

PROGRAM DESCRIPTION & APPLICATION GUIDELINES



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About the Fund

The City and Borough of Juneau (CBJ) created the Juneau Affordable Housing Fund (JAHF) to promote the creation of affordable housing in the Capital City. On July 19, 2010, the CBJ Assembly passed an ordinance that steered \$400,000 into the JAHF to begin funding local projects that promote and provide affordable housing in Juneau.

In 2017, the CBJ Assembly recommended and CBJ voters approved \$2 million of the 1% Special Sales Tax renewal funds to go into the JAHF over five years (FY19-FY23).

On July 6, 2022, the CBJ Assembly made available \$2,000,000 for use by for-profit and non-profit organizations, public and regional housing authorities, and tribal governments interested in the creation of affordable and middle-income housing in the City & Borough of Juneau.

Program Goals and Objectives

The primary purpose for establishing the JAHF is to direct resources toward the creation of affordable (0% to 80% area median income (AMI)) and middle-income housing units (80% to 120% AMI) in the City and Borough of Juneau through the following activities:

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

An additional objective is to leverage CBJ investments with other fund sources to maximize the number of quality affordable housing units that are created or preserved each round.

Projects must be located in the City and Borough of Juneau.

Availability of Funds & Funding Terms

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

Funds will typically be made available in the form of grants for non-profit organizations and public housing authorities targeting households in the affordable housing range (0% to 80% AMI) and zero-interest loans for private developers that meet middle-income housing (80% to 120%) affordability requirements.

- **Qualifying projects are eligible for grants and loans up to \$50,000 per affordable or middle-income housing unit created, or for other eligible uses on a similar per unit basis.**
- **For profit-developer projects utilizing JAHF funds for middle-income housing must reserve at least 20% of units for tenants with gross incomes at 80% or less AMI for at least ten years or the life of the loan.**

The scope and nature of the project may require deviation from these program guidelines that CBJ Housing staff will review with the City Manager on a case by case basis.

Eligibility

Eligible Applicants

- For-profit developers
- Non-profit organizations
- Public and regional housing authorities
- Tribal governments

Eligible Uses

- For acquisition, construction, rehabilitation or preservation of affordable housing located within the City and Borough of Juneau, including activities such as:
 - Pre-development project expenses, such as land surveys, site engineering, and permitting;
 - Purchase of developed real estate or land;
 - Fees for architects and other professionals;
 - Demolition to make way for affordable housing; and
 - Building materials and labor costs.

- Costs incurred by nonprofit organizations to develop or implement a specific affordable housing project. Examples include:
 - Capacity building such as training, legal and accounting costs;
 - Technical assistance such as development consultants; and
 - Project operating assistance following completion of construction or rehabilitation, such as utilities, support services staff, debt service, and rent subsidies.
- Operating Expenses for up to three years for existing and new housing developments in the promotion of affordable housing. Examples include project-specific assistance for:
 - Security deposit escrows; and
 - Operating costs, such as utilities, debt service, and rental subsidies.
- Self-sufficiency assistance such as job skills training, job search assistance, financial/housing counseling, substance abuse aid, mental health care, and childcare.

Priorities for the Juneau Affordable Housing Fund

The priorities of the JAHF match with the CBJ Housing Action Plan.

1. ***Use of capital to develop housing units:*** Funding for capital costs for acquisition, construction, rehabilitation, or preservation of affordable housing especially middle-income housing, senior housing, and homeowner opportunities for young adults and families are preferred.
2. ***Long-Term Affordability:*** Units created using JAHF funds that include affordability covenants or that are permanently affordable are preferred.
3. ***Downtown Housing Development:*** Units developed within the boundaries established by the Downtown Juneau Residential Tax Abatement Map. (Appendix D)

Application Process

Applications will be posted online upon Assembly determination of funding availability for each round. Potential applicants are encouraged to contact the CBJ Housing and Land Use Specialist with questions about the program and how individual housing projects may utilize the funds.

Total application submission length should not exceed 75 pages, including application form and supporting information.

Completed applications will be reviewed by a committee to include CBJ staff, a public member with direct experience in housing development, and a public member with financing/banking experience.

The review committee will score projects based on the selection criteria and score sheet.

The 2022 schedule is as follows:

- July 6, 2022: Assembly approves \$2,000,000 for 2022 Funding Round
- August 29, 2022 – September 12, 2022: JAHF Program Guidelines and Expression of Interest Survey posted
- September 12, 2022: Applications Posted; application period begins
- September 23, 2022: Public Information Meeting
- **October 30, 2022: Housing Project Proposals Due 4pm AKST**
- November 7, 2022 – November 25, 2022: Committee Review and Project Ranking Period
- November 28, 2022: Committee Report to Lands, Housing, and Economic Development Committee
- To be determined: Referral to Assembly for final approval
- December 2022/January 2023: Staff to put in place grant/loan agreements with awardees
- January – March 2023: Staff report on Juneau Affordable Housing Fund to Lands, Housing, and Economic Development Committee

Proposals are to be emailed to Joseph Meyers, Housing & Land Use Specialist at joseph.meyers@juneau.org by 4pm AKST on October 30, 2022.

All applications are ultimately approved by the CBJ Assembly in an open public process.

Applicants should expect that their submitted project plans, costs and other supporting documentation will be available to the public. The Assembly may impose or modify terms, conditions, and other provisions that clearly protect the public interest.

Selection Criteria

Projects considered to be ready or feasible will be evaluated with the following criteria:

1. **Team Experience:** (1) Demonstrated experience on projects of similar size and scope; (2) Established
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development and/or operating partnerships, including support services; (3) Qualified staff – Developer, Director, Property Manager, Supportive Services; and (4) Capacity to maintain/manage project.

2. **Population Targeting & JAHF Priority Targeting:** (1) Use of capital to develop housing units; (2) Long-term or permanent affordability; and (3) Downtown Housing Development.
3. **Project Design and Characteristics:** **For Capital projects:** (1) Plans stamped by appropriate engineer or architect, or professionally qualified staff on the development team; (2) Energy Efficiency: JAHF projects should be energy-efficient and adhere to either the Alaska Building Energy Efficiency Standard (BEES) or HUD’s Energy Star Home Standard. **For programs/operational projects:** (1) Comply with national guidance/best practice for target population. **For all projects:** (1) Accessibility Standards: Proposals must be comply with the federal Fair Housing Act (42U.S.C. 3601-3619) and the Americans with Disabilities Act of 1990.
4. **Feasibility:** (1) Ability to secure other financing needed to carry out project; (2) Operational feasibility/long-term financial viability; and (3) Reasonable and balanced budget with cost controls. The intention for JAHF funds is to assist projects that need gap financing and have a 100% chance of being successful. Site ownership, the percentage of total costs supported by other funding sources, and work schedule for the project will factor.
5. **Readiness to Proceed:** (1) Leveraging/percentage of total cost with commitments; (2) Site ownership; (3) Plans, environmental permitting, estimate complete; (4) Construction/Operation within following fiscal year

Score Sheet: A sample of the score sheet used by the review committee is included as Appendix C.

Compliance and Monitoring

The CBJ, at any time, could inspect and monitor the records and work of the proposed project as to performance and compliance with JAHF program rules and loan requirements. Project information, including rents and tenant income will be collected annually through the affordability period.

The CBJ City Manager may terminate any agreement in the event that awardees: 1) lose the ability to proceed with the project, 2) make material alterations, or 3) fail to comply with the project schedule.

Annual Report

An annual JAHF report will be presented to the CBJ Committee of the Whole in preparation for future funding rounds. The report will include:

- Project progress reports;
- Details on funds disbursed, JAHF expenses, amount of leveraged funds acquired; and
- Guidance on funding availability for the following year

Appendix A: Glossary of Terms

- **Affordable Housing** - The U.S. Department of Housing and Urban Development defines “Affordable” as housing costs no more than 30 percent of a household’s monthly income. This means rent and utilities in an apartment or the monthly mortgage payment and other housing expenses (utilities, home maintenance and repairs) for a homeowner should be less than 30 percent of monthly household income. Housing programs targeting households with income between 0% and 80% AMI are also considered “affordable” programs.
- **Area Median Income** HUD uses the median income for families to calculate income limits for eligibility in a variety of housing programs. HUD Income Limits by size of household are used by JAHF to determine level of affordability. See Appendix B.
- **Assumable soft debt** – Mortgages or loans that can be taken over by another individual to maintain favorable interest rates or affordability.
- **Capacity-building** - Activities that increase the operating efficiencies of agencies or organizations that create more affordable housing, including organizational assistance, training, legal, and accounting costs – but specifically to support the housing project proposed.
- **Capital Funds** - Funding contributed for the development, acquisition, rehabilitation, or new construction of the physical structure.
- **Extremely Low-income households** - Households with incomes at the HUD 30% Limit. See Appendix B.
- **Gap Financing** - Loans or grants used for housing development projects that bridge the gap between available funding sources, usually a combination of raised capital and state or federal housing subsidies.
- **Local dedicated revenue source** - Affordable housing funds are most successful when securing a local dedicated revenue source; a source of public revenue directed at affordable housing activities.
- **Low-income households** - Households with incomes at the HUD 80% Limit. See Appendix B.
- **Middle-income housing**: Middle-income housing is not a HUD recognized term. Middle-income housing is generally used here to mean affordable housing for households between 80% and 120% of area median income – typically without attachment to other subsidy or rental assistance.
- **Non-profit Organization** - A corporation of foundation granted exemption from income taxation by the IRS.
- **Ownership housing** - Housing for which the sales price minus the sum of grants and deferred loans provided to the borrower results in a monthly payment which qualifies a low-income household for a mortgage loan under standard lender underwriting standards.
- **Recoverable Loans** - Loans provided for activities such as predevelopment costs. Loans are required to be paid back once long-term funding has been secured for the project.
- **Self-sufficiency Assistance** - Services that help residents become more productive and capable of independent living, such as job training, budget counseling, substance-abuse treatment, and childcare.
- **Unit** - A self-contained apartment with sanitation and kitchen facilities within the apartment or partial facilities in the unit and other shared facilities located on the same floor as the unit.
- **Very Low-income households** - Households with incomes at the HUD 50% Limit. See Appendix B.
- **Zero-interest loans** - Zero interest loans are loans with full repayment of the principle is expected.

Appendix B: 2021 Income Limits and Rental Limits

City and Borough of Juneau Income Limits for 2022 (effective 4/18/22)

4-person AMI \$120,900

| | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 30% AMI | 25,380 | 29,010 | 32,640 | 36,270 | 39,180 | 42,060 | 44,970 | 47,880 |
| 60% AMI | 50,760 | 58,020 | 65,280 | 72,540 | 78,360 | 84,120 | 89,940 | 95,760 |
| 80% AMI | 67,680 | 77,360 | 87,040 | 96,720 | 104,480 | 112,160 | 119,920 | 127,680 |
| 100% AMI | 84,600 | 96,700 | 108,800 | 120,900 | 130,600 | 140,200 | 149,900 | 159,600 |
| 120% AMI | 101,520 | 116,040 | 130,560 | 145,080 | 156,720 | 168,240 | 179,880 | 191,520 |

Source: HUD User Datasets:

https://www.huduser.gov/portal/pdrdatas_landing.html

City and Borough of Juneau Rental Limits for 2022 (effective 4/18/22)

| Bedrooms (People) | Fair Market Rent | 30% AMI | 60% AMI | 80%AMI | 100% AMI | 120% AMI |
|-------------------|------------------|---------|---------|--------|----------|----------|
| Efficiency (1.0) | 958 | 634 | 1,269 | 1,692 | 2,115 | 2,538 |
| 1 Bedroom (2.0) | 1,154 | 725 | 1,450 | 1,934 | 2,417 | 2,901 |
| 2 Bedrooms (3.0) | 1,442 | 816 | 1,632 | 2,176 | 2,720 | 3,264 |
| 3 Bedrooms (4.0) | 2,048 | 906 | 1,813 | 2,418 | 3,022 | 3,627 |
| 4 Bedrooms (5.0) | 2,432 | 979 | 1,959 | 2,612 | 3,265 | 3,918 |
| 5 Bedrooms (6.0) | N/A | 1,051 | 2,103 | 2,804 | 3,505 | 4,206 |

Source: HUD User Datasets: https://www.huduser.gov/portal/pdrdatas_landing.html

Appendix C: Score Sheet

| Evaluation Criteria | Total Points | Outstanding (16 to 20 points) | Good (12 to 16 points) | Marginal (6 to 12 points) | Unacceptable (0 points) | Subtotal |
|--|--------------|-------------------------------|------------------------|---------------------------|-------------------------|----------|
| 1. Team Experience <ul style="list-style-type: none"> • Demonstrated experience on projects of similar scope & nature • Established development and/or operating partnerships, including support services • Qualified staff – Developer, Director, Property Manager, Supportive Services • Capacity to maintain/manage project | 20 | | | | | |
| 2. JAHF Priority and Population Targeting <ul style="list-style-type: none"> • Capital projects to develop housing • Long-term or permanent affordability • Downtown Housing Development | 20 | | | | | |
| 3. Project Design and Characteristics For Capital projects: <ul style="list-style-type: none"> • Plans stamped by appropriate engineer or architect, or professionally qualified staff on the development team • 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) Operational Projects: comply with national guidance/best practice | 20 | | | | | |
| 4. Feasibility <ul style="list-style-type: none"> • Ability to secure other financing needed to carry out project • Operational feasibility/long-term financial viability • Reasonable and balanced budget with cost controls | 20 | | | | | |
| 5. Readiness to Proceed <ul style="list-style-type: none"> • Leveraging/percentage of total cost with commitments • Site ownership • Plans, environmental permitting, estimate complete • Construction/Operation within following fiscal year | 20 | | | | | |
| Total | 100 | | | | | |

Applicant: _____ Evaluator: _____ Date: _____

Appendix D: Downtown Juneau Residential Tax Abatement Map

