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RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3022 v2

A Resolution Adopting Guidelines for the Juneau Affordable Housing Fund.

WHEREAS, the City and Borough of Juneau urgently needs more affordable and middle-income housing for its current residents, to support and maintain the economy, to allow for population growth, and to enable positive developments; and

WHEREAS, the City and Borough worked for years to create affordable housing to alleviate the problems caused by the scarcity of housing infrastructure and the rise of short-term rental units in Alaska's Capital City; and

WHEREAS, beginning in 2008 the City and Borough Assembly, the Affordable Housing Commission, and other local stakeholders have worked collaboratively to advance the community towards realizing the goal of creating more affordable housing; and

WHEREAS, in 2010 Ordinance 2010-11(G)(b) was adopted, which appropriated \$400,000 for the Juneau Affordable Housing Fund (JAHF); and

WHEREAS, in the 2012 Capital Improvement Program grant from the Alaska Legislature, it invested an additional \$90,000 for the JAHF; and

WHEREAS, the 2016 Housing Action Plan calls for a new framework for Juneau housing policy, including increasing resources and uses for the Juneau Affordable Housing Fund, at a rate of \$3.6 million dollars annually to have a meaningful impact in the housing market; and

WHEREAS, in 2017 the voters of Juneau approved Proposition 1 (Ord. 2017-22(am)), a temporary 1% sales tax, which allocated \$400,000 a year to the JAHF over the five-year period; and

WHEREAS, in 2022, the voters extended the temporary 1% sales tax to fund Affordable Housing Initiatives during the next five years, which would inject a total of \$6 million dollars into the JAHF; and

WHEREAS, the City and Borough has worked with national experts, statewide partners, and administrators of other local housing funds to ascertain best practices and design a high-functioning, sustainable, affordable, and middle-income housing program that will make a meaningful difference in the creation of more affordable and middle-income housing in Alaska's Capital City; and

48 WHEREAS, since the inception of the fund, it has awarded \$4.4 million dollars in funds
49 for a total of 198 projected units, in addition to pending awards of \$3.1 million dollars; and
50

51 WHEREAS, the adoption of the guidelines in this resolution would help potential
52 applicants understand expectations, help the review committee evaluate applications, and
53 help fund qualified projects faster while still preserving the Assembly's discretion to adjust
54 the JAHF guidelines by ordinance on a case-by-case basis; and
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56 WHEREAS, a complete application guide based on the criteria in this resolution will be
57 developed by staff to provide additional clarity to applicants; and
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59 WHEREAS, this resolution and the accompanying application guide should be reviewed
60 periodically by the Assembly to ensure the intent is consistent with current community
61 values.
62

63 NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF
64 JUNEAU, ALASKA:
65

66 **Section 1. JAHF Guidelines.** The City and Borough of Juneau Assembly establishes
67 the following guidelines for the Juneau Affordable Housing Fund (JAHF).

68 **A. Intent.** The primary purpose for establishing the JAHF is to direct financial
69 resources for creation of affordable (0% to 80% area median income (AMI)) and
70 middle-income housing units (80% to 120% AMI) in the City and Borough of Juneau
71 through the following activities:

- 72 1. Funding capital costs of rental and ownership housing;
- 73 2. Funding for capacity-building activities of non-profit housing developers;
- 74 3. Leveraging CBJ investments with other fund sources to maximize the number
75 of quality affordable and middle-income housing units that are created or
76 preserved.
77

78 **B. Availability of Funds.** The CBJ Assembly will determine the amount of funding
79 available each year. JAHF funds will be made available for qualifying affordable and
80 middle-income housing projects that meet goals of the CBJ Housing Action Plan or
81 other identified community housing needs.

- 82 1. Funds will be made available in the following forms:
 - 83 a. Grants for non-profit organizations and public housing authorities
84 targeting households in the affordable or middle-income housing range;
 - 85 b. Low-interest loans for private developers building affordable or middle-
86 income housing units;
 - 87 c. Long term rental units, with restrictions on short-term rentals; and
 - 88 d. Qualifying projects are eligible for grants and loans up to \$50,000 per
89 housing unit created and for other eligible uses on a similar per unit
90 basis.
91

93 **C. Eligible Uses of Fund.** Funding is available for the following uses:

- 94 1. For acquisition, construction, rehabilitation, or preservation of affordable and
95 middle-income housing located within the City and Borough of Juneau,
96 including activities such as:
97 a. Purchase of developable real estate;
98 b. Fees for architects and other professionals;
99 c. Demolition to make way for affordable or middle-income housing; and
100 d. Building materials and labor costs.
101 2. Costs incurred by nonprofit organizations to develop or implement a specific
102 affordable or middle-income housing project. Examples include:
103 a. Capacity building such as training, legal and accounting costs; and
104 b. Technical assistance such as development consultants.
105 3. Projects will be given preference based on their proximity to public
106 transportation.
107

108 **D. Funding Priorities.** The following are priorities of the JAHF:

- 109 1. **Use of Capital to Develop Housing Units:** Funding for capital costs for
110 acquisition, construction, rehabilitation, or preservation of affordable or
111 middle-income housing, senior housing, and possibly homeowner
112 opportunities.
113 2. **Long-Term Affordability:** Units created using JAHF funds that include
114 affordability covenants or that are permanently affordable are preferred.
115 3. **Downtown Housing Development:** Units developed within the boundaries
116 established by the Downtown Juneau Residential Tax Abatement Map
117 (ORD2021-01(c)(am)).
118

119 **E. Application and Review Process.** The Department will develop an application
120 process that is clear, easy to follow, and posted online as part of the Juneau
121 Affordable Housing Fund Guidelines. Completed applications will be reviewed by a
122 committee to include CBJ staff, a public member with direct experience in housing
123 development, and a public member with financing/banking experience. A complete
124 application must include an affordability component defined as 20% of units at or
125 below 80% AMI. Incomplete applications will not be accepted.
126

127 **F. Selection Criteria.** Projects considered to be ready or feasible will be evaluated by
128 the review committee based on the following criteria.

129 1. **Team Experience.**

- 130 a. Demonstrated experience on projects of similar size and scope;
131 b. Established development and/or operating partnerships, including
132 support services;
133 c. Qualified staff – Developer, Director, Property Manager, Supportive
134 Services; and
135 d. Capacity to maintain and/or manage project.
136

137 2. **Population Targeting and JAHF Priority Targeting.**

- 138 a. Use of capital to develop housing units;
139 b. Long-term or permanent affordability;

140 c. **Downtown Housing**

141 d. Proximity to public transportation.

142
143 **3. Project Design and Characteristics.**

144 **a. For Capital Projects:**

145 i. Plans stamped by an engineer or architect accredited to work in
146 Alaska, or professionally qualified staff on the development team;
147 and

148 ii. *Energy Efficiency:* JAHF projects should be energy-efficient and
149 adhere to either the Alaska Building Energy Efficiency Standard
150 (BEES) or HUD's Energy Star Home Standard.

151
152 **b. For All Projects:**

153 i. *Accessibility Standards:* Proposals must comply with the federal
154 Fair Housing Act (42U.S.C. 3601-3619) and the Americans with
155 Disabilities Act of 1990.

156
157 **4. Readiness to Proceed.**

158 a. Ability to secure other financing needed to carry out project;

159 b. Operational feasibility/long-term financial viability;

160 c. Reasonable and balanced budget with cost controls;

161 d. Leveraging/percentage of total cost with commitments;

162 e. Site ownership;

163 f. Plans, environmental permitting, estimate complete;

164 g. Construction/operation within following fiscal year; and

165 h. Land use and building permits received.

166
167 **G. Compliance and Monitoring.**

168 **1. Inspection and Monitoring.** The CBJ, at any time, could inspect and
169 monitor the records and work of the proposed project as to performance and
170 compliance with JAHF program rules and loan requirements.

171
172 **2. Termination.** The CBJ City Manager may terminate any agreement if
173 awardees:

174 a. Lose the ability to proceed with the project;

175 b. Make material alterations; or

176 c. Fail to comply with the project schedule.

177
178 **3. Annual Reporting.** All projects that receive funding from the JAHF are
179 required to submit an annual report to Community Development by March
180 31st the year following award and for the duration of the loan.

181
182 **H. Repayment Terms for JAHF Awards.**

183 **1. Not for profit developer:**

184 a. In general, non-profit developers would receive a grant.

185
186 **2. For profit developer:**

