

Downtown Anchorage:

Revitalization through Housing + Placemaking

February 11, 2020: 1:30 to 3:00
2020 Alaska Planning Conference



ANCHORAGE
DOWNTOWN
PARTNERSHIP^{LLC}



Introductions



Tanya Iden, AICP
Principal::Owner
Agnew::Beck Consulting



Shanna Zuspan, AICP
Principal::Owner
Agnew::Beck Consulting



Michelle McNulty, AICP
Director, Planning Department
Municipality of Anchorage



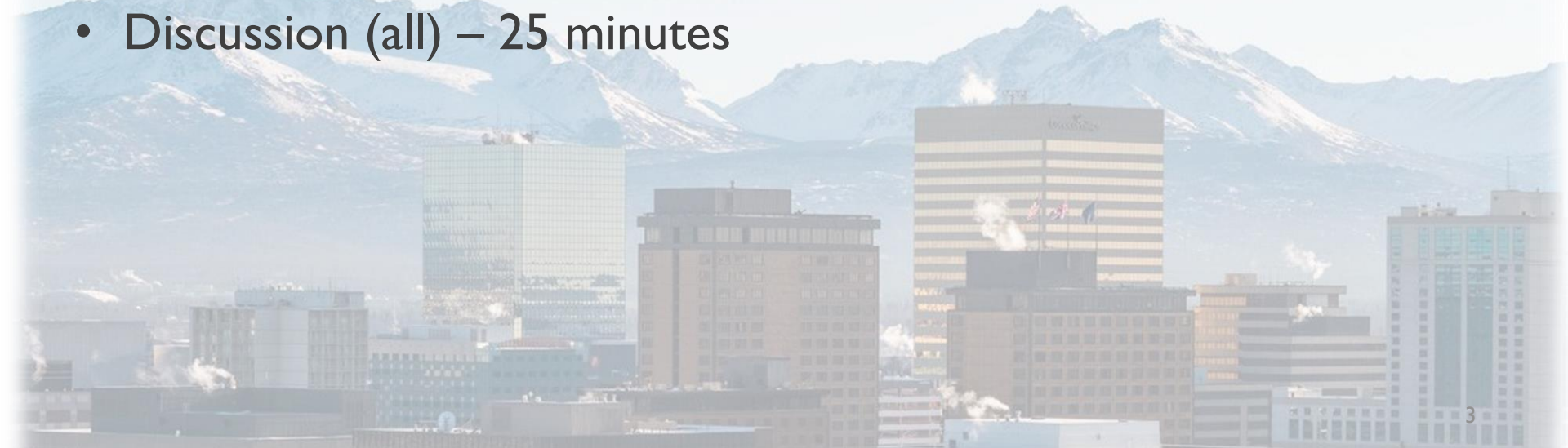
Amanda Moser
Executive Director
Anchorage Downtown Partnership



Sezy Gerow-Hanson
Director, Public and Resident Relations
Cook Inlet Housing Authority

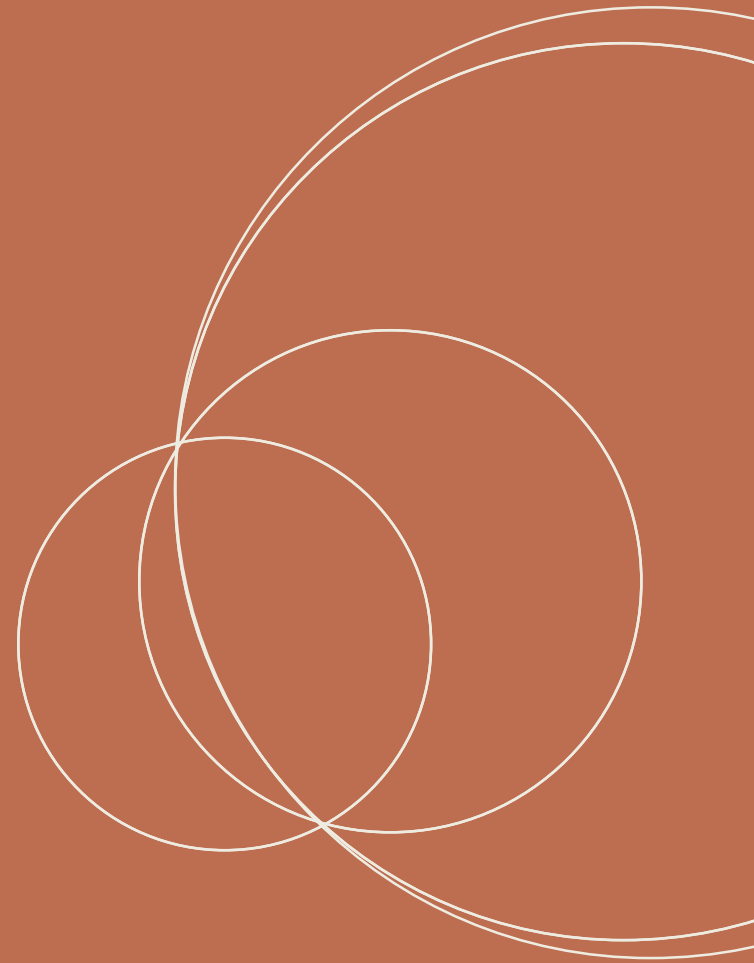
Revitalization Through Housing & Placemaking

- Setting the stage: (Tanya and Shanna) – 25 minutes
 - Why housing & placemaking for downtown revitalization?
 - Housing feasibility limitations
 - Downtown comparisons
- What are the solutions? (Michelle & Amanda) – 25 minutes
 - New incentives and planning updates
 - Placemaking & Vitality: Anchorage Downtown Partnership
- Elizabeth Place: a Case Study (Sezy) – 15 minutes
- Discussion (all) – 25 minutes



Why Housing & Placemaking?

Revitalizing Downtown



Focus on Downtown

Great cities have great downtowns. Focus on downtown first and make it a great place to be. Downtown is the part of town that belongs to all of us. **Anchorage needs to develop a downtown where people want to live—do this by bringing things people want to downtown, activities and events that draw people in.**

Source: Oklahoma City Delegation to Anchorage, Dec. 2016

DOWNTOWNS MATTER

Travel teaches you many things, not the least of which is that downtowns matter. Downtowns are the heart and soul of our communities. They are also an indicator of larger social and economic trends. For many years, the decline of America's downtowns was an indicator of a larger trend of people and jobs leaving cities for our far flung suburbs. Now, our downtowns are coming back to life and they are a harbinger of larger social, economic, demographic and technological trends.

Source: Main Street America



**You can't rely on bringing
people downtown, you have to
put them there.**

~ Jane Jacobs



Source: Roger Brooks, Anchorage
presentation, 2019

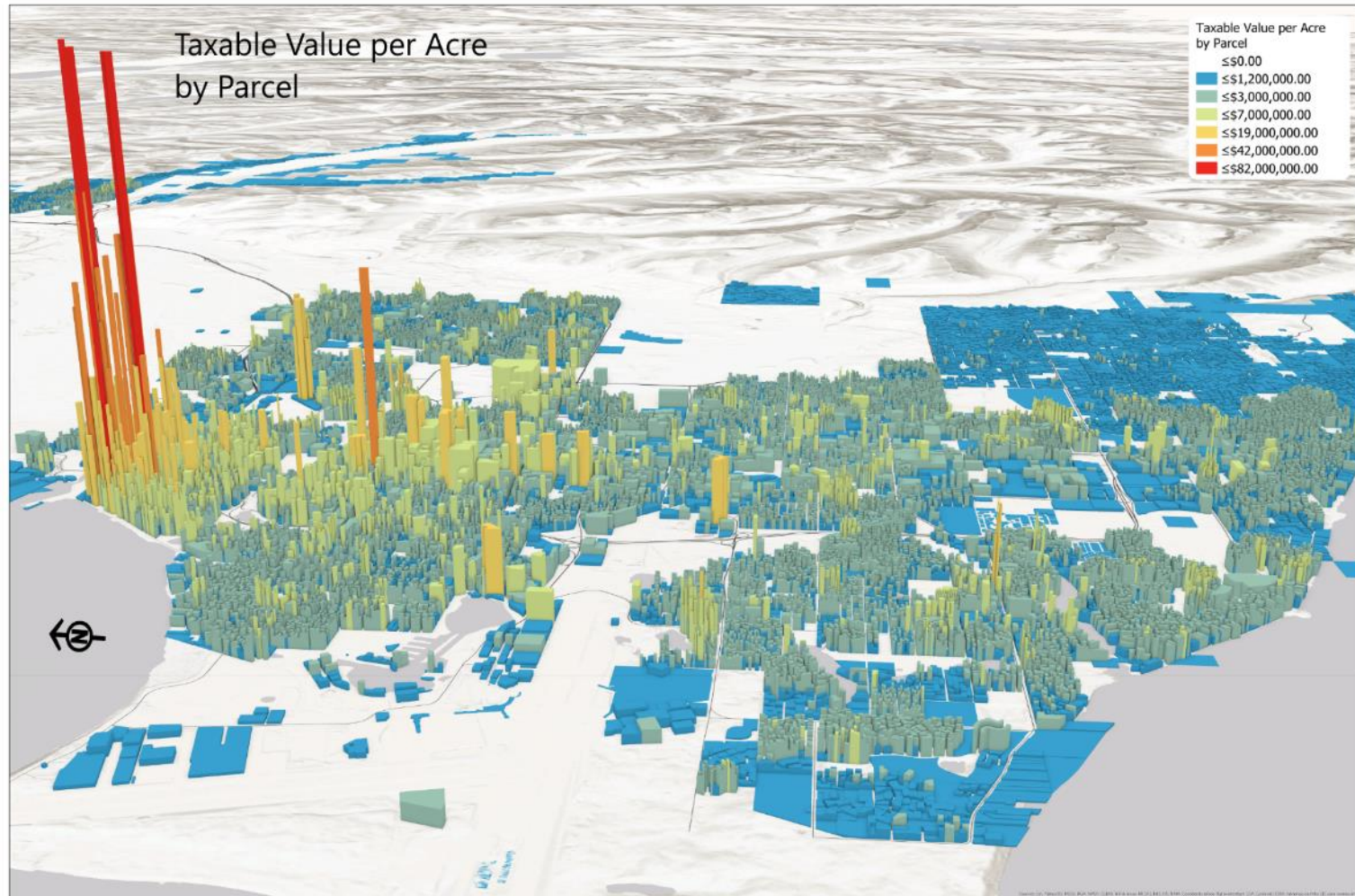
**Start by building great housing to
make Anchorage a desirable place
to live.**

Housing must come first: If we want
our downtown to be a vibrant place to
live, work and play Anchorage must
focus first on building excellent housing,
then on bringing other services and
amenities to the area.

Source: Oklahoma City Delegation Site Visit to
Anchorage, December 2016

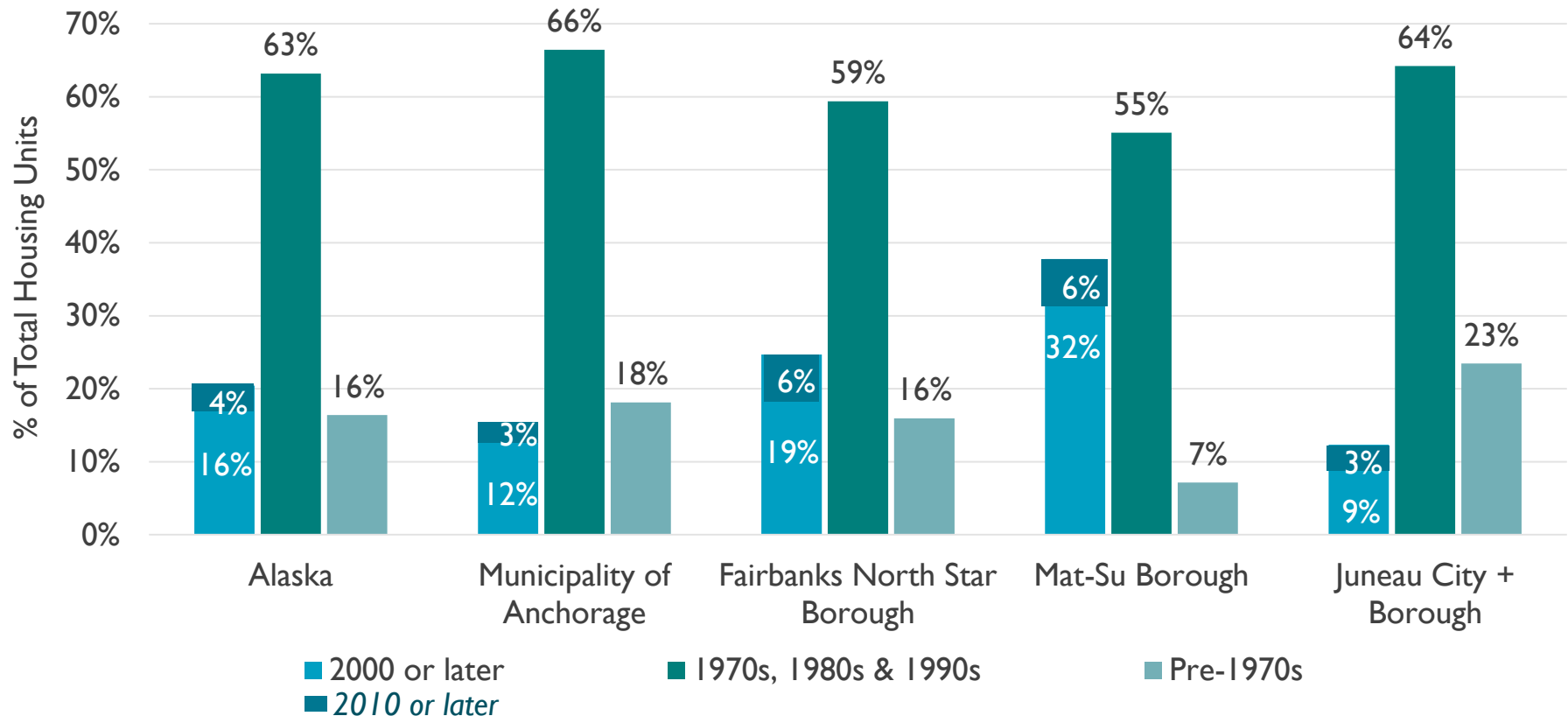
The Economics of Downtown

Taxable Value per Acre by Parcel



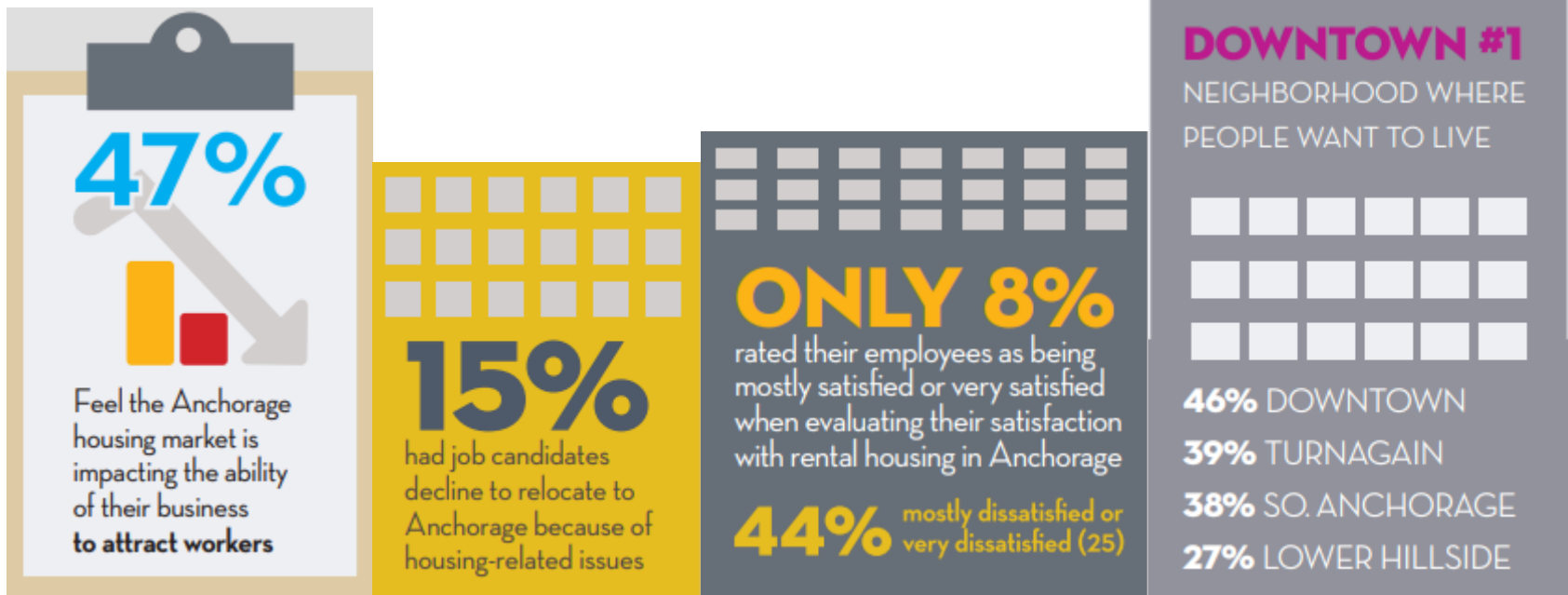
Our Housing Stock was Built Over 20 Years Ago

Anchorage has an aging housing stock. The majority of the existing housing units were built over 20 years ago and housing development has slowed significantly over the last 10 years. This is true throughout Alaska and our communities.



Housing is Economic Development

“Housing is the foundation on which Anchorage can build a stronger economic future. Lack of affordable, available and livable housing has been cited by many local businesses as a challenge to attracting and retaining employees in Anchorage.” –AEDC



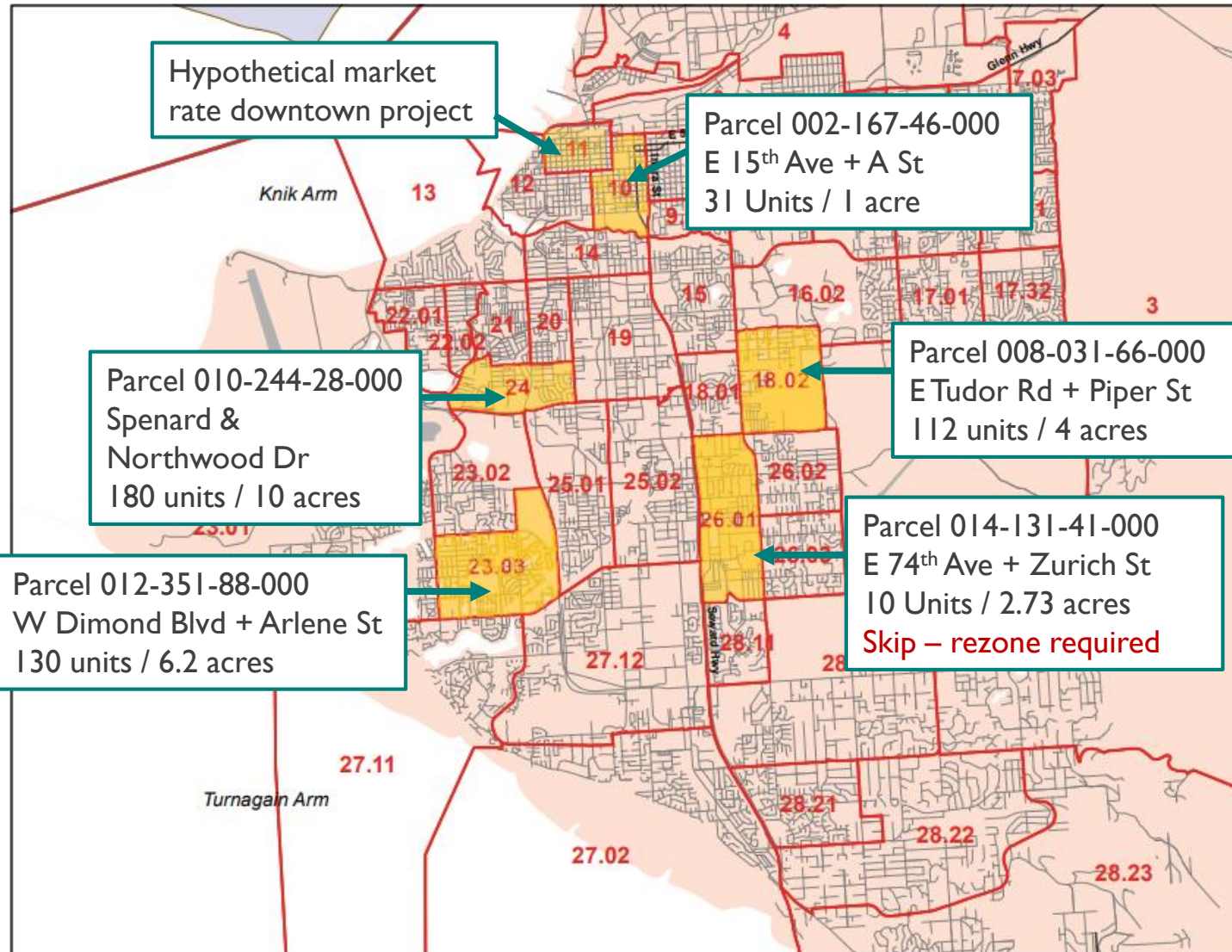
Source: Most recent AEDC Employer Survey

Housing + Financial Feasibility



6 Housing Sites Across Anchorage

All Face Feasibility Gap



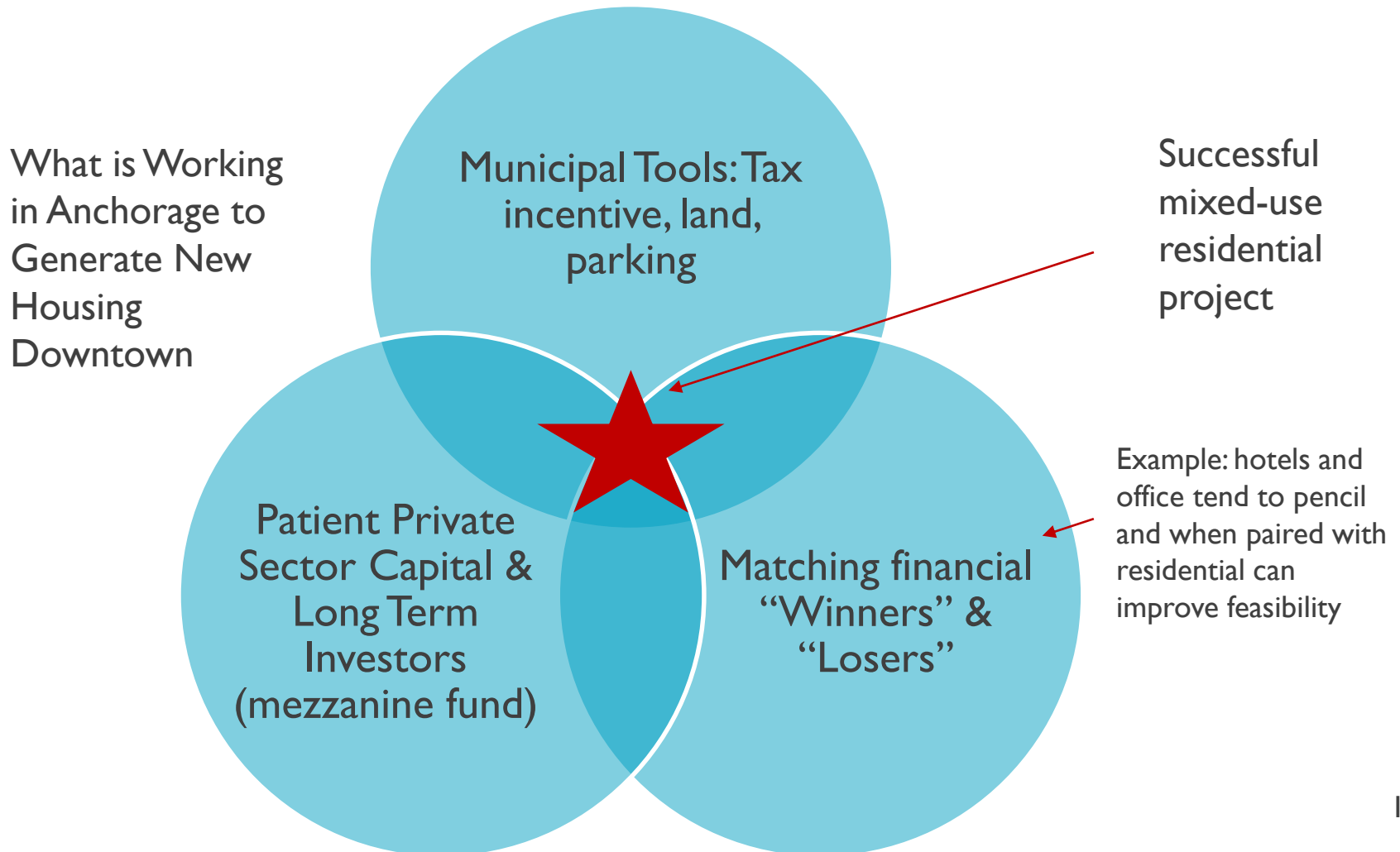
Summary of Pro Forma Findings

No Incentives + Market Rate Rents

12 Year Property Tax Incentive
Reduces ~50% of the Gap

			*Special Limitations		
Site Name	E 15 th Ave/ A St	E Tudor Rd/Piper St	Downtown Example	W 44 th / Northwood Dr	W Dimond Blvd/Arlene St
Census Tract	West Fairview	Campbell Park East	Downtown (Tract 11)	Northwood	Dimond/Jewel Lake
Lot Size (acres)	1.03	3.98	0.50	9.96	6.21
Zoning District	R4: Multifamily Residential	R3: Mixed Residential	B2C: Central Business District, Periphery	R3SL: Mixed Residential*	R3A: Residential Mixed Use
Housing Units	31	112	40	180	130
Total Development Costs (TDC)	\$7,653,541	\$27,014,814	\$10,025,347	\$48,255,178	\$32,278,705
per sqft	\$243	\$239	\$251	\$250	\$248
per unit	\$243,489	\$242,232	\$250,634	\$268,084	\$247,637
Net Operating Income	\$250,186	\$906,070	\$352,385	\$1,485,283	\$1,030,308
Property Tax Payment	\$82,083	\$289,859	\$98,511	\$512,465	\$343,905
Value of Income Stream (discounted cash flow, 8%)	\$2,881,018	\$10,479,645	\$4,164,155	\$16,945,963	\$11,826,266
Project Gap	(\$4,772,523)	(\$16,535,169)	(\$5,861,192)	(\$31,309,215)	(\$20,452,439)
Gap as % of TDC	62%	59%	58%	65%	63%

While the gap is large, we shouldn't be discouraged.
Let's remember that development is both an art and a science.
Many factors influence project feasibility.





Economic and Demographic Benchmarking

What can we expect as we add more housing in Downtown Anchorage?

Legend



0 250 500 1,000
Feet

People
Already
Live
Downtown

Data Source

Population Tract 11

Housing Units Tract 11

2010 Census

635

510

2018 ACS 5-Year Estimate

938

443

2019 Dep. Of Labor Estimates

603

N/A

Assessor Data

N/A

571

Average

725

508

Downtown Edge
701 W 2nd Ave
35 Units (est)



Century Plaza
124 E 3rd Ave
68 Units



The Boardwalk
201 Barrow St
33 Units



Turnagain Arms
525 W 3rd Ave
65 Units



McKinley Tower
337 E 4th Ave
200 Units



Hillpoint Apts
315 Barrow St
24 Units



Elizabeth Place
680 I Street
50 Units



Loussac-Sogn
425 D Street
52 Units



Condos
221 7th Ave
56 Units



Condos
221 7th Ave
56 Units



Susitna Flats
1509 W 9th Ave
18 Units



Dukes Hotel
630 W 8th Ave
30 Units



The Adelaide
201 E 9th Ave
73 Units



Anchorage on the Low End

4 residents per acre, on avg

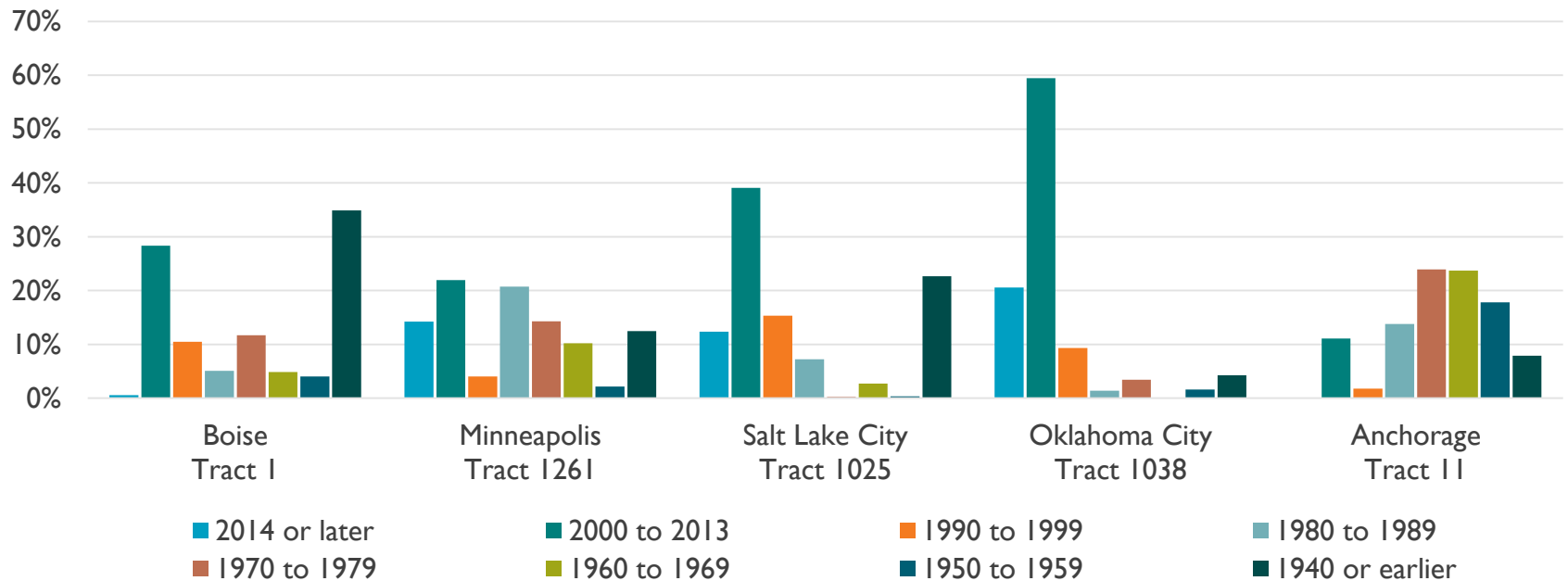


2 residents per acre, on avg



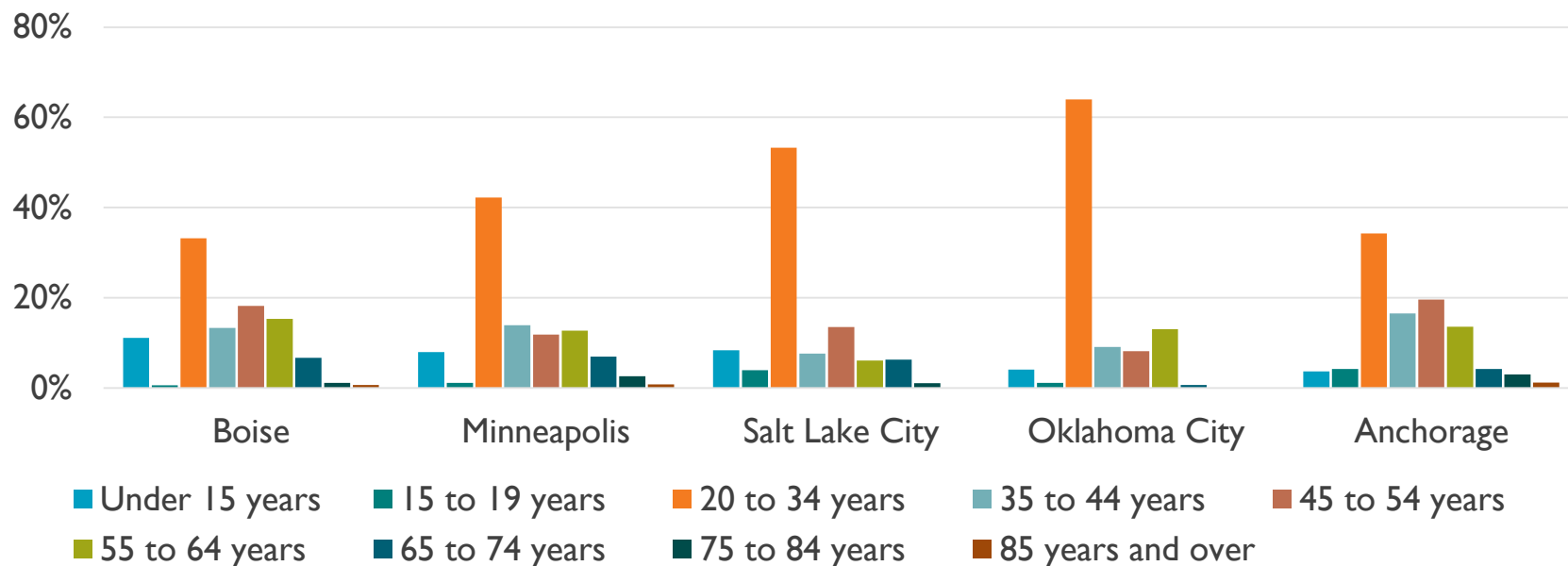
Anchorage's Downtown has Less Housing Built Recently

Year Structure was Built	Boise Tract I	Minneapolis Tract I26I	Salt Lake City Tract I025	Oklahoma City Tract I038	Anchorage Tract II
Total housing units	2,760	4,587	2,407	871	443
2014 or later	15	653	298	179	0
2010 to 2013	80	174	131	203	0
2000 to 2009	702	832	809	315	49
1990 to 1999	290	184	369	81	8
1980 to 1989	141	950	174	12	61
1970 to 1979	323	654	6	30	106
1960 to 1969	134	469	66	0	105
1950 to 1959	112	99	9	14	79
1940 or earlier	963	572	545	37	35



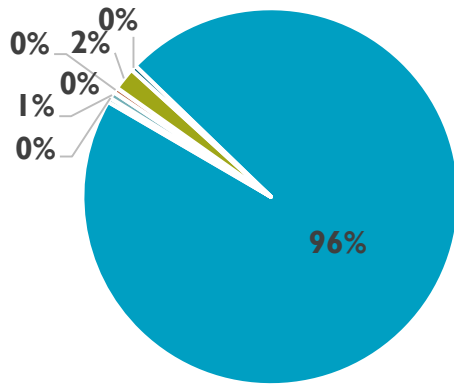
Expect a Growing Share of 20 to 34 Year Residents

Age	Boise Tract 1	Minneapolis Tract 1261	Salt Lake City Tract 1025	Oklahoma City Tract 1038	Anchorage Tract 11
Under 15 years	409	614	301	45	34
15 to 19 years	22	88	140	12	39
20 to 34 years	1,223	3,262	1,918	713	321
35 to 44 years	490	1,074	274	101	155
45 to 54 years	670	915	485	91	184
55 to 64 years	563	980	218	145	127
65 to 74 years	245	533	226	7	39
75 to 84 years	41	197	38	0	28
85 years and over	23	61	0	0	11
Total Population	3,686	7,724	3,600	1,114	938

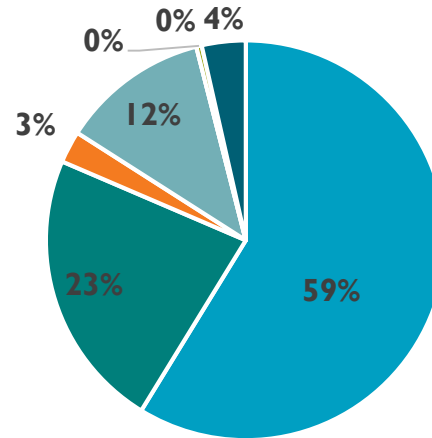


Anchorage's Downtown is Already Very Diverse

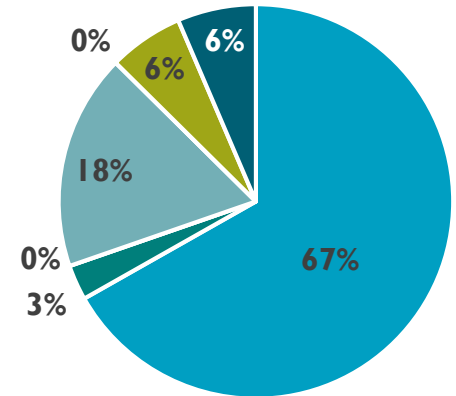
Boise, Tract 1



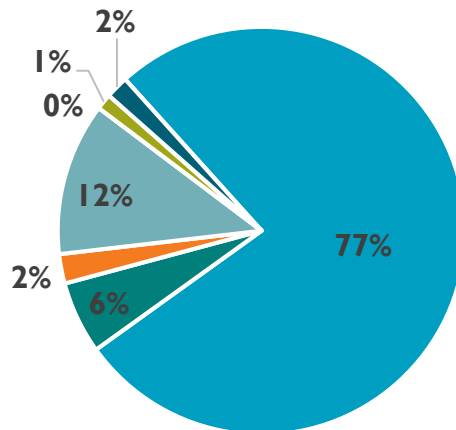
Minneapolis, Tract 1261



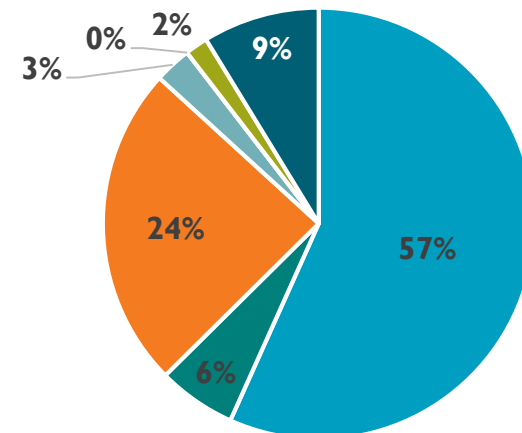
Salt Lake City, Tract 1025



Oklahoma City, Tract 1038



Anchorage, Tract 11

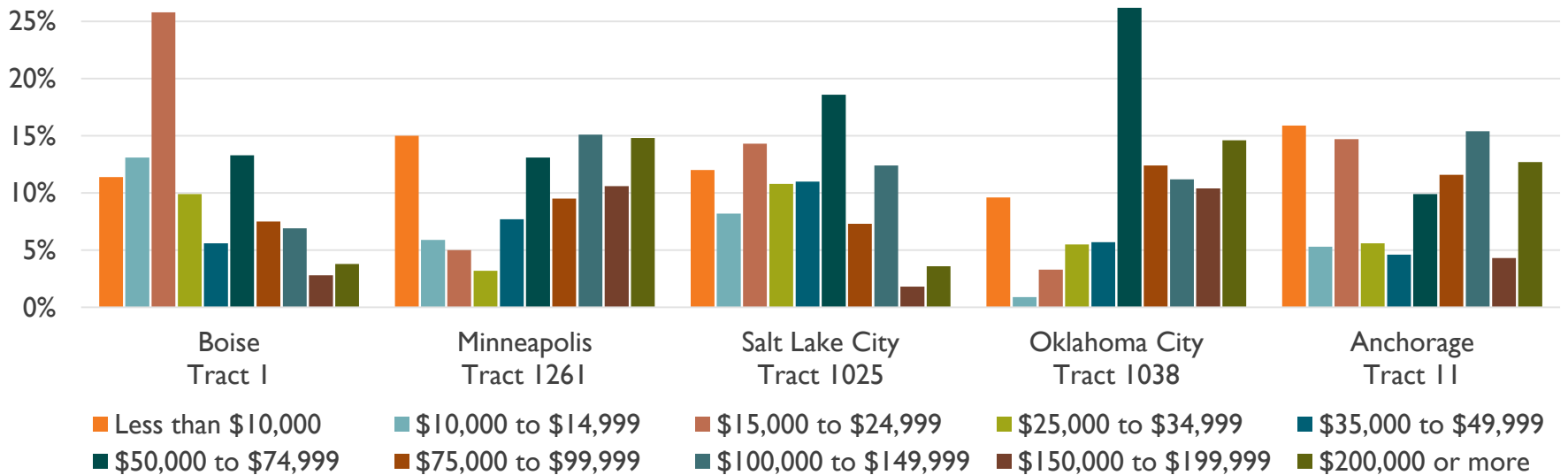


- White alone
- American Indian and Alaska Native
- Native Hawaiian and Other Pacific Islander
- Two or more races

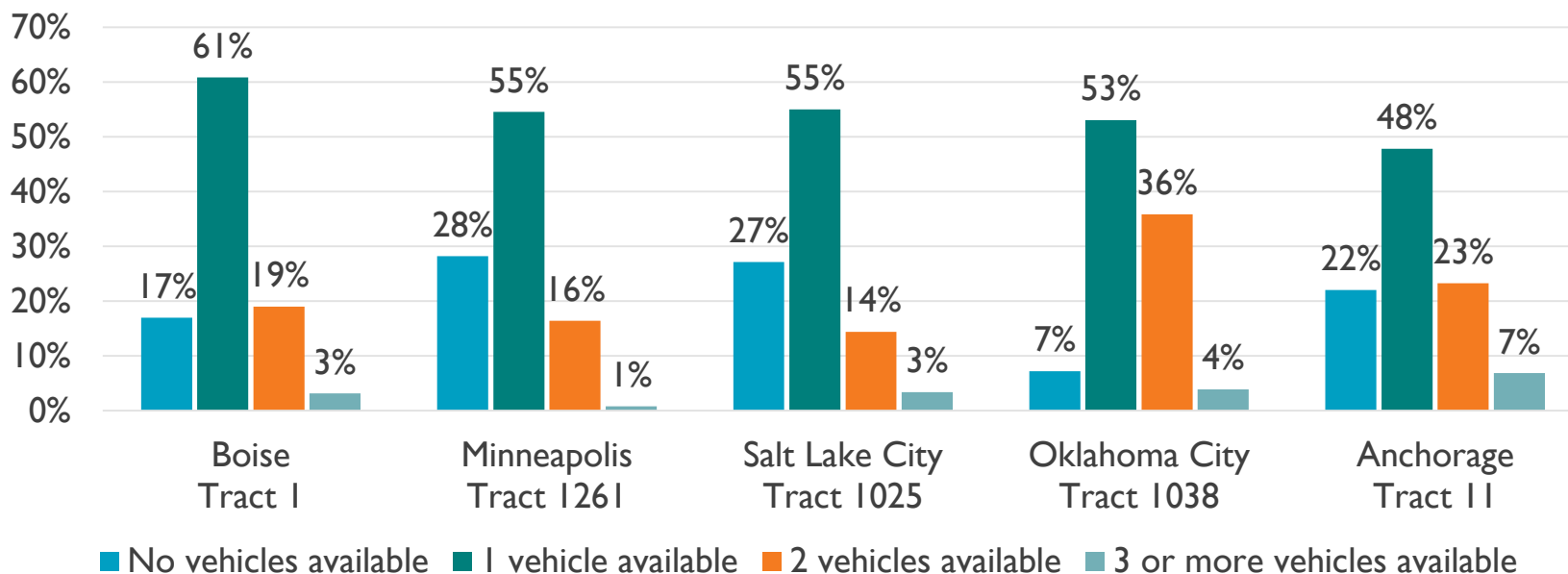
- Black or African American alone
- Asian alone
- Some other race alone

Income Distribution in Downtown Anchorage is Relatively Even

Household Income	Boise Tract 1	Minneapolis Tract 1261	Salt Lake City Tract 1025	Oklahoma City Tract 1038	Anchorage Tract 11
Total Households	2,413	4,052	2,153	748	395
Less than \$10,000	11.4%	15.0%	12.0%	9.6%	15.9%
\$10,000 to \$14,999	13.1%	5.9%	8.2%	0.9%	5.3%
\$15,000 to \$24,999	25.8%	5.0%	14.3%	3.3%	14.7%
\$25,000 to \$34,999	9.9%	3.2%	10.8%	5.5%	5.6%
\$35,000 to \$49,999	5.6%	7.7%	11.0%	5.7%	4.6%
\$50,000 to \$74,999	13.3%	13.1%	18.6%	26.2%	9.9%
\$75,000 to \$99,999	7.5%	9.5%	7.3%	12.4%	11.6%
\$100,000 to \$149,999	6.9%	15.1%	12.4%	11.2%	15.4%
\$150,000 to \$199,999	2.8%	10.6%	1.8%	10.4%	4.3%
\$200,000 or more	3.8%	14.8%	3.6%	14.6%	12.7%
Median income (dollars)	24,884	75,119	41,265	72,727	58,693
Mean income (dollars)	54,695	123,811	64,386	113,794	102,713

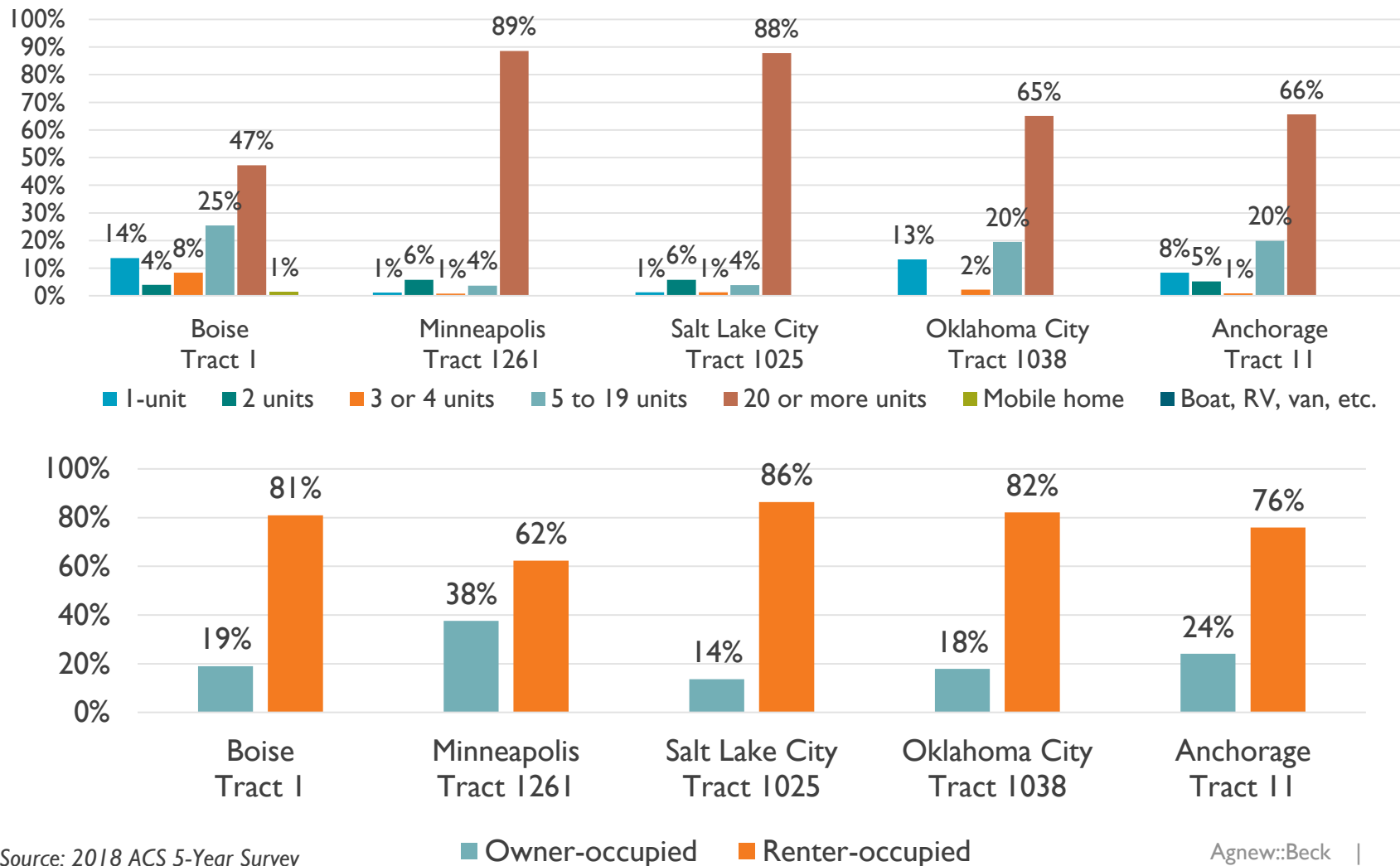


We have to plan for cars & active transportation



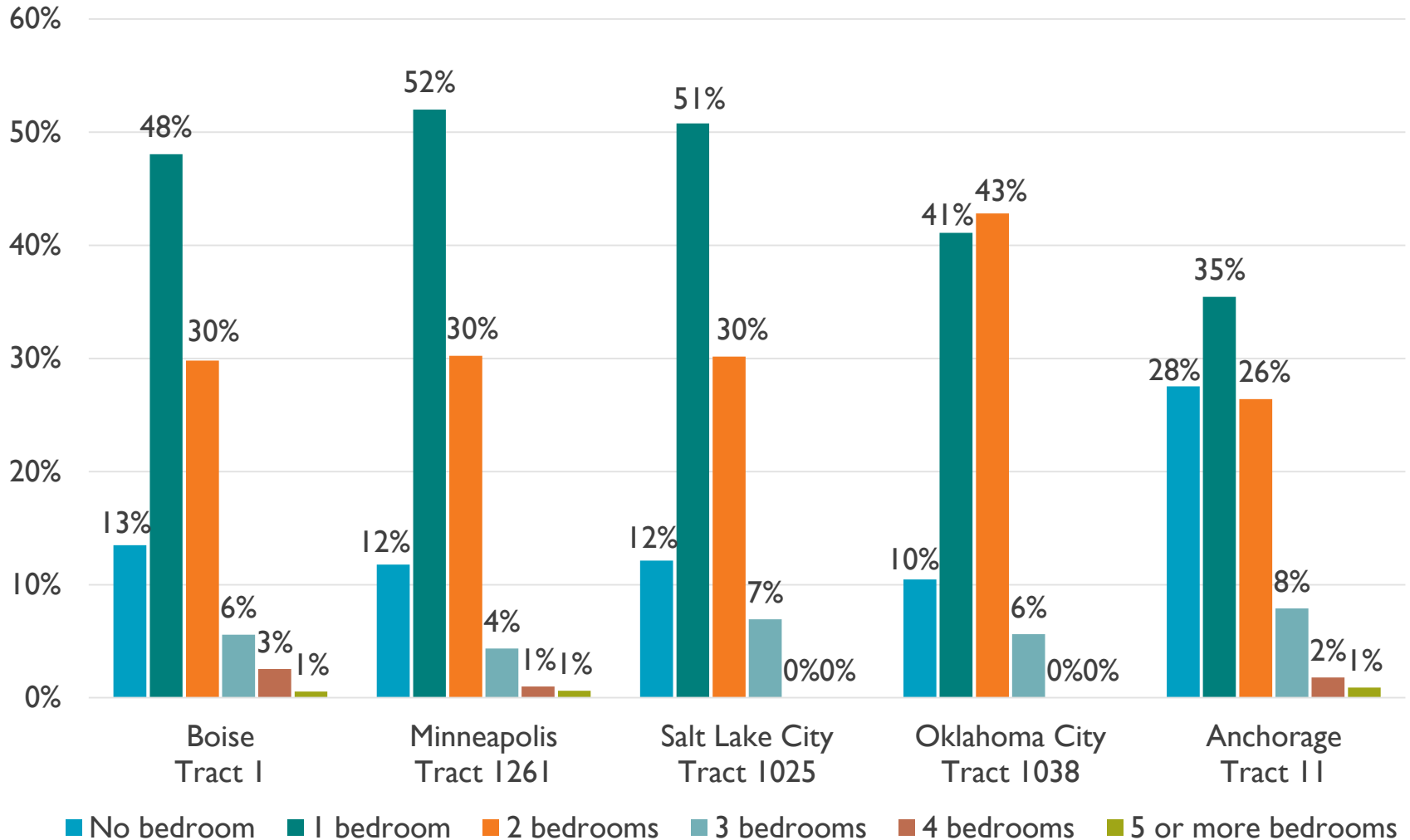
Vehicle Availability	Boise Tract I	Minneapolis Tract 1261	Salt Lake City Tract 1025	Oklahoma City Tract 1038	Anchorage Tract 11
Occupied housing units	2,413	4,052	2,153	748	395
No vehicles available	409	1,143	585	54	87
1 vehicle available	1,469	2,210	1,185	397	189
2 vehicles available	459	666	310	268	92
3 or more vehicles available	76	33	73	29	27

Downtown's Tend to Have More Rental Housing that is Higher Density



One and Two Bedroom Units are Preferred:

Anchorage's Downtown Has a lot of Studios





New Housing Incentives & Planning Updates

Leading to more places to live in Downtown Anchorage

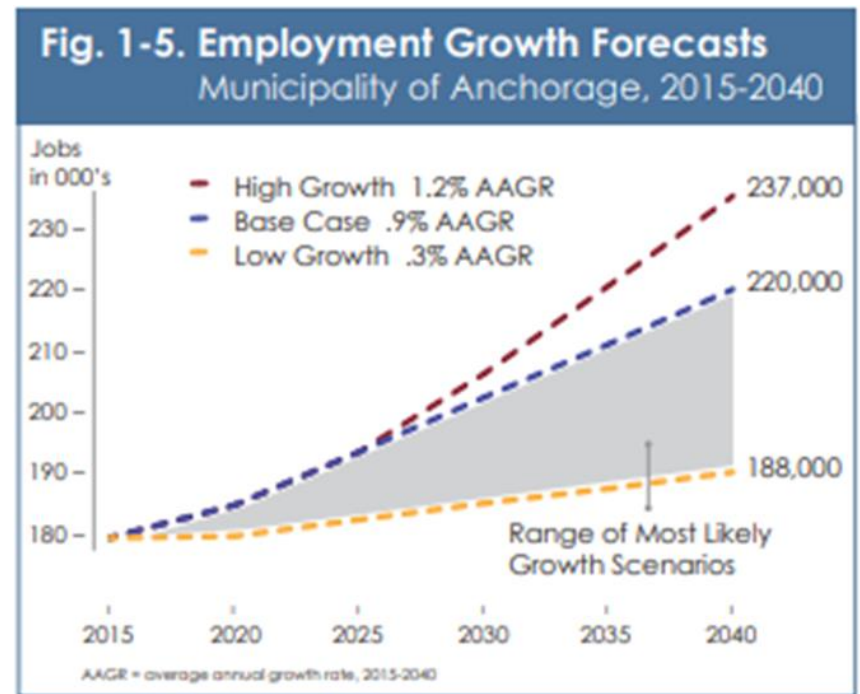
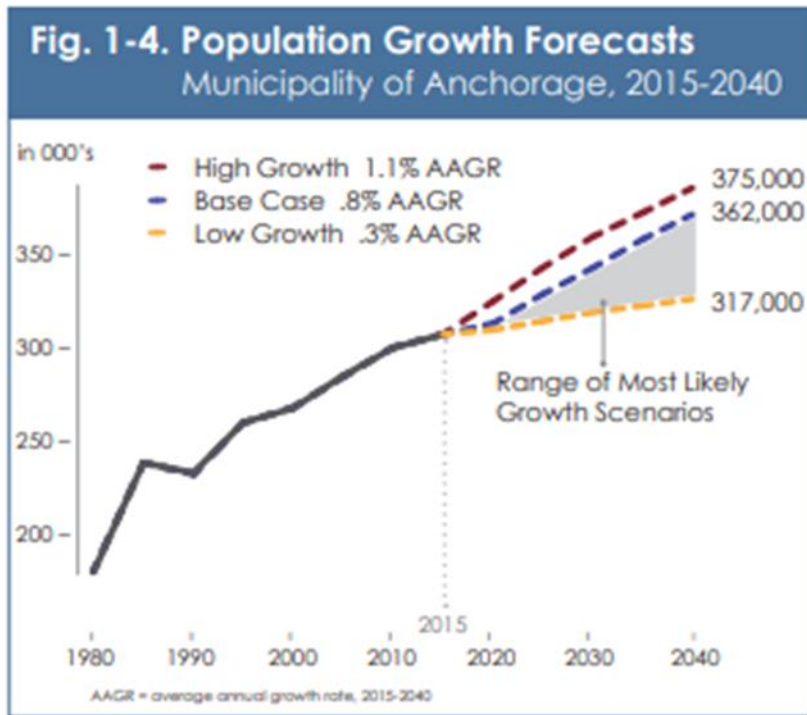
2040 Growth Trends

47,000 New People

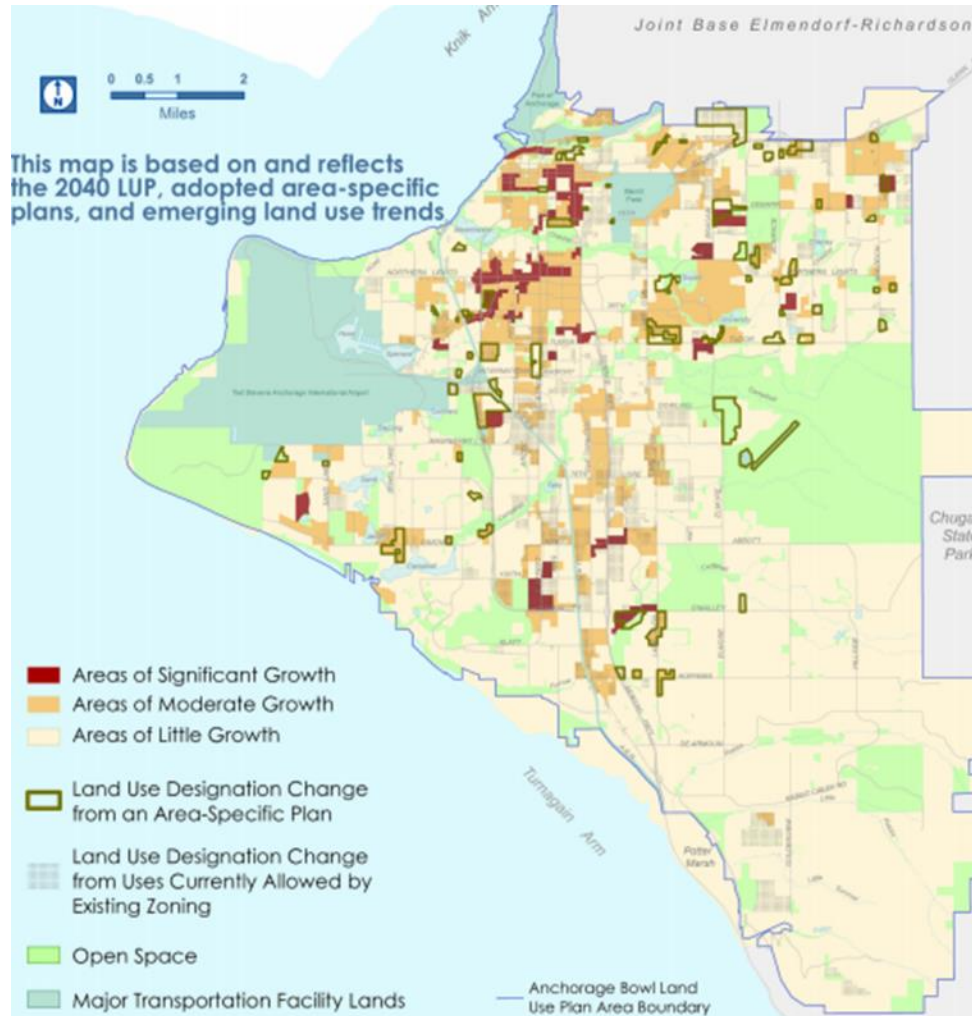
21,000 New Households

44,000 New Jobs

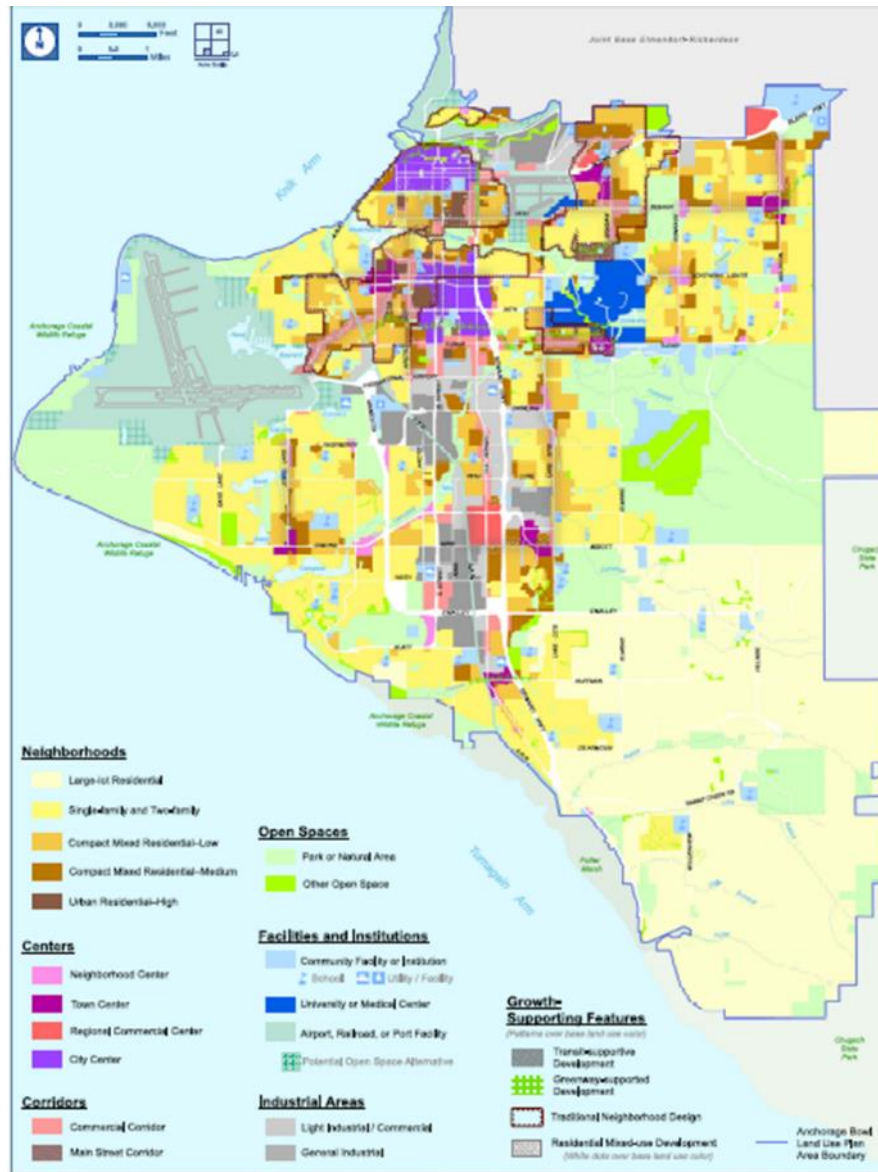
220,280 Total Employment



Areas of Growth



Anchorage 2040 LUPM



Tax Incentives

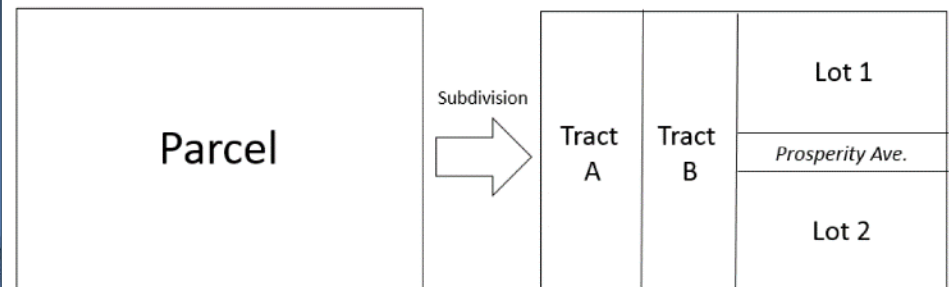
Downtown Housing Tax Abatement

72 units approved
39 units upcoming



Subdivided Property Tax Abatement

42 units approved



Accessory Dwelling Units

Would it help if your aging parents lived closer to you?

Does your college student need affordable housing?

Do you need more income?

An Accessory Dwelling Unit is for YOU!

Also known as a "mother-in-law" apartment or "second unit". An ADU is a second, small housing unit on the same property as your single-family house.

All residentially zoned property is now allowed an ADU. An ADU can be attached, above a garage, or detached as long as the design follows specific setback, size and parking requirements.

Where do I get more information?

Call the MOA Planning Department at (907) 343-7931 to see if an ADU is right for your property and to learn the next steps in the process.

Prepared with funding from the Anchorage Community Development Authority. Information provided on this flyer is for informational purposes only and does not guarantee the ability to build an ADU on an individual property.

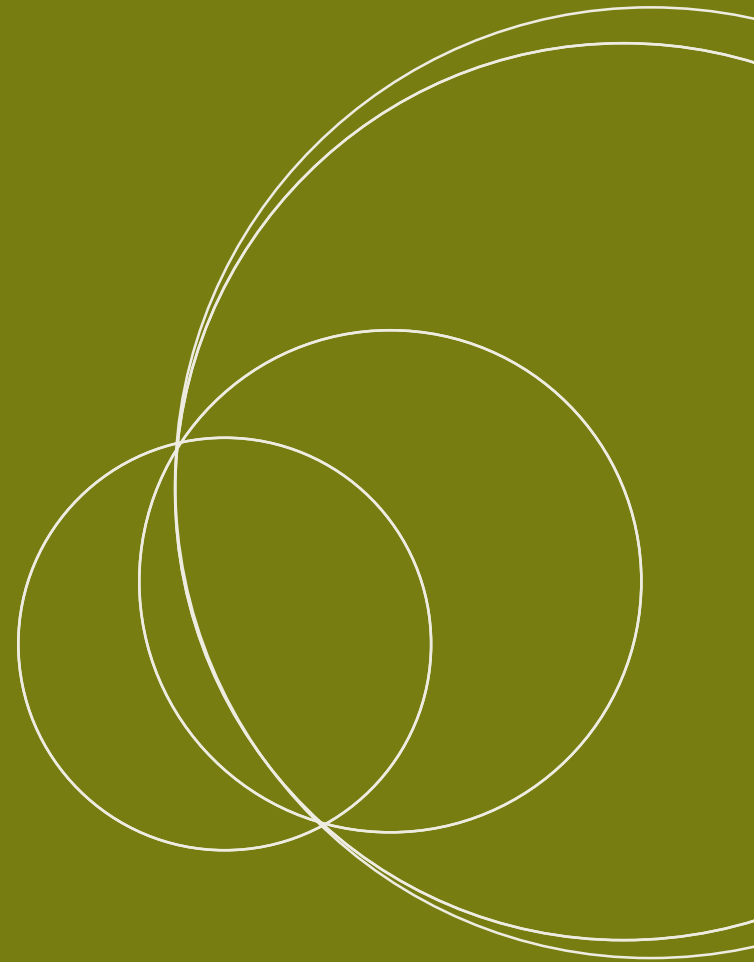


Unit Lot Subdivisions



Planning Process Update

Updates and implementation of Downtown Comprehensive Plan





OUR DOWNTOWN

The Heart of Anchorage

A Project to Implement the Downtown Comprehensive Plan

Our Downtown Project



STEP 1: Reformats the existing Downtown Zoning Districts into the current Title 21 format. Will include new headers, tables, and graphics for ease of use.

STEP 2: Downtown Plan updates to reflect demographics, market demand, historic and cultural resources, infrastructure needs, and incentives.

STEP 3: Transitions the B-2A, B2-B, B-2C Zoning Districts to DT-1, DT-2, DT-3. Will Include updates to reflect what was heard in Step 2.

Research, mapping, and other analysis along with public, business, and agency input will be gathered simultaneously throughout each step.

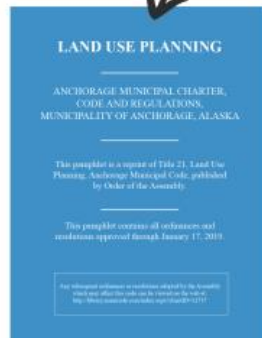


OUR DOWNTOWN

The Heart of Anchorage

A Project to Implement the Downtown Comprehensive Plan

Current Guidance to Project Development in Downtown Anchorage



UPDATES TO TITLE 21:

Changes to the Old Downtown Code



General Retail

Current Title 21 condenses individual retail uses from Downtown Old Code (partially listed above) into "General Retail," defined in AMC 21.05.050.H.7 as:

"An establishment engaged primarily in the retail sale of goods or merchandise, and rendering services incidental to the sale of such goods. Examples may include, but are not limited to: general merchandise retailers; warehouse and club retailers; superstores; discount stores; catalog showrooms; and specialty retail stores specializing in such goods as clothing, home décor, paint, sporting goods, books, stationery, music, video rentals, or flowers."

Updating the uses brings the downtown districts into consistent language with the remainder of current AMC Title 21.



Downtown Improvement District

How a voluntary property tax assessment implemented by the private sector is working

Anchorage Downtown Partnership, Ltd.



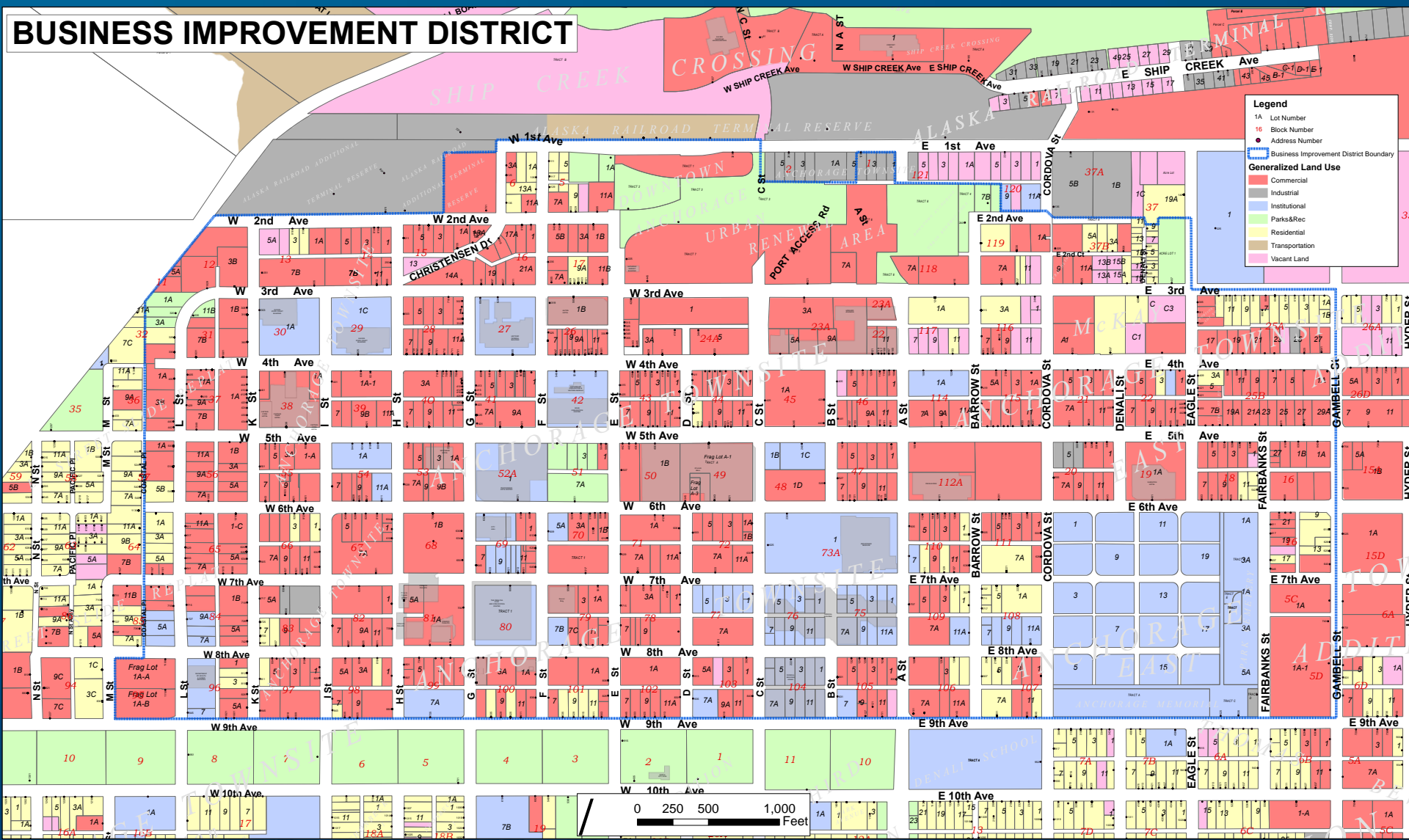
What are Improvement Districts (BIDs or DIDs)?

- Commercial District
- Property owners pay an additional assessment to raise money for improving the district
- Core functions: clean & safe

The Anchorage Downtown Improvement District: Assessment District 1SD97

- Starting in 1995, Downtown property owners requested formation of an improvement district:
 - Authorization to create Improvement Districts comes from Municipal Code Chapter 19.10
 - Current term for the Downtown Improvement District reauthorized in 2010 through AO 2010-58

BUSINESS IMPROVEMENT DISTRICT

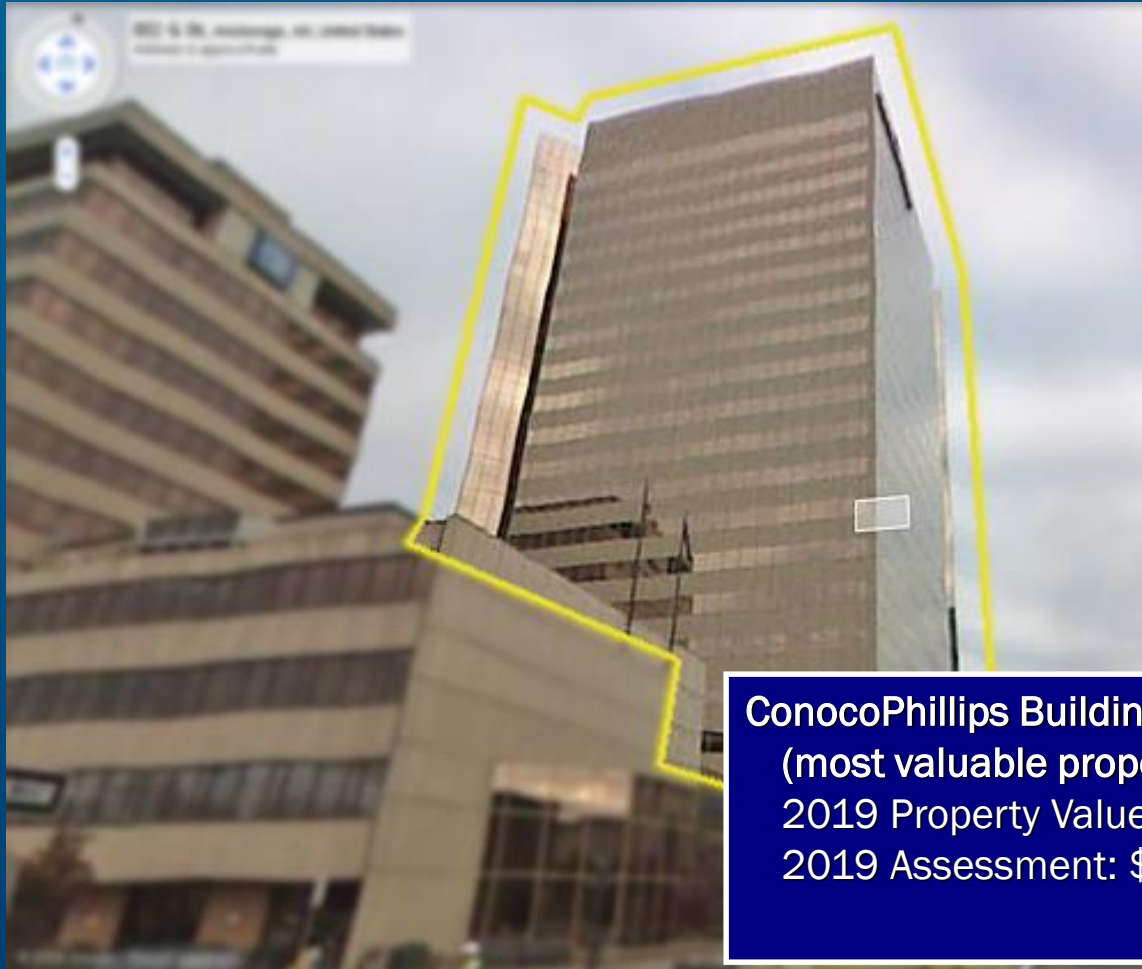


The Assessment Formula for 1SD97

“Each assessable parcel within the Assessment District 1SD97 shall be assessed at a mill rate not to exceed 1.5 mills of assessed value (\$1.50 per \$1,000 of assessed value) up to and including \$10,000,000 plus \$100 per \$1,000,000 of assessed value in excess of \$10,000,000.”

-AO 2010-58, Section 6

Assessment Formula for 1SD97



ConocoPhillips Building
(most valuable property in 1SD97)
2019 Property Value: \$101,505,800
2019 Assessment: \$24,150

Assessment Formula for 1SD97



750 West 2nd Avenue

2019 Property value: \$1,677,300

2019 Assessment: \$2,514,45

Assessment Formula for 1SD97



Tito's Gyros Building

2008 Property Value: \$245,300

2008 Assessment: \$368

Not ALL property owners are assessed:

“Property within the geographical area of Assessment District 1SD97 owned by governments, churches, non-profit religious, charitable or educational organizations which are exempt from property taxes shall also be exempt from Assessment District 1SD97 assessments. In addition, the qualified owners of single-family, owner-occupied residences, who timely apply for exemption from Assessment District 1SD97 shall be exempt from such assessment.”

- AO 2010-58, Section 8

Anchorage Downtown Partnership, Ltd.

- 501(c)6 private not-for-profit
- Assessment funds provide services within the BID.
- ADP services enhance – not replace – city services
- ADP mission: **Clean, Safe, and Vital!**

Clean and Safe



ADP Clean Services



CLEAN

Dashboard Nov. 2018- Oct. 2019

CLEAN STATS	
Clean Employee Hours	18,720
Pounds of Ice Melt	89,250
Power Wash Hours	573
Graffiti	1,820
Stickers Removed	873
Calls For Service	2,184
ATV Miles	4,468



ADP Safe Services



SAFE

Dashboard Nov. 2017- Oct. 2018

SAFE STATS	
Safe Employee Hours	18,720
Patrol Miles	49,120
Security Checks	43,680
Welfare Checks	1,221
Public Intoxications	2,658
APD Calls	77
ASP Calls	125
Panhandling	63
Mental Health Issues	1,456



**“Downtowns are
back and more
important than
ever.”**

-Roger Brooks

Downtown Placemaking

**Received a Certificate of Merit from the International Downtown Association
Downtown Achievement Awards in 2018**

May 20th-August 16th

- Weekly Programmed Events
- Public piano for daily use in Town Square
- Zumba In the Park – Alaska Club
- Salsa In the Park – Anaya Latin Dance Company
- Pop-Up Yoga In The Park- Anchorage Yoga
- Hip Hop In The Park - Underground Dance Company
- Arctic Entries



Pop-Up Solstice Yoga Anchorage Yoga



Coffee with a Cop



Bike to Work Stations



Arctic Entries



Zumba In The Park Alaska Club



Hip Hop In The Park Underground Dance Company



Salsa In The Park

Anaya Latin Dance Company



Activated Public Spaces



EVENTS

1. Live After Five
2. Music For Little Ones
3. Music In the Park
4. Downtown Placemaking Initiatives
5. Downtown Summer Solstice Festival
6. Movie In the Park
7. Trick Or Treat Street
8. Shop Small, Small Business Saturday
9. Holiday Tree Lighting
10. New Year's Eve Celebration



Movie In The Park

The Little Mermaid



Movie in the Park Zootopia



Summer Solstice Festival



Summer Solstice Festival



Music for Little Ones



Music in the Park



Live After Five



Trick or Treat Street



Holiday Tree Lighting



New Year's Eve



EVENTS STATS

100 Free Community Events • 90,000 People

From the event attendees, on average...

63%

SPENT \$ in a
downtown
business

97% Felt

downtown was
SAFE

97% Felt

downtown was
CLEAN

99% Felt

downtown was
VIBRANT

92% Came

downtown
SPECIFICALLY
for the events

event attendees
were from...

35% South Anchorage

22% East Anchorage

12% West Anchorage

5% Midtown

9% Downtown

7% Eagle River

10% Other

The lasting value of DIDs

“The evidence to date, shows that DIDs, in fact, become a positive draw for businesses.”

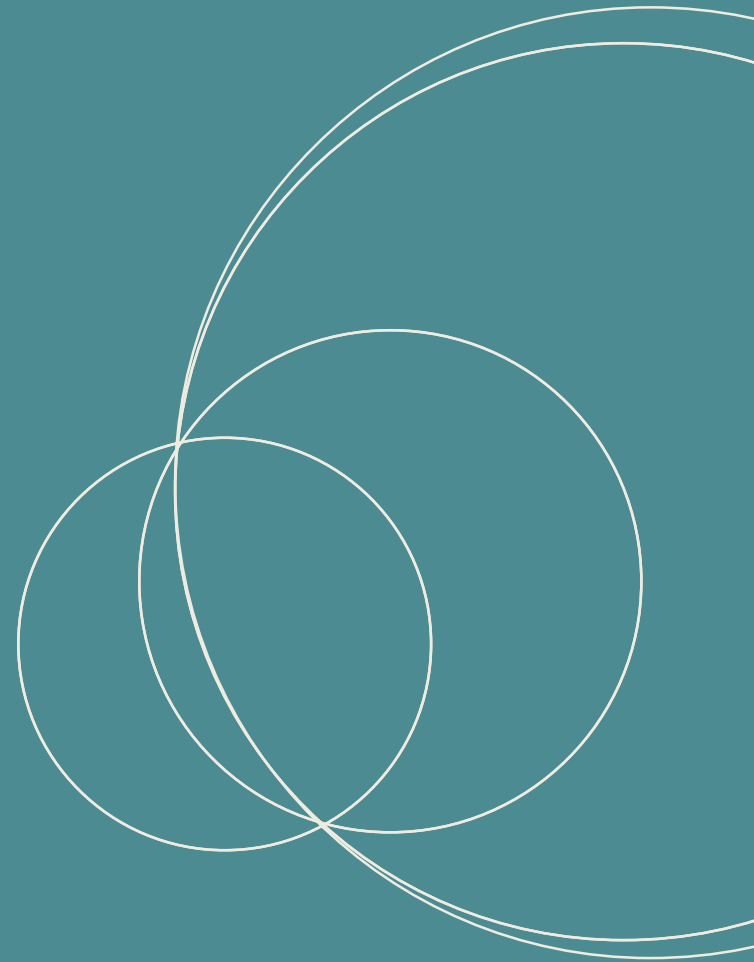
[MacDonald, Heather. “Why Business Improvement Districts Work.” The Manhattan Institute Civic Bulletin, No. 4 May 1996]

Thank You!



Elizabeth Place

A Case Study of New Housing in Downtown Anchorage



Elizabeth Place “Before”

The Municipality issued a *request for proposal* to redevelop a downtown surface parking lot into apartments. CIHA was the successful respondent.



3 lots owned by the Municipality of Anchorage
1 lot owned by a private individual
Replat to one lot after acquisitions

Elizabeth Place 925 W 7th Avenue



Mixed-Use / Mixed Income

50 Apartments

16 Studio

30 One-bedroom

4 Two-bedroom

2,680 SF Retail facing I Street

Amenities

Secure Building

Washer/Dryer in unit

On-site and On-street parking

Additional on-site tenant storage

Bike storage

On-site Community Director

3 Community Rooms

Location, location, location

BEDROOMS	SQUARE FEET	RENT
Studio	440 SF	\$735 - \$900 + E
One-bedroom	630 SF	\$775 - \$1,225 +E
Two-bedroom	890 SF	\$1,125 - \$1,425 +E

I2 Sources of Funds



Sources of Funds	Amount (\$)
Supplemental Grant Program	\$396,309.69
Rasmuson Foundation Grant	\$600,000.00
FHLB Des Moines AHP Grant	\$750,000.00
MOA HOME Funds	\$547,273.00
NSP Program Income Funds	\$175,000.00
LIHTC Sale Proceeds Anticipated	\$5,774,243.86
Alternative Energy Credit Equity	\$55,534.14
1st Deed of Trust (source: Key Bank CIP)	\$2,805,066.40
2 nd Deed of Trust (source: CIHA PRI Loan)	\$471,794.26
2nd Deed of Trust (source: CIHA PI Reinvestment)	\$725,048.03
3rd Deed of Trust (source: CIHA NAHASDA)	\$650,219.24
4 th Deed of Trust (source: CIHA Unrestricted)	\$260,000.00
TOTAL SOURCES OF FUNDS	\$13,210,488.62



Elizabeth Place is named in honor of Elizabeth Peratrovich (Tlingit), a civil rights champion for Alaska Native rights throughout her adult life. She was instrumental in the passage of the Anti-Discrimination Act of 1945 and is remembered for her impassioned speech to the territorial Senate before the vote on the Act.

Alaska Native artist, Danielle Larsen, created original works of art for each floor of the building that incorporate Dena'ina inspired imagery. The goal is to make sure that all visitors and residents of the building will know for whom the building is named and recognize that we are on traditional and current Dena'ina homelands.

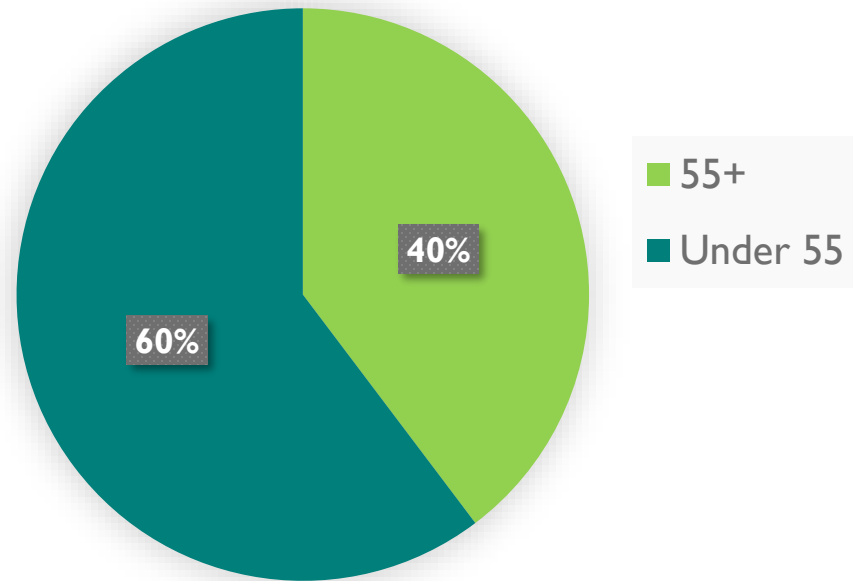


Who is living here?

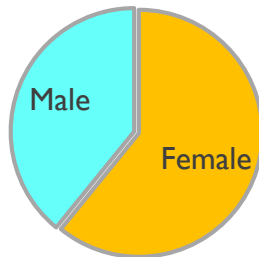
Since opening the doors in November 2019, we have moved **27 households*** into Elizabeth Place.

*only 15 requested parking spaces

Applicants by Age



Applicants by Sex



Lessons from developing affordable housing in Downtown Anchorage

Downtown land prices make it difficult for anything besides luxury, high-end housing to pencil

Right of Way fees and Easy Park/meter bagging fees add incremental costs that do not exist when you develop in areas outside of downtown – it's a disincentive to developers

Current downtown zoning district does not require Open Space for residential projects – this is helpful in maximizing the site design to accommodate maximum number of apartments to help financial feasibility

Downtown Anchorage has higher earthquake zone designations requiring more costly foundation and structural systems

“As builts” aren't always accurate

Panel Questions

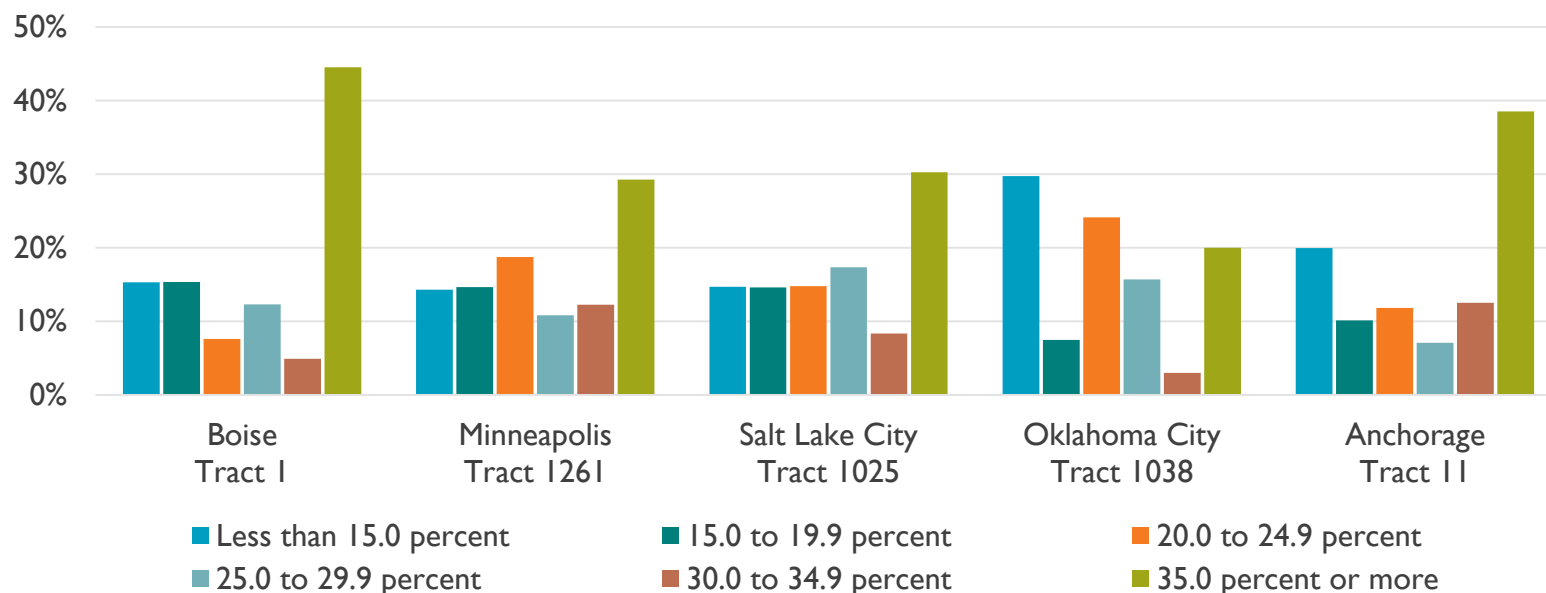


Panel Questions

- Why does housing in downtown matter?
- What is the single biggest change we can make in Anchorage to continue improving our downtown?
- What is the most difficult part of developing in downtown?
- What does our downtown mean to Anchorage?
What does it mean to the State?

Benchmark Housing Profiles:

Gross Rent as a Percent of Household Income



Gross Rent as a % of Household Income	Boise Tract I	Minneapolis Tract 1261	Salt Lake City Tract 1025	Oklahoma City Tract 1038	Anchorage Tract 11
Occupied units paying rent	1,889	2,376	1,765	535	296
Less than 15.0 percent	289	340	259	159	59
15.0 to 19.9 percent	290	348	258	40	30
20.0 to 24.9 percent	144	445	261	129	35
25.0 to 29.9 percent	232	257	306	84	21
30.0 to 34.9 percent	93	291	147	16	37
35.0 percent or more	841	695	534	107	114
Not computed	65	151	94	79	4