

Juneau's Affordable Housing Challenge

January 12, 2012

Juneau Gastineau Rotary Club

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I am here to talk about housing in Juneau, and how it impacts residents, businesses, and the community in general.

Cost of Living – 3rd Quarter 2011

Percent of Average U.S. City

Category	Juneau	Anchorage	Fairbanks
Housing	179%	159%	142%
Grocery	132	134	131
Utilities	168	96	229
Transportation	107	108	110
Health Care	148	136	141
Other Goods & Services	110	121	119
Composite	140%	131%	139%

From the ACCRA Cost of Living Index.



Cost of Living Housing is our single largest living expense, averaging about 30% of household expenses nation wide.

On average in Juneau, The ACCRA Cost of Living Index compares living costs in various U.S. cities, including several in Alaska. In general, Juneau is about 40 percent more expensive to live in than the “average” US city, and about 9 percent more expensive than Anchorage. Housing costs in Juneau are about 79% higher than in the average US city. Because housing is such a large component of household spending, it is the high cost of local housing that significantly inflates Juneau’s overall cost of living.

How significant are each of the elements listed below to operating your business in Southeast Alaska?

From JEDC Business Climate Survey

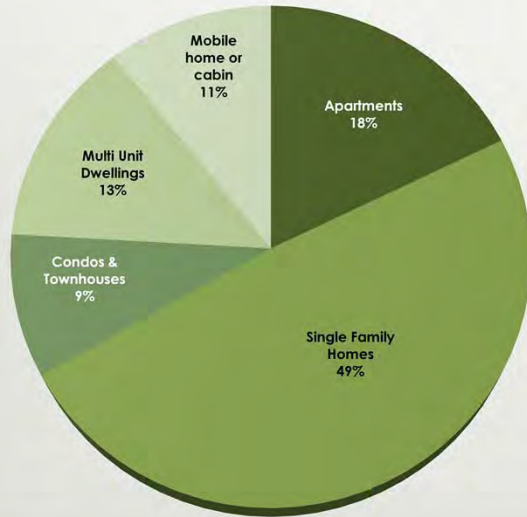
Answers of Juneau Residents	Net Barrier
1. Business real estate costs	70%
2. Freight costs	70%
3. Housing costs	66%
4. Federal regulations	58%
5. Southeast Alaska's road transportation	55%



Barriers to Business Development JEDC performed a Business Climate Survey in Southeast Alaska in association with the Regional Asset Mapping project. Juneau businesses responding to that survey indicated that housing costs were third on the list of largest barriers to business development in Juneau.

Juneau Housing Inventory

Juneau Housing Units by Type, 2010

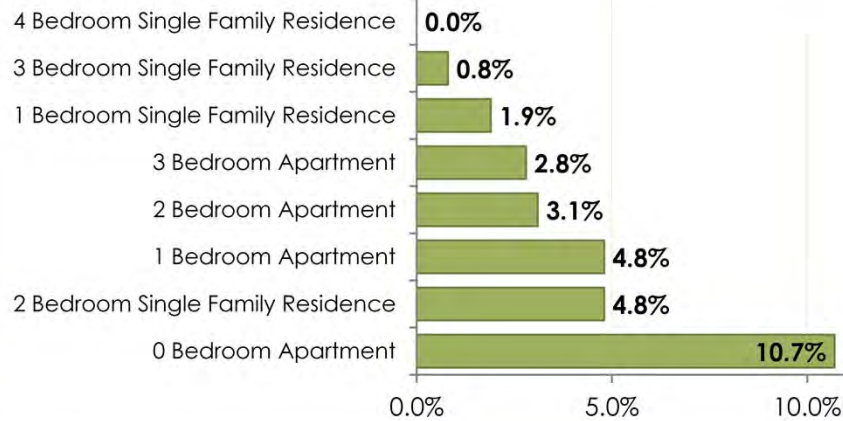


Housing Unit Type	2010
Total Units	12,974
Apartments	2,309
Apartments (Low Income Tax Credit)	344
Apartments	1,310
Apartment (in a residence)	655
Single Family Homes	6,349
Single Family Residence	4,842
Zero lot line	852
Single Family Residence (with apartment)	655
Condos and Townhouses	1,190
Condo	1,013
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



Juneau Housing Inventory Between 2001 and 2010, the population of Juneau grew by about 2.6%, but the number of housing units in Juneau increased by nearly 5%, from 12,369 housing units in 2001 to 12,974 in 2010. Single family homes make up nearly half of Juneau's housing inventory.

Juneau Rental Housing Vacancy Rates 2010-2011 Average



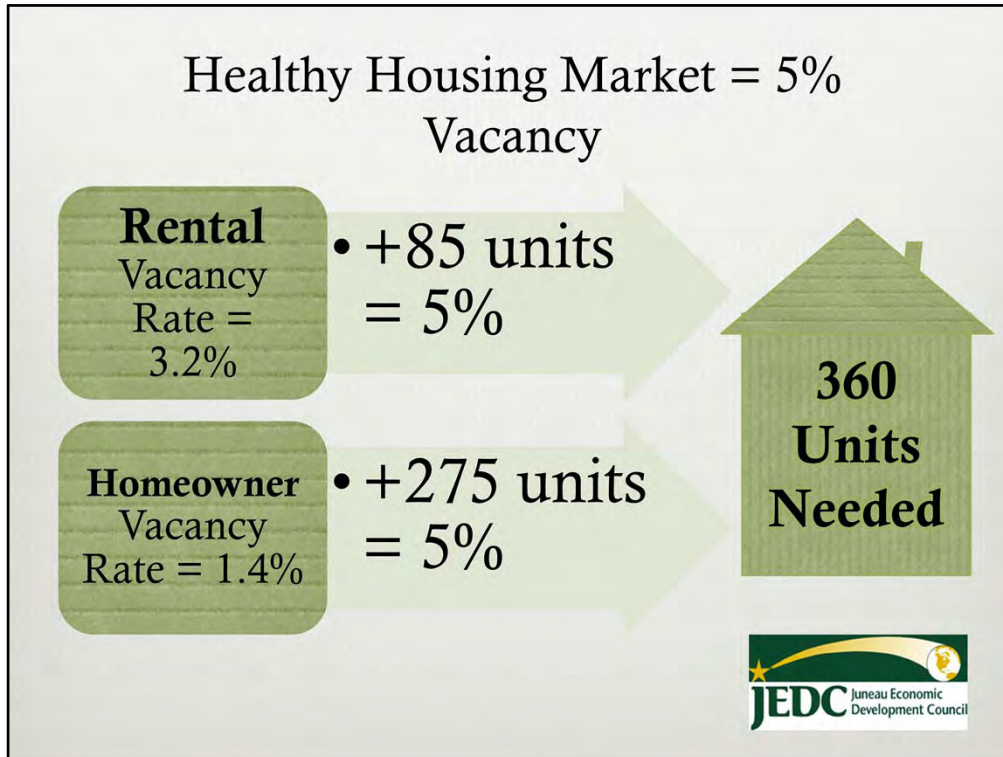
Source: American Community Survey, U.S. Census Bureau.



Rental Housing—*Unmet Housing Needs*

A five percent vacancy rate is considered to reflect a balanced and healthy rental market. Juneau has long been plagued by low rental vacancy rates, making it difficult for renters to find suitable housing, and difficult for home-buyers to purchase ideal homes. Juneau's rental vacancy rates are lower than the region, state and nation. The 2011 average **rental vacancy rate was 3.2 percent** in Juneau (compared to 9.2 percent nationally) and was significantly lower for some types of rental units. Vacancy rates for one, three & four bedroom single-family homes range from zero to 1.9 percent; and one, two, and three-bedroom apartments have vacancy rates that range between 2.8 percent and 4.8 percent. Juneau's **homeowner vacancy rate was 1.4 percent** in 2010, again, significantly lower than the recommended rate of five percent.

Source: Average of Alaska Dept. of Labor and Workforce Development and Alaska Housing Finance Corporation data for 2010 and 2011.



Healthy Housing Market There are nearly 13,000 homes in Juneau. In order to reach a healthy housing market vacancy rate of five percent, Juneau needs 360 more housing units: including 275 homeowner units and 85 new rental units.

Without a sufficient number of housing units, prices are driven up making it difficult for low income and young families to afford housing, and for everyone else to find housing that suits their needs, in terms of size, price, and location.

A housing shortage makes it difficult to support growing industries, such as mining. Juneau's seasonal economy creates an imbalance of available housing units, with extreme shortages during the summer tourism season, and the winter legislative season. A shortage of housing can slow economic growth.

Recent Residential Construction Effort in Juneau

According to the CBJ Building Official, there are about 25 building contractors located in Juneau with the ability to construct homes. On average over the last 3 years:

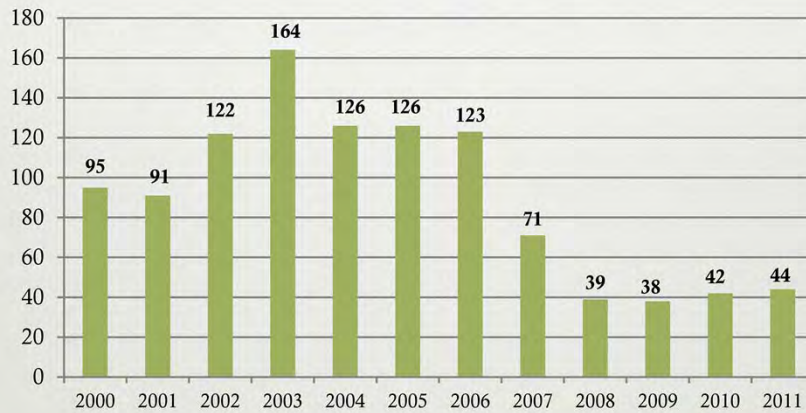
- 2 contractors built about 7 or 8 homes per year each;
- 6 contractors built about 2 homes per year each; and
- 17 contractors built 1 or less homes per year each.

Source: City and Borough of Juneau Building Official.



Residential Construction Effort While there are many contractors capable of building residential housing units in Juneau, over the past several years, only 2 are building more than 2 units per year. Many of these contractors also do renovations and remodels. JEDC is planning a meeting with local contractors in the near future to gauge their perception of the trends and future of housing development in Juneau.

New Housing Units Permitted in Juneau 2000 - 2011

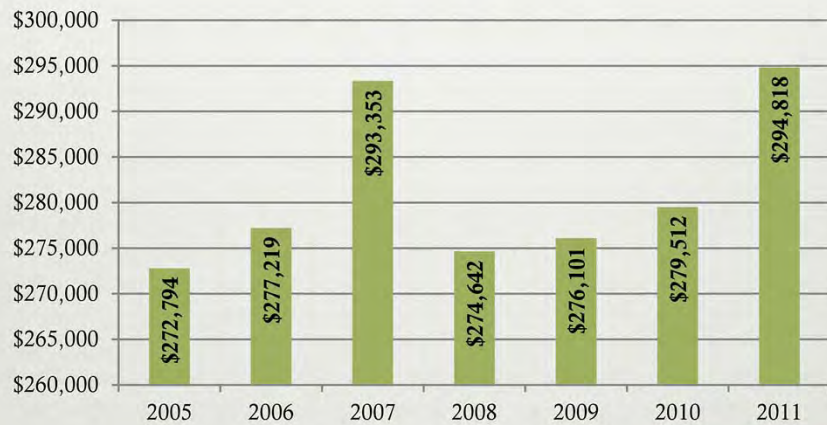


Source: City and Borough of Juneau Permitting Center.



New Housing Units Permitted in Juneau The number of housing units permitted to be built in Juneau bottomed out in 2008 and 2009. Only slight growth has occurred since then, with 44 units permitted in 2011. These are all housing units in Juneau, including single family and multifamily. Data from the CBJ Permit Center.

Average Single-Family Home Prices in Juneau (includes sales of Single Family, Single Family with Apartment, Condo, and Attached Units)



Source: Multiple Listing Service.



Single Family Home Prices in Juneau. Home prices were up in 2011. The average price of a single-family residence was \$294,818—a five and a half percent increase over the 2010 average price, and slightly higher than 2007 (peak) prices. That’s right – we are right back at the peak top of the market.

Single Family Residential Sales

(includes Single Family, Single Family with Apartment,
Condo, and Attached Units)

Year	Sales Closed	Average Price	Average Days on Market
2005	336	\$272,794	38
2006	407	\$277,219	56
2007	328	\$293,353	78
2008	285	\$274,642	92
2009	294	\$276,101	100
2010	329	\$279,512	94
2011	305	\$294,818	87

Source: Multiple Listing Service.



Juneau Housing Sales and Prices—The average price of a single-family residence in 2011 was \$294,818, which is more than 7 percent higher than the 2008 average (2008 was the bottom of the market). Slightly fewer homes sold in 2011 than in 2010. The pace of sales has increased by an average of 13 days since the slow 100 days for an average sale in 2009.

Information sources for this page: Southeast Multiple Listing Service.

Note: For the purposes of this analysis, single-family residences are defined as single-family homes, single-family homes with apartments, condos, and zero-lot lines. Not included in this definition are mobile homes, duplexes, and other multi-family buildings.

This may not be updated by tomorrow. Waiting for info, and have left several messages.

Percent of Income Spent on Housing in Juneau – Average 2008-2010

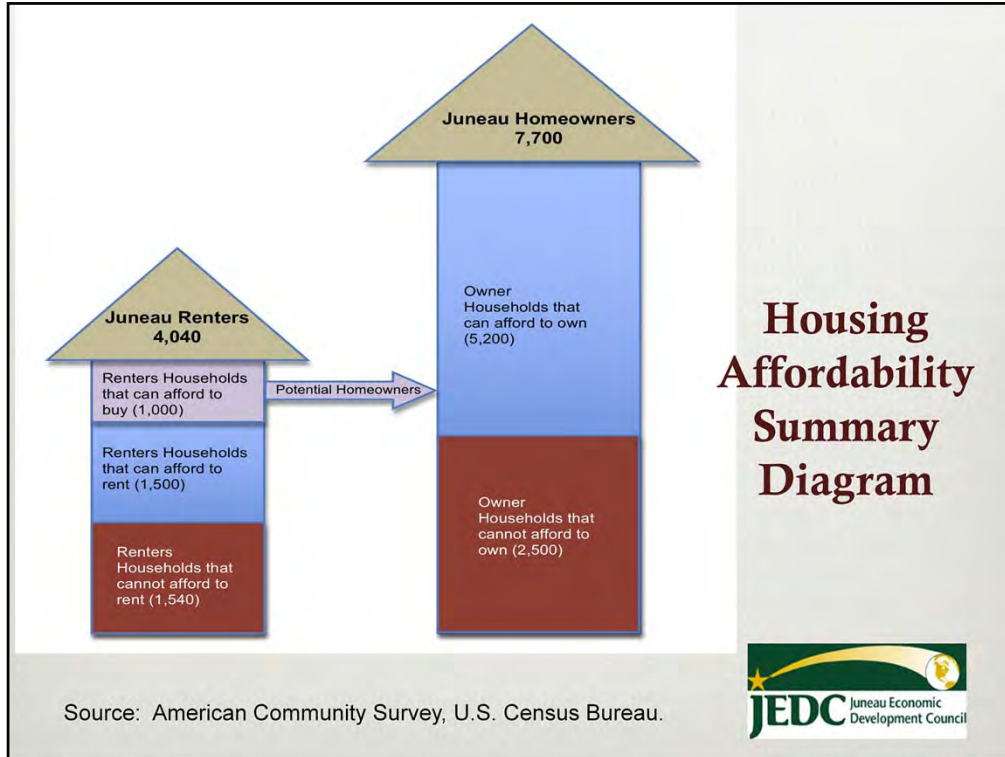
Percent of Income	Owners	Renters	All
Less than 20%	43%	24%	36%
20 to 24.9%	15%	20%	17%
25 to 29.9%	14%	13%	13%
30 to 34.9%	10%	12%	11%
35% or more	17%	31%	22%
30% or more	28%	43%	33%

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



Percent of Income Spent on Housing in Juneau. Affordable Housing refers to the 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. A third of Juneau residents are cost burdened by housing expenses.

Source: US Census Bureau American Communities Survey.



Housing Affordability Summary Diagram. The key point to this is that it doesn't even include the documented 562 homeless and that the shortage of housing extends across every unit type ; thus making Juneau a very unattractive/expensive place to live for newcomers, professionals, middle-class, low-income, seniors, and the poor.

Behind High Costs of Housing in Juneau

- **Shortage of buildable land**
 - Little private land to start with
 - Much is wetlands, forests, steep slopes and variable terrain
 - Much is not accessible by roads
- **High costs of construction materials and labor**
 - Transportation costs add to retail price
 - High cost of living adds to labor costs
 - Weather conditions add to both
- **Permitting and development regulations**
- **Stable economy, so high demand for housing**
- **Seasonal demand means housing is sometimes empty, spreading costs to only the months of occupancy**



Behind the High Costs of Housing in Juneau Part of the reason for high costs to develop housing is that there are very few land parcels in the borough that are readily suitable for housing development. Most undeveloped land in the CBJ is dominated by wetlands, forests, steep slopes and variable terrain, and/or is inaccessible by road. Even if such terrain were developable, the costs to engineer development and mitigate environmental impacts would be prohibitive to all but the highest-priced, lowest-density residences.

Average Price of Construction Materials in Alaska Urban Communities - 2011

Community	Market Basket of Construction Goods including Concrete and Rebar
Anchorage	\$26,580
Fairbanks	\$26,613
Juneau	\$27,917
Kenai	\$27,531
Ketchikan	\$27,701
Kodiak	\$31,508
Sitka	\$27,001
Wasilla	\$25,797

Source: Alaska Housing Finance Corporation Annual Housing Costs Survey, 2011.



Average Price of Construction Materials Purchase and transportation costs of construction goods contribute to the high cost of housing construction here in Juneau. The Alaska Housing Finance Corporation prepares an annual survey of the cost of construction goods in several Alaska communities. Of the “Urban” areas listed in the table, only Kodiak had a higher cost of construction goods.

Addressing the Affordable Housing Challenge in Juneau

- Juneau Homeless Coalition
- CBJ – Affordable Housing Commission
- Tlingit and Haida Regional Housing Authority
- Alaska Housing Finance Corporation
- U.S. Department of Housing and Urban Development
- Juneau Economic Development Council



Housing Assistance Programs in Juneau Several agencies and organizations offer housing assistance in the Juneau area, including providing mortgage loans and loan guarantees, mortgage insurance, rental assistance and other types of help. Assistance Programs under these entities will be summarized in the following slides.

JEDC Affordable Housing Program

- Support **the Affordable Housing Commission:**
Provide policy recommendations to the CBJ Assembly, Alaska Housing Finance Corporation, the Department of Housing and Urban Development, and the Governor of Alaska; and
- Support creation of **Juneau Affordable Housing Fund.**
- Prepare **the Juneau Housing Needs Assessment**
- Establish and maintain the **CBJ Affordable Housing Information Portal** on the JEDC website.
- Support the **Juneau Homeless Coalition (JHC):**
Assist in coordination of the first ever Juneau Project Homeless Connect event;
Help prepare the Juneau Supported Housing Inventory Survey;
Re-organize the JHC to provide better information about the current state of homelessness to community stakeholders.



2010 Affordable Housing Program The Affordable Housing Program under JEDC provides a variety of types of affordable housing assistance in Juneau. In addition to providing support for the Affordable Housing Commission and the Juneau Homeless Coalition, this program gathers data and documents housing trends, and explores policy options to address the affordable housing situation in Juneau.



Juneau Affordable Housing Commission

- Two Rounds of the Juneau Affordable Housing Fund (JAHF)
- April 2011: AK Legislature awarded \$90,000 to CBJ for the JAHF
- CBJ feasibility studies underway: Peterson Hill & DZ
- Willoughby District Land Use Plan – potential for 400 additional units
- Research: Comprehensive list of strategies and activities already taken in the community.
- Upcoming legislation: Rep. Munoz putting together a proposal to allow for tax abatement strategies on the state level.



Juneau Affordable Housing Fund Round One

- Four applications received in May 2011
- Proposals: Senior housing (private), assisted living (private), low-income multi-family (non-profit), studios for low-income seniors (non-profit)
- Trend: Site acquisition/predevelopment requests – early resources needed
- Award: \$13,000 zero-interest loan to Smith Hall, Inc. for predevelopment costs associated with the proposed Smith Hall Senior Studio project – an 11-unit efficiency apartment addition to Smith Hall Senior Apartments that targets very low-income seniors



Juneau Affordable Housing Fund Round Two

- Three Preliminary Applications: One capital request for transitional housing, one predevelopment request, and one market study request.

Primary benefit of the JAHF is the process and opportunity for expertise to be acquired locally on how to put together affordable housing projects.

Juneau Homeless Coalition

- The Coalition is a group of organizations that came together in 1997 with the common goal of *“Ending Hopelessness of Homelessness”*.
- The group has been extremely active since its inception, and has:
 - Sponsored and received joint grant applications
 - Worked with the City and Borough of Juneau on affordable housing issues
 - Hosted statewide conferences
- Developed community education and outreach tools
- Conducted research on homeless populations in Juneau
 - Organizes Project Homeless Connect and the Juneau Point-in-Time Count
- Engaged in municipal and legislative advocacy
- Started the Medical Respite Program

**JUNEAU
HOMELESS
COALITION**

Juneau Homeless Coalition. This group of organizations (identified on the following slide) has assisted the Juneau Homeless population through a variety of methods since 1997.

Juneau Homeless Coalition Members

**JUNEAU
HOMELESS
COALITION**

- Aiding Women in Abuse & Rape Emergencies (AWARE)
- Alaska Housing Finance Corporation
- CBJ
- Catholic Community Services
- Front Street Clinic (SEARCH)
- Gastineau Human Services
- Glory Hole
- Housing First
- Juneau Alliance for Mental Health, Inc (JAMHI)
- Juneau Economic Development Council
- Juneau School District
- Juneau Youth Services
- Love, Inc
- NAMI
- Juneau/Polaris House
- Rainforest Recovery Center
- REACH
- SAIL
- SEARHC
- Sims Foster Group Home
- Southeast Alaska Food Bank
- SAGA Southeast Regional Resource Center (SERRC)
- St. Vincent de Paul
- Tlingit & Haida Regional Housing Authority
- United Way of Southeast Alaska
- Zach Gordon Youth Center

Juneau Homeless Coalition Membership A wide variety of agencies in Juneau are members of the Juneau Homeless Coalition.

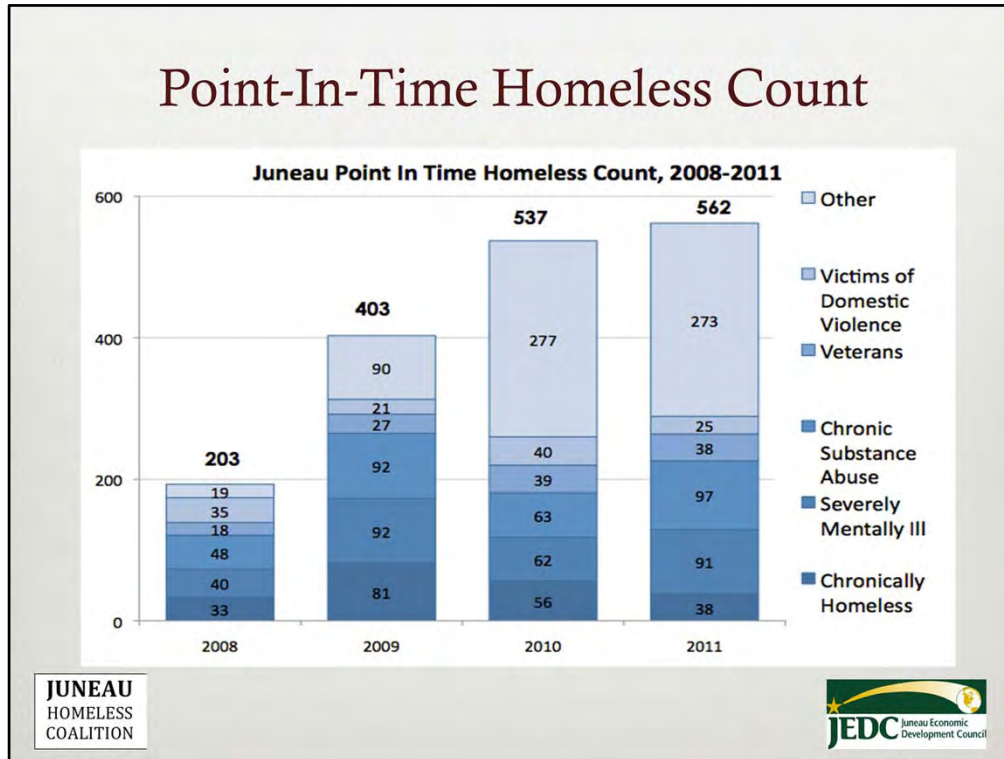
Project Homeless Connect

- One-day event, **January 25, 2012**, designed to connect those currently experiencing homelessness with support services such as: employment, housing, healthcare, mental and behavioral health, legal assistance, education, and much more.
- There are over 50 service providers scheduled to participate and these include some of the more popular services from past events – haircuts, massage, and foot care.
- In 2011, Project Homeless Connect assisted more than 170 of the 562 homeless Juneau residents.



Project Homeless Connect Example of Services: Massage, Medical Service: Department of Public Health, Front Street Clinic, Footcare, Vision Care, HAIRCUTS, 6. Department of Public Assistance, National Council on Alcohol and Drug Abuse, AL-Anon, Veteran Services, Social Service Administration, **JOB CENTER, Permanent Fund Division, GCI-Alaska Digital Lifeline Phone Services**

Point-In-Time Homeless Count



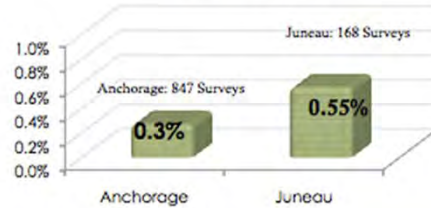
Point-in-Time Homeless Count Because of the continued high cost of housing in Juneau, lessening of income and other resources, and for other reasons, homelessness is on the rise in Juneau. The Juneau Homeless Coalition undertakes an annual point-in-time count of the homeless in Juneau. **The next Count will occur on January 25.**

Alaska Communities that participated in the Point in Time Count: Anchorage, Juneau, Fairbanks, Kenai, Sitka, Mat-Su

2011 Project Homeless Connect

- ❖ **Loss of Job:** The primary reason given for becoming homeless was “loss of job”. (43 of 168 participants)
- ❖ **Outlier: Primary Race**
115 of 168 (69%) surveys were filled out by Alaska Native or American Indian residents. 106 identified themselves as members of Sealaska Regional Native Corporation.

Percentage of Population Served by 2011 Project Homeless Connect



JUNEAU
HOMELESS
COALITION

Juneau Homeless Medical Respite Care Program

- Nine-organization partnership to provide 3-to-7 day hotel stays homeless persons in need of a place to recuperate
- Since February 2011: 17 people housed with an average length of stay of 3 days
- National Healthcare for the Homeless Council Model

Juneau Homeless Medical Respite Care Program

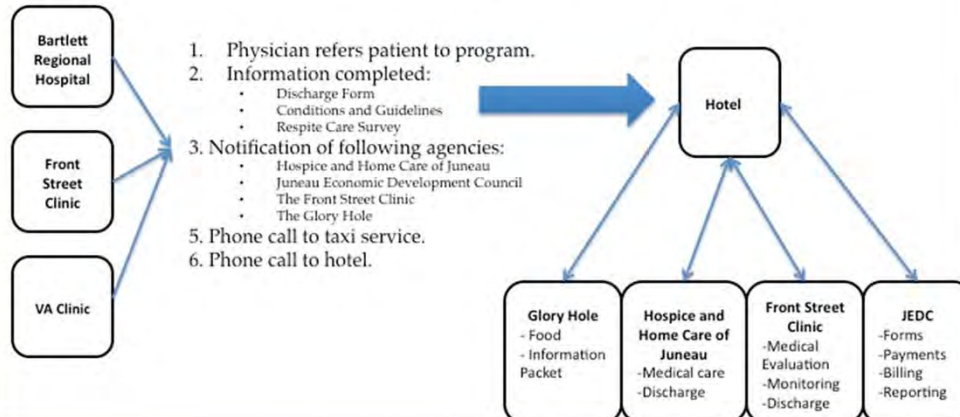
	Resources	April-June 11
Bartlett Regional Hospital	\$5000	
Donations	\$1079.03	
CBJ	(\$7800)	
Total Resources	13,079.03	
Clients Served		17
Average Cost Per Client		\$217.42



Medical Respite Program. Have not tapped into the CBJ funds yet but have requested them. Looking for more resources and a sustainable way to keep this program going. This program insures less hospital visits and gives homeless people somewhere warm to recover.

Juneau Homeless Medical Respite Care Program

Appendix E. Juneau Homeless Respite Care Program Procedures



Juneau's Affordable Housing Challenge

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I am here to talk about housing in Juneau, and how it impacts residents, businesses, and the community in general.

Organizations and Agencies with Housing Assistance Agendas and Programs in Juneau

- ❖ Juneau Homeless Coalition
- ❖ CBJ – Affordable Housing Commission and Juneau Affordable Housing Fund
- ❖ Tlingit and Haida Regional Housing Authority
- ❖ Alaska Housing Finance Corporation
- ❖ U.S. Department of Housing and Urban Development



Housing Assistance Programs in Juneau Several agencies and organizations offer housing assistance in the Juneau area, including providing mortgage loans and loan guarantees, mortgage insurance, rental assistance and other types of help. Assistance Programs under these entities will be summarized in the following slides.

Tlingit and Haida Regional Housing Authority Programs

- Homeownership Loan Program
- Rental Programs:
 - Fireweed Senior Housing Program
 - Elderly Low Rent Program
 - Family Low-Income Program
 - IRS Tax Credit Rental Program
 - New Mutual Help Program
 - Fair Market Rental Program
- Other Housing Related Programs:
 - Low Income Home Energy Assistance Program
 - Home Repair Program
 - Weatherization Program
 - Student Housing Voucher Program



Tlingit and Haida Regional Housing Authority Programs. The Tlingit and Haida Regional Housing Authority has several housing programs available in Juneau, including a homeownership loan program, several rental assistance programs, and programs that address home improvement, repair, and energy efficiency.

Alaska Housing Finance Corporation Programs

- ❖ HomeChoice Homebuyer Education
- ❖ Home Energy Rebate Program
- ❖ Weatherization Program
- ❖ Second Mortgage for Energy Conservation
- ❖ 5-Star Plus New Construction Energy Rebate
- ❖ Senior Housing Assistance Programs
 - ❖ Low-income Senior Rental Housing
 - ❖ Loans and Grants for New Senior Housing Construction
- ❖ Low Interest Loans to Build and Rehabilitate Multifamily and Senior Housing
- ❖ Broker for Loans, Grants, and Tax Credits to for Affordable Housing Construction and Rehabilitation
- ❖ Alaska Housing Locator Renter Assistance
- ❖ Collaborate with Government Agencies to End Long-term Homelessness
- ❖ Veterans Low Interest Mortgage Program
- ❖ AHFC Mortgage Loan Program
- ❖ Low-Income Mortgage Interest Rate Reduction
- ❖ First Time Homebuyer (taxable and tax-exempt) Mortgage Program
- ❖ Low-Income Housing Tax Credit
- ❖ Multi-Family Projects



Alaska Housing Finance Corporation Programs Alaska Housing Finance Corporation provides a variety of programs around the state, including acting as a broker for some Federal programs.

U.S. Department of Housing and Urban Development Programs

- ❖ Mortgage Insurance and Mortgage Loan Programs for Home Ownership
- ❖ Mortgage Insurance and Grants for Multi-Family Housing for Seniors and Disabled Persons
- ❖ Low Income Rental Housing Assistance (Section 8a)
- ❖ Indian Home Loan Guarantee Program
- ❖ Loans and Mortgage Risk Sharing for Multifamily Projects
- ❖ Multifamily Rental Housing for Low and Moderate Income Families
- ❖ Loans and Loan Insurance for Property Improvements and Manufactured Homes



U.S. Department of Housing and Urban Development Programs These programs are offered by the Federal government. Some of these programs are administered by the Alaska Housing Finance Corporation.

Juneau has a need for more housing units. Here are some resources to develop more units:

- Alaska State Housing Trust Fund
- Sustainable Rural Community Fund
- Legislation: 10% of units in communities to be affordable
- Community Development Block Grant



Resources to help develop more housing units. Please support the local programs and efforts to reduce homelessness, and make housing more affordable and available in Juneau.

Rental/Supportive Housing Development, 2000-2010

Grantee Name	State Fiscal Year	Funding Source	Housing Type	Units Created
St. Vincent	2003	DCCED-CDBG	Transitional	7
JAMHI	2003	AHFC - SNHG	Permanent Supportive Housing	1
Juneau Youth Services	2008	AHFC - SNHG	Transitional	8
Reach, Inc	2009	HUD-811	group home	4
Reach, Inc	2010	AHFC-SNHG	group home	5
				25

* 2000-2010: 87 units of affordable single-family homes developed

2010 JEDC Juneau Housing Needs Assessment