

City & Borough of Juneau Housing Needs Assessment

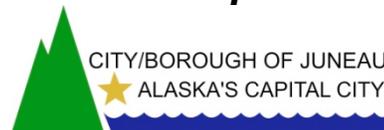


November 2010

Report by:



Developed for:



**This report was developed with the support
and funding of the City and Borough of Juneau.**

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Executive Summary

The City and Borough of Juneau (CBJ), like many other municipalities, has struggled with the responsibility of providing safe, sanitary and affordable housing for its residents. Juneau is experiencing a shortage of affordable housing that is exacerbated by a lack of sufficient rental housing and single-family homes.

A complex set of factors affects the local housing market and individual households' ability to afford housing. Although the nature of these difficulties has long been recognized, housing prices continue to increase and construction of new housing has slowed almost to a halt, further aggravating Juneau's housing problems. Housing prices have increased significantly since 2000, without a corresponding increase in wages. To better understand these dynamics, the Juneau Economic Development Council (JEDC) conducted a housing needs assessment of the current housing situation for all income and housing need categories in Juneau.

It is commonly understood in the housing industry that "Local housing issues require local housing solutions." Whereas state and federal agencies provide funding resources and general housing information that address some of the issues at the local level, the ultimate responsibility for providing safe, sanitary, and affordable housing for all CBJ households resides with the local community. This report has been prepared with the idea that it can be updated on an annual basis to allow the community to create policies and solutions that address Juneau's most critical unmet needs.

Several of the key points to come out of this study are presented below:

Recommendations

Based on analysis of the data compiled for this report, JEDC makes the five following recommendations to improve Juneau's housing situation:

1. Continue to develop the organizational capacity for affordable housing and continue to monitor local housing data.

Given the complexity and the demanding nature of the affordable housing industry, as well as the constant changes in the overall housing market, it is essential to invest resources in organizational capacity and the collection of research and data necessary to understand local housing needs. This information will assist in the acquisition of resources necessary to remedy local housing problem areas, including the identification of gaps within the local Continuum of Care system that assists low-income and homeless persons. Without this information it will be difficult for community stakeholders to collaborate and create strategies to alleviate the stresses on the local housing market.

2. Encourage the creation of more one- and two-bedroom rental apartments and single-family homes to manage unmet needs.

Juneau rental vacancy rates are significantly lower than the region, state or nation. In 2008, Juneau's rental vacancy rate was 2.3%, compared to 6.1% for Alaska and 7.8% for the nation.¹ For owner-occupied homes, Juneau's vacancy rate was 2.5%. According to JEDC calculations, Juneau currently needs 343 more housing units to meet pent-up demand and reach a five percent vacancy rate in each housing category, including 205 single-family homes and 138 new units in multi-unit buildings (duplex to apartment building units).

Rental Housing—One- and two-bedroom apartments and three- and four-bedroom single-family homes have very low vacancy rates.² A low vacancy rate means limited available housing and a limited ability for renters to choose housing that adequately meets their needs in terms of cost, size, quality, and location. **In 2010, the vacancy rate for single-family rental homes decreased to zero for rental homes with one, three, or four bedrooms.**

One element driving Juneau's shorter-term rental housing demand is the fact that Juneau has a very mobile population. Approximately one-fifth of Juneau's housing units changed hands in the last year, resulting in a higher demand for shorter-term rental housing.

Juneau's large nonresident workforce further exacerbates Juneau's rental crisis by competing with Juneau's lower income households for rental housing. One quarter of Juneau's workforce (approximately 5,000 positions) are not residents of Juneau, and therefore are more likely to require rental housing. Since 2000, the number of nonresidents working in Juneau has increased by nearly 1,500, while the type of rental units necessary to accommodate the housing needs for this group has seen very little growth.

Seven of the top ten private sector nonresident occupations are relatively low-paying positions (retail, tour guides, food service, cashiers, bus drivers, waiters, and maids), meaning many nonresident workers have low-cost rental needs. More than 80% of the renter households with annual incomes less than \$35,000 are cost-burdened. Overall, there are 1,466 renter households with at least some cost burden and only 966 units set aside for low-income households. As the cost of housing has increased in the last decade, demand for more low-income housing has also risen. However, vacancy rates in the 966 designated affordable units is typically between 1-2%, meaning that those most in need of affordable housing have the least amount of choice.

With a current pent-up demand of 138 multi-family units, attention might be given to the acquisition and rehabilitation of existing housing stock to meet this need. This solution is typically less expensive and many of Alaska Housing Finance Corporation's programs focus use this approach. Currently, there are 17 organizations that develop affordable housing rental units and provide housing services in Juneau. Many of these organizations specialize in housing and housing for persons with special needs. Even were these 138 units to be provided it might

¹ U.S. Census Bureau, 2008 American Community Survey.

² Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation - 2009 Rental Market Survey

also be necessary to consolidate ownership and management of these housing organizations to provide better economies of scale.

Single-Family Homes—JEDC has identified approximately 1,000 renter households that can afford to purchase a home, but have not. The creation of more single-family homes will provide more options for potential buyers, allow more renters to purchase homes, and help relieve some of the pressure on the rental market. The hurdle to filling this is the lack of available, buildable land.

Senior-Friendly Housing—A not immediate, but fast-approaching need, is housing for Juneau's growing senior population. Juneau has aged at a faster pace than the state or the nation. The proportion of those 55 and older in Juneau increased from 10 percent in 1990 to 21% in 2007. By 2020 those 55 and older are expected to make up 30% of the local population. Consequently, Juneau will need to increase its senior-focused housing stock to enable seniors to remain in Juneau in the coming decades. One option is to focus attention on the acquisition and rehabilitation of existing stock as the most cost-effective measure.

3. Establish an Affordable Housing Trust Fund.

Funding is the major difficulty in the development of affordable housing, especially for low-income and special needs populations. Local housing agencies, which are often small with limited organizational capacity, have difficulty raising the matching funds necessary to apply for state and federal funding. According to a HUD Study, nonprofit development deals involve, on average, 7.8 different sources of funding.³ Additionally, the local home-building community finds it unprofitable to build market-rate single-family homes in the affordable range for Juneau residents.

This study recommends creating an Affordable Housing Trust Fund with a local, dedicated revenue source to encourage the creation of housing that targets local housing needs. A local Affordable Housing Trust Fund would (1) provide a dependable source of capital for the production, acquisition and rehabilitation of rental units, owned homes, and associated supportive services, (2) provide funding without restriction that would give the community the ability to focus on most pressing local housing needs, and (3) would be used to leverage other funds for the production of more affordable housing.

A focus of the Affordable Housing Trust Fund should be the establishment of a dedicated revenue source so that affordable housing can be developed consistently and is not subject to periods of inactivity. Of course, this raises the all-important question—from where will the dedicated revenue source come?

³ Bratt, Rachel G. 2006. *Should We Foster the Nonprofit Housing Sector as Developers and Owners of Subsidized Rental Housing?* Paper presented at the Joint-Center for Housing Studies Symposium on Revisiting Rental Housing: A National Policy Summit, Cambridge, MA. November 14—15.

4. Address the buildable land issue.

The purpose of the Juneau Housing Needs Assessment is to determine the unmet housing need in the community. However, one of the primary barriers to the creation of more housing is the lack of affordable land on which to build new housing. This situation is likely to become even more restrictive in future years.

Most local undeveloped lands are wetlands, forests, steep slopes and variable terrain and/or are inaccessible by roads. Unfortunately, the cost to develop those lands (and mitigate environmental impacts) for most residential uses is cost-prohibitive.⁴

A search for buildable land, an examination of how land-banking options might provide more buildable land, and an analysis of opportunities for conversion of existing buildings into rentals or other potential housing all must be undertaken. A plan that proposes the best mix of these options should be prepared and presented to the CBJ planning department.

5. Strengthen the Continuum of Care Network.

The lack of affordable one- and two-bedroom rental units is especially burdensome on the low-income population. This in turn increases the pressure on the Continuum of Care network (Juneau Homeless Coalition) that aims to provide housing options for these residents. With limited opportunities to move clients out of the Continuum of Care (CoC) system -- Emergency Shelter, Transitional Housing, Permanent Supportive Housing -- the existing housing options for low-income and special needs populations are often not utilized for their intended purpose. Thus fewer clients are assisted than meets the need.

In addition to the need for more housing options for the homeless, low-income, and special needs populations, other strategies that are necessary to improve the housing situation for this segment of Juneau's population include:

- Community-wide utilization of the Health Management Information System (HMIS) or another data collection system that would help track and assess the needs of clients and identify current gaps.
- Comprehensive intake, assessment, and prevention efforts that match clients' housing needs with the appropriate available resources.
- Establishment of a community-adopted Ten-Year Plan to End Homelessness.

The success of these strategies will also depend on the availability of housing outside of the Continuum of Care network. Typically there are one- and two-bedroom apartments or newly allowed Single-Room Occupancy (SRO) apartments to which clients can be moved for the appropriate level of service. This would free up space within the CoC system.

⁴ City and Borough of Juneau Comprehensive Plan, 2008

Other Key Findings

Other key findings from the report are summarized below:

Housing Values and Sales

- The average price of a single-family residence in 2009 was \$307,955, which was 4.3% higher than the 2008 average. In the first half of 2010, home prices have continued to rise. The average price of a single-family residence in the first half of 2010 was \$318,385. In 2009 there were a total of 228 single-family homes sold, similar to 2008. The average number of days on the market was 93.⁵
- An average Juneau home was built in 1971 and is 1,740 square feet with three bedrooms. Of the 6,319 single-family homes in Juneau, only six percent are assessed at \$200,000 or less (in 2010).⁶
- The median assessed value of an owner occupied housing unit was 53% higher in Juneau than the national median value, and 30% higher than the Alaska median value in 2008.⁷

General

- Of Juneau's 12,911 housing units, nearly half (49%) are single-family homes.⁸
- Two-thirds of housing units in Juneau are occupied by the homeowner.⁹
- One-third of Juneau residents have lived in their current housing unit for three years or less.¹⁰

⁵ Southeast Alaska Multiple Listing Services, 2009

⁶ City and Borough of Juneau, Finance Department, Assessor's Database, 2010. Analysis by the Juneau Economic Development Council

⁷ 2008 American Community Survey, U.S. Census Bureau

⁸ City and Borough of Juneau, Finance Department, Assessor's Database, 2010. Analysis by the Juneau Economic Development Council.

⁹ 2008 American Community Survey, U.S. Census Bureau.

¹⁰ 2008 American Community Survey, U.S. Census Bureau.

Chapter 1: Introduction and Framework for the Housing Needs Assessment

Purpose

This report analyzes the local housing data and demographics necessary to answer the question, “What is the most significant housing need in the City and Borough of Juneau?”

This study examines the entire housing continuum—from emergency shelter to market rate housing—in order to categorize the need in each of the distinct niches that make up the local housing stock. In order for the community to meet the housing needs of households at all income levels and create more effective housing strategies, a precise understanding of each of these local housing categories is necessary. Specifically, this report:

- Describes socioeconomic characteristics and trends that affect housing
- Describes recent housing development trends
- Describes housing condition, tenure, and sales
- Quantifies housing needs by type and density, and compares it with household incomes and other factors.

What is Affordable Housing?

The terms “affordable” and “low-income” housing are often used interchangeably. These terms, however, have different meanings.

Affordable housing refers to households’ ability to find housing within their financial means. Households that spend more than 30% of their income on housing and certain utilities are considered to experience a cost burden, and thus does not have affordable housing. Nearly 4,000 Juneau households spent more than 30% of their household incomes on household costs in 2008, including 1,350 households that spent more than 50% of their incomes.¹¹ Currently, 38% of all renters, and 39% of homeowners with a mortgage do not have affordable housing.

Low-income housing (or permanent affordable housing) refers to housing for “low-income” households. HUD considers a household low-income if it earns 80% or less of median family income. In short, low-income housing is targeted at households than earn 80% or less of median family income. Currently, 41% of all Juneau households are considered low-income by this definition.

Any household can experience cost burden, and the concept of affordable housing applies to all households in an area. A community can have a housing affordability problem that does not include only low-income households. It is important to underscore the point that many households that experience cost burden have jobs and are otherwise productive members of society.

¹¹ 2008 American Community Survey, U.S. Census Bureau

Essentials on affordability in Juneau:

- Juneau homeowners pay a monthly median of \$2,040 towards housing costs, including mortgage, tax, insurance and utilities. This is 35% higher than the national median, and 17% higher than the state median.¹²
- Juneau's renters pay an average of \$1,131 on rent and utilities each month. Juneau's renters pay 20% more for rent than the national average.¹³
- A State employee in Juneau earning an average State salary of \$48,571 cannot afford the Fair Market Rent for two-bedroom apartment on a single salary without being economically burdened.
- Based on wage data analysis, nearly half (48%) of Juneau's renter households could not afford the average price of a two-bedroom apartment.¹⁴

Why is affordable housing important to the local community?

Housing fulfills a basic human need. Communities should seek to provide safe, satisfactory housing opportunities to all households, at costs they can afford, without regard to income, race, family structure, or disability. Adequate housing provides a better quality of life for residents and stable communities.

Housing is important to the economic vitality of the local community. The cyclical nature of housing markets often creates uncertainties for investment, labor, builders, and especially developers of low-income housing. Housing strategies that seek a healthy mix of housing options – from emergency shelter to fair market homes – that can be developed consistently and that target the most critical housing needs of the community will provide opportunities for residents to improve their economic situation and contribute to the community.

There are additional economic benefits to the community that result from an adequate supply of affordable housing:

- Savings on rent and mortgage that can otherwise be spent in the local economy;
- Job creation and wages to support the local housing industry; and
- The ability to attract state and federal resources for the local community.

Housing enhances community life and makes Juneau attractive for current and future residents. The availability of affordable rental housing and homeownership opportunities would make Juneau a more desirable place to live. With sufficient housing choice that fits an individual's housing need, the community becomes much more attractive to families, young professionals, employers, seniors, and others who would like to make Juneau their home.

¹²2008 American Community Survey, U.S. Census Bureau

¹³Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation - 2009 Rental Market Survey

¹⁴ADOL and 2008 American Community Survey, U.S. Census Bureau

Chapter 2: Overview of the Juneau Housing Market

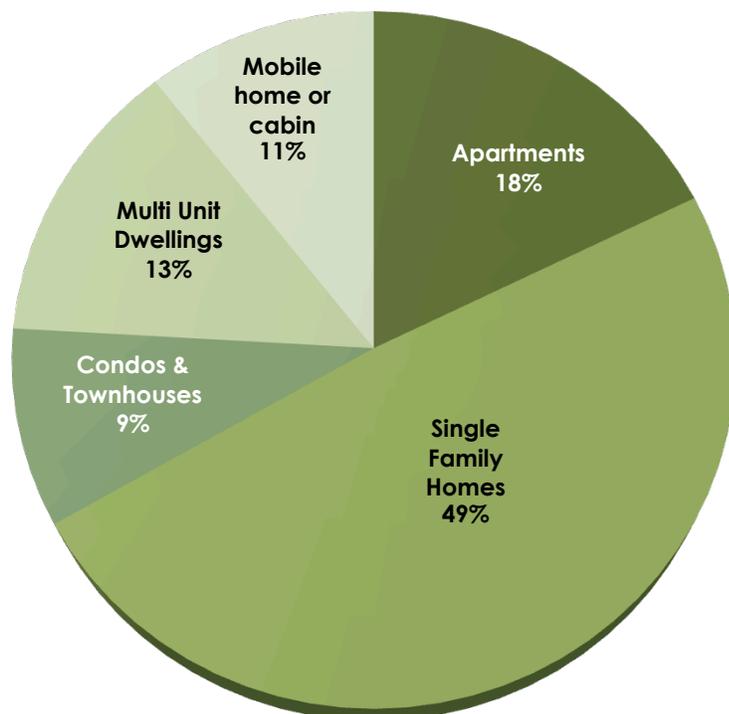
This chapter provides an overview of the Juneau housing market, including:

- a housing inventory that describes the number, types, age, and size of Juneau's housing units;
- an occupancy analysis that details the owner to renter ratios, vacancy rates, household sizes, and occupancy length;
- a housing affordability analysis that examines homeowner and renter costs and the economic burden of housing-related costs by population subgroups; and
- an examination of assessed housing values in Juneau, housing sales and prices, new home construction, and buildable lands.

Juneau Housing Inventory

According to the Juneau City Assessor, in 2010 there are 12,974 housing units in Juneau.* Approximately half (49%) of these housing units are single-family homes, and nearly one-fifth (18%) are apartments.

Juneau Housing Units by Type, 2010



Housing Unit Type	2010
Total Units	12,974
Apartments	2,309
Apartments (Low Income Tax Credit)	344
Apartments	1,310
Apartment (in a residence)	655
Single Family Homes	6,349
Single Family Residence	4,842
Zero lot line	852
Single Family Residence (with apartment)	655
Condos and Townhouses	1,190
Condo	1,013
Townhouse	177
Multiple Units	1,745
Duplex Units	571
Triplex Units	144
Fourplex Units	404
Multiple buildings on property	626
Mobile home or cabin	1,381
Mobile home on lot	242
Mobile home in park	974
Cabin	165

Source: CBJ with analysis by JEDC, 2010

In the two-decade plus period between 1988 and 2010, the number of housing units in Juneau increased by 24%, from 10,447 to 12,974.* Most of this increase took place in the first half of this period, between 1988 and 1998, as the local population and the number of housing units each increased by 15%. From 2001 to 2010, the population of Juneau remained flat while the total number of housing units continued to increase by six percent. Apartments in family homes represented 97% of the housing unit increase between 2001 and 2008. This was in response to nonresident workforce and/or senior housing needs.

Total Housing Units and Population, 1988-2010

	Total Housing Units	Juneau Population
1988	10,447	26,064
1991	10,451	27,579
1994	10,912	28,454
1998	11,965	30,021
2001	12,207	30,446
2005	12,653	31,225
2008	12,911	30,427
2010	12,974	30,661
Change 1988-2010	24%	18%
Change 2001-2010	6%	1%

Source: CBJ, ADOL

*Note: Total housing units excludes boats and RVs.

Estimated Distribution of Juneau's Housing Units

While there is no definitive source to determine exactly how Juneau's housing is distributed among housing types (renter versus homeowner, and number of bedrooms), JEDC developed the matrix below using the Juneau Assessor's database, ACS data, and ADOL data.

2010 Juneau Housing Units by Estimated Distribution

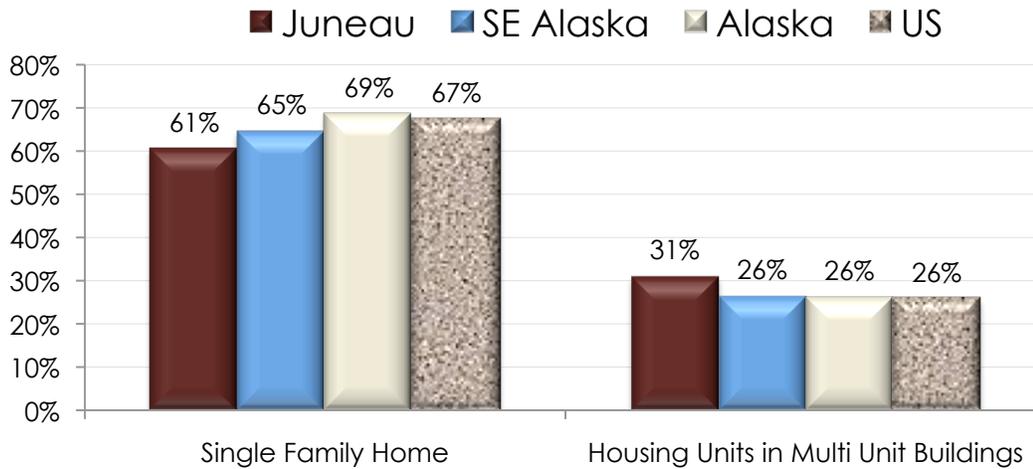
Number of Bedrooms	Totals	Renter Occupied Apartment or Condo (5+ Unit Buildings)	Renter Occupied Multi Family Unit (2-4 Unit Buildings)	Owner Occupied Multi Unit Dwellings (2+ Unit Buildings)	Renter Occupied Single Family Homes	Owner Occupied Single Family Homes
		1,640	1,000	755	1,200	6,130
No bedroom	320	230	50	5	30	5
1 bedroom	1,495	590	250	175	300	180
2 bedrooms	2,670	600	280	375	220	1,195
3 bedrooms	4,080	200	400	180	500	2,800
4 or more bedrooms	2,160	20	20	20	150	1,950

Notes: This analysis excludes mobile homes (1,216 units), cabins (165 units), and multiple buildings on property (626). Single family homes include single family houses, single family houses with apartments, and zero-lot lines.

Types of Juneau's Housing Units

Juneau is more likely than the state, region or nation to have multi-unit housing, rather than single-family homes.

Type of Housing Units, 2008



Source: U.S. Census Bureau, 2008 American Community Survey. Mobile homes, boats, and RVs are excluded from this chart.

Juneau has a high percentage of housing complexes with 5 or more units, representing approximately a fifth (19%) of all Juneau housing units. This higher density housing construction is likely due to Juneau's unique geographic challenges that include steep hillsides, wetlands, and little acreage available to build.

Types of Housing Units, 2008

	Juneau %	SE Alaska %	Alaska %	US %
Single Family Home	61%	65%	69%	67%
2 units	6.4%	7.3%	5.1%	4.0%
3 or 4 units	5.3%	6.8%	7.6%	4.5%
5 to 9 units	8.2%	5.1%	5.5%	4.9%
10 to 19 units	4.7%	3.1%	2.8%	4.5%
20 or more units	6.3%	4.1%	5.2%	7.9%
Mobile home	8.4%	8.7%	5.2%	6.8%
Boat, RV, van, etc.	0.2%	0.6%	0.1%	0.1%

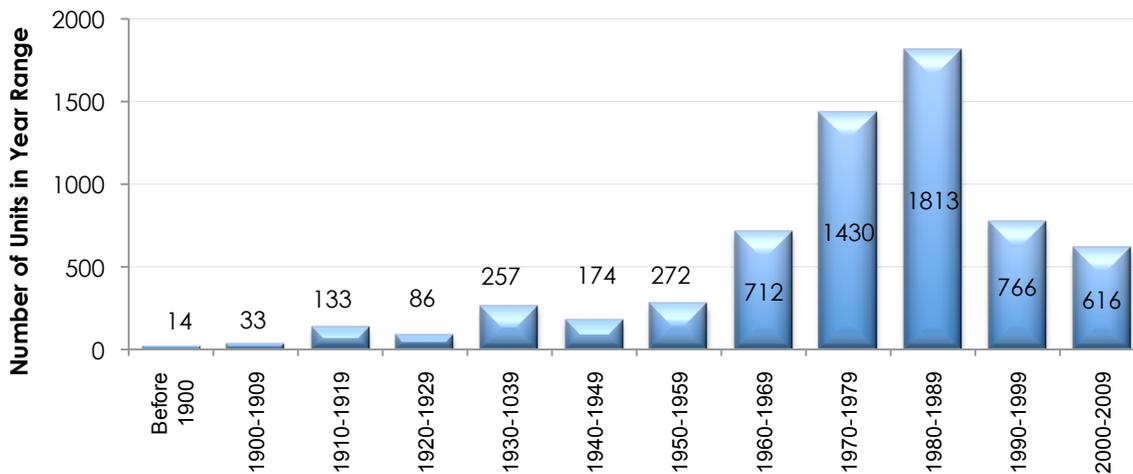
Source: U.S. Census Bureau, 2008 American Community Survey

Age of Juneau's Housing Units

- Average Year of Juneau Housing Unit Construction = 1971
- Median Year of Juneau Housing Unit Construction = 1980

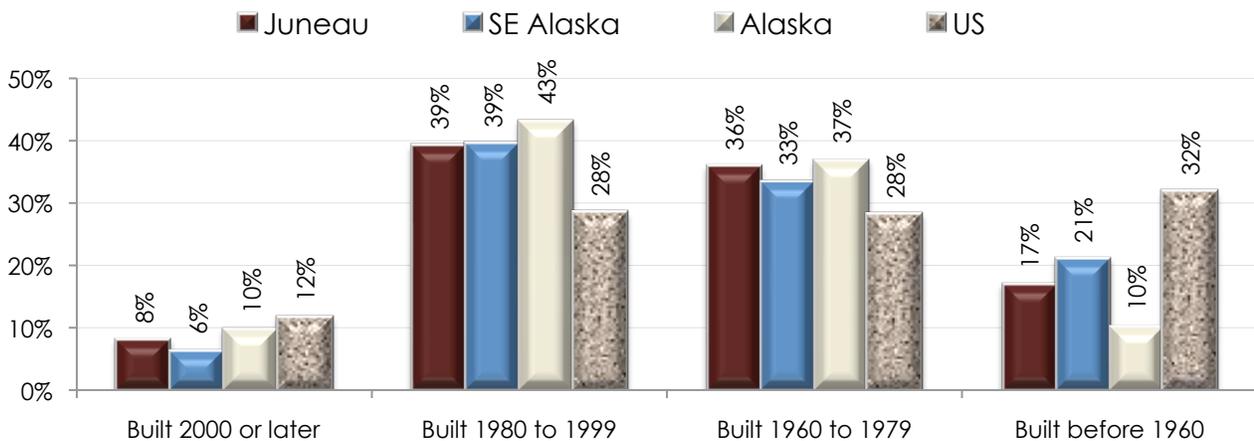
The 1970s and 1980s represented Juneau's housing boom in terms of constructing single-family homes, with 51% of all single-family housing units built in that time. Twenty-two percent of Juneau's single-family homes have been built since the 1980s.

Age of Juneau Single-Family Homes



Source: CBJ with analysis by JEDC, 2010

Housing Units by Year Built, 2008

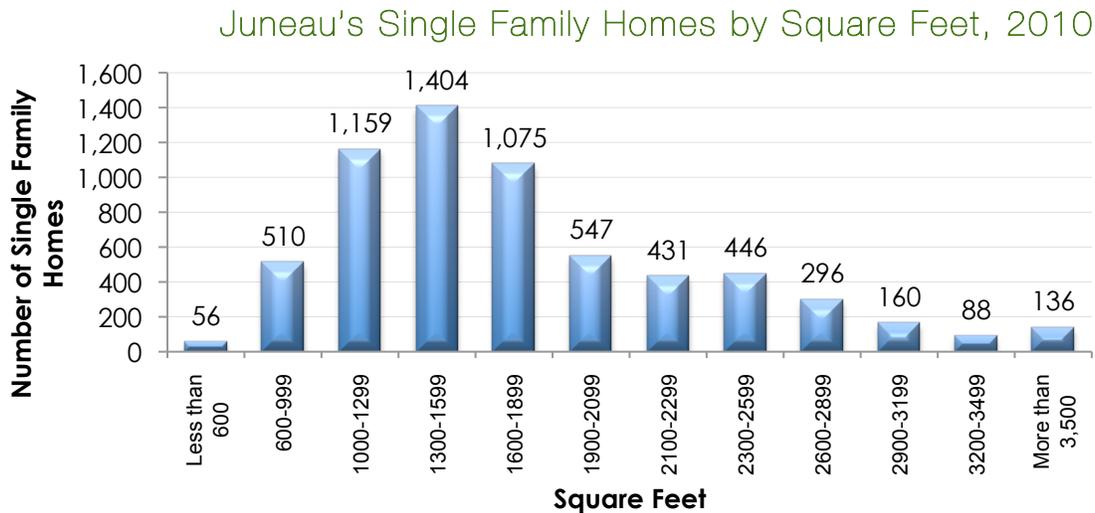


Source: U.S. Census Bureau, 2008 American Community Survey

Size of Juneau's Housing Units

Square Feet

According to the Juneau City assessor's database, Juneau's single-family homes consist on average of three bedrooms and two full bathrooms. The average number of square feet in a single family Juneau home in 2010 is 1,740.



Source: CBJ with analysis by JEDC, 2010

Comparatively, Juneau homes are small. Nationally, the average number of square feet in a single family is 2,720, or 56% larger than an average Juneau home. Considering that the average price of a single family home was 12% higher in Juneau than nationally in 2009, this means that the average price per square foot is 75% higher in Juneau than the US average.

Number of Bedrooms

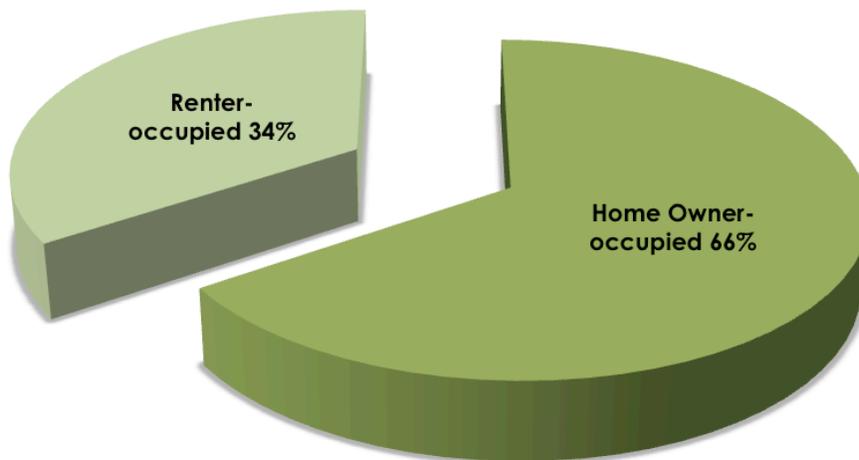
Housing units in Juneau tend to follow national trends in terms of the distribution of the number of bedrooms in housing units. Juneau has a smaller percentage of zero bedroom units than the state as a whole.

Juneau Housing Unit Occupancy

Renting Versus Owning

Juneau is similar to the region, state, and nation in the percentage of renters and homeowners. Approximately one-third (34%) of occupied housing units in Juneau are inhabited by renters, while two-thirds (66%) of occupied dwellings are inhabited by homeowners.

Distribution of Juneau Housing Units Occupied by Owners vs. Renters, 2008



Owner and Renter Occupied Units, 2008

	Juneau	Juneau %	SE Alaska %	Alaska %	US %
Occupied housing units	11,740	11,740	28,427	235,500	112,386,298
Owner-occupied	7,700	65.6%	64.7%	64.1%	67.1%
Renter-occupied	4,040	34.4%	35.3%	35.9%	32.9%

Source: U.S. Census Bureau, 2008 American Community Survey

Vacancy Rates

There are several different organizations that track local vacancy rates, including:

- The City and Borough of Juneau
- The Alaska Department of Labor (market rental units only)
- The US Census Bureau for their American Community Survey (ACS)
- Independent analysis using Southeast Alaska MLS data and CBJ Assessors Database
- Independent market rate studies

The resulting vacancy rates differ due to different methodology and access to different data sets. The lack of consistent vacancy rate data makes a definitive analysis difficult. For the purposes of calculating pent-up demand and future demand, this report uses the ACS vacancy rate figures. The ACS allows vacancy rates to be compared across geographies; however, the ACS uses smaller survey sample sizes than the other methods. The ACS housing data in this report is the result of interviews with the occupants of 746 housing units (and a 97% response rate). The ADOL data, for the annual Alaska Housing Finance Corporation Rental Market Survey, interviews landlords responsible for more than 1,000 market rate rental units. The data is extremely valuable as it differentiates between types of rental units, and has been using a consistent methodology since 1999; however, because it excludes low-income housing units, the vacancy rates presented are not a full reflection of all rental units. Monitoring vacancy rates of low-income housing units, as well as the housing waitlist information for each of these units, would be very helpful in understanding Juneau's low-income population housing situation.

Homeowner Vacancy Rates

According to the ACS, Juneau's homeowner vacancy rate is similar to the nation, but slightly higher than that of the region or state.

Homeowner Vacancy Rates, 2008

	Juneau	SE Alaska	Alaska	US
Homeowner vacancy rate	2.5%	1.7%	1.5%	2.5%

Source: U.S. Census Bureau, 2008 American Community Survey.

An April 2010 JEDC analysis demonstrates an even lower homeowner vacancy rate of 1.6%. CBJ develops annual vacancy rates for single-family homes. A five-year average of the CBJ single-family home vacancy rate is 1.4%.

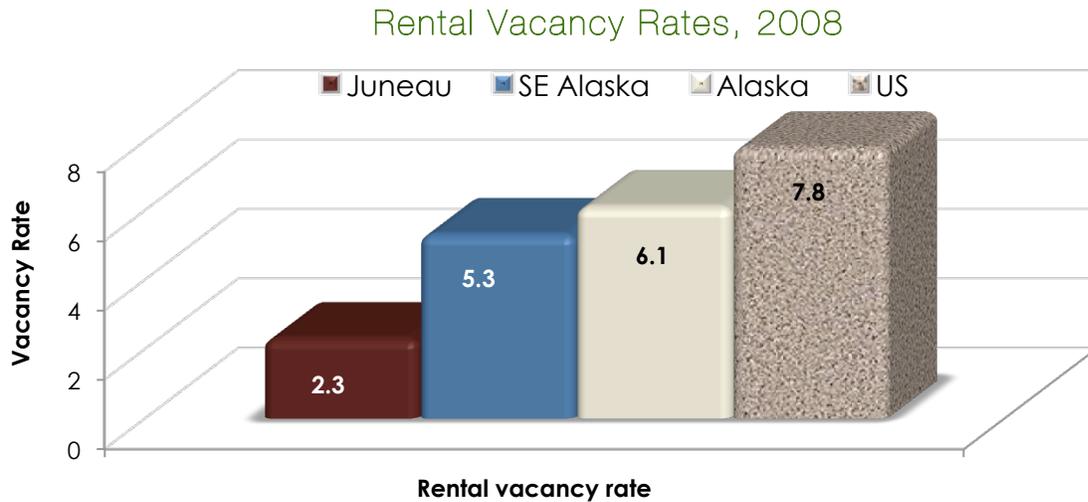
Juneau Housing For Sale, April 2010

Type	Count	Average Asking Price	Vacancy Rate by Category
Single Family Home	81	\$400,260	1.8%
Single Family w/Apt	8	\$567,113	1.3%
Attached	14	\$252,564	1.8%
Condominium	21	\$195,419	1.9%
Mobile	6	\$49,450	0.5%
Total	130	\$345,341	1.6%

Source: Juneau Assessor's Database, Southeast Alaska MLS, ADOL, Vacancy Rate Analysis by JEDC.

Rental Vacancy Rates

Juneau has long been plagued by low rental vacancy rates, making it difficult for renters to find suitable housing. According to the ACS, Juneau's rental vacancy rate in 2008 was 2.3%, significantly lower than the region, state or nation.



Source: U.S. Census Bureau, 2008 American Community Survey

According to the methodology utilized by ADOL, Juneau's rental vacancy rate was 4.1%. The 2010 rental vacancy was 3.9% in Alaska overall, and 1.8% in Anchorage.

It should be noted that ADOL does not survey income-limit or subsidized housing because its goal is to capture market rent prices. An August 2009 market feasibility study by Novogradac & Co. surveyed 135 Low Income Housing Tax Credit apartments and determined a vacancy rate of 1.5%. According to CBJ studies, the five-year average of the multi-family unit vacancy rate is 3.9%.

The ADOL rental vacancy figures break down rental vacancies by unit type, which is very useful for determining the greatest housing needs for Juneau. In 2010, one, three and four bedroom rental homes each posted vacancy rates of zero.

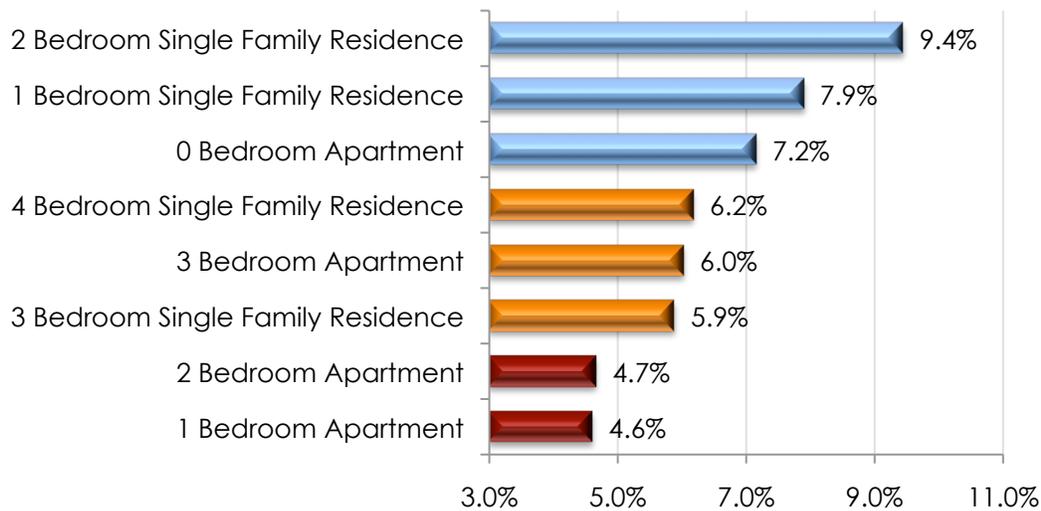
Average Vacancy Rate by Rental Unit Type and Number of Bedrooms, Juneau 2010

Number of Bedrooms	Apartment Average Vacancy Rate	Units Surveyed	Single Family Residence Average Vacancy Rate	Units Surveyed
0 Bedroom	11.9%	126	NA	NA
1 Bedroom	3.5%	315	0.0%	31
2 Bedroom	2.5%	363	7.1%	28
3 Bedroom	4.0%	100	0.0%	35
4 Bedroom	NA	NA	0.0%	11

Source: ADOL, Alaska Housing and Finance Corporation 2010 Rental Market Survey

To better understand the longer-term trends in rental vacancies, the following chart averages ADOL data from the past six years of rental housing vacancy type. According to the resulting six-year trend analysis, the two types of rentals with the lowest vacancy rates, and therefore the highest levels of need are one and two-bedroom apartments. Smaller single-family homes, those with one to two bedrooms have higher levels of vacancy, presumably because they are less affordable to the rental population.

Vacancy Rate by Rental Unit Type and Number of Bedrooms, Juneau 2005-2010 Average

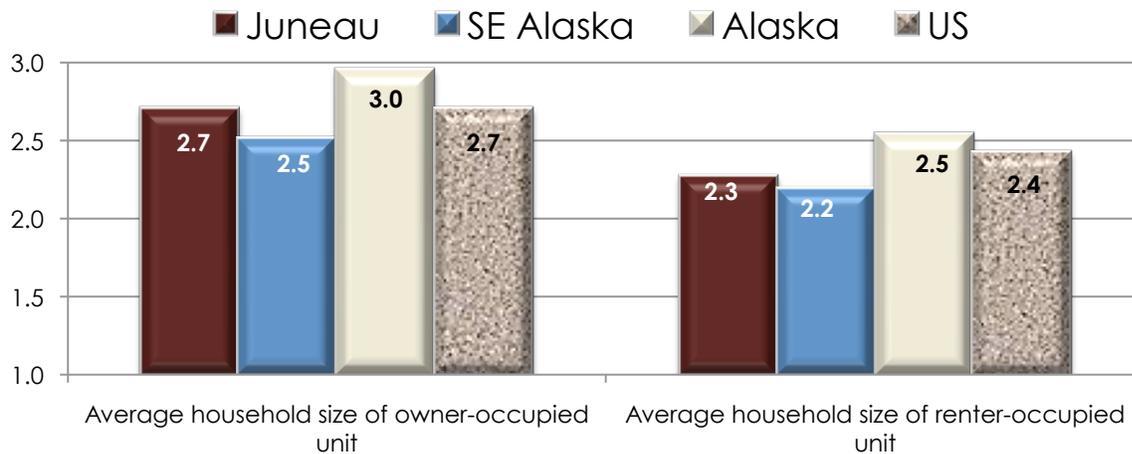


Source: ADOL

Household Size

In 2008, the average number of occupants of an owner-occupied housing unit in Juneau was 2.7 persons, while a renter-occupied housing unit was 2.3 persons. These averages are similar to national averages and to Juneau's 2000 average household size statistics. The state as a whole has slightly higher average household densities.

Average Household Size, 2008



Source: U.S. Census Bureau, 2008 American Community Survey

Family vs. Non Family Households

In 2008, 66% of Juneau households were considered family households, in that they contained family members living together. One quarter (26%) of Juneau households contained a person living by him or herself. The remaining nine percent of households are non-family households, that is, they contained boarders, unmarried partners, or housemates, the largest subset of non-family households. Approximately 1,100 Juneau residents live together in a housemate situation.

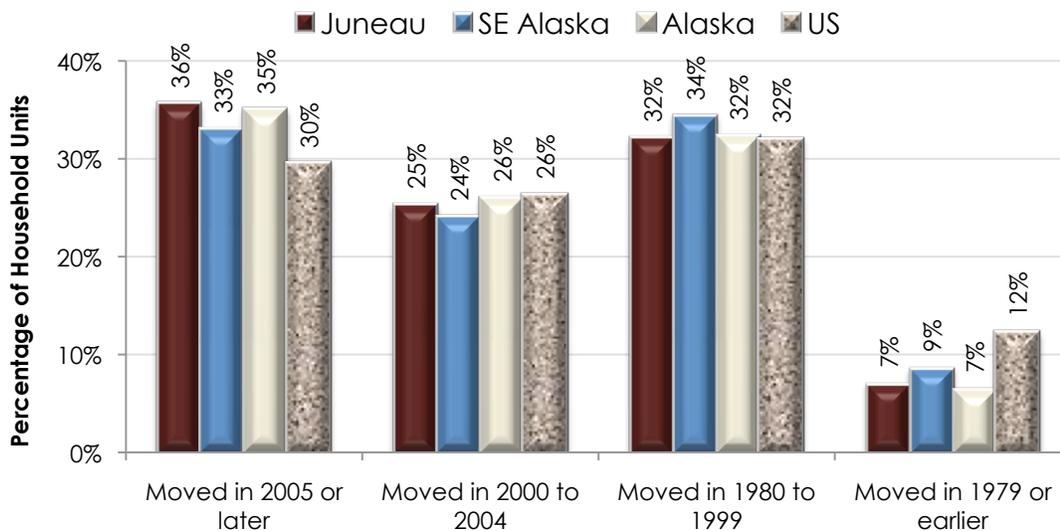
Length of Housing Occupancy

Juneau has nearly 12,000 occupied housing units. In 2008, more than a third of these housing units (36%) had been occupied by the existing owners or tenants for three years or less, rates similar to Alaska as a whole, yet six percent higher than the nation. Seven percent of Juneau homes have not changed residents since before 1980, which is also similar to the state as a whole.

Year Householder Moved Into Unit (2008)

	Juneau	Juneau %	SE Alaska %	Alaska %	US %
Occupied housing units	11,740	11,740	28,427	235,500	112,386,298
Moved in 2005 or later	4,181	36%	33%	35%	30%
Moved in 2000 to 2004	2,966	25%	24%	26%	26%
Moved in 1990 to 1999	2,164	18%	21%	21%	22%
Moved in 1980 to 1989	1,606	14%	14%	11%	10%
Moved in 1970 to 1979	635	5%	6%	5%	7%
Moved in 1969 or earlier	188	2%	3%	2%	6%

Year Householder Moved Into Unit by Percent (2008)



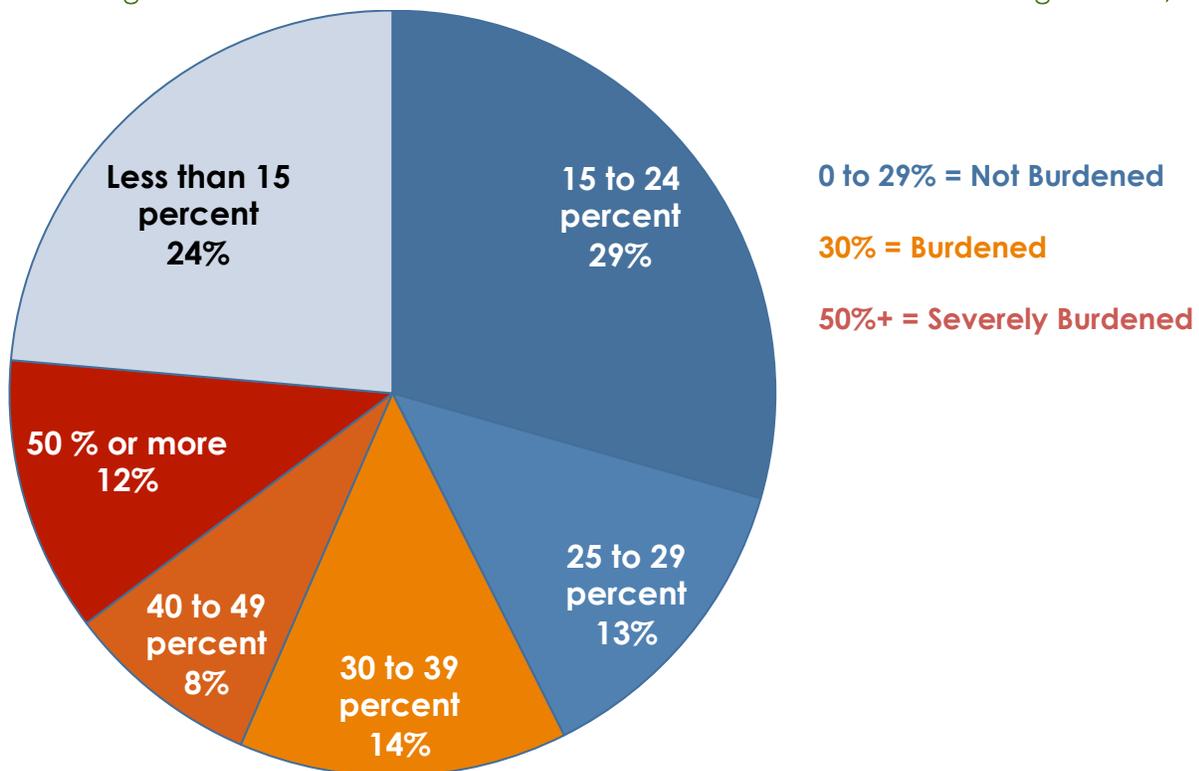
Source: U.S. Census Bureau, 2008 American Community Survey

Housing Affordability in Juneau

Housing Costs as a Percentage of Household Income

In 2008, one-third—nearly 4,000—Juneau households spent more than 30% of their household incomes on household costs (including rent, mortgages, taxes, insurance, utilities, and other components of monthly housing expenses), including 12%, or 1,350 households, who spend more than 50% of their incomes. Households that exceed 30% of household income spent on housing are considered “burdened,” as 30% is the amount of income a family can spend on housing and still have enough for other nondiscretionary spending. Households that exceed 50% of household income spent on housing are “severely burdened.”

Percentage of Income Juneau Households Paid Towards Housing Costs, 2008



Source: U.S. Census Bureau, 2008 American Community Survey

This economic burden is not distributed equally. This section shows the results of a subgroup analysis examining which groups spend the largest percentages of their incomes on housing.

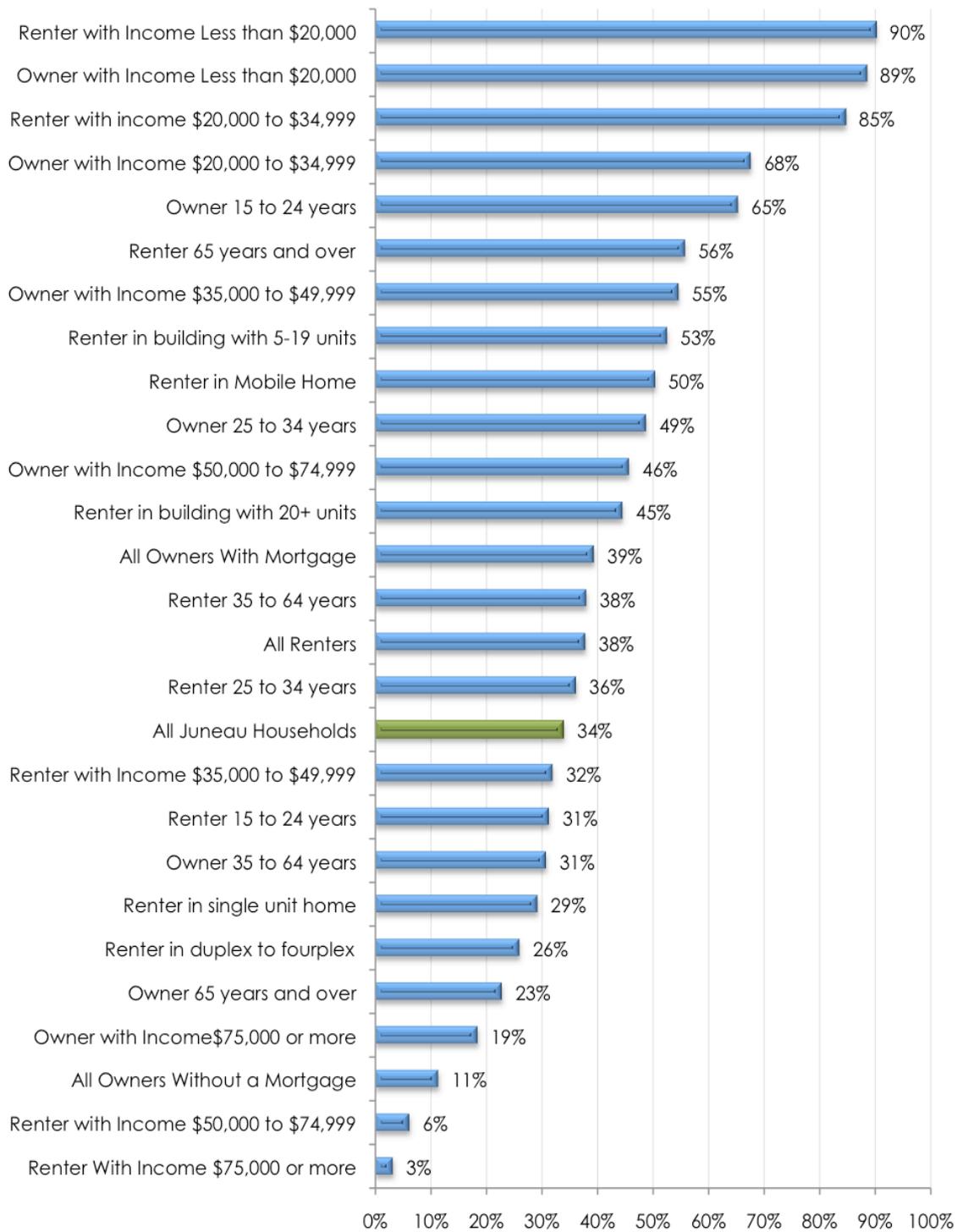
The largest group impacted by the burden of housing costs includes households earning less than \$35,000 per year. There are nearly 2,000 of these households in Juneau, including both homeowners and renters, and five out of six of these households—approximately 1,600 households—pay more than 30% of their entire household income towards housing costs.

Percentage of Households Spending More Than 30 Percent of Household Income on Housing Costs by Subgroup, 2008

	Total Households	Burdened Households (HH that pay 30%+ of income towards housing)	
		% Burdened Households	Count of Burdened Households
All Juneau Households	11,570	34%	3,908
All Owners With Mortgage	5,580	39%	2,199
All Owners Without a Mortgage	2,120	11%	243
All Renters (Note: 3,870 computed)	4,040	38%	1,466
Renter Households by Age			
Renter 15 to 24 years	523	31%	164
Renter 25 to 34 years	911	36%	330
Renter 35 to 64 years	2,187	38%	833
Renter 65 years and over	249	56%	139
Homeowner Households by Age			
Owner 15 to 24 years	176	65%	115
Owner 25 to 34 years	496	49%	242
Owner 35 to 64 years	6,005	31%	1,851
Owner 65 years and over	1,023	23%	234
Renter Households by Household Income			
Renter with Income Less than \$20,000	784	90%	708
Renter with income \$20,000 to \$34,999	539	85%	457
Renter with Income \$35,000 to \$49,999	669	32%	214
Renter with Income \$50,000 to \$74,999	848	6%	53
Renter With Income \$75,000 or more	1,030	3%	34
Homeowners by Household Income			
Owner with Income Less than \$20,000	149	89%	132
Owner with Income \$20,000 to \$34,999	439	68%	297
Owner with Income \$35,000 to \$49,999	902	55%	493
Owner with Income \$50,000 to \$74,999	1,360	46%	622
Owner with Income \$75,000 or more	4,850	19%	898
Renter Households by Housing Type			
Renter in single unit home	1,141	29%	334
Renter in duplex to 4 unit building	945	26%	246
Renter in building with 5-19 units	983	53%	517
Renter in building with 20+ units	597	45%	266
Renter in Mobile Home and Other	204	50%	103

Source: U.S. Census Bureau, 2008 American Community Survey

Percentage of Households Spending More Than 30 Percent of Household Income on Housing Costs by Subgroup, 2008



Source: U.S. Census Bureau, 2008 American Community Survey

By comparing the ACS 2008 data to the census 2000 data collected in 1999, we can see that during the last decade the economic housing burden has not changed significantly for renters; however, the proportion of homeowners with a mortgage that pay more than 30% of a household income towards housing costs grew by 11%. This is likely due to the huge increase the value of homes during that period.

Burdened Juneau Households, 2008 & 1999 (HH that pay 30%+ of income towards housing)

	% Burdened Households 2008	% Burdened Households 1999	Change
All Juneau Households	34%	31%	+3%
All Owners With Mortgage	39%	28%	+11%
All Owners Without a Mortgage	11%	7%	+4%
All Renters	38%	39%	+1%

Source: U.S. Census Bureau, 2008 American Community Survey and 2000 Census

Renter Affordability

Another way to analyze affordability is through comparing wage data with the cost of housing. The 2009 Juneau Fair Market Rent (FMR) for a two-bedroom apartment was \$1,222. In order to afford this level of rent without paying more than 30% of income on housing, a household needed to earn \$4,073 monthly, or \$48,880 annually. Assuming a 40-hour workweek, 52 weeks per year, this level of income translates into a required Juneau Housing Wage of \$23.50 per hour. More than a quarter of Juneau's households have income totals below those limits and can therefore not afford an average two-bedroom apartment, this figure includes nearly half (48%) of Juneau's renter households. Juneau State employees earning an average State salary of \$48,571 earn just below the level at which the FMR for two-bedroom apartment is affordable on a single salary. Based on wage data analysis, nearly half of Juneau's renter households could not afford the FMR of a two-bedroom apartment.

Juneau 2009 Fair Market Rent (FMR) Affordability

Number of Bedrooms	Monthly Rent	Annual Income Needed to Afford FMR	% Family AMI Needed to Afford FMR	Hourly Wage Needed to Afford FMR	Full Time Minimum Wage Jobs Needed to Afford FMR	Full Time Average Renter Wage Jobs Needed to Afford FMR
Zero Bedroom	\$793	\$31,720	35%	\$15.25	2.0	1.4
One Bedroom	\$971	\$38,840	42%	\$18.67	2.4	1.7
Two Bedroom	\$1,222	\$48,880	53%	\$23.50	3.1	2.2
Three Bedroom	\$1,651	\$66,040	72%	\$31.75	4.1	3.0
Four Bedroom	\$2,058	\$82,320	90%	\$39.58	5.1	3.7

Source: National Low Income Housing Coalition

<http://www.nlihc.org/oor/oor2009/data.cfm?getstate=on&getcounty=on&county=9635&state=AK>; and HUD 2009

Notes: A unit is considered affordable if it costs no more than 30% of the renter's income.

In Alaska, a minimum-wage worker earns an hourly wage of \$7.75. In order to afford the Juneau FMR for a two-bedroom apartment, a minimum-wage earner must work 122 hours per week, 52 weeks per year. Or, a household

must include 3.1 minimum-wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

The National Low Income Housing Coalition calculated that average 2009 wage for a renter was \$10.75 an hour. In order to afford the Juneau FMR for a two-bedroom apartment at this wage, a renter must work 87 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 2.2 workers earning the mean renter wage in order to make the two-bedroom Juneau FMR affordable.

The average monthly cost for homeowners with a mortgage was \$2,040. To afford the average monthly costs associated with owning a home, a household needs to earn more than \$81,600 annually (equivalent to \$39 per hour), and this cost is too high for 44% of Juneau's households.

Poverty Status and Low-Income Households

Income is a key indicator of a household's ability to find and retain safe, decent housing. Two income indicators are commonly used in housing studies to identify at-risk households: poverty and percent of median income. The table below summarizes the estimated number of low-income households in Juneau in 2008. Approximately 41% of all Juneau households were considered low-income using the HUD standard of 80% or less of Area Median Income (AMI).

Estimate of low-income households, Juneau 2009

Income Level	Number of Households	Percent of Households	Maximum Household Income	Maximum Affordable Monthly Housing Cost
Extremely Low Income (0%-30% AMI)	1,207	10%	\$27,450	\$686
Very Low Income (31%-50% AMI)	1,224	10%	\$45,750	\$1,144
Low-Income (51%-80% AMI)	2,401	20%	\$73,200	\$1,830
Average Family AMI	4,831	41%	\$91,500	\$2,288
Total Households	11,740	100%		

Source: National Low Income Housing Coalition
<http://www.nlihc.org/oor/oor2009/data.cfm?getstate=on&getcounty=on&county=9635&state=AK>; and HUD 2009

Juneau's Low Income/Affordable Housing Rental Units Inventory

In Juneau there are 800 housing units that are specifically designed as low-income housing units. These tenants are not required to pay market rate. Additionally, there are 337 housing vouchers used by low-income families that are not unit specific. An estimated 220 vouchers are used in market rate units, meaning that a total of 1,020 Juneau households do not pay market rent. This means that 8.6% of household units (1,020 of 11,740) were available for low-income, special needs, and homeless populations. In many communities the target threshold for units set aside for these populations is 10%.¹⁵ To reach the 10% target, Juneau needs to build and support 194 new units of low-income special needs housing.

In 2010, the Juneau Homeless Coalition made plans to determine the need for low-income special needs units in each of the following categories: emergency shelter, transitional housing, permanent supportive housing, and permanent affordable housing. The Juneau Supported Housing Inventory Survey will be released in December 2010.

Juneau Low Income Housing Units

Low Income Housing Program	Total Unique Units
Low Income Housing Tax Credit Unit	344
AHFC Public Housing Program	207
Section 8 Project Based Contract Program	170
HUD 202 Supportive Housing for the Elderly	24
HUD 811 Supportive Housing for Persons with Disabilities	16
USDA Section 515 Rural Rental Housing Program	39
Housing Choice Vouchers not used in above units	220
Total of affordable units (including vouchers)	1020

* Reach Inc. has 9 HUD 811 units that are expected to open June 2010.

* Juneau Housing Trust has 3 permanently affordable single-family housing units planned.

Alaska Housing Finance Corporation Public Housing Program Units are apartments where tenants pay 30% of their adjusted monthly income toward rent. HUD, through Alaska Housing Finance Corporation (AHFC), subsidizes the balance of the rent.

The Housing Choice Voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

¹⁵ Rhode Island Low and Moderate Income Housing Act, Section 45-53-3(2)(i), "(D) the community has met or has plans to meet the goal of ten percent (10%) of the year-round units or, in the case of an urban town or city, fifteen percent (15%) of the occupied rental housing units as defined in § 45-53-3(2)(i) being low and moderate income housing.

Project Based Housing Vouchers (Section 8 Project Based Contract Program) are a component of a public housing agencies (PHAs) housing choice voucher program. A PHA, such as AHFC, can attach up to 20% of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set aside a portion of the units in an existing development. AHFC does not have PBHV but plans to offer them in the future. The 116 units noted in the Section 8 Project Based Contract Program were built using a similar program called the Section 8 Project Based Contract program offered by AHFC.

The Low Income Housing Tax Credit Program (LIHTC) provides federal income tax credits to individuals or organizations that develop affordable housing through either new construction or acquisition and rehabilitation. In order to receive tax credits a developer must set aside and rent-restrict a number of units for occupancy by households below 60% of AMI. These units must remain affordable for a minimum of 30 years. According to the 2009 Novogradac market study, the average Juneau LIHTC rent for a two-bedroom apartment was \$688 and the average LIHTC rent for a three-bedroom apartment was \$914.¹⁶ The last LIHTC development in Juneau was Glacier Village developed by Tlingit-Haida Regional Housing Authority in 2003. (66 units)

HUD 202 Supportive Housing for the Elderly HUD provides capital advances to finance the construction, rehabilitation, or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons (50%AMI), including the frail elderly, and provides rent subsidies for the projects to help make them affordable.

HUD 811 Supportive Housing for Persons with Disabilities HUD provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provides rent subsidies for the projects to help make them affordable.

USDA Section 515 Rural Rental Housing Program provides affordable rental housing to seniors and people with disabilities (as well as families). To make Section 515 housing available to tenants who cannot afford market rents, USDA provides assistance through the Section 521 Rental Assistance Program which brings tenants' rent down to 30% of their adjusted incomes and makes up the difference to landlords.

¹⁶ Result of 135 LIHTC units surveyed.

2000-2010 Low-income/Affordable Housing Development in Juneau

The City and Borough of Juneau falls into the competitive “balance of state” category for many of the state and federal affordable housing development programs offered by the Alaska Housing Finance Corporation (AHFC). This arrangement means that most of the reporting on these developments goes directly to AHFC from the local affordable housing developer. This is a compilation of affordable housing developments in Juneau during the past ten years.

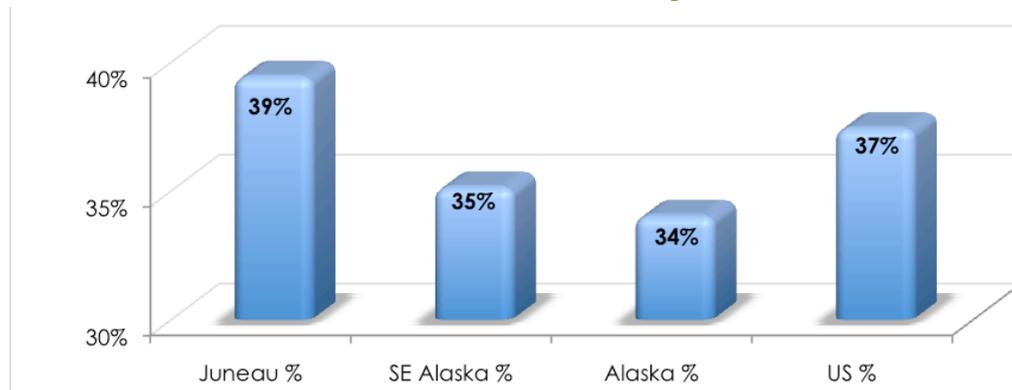
Grantee Name	State Fiscal Year	Funding Source	Grant Amount	Housing Type	Units Created	Description
Juneau Housing Trust	2001	AHFC – HOME Community Land Trust	\$196,000	Homeownership	4	Homeownership
St. Vincent de Paul Society	2003	DCCED-Community Development Block Grant	\$500,000	Transitional	7	Partial Funding for Paul's Place
Juneau Alliance for Mental Health Inc (JAMHI)	2003	AHFC – Special Needs Housing Grant (SNHG)	\$608,457	Permanent Supportive Housing	1 (6 beds)	Salmon Creek the Lodge
Tlingit-Haida Regional Housing Authority (THRHA)	2004	Low - Income Housing Tax Credit (LIHTC)	\$556,231	Single-Family	41	Glacier Village I
Tlingit-Haida Regional Housing Authority (THRHA)	2005	Low - Income Housing Tax Credit (LIHTC)	\$437,000	Single-Family	47	Glacier Village II & III
Juneau Housing Trust	2007	AHFC – HOME Community Land Trust	\$107,000	Single-Family	4	Homeownership on Land Trust Property
Juneau Youth Services (JYS)	2008	AHFC – Special Needs Housing Grant (SNHG)	\$724,708	Transitional	8	Denali Transitional Living Program
REACH, Inc.	2009	HUD-811, Mental Health Trust Authority, & private donations	\$1,120,000	Group home	4	Mendenhall Woods Group Home
REACH, Inc.	2010	AHFC-Special Needs Housing Grant & private donations	\$954,000	Group home	5	Begin construction fall 2010
Juneau Housing Trust	2011	HUD- Neighborhood Stabilization Program (NSP 1)	\$559,032	Single-Family	3	To acquire and rehabilitate three residential properties; one family to be 50% AMI or below; one family between 51-80% AMI, and one family between 81-120% AMI.
Total			\$5,762,428		124	

Affordable Housing Development in Juneau 2000-2010: Since 2000 there have been 124 units of low-income/affordable housing units developed in the City and Borough of Juneau.

Monthly Homeowner Costs

The ACS data set allows for cross-geographic comparisons, and generally illustrates that Juneau residents are more economically burdened by the costs of housing than those in the region or state, but similar to the nation as a whole. For example, the following chart shows that 39% of Juneau homeowners with a mortgage (2,200 households) are economically burdened compared to 35% of Southeast Alaska households and 34% of Alaska households.

Percentage of Homeowners with a Mortgage Spending More Than 30 Percent of Household Income on Housing Costs, 2008



Source: U.S. Census Bureau, 2008 American Community Survey

Selected monthly housing costs for homeowners include payments for mortgages, taxes, insurance, utilities, and other components of monthly housing expenses.¹⁷ The median monthly Juneau homeowner cost (for those homeowners with a mortgage) was \$2,040 in 2008. Comparatively, these costs are 17% higher than the Alaska median and 35% higher than the national median.

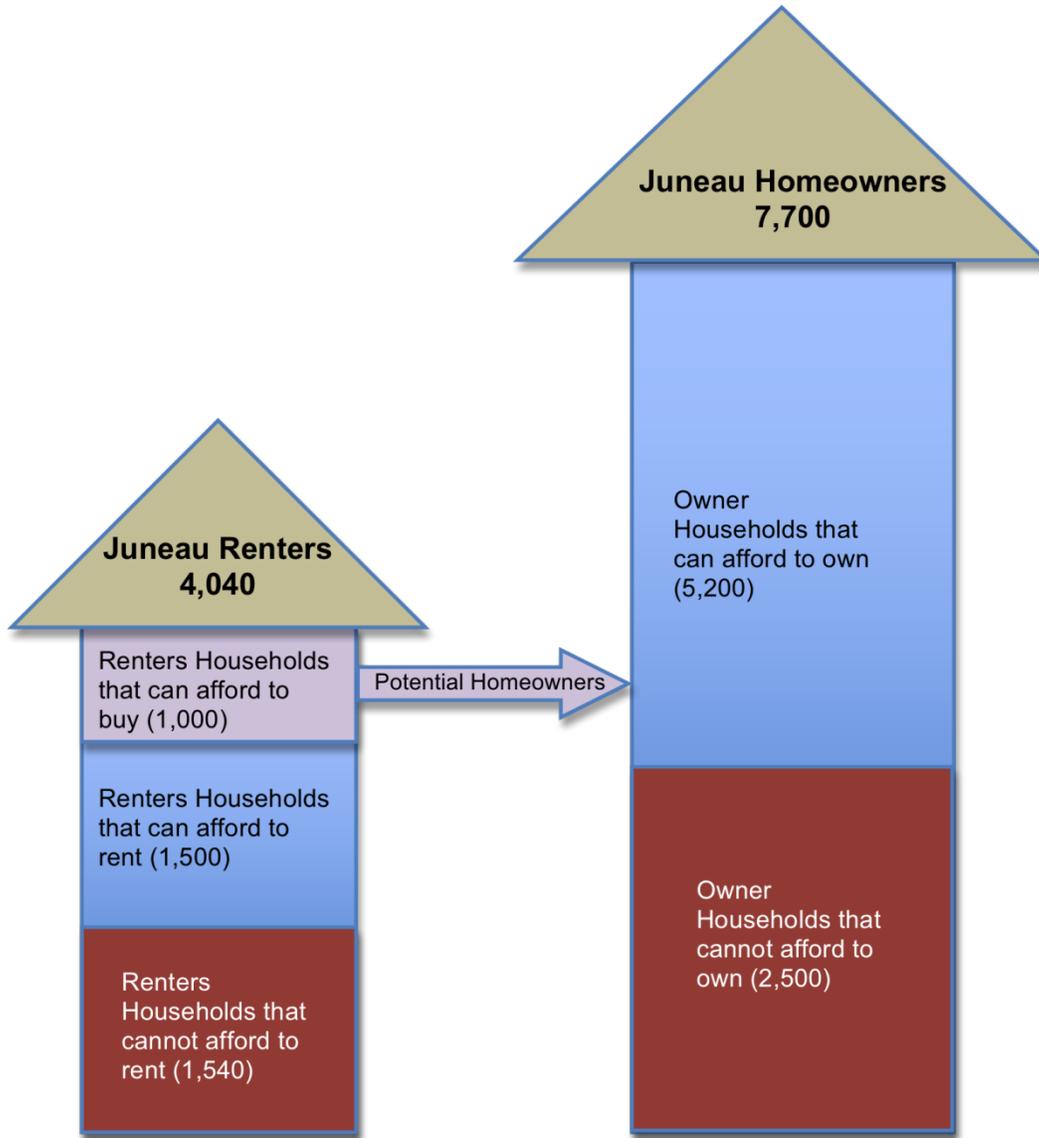
Median Monthly Owner Costs for Homes with a Mortgage



Source: U.S. Census Bureau, 2008 American Community Survey

¹⁷ The determination of Selected Monthly Owner Costs is based on all mortgage payments – first, second or junior, and home equity – real estate taxes, homeowners insurance premiums, condominium fees and mobile home costs, if applicable, and all utility costs.

Housing Affordability Summary Diagram 1



JEDC analysts examined all of the available affordability, rent, homeowner, and wage data and developed the above diagram. In order to afford an average home, a household needs to earn \$81,600 annually. To afford rent on a two-bedroom apartment, a rental household needs to earn \$48,880. According to the American Community Survey, 38% of all Juneau renter households and 32% of all homeowner households are economically burdened due to their housing costs. As part of the affordability analysis, JEDC determined that there are approximately 1,000 renter households with a household income above \$81,600, who can afford to purchase a home.

Affordability Index

Another way to measure housing affordability is using the Alaska Department of Labor's Alaska Affordability Index. This index represents how many average paychecks are needed to afford (pay no more than 24% of gross income) the monthly payment on the average single-family home sold per quarter, carrying a loan assumed to be a 30-year fixed rate mortgage at the quarterly average interest rate. The chart below averages quarterly affordability data on an annual basis. According to the index, Juneau's lack of affordability peaked in 2007 when two wage earners were required to afford one Juneau home. Since that time, local housing affordability has improved following the decline of the housing market, and in the first half of 2009 1.7 average wage earners were needed to purchase average priced single family home in Juneau.



Source: ADOL for quarterly data.



Monthly Rental Costs (Market Rates)

There are various sources of rental data. The most accurate data comes from the Alaska Annual Rental Market Survey compiled by the Alaska Department of Labor on behalf of the Alaska Housing Finance Corporation. In 2009, ADOL surveyed 1,262 market rate (no affordable housing units are included in the survey) rental units in Juneau for this survey.¹⁸

According to ADOL, the average monthly cost, including utilities, for a rental unit in Juneau was \$1,131 in 2009. This is a one percent increase over 2008, and a 23% increase over 2000. (However, during the same period, the average price of a single-family home increased 48%).

Average Juneau Rental Prices 2000-2009

Year	Average Adjusted Rent Juneau
2009	\$1,131
2008	\$1,125
2007	\$1,076
2006	\$1,085
2005	\$1,026
2004	\$1,005
2003	\$967
2002	\$955
2001	\$965
2000	\$922
Change 2008-2009	+1%
Change 2000-2009	+23%

Source: DOL. Above rents are the average rents for all units. Adjusted rents are calculated rents determined by adding estimated utility costs that are not included in the contract rent.

In comparison, the 2009 Novogradac market study reported the average Juneau Low Income Housing Tax Credit (LIHTC) rent for a two-bedroom apartment was \$688 and a three-bedroom apartment was \$914.¹⁹

ADOL also calculates average rents by unit type. Average Juneau rental prices ranged from \$786 per month (including utilities) for a zero bedroom apartment, to \$2,459 for a four-bedroom house.

¹⁸ There are 667 rental units in Juneau that are designated as low-income units, and do not charge market rent.

¹⁹ Result of 135 LIHTC units surveyed.

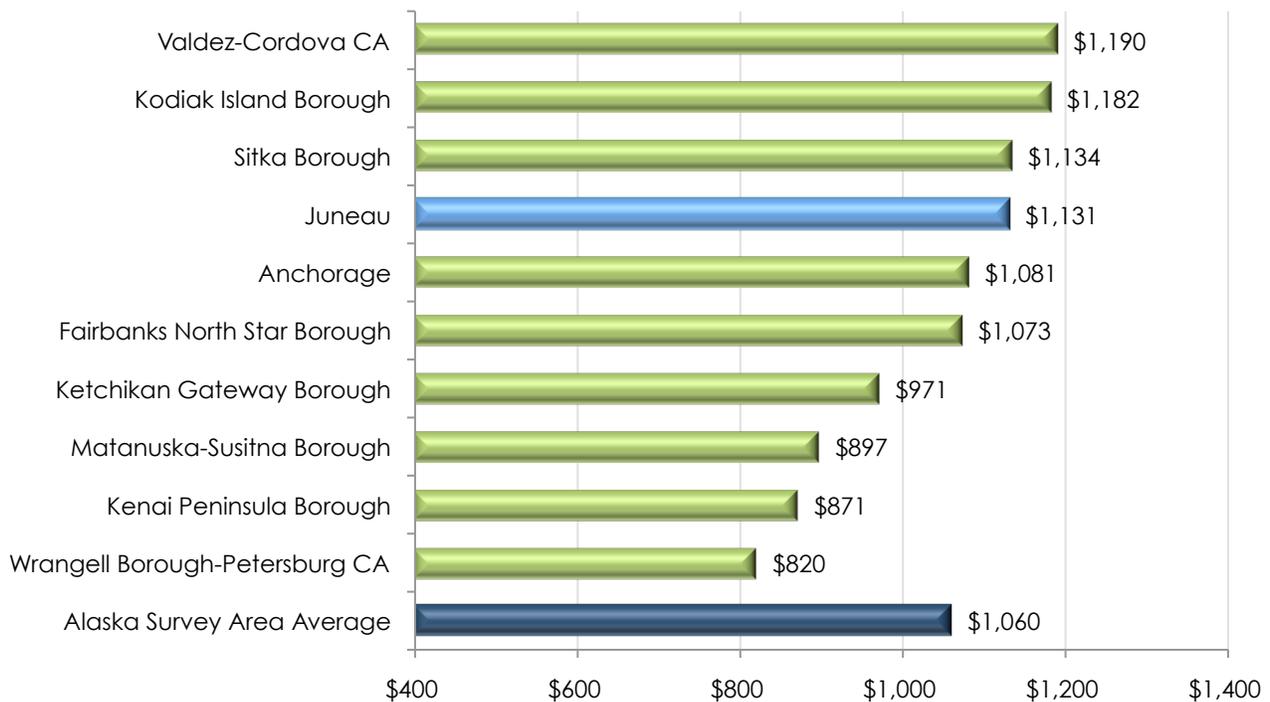
Average Adjusted Rent by Rental Unit Type and Number of Bedrooms, Juneau 2009

Number of Bedrooms	Apartment Average Adjusted Rent	Single Family Residence Average Adjusted Rent
0 Bedroom	\$786	NA
1 Bedroom	\$933	\$972
2 Bedroom	\$1,168	\$1,394
3 Bedroom	\$1,536	\$1,857
4 Bedroom	NA	\$2,459

Source: DOL. Above rents are the average rents for all units. Adjusted rents are calculated rents determined by adding estimated utility costs that are not included in the contract rent.

While Juneau's 2009 average rental prices were seven percent higher than the Alaska study average, Juneau did not have the highest average rent in the state. Valdez-Cordova Census Area, Kodiak and Sitka had higher rental prices.

Average Adjusted Rent in Alaska, 2009

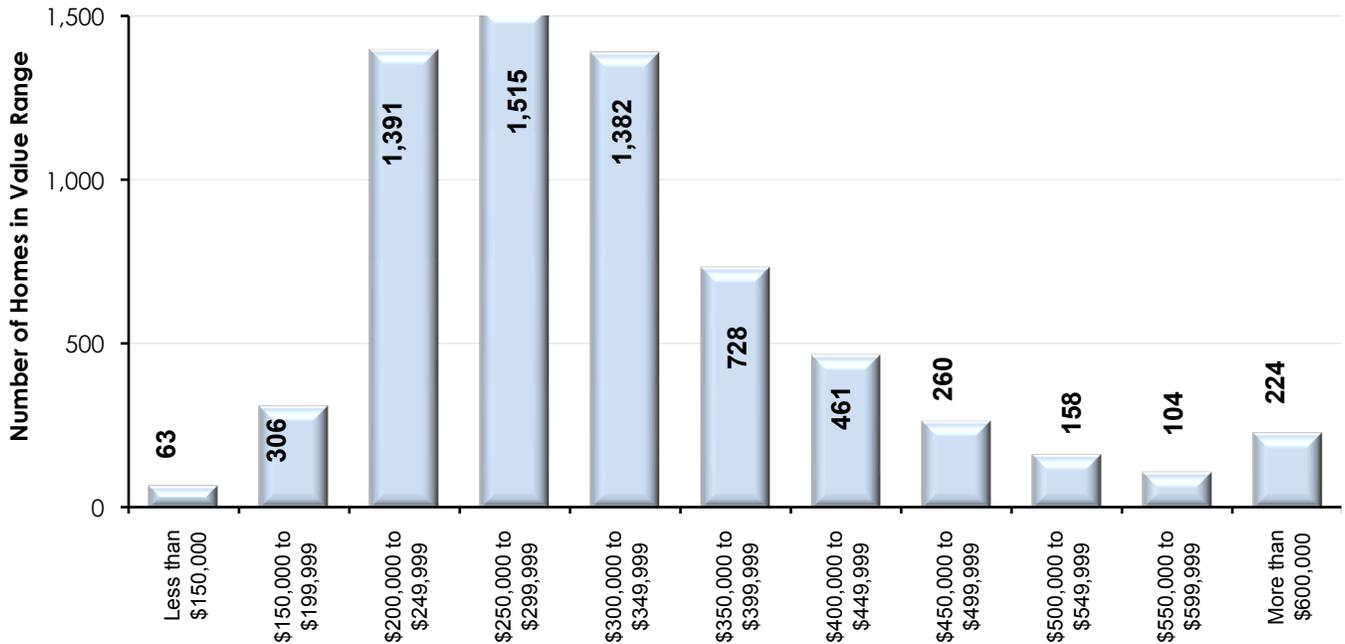


Source: DOL. Above rents are the average rents for all units. Adjusted rents are calculated rents determined by adding estimated utility costs that are not included in the contract rent.

Assessed Housing Value

According to the Juneau Assessor's Database, the median assessed value of the 6,319 single-family homes in Juneau is \$295,400 in 2010, while the average assessed value is \$325,711. Only six percent of Juneau's single-family homes are valued at \$200,000 or less according to the CBJ assessor's database. Half (50%) of Juneau's single-family homes are assessed at a value of more than \$300,000. For the purpose of this analysis, Juneau single-family homes include single-family homes, single-family homes with apartments, and zero-lot lines. Condos, duplexes, and mobile homes are excluded.

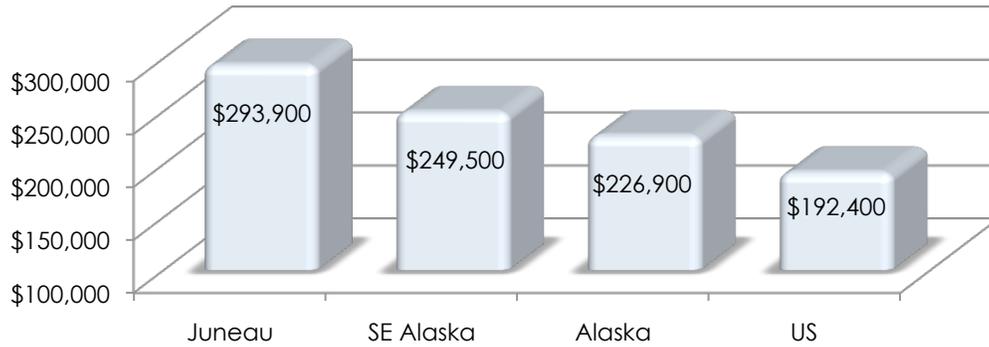
Value of Single-Family Homes in Juneau, 2010



Source: CBJ with analysis by JEDC, 2010

Although slightly less current and accurate, the ACS data allows for cross-geography comparison. According to the ACS, in 2008 the median assessed value of an owner occupied housing unit in Juneau was 53% higher than the national median value and 30% higher than the Alaska median value. In fact, after an in-depth analysis of cross-geographic housing comparisons, the median value (cost) of a home in Juneau is the variable that most significantly sets Juneau apart from state and national norms.

Median Value of Owner Occupied Housing Unit, 2008



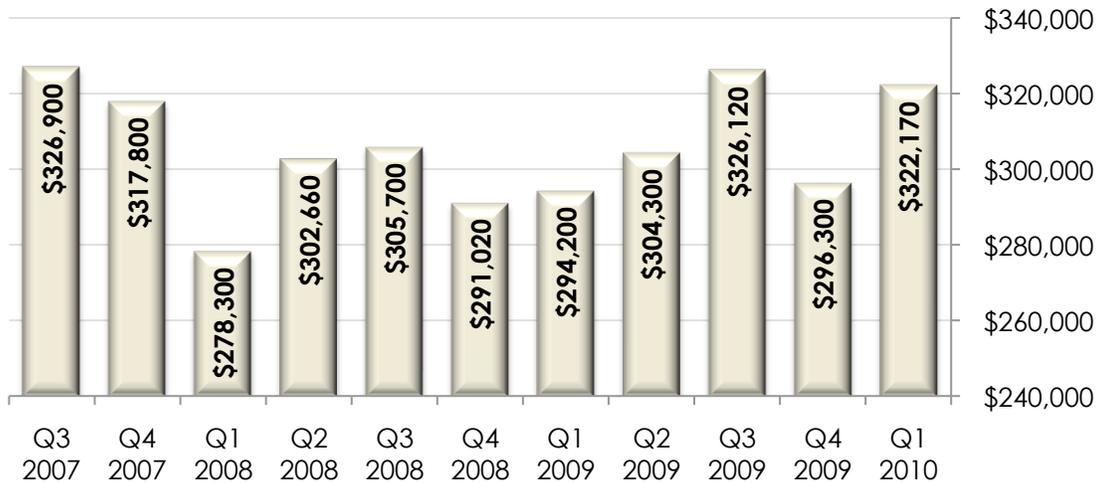
Source: U.S. Census Bureau, 2008 American Community Survey

Juneau Housing Sales and Prices

Single Family Home Sales

The average price of a single-family residence in 2009 was \$307,955, which was 4.3% higher than the 2008 average. In the first quarter of 2010, the average price of a single-family residence was \$322,170. This represents a 9% increase over the previous quarter, and is similar to the third quarter of 2009. In 2009 there were a total of 228 single-family homes sold, similar to 2008. The average number of days on the market was 93.

Quarterly Single-Family Residential Sales in Juneau



Source: Southeast Multiple Listing Service

Annual Single-Family Residential Sales in Juneau

Year	Single-Family Homes		
	Sales Closed	Average Price	Average Days on Market
2009	228	\$307,955	93
2008	227	\$295,061	94
2007	241	\$322,779	73
2006	290	\$315,656	95
2005	254	\$299,796	89
2004	229	\$279,244	105
2003	229	\$250,811	84
2002	262	\$219,551	71
2001	220	\$211,066	76
2000	151	\$198,706	77

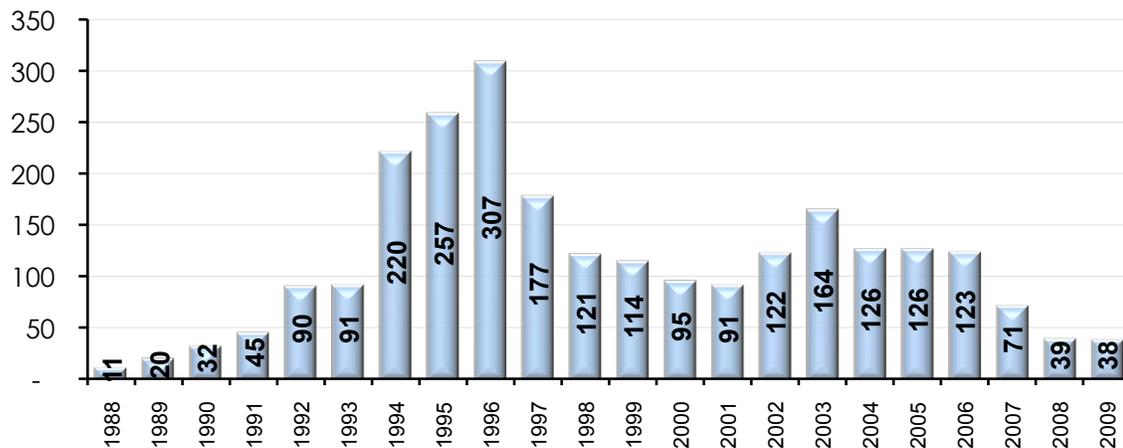
Source: Southeast Alaska MLS, ADOL

New Home Construction

New Housing Units Permitted

In 2009, 38 new housing units were permitted for construction in Juneau, including 14 single-family homes, and 24 duplex or multiplex units. This is down significantly from earlier years. In 1996, 307 housing units were permitted. From 1996 to 2008, on average, 129 housing units were permitted in Juneau annually.

Number of New Housing Units Permitted in Juneau 1988-2009



Year	Single Family Detached	Single Family Attached	Duplex Units	Multi Plex Units	Total Housing Units Permitted
2000	75	6	4	10	95
2001	48	20	15	8	91
2002	86	2	12	22	122
2003	82	8	36	38	164
2004	52	12	28	34	126
2005	56	24	28	18	126
2006	60	9	14	40	123
2007	51	8	12	-	71
2008	19	-	4	16	39
2009	13	1	8	16	38

Source: CBJ.

The Costs and Benefits of Home Building in Juneau

A 2009 study by the National Association of Home Builders examined the costs and benefits related to home building in Juneau. According to study findings, new home building incurs the following costs:

Average value of raw land required to build a new single-family home: \$95,000²⁰

- Average fees paid by builder and developer in permits, etc.: \$4,289
- Average annual property tax of a new, single-family home: \$3,727
- Average sales price of a new, single-family home: \$359,450

Benefits of Homebuilding

In 2009, the National Association of Home Builders conducted an economic impact analysis of home building in Juneau, and determined that construction of 25 homes would create 74 jobs (48 direct jobs, and 26 induced jobs) with an associated payroll of \$3.5 million, a local business owners' income of \$1.5 million, and \$884 thousand in taxes (including taxes, fees, fines permits, etc.)

The study also examined the ongoing, annual local impacts of building 25 new homes resulting from the new homes "being occupied, and the occupants paying taxes and otherwise participating in the local economy year after year." These annual recurring impacts include 15 jobs, \$933,000 in local income, and \$312,000 in local taxes.

Economic Impacts of Building 25 Single Family Homes in Juneau in 2009

Year	Local Income	Taxes & Other Local Gov't Revenue	Jobs
Year One Impacts	\$5.04 million	\$884,000	74
Annual Recurring Impacts	\$933,000	\$312,000	15

Source: "The Local Impact of Homebuilding in Juneau, Alaska: Income, Jobs, and Taxes Generated" National Association of Home Builders, May 2009.

²⁰ Note: This figure is an average value – and does not include raw development costs of land. Raw development costs may add up to \$40,000 in costs depending on the parcel.

Buildable Lands

As reported in the City and Borough of Juneau Comprehensive Plan (2008), there are very few buildable land parcels in the city or borough that are readily suitable for development. Of the 120 CBJ-owned vacant parcels only two were deemed buildable within the next few years as they had relatively easy access to public water, sewer and roads. These two parcels encompass 80 buildable acres. Two CBJ-owned sites near the University could be buildable within a 12-year planning horizon, once new access roads, intersection capacity improvements to arterial roads serving those properties, and the extension of water, sewer, roads and other utilities to the properties take place.

Most of the undeveloped land in the CBJ is dominated by wetlands, forests, and steep slopes and variable terrain, and/or is inaccessible by roads. Very few land uses can effectively use this type of terrain. If they could, the costs to engineer development on those lands while mitigating environmental impacts, is, today, cost-prohibitive to all but high-priced, low-density residential uses.

The CBJ Plan identifies alternative mechanisms to provide some opportunity for more efficient use of land for residential building by revising zoning district designations to allow for an increased number of units per acre in some areas. Besides the difficulty finding usable/buildable land within the Urban Service Area Boundary (USAB)²¹, many of the privately-owned vacant parcels are located in areas that are served by collector or arterial roads that have reached their carrying capacity. Roads and intersections would need upgrading to allow high-density residential development in these areas.

²¹ *URBAN SERVICE AREA or URBAN SERVICE AREA BOUNDARY (USAB): In the CBJ, an area within the municipality that represents a legal, orderly expansion of urban development patterns where municipal services, particularly water and sewer service, is provided. Lands located within the CBJ Urban Service Area boundary designated on the Land Use Maps of the Comprehensive Plan are deemed suitable for urban and suburban-scale development, for which municipal and private utilities, roads, water systems, sewer systems, schools, police, fire, emergency medical care and other similar services are provided or are to be provided in the near future.

The following table is a CBJ staff approximation of buildable land area on CBJ-owned land within the Urban Service Area, as part of the 2006 CDD Buildable Sites Study.

CBJ-Owned Land within the Urban Service Area

Site No.	Location	CBJ-owned parcel size, in acres	Approximate amount of percent Of buildable* land area
1	Switzer Creek/Lemon Creek	739 acres, includes land around D-Z school	100 acres, less 30 acres for new elementary school and covered playground. Need to replace trails: Total about 60 acres available for residential development.
2	Mendenhall Peninsula	676, excludes lands in Smugglers Cove and waterfront lands	10% of the northern portion and 50% of the southern portion for a total of about 75 acres of buildable land area
3	North Douglas, north of JD Bridge	654 acres	10% or about 65 acres of buildable land area
4	Petersen Hill	443, less the greenbelt area from lake shore to ridge	15% or about 66 acres
5	Under Thunder Mountain	226	50% including the avalanche hazard area: only about 20% outside the hazard areas, for about 45 acres of buildable land
6	Blueberry Hill, West Juneau	194	Less than 10% or a total of about 20 acres of buildable land
7	Upper West Valley	180	Perhaps 20%, need to cross wetlands to access about 36 acres of buildable land
8	North Douglas at Fish Creek	90	90% or about 80 acres of buildable land when sewer and roads are extended to area
9	Crow Hill in Douglas	32, less greenbelt area	Perhaps 10% or about 3 acres
10	Salmon Creek	13	None, too steep
11	Lemon Creek industrial zone	16	None, Class A wetlands
12	Salmon Creek	24	None, too steep
Total estimated buildable land on 9 CBJ sites			450 acres
*Buildable land is less than 18% slopes and absence of Class A and B wetlands			

There are a number of opportunities for the community to include the need for affordable housing in the land use discussion in the future; inclusion of affordable housing in the CBJ Land Management Plan review (2010-2011), making recommendations that include affordable housing in the Capital Improvement Program (CIP), input on community development of CBJ-Owned Land, and researching ways to incentivize the development of affordable housing on privately-owned land.

Chapter 3: Overview of Juneau Socioeconomics

This chapter provides an overview of the key economic indicators affecting Juneau's housing market, including population trends, employment and payroll, and cost of living. For an in-depth comprehensive analysis of Juneau economic indicators, please visit the jedc.org website for the latest publication.

Cost of Living

Generally, Juneau is 30% more expensive to live in than the "average" US city, and 11% more expensive than Anchorage. As discussed in the previous section, housing is a large component of household spending, and it is the high cost of local housing that accounts for Juneau's overall higher cost of living. Housing costs are anywhere from 35-64% higher in Juneau than in the "average" US city, depending on the comparison criteria.

- In 2008 the median assessed value of an owner-occupied housing unit in Juneau was 53% higher than the national median value and 30% higher than the Alaska median value.²²
- Housing costs for a family of four with a relatively low standard of living costs 49% more in Juneau than a standard U.S. city.²³
- Professional and executive housing is 64% more expensive in Juneau than the "average" US city.²⁴
- The median monthly Juneau homeowner cost (for those homeowners with a mortgage) was \$2,039 in 2008. Comparatively, these costs are 17% higher than the Alaska median and 35% higher than the national median.²⁵

Components of Population Change

Migration

According to the state demographer, in 2009 an estimated 2,700 people moved to Juneau, and 2,900 residents moved away. (Between 2007 and 2008 the migration numbers were similar, however 86 more people moved to Juneau than moved away.) Juneau's migration patterns are similar to state and regional trends. Seven percent of Juneau householders lived outside Alaska one year earlier. Within Juneau, 11% of Juneau householders moved within the community between 2007 and 2008.

²² U.S. Census Bureau, 2008 American Community Survey

²³ Runzheimer International, Runzheimer's Living Cost Index, 2008, as presented in ADOL's Alaska Economic Trends, July 2008.

²⁴ ACCRA Cost of Living Index, 2009.

²⁵ U.S. Census Bureau, 2008 American Community Survey

Status of Juneau Residents One-Year Earlier, 2008

	Juneau %	SE Alaska %	Alaska %	US %
Same house	79%	80%	78%	84%
Different House	21%	20%	22%	16%
Same borough/county	11%	10%	12%	10%
Different borough/county	10%	10%	10%	7%
Same state	3%	3%	3%	3%
Different state	6%	5%	6%	3%
Abroad	1.5%	1%	1%	1%

Source: U.S. Census Bureau, 2008 American Community Survey

Components of Population Change, 2000-2008

	Natural Increase (Births – Deaths)		Net Migration (In-Out)		Population Change		% Pop. Change	Total Pop
	2007- 2008	2000- 2008	2007- 2008	2000- 2008	2007- 2008	2000- 2008	2007- 2008	2008
Southeast Region	486	4,099	-255	-7,979	231	-3,880	0.3%	69,202
Juneau City and Borough	207	2,070	86	-2,354	293	-284	1.0%	30,427
Alaska	7,770	59,828	-2,560	-7,039	5,210	52,789	0.8%	679,720

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

Based on an average of the past five years, Juneau has approximately 400 births annually and 150 deaths. Between 2000 and 2008, there were about 2,100 more births than deaths, and 2,400 more people moved away, than moved to, Juneau.

Components of Population Change and Housing

Juneau's migration patterns, and the fact that it is a highly mobile community, mean that Juneau's short-term housing needs are extremely high. Approximately one-fifth of Juneau's housing units likely changed hands in the last year—and by this count, one-third of Juneau's housing units likely changed hands in the past three years. (Although this could be the same units rotating several times, and not actual movement from a third of Juneau's housing units).

Nonresident Labor Workforce

One quarter of Juneau's workforce (approximately 5,000 positions) are not residents of Juneau, and therefore are likely to have shorter term housing needs - likely rental housing. Seven of the top ten private sector nonresident occupations are relatively low-paying positions (retail, tour guides, food service, cashiers, bus drivers, waiters, and maids). Juneau's nonresident workforce is likely competing for a scarce resource (lower-cost rental units) with Juneau residents and families least able to afford housing. Since 2000, the number of nonresidents working in Juneau has increased by nearly 1,500, while the type of rental units necessary to accommodate the housing needs for this group has seen very little growth.

Aging Demographics

Juneau's housing market is dominated by baby boomers and, increasingly, those of retirement age. Consequently, developing an adequate supply of housing to meet Juneau's future senior housing needs must play a critical role in community planning. Nearly a quarter (23%) of Juneau households contained a member aged 60 or older in 2008.

The proportion of those 55 and older in Juneau increased from 10 percent in 1990 to 21% in 2007. By 2020 those 55 and older are expected to make up 30% of the local population.

Juneau Population Distribution

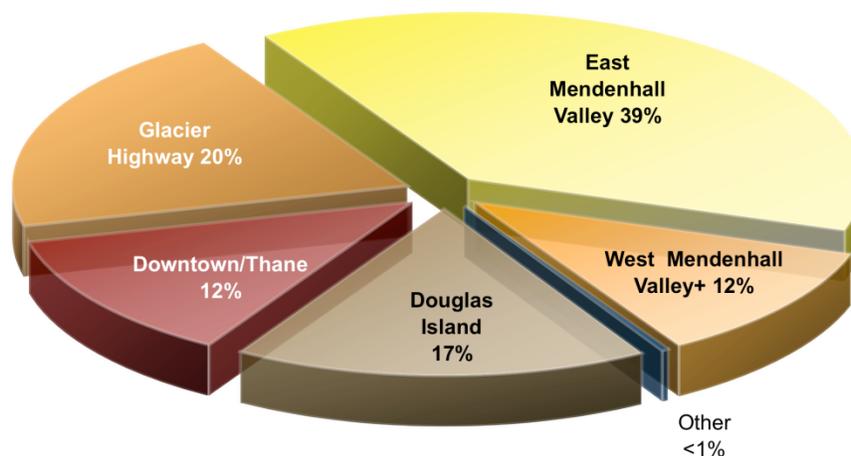
Less than a third of Juneau's population (29%) live in the downtown/Douglas/Thane area. The most populated area of Juneau is the East Mendenhall Valley, where 39% of Juneau residents live.

Juneau Population Distribution, 2001-2008

Juneau Area	Population 2001	Population 2008	Change 2001-2008	Change 2001-2008
Town/Douglas/Thane	9,173	9,092	-1%	-81
Douglas	2,115	2,046	-3%	-69
West Juneau	1,583	1,558	-2%	-25
North Douglas	1,596	1,654	4%	+58
Thane	172	204	19%	+32
Downtown Juneau	3,707	3,630	-2%	-77
Glacier Hwy/Valley/Out the Road	21,682	21,810	1%	+128
Glacier Highway - Norway Point to Fred Meyers (Includes Salmon Creek, Twin Lakes, Lemon Creek, Switzer Creek)	4,812	4,907	2%	+95
Glacier Highway - Waydelich Creek to end of road (Includes Lena Loop, Tee Harbor, out the road)	1,318	1,381	5%	+63
East Mendenhall Valley	12,122	11,954	-1%	-168
West Mendenhall Valley, Mendenhall Peninsula, Auke Bay	3,430	3,568	4%	+138

Source: City and Borough of Juneau.

Juneau Population Distribution, 2008



Special Population Estimates

Legislative Session Workers (200 estimated)

Between January and April, Juneau welcomes lawmakers, staff, and lobbyists into Juneau for a 90-day legislative session (formerly 120 days). This special population group has short-term, low-cost housing needs. These householders often also pay for a primary household in another Alaska community. According to the Alaska Legislative Affairs Agency, in 2010 there were 57 legislators and 128 staff members (185 total) who moved to Juneau on a short-term basis for legislative session. (Legislators are provided per diem to assist with housing costs, while staff are not.) An unknown number of lobbyists and top-level State of Alaska staffers also relocate to Juneau for the session. During this period, hotels make rooms available at monthly rates (in 2010, for example, the Juneau Baranof Hotel rented out 30 rooms for legislative session workers, and the Juneau Hotel rented 21); the Alaska Committee has three multi-family unit complexes it reserves for legislators; housing reserved for tourism workers is occasionally opened up to legislative staff; and residents often rent out rooms in their homes during this period.

While the expense and selection of some of the housing available for legislators, lobbyists, and legislative staff may be considered undesirable, there appears to be enough rooms to meet demand when hotel rooms and shared units are taken into account. There are not, however, enough housing units (as opposed to rooms) to meet legislative session housing demands.

Tourism Season Workers (difference between average and peak employment = 800)

Between May and August, Juneau's visitor industry brings both visitors and workers alike. It is difficult to pinpoint the exact number of workers who come to Juneau just for summer tourism employment. In 2008, the average annual number of employees (both full time and part time) was 2,230. The peak summer employment is likely just over 3,000.²⁶ It follows that the difference between these two numbers, 800, provides a good starting point for estimating the number of workers who live in Juneau only for the summer tourism season.

These are the employees that come to Juneau to drive buses, sell jewelry, lead tours, operate cash registers, serve food, and clean, among other things. These workers may have only very basic temporary housing needs, and often reside in crew quarters, or group living situations with other visitor industry employees. Some of their employers provide housing for them. Holland America Princess of Alaska, for example, provides housing for its 150 seasonal employees in group housing situations, if requested. Allen Marine Tours also offers employees shared housing. Both the Diamonds International and Tanzanite International stores were built with housing on the top floors (combined they have more than 20 rooms) that double as legislative housing units in the winter.

In order to provide employee housing, tour companies have purchased apartment buildings and houses to use during the summer months. According to the CBJ Comprehensive Plan, "A number of summer season business operators have purchased multi-family housing structures for their seasonal employees and choose to keep these

²⁶ McDowell Group, The Economic Impacts of the Visitors Industry in Juneau, 2007-2008

units vacant off-season. Such loss of year-round housing places additional burden on residents seeking rental housing."

Hotel Rooms (1,000 rooms)

While not considered in housing stock surveys, Juneau's hotel room inventory can double as short term housing for seasonal employees, or longer term housing for Juneau's non-residential workers. Many Juneau hotels also have monthly rates. For this reason, it is important to provide an account of local hotel room stock. Juneau has nearly 1,000 rooms in the hotel/motel/inn category. JEDC called two hotels in April and learned that 82 guests in these two establishments alone were paying monthly rates rather than nightly rates.

Juneau Hotel Room Inventory, 2010

Hotel/Motel	Number of Rooms
Westmark Baranof Hotel	195
Goldbelt Hotel	105
Frontier Suites	104
Extended Stay Deluxe	95
Travelodge	86
Juneau Super 8 Motel	75
Juneau Hotel	72
Prospector Hotel	62
Driftwood Lodge	63
Best Western Country Lane	55
Bergman Hotel	50
Best Western Grandmas Feather Bed	14
Silverbow Inn	11
Total	987

Sources: Kennedy & Mohn, Hotel Brokerage, Consulting & Appraisals, "Hotel Market Analysis Juneau, Alaska May 2008." JCVB. JEDC analysis.

Alaska Native Population Subgroup Analysis²⁷

There are some significant housing differences between households that contain an Alaska Native member and households that contain a white member. In Juneau, Alaska Natives (and American Indians) comprise 18% of the Juneau population. Of that group, 10.5% identify themselves as Alaska Native only, seven percent identify themselves as white and Alaska Native, and 0.5% identify themselves as Alaska Native in combination with other racial groups. This subgroup analysis deals with those who are Alaska Native only due to data limitations.

²⁷ Disclaimer: Because this Alaska Native Population Subgroup Analysis drills down into the data, the resulting subgroup sample sizes are relatively small. The 2010 Census data will provide a greater degree of certainty regarding these statistics.

Alaska Natives are more likely to rent than to own: There is a higher percentage of Alaska Native households in Juneau that are rented rather than owned compared to the overall housing distribution.

- Households with a white household member are more likely to own their homes, as 70% of Juneau's households containing a white member are owner occupied.
- Just over half (51%) of Juneau's housing units occupied by an Alaska Native member are rented, while 49% are owned.
- Householders with members who are of two or more races have similar renter versus owner ratios, with 49% renting, and 51% owning.

Alaska Natives are more likely to be economically burdened by housing costs: While there has been no subgroup analysis regarding how many of Juneau's Alaska Native households pay more than 30% of their gross income on housing, available data indicates that Juneau's Alaska Native households are likely among the most economically burdened.

Nearly two-thirds (60%) of Juneau's Alaska Natives households earned less than \$50,000 in 2007 compared to 25% of white households.

Median household and family income comparisons also show that Juneau's Alaska Natives earn significantly less than non-Natives. The median family income for households with an Alaska Native (only) member—\$48,257—is approximately half of the median family income for households with a white (only) member—\$94,287.

Median Income by Race, 2008

Median income in the past 12 months (in 2008 inflation-adjusted dollars)	All Juneau Households	Juneau Households Containing a White Householder	Juneau Households Containing an Alaska Native Householder	% Higher Income Whites vs. Alaska Native
Median household income	\$75,597	\$82,511	\$46,308	78%
Median family income	\$86,415	\$94,287	\$48,257	95%

Source: U.S. Census Bureau, 2008 American Community Survey.

Drilling into the data, we find a possible reason for this significant difference: 37% of Juneau's Alaska Native family households are headed by women without husbands. By comparison, 17% of all Juneau families are led by a single woman, and 13% of Juneau's white family households are headed by women without husbands. However, it also should be noted that Alaska Native women in Juneau significantly out-earn their male counterparts. In 2007 the median earnings for an Alaska Native woman who worked full time was \$47,321—19% higher than Alaska Native males in Juneau. (By comparison, white men out-earn white women by 53% for full time work. Alaska Native women also out-earn white women by 15% in Juneau, according to the 2008 ACS.)

Chapter 4: Housing Needs

Housing demand is housing that the market has built or is likely to build in the future. Housing need is a planning projection used to estimate the number of units necessary to alleviate a stress in the local housing market, such as cost burden or a lack of housing options for a certain population. While housing data is readily available for market rate housing, information on housing needs for low-income or special needs populations is harder to find.

Calculating Pent-Up Demand (Current Need)

The following table measures pent-up demand to achieve a five percent vacancy rate in each housing category. According to these calculations, Juneau needs 343 more housing units to meet pent-up demand, including 208 single-family homes and 138 new units in multi-unit buildings (duplex to apartment building units). The most recent American Community Survey (ACS) vacancy rates of 2.5% for single-family homes, and 2.3% for multi-family units, were used in calculating pent-up housing need. If lower or higher vacancy rates are used, the projections would obviously change as well. This table also assumes that the ratio between multi-family units and single-family homes will stay the same. This table does not account for the scarcity of available buildable lands in Juneau.

Juneau 2010 Pent-Up Housing Demand

New single family homes needed (JEDC estimate)	New multi-family units needed @ 5% vacancy (JEDC estimate)	Total Units Needed
205	138	343

Notes: New Single Family Homes Needed it is assumed that the current ratio of single-family homes to all current housing units will be maintained at 49%. Number assumes that current single-family home vacancy rate is 2.5% (according to the 2008 ACS). Single-family homes include single-family residences, single-family residences with apartments, and zero lot line residences.

New Multi Family Homes Needed is based on the number of occupied units multiplied by 40% to maintain the current ratio of multi family homes. The current ACS vacancy rate of 2.3% was assumed for multi family units, and increased to 5%. Multi Family Homes include duplex units, triplex units, four-plex units, condos, and apartments.

The next table, "2010 Juneau Housing Units Increases by Estimated Demand," was developed using the table from an earlier chapter, "2010 Juneau Housing Units by Estimated Distribution" (pg.12).

As the population of Juneau increases, the community will need 39 new housing units to accommodate every 100 additional Juneau residents. If these 39 new units were to preserve current housing distribution ratios, 19 units (49% of the new units) would be single family homes, 16 units (40%) would be new apartment units, condos, or other multiplex units, and three new units (11%) would be "other" such as a mobile homes, boats, or cabins. These projections assume a five percent vacancy rate, and an average of 2.59 persons per household.

2010 Juneau Housing Units by Estimated Demand

# of Bedrooms	New Renter Occupied Units Needed	New Homeowner Occupied Units Needed	Renter Occupied Units in Multi Unit Buildings	Renter Occupied Single Family Homes	Owner Occupied Units in Multi Unit Buildings	Owner Occupied Single Family Homes	Total New Units Needed
	150	193	114	36	25	168	343
No bedroom	0	0	0	0	0	0	0
1 bedroom	46	6	46	0	6	0	52
2 bedrooms	65	39	62	3	12	26	104
3 bedrooms	19	72	6	13	6	66	91
4 or more bedrooms	20	76	0	20	0	76	96

Notes: This analysis excludes mobile homes. Single-family homes include single-family houses, single-family houses with apartments, and zero-lot lines.

Housing Replacement Discussion

One factor not considered in the pent up housing demand formula was at what age is housing considered too old and in need of replacement. One of the benefits of having low vacancy rates and higher housing costs in Juneau is the high level of reinvestment into existing housing stock. In other communities, housing might need to be replaced after 60 years. Juneau is unusual in terms of having significantly higher quality older housing stock.²⁸

Housing Needs for Specific User Groups

The greatest housing need in Juneau is for 1-2 bedroom rentals and 3+ bedroom single-family homes. As presented previously, 1 and 2 bedroom rentals are the most critical unmet housing need. Construction of single-family homes in this community is challenging due to the lack of buildable land and the cost-prohibitive nature to all but high-priced, low-density residential uses.

Market Rate Rental Housing Needs

The ADOL rental vacancy figures break down rental vacancies by unit type, which is very useful for determining the greatest housing needs for Juneau. In 2009, the housing type with the lowest vacancy rate was four-bedroom homes, and one- and two-bedroom apartments.

A significant number of renters are unable to purchase a home and must find suitable rental housing. With low vacancy rates for two-bedroom apartments and a very mobile population, Juneau would benefit from additional one- and two-bedroom rental units.

²⁸ Notes from a discussion of the Juneau Affordable Housing Commission.

Affordable Rental Housing Needs

Based on wage data analysis, nearly half of Juneau's renter households could not afford the Fair Market price of a two-bedroom apartment. More than 80% of the renter households with annual incomes less than \$35,000 are cost-burdened. Overall, there are 1,466 renter households with at least some cost burden and only 966 units set aside for low-income households. Vacancy rates in designated affordable units is typically much lower than market rate rentals (1-2%) and waitlists for these units and for the Housing Choice Voucher program are long, meaning that those most in need of affordable housing have the least choice.²⁹

Single Family Homes Housing Needs

The percent of Juneau's single-family home housing stock is less than the State and US averages. This is likely due to Juneau's unique geographic challenges resulting in higher density housing construction. Any additional single-family homes would likely exceed three bedrooms. A detailed analysis should be performed to estimate the sales price for such homes against income-qualifying households and/or potential market rate rental income.

Mobile Homes Review

One type of Juneau housing that has not been discussed at length in this paper so far is mobile homes. A summary of Juneau mobile home facts are presented below:³⁰

There are 1,200 mobile homes in Juneau. Mobile homes represent 9% of all Juneau housing units, and 8% of total occupied housing units. For comparison, four percent of occupied Anchorage and Fairbanks housing units are mobile homes, along with seven percent of all US housing units. 22% of those who live in mobile homes in Juneau are renters. Since overall, about a third of all Juneau residents live in rentals, this means that Juneau mobile homes are more likely to be owner occupied than other types of Juneau housing.

The average value of a Juneau mobile homes is **\$48,000**. To compare, the average value of a mobile home in Anchorage is \$26,800 and in Fairbanks is \$41,300. The average value of a Juneau mobile home in a park (home only) = **\$23,500**. There are 960 mobile homes in parks in Juneau.

The average value of a Juneau mobile home on a lot (home + land) = **\$142,500**. There are 240 mobile homes in lots in Juneau. The Juneau Assessors Database breaks out this value further:

- For a mobile home on a lot, the average value of the home only = **\$59,500**
- For a mobile home on a lot, the average value of the land only = **\$83,000**

On average: Juneau mobile homes are 33 years old. Juneau mobile homes in a park are 900 square feet. Juneau mobile homes in a lot are 1,150 square feet

²⁹

³⁰ The American Community Survey, 2006-2008, and the Juneau Assessors Database, 2010.

Special Populations Housing Needs

The housing needs of special populations are highly dependent on individual circumstances. Emergency shelter, transitional housing, permanent supportive housing, and permanent affordable housing with supportive services are necessary to make these types of housing options successful – and need to be consistently monitored.

HUD advocates a Continuum of Care system within communities. The system attempts to match appropriate housing options and services with the individual needs of the client. This allows clients to acquire, or maintain, the appropriate housing that meets their individual needs, and that helps to potentially avoid an episode of homelessness. Components of a Continuum of Care system include:

- Prevention;
- Outreach, Intake, and Assessment of housing need;
- Available Housing options including Emergency Shelter, Transitional Housing, Permanent Supportive Housing, and Permanent Affordable Housing; and
- An appropriate level of supportive services for each housing category.

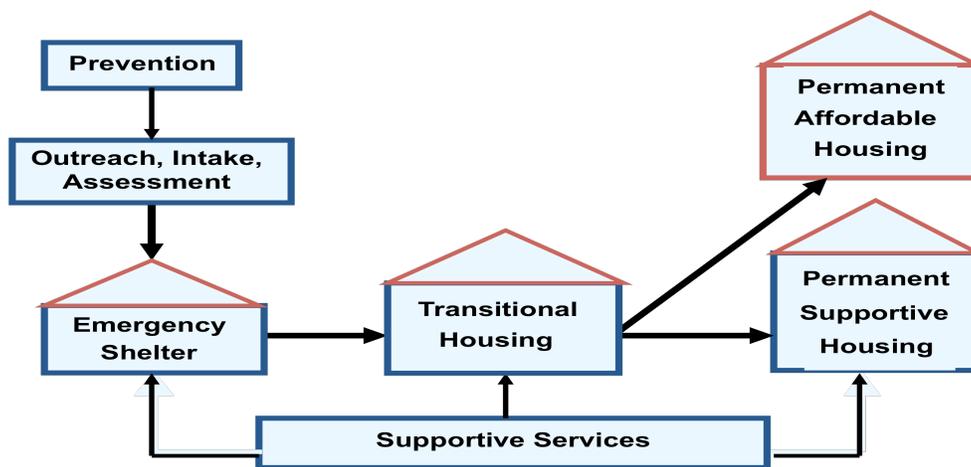


Figure 1: Components of the CoC³¹

Definitions

Each category of housing within the Continuum of Care system has a strict definition that determines eligibility requirements and the funding resources available to operators of this type of housing.

1. Emergency Shelter is any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of homeless persons. The length of stay can range from one night up to as much as three months.³²

³¹ Community Solutions, CoC_101_THN_09.pdf

³² Glossary of Terms Related to Homelessness from House Bill 2163 and other Sources, housing-information.net/files/Glossary.doc

2. Transitional Housing projects facilitate the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). In many cases additional services are provided even after the client obtains affordable housing.³³

3. Permanent Supportive Housing is defined as a combination of affordable housing with comprehensive services that helps people live more stable, productive lives. Permanent supportive housing serves people who:

- Have extremely low incomes, defined as household income no higher than 30% of Area Median Income; *and*
- Have chronic health conditions that are at least episodically disabling, such as mental illness, HIV/AIDS, and/or substance use issues, and/or face other substantial barriers to housing stability (such as experiences of domestic violence or other trauma or have histories of out of home placements); *and*
- Are not able to obtain or retain appropriate stable housing without facilitated access to services focused on providing necessary supports to the tenant household.

These target populations include people who may be homeless (for any length of time) or are at risk of homelessness, and includes those who may be leaving other systems of care without a place to live, such as (1) young people aging out of foster care, (2) people with mental illness or other disabilities leaving jail or prison, and (3) some members of the elderly population.³⁴

4. Permanent Affordable Housing is typically rent-subsidized housing, either through a subsidy on a particular unit or through a transferrable Housing Choice Voucher. Permanent affordable housing units also offer some services, but these services vary greatly in terms of offering and intensity.

Juneau Homeless Coalition

Member agencies of the Juneau Homeless Coalition have operated as the community's Continuum of Care system since the 1996. While the Coalition has been successful in developing housing, collaborating on grant applications, and working on behalf of its clients, the local homeless situation has not improved greatly and there are gaps within the current Continuum of Care system for certain subpopulations.

Difficulties faced by the Juneau Homeless Coalition include:

- **Data collection, identification of gaps, and long-range-planning:** As with the overall local housing market, data collection in the specific Continuum of Care housing categories has been haphazard, often limited to feasibility studies commissioned for individual projects being developed by individual agencies. The Juneau Homeless Coalition (JHC) has made attempts to gather and disseminate information and move toward a comprehensive Ten-Year Plan to End Homelessness. These attempts have had limited effectiveness due to the small size of member agencies, a lack of organizational capacity, and turnover within JHC

³³ Glossary of Terms Related to Homelessness from House Bill 2163 and other Sources, housing-information.net/files/Glossary.doc

³⁴ Corporation for Supportive Housing -Included within the Understanding Permanent Supportive Housing section of CSH's Toolkit for Developing and Operating Supportive Housing, which i

membership. Anecdotally, member agencies are aware of the gaps that exist within the system, but formalizing these concerns and turning them into concrete initiatives has been difficult.

- **A scarcity of one and two-bedroom affordable rental and market rate rental units** that hinders the movement up and out of the Continuum of Care (CoC) system for Juneau residents. Low market rate rental vacancy rates means it is difficult for low-income, special needs, and homeless populations to find and afford market rate apartments, thus putting pressure on the CoC, and seen in extremely-low vacancy rates for designated affordable units and large waitlists for these units and Housing Choice Vouchers.
- **Establishing a local framework to strengthen the Continuum of Care system.** The majority of funding for housing and supportive services for members of the Juneau Homeless Coalition comes from outside sources (AHFC & HUD) and is often competitive – even between agencies within the local system that must compete for the same pool of funding. Without a formalized local framework, such as an Annual Housing Plan or a community adopted Ten Year Plan to End Homelessness, individual agencies can participate as much or as little as possible within the local Continuum of Care system.

Juneau Homeless Coalition – 2010 Activities

In 2010 the Juneau Homeless Coalition took the following steps to improve the local Continuum of Care system and target a number of difficulties.

1. Emphasis on participation and accuracy in the annual Point-in-Time Homeless Count. Each year the AHFC conducts the official Point-In Time Homeless Count for the State of Alaska during the last week of January. The results are released a few months later. This Point-in-Time survey is distributed to all agencies that work with homeless clients in order to sample the number of homeless individuals and families in the community on that day. Point-In-Time Homeless Count Information is important for the local Continuum of Care network because (1) it helps to understand the local homeless/low-income housing situation and to identify gaps in the local system; and (2) the reported statistics are delivered to AHFC, and passed on to HUD, and effect local funding levels for Continuum of Care services in subsequent years.

One difficulty with previous Point-in-Time Homeless Counts in Juneau has been the lack of coordination and an erratic return rate of surveys to AHFC. To counter this, the Juneau Homeless Coalition held a Project Homeless Connect event on January 25, 2010 at Centennial Hall that allowed surveys to be completed in one location. Project Homeless Connect provided an opportunity for the Continuum of Care agencies to connect homeless clients to appropriate services in a one-stop shop type of setting. With all member agencies of the Continuum of Care in one location, opportunities to interact and network became available.

Along with the official Point-in-Time Homeless Count surveys, the Project Homeless Connect event allowed JHC members to gather additional information about shared clients and to help gauge what supportive services were most in demand on that day by homeless clients.

AHFC's 2010 Homeless Count report is expected out in July. According to the 2009 Point-in-Time Homeless Count survey Juneau reported 141 persons housed in either emergency or transitional housing and 45 unsheltered. Another 217 were housed with family/friends or in motels.³⁵ An increase in the homeless count in 2010 based on the Project Homeless Connect event held 2010 is expected.

Project Homeless Connect is expected to be an annual event that will strengthen the local Continuum of Care system.

2. Juneau Supportive Housing Inventory Survey (JSHIS). In an effort to understand the local Continuum of Care system, specifically (1) the assets available in the areas of emergency shelter, transitional housing, permanent supportive housing, and permanent affordable housing and (2) the areas of unmet need in these housing categories, the Juneau Homeless Coalition developed the JSHIS in 2010.

The first part of the JSHIS survey catalogues the amount of emergency shelter, transitional housing, and permanent supportive housing available in the community, and includes the services attached with these housing options.

The second part of the JSHSS survey uses a methodology to calculate unmet need in these housing categories that is recommended to communities by the HUD Homeless Assistance Programs.³⁶

Official Point-In-Time Homeless Count information is necessary to make the unmet need calculations. 2010 Point-In-Time homeless count statistics are expected to be released in July and this section will be completed when these numbers are available.

However, in the JHC's 2006 Roof Over Every Head in Juneau: Community Plan to End Homelessness report, the JHC estimated needs for 300 units of low-income permanent housing for families and children, 50 units of supported, transitional housing for youth, ages 16-25, and 40 units of supported housing for high-risk, chronically homeless tenants who have failed in other housing settings.

The JSHIS survey will be updated annually to help strengthen the local Continuum of Care system.

Organizational Capacity of Local Affordable Housing Developers

In Juneau, there are multiple organizations that develop affordable housing including:

- Six non-profit affordable housing developers - Alaska Housing Development Corporation, Juneau Housing Trust, Housing First, Inc., Tlingit-Haida Regional Housing Authority, SAGA, St. Vincent DePaul;
- Four for-profit affordable housing providers - Madsen/Tiff Development, and the owners of Channel Terrace, Orca Point, and MacKinnon Apartments;
- Six Special Needs Housing providers - AWARE, Inc., Gastineau Human Services, Juneau Youth Services, Juneau Alliance for the Mentally Ill Inc., Reach, Inc., and Polaris House; and

³⁵ AHFC 2009 Point-In-Time Homeless Count

³⁶ *Calculations unmet need for Homeless Individuals and Families*, HUDHRE.info.

- Alaska Housing Finance Corporation.

With so many developers within the community there is some concern that there will not be enough volume to build sustainability in multiple housing organizations, despite the 2010 pent up demand of approximately 343 housing units needed. Juneau may have too much organizational capacity to fill. Consolidation of ownership and management of housing organizations—or at least coordination of future housing projects -- could lead to better economies of scale despite the need for specialization in the cases of family housing and housing with persons with special needs that require a significant amount of support services.

Recommendations for the local Continuum of Care system

1. Creation, or acquisition and rehabilitation of one and two-bedroom permanent affordable housing rental units

that would free up space within the Continuum of Care (CoC) system by providing more housing options for CoC clients. Permanent affordable rental units that include opportunities for continued supportive services would increase the chance of a clients' ability to maintain permanent housing. Units targeting the following populations are identified as current needs:

- Low-income renters making less than \$35,000.
- Senior renters 65 years and older.
- The chronically homeless, including veterans that numbered 30 of the 177 homeless attendees at the January 2010 Project Homeless Connect event.

2. Strengthen the local Continuum of Care system. In addition to the need for more housing options for low-income and homeless clients, other strategies that are necessary to improve the housing situation for this segment of Juneau's population include:

- Community-wide utilization of the Health Management Information System (HMIS) or some other data collection system that would help track and assess the needs of clients. HMIS implementation presents communities with an opportunity to re-examine how homeless services are provided in the community, to make informed decisions, and develop appropriate action steps. Increasingly, HUD is requesting this type of information as well as details on how potentially funded activities fit into a communities' local Ten-Year Plan to End Homelessness.
- Comprehensive intake, assessment, and prevention efforts that match clients' housing needs with the appropriate available resources. This year's Project Homeless Connect attempted to connect homeless persons with the appropriate services that they needed on that particular day. Development of a process to do so on a daily basis would greatly assist CoC agencies and their clients. (Success in this regard would be dependent on the availability of housing options to which clients can be directed.)

- Establish a community-adopted Ten-Year Plan to End Homelessness. Because housing and homelessness issues are community issues, formal adoption of a Ten-Year Plan to End Homelessness would extend the responsibility of resolving these issues outside of the Continuum of Care system. This community support of local strategies to end homelessness would also be recognized by funders (AHFC, HUD,) and strengthen future grant applications.

3. Consolidation of ownership and management of affordable housing developers to improve economies of scale.

With so many local housing organizations that compete for the limited housing funds available through AHFC and HUD -- partnership opportunities, collaboration, and consistent and/or large-scale projects are often missed due to an individual organizations need to maintain sustainability. Creating a system where a free flow of information and the collaborative use of resources on a community-wide scale that prioritize and ensure the consistent creation of affordable housing would be more efficient.

Chapter 5: Potential Policies

Recommendations

1. Continue to develop the organizational capacity for affordable housing and continue to monitor local housing data

Over the last five years the City and Bureau of Juneau has taken a number of steps to address the issue of affordable housing. Some of the significant steps include the formation of the Affordable Housing Commission, the hiring of an Affordable Housing Coordinator, and the promotion of affordable housing strategies such as a reduction in development costs, and changes to the Comprehensive Plan and in zoning philosophy that allow for higher density lots and Single-Room Occupancy (SRO) apartments.

Given the complexity and the demanding nature of the affordable housing industry, as well as the constant changes in the overall housing market, it is essential to invest resources into capacity-building. Collecting housing research and data is necessary to understand local unmet needs and toward finding the resources necessary to solve problems.

Housing Information and Data Collection

One key to fulfilling the local housing responsibility is to consistently monitor the local housing market through data collection and survey. Housing data is readily available through such sources as the US Census Bureau, HUD, the State of Alaska Department of Labor, Alaska Housing Finance Corporation, and others. However, monitoring and analyzing this information for local use has been less reliable. Constant tracking and dissemination of this information is essential to assist local developers, affordable housing providers, and policymakers in developing housing policies that address areas of greatest unmet need.

Local housing developers that apply for state and federal development grants would benefit greatly from consistent, accurate housing data. As Juneau falls into the competitive "balance-of-state" category for the majority of funding for affordable housing development programs made available through Alaska Housing Finance Corporation, access to information or affirmation of feasibility studies undertaken for an agency's individual project application would make grant submissions more competitive.

Another benefit of maintaining control of local housing data is the opportunity to influence state and federal housing programs. Juneau must be able to challenge housing data inconsistencies that can hinder housing developers and agencies from utilizing existing programs offered by AHFC and HUD, in order to acquire more financial resources for the community. Likewise, the opportunity to explain a local housing issue that is not captured by state and federal housing studies would not be available.

2. Encourage the creation of more one and two-bedroom apartments and single-family homes

According to JEDC calculations, Juneau needs 343 more housing units to meet pent up housing demand (current need), including 205 single-family homes and 138 new units in multi unit buildings (duplex to apartment building units).

Rental Units

The data are pretty conclusive that the City and Borough of Juneau has multiple stresses on its rental market. The creation of more one and two-bedroom units is necessary, either through creation or acquisition/rehabilitation of units. Juneau rental vacancy rates are significantly lower than the region, state or nation, with one and two-bedroom apartments having the lowest vacancy rates. Low vacancy rates mean limited available housing and a limited ability for renters to choose housing that adequately meets their needs in terms of cost, size, quality, and location. Vacancy rates in the 746 designated affordable units is typically between 1-2%.

One element making Juneau's shorter-term rental housing needs extremely high is the fact that Juneau has a very mobile population. Approximately one-fifth of Juneau's housing units changed hands in the last year, resulting in a higher demand for shorter-term rental housing. Juneau's large nonresident workforce further exacerbates Juneau's rental crisis by competing with Juneau's lower income households for rental housing.

One quarter of Juneau's workforce (approximately 5,000 positions) are not residents of Juneau, and therefore are more likely to require rental housing. Since 2000, the number of nonresidents working in Juneau has increased by nearly 1,500, while the type of rental units necessary to accommodate the housing needs for this group has seen very little growth. Seven of the top ten private sector nonresident occupations are relatively low paying positions (retail, tour guides, food service, cashiers, bus drivers, waiters, and maids), meaning many nonresident workers have low cost rental needs.

Greater than 80% of the renter households with annual incomes less than \$35,000 are cost-burdened. Overall, there are 1,466 renter households with at least some cost burden and only 907 units set-aside for low-income households. As the cost of housing has increased in the last decade, demand for more low-income housing has risen. Juneau's renters who are struggling to afford current housing costs need more affordable housing.

Single-Family Homes

There is also an unmet need for single-family homes with three or more bedrooms. Juneau's single-family home vacancy rates are quite low. The creation of more single-family homes is necessary to alleviate the affordability issues for renters that are potentials homeowners and add choice to the current housing stock for homeowners that are currently mortgage-burdened. JEDC has identified approximately 1,000 renter households who can afford to purchase a home, but have not. The creation of more single-family homes will provide more options for potential

buyers, allow more renters to purchase homes, and help relieve some of the pressure on the rental market. The hurdle to filling this is the lack of available, buildable land.

Senior Friendly Housing

A not immediate but fast approaching need is housing for Juneau's growing senior population. Juneau has aged at a faster pace than the state or the nation. The proportion of those 55 and older in Juneau increased from 10 percent in 1990 to 21% in 2007. By 2020 those 55 and older are expected to make up 30% of the local population. Consequently, Juneau will need to increase its senior focused housing stock to enable seniors to remain in Juneau in the coming decades. One option might be to focus attention on the acquisition and rehabilitation of existing stock as the most cost effective measure.

3. Establish an Affordable Housing Trust Fund

Additional financial resources are necessary to alleviate the stresses on the housing market. The establishment of a local housing trust fund would provide a tool capable of acquiring additional resources for investment into the local housing stock.

Housing trust funds are distinct funds, usually established by state or local governments that receive ongoing public revenues which can only be spent on affordable housing initiatives, including new construction, preservation of existing housing, emergency repairs, homeless shelters, housing-related services, and multifamily building for nonprofit organizations. There are more than 600 housing trust funds nationwide and they have become an integral tool for addressing affordable housing concerns.

One barrier to consistent development of housing for low-income residents and special needs populations by local housing agencies and non-profit organizations is the lack of matching funds necessary to apply for state and federal funding. Because the responsibility of raising capital for the creation or rehabilitation of low-income affordable housing has been left to local non-profit organizations -- many that are small and have limited organizational capacity -- creation of this style of housing is inconsistent and reliant on many uncontrollable factors. In addition, homebuilders are not capable of developing fair-market single-family homes in an affordable range because of costs to develop in the local market.

A local Affordable Housing Trust Fund would (1) provide a dependable source of capital for the production, acquisition and rehabilitation of rental and owned homes and associated supportive services, (2) provide funding without restriction that gives the community the ability to focus on most pressing local housing needs, and (3) would be used to leverage other funds for the production of more affordable housing.

4. Address the buildable land issue

The purpose of the Juneau Housing Needs Assessment is to determine the unmet housing need in the community. However, one of the primary barriers to the creation of more housing is the lack of affordable lands on which to build new housing. This situation is likely to become more restrictive in future years. Study of buildable lands, land banking options, and opportunities for rehabilitation of existing buildings into rentals as well as other potential housing projects that could satisfy current unmet need should be considered.

5. Strengthen the Continuum of Care Network

The lack of affordable one and two-bedroom rental units is especially burdensome on the low-income population and the Continuum of Care network (Juneau Homeless Coalition) that aims to provide housing options for these residents. With limited options to move clients out of the Continuum of Care (CoC) system -- Emergency Shelter, Transitional Housing, Permanent Supportive Housing, Permanent Affordable Housing -- the existing housing options for low-income and special needs populations within the system are often not utilized for their intended purpose and fewer clients are assisted than is possible.

In addition to the need for more housing options for the homeless, low-income, and special needs populations, other strategies that are necessary to improve the housing situation for this segment of Juneau's population include:

- Community-wide utilization of the Health Management Information System (HMIS) that would help track and assess the needs of clients.
- Comprehensive intake, assessment, and prevention efforts that match clients' housing needs with the appropriate available resources.
- Establishment of a community-adopted Ten-Year Plan to End Homelessness.

The success of these strategies will also depend on the availability of housing outside of the Continuum of Care network, typically 1 and 2-bedroom apartments, that clients can be moved to with the appropriate level of services to free up space within the CoC system.