



August 5, 2022

Mr. Dan Bleidorn
Division of Lands and Resources Manager
City and Borough of Juneau
Dan.Bleidorn@juneau.org

Re: Letter of interest to purchase Pederson Hill lots

Dear Dan,

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

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

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

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

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

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

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

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

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

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

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

Sincerely,



Jacqueline Kus.een Pata
President & CEO