ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

October 31, 2016, 6:00 PM.
Municipal Building - Assembly Chambers

Assembly Work Session - No Public Testimony Taken

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. **August 29, 2016 Committee of the Whole Minutes**

B. **October 10, 2016 Committee of the Whole**

IV. AGENDA TOPICS

A. **Ordinance 2016-30 An Ordinance Amending the Comprehensive Plan by Adopting the Housing Action Plan.**

The draft plan is published on the CBJ website at:
http://www.juneau.org/cddftp/documents/FinalDRAFTReportHAPrev031116.pdf

B. **Fireworks**

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES

August 29, 2016, 6:00 PM.
Municipal Building - Assembly Chambers

Assembly Work Session - No Public Testimony Taken

I. ROLL CALL

Chairman Jesse Kiehl called the meeting to order at 6:07 p.m.

Assemblymembers present: Chair Jesse Kiehl, Mayor Ken Koelsch, Mary Becker, Debbie White, Maria Gladziszewski, Kate Troll, Jamie Bursell, Loren Jones, and Jerry Nankervis (telephonic).

Staff present: City Manager Rorie Watt, Deputy Clerk Beth McEwen, Emergency Programs Manager Tom Mattice, Community Development Director Rob Steedle, Senior Planner Beth McKibben, CDD Planner Allison Eddins, Fire Chief Rich Etheridge, Chief Housing Officer Scott Ciambor.

Additional Guest Speakers: U.S. Senator Dan Sullivan, Corvus Design Consultant Chris Mertl

II. APPROVAL OF AGENDA

Approved as presented.

III. APPROVAL OF MINUTES

A. August 15, 2016 Committee of the Whole Minutes

Hearing no objection, the minutes of the August 15, 2016 COW meeting were approved as presented.

IV. AGENDA TOPICS

A. Emergency Operations Plan (EOP)

Emergency Programs Manager Tom Mattice gave an overview of the Emergency Operations Plan (EOP) and explained that the reason for the update was to bring it into compliance with Homeland Security, NIMs and other federal regulations. He explained that the update is part of a never-ending cycle: Plan, Train, Exercise, update the Plan, and repeat.

Mr. Mattice answered a number of questions from COW members and he explained the process of the Unified Command system and the drills they undertake yearly with the U.S. Coast Guard, with the next one coming up in the Spring 2017. When asked about the role of the Assembly, he explained that their role is to look at the big picture, keeping police in mind and planning for the long term. The courses targeted for government officials such as Assemblymembers are G351 and G402.

When asked about the next steps, he explained that in order to adopt the plan, it will be coming back to the Assembly as part of a resolution to be adopted on September 12. It was on this COW agenda as he wanted to be sure to give them an overview first and provide an opportunity to answer any questions from Assemblymembers in advance of the resolution being up for adoption.

Mr. Kiehl thanked him for his work and providing them with this informative overview.

B. **Housing Action Plan**

Between the presentations on the Emergency Operation Plan and the Housing Action Plan, U.S. Senator Dan Sullivan was introduced and invited to speak to the members. (See Committee Member/Liaison Comments and Questions below for his remarks.)

Chief Housing Officer Scott Ciambor and Senior Planner Beth McKibben gave a high level overview of the Housing Action Plan (HAP) along with the recommendations contained within the plan.

The plan came about as the result of the 2010 and 2012 JEDC housing needs assessment and the 2013 Comprehensive Plan recommendation for a Housing Action Plan. This recommendation was again reinforced in the 2014 Juneau Economic Development Plan. Housing is a critical need for all ages, stages, groups and income levels to maintain a strong, stable economy and in 2015 they hired consultants **czb LLC**, from Alexandria, VA to study the issue and provide the plan before the Assembly for consideration.

The following were the key points/observations/recommendations as laid out in the plan:

Challenges & Problems
- The problem of having a stuck market
- A very informed and aware community
- How to get unstuck
- Creating a new framework

Key Observations
• Juneau needs a comprehensive housing strategy
• The community is already on board
• Juneau has a built in affordability disadvantage
• Inefficient land use policies worsen the situation
• Affordability is a problem, but not the problem
• The underlying root of the housing problem is a fragile economy
• There is a notable lack of product volume and diversity for young families
• Juneau can absorb the volume and diversity the market needs
• It is imperative that the market provide for aging in place
• Starter rental housing is in short supply
• Employers are doing a lot that could be durably leveraged

Recommendations
• Formally adopt this plan, into Juneau's comprehensive plan
• Grow the Affordable Housing Fund to a meaningful level
• Create and fund a full time housing director position in the CBJ
• Grow the supply and diversity of housing aiming at specific numerical targets through new construction and preservation
• Preserve existing affordable housing
• Develop new policies with a specific housing link for CBJ-owned lands
• Update CBJ zoning regulations to have specific housing links
• Develop small area plans tied to new policies affecting CBJ lands and updated zoning regulations
• Develop a specific strategy for Downtown that has explicit housing elements

Discussion took place regarding the recommendations and ramifications if they were to adopt this as part of the Comprehensive Plan (Comp Plan). Scott Ciambor fielded questions regarding the Juneau Affordable Housing Fund, what the current amounts are and how it works. He also answered questions relating to the Housing First project.

There were questions and discussion as to whether they should consider adopting the HAP by ordinance as part of the Comp Plan or if it should be via resolution and not be a formal part of the Comp Plan. Beth McKibben explained that if adoption was by resolution, it is becomes a guideline document, whereas, if adopted by ordinance, it has the force of policy. She said if the Assembly wished to adopt via ordinance, some language could be added to identify that some of the language in the plan are recommendations or goals rather than policy.

Assemblymembers were concerned that this had not yet been before the Assembly for in depth discussion and they had a number of concerns they would like to discuss further. They identified some of the items they wished to discuss further and asked staff to provide additional information relating to the following topics:

- The recommendation for $3.6 million annual funds to be put into the Housing Fund;
- Identifying the who, what, when, where and how this will all come about ($3.6 million + other parts of the plan) including how much is currently in the Housing Fund, and where additional funding may come from to satisfy that $3.6 million;
- Recommendation #5 regarding registration for rental property;
- Recommendation #7 zoning - they could spend an entire meeting with City Attorney Amy Mead asking questions about this topic; and
- Discussion re: "Free Market" topic from pages 12 and 15 of the draft plan;
- Additional discussion re: steps that can be taken for developers to be able to develop homes that would affordable to the workers who are building the homes as well as others in the community.

The committee members discussed whether this was ready to be moved forward out of committee or to keep it in committee for additional review. It was decided to place it on the agenda for the October 10 Assembly Committee of the Whole and decide at that meeting if it would be ready to come back to the Assembly for action at the October 17 meeting.

C. **Historic Preservation Plan**

Allison Eddins and Chris Mertl of Corvus Design presented information regarding the Historic Preservation Planning Process. This process is to help preservation to other revitalization efforts going in Juneau. The current plan is in the draft phase and the original plan was completed in 1997 but never officially adopted.

The Historic Resources Advisory Committee (HRAC) decided it was time to update the plan and submitted a grant application to the State in 2015. At this time they are wrapping up Phase I and the funding is coming from federal dollars which are administered by the State of Alaska. There is a CBJ match which is being made up by staff salaries.

Juneau is a Certified Local Government (CLG) member and this is a CLG program. One of the requirements for maintaining our CLG status is having an updated Historic Preservation Plan and adopting an updated plan will help provide access to further grant funds. The Main Street USA program is one of the programs that would be able to provide funding resources as it has Historic Preservation as part of its core focus.

Corvus Design was hired as the consultant to work on Phase I on the Historic Preservation Plan. They held 3 public meetings - two in the downtown area and one in the valley. They have reached out to stakeholders as well as a cross section of downtown businesses and other community members. During this phase, they spoke of the plan using broad brush strokes and did not delve into the nitty gritty. They received comments on more than just buildings, they heard from the public regarding the importance of historic sites as well as Juneau as sense of place for who we are including tribal memorial markers, mining sites, etc... The consultants and staff have been running an online survey for the past few weeks and have received a 39:1 response in favor of historic preservation being a worthwhile goal. Mr. Mertl said that many people saw this as a tool to bring healing to the community to heal some of the areas of our history that weren't quite as nice as others.

Assemblymembers and staff discussed the myriad of ways the public has been informed of the meetings and the public survey and the work being done on the plan. Staff explained that they anticipate Phase I to be complete on September 16 at which time it will be forwarded to CDD with the anticipation that CDD will be applying for Phase II funding in October 2016. The main reason for this COW presentation was to keep the Assembly apprised of the progress and they anticipate providing additional information as it progresses.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Chairman Kiehl welcomed U.S. Senator Dan Sullivan who just arrived in Juneau and came to this meeting straight from the airport. Accompanying Senator Sullivan were his staff members Amanda Coin (Washington D.C.) and Connie McKenzie (Juneau).

Senator Sullivan outlined some of the stops he has been making on this trip which included Ketchikan, Hoonah, Skagway, Haines, and Juneau.

He shared about his recent work relating to domestic violence and the problems surrounding drugs and the opioid and heroin addictions. He recently held a summit in the Mat-Su Valley with senior federal officials including the U.S. Surgeon General to address these issues. He said that over 500 people attended with others online.

He is currently serving on the following Senate Committees: Commerce, Armed Services, Veterans Affairs, and Environment/Public Works. The Commerce Committee has oversight of NOAA, NMFS and he has struck up a good relationship with the head of NOAA.

Assemblymembers shared with him their efforts to bring NOAA and NMFS jobs to Juneau and Southeast Alaska from Seattle since the work they do is relating to Alaska fisheries. Senator Sullivan told them to consider him their Washington D.C. lobbyist when it comes to these issues.

Assemblymembers also shared with him some of the other federal needs in our community as well as others including the docks and repairs needed to the NOAA dock that can't even support a truck on it currently and is located right next to the Coast Guard dock that supports the buoy tender round up.

Senator Sullivan was eager to hear about any and all federal projects that the Assembly would like to share with him and asked the Assembly to forward a copy of the list to him that they had previously compiled relating to CBJ priorities for federal projects. He also gave information on some long-term bills such as the $3 billion federal highway money that will be coming to Alaska, mostly through to the State D.O.T. He also highlighted Senator Murkowski's work on the Alaska Marine Highways and he is currently working on a bill relating to Alaskan harbors which has passed out of committee but not yet passed on the floor. He has been working on other long-term bills that have been in the works for 10+ years include one relating to ANSCA and then on short-term, punt-type issues, such as transferring some federal lands back to the state and others. He said the narrow, single topic issues tend to be pretty successful in passing and if there are any things like that the Assembly would like to get passed, to please let him know about it. Mr. Kiehl suggested that he may want to look at forming an ROTC branch for the Coast Guard which is the only branch of the military without an ROTC program. Sen. Sullivan said that was a great idea and he will contact the CG Commodore and see what could be done about it.

Mr. Kiehl thanked Senator and his staff for stopping by and speaking to the Assembly and he said that staff will forward the information discussed to his office.

VI. ADJOURNMENT

There being no further business to come before the committee, the meeting was adjourned at 8:08p.m.

ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES

October 10, 2016, 6:00 PM.
Municipal Building - Assembly Chambers

Assembly Work Session - No Public Testimony Taken

I. ROLL CALL

Deputy Mayor Jesse Kiehl called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis (Teleconference), and Debbie White.

Assemblymembers Absent: Jamie Bursell, Kate Troll.

Staff present: Rorie Watt, City Manager; Mila Cosgrove, Deputy Manager; Amy Mead, Municipal Attorney; Laurie Sica, Municipal Clerk; Rob Steedle, Community Development Director; Christine Steadman, Planner; Bryce Johnson, Police Chief.

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

None.

IV. AGENDA TOPICS

A. Community Development Block Grants (CDBG)

Mr. Watt said Ms. Steadman of the Community Development Department (CDD) prepared the packet and recommends that the Committee of the Whole (COW) recommend to the Assembly the Housing First project as Juneau's application for the Community Development Block Grant (CDBG). He said the project was well supported and there were no competing projects.

Mr. Kiehl asked how far off the project was from the last year's winning proposal by points. Mr. Steedle said that the project scored poorly last year and was able to put forward a better application this year. Mr. Kiehl understood the amount of staff time put into this application and asked what were its chances for success. Mr. Steedle said the staff has confidence that the project meets the intent of the grant and the project is more established and has more demonstrated community support this year.

MOTION, by Becker, to forward to the full Assembly that CBJ co-apply with the Juneau Housing First Collaborative for the 2016 CDBG grant for the Housing First project. Hearing no objection, it was so ordered.

Mr. Watt said that Bartlett Board has submitted its intention to donate an additional $100,000 towards the project contingent upon a successful application.

B. Fireworks Draft Ordinance

Mr. Watt said that this draft ordinance regarding Fireworks was a starting point for the Assembly to provide to the public. Mr. Kiehl asked about the public process plan. Ms. Cosgrove said two meetings were proposed: Wednesday, Oct 19, at 6 pm in the Chambers,and Monday, October 24, at 6 pm in the Valley Library. Staff would lead the meetings with the Assembly attending as they were able. There would be an opportunity for public verbal and written comments.

Ms. Becker asked if recommendations would be received from the public, since there was a draft ordinance. Ms. Watt said yes, the ordinance was a draft for people to comment upon.

Ms. White said she thought the ordinance was supposed to be based upon time and place of use, and not the type fireworks. Ms. Mead said that the direction given referred to saleable fireworks.

Ms. Gladziszewski asked if the ordinance regarding saleable fireworks was defined in state law and Ms. Mead said yes. She said other jurisdictions have made regulations regarding the intensity of fireworks. If the Assembly wanted to make an ordinance based on intensity, she would not use the state definition as a starting point, but could pull definitions from other jurisdictions. This ordinance covers every type of firework that is currently allowed under state law.

Ms. Becker said that the Assembly did not direct the type of fireworks. Ms. Mead said that CBJ can't say that all types of fireworks are allowed if they are not legal in the state, and the ordinance is now reflecting the broadest type of fireworks allowed by state law. CBJ has not had a fireworks ordinance on the books and if we are to have one, this allows everything that someone could use by state law. There was no definition on the books before because we did not have a fireworks ordinance. Mr. Jones pulled up the minutes and said the motion directing the ordinance referred to saleable fireworks. These are the only fireworks a person can purchase in Alaska without a state permit for fireworks similar to the fireworks show at the 4th of July and Eaglecrest.

Ms. White said she prefers fewer words. If state law changes we need to amend our ordinance. Ms. Mead said either way is appropriate, it is an assembly decision.

Ms. Gladziszewski asked if JPD will know how to determine which fireworks are saleable. Chief Johnson said it would be determined by how the product was packaged and if it was packaged for sale. JPD does not see non-saleable fireworks being shot off in the community - those are very difficult to obtain and commercial grade would be easily recognizable. Ms. Gladziszewski asked if different states had different standards for saleable. Ms. Mead said they all start with reference to the federal code. Ms. Gladziszewski asked about the distinction between ground and aerial fireworks and Ms. Cosgrove said that all were included within this ordinance and no distinction had been made.

Mayor Koelsch asked if the objective tonight was to make changes or to ask questions. Mr. Kiehl said it was to ask questions before it went out to the public for comment. Mayor Koelsch said he was still concerned with issues regarding possession and said it should be held to address that issue before going out to the public.

Ms. Mead said there is a concern from JPD reflected - subsection B2, first page - regarding use by a person or allowing fireworks to be used on premises under a person's control - this makes the homeowner, tenant or person in control of the property is responsible - it gets away from determining who possesses the fireworks. Mayor Koelsch asked about the process. Ms. Gladziszewski said it would be better to distribute an ordinance closer to what the Assembly supports. Mr. Kiehl said this is a draft - previously we determined it would be good to get comments from the public before refining the ordinance, but that can change.

Ms. Gladziszewski said she supported limited days but she has neighbors who shoot off fireworks right next door, and can we limit the size that can be used in neighborhoods. Mr. Kiehl suggested adding sheets to the ordinance with Assemblymembers proposed changes for public distribution.

Ms. White said her concern is the burden on the police department and asked for Chief Johnson's opinion. He said that the way the issue is now, this takes a lot of staff time - half the people don't believe this is allowed and the other half are shooting off fireworks and we have had several officers responding to fireworks calls under the noise nuisance ordinance. Any clear direction given will reduce the time we need to respond. If you pass this as it is now - on the 4th of July we can say we are not responding to the calls about fireworks. We can figure out the use of different types and that would still be better. If it is a straight ban, that is easy. If you want to determine the type, we can do that. If you go with different zones, that makes it less clear to us and the public about what is allowed or not allowed. Fireworks are not a public safety problem. They are a quality of life issue regarding what people feel is right. We would like to avoid having every officer on a fireworks call.

Ms. White is not willing to do a complete ban, but I don't want to make it too difficult. Ms. Mead said the ability for the police to respond and the prosecution are two separate things. The distinction between the types is enforced by citizen complaint signed by neighbors for it to be prosecutable.

Mr. Kiehl asked Ms. Mead if she had enough information to make a distinction between types for Ms. Gladziszewski's concerns. She said many jurisdictions provided rules by type.

Mr. Jones said that Anchorage had a definition. Ms. Mead said that Anchorage's ordinance is more technical than her understanding of it.

Mr. Koelsch asked for an amendment about possession and another about exceptions - he would like to see a mechanism for an application for an exemption to the law. He gave an example of a community event outside of 4th of July and New Years. Ms. Mead said that this already addresses that through the state law, and if you want a permit, which department would issue, what are the parameters and what is the appeal process. Mr. Koelsch said he would like to have a sample to look at.

Mr. Jones said that there was a difference between a commercial and a personal use.

Ms. Gladziszewski said PRAC suggested a permit, according to its recommendation.

Ms. White said that a permit could be issued by the police or fire department as they would be the ones receiving the complaint call.

Mr. Watt said staff needed some guidance on what would be an allowable exception to ease enforcement. Homeowner use for a special event could be a very difficult thing for staff to decide, or deny, special applications. Mayor Koelsch said that street closures were done by JPD and reviewed. Chief Johnson said occassionally they were denied. Mr. Koelsch said this was an example of a process. Ms. Mead said that she did not believe there was a way to say no - street closures for public safety issues - we can require people to have a permit if used outside of certain dates and times. Ms. Becker said with a permit, we will be right back to where we are now, with everyone applying and no one being able to be denied. Chief Johnson said that most of the responses they make now to noise complaints are due to use during an event.

Ms. Gladziszewski suggested a distance from property for use and Ms. Mead said that would be difficult to enforce.

Ms. White suggested having a designated place on the road system for use of fireworks outside of designated allowable times. Mr. Koelsch said that was a better solution than nothing, and we would have more work to put something together. There has to be some place to have an exception and pull this off. Ms. Mead asked about a designated area only or a permit for use outside of dedicated times as well. Mayor Koelsch prefers a process to get a permit, but if that is not possible, a fall back to a designated place. Ms. Gladziszewski suggested one permit per year per household as a way to manage permits that are not burdensome.

Mr. Kiehl asked Ms. Mead if she had sufficient information to prepare a draft for public review. Ms. Mead said that a permit would always be a yes, and asked about a fee for the permit. She said she would cite to a general fee and defer to the manager about which department would issue the permit.

Mr. Kiehl said he would look forward to public comment.

C. **SB91 Local Ordinance Amendments**

Ms. Mead said this was the one piece discussed with Ordinance 2016-16 - the criminal reform ordinance - regarding failure to pay a fine - that was requested to be taken out and put in a separate ordinance.

MOTION, by White, to forward Ordinance 2016-32 to the full Assembly for introduction and public hearing.

Mr. Kiehl said he maintained his same objection as before. He said he objects to jail time in lieu of fines. Imprisoning people for willfully not paying a fine is objectionable to him. Prison should be reserved for violent criminals.

Roll call:
Aye: Becker, Jones, Gladziszewski, Nankervis, White, Koelsch
Nay: Kiehl
Motion passed, 6 ayes, 1 nay.

D. **Priority Driven Budget Update**

Ms. Cosgrove provided an update of the program. We have determined to have one phase of public comment to be structured in January after the programs have been scored to see what the public's priorities are if there are limited funds available. The members said that Ms. Cosgrove had captured the intent of the subcommittee. Staff expects to have public meetings in January and the information back to the Assembly in February.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

None.

VI. EXECUTIVE SESSION

MOTION, by Koelsch, to enter executive session to discuss City Attorney evaluation and IAFF Bargaining. Hearing no objection from the public or the Assembly, it was so ordered. The meeting recessed for ten minutes then entered into executive session at 7:20 p.m.

A. **City Attorney Evaluation**

B. **IAFF Bargaining**

Upon returning to regular session at 8:25 p.m., Mayor Koelsch said that in executive session, attorney goals and challenges for the coming year were discussed. The Assembly also discussed goals for negotiations with IAFF.

MOTION, by Koelsch, that retroactive to July 1, 2016, the municipal attorney salary shall be $152,000 per year. Hearing no objection it was so ordered.

VII. ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:27 p.m.

Submitted by Laurie Sica, Municipal Clerk

MEMORANDUM

CITY/BOROUGH OF JUNEAU
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TO: Committee of the Whole

FROM: Beth McKibben, AICP
Planning Manager, CDD

BMcK

Scott Ciambor,
Chief Housing Officer

Scott Ciambor

DATE: October 26, 2016

SUBJECT: Housing Action Plan: Follow-Up Information

Creation of the Housing Action Plan (HAP) was a recommended outcome of the 2013 Comprehensive Plan and 2015 Economic Development Plan processes. The Housing Action Plan covers a 30-year period.

During the August 29th Committee of the Whole (COW) discussion of the HAP a number requests for additional information were made by the COW.

A. Adoption of Housing Action Plan as part of the Comprehensive Plan
This Housing Action Plan will further refine the Housing Chapter of the Comprehensive Plan with more detailed actions and specific targets.

The Planning Commission, Affordable Housing Commission, consultants CZB, llc., and CBJ staff recommend linking to the Comprehensive Plan to reaffirm the Borough's commitment to the goal of supporting and sustaining a more diverse, better-functioning housing market. This would be similar to the adoption of the 2015 Juneau Economic Development Plan as an element of the Comprehensive Plan.

Currently there are fourteen plans that are adopted as additions to the Comprehensive Plan. The 2015 Comprehensive Plan states that it provides a logical, consistent and purposeful approach to managing community growth and development. The Plan is broad and includes chapters on Community Form, Housing, Economic Development, Energy, Natural Resources and Hazards, Transportation, Parks, Recreation, Trails and Natural Area Resources, Land Use, Public and Private Utilities and Facilities, Community Services, Cultural Arts and Humanities, Community Development, and Implementation and Administration. It also includes Land Use Maps. The additions to the plan generally are more specific than the Comprehensive Plan.

For example, the Non-motorized Transportation Plan refines the recommendations of the Transportation Chapter as well as the Trails section of the Recreation chapter by identifying specific routes and making recommendations for specific improvements and methods of funding such improvements.

If the HAP is added to the Comprehensive Plan, City projects, state projects, conditional use permits, rezones, and disposal of city property (by lease, sale, etc.) are evaluated against the comp plan – so this addition would mean that these things would be evaluated against the HAP.

An alternative to adopting the Housing Action Plan as an addition to the Comprehensive Plan is to adopt the HAP with a resolution. If the housing action plan is simply adopted by resolution, then it's a plan that's aspirational – it provides guidance for decision-making. It then becomes more a set of guidelines for future actions. The primary difference will be for the review of land use actions for consistency with the Comprehensive Plan.

Action Item: Choose one of the following:

1. Adopt Housing Action Plan as an addition to the Comprehensive Plan
2. Adopt Housing Action Plan by resolution

B. Sequence of Events/Prioritized List:

The nine solutions are in priority order based on the recommendation of the Affordable Housing Commission, who was the steering committee for this planning effort. Within the nine solutions the metrics and implementation actions are not prioritized. Currently the Chief Housing Officer is working with the Affordable Housing Commission to develop priorities for the implementation actions.

At the October 4th, 2016 Affordable Housing Commission meeting, priorities from the Housing Action Plan were noted and commission members assigned to work on them are:

i) Blighted property policy – Kathleen and Russ
ii) Mobile/manufactured home loans/Park development – Margaret and Wayne (financing); Wayne & Dave (park development)
iii) Loans to sponsors (AHFC Program) – Tamara and Margaret
iv) Funding for implementation of Housing Action Plan – Mandy & Honey Bee (they'll work closely with Scott)
   (1) Targeting funding with housing/neighborhood plans
   (2) Increase JAHF balance (including revision of JAHF program parameters, metrics and funding sources – with the goal of getting JAHF funding elements to be line-item budget appropriations)
   (3) Creative funding for lowering cost to buy homes
   (4) Downtown accessory apartment incentives
v) Code enforcement – no assignment now

Action Item:

1. Adopt Housing Action Plan
2. Assembly to give instruction to staff and Affordable Housing Commission on prioritization

C. Juneau Affordable Housing Fund

There were numerous questions about the background and function of the Juneau Affordable Housing Fund.

1. How does the Juneau Affordable Housing Fund function? What projects funded already?

The Juneau Affordable Housing Fund began in July 2010 with Ordinance No. 2010-11(G)(b) that appropriated $400,000 into the JAHF for the creation, acquisition, rehabilitation, or preservation of affordable housing.

The overall goal for the JAHF is to use funds to provide housing for households at 120% Area Median Income (AMI)[i] or below by:

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

The initial priority has been Affordable Housing (80% AMI and below).

To date, these are the projects that have utilized the JAHF:

- St. Vincent DePaul - $13,000 for pre-development activities (senior housing)
- Housing Action Plan – $77,000 consulting fees
- Accessory Apartment Grant Program - $6000 spent, $72,000 total to be spent by June 2017
- Mobile Home Down Payment Assistance Program, $100,000 set aside (September 2016**)**

2. What are potential Juneau Affordable Housing resources? Where did $3 million number come from?

For affordable housing projects (80% AMI and below), state and federal funding sources are currently limited, but may include in the future:

- State Legislative Capital request ($90,000 in 2011)
- Federal (National Housing Trust Fund, Community Development Block Grant)
- State Housing Trust Fund or other program funding

For JAHF workforce housing targets 80% - 120% AMI, funding to be generated locally. (CBJ, partnerships,

Based on recognized housing need in the community, $3 million was targeted as a funding level that would have a meaningful impact.

At the October AHC meeting – 2 members assigned to begin looking at recommendations for funding sources and strategy for expanding eligible uses.

3. What Activities and Outcomes Expected?
The Housing Action Plan calls for more funding to be available in the JAHF to meet metrics included in the HAP.

i) **Continue current activities**
   - Matching Funds for affordable housing developers (increase dollars)
   - Capital, operating, social services dollars for future homeless housing options

ii) **Broaden scope of activities (& develop)**
   - Similar to "Housing Programs" (Milwaukee Department of City Development)
     - Emergency and Essential Repairs Program
     - Targeted Investment/Neighborhood Improvement Projects
     - Code Compliance Improvement Grants
     - Weatherization Program
     - Exterior Beautification Grants
     - Rapid Re-housing Funds for the Homeless (rental assistance/down payment funds)
       - Workforce Housing Program/Employer-Assisted Housing Program
     - Foreclosures (Purchase and hold for non-profits, or for redevelopment)
       - Community Land Trust (Creation or Partnership Expansion with Juneau Housing Trust)
       - Workforce Housing Program (Purchase and make accessible workforce housing for targeted employers)

Action Item:

1. Adopt Housing Action Plan
2. Future funding consideration for Juneau Affordable Housing Fund/Housing Programs through the Capital Improvement Program (CIP)

D. CBJ Owned Land – Pederson Hill
The Housing Action Plan notes that publicly owned land and assets can be one of the most powerful tools to address housing availability and affordability issues. The HAP suggests using Pederson Hill as a case study and to develop the site with a combination of market and workforce housing.

One suggestion was that upon completion of the utilities and roads, CBJ could sell the lots to builders (up to 30% of the lots) and individuals (self-build). The percentage is a suggested target and would depend on the future land implementation strategy, partnership opportunities, and other factors.

Action Item:

1. Adopt Housing Action Plan
2. CBJ Assembly always decides land disposal method.

E. Requirement to Register Property and Have a 24/7 Contact
The Housing Action Plan includes recommendations to Preserve Existing Affordable Housing, especially older rental units and large multi-family buildings. One of the suggestions to assist with managing blight and to preserve the housing stock would be to require rental property to be registered, include a 24/7 contact for every unit.

Other options to coincide with this action could be:

- To include a periodic inspection (period may vary) for the registered units; and
- Create a program where owners passing inspections are eligible for property upgrade assistance.

Action Item:

1. Adopt Housing Action Plan

2. Assembly to give instruction to staff and Affordable Housing Commission on preferable steps to preserve existing affordable housing – through a combination of these suggestions or some other method.

Recommendation: CBJ staff recommends Assembly adoption of the Housing Action Plan and to shift focus to implementation.

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[i] **Juneau Income Limits for 2016:**

	1 Person	2 Person	3 Person	4 Person
120% Area Median income	$ 81,312	$ 92,928	$ 104,544	$ 116,160
Area Median income	$ 67,760	$ 77,440	$ 87,120	$ 96,800
80% Area Median Income	$ 54,208	$ 61,952	$ 69,696	$ 77,440

Community Development

City & Borough of Juneau • Community Development
155 S. Seward Street • Juneau, AK 99801
(907) 586-0715 Phone • (907) 586-4529 Fax

DATE: June 27, 2016

TO: Planning Commission

FROM: Beth McKibben, Planning Manager
Community Development Department

FILE NO.: AME2016 0010

PROPOSAL: A Text Amendment to adopt the Housing Action Plan as part of the CBJ Comprehensive Plan

ATTACHMENTS

Attachment A - Draft Minutes, Affordable Housing Commission, June 7, 2106
Attachment B - Housing Action Plan, Planning Commission Review Draft, June 2016

INTRODUCTION

The City and Borough of Juneau Title 49 Land Use Code states in CBJ 49.10.170(a) that one of the duties of the Planning Commission is Comprehensive Plan review. Furthermore, CBJ 49.10.170(d) requires the Commission to "make recommendations to the Assembly on all proposed amendments to this title, zonings and re-zonings, indicating compliance with the provisions of this title and the Comprehensive Plan". The Comprehensive Plan and its additions are incorporated into Title 49 at CBJ 49.05.200.

BACKGROUND

Juneau's housing challenges are significant and long-standing. Housing Needs Assessments completed in 2010 and 2012 by the Juneau Economic Development Council found vacancy rates that indicated a critical shortage in housing. Based on these findings, the 2013 Comprehensive Plan recommended the development of a housing plan that strategizes methods to successfully create and sustain quality neighborhoods by developing affordable housing through a diversity of housing types and densities.

Further, in 2014, the adopted Juneau Economic Development Plan found that Juneau's housing supply does not meet demand in terms of housing type, size, price, or location. One of its ten initiatives was to "Promote Housing Affordability and Availability". The plan placed the development of a housing action plan as the first of four objectives. Supporting the findings from the previous studies of 2010 and 2012, the Juneau Economic Development Plan further strengthened the case for the critical need of housing for all ages and income groups in order to obtain and maintain a strong and stable economy.

In 2014, the Affordable Housing Commission (AHC) requested funding from the Assembly to undertake the Housing Action Plan. After receiving approval, the AHC worked with staff from both the Community Development and Lands Departments to develop a scope of work. In January 2015, CBJ contracted with czb LLC, a planning firm from Alexandria Virginia specializing in housing analysis and neighborhood revitalization strategies.

The consultants met with housing providers, developers, real estate and finance professionals, elected and appointed officials, city staff and the AHC to gather information. The AHC, serving as the steering committee, worked with the consultants to synthesize the input, which the consultants analyzed and presented to Juneau residents in public meetings, seeking additional feedback. Meeting regularly with the AHC, the consultants presented a draft plan to the Assembly on October 26, 2015. Further refinements were made prior to czb handing off the plan to CBJ for final public input and subsequent adoption. At the June 7, 2016 meeting, the Affordable Housing Commission voted to move the plan to the Planning Commission.

The Housing Action Plan offers new thinking which incorporates the integration of housing into every aspect of community-wide priority-planning and recommends 30-year goals to build 1,980 new housing units and preserve 750 existing units. The plan includes a wide range of strategies and recommended actions which, if pursued with determination, are expected to:

- promote economic growth;
- give homeowners more options for up-sizing, down-sizing and relocating within Juneau;
- allow more families to move from renting to owning at an affordable price;
- ease stress on the rental market and reduce homelessness;
- enable younger workers and students to continue to live in or move back to Juneau to enjoy the support of their families; and
- help seniors to remain in Juneau and afford the services they require.

Nine primary solutions are recommended by the plan. Each recommendation includes a list of implementation steps as well as metrics to measure achievement of the recommendation. The recommended solutions are:

- Formally adopt the plan into Juneau's Comprehensive Plan
- Grow the Affordable Housing Fund and its potential uses
- Create and fund a full time housing director
- Grow the supply and diversity of housing, aiming at specific numerical targets, through new construction and preservation
- Preserve existing affordable housing

- Develop new policies for the use of CBJ-owned lands and assets to achieve key housing goals
- Update CBJ zoning tools/regulations with a focus on housing
- Develop small area/neighborhood plans with detailed incentives and direction on housing
- Develop a downtown strategy that has explicit housing elements

The plan states that there are no silver bullets that single-handedly reinvigorate or realign Juneau’s housing market. While available capacity and funding may limit the number or scale of the actions taken, one thing is clear - Juneau must take action if our community is to remain vital and thrive in a globally competitive world.

STAFF RECOMMENDATION

Staff recommends that the Commission review the draft Housing Action Plan and recommend to the Assembly its adoption as an addition to the Comprehensive Plan.

Draft Minutes Affordable Housing Commission
Tuesday, June 7, 2016 - 5:15 pm
CBJ Conference Room #224
155 S Seward Street, Juneau, AK 99801

I. Call to Order

Commissioners Present: Margaret O'Neal; Tamara Rowcroft; Mandy O'Neal-Cole; Wayne Coogan; and Kathleen Strasbaugh; Russ MacDougal; and Norton Gregory

Commissioners Absent: Honey Bee Anderson; and Erin Walker –Tolles (resigned 6/7/16)

Staff Present: Scott Ciambor, Chief Housing Officer; Greg Chaney, Lands Manager; Beth McKibben, Planning Manager, and (briefly at outset) Rorie Watt, City Manager.

Assembly Liaison Present: Kate Troll

Others Present: None.

II. Approval of Agenda

Mandy moved amending the agenda to include AHC public comment protocol for commissioners be added. Approved unanimously.

III. Approval of Meeting Minutes

Draft minutes for regular meetings of April 5, 2016 and May 3, 2016 and a special meeting on April 30, 2016, were presented and approved unanimously with following amendment: May 3 commissioner and staff comments, if any, were unrecorded.

IV. Old/New Business

a) Finalize & Recommend Housing Action Plan (HAP)

Wayne passed along reservations expressed to him about regulation of apartments described on Page 54. Four landlords contacted Wayne regarding concerns about registration and inspection of apartments could put undue burden on landlords, and that should the HAP become adopted as the housing chapter of the Comprehensive Plan, CBJ staff could be emboldened to implement inspection and enforcement without due public process. Commissioners and staff discussed that how implementation of the HAP would still be prioritized by Assembly and CBJ management and subject to normal ordinance, appropriation, internal policy and staffing, most of which included some public or review process before commencement. There was discussion about the HAP and Comp Plans being "aspirational" and not automatically having the force of regulation. There was discussion about whether every tool recommended in the HAP would automatically be used. Greg asked if the commission was fully supportive of inclusionary zoning. Most commissioners indicated support.

Kathleen moved acceptance of the Housing Action Plan for review by the Planning Commission. Six for the motion. One against. Motion passed.

b) AHC Task List

Margaret explained the table she provided that came from the implantation matrix at the back of the Housing Action Plan. The commission began reviewing the list of implementing actions in relation to whether they were consistent or part of the three priorities[1] chosen at the April 30 strategic planning session. The commission discussed whether the actions fit with these priorities. Scott agreed to review the list in relation to his work plan and provide feedback about where he sees the AHC's work being most helpful.

Commission assessed HAP implementing actions 1a-7e to determine whether they fit into the current AHC top priorities. This process, along with further defining and prioritizing for an AHC Task List, will continue at the next meeting.

c) Response to Builders / Recommendation for Pederson Hill

Item was tabled because City Manager, at beginning of the meeting, proposed meeting with AHC and builders to respond to concerns expressed at Lands Committee over Pederson Hill. He also explained the Planning Commission's role in recommending CBJ projects.

d) Public Comment Protocol

Mandy expressed concern that the public perceives AHC to have a position opposing Pederson Hill subdivision because of public testimony by Margaret, Wayne and Kathleen at the Lands Committee. Margaret and Kathleen stated they were both careful to say they were not speaking for the commission and that while they had different concerns about Pederson Hill (Kathleen's was for more density – closer to the recommendations in the HAP, and Margaret's was that given cost of construction, single family homes would not ultimately be affordable for the target market), they did not recommend the Land Management Plan not be approved. Wayne did not identify himself as a commissioner. There was some discussion about how and whether commissioners should speak out on issues the commission had taken a position on and whether it was ever possible to be sure the press would represent comments accurately. Mandy felt it was important, especially when promoting the HAP, the commission speak with one voice to be most effective. Greg offered that if the Pederson Hill concerns had caused the Lands Committee to not move the Land Management Plan forward, it would have been a major setback. Margaret suggested that voicing dissent or concern could be appropriate even after AHC has taken a position, because of new information or time constraints and that disruption that leads to a better outcome is a good thing. Wayne said it was not feasible everyone would always agree. Kathleen suggested issuing a statement to address misperception. Commissioners agreed to think more about how to handle public testimony that is not consistent with AHC's recommendations that both establishes boundaries/protocols yet still provides flexibility for members to respond to issues/concerns that are important to them in a timely way and without violating the open meetings act. Scott will ask Beth McEwan for guidance. The discussion will be continued at the next meeting.

V. Chief Housing Officer's Report

Scott went through his presentation to the Assembly about the housing continuum in Juneau, current and possible future CBJ involvement in housing. Scott gave the same presentation to

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1

1. Push adoption and implementation of the Housing Action Plan with/through the CBJ
2. Develop funding streams for housing
3. Clear the path for private sector housing development, and review policy and practices of CBJ to get more housing (these two topics were ranked the same and seemed to be two sides of the same issue).

AHC as he did to Lands Committee and Planning Commission. Margaret asked about the financial report in the Chief Housing Officer's Report, specifically the $249,000 resources used in FY16. Tamara said it was detailed in the CBJ budget and she will look for it.

VI. Public Participation on Non Agenda Items. There was none.

VII. Future Agenda Items

a) Continue AHC Task List identification, refinement and prioritization
b) Public comment protocol for AHC commissioners when not representing AHC
c) Schedule for AHC appearance at CBJ committee/assembly meetings
d) AHC review of revised PDG Switzer proposal and recommendation

VIII. Staff Comments. Beth McKibben said, on June 28, the Planning Commission will review the conditional use permit for the Assisted Living facility at Vintage Park. There is also a pending rezone across the highway from Pederson Hill, transitioned to D3 then D5 after access issue resolved – this is meant to be a clustered housing development. Greg Chaney said he is always willing and will make himself available to discuss Pederson Hill.

IX. Assembly Liaison Comments. Kate suggested AHC, in determining its action plan, pick a housing project like creating apartments over commercial properties downtown. She suggested AHC grab hold of a couple projects and bring them forward.

X. Commission Reports. Norton Gregory said THRHA is looking at starting a tribal VASH program but have had trouble finding a case manager with an MSW. The salary will be paid by the Veterans Administration. Scott suggested Norton contact Gastineau Human Services, which is also looking. Others passed.

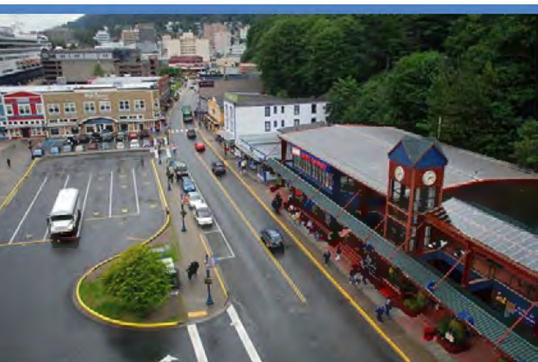
XI. Date for Next Meeting – July 5, 2016.

XII. Adjournment – 8:07 PM.

Attachment A

Housing Action Plan
City and Borough of Juneau

Prepared for and Under the Direction of the
City and Borough of Juneau, AK –
Community Development Department by czbLLC
October 2015 (Rev. 11/18/15)
Planning Commission Review Draft June 2016



Attachment B

Challenges & Problems

- The problem of having a stuck market
- A very informed and aware community
- How to get unstuck
- Creating a new framework

Key Observations

- Juneau needs a comprehensive housing strategy
- The community is already on board
- Juneau has a built in affordability disadvantage
- Inefficient land use policies worsen the situation
- Affordability *is* a problem, but not *the* problem
- The underlying root of the housing problem is a fragile economy
- There is a notable lack of product volume and diversity for young families
- Juneau can absorb the volume and diversity the market needs
- It is imperative that the market provide for aging in place
- Starter rental housing is in short supply
- Employers are doing a lot that could be durably leveraged

Recommendations

- Formally adopt *this* plan, into Juneau's comprehensive plan
- Grow the Affordable Housing Fund to a meaningful level
- Create and fund a full time housing director position in the CBJ
- Grow the supply and diversity of housing aiming at specific numerical targets through new construction and preservation
- Preserve existing affordable housing
- Develop new policies with a specific housing link for CBJ-owned lands
- Update CBJ zoning regulations to have specific housing links
- Develop small area plans tied to new policies affecting CBJ lands and updated zoning regulations
- Develop a specific strategy for Downtown that has explicit housing elements

ACKNOWLEDGEMENTS

City and Borough of Juneau

Rorie Watt, City Manager
Kim Kiefer, Former City Manager
Mila Cosgrove, Deputy City Manager

Assembly Members

Ken Koelsch, Mayor
Mary Becker
Karen Crane, past Assembly Member
Loren Jones
Jessie Kiehl
Jerry Nankervis
Maria Gladziszewski
Kate Troll (Liaison Affordable Housing Commission)
Barbara Sheinberg, past Assembly Member
Debbie White
Jamie Lynn Bursell

Planning Commission

Ben Haight, Chair
Paul Voelckers, Vice-Chair
Bill Peters, Clerk
Michael LeVine
Matthew Bell
Nathaniel Dye
Carl Greene
Percy Frisby

Affordable Housing Commission

Margaret O'Neal, Chair
Wayne Coogan, Vice-Chair
Norton Gregory, Secretary
Mandy O'Neal Cole
Tamara Rowcroft, past Chair
Russ McDougal
Erin Walker-Tolles
Kathleen Strasbaugh
Honey Bee Anderson

Many groups and individuals contributed to creation of the Juneau Housing Action Plan.
The City and Borough of Juneau thank you all for your contributions.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

March 11, 2016

Dear Reader:

Juneau has a well-documented housing problem. For many years the community has recognized that the Borough suffers from a shortage of supply, limited housing choice, and high cost burdens for many who are forced to pay more than 30% or their income for housing. Unaffordable and inadequate housing depresses economic growth, hurts families and threatens Juneau's outlook for a prosperous future.

The City and Borough Assembly established the Affordable Housing Commission (AHC) in 2006 to begin tackling these problems. Since then the AHC has launched and supported many housing initiatives, but despite these efforts Juneau's housing problems persist. One of the recommendations the AHC made in the 2013 update to the CBJ Comprehensive Plan was that it was imperative for Juneau to develop a Housing Plan.

In 2015, the Borough hired an outside firm – czb LLC, from Alexandria Virginia, to complete the Housing Action Plan, with the goal of obtaining "fresh eyes" to the problem and bringing "fresh ideas" in response. The Housing Action Plan is result of the collaboration of our consultants, czb LLC, the AHC and the community of Juneau. The plan recognizes the work Juneau has done to address these challenges. It also makes quite clear that we need to go farther and be more aggressive if we want to make real progress.

Access to quality, affordable housing opportunities throughout all of Juneau is instrumental in creating a community that is strong, productive, vibrant and whole. The Housing Action Plan provides a framework for a new direction for Juneau housing policy. It has been designed to create fluidity in Juneau's housing market, create an inviting place for workers and new families to call home, and enable seniors to age in the community.

Sincerely,

Tamara Rowcroft, Chair
Affordable Housing Commission

155 So. Seward Street, Juneau, Alaska 99801-1397

Table of Contents

Executive Summary
Housing Action Plan

Committed to sustaining Juneau as a dynamic place to live, the CBJ contracted with czb LLC, a planning firm from Alexandria Virginia. Specializing in housing analysis and neighborhood strategy, czb worked with Juneau residents to develop this Housing Action Plan. The Plan offers a framework for a new direction in Juneau housing policy, one that strives to create fluidity in Juneau's housing market, creates an inviting place for workers and new families to call home, and enables seniors to remain in the community.

Juneau's housing challenges are significant and long-standing. Completed in 2010 and 2012 by the Juneau Economic Development Council, the Housing Needs Assessments found vacancy rates that indicated a critical shortage in housing. Based upon these concerning findings, the 2013 Comprehensive Plan recommended undertaking a housing plan that strategizes methods to successfully create and sustain quality neighborhoods by developing affordable housing through a diversity of housing types and densities.

In 2014, the adopted Juneau Economic Development Plan further found that Juneau's housing supply does not meet demand in terms of housing type, size, price, or location. Its top ten initiatives included the development of a housing action plan. Supporting the findings from the previous studies of 2010 and 2012, the Economic Development Plan further strengthened the case for the critical need of housing for all ages and income groups to gain and maintain a strong, stable economy.

The consultants, working with elected officials, appointed officials, including the CBJ Affordable Housing Commission (AHC), developed the Housing Action Plan. The consultants met with housing providers, developers, real estate and finance professionals, elected and appointed officials, city staff and the AHC to gather information. The AHC, serving as the steering committee, worked with the consultants to synthesize the input, which the consultants analyzed and presented to Juneau residents in public meetings for additional feedback. Meeting regularly with the AHC, the consultants presented the draft Plan to the Assembly on October 26, 2015. Further refinements were made prior to czb handing off the plan to CBJ for final public input and subsequent adoption.

Juneau's well-documented housing challenges require a new political and economic framework. This framework, at its core, should be driven by the expressed desire of Juneau residents to be a part of a community where people live, work and thrive throughout their lives. Developing and implementing a new housing framework for Juneau must be grounded in the basic question, "What do we desire as a community, and how willing are we as a community to fund housing programs, making tangible trade-offs to achieve the community we envision?" If affordability for moderate and low income households is deemed a good thing in Juneau, worthy of having, obtaining it will have costs in some shape or form.

The Plan identifies the primary problem in providing adequate housing as having a "stuck market" and the primary challenge is how to get "unstuck." The Plan is structured in two parts: the first describes Juneau's housing challenges and its causes; and the second identifies solutions and provides specific recommendations for implementation. Key recommendations are summarized in Appendix 2, the Action Table.

The Plan recognizes the work already undertaken by Juneau to address these challenges. It also makes clear that it has not been enough. In order to make real, lasting progress, we must be more aggressive. The Plan emphasizes that the community must recognize that in order to solve our housing challenges, there must be trade-offs. If the community truly desires and values a healthy housing market then it must:

- Spend its own resources. Commit dollars from taxpaying Juneau residents, businesses, and property owners to back a bond, a housing levy, or other form of dedicated and significant public funding to offset excessive housing costs or mitigate developer risk – unstick the market. Quality housing and neighborhoods have costs, be they financially in the form of subsidies; density of developments on smaller swaths of land; or environmentally in the consumption of open space.
- Uphold policies. Support and uphold the policies needed to promote and encourage housing development, and require or mandate market behaviors currently missing.
- Create housing. Encourage more housing for young families, workers, and a growing senior population through incentives such as providing CBJ land or gap financing.
- Streamline permitting. Adjust zoning, permitting and related land-use processes to encourage clustered, moderate-density, and mixed-use development that utilizes existing infrastructure, which occurs with creative public financing coupled with design regulations and standards that ensure quality neighborhoods.

1,980 by 2046

The key goal recommended in the Plan is 1,980 newly constructed units for all housing types by the 30-year mark with an annual goal of 66 new units. The Plan breaks this recommendation into number of units by type, for example "independent senior housing". The Plan further recommends a 30-year goal of preserving 750 existing units, as well as annual preservation targets.

Nine primary solutions are recommended by the Plan. Each recommendation includes metrics to measure achievement of the recommendation, as well as a list of implementation steps needed to successfully achieve the recommendation. The recommended solutions are:

- Formally adopt the Plan into Juneau's Comprehensive Plan
- Grow the Affordable Housing Fund and its potential uses
- Create and fund a full time housing director
- Grow the supply and diversity of housing aiming at specific numerical targets through new construction and preservation
- Preserve existing affordable housing
- Develop new policies for the use of CBJ-owned lands and assets to achieve key housing goals
- Update CBJ zoning tools/regulations with a focus on housing
- Develop small area/neighborhood plans with detailed incentives and direction on housing
- Develop a Downtown strategy that has explicit housing elements

The Plan states that there are no silver bullets that single-handedly reinvigorate or realign Juneau's housing market. While available capacity and funding may limit the number or scale of the actions taken, one thing is clear - Juneau must take action if our community is to remain vital and thrive in a globally competitive world.

This report provides a framework for a new direction for Juneau housing policy. It has been designed to help create fluidity in Juneau's housing market, create an inviting place for workers and new families to call home, and enable seniors to age in the community. The framework contained here requires more direct effort by the public sector than has historically been the case.

Part 1:
Housing Market Challenges & Problems

Challenges and Problems

Juneau's population has been relatively flat for more than a decade. This is projected to remain the case through 2040.[1] Juneau has what may be called a "*what comes first*" problem. If people can't find places to live, new workers and families considering moving to Juneau won't move there. If new families and workers don't move to Juneau, it won't be in a position to grow its economy. State workers currently have challenges finding places to live as do private sector workers. The stuck nature of Juneau's housing market hampers the economic potential of Juneau.

When the value of housing is uncertain, the willingness of the market to take risks declines. In Juneau today, many in the private sector view investment in the housing market as too risky. As a result, new housing products come on line infrequently. This greatly restricts the supply, or availability, of housing, in general and at specific points on the housing ladder. Limited choice in the housing market discourages businesses to invest because their employees have no place to live. It stifles entrepreneurial activities because businesses don't have potential employees living in the community to hire. It discourages people to move to Juneau for vacation housing or retirement.

Just as a consumer wouldn't want to go to a grocery store with only a small shelf of products, consumers don't like to participate in a housing market that does not have enough choices to satisfy their needs. To overcome these risks, those developers who do choose to invest typically do so only at the highest price points. This contributes to the community's housing stocks being less affordable, making it particularly hard for young families and lower wage workers to call Juneau home.

The focus of new housing at the higher price point makes it harder for current residents to move into new homes. Would-be sellers stay put because they are unable to move into new homes due to the lack of options. When these households do not move through the housing ladder – from starter homes up to dream homes – there are two results: 1) developers have even less incentive to provide the array of housing options needed for Juneau's housing market to be healthy; and 2) choices of entry-level homes are further restricted because "starter" homes become "lifelong" homes for residents

[1] Alaska Population Projections 2012-2042; Alaska Department of Labor, April 2014 pp 10-12 and 17-23.

and therefore are only infrequently made available to another young family or working household. Juneau's housing pipes are clogged.

A lack of confidence by developers for a positive return on the basis of real and perceived risks in the local economy, coupled with limited movement through the housing stocks creates a situation that forces many to look elsewhere to live and will ultimately threaten Juneau's ability to maintain its population. This certainly weakens Juneau's chances for population and economic growth. In this way, the development and implementation of a robust and strategic approach to housing in Juneau is the community's most important economic development initiative.

Furthermore, when there is little available housing on the market and little, if any, incentive for the private market to correct for this, most of the housing stock becomes stale. This further clogs the housing pipeline. W hen local housing markets become truly stuck, *as Juneau's has been for some time,* challenges on the owner side of the market spill onto the rental side. Renters hoping to buy their first home discover they cannot, and like owners, stay put. This lowers rental vacancy rates and puts pressure on rents. The clogged housing pipeline prohibits renters from purchasing their own homes as well as eliminating the opportunity for renters in subsidized housing to move up the housing ladder as well.

This is a problem with important contextual notes.

For starters, Juneau's housing problem is a long-standing one. The Borough's market has been stuck for an extended period of time. While Juneau has made strides to address these housing issues, its housing market is stuck to such a degree that far more effort is needed. As trends in sales and new development make clear, this is not a situation that the "market" is likely to magically "fix."

There are too many factors, real and perceived, standing in the way: land scarcity, higher development costs stemming from higher material costs, a difficult financing market as many lenders rely on decision making outside of Juneau, high labor costs, and the highly seasonal and state-dependent nature of the local economy. Taken together, these factors create too many expenses and too much risk for private developers and funders.

Explicit action to address either side of this equation – the expenses or the risks – will be required to better engage the private sector in Juneau's housing market to create more affordability and availability and, ultimately, rewrite currently soft projections for population growth and economic vitality.

Community Awareness

It is clear that the general public is aware of these issues and ready for bold action. The examination of 688 survey responses to the community wide survey highlights a general consensus around two especially telling views:

- Fully two-thirds of respondents agreed that “there are not enough options for people, especially entry-level workers and seniors” and that Juneau, in general, has “a shortage of housing options.” One-third identified these shortages as a key reason why the community “has a hard time attracting workers.” Nearly half of all respondents (44%, or 302 out of 688) chose the terms “rundown,” “outdated,” and “aging” to describe Juneau. Roughly one-third considered the community to be threatened” and unlikely to grow. At the same time, just 18 respondents (2.6% of those surveyed) chose the terms “vibrant” and “strong identity,” and only 12 (1.7% of those surveyed) selected “inviting,” to describe Juneau today. This contrasts somewhat to the kind of community survey respondents want: one that is affordable (49%), family friendly (41%), and sustainable (37%).

- Over half (59%) of survey respondents felt that existing systems and process “are not building enough housing to meet our community needs” and/or “have fallen behind where we should be with regard to housing.” The vast majority of respondents felt that municipal government should perhaps (31%) or absolutely (57%) “play a more active role to address housing issues, choice, availability and cost.” Three-in- four respondents (29%) would consider or already support (44%) the municipal government assuming “a direct financial role” to tackle housing issues. And most (69%) would allow for greater height and density in certain areas of the borough if it would create more housing options for local workers and seniors, use the community’s existing infrastructure more efficiently, and/or protect the area’s natural resources and “unique services and features” that residents enjoy.

The community strongly reaffirms what the data make clear: the implementation of good housing policies for Juneau is economic development policy just as much as the continued failure to sufficiently address housing availability and affordability undermines Juneau’s economic potential.

Getting Unstuck

Significant expense over the years has gone into procuring study after study, each reinforcing the findings of previous analyses. It is our hope, with this report, to build on the excellent research and policy work of the past by turning those previous findings and new ones contained here into specific steps that the Juneau community can take to respond to what is by now a well-understood set of interrelated housing and economic development challenges. These specific steps are found in Part 2 of this plan, Solutions.

Fortunately, these types of challenges are not unfamiliar to other municipalities nationwide, including places throughout the Mountain West that are similar in important respects to Juneau. Other communities are using an array of tools such as bonds and levies, inclusionary policies, density bonuses, and public-private partnerships to successfully affect the availability and affordability of their housing stocks. Juneau can learn from these communities as well as develop its own solutions for the unique nature of its conditions.

The framework created by this plan does not only recommend more direct effort by the public sector than has historically been the case. More is not the sole antidote to insufficient. While more money is needed, more alone will not fix what is not working. A fundamentally different kind of response is called for, one that is robust in terms of dollars and is more partnership-oriented. Juneau cannot rely on some phantom notion of the so-called unfettered market.

Juneau's housing market, in reality, is not "free" at all. The market is already operating with a substantial and peculiar type of public intervention, propped up by high government wages and a disproportionate government-oriented (public subsidy-driven) economy. It also relies on the involvement of several large employers that have explicitly tried to address the challenges faced by their own employees. If these interventions can be harnessed, instead of resulting in a poorly functioning housing market, they could be vital components of a larger strategy to address the array of housing choices, and the cost of those choices, in Juneau.

Creating a New Framework

A review of the Borough's Comprehensive Plan and Zoning Ordinance, data from several sources such as: the State of Alaska's Department of Labor and Workforce Development, the 2012 Housing Needs Assessment, the US Census and the American Community Survey) as well as a number of reports commissioned by the CBJ and the Juneau Economic Development Council, leads to the conclusion that Juneau's long- standing housing problems are real and business-as-usual will only exacerbate them.

How would a new framework for housing policy look compared to the current course?

- <u>Elevate housing as a priority </u>– strongly support staff to oversee housing-related issues and strengthening the borough's approach to housing availability and affordability in existing plans. Juneau should reframe the larger narrative in Juneau with respect to municipal finance, economic stability, and housing such that it is clear that they are all dependent on each other.

  - Elevating housing would also mean utilizing tools proven elsewhere to be meaningful in addressing availability and affordability issues, such as density and height bonuses and inclusionary zoning; and doing so at scale. These would be incorporated into the Borough's Comprehensive Plan, by adding this report as a new chapter, as well as its Zoning Ordinance, not as mere statements of aspiration, but in the form of assertive policy objectives in the Plan and regulatory requirements in the Ordinance.[2]

- o Without these tools in place, current planning and regulatory documents ostensibly used to guide land use and development in Juneau are set up to neither successfully address the totality of the housing market's shortcomings, nor to properly guide policy makers and the community in prioritizing Juneau's housing needs. Current guiding documents in Juneau speak to the issue of housing, but they lack specific, measurable housing goals and fail to provide the development community with a clear picture of what types of new housing Juneau needs and can accommodate.

- Create stronger partnerships with both non-profit and for-profit developers. This includes creating a set of incentives to reduce private and nonprofit developer risk and to entice them to act in ways that help unstick Juneau's housing market; incentives that *convert the aspirations made clear in the plans into new units on the ground*.

  - o Such incentives could include below-market rate financing, shared equity investments, or transferal of low- or no-cost land and assets from the Borough's portfolio, for workforce housing or senior-oriented development. The market needs cost reductions and land to become unstuck, especially when it comes to products for first time buyers, lower-income renters, and retiring seniors. The public sector must provide these subsidies or deals won't get done (see *elevating housing as a priority*).

  - o While the Borough does not have an abundance of quality land or assets to transfer, it can, and under the right circumstance should, consider this. CBJ should be explicit about what belongs on the properties it transfers, and have provisions in place to hold the developers of those properties accountable for doing what they propose. If the community truly wants a functional housing market, it will have to create the room for one to emerge and prove profitable while also generating public benefit, and this will mean land and money.

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[2] The Montana Creek West (MCW) Subdivision Phase 2a (12 units), approved as recently as 2013, is illustrative, and is amplified by the subsequent CBJ staff review (and recommendation for approval) of Phase 2B *while this housing policy project was occurring*. Staff concluded MCW is consistent with the CBJ's 2013 Comprehensive Plan. But that misses the point. The ULDR is inconsistent with the goals of economic diversity and housing affordability, so within the Comprehensive Plan itself is prime facia evidence of a lack of statutory commitment to affordable housing.
Densities of 1-6 du/a run counter to the economics of housing affordability goals. Furthermore, staff analysis (conditions) is indicative of an insufficient review; missing is a criterion filtering out development that would add to the economic strength of the CBJ, not merely the presence of a threat to the value of adjoining property. "Will the proposed development substantially decrease the value of or be out of harmony with property in the neighboring area?" is a tautology that reinforces pre-existing conditions.

- Re-think resource priorities. *A market with Juneau's challenges cannot be fixed without spending dollars and making hard choices and trade-offs*. The good news is that the benefits of doing so – a better functioning housing market with choices for buyers and renters, and a more stable local economy – should outweigh the costs of these trade-offs and the required spending. These locally-generated resources would include:

    - An affordable Housing Fund with at least $3,000,000 in lendable, investable, and recyclable funding designed to support a range of housing-related objectives.[3] A dedicated fund of this type and this magnitude is essential to countering the cost escalators associated with the borough's steep slopes, limited land, and high materials and labor costs and risks facing would-be Juneau developers.

    - Additional local resources need to be re-budgeted to support related initiatives, such as downtown investments, code enforcement, staffing housing-related positions, and preparing public land and assets for redevelopment. Instead of looking to AHFC and other non-local sources to pay for Juneau's housing problems, the community should become self-reliant.

    - Only 6% of survey respondents feel that "Juneau is presently capable of being economically self-sufficient, independent from money from the State or Federal government in the form of subsidies." Becoming economically self-sufficient, which half (50%) of survey respondents say they support, would require generating new local resources by reprioritizing spending and/or self-taxing through municipal bonds or property levies to raise funds to unclog the housing market.

The Borough's long-standing housing problem requires a new political and economic framework as well. One that, at its core, should be driven by the expressed desire on the part of stakeholders to be a part of a community where people can live and work and thrive throughout their lives. Developing and implementing such a new housing framework for Juneau must be grounded in the basic question, "what does the community really want, and how willing is the community to fight and pay for and make tangible trade-offs to achieve what it wants?"

To develop a new framework, it can be constructive to first understand the components

[3] From Silicon Valley to Asheville, NC housing trust funds have operated for years, collecting resources (through taxes and other means) and investing them in projects to close cost and other gaps. The most significant of these is Seattle's Housing Levy with a per capita size in excess of $200. Others are less generous. Burlington, VT's per capita rate of $115 is in the high-middle of the range of the more successful funds in operation to today, and Austin's rate of $73 is in the middle. Juneau's current trust fund per capita rate of about $13 may be insufficient. High functioning trusts (Seattle, Minneapolis, Austin, Burlington) average $93 per capita; at this rate, Juneau's trust would be about $3M.

of Juneau's housing issues. The Borough *does* have an affordable housing problem for low wage households. The Borough *does* have a shortage of senior housing. The Borough *does* have a glut of older housing stocks on the one hand and a shortage of new product on the other. But only in part are these a function of the usual suspects: high materials and labor costs, limited land, and values outpacing incomes. The full picture is more nuanced.

No Free Market. The Juneau economy is not a “free-market” by any stretch of the imagination. Government-centric wages have distorted demand such that resulting prices bear little resemblance to quality.[4] Obviously, Juneau wants to remain Alaska's Capital, yet that very status will perpetuate some elements of the housing problem. Not only does a portion of the community’s housing problem stem from being the state capital, its ability to remain the state capital is ironically hampered by the same issues. The harder it is to find affordable and available housing in Juneau and the more precarious Juneau’s economic future, the weaker the argument for Juneau as the state capital.

Strategy Needed. Strategies currently in play are not durable enough to significantly address Juneau’s housing challenges. Existing strategies don’t recognize that they relate directly to, and significantly inhibit, the borough’s population and economic growth. Juneau’s housing issues cannot simply be framed as affordable-housing-for-the poor problems. Juneau’s housing issues are far larger than that; they include the lack of product for working and middle-income households and seniors and act as barriers to new businesses coming to town and impede expansion of existing business operations. As a result, addressing these housing market challenges is Juneau’s most important economic development strategy. It may be wise to directly link this report, or a locally crafted rendition of it, to the CBJ Comprehensive Plan.

Workforce Impacts. Understanding first-hand the link between housing affordability and availability, and the ability to attract and retain a quality workforce, several Juneau employers have started implementing their own disparate and ad hoc system of providing or subsidizing housing for their workers. Under the umbrella of an organizing entity, and administered in a way to meet individual employers’ needs while also positively impacting the housing market as a whole, these employers’ investments in worker housing could go even further in unsticking the housing market and fostering additional economic vitality.

Using CBJ Land. Another way a new approach to existing aims could help positively impact the housing market relates to the way the borough handles the disposition of CBJ-owned land. The CBJ Land Management Plan makes important headway regarding the disposition of public lands for the purpose of righting the Juneau housing market. Similar work must be done to help the borough create comparable opportunities from those properties that fall into public ownership as the result of

[4] The cost of housing in Juneau *should* be much lower than it is, given the condition and size of the majority of the stocks.

emergency code enforcement or demolition, such as that planned for the Gastineau Apartments.

The Potential of In-Fill. The potential for new housing development extends far beyond the developable parcels of public land and acquired blighted properties. Several sites served by existing infrastructure and already zoned for denser and/or mixed-use development currently house far fewer than they could. Drilled down neighborhood planning and specific, actionable neighborhood plans can both identify these locations (such as those areas surrounding Downtown, the Nugget Mall, and the hospital) and present clear alternatives for development and growth.

Leverage Existing Infrastructure. The need to most efficiently use existing infrastructure highlights the importance of acting to *preserve* the existing housing stock. Some of Juneau's older single-family housing stock was marginally built and has not been well maintained. This holds true to an even greater degree for the community's older mobile homes. Also, several older multifamily buildings, especially downtown, have either already been lost to deterioration or may soon be. Given the significant housing crunch, Juneau needs a proactive approach to either protecting or re-developing these units. Preserve *then* develop.

If the Juneau community wants a healthy housing market then it must:

- Spend its own resources – dollars from taxpaying Juneau residents, businesses, and property owners. These resources should support a bond, a housing levy, or some other form of dedicated and robust public funding to offset excessive housing costs or mitigate developer risk. Good things have costs, be it financial (subsidy), form (density and height), opportunity (inaction), quality of life (impeded view corridors), environmental (consumption of scarce open space). If affordability for moderate and low income households is deemed a good thing in Juneau, worthy of having, obtaining it will have costs in some shape or form.

- Authorize the Assembly to put in place the funds needed to unstick the housing market, and the policies needed to sometimes promote and encourage, and other times require or mandate market behaviors now missing.

- Create more housing for young families, workers, and a swelling senior population. And that will require land and gap financing.

- Adjust zoning, permitting and related land-use processes to encourage clustered, moderate-density, mixed-use development that makes wise use of existing infrastructure, which that can only occur with creative public financing on the carrot side and policies with teeth on the stick side (comprehensive plan).

As stated before, a healthy Juneau housing market is the key to a healthy Juneau economy. A healthy Juneau economy is one that is more self-reliant than subsidized. A new housing framework for Juneau will have to come from within, and that will mean the community must both demand the benefits of a healthy housing market while demonstrating an actual willingness to bear its costs, whether in dollars or tradeoffs, or both.

Key Observations

<u>A Comprehensive Housing Strategy is Needed</u>

Juneau's Comprehensive Plan should add a new housing chapter and this report should be the initial draft of that chapter. Juneau's zoning regulations should be optimized to support the creation of a stable and well-functioning housing market in line with community needs.

There are presently too few incentives in place to encourage the creation of a diverse housing market for a range of incomes and life-stages. Juneau's Housing Trust Fund has insufficient resources to make a noticeable impact on the housing market. Zoning is not set up to encourage developers to make the most of existing infrastructure, nor to automatically allow for more intensive land uses as new infrastructure is added. Rules surrounding new construction and development are not always consistent or predictable.

Additionally, there is currently no municipal staff person dedicated to housing issues. As a result, there is limited coordination between CBJ and nonprofit housing providers. And there is no coordination between CBJ and local employers building or otherwise subsidizing housing for their workers. Several people interviewed by czb mentioned the need for such a full time person, one who would coordinate housing related-efforts and foster collaborations between the various housing market players.

Beyond these serious gaps, several key individuals interviewed by czb stressed that the community needs to be engaged and included in the development and understanding of a longer-term housing vision. Without community involvement, it will be hard (if not impossible) for the community to figure out how to prioritize local government housing-related spending and programming, which is something most survey respondents would like to see. Engagement should be instructive towards the goal of being constructive.

There is a strong desire for just such a long-term housing vision, as well as specific actions for CBJ and its public, for-profit and nonprofit partners to take. That is exactly what this document is designed to be, and what this process has been designed to have done.

To ensure that Juneau is doing all it can to support a healthy and diverse housing market, the Assembly must *explicitly link this report to the Comprehensive Plan*, *refine Juneau's zoning ordinance and development codes* to provide the incentives and regulations necessary to encourage the recommendations, and *hire a Housing Director* to foster and facilitate public/private partnerships and their ability to implement the recommendations described here.

The Community is Already on Board

The Juneau community is keenly aware of the need for such a comprehensive housing strategy. The community wants to be family-friendly, affordable for local workers, and sustainable for the long-term. It understands that the current housing market is limiting that potential. Residents understand that a stable economy, housing diversity, and quality-of-life go hand-in-hand. They believe the government, especially in the way it uses zoning and manages its land holdings, should play a role in helping address problems in the housing market. The community could benefit from a more focused conversation about the tradeoffs associated with shifting from business-as-usual to a new course of action, and such continued "give-get" dialogue is recommended. Many are concerned about the trajectory Juneau is on and do not see the emerging future Juneau as a place that will be as inviting and as attractive as it is now. They do not see the current economy as sustainable or self-sufficient. They have a specific desire to see their local government take action to support housing for workers, seniors, and families. They believe in an efficient government and want to maximize the community's investment in infrastructure. They believe government should carefully guide housing issues, but also want to allow the marketplace to work without excessive government involvement. They want action and balance.

The community has a good grasp of the issues and challenges Juneau faces. They want there to be actions to address them, and understands the tradeoffs in terms of density, land-use and government activity.

Juneau's Isolation Creates an "Affordability Disadvantage"

Construction costs in Juneau are higher than elsewhere due to the difficulty of obtaining supplies, the high cost and limited availability of developable land, difficult physical building conditions, a short construction calendar, difficulty finding construction workers and their high cost of labor, and high community expectations for quality. Financing for development in Juneau is also difficult as local lending institutions often have to go outside of Juneau for approval of loans, thus putting loan committee decisions in the hands of people that are not close to, or as knowledgeable about the Juneau economy and its potential. These factors inflate the price of "starter" homes, make it harder to build affordable housing for seniors or workers, and make the development of all but the most expensive homes too risky a proposition.

Countering these forces will require both private and public interventions in the housing market. Juneau cannot unlock its housing market and create affordability without specific zoning, targeted subsidies, and other private sector incentives to encourage the development and sustainability of lower cost housing. Governmental action that offsets some of these costs or otherwise mitigates a portion of developers' risk can "prime the pump" of housing development and create a healthy market.

Inefficient Land Uses Make This “Affordability Disadvantage” Worse

Housing prices are inflated even more when existing infrastructure and land are not used efficiently. As described in the CBJ Land Management Plan, adding water, sewer, and roads to an individual lot can range from roughly $47,600 to more than $63,000. If that land is then used for low-density residential development, the price of those units will reflect these costs; if that land is slated for affordable housing, a substantial subsidy will be required to offset these costs. Alternatively, whenever new development takes advantage of existing infrastructure, or whenever land receiving new infrastructure is slated for higher density use, these costs can be defrayed in a way that does not overly burden buyers, renters, or taxpayers.

CBJ’s plans, zoning ordinance, development codes, and Land Management Plan, must all stress the value of utilizing existing infrastructure before building new and maximizing old and new infrastructure through higher densities and greater concentrations of uses wherever appropriate.

Juneau’s Housing Market is Stuck.

The unaffordability of for-sale housing in Juneau is well documented: the Juneau Housing Needs Assessment described Juneau’s “high cost of living and high real estate prices” (page 4). Compared to owner housing in Anchorage, for example, a larger share of Juneau’s stock is priced at or above $400,000 (28% versus 19%) and a smaller share is valued below $250,000 (30% versus 38%).

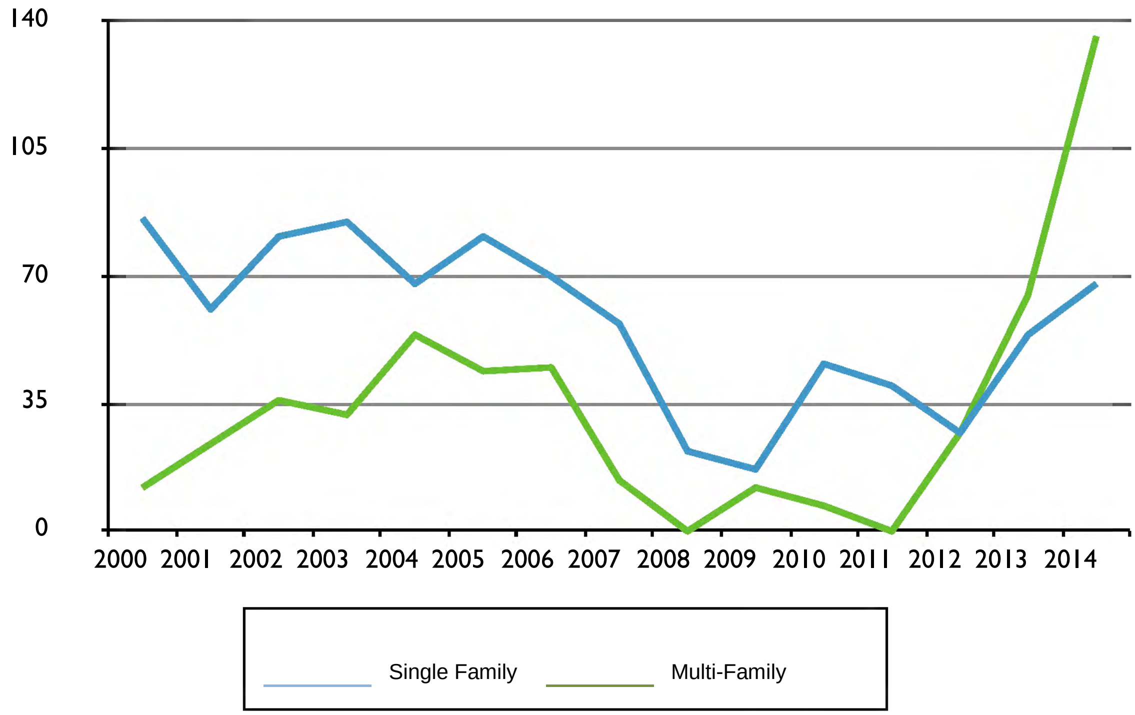
Higher wages do off-set these higher values for those households earning them. In 2013, Juneau’s median home value ($309,900) was just over three times the community’s median owner income ($97,917 that year) and about 3.8 times the community’s median household income ($81,490). The median value was generally affordable to households (specifically owners and all households generally) at the median income. In San Francisco, in contrast, the median value of owner-occupied housing is 6.6 times the median owner income and nearly 10 times the median household income.

The larger issue in Juneau is the availability of housing choices for people across a range of incomes and life stages. Residents are well aware of this, and it was discussed in detail in the recent Juneau Housing Needs Assessment. According to that report, the “low supply rather than unsustainable market appreciation” is behind the current crunch (page 4).

Juneau, due to its isolated nature, does not benefit from a neighboring city or town to absorb some of its affordability issues. This magnifies Juneau's predicament because it is solely responsible for its own housing issues. In less isolated communities, a nearby town would provide some of the housing options to offset gaps in affordability. For example, in Anchorage many employees take advantage of lower priced homes in the Mat-Su and commute to Anchorage.

Few new housing units are built in Juneau each year. According to the Census' Building Permits data, Juneau permitted, on average, just 58 single-family units and only 34 multifamily units each year between 2000 and 2014.

Number of Units Permitted in Juneau by Type, 2000-2014



Sources: U.S. Census Building Permit Data, czbLLC.

Given the cost of building in Juneau, most of the units that are constructed in a given year fall at the high end of the market. New construction permits were far outpaced by permits for residential remodels and/or additions, which, for example, averaged 430 annually between 2008 and 2011.

The good news is that Juneau homeowners spend money fixing up their homes. The bad news is that these improvements largely replace owners moving through the housing stock.

According to multiple listing service (MLS) data, there were about 150 to 200 single-family home sales per year between 2007 and 2013. At any moment in time, less than one percent of Juneau's housing stock is on the market. This rate far less than is healthy. On May 26, 2015, for example, there were only 49 single-family homes in Juneau listed for sale on the MLS, an amount equivalent to 0.6% of all single-family units in town (49 out of 7,697). While a similar share of Anchorage's single-family stock was listed for sale (0.6% of single-family units, or 451 out of 69,914), nearly 9% of Fairbanks' single-family homes were on the market on May 26th (590 units out of 6,725).

For some additional comparisons, 3% to 4% of single-family units – *five to six times Juneau's share* – were on the market in Minot (North Dakota), Rapid City (South Dakota), and Grants Pass (Oregon); and roughly 6% of single-family units – *or nine to ten times* Juneau's share – were on the market in more comparable Bozeman and Helena (Montana) and Bend (Oregon).

Geography	Single-Family Units	Single-family Units For Sale (May 26, 2015)	% For Sale
Juneau, Alaska	7,697	49	0.6%
Anchorage, Alaska	69,914	451	0.6%
Fairbanks, Alaska	6,725	590	8.8%
Bozeman, Montana	8,636	526	6.1%
Helena, Montana	8,131	464	5.7%
Minot, North Dakota	11,573	332	2.9%
Bend, Oregon	26,450	1,508	5.7%
Grants Pass, Oregon	10,422	394	3.8%
Rapid City, South Dakota	19,195	670	3.5%

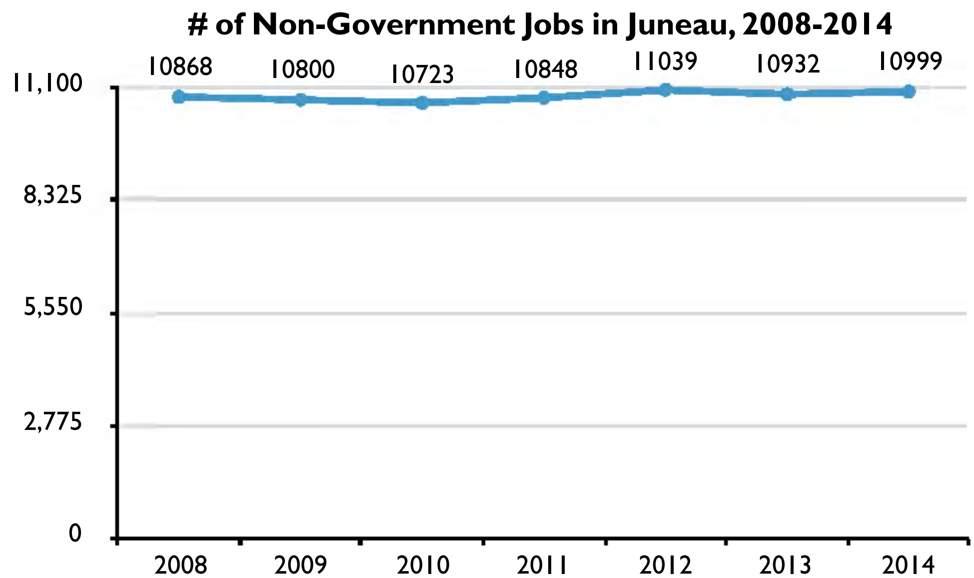
Sources: 2013 American Community Survey 5-Year Estimates, realtor.com.

This contributes to supply constraints as people are more likely to stay in their first home instead of moving as they age and earn more, or as they retire. Juneau's housing does not turn over quickly, and the re-sale of existing housing is significantly limited. The lack of available units and any barriers to homes transferring on the market (such as the availability of financing for the resale of mobile homes) are, in many ways, the key housing challenges facing Juneau today.

Juneau does not just have an affordability problem; it has a *quantity-of- choices problem* for people across the income spectrum and at all different life stages. New choices are needed so people can move and units can be freed up for new market entrants. Without this the entire market will remain over-priced but at the same time be unattractive, offering few viable alternatives, to potential newcomers.

A Stuck Housing Market = A Fragile Economy

Juneau's economy is precariously dependent on the borough not only maintaining its population at current levels but also being able to grow and on present employers not only maintaining their workforces at current levels but also being able to expand. When housing choices are as restricted as they are, population growth and economic growth are both severely limited. One sign of this reality: Since 2008, the number of non-government jobs in Juneau has been flat – up by barely 1%. This contrasts with, statewide trends. In Alaska as a whole, the number of private jobs was up nearly 7% over this same stretch of time.

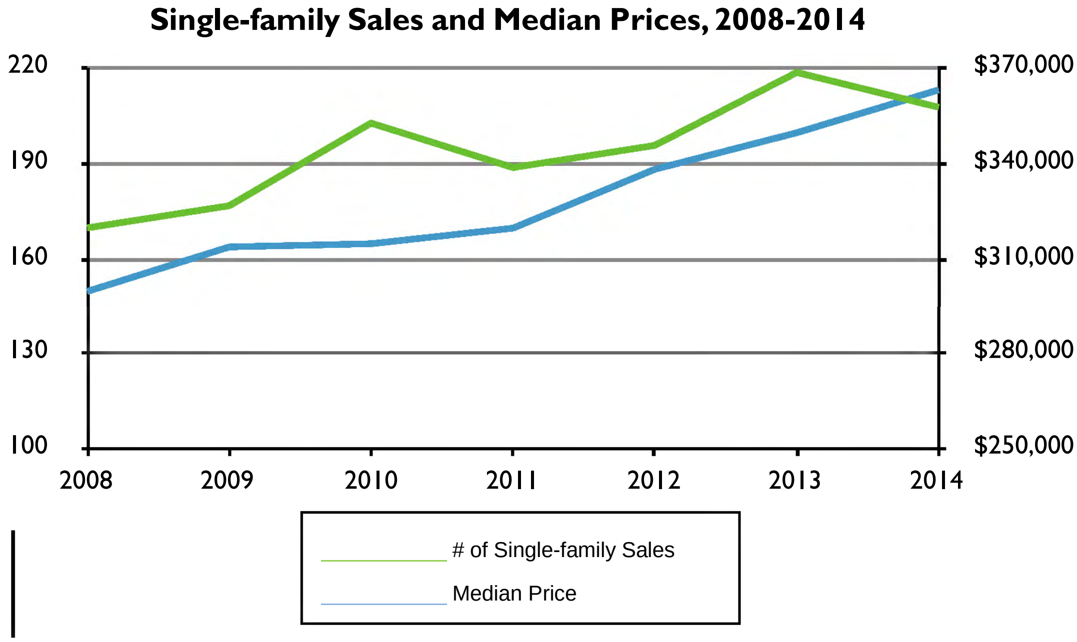


Sources: County Business Patterns, Alaska DOL, czbLLC.

Without starter homes for new young families, rentals affordable to and appropriate for entry-level workers, and independent or assisted living units aimed at enabling Juneau seniors to age within the community, the borough's workforce, population and home values will all inevitably decline. In many ways, this runs counter to popular thinking in Juneau. Understandably, since home equity often represents a household's largest asset, homeowners work hard to protect their homes' values. In Juneau, this has long meant community advocacy (by default and inaction) for keeping the housing market tight. The thinking goes like this: so long as the supply of housing is low, and so long as the demand for housing is at least somewhat higher, home values will remain high.

The paradox is that this approach – constraining the potential of the housing market – will ultimately lead to the exact opposite. As fewer young households are able to find appropriate housing and stay, or move, into Juneau; as fewer seniors are able to stay in Juneau as they need a greater level of assistance; as fewer employers are able to expand due to the lack of housing for new employees, everything – population, economy, and home values – will decline.

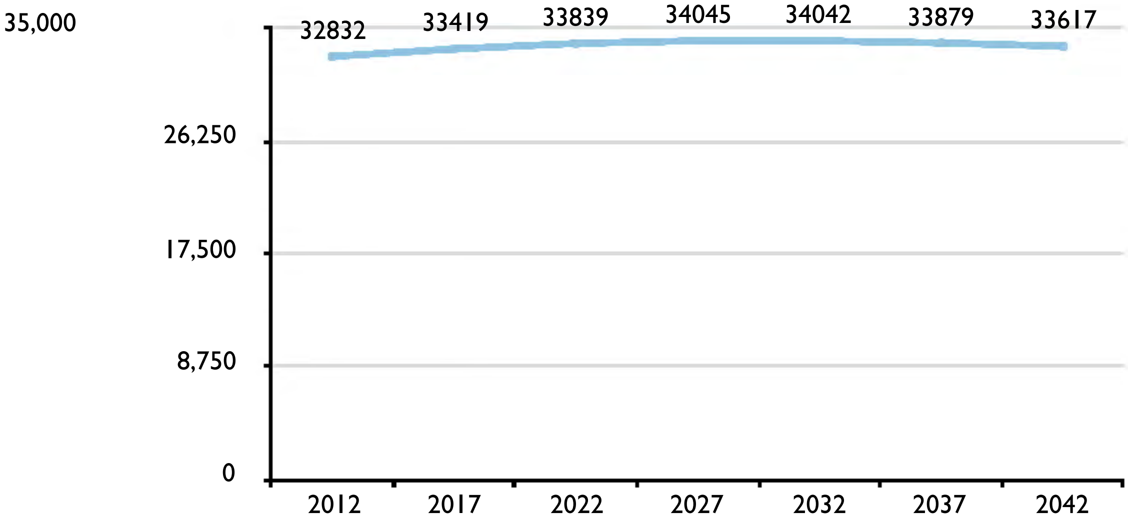
The lack of housing choices is a bigger constraint on the local economy and long-term home values than a greater supply would be. This cannot be emphasized enough. Time and again, the greater availability of an array of housing choices in markets with high demand translates into rising property values. Even in Juneau, as the number of single-family sales ticked up since 2008 (from 170 that year to 208 in 2014), so did the median sale price of single-family homes (from $300,000 in 2008 to $363,500 in 2014).



Sources: Multiple Listing Services, czbLLC.

The quantity and median sale price of single-family homes rose together in countless other strong markets during this same time period; czb has seen such trends first hand in other czb client communities, such as Ann Arbor (MI), Charleston (SC), and Park City (UT).

Both Juneau's housing market and economy are currently on the wrong track**.** The Alaska Department of Labor and Workforce Development predicts that Juneau's population will remain nearly unchanged over the course of the next 30 years. The borough's population was 32,832 in 2012 and is predicted to be 33,617 in 2042 – a change of just 785 residents in over a 30 year time period.



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Researchers project that any population gains during this stretch will come from births exceeding deaths, and to a degree greater than the number of residents lost to out-migration. Net migration numbers are expected to be negative for each 5-year period between 2012 and 2042. Births are expected to boost the population in the near term but be insufficient to do so by 2027-2032.

Components of Population Change, 2012-2042

Year	Average Annual				
	Births	Deaths	Net Migration	Δ	Growth Rate
2012-2017	415	200	-98	117	0.35%
2017-2022	410	227	-99	84	0.25%
2022-2027	397	259	-97	41	0.12%
2027-2032	390	299	-92	-1	0.00%
2032-2037	389	338	-84	-33	-0.10%
2037-2042	389	367	-74	-52	-0.15%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

These projections and the reality they reflect are not only the result of little new construction but also a cause of it. W hen it is difficult to convince developers of the community's growth potential, they look elsewhere to invest. As a result, even fewer new units come into being and even fewer households end up migrating into Juneau.

While more supply, over time, could have some impact on prices, that concern is outweighed by the greater risk to long-term home values that comes when too many people write-off Juneau as a place to find a home and live. When that happens, people and businesses look elsewhere, state jobs slowly migrate out of Juneau and the local economy continues to underachieve.

Just as consumers will eventually stop shopping at a grocery store with unsatisfactory choices, housing consumers will stop looking at Juneau as well. Given the fact that the private market is creating housing for its employees and the many stories we have heard of people not finding a home to live in, there is good reason to believe this is already happening. There are many places in the United States with much larger percentages of the housing inventory on the market that have robust and dynamic housing markets. Increased housing inventory availability does not, as a rule, lead to a less dynamic market. It is an important part of the grease to smooth the mechanism of a healthy housing market and create the fluidity that Juneau needs.

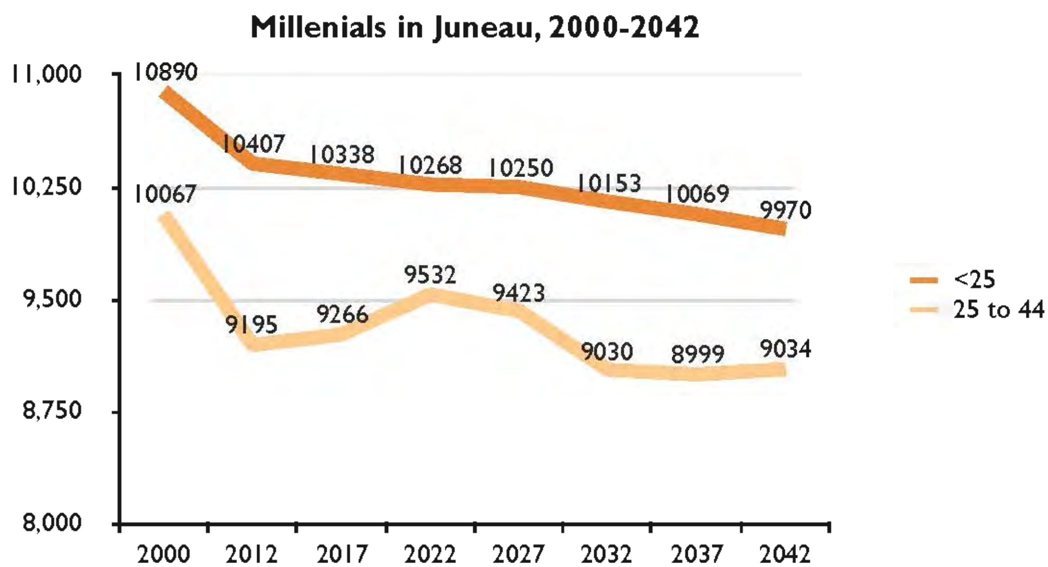
Changing this direction requires drawing the influx of new residents, especially younger adults who can start and raise families, giving Juneau a workforce and community into the future. It also requires that seniors age in Juneau rather than leave for better services elsewhere. With no proactive strategies to affect the number of in- migrants or the ability of seniors to stay in Juneau, the borough's present population and economic stability are both precarious. In a high cost setting it can be difficult to see, much less come to terms with, the fact that the future is one of flat or declining prices more typical of a weak market than the strong Juneau of peak past moments along its boom-bust continuum. Difficult to see or not, this is the reality.

With Juneau's stagnant population projections there needs to be more effort to attract and retain families, and that means spending to trigger higher density housing. It also requires being attentive to the housing and service needs of an aging population. And it means recognizing the central link between the borough's economy and its housing stock.

Juneau Lacks the Housing Products Demanded by Young Families

Given the often repeated stories of families unable to find suitable housing, czb is convinced that the lack of housing choices is a great constraint on the local economy. To keep the population stable or growing, a focused effort to attract and retain younger adults and families is critical. Without these cohorts, who require quality rental housing, starter homes, and move-up options, Juneau's population will decline, as will its economic prospects.

Current population projections for Juneau expect these age brackets, adults under 25 and adults aged 25 to 44, to decline dramatically over the next 30 years. Both groups are expected to lose roughly 1,000 people between 2012 and 2042.



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Because of the limited turnover in housing stock, older homes, which in other places would be starter homes for new families, are not coming on the market. When they do, their prices are artificially high, even if they need to be fixed up, because the housing market is so constrained. The same affordability and availability challenges are also true for Juneau's rental market, putting younger potential in-migrants in a double bind.

Juneau needs to incentivize development and design and implement zoning regulations and land-use policies that help the borough attract young adults and families. This means that such strategies must be both housing strategies and neighborhood strategies. The limited affordability and availability of for-sale housing and year-round rental units require a concerted effort to see that not only more housing units but *more types of housing units at more price points are developed.* How these housing units fit into Juneau, though, is very much a neighborhood issue. The natural growth constraints that surround Juneau – the mountains and inlets that, at the same time, provide the scenery and recreational opportunities that make the city so appealing, require that developable land be used as efficiently and effectively as possible.

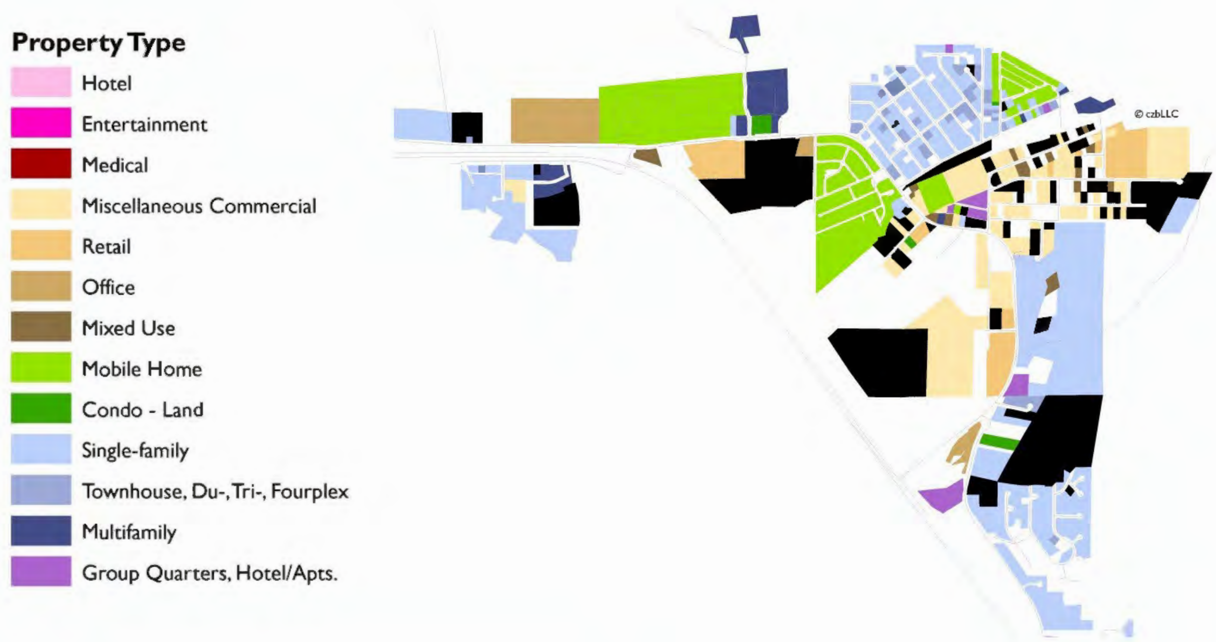
The Capacity to Accommodate More Housing Exists throughout Juneau

Juneau's downtown could be a much more vibrant, exciting place if more people lived there. Small scale industrial and retail areas of Juneau have great potential to be transformed into neighborhood-oriented mixed-use villages with a range of housing and business services. Older residential areas have the potential to add new housing in ways that would not detract from neighborhood character or feel. Numerous low-density sites exist throughout the borough – all representing excess infrastructure capacity and opportunities for addressing the affordability and availability of a range of housing types in Juneau. Each in their unrealized potential also stands as a beacon to inaction. The reduction in the number of such sites will be the best evidence that policies and dollars have been aligned to tackle the housing dilemma in Juneau.

It is recommended that Juneau pursue zoning and land use reviews for all neighborhoods, with the goal of highlighting where lower-density, single-use developments might be transformed into the types of mixed-use villages described in the Juneau Senior Housing and Services Market Demand Study (2014) and currently being developed in cities across the country. CBJ planning staff has already begun using this approach in certain sections of the city. These efforts would be easy to replicate, at a reasonable pace, elsewhere. Neighborhood plans provide planning staff the opportunity to drill down into specific areas, as well as also providing area residents the opportunity to participate in crafting the recommendations for an area's future and to understand where changes will and will not be made. This community engagement tends to reduce the incidence of NIMBY-inspired roadblocks to improvements.

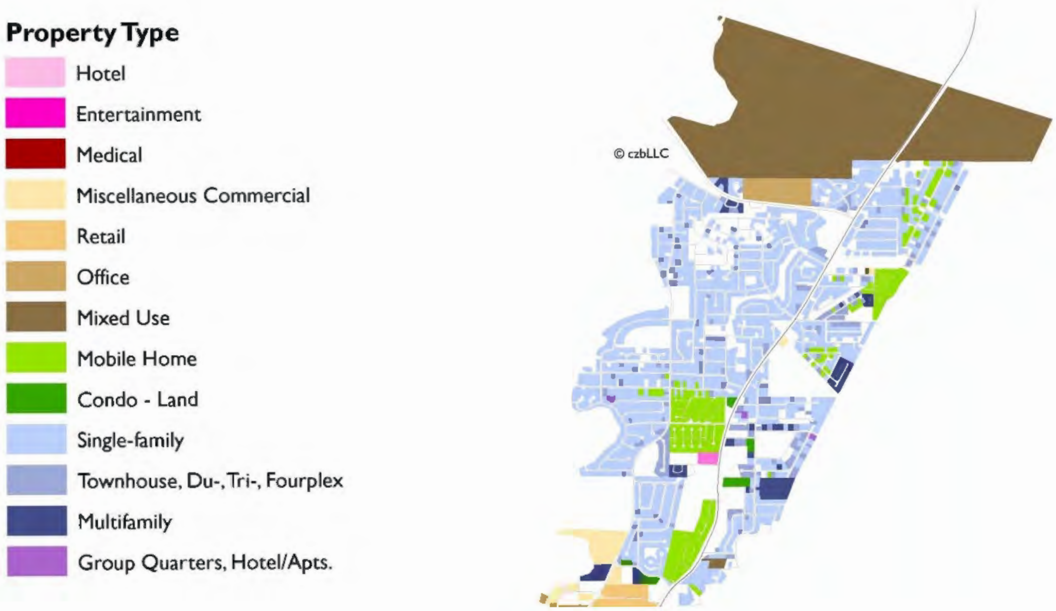
For an example of where this may be appropriate, the area around Bartlett Regional Hospital has the capacity to accommodate more density and a wider mix of uses, including retail and additional housing, for example.

Lemon Creek has a number of vacant parcels and single-use zones where increased density and a wider array of uses could help address some of the lack of available housing, particularly units geared toward older residents and toward younger ones.

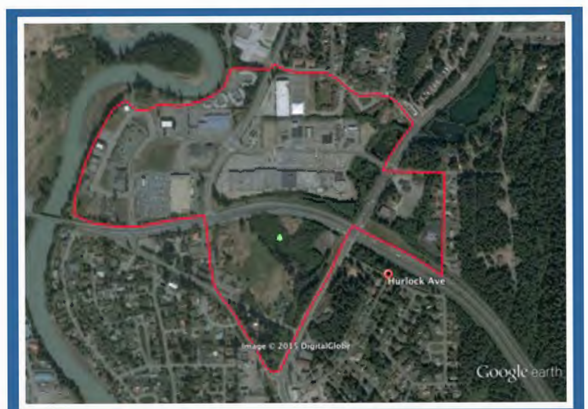


Prime examples of sites highly suited for dense, economically valuable, mixed-use development.

The same is true, too, in Mendenhall Valley, particularly on the neighborhood's south side.



Nugget Mall



Safeway and surroundings

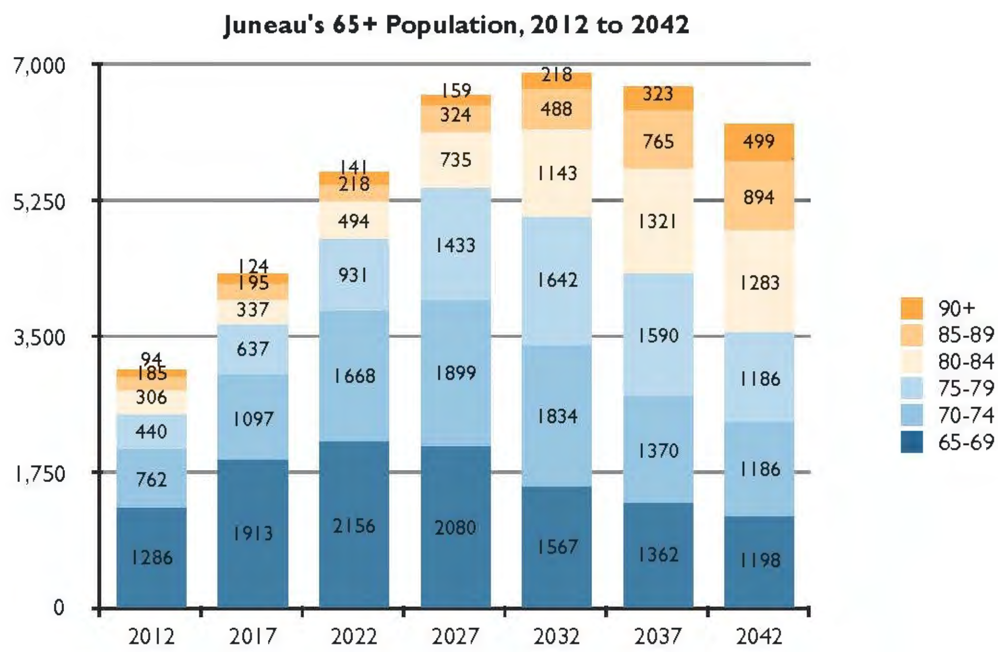
Nowhere is the importance of more efficiently using available land to address housing affordability and availability more important than in Downtown Juneau. While many buildings in the area require extensive, and expensive rehabilitation, rehabilitating these historic properties and creating a vibrant downtown have the potential to draw and keep households in Juneau more broadly. Of course, this will not happen, as noted throughout this plan, without a robust shift in policies and spending.

Juneau has the potential through zoning, public investment, and a downtown strategy to develop creative and long-lasting solutions to its housing market's challenges, solutions that will increase the desirability of living in Juneau and improve the long-term prospects of the community.

Housing is Needed for Young Households and an Aging Population

Juneau's declining number of births predicted by 2042 hint at another key component of the DOL's population projections: the age breakdown in Juneau is expected to change dramatically in the next thirty years. The number of Juneau residents aged 65 and older is predicted to more than double – from 3,073 to 6,246, and from 9.4% to 18.6% of all Juneau residents.

Furthermore, a growing share of the residents who are over 65 will be in older age cohorts. In 2012 and 2017, for example, about half of Juneau's population aged 65 and older will be between 65 and 69 years old; by 2042, just 19% of residents aged 65-years-old and older will be between 65 and 69 years old. In contrast, the population aged 85-years- old and older is expected to be five *times* larger in 2042 as it was in 2012: 1,393 residents vs. 279 residents.



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

These figures highlight two key issues to be included in any affordable housing plan for Juneau: 1) the need for additional housing for senior householders; and 2) the implications of an aging population for the housing market.

In response to these DOL projections, the recent Juneau Senior Housing and Services Market Demand Study (2014) found a need in Juneau for more assisted living units as well as "the need for independent senior housing both with and without supportive services, short-term rehabilitation beds in skilled nursing facilities, dementia care, personal care assistant services, and a need for a more robust senior center system for Juneau" (page 4). That study determined that Juneau would need an additional 327 assisted living units by 2042 to meet the demand of the "silver tsunami" (pages 63, 14). The study further recommended that these units be co-located with senior independent housing units and medical services and supports to create a comprehensive aging-in-place community (page 63). The report went on to recommend that these campuses include "an assisted living facility of between 30 and 40 beds paired with approximately 40 to 50 units of senior independent housing units" (page 64). This would translate into the addition of roughly 420 senior independent living units to accompany the 327 assisted living units.

Juneau's aging population, and the movement of older households into smaller homes, independent senior living facilities, or assisted living units, will have multiple ripple effects on the broader housing market. For one thing, as the Juneau Senior Housing and Services Market Demand Study pointed out, "Home and community based services in Juneau will need to grow to meet the demand. To help keep Juneau seniors in their own homes, a comprehensive set of home and community based services is required including trained personal care assistants who can afford to live and work in Juneau" (page 66).

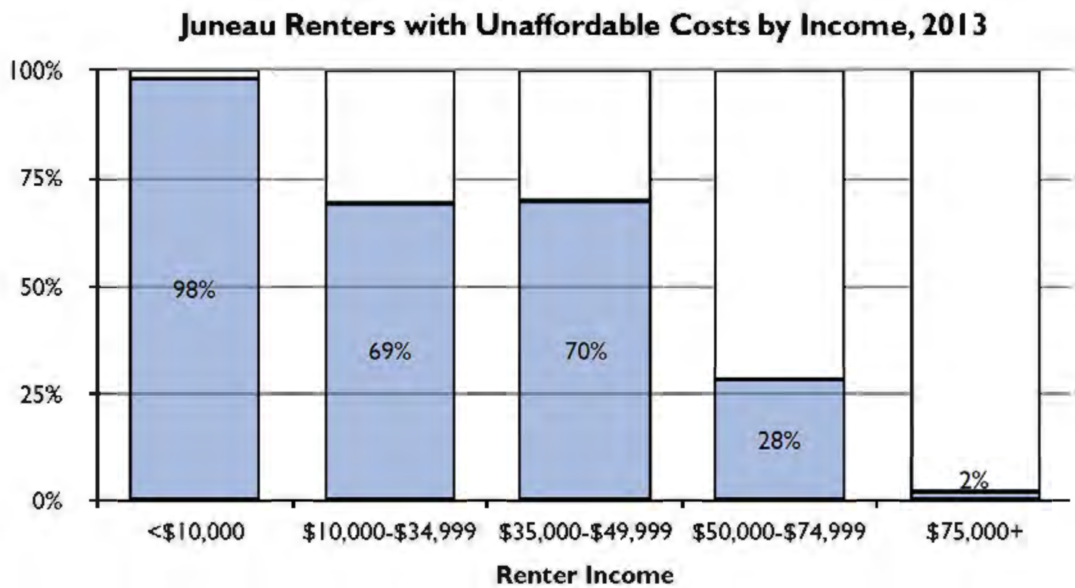
According to Senior Assisted Living for Juneau, submitted by Senior Citizens Support Services, Inc. (March 2015), the Department of Labor "estimates that assisted living facilities create about 1 job per resident" and these jobs pay between $25,000 and $30,000 (page 3). This suggests that, if these workers have to come from other places because they do not currently live in Juneau, approximately 327 units of affordable workforce (likely rental) housing will need to accompany the 327 new assisted living units. Additional affordable rental units will be needed for others employed in the community-based services oriented towards helping Juneau's senior residents remain in their own homes or in independent living units.

Juneau's population numbers depend on a growing senior population. Currently, there is neither the housing for this aging population nor adequate services to support them. If Juneau does not meet its senior housing needs it will have a very hard time maintaining its population. Indeed, the lack of housing and services for seniors, which will force seniors to go elsewhere, is a serious threat to Juneau's future population stability.

Entry-Level and Low-Wage Workers' Need for Affordable Rental Housing is Substantial

The Juneau Housing Needs Assessment (2012) found that, even before taking in account the additional workers required to staff new assisted living facilities, Juneau needs roughly "441 rentals priced under $700/month…to cover the income-rent gap for low- and very low-income households, many of whom are already eligible for subsidized housing or vouchers, which are already fully allocated" (page 5). This is in addition to another 170-230 market-rate rentals the analysis found a need for in Juneau (page 6).

Affordability and availability are also significant challenges for renters in Juneau. In 2013 most renter households with incomes below $50,000 paid too much (more than 30% of their income) on housing. All (98%) renters with incomes below $10,000 had unaffordable housing costs, as did seven out of every ten renter households with incomes between $10,000 and $49,999.



Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Affordability for renters in Juneau eases significantly after households' incomes exceed $50,000. Yet nearly half (46%) of Juneau renters (roughly 2,000 households) have incomes below $50,000.

The challenges of availability challenge renters as they do owners. On July 11, 2015, there were only 8 apartments listed in the Juneau Empire. Craigslist had just 35 apartments listed (and dated between July 1 and July 11, 2015). These 35 apartments had an average rent of $1,719. In contrast, Helena (MT) had nearly twice as many rentals listed on Craigslist (64 versus 35) and the average rent was roughly half as much ($944 versus $1,719).

As described earlier, the number of new multifamily units permitted annually significantly trails the number of single-family units permitted, which is itself low. Not only are fewer multifamily units added to the existing stock, more are lost each year to property disinvestment and deterioration. Older and lower-cost rentals are the most at risk. According to the 2000 Census and the 2013 American Community Survey 5-Year Estimates, the number of renter-occupied units built prior to 1960 declined by 140 units between 2000 and 2013. Most of those lost (82 out of 140) were in larger buildings (those with at least 20 units per structure). CBJ needs a more proactive and aggressive property preservation strategy that blends code enforcement, "carrots" for rehabilitation and property improvements, and "sticks" like condemnation to get problematic buildings out of problematic hands.

1,000 rental units need to be added to Juneau's current supply, with the majority of these (770) being affordable to entry-level and lower-wage workers. These totals assume that no additional units are lost to deterioration. For this to be the case, CBJ has to be prepared to preserve through rehabilitation or replacement approximately 100 rental units each decade (if recent trends continue).

Streamlining and Enhancing Employers' Role in the Housing Market

The business community is trying to make up for the stagnant nature of the housing market by creating and operating housing for their workers. According to the 2012 Housing Needs Inventory, private sector employers provide housing support, particularly for workers in seasonal industries. A large portion of Juneau's economy is comprised of these seasonal workers: workers in the "visitor and fish processing industries" who come for the summer season, legislative workers who spend the winter in Juneau, and mine workers (p 26). Large employers of summer tourist workers collectively provide group housing for more than 200 employees. Fish processors and hatcheries provide seasonal housing for about 120, and the two mine sites can house as many as 450 workers. Some of these units are also used by the roughly 200 non-resident workers who spend the legislative season in Juneau (p 26).

In this way, Juneau employers are far more involved in the housing market, and generous with employer-assisted housing support, than employers in most communities. Ironically, while this generosity lessens housing cost burdens and provides affordable units for workers in these industries and of these employers, it makes it harder to provide year-round affordable rental housing and incorporate year-round renters into parts of town (like the downtown) that would benefit from a steady supply of renter households to demand services and amenities that could create more vibrant neighborhoods. Untangling this reality will be necessary to design an effective strategy for providing affordable housing for the projected employees affiliated with senior housing and services.

Some employers are taking it upon themselves to solve the housing issues for their own workers. This may solve a small slice of the overall housing affordability and availability problem, but it also contributes to inefficiencies in the market (as some of these units are not utilized year-round) and impedes solving these issues on a larger scale. T hese efforts need to be brought under a single umbrella to increase their scale through greater efficiencies and their impact on the overall market.

Part 2:
Solutions

Recommendations

Based on qualitative findings as well as the quantitative data presented in this report, the following actions are recommended for consideration and implementation. They fall into two broad categories

1. Direct interventions in the housing market
2. Indirect interventions that instead focus on key policy reforms or planning initiatives.

Within each of these broad categories, recommendations are ranked according to their importance (as conveyed to czb through individual interviews and focus groups with key informants).

While there are no silver bullets that can single-handedly reinvigorate or realign a housing market as dysfunctional as Juneau's presently is, and while available capacity and funding may limit the number or scale of the actions taken, czb has concluded that these are important interventions to consider that are worthy of top priority ranking by local officials and partners.

1. Formally Adopt *this* Plan

Juneau's comprehensive plan could certainly benefit from being shorter and easier to follow, and having a more specific focus on housing. But, rather than reopening the full CBJ Comprehensive Plan, we believe the most effective short course is to utilize *this* plan, *its* recommendations and *these* implementation strategies for those purposes.

To use *this report* as the housing plan for Juneau, this document should be explicitly linked to the existing Comprehensive Plan.

If endorsed by the Affordable Housing Commission, this report should then move through the normal public process, including the Planning Commission and Assembly. This public process should be used as an opportunity to share information with the public about the state of housing in Juneau and to continue the dialogue started with the survey and many meetings used to create this plan. CBJ needs to make explicit its goal of supporting and sustaining a more diverse, better-functioning housing market. It must also put forth a more predictable and consistent message to residents and developers about how this will be done (who does what, where the money comes from, what the benefits in terms of market effectiveness will be, and what the costs of inaction - business as usual - look like). This plan outlines how to do this.

Formally linking this report to the CBJ Comprehensive Plan would reaffirm the borough's commitment to that goal as well as to the specific recommendations included here. It would also be a step in a decidedly different direction than in the past where in the wake following previous reports, adoption of goals and objectives did not occur in a robust formalized manner. Similar efforts exist throughout the United States in cities working to address the challenges to addressing affordable housing. Seattle has just adopted a particularly energetic affordable housing Action Plan that Juneau is encouraged to study.

Metrics

- Completion of the Plan
- Community Participation in the formal adoption of the plan

Implementation

- Public Meetings about and endorsement of the plan by the Affordable Housing
- Commission.
- Public Meetings to Share the Plan and Receive feedback from the community and
- Planning Commission.
- Updates to Plan.
- Endorsement of Plan by the Planning Commission.
- Public Meetings to share and plan to receive feedback from the community and the
- Assembly.
- Endorsement of the Plan by the Assembly.
- Development of a regular report card to the Affordable Housing Commission, Planning Commission and Assembly on the progress towards the goals in the plan.

2. Housing Trust Fund

- **Increase resources and potential uses of the Affordable Housing Fund**

With a few hundred thousand dollars and a limited mission, the existing Affordable Housing Fund does not have the capacity to support the development of enough units to noticeably affect local housing market conditions. czb estimates that it will take at least $3 million for the fund to have meaningful impact. At 100% AMI, a single qualified buyer might need upwards of $45,000 in assistance to buy a median priced home. A trust fund at half a million dollars is insignificant under these conditions. The “catch up” goals contained in this report - 66 new units a year and 25 preserved (91) - are such that, if the gap to close averaged $40,000 each, $3.6M would be needed annually.

As is the case in other communities, these funds should be lendable, investable, and recyclable, and allowed to support a range of housing-related objectives, from downtown revitalization to increased housing affordability to increased housing availability and choice. Housing funds are being used successfully throughout the country to enable public-private partnerships, to create new workforce housing and more. These funds could also be generated through developer contributions as new units are built, sales taxes, or real estate transfer fees. San Diego utilizes a Transient Occupancy Tax (TOT) as well as a real estate transfer fee to pay for affordable housing initiatives. Asheville, NC created a City Housing Trust Fund in 2011 and has allocated $500,000 from the General Fund to this fund over the past two years. The nation’s best practice is the Seattle Housing Levy, and it is recommended that Juneau evaluate it for possible modeling purposes.

<u>Metrics</u>

- Sustainability of the fund: Resources flowing in and out of the fund in balance (10% Fund balance revolved each year).
- Number of annual projects supported by the fund (How many new projects started and how many projects finished).
- Breakdown of unit tenure and types in projects supported by the fund.
- Number of additional dollars leveraged by fund resources.

<u>Implementation</u>

- Consider sales tax, grants, private donations; even what would be an unpopular surcharges on premium homes (as is done in Pitkin County, CO based on a square foot formula), business community contributions, the sale of CBJ land, tourism industry tax revenues, real estate transfer fees (presently not a tool in use in Alaska), building department surcharge, direct annual allocation from CBJ’s General Fund, or voter approved bonds to add to the fund capital.
- Develop underwriting criteria and operating plan for the Housing Fund that supports deal-making and preservation of capital.
- Broaden the scope of projects eligible for support through the Housing Fund.
- Prioritize fund use for the creation of new fair market (unsubsidized) workforce and senior housing affordable for ≤ 80% median household incomes.
- Prioritize fund use for the preservation of homes for families with less than 80%

AMI.

- Hire a fund manager to grow the fund when it isn't being used to increase housing.

3. Housing Director

- **Create and Fully Fund and Fully Support a Full-Time a Housing Director**

Housing issues are complicated, and implementing a comprehensive and strategic housing strategy requires the focused attention of someone - a single point of contact with significant formal authority - able to work with for-profit and nonprofit developers, community-based organizations, banks, and other partners. Indeed, most communities with a strong focus on housing have designated staff to coordinate these issues. In fact, it is difficult to imagine executing the recommendations listed in this plan without a qualified point person in this position.

In Juneau, a Housing Director would develop and implement programs to help maintain and preserve the borough's aging housing stock; assist individual developers and public-private partnerships conceive of and solicit funds for housing construction or rehabilitation projects; and assist employers seeking to provide or find housing for their employees. This person could be located in various entities or departments, but it is recommended that the Housing Director be a senior member of CBJ's Administration Department and report directly to the Borough Manager.

For this role to be an effective use of CBJ resources, it is essential that this individual have experience with housing and development finance, and be in a position to work with and be trusted by private and non-profit developers and financing organizations. This individual should be able to organize development deals and to assist others with their development projects. This person should understand the essentials of housing finance as well as land use economics so that they are in the best position to collaborate with developers.

This approach is similar to efforts around the United States in communities with Housing Offices, affordable housing action plans and the like. These roles can be a part of a stand-alone housing office, a planning department, the city manager's office, a community development office or another similarly situated agencies. Bend OR has an affordable housing manager that also is part of Administrative Services and utilizes an appointed Affordable Housing Advisory Committee. Telluride, CO conducts the town's housing program through the Town Manager's office (regulatory functions such as inclusionary housing requirements are carried out through the Planning Department).
In Seattle the Housing Director is an executive office of the Mayor, thus having high visibility and substantial formal authority.

<u>Metrics</u>

- Agency/Budget and Job description complete by September 2016.
- Recruitment complete and Housing Director hired by December 2016.
- FY17 Work Plan and Funding Proposals by April 2017.
- Quarterly reports begin December 2016.

Housing Director (con't)

Implementation

- Determine Agency To Oversee this Function.
- Develop Job Description and lines of authority.
- Develop Funding plan for staffing and project implementation.
- Hire a Housing Director.
- Refine work plan with new Director and the Affordable Housing Commission.
- Draft project list.
- Develop reporting mechanism and benchmarks to keep Assembly, AHC and Community updated on progress towards achievement of all plan targets.
- Appoint staff throughout CBJ departments to liaise with Director about housing- related projects/functions and direct them to prioritize activities that will support additional housing.
- Organize regular community meetings to update them on progress, educate them about housing issues and to increase awareness of the trade-offs between affordable housing and other community initiatives.
- Develop community housing web portal to track progress.
- Conduct annual needs assessment updates to verify and track change in vacancy rates, home prices, property tax base, new investment, new Housing Fund Capital, and changes in use of/functional age of existing housing.

Potential Partners

CBJ, AHC, JEDC, JCHH, DIG, Neighborhood associations, SCSSI, Juneau Community Foundation, UAS

4. Production Targets

- **Create additional housing units through new construction and preservation for Juneau workers, seniors, and young families**

Specific strategies for developing workforce housing, assisted and independent living units, and entry-level rental and homeownership opportunities, are described in more detail below. It is worth stating first, though, exactly how many units need to be constructed or preserved in order to give current and potential Juneau residents the range of housing choices they need. Based on our review of existing plans and our analysis of local conditions and recent trends, we are proposing the following 30-year goals for Juneau:

	30-Year Goal	Annual Goal
NEW CONSTRUCTION	**1,980**	**66**
Workforce Housing		
Affordable Rentals for Today's Workforce	450	15
Affordable Rentals for Expanded Workforce	330	11
Workforce Housing Subtotal	**780**	**26**
Senior Housing		
Independent Living Units	420	14
Assisted Living Units	330	11
Step-Down Single Family Housing Units	150	5
Senior Housing Subtotal	**900**	**30**
Workforce Owner Housing for Young Families		
Starter Homes	300	10
Workforce Owner Housing for Young Families Subtotal	**300**	**10**
PRESERVATION	**750**	**25**
Affordable Rental Units	300	10
Single-family Homes	300	10
Mobile Homes	150	5

Progress toward these annual goals should be monitored closely for individual categories, subtotals, and overall totals.

Develop Housing Choices to Accommodate Juneau's Workforce Needs

Many areas of the country subsidize workforce housing in order to ensure that their local economies function. Both practical and broader economic and other aims are often targeted. Aspen, CO, for example, has struggled to have workers (snow plowers, police, hotel employees) make it in to work from Glenwood Springs, Carbondale, Basalt, and elsewhere in the Valley, thus undermining Aspen's local economy. Park City, UT has struggled with air quality in the Wasatch Front owing to commuter congestion and air inversions as resort and other works commute from Salt Lake City. Residents of CBJ overwhelmingly support this type of initiative: fully three-fourths (76%) of those completing a czb survey on housing issues in Juneau (525 of 688 respondents) considered "Mak[ing] sure people who work here can live here" a top community priority. According to the recent Juneau Housing Needs Assessment (2012), the Juneau Senior Housing and Services Market Demand Study (2014), and this analysis, the borough would need 780 new lower-cost rentals and to meet these needs.

	30-Year Goal	Annual Goal
New Construction		
Workforce Housing		
Affordable Rentals for Today's Workforce	450	15
Affordable Rentals for Expanded Workforce	330	11
Workforce Housing Subtotal	**780**	**26**

These new units would complement the units already provided or subsidized by local employers for their employees. Juneau employers are far more involved in the housing market and generous with employer-assisted housing support than employers in most communities. However, while this generous support lessens housing cost burdens and provides affordable units for a select group of workers, it ironically only increases the challenges faced by other renter households. Ensuring that companies' involvement continues but that it becomes better coordinated and more explicitly linked to a broader public benefit (such as a greater supply of year-round rental units or a more vibrant downtown) will require some collaboration with and oversight of these efforts by the new Housing Director.

Metrics

- Number of employers working with Juneau to coordinate workforce housing (each year and over time).
- Number of units of workforce housing for seasonal and permanent workers per year owned or subsidized by employers (each year and over time).
- Number of workforce housing units constructed in the last year.
- Number of rental units available for less than $700 per month.
- Percentage of Juneau workers living locally on a year-round basis (overall and by sector).

Implementation

- Develop annual targets (based on the annual goals established in this plan) for new workforce rental housing, specifying the appropriate mix of units by type, price, and location.
- Ensure the Housing Fund can be used for workforce housing projects .
- Solicit feedback from employers to learn how much is already being spent on worker housing and related services. (Determine how these units are used in the off- season).
- Solicit feedback from employers on the types of housing and housing-related services most in demand.
- Solicit feedback from employers to determine growth plans, issues affecting workforce
    - Understand the specific housing requirements of seasonal workers/renters (legislative staff, tourism operators, fish-processors, university students)
    - Develop an inventory of business owned/seasonal use housing.
- Maximize/leverage employer provided housing (Coordinate Business Community Efforts Around Housing).
    - Evaluate if employer-owned housing would be more cost effective if it were owned by a private housing company or a non- profit developer.
- Consider creating a tax abatement program for workforce housing .
- Consider using CBJ funds to directly finance or enhance the private financing of substantial projects.
- Evaluate the use of Tax Increment Financing districts within CBJ (TIF financing enables a locality to pay for housing, infrastructure and other things by using future tax revenues from real estate as a tool to pay back bond payments on the infrastructure) (TIFs for affordable housing are in use in Minneapolis, Madison, Portland, Dallas, and elsewhere).
- Evaluate the potential of time-share or related tourist housing as a tool for temporary worker housing by talking with timeshare developers.
- Review and update the zoning ordinance in regards to mobile home parks and manufactured housing.
- Evaluate the potential to replace obsolete mobile homes, and install additional manufactured homes.
- Create a list of possible partners for CBJ and solicit participation from outside developers and funders.
- Establish an annual process to survey employers about the current and expected state of employee housing needs.

Potential Partners

CBJ, AHC, Juneau Realtors, SEBIA, JEDC Industry Cluster Working Groups, Major Employers, Bartlett, SEARHC, REACH, UAS, Mobile Home Park owners

Develop Assisted and Independent Living Units for Senior Citizens

Given population projections for Juneau and the expectation that individuals over 65 will come to represent not 9% but nearly 20% of the borough's population by 2042, facilitating the development of assisted living and independent living units for seniors (and the affordable housing units required by the service workers who will support them) must be a key housing-related objective for CBJ.

The recent Juneau Senior Housing and Services Market Demand Study (2014) determined that Juneau will need roughly 330 additional assisted living units and 420 independent living units over the next 30 years (pages 63, 14).

As with affordable housing more generally, the public sector should provide land and/or financial support for such projects.

The Housing Director should also lend some of his or her expertise to helping developers coordinate funding sources and zoning incentives to bring these projects to fruition.

		30-Year Goal	Annual Goal
New Construction			
Senior Housing			
	Independent Living Units	420	14
	Assisted Living Units	330	11
	Step-Down Single Family Housing Units	150	5
	Senior Housing Subtotal	**900**	**30**

This is similar to efforts throughout the Country. Local and state governments often help subsidize assisted living facilities so that residents can properly age in place. States like Maryland, New York, Connecticut, New Jersey and many others and cities like Seattle participate in programs to subsidize the cost of assisted living. Specific examples include St. George, UT where the city actively promotes and utilizes HUD (Housing and Urban Development) and USDA (United States Department of Agriculture) funding opportunities for low-income seniors. In Berkeley, CA, the city coordinates with Satellite Housing Associates (http://sahahomes.org/), a non-profit affordable housing developer and property manager, to locate seniors in the appropriate type of housing based upon lifecycle needs.

Metrics
- Number of new independent living units added each year (with the goal of 14 per year; 70 per 5-year period, and 140 per decade).
- Number of new assisted living units added each year (with the goal of 11 per year; 55 per 5-year period, and 110 per decade).
- Number of independent living units in all in Juneau.
- Number of assisted living units in all in Juneau.
- Growth in/size of the senior population in Juneau.
- Number of employees working at an assisted living facility or for providers serving senior citizens living in independent living units or non-age-restricted housing in Juneau.

Implementation
- Develop annual targets (based on the annual goals established in this plan) for new independent and assisted living units, specifying the appropriate mix of units by type, price, and location.
- Ensure Housing Fund moneys can be used for senior housing projects.
- Evaluate why Juneau does not have more small for-profit senior assisted living or independent living developments, and determine how it might have more.
- Consider creating a tax abatement program for senior housing.
- Consider CBJ financing or offering credit enhancement for private financing of substantial projects.
- Evaluate the use of Tax Increment Financing districts within CBJ (TIF financing enables a locality to pay for housing, infrastructure and other things by using future tax revenues from real estate as a tool to pay back bond payments on the infrastructure).
- Make CBJ land available for senior housing projects.
- Create a list of possible partners for CBJ and solicit participation from outside developers and funders.
- Develop a mechanism for ensuring that any assisted living projects either directly incorporate or are linked to off-site affordable housing for the workers who will staff them.
- Coordinate/support training for licensing & operating assisted living.
- Coordinate/support training for CNAS, LPNS, other types of caregivers.

Potential Partners
CCS, ALTF, SCSSI, AHFC, THRHA, CCTHIA, SEARHC, AHDC, St. Vincent's, Pioneer Home, Bartlett Regional Hospital, Wildflower Court, UAS

Develop Homeowner Opportunities for Young Adults and Families

As stated in the CBJ Comprehensive plan, housing is a key form of economic development, one that is best paired with the economic drivers of the local economy. In Juneau, these include sectors such as marine biology and high-end tourism, but they also include people, the most important group being innovative millennials. Young adults and families – who Juneau must have in order to maintain its current population and grow in the future – need affordable and market-rate rental units and lower-cost (“first time homebuyer”) for-sale opportunities.

		30-Year Goal	Annual Goal
New Construction			
	Housing for Young Adults/Families		
	Starter Homes	300	10
	Young Adults/Families Subtotal	**300**	**10**

This is similar to efforts in Sonoma County, CA where the county implemented a workforce housing program in 2005. Prior to implementation, the county commissioned a study that noted a clear nexus between commercial development and the need for workforce housing. Based upon this data, the county created regulatory requirements for commercial development that include a pro-rata fee at time of building permit review or a pro-rata share (based on a square foot formula) for workforce housing.

Park City, UT has gone a step further and requires the provision of affordable housing for master planned developments for both commercial and residential developments. This is a regulatory requirement where the developer must provide 15% - 20% workforce housing based upon the square feet of the project. A fee in lieu option is available as well. Satisfying the needs of the local workforce is a common affordable housing priority throughout Summit Country.

Metrics

- Number of new market-rate rental units added each year (with the goal of about 8 per
- year; 40 per 5-year period, and 80 per decade).
- Number of new starter homes added each year (with the goal of 10 per year; 50 per
- 5-year period, and 100 per decade).
- Number of market-rate rental units in all in Juneau.
- Number of “starter homes” (lower-valued or entry-level for-sale units) in all in Juneau.
- Growth in/size of the young adult population in Juneau.

Implementation

- Develop annual targets (based on the annual goals established in this plan) for new market-rate rental units and starter homes, specifying the appropriate mix of units by type, price, and location.
- Ensure Housing Fund monies can be used for these types of housing projects[5].
- Consider creating a tax abatement program for first-time homebuyer housing (Washington, DC's Department of Housing and Community Development has one of the most well developed programs of this kind in the country.)
- Consider using CBJ funds to directly finance or enhance the private financing of substantial projects.
- Evaluate the use of Tax Increment Financing districts within CBJ (TIF financing enables a locality to pay for housing, infrastructure and other things by using future tax revenues from real estate as a tool to pay back bond payments on the infrastructure).
- Make CBJ land available for higher density rental projects and affordable homeownership developments.
- Address Transit Oriented Demand (TOD) as identified in the 2013 Comprehensive Plan in CBJ codes to assist the development community create projects that will attract millennials and young families (allowing for reduced on-site parking, offsite parking at a low rate or for bike storage).
- Create a list of possible partners for CBJ and solicit participation from outside developers and funders.
- Develop home ownership and preservation tools like down payment assistance, property upgrade assistance, energy conservation loans (extremely well developed and evolved state level programs exist in New York (NYSERDA), California (Energy Upgrade), Connecticut (CHIF), and Massachusetts (Mass Save), and Pennsylvania HEELP through the state HFA). Cold climate cities operating their own program independent of the state include Buffalo, Milwaukee, and St. Paul.
- Work with local employers to develop down payment assistance programs (funded with business and housing fund money) to encourage workers to buy in Juneau

Potential Partners

CCS, ALTF, SCSSI, AHFC, THRHA, CCTHIA, SEARHC, AHDC, St. Vincent's, Pioneer Home, Bartlett Regional Hospital, Wildflower Court, UAS

[5] If the Trust Fund becomes too focused on the most needy and too income restricted, its viability as a tool to loosen the stuck Juneau market may be compromised.

5. Preservation Targets

- **Preserve Existing Affordable Housing**

Even as it suffers from a severe lack of available and affordable housing, Juneau continues to lose older rental units, particularly in larger multifamily buildings. These properties typically have lower rents, and their loss only exacerbates the housing challenges faced by the community's most vulnerable households. Older single-family homes, and especially older mobile homes, are also at risk.

CBJ's Community Development Department should work to address existing problem properties and intervene in new cases that arise before property conditions deteriorate to such an extent that the buildings can no longer be saved. This can be done through housing and building inspections, code enforcement efforts, and the use of both "carrots" and "sticks" to encourage owners to address problematic conditions or transfer their properties to owners who will.

Preservation		30-Year Goal	Annual Goal
	Affordable Rental Units	300	10
	Single-family Homes	300	10
	Mobile Homes	150	5
	Preservation Total	**750**	**25**

This is similar to efforts in Miami Beach, FL where the city used Community Redevelopment Agency (CRA) funds in the form of TIF (Tax Increment Financing) to acquire three hotel/apartment structures. The city utilized the Miami Beach Community Development Corporation (MBCDC) to effectuate the acquisitions. This is the entity that was initiated in 1981 to begin efforts to save the city's Art Deco District. The CDC is a nonprofit entity that is dedicated to neighborhood revitalization and has affordable housing as a core goal today.

<u>Metrics</u>

- Number of rehabilitation permits pulled per year (including information on the properties being addressed, the scope and scale of the rehabilitation work, and the neighborhood in which the improved properties are located).
- Number of homes improved (projects completed) with energy efficiency upgrades.
- Number of properties on blighted property list or with serious code violations.
- Number of properties threatened with or lost to demolition.

Implementation

- Locate funds to reinstate Code Enforcement Officer.
- Develop a plan to address “slumlord” economy.
- Create a CBJ requirement that all rental property.
    - Be registered with the CBJ and each property list a registered agent/manager/ 24-7 reachable point of contact for every unit in the rental inventory.
    - Be subject to a periodic inspection (period can vary; but creating an inspection regimen parallel to Section 8 is recommended).
    - Create a provision where owners passing inspections are subsequently eligible for property upgrade funding assistance.
- Establish prohibitive fines for code enforcement violations (these not only create safe housing for the lowest income residents in Juneau but also lead to building improvements and/or ownership changes when meeting “code” becomes cumbersome for current owner).
- Develop and implement a blighted property ordinance.
- Resolve issues surrounding the problematic Gastineau Building and consider acquisition of property to begin implementing housing in the downtown.
- Use Affordable Housing Fund and other sources to expand loan programs to help residents repair single-family homes, mobile homes, and manufactured housing.
- Use Affordable Housing Fund and other sources to support energy efficiency upgrades to existing affordable properties.

Potential Partners

CBJ, AHC, Planning Commission, Juneau Realtors, JEDC, SEBIA, Neighborhood associations, JEDC Industry Cluster Working Groups, Major Employers, Bartlett, SEARHC, REACH, Alaskan Brewing Co., UAS, Realtors, Mobile Home Park owners, SEBIA, Juneau Housing Trust, AHFC

6. CBJ Owned Land

- **Develop New Policies for the Use of CBJ-owned Land and Assets**

Publicly owned land and assets can be one of the most powerful tools a local government has to address housing availability and affordability issues. CBJ's Land Management Plan clearly recognizes this potential and the importance of having a transparent and strategic approach to making public land available for development. The Plan's stated goals – including guiding developers on the best future use of public land and disposing of land in a way that promotes compact urban growth – position it to do so. It is recommended that the CBJ build on this foundation in two important ways.

1. First, public land should be thought of not only as a means by which Juneau can encourage "beneficial private economic activity" and guide "a rational growth pattern," but also, importantly, as a means by which Juneau can achieve key policy goals. These goals include filling key housing gaps – by making public land available more cheaply for projects that promise to provide affordable or senior housing, for example. These goals also include preserving land for future generations – by allowing developers to "pay for" their environmental mediation requirements, in part or whole, by "buying" city owned land for permanent conservation.

2. Second, it is suggested that it may be beneficial to bring the same strategic thinking (focused on undeveloped public land) to bear on buildings that come into CBJ's ownership as a result of tax foreclosure or code enforcement and demolition efforts.

In both cases – in efforts related to undeveloped land as well as to distressed properties in need of redevelopment – there must be genuinely sharp teeth in the disposition process to hold buyers of public land and buildings accountable for doing what they say they will do. There should also be a greater commitment to utilize a Request for Proposal Process (as described in the Land Management Plan) to limit the recipients of public land and assets to doing only those things that the borough wants on those sites. An RFP process creates additional opportunity for developers to demonstrate their capacity to carry out such projects, and also gives the community an opportunity to review and evaluate proposals. RFP's could be used to tie the final transfer of land ownership to the completion of a development project or other mechanisms to encourage project completion. The current draft Land Management Plan that is being prepared by the Lands Department presents an opportunity for CBJ to begin to put this recommendation into effect.

CBJ could use the 150 acres on Pederson Hill as a case study and develop the site with a combination of market and workforce housing.

- CBJ can utilize existing General Fund dollars, or bond, for the infrastructure costs.
- Upon completion of the utilities and roads, CBJ could sell the lots to builders (up to

- 30% of the lots) and individuals (self-build).
- The sales price for the lots should be utilized to reimburse the General Fund or pay back the bond. CBJ should institute a maximum of two years for all buyers to obtain Certificates of Occupancy (CO), thus ensuring that housing is built and that land is not simply land banked by developers or self-build individuals.
- CBJ should designate a minimum of 20% of Pederson Hill lots for affordable housing and made available to buyers earning less than 50% AMI. As one of the first efforts after adopting this strategy, this project would send all the right signals, hinge on important partnerships, and begin to clarify roles.

This would be similar to policies in Park City, UT where PCMC has recognized that the private market has neither the desire nor incentive to build workforce housing. PCMC has utilized payments in lieu from developers (a result of regulatory inclusionary requirements put into place in the late 1980s) to develop workforce-housing units. More recently, Park City dedicated $35M from the General Fund over the next ten years to construct workforce housing units. Park City, UT and Seattle are two of the most forwarding thinking communities in the country right now; their policies - and their deployment of their own monies - exemplify acknowledgement and internalization of the fact that good things have costs.

<u>Metrics</u>

- In regard to developable parcels of land owned by the CBJ:
    - ▪ Portion identified for particular end use.
    - ▪ Portion with active RFP process underway.
  - o Number of RFPs distributed.
  - o Number of proposals returned.
  - o Portion with developer selected and contracts signed (note date of selection and agreement).
  - o Number of units proposed by type, tenure and price.
    - ▪ Slated for affordable housing.
    - ▪ Slated for senior housing.
  - o Portion in construction (note date construction began)
  - o Portion construction completed.
    - ▪ Number of units built by type, tenure and price.
- As regards problematic properties acquired through foreclosure or code enforcement
- Portion identified for particular end use.
- Portion with active RFP process underway.
  - o Number of RFPs distributed.
  - o Number of proposals returned.
  - o Portion with developer selected and contracts signed (note date of selection and agreement).
  - o Slated for affordable housing.
    - ▪ Number of units proposed by type, tenure and price.
  - o Slated for senior housing.
    - ▪ Number of units proposed by type, tenure and price.

- Portion in construction (note date construction began).
- Portion construction completed.
    - Number of units built by type, tenure and price.
- Number of CBJ-owned parcels “bought” for permanent preservation.
- Dollars raised by the sale of publicly owned parcels for development or preservation.

Implementation

- Finalize new land management plan, including inventory of CBJ-owned land that identifies which sites are appropriate for development and which are not (based on topography, existing infrastructure, environmental impacts, etc.).
- Be sure any CBJ-owned land slated for developed is zoned for the least restrictive/ highest density use, consistent with the Comprehensive Plan; rezone certain parcels as necessary.
- Adopt formal criteria for determining the appropriate use of developable publicly owned land (such as its impact on housing affordability and gaps, and its ability to catalyze larger development projects).
- Work with Army Corps on Land banking concept for parcels inappropriate for development.
- Create a Problem Building Acquisition and Redevelopment Plan that mirror the thinking in the new land management plan, efforts to appropriately zone developable parcels, and the criteria for determining the appropriate use of land.
- Create a menu of disposition strategies for publicly owned land and buildings.
    - Properties could be transferred incrementally (for example, as phases of construction are completed or as additional financing is secured or as certificates of occupancy are issued) to assist developers and maintain control
    - Establish a process by which developers can ‘buy down’ the sale price for a particular property by building projects that meet key public objectives.
    - Develop a competitive process for CBJ-owned property disposal that awards points for project design, capital investment, number of units, density, project timeline, overall expected property value increase, affordability of new units to be built and price. Reduce required cash price to 0-50% or less of current appraised value.
- Consider identifying a few CBJ-owned properties appropriate for workforce or senior housing and a mix of uses for disposition and development through a national RFP process. These sites could be sold at a low-cost sale, given away, made available through a public/private partnership (land lease through a Land Trust such as in Burlington, VT).

Potential Partners

CBJ, AHC, Planning Commission, Juneau Realtors, JEDC, SEBIA, Neighborhood associations

7. Zoning Changes

- **Update Zoning Tools with a Focus on Housing**

The existing Zoning Ordinance does not include any inclusionary zoning requirements for workforce or affordable housing.[6]

The CBJ Comprehensive Plan (Policy 4.6 – Implementing Action 3) calls for "an analysis of inclusionary affordable housing zoning standards and requirements that could be suitable for application in the borough." There are several viable options for inclusionary zoning. It is proposed that two be advanced.

1. First, mandating that developers build a defined percentage of their project as affordable housing (with a density bonus making it a win/win for the city and developer); and
2. Second, adding "points" for affordable housing to the Bonus Procedures and Policies section of the Zoning Ordinance (Title 49, Chapter 49.60 (Articles I & II)).

Regulatory requirements such as these are an effective way to supplement CBJ's more direct role in providing housing through the disposition and/or development of city-owned land and assets. Best practices suitable for modified use in Juneau include Montgomery County, MD's Moderate Priced Dwelling Unit Ordinance, Madison Wisconsin's Inclusionary Zoning Ordinance, and San Diego's use of inclusionary policies in their NCFUA (North City Future Urbanizing Area).

In addition, Juneau cannot afford to build infrastructure and then allow low-intensity development to use it. That is the very definition of private gain at public expense.

The cost of such infrastructure is just too high, and allowing low-intensity development to benefit from expensive infrastructure means the rest of the community is paying to subsidize the infrastructure for those areas. The city must instead create and enforce a policy that directs new development to areas with existing infrastructure. (Incentivizing in-fill development where services and utilities already exist is one of the principle concepts in the CBJ Comprehensive Plan and is referenced, too, in the CBJ Land Management Plan.) In those instances where roads and sewer lines are expanded, the re-zoning of these areas should be automatic. The question about the impact of infrastructure and the development that goes with it on neighborhood character should be addressed and resolved before the infrastructure is funded and built. As resources are scarce, it is reasonable to apply a cost-benefit analysis to these projects and to establish a policy that they should be sustainable over their life without needing public support from tax payers who do not benefit from the infrastructure. For current areas with low-scale zoning and expensive infrastructure, there should be a regular review of the financial costs, including debt costs, to Juneau for the maintenance of that

[6] Section 49.15.670(g)(3)(B) does note a specific bonus density opportunity for Planned Unit Developments of up to "five percent for a mixture of housing units, at least 15 percent of which are designed for purchase via a monthly mortgage payment of no more than 30 percent of the median income in the City and Borough, as calculated by the Alaska Department of Labor."

infrastructure compared to the tax base it supports.

The concept of requiring developers to designate10 – 25% of a development (generally greater than 5 or 10 units) as affordable housing with deed restrictions has been used extensively in the US as noted.

Metrics
- Number of affordable housing units built through inclusionary zoning.
- Number of developers taking advantage of “points” for affordable housing.
- Number of infill units constructed (new units that did not require any new infrastructure investment) .
- Return on investment for new water/sewer/road financed by public within 10 years.

Implementation
- Develop inclusionary housing ordinance and bonus points for workforce and senior housing.
- Evaluate policies designed to encourage new development areas that already have infrastructure.
- Streamline/fast-track infill housing permitting.
- Evaluate policies that stipulate that CBJ does not have to spend money on infrastructure for new development if those projects do not address community-wide workforce or senior housing needs.
- Evaluate policies that require clear cost recovery before CBJ will pay for infrastructure to outlying development areas.
- Use LID (local improvement district) financing for new roads and utility service so developers need not front the total cost of public infrastructure on new projects, and do so in a shared manner so the burden does not fall inordinately on the owner or the developer.
- Make infrastructure development automatically increase zoning density.
- Re-zone D-18 zoning districts to Mixed Use.
- Evaluate other areas that need to be “up-zoned” – either areas that would be appropriate for greater residential density or switched from residential only to mixed- use areas.
- Evaluate criteria for approving conditional use permits.
- Adjust the language in the zoning ordinance to “require” there be both housing and commercial uses in mixed-use zoning areas.
- Look at reducing set-backs and minimum lot sizes for duplex, ADUs and bungalow infill units.
- Complete the bonus section of Title 49 as envisioned in the 2013 Comprehensive Plan.

Potential Partners
SEBIA, AHC, AMHLT, landowners, Realtors, Mortgage lenders

8. Small Area Plans

- **Develop Small Area (Neighborhood) Plans**

(With detailed incentives for and direction on tackling affordability and availability issues)

Creating discrete, small area or neighborhood plans allows Juneau to look closely at a section of the borough and identify specific places that have the right infrastructure and capacity to be up-zoned, rezoned, or otherwise targeted for additional housing units. These kind of plans also afford the community a chance to evaluate set-backs, lot size, home sizes and other details that are difficult to do in the abstract, but that can be useful tools when addressed on a smaller, more detailed scale. At a more localized scale there are more opportunities to see how different lot sizes and home sizes can be incorporated into a place without harming or dramatically changing the charm and character of the community. Plans should identify areas that could support additional height and density.

Neighborhood plans will not only help Juneau create a broader range of housing types, but also better utilize existing transportation and infrastructure. These types of plans take significant time and focus for the government and community, so doing one per year is a reasonable goal.

This strategy for ensuring strong community involvement in the creation of detailed and predictable neighborhood plans has been employed throughout the nation. It is a strategy designed to ensure the local community is directly involved in the detailed vision setting and planning for its neighborhood. Such plans are intentionally less broad than a city's comprehensive plan so that they can give the local community direct involvement and so as to allow for more detailed planning than would be attainable at the Comprehensive Plan level.

Metrics

- Number of neighborhood plans completed per year.
- Public participation in the planning projects.
- Total new housing (rental and ownership) allowed under approved neighborhood plans.
- Development activity associated with completed plans.
- Increased potential and realized economic value attributable to completed plans.

Implementation

- Identify five to ten areas appropriate for detailed neighborhood plans.
- Prioritize these areas based on development potential, developer/investor interest, community input, existing infrastructure, and ability to provide needed community benefits (e.g. senior housing, schools, parks, services).
- Invite neighborhood organizations and associations to help establish neighborhood or planning area boundaries.
- Invite local and outside developers to tour sites and discuss potential projects.
- Invite local and outside financing firms to help evaluate projects and potential

investment opportunities.

- Meet with property owners to discover current development plans and timing, the presence of any real and/or perceived obstacles to development, opportunities to provide assistance, opportunities to add housing to existing plans, and their willingness to sell if they have no plans for development.
- Work with area residents and stakeholders to digest feedback from developers, lenders, and property owners and create goals and objectives for area improvements
- Develop housing targets for each plan to encourage mixed-income housing.
- Develop preservation targets and implementation tools for each plan for housing preserved or replaced.
- Consider using TIF (Tax Increment Financing) funding methods to bring about implementation of neighborhood plans.

Potential Partners

Schools, Neighborhood Associations, Chamber of Commerce, DBA, DIG, Downtown Revitalization Group, Juneau Community Foundation

9. Downtown Strategy

The most important of these detailed neighborhood plans is the one that needs to be done for downtown. The downtown area has a significant opportunity to receive housing development on infill lots or via the redevelopment of some older structures. This would bring added vitality and increased economic activity to this essential part of Juneau.

CBJ-owned property (both land and buildings) is the ideal incubator for housing development in this area, and the disposition of these parcels should be strategic, closely aligned with public priorities for the area, and handled in a way (likely through an RFP process) that holds developers accountable. A reinvigorated downtown with a greater array of housing choices also stands to boost the borough's tourism industry, overall quality of life, and future population growth.

These recommendations are meant to build upon the planning efforts already underway in the Willoughby District and the Downtown Historic District.

Communities as diverse as Burlington, Vermont to South Bend, Indiana have taken similar initiatives. These communities have identified the need for specific planning documents that address the needs of a downtown environment coupled with the need for a diversity of housing options, both in typology and cost/rent.

<u>Metrics</u>

- Number of housing units in downtown area by type, tenure and price.
- Dollars of new investment activity in downtown.
- Development activity associated with completed plans.
- Number of people living in downtown CBJ.
- Retail sales activity in downtown CBJ (and associated sales tax revenues)
- Number of blighted properties in downtown CBJ.
    - Number of units in problematic buildings and/or themselves in problematic condition.
    - Number of people living in poor buildings or poor units.
- Increased property value and related taxes in downtown CBJ following the new construction, redevelopment, or rehabilitation of area properties.

<u>Implementation</u>

- Make downtown area one of first detailed neighborhood planning areas.
- Set a goal for number of residential units desired in downtown.
- Create a downtown improvement district with a revenue stream to fund activities, upgrades and other incentives for people to live and shop in downtown CBJ.
- Inventory abandoned and illegal housing units in Downtown.
- Implement a blighted properties ordinance to encourage land-owners to fix up downtown building.
- Develop incentives and provide assistance to upgrade and permit existing

illegal housing units in residential properties.

- Identify a development project that CBJ can partner in that will catalyze more activity in downtown.
- Invite local and outside developers to tour sites and discuss potential projects.
- Invite local and outside financing firms to help evaluate projects and potential investment opportunities.
- Seek and assemble resources, including Housing Fund resources, to coordinate restoration for housing above the retail level within historic buildings.
- Develop Historic Preservation Opportunities – create a locally funded program to augment other programs.
- Evaluate opportunity to utilize outside funding (e.g. Brownfields funding, historic preservation tax credits) to support downtown investment.
- Consider cruise ship passenger fees as a possible funding source for downtown tourism-related housing.
- Consider inclusionary zoning requirements for tourism-related businesses to ensure new businesses also contribute to housing needs for their workers and/or to ensure that as new tourism jobs develop, new CBJ development is working to meet housing needs.
- Consider tax incentives to bring a grocery store to downtown area.
- Evaluate, including potential state code changes to allow, postponing taxes (or lengthening an abatement period) on any new value created in downtown area for next 3-5 years in order to encourage activity (or consider a more targeted approach just focused on housing creation).
- Address Parking:
    - Review the 2010 parking plan and address issues related to Demand Management efforts and the coordination of new investors in public parking opportunities.
    - Examine opportunities to leverage new development to obtain public parking
    - Review offsite mitigation opportunities.
    - Evaluate the ability of a downtown transit network to counter the challenge of limited parking and to make it easier for residents and visitors to move around downtown. Consider the appropriate technology (bus, rail, trolley, electric, etc.) to do this.

<u>Potential Partners</u>
Schools, Neighborhood Associations, Chamber of Commerce, DBA, DIG, Downtown Revitalization Group, Juneau Community Foundation, JEDC

<u>Potential Sources of Revenue</u>
Main Street Programs
Business Improvement Districts
ArtPlace America (which recently awarded the Cook Inlet Housing Authority)

The research for this report was conducted by czbLLC (Alexandria, Virginia). It was prepared during the period February - September 2015 under the direction of the City and Borough of Juneau.

Appendix 1
Community Survey Results

Description		If "Business as Usual" Chosen	Rank	Respondent Rank	The Ideal Future Chosen	Rank	Respondent Rank
Please choose the five (5) keywords/phrases that best describe Juneau...	Smaller	157	7	2.8	14	20	2.9
	About the same size	199	5	2.9	94	12	3.9
	Vibrant	18	22	3.2	174	8	3.4
	Multi Generational	24	19	3.3	177	7	3.5
	Uninviting	248	2	2.6	3	22	3.3
	Historic	56	14	3.7	87	13	4.1
	Lacking Identity	72	12	3.4			
	Rundown/Outdated/Aging	302	1	2.4	3	22	3.0
	Cultural/Arts/Entertainment	73	11	3.2	197	6	3.8
	Threatened	225	3	2.5	3	22	1.5
	Crowded	107	10	2.9	3	22	3.0
	Uniform, Boring, 'Anywhere USA'	28	18	3.4			
	Family Friendly	45	15	2.5	280	2	2.7
	Affordable	5	26	2.0	334	1	1.9
	Diverse	29	17	3.3	122	10	3.3
	Inviting	12	24	2.8	123	9	3.3
	Contemporary	2	27	4.0	25	19	4.0
	Funky/Colorful/Full of Character	43	16	2.8	86	14	3.5
	Natural Setting	137	9	2.7	208	5	2.9
	Growing	22	20	3.6	117	11	3.1
	Strong Identity	18	22	3.6	74	15	3.7
	Protected	20	21	3.5	27	18	3.5
	Underutilized/Room to Grow	141	8	2.7	8	21	3.4
	Sustainable	10	25	2.9	256	3	2.7
	Tourism	208	4	3.4	69	16	3.6
	Mining	65	13	3.9	61	17	3.7
	State Capital	187	6	2.8	231	4	2.5

Question	Response	#	Rank
Please choose the three (3) most accurate depictions of the Juneau's current housing situation.	It is fine; I don't think there is a problem.	33	7
	There are not enough options for people, especially entry-level workers and seniors	458	1
	We have a shortage of housing options	453	2
	We are overbuilt and should be a smaller city	28	8
	We have a hard time attracting workers because we don't have enough housing	236	4
	We are building too much right now	28	8
	We are not building enough housing to meet our community needs	256	3
	We have fallen behind where we should be with regard to housing	226	5
	Current housing is not going to stay around forever because of the challenge to maintain it	115	6
Under which conditions, if any, would you be willing to consider additional height/stories and density beyond current code requirements/allowances? Select all that apply.	If it means more people that work in Juneau can live here	326	1
	If it allows us to preserve for our our natural environment	253	4
	If it allows us to continue to support the unique services and features that we enjoy	236	5
	If it allows Juneau seniors to continue to live here after retirement	263	3
	It allows us to use our existing infrastructure in the most cost-effective way	293	2
	If it allows us to decrease the carbon footprint of a project	227	6
	If it reduces the need to build in un-touched natural areas	216	7
	I don't think anything justifies more height or density	73	8

	Description	# Voted	Rank	Average Respondent Rank
Please choose the core values YOU BELIEVE SHOULD BE SHAPING decision making in Juneau. Pick your top five (5).	Economic Sustainability (fiscal stability and independence)	563	1	2.7
	Family Friendly	455	2	2.5
	A Good Place To Retire	165	9	3.4
	Resilient Spirit	50	14	3.9
	Historic Character	142	12	4.0
	Unique Culture	155	11	3.7
	Outdoors	301	5	3.5
	Independence	114	13	3.3
	Sense of Community	425	3	2.9
	Small Town	164	10	3.5
	Natural Setting	259	6	3.5
	Special and Unique Community Services (Ski Resort, Pools, etc.)	328	4	3.7
	Boating/Ocean Life	176	8	3.8
	Environmental Stewardship	227	7	3.1
Please choose the five (5) most important considerations to take into account when considering development in Juneau.	Equity (Support/ promote diversity in people, housing and affordability)	300	5	2.6
	Make sure people who work here can live here	525	1	2.2
	Ensure seniors can age in place/stay in this community	225	6	3.4
	Provide housing choices for the whole community	370	2	3.1
	Environmental sustainability	195	7	3.3
	Ensuring all of us can maintain our connection to nature and the outdoors	155	11	3.8
	Supporting our business community	159	10	3.4
	Ensuring we can support the services that make Juneau unique (skiing, pools, libraries, etc.)	148	12	3.8
	Economic sustainability	364	3	2.8
	Protecting our role as a regional hub	172	9	3.6
	Quality of Life	343	4	3.1
	Carefully managing the local government budget	179	8	3.2

	Description	# Voted	Rank	Average Respondent Rank
Please identify the top three (3) housing priorities for your community.	We need to protect the property values of people who own homes now	160	5	1.9
	Families, especially of workers in our area, should have the ability to make Juneau their home	425	1	2.0
	We should prioritize our environment first	89	6	2.0
	Children growing up in Juneau should be able to live here when they grow up	270	4	2.4
	People should be able to find a home whether they are starting their career or entering retirement	419	2	1.8
	We need a housing market that will ensure Juneau can sustain and survive into the future	391	3	2.0
Please describe the top three (3) guidelines for the disposition of land that CBJ controls now or could control.	Be careful how much is sold so as not to put so much out there it hurts our home values	231	4	2.0
	Only sell it for projects that will help address our housing options.	444	1	1.7
	Sell it for the highest value it can get	170	5	2.0
	Don't sell anything	49	6	2.2
	Consider giving some of it to non-profits that can develop more housing options	392	2	2.0
	Give it away to help build assisted living housing for seniors.	233	3	2.4
What are the top three (3) reasons you live in Juneau?	Access to the water	182	5	2.3
	Work	365	1	1.6
	My family has always lived here	167	6	1.7
	Mountains	191	4	2.4
	Natural Setting	355	2	2.1
	Community Character	234	3	2.2
	Affordable	5	7	1.8

Question	Response	#	%
Juneau is presently capable of being economically self-sufficient, independent from money from the State or Federal government in the form of subsidies	True	38	6%
	False	572	94%
	Total	610	
Juneau should be capable of being economically self-sufficient. independent from money from the State or Federal government in the form of subsidies	**Agree**	305	50%
	Disagree	305	50%
	Total	610	
Should municipal government play a more active role to address housing issues. Choice, availability and cost?	**Yes**	313	57%
	No	63	12%
	Perhaps	171	31%
	Total	547	
Should municipal government assume a direct financial role – Juneau itself writing a check in tackling affordable housing issues?	**Yes, but only to a very nominal degree**	68	12%
	Yes, to a moderate degree	102	19%
	Yes. to a substantial degree	71	13%
	No	149	27%
	Not sure	156	29%
	Total	546	

Appendix 2
Implementation Actions

ACTION	Adopt Housing Action Plan	Prioritize Affordable Housing Fund	Hire Housing Director	Create housing for workforce, seniors, and young families	Preserve Existing Affordable Housing	Develop policies for CBJ owned land and assets	Amend Zoning Code to promote housing	Develop Neighborhood Plans	Develop Downtown Strategy	Timeline
IMPLEMENTATION STEPS	Hold public meetings to gather community feedback on the Plan	Raise revenue for fund through taxes, grants, donations, sale of CBJ land, permit surcharges	Draft project list with Affordable Housing Commission	Set annual unit goal established in Plan	Reinstate Code Enforcement Officer	Finalize update to CBJ Land Management Plan to include inventory of buildable land	Develop inclusionary zoning ordinance	Identify and prioritize areas for neighborhood plans	Set goal for number of downtown housing units	
	Development of report card to measure progress	Broaden scope of eligible projects	Develop benchmarks	Maximize/ leverage employer provided housing	Impose prohibitive fines for code enforcement violations	Apply appropriate zoning for CBJ buildable lands	Use LID financing for new roads and utility service to facilitate development	Use plans to identify housing development opportunities	Create downtown improvement district with a revenue stream	
		Prioritize funding of workforce and senior housing	Conduct annual needs assessment	Create tax abatement program	Develop blighted property ordinance	Adopt criteria for determining how Plan goals are achieved through development of specific CBJ parcels	Create inability to vary transition zone designation	Develop housing targets for each subarea	Inventory vacant/ abandoned/ blighted housing units	
		Develop operating plan	Create work plan	Evaluate potential to replace obsolete mobile homes	Support energy efficency upgrades to existing units	Consider disposing of unbuildable sites to Army Corps land bank	Re-zone D-18 lands to Mixed Use	Encourage mixed income housing	Market devleopment opportunities to outside developers and financers	
		Hire fund manager to grow housing fund when it isn't being used to promote housing		Evaluate use of Tax Increment Financing (TIF)		Create stratety for CBJ land disposal aimed at meeting housing goals	Evaluate areas to be up-zoned		Review parking ordinance to ensure policies promote development	
				Make CBJ land available for projects		Identify land for workforce and senior housing to be developed through national	Require residential and commercial uses in mixed-use zoning		Implement blighted areas ordinance	
				Ensure assisted living facilities are connected to affordable workforce housing			Reduce setbacks and minimum lot sizes for duplex units		Develop incentives and provide assistance to upgrade and permit existing vacant residential units	
				Coordinate and support training for CNAs, LPNs			Infrastructure development automatically triggers upzoning			
				Create tax abatement program for first time home buyers			Update T49 as envisioned by 2013 Comp. Plan Update			
				Down payment assistance and property upgrade assistance						

 Attachment B

Appendix 3

czb presentation to Assembly, 10/28/15

Agenda
Planning Commission
Regular Meeting
CITY AND BOROUGH OF JUNEAU
Ben Haight, Chairman
July 12, 2016

I. ROLL CALL

Ben Haight, Chairman, called the Regular Meeting of the City and Borough of Juneau (CBJ) Planning Commission (PC), held in the Assembly Chambers of the Municipal Building, to order at 7:07 p.m.

Commissioners present: Ben Haight, Chairman; Paul Voelckers, Vice Chairman; Percy Frisby, Nathaniel Dye, Matthew Bell, Kirsten Shelton-Walker, Carl Greene

Commissioners absent: Bill Peters, Michael LeVine

Staff present: Rob Steedle, CDD Director; Beth McKibben, Planning Manager; Jill Maclean, Senior Planner; Jonathan Lange, Planner II; Tim Felstead, Planner II; Robert Palmer, Assistant Municipal Attorney; Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager

Assembly members: Debbie White

II. APPROVAL OF MINUTES

- June 14, 2016 Regular Planning Commission Meeting
- May 24, 2016 Committee of the Whole Planning Commission Meeting

MOTION: *by Mr. Bell, to approve the Committee of the Whole Planning Commission meeting minutes from May 24, 2016, and the June 14, 2016, Regular Planning Commission meeting minutes with any minor modifications by staff or Commission members.*

Mr. Steedle announced that Items CSP2016 0009 and CSP2016 0007 which are consistency reviews for disposal of CBJ-owned property were pulled from the agenda as they are items that do not need to go before the Commission.

The motion passed with no objection.

AME2016 0010: A Text Amendment to adopt the Housing Action Plan as part of the CBJ Comprehensive Plan
Applicant: City and Borough of Juneau

Staff Recommendation
Staff recommends that the Commission review the draft Housing Action Plan and recommend to the Assembly its adoption as an addition to the Comprehensive Plan.

According to Title 49, the Planning Commission has to review and recommend to the Assembly any amendments to Title 49 and any adoptions or amendments to the Comprehensive Plan, said Ms. McKibben. The Housing Needs Assessments completed in 2010 and 2012 by the Juneau Economic Development Council found vacancy rates which indicated a critical housing shortage in Juneau, said Ms. McKibben. Documentation goes back at least to the 1970's indicating that Juneau has had a long standing housing shortage, said Ms. McKibben.

The Juneau Economic Development Plan made a clear connection between housing and economic development, said Ms. McKibben. The Affordable Housing Commission received funding approval from the Assembly to undertake the Housing Action Plan. The Affordable Housing Commission then worked with the staff from the CDD and lands departments to develop a scope of work. A planning firm from Alexandria, Virginia, was then given a contract to complete the Housing Action Plan, said Ms. McKibben.

This plan was developed by the consultants, the Affordable Housing Commission, and the community of Juneau, said Ms. McKibben. The draft plan was presented to the Assembly in October, said Ms. McKibben. After some edits the draft plan was available for public review for 30 days, said Ms. McKibben. The plan was presented at two public open houses in March during which public input was solicited, said Ms. McKibben.

The Affordable Housing Commission has approved this plan and forwarded it to the Commission for the review which is before them, said Ms. McKibben.

The plan has shown that if the City wants to encourage housing growth then it will have to put forward its resources, said Ms. McKibben. Policies must be upheld to promote and to encourage housing development. The community needs to create more housing, and encourage more housing in all housing spectrums from young families to the growing senior population, said Ms. McKibben. The use of incentives to encourage housing development is suggested, as is streamlining the permitting process, she said.

The plan is divided into two sections with the first section defining the problem and the second section creating the toolkit to rectify the problem, said Ms. McKibben. One reason discovered for why Juneau has a housing problem is because at this point the market is stuck said Ms. McKibben.

Consumers can't find a home that they want, companies can't hire additional employees or expand because they cannot obtain housing for their employees, or they cannot hire employees because the employees cannot find housing, said Ms. McKibben. Juneau has a very large proportion of homes which are owned outright, said Ms. McKibben. In a community with a more fluid housing market some of those individuals may sell those homes for smaller homes or condominiums as their families got smaller. Here in Juneau these home owners are staying in their original home because there is nowhere else for them to move within the community, said Ms. McKibben.

Ms. McKibben provided several examples where individuals have been offered work in Juneau and had to turn down those jobs because they could not find housing within the community.

The key recommendations in the plan are:

- Formally adopt the plan into Juneau's Comprehensive Plan
- Grow the affordable housing fund and its potential uses
- Create and fund a full-time housing director (done)
- Grow the supply and diversity of housing, aiming at specific numerical targets, through new construction and preservation
- Preserve existing affordable housing
- Develop new policies for the use of CBJ owned lands and assets to achieve key housing goals
- Update CBJ zoning tools/regulations with a focus on housing
- Develop small area/focus neighborhood plans with detailed incentives and direction on housing (such as the plan already developed for Auke Bay and underway for Lemon Creek)
- Develop a downtown strategy that has explicit housing elements

The plan recommends that 1,980 more housing units be added to the community within 30 years, said Ms. McKibben.

Commission Comments and Questions
Mr. Frisby stated that there is federal money available for housing and asked if this avenue was being pursued.

Ms. McKibben said one of the jobs of the new Chief Housing Officer is to identify ways to grow the housing fund.

Mr. Voelckers asked where the $3 million figure quoted for the housing fund was derived.

Ms. McKibben said she could not recall the specifics of when this figure was mentioned but she did remember the comment that $3 million was not enough, but somewhat realistic and attainable.

Ms. Shelton-Walker asked if there were any other staffing positions of which she is not aware.

Ms. McKibben said the only recommendation for CBJ staff is for a housing director. She said Juneau now has a Chief Housing Officer. The plan recommends that the funds be managed but that would not necessarily have to come from existing staff, it could be contracted out, noted Ms. McKibben.

Ms. Shelton-Walker commented that she felt accomplishing the goals would be very difficult without a dedicated position to see that they were accomplished. She said she hoped this would be taken into account when funding for this item came before the Assembly.

Chairman Haight asked if there had been discussion about the provision of tax incentives.

Ms. McKibben said she could not recall at the moment if tax incentives were part of the plan.

Chairman Haight said he has noted over the years that the older houses have continued to increase in cost and value. He asked how this affected affordability of housing for the community.

Ms. McKibben said the plan states that if there is fluidity in the housing market that does not automatically necessitate a parallel drop in housing prices.

Mr. Voelckers said in a stuck housing market it is difficult to ascertain the exact nature of the demand for housing.

Chairman Haight asked what steps were required to make the Housing Action Plan Part of the Comprehensive Plan.

This would go forward to the Assembly with the Manager's report and an ordinance which has to be adopted by the Assembly said Ms. McKibben.

MOTION: *by Mr. Frisby, to adopt AME2016 0010 with the staff's findings, analysis and recommendations.*

Roll Call Vote:

Yeas: Greene, Dye, Frisby, Bell, Voelckers, Shelton-Walker, Haight

Nays:

The motion passed.

X. BOARD OF ADJUSTMENT - None

XI. OTHER BUSINESS

A. Housing Presentation by Scott Ciambor, Chief Housing Officer

Chief Housing Officer Scott Ciambor thanked Ms. McKibben and the other CDD staff as well as the volunteer hours put in by the Affordable Housing Commission members. Mr. Ciambor informed the Commission of the positions he has held to qualify him for the position of Chief Housing Officer. There are three housing markets to consider simultaneously, said Mr. Ciambor: fair market housing with single family homes and condominiums, affordable housing, and subsidized housing. It is important to realize that help for the housing market in Juneau has to come from within, said Mr. Ciambor.

As of 2010 the largest gaps for the homeless was supported housing for the chronically homeless and assisted living, he said. Housing First is addressing the chronically homeless and an assisted living facility has just been approved for the community, said Mr. Ciambor.

Most municipal resources across the country go to 80% area median income and below, said Mr. Ciambor. Those are the families and the income ranges which typically have the most difficult time locating housing, he said. That is where most of the federal aid falls, he said.

Workforce housing is in a slightly different range, said Mr. Ciambor. Workforce housing falls between 50% and 120% of the area median income, he said. One hundred twenty percent is about $100,000, he said.

The availability of data has proven very successful in enabling developers to obtain federal funding for housing projects, said Mr. Ciambor. The Community Development Block Grant is a primary source of funding for affordable housing development, said Mr. Ciambor.

Juneau has by far the most capacity in the state for housing those in need of shelter, said Mr. Ciambor.

The City and Borough of Juneau is currently working on a mobile home down payment program and property tax exemptions, said Mr. Ciambor. The Juneau Housing Trust which is a community land trust buys a home which they then resell. The land on which the dwelling stands remains with the trust, said Mr. Ciambor.

A new program for market housing provides grants for homeowners to build accessory apartments, said Mr. Ciambor. There was funding for 12 homes and they are in the process of construction or have completed construction, he said. On the state level there is the subdivision property tax abatement ordinance which could provide the Assembly with another tool to incentivize home construction, said Mr. Ciambor.

To incentivize growth in the private housing market the community is free to do as much or as little as it wishes to do, said Mr. Ciambor. Unlike communities down South, he said, Juneau cannot afford to ignore any of its housing areas because it is an independent community without access to nearby towns or bedroom communities. One of the options mentioned in the Affordable Housing Plan is for the City to purchase homes which are being foreclosed upon and repurpose them for affordable housing, said Mr. Ciambor.

The Neighborhood Improvement Development Corporation has targeted investment neighborhoods, said Mr. Ciambor. They provide a lot of resources for those particular areas of town, he said. They provide assistance through home loans and the Home Buyers Assistance Program and tax incentives among other inducements, said Mr. Ciambor.

Commission Comments and Questions
Mr. Voelckers said it seemed to him that perhaps Juneau was slightly healthier in the areas of subsidized housing and assisted living and a little more stuck economically in some of the mid and upper range privately owned properties. Mr. Voelckers asked Mr. Ciambor if it was part of his job to come up with initiatives to present to the Assembly on how to address that area of the housing market.

Mr. Ciambor said it was part of his job, and that this presentation was the first step in identifying those areas of the housing market which needed assistance for the Assembly. He said he would be working with municipal parties to define the next step in the process.

XII. <u>DIRECTOR'S REPORT</u>

Mr. Steedle said there are currently no items scheduled for the August 9, (2016) meeting, and that at this time there is no meeting scheduled for August 9.

The next meeting for the Title 49 Committee is July 20, (2016) said Mr. Steedle.

Ms. McKibben said there is a meeting of the Commission on Sustainability which has been working on an energy plan, and the consultants will be presenting to the Assembly Committee of the Whole on Monday, July 25. The Commission on Sustainability will also be hosting a brown bag lunch to present the plan on a date yet to be decided. The energy plan is also available on the CBJ website, she noted.

XIII. REPORT OF REGULAR AND SPECIAL COMMITTEES

Mr. Voelckers reported that the Title 49 Committee met and worked with staff on some language improvements for variances.

XIV. PLANNING COMMISSION COMMENTS AND QUESTIONS - None

XV. ADJOURNMENT

The meeting was adjourned at 8:31 p.m.

MEMORANDUM

CITY/BOROUGH OF JUNEAU
City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801
Mila.Cosgrove@Juneau.Org

Voice (907) 586-5240
Fax (907) 586-5385

DATE: October 31, 2016

TO: CBJ Assembly
Committee of the Whole

FROM: Mila Cosgrove
Deputy City Manager

SUBJECT: Fireworks Public Comment Process

Background:

At the direction of the Committee of the Whole, public meetings were held to gather public input regarding the draft ordinance on fireworks. Two meetings were held: October 19th in Assembly Chambers, and October 24th at the Valley Library.

In all, 47 people attended the two public meetings and 38 people spoke to the issue. The meetings were not recorded but the City Clerk summarized the comments for review by the Assembly. Many individuals attending also provided written comment. In addition, a paper survey was passed out at the meeting and the results were collected for analysis.

The Clerk's office reviewed all written comments received on this topic since July 1, 2016. Ms. Sica reviewed the emails and categorized the general content assuring that individuals who sent multiple emails were only counted once for the purposes of summarizing their position.

Meeting note summaries, written comments, emails and survey results have all been provided to the Assembly.

Summary of Comments:

In all, CBJ received comments from 163 Citizens. Please note that each identified individual is only represented once. Where the same individual provided their opinion on the topic more than once, the Clerk's Office tried to take the latest comment submitted as representative of the individual's current position. The comments can be generally summarized as follows:

Supports a complete ban on fireworks:	68*
Against a ban on fireworks:	45
Believes the Ordinance is a reasonable compromise:	35

Other comments include:

Concerns about regulating possession:	15
Add Winter Solstice as an allowed date:	6
Allow, but ban Aerial fireworks:	8
Designate areas for use, but not in neighborhoods:	9
Regulate by dates and hours:	7

* Grateful Dogs submitted a petition supporting a complete ban on fireworks that was signed by 67 people. Of those 67 people, 62 names were unique to the petition.

The paper surveys did not have the requirement of listing a name. They were collected at the public meetings so there is a fair amount of cross over opinion from those who testified. The survey provided the following results:

Limit use to December 31st through January 2nd between the hours of 10:00 am and 1:00 am
Yes = 10 No = 26

Limit use to July 3rd through July 5th between the hours of 10:00 am and 1:00 am
Yes = 10 No = 26

Limit possession to December 1 through January 3, and June 1 through July 6 of each year
Yes = 7 No = 31

Allow for a permit outside the normally designated days
Yes = 10 No = 27

Prohibit the use of Aerial Fireworks:
Yes = 11 No = 23

Finally, the Parks and Recreation department collected information from Placespeak as part of the Parks and Recreation Advisory Committee process. The results that are provided from that survey were specific to the issue of fireworks use in Parks. There was no attempt to cross references respondents from this survey with the individuals who testified or provided general feedback via the Assembly process.

Prohibit the use of fireworks in Parks:	22
Allow the use of fireworks in Parks with no restrictions:	33
Limit use of fireworks in parks by date and time:	18
Limit use of fireworks by type:	3
Limit use of firework by date, time and type:	33

Presented by: The Manager
Introduced:
Drafted by: A. G. Mead

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2016-38

An Ordinance Relating to Fireworks and Providing for a Penalty.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Chapter. CBJ 42.20 Offenses Against Public Order, is amended by adding a new section to read:

42.20.096 Fireworks.

(a) Except as provided below or in accordance with a valid license or permit, it shall be unlawful for any person to possess, store, use or explode fireworks, or to allow fireworks to be used or exploded on his or her premises or on premises under his or her control.

(b) The following exceptions shall apply:

(1) It shall be lawful for a person to possess or store salable fireworks between the dates of December 1 through January 3, and June 1 through July 6, of each year.

(2) It shall be lawful for a person to use or explode salable fireworks, or allow salable fireworks to be used or exploded on his or her premises or on premises under his or her control, between the hours of 10:00 a.m. and 1:00 a.m., on December 31 through January 2 and July 3 through July 5, of each year.

(c) *Salable fireworks* means 1.4 G fireworks, as defined by the National Fire Protection Association, and, more specifically, shall include and be limited to the following:

(1) roman candles, not exceeding 10 balls spaced uniformly in the tube, total pyrotechnic composition not to exceed 20 grams each in weight, any inside tube diameter not to exceed three-eighths inch;

(2) skyrockets with sticks, total pyrotechnic composition not to exceed 20 grams each in weight, and the inside tube diameter not to exceed one-half inch, with the rocket sticks being securely fastened to the tubes;

(3) helicopter type rockets, total pyrotechnic composition not to exceed 20 grams each in weight, and the inside tube diameter not to exceed one-half inch;

(4) cylindrical fountains, total pyrotechnic composition not to exceed 75 grams each in weight, and the inside tube diameter not to exceed three-quarters inch;

(5) cone fountains, total pyrotechnic composition not to exceed 50 grams each in weight;

(6) wheels, total pyrotechnic composition not to exceed 60 grams for each driver unit or 240 grams for each complete wheel, and the inside tube diameter of driver units not to exceed one-half inch;

(7) illuminating torches and colored fire in any form, total pyrotechnic composition not to exceed 100 grams each in weight;

(8) dipped sticks, the pyrotechnic composition of which contains chlorate or perchlorate, that do not exceed five grams, and sparklers, the composition of which does not exceed 100 grams each and that contains no magnesium or magnesium and a chlorate or perchlorate;

(9) mines and shells of which the mortar is an integral part, total pyrotechnic composition not to exceed 40 grams each in weight;

(10) firecrackers with soft casings, the external dimensions of which do not exceed one and one-half inches in length or one-quarter inch in diameter, total pyrotechnic composition not to exceed two grains each in weight;

(11) novelties consisting of two or more devices enumerated in this paragraph when approved by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

(d) Violation of this section is an infraction and each occurrence of a prohibited act shall constitute a separate violation.

Section 2. Amendment of Section. Chapter 67.01.090 Prohibited uses, is amended to read:

67.01.090 Prohibited uses.

. . .

(c) *Firearms and other missiles prohibited.* Except as provided by CBJ 42.20.096 with respect to fireworks, no ~~No~~ person shall carry or discharge an air rifle, firearm or slingshot or throw stones or other missiles within the limits of any area designated in section 67.01.030, and no person shall hit a golf ball or launch other missiles within such areas other than in areas designated by the director.

. . .

Section 3. Amendment of Section. CBJ 03.30.065 Penal code fine schedule, is amended to read:

03.30.065 Penal code fine schedule.

Pursuant to sections 03.30.010—03.30.015 of this chapter, the following offense which is amenable to disposition without court appearance may be disposed of upon payment of the fine listed. If a person charged with this offense appears in court and is found guilty, the penalty imposed for the offense may not exceed the fine amount for the offense listed in the following schedule:

PENAL CODE FINE SCHEDULE

CBJ	**Offense**	**No. of Offenses**	**Fine**
42.20.095	Disturbing the peace	Any	$300.00
<u>42.20.096</u>	<u>Illegal use or possession of fireworks</u>	<u>Any</u>	<u>$100</u>
42.20.210	Off-site commercial solicitation restricted	1st	$150.00
…			

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2016.

____
Kendell D. Koelsch, Mayor

Attest:

____
Laurie J. Sica, Municipal Clerk

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Law Department
City & Borough of Juneau

MEMORANDUM

TO: Rorie Watt, City Manager
Mila Cosgrove, Deputy City Manager

cc: Borough Assembly

FROM: Amy Gurton Mead, Municipal Attorney

DATE: October 17, 2016

SUBJECT: 2016-38 Fireworks ordinance.

At its meeting on October 10, 2016, the Assembly directed me to draft language making three possible amendments to the fireworks ordinance (2016-38) for consideration at the upcoming public meetings. The first amendment (prohibiting aerial fireworks) is located in section one below. The second (eliminate the prohibition against storage and possession) and third amendments (add a permit process) are located in section two below. Those amendments are as follows:

1. Prohibiting Aerial Fireworks

42.20.096 Fireworks.

(a) Except as provided below or in accordance with a valid license or permit, it shall be unlawful for any person to possess, store, use or explode fireworks, or to allow fireworks to be used or exploded on his or her premises or on premises under his or her control.

(b) The following exceptions shall apply:

(1) It shall be lawful for a person to possess or store permissible salable fireworks between the dates of December 1 through January 3, and June 1 through July 6, of each year.

(2) It shall be lawful for a person to use or explode permissible salable fireworks, or allow permissible salable fireworks to be used or exploded on his or her premises or on premises under his or her control, between the hours of 10:00 a.m. and 1:00 a.m., on December 31 through January 2 and July 3 through July 5, of each year.

(c) As used in this section:

(1) *Permissible salable fireworks* means the following non-aerial devices designed to produce audible or visual effects by combustion and that do not rise into the air or fire projectiles into the air:

(A) cylindrical fountains, total pyrotechnic composition not to exceed 75 grams each in weight, and the inside tube diameter not to exceed three-quarters inch;

(B) illuminating torches and colored fire in any form, total pyrotechnic composition not to exceed 100 grams each in weight;

(C) cone fountains, total pyrotechnic composition not to exceed 50 grams each in weight;
(D) dipped sticks, the pyrotechnic composition of which contains chlorate or perchlorate, that do not exceed five grams, and sparklers, the composition of which does not exceed 100 grams each and that contains no magnesium or magnesium and a chlorate or perchlorate;
(E) wheels, total pyrotechnic composition not to exceed sixty grams for each driver unit or two hundred grams for each complete wheel;
(F) ground spinner, a small device containing not more than twenty grams of pyrotechnic composition venting out of an orifice usually in the side of the tube, similar in operation to a wheel, but intended to be placed flat on the ground;
(G) any of the following that do not contain more than fifty milligrams of explosive composition:
(i) explosive auto alarms;
(ii) toy propellant devices;
(iii) cigarette loads;
(iv) strike-on-box matches; or
(v) other trick noise makers;
(H) snake or glow worm pressed pellets of not more than two grams of pyrotechnic composition and packaged in retail packages of not more than twenty-five units.

(d) Violation of this section is an infraction and each occurrence of a prohibited act shall constitute a separate violation.

2. <u>Eliminating the Prohibition Against Storage and Possession, and Adding a Permit Process.</u>

42.20.096 Fireworks.

(a) Except as provided below or in accordance with a valid license or permit, it shall be unlawful for any person to use or explode fireworks, or to allow fireworks to be used or exploded on his or her premises or on premises under his or her control.

(b) The following exceptions shall apply:

(1) It shall be lawful for a person to use or explode salable fireworks, or allow salable fireworks to be used or exploded on his or her premises or on premises under his or her control, between the hours of 10:00 a.m. and 1:00 a.m., on December 31 through January 2 and July 3 through July 5, of each year, or with a valid permit issued in accordance with this section.

(c) *Permits*. An application for a permit shall be submitted on a form provided by the Juneau Police Department accompanied by a fifty dollar processing fee. Permits issued under this section shall specify the following:

(1) The name and address of the permit holder.
(2) The dates on which the permissible salable fireworks may be used or exploded by the permittee.
(3) A statement that use is allowed between the hours of 10:00 a.m. and 1:00 a.m. only on the dates specified on the permit.
(4) The location of permitted use.

(d) *Salable fireworks* means 1.4 G fireworks, as defined by the National Fire Protection Association, and, more specifically, shall include and be limited to the following:

(1) roman candles, not exceeding 10 balls spaced uniformly in the tube, total pyrotechnic composition not to exceed 20 grams each in weight, any inside tube diameter not to exceed three-eighths inch;

(2) skyrockets with sticks, total pyrotechnic composition not to exceed 20 grams each in weight, and the inside tube diameter not to exceed one-half inch, with the rocket sticks being securely fastened to the tubes;

(3) helicopter type rockets, total pyrotechnic composition not to exceed 20 grams each in weight, and the inside tube diameter not to exceed one-half inch;

(4) cylindrical fountains, total pyrotechnic composition not to exceed 75 grams each in weight, and the inside tube diameter not to exceed three-quarters inch;

(5) cone fountains, total pyrotechnic composition not to exceed 50 grams each in weight;

(6) wheels, total pyrotechnic composition not to exceed 60 grams for each driver unit or 240 grams for each complete wheel, and the inside tube diameter of driver units not to exceed one-half inch;

(7) illuminating torches and colored fire in any form, total pyrotechnic composition not to exceed 100 grams each in weight;

(8) dipped sticks, the pyrotechnic composition of which contains chlorate or perchlorate, that do not exceed five grams, and sparklers, the composition of which does not exceed 100 grams each and that contains no magnesium or magnesium and a chlorate or perchlorate;

(9) mines and shells of which the mortar is an integral part, total pyrotechnic composition not to exceed 40 grams each in weight;

(10) firecrackers with soft casings, the external dimensions of which do not exceed one and one-half inches in length or one-quarter inch in diameter, total pyrotechnic composition not to exceed two grains each in weight;

(11) novelties consisting of two or more devices enumerated in this paragraph when approved by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

(e) Violation of this section is an infraction and each occurrence of a prohibited act shall constitute a separate violation.