

Presented by:
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RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2993 vLHED1 DRAFT

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

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

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

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

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

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

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

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

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

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

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

47 48 **B. Preliminary Eligibility Requirements to Apply**

- 49 1. One grant per person;
- 50 2. One grant per property;
- 51 3. Applicant must be the property owner and at least 18 years of age;
- 52 4. Outstanding Code Enforcement cases must not exist on the subject property;
- 53 5. Only new accessory apartment units are eligible for this incentive program;
- 54 6. Building permit must have been issued after the program launch date; and
- 55 7. Building permit and grant application must be compliant with Title 19, Title
56 49, CBJ Engineering Code, and incentive grant criteria.

57 58 **C. Eligibility for Award**

- 59 1. Pass final inspection within one year of issuance of associated building
60 permit.
- 61 2. This award is non-transferable; therefore, if there is a conveyance of property
62 prior to awarding this grant, this application becomes null and void.
- 63 3. Receive a full Certificate of Occupancy within 1 year from date building
64 permit was issued. A Temporary Certificate of Occupancy is insufficient.
- 65 4. Have no outstanding or active code enforcement cases on subject property.
66 Building permit and grant application must be compliant with Title 19, Title
67 49, CBJ Engineering Code, and incentive grant criteria.
- 68 5. Submit exterior and interior photo of new unit.
- 69 6. Property taxes and assessments, including bonds, must be in good standing.
- 70 7. Agree not to rent the apartment as a short term rental from issuance of the
71 certificate of occupancy for three years, and a default would cause the
72 property owner to owe the CBJ the grant award. A short term rental means a
73 dwelling unit, or portion of a dwelling unit, offered for overnight occupancy in
74 exchange for a fee and that is available for rent for fewer than 30 consecutive
75 days.

Commented [RP1]: One option

76 77 **D. Application and Disbursement Process**

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

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

- 84 2. Availability of funding currently allows for 16 grant awards per fiscal year,
85 from FY23. Applications are received on a first come, first served basis. Grant
86 application approval will be determined by the Community Development
87 Department; approval is subject to meeting preliminary eligibility
88 requirements. The first 16 eligible applicants will be awarded after meeting
89 the final eligibility for award requirements. After the first 16 applications
90 have been received, eligible applicants will be placed on a waitlist in the
91 event more funding becomes available, or an applicant on the primary list
92 fails to meet award eligibility requirements.

- 93 3. Grant proceeds will be disbursed after a full Certificate of Occupancy is
94 issued by the CBJ Building Division, within the 1 year timeframe, and all
95 other award eligibility requirements are met. Extension of grant deadlines
96 will not be provided. Temporary Certificates of Occupancy are insufficient to
97 receive an incentive grant award.

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

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

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

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

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112 Adopted this _____ day of _____, 2022.

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114 _____
115 Beth A. Weldon, Mayor

116 Attest:

117
118
119 _____
120 Elizabeth J. McEwen, Municipal Clerk