

Juneau Affordable Housing Fund Factsheet

The Juneau Affordable Housing Fund is a separate fund established by the City and Borough of Juneau to provide revenue for the production, preservation, or rehabilitation of rental and owned homes, as well as related support services.

Need:

Nearly 4000 households (10,124 residents) lack safe and affordable housing in Juneau. This lack of affordable housing greatly impacts the low-income, senior citizen, special needs veteran, young professional, and homeless populations.

- 56% of renters ages 65 and over are rent-burdened. (Pay more than 30% of their income to rent.)¹
- 88% of all Juneau renters that earn less than \$35,000 are rent-burdened.²
- 17% of the 177 homeless attendees to the Project Homeless Connect event in 2010 were veterans.³
- 62% of homeowners with income less than \$50,000 are mortgage-burdened.
- Median rental costs for a two-bedroom apartment, including utilities, are highest in Juneau. (\$1,155/month)⁴
- The current pent up housing demand in order to reach a 5% vacancy rate in the City and Borough of Juneau is 343 total housing units, including 138 multi-family units and 205 single-family homes⁵;
- This pent-up housing demand does not include the number of units needed for homeless Juneau residents, a number that totaled 403 persons in 2009.⁶

In 2010, 8.2% of household units (966 of 11,740) were available for low-income, special needs, and homeless populations. In many communities the target threshold for set aside units for these populations is 10%.⁷ To reach the 10% target Juneau needs to build and support 208 new units of low-income special needs housing.

Barriers:

The City and Borough of Juneau has a strong and capable affordable housing community. However, these organizations face a number of development barriers:

- Difficulty securing matching funds, or gap financing, that will allow them to competitively qualify for state and federal housing grant programs;
- Juneau's position in the "balance of state" competitive category for most state and federal affordable housing programs, of which the matching funds requirements are an incredibly important piece; and
- The lack of consistent, reliable local housing data.

The Juneau Affordable Housing Fund will address these barriers.

¹ **Source:** Juneau Economic Development Council, Juneau Housing Needs Assessment, June 2010.

² **Source:** Juneau Economic Development Council, Juneau Housing Needs Assessment, June 2010.

³ **Source:** Juneau Homeless Coalition, Project Homeless Connect, January 2010.

⁴ **Source:** Alaska Department of Labor & Workforce Development, Alaska Economic Trends, August 2010.

⁵ **Source:** Juneau Economic Development Council, Juneau Housing Needs Assessment, June 2010.

⁶ **Source:** Alaska Housing Finance Corporation, 2009 Point-In-Time Homeless Count

⁷ **Source:** Juneau Economic Development Council, Juneau Housing Needs Assessment, June 2010.

Solution -- Juneau Affordable Housing Fund:

On July 19, 2010 the CBJ Assembly passed an ordinance to steer \$400,000 into the Juneau Affordable Housing Fund to promote and provide more affordable housing in Juneau.

The Juneau Affordable Housing Fund will make grants and loans to eligible applicants -- nonprofit organizations, public housing authorities, and for-profit entities -- to support the creation and preservation of affordable housing, first-time homebuyer assistance programs, predevelopment activities, and other discretionary uses for households earning no more than 120% of the area median income.⁸

How will the Juneau Affordable Housing Fund operate?

The Juneau Affordable Housing Fund is maintained in the Mayor and Assembly Budget for the City and Bureau of Juneau. Funds can be authorized for expenditure by motion.

The CBJ Assembly-appointed Affordable Housing Commission, an Advisory Commission, provides oversight of the Fund, and provides recommendations to the CBJ Assembly in regards to program goals and objectives, specific project proposals, and all other aspects of the program.

The Affordable Housing Coordinator, funded by the CBJ with offices at the Juneau Economic Development Council, provides administrative support, technical assistance, finance expertise, and progress reports on the activities of the Fund.

***Leveraging the Fund is vital.** Across the country, on average, for every \$1 of Housing Trust Fund money, \$7 is leveraged from outside resources to create and preserve affordable housing.*⁹

Affordable Housing Trust Funds in other small cities:

- **Evanston, Illinois** -- \$500,000 start-up in 2007, currently at \$650,000 with inclusionary zoning fees.
- **Highland Park, IL** --\$1 million in seed money from the Housing Commission in 2002 with on-going demolition permit fees and inclusionary zoning ordinance funds.
- **Burlington, VT** -- \$1.6 million leveraged for over \$42 million and 750 units created since 1989. Fund paid for by a 1cent property tax levy.

Benefits of the Juneau Affordable Housing Fund:

- Chance for consistent local development of affordable housing.
- Local endorsement and funding strengthens developers' grants to leverage funds for state and federal dollars.
- Data collected will help track job creation, economic impacts on the local economy, and highlight the amount of leveraged housing funds gained for the community.

The Juneau Affordable Housing Fund is a commitment between local community stakeholders to ensure safe, sanitary, and affordable housing for all CBJ households, especially low-income, special needs, veteran, and homeless residents. The Juneau Affordable Housing Fund aims to be a model for local affordable housing investment in the Capital City and one that can be replicated in other communities around the State of Alaska.

⁸ No more than 10% of the funds can be used for administrative costs.

⁹ **Source:** The Housing Trust Fund Project, Center for Community Change, <http://www.communitychange.org/our-projects/hhf/national-housing-trust-fund>.