Juneau Affordable Housing Commission Annual Report

Period of January 1, 2010-March 1, 2011

Opening Statement

Based on the work undertaken by the Juneau Affordable Housing Commission this year, the Commission would like to emphasize a number of key findings at the outset of this report:

- (1) The affordable housing situation is more problematic than previously understood.
- (2) The effects of the lack of affordability resonate greatly throughout the entire community -- from businesses, professionals, and the community workforce populations to those that are low-income, have special needs, or are homeless.
- (3) The community needs to be extremely proactive in upcoming years to collaborate and create the type of housing units needed immediately and for the future. A failure to do so inhibits the prospects of economic growth and prosperity for the residents of Juneau.

Affordable Housing Commission History & Mission

On December 2, 2006, the Assembly held an Affordable Housing Summit in a joint meeting of the CBJ Assembly, Planning Commission, and the Affordable Housing Coalition. As an outcome of that Housing Summit, the Assembly adopted Resolution 2390 creating the Juneau Affordable Housing Commission. The Commission was established for a three-year period beginning January 2007 to make recommendations to the CBJ Assembly, through the Lands Committee, on all aspects of affordable housing. The Commission became a continuing CBJ Commission on November 23, 2009 with Resolution 2506 which repealed Resolution 2390.

Members

The Affordable Housing Commission consists of nine members, including:

- Alan Wilson, Chair;
- Norton Gregory, Vice-Chair;
- Stephen Sorensen;
- Honey Bee Anderson;
- Tamara Rowcroft;
- Justin Shearer;
- Rosemary Hagevig;
- Robert Banghart; and
- Shari Partin.

Liaisons to the Commission are Assembly member Karen Crane, Lands & Resources Manager Heather Marlow, and Scott Ciambor, Affordable Housing Coordinator at the Juneau Economic Development Council who serves as Secretary of the Commission.¹

¹ Appendix A: Affordable Housing Commission Attendance.

Major Accomplishments

In 2010, the Affordable Housing Commission focused on three areas of improvement: (1) **data collection** to help gain a better understanding of the local housing situation, (2) finding **additional funding and financing options** for the creation of affordable housing, and (3) creating a forum for the community that encourages **collaboration and the combination of assets.**

Juneau Housing Needs Assessment

The Affordable Housing Commission requested the completion of a housing needs assessment by the affordable housing coordinator at the Juneau Economic Development Council. The report consolidated demographic information, surveyed the housing stock, studied affordability, estimated local housing need by category, and included a set of recommendations for the future.

Some of the major findings included:

- Nearly 4000 households (10,124 residents) lack safe and affordable housing in Juneau.
- 62% of homeowners with income less than \$50000 are mortgageburdened. (900+ households)
- 56% of renters ages 65 and over are rent-burdened. (Pay more than 30% of their income to rent.)
- 85% of Juneau renters that earn less than \$35,000 are rent-burdened. (1100+ households)
- Median rental costs for a two-bedroom apartment, including utilities, are highest in Juneau. (\$1,155/month)
- In 2010, 8.2% of household units (966 of 11,740) were available for low-income, special needs, and homeless populations. To reach a 10% target used in many other communities, Juneau needs to build and support 208 new units of low-income special needs housing.
- In order to reach a 5% vacancy rate in all housing categories and meet current pent up demand, 343 total housing units are needed immediately, including 138 multi-family units and 205 single-family homes.

The needs assessment has provided the Commission with the information necessary to create future housing strategies and to make recommendations to the CBJ Lands and Community Development Departments, the Planning Commission, and the CBJ Assembly.

The needs assessment has increased the dialogue between the CBJ and community developers with state and federal partners Alaska Housing Finance Corporation and the Department of Housing and Urban Development. It has also been presented to numerous local leaders and organizations, including the Alaska State delegation, the Juneau Chamber of Commerce, Southeast Alaska Building Industry Association, and is currently featured on numerous local realtor web pages.

A copy of the Juneau Housing Needs Assessment is available on the JEDC website at http://jedc.org/affordablehousing.shtml.

Juneau Affordable Housing Fund

From the outset, the Commission recognized that there weren't enough resources available for local affordable housing developers. A study commissioned by the U.S. Department of Housing and Urban Development, finds that nonprofit development deals involve, on average, 7.8 different sources of funding. (Bratt, 2006)

In Alaska, the amount of funding available through Alaska Housing Finance Corporation and the Department of Housing and Urban Development is limited and competitive – meaning local affordable housing developers must utilize their own funding streams and hope that their projects receive funding over other balance of state communities. (Outside of Anchorage) The result of this dynamic has been that local construction of affordable housing has been inconsistent and has not kept up with the needs of the community. By having an additional funding source through the JAHF, the desired effect is to give affordable housing developers the opportunity to use a local funding source for projects that meet current community needs and to create a competitive advantage for those developers applying to get state and federal funds.

With that said, the Juneau Affordable Housing Fund is a local housing fund with its own process and guidelines. Whereas most state and federal housing development funding targets low-income households (80% and below), the Commission recognized that the extent of the affordability issue in Juneau reaches beyond this range to the workforce and young professional housing range, up to 120% AMI. By extending this target range for the JAHF, this move allows an opportunity to attract funding for projects for housing development at higher income ranges and to spur innovation within the local community.

Each year, however, the Commission will be able to set priorities for the use of the Juneau Affordable Housing Fund. Round One priorities, based on the Juneau Housing Needs Assessment, are:

- 1. Use of capital to develop housing units (vs. capacity-building activities, operating expenses, or self-sufficiency assistance)
- 2. One bedroom rental units for low-income residents (50% AMI and below)
- 3. Long-term affordability (50+ years)

The Commission intends to utilize the Juneau Affordable Housing Fund in the upcoming year. Round One of the JAHF will include a Request for Proposal release to the public in March 2011.

The Commission will continue to search for potential resources and make recommendations to the CBJ on how to acquire more dollars to be put to use for affordable housing activities. These will likely include: (a) a percentage of future CBJ sales tax to be dedicated to the Juneau Affordable Housing Fund, (b) a direct request of Alaska Housing Finance Corporation for JAHF funds, (c) pursuit of an Alaska legislative allocation, and (d) outreach to private entities, foundations, or other donors that are willing to contribute to the JAHF.

The JAHF is the first housing trust fund in the state of Alaska. Within the state housing industry, the creation of the JAHF is looked upon favorably and a few communities are looking to set-up similar arrangements in their parts of the state.

Information on the Juneau Affordable Housing Fund is available on the JEDC website at http://jedc.org/housing-fund.shtml.²

Recommendations on local, state, and federal housing policies

In upcoming years, the Commission envisions providing more recommendations, especially on the local level to the Lands Committee, the Assembly, and the Planning Commission, now that the true nature of the affordable housing situation has been identified. The emphasis shifts to individual projects, long-range planning, and the development of affordable housing.

Recommendations from the past year include:

Local: The Commission made presentations on the results of the Juneau Housing Needs Assessment to the Committee of the Whole as well as a number of CBJ Departments, including the Lands and Community Development departments. The presentations highlighted the projected housing need and recommendations included in the report. The Commission recommended that this information be utilized throughout the CBJ.

The Commission recommended that the Public Works and Facilities department include a \$1.5 million state allocation to the Juneau Affordable Housing Fund. This request was included on the list of State funding priorities.

In January 2011, the Commission recommended that the Public Works and Facilities Committee direct \$250,000 from the Capital Improvement Program (CIP) to the Lands Department to create initial plans to develop CBJ-owned property above Dzantik'I Heeni middle school. The recommendation was accepted.

State: For the past two years, the Commission has made recommendations to the CBJ Assembly on the Consolidated Housing and Community Development Plan for the State of Alaska. This plan establishes the guiding principles on how

² Appendix B: Preliminary Application draft for the Juneau Affordable Housing Fund

funds are distributed in the balance of state (outside of Anchorage) for the Community Development Block Grant program, Emergency Shelter Grants (ESG), the Home Investment Partnerships Program (HOME), as well as for smaller low-income housing and homeless programs.

Considering that the amount of funding to be distributed around the state is small (\$6.2 million in FY2011) and that the affordable housing needs within the state are so diverse, it is important that the CBJ consistently provides feedback and input on this plan. In the past, the guiding principles and other programmatic details have not been favorable to Juneau and only a handful of local housing developers may have taken the time to comment. This formalized process and endorsement by the CBJ Assembly will be more impactful.

Federal: The Commission has tracked the progress of the National Housing Trust Fund and recommended that the Assembly encourage the Governor of Alaska to accept funding for this program when it becomes available. The Juneau Affordable Housing Fund has been arranged to eventually receive funds from this national program.

Alaska Coalition on Housing and Homelessness Conference

Two Affordable Housing Commissioners (Tamara Rowcroft and Shari Partin) and the affordable housing coordinator (Scott Ciambor) were in attendance at the 2010 statewide conference in Anchorage. Five members from local social service providers and housing agencies were also in attendance.

The affordable housing coordinator presented an update on the progress of the Affordable Housing Commission as well as the efforts of the Juneau Homeless Coalition. A seminar was also held on the establishment of the Juneau Affordable Housing Fund. Scott was named to the board of the Alaska Coalition on Housing and Homelessness.

The Alaska Coalition on Housing and Homelessness is looking to take on greater responsibility for these issues throughout the State. It will be important that members of the Juneau housing community continue to have a strong presence within this organization in order to get local funding and policy concerns addressed on the statewide level.

Guest Speakers

The Commission tries to ensure that its work and especially the monthly meetings are viewed as an open forum where members of the community can bring potential housing problems, development issues, or ideas for collaboration.

In the past year, some of the speakers at Commission meetings have included:

- Colleen Bickford, Department of Housing and Urban Development
- Mary Marks, resident, Fair Housing/Condition of housing concern

- Bruce Griggs, local developer & contractor
- Dr. Blake Kazama, Tlingit-Haida Regional Housing Authority
- Zoe Morrison, Sheinberg Associates, Willoughby District Redevelopment Plan

Role of the Affordable Housing Coordinator

The affordable housing coordinator position has been vital to the Commission as it continues to pursue its work. Some of the essential tasks covered in the past year:

- **Secretary to the Commission:** Provided support to the Chair, notes and minutes for the Commission, and completed other various requests.
- Writing, Research, and Analysis: Handled the majority of writing, research and analysis involved with the Juneau Housing Needs Assessment, the Juneau Affordable Housing Fund, and the policy recommendations sent to local, state, and federal agencies. This background work guided the Commission's decisions on each of these issues, allowing the Commission to be proactive.
- **Spokesperson and Information Resource:** Helped to disseminate the work of the Commission to the Assembly and CBJ staff, state policymakers, and the general public. Meetings have been held with members of the state delegation, presentations made at the Alaska Coalition on Housing and Homelessness, and a booth set-up at the 2011 Homeshow.
- Co-Chair of the Juneau Homeless Coalition: Assisted member organizations of the local Continuum of Care, those agencies responsible for providing low-income, supportive housing in the community and the annual Point In Time Homeless (PIT) Count. Facilitated monthly meetings and assisted in planning the Project Homeless Connect event that coincides with the PIT count.

Future Steps and Recommendations

The Commission looks forward to building on the foundation of work from the previous year. A look at some of the priorities for the Commission:

- Affordable Housing Coordinator: Maintain the affordable housing coordinator position to help monitor the local housing situation, to participate within the state and federal housing policy arenas, to manage the Juneau Affordable Housing Fund, and to continue to highlight trends in overall housing need.
- **Juneau Affordable Housing Fund:** The goal is to begin operation of the JAHF with a Round One funding round and to continue to look at the acquisition of resources, including a dedicated local revenue source.
- **Planning for affordable housing:** The Commission wants to ensure that affordable housing concerns are included in any future planning dialogue for the CBJ, including the update of the Land Management Plan and any CBJ-owned property that will be developed in the future.
- Investigation of other affordable housing strategies: The Commission intends to look at more affordable housing strategies, those that include further and potential measures for the CBJ to take to keep down the costs of development.

The Commission thanks the CBJ for the opportunity to work on such an important problem in our City and hopes to provide more direction to the Assembly in the coming year.

Appendix:

A. Affordable Housing Commission Attendance

B: Juneau Affordable Housing Fund – Preliminary Application draft

Affordable Housing Commission 2010 Attendance

Member	12-Jan	2-Feb	9-Mar	30-Mar	20-Apr	11-May	1-Jun	6-Jul	3-Aug	7-Sep	12-Oct	16-Nov
Robert Banghart	х	Х	X	Х	Х	Х	С	х	Α	х	х	Α
Honey Bee Anderson	Х	Х	Х	Х	Х	Α	С	х	Х	х	Х	Х
Rosemary Hagevig	Х	Х	X	X	Х	Х	С	×	Х	х	X	Х
Tamara Rowcroft	Х	Х	Х	Х	Х	Х	С	×	Х	х	х	χ
Justin Shearer	Α	Х	Х	Х	Α	Х	С	X	Х	Х	х	Х
Alan Wilson	Х	Α	Х	Х	Х	Α	С	X	Х	Α	х	Х
Shari Partin	100	Х	Х	Х	Χ	Х	С	×	Х	х	Х	X
Stephen Sorenson	х	Х	Α	Х	Х	х	С	Α	Α	Х	х	Α
Norton Gregory		Х	Х	Х	Х	Х	C	X	Х	х	Х	Х

Work Session

x- in attendance

y- attended but meeting not held because of no quorum to start meeting

A - absent

c- cancelled meeting in advance because of no quorum

grey cell - vacant seat

All meetings held at Juneau Economic Development Council (JEDC) Conference Room on the 2nd Tuesday of the Month unless otherw.

Affordable Housing Commission 2011 Attendance

Member	18-Jan	8-Feb	8-Mar	12-May	10-May	14-Jun	12-Jul	9-Aug	13-Sep	11-Oct	8-Nov	13-Dec
Robert Banghart	Х	Х					•					
Honey Bee Anderson	Х	Х										
Rosemary Hagevig	Х	Х										
Tamara Rowcroft	Х	Х					•					
Justin Shearer	Х	Х			<u>"</u>							
Alan Wilson (Chair)	Х	Х										
Shari Partin	Х	х										
Stephen Sorenson	Х	Х					·					
Norton Gregory (Co-Chair)	Х	Х										

x- in attendance

y- attended but meeting not held because of no quorum to start meeting

A - absent

c- cancelled meeting in advance because of no quorum

grey cell - vacant seat

All meetings held at Juneau Economic Development Council (JEDC) Conference Room on the 2nd Tuesday of the Month unless otherwise I



Juneau Affordable Housing Fund

Notice of Preliminary Application

Juneau Affordable Housing Fund Funding Round I



Deadline for Preliminary Applications: (May 9 – Tentative), 4:30 p.m., Alaska Time

Note: Late submittals will not be accepted.

Applicants that do not submit a preliminary application will not be eligible for this round of funding.

Contact: Scott Ciambor, Affordable Housing Coordinator at JEDC

Phone: (907) 523-2338 Email: sciambor@gmail.com

FY 2011 Preliminary Application

Overview

In June 2011, the City and Borough of Juneau will announce the FY 2011 Notice of Funding Availability (NOFA) for its Juneau Affordable Housing Fund Program (JAHF). The purpose of the JAHF program is to provide low-interest rate loans and grants to non-profit organizations, public housing authorities, and profit-motivated entities for the creation and rehabilitation of affordable housing, or housing-related services.

The application process for a JAHF award involves two (2) steps. Applicants must complete (1) a *Preliminary Application* and (2) submit a *JAHF Application for Funding*. Reference materials and documents necessary to apply for the JAHF program can be found at http://jedc.org/affordablehousing.shtml.

Priorities for the Juneau Affordable Housing Fund - Round One, 2011

All projects that meet the general guidelines for the JAHF are eligible for funding. However, with limited resources available, the Affordable Housing Commission has established priorities that target pressing housing needs based on available data. Information from the 2010 Juneau Housing Needs Assessment indicates the following priorities for Round I of the Juneau Affordable Housing Fund:

I. Use of JAHF capital to develop housing units: Of the many eligible uses for JAHF funds, the Affordable Housing Commission prioritizes the use of Round One funding for capital costs for creation, acquisition, construction, rehabilitation, or preservation of affordable housing. Future funding rounds will be available for capacity-building activities, operating expenses, and self-sufficiency assistance once a dedicated revenue source has been identified.

II. One-bedroom rental units for low-income residents (50% AMI and below): With an overall pent up housing demand of 343 housing units (138 apartment units, 205 single-family homes), as well as a 2010 Point in Time Homeless Count number of 537 persons who are homeless, it is essential to encourage high-density, high volume housing to meet optimal 5% vacancy rates for one and two-bedroom apartments.

85% of renters that have incomes less than \$35,000 (50%AMI or Low-Income), approximately 1200 Juneau households, are rent-burdened. This means the lack of affordable housing weighs heaviest on these households -- working poor, fixed income, youth, special needs, veterans, seniors. The greatest impact of JAHF funds would be for the creation and development of one-bedroom apartment units targeting these low-income populations.

III. Long-Term Affordability: Given Juneau's history of a lack of affordable housing, land constraints, and the complex financing involved in putting together affordable housing projects, it is essential that units created using JAHF funds are affordable for as long as possible. At the minimum, units newly created or rehabilitated should have a 50-year term of affordability. Ideally, covenants would be longer -- even permanently affordable.

Timeline for the Juneau Affordable Housing Fund Application Process

I. Preliminary Application process

- Release of Preliminary Application Notice (March 28)
- Informational Meeting ___(April5)_
- Deadline for Questions (April 20)
- Deadline for Preliminary Application (May 9)
- Affordable Housing Commission Review (May 10, May 17?)
- Feedback & Notice of Invitation to Apply for JAHF Funding (May 24, 2011)

II. JAHF Application for Funding – Funding Round One

- Notice of Funding (June 1)
- Deadline for Questions (June 22)
- Deadline for Funding Round One Application (July 4)
- Affordable Housing Commission Review (July 12)
- Notice of Funding Award July 29, 2011

Round One Funding Awards

Currently, there is \$400,000 available in the Juneau Affordable Housing Fund. Until a dedicated revenue sources is established, the Affordable Housing Commission has set the following parameters for JAHF funding in Round One:

- 65% of JAHF funds will be available for award in Round One. (\$260,000)
- The maximum award available for an individual applicant is \$150,000.
- 5% of JAHF funds are available for grants. (\$13,000)
- The rest of JAHF funds are available as low-interest loans.

Purpose of Preliminary Application

The purpose of the preliminary application process is to provide sufficient information to the Juneau Affordable Housing Commission (AHC) about potential qualifying project proposals.

The CBJ Affordable Housing Commission envisions the use of JAHF funds for **gap financing** that will strengthen affordable housing project proposals that compete for other state and federal housing development resources. The preliminary

application process gives the AHC the opportunity to evaluate key aspects of the proposal to see if the proposed project will meet certain basic thresholds and thus be a viable candidate for awards from other funding sources.

The preliminary application process enables the AHC to evaluate the following aspects of the project proposal:

- Sufficient capacity and experience has been demonstrated to develop and operate the proposed project.
- Market feasibility: Is there sufficient need/or demand for the project? Does the project focus on the AHC Priorities for JAHF Round One Funding?
- Whether or not changes to the project design, scope, and/or funding mix are necessary or would be recommended by the Commission.
- Performance of all entities participating in the project team will be reviewed, including prior work history and references.

The preliminary application process will allow potential applicants to receive feedback on their project proposal prior to completion of the *JAHF Application for Funding*.

The deadline for completion of a Preliminary Application is 4:30 p.m. on March 31, 2011. If you are not planning to complete and submit a JAHF Application for Funding – Round One, do not complete this preliminary application.

Please provide six (6) copies of your Preliminary Application and submit them to:

Scott Ciambor CBJ Affordable Housing Coordinator Juneau Economic Development Council 612 W. Willoughby, Ste. A Juneau, Alaska 99801 Phone: (907) 523-2338

Fax: (907) 463-3929 sciambor@jedc.org

Juneau Affordable Housing Fund

FY2011 Preliminary Application

1. Applicant Identification		
TYPE:Non-profitPublic House For-profitLimited Liab Other (specify):	ing Authority Limbility Corporation C	ited Partnership HDO
Applicant: Address: City: Phone: () Email: Executive Director: Federal I.D. or Social Security Number: Contact Person for Award Notification: I, the	Fax: () rganization, am authoriz his application is correct	
2. Juneau Affordable Housing F		
JAHF amount requested: (a)\$	Total project cost (b)\$ UNDING)
TENURE TYPE	ACTI	VITY TYPE
RentalHomeownership (MAX \$30K per unit)Homeowner Occupied Rehab (MAX \$30K/unit)	Capital (CHOOSE BELOW) New Construction Rehabilitation Preservation Acquisition	Non-capital (MUST BE RELATED TO SPECIFIC PROJECT LISTED IN APPLICATION)Operating ExpensesCapacity BuildingSelf- sufficiency/Supportive Services

Other Anticipated Funding Requests:

Source Source	Amount requested	Amount requested
	(in \$)	(in \$)
Alaska Housing Finance Corporation		
LIHTC Program		
Alaska Housing Finance Corporation		
HOME Program		
Alaska Housing Finance Corporation		
Other Programs:		
Other Funding Sources: (Federal/State grants)		
Loans:		
Other:		
Total Funds Requested or Awarded	\$	\$

3. Project and Unit Information

Unit Type	Total #	Unit	Total	# Less	# Less than	# Less	Market
	of	Size (Sq.	Unit	than 30%	50%	than 60%	Rate
	Units	Ft.)	Area:	Median	Median	Median	Units
			Garage	Income	Income	Income	
			+ Unit				
			Size				
SRO							
Efficiencies							
1 Bedroom							
2 Bedroom							
3 Bedroom							
4 Bedroom							
5 Bedroom							
Total Units							

Residential Square Footage Total Floor Area		Manager's Unit included?					
Development Design #Ur	nits #Buildings	Other Amenities:					
☐ Detached Single Family ☐ Townhouse ☐ 2-, 3-, 4-plex ☐ Multi-Family ☐ Scattered Sites ☐ # of scattered sites ☐		Units contain Washer/Dryer Appliances Units contain Washer/Dryer hook-ups only Common Laundry with: washers and dryers. Covered parking spaces: # Uncovered parking spaces: # Other amenities:					
4. Project Site Informa	ition						
Project Street Address: Project's Complete Legal Description:							
Site Size (Indicate acres or squa	re feet):						
Current Site zoning:							
Is the site properly zoned for the If no, is rezoning in process? Estimate how long rezoning w	☐ Y	Yes □ No Yes □ No					
Are all utilities available at the s If no, which utilities need to be Estimate the cost to bring utility	e brought to the sit	Yes □ No ee?					
Is road access currently available to the site? Yes No If no, estimate the cost to bring necessary road to the site:							

ol	Property Status				
denced at operty) te of long- after expected	Property Status: Improved Unimproved If improved, is property: Occupied Unoccupied If occupied, property is occupied by: Owner Tenant (household or business)				
Tanageme i	nt Team				
Please demonyears of experiments of	nstrate at least three (erience. ect sponsor provide a rs of audited or uncial statements in the ation? Yes or No: estrate at least three essful property	1 4-4-			
Name and (Organization	Telephone Number and Email			
	denced at operty) te of long- after expected Qualifying E Please demonyears of expectant he project least two years audited finant JAHF application. Please demonyears of succession anagement	operty) Property Status: Improved If improved, is proper Occupied If occupied, property If occupied, property Owner If owner			

6. Project Description

On a separate piece of paper, please provide a brief description of your project. Include the name of the project and sponsor, as well as the following information:

- 1. Discuss the nature of the development proposal.
- 2. Describe the target population to be served by the project.
- 3. Describe the anticipated timeline for the project development.
- 4. List the proposed/anticipated funding partners.
- 5. Are there any other anticipated partners who will participate in this project? If yes, please describe these partners and the roles they will play in the project.
- 6. Describe any challenges to the project proposal that have been overcome to date.
- 7. Describe the project design.
- 8. Describe any amenities that will be available to households at the proposed project when completed.
- 9. Describe any special project services ad features.

7. Project Need

Answer the following questions to help determine the basis for the applicant request for JAHF funding.

- 1. Has the applicant consulted the Juneau Housing Needs Assessment as a resource? If so, please describe the identified community need the project proposal is targeting.
- 2. Has the applicant conducted its' own needs assessment of market study? If so, please describe:
- 3. If the answer to #2 is yes, please attach a copy of the results of the needs assessment.
- 4. Please describe any additional evidence available to substantiate the economic demand and need for the proposed project: