process

1. Annual application process;
2. Similar to Community Development Block Grant program; and
3. Create Manager's staff application review committee

Potential Juneau Affordable Housing Fund Application and Selection Timeline

Early July: *Assembly Determines Funding Available* (Press release and information on funding to the public)

Mid-July: JAHF guidelines and applications posted and available

Mid-August: Project proposals due

Late- August: Projects submitted to review committee for scoring

Early September: Project ranking and staff analysis prepared for COW

Late September: COW recommendation to ***Assembly for approval***

Jan-March: Staff report on Juneau Affordable Housing Fund to the COW to prepare for budget meetings and to provide guidance for next JAHF funding round.

Continue City funding stream and advocate for State match

Consistent funding creates stability in housing trust fund programs and is a key consideration for developers and financiers.

- Assembly recommended and voter approved sales tax extension = \$2 million over five years;
- Other options for one-time money;
- Encourage state matching programs, more funds for developers to target.

2018	
Income Limits	
2018	Area Income
30% AMI	\$ 31,470.00
50% AMI	\$ 52,450.00
80% AMI	\$ 83,920.00
85% AMI	\$ 89,165.00
90% AMI	\$ 94,410.00
95% AMI	\$ 99,655.00
100% AMI	\$ 104,900.00
105% AMI	\$ 110,145.00
110% AMI	\$ 115,390.00
115% AMI	\$ 120,635.00
120% AMI	\$ 125,880.00

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
30% AMI	\$ 377.63	\$ 404.63	\$ 485.63	\$ 561.00
50% AMI	\$ 629.38	\$ 674.38	\$ 809.38	\$ 935.00
80% AMI	\$ 1,007.00	\$ 1,079.00	\$ 1,295.00	\$ 1,496.00
85% AMI	\$ 1,069.94	\$ 1,146.44	\$ 1,375.94	\$ 1,589.50
90% AMI	\$ 1,132.88	\$ 1,213.88	\$ 1,456.88	\$ 1,683.00
95% AMI	\$ 1,195.81	\$ 1,281.31	\$ 1,537.81	\$ 1,776.50
100% AMI	\$ 1,258.75	\$ 1,348.75	\$ 1,618.75	\$ 1,870.00
105% AMI	\$ 1,321.69	\$ 1,416.19	\$ 1,699.69	\$ 1,963.50
110% AMI	\$ 1,384.63	\$ 1,483.63	\$ 1,780.63	\$ 2,057.00
115% AMI	\$ 1,447.56	\$ 1,551.06	\$ 1,861.56	\$ 2,150.50
120% AMI	\$ 1,510.50	\$ 1,618.50	\$ 1,942.50	\$ 2,244.00

Juneau Affordable Housing Fund

Appendix C: Score Sheet

Rating and Ranking Criteria Evaluation Criteria	Total Possible Points	Outstanding (10 points)	Good (6 to 8 points)	Marginal (3 or 4 points)	Unaccep- table (0 points)	Subtotal
1. Team Experience <ul style="list-style-type: none"> Developer (3 years' experience) Property Manager (3 years) Supportive Services – if needed (3 years) 	20					
2. JAHF Priority and Population Targeting <ul style="list-style-type: none"> Capital project 1 bedroom rental for 50% Median or less Long-term/Permanent Affordability 	20					
3. Project Design and Characteristics <ul style="list-style-type: none"> Sound design and construction principles Energy Efficiency (Alaska Building Energy Efficiency Standard or HUD's Energy Star Home Standard) Accessibility (Comply with Fair Housing Act and the Americans with Disabilities Act) 	25					
4. Feasibility <ul style="list-style-type: none"> Operational feasibility Cost Controls 	10					
5. Readiness to Proceed <ul style="list-style-type: none"> Site ownership Percentage of total cost supported with commitments 	20					
6. Juneau Applicant Preference	5					
Total	100					

Applicant: _____ Evaluator: _____ Date: _____

NONDEPARTMENTAL SPECIAL REVENUE FUNDS

AFFORDABLE HOUSING FUND

		FY18		FY19	FY20
	FY17	Amended	Projected	Adopted	Approved
	Actuals	Budget	Actuals	Budget	Budget
EXPENDITURES:					
Commodities and Services	75,500	153,000	73,000	116,000	116,000
Total Expenditures	75,500	153,000	73,000	116,000	116,000
FUNDING SOURCES:					
Loan Repayments	1,600	-	-	-	-
State Grants	54,000	17,000	17,000	-	-
Investment and Interest Income	-	-	100	100	100
Support from Sales Tax	-	-	-	400,000	400,000
Total Funding Sources	55,600	17,000	17,100	400,100	400,100
FUND BALANCE:					
Beginning of Period	643,900	699,500	699,500	643,600	927,700
Increase/(decrease) in Fund Balance	55,600	(136,000)	(55,900)	284,100	284,100
End of Period Available	\$ 699,500	563,500	643,600	927,700	1,211,800

Note: The Affordable Housing Fund comes under the direct operational responsibility of the Mayor and Assembly. Dispersement from the Affordable Housing Fund requires specific Assembly authorization. During FY18, the Assembly continued the CBJ Accessory Apartment Grant Incentive Program to be used over a five year period (or until the funds are used). The CBJ Accessory Apartment Grant Incentive Program provides \$6,000 incentive grants to homeowners for new accessory apartment units that pass a final inspection and receive a Certificate of Occupancy.

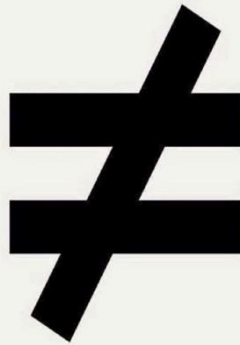
Gaps in the Housing Development Pro-Forma

Project Revenues

Number of units

Sales/Rent to charge

Net Project Revenues



Project Costs

Land Acquisition

Planning & Design

Construction

Amenities

Management

Property Taxes

Net Project Costs

Local Pressures

Costs of raw materials

Shipping cost increases

West Coast housing production

Stagnating wages/economy concerns

Lasagna Financing



Affordable Housing Development

- 3-5 years to develop projects
- HUD Study: 8.2 different funding sources

Private Development

- More financing partners
- More risk averse lending

Lasagna Financing



The most important thing CBJ can do is to be really clear about our layer of housing incentive.

1. Reshape the Juneau Affordable Housing Fund
2. Put in place a tax abatement program (Downtown)
3. Determination on CBJ land at less than fair market value for housing.

CBJ HISTORY OF GRANTS AND LOANS

Project/ Program	
Juneau Rental Housing Stimulation Program	1982: Harbor Heights Apartments, 27 units, For-profit developer \$326, 067 zero interest loan 20% of units reserved for tenants at 80% or less AMI
Juneau Affordable Housing Loan Program	1992: Alaska Housing Development Corporation Non-profit developer \$200,000 zero interest loan, deferred for 10 years
State of Alaska Department of Administration Grant	1994: St. Vincent DePaul, 12-unit transitional housing, \$212,000 grant
Housing Rehabilitation Loan Program	1978: Community Development Block Grant award of \$400,000 was utilized as CBJ match. (Behrends Bank) 1998-2000: 14 properties utilized program.

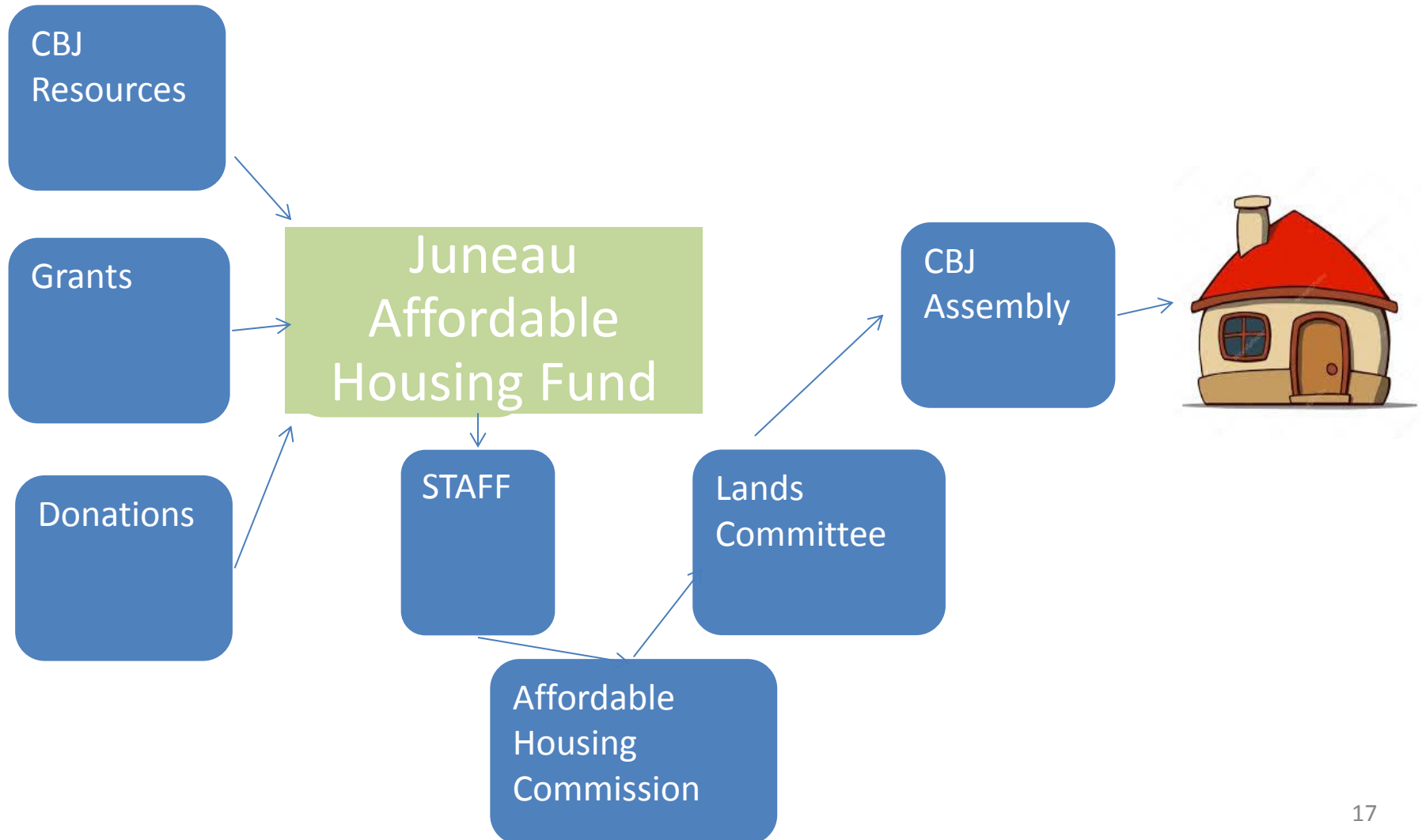
Public Private Partnerships



2018 CBJ GRANTS AND LOANS PROGRAMS

Project/ Program	
Juneau Affordable Housing Fund	2010-current: 2010 Recommendations (based on limited funds \$477,000) <ul style="list-style-type: none">• 5% of funds for no grants• \$150,000 maximum loan
CBJ Accessory Apartment Incentive Grant	Phase II, February 2018: \$6,000 in grant funding for homeowners <ul style="list-style-type: none">• 11 projects currently in progress
CBJ Mobile Home Down Payment Assistance Program	Fall 2016: 6 loans totaling roughly \$45,000

Juneau Affordable Housing Fund



Reshape the JAHF to Handle all Housing Grant and Loan Requests

Potential Changes

Increase loan amount eligibility and the limit on no interest loans

Yearly application process similar to the Community Development Block Grant

Review and revise application for additional information needed

Streamline Process: Staff review committee to build expertise and condense Assembly time spent on project reviews

Results to a Committee with all members (Finance)

Continue to pursue outside funds to match with CBJ resources



Tax Abatement

Housing Incentive Requests 2016-2018



Goals for Housing Incentives Discussion

1. Photos of properties using funds



History of Housing Incentives

Current Housing Incentives

CBJ Program	Sample Incentives
CBJ Accessory Apartment Grant Program	\$6000 grants to individual homeowners <ul style="list-style-type: none">• 11 grants in process since Feb. 2018
CBJ Mobile Home Loan Down Payment Assistance Program	1% loans up to \$10,000 for down payment.
Juneau Affordable Housing Fund	\$200,000 grant to non-profit developer for transitional housing for the homeless.
Low-Income Housing Tax Credit Programs	Rehabilitation loan program for low-income families (50% AMI and below).



Accessory Apartment Incentive Grant Program

Observations:

Requests come to Assembly in many shapes sizes and forms.

For the most part – asking for the same things



Accessory Apartment Incentive Grant Program

Absolute Best thing -- funds available 2,3,5 years out so that you can slot it into place.

Clear process – to add & work around.



Accessory Apartment Incentive Grant Program

Staff request --- bring a proposal of changes to handle requests in the future.

Streamline

Similar process and timeline to CDBG

Extend the amounts for bigger projects.

Assembly role is to make sure funds are in...review scored, ranked projects annually.


What is the Juneau Affordable Housing Fund?

The Juneau Affordable Housing Fund is a ***flexible source of funds*** to be used to provide housing for households at 120% area median income or below by:

- Funding ***capital costs*** of rental and ownership housing;
- For ***capacity-building activities*** of non-profit housing developers;
- Funding ***supportive services*** for occupants of affordable housing; and
- Funding ***operating expenses*** of housing developments.



Juneau Affordable Housing Fund – 1% Sales Tax Funding Schedule

2018 Juneau Affordable Housing Funds		Amount
<ul style="list-style-type: none">• Original JAHF allocation in 2010• \$5000 of State Legislative Grant• Repayments of 1980’s HUD grant used by affordable housing developers and paid back over time. (AHDC, St. Vincent DePaul, etc.)		\$700,000
1% Sales Tax Schedule of Funds for JAHF		Amount
FY 2018		\$400,000
FY 2019		\$400,000
FY 2020		\$400,000
FY 2021		\$400,000
FY 2022		\$400,000
Total JAHF Funds (2018-2023)		\$2,700,000

Juneau Affordable Housing Fund Strategy (2018-2023)

Total Funds Available

\$2,700,000

CBJ Accessory Apartment Incentive Grant Program

\$480,000 (\$96K for 5 years)

Developing Programs

Community Land Trust Development for Workforce Housing (80%-120% AMI)

- Will depend on capacity-building, opportunities, desire, etc.
- Potential \$0-\$1 million, or more.

Downtown Revitalization with Downstairs Upstairs Program



- CDD and Chief Housing Officer gathering data report on housing opportunity downtown.
- Phase II: Survey downtown property owners about will to develop, barriers, potential use of incentive program.
- Use results to help develop size and scope of a potential incentive program
- Potential \$0-\$1million, or more.

Requests from housing developers

Requests from developers, housing authorities, service providers, shelter operators.

- Unknown, depends on request

SB100

State law provides for property tax exemptions that municipalities may optionally provide to address local needs.

Last legislative session SB 100 was adopted and the existing optional exemption to encourage economic development was broadened significantly.



The CBJ Assembly can decide whether it wishes to provide such an exemption, how much tax relief it wants to extend to potential developers, and what criteria must be met to qualify for the exemption.

Housing Data

- CBJ Housing Vacancy Rates 1985-2005
- 2010, 2012 Needs Assessment
- 2015 Economic Development Plan
- 2016 Housing Action Plan

Juneau Housing Market – Cheat Sheet

Single-Family Homes

Historically difficult, incentivize and encourage as much as possible.

Multi-Family Apartments

Historically slightly more volatile than single-family home market and worth monitoring. However, **there is strong demand for choice and more rental opportunities** because rental prices are high and quality is low for an aging rental housing stock. New rental units have been absorbed quickly. Continue to incentivize and encourage over the long term.

Low-income affordable housing

Difficult to develop. Even more difficult with reduction in HUD funding and limited state funding (AHFC) -- that is competitive. This requires more local funding and partnerships to develop projects. Continue to encourage and incentivize, be prepared to provide funding.

Housing Data

New Dwelling Units Added to Juneau through Permits Issued

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family*	44	39	28	54	43	58	45	40	
Multi-Family**	21	11	35	70	158	37	178	30	
Accessory Apartments	11	12	10	18	14	31	25	12	
Subtotal	76	62	73	142	215	126	248	82	
Manufactured Home (RV's), and Caretaker Units	13	5	4	14	10	5	4	2	
Gross Total	89	67	77	156	225	131	252	84	
Dwelling Units Demolished	10	11	13	24	17	50	11	4	
Net Total	79	56	64	132	208	81	241	80	

*Single Family includes attached homes (townhomes).

**Multi-Family includes duplex, tri-plex, four-plex, condo, and apartment dwelling.

Performance Since 2012 Housing Needs Assessment

Housing Type	Housing Need: 2012 Juneau Housing Needs Assessment	2012 Housing Production Targets	Performance: Units Permitted 2012- 2017
Single Family Homes*(SFH)	New Single Family Homes in the \$251,000 - \$377,00 Price Range	513-517 Single-Family Homes	268 Single-Family Homes (all price ranges)
Accessory Apartments		<i>* No production targets noted in 2012 Housing Needs Assessment</i>	110 units
Fair Market Multi- Family Rental Units**	Achieve 5% vacancy rate	170-230 Fair Market Multi-Family Rentals	360 units
Low-Income Affordable Housing	Fill the gap between what is available for Juneau's public housing, low-income and housing for the homeless.	441 new units or housing vouchers	296 units 2012: 334 vouchers 2016: 355 vouchers *** Gain/Loss: +21 vouchers



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

DATE: October 17, 2018

TO: Deputy Mayor Gladziszewski

FROM: Rorie Watt, City Manager

A handwritten signature in black ink, appearing to read "Rorie Watt".

RE: Resolution Supporting Salmon Hatcheries

In an effort to support DIPAC and the important contributions that it makes to Juneau, the Docks & Harbors Board has requested that the Assembly adopt the attached Resolution in Support of the Alaska Salmon Hatchery Program.

After researching the topic, I have become uncomfortable that by passing this Resolution, the Assembly would be inadvertently inserting its comments into a contentious statewide issue. The statewide debate appears to revolve heavily around science and fish policy, neither are topics on which CBJ staff can offer you sound guidance.

I have been advised that yesterday the Alaska Board of Fisheries rejected two proposals to limit hatchery production. The Board apparently heard lengthy and contentious testimony. Here is one news link that helps portray the statewide issues:

<https://www.undercurrentnews.com/2018/10/17/alaska-fisheries-board-rejects-effort-to-block-pink-salmon-hatchery-increase/>

DIPAC is an important valued participant in our local economy, civic life and visitor experience. However, because of the statewide implications, I caution against passage of this Resolution as written without further understanding the issues. In my experience, fish policy is not a topic that the Assembly has typically become informed about or commented on.

Conclusion:

I cannot advise on how adoption by CBJ of the Resolution as it is currently written would be interpreted. If the Assembly wishes to express support for DIPAC, we can draft a revised Resolution limited in scope to support of DIPAC, and place it on the consent agenda for the meeting on 11/5.

A Resolution in Support of the Alaska Salmon Hatchery Program

WHEREAS, the **City of Juneau** benefits greatly from the State of Alaska Salmon Hatchery Program; and

WHEREAS, Alaska's salmon hatchery program has operated for 45 years and supplements wild salmon harvests throughout the state; and

WHEREAS, Alaska's salmon hatchery program is an example of sustainable economic development that directly benefits subsistence fishermen, personal use fishermen, sport fishermen, charter fishermen, commercial fishermen, seafood processors, as well as state and local governments, which receive raw fish tax dollars; and

WHEREAS, Alaska's salmon hatchery program employs strong scientific methodology and is built upon precautionary principles and sustainable fisheries policies to protect wild salmon populations; and

WHEREAS, Alaska Department of Fish and Game regulates hatchery operations, production, and permitting through a transparent public process and multi-stakeholder development of annual management plans; and

WHEREAS, returns of hatchery and wild salmon stocks follow similar survival trends over time and the largest returns of both hatchery and wild salmon stocks have largely occurred since hatchery returns began in about 1980; and

WHEREAS, there are no stocks of concern where most hatchery production occurs, indicating that adequate escapements to wild stock systems are being met in these areas over time; and

WHEREAS, Alaska hatcheries contributed an annual average of nearly 67 million fish to Alaska's commercial fisheries in the past decade; and

WHEREAS, Alaska hatcheries accounted for 22% of the total common property commercial catch and 43% of the total ex-vessel value in the Southeast region in 2016; and

WHEREAS, DIPACs most recent 2013 McDowell Group report notes a first wholesale value of \$77 million in 2012, with a total economic output of \$109 million for that same year; and

WHEREAS, NSRAA's most recent 2009 McDowell Group report notes a first wholesale value of \$63.3 million in 2008, with a total economic output of \$100 million for that same year; and

WHEREAS, a McDowell Group report identifies the economic contribution in 2017 of the Southern Southeast Regional Aquaculture Association (SSRAA) to be 680 jobs, \$32 million in labor income, and \$70 million in total economic output; and

WHEREAS, Alaska's salmon hatchery program has proven to be significant and vital to Alaska's seafood and sportfish industries and the state of Alaska by creating employment and economic opportunities throughout the state and in particular in rural coastal communities; and

WHEREAS, Alaska's salmon hatchery program is non-profit and self-funded through cost recovery and enhancement taxes on the resource and is a model partnership between private and public entities; and

WHEREAS, the State of Alaska has significantly invested in Alaska's salmon hatchery program through the **State Revolving Loan Fund** and associated research to provide for stable salmon harvests and to bolster the economies of coastal communities while maintaining a wild stock escapement priority; and

WHEREAS, Alaska salmon fisheries, including the hatchery program, continue to be certified as sustainable by two separate programs, Responsible Fisheries Management (RFM) and Marine Stewardship Council (MSC);

THEREFORE BE IT RESOLVED that the **City of Juneau** affirms its support for Alaska's salmon hatchery programs; and

FURTHER BE IT RESOLVED that the **City of Juneau** supports unbiased and scientific methods to assess the interaction of Alaska's salmon hatchery programs with natural salmon stocks, such as the Alaska Hatchery-Wild Salmon Interaction Study which began in 2011 and is scheduled to conclude in 2023; and

FURTHER BE IT RESOLVED that the **City of Juneau** calls on the Alaska Board of Fisheries to work with the hatchery community, the Alaska Department of Fish and Game and industry leaders to further its understanding of the importance of the Alaska salmon hatchery program to all Alaskans.

Approved and signed this the ____ day of _____ 2018



(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: October 19, 2018

TO: Assembly Committee of the Whole

FROM: Jill Maclean, AICP, Director *Jill Maclean*
Community Development Department

ORDINANCE: 2018-41 Alternative Residential Subdivisions

PROPOSAL: Text amendment to revise Title 49 to provide for Alternative Residential Subdivisions (ARS).

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

ATTACHMENTS

Attachment A: AME2018-04 Staff Report (including Letter from S. Ciambor, Chief Housing Officer; draft ordinance referenced in the staff report was removed as it is provided separately)

Attachment B: Planning Commission Draft Minutes September 25, 2018

BACKGROUND

Purpose

The Alternative Residential Subdivisions (ARS) ordinance, also sometimes referred to as “unit lot subdivisions”, is designed to provide reasonable minimum standards and procedures for small-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot. The ARS is intended to provide a housing option to allow dwellings on small-lots to be conveyed by long-term leases, less than fee-simple ownership, or fee-simple ownership, including condominium and other common-interest communities.

Range of Housing Types / Flexible Site Development

The ARS allows for the ability to develop a range of housing options that are not available today, while at the same time encouraging developments that are in harmony with the surrounding area. Such development possibilities include infill development, tiny houses, and cottage-type housing, and an alternate option to planned unit development that allows for residential-only uses, with a few minor exceptions.

Zoning Districts / Permitted Uses

Alternative Residential Subdivisions are permissible borough-wide in the RR, D1, D3, D5, D10SF, D10, D15, D18 and LC zoning districts.

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October 19, 2018
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Unlike a planned unit development, the ARS allows for residential development. The remainder of the parent lot may include a recreational center, community facility, or a child care center. Consistent with the Table of Permissible Uses, 49.25.300, only residential uses and associated accessory structures are allowed on the small unit-lots. Accessory dwelling units are prohibited on the parent lot and on any small unit-lots. A home occupation or a child care home is permissible on the small unit-lots. If an ARS creates a lot that complies with the Table of Dimensional Standards, 49.25.400, for the underlying zoning district, the accessory dwelling unit prohibition of this subsection does not apply.

Density and Density Bonuses

The Planning Commission may award density bonuses as an incentive to add enhancements to the development unless the Commission finds that the increased density may materially endanger the public health or safety; substantially decrease the value of or be out of harmony with property in the neighboring area; or, lack general conformity with the comprehensive plan, thoroughfare plan, or other officially adopted plan.

The sum of the total density bonus allotted to a development shall not exceed 50 percent of the base density permissible for the underlying zoning district in RR, D1, D3, D5, and D10SF zoning districts, and 25 percent of the base density permissible for the underlying zoning district in the D10, D15, D18, and LC zoning districts, rounded to the nearest whole number (see Attachment A).

Open Space Requirements

Recognizing that the ARS provides for more dense and/or clustering of development on the site, open space is required as follows:

- Minimum 25% in RR and D1 zoning districts
- Minimum 20% in D5 and D10 zoning districts
- Minimum 15% in D10SF zoning district
- No minimum open space requirement for D15, D18, and LC zoning districts

Buffer from Neighboring Development and Surrounding Uses

The ARS seeks to protect established neighborhoods and support neighborhood harmony by requiring a perimeter buffer that creates a neutral space between different types of land uses, buildings, or development, with an interest in minimizing conflicts between potentially incompatible land uses.

FINDINGS

Based upon the review in the staff report (Attachment A), the Planning Commission finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Comprehensive Plan, the Housing Action Plan, and the Juneau Economic Development Plan. Additionally, this change would not create any internal inconsistencies with any plans or codes, providing the amendments stated above are approved.

PLANNING COMMISSION RECOMMENDATION

The Planning Commission favorably recommends that the Assembly review and consider the proposed Ordinance (2018-41) for adoption.



(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: September 14, 2018
TO: Planning Commission
FROM: Jill Maclean, AICP, Director
Community Development Department

A handwritten signature in black ink, reading 'Jill Maclean', is positioned to the right of the 'FROM:' line.

CASE NO.: AME2018 0012

PROPOSAL: Text amendment to revise Title 49 to provide for Alternative Residential Subdivisions (ARS).

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

ATTACHMENTS

Attachment A: Alternative Residential Subdivision Ordinance (2018-41) (Note: Attachment has been purposely removed and final draft submitted separately - Ord. 2018-41)
Attachment B: Zoning District Potential Density with Potential Bonuses
Attachment C: Letter from S. Ciambor, Chief Housing Officer

BACKGROUND

Purpose

The Alternative Residential Subdivisions (ARS) ordinance, also sometimes referred to as "unit lot subdivisions", is designed to provide reasonable minimum standards and procedures for small-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot. The ARS is intended to provide a housing option to allow dwellings on small-lots to be conveyed by long-term leases, less than fee-simple ownership, or fee-simple ownership, including condominium and other common-interest communities.

Review and Approval Process

A proposed ARS shall be reviewed according to the requirements of section 49.15.330, conditional use permit, and in the case of an application proposing a change in the number or boundaries of small unit-lots, section 49.15.402, major subdivisions, except as otherwise provided in this article. Approval shall be a two-step process, preliminary plan approval and final plan approval. In cases involving a change in the number or boundaries of small unit-lots, the preliminary and final plat submissions required by

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section 49.14.430 shall be included with the preliminary and final plan submissions required by this chapter.

Prior to submission of an application, the director shall conduct an informal pre-application conference with the developer to discuss the proposed alternative residential subdivision. The purpose of the pre-application conference shall be to exchange general and preliminary information and to identify potential issues and bonuses.

Range of Housing Types / Flexible Site Development

The ARS allows for the ability to develop a range of housing options that are not available today, while at the same time encouraging developments that are in harmony with the surrounding area. Such development possibilities include infill development, tiny houses, and cottage-type housing, and an alternate option to planned unit development that allows for residential-only uses, with a few minor exceptions.

Zoning Districts / Permitted Uses

Alternative Residential Subdivisions are permissible borough-wide in the RR, D1, D3, D5, D10SF, D10, D15, D18 and LC zoning districts.

Unlike a planned unit development, the ARS allows for residential development. The remainder of the parent lot may include a recreational center, community facility, or a child care center. Consistent with the Table of Permissible Uses, 49.25.300, only residential uses and associated accessory structures are allowed on the small unit-lots. Accessory dwelling units are prohibited on the parent lot and on any small unit-lots. A home occupation or a child care home is permissible on the small unit-lots. If an ARS creates a lot that complies with the Table of Dimensional Standards, 49.25.400, for the underlying zoning district, the accessory dwelling unit prohibition of this subsection does not apply.

Density and Density Bonuses

Similar to planned unit development, the ARS allows for the density of the development to be calculated by multiplying the maximum number of dwelling units, per gross acre permitted in the underlying district, by the number of acres in the alternative residential subdivision, and rounding to the nearest number (see Attachment B for examples).

The Commission may award density bonuses as an incentive to add enhancements to the development unless the Commission finds that the increased density may materially endanger the public health or safety; substantially decrease the value of or be out of harmony with property in the neighboring area; or, lack general conformity with the comprehensive plan, thoroughfare plan, or other officially adopted plan.

The sum of the total density bonus allotted to a development shall not exceed 50 percent of the base density permissible for the underlying zoning district in RR, D1, D3, D5, and D10SF zoning districts, and 25 percent of the base density permissible for the underlying zoning district in the D10, D15, D18, and LC zoning districts, rounded to the nearest whole number (see Attachment A).

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Open Space Requirements

Recognizing that the ARS provides for more dense and/or clustering of development on the site, open space is required as follows:

- Minimum 25% in RR and D1 zoning districts
- Minimum 20% in D5 and D10 zoning districts
- Minimum 15% in D10SF zoning district
- No minimum open space requirement for D15, D18, and LC zoning districts

ARS provides for more dense development and/or clustering of development, therefore open space is required.

Buffer from Neighboring Development and Surrounding Uses

The ARS seeks to protect established neighborhoods and support neighborhood harmony by requiring a perimeter buffer that creates a neutral space between different types of land uses, buildings, or development, with an interest in minimizing conflicts between potentially incompatible land uses. The minimum buffer width cannot be less than the standard setback(s) established by the underlying zoning district, and may be expanded to ensure neighborhood harmony and shield and minimize impacts to established surrounding properties.

COMPLIANCE WITH THE COMPREHENSIVE PLAN

The proposed ARS ordinance as discussed in this report, and attached documents, comply with the Comprehensive Plan as follows:

Chapter 3: Community Form.

POLICY 3.1.

TO BALANCE AVAILABILITY OF SUFFICIENT LAND WITHIN THE DESIGNATED URBAN SERVICE AREA BOUNDARY THAT IS SUITABLY LOCATED AND PROVIDED WITH THE APPROPRIATE PUBLIC SERVICES AND FACILITIES TO MEET THE COMMUNITY'S FUTURE GROWTH NEEDS AND THE PROTECTION OF NATURAL RESOURCES, FISH AND WILDLIFE HABITAT AND SCENIC CORRIDORS.

POLICY 3.2.

TO PROMOTE COMPACT URBAN DEVELOPMENT WITHIN THE DESIGNATED URBAN SERVICE AREA TO ENSURE EFFICIENT UTILIZATION OF LAND RESOURCES AND TO FACILITATE COST EFFECTIVE PROVISION OF COMMUNITY SERVICES AND FACILITIES WHILE BALANCING PROTECTION OF NATURAL RESOURCES, FISH AND WILDLIFE HABITAT AND SCENIC CORRIDORS.

POLICY 3.4.

TO ENCOURAGE AND FACILITATE THE DEVELOPMENT OF NEW GROWTH AREAS IN SUITABLE LOCATIONS IN THE REMOTE AREAS OF THE BOROUGH IN ORDER TO ACCOMMODATE MASTER PLANNED, SELF-CONTAINED URBAN-LEVEL DEVELOPMENT OPPORTUNITIES OUTSIDE THE URBAN SERVICE AREA.

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Chapter 4 Housing Element.

POLICY 4.1.

TO FACILITATE THE PROVISION AND MAINTENANCE OF SAFE, SANITARY AND AFFORDABLE HOUSING FOR CBJ RESIDENTS.

POLICY 4.2.

TO FACILITATE THE PROVISION OF AN ADEQUATE SUPPLY OF VARIOUS HOUSING TYPES AND SIZES TO ACCOMMODATE PRESENT AND FUTURE HOUSING NEEDS FOR ALL ECONOMIC GROUPS.

POLICY 4.5. TO MAINTAIN THE LONG-TERM AFFORDABILITY OF DWELLING UNITS DESIGNATED AFFORDABLE AS A CONDITION OF APPROVAL FOR THE GRANTING OF A REZONING, INCREASED BUILDING HEIGHT, REDUCED PARKING, OR OTHER ECONOMIC BENEFIT TO THE DEVELOPMENT PROJECT.

POLICY 4.6.

TO FACILITATE AND ASSIST IN THE DEVELOPMENT OF AFFORDABLE HOUSING.

POLICY 4.8.

TO BALANCE THE PROTECTION AND PRESERVATION OF THE CHARACTER AND QUALITY OF LIFE OF EXISTING NEIGHBORHOODS WITHIN THE URBAN SERVICE AREA WHILE PROVIDING OPPORTUNITIES FOR A MIXTURE OF NEW HOUSING TYPES.

Chapter 6 Energy.

POLICY 6.10.

TO ENCOURAGE COST EFFECTIVE ENERGY EFFICIENT BUILDING AND REMODELING PRACTICES.

Chapter 10 – Land Use.

POLICY 10.2.

TO ALLOW FLEXIBILITY AND A WIDE RANGE OF CREATIVE SOLUTIONS IN RESIDENTIAL AND MIXED USE LAND DEVELOPMENT WITHIN THE URBAN SERVICE AREA.

POLICY 10.3.

TO FACILITATE RESIDENTIAL DEVELOPMENTS OF VARIOUS TYPES AND DENSITIES THAT ARE APPROPRIATELY LOCATED IN RELATION TO SITE CONDITIONS, SURROUNDING LAND USES, AND CAPACITY OF PUBLIC FACILITIES AND TRANSPORTATION SYSTEMS.

POLICY 10.5.

THAT RESIDENTIAL DEVELOPMENT PROPOSALS, OTHER THAN SINGLE-FAMILY RESIDENCES, MUST BE LOCATED WITHIN THE URBAN SERVICE AREA BOUNDARY OR WITHIN A DESIGNATED NEW GROWTH AREA. APPROVAL OF NEW RESIDENTIAL DEVELOPMENT PERMITS DEPENDS ON THE PROVISION OR AVAILABILITY OF NECESSARY PUBLIC AMENITIES AND FACILITIES, SUCH AS ACCESS, SEWER, AND WATER.

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Findings

Based upon the above review, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Comprehensive Plan.

COMPLIANCE WITH CBJ LAND USE CODE

The following sections of Title 49 have been examined to determine whether or not the proposed ARS ordinance is in compliance with the Code:

49.25 Article II. Zoning Districts.

Specifically, Article III Permissible Uses. No primary uses are permitted on the remainder of the parent lot except a recreational center, community facility, or a child care center. Consistent with the Table of Permissible Uses, 49.25.300, only residential uses and associated accessory structures are allowed on the small unit-lots. Accessory dwelling units are prohibited on the parent lot and on any small unit-lots. A home occupation or child care home is permissible on the small unit-lots. If an ARS creates a lot that complies with the Table of Dimensional Standards, 49.25.400, for the underlying zoning district, an accessory dwelling unit may be permissible.

49.25 Article V. Density.

The ARS stipulates that the number of dwelling units permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre, permitted in the underlying zoning district, by the number of acres in the alternative residential subdivision, and rounding to the nearest whole number (see Attachment B).

The ARS provides for the Commission to award a density bonus as an incentive to add enhancements to the development unless the Commission finds that the increased density may materially endanger the public health or safety; substantially decrease the value of or be out of harmony with property in the neighboring area; or, lack general conformity with the comprehensive plan, thoroughfare plan or other officially adopted plan.

The sum of the total density bonus allotted to a development shall not exceed 50 percent of the base density permissible for the underlying zoning district in RR, D1, D3, D5, and D10SF zoning districts, and 25 percent of the base density permissible for the underlying zoning district in the D10, D15, D18, and LC zoning districts, rounded to the nearest whole number (see Attachment A).

49.35 Public and Private Improvements.

An ARS is required to connect each dwelling unit to public sewer and water per 49.35 Article II and Article III. A master meter for water shall be installed by the developer.

Additionally, the parent lot shall front on, and be accessed, by a publically maintained right-of-way. Access within the development may be exempted from 49.35 and be privately owned and maintained if it complies with the following requirements:

- (1) The access shall be located completely on the parent lot;
- (2) The access does not endanger public safety or welfare;

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(3) The access complies with, or can be improved to comply with, the emergency service access requirements of CBJ 19.10;

(4) Access to, and within, the development is paved.

49.40 Parking and Traffic.

Parking required for each dwelling unit may be located on either the parent lot or the small unit-lot and must meet the requirements of 49.40.210, Minimum space and dimensional standards for parking and off-street loading.

Findings

Based upon the above analysis, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Land Use Code.

COMPLIANCE WITH HOUSING ACTION PLAN

The Housing Action Plan states that the, *“CBJ’s plans, zoning ordinance, development codes, and Land Management Plan, must all stress the value of utilizing existing infrastructure before building new, and maximizing old and new infrastructure through higher densities and greater concentrations of uses wherever appropriate”*. The proposed ARS ordinance, as discussed in this report, and attached documents, comply with the Housing Action Plan as follows:

- Develop Housing Choices to Accommodate Juneau’s Workforce Needs
- Update CBJ zoning tools/regulations with a focus on housing
- Update Zoning Tools with a Focus on Housing
- Encourages efficient use of land
- Encourages increased density on existing utility services

Findings

Based upon the above review, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Housing Action Plan.

COMPLIANCE WITH THE JUNEAU ECONOMIC DEVELOPMENT PLAN

The proposed ARS ordinance, as discussed in this report and attached documents, comply with the Juneau Economic Development Plan as follows:

Initiative: Promote Housing Affordability and Availability

- Zoning to encourage smaller housing development (e.g. multiple small homes on a single lot, cottage housing, accessory apartments, etc.)
- Rezoning or bonuses to allow higher densities
- Reduce permitting burden for certain types of housing development
- Inclusionary housing programs, including fee-in-lieu options

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Findings

Based upon the above review, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Juneau Economic Development Plan.

FINDINGS

Based upon the above analysis, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Comprehensive Plan. Additionally, this change would not create any internal inconsistencies with any plans or codes, providing the amendments stated above are approved.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission review and consider the proposed ordinance and favorably recommend Ordinance (2018-41) to the Assembly for adoption.

	RR	D1	D3	D5	D10SF	D10	D15	D18	LC
Min. Lot Size / Zoning District	36,000	36,000	12,000	7,000	3,600	6,000	5,000	5,000	2,000
Density / Zoning District	1	1	1	1	1	10/acre	15/acre	18/acre	30/acre
Sq. Ft of an Acre / DUs per Acre	43,560 (not used for single-family)	43,560	14,520	8,712	3,630	4,360	2,904	2,420	1,452
#DUs / Acre	1	1	3	5	12	10	15	18	30
Min. Lot Size for ARS*	54,000	54,000	18,000	10,500	5,400	9,000	7,500	7,500	3,000
#DUs/Min. Lot in ARS	54000/36000 = 1.5 = 2	54000/36000 = 1.5 = 2	18000/12000= 1.5 = 2	10500/7000= 1.5 = 2	5400/3630 = 1.5 = 2	9000/4360 = 2	7500/2904 = 2.58 = 3	7500/2420 = 3	3000/1452 = 2
BONUS									
10%	2.20 = 2	(same)	(same)	(same)	(same)	(same)	3.20 = 3	(same)	2.20 = 2
15%	2.30 = 2						3.30 = 3		2.30 = 2
20%	2.40 = 2						3.40 = 3		2.40 = 2
25%	2.50 = 3						3.50 = 4		2.50 = 3
30%	2.60 = 3						3.60 = 4		2.60 = 3
35%	2.70 = 3						3.70 = 4		2.70 = 3
40%	2.80 = 3						3.80 = 4		2.80 = 3
45%	2.90 = 3						3.90 = 4		2.90 = 3
50%	3.0 = 3						4.0 = 4		3.0 = 3
Recommended by T49	50%	50%	50%	50%	50%	25%	25%	25%	25%
Example Lot	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)
#DUs/Min. Lot in ARS	130680/36000 = 3.63 = 4	130680/36000 = 3.63 = 4	130680/12000 = 10.89 = 11	130680/7000 = 18.66 = 19	130680/3630 = 36	130680/4360 = 29.97 = 30	130680/2904 = 45	130680/2420 = 54	130680/1452 = 90
BONUS									
10%	4.40 = 4	(same)	12.10 = 12	19.9 = 20	39.6 = 40	33	49.5 = 50	59.4 = 59	99
15%	4.60 = 5		12.165 = 12	21.85 = 22	41.4 = 41	34.5 = 35	51.75 = 52	62.1 = 62	103.5 = 104
20%	4.80 = 5		13.20 = 13	22.8 = 23	43.2 = 43	36	54	64.8 = 65	108
25%	5.0 = 5		13.75 = 14	23.75 = 24	45	37.5 = 38	56.25 = 56	67.5 = 68	112.5 = 113
30%	5.20 = 5		14.30 = 14	24.7 = 25	46.8 = 47	39	58.5 = 59	70.2 = 70	117
35%	5.40 = 5		14.85 = 15	25.65 = 26	48.6 = 49	40.5 = 41	60.75 = 61	72.9 = 73	121.5 = 122
40%	5.60 = 6		15.40 = 15	26.6 = 27	50.4 = 50	42	63	75.6 = 76	126
45%	5.80 = 6		15.95 = 16	27.55 = 28	52.2 = 52	43.5 = 44	65.25 = 65	78.3 = 78	130.5 = 131
50%	6.0 = 6		16.5 = 17	28.5 = 29	54	45	67.5 = 68	81	135
*Minimum acreage required to use ARS = 150% of the required minimum lot size for the zoning district									
ARS Density is determined by “the number of dwelling units permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre permitted in the underlying zoning district by the number of acres in the alternative residential subdivision and rounding to the nearest whole number”.									



155 S. SEWARD STREET ▪ JUNEAU, ALASKA 99801
PHONE: 907-586-0220 ▪ FAX: 907-586-4552

August 20, 2018

MEMO

TO: CBJ Planning Commission

Re: Alternative Residential Subdivisions

Dear Planning Commission –

I wanted to send a quick note to encourage the Planning Commission to amend the land use code relating to subdivisions to include “alternate residential subdivisions.”

There are a number of reasons to consider this type of a change, including:

- **The CBJ Housing Action Plan (HAP)** has language encouraging zoning ordinance, development code, and land management changes that look to maximize infill housing development opportunities and encourage higher densities. Also, the HAP calls for streamlining or fast-tracking housing permitting which would be the case if the suggested alternative residential language changes were adopted.
- **The “missing middle”:** There is much discussion about providing more code flexibility to allow the creation of more housing opportunities through multi-unit or clustered type of housing than the typical single-family home and multi-family options. This code change would help developers with potential options in design and financing for projects in the future.
- **Financing:** The financing landscape for housing development changes frequently – in this case with conventional mortgages (USDA, FHA) now allowing for opportunities to lend on site condos or detached condos. These Title 49 changes would give developers another tool to develop future projects.

Thanks,

Scott Ciambor,
Chief Housing Officer

Agenda
Planning Commission
Regular Meeting
CITY AND BOROUGH OF JUNEAU
Ben Haight, Chairman
September 25, 2018

I. ROLL CALL

Paul Voelckers, Vice Chairman, called the Regular Meeting of the City and Borough of Juneau (CBJ) Planning Commission (PC), held in the Assembly Chambers of the Municipal Building, to order at 7: 00 p.m.

Commissioners present: Paul Voelckers, Vice Chairman; Nathaniel Dye, Dan Miller, Dan Hickok, Andrew Campbell, Carl Greene

Commissioners absent: Michael Levine, Percy Frisby, Chairman Haight

Staff present: Jill Maclean, CDD Director; Beth McKibben, Planning Manager; Laura Boyce, Senior Planner; Teri Camery, Senior Planner; Laurel Bruggeman, Planner I; Robert Palmer, Municipal Attorney; Scott Ciambor, Chief Housing Officer

Assembly members: Loren Jones

II. REQUEST FOR AGENDA CHANGES AND APPROVAL OF AGENDA

Vice Chairman Voelckers, with no objection from the Commission, reversed the order of the regular agenda so that AME2018 00012 was heard by the Commission first.

III. APPROVAL OF MINUTES

A. August 28, 2018 Draft Minutes – Regular Planning Commission Meeting

MOTION: *by Mr. Dye, to approve the Planning Commission August 28, 2018, regular meeting minutes with any minor edits by staff or Commission member.*

The motion passed with no objection.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None

V. ITEMS FOR RECONSIDERATION - None

VI. CONSENT AGENDA

Mr. Voelckers declared a conflict on items B and C on the Consent Agenda.

USE2018 0012: A Conditional Use Permit
Applicant: Alberta Laktonen
Location: 1018 Capital Avenue

Staff Recommendation

It is recommended that the Planning Commission adopt the Director's analysis and findings and grant the requested Conditional Use permit. The permit would allow the development of a 524 square foot basement accessory apartment on an undersized lot in the D5 zoning district.

The approval is subject to the following conditions:

1. Lots with the legal description: Casey Shattuck Block 204, Lots 8, 9, and 10 will be consolidated prior to the issuance of a Certificate of Occupancy for the basement accessory apartment.
2. No access to lots Casey Shattuck Block 204, Lots 8, 9, and 10 shall be allowed from Capital Avenue.
1. A Certificate of Occupancy must be issued by the Community Development Department after an inspection of the accessory apartment by a Building Inspector.

Advisory Condition:

No vehicles parked on-site are allowed to encroach into the right of way.

USE2018 0012 was approved with no objection.

Mr. Dye said a possible conflict for him would be that his employer was a board member of Housing First (USE2018 0018), and that his employer owned land managed by Mr. Dye near that facility.

The Commission voiced no objection to Mr. Dye remaining on the panel for this item.

USE2018 0018: A Conditional Use Permit to modify Juneau Housing First to add units to Phase 2 and add Phase 3 for a total of up to 77 units
Applicant: Housing First
Location: 1944 Allen Court

Staff Recommendation

It is recommended that the Planning Commission adopt the Director's analysis and findings and grant the requested Conditional Use permit. The permit would allow modification of USE2015 0001, to allow for up to 77 single room occupancy units in Phases 2 and 3. Phase 2 would be further modified to reduce first floor office space, by eliminating the 6,800 square feet of non-profit agency space, and replacing with approximately 1,350 square feet of office space and 7 additional units.

The approval is subject to the following conditions:

1. The vegetative cover/landscaped areas shown on the plans and installed with Phase 1 shall be maintained with live vegetative cover.
2. Prior to issuance of a Building Permit, the applicant shall submit a lighting plan illustrating the location and type of exterior lighting proposed for the development. Exterior lighting shall be designed, located, and installed to minimize offsite glare. Approval of the plan shall be at the discretion of the Community Development Department Director, according to the requirements at CBJ 49.40.230(d).
3. The Conditional Use Permit may not be approved, as presented, unless PWP2018 0002, the parking waiver, is also approved.

PWP2018 0002: A Parking Waiver to reduce parking from 112 to 37 spaces
Applicant: Housing First
Location: 1944 Allen Court

Staff Recommendation

It is recommended that the Planning Commission adopt the Director's analysis and findings and **APPROVE** the parking waiver permit. This will allow for the reduction in required parking spaces from 112 to 37 for 77 units of permanent supportive housing for the chronically homeless and 3,750 square feet of clinic/office space.

MOTION: *By Mr. Miller, to approve items USE2018 0018 and PW2018 0002 with any minor edits by staff or Commission member.*

The motion passed with no objection.

VII. UNFINISHED BUSINESS - None

VIII. REGULAR AGENDA

AME2018 0012: A text amendment to revise Title 49 to create an Alternative Residential Subdivision (ARS) ordinance
Applicant: City & Borough of Juneau
Location: Borough-wide

Staff Recommendation

Staff recommends that the Planning Commission review and consider the proposed ordinance and favorably recommend Ordinance (2018-41) to the Assembly for adoption.

Ms. Maclean told the Commission this ordinance has been discussed by the Title 49 Committee and the Planning Commission Committee of the Whole. It is designed to create standards for the creation of smaller lots for subdivisions within the borough, she said. Currently, the only way to accomplish this is through a Planned Unit Development (PUD) or cottage housing, she said.

This Alternative Residential Subdivision (ARS), is based upon unit lot subdivisions in Anchorage as well as from other communities down South, said Ms. Maclean. The staff was careful to make sure that this ARS fit Juneau's profile, she said, including its unique housing, topography and weather.

This ordinance is intended to provide a housing option which would allow dwellings on small lots to be conveyed by long-term leases, fee simple ownership and less simple fee ownership, including condominiums and other common interest communities, she said.

Alternative Residential Subdivisions are permissible borough wide in the RR, D1, D3, D5, D10 SF, D10, D15, D18 and LC zoning districts, said Ms. Maclean. The ARS is for residential use only with the exception that the remainder of the parent lot could include a recreational center, a community facility or a child care center, she said. The individual unit lots could have in-home daycare as well as any other home occupations provided through the Table of Permissible Uses, (TPU) explained Ms. Maclean. If the ARS creates a lot that complies with the table of dimensional standards for the underlying zoning district, the accessory dwelling unit prohibition of this sub section does not apply, explained Ms. Maclean. The minimum lot size of the underlying zoning district has to be met, she explained.

They altered the open space requirements for the planned unit development, said Ms. Maclean:

- ✓ Minimum 25 percent in RR and D1 zoning districts
- ✓ Minimum 20 percent in D5 and D10 zoning districts
- ✓ Minimum 15 percent in D10 SF zoning district
- ✓ No minimum open space requirement for D15, D18, and LC zoning districts

These are the multi-family zoning districts which already provide for higher density and therefore the chance of it fitting in with neighboring properties is probably greater, so the need for the open space could be less, said Ms. Maclean.

Buffers should be required which create a neutral space between different types of land uses, buildings, or development, with an interest in minimizing conflicts between potentially incompatible land uses, said Ms. Maclean. The minimum buffer cannot be less than the minimum setbacks required for the underlying zoning district, she explained. The minimum lot size for an Alternative Residential Subdivision is 150 percent of the minimum lot size in that zoning district, said Ms. Maclean.

For example, in D1 the minimum lot size for an ARS is 54,000 square feet, said Ms. Maclean. A density bonus is maxed at 50 percent for RR through D10 SF and 25 percent for D10 through LC, she explained. For RR through D10 SF there could be three units total, said Ms. Maclean. With those zones with the 25 percent increase there would be four units with only three units in LC, she said.

This ordinance complies with the Comprehensive Plan, said Ms. Maclean. It also complies with Title 49 and is consistent with the goals and policies in the Juneau Economic Development Plan, she noted. This ordinance also complies with the Housing Action Plan and meets several of its initiatives, which are to develop housing choices to accommodate Juneau's workforce needs, and update the CBJ zoning and regulations with a focus on housing, and to encourage an efficient use of land and encourage increased density on existing utility services, said Ms. Maclean.

The main initiative is to provide housing with affordability and livability, explained Ms. Maclean. The plan would not create any internal inconsistencies with any existing plans or codes, she said.

Commission Comments and Questions

Mr. Dye had questions about how the setbacks are determined for the front, rear and sides of the lot. If it was a corner lot, said Mr. Dye, located on two streets, how would the front, rear and side setbacks be determined. He said he thought it may be cleaner to have the same setback all around the property instead of different setbacks determined by its location, he said.

Mr. Ciambor told the Commission that the Housing Action Plan talks about building flexibility into the code and giving developers flexibility to build more housing in the community. By allowing different types of mixed units developers are able to work with various loan and finance programs that change over time, he said. The USDA has loosened some of its mortgage financing, he said, which may be able to help developers fit another unit or two on a parcel

which may not have allowed that in the past, he said. The USDA is also redefining “rural” which results in more opportunity within Juneau, said Mr. Ciambor.

Ms. McKibben provided the dimensional standards for lot setbacks. If the lot is on a corner with each side facing a street, the property owner gets to choose which side of the lot they would like to be the front of the lot, she explained, if that lot was adjacent to a vacant lot. If the lot is already built upon, then the front yard is the one which most closely meets the front yard setback, said Ms. McKibben.

Mr. Dye had a question on page 2 of the ordinance; *“Land and water bodies used in calculating allowable density shall be delineated on the preliminary and final plans in a manner allowing confirmation of acreage and density computations.”* He asked if there was a 40-acre lot with a 20-acre pond, if the 20 acres of water could be used in calculating density for the lot.

Ms. Maclean said that including the water body when calculating allowable density has been a practice, so that density can be increased on the lot. The units could be clustered, she said.

Mr. Voelckers said rather than imply this through the existing language in the ordinance, that perhaps it should be stated more explicitly.

Mr. Palmer said if the Commission wished to add more explicit language concerning water bodies that it could do so. He said it may be redundant since the previous paragraph states that the number of dwelling units permitted in the development shall be calculated multiplying the maximum number of dwelling units per gross acre... Of which a water body would be part.

Mr. Voelckers asked if “allowable density” was synonymous with “dwelling units permitted”. Mr. Palmer said his understanding is that the two phrases are synonymous, so that if the Commission wished it could use the same words for both items.

Mr. Palmer said they could use “dwelling units permitted” for both sections.

Mr. Voelckers said he felt that was more precise.

Ms. Maclean pointed out that water bodies used in calculating allowable density need to be delineated on the final plan if they are going to be used as part of the allowable density.

Mr. Dye asked if a water body could be counted as vegetative cover if it had vegetative matter upon it.

Mr. Miller said he was on the Commission when the PUD ordinance was written. He said the whole idea was that water bodies could be counted as density and they had to be delineated on the plat, so they could not be filled in over time. He said one of the functions of vegetative

cover is to feed the water bodies, so that he felt that a water body left in its natural state would be fulfilling that vegetative cover function.

Mr. Dye said if the intent is to use water bodies in the density calculation, then it would be more important that vegetative cover minimums be honored.

Mr. Miller said he felt that on attachment B that the bonus percentages for D10 and D10 SF recommended by Title 49 had been reversed. He said it would need to be changed on page three of the draft ordinance as well.

Mr. Voelckers said he agreed with Mr. Miller. He said on page three of the ordinance, line 3, that D10 SF be changed to D10 and that on line four that D10 be changed to D10 SF.

Ms. Maclean agreed with Mr. Miller and Mr. Voelckers that those changes need to be made. She said she recalled from a former conversation that in Title 49 it states that when you move from one zoning district up to the next there is an incremental jump in the number of units.

Agreeing with Ms. Maclean, Mr. Dye said he recalled this was to assure that developers could not easily jump from one zone to the next.

Referring to line 8 on page 3 of the ordinance (*"five percent for each ten percent increment of open space in excess of that required to a maximum bonus of five percent for open space in excess of that required;"*) Mr. Miller said for example a 15 percent bonus would only provide one extra unit. A five percent bonus would really not be meaningful, he said. Thirty percent of open space would have to be sacrificed in order to obtain a 15 percent bonus, he noted. He said a five percent bonus for each 10 percent increment made sense, but that perhaps the maximum should be a 10 or 15 percent maximum instead of just five percent.

Mr. Voelckers said he agreed with Mr. Miller. He said that sentence did not appear to be constructed correctly.

Mr. Dye said he agreed that 10 percent or even 15 percent would be better than the five percent currently residing within the ordinance.

Other Commission members said they were also in favor of raising the five percent increment to 10 or 15 percent.

Mr. Miller said for example a D1; one-acre lot has a 25 percent open space requirement. Ten more percent would make it 35 percent, he said, of that acre.

Mr. Voelckers said they will make a series of "soft amendments", bolstering them later on in the meeting. He said they would currently hold at 15 percent (replacing the five percent).

Mr. Dye said he wanted to emphasize that he may want to introduce a larger figure later on in the meeting.

Two Methods for Determining Number of Dwelling Units

Referring to the spreadsheet created by staff as "Attachment B", Mr. Miller referred the Commission to the text at the very bottom of the page:

"ARS density is determined by the 'number of dwelling units permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre permitted in the underlying zoning district by the number of acres in the alternative residential subdivision and rounding to the nearest whole number'."

The example that phrase gives is only relevant to multi-family residential areas, said Mr. Miller. He said he felt that it should instead read: *"ARS density is determined in multi-family D10, D15, D18 and LC permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre permitted in the underlying zoning district by the number of acres in the alternative residential subdivision and rounding to the nearest whole number."* Mr. Miller said he felt a second sentence should be added which states that: *"In single family districts the acreage is divided by the subdivision by the minimum lot size allowed in the zoning district."*

For example, if there is a 15-acre D15 lot, said Mr. Miller, 15 units per acre would be allowed, he said. Three acres would yield 45 units, he said. A D3 zone with 60,000 square feet, dividing that by the minimum lot size, which is 12,000 square feet, would yield five units, he said. One is units allowed per zone and the other is by the minimum lot size, said Mr. Miller.

Mr. Voelckers asked the staff if the analysis by Mr. Miller was correct. He said his understanding was that either district could be interpreted either way. It could be determined by units per acre or by lot size.

Using D3 as an example, said Mr. Miller, the minimum lot size is 12,000 square feet. But if you divide an acre by three the minimum lot size should be 14,520 square feet, he said. That is not what is required, he said. What is required is 12,000 square feet, he added. There is a fundamental difference in single family and multi-family zones, he said.

Mr. Voelckers stated that there are two different methods to arrive at density.

To better suit the bonus categories which follow, Mr. Voelckers suggested that line 6 on page three of the ordinance read; "... number and shall be the sum of individual density bonuses **as follows:**".

Related to this is D on page three of the draft ordinance, which should read “**Up to** ten percent...” said Mr. Voelckers. Item F on the same page should also be started with “**Up to**”, said Mr. Voelckers.

This is because it is a qualitative sliding scale, explained Mr. Voelckers. He added that “H” on the next page should also begin with “**Up to**”.

Ms. Maclean explained one of the reasons they moved to the existing language in the draft ordinance on these items is that the current bonus section can appear quite arbitrary. If the range suggested by Mr. Voelckers is added, it becomes very difficult to not appear arbitrary, said Ms. Maclean. One person’s opinion about good design for example, could differ from someone else’s opinion, she said.

Mr. Dye said he remembered that the Title 49 Committee discussed this at length and selected this language because it appeared to be the cleanest way to award bonuses. He said he felt it was better not to have a sliding-scale on those items.

Mr. Campbell said it may be nice to have that discretion with the more ambiguous language for bonuses.

Mr. Greene said he thought they were going to eliminate “excellence in design” as a bonus feature since it was very subjective.

Mr. Voelckers said he recalled there were previously additional terms in the draft ordinance which the committee decided were too difficult to rate. He said he recalled that is why they left it as “excellence in design”, so that some discretion was allowed.

Mr. Miller said he liked the 10 percent bonus for excellence in design. He said he did not feel that it was needed on item F on page three of the draft ordinance, or on item H on page four of the draft ordinance. He said it was definitely relevant for item D on page three of the draft ordinance. On the rest of the bonus items he said it can’t hurt to eliminate ambiguity whenever possible.

Mr. Voelckers said the whole bonus section is objective to some extent. He said staff will make its determination’s, but at the end of the day, these items would be coming before the Commission on a case by case basis.

With the subjective nature lying within the bonus section of the ordinance, Mr. Greene asked how the Commission would come up with a number.

Mr. Voelckers said when a proposal comes before the Commission, it will either accept the developer’s expectation of bonus points or come up with a different number.

Mr. Dye said he tended to agree with Mr. Miller, and that the only bonus item with a sliding-scale would be D: *"Ten percent for excellence in design, or provision of common facilities and additional amenities that provide an unusual enhancement to the general area, such as siting, landscaped buffers, the creation or preservation of view corridors;"*

Mr. Voelckers said he liked the sliding scale for F on page three of the draft ordinance because there may be a very large pathway to facilitate pedestrian and bicycle movement within the development, or there may be a very small pathway, and the bonus points could reflect that.

Mr. Dye said the staff and the Commission can determine if a developer is just trying to do minimal work for that bonus, or if the project is truly deserving of a bonus with the pathways provided for pedestrians and bicycles.

Mr. Miller said he was in favor of a sliding scale for item D on page three, and the other bonus sections being specific.

Mr. Voelckers said he was comfortable with the current language for item F on page three.

Mr. Miller said item G on page four should read as a "five star **plus**" energy efficient rating. He said the next sentence calls six plus energy efficiency rating. He said he did not think a "six plus" exists. He said it should be either a five star plus or a six star energy rating.

At the request of Ms. Maclean, Mr. Ciambor explained that item C on page three of the draft ordinance should not use 30 percent of the median income, as that figure is far too low. He said only a handful of applicants could qualify for that. The Affordable Housing Commission has discussed using workforce housing which is defined as 120 percent of median income.

Mr. Palmer pointed out that the language in item C being addressed by Mr. Ciambor is speaking to a monthly mortgage payment at or less than 30 percent of the median income wage.

Mr. Ciambor said the explanation of Mr. Palmer addressed his concerns.

Changes on page three noted by Mr. Palmer:

- ✓ Line three delete SF on D10
- ✓ Line 4 add SF to D10
- ✓ Line 6/7 delete "up to" and add "as follows"
- ✓ Line 8/9 delete 5 and swap up to 15 percent
- ✓ D line 19/20 add "up to 10 percent"
- ✓ No change to f line 25

On page four, Mr. Voelckers said “Up to” should be added at the beginning of the sentence because simply using any alternate heating method may not qualify for the bonus.

Mr. Palmer said he was not quite sure what the term “alternative” meant for item H page four of the draft ordinance. He said perhaps the term “high-efficiency” would be more explanatory.

Mr. Dye said he liked the term “alternative” for item H. He said perhaps they should deal in what was *not* considered an alternative heat source. *For heating methods other than fossil fuel in all dwelling structures.* He suggested that item H remain starting with the words “Ten percent”. He said he did not want to be in the business of determining which alternative heat sources were better or more efficient than others were.

Mr. Miller said he liked the term “Up to” preceding the sentence in item H. He added that you really can’t make hot water any cheaper than a propane on-demand hot water heater. He said he did not think language should be eliminated stating that fossil fuel be named as a method which could not be used for a bonus. He said heat pumps are great nine or 10 months out of the year, but for the other months they do not heat adequately.

Mr. Greene asked if it was true that to obtain a five-star rating two alternate heating systems must be in place.

Mr. Voelckers said that was not necessary to obtain that rating.

Mr. Dye said he actually wanted to exclude hot water heaters so that perhaps the language could be changed to read “*primary alternative heat source*”.

Mr. Hickok said he did not feel the term “fossil fuels” should be eliminated as a possible primary heat source. He said they do not know what could be developed tomorrow that could be highly efficient using a fossil fuel.

Mr. Campbell said he supports the “high-efficiency” language suggested by Mr. Palmer.

Item H on page four of the draft ordinance now reads, “Up to 10 percent for using high efficiency primary heating methods in all dwelling structures.”

Mr. Dye asked if another explanatory line should be added to item 4 on page four of the draft ordinance. Mr. Palmer said the Commission will have adequate discretion when this particular item comes before them, and that no additional language was needed.

On item F, page four of the draft ordinance, Mr. Voelckers asked if they could use more descriptive language other than simply quoting the title (49.35). What does the exemption eliminate, asked Mr. Voelckers?

The public street requirements are eliminated inside the development, explained Mr. Palmer. Currently the general rule is that a larger development must have all of the lots front on a public road, and if these six criteria have been met, then the development could be exempt from that requirement, he explained.

Mr. Miller suggested that item 6 on page five of the draft ordinance give the developer the option to build a public right-of-way if it abuts a land locked parcel, and they could obtain a bonus at the same time, he added.

Ms. Maclean said she thought that line 20 on page four of the draft ordinance states that access within the development *may* be exempted from 49.35. It does not state that ARS cannot be used if it is next to unsubdivided land, it just states that an exemption would not be available, she explained.

In answer to a question of Mr. Dye's about this item, Mr. Palmer said there is room for discretion about determining which side streets would need to comply with 49.35 and which could be exempt. And there needs to be discretion there, he added.

Mr. Voelckers suggested that the word "developable" be added prior to the word "parcel" on item 6, page five, of the draft ordinance.

Mr. Dye asked if it was the intent that each side of the parcel has possibly different buffers or if they could come up with the same figure for each side.

Mr. Miller said it states that the Commission shall determine the width and type of buffer.

Various zones have various setbacks, said Mr. Voelckers, so it may make sense to predetermine the buffer.

For certain parcels it gets very difficult to determine which actually is the front and the side and back of the parcel, said Mr. Miller. He has constructed Planned Unit Developments (PUD's), and a set width of 25 feet around each side was just plain stupid, he added.

There also may be low density areas where a large buffer would be way more important than in a D15 zone for example, said Mr. Voelckers.

Mr. Voelckers mentioned that on line 17 page five of the draft ordinance, that "by the Commission" be added after the word "expanded".

Ms. Maclean said she felt it was good for the setback to reflect the setbacks of the underlying zoning district because at least for the parent lot there would be an automatic appearance of

conformity for the neighborhood. If there are two different zoning districts then the setback is used from the zoning district which has the greater setback, she added. She said she does not think the 25-foot buffer on the PUD works very well.

Mr. Dye said he felt utilizing the street side setback of the lot for the entire parameter may work favorably.

Mr. Voelckers said that seemed reasonable to him.

The Commission and Municipal Attorney agreed.

Referring to item K on page six of the draft ordinance, Mr. Voelckers said he felt there is a parent lot and a residual parent lot. He suggested the word "residual" be added prior to "parent" in that item. He said that is the remaining piece of land after the lot has been constructed with the units.

Mr. Voelckers said he saw the same issue on line 15, page six, of the draft ordinance, where the word "residual" should be inserted before the word "parent".

Mr. Palmer said he could not envision a fact pattern which did not involve a parent lot for the ARS.

Referring to line 18 on page one of the draft ordinance, Mr. Voelckers said it is implied that some of the lots may not have any residual land after they are developed.

Mr. Dye said he did not foresee a circumstance where all of the land is consumed by unit lots.

In line 7 on page two of the draft ordinance, Mr. Palmer said perhaps that sentence should be expanded to add, "and some portion of the parent lot remains unsubdivided". He said he thought there was the assumption of the staff that there needs to be some part of the parent lot remaining in the unit lot subdivision.

Mr. Voelckers agreed with Mr. Palmer. He added that there needs to be a term for that portion of the lot which remains after the rest of the property is used for unit development.

Mr. Palmer said he felt that he could draft language for line 7 on page two to address the residual lot definition. "The provisions of this article apply only when there are unit lot subdivisions and a remainder of the parent lot". This would prevent someone from using this ordinance to create a subdivision that only has small lots without any available parent lot, said Mr. Palmer.

Mr. Dye said he felt it to be implicit in the ordinance that there has to be some residual land after the units were constructed.

Mr. Voelckers said he was not sure if the definition of parent lot was satisfactory. He said he found it to be unclear.

Mr. Voelckers asked if on line 16, page two of the draft ordinance, if buffers should also be added to the other dimensional standards mentioned.

Ms. Maclean said rather than adding "buffer" to page two that it be added to line 24 on page five. It would read: "No parking areas or dwelling units or the unit lot may be located within the perimeter buffer."

Mr. Voelckers said that made sense to him. He said they will not change page two, but line 24 on page five.

Mr. Dye said he felt the term "setback" should be removed, since now the street side setback will be used which includes the minimum buffer, he said.

Mr. Voelckers said the buffer and the setback are functionally the same thing.

Mr. Dye said he felt it was important that the setbacks of the parent lot are now ignored, to avoid confusion.

Ms. Maclean said her concern with the buffer being the exact same measurement all the way around that it could be very tricky with the variable terrain in Juneau to always have the exact same measurement all the way around. Clustering units may be needed, she said, when large bodies of water are involved, for example. That is why she felt that using the setbacks of the underlying zoning district made sense, said Ms. Maclean.

Mr. Campbell said to require a set buffer around all sides of the lot may limit development possibilities.

Mr. Voelckers said line 17 on page five of the draft ordinance could read, "...to be expanded or reduced by the Commission to ensure neighborhood harmony..."

Mr. Miller said he agreed with the statements of both Mr. Campbell and Mr. Voelckers.

Answering a question of Mr. Dye referring to line 25 on page six of the draft ordinance, Ms. Maclean said the beginning of the second sentence on that line should have the word "director" after "The". She said she is not sure if that director would be herself or the director of public works and that they would find that out.

Mr. Palmer said it would be the director of the Community Development Department.

Mr. Voelckers recommended that on the first sentence on page 12 that after the word “for” that “the upkeep and maintenance of” be added prior to “open space”.

Public Comment

Mr. Travis Arndt told the Commission that he liked the direction the Commission was heading with this ordinance. He said A on page number three is very important: is it ten percent of the lot or ten percent of what is required. D15, D18 and LC all require zero. Therefore, one of those two options needs to be selected, he said.

Mr. Miller said he felt that with the multi-unit developments that it would be very difficult to reach those levels of density anyway. It just does not apply for those multi-family developments, he said.

Ms. Maclean said she thought the language states that if the requirement is zero, then you only need to provide 10 percent of the parent lot to obtain the bonus.

Mr. Arndt asked if the meaning of item B on page three was that the continuous setback be greater than 50 feet on both sides of the stream for a bonus.

Mr. Voelckers said that was his understanding.

Mr. Arndt asked if stream restoration would be considered as disturbing the open space along natural water bodies. He said he did not think someone should be penalized for disturbing the area if they were trying to restore it.

Mr. Arndt said he felt that item C on page three of the draft ordinance was confusing. He said people have different interest rates so that the 30 percent of the median income for the mortgage payment would be a different number for various individuals. He said he felt this section needed a different definition.

Mr. Arndt said he also had issues with the buffers section of the draft ordinance. He said he liked the consistent figure around the lot, but that the 25 feet delineated in the PUD is a disaster. The street side number is a good compromise, he said. He said he also liked the variability mentioned later which could be helpful. He said he has problems with the word “expanded”. People spend many thousands of dollars on their plans, and to go before the Commission and then have the buffer expanded could cause horrible problems for the developer, he said. He suggested that the ordinance list a maximum number to which it could be expanded.

Mr. Arndt said it states that the buffer needs to be vegetated. He said grass is vegetation. He said this is currently open to interpretation within the draft ordinance.

Mr. Arndt said that currently a street sign is required where the lot connects with a city right-of-way. Would all of the little roads need a street sign or would it just be at the end of the road, exiting the parent lot, he said. It also seemed odd to him to have the Director in charge of deciding where the mailboxes are located, said Mr. Arndt.

Mr. Dye verified that under A on page three, that it is to be 10 percent of the total lot that is required for a maximum bonus.

Mr. Palmer suggested that the staff come back to the Commission with examples of what is meant here. He said the requirement is just as the director described. If the requirement is zero, then it is five percent for each additional 10 percent.

Mr. Dye verified that it is then 10 percent of the underlying lot size.

Mr. Voelckers said he liked the interpretation and suggested that the language be clarified to reflect that interpretation.

Mr. Dye said they never settled on a maximum number for the bonus points.

Mr. Voelckers said he thought the Commission was leaning towards 15 percent.

Mr. Miller asked for the basic meaning of item B on page three of the draft ordinance.
"Five percent for a continuous setback of greater than 50 feet or 10 percent for a continuous setback greater than 50 feet on both sides of the stream, if applicable, designated in the plan as undisturbed open space along important natural water bodies, including anadromous fish streams, lakes, and wetlands;"

Mr. Dye said he was comfortable with how item B is phrased. He said it is to help developers who may have water on their property and to give them a bonus for protecting that water.

Ms. Maclean agreed with Mr. Dye. She added that if someone built 51 feet from the stream then they would get that full bonus and that the Committee had felt that was fair.

When asked about his opinion on item C, page three of the draft ordinance, Mr. Ciambor said that typically it is easier to understand when based upon an income level rather than the percentage of the mortgage payment.

Mr. Voelckers said perhaps they could leave it up to the staff to decide which language is most clear when compared with most of the grants and loans available.

Mr. Miller said Mr. Arndt made a very valid point. He said 30 percent of a mortgage payment is really based upon how much money the buyer is bringing to the transaction. People of lower incomes are not going to be placing a lot of cash down on their mortgage, said Mr. Miller. It should not be based upon what the loan payment is, said Mr. Miller. He said he felt it was a lot cleaner if it was based upon the income level of the buyer.

Mr. Dye said there should be a maximum limit set. He suggested that they use up to 150 percent of the street side setback on all sides as the maximum.

Mr. Campbell said he supported the suggestion of Mr. Dye.

For two abutting properties, it would be the higher setback of the abutting property which would be used, said Mr. Voelckers.

Ms. Maclean said she thought they should make the maximum 25 feet.

The Commission agreed with this suggestion.

For street signage on page six of the draft ordinance, Mr. Miller commented that the fire department is going to have its own requirements for street signs. Before a Certificate of Occupancy is issued, the fire department will require street signs on intersections, said Mr. Miller.

Mr. Palmer said he felt the existing language for street signs gives the Planning Commission adequate discretion.

MOTION: *by Mr. Miller, to move AME2018 0012 to the Assembly for approval with staff's findings, analysis and recommendations, and with the changes suggested by the Planning Commission this evening.*

Speaking in favor of his motion, Mr. Miller said they had addressed all of his concerns this evening over the ordinance, and that they have had good input from the public and from the staff.

Mr. Dye also spoke in favor of the motion, and said he felt the Municipal Attorney and the CDD Director both had a solid grasp of this ordinance. He said he looked forward to this new housing option being offered in Juneau to make housing more affordable.

Mr. Campbell asked if they were still using setbacks or if they were just using buffers.

Mr. Palmer said his understanding is that there should be no setbacks applied to the unit lot. There shall be no setbacks applied to the parent lot, but that the parent lot shall have buffers that correlate with the traditional setbacks unless the developer can prove that those setbacks do not work in their particular circumstance. The maximum that the Commission can impose for a buffer is 25 feet, all the way around, said Mr. Palmer.

Mr. Campbell said he just wanted to make sure that these developments did not negatively affect neighboring lots with inadequate setbacks. He said he feels this language addresses that concern.

The motion passed with no objection.

APL2018 0004: First Hearing of an appeal of the Director's decision to reject a request for a variance hearing
Appellants: Dale & Florence McFarlin
Location: 4637 River Road

Mr. Voelckers withdrew from this item due to a conflict.

Mr. Palmer explained that Title 49 outlines that an appeal should be heard unless certain circumstances exist. He said it is safest and most fair to the appellant to accept the appeal with the issues debated with the appellant as they arise.

MOTION: *by Mr. Miller, to accept the appeal.*

The appeal was accepted with no objection.

MOTION: *by Mr. Miller, to accept the entire appeal.*

The Commission accepted the entire appeal with no objection.

Mr. Palmer explained that the traditional approach is to hear the appeal on the record. The Commission would review all materials reviewed by the Director to make its decision. If the Commission wishes it could hear the appeal de novo, which essentially erases the Director's decision, and the Commission would hear both sides of draft pretrial briefs and hold a trial in which both sides make opening arguments, present evidence, and make closing arguments.

MOTION: *by Mr. Miller, to hear the appeal on the record.*

The Commission will hear the appeal on the record, with no objection.

Presiding Officer:

Mr. Miller offered up Mr. Dye as presiding officer.

Mr. Dye will be the presiding officer, with Mr. Hickok as an alternate.

IX. BOARD OF ADJUSTMENT - None

X. OTHER BUSINESS - None

XI. STAFF REPORTS

September 26, at 6 p.m. at the Senate building, there will be a public meeting for the Preservation Plan, said Ms. Maclean.

There is a Title 49 meeting October 1, at noon. They will be discussing stream buffers, said Ms. Maclean.

The Committee of the Whole meeting originally scheduled for October 9 will be changed to a Title 49 meeting, at 5 p.m., to discuss nonconforming draft language, said Ms. Maclean.

On October 15, there is another Title 49 meeting at which common walls will be discussed, said Ms. Maclean. They may also be discussing urban agriculture at that meeting, she said.

XII. COMMITTEE REPORTS

Mr. Dye reported that they discussed stub streets at their last Title 49 Committee meeting.

Mr. Campbell reported they had a meeting of the Wetlands Review Board last week which included a presentation from SEAL Trust and the Southeast Alaska Watershed Coalition.

XIII. LIAISON REPORTS - None

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None

XV. PLANNING COMMISSION COMMENTS AND QUESTIONS - None

XVI. EXECUTIVE SESSION - None

XVII. ADJOURNMENT

The meeting was adjourned at 9:56 p.m.

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

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2018-41

An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.

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 Chapter. Title 49, Chapter 15 is amended to by adding a new article IX, to read:

ARTICLE IX. ALTERNATIVE RESIDENTIAL SUBDIVISIONS

49.15.900 Purpose.

The general purpose of this article is to provide reasonable minimum standards and procedures for unit-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot. This article provides a housing option to allow dwellings on unit-lots to be conveyed by long-term leases, less than fee-simple ownership, or fee-simple ownership, including condominium and other common-interest communities. The specific purpose of this article is to permit flexibility in the regulation and use of land in order to promote its most appropriate use for unit-lot residential communities; to encourage residential developments that are planned, designed and

developed to function as integral units with common facilities; to encourage developments that provide different types of housing options; to encourage development of quality affordable housing; to facilitate the adequate and economical provisions of access and utilities; and to encourage developments that are in harmony with the surrounding area.

49.15.910 Application.

The provisions of this article apply when a parent lot is subdivided into developable unit-lots and where a portion of the parent lot remains.

49.15.920 General provisions.

(a) *General.* The requirements of this title apply except as provided in this article.

(b) *Zoning districts.* An alternative residential subdivision is only allowed in the following zoning districts: RR, D-1, D-3, D-5, D-10SF, D-10, D-15, D-18, and LC.

(c) *Lot size.* The parent lot shall be at least 150 percent of the minimum lot size for the zoning district in which it is located. There is no minimum size for the unit-lots.

(d) *Other dimensional standards.* The minimum lot dimensions, lot coverage, vegetative coverage shall be applied to the parent lot and not the unit-lots.

(e) *Density.*

- (1) The number of dwelling units permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre permitted in the underlying zoning district by the number of acres in the alternative residential subdivision and rounding to the nearest whole number.

(2) Land and water bodies used in calculating the number of dwelling units permitted shall be delineated on the preliminary and final plans in a manner allowing confirmation of acreage and density computations.

(3) The commission may award a density bonus as an incentive for enhancements to the development. The total bonus shall not exceed 50 percent in the RR, D1, D3, D5, D10 zoning districts, and 25 percent in the D-10SF, D15, D18 and LC zoning districts of the density provided in subsection (e)(1) of this section and rounded to the nearest whole number and shall be the sum of individual density bonuses as follows:

(A) Five percent for each ten percent increment of open space in excess of that required in the zoning district to a maximum bonus of fifteen percent for open space in excess of that required;

(B) Five percent for a continuous setback greater than 50 feet or ten percent for a continuous setback greater than 50 feet on both sides of a stream, if applicable, designated in the plan as undisturbed open space along important natural water bodies, including anadromous fish streams, lakes, and wetlands;

(C) Fifteen percent for a mixture of housing units restricted by a recorded document for a period of 30 years from the first sale (i) in which ten percent of the dwelling units are set aside for lower income households earning no more than 80 percent of the area median income; or (ii) in which twenty percent of the dwelling units are set aside for workforce households earning no more than 120 percent of the area median income.

at least 15 percent of which are restricted by a recorded document for purchase via a monthly mortgage payment of no more than 30 percent of the median income in the City and Borough, as calculated by the Alaska Department of Labor;

(D) Up to ten percent for excellence in design, or provision of common facilities and additional amenities that provide an unusual enhancement to the general area, such as siting, landscaped buffers, or the creation or preservation of view corridors;

(E) Ten percent for dedication of a public right-of-way accessible to all unit-lots consistent with Chapter 49.35;

(F) Five percent in the RR, D-1, D-3, D-5, and D-10SF zoning districts, and ten percent in the D-10, D-15, D-18 and LC zoning districts for providing shared use pathways to facilitate pedestrian and bicycle movement within the development and to ensure non-vehicular access to open space, common facilities and to public services;

(G) Five percent for designing all dwelling structures to a five-star plus energy efficiency rating; ten percent for designing all dwelling structures to a six-star energy efficiency rating; and

(H) Up to ten percent for using high-efficiency primary heating methods, such as heat pumps, in all dwelling structures.

(4) A density bonus may be limited or denied if it will more probably than not:

(A) Materially endanger public health or safety;

(B) Substantially be out of harmony with property in the neighboring area;

(C) Lack general conformity with the comprehensive plan or another adopted plan; or

(D) Create an excessive burden on roads, sewer, water, schools, or other existing or proposed public facilities.

(f) *Frontage and access.* The parent lot shall front on and be accessed by a publically maintained right-of-way. Access within the development may be exempted from 49.35 and be privately owned and maintained if it complies with the following requirements:

- (1) The access shall be located completely on the parent lot;
- (2) The access does not endanger public safety or welfare;
- (3) The access complies with or can be improved to comply with the emergency service access requirements of CBJ 19.10;
- (4) Access to and within the development is paved;
- (5) The developer submits adequate evidence that upon approval of the development, a homeowners' association will be formed, can obtain liability insurance, and is solely responsible for maintaining the private access—including winter maintenance; and
- (6) The alternative residential subdivision does not abut a developable parcel that lacks alternative and practical frontage on a publically maintained right-of-way.

(g) *Utilities.* An alternative subdivision is required to connect each dwelling unit to public sewer and water. A master meter for water shall be installed by the developer.

(h) *Parking.* Parking required for each dwelling unit may be located on either the parent lot or the unit-lot.

(i) *Open Space.* Open space is required as follows: 25 percent in the RR and D-1 zoning districts; 20 percent in the D-5 and D-10 zoning districts; 15 percent in the D-10SF district. Open space is not required in the D-15, D-18, or LC zoning districts.

1
2
3 (j) *Buffer*. There are no setback requirements on the unit-lots. A perimeter buffer is required
4 in lieu of the setback requirements of this title on the parent lot. The presumptive buffer width
5 shall not be less than the setback set by the underlying zoning district to ensure neighborhood
6 harmony and minimize off-site impacts. The commission may enlarge a buffer or a portion of a
7 buffer up to 25 feet in total width, and the commission may reduce a buffer or a portion of a
8 buffer by 75 percent of the setback for the underlying zoning district. The commission may only
9 enlarge or reduce the buffer width upon considering, but not limited to: type of buffer, location
10 of the subdivision structures and uses therein; the location and type of surrounding uses or
11 development; topography; and the presence of existing visual and sound buffers. A buffer shall
12 be vegetated unless the commission requires non-vegetated screening. A buffer may include
13 fencing, natural berm, or other similar features. No parking areas, dwelling units, unit-lots, or
14 permissible uses may be located within the perimeter buffer. Access to the development may
15 cross a portion of the buffer.
16

17 (k) *Parent lot*. Portions of the parent lot not subdivided into unit-lots shall be owned in common
18 by a homeowners' association, or similar entity, comprised of the owners of the unit-lots located
19 within the parent lot.
20

21 (l) *Stormwater management*. Facilities for the control and disposal of stormwater must be
22 adequate to serve the development and areas draining through the development. Management
23 shall be in accordance with the Stormwater Best Management Practices manual. Where
24 appropriate, natural drainage channels, swales, or other similar areas within the open space
25 may be used for stormwater management at the development. The developer shall provide the
CBJ Engineering and Public Works Department with an evaluation of offsite drainage outfalls
for the additional runoff contributed by the alternative residential subdivision. The commission

1
2
3 may require construction of offsite drainage improvements necessary to accommodate
4 additional runoff from the development.

5 (m) *Permitted uses*. No primary uses are permitted on the parent lot except a recreational
6 center, community facility, or a child care center. Consistent with the Table of Permissible
7 Uses, 49.25.300, only residential uses and associated accessory structures are allowed on the
8 unit-lots. Accessory dwelling units are prohibited on the parent lot and on any unit-lots. A
9 home occupation or a child care home is permissible on the unit-lots. If an alternative
10 residential subdivision creates a lot that complies with the Table of Dimensional Standards,
11 49.25.400, for the underlying zoning district, the accessory dwelling unit prohibition of this
12 subsection does not apply.
13

14 (n) *Street sign*. Street signage is required. The developer shall install a street sign provided by
15 the City and Borough of Juneau at the developer's expense. The director shall determine the
16 type of street sign—addresses or street name—upon considering public health, safety, and
17 welfare given the size of the subdivision.
18

19 (o) *Mailboxes*. Upon consultation with the United States Postal Service, the director shall
20 determine the placement location of mailboxes. The director may require additional
21 improvements and design changes to enable efficient mail delivery and to minimize traffic
22 interferences and compliance with CBJ standard details.
23

24 **49.15.930 Alternative residential subdivision review process.**

25 (a) *General procedure*. A proposed alternative residential subdivision shall be reviewed
according to the requirements of section 49.15.330, conditional use permit, and in the case of an
application proposing a change in the number or boundaries of unit-lots, section 49.15.402,

major subdivisions, except as otherwise provided in this article. Approval shall be a two-step process, preliminary plan approval and final plan approval. In cases involving a change in the number or boundaries of unit-lots, the preliminary and final plat submissions required by section 49.15.402 shall be included with the preliminary and final plan submissions required by this chapter.

(b) *Preapplication conference.* Prior to submission of an application, the director shall conduct an informal preapplication conference with the developer to discuss the proposed alternative residential subdivision. The purpose of the preapplication conference shall be to exchange general and preliminary information and to identify potential issues and bonuses. The developer may discuss project plans and the director may provide an informal assessment of project permit eligibility, but no statement made by either party shall be regarded as binding, and the result of the conference shall not constitute preliminary approval by the department. The conference shall include a discussion of the zoning, size, topography, accessibility, and adjacent uses of the development site; the uses, density and layout of buildings, parking areas, the open space and landscaping proposed for the development; the common facilities; provision of utilities, including solid waste and recycling collection; the access, the vehicle and pedestrian circulation, and winter maintenance including snow removal locations; the development schedule and the alternative residential subdivision permit procedures. The developer shall provide a sketch of the proposed alternative residential subdivision.

49.15.940 Preliminary alternative residential subdivision plan approval.

(a) *Application.* The developer shall submit to the department one copy of a complete alternative residential subdivision application, which shall include an application form, the

required fee, any information required in subsection 49.15.402, the information required by this section, and any other information specified by the director.

(b) *Required submissions.* The application shall include the following material:

(1) *Ownership.* The application shall identify, and shall be signed by or upon, the included written authorization of, all owners, lessees, and optionees of land within the boundaries of all phases of the alternative residential subdivision.

(2) *Preliminary development plan.* The application shall include a preliminary development plan, explaining how the proposed alternative residential subdivision will achieve the purposes set forth in section 49.15.900. The preliminary development plan shall summarize the different land uses proposed, including the amount of land for housing, open space, buffer, access, and parking; the number and types of housing units and proposed density; the natural features to be protected and hazards to be avoided; and the public, if any, and private services to be provided.

(3) *Design.* The application shall describe the design of the alternative residential subdivision, with particular attention to building siting, massing, access, parking, and architectural features; provision of utilities including drainage and trash collection; provision of winter maintenance for access and parking areas; and the circulation of traffic and pedestrians.

(4) *Open space, common facilities, and general landscaping.* The preliminary plat shall show and describe common facilities, open space, buffers, landscaping, and similar features.

(5) *Request for density bonuses.* If a density bonus is being applied for, the application shall include a narrative describing the justification for the requested bonus, and the application shall show the nature and extent of the requested bonus.

(6) *Description of phased development.* The preliminary development plan for a phased alternative residential subdivision shall include:

(A) A drawing and development schedule for each phase and for the entire alternative residential subdivision;

(B) The size and general location of proposed land uses for each phase at the maximum level of density, including maximum allotment of density bonuses;

(C) A description of the access connecting all the phases and where they will connect at the alternative residential subdivision boundaries;

(D) A description of how the developer will address the cumulative impacts of the phased development on the neighborhood and the natural environment;

(E) A description of the overall design theme unifying the phases;

(F) An analysis of how each phase in the project will meet the requirements of subsection 49.15.960(b); and

(G) A sketch plat consistent with 49.15.410.

(c) *Department review.* The director shall advise the developer whether the alternative residential subdivision application is complete, and, if not, what the developer must do to make it complete. Within 45 days after determining an application is complete, the director shall schedule the preliminary plan for a public hearing before the commission. The director shall give notice to the developer and the public according to section 49.15.230.

(d) *Commission action.* The commission may approve an alternative residential subdivision preliminary plan if it meets the following requirements:

- (1) The design provides for effective housing;
- (2) The development protects natural features and avoids natural hazards by reserving them as open space;
- (3) The development is consistent with the land use code;
- (4) The development incorporates perimeter buffers sufficient to minimize off-site impacts of the subdivision and to maximize harmony with the neighborhood;
- (5) Utilities proposed for connection to the City and Borough system meet City and Borough standards, and all others are consistent with sound engineering practices, as determined by the City and Borough Engineering and Public Works Department;
- (6) The configuration of the development provides for economy and efficiency in utilities, housing construction, access, parking and circulation;
- (7) If the approval is for a phased development, that each phase is consistent with the preliminary development plan and design of the entire alternative residential subdivision;
- (8) Adequately addresses the cumulative impacts of the phased development on the neighborhood and the natural environment; and
- (9) If the approval includes an allotment of a density bonus, the density bonus complies with section 49.15.920(e)(4).

(e) *Expiration.* Approval of a preliminary plan shall expire 18 months after the commission notice of decision unless a final plan for the entire project or, in the case of a phased development, the first phase thereof, is submitted to the department for commission action. An

application for extension of a preliminary plan shall be according to section 49.15.250, development permit extension.

49.15.950 Final alternative residential subdivision plan approval.

(a) *Application.* Upon completion of all conditions of the preliminary plan, the developer shall submit an application, fee, and a final plan for commission approval.

(b) *Homeowners' association.* The formation of a homeowners' association, or similar entity, is required.

(1) The articles of incorporation and bylaws of the homeowners' association, required under A.S. 34.08 or this chapter, shall be prepared by a lawyer licensed to practice in the state.

(2) The homeowners' association shall be responsible for the maintenance of open space, water and sewer utilities, and stormwater control features and drainages. The association documents shall specify how any other common facilities shall be operated and maintained. The association documents shall require homeowners to pay periodic assessments for the operation, maintenance and repair of common facilities. The documents shall require that the governing body of the association adequately maintain common facilities.

(3) If the alternative residential subdivision is phased, the association documents shall specify how the cost to build, operate, and maintain improved open space and common facilities shall be apportioned among homeowners of the initial phase and homeowners of later phases.

(4) The homeowners' association documents shall be recorded with the approved final plat.

(c) *Commission action.* The commission may approve the final plan if it substantially conforms to the approved preliminary plan and all requirements of this article.

(d) *Expiration.* An approved final plan shall expire 18 months after recording if the applicant fails to obtain an associated building permit and make substantial construction progress. An application for extension of a final plan shall be according to section 49.15.250, development permit extension.

49.15.960 Phased development.

(a) *Phasing allowed.* An applicant may develop an alternative residential subdivision in phases, provided the initial application includes a preliminary development plan sufficient to assess the cumulative effects of the entire alternative residential subdivision on the neighborhood and the environment according to the standards in subsection 49.15.940.

(b) *Completion of an individual phase.* Each phase shall be so designed and implemented that, when considered with reference to any previously constructed phases but without reference to any subsequent phases, it meets the design and density standards applicable to the entire alternative residential subdivision. Construction and completion of open space and common facilities serving each phase in an alternative residential subdivision shall proceed at a rate no slower than that of other structures in that phase. No phase shall be eligible for final plan approval until all components of all preceding phases are substantially complete and homeowners' association documents have been approved.

(c) *Standards for phases.* Each phase of an alternative residential subdivision shall be reviewed according to the provisions of this chapter then current. Each phase of an alternative residential subdivision shall maintain design continuity with earlier phases. At no point during a phased development shall the cumulative density exceed that established in the approved preliminary plan.

49.15.970 Amendments to approved alternative residential subdivision plan.

(a) *Request for amendment.* The developer of an alternative residential subdivision may request an amendment to an approved preliminary or final alternative residential subdivision plan. The request shall state the reasons for the amendment and shall be submitted in writing to the director, who shall inform the developer within 15 days whether the request shall be processed as a minor amendment or major amendment.

(b) *Minor amendment.* A minor amendment may be submitted without a filing fee and may be approved by the director. For purposes of this section, a minor amendment is a change consistent with the conditions of the original plan approval, and would result in:

- (1) Insignificant change in the outward appearance of the development;
- (2) Insignificant impacts on surrounding properties;
- (3) Insignificant modification in the location or siting of buildings or open space;
- (4) No reduction in the number of parking spaces below that required;
- (5) A delay of no more than one year in the construction or completion schedule for the project or, in the case of a phased project, the phase for which the amendment is requested.

(c) *Major amendment.* All other amendments shall be reviewed by the commission upon payment of a filing fee and in accordance with the requirements of the original plan approval.

Section 3. Amendment of Section. CBJ 49.80.120 Definitions, is amended by adding the following new definitions in alphabetical order, to read:

Parent lot means the original lot and the residual area from which unit-lots are created through an alternative residential subdivision.

Unit-lot means any lot, site, parcel, unit-site, and similar geographically defined property that is created through an alternative residential subdivision and that is substantially smaller than the minimum lot size required for the zoning district.

Section 4. Amendment of Section. CBJ 49.85.100 Generally [Chapter 49.85 Fees for Land Use Actions], is amended by adding a new fee for Alternative Residential Subdivisions, to read:

49.85.100 Generally.

...

(8) Special use or area.

...

(G) Alternative Residential Subdivisions.

(i) Preliminary plan application approval, \$400.00 plus \$80.00 per residential unit;

(ii) Final plan approval, \$300.00 plus \$60.00 per residential unit.

...

Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2018.

Attest: _____
Beth A. Weldon, Mayor

Elizabeth J. McEwen, Municipal Clerk

[Ordinance 2018-41 An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.](#)

This ordinance would amend the land use code to allow for a new housing option. Existing code generally limits housing options to multifamily or single-family developments on a traditional-sized lot. This ordinance creates reasonable minimum standards and procedures for small-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot. This ordinance also permits flexibility in the use of land desired by the community; encourages small-lot residential developments that are designed and developed to function as a small community; encourages a different type of housing option; encourages development of quality affordable housing; facilitates the adequate and economical provisions of access and utilities; and encourages developments that are in harmony with the surrounding area

Other communities, like Anchorage, have recently authorized this type of housing option. This new housing option would also allow prospective buyers to obtain traditional financing instead of condominium style financing and it helps bridge the gap between traditional condominiums and single-family housing options.

The Title 49 Committee and the Planning Commission held multiple hearings on this ordinance. On September 25, 2018, the Planning Commission recommended the Assembly adopt this ordinance.

This ordinance was introduced at the October 15, 2018 Assembly meeting and referred to the Assembly Committee of the Whole.

Ordinance 2018-41

Text amendment to revise Title 49 to provide for
Alternative Residential Subdivisions (ARS)

Assembly Committee of the Whole

October 22, 2018



Purpose

- The Alternative Residential Subdivisions (ARS) ordinance is designed to provide reasonable minimum standards and procedures for small-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot.
- The ARS is intended to provide a housing option to allow dwellings on small-lots to be conveyed by long-term leases, less than fee-simple ownership, or fee-simple ownership, including condominium and other common-interest communities.

Background

- Range of Housing Types / Flexible Site Development
 - Infill development, tiny houses, and cottage-type housing, and an alternative option to planned unit development, that allows for residential-only uses
- ARS are permissible borough-wide in the RR, D1, D3, D5, D10SF, D10, D15, D18 and LC zoning districts
- May include a recreational center, community facility, or a child care center on the parent lot;
- A home occupation or a child care home is permissible on the small unit-lots
- May have an accessory apartment if the lot meets the underlying zoning minimum required dimensional standards

- Open Space Requirements
 - Minimum 25% in RR and D1 zoning districts
 - Minimum 20% in D5 and D10 zoning districts
 - Minimum 15% in D10SF zoning district

- No minimum open space requirement for D15, D18, and LC zoning districts

- A perimeter buffer is required in lieu of the setback requirements of this title on the parent lot. The presumptive buffer width shall not be less than the setback set by the underlying zoning district to ensure neighborhood harmony and minimize off-site impacts
- Commission may only enlarge or reduce the buffer width upon considering, but not limited to: type of buffer, location of the subdivision structures and uses therein; the location and type of surrounding uses or development; topography; and the presence of existing visual and sound buffers

Density

	RR	D1	D3	D5	D10SF	D10	D15	D18	LC
Min. Lot Size / Zoning District	36,000	36,000	12,000	7,000	3,600	6,000	5,000	5,000	2,000
Density / Zoning District	1	1	1	1	1	10/acre	15/acre	18/acre	30/acre
Sq. Ft of an Acre / DUs per Acre	43,560 (not used for single-family)	43,560	14,520	8,712	3,630	4,360	2,904	2,420	1,452
#DUs / Acre	1	1	3	5	12	10	15	18	30

Min. Lot Size for ARS*	54,000	54,000	18,000	10,500	5,400	9,000	7,500	7,500	3,000
#DUs/Min. Lot in ARS	$54000/36000 = 1.5 = 2$	$54000/36000 = 1.5 = 2$	$18000/12000 = 1.5 = 2$	$10500/7000 = 1.5 = 2$	$5400/3630 = 1.5 = 2$	$9000/4360 = 2$	$7500/2904 = 2.58 = 3$	$7500/2420 = 3$	$3000/1452 = 2$

BONUS									
10%	2.10 = 2	(same)	(same)	(same)	(same)	(same)	3	(same)	2
15%	2.15 = 2								
20%	2.20 = 2								
25%	2.25 = 2								
30%	2.30 = 2								
35%	2.35 = 2								
40%	2.40 = 2								
45%	2.45 = 3								
50%	2.50 = 3						4		3

Example Lot	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)	3 acres (130,680)
#DUs/Min. Lot in ARS	$130680/36000 = 3.63 = 4$	$130680/36000 = 3.63 = 4$	$130680/12000 = 10.89 = 11$	$130680/7000 = 18.66 = 19$	$130680/3630 = 36$	$130680/4360 = 29.97 = 30$	$130680/2904 = 45$	$130680/2420 = 54$	$130680/1452 = 90$

BONUS									
10%	4.10 = 4	(same)	11	19	36	30	45	54	90
15%	4.15 = 4								
20%	4.20 = 4								
25%	4.25 = 4								
30%	4.30 = 4								
35%	4.35 = 4								
40%	4.40 = 4								
45%	4.45 = 4								
50%	4.50 = 5		12	20	37	31	46	55	91

*Minimum acreage required to use ARS = 150% of the required minimum lot size for the zoning district

ARS Density is determined by "the number of dwelling units permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre permitted in the underlying zoning district by the number of acres in the alternative residential subdivision and rounding to the nearest whole number".

Compliance with Comp Plan

- ARS ordinance as discussed in the staff report, complies with the Comprehensive Plan, specifically:
 - Chapter 3 Community Form
 - Chapter 4 Housing Element
 - Chapter 6 Energy
 - Chapter 10 Land Use

Compliance with Title 49

- Title 49 has been examined, and it is determined that the proposed ordinance complies with the Code.
 - 49.25 Article II. Zoning Districts
 - 49.25 Article V. Density
 - 49.35 Public and Private Improvements
 - 49.40 Parking and Traffic

Compliance with Housing Action Plan

- ARS ordinance as discussed in the staff report, complies with the Housing Action Plan, specifically:
 - Develop housing choices to accommodate Juneau's workforce needs
 - Update CBJ zoning tools/regulations with a focus on housing
 - Update zoning tools with a focus on housing
 - Encourages efficient use of land
 - Encourages increased density on existing utility services

Compliance with Juneau Economic Development Plan

- ARS ordinance as discussed in the staff report, complies with the Economic Development Plan, specifically:
 - Initiative: Promote Housing Affordability and Availability
 - Zoning to encourage smaller housing development (e.g. multiple small homes on a single lot, cottage housing, accessory apartments, etc.)
 - Rezoning or bonuses to allow higher densities
 - Reduce permitting burden for certain types of housing development
 - Inclusionary housing programs, including fee-in-lieu options

Findings

Based upon the analysis, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Comprehensive Plan.

Additionally, this change would not create any internal inconsistencies with any plans or codes, providing the amendments stated above are approved.

Recommendation

The Planning Commission favorably recommends that the Assembly consider and adopt the ordinance (2018-41) Alternative Residential Subdivisions.

Ordinance 2018-41

Text amendment to revise Title 49 to provide for
Alternative Residential Subdivisions (ARS)

QUESTIONS?

