ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
September 7 2021, 5:00 P.M. – Rescheduled from August 30, 2021
Assembly Chambers/Zoom Webinar Meeting

I. CALL TO ORDER

II. ROLL CALL

Chair Gladziszewski called the meeting to order at 5:00pm.
Members Present: Chair Maria Gladziszewski, Alicia Hughes-Skandijs, Greg Smith
Members Absent: Wade Bryson
Liaisons Present: none
Liaisons Absent: Chris Mertl, Parks and Recreation; Lacey Derr, Docks and Harbors, Dan Hickok Planning Commission
Other Assembly Members Present: Loren Jones
Some Members of the Public Present: Liz Perry
Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Jill Maclean, CDD Director; Scott Ciambor, Chief Housing Officer

III. APPROVAL OF AGENDA

Amendment to the agenda included supplemental items from Travel Juneau, pages 110 – 147 and moving agenda topic item B to the start of the meeting.

IV. APPROVAL OF MINUTES

August 9, 2021 Draft Minutes were approved as presented.

V. PUBLIC PARTICIPATION

No public participation.

VI. AGENDA TOPICS

A. Tourism Marketing Strategy (MOVED TO THE SECOND TOPIC)

Liz Perry from Travel Juneau provided additional information gathered after the August 9, 2021 LHED meeting. Sitka, Anchorage, and Fairbanks contracts are included in this packet as supplemental information. FIT is fully independent travelers, and they are generally defined as those people who make reservations on their own or maybe a travel agent, to travel independently. Small cruise ship passengers are included because they spend time in our hotels for a couple of days, either pre or post. FAM, or familiarity tours, is for media, tour operators or travel agents. We provide hospitality when they come to town, show around, have them see facilities, we also use these for meeting planners, so that they can, for example, get inside Centennial Hall, visit some of the hotels and just familiarize themselves with what Travel Juneau has to offer as a destination. Our mission is to market solely to conventions groups and independent travelers we do not and have not spent money to approach the cruise industry passengers. They do a fine job of that on their own, so our job is to fill our hotels and B&B's. Independent travelers do spend a slightly more money per head than cruise passengers do. This has a ripple effect to get extra dollars into town. Travel Juneau is known as a destination marketing organization (DMO) and our job is to promote Juneau as an entire destination for visitors. We get 4/7th of the hotel bed tax that is generated and have received passenger fee grants as support for different programs, that we administer as a pass through or that we organize and monitor. We also have some partner marketing opportunities, this generates additional earned income for us, and we get that through the print guides, events, and other kinds of advertising on the website.
Chair Gladziszewski asked what percentage of Travel Juneau's budget comes from City revenues. Ms. Perry replied that it was about 79% - 85%, depending on the year.

Ms. Perry continued to explain that there are five departments that operate inside the organization; administration is generally Ms. Perry, taking care of the general overhead for Travel Juneau. DMO is probably the busiest department and its job is to make sure that Juneau is seen and recognized throughout the United States and internationally. The primary marketing tool is our website and our official visitors guide. We provide familiarity tours to a number of groups so that we can get them familiar with Juneau and then they know who to call and what Juneau has to offer. Through our quarterly media newsletter that goes out to all of our travel writers, one called about Sealaska Heritage Institute, which had been mentioned in one of these newsletters. Our office was able to put her directly in touch with SHI and it turned into a beautiful article in the Smithsonian magazine in December 2020. This is a sample of how we get a lot of traction with media directly through the work that we do.

A graph in the packet shows increase in travel, despite increase in Covid cases, there is a lot of pent up demand for travel. We are seeing these trends in our marketing and in the folks that we are targeting. We are seeing folks that want a variety of activities. Through our research and other research, travelers want experiences they are not necessarily a Disneyland type experience when they come into Juneau. They want destinations that have demonstrated that they have handled the Covid pandemic responsibly and continue to do that to limit exposure. We are continuing to see a lot of interest in intergenerational travel, families traveling together, and this is being driven primarily by what would be known as Generation X. They want to bring their families with them and are looking for safe places.

For the Convention Sales Department, this person looks for new business to come to Juneau. New business is defined as meetings that have never met in Juneau, or if they have met, it was several years ago, and not on regular rotation. We also encourage planners to be put on a regular rotation whenever possible. We reach these planners through some participating in trade shows, campaigns, ad placements, and sponsorships. We get planners in all stages of the process, some of them have planned meetings before and know what to do, or they need just a little help. Others have been tasked with planning a big meeting and they do not even know where to start, so we hold their hand all the way through the process, finding hotels, the right facilities, and any additional services that they may need. We are seeing a return to in-person events; we know that business travel is on the upswing again, although with a little slow start. We also know that folks want to combine their meeting time with some travel time so they are bringing the families with them and want to be socially responsible. About 68% of the businesses that were surveyed said that they are just about ready to get back into the swing of things. A true lead is someone who has not made up their mind; they know a little bit about Juneau through our website and will take effort from our Convention Sales Department to land this meeting. Looking out to 2024, we have got about $19 million worth of business and that does not include the three Ironman events that we have on the books, as well as the other meetings in the pipeline.

Partnership Services does just that, they take care of all of our marketing partners, ensure that they have the marketing and advertising that they need. We produce the visitor guide and do ad sales for that for that publication, and we manage the TBMP hotline that runs through our office. We answer those calls and ensure that those calls are followed up on and file the appropriate reports.

There are only a couple of folks in Information Services. We typically have the largest DMO core of volunteers in the U.S. and we are in a rebuilding phase. We have information sites that operate all season long, seven days a week, including the holidays. We are answering many calls that come through the office and visitors can fill out a form and get information that way. Visitors going into the center will feel safe, we have installed barriers and everyone is fully masked inside. We have hand sanitizer and are contactless as much possible to ensure that everyone gets all the information that they need safely.

Research information from McKinley says about one in five visitors had their first visit as a cruise, and this is one reason we operate visitor centers down on the dock. Our cruise visitors are a market in itself and a pool of potential independent visitors and we want to ensure that they have a great experience coming to Juneau. A top country that have come to Juneau is the Philippines. People also want to see how to get to Juneau by ferry, which continues to be a top performing page for us on the website. A graph from our CMS side, from the website, you can see spikes in activity right around the first part of the year, that is, when we were able to launch the Juneau Cares Program. We received this grant from CBJ. Moving throughout the year on the graph, you can see other spikes, for we have implemented campaigns, the yellow are those new sessions, and you can see how much you have grown just in the last year. We have been able to apply some heavy-duty marketing through grants and other campaigns.

Ms. Hughes-Skandijs was hoping to get a better understanding on Travel Juneau's classification for future and pending meetings and their statuses. Ms. Perry replied that an "assist" is a meeting where a planner has contacted Travel Juneau and are interested in doing a meeting in Juneau but they need more information. An assist can also be a planner who definitely wants to meet, but needs a number of services, so we help that planner get that meeting off the ground by providing some services and getting them into the right space. A "definite" is a piece of business that we found, we approached the planner and won that piece of business, that is the difference between those two statuses. Chair Gladziszewski asked when classifying, would you call a definite something that you went out and got, like the Ironman; anything definite you are counting. Ms. Perry replied that was correct. Chair Gladziszewski asked if it was possible to put the information presented in Excel, so it would be easier to follow. Ms. Perry confirmed she could deliver the reports in a spreadsheet.

Ms. Hughes-Skandijs asked how Travel Juneau classifies a lead. Ms. Perry replied that a lead is a piece of business that the planner has not made a definite decision yet and is in progress. We are in contact with the planner and chasing them down, getting them to make a decision in favor of Juneau. It is not they are not definitely coming, they are still in that deciding phase and there is a spectrum of leads. Our system does not allow us to register that other than as a lead.

Mr. Smith was curious about industry standards for measuring success, how does Travel Juneau know it is successful in its efforts and what are those targets, such as measuring the FITs. Ms. Perry replied that they have a number of metrics and report out to our board every month. We look at the increase in traffic to our website; we also take into consideration increase of traffic on our social media. Those are all considered an intent to travel, so what we are trying to do is capture travelers at the top of the sales funnel as they are being inspired. They are making those destination decisions as they come through that funnel to where they finally buy, that is where we want to capture them, so that Juneau stays top of their minds. Intend to travel is registered through website traffic, indicated on the graph, and through social media and other means, are all indicators of success. We also want to increase our number of meetings that we get into Juneau every year. Typically, in good years, we have aimed for at least 15 new meetings into town, on top of the meetings that would normally occur in Juneau over the last several years. Because of state and travel restrictions, we have had look farther afield. The list of meetings is good news in that many of those on the list have not cancelled. They have not pulled the plug on them, those are planners are willing to adjust their schedules to keep in the running for those meetings, and they are postponing rather than canceling. When we look at other DMOs and the metrics that they record, all of them will set goals for social media; they are all set goals for website traffic. When money is available, and we can do the research. For example through McKinley, we want to do research to get hard numbers on the folks who have come into town independently. We will work through hotels over the years to try to gauge their occupancy and that helps us generate number, we know what their occupancy is for the next couple of months, we know how many rooms.

Mr. Smith followed up to ask if Travel Juneau has a good sense of FIT counts over time. Ms. Perry replied that it was a squishy number they work with percentage of occupancy, which is also a function of the hotel bed tax. As the tax revenue goes up, that is an indicator of people staying in those properties. Chair Gladziszewski followed up to ask about historical and current data on independent travelers, it would be useful to know those numbers, the percent of hotels that fill up, and how that translates to number of rooms. What are the different metrics and the percentage of occupancy numbers? Ms. Perry replied she could go back through their research studies and pull that data for the committee.

Ms. Hughes-Skandijs asked how detailed Travel Juneau's website metrics were and was looking for more analytics and demographics. Ms. Perry replied that analytics could get as granular as you like. We can provide heat maps, where people move around over time, we can take a snapshot of the activity in a given date range through our analytics; we have demographic data broken out by male and female, and by geography. We can get our website traffic, such as social traffic and referrals from Instagram, Facebook, TikTok, and Twitter. The best is the organic or we just pop up in the list when somebody runs a Google search for Travel Juneau. In general, the Travel Juneau site is one of the very first thing that pops. I can get some of those analytics if the committee wants.

Mr. Smith asked about TBMP and if Ms. Perry could speak to that, if it comes at a cost to Travel Juneau's budget, if it could be broken down, is it separate budget item. Ms. Perry replied that TBMP is a grant that is given to that program; it is a separate budget piece. It was a cooperative agreement with her predecessor and we give a small stipend to the person who, manages the phone lines, creates reports, and gets those generated to ensure all those calls are followed up on. This work is seasonal. To the Chair's question about visitor information services, two full time visitor information services staff are paid 60% through passenger fees. Typically, we have a full time seasonal staff that is paying 100% through passenger fees and then a number of the programs that we offer in terms of getting information out, printing, and training of our volunteers, that is paid for through passenger fees.

Chair Gladziszewski asked if Ms. Perry could get the Committee budget figures, such as how much is from the DMO part and how much from passenger fees.

Ms. Woll, who is the Travel Juneau Assembly liaison, asked what board representation is supposed to look like in terms of bylaws, if there are specific seats for hotels or other pieces of the industry, and how are those board members selected and elected. Ms. Perry replied that Travel Juneau's board is a self-selected board. That changed happened about three years ago, a decision of the board, so that we could have actually better representation for different industry sectors. At the time, it was decided not to have particular seats on the board to represent different sectors because we are having difficulty finding qualified folks who could serve, and are little operator heavy. We have a restaurateur, an Inn owner, CBJ staff who regularly attends, and our CBJ Assembly Liaison. The board has flexibility to put people on who would be able to help us out with particular situation, for example, it may be advantageous for the board at some point to have someone in accounting. Having an accountant sit on the board to help us make sure that we are really making the most of our funding, adhering to everything we need to adhere to, and it may be useful for us to have completely different sectors represented on the board. It was historically very difficult to get some sectors elected to the board, by going to this scheme and changing the bylaws we are fairly well rounded in the different operators and sectors that are represented with our partnerships. Chair Gladziszewski asked when the board and assignments changed from sector representation to open. Ms. Perry replied that to her knowledge, the board did not have assigned seats at any time with the organization and had a member elected board. Getting particular sectors represented on that board could be difficult because our membership would vote with the people that they knew and certain sectors would be left out. Having better representation of the different sectors, we can see where the gaps are and then approach, a qualified board member to fill that seat.

Ms. Hughes-Skandijs mentioned that she looked at the website earlier and it looked like a Travel Juneau partner must employ board members when they join the board at that time. She mentioned that the mission of Travel Juneau is focused on convention customers and independent travelers and the membership of Travel Juneau partners may not necessarily be the same thing, although there is certainly overlap. Everybody benefits by having more folks in town, but perhaps a Travel Juneau partner is more setup to benefit from the cruise ship customers. She was wondering if you still have to be a partner of Travel Juneau in order to join the board. Ms. Perry replied that they require that board members be paid partners, whether they are a marketing partner or what we refer to as associate partners, those businesses that are tangentially benefited through the visitor industry, including banks, insurance organizations, and those businesses that benefit from the ripple effect of the industry. Our partners will tell you that the board members who serve rely on a heavy-duty mix of independent and cruise travelers for that that summer season. For us, we feel that, by bringing in conventions and by focusing on the independent sector, we are helping all of our partners across board get that revenue and we are helping caterers, print operators, and the construction industry. All of those folks benefit from the industry through that ripple effect. Although the board is operator heavy now, we do have an eye on the much bigger picture of the overall benefit to the community that the industry provides.

Chair Gladziszewski asked about the list of seats, one is from CBJ and there is nine seats. Are all nine of them are voting seats, including the CBJ one? Is the past chair seat the ex officio, if that is one person? Ms. Perry confirmed and commented they have one vacant seat.

Mr. Smith asked if DMOs should have more accountability to the local government via an appointment process or what is Travel Juneau's perspective if that were a requirement to have more of the board appointed. Ms. Perry replied that she could not answer for other DMOs and thought it was typical that there is municipal representation, depending on the makeup of the DMO and their funding sources. She could get that information for the Committee. Travel Juneau's board has discussed the idea of having a board member be run through the CBJ Human Resources process to be affirmed by the Assembly and have that level of accountability. They are open to having that be part of the selection process.

Chair Gladziszewski asked about the agreements from other cities and if Ms. Perry had heard back from any others. Ms. Perry replied that late in the day she received a contract from Ketchikan and no reply yet from Kodiak. Petersburg does not operate with a contract. Skagway and Haines are divisions within their cities. The Committee would like to dig into the contracts and information presented at this meeting and wants to make sure Travel Juneau is focused on the visitors that we want to attract and are doing it efficiently and that the governance of Travel Juneau reflects that and with accountability. There is no perfect direction on what how what needs to change, and that more information would be helpful. Mr. Smith wants to make sure Travel Juneau was doing the best they could on spending, using the public money well and has a board that reinforces that. Chair Gladziszewski is looking for more information about governance and other contracts, and if Ms. Perry could get anything about the board's makeup, governance, and the historical data regarding independent travelers. Whatever data is available and to be put in separate graphs. If the data are not comparable, that is fine, but multiple graphs to include information on independent travelers, the budget breakdown regarding the amount of your budget that came from the DMO side, the bed tax side, and then the passenger fee. What pays for what would be interesting to know, put into a spreadsheet for the conventions.

Ms. Hughes-Skandijs asked about the information sites with the volunteers and the staff members who help folks, are those considered perks to partners, for instance, if volunteers push partners over. Ms. Perry replied that all of our volunteers are trained to provide at least three referrals. Those referrals can be Travel Juneau partners or not. If there is a business that does something that none of our partners do, we are going to promote that business. On our website we have contact only listings for non-paid so that they are represented on the website, but our goal is to ensure that our paid partners are taken care of. When we know of other qualified businesses, we do not hesitate to refer visitors to those businesses.

B. Ordinance 2021-35 An Ordinance Amending the Land Use Code to Create a Mixed Use 3 (MU3) Zoning District, a Neighborhood Commercial (NC) Zoning District (MOVED TO THE FIRST TOPIC)

Ms. Maclean discussed this topic. Page 36 of the packet gives a synopsis of what is being proposed, the context, and recommendation. These two zoning districts grew out of the Auke Bay zoning process, but are not specific to Auke Bay, this was with intention. We had proposed, an overlay district that would have made these specific to Auke Bay and there was a way to tailor it in that fashion. We recognized that these two types of zoning districts, maybe have desire in other parts of the borough, and we've been hearing that as we do other community planning or zoning efforts. For instance, we have Neighborhood Commercial and Mixed Use 3. The intent is that they are a smaller scale than; say Downtown Juneau, or the general commercial areas out in the Valley. What comes to mind where these could fit nicely, providing that we have a public process is that they could work well along Glacier Ave, for instance, where we have light commercial zoning. We have Coppa, Seongs, the Glacier and Salt Caves, and then apartments above. Right now, that sound like commercial, 45 feet in height, and then you drop right back to the Flats neighborhood. The neighborhood commercial would have about a 35 foot height maximum but still allow that flexibility of mix uses that really creates that pedestrian-village scale we heard from people through the Blueprint process that people want to see in this area. Another area that comes to mind is downtown South Douglas, where we hear loud and clear that they do not want to be downtown Juneau. Neighborhood commercial might be a nice fit there as we work through that planning process and continue to work with the people there. Mixed Use 3 is a little bit denser, 30 units per acre and neighborhood commercial is 15 units per acre, not quite as dense as Mixed Use, which is really around the Vintage Park Safeway area and Mixed Use is downtown Juneau.

These are options that provide a little more flexibility, more flexible setbacks geared towards a more pedestrian friendly scale. Smaller scale commercial development that would mix well with the residential uses. One thing to point out, because it is different from anything else we have done in Juneau, is that, knowing that housing is a real priority, the Commission recommended that single-family housing would not be allowed in these zoning districts. This is a new concept, as we have usually allowed single-family house homes to be built, unless you are an industrial zoning district. This kind of flips it on its head and really pushes to have some more mix use and a little bit more density, three dwelling units, for instance, or wanting dwelling units if they are combined with some type of retail or commercial use. Staff is not proposing these districts for any place in town, yet, but really just providing the option for the private sector to tell us where they want to see it, and what they would like to do and also may be coming out of the south Douglas Area plan and the Blueprint plan.

Mr. Smith asked about the table of permissible uses, restaurants and bars, page 51 of the packet, if bars would be allowed in this area. Ms. Maclean replied that was correct and the whole TPU was listed and the Commission has recommended to be allowed, either as ones or threes. Mr. Smith followed up about the first two columns if they are the new zoning districts, and with the chart, ones means allowed, threes is conditional use, and if it's empty, no go. Did the Commission consider marijuana retail because that is prohibited in these new, proposed zoning districts and wondered about allowing bars. Ms. Maclean replied that we did consider that, as did the Commission. They are not allowed in neighborhood commercial but could be allowed in Mixed Use 3. Mr. Smith asked what would be the thought on why marijuana retail would not be allowed in the neighborhood commercial cultivation. Ms. Maclean replied that she would get back to Mr. Smith with more information.

Ms. Hughes-Skandijs moved to direct this ordinance back to the full Assembly. Passed, no objections.

C. Accessory Apartment Incentive Grant Update

Mr. Ciambor discussed this topic. The main tenant of the Housing Action Plan activities is that to ensure a healthy housing market. The community needs to spend its own resources to create more housing for families, workers, and seniors. The pie chart in the packets shows that the blue piece is the largest chunk and it goes counterclockwise to Senior Assisted Living, which was $3.5 million in incentives. The caveat there is that about $1.8 million will be returned to the City as part of the purchase and sales agreement within five years of operating that project. The community has spent $3.3 million on Housing First supportive housing, with two rounds last year. The Covid rental assistance was about $3 million, and the emergency shelter grant for Glory Hall was $2.3 million. The Emergency/Cold Weather Shelter contract through the last four winters, including the extra Covid months, was $577K. The Accessory Apartment incentive grant was $162K, about $80K in mobile home loans over the last four years, and then the property tax abatement is $12,643. There are two projects for the property tax abatement that have utilized that in the last couple of years and that number will increase once the senior Assisted Living tax payment piece goes in and if downtown tax abatement is put into place.

The goal for establishing the Accessory Apartment grant program was to encourage homeowners to utilize the funds to create units on their property. Creating more developers within the community and encouraging that infill development and then encourage any legal units to come online. Income restrictions, specified use, target vacancy rates, or limits on use as short-term rentals were not considered as part of that initial ramp up for the program. Funding for the incentive grants came from the housing fund pilot program and was $72K for 12 grants in 2016. There was a bit of hiatus while the Assembly and the Affordable Housing Commission reviewed the context and performance of the grants. In 2017, $480K was put forth in $96K per year, installments to forward fund through 2023.

Production today includes 27 accessory apartments have fully been vetted and gotten through the program by creating accessory apartments and receiving their certification of occupancy and have been awarded their grant funding. CDD data shows that of the $162K in grants that has gone out, 27 Accessory Apartments have had total project cost of almost $6 million, so good leveraging there. Right now, there are currently 19 projects in development, and if all of those get to certificate of occupancy that means 46 units will have been created over the four years of the program. One thing to note there have been a handful of extensions due to Covid delays and we have a backlog, otherwise it has been steady clip of between 10 and 12 accessory apartments per year. Breaking down production, nine were additions, 14 were remodels, and four new constructions, meaning single-family homes. Total costs covered by the CBJ grant are 5%, 17%, and 2% respectively. With new construction, the grant does not go as far as remodels where grantees get a little bit more bang for their buck. Additions are likely new builds and cover less. Projects currently in process are broken down similar, with three more additions coming online, 13 remodels and 3 as part of new construction.

The question that came about on the use of these grants on terms and short-term rentals once the program has completed. We took the CDD data and consulted with the Sales Tax office on the 27 properties, to see what we could find if they had operated, registered, or paid sales taxes as part of a short-term rental operation. A summary of the research is as followed. Sales tax numbers for individual property cannot be disclosed based on CBJ code. Matching the grant applicant information with the business accounts was a little tricky, and the Sales Tax office could get it figured out but it did not always match up perfectly. There was some sleuthing that had to be done in those instances, but overall, eight of the 27 units could be confirmed of having paid sales tax for being used as a short-term rental at some point and four of those had not been used very often and had actually closed their accounts by 2020. Four used their properties as the main sales tax generators, and one was a super outlier and probably covered most of the more than 50% of the overall sales tax that the City has received. Those four are using it frequently as part of a business model going forward. The total summary of sales tax being received from these projects is around $50K, you have to take that, in consideration of the $162K that is going out and Sales Tax has recovered a bit of that as well.

We are at the midway point for the second chapter of the Accessory Apartment incentive grant program. Thinking about changes to a program like this, you have to consider what modifications to be put into place. A strength of the program is that it is minimally an administrative burden. From the time of contact there's a one-year window, where the applicant must apply, get their certification of occupancy, receive funds, and then the relationship has ended, and it is on to recruiting and finding the next grantee. Some things to consider in the long term, modifications would have to be put into the program, staff time on compliance issues, and mechanisms for better tracking. For example, if all 46 of the units were being created, and there was a 10-year requirement to keep rents at $500, again as the program keeps going on that's more and more properties to track. Licensing or permitting software would potentially be an option, penalty considerations for noncompliance is something that would have to be considered, and then the impact on grantees interest in utilizing the program.

Mr. Smith asked if there is no prohibition on grantees from using it as a short-term rental. Mr. Ciambor confirmed. Mr. Smith asked if there was enforcement, if that would be time consuming and if that would be a change to the program, such as a five-year prohibition or you cannot use it. Mr. Ciambor replied that we would have to evaluate staff time on the compliance piece that does not exist right now. You would also have to think about compliance penalties if staff finds they have not handled that obligation during that five-year period. Mr. Smith asked about evaluating efficiencies and effectiveness of the programs, we were not tracking accessory apartments before the grant program so do we know that the $6,000 has actually led to an increase in apartments or were they just going to be built anyway. Mr. Ciambor replied that there were considerations in the interim between the pilot and the five-year program, with the $480K set aside for to keep it running. Staff and the Assembly had talked about making sure that this was a consistent program so that it was more likely to get projects that need the money in years 2, 3, and 4, because you can plan and it is difficult to put these projects together. There are people ready to get the grant so there is rationale for extending the period to the five-year window to cover that. We were not tracking who was in the market, and if this was going to be the piece that got them over the hump. We are in the middle of the third year.

Mr. Smith asked if this was a good use of City money to create more housing. Mr. Ciambor replied that it is a fantastic program, utilizing homeowners who want to use their land to put housing on it, so you are creating more developers an infill. The City is getting an enormous bang for their buck by only providing $6,000 and grant funding, which is an average between $35K and $50K per unit, depending on the type of accessory apartment being developed. If you compare that to the funding ratio for other grant programs, like the supportive housing, which is more expensive, or some of the criterion for the affordable housing fund, which allows for up to $50K per grant or loan per unit.

Ms. Triem asked if the rate of use and amount have been steady over the last three years. Mr. Ciambor replied that the amount of interest in the program and the amount of grants that have gone it is hard to say because of the Covid interruption. We do have about eight or nine that have been extended. I think we would be averaging around 10 to 12 units per year and it is popular and steady. Ms. Triem asked if Mr. Ciambor if $6,000 was the right amount, the history on why that amount was settled on, and if changing that amount to incentivize more to see if that has an effect, or if we cannot get to a feasible amount of money that would actually make a difference. Mr. Ciambor replied that he started with the City right after the discussion on the implementation of the pilot program. He helped facilitate the operation of it, but missed some of the early conversations and was not sure how the $6,000 was landed on but thought it was a recommendation from the Affordable Housing Commission. There was a lot of debate on what changes we can make to get more bang for the City's buck or more affordability in the next round. There was an idea that if we only give out $3,000 in grants, that means we will have more money and will attract more potential homeowners to use the program but, at the end of the day for consistency, it is at $6,000. The thought was what if we convert it into loans there would be a push to reserve the nexus of the housing fund. If this project seems to have worked at this level, future iterations could potentially go in the opposite direction, as we know now that the accessory apartments are coming in expensive. If the desire of the Committee or the Assembly is to target more affordability or to get people to rent their apartments that they create with this program to either homeless, low-income residents, or a certain rental level, then you could take into consideration increasing the grant amount in order to try get folks to participate. There is some flexibility; it is just a matter of how you want to approach the analysis of the next rounds of this program.

Chair Gladziszewski commented that she did not recall where the $6,000 was developed, but that there was a lot of discussion about it. She commented on Mr. Ciambor's point about using some of the bed taxes, but that was not the point of the program, it was to make housing for people to live in. She would be interested in simply prohibiting it for a number of years and the penalty would be to have to give the money back. This is just an idea for down the road. Mr. Ciambor replied that the Accessory Incentive grant program's original purpose was fantastic. CBJ gets calls from planners and other communities looking to replicate it. It has been successful, to get money into homeowners and to develop units.

VII. STANDING COMMITTEE TOPICS

A. Status of Housing Initiatives Updates (verbal)

Mr. Ciambor let the committee know that the Torrey Pines Development Senior Living center groundbreaking ceremony will be on Wednesday, September 8, 2021 at 11:00am. He also noted that the application guidelines for the affordable housing fund needs a couple of details shored up, so that will be posted with the competitive round of funding for the $700,000 tomorrow, September 8, 2021.

B. Status of Title 49 Updates (verbal) – No update.

VIII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No comments or questions.

IX. ADJOURNMENT

Chair Gladziszewski adjourned the meeting at 6:28 PM. Next meeting Monday, September 20, 2021.