



## JUNEAU AFFORDABLE HOUSING FUND 2024 FUNDING RECOMMENDATIONS

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### MEMORANDUM

**DATE:** 11/4/2024

**TO:** Wade Bryson, Chair, Lands, Housing, and Economic Development (LHED) Committee

**FROM:** Joseph Meyers, Housing & Land Use Specialist

**SUBJECT:** Juneau Affordable Housing Fund – 2024 Funding Recommendations

In July 2024 the [CBJ Assembly made available \\$4,000,000](#) available for use by for-profit and non-profit organizations, public and regional housing authorities, and tribal governments interested in the creation of affordable and workforce housing in the City and Borough of Juneau.

According to the [FY25 approved budget](#), the FY25 Fund balance is \$4,368,000 with additional variable funding available in future years through the hotel bed tax and the 1% sales tax through FY29. These funds not only fund the *Juneau Affordable Housing Fund* annual competitive round but are also needed to fund the *Manufactured Home Down Payment Assistance Program (MHDPA)* and the *Accessory Dwelling Unit Grant (ADUG)* program. During the Round 3 competitive round in 2023, \$900,000 was allocated to a local developer for a project, however an agreement was not executed, so these funds remain in the JAHF. Funds from the hotel bed tax and the 1% sales tax are available to the JAHF based on future appropriation by the Assembly.

This memo provides details on the applications that were received and includes the Juneau Affordable Housing Fund 2024, Round Four, funding recommendations.

The application review committee included two CBJ employees and two private sector residents from the lending and construction industries.

In your packet is a project summary spreadsheet and a project scoring sheet. All submitted applications are available for review upon request.

### 2024 Round Four Project Proposals

The JAHF Round Four request for applications received four (4) applications from the following entities:

- Tower Legacy II, LLC, for Creekside Apartments
- BroKo, LLC, for 220 Front Street
- Brave Enterprises, LLC, for Bergmann Hotel
- JG Construction, LLC, for Renninger Lots

### Juneau Affordable Housing Fund Status

The Review Committee completed a thorough analysis and ranked projects based on the criteria in the 2024 JAHF Program Description and Guidelines. The JAHF received just over \$5.8 million in Round Four

funding requests. \$4 million in funding was available for award this year. All projects that have received funding from the Juneau Affordable Housing Fund are shown on the JAHF Dashboard here:

<https://juneau.org/community-development/grants-juneau-affordable-housing-fund>.

**Project Review and Rankings**

The JAHF review committee received applications shortly after the deadline and met on September 27<sup>th</sup>, and October 10<sup>th</sup>, 2024.

In this round, Tower Legacy II, scored the highest due to the inclusion of mixed-income market rate and affordable units, with extensive team experience, site control, energy efficiency and accessibility, and an accelerated but feasible timeline.

BroKo, LLC, came in second place and are proposing renovation of 220 Front Street into 22 units. The applicants have agreed to developing twenty units as affordable to households making 80% AMI for 30 years or more. No other applicant has proposed this length of affordability. It should be noted that the applicant is requesting \$1,100,000 but the recommended funding level from the committee is \$1 million. Since this project came in second place, the committee believes that they should be awarded the balance of the competitive funding round funds. The committee does not have the ability to award additional funding above what is available each round.

The rankings for the reviewed applications are in the table below.

Applicant	Project name	Project Type	Score	Request	Affordability Term
Tower Legacy II, LLC	Creekside Apartments	60 units; 21 affordable	76%	\$3,000,000	10 years
BroKo Holdings, LLC	220 Front Street	22 units; 20 affordable	72%	\$1,100,000	30+ years (80% AMI)
Brave Enterprises, LLC	Bergmann Hotel	18 units; 18 affordable	70%	\$900,000	10 years
JG Construction, LLC	Renninger Lots	16 units; 4 affordable	39%	\$800,000	10 years

**Recommendations**

The Lands, Housing, and Economic Development (LHED) Committee adopt the Juneau Affordable Housing Fund application review committee recommendations and forward the following funding requests to the Assembly for approval.

1. **Funding of \$3 million to Tower Legacy II, LLC, for Creekside apartments with no additional conditions.**
2. **Funding of \$1 million to BroKo Holdings, LLC, for renovation of 220 Front Street with the following conditions:**
  - a. Prior to issuance of funds provide the following:
    - i. Plans showing all proposed units in the project
    - ii. A copy of in progress environmental report;
    - iii. Provide documentation of ownership

*Total Funding Recommended: \$4 million*

**JAHF Program Future Review**

Annually, staff reviews process and policy to determine if any changes can be made to improve the program to make the process more efficient, more effective, and more user-friendly. This process is important, ongoing, and will continue indefinitely. With housing very much at the forefront of conversation, it is important that the JAHF remains functional, adaptable, and responsive to changes in the housing market. The annual JAHF report to the Assembly will be scheduled in the spring.

***Attachments:***

- A. Project Summary Memo**
- B. Program Description and Guidelines**
- C. Project summary sheet**
- D. Project score sheet**