

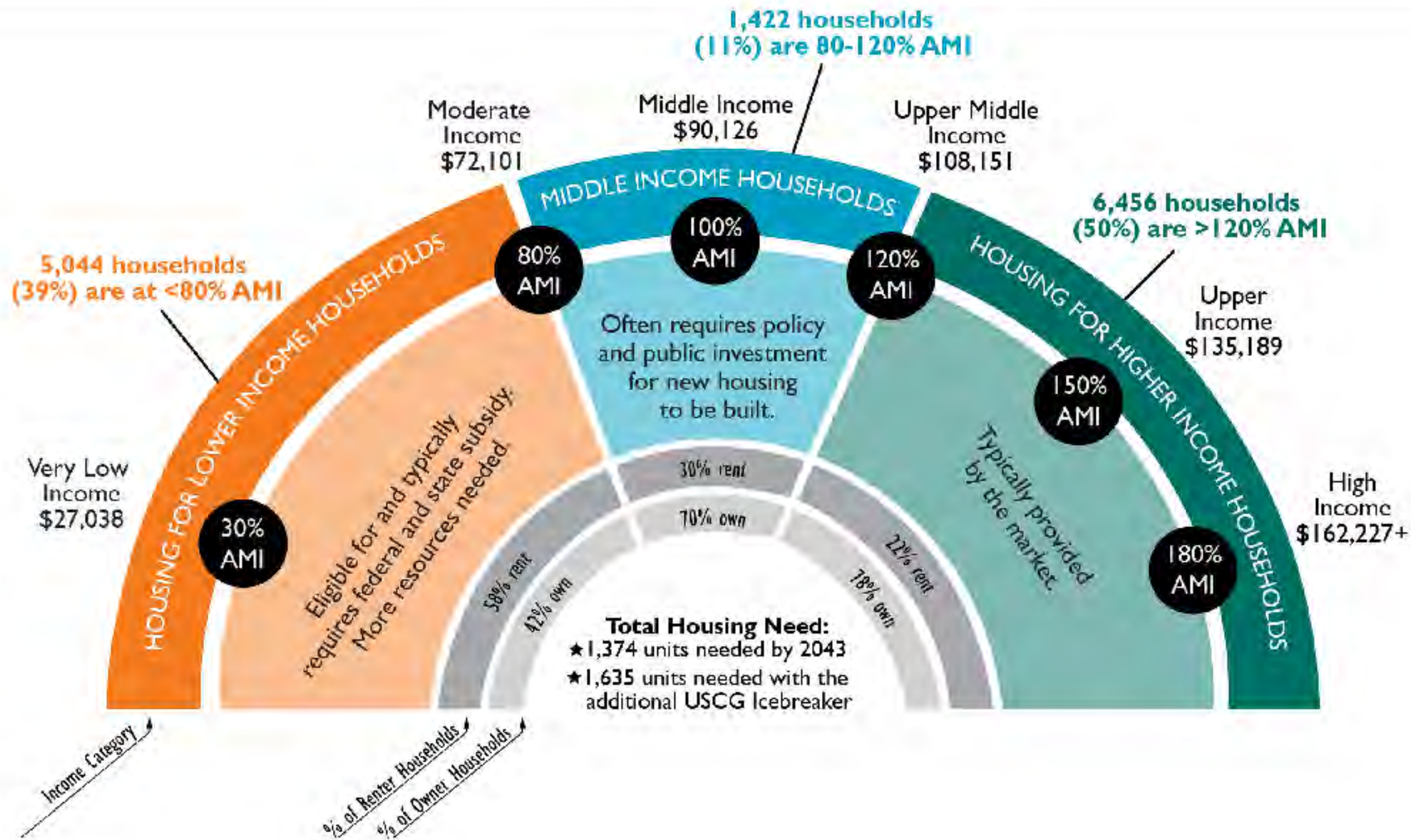
Housing

- How much affordable housing does Juneau need?
- What should that housing look like?
- Where should that housing be?





How much affordable
housing does Juneau need?



Item	Low Income	Middle Income	High Income
Annual Household Income	Less than \$72K	Between \$72K and \$108K	Greater than \$108K
Housing Need: New Units [1]	312	88	[2]
Affordable Monthly Housing Costs [2]	\$1,800 or less	\$1,800-\$2,700	More than \$2,700
Ownership/Rental	131/181 units or 55%/45%	62/27 units or 70%/30%	Note 1 or 78%/22%

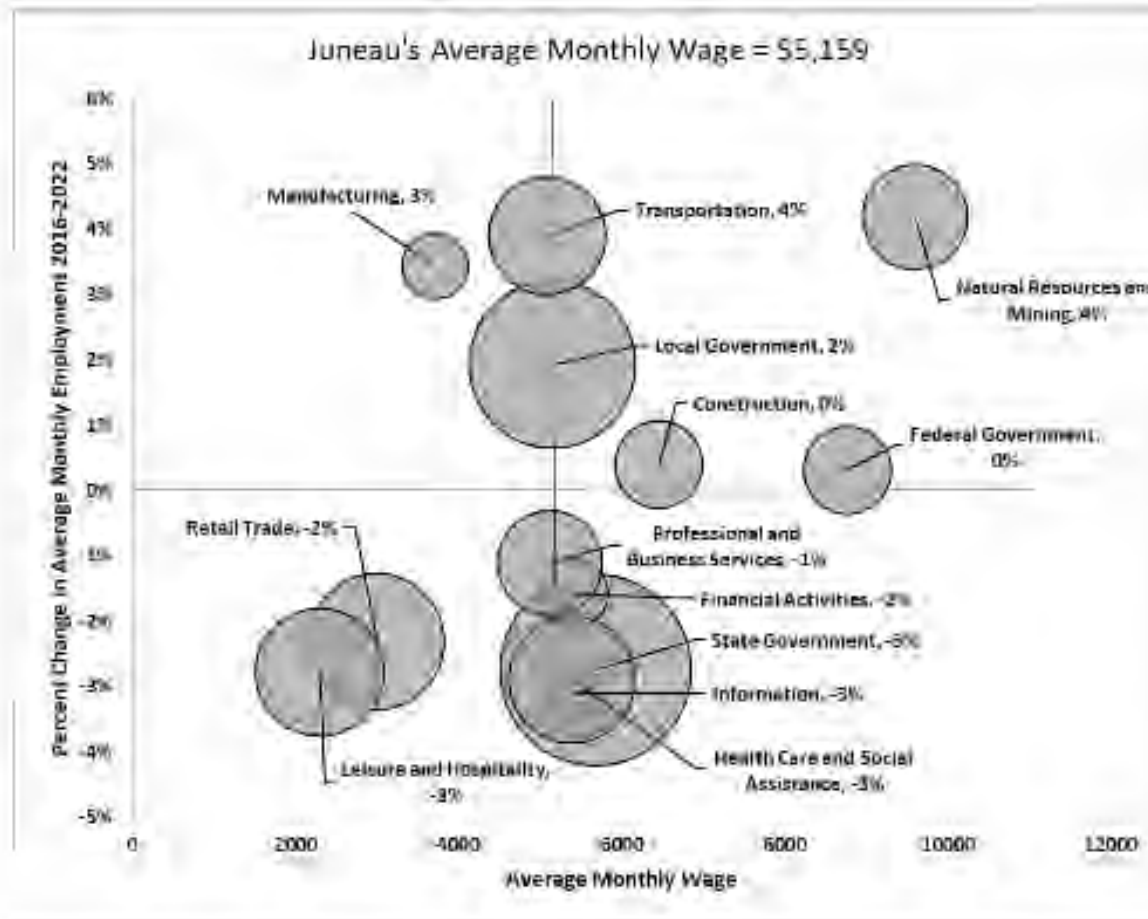
[1] Excludes icebreaker

[2] With no published growth in population, no new housing is quantitatively forecasted for the higher income household group. However, given available and open positions in Juneau, especially in the medical field, it is likely that unmet need for housing at higher income levels is needed in order to fill key vacancies at employers in Juneau.

[2] Assuming housing is 30% of gross income

Source: NW Douglas Sub Area Study Housing Need and Residential Financial Feasibility Finding. Agnew::Beck

How much do Juneau residents make?



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. (**Note:** Local Government includes the Juneau School District employment and enterprises such as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital and tribal employment. The Federal Civilian Government does not include the Coast Guard personnel stationed in Juneau.)

How to read Figure 5:

- The size of each circle represents the number of jobs in each industry in 2022. The largest circle is State government, which is the largest employer in Juneau. The next largest employer, local government, is the second largest circle and retail trade is the third.
- The circle's position on the horizontal axis indicates that sector's average monthly wages in 2022. Those sectors paying above Juneau's average monthly wage are located on the right side of the vertical axis and sectors paying below the average monthly wage are on the left. Mining jobs pay the highest average monthly wages in Juneau. The federal government pays the second highest. Leisure and hospitality has the lowest average wage in part due to the high frequency of part-time jobs and lower wages. Each job, whether part-time or full-time, is counted as one job, bringing down the average wage.

Source: JEDC Juneau and Southeast Alaska Indicators and Outlook Report - 2023

Job	Hourly Range	Monthly Wage Range	Area Median Income (AMI) Range
Admin Assistant (CBJ)	\$25.15 - \$26.87	\$3,772 - \$4,030	40% - 60% AMI
Network Specialist (SOA)	\$34.52 - \$37.00	\$5,523 - \$5,920	80% - 100% AMI
Physical Therapist (BRH)	\$49.61 - \$58.37	\$7,937 - \$9,339	100% - 140% AMI
Certified Nurse Assistant	\$21.22 - \$29.29	\$3,395 - \$4,686	40% - 60% AMI
Courtesy Clerk (IGA)	\$16.00 - \$18.00	\$2,560 - \$2,880	30% - 40% AMI
Shuttle Driver (AK Brew)	\$19.00 - \$20.00	\$3,040 - \$3,200	40% AMI
Tour Guide (Goldbelt)	\$16.00	\$2,560.00	35% AMI
School Teacher (JSD)	\$23.00 - \$34.38	\$3,667 - \$5,500	50% - 80% AMI

Source: salary ranges on current job postings; JSD teacher salary Glassdoor.com

Sample Wages in Juneau



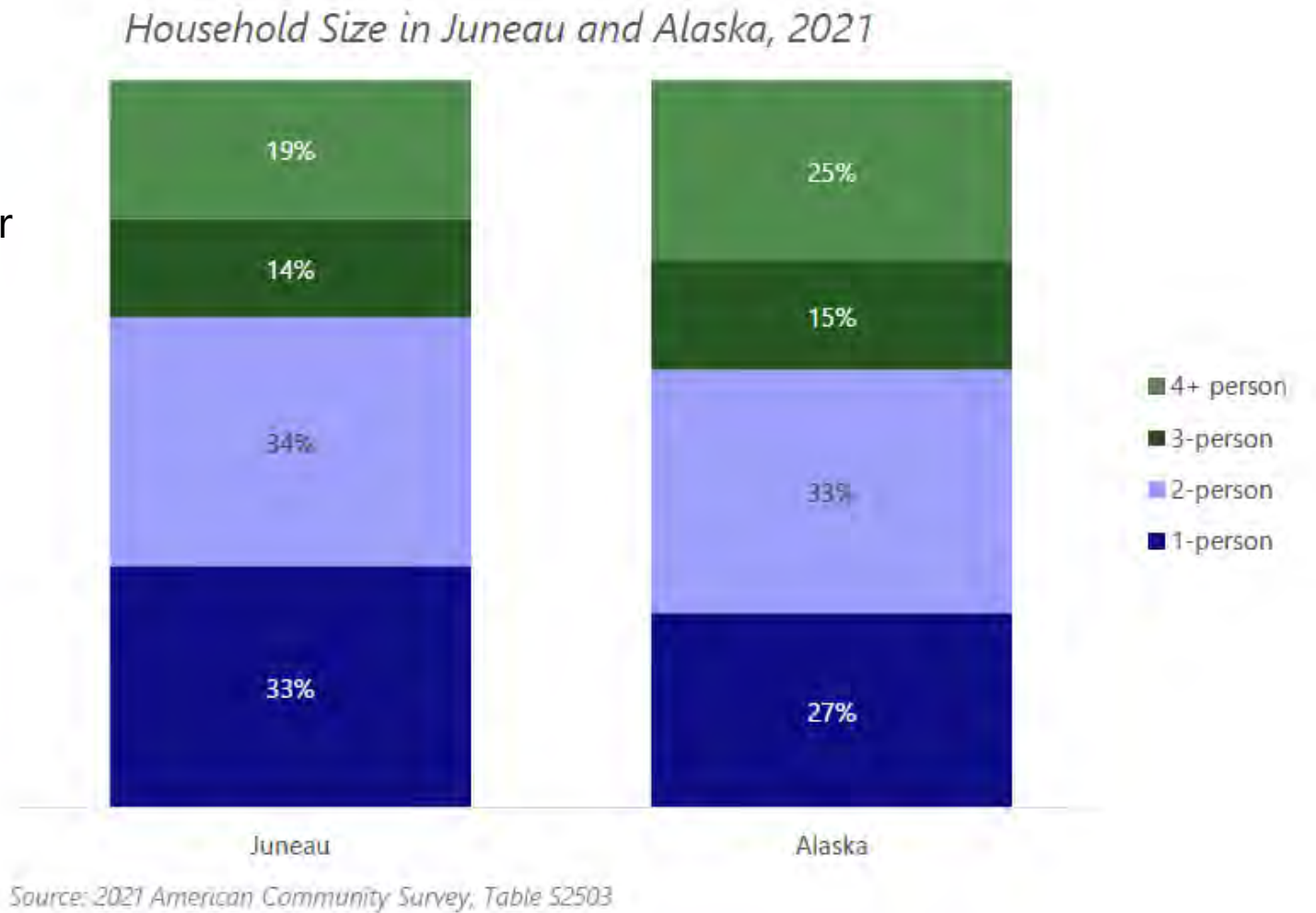
What should that housing look like?

Single/double occupancy

Multi family

Mixed income

“Juneau’s households are also smaller than statewide averages, with a third of households made up of one person. Of these, 35%, or 1,512 households, are individuals over 65 living alone. This tracks with the older age of Juneau residents overall as well as suggesting a continued need for smaller housing units in the city.”

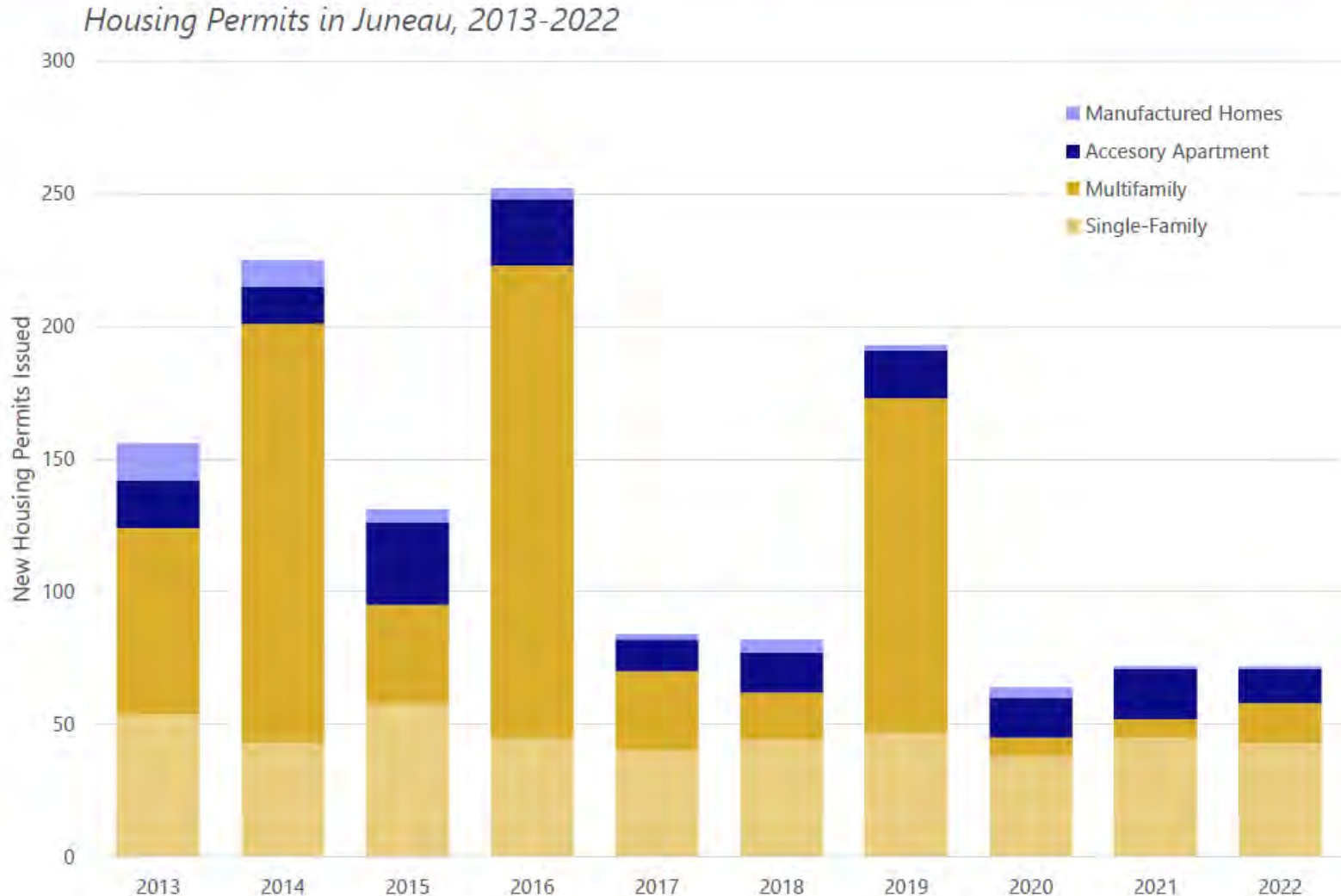


Source: Juneau Telephone Hill Land Redevelopment Study Market Analysis (p.9)

Single-family construction has been consistent but multifamily has slowed in the past decade

There has been a consistent rate of single-family units permitted in Juneau of about **50 units per year** for the past decade. Multifamily construction has slowed down in recent years, with larger projects built prior to 2020. There has also been a consistent permitting of accessory dwelling units (ADUs) of around 15-20 per year for the past decade.

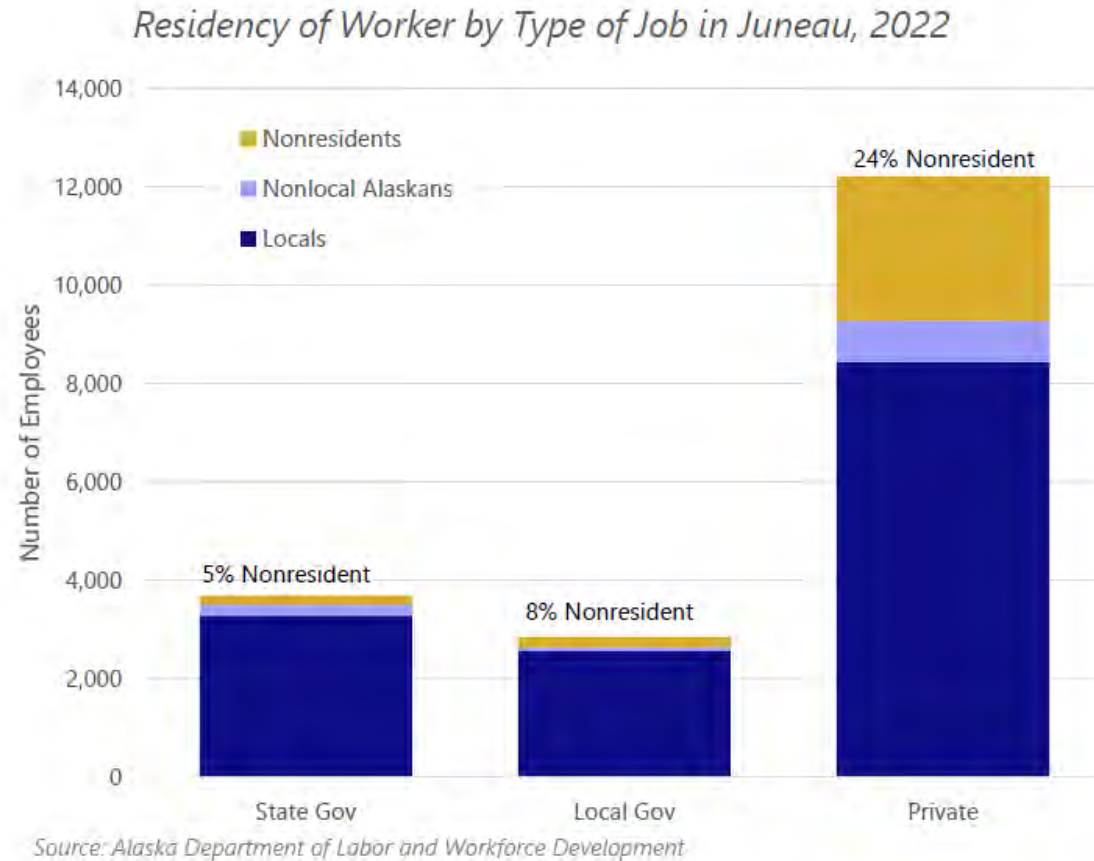
Alaska Economic Trends reports that 2020 and 2021 saw the **lowest amount of new housing development statewide since 2003**. Though multifamily construction has increased in 2023 across Alaska, the numbers are still far below early 2000s development rates.



Source: Alaska Department of Labor and Workforce Development, Juneau Economic Development Council, CBI

"This seasonal influx of tourists stimulates demand for seasonal tourism employees, and current trends suggest this demand will continue to increase. When combined with the additional seasonality of legislative activity, this creates an unusually high demand for temporary housing, in the form of short-term rentals (STRs), hotels, or flexible rental scenarios. In addition, this segment of the workforce is potentially more likely to seek housing downtown given the proximity to cruise ship docks and the State offices. This suggests that new development on Telephone Hill would be well-positioned to cater to this seasonal demand or housing units at a variety of price points serving both state legislators as well as employees in the tourism industry."

Source: Juneau Telephone Hill Land Redevelopment Study Market Analysis (p.12)



Housing Need in Juneau

Housing Need Now	400 units
Affordable Housing Need Now	313 units
Affordable units planned in next 5 years	121^
Remaining need	192*

^Highlights represent known affordable housing developments. Does not count Gastineau Lodge Apartments, counts Chilkat Vistas at 10 units.

*If Telephone Hill is a 155-unit development with 20% affordable housing, this adds 39 affordable units.

Planned New Housing Units in Juneau			
Developer	Project Name/status	New Projected Units	Next 5 years
Glory Hall	Downtown Former Glory Hall Location (in progress, <50% AMI)	7	7
Gastineau Human Services	Low-income housing (supportive housing)	51	51
Housing First	Forget-Me-Not Manor Phase 3 (supportive housing)	21	21
Gastineau Lodge Apartments LLC	Gastineau Lodge Apartments (in pre-development phase). <i>Note: project may or may not move forward based on the conditions of their conditional use permit</i>	0-72	0-72
Northern Lights Development	Attached townhouses in Douglas	4	4
Chilkat Vistas, LLC	Chilkat Vistas Apartments (approved, not yet began)	48	48
Coogan Alaska, LLC	Island Hills, Building LMN (approved, not yet began)	18	18
JG Construction	Jackie Street Renninger Subdivision	28	28
THRHA	3 projects: Kowee Phase 1; Pederson Hill; 5 units in Douglas on Crow Hill.	32	10
Chilkat Vistas, LLC	Chilkat Vistas Subdivision capacity (60-100 planned in next 5 years)	327	60
Glacier Heights Juneau LLC	Ridgeview Ridgeview Subdivision Phase I Completion	444	48
Moline Investment Management	Pederson Hill Phase 2	On hold	0
TDLH LLC (Travis Arnd)	North Douglas Highway 15 acres (capacity is 134)	On hold	Unknown
	Total	1,000 Plus	367

Source: CBJ, THRHA, Juneau Planning Commission minutes, personal communications. Note that Telephone Hill could potentially add units, but it is too early to track or include estimates.

Source: Juneau Housing Assessment, Rain Cost Data Report May 2024

Definition of Mixed income



At the core of the “mixed-income housing” definition is the intentionality of accommodating residents with a range of income levels in the housing. The general definition is “a mix of subsidized and market-rate housing” in a defined geographic area.



Assumptions of Telephone Hill Development
= Moderate Income Diversity

20% of units at 80% AMI

Some very high market-based units (150% AMI)

With an average cost to develop of \$350,000, this price point targets middle income households (80-120% AMI) which make up 11% of Juneau's market

Diversity of Housing

“Respondents [to Telephone Hill [public outreach] identified a wide variety of housing types which would address Juneau's housing needs. These include temporary housing (for visiting government staff), senior accessible housing (assisted, independent, and memory care), workforce housing, and multi-family rental. The goal is ultimately to create a mix of housing, focused on ameliorating the housing pressures in Juneau.”

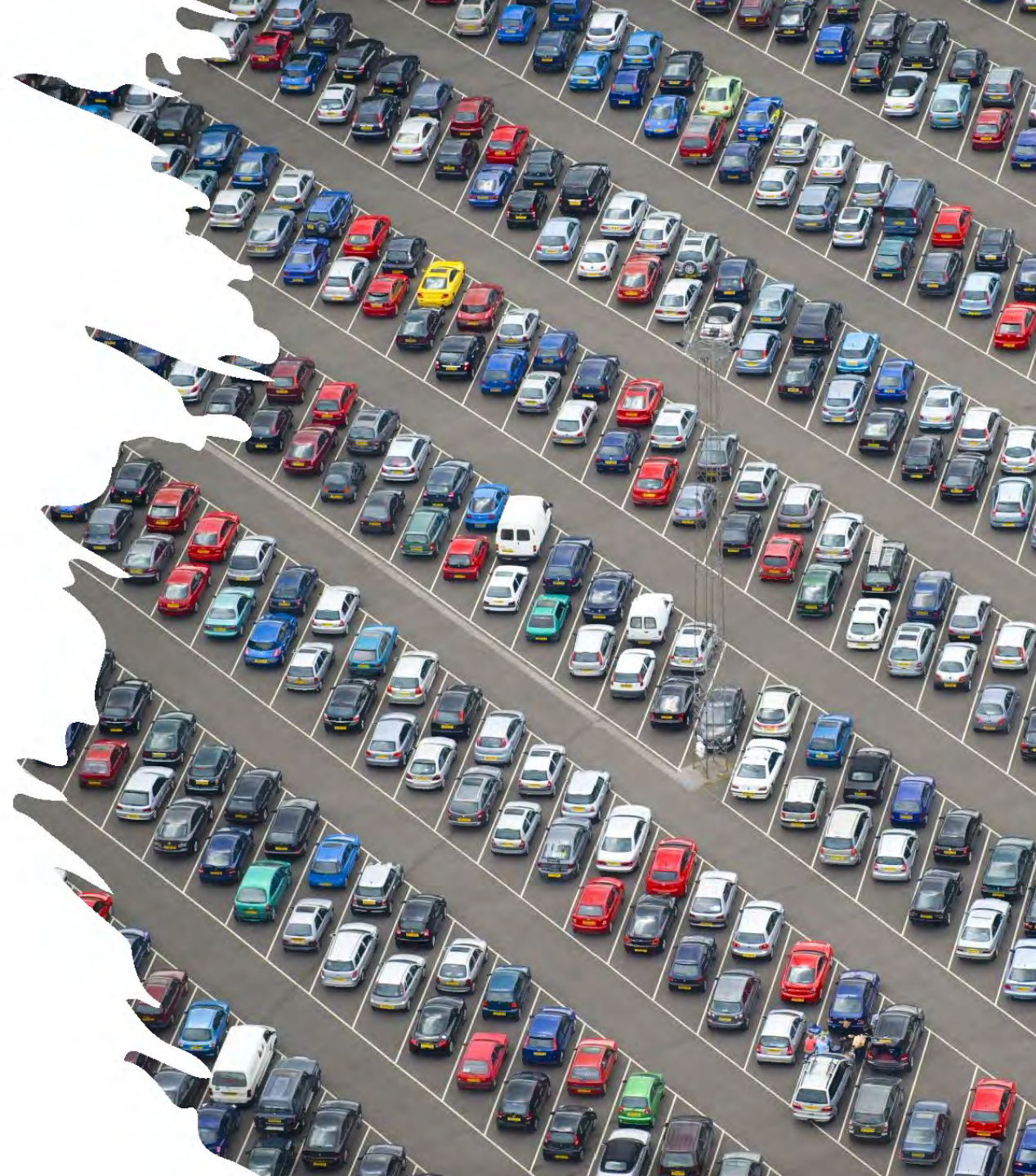
“Fortunately, mixed-income and mixed-tenure communities promote social cohesion and interaction among residents and are less likely to experience gentrification.”

Source: Telephone Hill Place Guide July 2, 2024 DRAFT



Parking

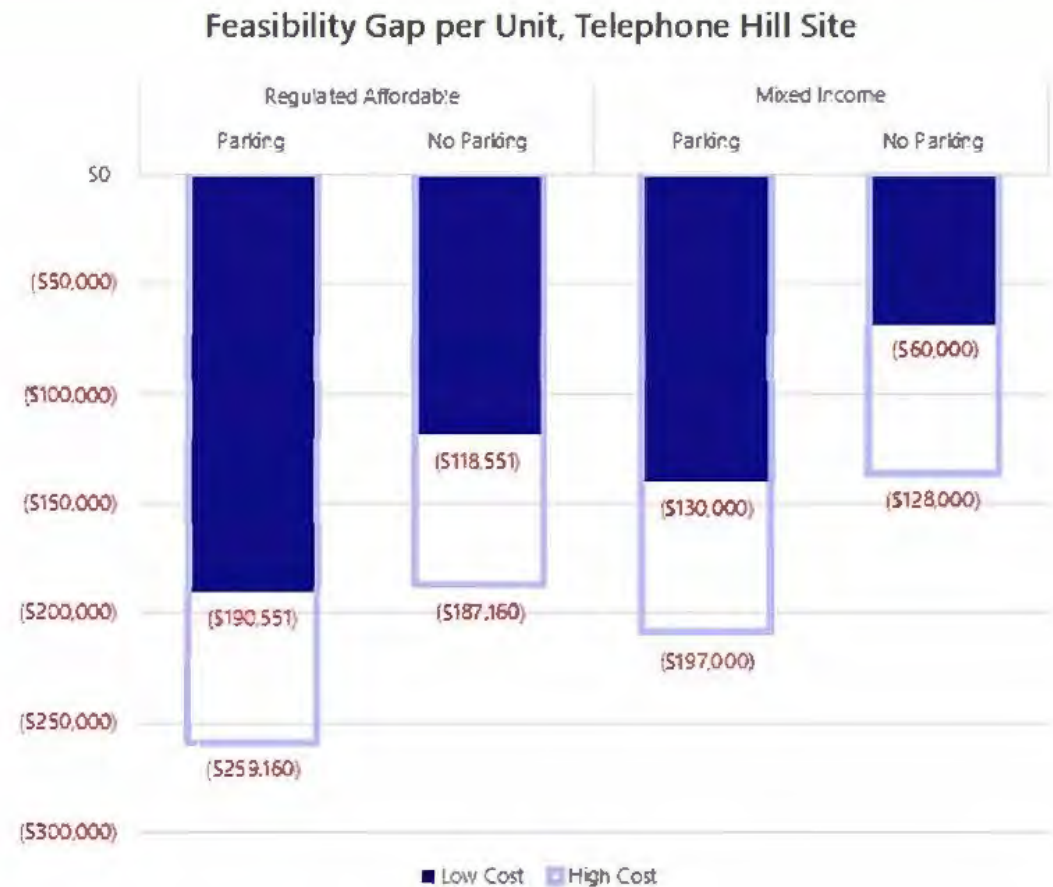
- At the April 15, 2024 COW, the Assembly directed staff to expand the downtown zero parking zone to include Telephone Hill.
- Underground parking for 155 units would add \$8.4M to the project cost (93 stalls)
- \$6.65M to add 1 floor of parking to DTC in 2025 dollars which adds 60 stalls
- 165 year-round CBJ parking permits issued for Marine View
- The state currently has around 30 surface parking spots reserved for high-level state employees. We have no parking agreement, but would want to care for those spots in any development.
- We have \$10M total for NSOB



FEASIBILITY ANALYSIS

Development Scenarios that Include Affordable Housing Would Require Subsidies

- Building dedicated parking on site significantly increases the cost per unit
- A mixed income development (80% market rate; 20% at 80% AMI) with no parking has the smallest per unit gap
 - Assumes high market-rate rents
- Subsidy required beyond 12-year tax abatement
- Juneau Affordable Housing Fund has historically subsidized housing at around \$50,000 per unit





Recommendation:

- Approve target of 20% of units at 80% AMI.
- Direct staff to introduce an ordinance extending the zero parking zone.

In the end we have NO IDEA what a developer needs to incentivize development.

Next steps are to issue an RFI with the following guidance:

- 20% of units at 80% AMI (affordable component)
- No parking requirements (extend zero-parking zone)
- CBJ would consider the following development incentives as part of the RFI
 - Tax abatement
 - CBJ site development
 - Land transfer
 - Per unit subsidy (loan/grant)

Recognize this will mean some financial commitment by CBJ (\$5M is a ballpark...we have \$1M set aside outside project development)