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

October 26, 2015, 6:00 PM.
City Hall Assembly Chambers

Assembly Worksession - No Public Testimony

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

IV. AGENDA TOPICS

A. **Housing Action Plan**

B. **Airport Master Plan Update**

C. **Ordinance 2015-39 An Ordinance Amending the Land Use Code Relating to Marijuana Establishments.**

D. **Oceans Interpretive Center**

E. **Community Development Block Grant Recommendation**

F. **Seawalk Bid**

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

Community Development

City & Borough of Juneau • Community Development

155 S. Seward Street • Juneau, AK 99801

TO: **Assembly Committee of the Whole**

FROM: **Beth McKibben, AICP, Planning Manager**
Community Development Department

DATE: **October 22, 2015**

SUBJECT: **Juneau Housing Action Plan**

Background

In January 2015, the CBJ hired czb, LLC as a consultant to develop the Juneau Housing Action Plan. The goal of the project is to have a comprehensive housing action plan to encourage and promote a variety of housing types and levels of affordability. The project has been managed by the Community Development Department with assistance from the Lands Division, with the Affordable Housing Commission (AHC) acting as the Steering Committee for the planning effort.

Representatives of czb came to Juneau in March 2015 and met with the Affordable Housing Commission, key CBJ staff, elected officials, community members, and two focus groups; one of private developers and one of non-profit developers/providers. Czb also meet with the Affordable Housing Commission via teleconference numerous times. In July 2015 representatives from czb returned to Juneau with the a draft Housing Action Plan. This Plan was circulated to the Affordable Housing Commission, the JECD Board, those who participated in the two March focus groups, as well as CBJ staff, for review and comment. While czb was in Juneau, the Affordable Housing Commission held a public meeting which was well attended by public and the AHC. Czb presented and took feedback on their preliminary findings and recommendations.

In September, another draft Plan was submitted to the AHC for review. The AHC worked at two meetings, including a special work session, to develop comments and feedback to czb. During these meetings the AHC also considered the comments of CBJ staff and included those in their recommendations to czb. The October 2015 Housing Action Plan is czb's final report and incorporates the comments and suggestions of the AHC.

Discussion

The Juneau Housing Action Plan has two sections, Part 1, the identification of the challenges, and Part 2, recommended solutions. Page 4 of the Plan provides a summary list of the challenges and solutions as follows:

Challenges & Problems
- The problem of having a "stuck" market
- A very informed and aware community
- Getting unstuck
- Ending business as usual

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's 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 ($3 million recommended)
- 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
- 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 (Auke Bay Area Plan is an example)
- Develop a specific strategy for Downtown that has explicit housing elements

Next Steps

One of the recommendations of this Action Plan is that the Plan be formally adopted as an element of the Juneau Comprehensive Plan. To do so requires the Plan be adopted by the Assembly with an ordinance. The presentation of the Plan and its recommendations to the Assembly by czb will launch the public review period for the October 2015 Housing Action Plan. The Plan will be made available to the public in a variety of ways. The public will be invited to comment for a period of time (2 weeks or 30 days). Comments from the Assembly and the public will be provided to the AHC for consideration. The AHC may recommend some modifications to the Housing Action Plan based on the comments received during this comment period. The Plan will then be presented to the Planning Commission for review and consideration, as are all elements of the Comprehensive Plan. The Commission will hold a public hearing and will recommend adoption, adoption with amendments or no adoption to the Assembly. The Assembly will receive the Plan for final consideration and adoption.

Housing Action Plan

Draft

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

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Part 1
Housing Market Challenges & Problems

Challenges & Problems

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Challenges and Problems

Stuck Market

Juneau's population has been relatively flat for more than a decade. This is projected to remain the case through 2040. 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. This reality has and will continue to undermine demand for housing, which in turn has undermined and will continue to destabilize the value of Juneau's housing.

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. The lack of choice in the housing market creates risks to growth, to new development, and undermines economic activity in Juneau. 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.

It also makes it harder for current residents to move into new homes, because those homes do not exist. Would-be sellers stay put (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) they give developers even less incentive to provide the array of housing options needed for Juneau's housing market to be healthy; and 2) they further restrict others' choices of entry-level homes when "starter" homes become "lifelong" homes for residents and therefore are only infrequently made available to another young family or working household looking to move into Juneau. 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 stocks creates a situation that forces many to look elsewhere to live and will ultimately substantially threaten Juneau's ability to maintain its population. It will certainly weaken 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.

With 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, further clogging the housing pipeline. And when 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, and increasingly prices working and low- income renters out of the market.

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, through a complete about-face, to magically "fix."

There are too many factors standing in the way: (real and perceived) land scarcity, higher development costs stemming from higher materials, 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 tepid 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. Our examination of 688 survey responses from community members highlights a general consensus around two especially telling views:

- First, the community-at-large is well aware that its housing market is not working properly and that the local economy is fragile. 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**; and 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%).

- Second, the community-at-large recognizes that Juneau's existing systems (boards, commissions, policies, and development pipelines) and processes have not been able to resolve these issues. The community says it is ready to see action taken and new approaches implemented. 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 would consider (29%) 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 sections 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, then, 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.

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 like Juneau are using an array of tools – 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.

This report provides a framework for a new direction for Juneau housing policy. It has been designed to help un-stick Juneau's housing market (encourage more fluidity), 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.

But it is not only a "more direct effort by the public sector than has historically been the case" that is being recommended. More is not an antidote to tepid, which is what characterizes the historic nature of the Juneau community's response to its housing challenges. 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 more partnership-oriented than reliant 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 significant – and commendable – 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.

Ending Business as Usual

A review of the Borough's Comprehensive Plan and Zoning Ordinance, data from several sources (the State of Alaska's Department of Labor and Workforce Development, the 2012 Housing Needs Assessment, the US Census and the American Community Survey), and a number of reports commissioned by the Assembly, 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?

- Ending business-as-usual would mean elevating housing as a priority – strongly supporting 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.
    - Without these tools in place, current planning and regulatory documents ostensibly used to guide land use and development in Juneau are set up neither to 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.

- Ending business-as-usual will also mean creating 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*.

  - Such incentives could include below-market rate financing, shared equity investments, or transferral 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 unstick itself, 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*)

  - 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. And it 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.

- Ending business-as-usual also means re-thinking 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.[1] A dedicated fund of this type and this

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[1]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.

magnitude is essential to countering the cost escalators (associated with the borough's steep slopes, limited land, and high materials and labor costs) and high (real or perceived) 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 as self-reliant as residents say they pride themselves on being.

- As things currently stand, just 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 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. 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.** At present there is no durable strategy in Juneau to address its housing challenges, and no *explicit* recognition 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 (designed to be a robust housing strategy), or a locally crafted rendition of it, to the CBJ Comprehensive Plan.

- **Workforce Impact by Limited Housing.** 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 soon-to-be-released CBJ Land Management Plan makes important headway in creating a coherent policy for 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 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 less than they might. 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 them.

- **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 developing these units. Preserve *then* develop.

If the Juneau community wants a healthy housing market, and there's reason to believe it surely does, 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 market, and the policies needed to sometimes promote (encourage) and other times require (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, and that can only occur with creative public financing on the carrot side and policies with teeth on the stick side.

At its core, a healthy Juneau housing market is the key to a healthy Juneau economy. And a healthy Juneau economy is one that is more self-reliant than it is 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

A Comprehensive Housing Strategy is Needed

Juneau's Comprehensive Plan should add a new housing chapter and this report (or a refined version of it) 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 income 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.

Making matters worse, 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 informants 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 – something most survey respondents would like to see. Engagement should 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; its specific recommendations follow below.

Bottom Line: 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 CBJ Comprehensive Plan, refine Juneau's zoning ordinance and development codes to provide the carrots and sticks necessary to encourage the recommendations included be carried out by CBJ and its public and private partners, and hire a Housing Director to foster and facilitate these partnerships and their ability to implement the recommendations described here. These steps would go a long way toward establishing the clear and consistent land use policies and public financing directives needed to ensure a balance of profitability for developers and investors, on the one hand, and affordability and availability for buyers and renters on the other.

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, though, 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, owing to the costs imposed in the form of run-down housing and tired community infrastructure. 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.

Bottom line: The community has a good grasp of the issues and challenges Juneau faces, wants there to be actions to address them, and understands the tradeoffs in terms of density, land-use and government activity. It is also true the community would benefit from more directed conversation about the potential of government action and the risk of inaction.

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.

Bottom Line: 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 where there is currently a broken one.

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 (p. 99). If that land is then used for low-density residential development, the price of those units will need to 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 a higher density use, these costs can be defrayed in a way that does not overly burden buyers, renters, or taxpayers.

Bottom Line: 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).

Affordability is a Problem, but the Bigger One is That Juneau's Housing Market is Stuck.

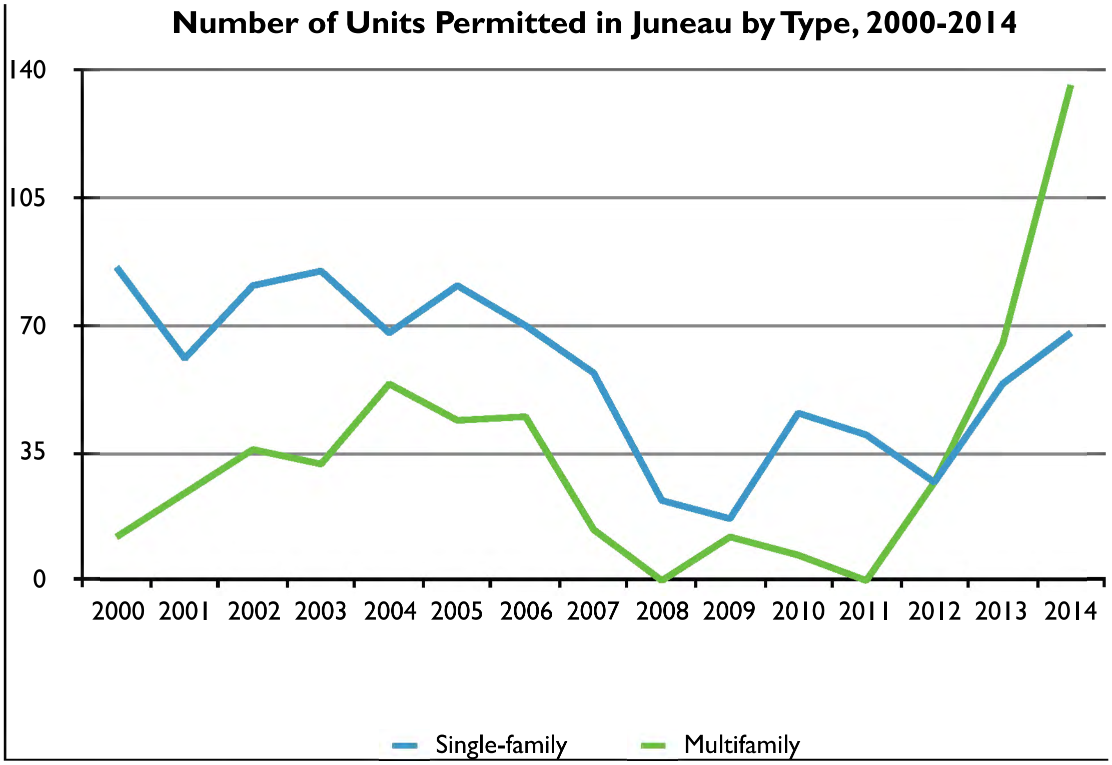
The unaffordability of for-sale housing in Juneau is well documented: the Juneau Housing Needs Assessment described Juneau's "high cost of living and high real estate prices" (page 4). Compared to owner housing in Anchorage, for example, a larger share of Juneau's stock is priced at or above $400,000 (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 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). That year, in other words, 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 income 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 being behind the current crunch (page 4). (Going back to San Francisco, the median value there is $744,600 compared to just $309,900 in Juneau.)

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.

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.



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

Given the cost of building anything new in Juneau, most of the limited number of 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 home (although it is an open question whether they invest enough to protect the future value and marketability of 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 housing is on the market, a 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%

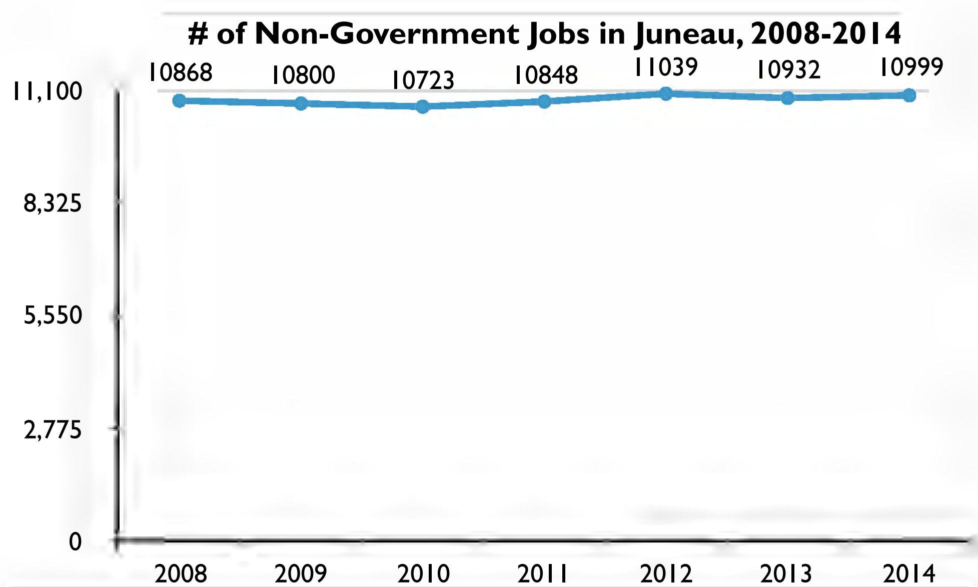
Sources: 2013 American Community Survey 5-Year Estimates, realtor.com.

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 also 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.

Bottom Line: 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. Unless the housing market can get "unstuck" by bringing in new choices so people can move and so older units can be freed up for new market entrants, 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; 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.)**

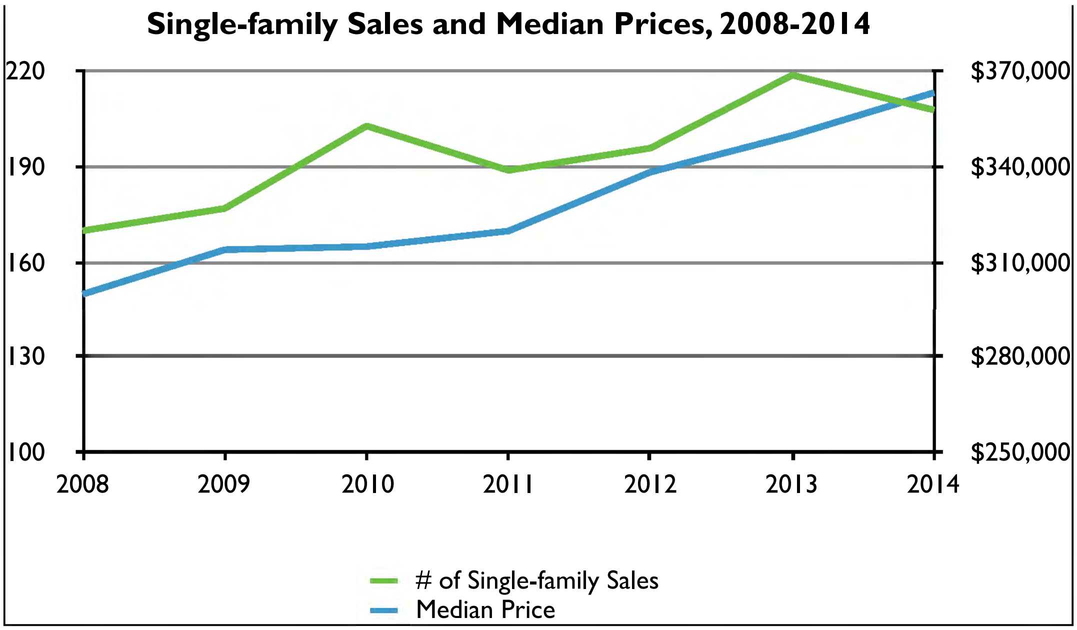


Sources: County Business Patterns, Alaska DOL, czbLLC.

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 many in the community advocate for policies that keep 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 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.

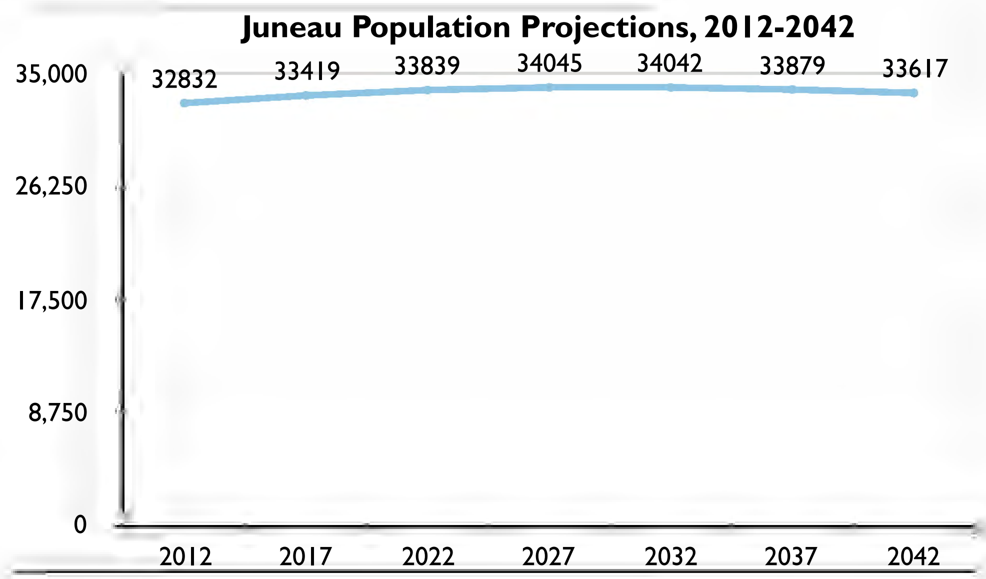
The lack of housing choices is a bigger constraint on the local economy (and long-term home values) than a greater supply would be. This cannot be emphasized enough. Time and again, the greater availability of an array of housing choices in markets with high demand translates into rising property values. 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).

Instead, though, 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.)



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: when 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.

Some may look at this and suggest that the tight market supports and maintains the home values for Juneau and that adding inventory would serve to reduce home values. While more supply, over time, could have some impact on prices, we believe 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, as is already happening, 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 reasons to believe this is already happening. In addition, there are many places in the United States with much larger percentages of their 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 market.

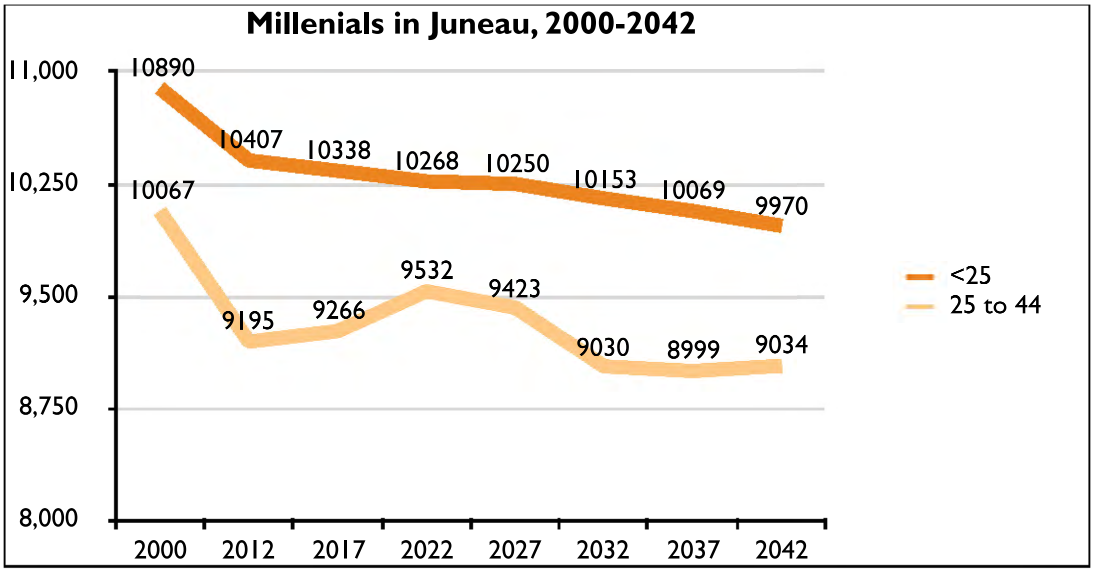
Changing this curve requires drawing the influx of new residents, especially younger adults who can start and raise families in Juneau giving it a workforce and community into the future. It also requires that seniors age in Juneau rather than leave for better services elsewhere. **With no proactive 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.

Bottom line: 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 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 expect these age brackets – adults under 25 and adults aged 25 to 44 – to both 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 hold for Juneau's rental market, putting younger potential in-migrants in a double bind.

Bottom Line: 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.

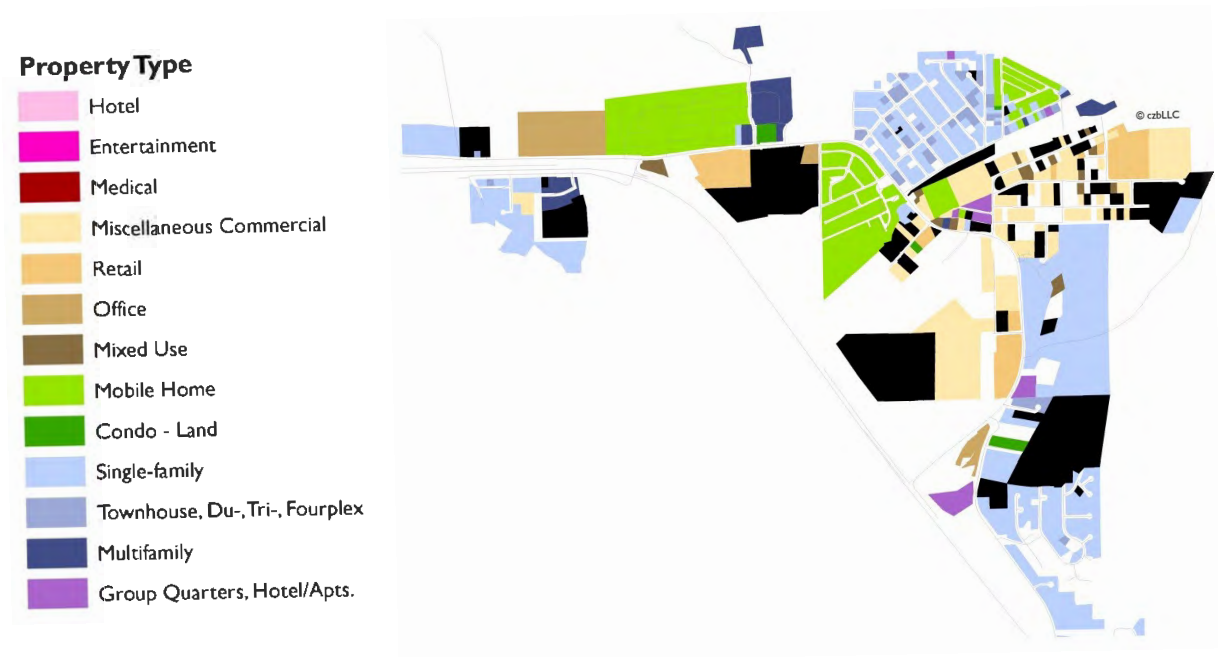
The Capacity to Accommodate More Housing Exists throughout Juneau

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 recommend 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 members the opportunity to drill down into specific areas; they also provide area residents the opportunity to participate in crafting the recommendations for a location's future and to understand where changes will and will not be made (which tends to reduce the incidence of NIMBY-inspired roadblocks to improvements).

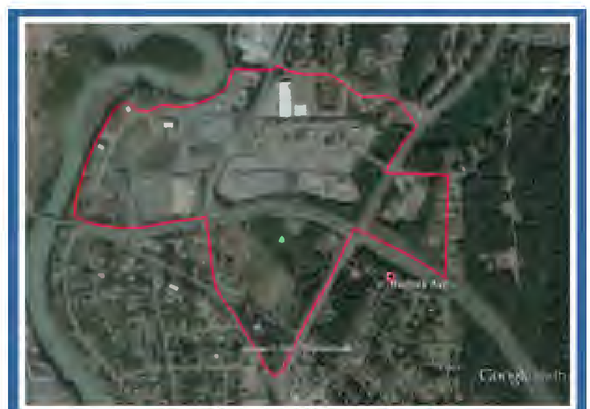
For an example of where this may be appropriate, the area around Bartlett Regional Hospital has the capacity to accommodate more density and a wider mix of uses (including retail and additional housing, for example).

Similarly, 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.



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


Nugget Mall


Safeway and surroundings

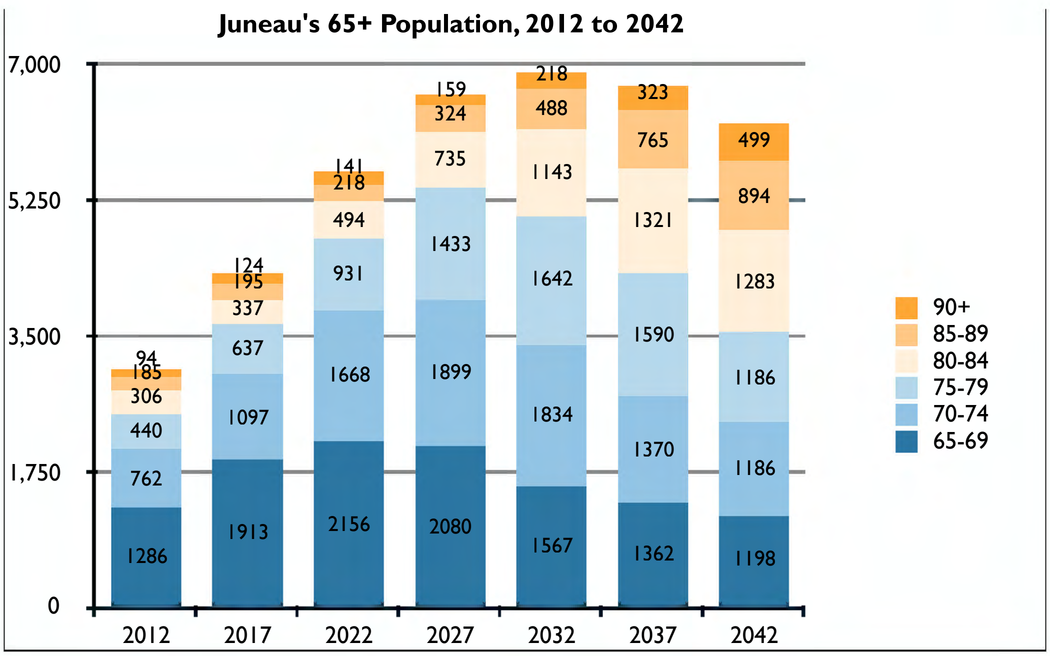
Nowhere is the importance of more efficiently using available land to address housing affordability and availability more important than in Downtown Juneau. While many buildings in the area require extensive – and expensive – rehabilitation, rehabilitating these historic properties and creating a vibrant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

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

The Need for Housing is Not Just for Young Households but an Aging Population with Limited Housing Options

Juneau's declining number of births predicted by 2042 hint at another key component of the state's DOL population projections: they expect the age breakdown in Juneau 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.

And 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). It 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 [emphasis added]" (page 66).

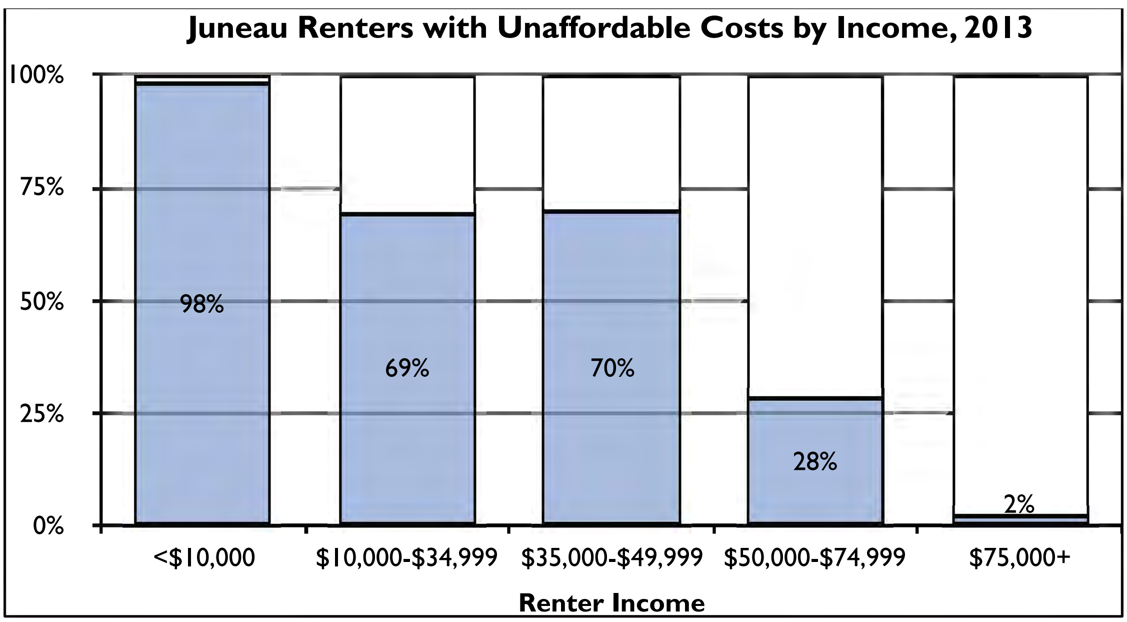
According to Senior Assisted Living for Juneau, submitted by Senior Citizens Support Services, Inc. (March 2015), the Department of Labor "estimates that assisted living facilities create about 1 job per resident" and these jobs pay between $25,000 and $30,000 (page 3). This suggests that, if these workers 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.

Bottom line: Juneau's population numbers depend on a growing senior population. Right now, there is neither the housing for this aging population nor adequate services to support them. If Juneau does not meet its senior housing needs (approximately 330 assisted living units, 420 independent living units, and 330 affordable rental units to accommodate the related workforce of service workers), 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 on top of another 170-230 market-rate rentals the analysis found a need for in Juneau (page 6).

As with owner-occupied housing units, affordability and availability are significant challenges for renters in Juneau, too. On the affordability side, 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 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.

Availability challenges dog 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 those apartments' 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.

Bottom Line: Juneau not only needs roughly 330 affordable rentals to accommodate service workers in assisted living facilities, the borough also needs another 440 low-cost rentals and 170-230 market-rate rentals. In other words, 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. In fact, private sector employers provide significant 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 (such as Holland America Princess and Allen Marine Tours) 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. Their civic commitments are significant. 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.

Bottom Line: 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. It is truly incredible that the business community is engaged in employer-assisted housing to the degree that it is. What is needed is to bring these efforts 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. 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. 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

3. 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

Create and Fully Fund and Fully Support a Full-Time a 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 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, changes in use of/functional age of existing housing, etc.

Potential Partners

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

4. 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	**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 ($500 to $750 per month)		
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 comparable amount (750 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 (priced $225,000 to $275,000)	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[2]
- 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

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

[2] 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. 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.

		30-Year Goal	Annual Goal
Preservation			
	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.

Metrics
- 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. 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.

Metrics
- As regards developable parcels of land owned by the CBJ:
        - Portion identified for particular end use.
        - Portion with active RFP process underway
    - Number of RFPs distributed
    - Number of proposals returned
    - Portion with developer selected and contracts signed (note date of selection and agreement)
    - Number of units proposed by type, tenure and price
        - Slated for affordable housing
        - Slated for senior housing
  - Portion in construction (note date construction began)
  - 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
    - Number of RFPs distributed
    - Number of proposals returned
    - Portion with developer selected and contracts signed (note date of selection and agreement)
    - Slated for affordable housing
        - Number of units proposed by type, tenure and price
    - 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. Update Zoning Tools with a Focus on Housing

The existing Zoning Ordinance does not include any inclusionary zoning requirements for workforce or affordable housing.[3]

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

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[3] 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. Develop 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.

<u>Metrics</u>

- 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

<u>Implementation</u>

- 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. Develop a 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
Community Survey Results

Description		If "Business as Usual"			The Ideal Future		
		Chosen	Rank	Respondent Rank	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 & 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 issues.	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	

SUSTAINABILITY BASELINE SUMMARY

Juneau International Airport

Sustainability Master Plan

What is the Juneau International Airport Sustainability Baseline?

A primary purpose of the Juneau International Airport (JNU) Sustainability Master Plan (SMP) is to integrate sustainability into the airport master plan process. In doing so, the planning effort will identify areas of sustainability impact, assess baseline sustainability performance, and identify opportunities for performance improvement.

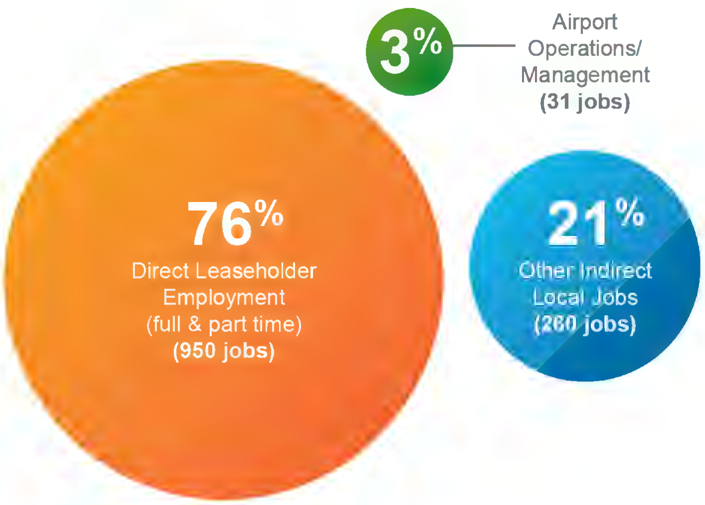
The Sustainability Baseline inventory is organized by the four functional components of airport sustainability — Economic Viability, Operational Efficiency, Environmental (Natural Resource Conservation), and Social Responsibility.

The Sustainability Baseline (1) provides information on how sustainability issues have been addressed historically and (2) compiles rates of resource consumption and other information for each of the JNU Sustainability Focus Areas (i.e., selected study areas). Together this helps establish a basis for evaluating future performance.

Economic Viability (Focus Areas: Economic Performance, Procurement Practices)

The Economic Viability Focus Areas play a critical role for JNU, since the airport is municipally owned, operated as a CBJ enterprise, and plays a vital role in the local and regional economy. A 2011 economic study, completed by Northern Economics, indicated that the total annual economic impact of the direct jobs and expenditures of JNU was approximately $75 million in wages, or labor income, and $150 million in economic output.

The airport is a major source of jobs, directly employing over 30. However, when airport and airport leaseholder's direct full and part time employment is tallied, approximately 950 direct jobs are the result. Close to 60 percent of those jobs were full-time, non-contract jobs held by Alaskans.



For Fiscal Year (FY) 2015, the airport's budget lists total revenue of $5.97 million with total operating costs of $6.10 million.

Operational Efficiency (Focus areas: Cost Control, Buildings, Business Continuity and Emergency Preparedness)

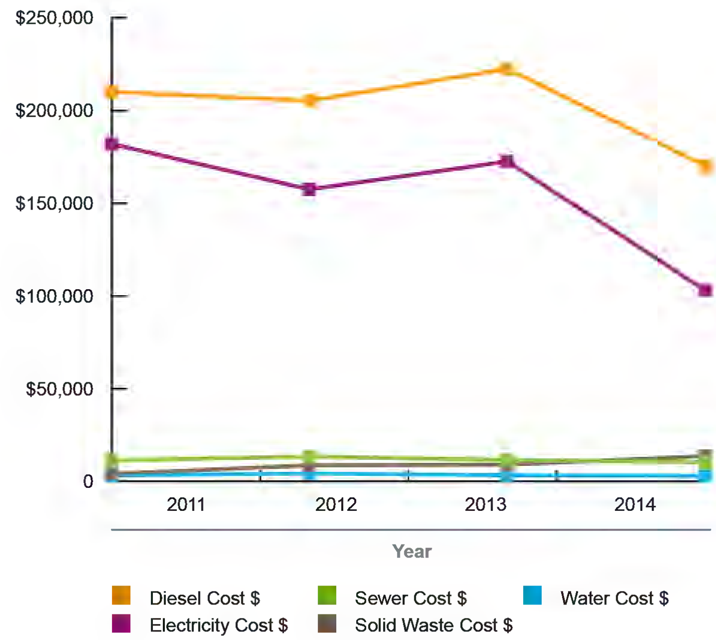
Cost Control is a primary concern in airport operations and a primary driver for sustainability.

In FY 2014, 10% of all airport expenditures went to utilities. Figure 1 shows utility expenditures and trends from 2011 through 2014.

The airport has implemented cost savings measures, which have financial and sustainability benefits, including:

- Geothermal/ground source heat pump system: $130,000 annual savings
- Energy efficiency and conservation measures: projected 25-year cost savings exceed $100,000
- Waste recycling program

Figure 1: Historical Expenditures on Utilities



The Sustainability Baseline also addresses the following areas of airport Operational Efficiency: climate change vulnerability and adaptation, emergency preparedness, green building and infrastructure resiliency.

Several studies and plans have been produced that document climate change trends and impacts relevant to Juneau. While the threat of climate change to Southeast Alaska and Juneau is discussed, little has been proposed to address these threats to Juneau or the airport. Additional research is warranted and may increase understanding of the risks of extreme weather and hazards to JNU operations and flight schedules.

Emergency preparedness and response is important at JNU since the airport serves as critical infrastructure for the CBJ, Juneau residents, and Southeast Alaska. The airport has an Emergency Plan that includes security updates, FAA requirements and other aspects of emergency planning. The CBJ has emergency response/preparedness plans that cover a variety of hazards and emergency scenarios.

The airport does not have a separate green building policy or green building design or construction standards for operational or capital projects. Regardless, during the terminal renovation for the commercial wing, green building design and construction strategies were implemented, including building mechanical and electrical efficiency, lighting and other features. The planned renovation of the terminal's commuter wing will also incorporate green building design and construction strategies.

Environmental (Focus areas: Materials Management, Energy, Water, Effluents and Waste, Transport)

The Environmental component of sustainability addresses a variety of aspects of traditional environmental management and compliance as well as the management and use of natural resources, implementation of conservation programs, and transportation topics.

Glacier in Juneau, Alaska

The environmental baseline values for 2014 can be seen in the following image.

Note: CO_2e refers to carbon dioxide equivalent emissions.
** Indicates partial year baseline value.*

The airport consumes energy for a variety of airside and landside operations. In the period from 2009 to 2014, electricity consumption ranged between 2 to 2.5 million kWh per year with peak usage in 2012-2013. In that same period, diesel consumption dropped dramatically, largely due to installation of the geothermal/ground source heat pump (GSHP) system. The GSHP system, installed in 2010/2011, provides heating, cooling, and ventilation for the commercial carrier wing and an ice-melt system for the sidewalks in front of the passenger terminal and is powered by 108 subsurface borings, 16 miles of refrigerant-carrying piping loops and 34 heat pumps. Fuel consumption (diesel and gasoline) for airport vehicles and other airport-operated airfield maintenance vehicles and equipment varies by year.

A greenhouse gas (GHG) emissions inventory was prepared for the year 2014 addressing the airport's carbon sources and can be seen in Figure 2. Historical GHG emissions were also calculated and show there has been a significant reduction in GHG emissions as seen in Figure 3. Note that the GHG emissions for purchased facility power that are shown in the images are based on a custom emission factor for Alaska Electric Light and Power electricity generation mix. This reduction is notable, given that during this same period there was an expansion of the terminal (2011) as well as an increase in enplaned passengers (approximately 29,500 more enplanements in 2013 than in 2009). The factors contributing to this reduction include the GSHP system, use of hydropower by the electric utility provider, more efficient commercial terminal wing, and other energy efficiency and operational measures.

Figure 2: JNU 2014 GHG Emissions

Note: Values shown in parentheses (e.g., 330) are emissions in metric tons CO_2e.

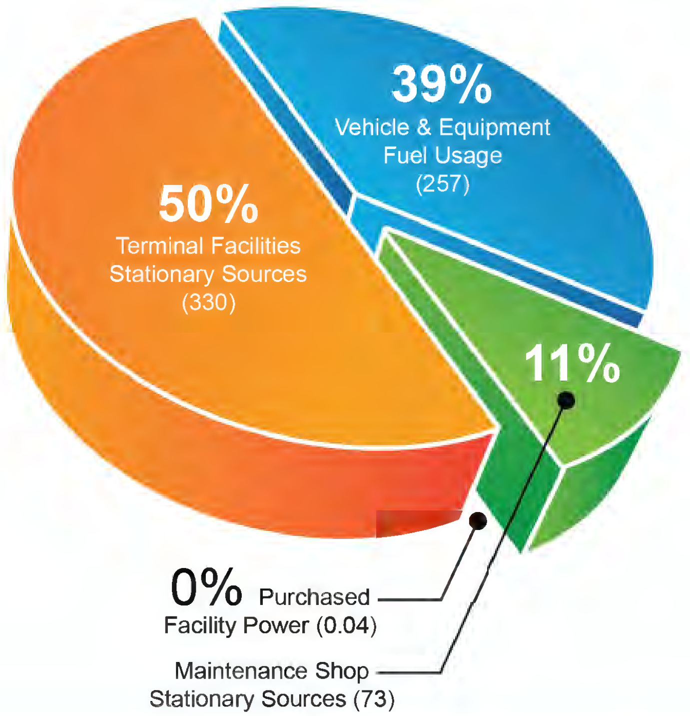


Figure 3: Historical JNU GHG Emissions

A Recycling, Reuse, and Waste Reduction (RRWR) Plan has been developed to assess the current state of waste management and recycling at the airport. It identifies key opportunities to improve the JNU waste management program and improve waste diversion rates.

Compliance programs are also in place to manage stormwater pollution, de-icing operations, and hazardous materials and waste. Stormwater management at the airport is guided by the Stormwater Pollution Prevention Plan (SWPPP). The SWPPP discusses stormwater discharge at the airport and includes information on potential pollutant sources, inspection areas, and best management practices. The airport maintains a Spill Prevention, Control, and Countermeasure (SPCC) Plan, which covers airport fuel and hazardous materials management and identifies measures to respond to spill events. It includes preventative and response measures for oil spills and discharges at the airport.

In addition to being a hub for air traffic, the airport is also a destination for travelers, employees, and community members that access the facility for work, travel, community events, and recreation. Users access the airport by personal vehicle, bus, bike, foot, taxi, and rental vehicle. Accessibility and ease of access to the airport is directly influenced by these various transport modes. The airport generates a significant amount of traffic in and around the terminal, including daily commuting by airport employees as well as approximately 950 leaseholder employees and arrivals and departures by an average of 1,200 enplaned passengers per day. The airport also utilizes a fleet of 43 vehicles at the airport for business transportation, maintenance, and daily operations.

Social Responsibility (Focus areas: Employment, Training and Education, Local Communities)

Social Responsibility is about opportunities for airport staff and also the roles – in addition to economic – that JNU plays in the community.

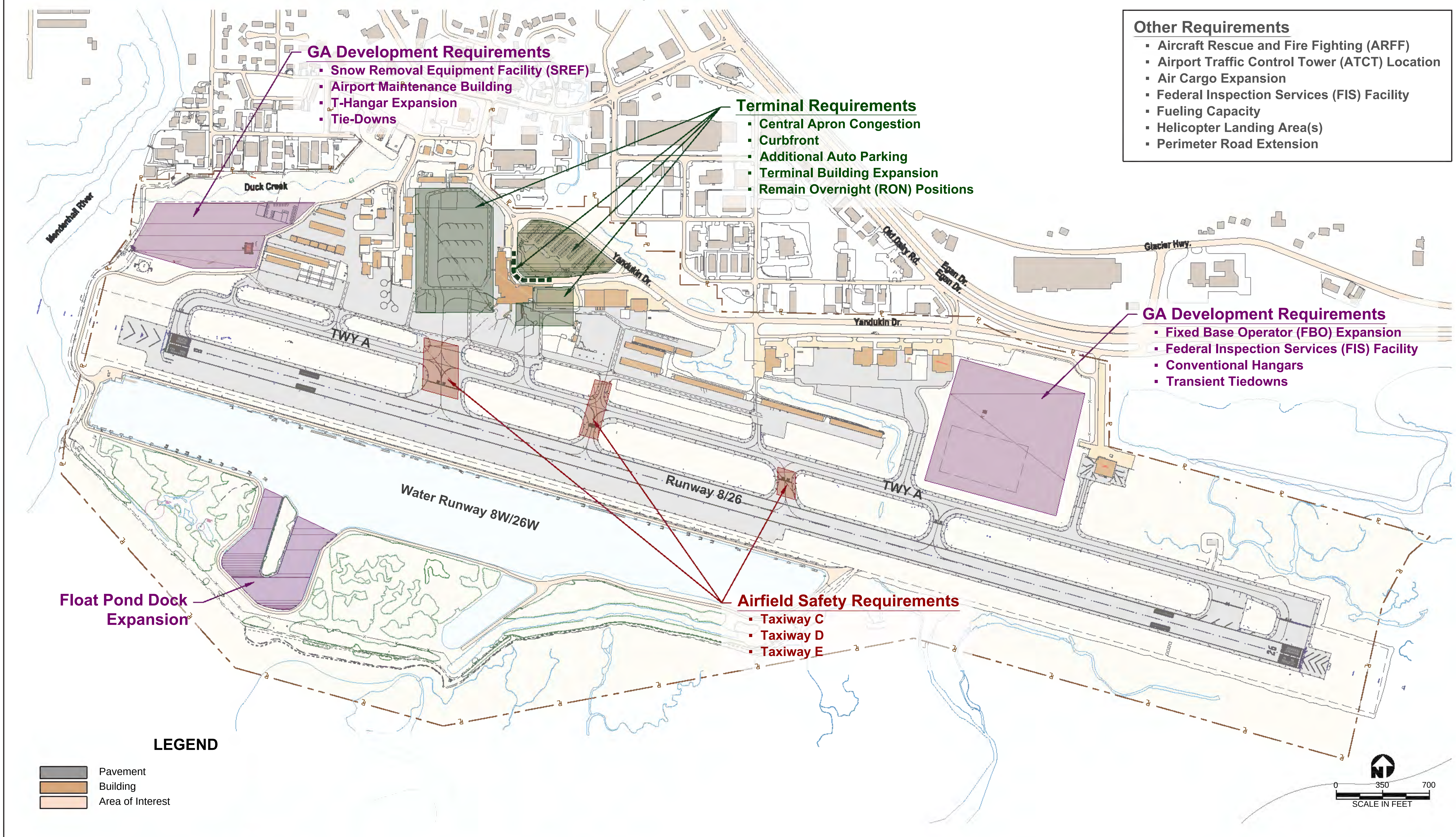
Airport employees can participate in wellness programs and training, an example of CBJ and JNU action in the area of social responsibility.

JNU is a gateway connecting Juneau to the rest of the region, state, U.S., and beyond. The airport serves as a community resource, with residents and visitors able to use the airport terminal for non-air travel purposes. This includes community and club meetings that are held in the Alaska and Juneau Rooms, the airport's strong visual arts displays and the 1% for Art program, hosting performing arts events in the terminal (Music on the Fly), and the presence of the Juneau Convention and Visitor Bureau's Information Kiosk, staffed during tourist season to help the many arriving passengers.

Access to the airport is not limited to the terminal. One of the most popular community aspects of the airport is local use of the Emergency Vehicle Access Road (EVAR). JNU allows public recreational parking, and access to the wetlands across airport property along the EVAR. The public commonly refers to this access as the "Airport Dike Trail"

For more information on JNU's sustainability baseline and progress on the SMP project, check out the project page.

http://www.juneau.org/airport/projects/AirportSustainability.php



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1501 4TH AVENUE, SUITE 1400
SEATTLE, WA 98101
PHONE: (206) 438-2700

JUNEAU INTERNATIONAL AIRPORT
AIRPORT SUSTAINABILITY MASTER PLAN

Facility Development

SCALE:

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

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2015-39

An Ordinance Amending the Land Use Code Relating to Marijuana Establishments.

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 Table. Category 2.000 Sales and Rental Goods, Merchandise or Equipment, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
2.200	Storage and display of goods with greater or equal ….									1,3	1,3	1,3	1,3	3^{N}	3^{N}	3
2.300	Marijuana retail store	3								3	3	3	3	3		3

Section 3. Amendment of Table. Category 3.000 Professional Office, Clerical, Research, Real Estate, Other Office Services, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
3.400	Offices greater than 2,500 square feet									1,3	1,3	1,3	1,3	$1^N,3^N$		3^S
3.500	Marijuana testing facility	3								3	3	3	3			3

Section 4. Amendment of Table. Category 4.000 Manufacturing, Processing, Creating, Repairing, Renovating, Painting, Cleaning, Assembling of Goods, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
4.210	Seafood processing	3^T												3,	1,3	1,3
4.220	Marijuana product manufacturing facility	3									3	3				3

Section 5. Amendment of Table. Category 14.000 Aquaculture, Agriculture, Silviculture, Mining, Quarrying Operations, Spring Water Bottling, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read:

	Use Description		RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
14.00	Commercial agricultural operations																
	…																
	14.240	Marijuana cultivation	3	3^{AB}							3	3					3

Section 6. Amendment of Table. Category 19.000 Open Air Markets, Nurseries, Greenhouses, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read:

	Use Description		RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
19.200	Nurseries, commercial greenhouses																
	…																
	19.230	Marijuana cultivation	3	3[AB]							3	3					3

Section 7. Amendment of Table. CBJ 49.25.300 Table of Permissible Uses, is amended by adding a new note to the Notes section to read:

AB. Use is prohibited in the urban service area but allowed outside the urban service area.

Section 8. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2015.

____
Mayor

Attest:

____
Laurie J. Sica, Municipal Clerk

Community Development

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

DATE: August 28, 2015

TO: Planning Commission

FROM: Chrissy McNally, Planner II Chrissy McNally
Community Development Department

FILE NO.: AME2015 0009

PROPOSAL: Proposed changes to Title 49 Table of Permissible Uses relating to marijuana establishments.

The City and Borough of Juneau Code states in CBJ 49.10.170(d) that the Commission shall 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.

ATTACHMENTS:

Attachment A: AME2015 0009 application
Attachment B: Memo to PC from CDD staff
Attachment C: Memo to Title 49 Subcommittee from CDD staff
Attachment D: Ordinance 2015-39 (Title 49 Subcommittee recommendations)
Attachment E: August 21, 2015 Title 49 Subcommittee meeting minutes

BACKGROUND

In light of the passage of ballot measure 2 on November 4, 2014 establishing AS 17.38, an act to tax and regulate the production, sale and use of marijuana, a Marijuana Committee was appointed to make recommendations on the local regulation of marijuana. At the June 6, 2015 Marijuana Committee meeting, the committee recommended to the Planning Commission that new sections be added to Title 49 *Table of Permissible Uses* for marijuana establishments. Those recommendations were presented in a staff memo to the Planning Commission dated July 15, 2015 (Attachment A, B).

The draft ordinance relating to marijuana establishments was reviewed at the August 21, 2015 Title 49 Subcommittee meeting. The Title 49 Subcommittee recommends several changes to the Marijuana Committee recommendations, which are now reflected in the proposed ordinance and discussed below (Attachment D).

The State Marijuana Control Board is required to adopt regulations for marijuana establishments by November 24, 2015. The CBJ Marijuana Committee recommended extending the moratorium on the acceptance of applications for marijuana establishments until the CBJ Planning Commission and Assembly has adequate time to create and adopt changes to Title 49 the Land Use Code related to marijuana related land uses.

DISCUSSION

The State's Marijuana Control Board has established four types of marijuana establishments; marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities and retail marijuana stores. Prior to this report, marijuana product manufacturing was referred to as 'marijuana processing'. However, marijuana product manufacturing is consistent with the state draft regulations. To date, the state draft regulations provide definitions for these establishments as follows;

> *Marijuana cultivation facility* means an entity licensed to cultivate, prepare, and package marijuana and sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

> *Marijuana product manufacturing facility* means an entity licensed to purchase marijuana; manufacture, prepare, and package any approved marijuana product; and sell marijuana and marijuana products to any other marijuana product manufacturing facility or marijuana retail store, but not to a consumer;

A product manufacturing facility may possess an *extraction only license* which allows the facility to strictly make and sell marijuana concentrate.

> *Marijuana testing facility* means an entity registered to analyze and certify the safety and potency of marijuana.

> *Retail marijuana store* means an entity licensed to purchase marijuana from a marijuana cultivation facility, to purchase marijuana and any approved marijuana product from a marijuana product manufacturing facility, and to sell marijuana and any approved marijuana product to a consumer.

Community Development Department staff initially identified the existing sections of Title 49 *Table of Permissible Uses* which could potentially include marijuana establishments. These included CBJ 49.25.300 section 14.210 *commercial agriculture excluding farm animals* and section 19.210 *nurseries, commercial greenhouses, retail sales* for marijuana cultivation.

Marijuana product manufacturing facilities were found to be most consistent with section 4.070 *medium manufacturing*. Medium manufacturing is defined in Title 49 as the following;

> *The processing and/or fabrication of materials or products where the process involved will produce noises, vibration, emissions or other impacts that are perceptible to neighboring property owners but are not offensive or obnoxious. These uses do not have a measurable negative effect on other businesses or property values.*

Marijuana testing facilities were found to be most consistent with CBJ 49.25.300 section 3.300 *Research, laboratory uses*. Marijuana retail stores were considered within section 2.120 *Miscellaneous* (sales).

Staff then interviewed county and municipal planning departments throughout Colorado and Washington to gather information on how other jurisdictions have treated recreational marijuana in their land use codes as well as gather information about the impacts these uses have on adjacent properties and the public. These findings are summarized in Attachment C of this report. This information was used to determine if the existing use categories were adequate or if a new use category for marijuana establishments was necessary. Staff recommended a new use category as the appropriate approach for regulating marijuana establishments in Title 49, the Land Use Code. In general, staff recommended no marijuana establishments be allowed in residential zoning districts or the Waterfront Commercial (WC) and Waterfront Industrial (WI) districts. In addition, all marijuana establishment proposals would require a Conditional Use Permit.

The Marijuana Committee made three changes to staff recommendations for allowed zoning districts. The Committee moved to allow marijuana cultivation in the D-1 zoning district outside the urban service boundary. The Committee further moved to allow marijuana retail in the WC and the WI districts. The Marijuana Committee recommendation can be found in Attachment A.

On August 21, 2015 the Title 49 Subcommittee met to discuss the Marijuana Committee's recommendations for changes to Title 49 for marijuana uses (Attachment E). The committee made several amendments to the proposed zoning regulations for marijuana establishment;

Marijuana Cultivation Facility CBJ 49.25.300 section 14.240 and 19.230

No changes to the allowed zoning districts were recommended for marijuana cultivation. A motion was made to remove cultivation from the D-1 zoning district based on the intent to treat all residential zoning districts equally. That motion failed.

Marijuana Production Manufacturing Facility CBJ 49.25.300 section 4.220

The Title 49 Subcommittee recommends removing marijuana product manufacturing facility from the Light Commercial (LC) zoning district as the Subcommittee deemed the use inconsistent with the definition of Light Commercial;

> *The LC, light commercial district, is intended to accommodate commercial development that is less intensive than that permitted in the general commercial district. Light commercial districts are primarily located adjacent to existing residential areas. Although many of the uses allowed in this district are also allowed in the GC, general commercial district, they are listed as conditional uses in this district and therefore require commission review to determine compatibility with surrounding land uses. A lower level of intensity of development is also achieved by stringent height and setback restrictions.*

This recommendation is consistent with the zoning districts which allow for medium manufacturing. Medium manufacturing is not allowed in the LC district.

The Title 49 Subcommittee also recommends marijuana product manufacturing be allowed in the Rural Reserve (RR) district with an approved Conditional Use Permit. This recommendation is consistent with the treatment of medium manufacturing in the TPU.

Marijuana Testing Facility CBJ 49.25.300 section 3.500

The Title 49 Subcommittee recommends allowing marijuana testing facilities in the RR district with an approved Conditional Use Permit. This recommendation is consistent with the allowed zoning districts for other research and laboratory uses.

Marijuana retail store CBJ 49.25.300 section 2.300

The Title 49 Subcommittee recommends removal of marijuana retail from the WC and WI districts based on the limited nexus between marijuana establishments and the requirement for uses in these districts to be water-oriented.

Note ‘N’ in the TPU states that the uses allowed in the WC and WI districts must be water-dependent, water-related, or water-oriented. The waterfront districts are defined and described in CBJ 49.25.250 and under the definitions section, CBJ 49.80.120.

> **49.25.250 Waterfront districts**
>
> (a) The WC, waterfront commercial district, is intended to provide both land and water space for uses which are directly related to or dependent upon a marine environment.

Such activities include private boating, commercial freight and passenger traffic, commercial fishing, floatplane operations, and retail services directly linked to a maritime clientele. Other uses may be permitted if water-dependent or water-oriented.

(b) The WI, waterfront industrial district, is intended for industrial and port uses which need or substantially benefit from a shoreline location. In addition, many of the uses that are allowed in the WC, waterfront commercial district, are also allowed in the WI, waterfront industrial district.

49.80.120 Definitions

Water-dependent means a use or activity which can be carried out only on, in, or adjacent to water areas because the use requires access to the water body.

Water-oriented means uses or mixtures of uses which would benefit from being near the water and are intrinsic to waterfront development and which meet all of the following criteria:

1. Uses must be part of a larger fully planned development which also incorporates water-dependent or water-related uses;
2. Uses which are not directly water-dependent or water-related must be necessary to the overall development of the project;
3. Uses must be integrated functionally by architectural and site designs which are sensitive to the waterfront site;
4. Uses must act as economic stimuli and anchor points to enable other forms of development, particularly public access improvements; and
5. Uses must contribute to a diverse and healthy downtown core.

Water-related means a use or activity which is not directly dependent upon access to a water body, but which provides goods or services that are directly associated with water dependence and which, if not located adjacent to water, would result in a public loss of quality in the foods or services offered.

Staff originally recommended to the Marijuana Committee that marijuana establishments not be allowed in the WC and WI districts. The Marijuana Committee noted that there are several retail stores in both the WC and WI districts that do not necessarily meet the criteria for water-oriented.

The Title 49 Subcommittee also recommends that marijuana retail stores be allowed in the RR district with an approved Conditional Use Permit. The Title 49 Subcommittee argued the allowance of all marijuana establishments in the RR district is consistent with the intent to limit the uses in residential zoning districts, but allow one licensee to operate all four businesses on one site. However, this recommendation is not consistent with the TPU's treatment of miscellaneous retail. The only retail allowed in the RR district is marine merchandise and equipment. That use must be associated with a unique site specific feature in order to function.

COMPLIANCE WITH THE COMPREHENSIVE PLAN

Designating appropriate zoning districts for marijuana establishments that provide for adequate space for a new industry to develop while recognizing potential conflicts with residentially zoned land is supported by the policies of the Comprehensive Plan. The following policies in the 2013 Comprehensive Plan are furthered by the proposed amendments to the Table of Permissible Uses for marijuana establishments.

CHAPTER 5 – ECONOMIC DEVELOPMENT
POLICY 5.1 TO DEVELOP AND SUSTAIN A DIVESE ECONOMY, PROVIDING OPPORTUNITIES FOR EMPLOYMENT FOR ALL RESIDENTS.

POLICY 5.6. TO ENCOURAGE TOURISM, CONVENTION AND OTHER VISITOR-RELATED ACTIVITIES THROUGH THE DEVELOPMENT OF APPROPRIATE FACILITIES AND SERVICES, WHILE PROTECTING JUNEAU'S NATURAL, CULTURAL AND ECONOMIC ATTRACTIONS FO RLOCAL RESIDENTS AND VISTORS ALIKE, AND TO PARTICIPATE IN THE ACCOMMODATION O FHTE FUTURE GROWTH OF TOURISM IN A MANNER THAT ADDRESSES BOTH COMMUNITY AND INDUSTRY CONCERNS.

POLICY 5.11. TO ENCOURAGE THE LOCATION AND GROWTH OF LOCALLY-BASED BASIC SECTOR INDUSTRIES THAT PROVIDE YEAR-ROUND, FULL-TIME EMPLOYMENT AND PROVIDE TAX REVENUES THAT SUPPORT PUBLIC SERVICES.

POLICY 5.18. TO ENCOURAGE AND SUPPORT ENTREPRENEURSHIP AND INNOVATION IN THE ECONOMY OF JUNEAU AND SOUTHEAST ALASKA.

CHAPTER 10 – LAND USE
POLICY 10.4. TO MINIMIZE CONFLICTS BETWEEN RESIDENTIAL AREAS AND NEARBY RECREATIONAL, COMMERCIAL, OR INDUSTRIAL USES THAT WOULD GENERATE ADVERSE IMPACTS TO EXISTING RESIDENTIAL AREAS THROUGH APPROPRIATE LAND USE LOCATIONAL DECISIONS AND REGULATORY MEASURES.

COMPLIANCE WITH TITLE 49, CBJ LAND USE CODE

The proposed amendments to Title 49 Table of Permissible Uses for marijuana product manufacturing facilities and marijuana testing facilities will not create any internal inconsistencies within the Land Use Code. An inconsistency does exist for marijuana retail stores in that they would be allowed in the RR district where miscellaneous retail is not allowed.

FINDINGS

Based upon the above analysis, staff finds that the proposed amendments to Title 49's Table of Permissible Uses is consistent with the goals and policies in the Comprehensive Plan. Of the recommended changes, staff finds one internal inconsistency with the allowance of retail in the RR district.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward its recommendation of approval to the Assembly of Ordinance 2015-39 as recommended by the Title 49 Committee, with the exception of the recommended change to allow marijuana retail in the Rural Reserve (RR) zone district.

DEVELOPMENT PERMIT APPLICATION

Project Number	CITY and BOROUGH of JUNEAU	Date Received: 07/14/15
Project Name (City Staff to Assign Name)		

PROJECT / APPLICANT INFORMATION

Project Description
Amendment to Title 49 related to marijuana uses

PROPERTY LOCATION

Street Address Boroughwide
City/Zip

Legal Description(s) of Parcel(s) (Subdivision, Survey, Block, Tract, Lot)

Assessor's Parcel Number(s)
0

LANDOWNER/ LESSEE

Property Owner's Name	Contact Person:	Work Phone:
Mailing Address	Home Phone:	Fax Number:
E-mail Address	Other Contact Phone Number(s):	

LANDOWNER/ LESSEE CONSENT

****Required for Planning Permits, not needed on Building/ Engineering Permits****

I am (we are) the owner(s)or lessee(s) of the property subject to this application and I (we) consent as follows:

A. This application for a land use or activity review for development on my (our) property is made with my complete understanding and permission.

B. I (we) grant permission for officials and employees of the City and Borough of Juneau to inspect my property as needed for purposes of this application.

X ______________________ Landowner/Lessee Signature ______ Date

X ______________________ Landowner/Lessee Signature ______ Date

NOTICE: The City and Borough of Juneau staff may need access to the subject property during regular business hours and will attempt to contact the landowner in addition to the formal consent given above. Further, members of the Planning Commission may visit the property before the scheduled public hearing date.

APPLICANT

If the same as OWNER, write "SAME" and sign and date at X below

Applicant's Name	Contact Person:	Work Phone:
Mailing Address	Home Phone:	Fax Number:
E-mail Address	Other Contact Phone Number(s):	

X ______________________ Applicant's Signature ______ Date of Application

-----OFFICE USE ONLY BELOW THIS LINE-----

STAFF APPROVALS

✓	Permit Type	***SIGN	Date Received	Application Number(s)
	Building/Grading Permit			
	City/State Project Review and City Land Action			
	Inquiry Case (Fee In Lieu, Letter of ZC, Use Not Listed)			
	Mining Case (Small, Large, Rural, Extraction, Exploration)			
	Sign Approval (If more than one, fill in all applicable permit #'s)			
	Subdivision (Minor, Major, PUD, St. Vacation, St. Name Change)			
	Use Approval (Allowable, Conditional, Cottage Housing, Mobile Home Parks, Accessory Apartment)			
	Variance Case (De Minimis and all other Variance case types)			
	Wetlands Permits			
	Zone Change Application			
✓	Other (Describe) AME		07/14/15	AME 20150009

***Public Notice Sign Form filled out and in the file.

Comments:

Permit Intake Initials: AME

NOTE: DEVELOPMENT PERMIT APPLICATION FORMS MUST ACCOMPANY ALL OTHER COMMUNITY DEVELOPMENT DEPARTMENT APPLICATIONS

ATTACHMENT A

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Law Department
City & Borough of Juneau

MEMORANDUM

TO: Beth McKibben, Planning Manager

FROM: Amy Gurton Mead, Municipal Attorney

DATE: July 13, 2015

SUBJECT: Draft language amending TPU to address commercial marijuana establishments

Dear Beth
As directed by the Marijuana Committee, please find below draft language amending the table of permissible uses to address commercial marijuana establishments.

Section ___. Amendment of Table. Category 2.000 Sales and Rental Goods, Merchandise or Equipment, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
...																
2.200	Storage and display of goods with greater or equal									1,3	1,3	1,3	1,3	3^N	3^N	3
2.300	Marijuana retail store									3	3	3	3	3^N	3^N	3

Section ___. Amendment of Table. Category 3.000 Professional Office, Clerical, Research, Real Estate, Other Office Services, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

ATTACHMENT A

July 13, 2015
AGM to B McKibben
Amending TPU re: marijuana establishments

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
...																
3.400	Offices greater than 2,500 square feet									1,3	1,3	1,3	1,3	$1^N,3^N$		3^S
<u>3.500</u>	<u>Marijuana testing facility</u>									<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>			<u>3</u>

Section ___. Amendment of Table. Category 4.000 Manufacturing, Processing, Creating, Repairing, Renovating, Painting, Cleaning, Assembling of Goods, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
...																
4.210	Seafood processing	3^T												3,	1,3	1,3
<u>4.220</u>	<u>Marijuana processing</u>									<u>3</u>	<u>3</u>		<u>3</u>			<u>3</u>

Section ____.Amendment of Table. Category 14.000 Aquaculture, Agriculture, Silviculture, Mining, Quarrying Operations, Spring Water Bottling, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description		RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
...																	
14.00	Commercial agricultural operations																
	...																
	<u>14.240</u>	<u>Marijuana cultivation</u>	<u>3</u>	<u>3</u>							<u>3</u>	<u>3</u>					<u>3</u>

ATTACHMENT A

July 13, 2015
AGM to B McKibben
Amending TPU re: marijuana establishments

Section ___. Amendment of Table. Category 19.000 Open Air Markets, Nurseries, Greenhouses, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description		RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
19.200	Nurseries, commercial greenhouses																
	…																
	19.230	Marijuana cultivation	3	3							3	3					3

Community Development

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

Date: **July 15, 2015**

To: **Planning Commission**

From: **Chrissy McNally, Planner II**
Community Development Department

Re: **Title 49 Amendments in regard to Marijuana**

Summary:

Staff will be working with the Title 49 Committee and the Planning Commission to promptly present amendments to Title 49 regarding recreational marijuana cultivation, processing, testing and retail sales. Staff intends to present a comprehensive amendment proposal to the Title 49 Committee on August 14.

Discussion:

In light of the passage of ballot measure 2 on November 4, 2014 establishing AS 17.38, an act to tax and regulate the production, sale and use of marijuana, a Marijuana Committee was appointed to make recommendations on the local regulation of marijuana. Based on information and recommendations provided by Community Development Department staff and the public, the Marijuana Committee is recommending new use categories be added to the Table of Permissible Uses for marijuana establishments to include cultivation, processing, testing, and retail.

The Table of Permissible Uses Section 2.000 **Sales and Rental Goods, Merchandise, or Equipment** would be amended to include 2.300 "marijuana retail" allowed with a Conditional Use Permit in the following zoning districts;

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
2.300	Marijuana retail store									3	3	3	3	3^N	3^N	3

Section 3.000 **Professional, Office, Clerical, Research, Real Estate, Other Office Services** would be amended to include 3.500 "marijuana testing facility" allowed with a Conditional Use Permit in the following zoning districts.

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
3.500	Marijuana testing facility									3	3	3	3	-	-	3

ATTACHMENT B

Section 4.000 **Manufacturing, Processing, Creating, Repairing, Renovating, Painting, Cleaning, Assembling of Goods** would be amended to include 4.220 “marijuana processing” allowed with a Conditional Use Permit in the following zoning districts.

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
4.220	Marijuana processing									3	3		3			3

Section 14.000 **Aquaculture, Agriculture, Silviculture, Mining, Quarrying, Operations, Spring Water Bottling** would be amended to include 14.240 “marijuana cultivation” allowed with a Conditional Use Permit in the following zoning districts. The use is recommended in the D-1 zoning district outside of the urban service boundary.

	Use Description		RR	D1	D3	D5	D10SSF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
14.000	Commerical agricultural operations																
	…																
	14.240	Marijuana Cultivation	3	3							3	3					3

Cultivation would also be allowed under Section 19.000 **Open Air Market, Nurseries, Greenhouses**

	Use Description		RR	D1	D3	D5	D10SSF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
19.200	Nurseries, commercial greenhouses																
	…																
	19.230	Marijuana Cultivation	3	3							3	3					3

The Marijuana committee is further recommending a 200 foot buffer between marijuana establishments and property lines of schools, churches and state licensed child cares in all zoning districts.

The State Marijuana Control Board is currently in the process of drafting marijuana regulations and is scheduled to have final regulations for implementation beginning in November 2015. Definitions and further regulations will be recommended based on the draft regulations developed by the Marijuana Control Board. The amendments to Title 49 recommended thus far by the Marijuana Committee conform to what the State has drafted to date.

MEMORANDUM

TO: CBJ Marijuana Committee

FROM: Chrissy McNally, Planner
Community Development Department, City and Borough of Juneau

DATE: May 29, 2015

RE: Allowable areas for marijuana establishments

The Marijuana Committee has worked with CDD staff to determine which zoning districts would allow marijuana establishments. Marijuana establishments currently include cultivation facilities, processing facilities, testing facilities, and retail stores. The committee determined that the question of marijuana clubs, or places to legally consume purchased marijuana product, required more time and analysis of the CBJ smoking ordinance.

Staff contacted planning departments throughout Colorado and Washington to discuss how their jurisdictions handled legalized recreational marijuana in the land use codes. While the statewide laws regarding marijuana are different in each state, several themes ran through many jurisdictions;

- Marijuana establishments are prohibited in residential zoning districts
- Buffers from residential zones
- Greenhouses have more odor problems than indoor cultivation facilities
- Odor is a manageable problem
- Hours of operation for retail limited beyond state requirements
- Public consumption is a concern that can be addressed with education
- Limited number of establishments
- Buffers between marijuana establishments

Staff initially presented the relevant use categories that the establishments could potentially fit into. Over several meetings the committee determined that a special use category for marijuana establishments was required.

The Table of Permissible Uses Section 2.000 **Sales and Rental Goods, Merchandise, or Equipment** would be amended to include 2.300 “marijuana retail” allowed with a Conditional Use Permit in the following zoning districts.

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
2.300	Marijuana retail store									3	3	3	3	3^N	3^N	3

ATTACHMENT C

Section 3.000 **Professional, Office, Clerical, Research, Real Estate, Other Office Services** would be amended to include 3.500 “marijuana testing facility” allowed with a Conditional Use Permit in the following zoning districts.

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
3.500	Marijuana testing facility									3	3	3	3	-	-	3

Section 4.000 **Manufacturing, Processing, Creating, Repairing, Renovating, Painting, Cleaning, Assembling of Goods** would be amended to include 4.220 “marijuana processing” allowed with a Conditional Use Permit in the following zoning districts.

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
4.220	Marijuana processing									3	3		3			3

Section 14.000 **Aquaculture, Agriculture, Silviculture, Mining, Quarrying, Operations, Spring Water Bottling** would be amended to include 14.240 “marijuana cultivation” allowed with a Conditional Use Permit in the following zoning districts. The use is recommended in the d-1 zoning district outside of the urban service boundary.

	Use Description		RR	D1	D3	D5	D10SSF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
14.000	Commerical agricultural operations																
	…																
	14.240	Marijuana Cultivation	3	3							3	3					3

Cultivation would also be allowed under Section 19.000 **Open Air Market, Nurseries, Greenhouses**

	Use Description	RR	D1	D3	D5	D10SSF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
19.200	Nurseries, commercial greenhouses															
	…															
	19.230 Marijuana Cultivation	3	3							3	3					3

Buffers

The Marijuana Committee compared 1,000, 500 and 200 foot buffers from schools, churches and child cares. Both the 1,000 and 500 foot buffers were considered too restrictive on the available land for such uses. The Marijuana Committee is recommending a 200 foot buffer from the property lines of churches, schools and day cares in all zoning districts.

Attached: Proposed buffer maps
Zoning maps
Draft Ordinance

ATTACHMENT C

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

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2015-39

An Ordinance Amending the Land Use Code Relating to Marijuana Establishments.

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 Table. Category 2.000 Sales and Rental Goods, Merchandise or Equipment, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
2.200	Storage and display of goods with greater or equal ….									1,3	1,3	1,3	1,3	3^N	3^N	3
2.300	Marijuana retail store	3								3	3	3	3			3

Section 3. Amendment of Table. Category 3.000 Professional Office, Clerical, Research, Real Estate, Other Office Services, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

ATTACHMENT D

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
3.400	Offices greater than 2,500 square feet									1,3	1,3	1,3	1,3	$1^{N},3^{N}$		3^{S}
3.500	Marijuana testing facility	3								3	3	3	3			3

Section 4. Amendment of Table. Category 4.000 Manufacturing, Processing, Creating, Repairing, Renovating, Painting, Cleaning, Assembling of Goods, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description	RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																
4.210	Seafood processing	3^{T}												3,	1,3	1,3
4.220	Marijuana product manufacturing facility	3									3		3			3

Section 5. Amendment of Table. Category 14.000 Aquaculture, Agriculture, Silviculture, Mining, Quarrying Operations, Spring Water Bottling, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description		RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
14.00	Commercial agricultural operations																
	…																
	14.240	Marijuana cultivation	3	3							3	3					3

ATTACHMENT D

Section 6. Amendment of Table. Category 19.000 Open Air Markets, Nurseries, Greenhouses, of CBJ 49.25.300 Table of Permissible Uses, is amended to add a new use description to read as follows:

	Use Description		RR	D1	D3	D5	D10SF	D10	D15	D18	LC	GC	MU	MU2	WC	WI	I
…																	
19.200	Nurseries, commercial greenhouses																
	…																
	19.230	Marijuana cultivation	3	3							3	3					3

Section 7. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2015.

____
Merrill Sanford, Mayor

Attest:

____
Laurie J. Sica, Municipal Clerk

ATTACHMENT D

TITLE 49 COMMITTEE

PLANNING COMMISSION, CITY AND BOROUGH OF JUNEAU

AUGUST 21, 2015 MEETING, 11:30 AM – 1:00 PM

COMMUNITY DEVELOPMENT DEPARTMENT (CDD) CONFERENCE ROOM

DRAFT MEETING MINUTES

Committee Members Present:

Nicole Grewe (Chair), Paul Voelckers, Bill Peters, Mike LeVine

Committee Members Absent:

None

Staff Present:

Laura Boyce, Senior Planner, Community Development Department (CDD)

Chrissy McNally, Planner, Community Development Department (CDD)

Rob Palmer, Attorney, Department of Law (DOL)

Public or Other Present:

Larry Woodall, Citizen

Reading of Agenda

- Motion by Peters: To approve the agenda for the August 21, 2015 meeting.
- Vote: Motion carried.
- Resolved: Agenda for the meeting of August 21, 2015 approved without modification.

Approval of Minutes

- Motion by Peters: To approve the minutes for June 12, 2015 meeting as developed by CDD staff with any technical corrections presented by planning commissioners or CDD staff.
- Vote: Motion carried.
- Resolved: Minutes for June 12, 2015 meeting approved as developed by CDD staff with any technical corrections presented by planning commissioners or CDD staff.

Agenda Topic – Marijuana

- McNally provided brief overview of CBJ Marijuana Committee activities and outcomes thus far. Special note was made regarding the relationship between state and local regulations. In particular, the State of Alaska is still working on statewide regulations, which will influence local regulations. While CBJ continues to work on local regulations, attention also needs to be paid to statewide regulations and corresponding local impacts. Notably, the CBJ Marijuana Committee has postponed the issue of marijuana clubs – or, places to legally consume product until a later date. The purpose for today's T49 is to focus attention on marijuana cultivation, processing, testing, and selling.

- McNally also noted that significant research was conducted in municipalities in Colorado and Washington regarding marijuana local land use code. Common themes, noted across municipalities included concern regarding marijuana activities in residential districts, unanticipated fast growth of industry.

ATTACHMENT E

- Committee discussion focused on documents submitted by CDD staff prior to meeting including:
    1. August 10, 2015 Memorandum to T49 Committee regarding allowable areas for marijuana establishments. Draft Title 49 amendments to the Table of Permissible Uses including Sections 2.300 (retail), 3.500 (testing), 4.220 (processing), 14.000 (cultivating), and 19.200 (nurseries).
    2. Attachment 1 – Proposed Buffer Maps
    3. Attachment 2 – Zoning Maps
    4. Attachment 3 – Draft Ordinance
    5. Attachment 4 – Current Table of Permissible Uses (distributed at meeting)

- Committee deliberations generally moved in chronological order from cultivating to processing to testing to selling. Committee deliberations briefly considered nurseries and generally treated similarly to cultivating.

Cultivation Discussion [Section 14.240]

1. McNally reported D1, outside the urban service boundary is the only residential district where cultivation would be allowed . Committee members studied zoning maps noting D1, outside the urban service area, generally included North Douglas beyond Bonnie Brae, Out-the-Road beyond Auke Bay, and Thane.
2. Peters noted that Marijuana Committee Member Satre added D1 , in addition to RR, LC, GC, and I, indicating the low-density character of the neighborhoods.
3. Motion by Grewe: Remove D1 from Section 14.240 (marijuana cultivation). Rationale included: 1) unequal treatment of residential districts. While D1 is considered low-density, it is a residential district – not to be treated equally with RR; 2) preference to protect all residential districts while CBJ moves into an unknown activity; 3) ease of adding zones at a later date versus the challenge of dealing with “grandfathering”; and 4) general preference for adopting more restrictive regulations and liberalizing at a later date, after CBJ has ventured into marijuana. LeVine expressed general concern, but favored leaving ordinance as crafted and adding conditions later.
4. Vote: Motion failed. Grewe (Y), Peters (N), LeVine (N), Voelckers (did not vote)
5. Motion by Peters: Approve 14.240 as crafted by CDD.
6. Resolved: Motion passed. Grewe (N), Peters (Y), LeVine (Y), and Voelckers (did not vote)
7. Grewe, LeVine, and Peters concurred 19.200 (nurseries, commercial greenhouses) to be treated equally with 14.240

Processing Discussion [Section 4.220]

1. Discussion occurred regarding appropriateness of processing in LC and RR.
2. Motion by Voelckers: Add 3s (by CUP) to RR and LC. Rationale included treating similarly to light or medium manufacturing. Grewe supported noting the RR also includes gravel extraction and other heavy uses anyway. Also noted was the preference to consolidate marijuana activities in borough’s rural areas rather than neighborhoods.
3. Resolved: Motion passed by unanimous consent with all committee members voting.

Testing Facility Discussion [Section 3.500]

1. Discussion occurred regarding adding to RR.
2. Motion by LeVine: Add 3 (by CUP) to RR. Grewe supported regarding supporting the full suite of marijuana activities in rural reserve – growing, processing, testing, and selling.
3. Resolved: Motion passed by unanimous consent with all committee members voting.

Retail Discussion [Section 2.300]

1. Discussion occurred regarding the appropriateness in WC and WI zone – issues noted cruise visitation, current alcohol package stores downtown, and impacts to other waterfront areas including Auke Bay and Tee Harbor. Commissioner Levine was concerned about the decision to allow retail in WC and WI solely based on cruise ship tourists. He thought this should be revisited if or when clubs are legal.
2. Motion by LeVine: Remove 3s (by CUP) from WC and WI.

ATTACHMENT E

3. Motion opposed by Grewe citing impacts for other waterfront areas.
4. Resolved: Motion passed. Levine (Y), Peters (Y), Grewe (N), Voelckers (did not vote).

Committee Member Comments and Questions

- None

CDD Staff Discussion

- Staff asked if the committee would like to allow marijuana retail in the Convenience Store Overlay. No commissioners supported allowing marijuana retail in the overlay district.

Meeting adjourned at 1:00 PM

ATTACHMENT E

Regular Planning Commission Meeting
CITY AND BOROUGH OF JUNEAU
Mike Satre, Chairman

September 8, 2015

I. ROLL CALL

Mike Satre, 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 7:00 pm.

Commissioners present: Mike Satre, Chairman; Dennis Watson, Vice Chairman; Michael LeVine, Nicole Grewe, Ben Haight, Matthew Bell, Paul Voelckers

Commissioners absent: Bill Peters, Dan Miller

Staff present: Rob Steedle, Deputy City Manager and Acting Community Development Director; Beth McKibben, Planning Manager; Laura Boyce, Senior Planner; Eric Feldt, Planner II, Chrissy McNally, Planner II; Jonathan Lange, Planner II; Rorie Watt, Public Works Director; Robert Palmer, Assistant City Attorney

II. APPROVAL OF MINUTES

- August 11, 2015 – Regular Planning Commission Meeting Minutes

MOTION: *by Ms. Grewe, to approve the minutes for the August 11, 2015, Regular Planning Commission meeting with any minor modifications by staff or Commission members.*

The motion was approved with no objection.

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None

IV. PLANNING COMMISSION LIAISON REPORT

Assembly Liaison Loren Jones reported that the Subdivision Ordinance was passed with one amendment at the last Assembly meeting. There was some discussion, noted Mr. Jones, that the Subdivision Ordinance was being enacted by the staff in a different way. That should be coming back to the Planning Commission at its Committee of the Whole meeting slated for September 22, (2015) said Mr. Jones. This chiefly addresses the issues of defining frontage and access, he added.

The Assembly received a report from the hearing officer on the Bicknell appeal, said Mr. Jones. The assembly accepted the report noting that it was a legislative decision. The Assembly did not accept the portion of the report where the Hearing Officer stated that the Planning Commission did not have sufficient findings for its decision, said Mr. Jones. On a 5 - 4 vote the Assembly voted not to bring an ordinance over to rezone the property, he said. Therefore the property remains in Rural Reserve, he noted.

There will be an Assembly Committee of the Whole meeting Thursday, (September 10,2015) at 8:00 a.m. to discuss Bridge Park, said Mr. Jones. With bids going out for the sea walk and for the whale sculpture, the application period has been extended for 30 days beyond the date stated in the Request for Proposal (RFP), said Mr. Jones.

V. <u>RECONSIDERATION OF THE FOLLOWING ITEMS</u> - None

VI. <u>CONSENT AGENDA</u>

SMF2015 0006:	Final Plat for 15 new lots for Phase 2B Montana Creek West Planned Unit Development.
Applicant:	Bicknell, Inc.
Location:	Montana Creek Area

<u>Staff Recommendations</u>
Staff recommends that the Planning Commission adopt the Director's analysis and findings and grant the requested Final Plat permit. The permit would allow for the recordation of 15 new lots with the following condition:

The applicant should consider amending the Planned Unit Development in regard to sidewalk design so that future phases would be reviewed for conformance with the potentially revised sidewalk plan.

<u>MOTION:</u> *by Ms. Grewe, to approve the Consent Agenda as read with staff's findings, analysis and recommendations including the recommendation by Planner Eric Feldt regarding the final plat.*

The motion was approved with no objection.

VII. <u>CONSIDERATION OF ORDINANCES AND RESOLUTIONS</u> - None

VIII. <u>UNFINISHED BUSINESS</u> - None

IX. <u>REGULAR AGENDA</u>

AME2015 0009:	Proposed changes to Title 49 Table of Permissible Uses for marijuana establishments.
Applicant:	City and Borough of Juneau
Location:	Borough-wide

Staff Recommendations

Staff recommends that the Planning Commission forward its recommendation of approval to the Assembly of Ordinance 2015-39 as recommended by the Title 49 Committee, with the exception of the recommended change to allow marijuana retail in the Rural Reserve (RR) zone district.

Ms. McNally explained that Alaska Statute (AS) 17.38 was the law passed in November, 2014. The state regulations are scheduled to be complete by November 24, 2015, said Ms. McNally. In January of this year the Assembly passed a local moratorium postponing permit applications for marijuana establishments to give time for the City and the State to complete the regulations, she said. An ordinance has been introduced to the Assembly to move this date to December 31, (2015) said Ms. McNally.

The State Marijuana Control Board has established four types of marijuana establishments, said Ms. McNally: marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities and retail marijuana stores. The staff looked at the existing categories within the Table of Permissible Uses (TPU) to see where these categories might fall, noted Ms. McNally. Many interviews were conducted with counties and municipalities within the states of Colorado and Washington, garnering their experience with these types of facilities and the accompanying land-use codes, said Ms. McNally.

This information was used to determine if the existing use categories were adequate or if a new use category for marijuana establishments was necessary, she explained. The staff recommended a new use category is the appropriate approach for regulating marijuana establishments in Title 49 of the Land Use Code, said Ms. McNally. In general, the staff recommended that no marijuana establishments be allowed in residential zoning districts, or within the Waterfront Commercial (WC) and Waterfront Industrial (WI) districts. In addition, all marijuana establishment proposals would require a Conditional Use Permit, explained Ms. McNally.

Marijuana Cultivation

The Marijuana Committee made three changes to staff recommendations for allowed zoning districts, said Ms. McNally. The Committee moved to allow marijuana cultivation in the D1 zoning district outside the urban service boundary of the community and it further moved to allow marijuana retail in the WC and the WI districts, said Ms. McNally. No changes to the allowed zoning districts were recommended for marijuana cultivation, said Ms. McNally. The motion failed within the Marijuana Committee to remove cultivation from the D-1 zoning district based on the intent to treat all residential zoning districts equally, noted Ms. McNally.

The staff created a new use category at the recommendation of the Marijuana Committee within the Table of Permissible Uses for marijuana cultivation within the Rural Reserve and the D1 zoning district outside the urban service boundary and for Light Commercial, General Commercial and Industrial zoned districts, she added.

Product Manufacturing

The staff found product manufacturing to be most consistent with Medium Manufacturing, said Ms. McNally. The Marijuana Committee did recommend for this use to be allowed in the Light Commercial zoning district with a Conditional Use Permit, she added. However, the Title 49 committee recommended that this recommendation be removed, she said, since Medium Manufacturing was not allowed in Light Commercial districts. The Title 49 Committee also added product manufacturing to the Rural Reserve zoning district, said Ms. McNally.

Marijuana Testing Facility

The Title 49 Committee recommends allowing marijuana testing facilities in the RR District with an approved Conditional Use Permit. This recommendation is consistent with the allowed zoning districts for other research laboratory uses, noted Ms. McKibben.

Marijuana Retail Store

The Title 49 Committee added marijuana retail to the Rural Reserve zoning district with a Conditional Use Permit, and it also recommended to remove it from the Waterfront Commercial and the Waterfront Industrial districts, said Ms. McNally.

Waterfront Commercial and Waterfront Industrial Districts

The Waterfront Commercial district is intended to provide both land and water space for uses which are directly related to and dependent upon a marine environment, explained Ms. McNally. Other uses may be permitted if water dependent and water oriented, she added. It is difficult to ascertain where to place miscellaneous types of retail, she said.

The Waterfront Industrial district is intended for industrial port uses which need or substantially benefit from a shoreline location, said Ms. McNally. Water-oriented means uses that are mixtures of uses which would benefit from being near the water and are intrinsic to waterfront development and which must meet specified criteria, said Ms. McNally. Marijuana retail does not fit within these definitions, she said.

They did receive several letters and one phone call of public comment in opposition to the cultivation of marijuana within a D-1 zoning district, said Ms. McNally. There is also a letter in support of adding marijuana establishments to convenience store overlays, said Ms. McNally.

The staff finds that the proposed amendments to the Title 49 Table of Permissible Uses is consistent with the goals and policies in the Comprehensive Plan, said Ms. McNally. The staff does find one inconsistency with the allowance of retail within the RR district, she noted.

Commission Comments and Questions
Mr. Voelckers asked for a recap of why the Committee supported sales in Rural Reserve areas.

Ms. McNally replied that her understanding was that there was an intent to allow all the uses in one area, so that all of the activities to do with marijuana could be combined.

Mr. LeVine asked for an explanation of those D-1 districts which reside outside of the urban service boundary.

Those districts are located out Thane, said Ms. McNally, and just north of Auke Bay all the way out to the Shrine of St. Therese, and out North Douglas past the sewer extension.

Mr. LeVine asked if there has been an update on the discussions at the State level regarding permitting.

Ms. McNally asked Mr. LeVine if he was referring to the two different types of cultivation licenses.

He responded in the affirmative.

The draft State regulations currently have two types of cultivation licenses, said Ms. McNally: a limited cultivation license which allows for 500 square feet of grow space and the cultivation license for larger spaces. Nothing has been formally adopted, she added.

Ms. Grewe asked if Ms. McNally was aware of any movement in the State to allow all four marijuana-related activities in one area.

Ms. McNally responded that it was not as much a restriction on activities as on the restriction that no one individual could hold all four licenses for the four marijuana-related activities.

Ms. Grewe verified that all four activities would be possible with one area but that one entity could not hold four separate licenses; a different entity would have to hold a testing license.

Ms. Grewe asked what the current situation was regarding setting a certain number of licenses allowable per capita.

Ms. McNally responded that this issue has been raised at the Marijuana Committee, but that no decisions have been made.

Chairman Satre, a member of the Marijuana Committee, elaborated that the first time the issue of licenses per capita was raised on the Committee, there had been no decisions by the State on whether licenses would need to be limited or not. Chairman Satre said he had made the comment that the community's zoning regulations would effectively limit the number of licenses issued. Chairman Satre said there is also the important distinction that although the number of licenses could be limited, there could feasibly be an unlimited number of Conditional Use Permits.

Ms. Grewe said it could be limited through zoning or through licensing, and that she was personally in favor of limiting the amount of licenses through licensing. She added that if permits are limited through licensing then she could be more open to zoning, but that if licenses were dependable upon zoning then she would feel more comfortable makingzoning decisions.

Mr. Watson verified that the Egan Drivedivides waterfront districts from other zoning districts

Ms. McNally said this was true.

Mr. LeVine said that the reason that the Title 49 Committee removed the Waterfront Industrial and Waterfront Commercial zoning from consideration was that current rules do not allow smoking clubs, and that the only water-oriented and water-dependent use they could construct was cruise ship traffic. He said there is no legal way for cruise ship passengers to purchase and use a marijuana product unless there is a place to use the product, and that this type of location does not currently exist. Therefore, they could not define a legal way to determine that marijuana establishments could be water-dependent, said Mr. LeVine.

Public Comment
Karen Crane, Assembly member and a resident out the road, said that she was appearing at the request of several of her neighbors. She referred to page 109 of the recommended changes to the Title 49 Table of Permissible Uses, where it states that the Title 49 Committee proposed the allowance of all marijuana establishments within the RR district. She said that she represents District Two on the Assembly, and that much of this area is located outside of the urban service boundary, and is zoned RR.

Rural Reserve is not devoid of neighborhoods, said Ms. Crane. She said she lives on a road with 19 homes which meets any definition of a neighborhood, as do many of her neighbors on other roads in the area. She said she believes that the definition of where growth processing and testing would occur in the RR area needs to be limited and strictly defined to eliminate neighborhoods. She said that her neighbors would like to see activity limited to industrial areas, until the community has experience with marijuana-related activities.

Juneau resident Adam Berkey spoke in favor of the establishment of marijuana retail stores on the waterfront. He said that as a “marijuana tourist” that he has visited Denver, Colorado and Seattle, Washington several times within the past year. He said that when he visits these communities for marijuana-related purposes that he desires ease of access to the purchase of marijuana. He said in Seattle he had to traverse very rough areas of town to locate a marijuana retail establishment, whereas in Denver he could locate a retail store with ease. There are locations in Denver established for the use of marijuana, said Mr. Berkey. He said the majority of the populace voted in favor of marijuana use in the state and that it should be made readily accessible within the community and not treated as something which should be hidden and not easily accessible. He said if he visited Juneau on a cruise ship that he would want to be able to disembark from the ship, readily purchase marijuana and have a place to smoke it along the waterfront overlooking the ocean.

Juneau resident Ben Wilcox said that he has been both to the states of Washington and Colorado on marijuana industry related business. He said during several days on a tour that he took an informal survey of marijuana users and listed a number of varied users from young professionals to retired, older individuals. These types of people come to Juneau and get off of the cruise ships, said Mr. Wilcox. The State and the City and Borough of Juneau are restricting use to marijuana, said Mr. Wilcox. He quoted portions of the code which encourage entrepreneurship and stimulation of the tourist base. There is a massage parlor and a hair salon currently located along the waterfront, said Mr. Wilcox. Those services are already offered on the cruise ships, said Mr. Wilcox, and do not need to be located along the waterfront. There are restaurants and alcohol which offer consumable goods, which is just what marijuana is, said Mr. Wilcox. The CBJ should not selectively enforce its rules, excluding marijuana, said Mr. Wilcox,.

Thane resident Marjorie Menzie said she has lived in Juneau for 40 years and on Thane Road for 20 years. Even though it is outside the urban service area, Thane is a bona fide residential area, said Ms. Menzie. She said she opposed the change recommended to Title 49 allowing the use of marijuana establishments in D-1 residential areas outside of the urban service area. The staff made recommendations eliminating marijuana related activities within residential areas, she said. The states of Washington and Colorado have wisely chosen to keep marijuana-related activities outside of residential areas, she said. She said her area is not being treated equally with other residential areas. She said that even though they pay the same taxes, they do not receive City water and sewer, and should be entitled to those same recommendations as for the residential areas.

Ms. Menzie said she wondered how the wastewater from marijuana operations would impact their well levels and septic systems. Marijuana cultivation and processing is a controversial activity in a community which has significant addiction problems, said Ms. Menzie. More restrictive recommendations should be adopted now, with lessening of those restrictions with gained experience at a later date, she said. Ms. Menzie said that she hoped the proposed buffer zones of the contemplated 200 or 500 feet would include bus stops where children would be entering and exiting school buses. She emphasized that she would like to see the D-1 district removed from all residential areas in which marijuana establishments are allowed.

North Douglas resident Margo Waring requested that the cultivation and processing of marijuana be removed from D-1 zoning and also from the residential areas within Rural Reserve zoning. The use in these areas is primarily residential, she said, at least in certain parts of the zone; other uses should be compatible with residential use. Marijuana processing, cultivation and sale is not a compatible use, she added. Medium manufacturing is by CBJ's own definition as not compatible with residential areas because it requires that this use have "no negative effect on property values", said Ms. Waring.

Ms. Waring commented that the effect of these uses in the RR districts have not yet been measured. She stated that D-1 and Residential Rural areas do not have sewer systems. The impacts on streams and other water bodies should be considered, she said, as well as the effects on water quality. CBJ's residential areas should all experience equal protection from the potential harm of this new industry, said Ms. Waring. Significant portions of RR zones are actually D-1 areas, which has not yet been recognized by the CBJ maps, commented Ms. Waring. She encouraged the Commission to move ahead slowly with its regulations, allowing adequate time for contemplation. The Conditional Use process is not an adequate platform on which to address these issues regarding the affected community, she said. The affected public is often not aware of the public hearing, she added.

Ms. Waring added that when property is purchased, most individuals who purchased this property believed that their residential area would not become a manufacturing zone at some unspecified, future date.

Juneau resident John Nemeth stated that he was in support of maintaining Waterfront Commercial and Waterfront Industrial zoning as a location for retail sales to operate. He stated that currently there are a number of businesses along the waterfront which do not meet the criteria of "water dependent". He said he felt the marijuana industry was being forced out of the waterfront zones from fear of the impression that would be given of Juneau.

He said in fact that this would drive the tourism industry in Juneau in a positive direction as it had affected the tourism industry in a positive manner in Denver, Colorado, which has witnessed a 70% increase in tourism.

Commission Comments and Questions
Mr. Bell asked for a brief definition of Mr. Nemeth's reference to "additional services".

Mr. Nemeth responded that he had been speaking primarily in reference to education, as in the area of medicinal products and in reference to a movement of individuals from flower products to products in the areas of concentrates and edibles, such as in the specified doses of marijuana, he added.

North Douglas resident Gavin Berkey stated that at one of the stores that he visited in Denver that there was a very large television screen which reflected the requirement of the patrons to hold up their identification so that it was visible to the staff within the store. He said it was ludicrous for the community to attempt to the zone Waterfront Commercial marijuana establishments out of the waterfront community.

Convenience store owner Jack Manning stated that he was in favor of the Commission recommending that marijuana retail be allowed in the Convenience Store Overlay District owner of the Duck Creek market in the Valley, Mr. Manning stated that he had no interest in his business becoming a marijuana dispensary. However, he added that in the future when marijuana may be labeled with a USP code, that they would like to be able to sell it if that was the desire of their customer base. They would like to be able to go through the Conditional Use process, he said.

Downtown business owner Tracy LaBarge spoke in support of placing the Waterfront Commercial zoning back on the zoning map. She added that there is already a limited amount of space on the waterfront which is self-limiting, and that she felt marijuana-related enterprises should be allowed on the waterfront. She said that they would support eliminating marijuana-related activities from the D-1 zoning area, but that they did support those activities in the waterfront zones.

Commission Comments and Questions
Mr. Voelckers said they are focusing on the Table of Permissible Uses and in which districts where these various activities can occur. He said the daycare ordinance recently enacted contained a lot of information on buffers and features in the various attributes which would form a conditional use process. He asked if there was any discussion on how to clarify functional aspects of what they would be identifying later as conditions to consider for the issuance of a Conditional Use Permit.

Chairman Satre asked the staff if there was still an intent to frame a special use provision within Title 49 to accompany the zoning maps.

Ms. McNally stated that the staff within the Community Development Department (CDD) is taking its direction from the Marijuana Committee. She added that it is challenging to implement proposed regulations which may differ from those of the State since it is still finalizing its regulations. As an example, she said the Marijuana Committee had proposed a 200 foot buffer from areas such as schools, churches and daycare centers. Meanwhile the State changed its recommendation regarding buffers to 500 feet, she added. She said she did believe the intent was to have a special use category that would in many instances simply mimic what the State adopts, with the addition of any items recommended specific for Juneau as well.

Chairman Satre said this is still a process and a bit of a chicken and egg type of situation.

Mr. Voelckers said it does not seem unreasonable to start at this point realizing that there is still quite a conversation to come on some of the particular conditions that would be applied.

Ms. Grewe asked the staff if in their studies of other communities in which marijuana is legalized if they came across any studies that marijuana cultivation and maybe processing were compatible within residential districts.

Ms. McNally responded that they had not spoken to any communities that allowedof marijuana cultivation or processing within residential districts. She said the most common advice these communities had to render was not to allow this type of activity in residential zoning districts, thus avoiding future conflicts. This was more of a challenge in Juneau, acknowledged Ms. McNally, due to Juneau's very limited space.

Ms. Grewe said she felt that marijuana agriculture differed from other commercial agriculture because it was a much more industrialized form of commercial agriculture.

Ms. McNally said given the climate of Juneau, probably indoor growing facilities would be used rather than commercial greenhouses. Other communities do treat indoor cultivation as an industrial use, mentioned Ms. McNally. The State is going to institute strong restrictions regarding ventilation and for odor control, said Ms. McNally.

Ms. Grewe asked if there was a way to carve neighborhoods out of rural Reserve Zoning to protect them from marijuana-related industry. Ms. Grewe said they could consider very large buffers around neighborhoods, even up to 1,000 feet in distance.

Chairman Satre said the idea of cultivation within the D-1 zone outside of the urban service boundary came from him, and this came about by looking at maps of the city to see where cultivation may be allowed. There are some D-1 zone lands which are quite a distance from other development, he said, which may be included as possibilities for cultivation. Regarding Ms. Grewe's Rural Reserve question, Chairman Satre said on the Wireless Ordinance regarding cell phone towers that certain towers were allowed within a certain number of feet of an established neighborhood, and there was another set of rules for towers which are located outside of neighborhoods.

Mr. Voelckers asked what has been learned from questioning Washington and Colorado communities about where marijuana is allowed to be cultivated. He asked if there was a precedent set in those communities for marijuana cultivation to be successful in Light Commercial and General Commercial zoned areas.

Ms. McNally responded in the affirmative. She said primarily their cultivation is allowed in commercial and industrial districts.

Mr. Watson asked Ms. McNally how many communities she had contacted regarding the marijuana industry.

Ms. McNally responded that she had contacted about 20 communities of various sizes.

Mr. LeVine asked if there has been any thought or study done on what might be the limiting factor in a city the size of Juneau regarding marijuana cultivation or sales.

Chairman Satre said they have maps which illustrate the proposed changes in the Table of Permissible Uses.

Mr. LeVine asked if any studies have been done on what limiting factors would be for the industry as it grows in Juneau.

Chairman Satre said he does not think they have that type of analysis available.

Mr. Watson said he felt it was the price of the building and/or land which would drive the market.

Chairman Satre outlined that the Commission could recommend the ordinance to the Assembly as it has been written by the Title 49 Committee, they could edit the ordinance this evening and make some additional recommendations, or they could table this ordinance pending additional information.

Ms. Grewe said she thought about this ordinance in terms of the sections of growing, processing, selling and testing. She said she would address her motions accordingly and that her first motion would address the cultivation of marijuana.

MOTION: *by Ms. Grewe, amending Marijuana Cultivation Facility CBJ 49.25.300 section 14.240 and 19.230 to remove the D-1 district from marijuana cultivation.*

In support of her motion Ms. Grewe stated that:

- D-1 is primarily used as a residential district and is listed in the Land Use Code as such
- They are basically creating a new industry for this community, and all residential districts should be protected
- With the State and the City working on regulations simultaneously, they cannot yet even define buffers until this regulation has been addressed by the State
- The number one warning coming repeatedly from the Washington and Colorado communities was to protect the residential districts
- Based upon her years on the Commission, Conditional Use Permits were passed the majority of the time, and that just relying on the Conditional Use Permit system would not be sufficient to protect residential zones
- A conservative approach should be taken when heading into this industry
- Licensing such as that done for package stores would be a controlling factor in development of this industry
- The cultivation of marijuana does not fit into the category of Commercial Agriculture Excluding Farm Animals

- People invest in their homes and expect a certain predictability in the development of their neighborhoods

Mr. Watson stated that he felt it was appropriate to rely on the Conditional Use process when dealing with the D-1 area, and that there was some land within that zone appropriate for marijuana cultivation. Mr. Watson shared his concern that the regulations would continue to be narrowed down until there would only be a small area left within the community in which this type of activity could take place. A result of this effect could result in the increase in the density of this activity, he said.

Mr. Voelckers spoke in favor of the motion, citing Ms. McNally's feedback from other communities in which development was not allowed in residential areas. He said he did agree that it was easier to add districts when the community had a better sense of how this development would proceed.

Mr. Haight stated that over the past year they have had several permits before them which addressed agricultural use, such as the Peony farm located in North Douglas. In those cases these permits were granted for commercial operations within residential areas, said Mr. Haight. He added that he also did recognize the value of maintaining a conservative stance at this point in time.

While stating that this was a close call, Mr. LeVine said that he would vote against the motion, because he felt they could effectively implement restrictions to protect neighborhoods.

Speaking in favor of the motion, Mr. Bell said that he supported the motion as it has been made.

Roll Call Vote:

Yeas: Bell, Haight, Voelckers, Grewe,

Nays: LeVine, Watson, Satre

The motion failed.

Chairman Satre said that he would entertain a motion for immediate reconsideration, which would result in further discussion on marijuana cultivation.

MOTION: *by Mr. Watson, for immediate reconsideration of the previous vote.*

The motion passed with no objection.

Chairman Satre asked if there is any additional discussion on removing the Conditional Use Permit from sections 12.240 and 19.230.

Mr. LeVine asked if they could put this motion aside and see if they could reach agreement on the remaining three related issues.

Ms. Grewe agreed to this, and withdrew her motion on amending Marijuana Cultivation Facility CBJ 49.25.300 section 14.240 and 19.230 to remove the D-1 district from marijuana cultivation.

MOTION: *by Mr. Voelckers, to remove the conditional use allowance for (Multiple Use) MU-2 for a marijuana product manufacturing facility.*

In support of his motion, Mr. Voelckers said that he found that use at odds with MU-2 zoning. The MU-2 zone was created to be a sort of mild version of General Commercial zoning, stated Mr. Voelckers. He said that the MU-2 district states that it places a greater emphasis on residential development with up to 80 units per acre. He said it was difficult to envision a marijuana product manufacturing facility located in what could be the most densely zoned district.

Ms. Grewe commented that if they remove the MU-2 zoning, then they are left solely with Rural Reserve, General Commercial and Industrial zones for manufacturing. She voiced the concern this may not leave enough area available for manufacturing facilities.

Mr. Voelckers commented they could potentially place this zoning within the (Mixed Use) MU zone instead of the MU-2 zone which carried an additional residential emphasis.

Ms. Grewe accepted the friendly amendment of Mr. Voelckers to move the Conditional Use process from MU-2 zoning to MU zoning.

The amendment passed with no objection.

MOTION: *by Ms. Grewe, to add back the Conditional Use process for Waterfront Commercial and Waterfront Industrial districts to Marijuana Retail Store Title 49 Section 2.300*.

Speaking in opposition to the motion, Mr. Voelckers said that when the specific terms are identified for Waterfront Commercial and Waterfront Industrial zoning, that there is no latitude for this particular use. While admitting that there have been exceptions in development along the waterfront, he did not feel that indiscretions in the past should be used as a precedential backdrop to future actions.

Mr. LeVine said he would oppose the motion because there is no legal tie to cruise ship passengers that could be found. If and when marijuana clubs are legal, then he would support this use for Waterfront Commercial and Waterfront Industrial zones, said Mr. LeVine. They could also revisit some of the definitions for Waterfront Commercial and Waterfront Industrial districts to allow some additional uses within those districts, said Mr. LeVine. He said personally he felt these would be good areas for a retail store, but that he could not find the justification within the existing definitions for those districts.

Mr. Watson said that earlier public testimony highlighted that the Commission has in the past made exceptions for retail development within the Waterfront Commercial zones. He said he did have problems allowing retail activity within the Waterfront Industrial district.

Ms. Grewe asked Mr. Watson if he would like to offer a friendly amendment to separate the waterfront commercial and Waterfront Industrial zones.

Mr. Watson said he would like to make his suggestion into the form of a friendly amendment to remove Waterfront Industrial zoning from consideration in the main motion by Ms. Grewe.

Ms. Grewe accepted the friendly amendment to remove Waterfront Industrial zoning from her motion.

In support of her motion Ms. Grewe said that she would lean on the Comprehensive Plan and its language supporting economic development and encouraging a diverse economy.

Chairman Satre also spoke in support of the motion stating that he felt there was a misconception that many of the establishments within waterfront commercial zones were somehow an exception to the rules. He stated the fact of the matter is that they meet the rules by being tied to a clientele that is delivered via the water.

Roll Call Vote: (on Ms. Grewe's main motion with the friendly amendment offered by Mr. Watson to add back the Conditional Use process for Waterfront Commercial districts to Marijuana Retail Store Title 49 Section 2.300.)

Yeas: Grewe, Haight, Watson, Satre

Nays: LeVine, Bell, Voelckers

The motion failed.

MOTION: *by Mr. Haight, to approve the full ordinance with its amendment (to remove the conditional use allowance for Multiple Use [MU] for a marijuana product manufacturing facility) for recommendation to the Assembly with the understanding that all of the comments and discussions expressed by the Commission on the two topics of Marijuana Retail Store and Marijuana Cultivation Facility go forward to the Assembly with the recommendation for inclusion in its consideration of the ordinance.*

Ms. McKibben asked that the Commission discuss marijuana retail stores in Rural Reserve districts as this was recommended by the Title 49 Committee and not recommended by the staff.

Since Mr. Haight had moved to approve the full ordinance with its amendment, that item on marijuana retail stores within the rural reserve district was included within the ordinance, noted Chairman Satre.

Ms. Grewe verified that her motion to amend Marijuana Cultivation Facility CBJ 49.25.300 section 14.240 and 19.230 to remove the D-1 district from marijuana cultivation was currently not pending any Commission action.

Chairman Satre concurred, stating that she had withdrawn her motion and that she could amend Mr. Haight's motion through a friendly amendment, or failing that, it could be voted up or down.

Mr. LeVine stated that perhaps if Mr. Haight's motion did not pass, that the Commission could revisit earlier discussion.

Ms. Grewe offered the friendly amendment to remove cultivation in D-1 zones from Mr. Haight's motion.

Mr. Haight did not accept the friendly amendment offered by Ms. Grewe.

As an amendment to the main motion, Ms. Grewe moved to remove cultivation in D-1 zones from Mr. Haight's motion.

In support of her motion Ms. Grewe said she included all of her previous comments on this issue and added once again that other states have verified that marijuana cultivation is not compatible with residential districts.

Chairman Satre called for a roll call vote.

Roll Call Vote: (on Ms. Grewe's Amendment)

Yeas: Bell, Voelckers, Grewe, Haight,

Nays: LeVine, Watson, Satre

The motion to amend the main motion failed.

Speaking in support of Mr. Haight's motion, Mr. Watson stated that the Commission had given their best effort this evening to address the ordinance. He said he felt moving the ordinance forward to the full Assembly with the Commission's comments was the wisest course of action.

Mr. Voelckers also spoke in support of the motion, even though he said it felt awkward to him that they are still missing the specificity of buffers, adjacencies and protections which would fill in the ordinance.

Ms. Grewe spoke in opposition to the motion stating that she was not in support of cultivation in D-1 zones and that she was also concerned about the resulting density for neighborhoods within Rural Reserve zones.

Chairman Satre spoke in opposition to the motion stating that the debate held by the Commission this evening was indicative of the ordinance not being ready for forwarding to the Assembly. He said he felt there was still valuable debate which could be conducted on including waterfront commercial locations where retail stores could be situated. In addition, the Commission is divided on the cultivation issue in D-1 zones. The Commission has also not addressed whether retail sales of marijuana should be allowed in the convenience store overlay. Agreeing with Mr. Voelckers, Chairman Satre said he felt they would be more comfortable with any of these zone designations if they had some special use provisions to go along with them.

Roll Call Vote: (To approve the full ordinance with its amendment [to remove the conditional use allowance for Multiple Use [MU] for a marijuana product manufacturing facility] for recommendation to the Assembly with the understanding that all of the comments and discussions expressed by the Commission on the two topics of Marijuana Retail Store and Marijuana Cultivation Facility go forward to the Assembly with the recommendation for inclusion in its consideration of the ordinance.)

Yeas: Haight, Watson, LeVine

Nays: Grewe, Bell, Voelckers, Satre

The motion failed.

Mr. LeVine asked if the Commission felt that it needed more information that would enable it to become more unified in its recommendation, or if there was a version of this ordinance reflecting some of the motions made this evening which would enable the Commission to come to a consensus on the ordinance.

Chairman Satre said the basic question is should the Commission continue this item and request more information or should it continue this item and wait for a potentially larger number of Commission members to vote.

MOTION: *by Mr. Watson, to continue AME2015 0009 to the next regular Planning Commission meeting held on September 22, 2015.*

The motion passed with no objection.

CSP2015 0013:	Planning Commission Review of and Recommendation to the Assembly regarding the 2015 Capital Transit Schedule and Route Revision.
Applicant:	City and Borough of Juneau
Location:	Borough-wide

Staff Recommendations

Staff recommends that the Planning Commission recommend to the Assembly that CSP2015 0013, 2015 Capital Transit Schedule and Route Revision is consistent with Title 49 and the 2013 Comprehensive Plan. With the following recommendations:

1. Public Works/Engineering should continue to work with DOT to improve pedestrian and traffic safety at the Davis Avenue and Glacier Highway intersection, to possibly include a traffic light at this intersection in the future, to allow for service at all times to Davis Avenue, to control traffic, and to reduce potential collisions.

2. Special consideration should be made to ensure that the connecting stairways and paths from St. Ann's Avenue to Savikko Park are in good and stable condition for safe pedestrian access.

3. Maintenance of sidewalks and crosswalks along St. Ann's Avenue should be improved to allow pedestrians and people in wheelchairs to access transit services at Savikko Park or at the Douglas Library bus stop.

4. A partnership between UAS and Capital Transit should be made to allow drivers to use UAS facilities, such as restrooms, for breaks.

The proposal which came before them was to adopt a schedule change and route revisions that would provide a higher level of reliability, add service to Riverside Drive and the Dimond Park area, maintain service in the downtown core and provide adequate rest and recovery time for operators, explained Mr. Lange.

The 2014 update to the Capital Transit Plan was definitely a vision of what can transpire in the future, said Mr. Lange, but there is a lack of public funding to expand Capital Transit Services at this time, he noted.

In December 2014, the public did not approve a revised service change which limited services and did not provide enough rest and recovery time for transit operators as a result of public hearings held throughout the community, said Mr. Lange.

This iteration of the Capital Transit Schedule and Route Revision includes input from transit operators, said Mr. Lange.

The proposal recommends the following changes to the existing service:

- No weekday inbound service on Davis Avenue at 3:30 p.m., 4:00 p.m., 4:30 p.m. and 5:00 p.m.
- No service to St. Ann's on Douglas Island
- New service to Treadwell arena on Douglas Island - adjust the departure times from Douglas to downtown
- No express service on the UAS campus at the bottom of the hour, with service remaining at the top of the hour
- New service at Mendenhall Mall, Dimond Park, Riverside Drive and Stephen Richards Drive

Commission Comments and Questions
Mr. Watson asked if it was true that the University did not allow drivers to use their facilities.

The University does allow the transit operators to use its facilities, responded Mr. Lange. However, he said, when the school is closed the transit operators cannot access the building. An agreement between the University and Capital City Transit can be worked out so that transit operators can have use of the facilities when the University is closed, said Mr. Lange.

The proposal also recommends the following changes to the existing infrastructure:

- Create a dedicated transit bus stop at the State Museum in conjunction with the Whittier Street repaving project
- Relocation of the Airport stop to Yandukin drive just north of the Airport
- New signs at stops affected by Davis Avenue deviation
- New signs at Douglas stops affected by schedule adjustment
- Create an at-grade passenger waiting area at Cinema Drive
- Improve the paving, and install accessible curb and platform and Mendenhall Mall

Commission Comments and Questions
Mr. Watson said he thought from information garnered from previous presentations that Riverside Drive itself was an area of high density and the least served by Capital Transit. He said while there has been need of a decent bus stop in the Mendenhall Mall area, that has always

been a point of disagreement with the current property owners. He wondered if their opinion had changed.

Mr. Watt said that he felt it unlikely that the property owners would agree to a bus platform in the middle of Mall Road. They are talking to the owners about purchasing property for a potential Valley transit center, said Mr. Watt. The Assembly has approved a small amount of funds to pursue an appraisal for that property, added Mr. Watt. That would be an upgrade for the long term, he said.

A year ago they were at a difficult time for transit planning, said Mr. Watt. This resulted in upset members of the public and upset drivers, he said. The drivers' workgroup began meeting to try and achieve some core goals, said Mr. Watt. This included seeing that the routes ran on time and that the drivers were given rest periods, he said. As time has passed and the community has grown, the bus service has been strained to meet these needs and the drivers were squeezed out of their breaks, said Mr. Watt. They have received positive comments from the public on this particular plan, said Mr. Watt.

There are still some inherent problems with the plan which still need to be worked out, said Mr. Watt, and there are some service reductions as well as some additions. They would like to provide more service to the core Valley area said Mr. Watt, but that is not attainable at this time.

Mr. Voelckers said he appreciated that the current plan is a clever way of improving the service within the existing resources. He said in the Douglas service area around St. Ann's there seemed to be quite a distance for the public to access the buses.

Mr. Lange responded that the operational analysis for the plan indicates a very small ridership for that particular area. He said he thought it was a reasonable distance to be traversed to the bus stop.

Mr. Watt added he felt people would walk down St. Ann's itself to the bus stop.

Chairman Satre said there were aspects of the plan which he did not like such as the bus only visiting the University once an hour. The trade-offs are that there will be service to Dimond Park and they will still maintain service to the core areas, he said. He said he appreciated the City working with the transit operators to assure that they were treated fairly.

MOTION: *by Mr. Bell, to approve CSP2015 0003.*

The motion passed with no objection.

X. **BOARD OF ADJUSTMENT** - None

XI. **OTHER BUSINESS** - None

XII. DIRECTOR'S REPORT

Mr. Steedle reported that they will be recruiting for the Planning Director shortly. At the August 26, (2015) meeting the Assembly Finance Committee approved hiring a Housing Development Coordinator, said Mr. Steedle.

Mr. Watson commented that a few members are having trouble with their passwords in the new City email system.

Mr. Steedle asked Mr. Watson to contact the MIS department with the City, and that they would assist with the password process.

XIII. REPORT OF REGULAR AND SPECIAL COMMITTEES

- July 23, 2015 Marijuana Committee Meeting DRAFT Minutes
- August 13, 2015 Marijuana Committee Meeting DRAFT Minutes
- August 21, 2015 Title 49 Committee Meeting DRAFT Minutes

Title 49 Committee
Ms. Grewe reported that the Title 49 Committee met and that the results of their meeting were already noted by the Commission this evening.

Auke Bay Steering Committee
Mr. Bell reported that he attended the Auke Bay Steering Committee meeting and that the Committee is aggressively tackling the development of the Auke Bay community.

XIV. PLANNING COMMISSION COMMENTS AND QUESTIONS

Mr. Voelckers asked just how difficult it would be to address the current Waterfront Commercial zoning. He asked if it would be something which could be accomplished simultaneously with the recommendation of approval of the ordinance to the Assembly.

Chairman Satre said he did not know, but that it may be opening up a Pandora's box.

XV. ADJOURNMENT

The meeting was adjourned at 9:37 p.m.

Additional Materials

Regular Planning Commission Meeting

Assembly Chambers
7:00pm
Meeting Date: September 8, 2015

1. AME2015 0009
    a. Email from Margo Waring regarding marijuana cultivation in the D-1 and Rural Reserve zoning districts.
    b. Letter from Tom & Jack Manning, owner and operators of Duck Creek Market, regarding omission of Convenience Store Commercial Overlay Zones for permitted retail marijuana sales.
2. SMF2015 0006
    a. Memorandum from CDD Staff recommending an additional condition to the proposed Final Plat.

Megan Daniels

From: Margo Waring <margowaring@gmail.com>
Sent: Friday, August 28, 2015 12:13 PM
To: PC_Comments; Borough Assembly
Subject: Zoning T49

Dear Planning Commission Members and Assembly Members,

I have read the minutes of the August 21, 2015 meeting of the Title 49 subcommittee of the Planning Commission. Although the minutes are available, unfortunately, staff reports are not available to the public at the time I write this message.

At the meeting the T49 Committee voted to approve marijuana cultivation in D1 residential, rural reserve, light commercial, general commercial, and industrial zones by conditional use permit (CUP) (Section 14.240). Notably D1 was the only residential district included for marijuana cultivation. The proposed T49 ordinance also contains other changes regarding processing, testing, and selling.

Let us be clear, commercial growing and processing are commercial activities. Cultivation of marijuana uses intensive chemical applications and intense lighting for most hours of the day in all seasons.

While the T49 committee has recognized the need to protect residences from intrusion of this commercial activity, it has not extended that protection to residences in D1 or RR areas. As in other areas, children, the environment and property values may all be negatively impacted by adjacent commercial activity. Families and property should be afforded equal protection.

I think it is appropriate to allow these uses in commercial and industrial zones. As yet, we really do not know how much impact these activities will have on adjacent property. This is a time to learn and be cautious. This is a whole new area of economic activity and, if we find later that these activities are benign we can reconsider adding other zones at a later date.

Margo Waring

City & Borough of Juneau
Planning Commission
Marijuana Committee
Mike Satre, Chairman

September 2, 2015

As the owner/operators of the Duck Creek Market on Stephan Richards Drive we are concerned about the omission of the Convenience Store Commercial Overlay Zones from the areas permitted for retail marijuana sales. Duck Creek Market is a full service convenience store including a Package Liquor Store and Laundromat. The other convenience store operating under the Commercial Overlay District is the Douglas Island Breeze-in.

The Convenience Store Commercial Overlay Zones have been an integral part of the CBJ Comprehensive Plan for over 30 years and were created to offer neighborhoods convenient access to often used consumer products including food, beverage, prepared foods, medicine, beer, wine, liquor, tobacco, entertainment (like video rentals, etc,), Laundromat, coffee and groceries, etc. The underlying concept of this zone is that residents of a neighborhood can access a convenience store by foot, bike, or vehicle but are not required to drive a vehicle or take a cab or bus to the nearest commercially zoned shopping center for often purchased items.

The people of Alaska have voted that personal possession of Marijuana is now legal and that the growing, manufacturing, and retail sales of Marijuana will be regulated through the State Office of the Alaska Alcohol Beverage Control and Marijuana Boards. We believe the retail sales of Marijuana items should be considered as appropriate and in fact preferred to the Convenience Store Commercial Overlay Zones where people are not required to drive a motor vehicle to purchase items regulated for health and safety purposes.

I am not aware of any commercially zoned areas in Juneau, with the exception of the Rock Dump Area perhaps, that are not sited adjacent to or mixed with residential neighborhoods. As proposed all Marijuana licensing in Juneau will be required to obtain a conditional use permit as well as an Alaska State License.

The two Convenience Store Overlay Zoned retail outlets, Duck Creek Market & Douglas Island Breeze-in, will be economically disadvantaged by omitting them from the allowable Marijuana Retail Sale zones, especially when their competition is allowed to participate in the market.

Please include the Neighborhood Convenience Commercial Overlay Zones to the areas allowed in Juneau for Marijuana retail sales.

Thank you for your consideration,

Tom & Jack Manning
Duck Creek Market
8150 Stephan Richards Drive
Juneau, Ak. 99801

Community Development

City & Borough of Juneau • Community Development
155 S. Seward Street • Juneau, AK 99801

DATE: September 8, 2015

TO: Planning Commission

FROM: Eric Feldt, Planner II, AICP, CFM
Community Development Department

FILE NO.: SMF2015 0006

PROPOSAL: A Final Plat for 15 new lots for Phase 2B of the Montana Creek West PUD subdivision.

CDD staff received additional comments from the CBJ Engineering Department for the applicant to plat and install a temporary 40-foot radius turn-around at the north end of Glacier Bear Boulevard to accommodate snowplow trucks. A temporary easement will be provided on the plat. The applicant has agreed to this improvement. Once Phase 3 is proposed, this turn-around will be abandoned with the extension of Glacier Bear Boulevard.

CDD staff recommends the following condition to address this element.

<u>Recommended Condition</u>
Prior to recording Phase 2B of the Montana Creek West PUD Subdivision, the applicant shall show a temporary 40-foot radius turn-around at the northern end of Glacier Bear Boulevard. The turn-around shall be shown as an easement on the plat and dedicated for CBJ access and maintenance.

Regular Planning Commission Meeting
CITY AND BOROUGH OF JUNEAU
Mike Satre, Chairman

September 22, 2015

I. ROLL CALL

Mike Satre, 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 7:01 pm.

Commissioners present:	Mike Satre, Chairman; Dennis Watson, Vice Chairman; Bill Peters, Nicole Grewe, Ben Haight, Matthew Bell, Paul Voelckers, Dan Miller
Commissioners absent:	Michael LeVine
Staff present:	Beth McKibben, Planning Manager; Jill Maclean, Senior Planner; Allison Eddins, Planner I; Chrissy McNally, Planner II, Robert Palmer, Assistant City Attorney; Rorie Watt, Director of Public Works; Greg Chaney, Lands and Resources Manager

II. APPROVAL OF MINUTES

- August 25, 2015 – Regular Planning Commission Meeting Minutes

MOTION: *by Mr. Miller, to approve the minutes for the August 25, 2015, Regular Planning Commission meeting with any minor modifications by staff or Commission members.*

The motion was approved with no objection.

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None

IV. PLANNING COMMISSION LIAISON REPORT - None

V. RECONSIDERATION OF THE FOLLOWING ITEMS - None

VI. CONSENT AGENDA

VAR2015 0024:	Construction of a 460 foot fence within the 25 foot no disturbance stream side setback along Jordan Creek, and the installation of a rain garden and required grading within the 50 foot no development setback along Jordan Creek.
Applicant:	Southeast Alaska Watershed Coalition
Location:	9095 Glacier Highway

Staff Recommendation

Staff recommends that the Board of Adjustment adopt the Director's analysis and findings and **approve** the requested Variance, VAR2015 0024. The Variance permit would allow for the construction of a split rail cedar fence and installation of concrete barriers within the 25 foot no disturbance stream side setback and the installation of a rain garden within the 50 foot no development stream side setback along Jordan Creek.

MOTION: *by Mr. Voelckers, to approve the Consent Agenda as read with staff's findings, analysis and recommendations.*

The motion was approved with no objection.

VII. CONSIDERATION OF ORDINANCES AND RESOLUTIONS - None

VIII. UNFINISHED BUSINESS

AME2015 0009:	Proposed changes to Title 49 Table of Permissible Uses for marijuana establishments.
Applicant:	City and Borough of Juneau
Location:	Borough-wide

Staff Recommendation

Staff recommends that the Planning Commission forward its recommendation of approval to the Assembly of Ordinance 2015-39 as recommended by the Title 49 Committee, with the exception of the recommended change to allow marijuana retail in the Rural Reserve (RR) zone district.

Chairman Satre noted that at the last meeting once public comment was finished, the Planning Commission had some difficulty not only in the area of amendments, but that they could also not come to an agreement to proposed changes in Title 49. There was the possibility that with more Commissioners in attendance at this Regular Planning Commission meeting, that a consensus may be reached as to what the recommendations to the Assembly would be, said Chairman Satre.

Ms. McNally told the Commission that this evening they had a map indicating the 500 foot buffer maps for the sensitive sites including schools, state licensed day care and correctional facilities. More public comment was also received, said Ms. McNally, and the Commission had before it the ordinance reflecting the changes the Commission voted upon at its last meeting.

The change in the ordinance approved by the Commission at its last meeting involved moving Marijuana Product Manufacturing from the Mixed-Use 2 (MU-2) zoning district to the Mixed Use (MU) zoning district, explained Ms. McNally.

Commenting on the maps, Chairman Satre said that in any green areas on the maps marijuana cultivation would be allowed. Considering the areas of product manufacturing, retail and testing; in those areas that were white on the map these activities would not be allowed, said Chairman to Satre, while the green areas would require a Conditional Use Permit, he added.

Mr. Palmer related that the motion that was passed by the Commission at its last meeting was to remove the Conditional Use authority from Mu-2 zones and granting Conditional Use authority to those properties zoned MU.

Chairman Satre reviewed that motions dealing with cultivation of marijuana in D-1 zones and also allowing retail sales of marijuana in Waterfront Commercial (WC) zones failed at the September 8, 2015 regular Planning Commission meeting. The final motion that failed at the last regular meeting was to approve the ordinance including the approved amendment and send it to the Assembly for its action on the ordinance.

Ms. McNally told the Commission that one of the comments received from the public was from Mr. Manning, owner of Duck Creek market. This most recent communication from Mr. Manning asks that the Commission consider allowing Duck Creek market and the Douglas Breeze-in to sell marijuana products retail. Ms. McNally said she believed there was some confusion on the part of Mr. Manning as to what stores are included in the overlay district. She said she explained that alteration of the Commercial Overlay zone would affect all existing properties which meet the criteria and not just the two stores mentioned by Mr. Manning.

Mr. Voelckers asked for a summation on what the Commercial Overlay zone is and what areas would potentially be affected.

Showing the Commission some slides, Ms. McNally explained that the Overlay District extends from just past the Juneau Douglas Bridge north to the Bonnie Brae subdivision, and an area extending from Duck Creek market along the Back Loop Road. These are areas within residentially zoned areas , explained Ms. McNally.

Since public comment was closed at the last meeting, said Chairman Satre, he asked the Commission if it wished to once again open this item up for public comment.

Since a motion regarding public comment was not forthcoming, this ordinance was not opened up again for public comment.

Ms. Grewe asked for an explanation on marijuana cultivation in D-1 zoning. Ms. McNally said the “A B” designated marijuana cultivation in D-1 zoning outside of the urban service boundaries.

Chairman Satre said the action of the Commission on Title 49 and the changes to permissible uses are recommendations from the Commission to the Assembly. The potential does exist for the Commission to move this ordinance forward to the Assembly with no further recommendations, added Chairman Satre.

MOTION: *by Ms. Grewe, to add Waterfront Commercial to Section 2 of the ordinance to the use described as “Marijuana Retail Store” which would make that use obtainable within a Waterfront Commercial District with a Conditional Use Permit.*

Speaking in favor of her motion, Ms. Grewe said that she realizes there are challenges related to the definition of “waterfront” with uses attached to the zone being waterfront activities. She added that Chairman Satre gave a good explanation at the last Commission meeting stating that there are currently uses connected to that zone which are not directly related to waterfront dependent activities. Retail activities in the Waterfront Commercial zone have previously been allowed that were not directly related to waterfront uses, said Ms. Grewe.

The motion passed with no objection.

MOTION: *by Ms. Grewe, to remove the D-1 zone from marijuana cultivation in Section 5, 14.240 and Section 6, 19.230.*

In support of her motion, Ms. Grewe said that the primary use of D-1 is residential, and that she felt residential areas should be treated equally as they move into this new industry for Alaska. She said they have learned from other jurisdictions who currently have ordinances allowing the cultivation of marijuana that marijuana cultivation in a residential district was the number one conflict.

Ms. Grewe said she prefers a more conservative approach as the community moves to incorporate this industry and its regulations. She said all residential zones should be protected from allowing the marijuana industry within their boundaries. She added that the permitting issue is still looming and is still an unknown aspect. She said until that determination is made, that she feels particularly strong about protecting all residential districts within the area. Down South communities who have legalized marijuana are treating it akin to an industrial activity, noted Ms. Grewe. It is not the same as small-scale agricultural farms, she added. She said she felt it would be easier in the future if desired to add zones back rather than to remove zones.

Mr. Voelckers asked if Ms. Grewe could outline the specific portion of the ordinance to which her motion was addressed.

This would go under the cultivation category, said Ms. Grewe. The use description was under 14.240 on the Table of Permissible Uses, said Ms. Grewe, and she added under questioning from Mr. Voelckers, that she would also remove the use from Section 6, Use 19.230.

Mr. Miller asked if there is currently any property on the new maps which list D-1 zoning as a potential cultivation district.

Chairman Satre explained that cultivation is currently allowed by Conditional Use Permit in the Rural Reserve (RR) zone and in the D-1 zone outside of the urban service boundary. This would cover all land north of Lena point, said Chairman Satre, and also land on North Douglas which lies outside of the urban service boundaries.

Ms. Grewe added that the boundary also incorporates Thane.

Speaking against the motion, Mr. Watson stated that his main concern on this issue is that D-1 zoning covers a lot of land, and that it is not an automatic approval of marijuana cultivation in those areas. He said once the Table of Permissible Uses has been established, in his experience of almost nine years on the Commission, that it is very rare for that to be altered, should the desire to change it manifest itself in the future. He said the Planning Commission needs to be allowed a certain level of flexibility, and that he feels the Commission needs to be careful that it does not restrict zoning to such a level that it is concentrated in a very small area.

Mr. Miller asked for clarification on where the D-1 zoning was located.

Chairman Satre explained that D-1 and Rural Reserve are both located outside of urban service boundaries. This land is largely located on Thane Road, out North Douglas past Bonnie Brae, and out the road past Lena Point.

Speaking against the motion, Mr. Watson said one of his concerns is the thought that it would be easy to go back and change the zoning. He said his primary concern was that D-1 zoning extended for quite a distance past Lena point, and that it would not be an automatic approval. Approval would first have to be granted by the Planning Commission and the Assembly.

Once a use is placed upon the Table of Permissible Uses, said Mr. Watson, it is almost impossible to remove it.

Roll Call Vote:

Yeas: Haight, Grewe, Voelckers

Nays: Peters, Bell, Miller, Satre, Watson

The motion failed.

Mr. Voelckers asked Chairman Satre, who is a member of the Marijuana Committee, if they have addressed any conditions which would accompany the proposed amendments to the Table of Permissible Uses.

Chairman Satre answered that the Committee has not yet addressed those issues, but they will be looking at special use provisions for Title 49 at their meeting in two days, and that many conditions would be dependent upon action from the State which has not yet taken place.

MOTION: *by Mr. Haight, to approve ordinance 2015-39 as amended, and move it to the Assembly for further action.*

Speaking in support of the motion, Mr. Voelckers said he felt it was important to have the understanding that there would be specific conditions placed upon these uses later. He said he felt that would be one way they could address some of the concerns addressed regarding the growing of marijuana in D-1 and Rural Reserve.

Chairman Satre said he would encourage the Assembly members to read the minutes from the last meeting and this meeting. He said he thinks the Assembly will be wrestling with the same issues as the Planning Commission has. He said he was very glad that Mr. Voelckers has made the point at both meetings that this is very difficult to accomplish not knowing what all of the state regulations will be.

Ms. Grewe spoke against the motion because of the D-1 land issue.

Roll Call Vote:

Yeas: Watson, Miller, Voelckers, Haight, Bell, Peters, Satre

Nays: Grewe

The motion passed.

IX. REGULAR AGENDA - None

X. **BOARD OF ADJUSTMENT** - None

XI. **OTHER BUSINESS**

Chairman Satre reported that Mr. Chaney would be the updating the Commission on the 2015 Land Management Plan.

This will give the Commission the opportunity to review the first draft of the Land Management Plan. When the draft comes back to the Commission after it has been presented to several other committees and the public, Title 53 dictates that the Plan be given a positive rating or a negative rating by the Commission, said Mr. Chaney.

The Plan is over 100 pages in length, explained Mr. Chaney, so he wanted the Commission to have plenty of time to review it before it came back to them for their final decision.

He outlined the goals and objectives of the Land Management Plan:

- Continue the land disposal program which systematically places CBJ land into private ownership.
- Provide the best use of CBJ owned land for both development and preservation.
- Conduct CBJ land disposals in a manner that provides compact urban growth and efficient expansion of municipal utilities and services.
- Maintain the Land Management Plan as required under CBJ code as a comprehensive reference document updated every two years that establishes CBJ land management policy and provides a framework for developing regulations concerning CBJ property.

The staff went through the land parcels and recognized some land as parks; land which had never been designated as such before, explained Mr. Chaney. It is up to the Parks and Recreation Division to make any recommendations, said Mr. Chaney.

Mr. Chaney then outlined some of the major implementations of the plan:

- Conduct CBJ land disposals that conform to expansion of municipal utilities and services.
- Housing demand remains strong.
- Transportation improvements must be completed to complement land disposal proposals. An example of this would be the bench road on Douglas which has not been developed but has been much discussed.

Mr. Chaney said what is to him one of the most exciting portions of the Plan update is a new atlas which shows the current land ownership of the CBJ. Each property is identified with the code indicating the CBJ managing department. The black-and-white atlas is accompanied by a GIS system available to the staff, which is not yet ready for public dissemination. It graphically displays the land holdings in color, he noted. However, he noted, the GIS system is available to view within the office.

The parcel number provides access to each parcel's legal description, the size of the parcel, the type of land, the managing department and the plans for that parcel's future disposal, explained Mr. Chaney.

Juneau has over one million acres of land, said Mr. Chaney, with over 15,000 of those acres zoned Residential. As a result of a study performed in 2006, the City has identified about 12 lots which carry the potential for residential development. Upon further research, four of these lots have been identified as actually suitable for residential development, he explained.

Roughly 25% of the cost of a home is tied to its land value, explained Mr. Chaney. In general, the number of building permits and certificates of occupancy have risen recently, which is a good trend, he noted.

There has been an upswing in the housing market in the past few years, noted Mr. Chaney. He said he felt a lot of this was due to re-zoning and changing zones to allow more density for housing.

Mr. Chaney listed options for stimulating the housing market from a lands perspective which include:

- **City sponsored subdivisions and sales**

An example of this is the Reninger subdivision which will be before the Commission soon, which is a major subdivision to be developed by the City for multi-family housing.

- **Provide incentives to build promptly**

This is the idea that if someone purchases a lot for $100,000 for example, if it is developed within a certain specified period of time, they would get a monetary rebate.

- **Land sales to developers**

These have been done in the past and will be continued in the future.

- **Public private partnerships**

Their success depends upon the details.

Conditional Sale and Housing Market Mix

This is not been done much in Juneau yet; where property is sold to a developer on certain conditions of performance.

Land donations for less than fair market value

An example of this would be the City's numerous donations of land for schools and other public projects.

Community land trust

This has been done in other communities, but not in Juneau.

Juneau affordable housing fund

A fund currently exists to stimulate construction within the community.

Between 1999 and 2015 the City has sold approximately 90 lots, said Mr. Chaney. They would like future CBJ development to be on the sewer system if possible, he noted. Some large tracts which were sold to stimulate housing remain vacant, said Mr. Chaney. They would like to somehow ensure that development occurs on the properties within a specified period of time, said Mr. Chaney.

The future land disposal program will be a combination of large and small lots, and they would like to explore public and private partnerships in all cases, said Mr. Chaney.

The properties identified for land disposal whether in the near or more distant future include:

- Lena Loop – a few lots remain for disposal
- Near DZ Middle School - roughly 13 acres available for disposal
- Switzer Creek - approximately 13 developable acres in the Reninger Subdivision
- Land overlooking the Lemon Creek Valley - requires an access road
- Pederson Hill area - working on cost estimates for access to that site
- City parking lot - this is being proposed for lease
- Douglas town site - Sixth Street would need to be extended
- Bonnie Brae - new acreage now available because of the sewer extension
- Auke Bay - lot currently has no frontage and no access

Mr. Chaney outlined the process for the disposal of large tracts:

- Delineate Site
- Agency Review
- Preliminary Title Report
- Sketch Plat
- Reservation of Public Lands
- Public Workshop
- Development Plan
- Preliminary Plat
- Construction Design
- Final Plat

In addition, Mr. Chaney identified various methods of disposal, which include:

- Leases
- Land Exchanges
- Over the Counter Sales
- Outcry Auction
- Sealed Competitive Bid
- Negotiated Sales
- Disposals for Public Use

There are many variables associated with land development, said Mr. Chaney, but if the land was perfectly flat and all conditions were equal, for just road construction and utility preparation the estimated amount for a D-5 lot would be about $47,000 to $63,000 per property, he said.

Commission Comments and Questions
Mr. Miller noted that in addition to the above costs, a private developer would still have to purchase the land.

The other huge advantage of a CBJ land sale, said Mr. Chaney, is that public land is overturned to private tax rolls. This results in dividends to the community for decades into the future, he said.

The Land Fund is a special revenue fund which provides management for the funding of City resources through the Lands and Resources Division, explained Mr. Chaney.

Mr. Chaney listed the recommendations in the Plan for the future, which encompasses the parcels he listed earlier as available for disposal. He said that he recommends that the City dispose of all of these properties. He also recommended that whenever possible, that access to CBJ land be obtained.

This Plan has already been presented to the Affordable Housing Commission, noted Mr. Chaney, which gave the Plan a unanimous vote of support. They like the focus on housing in the Plan, he added. They have already conducted several other presentations of the document in addition to the Affordable Housing Commission, said Mr. Chaney. Public meetings will be held, and this Plan will be presented again to the Commission in about a month, he said. It will ultimately need to be approved by the Assembly by ordinance, said Mr. Chaney.

Commission Comments and Questions
Mr. Watson said this is probably the best product that he has seen come out of the Lands Department since he has been on the Commission. Mr. Watson noted that for land disposal, that Parks and Recreation is on the list, and that he has not seen them give up much land in the past. He noted that the Parks and Recreation plan has not been updated in many years, and that it was his impression that the updated Lands Plan mentioned the adoption of the Parks and Recreation Comprehensive Plan.

Mr. Chaney said they would be adopting only the Lands Plan which would set the stage for the management of the other properties mentioned.

Mr. Watson asked if the NOAA property, located out the road, was located outside of the urban service boundary.

Mr. Chaney responded that it was outside of the urban service boundary.

Mr. Voelckers asked for a more specific explanation about the role of the Planning Commission in the development of the Lands Plan. He said the point had been raised at a Committee of the Whole meeting of the Assembly on another issue that sometimes final decisions were made in a fractured manner based upon input from separate City entities rather than a united convergence of opinion.

He said he felt that it stipulated in Title 53 that it was the duty of the Planning Commission to oversee the union of the various entities in the final draft of the Plan. Mr. Voelckers said it was his impression that the Lands Plan should be working in union with the Comprehensive Plan as it developed. He said he felt there was more potential to unite the plans in a more holistic manner, and that specifically he felt the area in town should be investigated more thoroughly.

Chairman Satre said that he agreed, and that he felt the Commission had a very specific role as the final reviewer of the Plan before it went to the Assembly for final approval. He said this may be a good item to run through the Subdivision Review Committee for its input on the Plan. Chairman Satre said he felt the Lands Plan deserved more time from the Planning Commission than just another meeting for its final review.

Mr. Chaney said that is exactly why he was presenting the draft to the Commission now; so that it would have adequate time to formulate its comments. He said he would also be bringing back to the Commission the comments from other committees so that it could consider that feedback when it reviewed the Plan.

Mr. Chaney said the City does not own a lot of property in the downtown area. The property that it does own is mostly hazard zone property, he added.

In terms of making more land available to the public, Ms. Grewe asked Mr. Chaney if he thought the Sixth Street City property had a better opportunity for development or the bench road.

Mr. Chaney responded that opening up the bench road would open up hundreds of acres for development.

XIII. Director's Report

Gastineau Apartments
Mr. Watt reported that the City is working toward the demolition of the Gastineau apartments. It has become clear for safety reasons, timeliness, and financial reasons that the most efficient way to proceed was to demolish the small park adjacent to the apartments. While the City does not need any special permits to accomplish this, they wanted to mention this to the Commission in case it wanted to bring it up for public review. He added that the Parks and Recreation Advisory Committee has agreed that this is the right course of action to take. The City will be opening bids for the project around October 12, (2015), said Mr. Watt.

They will be doing an addendum to recognize the fact that potential bidders for the project are not in favor of an accelerated schedule, said Mr. Watt. Recognizing this, they will be doing an addendum to lengthen the completion requirement for the demolition of the project to the end of April, he said.

Commission Comments and Questions
Mr. Voelckers asked if there was any way to gauge the potential for lawsuits involving the property.

Mr. Watt responded that he did not feel a lawsuit was going to transpire.

Mr. Voelckers asked who would own the lot when the demolition was complete.

It would be the current owners, responded Mr. Watt, with the City holding a right of entry to the property to demolish it. He said the City would never own the land.

Housing Action Plan
Ms. McKibben reported that the Affordable Housing Commission will be giving a final review of the draft of the Housing Action Plan. The consultant will be in Juneau for the Committee of the Whole meeting at the end of October to present the draft plan to the Assembly, said Ms. McKibben.

New Community Development Department Senior Planner
Ms. McKibben introduced Jill Maclean, the new Senior Planner for the Community Development Department.

XIV. REPORT OF REGULAR AND SPECIAL COMMITTEES

Committee on Sustainability
Mr. Haight reported that the Committee on Sustainability met last week. They are continuing to work on the Energy Plan, he said, which is currently their primary item.

XV. PLANNING COMMISSION COMMENTS AND QUESTIONS

Joint Committee of the Whole Meeting Cancellation
Mr. Watson mentioned that the Commission was scheduled to participate in a joint Committee of the Whole meeting with the Assembly prior to the regular Commission meeting this evening. He said the Liaison made the comment at the regular Assembly meeting that the reason the Committee of the Whole meeting was canceled was because of a lack of quorum by the Planning Commission. This resulted in some comments from the Mayor, said Mr. Watson. Mr. Watson said he checked with a CDD planner and was told that the reason the Committee of the Whole Meeting was canceled was because there was additional work which needed to be accomplished on that issue.

Mr. Watson said he hoped the record is corrected to reflect the actual reason for the cancellation of the joint Committee of the Whole Meeting.

New Planning Director
Ms. Grewe stated that she would like to see the Planning Commission have a more active role in the hiring of the Planning Director.

Mr. Voelckers asked if the new City Manager and the new Planning Director were going to be hired at the same time, or if one position proceeded the other in the hiring process, or if the City Manager was going to be hired first and then hire the Planning Director.

Ms. McKibben responded that it was her understanding that the current City Manager would like to hire the new Planning Director.

XVI. ADJOURNMENT

The Meeting was adjourned at 8:20 p.m.

Additional Materials

Regular Planning Commission Meeting

Assembly Chambers
7:00pm
Meeting Date: September 22, 2015

1. AME2015 0009
    a. Email from Judy Sherburne regarding the Thane residential area being included for growing and processing of marijuana.
    b. Letter from Tom and Jack Manning of Duck Creek Market regarding Commercial Overlay zones.

PC_Comments

From: Judy Sherburne <jlsherburne@gci.net>
Sent: Wednesday, September 16, 2015 6:36 PM
To: PC_Comments
Subject: Another comment on marijuana growing in Thane

Thank you for receiving one more comment on the Thane residential area being included for growing and processing of marijuana. I am against it for several additional reasons beyond my earlier comments:

o Thane is a residential area that should not be considered any
differently than any other residential area in regard to consideration for the marijuana industry
o Along with all the reasons that residential areas are inappropriate
that you have found from the experience of other states and cities, please note that while population density may be lower in Thane than the urban core, in fact, we are pretty cozy out here. The lots are narrow and I have to pull shades for privacy just like anyone in downtown Juneau or the Valley. Sights, sounds, smells are shared experiences. Where I do not burn when the wind blows to a neighbor or use a chain saw late at night, an industry, even a small one, will not have these same kinds of environmental courtesies.

Thanks again for making a decision that is neighborhood friendly.

City & Borough of Juneau
Planning Commission
Marijuana Committee
Mike Satre, Chairman

September 18, 2015

Dear Planning Commission Members,
We are again writing to request that the two established Convenience/Package Liquor Stores, Duck Creek Market and the Douglas Breeze-in, be included in the zone allowing retail marijuana sales. When we attended the Planning Commission meeting last week we realized that the Commercial Overlay zones had been expanded, apparently during a 2006 re-write. We are asking that these two convenience store locations, already established through the neighborhood convenience commercial overlay process, be included in the permissible retail marijuana sale zone.
We have no interest in applying for or operating a marijuana dispensary now or in the future. But we do see that in the not too distant future this product will likely be sold through Ak. State controlled paqckage/liquor stores, which we believe is what most people thought they were voting for in the recent election de-criminalizing the possession, manufacture and sale of marijuana. Close to 65% of the voters in our neighborhood overlay district at Duck Creek Market voted to legalize marijuana and it is now legal to possess, grow, and consume it on their property. Why shouldn't it be available for sale to these people through their local convenience/package store?
Over 25 years ago Duck Creek Market was the fist convenience, package/liquor store permitted in Juneau through the Neighborhood Convenience, Commercial Overlay zoning process. That process included our neighborhood, and in fact the entire community in determining that retail alcohol sales would be allowed at our location. Excluding the convenience store overlays from the permissible marijuana retail sales zone excludes both our store and the neighborhood from being part of that process. Again we have no intention to apply for a retail marijuana store in or adjacent to the Duck Creek Market but in the future when marijuana products are approved to be sold through licensed package/liquor stores, our store should not be excluded through local zoning. Through the CBJ conditional use process for the Convenience Store overlay district, our community could stipulate this or any other condition.
It would be extremely difficult to change the zoning in the future. This exclusion will be an economic disadvantage to the two established Convenience/Commercial Overlay stores. During a conversation I had today with CBJ staff we discussed the proposed Ak. State, Marijuana law and regulations. At some point in the State's process there had been a proposal to not allow M. retail outlets adjacent to licensed liquor establishments but that regulation has been dropped and M. retail outlet adjacent to an A.B.C. licensed location is permissible by Ak. State proposed regulation at this time.

Thank you for your consideration,
Tom & Jack Manning
Duck Creek Market
8150 Stephan Richards Drive
Juneau, Ak. 99801

Juneau Ocean Center

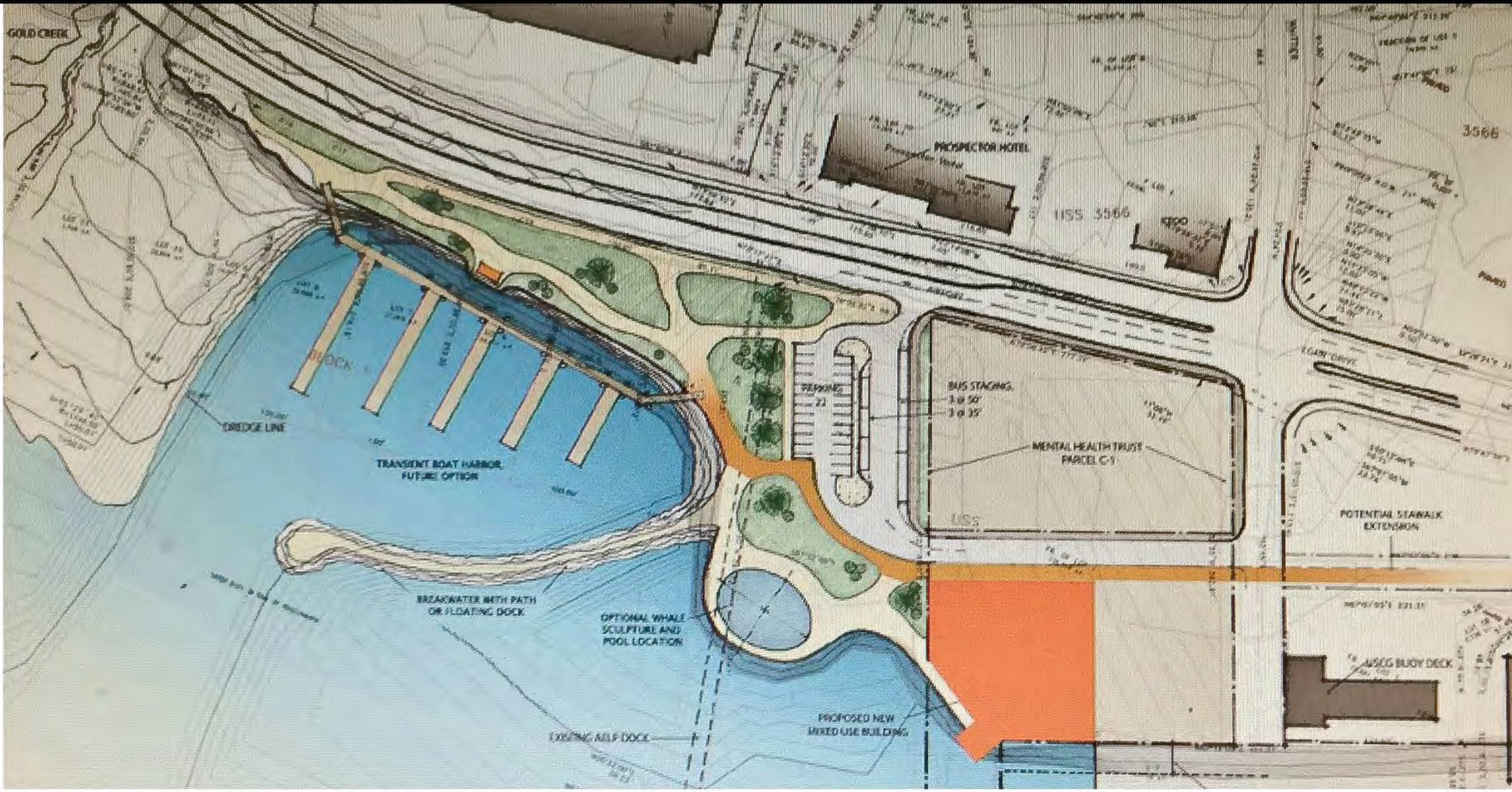
Action Plan

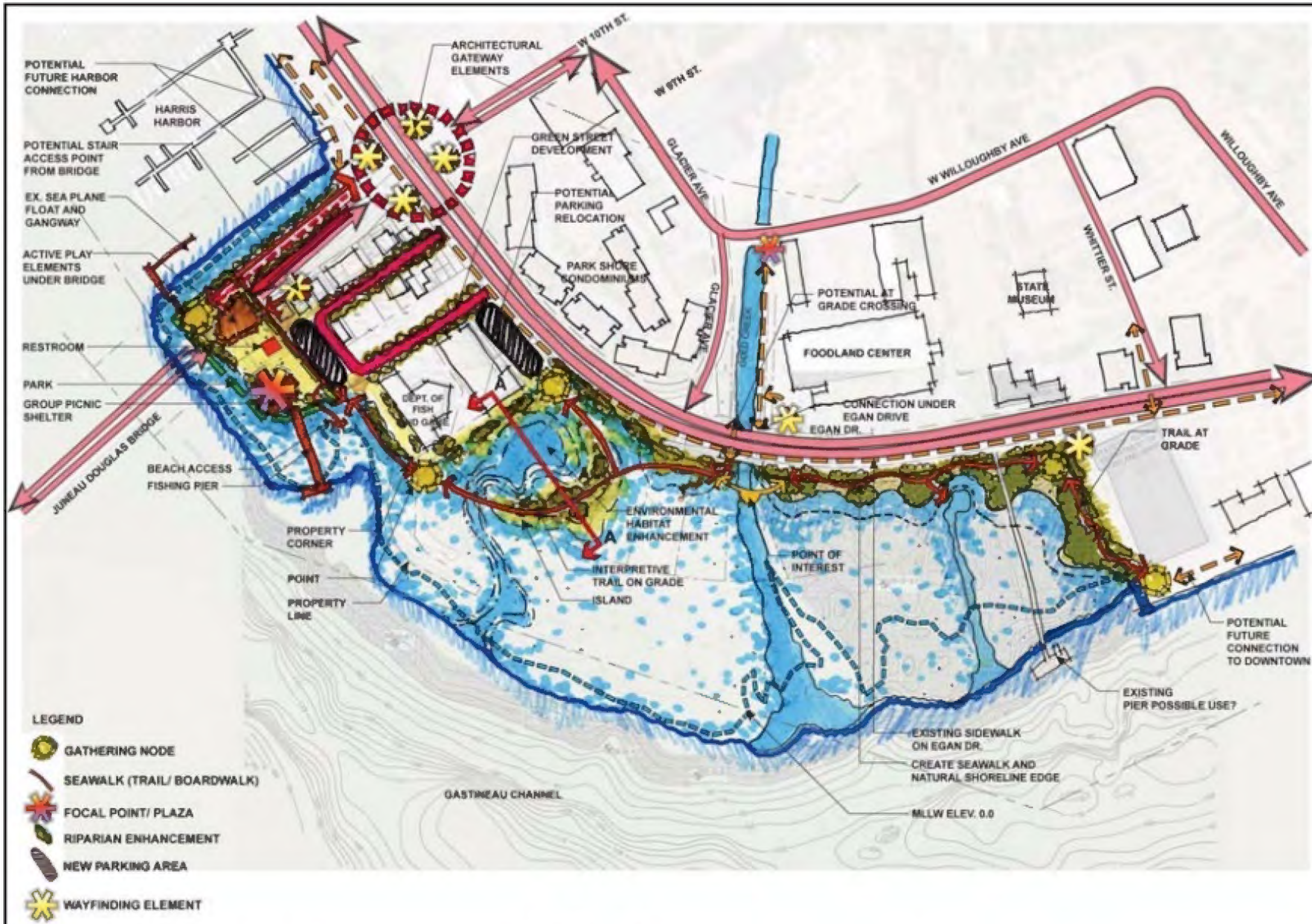
- Continue public and Assembly outreach to generate project interest
- Negotiate with stakeholders: Alaska Mental Health Trust, Avista, CBJ Docks and Harbors and CBJ Assembly
- Solicit Assembly support to integrate the Juneau Ocean Center site into the next phase of the waterfront sea walk plan (Mental Health Trust Land to Gold Creek)
- Form Non-profit corporation
- Work with CBJ Engineering to obtain necessary permits
- Begin national fundraising campaign
- Finalize building plan and initiate construction
- Complete programs and exhibits

The Juneau Ocean Center

A Community Attraction on the Downtown Waterfront

Subport Development Concept: we are not reinventing the wheel!





Scale: 1" = 100'

0' 100' 200'

PREFERRED CONCEPT

APRIL 28, 2011

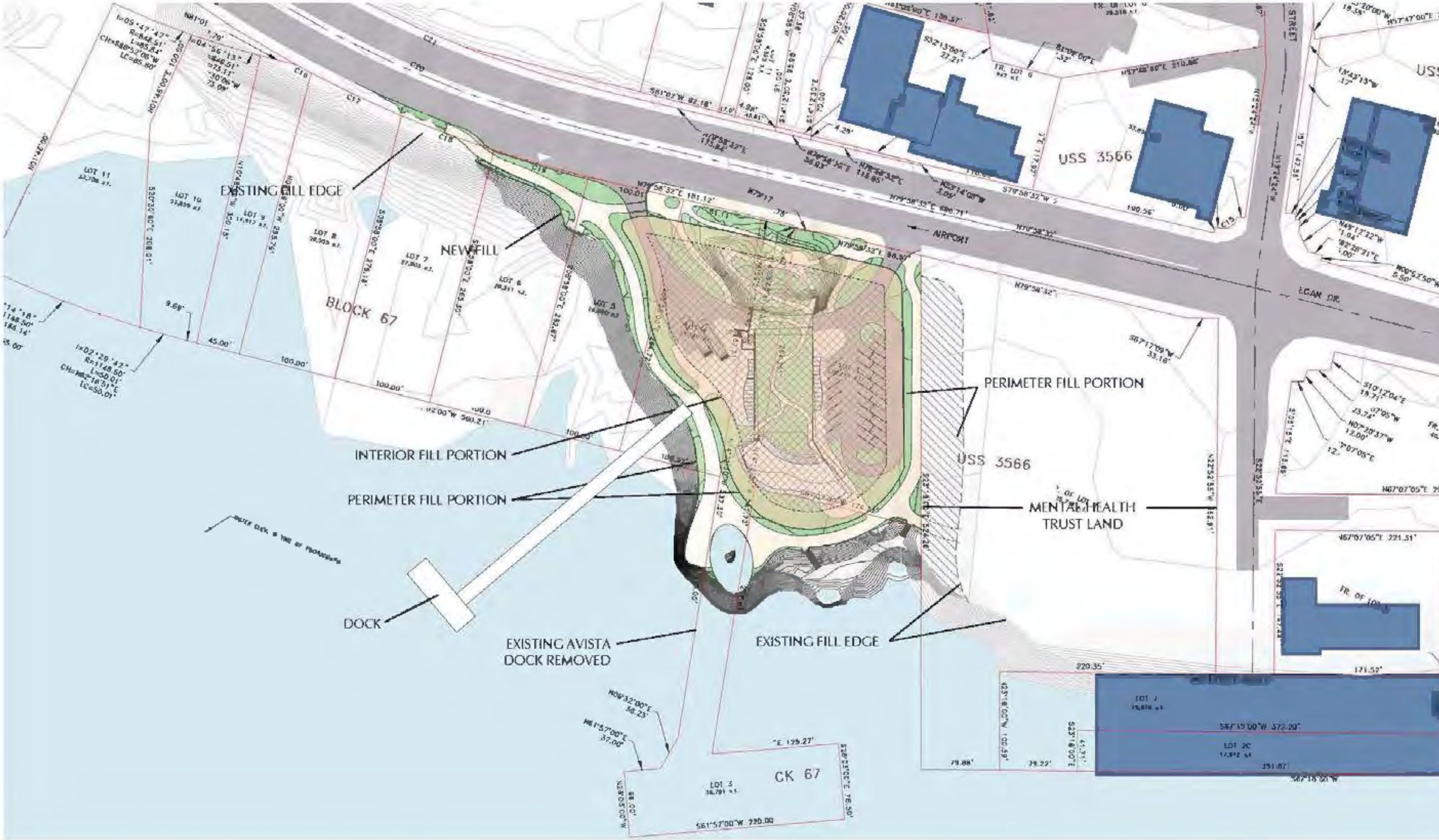
DOWNTOWN SEAWALK - BRIDGE TO GOLD CREEK

CITY/BOROUGH OF JUNEAU

CITY/BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

TETRA TECH

j.a. brennan



Oceans Interpretive Center - AUGUST 2015

Scale 1" = 60'   0   60'

MRV ARCHITECTS PC
1420 GLACIER AVENUE #101
JUNEAU, ALASKA 99801
907-586-1371
mrv@mrvarchitects.com

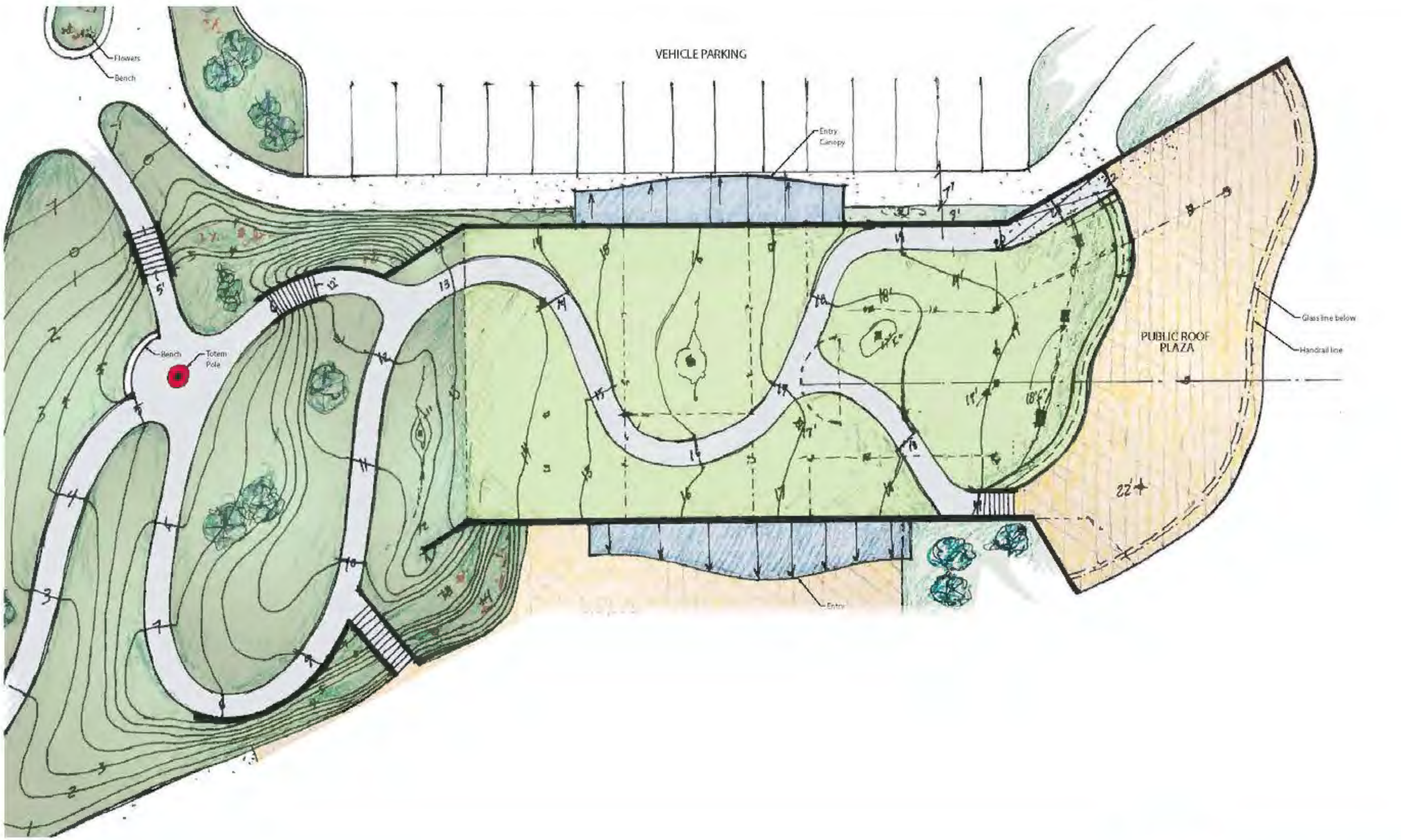
A WATER TAXI powered by ELECTRICITY will transport people from the cruise ship docks to the Juneau Ocean Center

Oceans Interpretive Center - AUGUST 2015

Scale: 1" = 30'   0   30'

MRV ARCHITECTS PC

1420 GLACIER AVENUE #101
JUNEAU, ALASKA 99801
907 586 1371
mrv@mrvarchitects.com



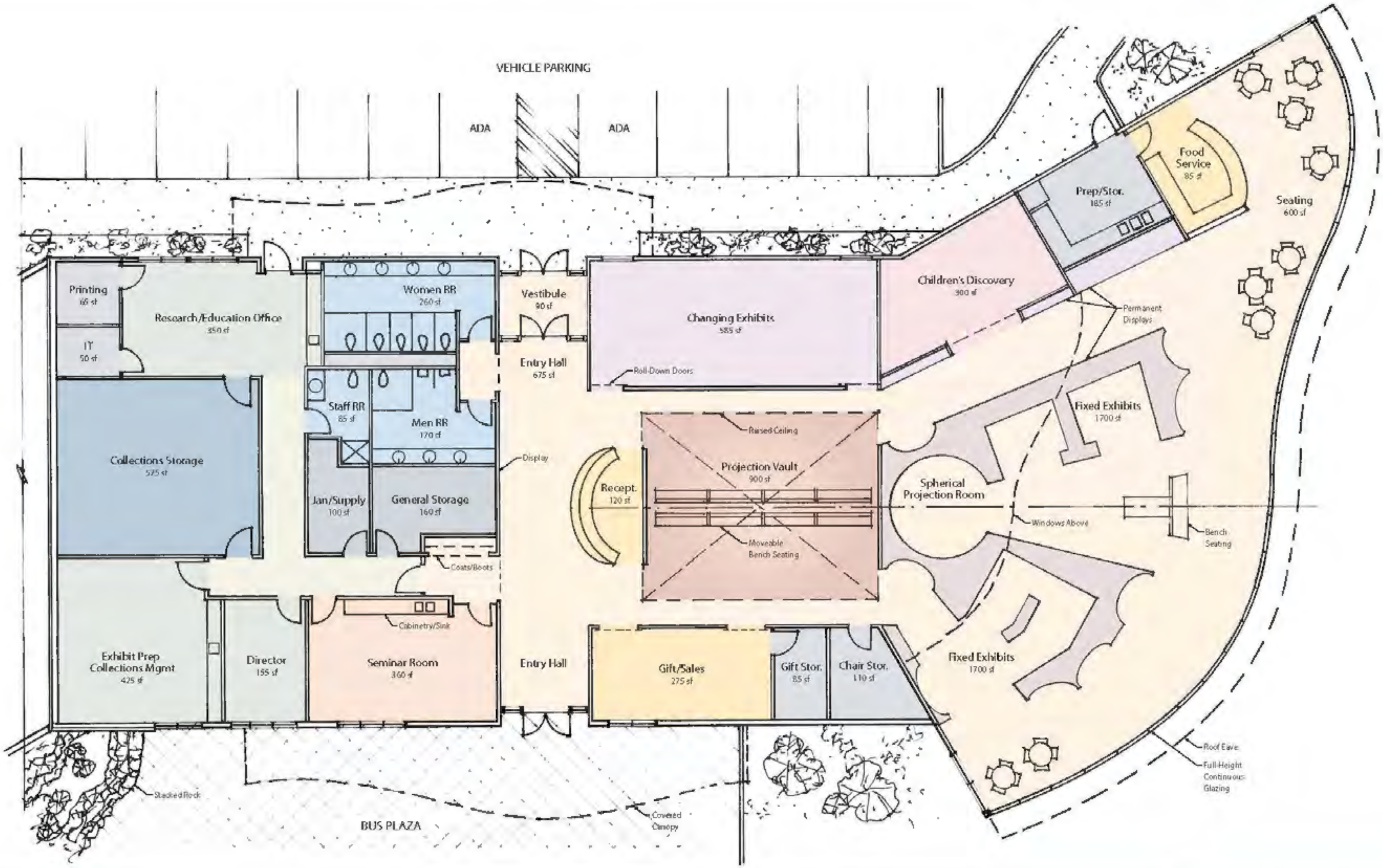
Oceans Interpretive Center - AUGUST 2015

N

BUILDING ROOF PLAN

0 25' 50'

MRV ARCHITECTS PC
1420 GLACIER AVENUE #101
JUNEAU, ALASKA 99801
907 586 1371
mrv@mrvarchitects.com



Oceans Interpretive Center - AUGUST 2015

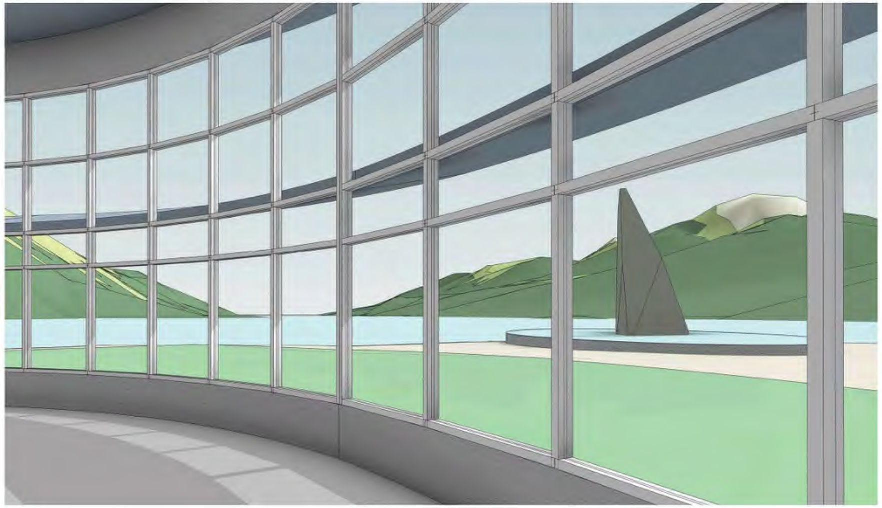
N

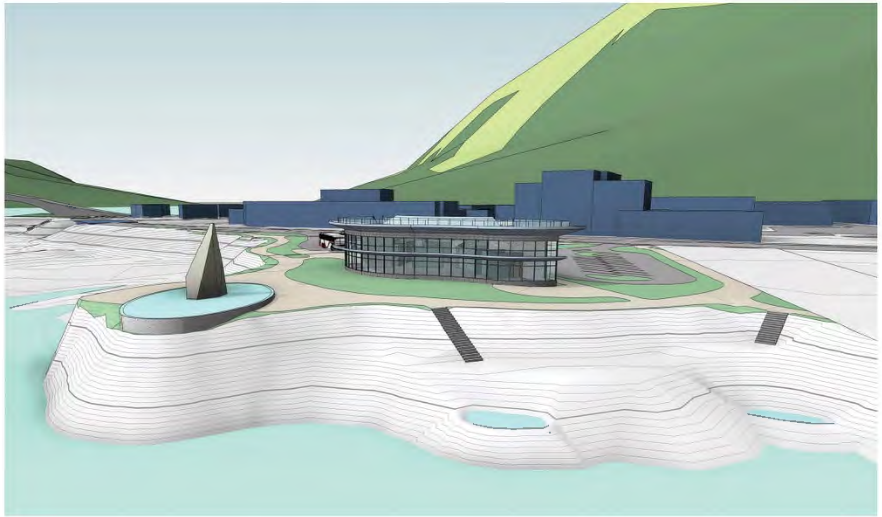
BUILDING FLOOR PLAN

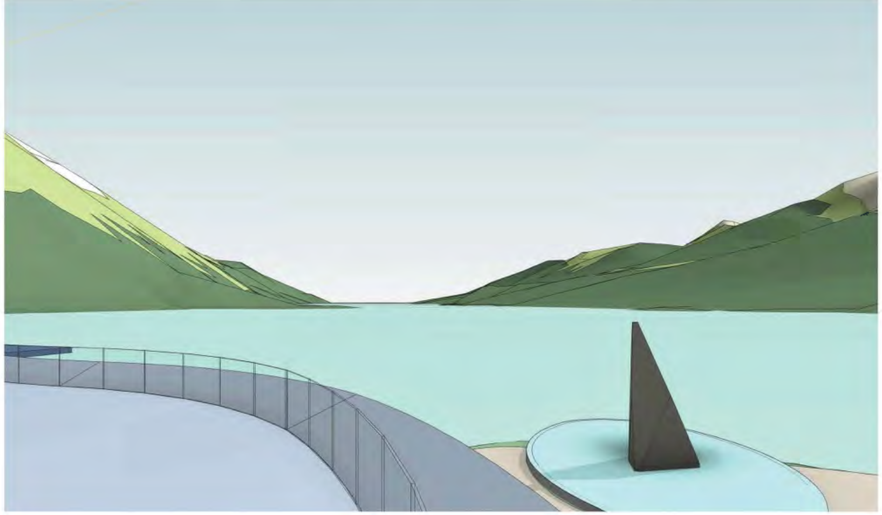
0 5' 10' 20'

MRV ARCHITECTS PC

1420 GLACIER AVENUE #101
JUNEAU, ALASKA 99801
907-586-1371
mrv@mrvarchitects.com







Oceans Interpretive Center - AUGUST 2015

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JUNEAU, ALASKA 99801
907-586-1371
mrv@mrvarchitects.com

The Juneau Ocean Center

The Juneau Ocean Center is

A world-class interpretive center on the Juneau waterfront

The Vision

Communities connecting with scientific research to create positive actions supporting healthy oceans

Photo by Flip Nicklin

IT'S ABOUT…

EDUCATION

CONNECTION

INVOLVEMENT

Exhibits

Interactive exhibits inspire, inform, educate, and elicit action.

The focus is on marine sciences and human interactions with the ocean.

EDUCATION

Workshops and Seminars
Classroom Programs

Guest Speakers

CITIZEN SCIENCE

CONNECTION

Local nonprofits
USFS Mendenhall Glacier Center
UAS
NOAA
Juneau School District

COMMUNITY

Concessions

Public gatherings and community events

More than a visitor attraction

EDUCATION

OPPORTUNITY

PURPOSE

Pathway to success

Continue outreach to the public and the CBJ Assembly to generate project awareness

Pathway to Success

Work with stakeholders

Avista

Fisherman's Memorial

Mental Health Trust

Electric Boat Operator

CBJ Assembly

CBJ Docks and Harbors

Whale Sculpture Committee

Pathway to Success

Solicit Assembly support to integrate the Juneau Ocean Center site into the next phase of the waterfront sea walk plan (Mental Health Trust Land to Gold Creek)

Pathway to Success

Work with CBJ Engineering and the Corp of Engineers to obtain permits for sea walk development from Alaska Mental Health property to Gold Creek, including water-related development fill permit for the OC site

Pathway to Success

Appropriate passenger fee funds for construction of sea walk
from Mental Health Land to Gold Creek

Pathway to Success

Begin Sea Walk construction from Mental Health land to Gold Creek

Pathway to Success

Form a non-profit entity
Finalize building plans
Finalize budget

Juneau Ocean Interpretation Center
Projected Construction Costs

Site and Improvement	$3,350,000
Building	6,400,000
Indirect Costs	3,150,000
	$12,900,000

Juneau Ocean Interpretation Center
Projected Annual Budget

Projected Revenue	
Admissions	$2,000,000
Concessions - net	100,000
	$2,100,000
Projected Expenses	
Payrolls	$800,000
Marketing	50,000
Maintenance	500,000
Programs	750,000
	$2,100,000

Pathway to Success

Begin national fundraising campaign

Pathway to Success

Complete program
and exhibit design

Pathway to Success

Begin Juneau Ocean Center construction

Synergy: The Juneau Ocean Center and the Whale Sculpture

The Juneau Ocean Center
a community attraction on the Juneau waterfront

THANK YOU

BOB JANES and LINDA NICKLIN

JUNEAU OCEAN CENTER

Community Development

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

DATE: October 20, 2015

TO: Assembly Committee of the Whole

FROM: Chrissy McNally, Planner
Community Development Department

SUBJECT: Applications for FFY 2015 Community Development Block Grant

INTRODUCTION

This memorandum contains the staff recommendation for application to the FFY 2015 Community Development Block Grant (CDBG) program.

Project ideas were solicited from the community for a grant from the federal Community Development Block Grant (CDBG) program administered in Alaska by the State Department of Community and Economic Development (DCED). Grant proposals must be sponsored by a local government and sent to DCED by December 4, 2015, where the proposals will be reviewed and compete against each other on a statewide basis. A local government has the choice of generating its own project ideas or soliciting ideas from the general public. The CBJ has a tradition of working with community organizations to develop proposals and has been successful in obtaining CDBG grants using this method in the past.

Process

CDD uses a standardized process for soliciting project ideas, review, selection and timelines. This process was developed by CDD staff and endorsed by the Human Resources Committee. The purpose is to create a level playing field for applicants, so that all applicants are submitting similar types and amounts of information about their proposal. This process helps CBJ staff and elected officials in evaluating the projects.

Display ads in the Juneau Empire advertised an informational meeting that was held August 13, 2015. Letters of invitation were also sent to social service agencies. This meeting explained the CDBG program, the CBJ process and established deadlines for project idea submittals as well as what to include in the preliminary submittal. This meeting was attended by representatives from five organizations attending. The deadline for proposals was 4:30 p.m. September 30, 2015; two were submitted for review.

A staff review committee made up of three CDD staff members met and reviewed the proposals. In the initial review committee meeting, staff discussed the proposals, reviewed the CDBG criteria and identified information needed to fully evaluate the proposals. Additional information was requested from one of the proposers while the second proposal was found to contain all necessary information to conduct a complete evaluation. Any concerns that were raised by the review committee were shared with proposers. October 7, 2015 was the deadline for the additional information requested. The staff review committee met a second time, considered the new information provided, and the CDBG criteria and decided which proposal to recommend that CBJ submit for CDBG grant funds.

BACKGROUND

Any Alaskan municipal government (except Anchorage) is eligible to apply for the Community Development Block Grants. In a typical year, applications are distributed to municipalities in late fall, and awards are made the following spring. Federal regulations require that at least 51 percent of the persons who benefit from a funded project must be low and moderate income persons as defined by the federal Department of Housing and Urban Development (HUD).

CBJ will be competing with the rest of the eligible communities in the state for this opportunity. As such, it is imperative we put together as strong a proposal as possible.

The Goals of the Program are to:

- Ensure that the CDBG funds will be used to principally benefit low and moderate income persons;
- Provide financial resources to address public facility problems which encourage community self-sufficiency, increase health and safety of local residents, and reduce the costs of essential community services, and;
- Provide capital to assist in the creation or retention of jobs that primarily benefit low and moderate income persons.

The following objectives guide distribution and use of funds:

- To support activities which provide a substantial or direct benefit to low and moderate income persons;
- To support activities which eliminate clear and imminent threats to public health and safety;
- To support local efforts toward solving public facility problems by constructing, upgrading, or reducing operational/maintenance costs of essential community facilities;
- To support activities which demonstrate the potential for long-term positive impact;

- To support activities which encourage local community efforts to combine and coordinate CDBG funds with other available private and public resources whenever possible, and;
- To support activities which will result in business development and job creation or retention which principally benefit low and moderate income persons.

Past successful projects that CBJ has funded through the CDBG program include the Community Crisis Respite Center created under the umbrella of Gastineau Human Services, and the Family oriented homeless shelter built by Saint Vincent De Paul. The most recent CDBG grant CBJ received was in 2011 for the AWARE shelter. However, this money was returned to the granting agency as AWARE discovered unanticipated site development challenges that exceeded their budget. AWARE ultimately constructed their project at a different location without CDBG funds. The CBJ was also awarded CDBG funds in 2007. This was a unique grant proposal as it grouped four separate projects together in one application formalized by a memorandum of understanding. This grant funded renovations and energy improvements to the AWARE shelter, the Glory Hole, Gastineau Human Services housing, and the St. Vincent De Paul shelter.

We are asking the Committee of the Whole to make a recommendation to the Assembly. Printed grant applications, with original signatures must be received in Fairbanks by 5:00p.m. December 4, 2015.

PROPOSALS

This year the Community Development Department received two proposals; maximum funding available from CDBG for FFY 2015 is $850,000.

Southeast Alaska Regional Health Consortium (SEARHC) Pediatric Dental Unit

The applicant proposes to use CDBG grant funds for construction of a Pediatric Dental Operating and Procedure Suite. This Suite is part of an overall expansion of SEARHC's Pediatric Dental Program. The Suite would provide dental care under sedation to children who are unable to have dental care in the regular outpatient dental clinic setting. The Suite would also be used to treat adults in certain situations. The proposed construction would add 4,550 square feet dedicated to the pediatric dental unit. There would also be 1,200 square feet of space dedicated to the dental surgical unit.

SEARHC's pediatric dental program is open to children 0-20 years of age. Beyond accepting Native patients, the program is designed for any child served by Medicaid and Denali Kid Care.

Rough budget numbers were provided. Total project cost $853,000. SEARHC requested $637,500 in CDBG with a twenty five percent match of $212,500.

Juneau Housing First Collaborative (JHFC)

The Juneau Housing First Collaborative (JHFC) proposes to use CDBG funds for construction of a community health clinic as well for the construction of the first floor within the Housing First facility. The Housing First project will be a mixed-use residential facility. The uses will include a first floor walk-in clinic, support offices, conference room, commercial kitchen, and dining area for the residents. The Housing First project will serve adults who experience barriers to housing stability. The proposed health clinic will house the existing Front Street Clinic and serve Housing First residents as well as the public.

Land for the project was donated by Tlingit Haida Regional Housing Authority with additional project funding from the City and Borough of Juneau, Alaska Housing Finance Corporation Special Needs Housing Grant, Alaska Mental Health Trust, and the Juneau Community Foundation.

The proposal requests $850,000 in grant funds with over $5 million secured in matching funds. Construction costs for the facility are estimated at $6,059,825. See attached proposal.

EVALUATION OF PROPOSALS

Will the proposal compete well at the state level?

Is it responsive to the rating criteria used by DCED? (See attachment A.) If CBJ puts in the effort to make a selection and prepare an application, we want to have a good chance of it succeeding. If a particular project is felt to be very desirable and worthy, but does not respond well to the CDBG goals, then some other means should be found to fund it.

Does the project meet local needs and concerns?

Projects which respond to officially expressed concerns should be given more consideration than those which do not.

How much matching contribution will be provided by the project sponsors?

A project that has a higher match percentage or which will attract or enable significant additional participation should score higher than one that generates little or no match.

How likely or reliable is the match?

Does the sponsor have the match on hand? How much assurance can the sponsor provide that the match will be materialized?

SEARHC

- The project is at the ready-to-go stage.
- The proposal is eligible under the CDBG plan as a Community Development Project.
- The proposal will benefit a majority of low to moderate income persons.
- The applicant is matching the requested grant funds by 25%, the target match preferred by CDBG.
- The applicant has made the program, the need, and the demand clear.
- Benefit to those of low/moderate income will have to be documented for the grant application.
- This project has the potential to have a broad positive impact for children from low to moderate income households. However, any dental clinic accepts Denali Kid Care.

Juneau Housing First Collaborative

- Project is at the ready-to-go stage.
- This project is eligible under the CDBG plan as a Community Development Project.
- The Project will serve CDBG-identified limited clientele.
- The applicant has secured $5,216,000 in matching funds and has submitted an application for a $1,000,000 Rasmuson Foundation award. The applicant is also pursuing another $850,000 Indian Community Development Block Grant.
- There is a broad positive impact for those in need of affordable medical care. The new facility will be able to serve twice the number of patients than the existing location is capable of.
- The project has broad public support as evidenced in the variety of funding sources and land donation.
- Chapter 13 of the 2013 Comprehensive Plan calls for the promotion of quality medical and social services in the CBJ and to support programs for high risk groups such as the homeless.

RECOMMENDATION

Based on the above review and for the reasons given below, staff is recommending that the Committee of the Whole recommend to the full Assembly that the City and Borough co-apply with the Juneau Housing First Collaborative for a FFY 2015 Community Development Block Grant:

- The JHFC proposal is at the ready to go stage.
- The JHFC proposal can be completed with the CDBG funds and the matching funds that are in hand or have been promised.
- The JHFC proposal is consistent with the State CDBG Plan.
- The JHFC has broad public support.

While these decisions are not easy, the City and Borough will have the best chance of competing for CDBG funding with the JHFC proposal, for the reasons outlined in this report.

ATTACHMENTS:

Attachment A, which contains:

1. List of Eligible Activities from the DCED.
2. Rating Criteria in detail (from 2015 CDBG Grant Application Handbook).

Attachment B – Southeast Alaska Regional Health Consortium Proposal

Attachment C – Juneau Housing First Collaborative Proposal

F. ELIGIBLE PROJECT CATEGORIES & ACTIVITIES

The State of Alaska CDBG Program may be used to fund projects in three categories: **Community Development, Planning, and Special Economic Development.** The following summary, identifying the common types of eligible activities in each category, is for general reference only. A complete list of eligible and ineligible activities can be found in Title I of the Housing and Community Development Act of 1974, as amended.

Each applicant is expected to consult with CDBG Program staff about project eligibility and structure prior to submission of an application. It is important that applications be submitted under the appropriate category.

Community Development

Under Section105(a)(2),(4),(5),(14)&(15), CDBG grant funds may be used for:

Public Facilities

- ✓ Health Clinics
- ✓ Daycare Centers
- ✓ Homeless Shelters
- ✓ Water & Sewer Systems
- ✓ Solid Waste Disposal Facilities
- ✓ Flood & Drainage Facilities
- ✓ Docks & Harbors
- ✓ Acquisition
- ✓ Construction
- ✓ Reconstruction
- ✓ Installation
- ✓ Improvements
- ✓ Electrical Distribution Lines
- ✓ Fuel & Gas Distribution Systems

Transportation Improvements

- ✓ Local Service Roads
- ✓ Boardwalks
- ✓ Barge Facilities
- ✓ Airports

Access to Public Facilities & Structures

- ✓ Removal of architectural barriers in conjunction with current renovations
- ✓ Improve access for handicapped & elderly persons

Real Property

- ✓ Acquisition
- ✓ Building Removal
- ✓ Improvements
- ✓ Clearance
- ✓ Demolition

Fire Protection Facilities & Equipment

- ✓ Acquisition
- ✓ Design
- ✓ Construction
- ✓ Rehabilitation
- ✓ Purchase

***Note:** Community Development activities do not include the purchase of any personal property or any equipment unless it is attached to a facility or building and considered an "integral structural feature." Fire protection equipment is the only exception.*

Planning

Under Section 105(a)(12), CDBG grant funds may be used for:

- ✓ Data Collection
- ✓ Analysis
- ✓ Plan Preparation
- ✓ Marketing Studies
- ✓ Feasibility Studies
- ✓ Community Economic Development Plans
- ✓ Community Land Use Plans
- ✓ Capital Improvement Plans
- ✓ Plan Updates

***Note:** Planning activities do not include engineering, architectural, and design costs related to a specific project activity. These activities may be eligible under the Community Development category.*

Special Economic Development

"Special Economic Development," as used in the CDBG Program, must meet the criteria below. See "Unique Requirements of Special Economic Development Projects" on page 9 for more information about the specific requirements for projects under this funding category.

Under Section 105(a)(14) CDBG grant funds may be used for:

- ✓ Commercial or Industrial Improvements
- ✓ Carried out by Grantee or Non-Profit Recipient
- ✓ Involving Commercial or Industrial Buildings, Structures, and Other Real Property Equipment & Improvements

Includes:

- ✓ Acquisition
- ✓ Construction
- ✓ Reconstruction
- ✓ Rehabilitation
- ✓ Installation

Under Section 105(a)(17), CDBG funds may be used for:

- ✓ Assistance (through eligible applicant) to an identified private, for-profit entity or entities

The project must:

- ✓ Create and maintain jobs for low or moderate income persons
- ✓ Assist businesses that provide goods or services needed by and affordable to low and moderate income residents

Special Economic Development Projects must fit under one of those two categories.

If your project is not for the purpose of acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, OR it is not for the purpose of providing assistance to an identified private for-profit entity **IT IS NOT** appropriate to submit it under the Special Economic Development category.

***Note:** The examples provided under each of the three funding categories are for general information only and are not intended to be all-inclusive. Each community is encouraged to consult with CDBG Program staff about project eligibility and structure.*

V.

Rating Criteria

As described previously under the Grant Selection process, applications will be reviewed at two stages: threshold review and project rating and selection. During the threshold review process, staff will screen all applications for eligibility without awarding points. An application must meet all of the threshold review requirements in order to qualify for the second stage of the selection process. The project rating and selection process, stage two, will be conducted by the ASC using the criteria described below.

Applications will be evaluated and assigned points by the ASC based on the following criteria:

CRITERION #1 / Maximum Points Available 15

Project Description & Selection / Citizen Participation Plan

- ✓ Did the applicant describe the existing conditions, the nature of the proposed project, and what needs the project will address in the community? Although not required, did the applicant submit photos that show existing conditions?
- ✓ Did the applicant describe how the community decided on this project and why?
- ✓ Is there evidence of an active citizen participation plan which encourages citizen participation, provides reasonable access to public meetings, and provides technical assistance to low and moderate income citizens in developing proposals?
- ✓ Did the applicant describe the public participation process and explain how low and moderate income residents had the opportunity to comment?
- ✓ Does the applicant demonstrate there is a community consensus about this project?
- ✓ Did the applicant attach minutes of at least one public hearing, held within six months of the submission of this application, which verifies community consensus? Do the public meeting minutes demonstrate that citizens were asked to prioritize potential CDBG requests and that the majority selected this project?
- ✓ Did the applicant submit verification of public notification of the meeting? Were sign-in sheets attached?
- ✓ Does the applicant appear to have adopted a community development plan which identifies the proposed project as a community priority?

CRITERION #2 / Maximum Points Available 25

Project Plan / Readiness

- ✓ Did the applicant provide a clear and reasonable plan for implementing the proposed project?
- ✓ Did the applicant identify specific time lines, goals, objectives, and expected outcomes? Do these appear to be reasonable and achievable?
- ✓ Has the applicant identified and addressed permitting requirements, site control, State Fire Marshal approvals if appropriate, Energy Standards if appropriate, and Cooperative/Joint Agreements if appropriate?
- ✓ Has the applicant identified other agencies which will be or should be involved with this project?
- ✓ Is the applicant ready to proceed with the proposed project upon notification of award?
- ✓ Has the applicant obtained market assurances if appropriate? (Only for Special Economic Development Projects)
- ✓ In this section, does the applicant describe in detail that substantial efforts have been made to identify and seek other resources besides CDBG to support this project?
- ✓ Did the applicant receive CDBG funding within the past two years for project design, engineering, feasibility, and/or planning?

CRITERION #3 / Maximum Points Available 25

Project Impact

- ✓ Does the applicant provide evidence that the proposed activities will provide a substantial or direct benefit to low and moderate income persons?
- ✓ Does the applicant demonstrate that the proposed activities have the potential for long-term positive impact?
- ✓ Does the proposed project support activities that eliminate clear and imminent threats to public health and safety?
- ✓ Does the proposed project support local efforts toward solving public facility problems by constructing, upgrading, or reducing operational/maintenance costs of essential community facilities?
- ✓ Does the applicant document the specific health and safety needs that will be addressed by this proposed project? Does the applicant identify and document how long these health and safety needs have existed and the extent of the need?
- ✓ Does the applicant demonstrate that the proposed project is economically feasible and will have long-term viability?
- ✓ Does the proposed project provide development or encourage development in underdeveloped rural areas?
- ✓ Does the proposed project promote self-sufficiency and diversification in local economies?
- ✓ Does the proposed project make use of local resources and/or improve existing production/delivery capacity?

CRITERION #4 / Maximum Points Available 25

Budget / Match / In-Kind

- ✓ Is the overall Project Budget reasonable?
- ✓ Has the applicant clearly identified and submitted its proposed budget according to the four budget components (CDBG Request, Cash Match, In-Kind Contributions, and Total Project Cost)? Has the applicant included a Budget Narrative?
- ✓ Has the applicant identified whether the proposed project will be Force Accounted or Contracted Out, if appropriate?
- ✓ Has the applicant secured other funds which are needed to complete this project? Is documentation included?
- ✓ Are matching funds at least 25% of the total project cost and has the applicant documented that this match is committed to the project? Has the applicant identified the source and type of this match?
- ✓ Has the applicant identified and documented all In-Kind Contributions, including their source and type? Is the amount of the In-Kind Contribution what could be reasonably expected of the community, given its financial position? Does the amount of In-Kind Contribution indicate that the community is committed to making this project happen and willing to contribute significantly to its support? Are the computations for In-Kind Contributions reasonable and supported with documentation?
- ✓ Has the applicant completed the Labor and Fringe Benefits computation chart contained in the Application Packet? Are the proposed wage rates appropriate and reasonable? Are the Fringe Benefits appropriate and reasonable?
- ✓ Has the applicant identified costs and attached price quotes or cost estimates for materials, freight, equipment rental, equipment purchase, contractual, insurance, administration, and other line items for which CDBG funds are requested? Are the costs reasonable and appropriate?
- ✓ Is no more than 5% in administrative costs requested from the CDBG funds?
- ✓ Does it appear that the applicant can complete this project and provide a benefit to the residents of the area with the funds currently available?

CRITERION #5 / Maximum Points Available 10

Administrative Capabilities

- ✓ Does the Application Packet and information provided therein support that the applicant has the administrative capability to properly manage CDBG funds and comply with all federal and state requirements?
- ✓ Has the applicant identified who will have the day-to-day management responsibility and oversight for this project?
- ✓ Does the applicant have the cash resources to administer a cost reimbursable grant or have they identified an alternative course of action which will allow this project to proceed?
- ✓ Has the applicant successfully administered other federal or state grants which have had similar requirements to the CDBG program? Has the applicant documented that it was successful with those grants?
- ✓ Did the applicant attach a copy of last year's audit or Certified Financial Statement with the Application Packet if appropriate? Does the audit identify findings? Have those findings been satisfactorily resolved? Did the applicant include management letters and any other reports received with its audit?
- ✓ Has the applicant noted any tax liens or judgments and addressed them?
- ✓ Has the applicant clearly described what Administration costs will be charged to this grant?
- ✓ Did the applicant use the application form provided, adding pages if needed? Was the minimum font size used in the application (at least size 12) and was it easy to read? Was supplemental information (designs, comprehensive plans, etc.) inserted in appendices attached to the back of the application?

Total Maximum Score for all Five Criteria

Project Description & Selection/Citizen Participation Plan	**15**
Project Plan/Readiness	**25**
Project Impact	**25**
Budget/Match/In-Kind	**25**
Administrative Capabilities	**10**
Total Maximum Score	**100 Points**

Appendix Packet Contents

The yellow Appendix Packet includes Appendices A through I, as well as instructions for completing each appendix. Please complete the required* appendices and make sure they are attached to your application. Each application must include the appendices to be considered for funding with the *original signature of the applicant's highest elected official or other authorized representative*.

**** Required to be submitted with all applications***
† *Required to be submitted with some applications, if applicable*
§ *For reference only; do not submit this appendix with your application*

APPENDIX A:	* Authority to Participate
APPENDIX B1:	* Determining Benefit to Low and Moderate Income Persons
APPENDIX B2:	† Job Creation/Retention Forms
APPENDIX B3:	§ Low and Moderate Income Tables Part 1: Listing of LMI % by Community Part 2: Listing of LMI Income Limits by Census District
APPENDIX C:	* Statement of Assurances and Certifications
APPENDIX D:	§ Environmental Review Information
APPENDIX E:	† Joint Application Agreement
APPENDIX F:	† Cooperative Application Agreement
APPENDIX G:	§ Potential Project Permit Requirements
APPENDIX H:	* Applicant/Recipient Disclosure/Update Report
APPENDIX I:	* ADA Certification

SEARHC
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM

Executive Offices
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907.463.4000 - www.searhc.org

October 7, 2015

Chrissy McNally, Planner II
Community Development Department
City and Borough of Juneau

RE: Community Development Block Grant

The SouthEast Alaska Regional Health Consortium (SEARHC) submits this proposal for a Pediatric Dental Operating and Procedure Suite to the City and Borough of Juneau, Community Development Department, Community Development Block Grant solicitation.

Project Description

SEARHC is underway with the expansion of their Pediatric Dental Program on the Juneau campus. This expansion will create an entire floor dedicated to children's dental including 3 Pediatric Dental Specialists, 6 dental stations including 2 for orthodontists, and capacity for additional services provided by Dental Health Aides and Hygienists. Expansion will enable SEARHC to schedule nearly double the number of pediatric visits annually while drastically reducing the wait time for new appointments which is between 5-6 weeks. The Pediatric Dental Program has seen a dramatic growth over the last 5 years with increased complexity of care and increased demand. The Juneau Pediatric Dental Clinic saw 2,903 children in FY13, an increase of over 140% since FY07 when SEARHC added 1 full-time Pediatric Dentist to the staff.

As a separate project, SEARHC is transforming their pediatric dental operatory on the Juneau campus into a Pediatric Dental Operating and Procedure Suite. This Suite will be used to provide comprehensive dental care under sedation for children who are unable to have dental care in the regular outpatient dental clinic setting. These children often have extensive dental needs coupled by anxiety. Currently, many of these children are taken to the hospital operating room, which has limited availability for pediatric dental cases and is not specifically designed for dental cases.

This Suite will also be used for treatment of developmentally delayed adults under sedation. These patients also often have extensive dental needs. Dental care for these patients is currently very limited, not only in Southeast Alaska, but nationally. Additionally, the Suite will also be used for treatment of adults who are unable to have dental work done in an outpatient setting, due to a debilitating fear of going to the dentist. Currently, there are limited options for these patients in Southeast Alaska. SEARHC also plans to use this Suite for certain dental surgeries, such as wisdom tooth extractions, for cases where patients would be much more comfortable having sedation. This service is very limited within SEARHC's current system because of costs and availability.

The Pediatric Dental Operating and Procedure Program will include an anesthesia machine for sedation, monitoring devices, resuscitation equipment, X-ray, a sterilization room, laboratory, dental chairs and tables, a recovery room, patient and parent waiting and consultation rooms, access to the regular Pediatric Dental Clinic, and a separate exit for patient comfort and safety.

Patient Demographics

This program expansion will help SEARHC to better serve the dental needs of children in Juneau and Southeast Alaska, and to improve oral health by reducing oral disease disparities among Alaskan Native children and rural Alaskan children. The program is open to children ages 0-20 years old. The SEARHC Pediatric Dental Program was designed for children on Medicaid and Denali Kid Care (Alaska Children's Medicaid). The program has open access to all children on DKC or Medicaid and has since its inception 10 years ago. At SEARHC, Pediatric dental patients are split evenly, Native and non-Native, with approximately 95% eligible and enrolled in DKC. Over the past several years, the children needing extensive dental operatory work (about 50 per year) are all (100%) on Medicaid or Denali Kid Care. The Pediatric Dental Operating and Procedure Suite will serve a very small number of special needs adults, most, if not all, are covered by Medicaid and grossly under served.

Current guidelines for Denali Kid Care require the family to be under 200% of the Federal poverty guideline for Alaska with no insurance, or at 177% of the Federal poverty guideline for Alaska with insurance. The result is that SEARHC receives payment for nearly 100% of the pediatric patients that receive services, which covers the operations and facility costs, making the program self-sustaining.

Estimated Project Budget

The total estimated project budget is presented at $853,000. SEARHC is requesting $637,500 (75% of the allowed maximum of $850,000) in Community Development Block Grant funds and will provide the required 25% match ($212,500).

Construction (*estimated*)	$630,000
Construction Contingency	$60,000
Medical Equipment/Cabinetry	$65,000
Design Fee	$55,000
Dental Architect	$5,000
Construction Administration	$32,000
Construction Inspection	$1,800
Permit	$1,200
Total	**$853,000**

Matching Funds

Existing grant funds already received include: $400,000 Rasmuson Foundation; $193,000 State of Alaska CAPSIS; $250,000 Murdock Charitable Trust; $200,000 Sonosky, Chambers, Sachse, Endreson & Perry. SEARHC has already committed $1,020,000 to the overall project. The CDBG requires a minimum of match with the ideal match at 25%, or $212,500. SEARHC already has this match in hand.

The SEARHC Pediatric Dental Program expansion was listed as one of the highest priorities of the Consortium. The genesis of the Pediatric Dental Program was based on the overwhelming need for dental care for the population of low and moderate income children and the lack of availability of treatment options, such as child operatories and treating special needs adults, in Southeast Alaska. SEARHC has agreed to fund more than $1,000,000 of the project costs. The expansion plan is endorsed by the SEARHC Board of Directors.

Project Readiness

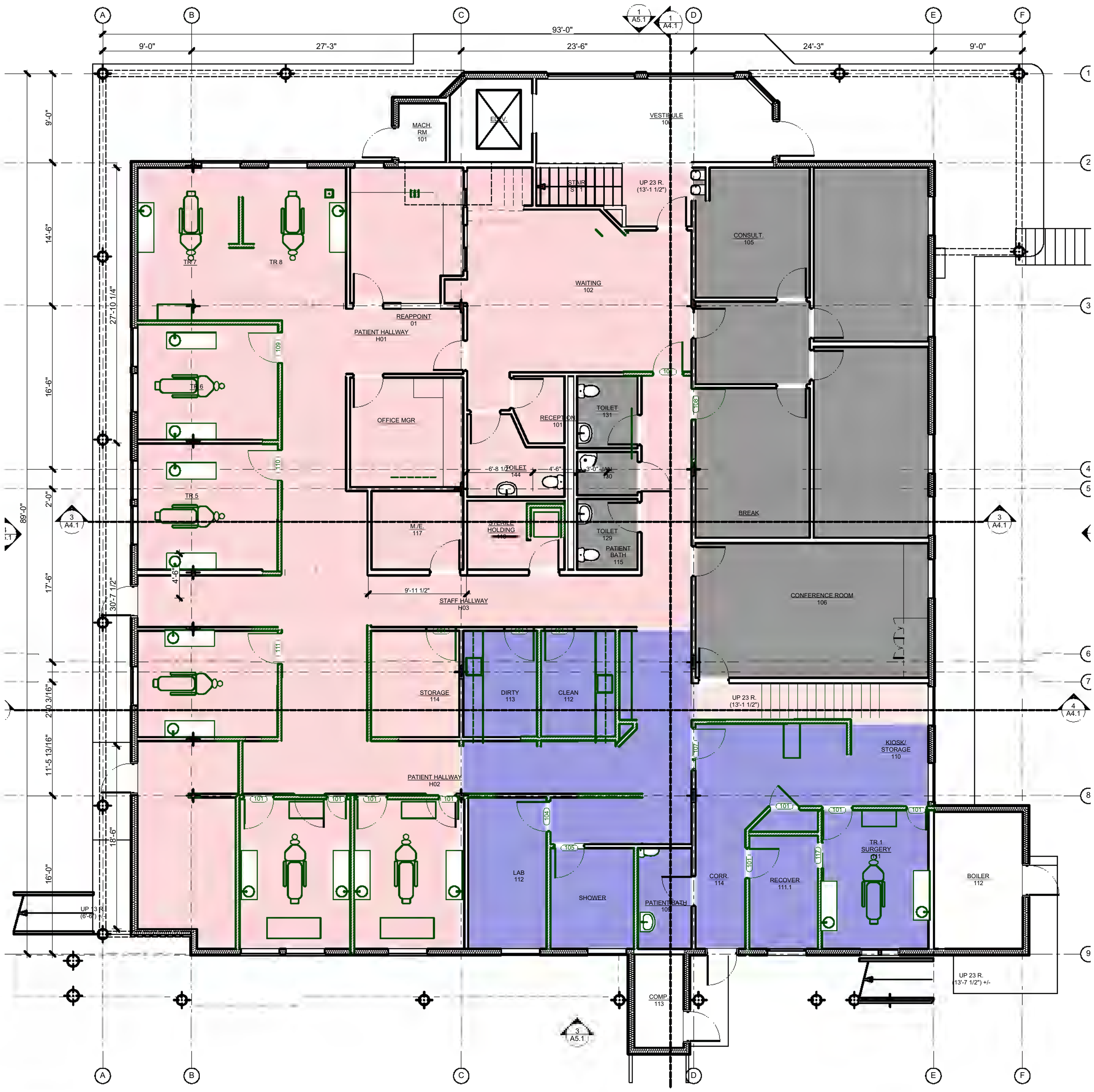
As far as project readiness, SEARHC is already in the process of expanding the Pediatric Dental Program and is ready to continue with the development and expansion of the Pediatric Dental Operating and Procedure Suite. The SEARHC Pediatric Dental Clinic is currently under a $2.5 million renovation.

The architectural design for the Pediatric Dental Operating and Procedure Suite is attached to this proposal. The project timeline is as follows:

- February 2016 – Award date
- April 15, 2016 – Complete design
- April 23, 2016 – May 15, 2016 – Bid period
- May 22, 2016 – Award construction contract and issue notice to proceed
- July 22, 2016 – Order equipment
- October 31, 2016 – Substantial completion

After the completion of the Pediatric Dental Operating and Procedure Suite, SEARHC will manage the space and pay for the maintenance in the same way all SEARHC-owned facilities are. It will be part of the operational expense budget. Any revenues generated will be part of the operational revenues.

The SouthEast Alaska Regional Health Consortium appreciates your thorough consideration of this important children's health project proposal for the Community Development Block Grant solicitation. This project will greatly enhance the health and well-being of the children of Southeast Alaska. Please contact Romee McAdams at (907) 463-6685 or romeem@searhc.org if you have further questions regarding this proposal.



1

FIRST FLOOR

SCALE: 1/16" = 1'-0"

PEDIATRIC DENTAL UNIT - RECEPTION, WAITING, 7 OPERATORIES, INSTRUMENT HOLD W/ DUMBWAITER, STAIR, NEW VENTILATION - 4550 sf

USE AS IS - RESTROOMS, CONFERENCE, OFFICES 1350 SF

DENTAL SURGICAL UNIT - OPERATORY, RECOVERY, CLEAN/DIRTY PROCESSING. GAS STORAGE, LAB, RESTROOMS - 1,200 sf

PEDIATRIC CLINIC AND SURGICAL UNIT

SEARHC Juneau Dental Clinic

10/6/2015

A2

JUNEAU HOUSING FIRST COLLABORATIVE EXECUTIVE SUMMARY

PROJECT NARRATIVE

The Juneau Housing First Collaborative will serve adults who have barriers to housing stability, including those evicted from or refused by other self-supporting housing programs due to challenging behaviors that are a result of their disability. The project targets homeless individuals, including Alaska Mental Health Trust Authority beneficiaries and a broad group of Alaskans with mental illness, developmental disabilities, chronic alcoholism and other substance-related disorders, Alzheimer’s disease and related dementia, and traumatic brain injuries. The project also encompasses a community health center, Front Street Community Health Center. The Center will serve anyone in need of medical care in Juneau, regardless of their ability to pay.

The Juneau Housing First Collaborative will follow the best practices of the US Interagency Council on the Homeless (USICH) and the Substance Abuse and Mental Health Administration (SAMHSA). In identifying and housing Juneau's most vulnerable residents, the Collaborative will combine permanent supportive housing with Housing First principles.

Housing First principles include: 1) Moving people directly from the streets and shelters into housing without requiring behavior compliance or preconditions of treatment; 2) Bringing to the housing robust support services predicated on assertive engagement, not coercion; 3) Providing continued tenancy that does not require participation in services; 4) Focusing on the most disabled and vulnerable homeless members of the community; 5) Embracing a harm-reduction approach to addictions as opposed to mandating abstinence, and encouraging and supporting in residents a commitment to recovery; and 6) Providing lawful resident protections with signed lease agreements.

For this 32-unit, permanent supportive housing project, the Juneau Housing First Collaborative will focus on a priority population of vulnerable persons consisting of those served by crisis services, including emergency medical care, sobering and detoxification services, and correctional facilities.

In 2012, the Juneau Coalition on Housing and Homelessness conducted the Juneau Vulnerability Index Survey as part of the 100,000 Homes Campaign – a national movement seeking to identify chronically and medically vulnerable and homeless individuals and to find them permanent homes. Fifty-five persons were surveyed on the streets of Juneau at that time, and forty met the vulnerability criteria – meaning they were highly likely to die on the streets. These individuals were extremely vulnerable, with the following characteristics: 62% had been violently attacked since becoming homeless; 85% were chronically homeless – living without shelter for more than one year; 9.5 years was the average length of time spent homeless; and 84% had been in jail, with 33% having been in jail ten times or more.

Fulfilling the 100,000 Homes Campaign's second goal of finding permanent housing for these individuals could not be met. Juneau has a tight housing market and lacks any permanent supportive housing without sobriety requirements. Work began soon thereafter to develop a project that would meet the goal of providing permanent supportive housing.

Since the 2012 Vulnerability Index Survey, the Juneau Housing First Collaborative and other community stakeholders have extensively researched the Housing First permanent supportive housing option and come to the conclusion that developing such a unit would fill a glaring gap in the housing continuum. Even the City and Borough of Juneau (CBJ) Assembly has made development of Housing First permanent supportive housing a priority. Visits to other such projects have been made, including the New San Marco Apartments in Duluth, Minnesota, the Anishinabe Wakiagun project in Minneapolis, Karluk Manor in Anchorage, and the Downtown Emergency Services Center in Seattle. Consultation and frequent communication with operators, developers, and architects associated with those projects have greatly assisted the permanent supportive housing development plan in Juneau.

The Housing First project will be a mixed-use residential facility. The uses will include a first floor with controlled resident entry, support offices, conference room, commercial kitchen, and dining area for the residents. The project contains an outdoor garden area for therapeutic activities. In addition, a semi-independent walk-in clinic of 2,200 sq.ft. will be located on the first floor, with an entrance from the parking area, and with an interior connection to the resident space. The upper levels provide all the resident housing, totaling 32 single-room occupant (SRO) tenant rooms, with sixteen units per floor on levels two and three. 16 of the 32 units will be fully ADA accessible, including audio and visual enhancements. All units will meet full ADA access requirements, with bathroom clearances and grab bars. Four units will include roll-in showers. All units will be equipped with a stove, a bed, and a living area. The building design will feature sound and impact resistant materials to facilitate pleasant habitation. All of the units will be connected to a central reception area via an intercom.

Juneau Housing First Collaborative seeks Community Development Block grant funds specifically for the construction of the community health center portion of the facility as well as for the construction of the first floor, where the provision of supportive services aimed at reducing recidivism, incarceration, and emergency service utilization among the residents will take place.

Front Street Community Health Center target population information

According to the US HUD/AHFC 2012 data, over 96 percent of the homeless population are below 200% of the Alaska-adjusted poverty level.

According to 2012 data compiled by FamiliesUSA based on census data, over 57 percent of Alaskans less than 65 years of age and at or below 200% of the Alaska-adjusted poverty level are currently uninsured. The vulnerable homeless population in Juneau fits that description.

Only 12 percent of the target population reports being employed according to the US HUD/AHFC 2012 survey. Sixty percent of those surveyed reported Social Security (SSI, SSDI, SSA) as a primary source of income, and 41 percent reported Alaska Adult Public Assistance programs serving the destitute aged, blind and disabled to be their primary financial source.[1]

Health disparities for the service area population include a rate higher than the national rate for cardiovascular disease based on the stroke death rate (80/100,000 for the service area, compared with 78.2/100,000 for the nation).

According to the US HUD/AHFC 2012 survey, fully 41 percent of the population self-report at least one health issue and 21 percent have a physical disability.

Conditions that require regular, uninterrupted treatment such as TB, HIV/AIDS, diabetes, hypertension, addictive disorders, and mental disorders are extremely difficult to treat or control among those without adequate housing.

Many people experiencing homelessness have multiple health problems. For example, frostbite, leg ulcers, and upper respiratory infections are frequent, and are often a direct result of homelessness.

Homelessness often restricts or precludes good nutrition, appropriate personal hygiene, and basic first aid, adding to the complex health needs of homeless people. In addition, some homeless people with mental disorders may use drugs or alcohol to self-medicate, and those with addictive disorders are also often at elevated risk of HIV and other communicable diseases.

[1] http://www.jedc.org/sites/default/files/PHC_2012finalreport.pdf

As a state, Alaska has the second highest per capita alcohol consumption in the US. Tax data indicates that more alcohol is sold per capita in Southeast Alaska than in any other region in the State. Over 10 percent of the Alaska population is alcohol dependent. Seventeen percent of the target population suffers from chronic substance abuse.

According to the Juneau Homeless Coalition *Point In Time Count 2012*, 16 percent of the target population of Juneau's homeless is severely mentally ill. Four percent are homeless due to being victims of domestic violence. For most of Juneau's homeless, English is their first language and none of them report being gay or lesbian.

However one percent of those surveyed by Project Homeless Connect (PHC) in 2012 and entered in the Alaska Homeless Management Information System (AKHIMIS) reported "other/none" to the question of gender.

High rates of unemployment in the remote communities of Southeast Alaska often lead people to move to Juneau with the hope of finding employment and avoiding desolation and loneliness. In addition, Juneau attracts people from the lower 48 states who are seeking employment and imagine there are economic opportunities in Juneau, especially those who find the purchase of a one-way ferry ticket to Juneau from Washington State to be affordable. Thus transient indigent people from Alaska's rural communities and from the lower 48 arrive in Juneau without resources, looking for work.

Once in Juneau, they find high living expenses, lack of affordable housing, lack of jobs that provide health insurance and frequently lack of any jobs for which they qualify. Many of these people gravitate to the Glory Hole, Juneau's homeless shelter, without either the financial means or resolve to get back home. Many are traumatized by their failed hopes and dreams. Many have complex health care needs, and even those who have simple medical needs require access to primary medical care and mental health services.

As discussed above, there are very few medical providers willing and able to serve those patients who cannot pay and are not eligible for third party medical services reimbursement. The homeless, uninsured patients then seek care from the Front Street Clinic and the Bartlett Regional Hospital Emergency Room.

Subsidized housing for low-income people is limited and there is often a waiting list for such housing. The population of those experiencing homelessness in Juneau has remained relatively stable.

There is limited public housing available in the service area for low-income people. This application is not seeking funds to serve this population; however if any low-income persons present at the Front Street Community Health Center they will be served on a sliding fee schedule, and will receive assistance to assure they are enrolled in any medical insurance programs for which they are eligible. We recognize that for residents of public housing, lack of access to basic health care can result in complications, loss of life, poverty, and crime.

Poor health and inadequate access to health care can precipitate homelessness. Unresolved health issues, often prevent people from being able to find jobs and housing, precipitating hopelessness, despair, and contributing to co-occurring mental health and substance abuse disorders. For people struggling to pay the rent, a serious illness or disability can start a downward spiral into homelessness, beginning with a lost job and leading to depletion of savings and eviction.

As indicated, the only access to health care available to the homeless population of Juneau is the Front Street Clinic and Bartlett Regional Hospital's emergency room.

PROJECT COSTS

Control of project cost has been a critical concern throughout the development of the Juneau Housing First Collaborative project. Initial conceptual design started with an experienced-based estimate of $375 per square foot of building space. MRV Architects confirmed this general cost with both contractors and project managers in Juneau. Initial construction targets and facility programing features were set at roughly $6.25 million for a building size of 16,800 square feet.

Based on the recommendation of the Foraker Group Pre-development Program and other sources, Tonsina Inc. of Homer was selected to perform a conceptual design. Tonsina estimated the project at $7,135,000, with a size of roughly 17,200 square feet. Because of the cost over-run, the design was revised to a modular approach using framed wood instead of steel and concrete. During schematic refinement, Triplette Construction was selected as the contractor for the project, utilizing a GC/CM approach that involved the contractor in the design process. This change allows for contractor prefabrication techniques. The design team worked with the contractor to realign the building wall locations to incorporate modular repetition. In doing so, the gross size of the building rose slightly to 18,450 square feet. However, even with the increase, the efficiencies gained allowed the contractor to sign a Guaranteed Maximum Price (GMP) for the facility of $6,059,825. This price will be held until July 2015, with bid alternate guaranteed for 90 dates after that point.

The Guaranteed Maximum Price is a very strong element of the Juneau Housing First Collaborative proposal because of the binding nature of true contract price. It is not an estimate, subject to changing conditions. The contractor has made binding allowances for procurement, fabrication, inflation, and other such variables. As a final validation of the contractor GMP, Tonsina was asked to review the working details of the GMP. That review (attached elsewhere) concluded that the cost derived for the new modular construction is realistic. Tonsina concluded, "*We believe the Triplette GMP is fair and reasonable and the method by which it was solicited and derived bring together the best elements of achieving the highest quality for the lowest price*."

The overall project contingency has been set at 7.5% of the construction estimate, as recommended. Construction costs will be incurred at a somewhat accelerated rate as the project gets underway, since both piling work and modular unit fabrication will occur simultaneously. It is anticipated that the first month of work following construction contract notice to proceed will invoice at $400,000, the second month at $900,000, and the six subsequent months fairly consistently at $700,000, with a final month at $560,000. The project funding scheme ensures funding availability that adequately meets the cash flow requirements needed to maintain the project schedule without need for bridge financing.

Additional funding is needed for the design and development portions of the project as well as for the cost of land. The value of the land contributed to the project is estimated at 750,000. The cost of design and development services as well as of the construction administration is estimated at $600,000.

PROJECT FUNDING

Project funding for development of Housing First permanent supportive housing in Juneau, Alaska, is more limited than has been the case for projects developed in other parts of the country and state. Funds available elsewhere that make projects feasible are not readily available in Juneau, such as from state and county housing trust funds, specifically targeted state homeless operating funds for permanent supportive housing as in Minnesota and Washington, and HUD Continuum of Care dollars, which are limited and competitive. Despite these barriers, the Juneau Housing First Collaborative has assembled a feasible funding package.

Funding sources: City and Borough of Juneau (CBJ) has pledged $1.5 million for the project. Funds are available at any time. CBJ also donated $45,000 for gravel to ensure that the project has enough fill. Gravel is available for use at any time.

Sealaska will provide $20,000 to the Juneau Housing First Collaborative. Funds are flexible and contingent on an AHFC Special Needs Housing Grant award.

Alaska Housing Finance Corporation Special Needs Housing Grant: $3 million dollars have been awarded to the project.

The Alaska Mental Health Trust Authority has pledged $215,000 for the project. $75,000 of this award was received in November 2014 with remaining funds to be received when an AHFC SNHG commitment is made.

Rasmuson Foundation: The development team met with the Rasmuson Foundation and expressed interest in applying for $1 million. Rasmuson program officers instructed the team to send a letter of intent to apply for 1 million dollars and to submit an application for funding in April 2015. A decision is expected in December 2015.

Community Development Block Grant (CDBG): Communities in Alaska must compete for available CDBG funds after receiving endorsement from the local municipality. The Juneau Housing First Collaborative is endorsed by the Juneau Coalition on Housing and Homelessness to be the project that is put forth in the next round. The next round will take place in the fall of 2015 with a request for $850,000. The award is expected to be available in spring 2016.

Juneau Cooperative Christian Ministry (doing business as the Glory Hole) has secured $110,000 for the project. These funds are unrestricted and will be used for development activities. Funds will be available in late April 2016.

Benito and Frances Gaguine Foundation, a local charitable foundation, has provided $11,000 for the project. The funds are available to use once Rasmuson Foundation and Alaska Housing Finance Corporation SNHG funding has been committed.

Juneau Community Foundation (JCF) has agreed to raise $215,000 for the project. $15,000 has been raised already and is available for use. The remainder will be raised by JCF from local Juneau contributions once the Rasmuson and Alaska Housing Finance Corporation SNHG funds have been committed. This funding is expected to be available by fall 2016.

An Alaska State Legislative Grant request has been made by the Juneau delegation for $60,000 for development activities for the project. If awarded, the funding will be available in July 2016.

Murdoch Foundation: A $150,000 request will be made, which is similar to requests made by other Alaska projects. Conversations with the Murdoch Foundation will begin if an Alaska Housing Finance Corporation SNHG award is committed.

Other potential funding sources include the Indian Community Development Block grant, New Market Tax credits, and a capacity grant from Enterprise Community Partners.

PROJECT OPERATIONS

Partners looked to other successful permanent supportive housing projects (New San Marco, Anishinabe Wakiagun, Karluk Manor, Tanana Chiefs Conference, DESC in Seattle) as well as local affordable housing projects (St. Vincent DePaul, THRHA) to help project operations costs and to target resources.

Funding for Operations: Vouchers: The intention is to have a voucher subsidy for every unit of the permanent housing facility in the amount of $500 per month, whether through a mainstream voucher program or project-sponsored vouchers. Income eligible residents will pay $616.00 in rent annually. Options include AHFC Project Based/Sponsor Based Vouchers, Veterans Affairs Supportive Housing (VASH), AHFC Housing Choice Voucher Program, HUD Continuum of Care (CoC) Shelter plus Care Program, and the recently announced AHFC Section 811 Project Rental Assistance Program.

Other Operating Funding: It is important to note that all of the construction related project costs are grants and donations. The project cannot carry a debt service, as that will jeopardize the operational feasibility of the project. Debt service would create an unsustainable operating proforma. Other operating funds will come from a wide-range of sources, many of which have become recently available, including the following:

SNHG Operating Assistance: An award of $400,000 annually is expected for three years.

The Juneau Community Foundation Hope Fund: An annual grant fund specifically designed to fund projects that address homelessness, substance abuse, domestic violence, mental health, and hospice. The Juneau Community Fund has committed $100,000 annually to this project. A letter of commitment is included in this application.

City and Borough of Juneau Block Grant: This annual CBJ grant prioritizes health and stability. $50,000 is to be requested annually.

City and Borough of Juneau Water and Sewer: Through the CBJ Social Service Advisory Board, a waiver of fee for non-profit agencies has been approved. The operating relief is expected to be $12,000. A letter of commitment is included in this application.

The Juneau Front Street Community Health Center will occupy 2,200 square feet in the Juneau Housing First Collaborative project. Currently, the Front Street Community Health Center pays $5,300 in monthly rent for 1,100 square feet. The expectation is that rental income will remain at this level.

Annual Community Fundraiser: This fundraiser will be organized by Friends of the Juneau Housing First Collaborative Committee. It will feature local musicians, a silent auction, a dessert auction, and a movie. The fundraiser will take place in November and not conflict with other partner agency fundraisers. In addition to raising the funds, the fundraiser will be a great way to keep Juneau community members connected to the Juneau Housing First Collaborative project.

Alaska Mental Health Trust Authority social enterprise program: the project plans on partnering with the Alaska Mental Health Trust Authority to create an innovative, supportive service/social enterprise delivery program. After a three-year pilot, a different funding source will be identified. The program is in the very beginning of its development. However, after reviewing the social enterprise programs of Tanana Chiefs (Fairbanks), Fairbanks Rescue Mission (Fairbanks), Cook Inlet Housing Authority (Anchorage), and REAHC Inc. (Juneau), project members are very excited about its social enterprise possibilities.

City and Borough of Juneau Tobacco and Alcohol Tax appropriation: The CBJ has increased its Tobacco and Alcohol Tax, due in large part to presentations about how relatively low tax rates were when compared to other communities in Alaska (Anchorage and Ketchikan). The Juneau Housing First Development Team has had several conversations with the City and Borough Assembly members and staff about utilizing revenues from the increased tobacco and alcohol sales tax. The City and Borough of Juneau is considering committing funds from this source due to the project's projected savings to emergency services costs, potentially $70,000 annually. Discussions are in the preliminary phases.

Operating Costs: Operating cost assumptions are based on analyses of comparable costs incurred by the Glory Hole emergency shelter and St. Vincent DePaul Society. The assumptions are reasonable because the Glory Hole provides support services, including food, shelter, clothing, social services referrals, and case management to a similar population – and because St. Vincent DePaul's Society operates Channel View, an apartment building comparable in size to the Juneau Housing First facility's proposed size. Several cost estimates were obtained to increase the accuracy of the budget. Insurance costs and utility costs were obtained from vendors and an energy analyses company. Staffing assumptions were based on the wages and benefits of direct service providers wages and benefits in the Juneau area. The staffing matrix was based on the staffing structures of successful housing first facilities in Seattle, Duluth, and Anchorage.

Three percent inflation was assumed in all percentages in order to ensure sustainability of the project. Additionally, AHFC staff was consulted. The staff recommended keeping the 3% inflation rate consistent with the Feasibility Workbook.

Repair and maintenance/replacement costs were based on three factors: Usage of durable materials (particularly finishes), understanding the target population and the Southeast Alaska environment, and prior property management, repair, and maintenance experience.

Support services costs are based on wages for similar services at the Glory Hole. The staffing structure was adopted after reviewing the staffing structure of the Downtown Emergency Services Center, in Seattle, and in consultation with the Center's staff as well as with the staff of the Karluk Manor.

An annual reserve account build up is included in the annual budget, in the Feasibility Workbook portion of this grant application. The set aside amount is consistent with AHFC's sustainable pro forma standards. The project does not foresee vacancy spikes due to the lack of housing for the target population in Juneau, in Southeast Alaska, and in the State. Flat rental income growth segments will be off-set by acute housing needs in our community.

Programmatic Operations

On-site clinical supportive services: Staff inside the project will work with each resident and any outside service providers to develop a Residential Service Plan (RSP). That plan identifies the needs of the resident and what steps will be taken to help the resident stabilize, reach personal goals, and remain housed. The RSP will be congruent with and supportive of any individualized service or treatment plans developed by case managers from outside service providers. By having close proximity and frequent contact with Juneau Housing First Collaborative project residents, staff will be able to establish trust, monitor progress, provide services defined in the Residential Service Plan, and modify the plan as the needs of the resident change over time.

Case management services from other involved service agencies: Many Juneau Housing First Collaborative residents will be connected to treatment or other ongoing services at various community service agencies before moving into the project. As appropriate to the needs of a given resident, these services are expected to remain in place. Other Juneau Housing First Collaborative residents may be eligible for these outside services, and on-site staff will attempt to connect residents to them. Specifically, agreements are in place with Juneau Alliance for Mental Health, Rainforest Recovery Services, and Front Street Community Health Center to ensure that residents' needs are met and resources to make the RSP successful are available on site. Overall, the expectation is that comprehensive services will be provided to Juneau Housing First Collaborative project residents through a combination of services from outside service agencies, from Juneau Housing First Collaborative on-site service staff, and other resources that can be brought to bear.

Flexible program structure: In addition to individual resident services, the structure of the program itself is designed to promote housing success. The rules and structure of the program will be clear and understandable, and designed to help residents make positive choices. 24-hour coverage by staff familiar with each resident's needs and Residential Service Plan will help residents feel secure and insure that crisis situations will be resolved quickly. Rules will be designed to promote the safety and comfort of all residents, and will attempt to allow residents to exercise a high level of self-determination. Enforcement of rules will be done in a manner that recognizes each resident as an individual with different clinical and support needs. Behavioral problems that arise will be addressed within program guidelines and in collaboration with residents. Staff will discuss the nature and causes of the problem with residents, and residents will have a role in developing plans to achieve more stable and cooperative living in a way that avoids future rules violations and preserves continued residency. Overall program structure will pursue best practices similar to other Housing First permanent supportive housing projects. Communication with industry peers will on going.

Section 2 - Staffing Descriptions and Roles

Staff positions: A total of approximately 11.5 full-time equivalent (FTE) staff will work on-site at the Juneau Housing First Collaborative. Full job descriptions are included in the application.

1. Facility Director: .75 – 1.0 FTE.

2. Connections and Benefits Coordinators: 2.0 FTE.

3. Housing Specialists: 7.5 FTE.

4. Driver: 1.0 FTE.

5. Facilities and Management Staff : .5 FTE of this staffing will be provided through a contract with the St. Vincent DePaul Society facilities manager.

6. Nursing Care: Approximately .5 FTE of nursing assistance will be provided through an agreement with the Front Street Community Health Center.

7. Accounting Staff: Accounting and bookkeeping will be done by contract with the local accounting firm of Elgee, Rehfeld, and Mertz and the personnel of St. Vincent DePaul Society.

8. Grant Reporting, Operations, and Compliance: The management of these activities will be provided through contract by St. Vincent DePaul Society.

5. Management Approach

The Juneau Housing First Collaborative (JHFC) is an exciting collaboration that utilizes existing community expertise to provide housing and homeless services, property management, and behavioral health and healthcare services for Juneau's most vulnerable residents and to keep them stably housed. Partners include 1) the SNHG applicant – Juneau Cooperative Christian Ministry, doing business as The Glory Hole; 2) St. Vincent DePaul property management, operations, grant reporting, office support, compliance, inspections, lease processing, and rent collection – St. Vincent de Paul Society Diocesan Council of Southeast Alaska, Inc.; 3) client supportive services and case management – The Glory Hole in collaboration with the Juneau Alliance for Mental Health Inc. and Front Street Community Health Center. A diagram of partner roles is included in Supportive Services Section 14 of this application.

Partner Roles:

The Glory Hole: The Glory Hole will function as the lead referral partner and program coordinator responsible for the partnership collaborative. The Glory Hole will recruit and refer residents, assist with residential plans for residents and supportive activities as well as coordinate volunteers and support service providers. The Glory Hole will also coordinate productive relationships with community members as well as crisis responses, life-skills, food provision, and community facilitation within the building.

St. Vincent de Paul Society Diocesan Council of Southeast Alaska, Inc. (SVdP): SVdP will be responsible for facility management and maintenance under policies developed by the Juneau Housing First Collaborative Board of Directors. SVdP will be responsible for all standard maintenance, upkeep, and repairs of the property and will work directly with contractors and vendors on specific replacement and renovation projects. SVdP will provide project and resident management and building maintenance services on a contracted fee basis. SVdP project and resident management duties will include the following: certification of resident qualifications and eligibility; management of wait list; execution of leases; collection and accounting for resident deposits and rent payments; notification of lease violations and eviction proceedings; payment of project expenses related to operations of physical structure; daily bookkeeping and accounting activities; control of operating bank accounts; periodic financial reporting to the owner (JHFC); and engagement of vendors and contractors required for operations and financial management, including accounting support and independent audit as required. SVdP as the management agent will have no role in resident supportive services. A close working relationship is anticipated with all provider agencies. St. Vincent DePaul will act at the direction of, and on behalf of, the owner (JHFC) in all resident management areas consistent with third party compliance requirements. SVdP will provide building maintenance, repairs, and renovations contingent on the capacity of the project to support the costs and upon approval of the owner. SVdP may contract some of these services to third parties or elect to provide them at an agreed-upon, contracted price.

Juneau Alliance for Mental Health Inc. (JAMHI): JAMHI will focus on the provision of supportive services to ensure that requested supportive service funding will prevent the cycling of residents through homeless shelters or correctional facilities. JAHMI will provide Integrated

Behavioral Health Assessments, Individual and Group Therapy, Case Management, Comprehensive Community Support Services, Psychiatric Evaluations, and Medication Management. JAMHI has a reputable history, is accredited by CARF – an independent organization that conducts a rigorous, on-site review process with a team of surveyors to verify adherence to consumer-focused standards, person-centered care, and delivery of quality programs and services. JAMHI staff will work closely with Juneau Housing First Collaborative housing management staff to ensure that residents do not lose their housing. Disruptive resident behavior will be addressed by modifying the treatment plan to include increased case management, skill building, and recipient support services. A critical focus for this project is an established policy to ensure resident retention and rent payment when a resident is in crisis

Front Street Community Health Center (FSCHC): As an anchor tenant, FSCHC, located within the Juneau Housing First Collaborative facility, will perform three critical functions: provide access to medical and dental care Monday-Friday; assist with medication management; and develop, if appropriate, on-site services that educate and support residents on medical and dental issues. These programs may include trainings or support in areas including preventive care, medication taking, and other health and wellness education activities. Juneau Housing First Collaborative will establish individualized treatment plans to meet the needs of each resident. The individual treatment plan, at minimum, will include case management, skill building, and support services. These plans will be developed by the Glory Hole staff. The Glory Hole has had success in providing case management and personal plans for its patrons for over five years. Residents who require additional support will receive care plans from JAHMI. Furthermore, community members in need of medical care will be served regardless of resident status.

Partners in the Juneau Housing First Collaborative are committed to improving the lives of Juneau's most vulnerable through permanent supportive housing by utilizing each partner's unique expertise. Together we can make this project a community asset and overall success.

READINESS TO PROCEED

(Project scheduled attached)

- Site control (secured)
- Construction drawings 40% complete
- Construction scheduled to begin January 2016 (funding permitting)
- 68% of funds secured
- Conditional use permit in place
- Contractor selected
- Strong collaborative partnership of key streak holders created (City and Borough of Juneau, Alaska Mental Health Trust Authority, Alaska Housing and Finance Corporation, Juneau Police Department, Tlingit and Haida Regional Housing Authority, Juneau Coalition on Housing and Homelessness, Juneau Alliance for Mental Health, Front Street Community Health Center, the Glory Hole, St.Vincent DePaul Society, other private and public sector entities)
- Program and services defined