

Housing Action Plan

City and Borough of Juneau

Prepared for and Under the Direction of the
City and Borough of Juneau, AK –
Community Development Department by czbLLC
Adopted by Resolution 2780, December 19, 2016



Challenges & Problems

- The problem of having a stuck market
- A very informed and aware community
- How to get unstuck
- Creating a new framework

Key Observations

- Juneau needs a comprehensive housing strategy
- The community is already on board
- Juneau has a built in affordability disadvantage
- Inefficient land use policies worsen the situation
- Affordability is a problem, but not the problem
- The underlying root of the housing problem is a fragile economy
- There is a notable lack of product volume and diversity for young families
- Juneau can absorb the volume and diversity the market needs
- It is imperative that the market provide for aging in place
- Starter rental housing is in short supply
- Employers are doing a lot that could be durably leveraged

Recommendations

- Formally adopt this plan, into Juneau's comprehensive plan
- Grow the Affordable Housing Fund to a meaningful level
- Create and fund a full time housing director position in the CBJ
- Grow the supply and diversity of housing aiming at specific numerical targets through new construction and preservation
- Preserve existing affordable housing
- Develop new policies with a specific housing link for CBJ-owned lands
- Update CBJ zoning regulations to have specific housing links
- Develop small area plans tied to new policies affecting CBJ lands and updated zoning regulations
- Develop a specific strategy for Downtown that has explicit housing elements

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Many groups and individuals contributed to creation of the Juneau Housing Action Plan. The City and Borough of Juneau thank you all for your contributions.



March 11, 2016

Dear Reader:

Juneau has a well-documented housing problem. For many years the community has recognized that the Borough suffers from a shortage of supply, limited housing choice, and high cost burdens for many who are forced to pay more than 30% of their income for housing. Unaffordable and inadequate housing depresses economic growth, hurts families and threatens Juneau's outlook for a prosperous future.

The City and Borough Assembly established the Affordable Housing Commission (AHC) in 2006 to begin tackling these problems. Since then the AHC has launched and supported many housing initiatives, but despite these efforts Juneau's housing problems persist. One of the recommendations the AHC made in the 2013 update to the CBJ Comprehensive Plan was that it was imperative for Juneau to develop a Housing Plan.

In 2015, the Borough hired an outside firm – czb LLC, from Alexandria Virginia, to complete the Housing Action Plan, with the goal of obtaining "fresh eyes" to the problem and bringing "fresh ideas" in response. The Housing Action Plan is result of the collaboration of our consultants, czb LLC, the AHC and the community of Juneau. The plan recognizes the work Juneau has done to address these challenges. It also makes quite clear that we need to go farther and be more aggressive if we want to make real progress.

Access to quality, affordable housing opportunities throughout all of Juneau is instrumental in creating a community that is strong, productive, vibrant and whole. The Housing Action Plan provides a framework for a new direction for Juneau housing policy. It has been designed to create fluidity in Juneau's housing market, create an inviting place for workers and new families to call home, and enable seniors to age in the community.

Sincerely,



Tamara Rowcroft, Chair
Affordable Housing Commission

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Executive Summary

Housing Action Plan

Committed to sustaining Juneau as a dynamic place to live, the CBJ contracted with czb LLC, a planning firm from Alexandria Virginia. Specializing in housing analysis and neighborhood strategy, czb worked with Juneau residents to develop this Housing Action Plan (the Plan). The Plan offers a framework for a new direction in Juneau housing policy, one that strives to create fluidity in Juneau's housing market, creates an inviting place for workers and new families to call home, and enables seniors to remain in the community.

Juneau's housing challenges are significant and long-standing. Completed in 2010 and 2012 by the Juneau Economic Development Council, the Housing Needs Assessments found vacancy rates that indicated a critical shortage in housing. Based upon these concerning findings, the 2013 Comprehensive Plan recommended undertaking a housing plan that strategizes methods to successfully create and sustain quality neighborhoods by developing affordable housing through a diversity of housing types and densities.

In 2014, the adopted Juneau Economic Development Plan further found that Juneau's housing supply does not meet demand in terms of housing type, size, price, or location. Its top ten initiatives included the development of a housing action plan. Supporting the findings from the previous studies of 2010 and 2012, the Economic Development Plan further strengthened the case for the critical need of housing for all ages and income groups to gain and maintain a strong, stable economy.

The consultants, working with elected officials, and appointed officials, including the CBJ Affordable Housing Commission (AHC), developed the Housing Action Plan. The consultants met with housing providers, developers, real estate and finance professionals, elected and appointed officials, city staff and the AHC to gather information. The AHC, serving as the steering committee, worked with the consultants to synthesize the input, which the consultants analyzed and presented to Juneau residents in public meetings for additional feedback. Meeting regularly with the AHC, the consultants presented the draft Plan to the Assembly on October 26, 2015. Further refinements were made prior to czb handing off the plan to CBJ for final public input and subsequent adoption.

Juneau's well-documented housing challenges require a new political and economic framework. This framework, at its core, should be driven by the expressed desire of Juneau residents to be a part of a community where people live, work and thrive throughout their lives. Developing and implementing a new housing framework for Juneau must be grounded in the basic question, "What do we desire as a community, and how willing are we as a community to fund housing programs, making tangible trade-offs to achieve the community we envision?" If affordability for moderate and low income households is deemed a good thing in Juneau, worthy of having, obtaining it will have costs in some shape or form.

The Plan identifies the primary problem in providing adequate housing as having a "stuck market" and the primary challenge is how to get "unstuck." The Plan is structured in two parts: the first

describes Juneau’s housing challenges and its causes; and the second identifies solutions and provides specific recommendations for implementation. Key recommendations are summarized in Appendix 2, the Action Table.

The Plan recognizes the work already undertaken by Juneau to address these challenges. It also makes clear that it has not been enough. In order to make real, lasting progress, we must be more aggressive. The Plan emphasizes that the community must recognize that in order to solve our housing challenges there must be trade-offs. If the community truly desires and values a healthy housing market then it must:

- Spend its own resources. Commit dollars from taxpaying Juneau residents, businesses, and property owners to back a bond, a housing levy, or other form of dedicated and significant public funding to offset excessive housing costs or mitigate developer risk – unstick the market. Quality housing and neighborhoods have costs, be they financially in the form of subsidies; density of developments on smaller swaths of land; or environmentally in the consumption of open space.
- Uphold policies. Support and uphold the policies needed to promote and encourage housing development, and require or mandate market behaviors currently missing.
- Create housing. Encourage more housing for young families, workers, and a growing senior population through incentives such as providing CBJ land or gap financing.
- Streamline permitting. Adjust zoning, permitting and related land-use processes to encourage clustered, moderate-density, and mixed-use development that utilizes existing infrastructure, which occurs with creative public financing coupled with design regulations and standards that ensure quality neighborhoods.

1,980 by 2046

The key goal recommended in the Plan is 1,980 newly constructed units for all housing types by the 30-year mark with an annual goal of 66 new units. The Plan breaks this recommendation into number of units by type, for example “independent senior housing”. The Plan further recommends a 30-year goal of preserving 750 existing units, as well as annual preservation targets.

Nine primary solutions are recommended by the Plan. Each recommendation includes metrics to measure achievement of the recommendation, as well as a list of implementation steps needed to successfully achieve the recommendation. The recommended solutions are:

- Formally adopt the Plan into Juneau’s Comprehensive Plan.
- Grow the Affordable Housing Fund and its potential uses.
- Create and fund a full time housing director.
- Grow the supply and diversity of housing aiming at specific numerical targets through new construction and preservation.
- Preserve existing affordable housing.
- Develop new policies for the use of CBJ-owned lands and assets to achieve key housing goals.

- Update CBJ zoning tools/regulations with a focus on housing.
- Develop small area/neighborhood plans with detailed incentives and direction on housing.
- Develop a Downtown strategy that has explicit housing elements.

The Plan states that there are no silver bullets that single-handedly reinvigorate or realign Juneau's housing market. While available capacity and funding may limit the number or scale of the actions taken, one thing is clear - Juneau must take action if our community is to remain vital and thrive in a globally competitive world.

This report provides a framework for a new direction for Juneau housing policy. It has been designed to help create fluidity in Juneau's housing market, create an inviting place for workers and new families to call home, and enable seniors to age in the community. The framework contained here requires more direct effort by the public sector than has historically been the case.

Part 1: Housing Market Challenges & Problems

Challenges and Problems

Juneau's population has been relatively flat for more than a decade. This is projected to remain the case through 2040.¹ Juneau has what may be called a "what comes first" problem. If people can't find places to live, new workers and families considering moving to Juneau won't move there. If new families and workers don't move to Juneau, it won't be in a position to grow its economy. State workers currently have challenges finding places to live as do private sector workers. The stuck nature of Juneau's housing market hampers the economic potential of Juneau.

When the value of housing is uncertain, the willingness of the market to take risks declines. In Juneau today, many in the private sector view investment in the housing market as too risky. As a result, new housing products come on line infrequently. This greatly restricts the supply, or availability, of housing, in general and at specific points on the housing ladder. Limited choice in the housing market discourages businesses to invest because their employees have no place to live. It stifles entrepreneurial activities because businesses don't have potential employees living in the community to hire. It discourages people to move to Juneau for vacation housing or retirement.

Just as a consumer wouldn't want to go to a grocery store with only a small shelf of products, consumers don't like to participate in a housing market that does not have enough choices to satisfy their needs. To overcome these risks, those developers who do choose to invest typically do so only at the highest price points. This contributes to the community's housing stocks being less affordable, making it particularly hard for young families and lower wage workers to call Juneau home.

The focus of new housing at the higher price point makes it harder for current residents to move into new homes. Would-be sellers stay put because they are unable to move into new homes due to the lack of options. When these households do not move through the housing ladder – from starter homes up to dream homes – there are two results: 1) developers have even less incentive to provide the array of housing options needed for Juneau's housing market to be healthy; and 2) choices of entry-level homes are further restricted because "starter" homes become "lifelong" homes for residents and therefore are only infrequently made available to another young family or working household. Juneau's housing pipes are clogged.

A lack of confidence by developers for a positive return on the basis of real and perceived risks in the local economy, coupled with limited movement through the housing stocks creates a situation that forces many to look elsewhere to live and will ultimately threaten Juneau's ability to maintain its population. This certainly weakens Juneau's chances for population and economic growth. In this way, the development and implementation of a robust and strategic approach to housing in Juneau is the community's most important economic development initiative.

Furthermore, when there is little available housing on the market and little, if any, incentive for the private market to correct for this, most of the housing stock becomes stale. This further clogs the housing pipeline. When local housing markets become truly stuck, as Juneau's has been for

¹ Alaska Population Projections 2012-2042; Alaska Department of Labor, April 2014 pp 10-12 and 17-23.

some time, challenges on the owner side of the market spill onto the rental side. Renters hoping to buy their first home discover they cannot, and like owners, stay put. This lowers rental vacancy rates and puts pressure on rents. The clogged housing pipeline prohibits renters from purchasing their own homes as well as eliminating the opportunity for renters in subsidized housing to move up the housing ladder as well.

This is a problem with important contextual notes.

For starters, Juneau's housing problem is a long-standing one. The Borough's market has been stuck for an extended period of time. While Juneau has made strides to address these housing issues, its housing market is stuck to such a degree that far more effort is needed. As trends in sales and new development make clear, this is not a situation that the "market" is likely to magically "fix."

There are too many factors, real and perceived, standing in the way: land scarcity, higher development costs stemming from higher material costs, a difficult financing market as many lenders rely on decision making outside of Juneau, high labor costs, and the highly seasonal and state-dependent nature of the local economy. Taken together, these factors create too many expenses and too much risk for private developers and funders.

Explicit action to address either side of this equation – the expenses or the risks – will be required to better engage the private sector in Juneau's housing market to create more affordability and availability and, ultimately, rewrite currently soft projections for population growth and economic vitality.

Community Awareness

It is clear that the general public is aware of these issues and ready for bold action. The examination of 688 survey responses to the community wide survey highlights a general consensus around two especially telling views:

- Fully two-thirds of respondents agreed that "there are not enough options for people, especially entry-level workers and seniors" and that Juneau, in general, has "a shortage of housing options." One-third identified these shortages as a key reason why the community "has a hard time attracting workers." Nearly half of all respondents (44%, or 302 out of 688) chose the terms "rundown," "outdated," and "aging" to describe Juneau. Roughly one-third considered the community to be "threatened" and unlikely to grow. At the same time, just 18 respondents (2.6% of those surveyed) chose the terms "vibrant" and "strong identity," and only 12 (1.7% of those surveyed) selected "inviting," to describe Juneau today. This contrasts somewhat to the kind of community survey respondents want: one that is affordable (49%), family friendly (41%), and sustainable (37%).
- Over half (59%) of survey respondents felt that existing systems and process "are not building enough housing to meet our community needs" and/or "have fallen behind where we should be with regard to housing." The vast majority of respondents felt that municipal government should perhaps (31%) or absolutely (57%) "play a more active role to address housing issues, choice, availability and

cost.” Three-in-four respondents (29%) would consider or already support (44%) the municipal government assuming “a direct financial role” to tackle housing issues. And most (69%) would allow for greater height and density in certain areas of the borough if it would create more housing options for local workers and seniors, use the community’s existing infrastructure more efficiently, and/or protect the area’s natural resources and “unique services and features” that residents enjoy.

The community strongly reaffirms what the data make clear: the implementation of good housing policies for Juneau is economic development policy just as much as the continued failure to sufficiently address housing availability and affordability undermines Juneau’s economic potential.

Getting Unstuck

Significant expense over the years has gone into procuring study after study, each reinforcing the findings of previous analyses. It is our hope, with this report, to build on the excellent research and policy work of the past by turning those previous findings and new ones contained here into specific steps that the Juneau community can take to respond to what is by now a well-understood set of interrelated housing and economic development challenges. These specific steps are found in Part 2 of this plan, Solutions.

Fortunately, these types of challenges are not unfamiliar to other municipalities nationwide, including places throughout the Mountain West that are similar in important respects to Juneau. Other communities are using an array of tools such as bonds and levies, inclusionary policies, density bonuses, and public-private partnerships to successfully affect the availability and affordability of their housing stocks. Juneau can learn from these communities as well as develop its own solutions for the unique nature of its conditions.

The framework created by this plan does not only recommend more direct effort by the public sector than has historically been the case. More is not the sole antidote to insufficient. While more money is needed, more alone will not fix what is not working. A fundamentally different kind of response is called for, one that is robust in terms of dollars and is more partnership-oriented. Juneau cannot rely on some phantom notion of the so-called unfettered market.

Juneau’s housing market, in reality, is not “free” at all. The market is already operating with a substantial and peculiar type of public intervention, propped up by high government wages and a disproportionate government-oriented (public subsidy-driven) economy. It also relies on the involvement of several large employers that have explicitly tried to address the challenges faced by their own employees. If these interventions can be harnessed, instead of resulting in a poorly functioning housing market, they could be vital components of a larger strategy to address the array of housing choices, and the cost of those choices, in Juneau.

Creating a New Framework

A review of the Borough's Comprehensive Plan and Zoning Ordinance, data from several sources such as: the State of Alaska's Department of Labor and Workforce Development, the 2012 Housing Needs Assessment, the US Census and the American Community Survey as well as a number of reports commissioned by the CBJ and the Juneau Economic Development Council, leads to the conclusion that Juneau's long-standing housing problems are real and business-as-usual will only exacerbate them.

How would a new framework for housing policy look compared to the current course?

- Elevate housing as a priority – strongly support staff to oversee housing-related issues and strengthening the borough's approach to housing availability and affordability in existing plans. Juneau should reframe the larger narrative in Juneau with respect to municipal finance, economic stability, and housing such that it is clear that they are all dependent on each other.
 - Elevating housing would also mean utilizing tools proven elsewhere to be meaningful in addressing availability and affordability issues, such as density and height bonuses and inclusionary zoning; and doing so at scale. These would be incorporated into the Borough's Comprehensive Plan, by adding this report as a new chapter, as well as its Zoning Ordinance, not as mere statements of aspiration, but in the form of assertive policy objectives in the Plan and regulatory requirements in the Ordinance.²
 - Without these tools in place, current planning and regulatory documents ostensibly used to guide land use and development in Juneau are set up to neither successfully address the totality of the housing market's shortcomings, nor to properly guide policy makers and the community in prioritizing Juneau's housing needs. Current guiding documents in Juneau speak to the issue of housing, but they lack specific, measurable housing goals and fail to provide the development community with a clear picture of what types of new housing Juneau needs and can accommodate.
- Create stronger partnerships with both non-profit and for-profit developers. This includes creating a set of incentives to reduce private and nonprofit developer risk and to entice them to act in ways that help unstick Juneau's housing market; incentives that convert the aspirations made clear in the plans into new units on the ground.

² The Montana Creek West (MCW) Subdivision Phase 2a (12 units), approved as recently as 2013, is illustrative, and is amplified by the subsequent CBJ staff review (and recommendation for approval) of Phase 2B while this housing policy project was occurring. Staff concluded MCW is consistent with the CBJ's 2013 Comprehensive Plan. But that misses the point. The ULDR is inconsistent with the goals of economic diversity and housing affordability, so within the Comprehensive Plan itself is prime facia evidence of a lack of statutory commitment to affordable housing. Densities of 1-6 du/a run counter to the economics of housing affordability goals. Furthermore, staff analysis (conditions) is indicative of an insufficient review; missing is a criterion filtering out development that would add to the economic strength of the CBJ, not merely the presence of a threat to the value of adjoining property. "Will the proposed development substantially decrease the value of or be out of harmony with property in the neighboring area?" is a tautology that reinforces pre-existing conditions.

- Such incentives could include below-market rate financing, shared equity investments, or transferal of low- or no-cost land and assets from the Borough’s portfolio, for workforce housing or senior-oriented development. The market needs cost reductions and land to become unstuck, especially when it comes to products for first time buyers, lower-income renters, and retiring seniors. The public sector must provide these subsidies or deals won’t get done (see *elevating housing as a priority*, above).
- While the Borough does not have an abundance of quality land or assets to transfer, it can, and under the right circumstance should, consider this. CBJ should be explicit about what belongs on the properties it transfers, and have provisions in place to hold the developers of those properties accountable for doing what they propose. If the community truly wants a functional housing market, it will have to create the room for one to emerge and prove profitable while also generating public benefit, and this will mean land and money.
- Re-think resource priorities. A market with Juneau’s challenges cannot be fixed without spending dollars and making hard choices and trade-offs. The good news is that the benefits of doing so – a better functioning housing market with choices for buyers and renters, and a more stable local economy – should outweigh the costs of these trade-offs and the required spending. These locally-generated resources would include:
 - An affordable Housing Fund with at least \$3,000,000 in lendable, investable, and recyclable funding designed to support a range of housing-related objectives.³ A dedicated fund of this type and this magnitude is essential to countering the cost escalators associated with the borough’s steep slopes, limited land, and high materials and labor costs and risks facing would-be Juneau developers.
 - Additional local resources need to be re-budgeted to support related initiatives, such as downtown investments, code enforcement, staffing housing-related positions, and preparing public land and assets for redevelopment. Instead of looking to AHFC and other non-local sources to pay for Juneau’s housing problems, the community should become self-reliant.
 - Only 6% of survey respondents feel that “Juneau is presently capable of being economically self-sufficient, independent from money from the State or Federal government in the form of subsidies.” Becoming economically self-sufficient, which half (50%) of survey respondents say they support, would require generating new local resources by

³ From Silicon Valley to Asheville, NC housing trust funds have operated for years, collecting resources (through taxes and other means) and investing them in projects to close cost and other gaps. The most significant of these is Seattle’s Housing Levy with a per capita size in excess of \$200. Others are less generous. Burlington, VT’s per capita rate of \$115 is in the high-middle of the range of the more successful funds in operation to today, and Austin’s rate of \$73 is in the middle. Juneau’s current trust fund per capita rate of about \$13 may be insufficient. High functioning trusts (Seattle, Minneapolis, Austin, Burlington) average \$93 per capita; at this rate, Juneau’s trust would be about \$3M.

re-prioritizing spending and/or self-taxing through municipal bonds or property levies to raise funds to unclog the housing market.

The Borough's long-standing housing problem requires a new political and economic framework as well. One that, at its core, should be driven by the expressed desire on the part of stakeholders to be a part of a community where people can live, work, and thrive throughout their lives. Developing and implementing such a new housing framework for Juneau must be grounded in the basic question, "what does the community really want, and how willing is the community to fight and pay for and make tangible trade-offs to achieve what it wants?"

To develop a new framework, it can be constructive to first understand the components of Juneau's housing issues. The Borough *does* have an affordable housing problem for low wage households. The Borough *does* have a shortage of senior housing. The Borough *does* have a glut of older housing stocks on the one hand and a shortage of new product on the other. But only in part are these a function of the usual suspects: high materials and labor costs, limited land, and values outpacing incomes. The full picture is more nuanced.

Strategy Needed. Strategies currently in play are not durable enough to significantly address Juneau's housing challenges. Existing strategies don't recognize that they relate directly to, and significantly inhibit, the borough's population and economic growth. Juneau's housing issues cannot simply be framed as affordable-housing-for-the poor problems. Juneau's housing issues are far larger than that; they include the lack of product for working and middle-income households and seniors and act as barriers to new businesses coming to town and impede expansion of existing business operations. As a result, addressing these housing market challenges is Juneau's most important economic development strategy. It may be wise to directly link this report, or a locally crafted rendition of it, to the CBJ Comprehensive Plan.

Workforce Impacts. Understanding first-hand the link between housing affordability and availability, and the ability to attract and retain a quality workforce, several Juneau employers have started implementing their own disparate and ad hoc system of providing or subsidizing housing for their workers. Under the umbrella of an organizing entity, and administered in a way to meet individual employers' needs while also positively impacting the housing market as a whole, these employers' investments in worker housing could go even further in unsticking the housing market and fostering additional economic vitality.

Using CBJ Land. Another way a new approach to existing aims could help positively impact the housing market relates to the way the borough handles the disposition of CBJ-owned land. The CBJ Land Management Plan makes important headway regarding the disposition of public lands for the purpose of righting the Juneau housing market. Similar work must be done to help the borough create comparable opportunities from those properties that fall into public ownership as the result of emergency code enforcement or demolition, such as that planned for the Gastineau Apartments.

The Potential of In-Fill. The potential for new housing development extends far beyond the developable parcels of public land and acquired blighted properties. Several sites served by existing infrastructure and already zoned for denser and/or mixed-use development currently house far fewer than they could. Drilled down neighborhood planning and specific, actionable

neighborhood plans can both identify these locations (such as those areas surrounding Downtown, the Nugget Mall, and the hospital) and present clear alternatives for development and growth.

Leverage Existing Infrastructure. The need to most efficiently use existing infrastructure highlights the importance of acting to *preserve* the existing housing stock. Some of Juneau’s older single-family housing stock was marginally built and has not been well maintained. This holds true to an even greater degree for the community’s older mobile homes. Also, several older multifamily buildings, especially downtown, have either already been lost to deterioration or may soon be. Given the significant housing crunch, Juneau needs a proactive approach to either protecting or re-developing these units. Preserve *then* develop.

If the Juneau community wants a healthy housing market then it must:

- Spend its own resources – dollars from taxpaying Juneau residents, businesses, and property owners. These resources should support a bond, a housing levy, or some other form of dedicated and robust public funding to offset excessive housing costs or mitigate developer risk. Good things have costs, be it financial (subsidy), form (density and height), opportunity (inaction), quality of life (impeded view corridors), environmental (consumption of scarce open space). If affordability for moderate and low income households is deemed a good thing in Juneau, worthy of having, obtaining it will have costs in some shape or form.
- Authorize the Assembly to put in place the funds needed to unstick the housing market, and the policies needed to sometimes promote and encourage, and other times require or mandate market behaviors now missing.
- Create more housing for young families, workers, and a swelling senior population. And that will require land and gap financing.
- Adjust zoning, permitting and related land-use processes to encourage clustered, moderate-density, mixed-use development that makes wise use of existing infrastructure, which that can only occur with creative public financing on the carrot side and policies with teeth on the stick side (comprehensive plan).

As stated before, a healthy Juneau housing market is the key to a healthy Juneau economy. A healthy Juneau economy is one that is more self-reliant than subsidized. A new housing framework for Juneau will have to come from within, and that will mean the community must both demand the benefits of a healthy housing market while demonstrating an actual willingness to bear its costs, whether in dollars, tradeoffs, or both.

Key Observations

A Comprehensive Housing Strategy is Needed

Juneau’s Comprehensive Plan should add a new housing chapter and this report should be the initial draft of that chapter. Juneau’s zoning regulations should be optimized to support the creation of a stable and well-functioning housing market in line with community needs.

There are presently too few incentives in place to encourage the creation of a diverse housing market for a range of incomes and life-stages. Juneau’s Housing Trust Fund has insufficient resources to make a noticeable impact on the housing market. Zoning is not set up to encourage developers to make the most of existing infrastructure, nor to automatically allow for more intensive land uses as new infrastructure is added. Rules surrounding new construction and development are not always consistent or predictable.

Additionally, there is currently no municipal staff person dedicated to housing issues. As a result, there is limited coordination between CBJ and nonprofit housing providers. And there is no coordination between CBJ and local employers building or otherwise subsidizing housing for their workers. Several people interviewed by czb mentioned the need for such a full time person, one who would coordinate housing related-efforts and foster collaborations between the various housing market players.

Beyond these serious gaps, several key individuals interviewed by czb stressed that the community needs to be engaged and included in the development and understanding of a longer-term housing vision. Without community involvement, it will be hard (if not impossible) for the community to figure out how to prioritize local government housing-related spending and programming, which is something most survey respondents would like to see. Engagement should be instructive towards the goal of being constructive.

There is a strong desire for just such a long-term housing vision, as well as specific actions for CBJ and its public, for-profit, and nonprofit partners to take. That is exactly what this document is designed to be, and what this process has been designed to have done.

To ensure that Juneau is doing all it can to support a healthy and diverse housing market, the Assembly must explicitly link this report to the Comprehensive Plan, refine Juneau’s zoning ordinance and development codes to provide the incentives and regulations necessary to encourage the recommendations, and hire a Housing Director to foster and facilitate public/private partnerships and their ability to implement the recommendations described here.

The Community is Already on Board

The Juneau community is keenly aware of the need for such a comprehensive housing strategy. The community wants to be family-friendly, affordable for local workers, and sustainable for the long-term. They understand that the current housing market is limiting that potential. Residents understand that a stable economy, housing diversity, and quality-of-life go hand-in-hand. They believe the government, especially in the way it uses zoning and manages its land holdings, should play a role in helping address problems in the housing market. The community could benefit from a more focused conversation about the tradeoffs associated with shifting from business-as-usual to a new course of action, and such continued “give-get” dialogue is recommended. Many are concerned about the trajectory Juneau is on and do not see the emerging future Juneau as a place that will be as inviting and as attractive as it is now. They do not see the current economy as

sustainable or self-sufficient. They have a specific desire to see their local government take action to support housing for workers, seniors, and families. They believe in an efficient government and want to maximize the community's investment in infrastructure. They believe government should carefully guide housing issues, but also want to allow the marketplace to work without excessive government involvement. They want action and balance.

The community has a good grasp of the issues and challenges Juneau faces. They want there to be actions to address them, and understands the tradeoffs in terms of density, land-use and government activity.

Juneau's Isolation Creates an "Affordability Disadvantage"

Construction costs in Juneau are higher than elsewhere due to the difficulty of obtaining supplies, the high cost and limited availability of developable land, difficult physical building conditions, a short construction calendar, difficulty finding construction workers and their high cost of labor, and high community expectations for quality. Financing for development in Juneau is also difficult as local lending institutions often have to go outside of Juneau for approval of loans, thus putting loan committee decisions in the hands of people that are not close to, or as knowledgeable about the Juneau economy and its potential. These factors inflate the price of "starter" homes, make it harder to build affordable housing for seniors or workers, and make the development of all but the most expensive homes too risky a proposition.

Countering these forces will require both private and public interventions in the housing market. Juneau cannot unlock its housing market and create affordability without specific zoning, targeted subsidies, and other private sector incentives to encourage the development and sustainability of lower cost housing. Governmental action that offsets some of these costs or otherwise mitigates a portion of developers' risk can "prime the pump" of housing development and create a healthy market.

Inefficient Land Uses Make This "Affordability Disadvantage" Worse

Housing prices are inflated even more when existing infrastructure and land are not used efficiently. As described in the CBJ Land Management Plan, adding water, sewer, and roads to an individual lot can range from roughly \$47,600 to more than \$63,000. If that land is then used for low-density residential development the price of those units will reflect these costs; if that land is slated for affordable housing, a substantial subsidy will be required to offset these costs. Alternatively, whenever new development takes advantage of existing infrastructure, or whenever land receiving new infrastructure is slated for higher density use, these costs can be defrayed in a way that does not overly burden buyers, renters, or taxpayers.

CBJ's plans, zoning ordinance, development codes, and Land Management Plan, must all stress the value of utilizing existing infrastructure before building new, and maximizing old and new infrastructure through higher densities and greater concentrations of uses wherever appropriate.

Juneau's Housing Market is Stuck

The unaffordability of for-sale housing in Juneau is well documented: the Juneau Housing Needs Assessment described Juneau's "high cost of living and high real estate prices" (page 4). Compared to owner housing in Anchorage, for example, a larger share of Juneau's stock is priced at or above \$400,000 (28% versus 19%) and a smaller share is valued below \$250,000 (30% versus 38%).

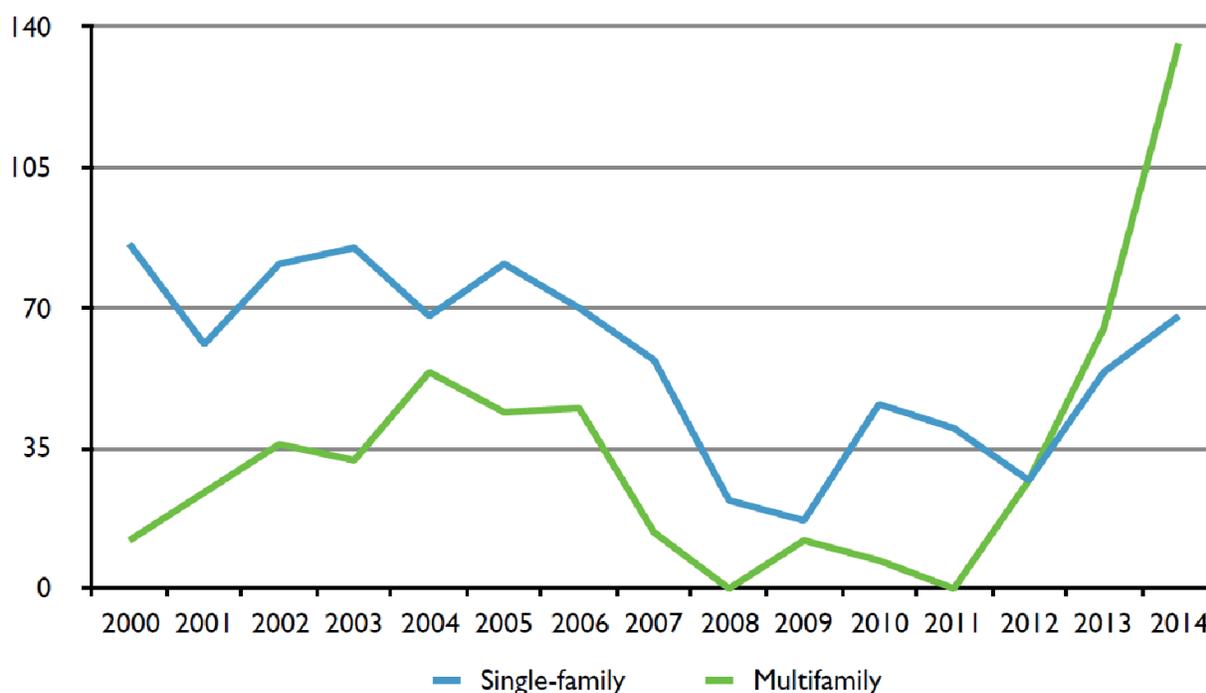
Higher wages do off-set these higher values for those households earning them. In 2013, Juneau's median home value (\$309,900) was just over three times the community's median owner income (\$97,917 that year) and about 3.8 times the community's median household income (\$81,490). The median value was generally affordable to households (specifically owners and all households generally) at the median income. In San Francisco, in contrast, the median value of owner-occupied housing is 6.6 times the median owner income and nearly 10 times the median household income.

The larger issue in Juneau is the availability of housing choices for people across a range of incomes and life stages. Residents are well aware of this, and it was discussed in detail in the recent Juneau Housing Needs Assessment. According to that report, the "low supply rather than unsustainable market appreciation" is behind the current crunch (page 4).

Juneau, due to its isolated nature, does not benefit from a neighboring city or town to absorb some of its affordability issues. This magnifies Juneau's predicament because it is solely responsible for its own housing issues. In less isolated communities, a nearby town would provide some of the housing options to offset gaps in affordability. For example, in Anchorage many employees take advantage of lower priced homes in the Mat-Su and commute to Anchorage.

Few new housing units are built in Juneau each year. According to the Census' Building Permits data, Juneau permitted, on average, just 58 single-family units and only 34 multifamily units each year between 2000 and 2014.

Number of Units Permitted in Juneau by Type, 2000-2014



Sources: U.S. Census Building Permit Data, czbLLC.

Given the cost of building in Juneau, most of the units that are constructed in a given year fall at the high end of the market. New construction permits were far outpaced by permits for residential remodels and/or additions, which, for example, averaged 430 annually between 2008 and 2011.

The good news is that Juneau homeowners spend money fixing up their homes. The bad news is that these improvements largely replace owners moving through the housing stock.

According to multiple listing service (MLS) data, there were about 150 to 200 single-family home sales per year between 2007 and 2013. At any moment in time, less than one percent of Juneau's housing stock is on the market. This rate is far less than is healthy. On May 26, 2015, for example, there were only 49 single-family homes in Juneau listed for sale on the MLS, an amount equivalent to 0.6% of all single-family units in town (49 out of 7,697). While a similar share of Anchorage's single-family stock was listed for sale (0.6% of single-family units, or 451 out of 69,914), nearly 9% of Fairbanks' single-family homes were on the market on May 26th (590 units out of 6,725).

For some additional comparisons, 3% to 4% of single-family units – five to six times Juneau's share – were on the market in Minot (North Dakota), Rapid City (South Dakota), and Grants Pass (Oregon); and roughly 6% of single-family units – or nine to ten times Juneau's share – were on the market in more comparable Bozeman and Helena (Montana) and Bend (Oregon).

Geography	Single-family Units	Single-family Units For Sale (May 26, 2015)	% For Sale
Juneau, Alaska	7,697	49	0.6%
Anchorage, Alaska	69,914	451	0.6%
Fairbanks, Alaska	6,725	590	8.8%
Bozeman, Montana	8,636	526	6.1%
Helena, Montana	8,131	464	5.7%
Minot, North Dakota	11,573	332	2.9%
Bend, Oregon	26,450	1,508	5.7%
Grants Pass, Oregon	10,422	394	3.8%
Rapid City, South Dakota	19,195	670	3.5%

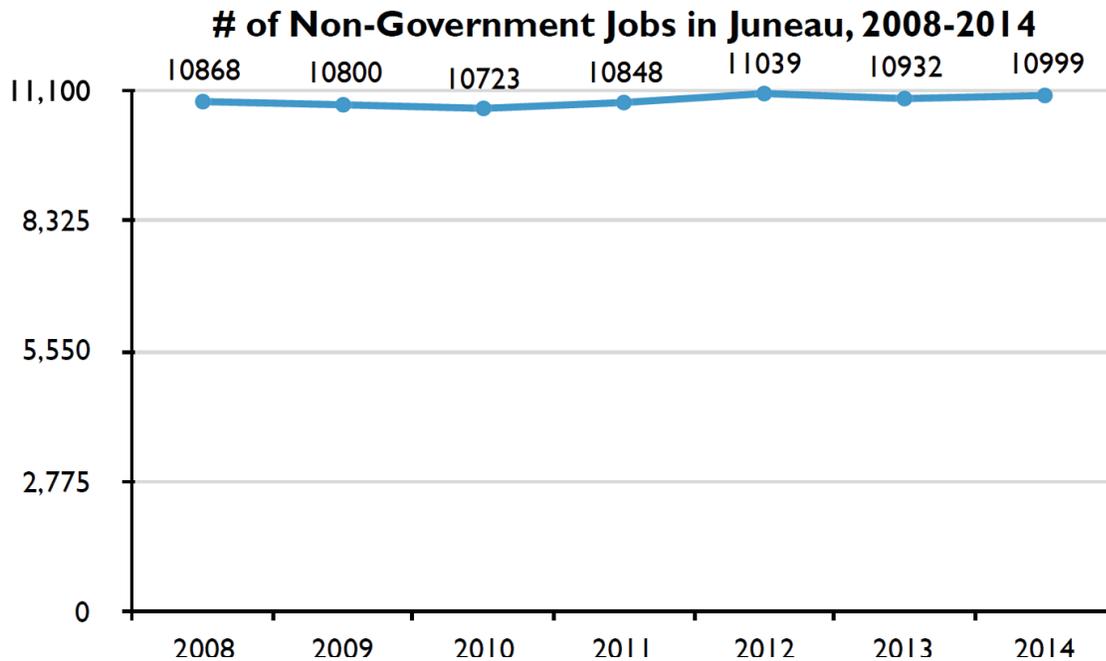
Sources: 2013 American Community Survey 5-Year Estimates, realtor.com.

This contributes to supply constraints as people are more likely to stay in their first home instead of moving as they age and earn more, or as they retire. Juneau’s housing does not turn over quickly, and the re-sale of existing housing is significantly limited. The lack of available units and any barriers to homes transferring on the market (such as the availability of financing for the resale of mobile homes) are, in many ways, the key housing challenges facing Juneau today.

Juneau does not just have an affordability problem; it has a quantity-of-choices problem for people across the income spectrum and at all different life stages. New choices are needed so people can move and units can be freed up for new market entrants. Without this the entire market will remain over-priced but at the same time be unattractive, offering few viable alternatives, to potential newcomers.

A Stuck Housing Market = A Fragile Economy

Juneau’s economy is precariously dependent on the borough not only maintaining its population at current levels but also being able to grow, and on present employers not only maintaining their workforces at current levels but also being able to expand. When housing choices are as restricted as they are, population growth and economic growth are both severely limited. One sign of this reality: Since 2008, the number of non- government jobs in Juneau has been flat – up by barely 1%. This contrasts with, statewide trends. In Alaska as a whole, the number of private jobs was up nearly 7% over this same stretch of time.



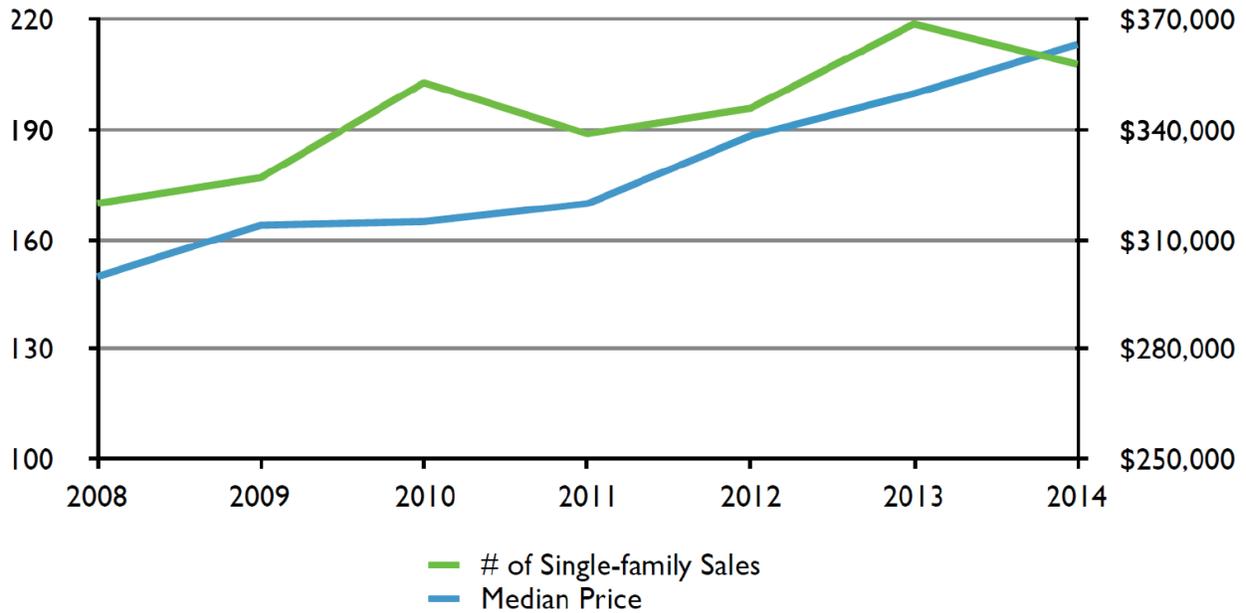
Sources: County Business Patterns, Alaska DOL, czbLLC.

Without starter homes for new young families, rentals affordable to, and appropriate for entry-level workers, and independent or assisted living units aimed at enabling Juneau seniors to age within the community, the borough’s workforce, population and home values will all inevitably decline. In many ways, this runs counter to popular thinking in Juneau. Understandably, since home equity often represents a household’s largest asset, homeowners work hard to protect their homes’ values. In Juneau, this has long meant community advocacy (by default and inaction) for keeping the housing market tight. The thinking goes like this: so long as the supply of housing is low, and so long as the demand for housing is at least somewhat higher, home values will remain high.

The paradox is that this approach – constraining the potential of the housing market – will ultimately lead to the exact opposite. As fewer young households are able to find appropriate housing and stay, or move, into Juneau; as fewer seniors are able to stay in Juneau as they need a greater level of assistance; as fewer employers are able to expand due to the lack of housing for new employees, everything – population, economy, and home values – will decline.

The lack of housing choices is a bigger constraint on the local economy and long-term home values than a greater supply would be. This cannot be emphasized enough. Time and again, the greater availability of an array of housing choices in markets with high demand translates into rising property values. Even in Juneau, as the number of single-family sales ticked up since 2008 (from 170 that year to 208 in 2014), so did the median sale price of single-family homes (from \$300,000 in 2008 to \$363,500 in 2014).

Single-family Sales and Median Prices, 2008-2014

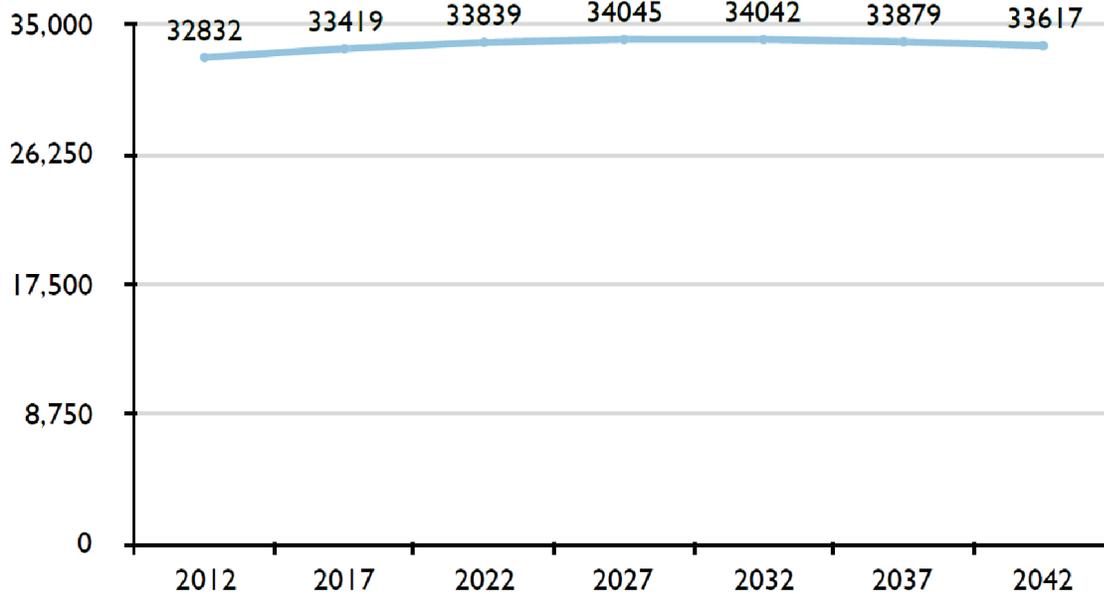


Sources: Multiple Listing Services, czbLLC.

The quantity and median sale price of single-family homes rose together in countless other strong markets during this same time period; czb has seen such trends first hand in other czb client communities, such as Ann Arbor (MI), Charleston (SC), and Park City (UT).

Both Juneau’s housing market and economy are currently on the wrong track. The Alaska Department of Labor and Workforce Development predicts that Juneau’s population will remain nearly unchanged over the course of the next 30 years. The borough’s population was 32,832 in 2012 and is predicted to be 33,617 in 2042 – a change of just 785 residents in over a 30 year time period.

Juneau Population Projections, 2012-2042



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

Researchers project that any population gains during this stretch will come from births exceeding deaths, and to a degree greater than the number of residents lost to out-migration. Net migration numbers are expected to be negative for each 5-year period between 2012 and 2042. Births are expected to boost the population in the near term but be insufficient to do so by 2027-2032.

Components of Population Change, 2012-2042					
Year	Average Annual				
	Births	Deaths	Net Migration	Δ	Growth Rate
2012-2017	415	200	-98	117	0.35%
2017-2022	410	227	-99	84	0.25%
2022-2027	397	259	-97	41	0.12%
2027-2032	390	299	-92	-1	0.00%
2032-2037	389	338	-84	-33	-0.10%
2037-2042	389	367	-74	-52	-0.15%

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

These projections and the reality they reflect are not only the result of little new construction but also a cause of it. When it is difficult to convince developers of the community’s growth potential, they look elsewhere to invest. As a result, even fewer new units come into being and even fewer households end up migrating into Juneau.

While more supply, over time, could have some impact on prices, that concern is outweighed by the greater risk to long-term home values that comes when too many people write-off Juneau as a place to find a home and live. When that happens, people and businesses look elsewhere, state jobs slowly migrate out of Juneau and the local economy continues to underachieve.

Just as consumers will eventually stop shopping at a grocery store with unsatisfactory choices, housing consumers will stop looking at Juneau as well. Given the fact that the private market is creating housing for its employees and the many stories we have heard of people not finding a home to live in, there is good reason to believe this is already happening. There are many places in the United States with much larger percentages of the housing inventory on the market that have robust and dynamic housing markets. Increased housing inventory availability does not, as a rule, lead to a less dynamic market. It is an important part of the grease to smooth the mechanism of a healthy housing market and create the fluidity that Juneau needs.

Changing this direction requires drawing the influx of new residents, especially younger adults who can start and raise families, giving Juneau a workforce and community into the future. It also requires that seniors age in Juneau rather than leave for better services elsewhere. With no proactive strategies to affect the number of in-migrants or the ability of seniors to stay in Juneau, the borough's present population and economic stability are both precarious. In a high cost setting it can be difficult to see, much less come to terms with, the fact that the future is one of flat or declining prices more typical of a weak market than the strong Juneau of peak past moments along its boom-bust continuum. Difficult to see or not, this is the reality.

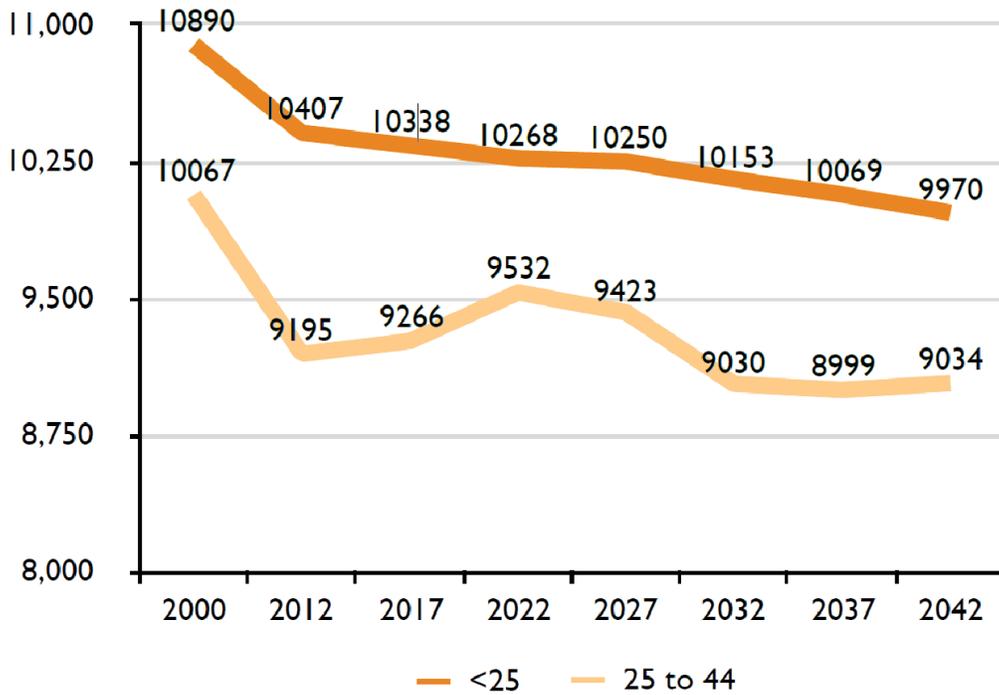
With Juneau's stagnant population projections there needs to be more effort to attract and retain families, and that means spending to trigger higher density housing. It also requires being attentive to the housing and service needs of an aging population. And it means recognizing the central link between the borough's economy and its housing stock.

Juneau Lacks the Housing Products Demanded by Young Families

Given the often repeated stories of families unable to find suitable housing, czb is convinced that the lack of housing choices is a great constraint on the local economy. To keep the population stable or growing, a focused effort to attract and retain younger adults and families is critical. Without these cohorts, who require quality rental housing, starter homes, and move-up options, Juneau's population will decline, as will its economic prospects.

Current population projections for Juneau expect these age brackets, adults under 25 and adults aged 25 to 44, to decline dramatically over the next 30 years. Both groups are expected to lose roughly 1,000 people between 2012 and 2042.

Millenials in Juneau, 2000-2042



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

Because of the limited turnover in housing stock, older homes, which in other places would be starter homes for new families, are not coming on the market. When they do, their prices are artificially high, even if they need to be fixed up, because the housing market is so constrained. The same affordability and availability challenges are also true for Juneau’s rental market, putting younger potential in-migrants in a double bind.

Juneau needs to incentivize development and design and implement zoning regulations and land-use policies that help the borough attract young adults and families. This means that such strategies must be both housing strategies and neighborhood strategies. The limited affordability and availability of for-sale housing and year-round rental units require a concerted effort to see that not only more housing units but more types of housing units at more price points are developed. How these housing units fit into Juneau, though, is very much a neighborhood issue. The natural growth constraints that surround Juneau – the mountains and inlets that, at the same time, provide the scenery and recreational opportunities that make the city so appealing – requires that developable land be used as efficiently and effectively as possible.

The Capacity to Accommodate More Housing Exists throughout Juneau

Juneau’s downtown could be a much more vibrant, exciting place if more people lived there. Small scale industrial and retail areas of Juneau have great potential to be transformed into neighborhood-oriented mixed-use villages with a range of housing and business services. Older residential areas have the potential to add new housing in ways that would not detract from neighborhood character or feel. Numerous low- density sites exist throughout the borough – all representing excess infrastructure capacity and opportunities for addressing the affordability and availability of a range of housing types in Juneau. Each in their unrealized potential also stands as a beacon to inaction. The reduction in the number of such sites will be the best evidence that policies and dollars have been aligned to tackle the housing dilemma in Juneau.

It is recommended that Juneau pursue zoning and land use reviews for all neighborhoods, with the goal of highlighting where lower-density, single-use developments might be transformed into the types of mixed-use villages described in the Juneau Senior Housing and Services Market Demand Study (2014) and currently being developed in cities across the country. CBJ planning staff has already begun using this approach in certain sections of the city. These efforts would be easy to replicate, at a reasonable pace, elsewhere. Neighborhood plans provide planning staff the opportunity to drill down into specific areas, as well as also providing area residents the opportunity to participate in crafting the recommendations for an area’s future and to understand where changes will and will not be made. This community engagement tends to reduce the incidence of “not in my back yard” inspired roadblocks to improvements.

For an example of where this may be appropriate, the area around Bartlett Regional Hospital has the capacity to accommodate more density and a wider mix of uses, including retail and additional housing.

Property Type

-  Hotel
-  Entertainment
-  Medical
-  Miscellaneous Commercial
-  Retail
-  Office
-  Mixed Use
-  Mobile Home
-  Condo - Land
-  Single-family
-  Townhouse, Du-, Tri-, Fourplex
-  Multifamily
-  Group Quarters, Hotel/Apts.

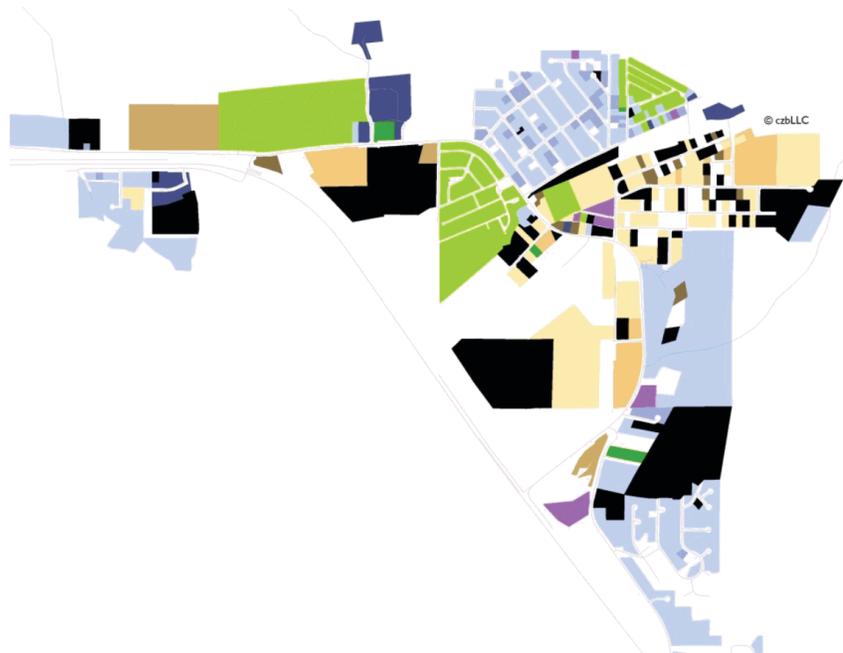




Lemon Creek has a number of vacant parcels and single-use zones where increased density and a wider array of uses could help address some of the lack of available housing, particularly units geared toward older and younger residents.

Property Type

- Hotel
- Entertainment
- Medical
- Miscellaneous Commercial
- Retail
- Office
- Mixed Use
- Mobile Home
- Condo - Land
- Single-family
- Townhouse, Du-, Tri-, Fourplex
- Multifamily
- Group Quarters, Hotel/Apts.



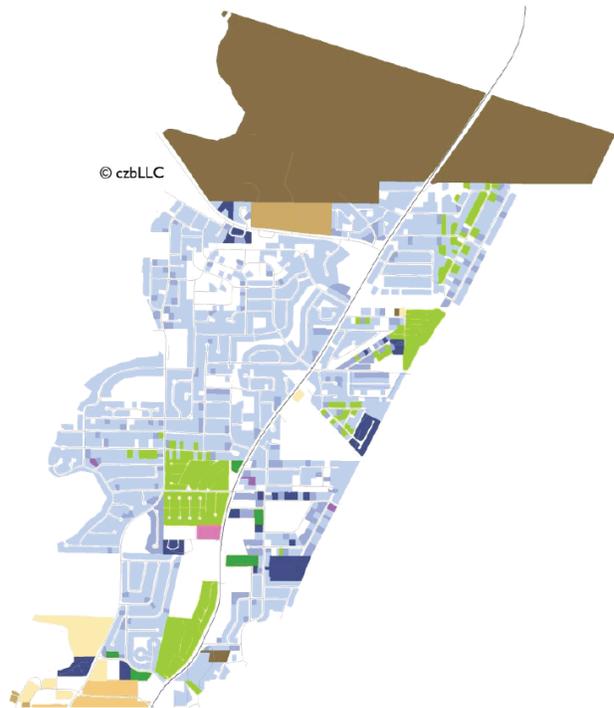


Prime examples of sites highly suited for dense, economically valuable, mixed-use development.

The same is true, too, in Mendenhall Valley, particularly on the neighborhood's south side.

Property Type

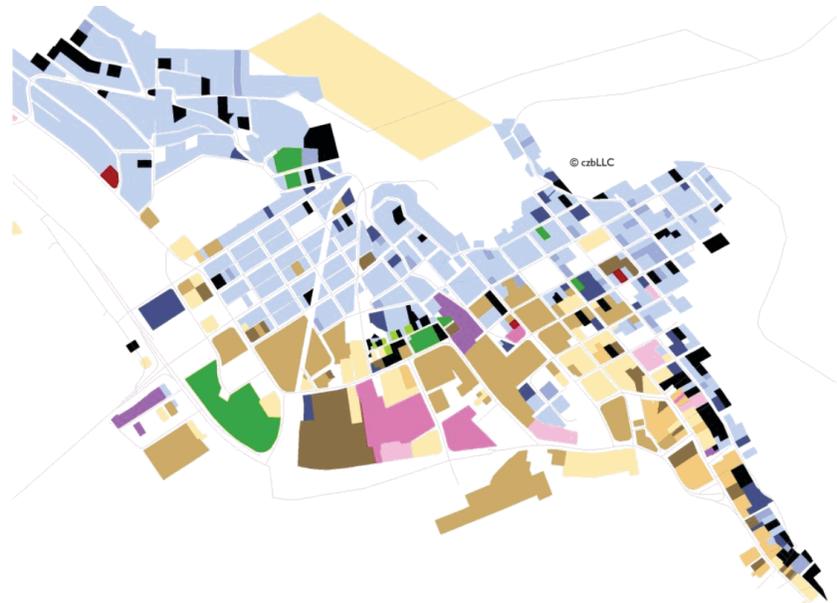
- Hotel
- Entertainment
- Medical
- Miscellaneous Commercial
- Retail
- Office
- Mixed Use
- Mobile Home
- Condo - Land
- Single-family
- Townhouse, Du-, Tri-, Fourplex
- Multifamily
- Group Quarters, Hotel/Apts.



Nowhere is the importance of more efficiently using available land to address housing affordability and availability more important than in Downtown Juneau. While many buildings in the area require extensive and expensive rehabilitation, rehabilitating these historic properties and creating a vibrant downtown have the potential to draw and keep households in Juneau more broadly. Of course, this will not happen, as noted throughout this plan, without a robust shift in policies and spending.

Property Type

- Hotel
- Entertainment
- Medical
- Miscellaneous Commercial
- Retail
- Office
- Mixed Use
- Mobile Home
- Condo - Land
- Single-family
- Townhouse, Du-, Tri-, Fourplex
- Multifamily
- Group Quarters, Hotel/Apts.



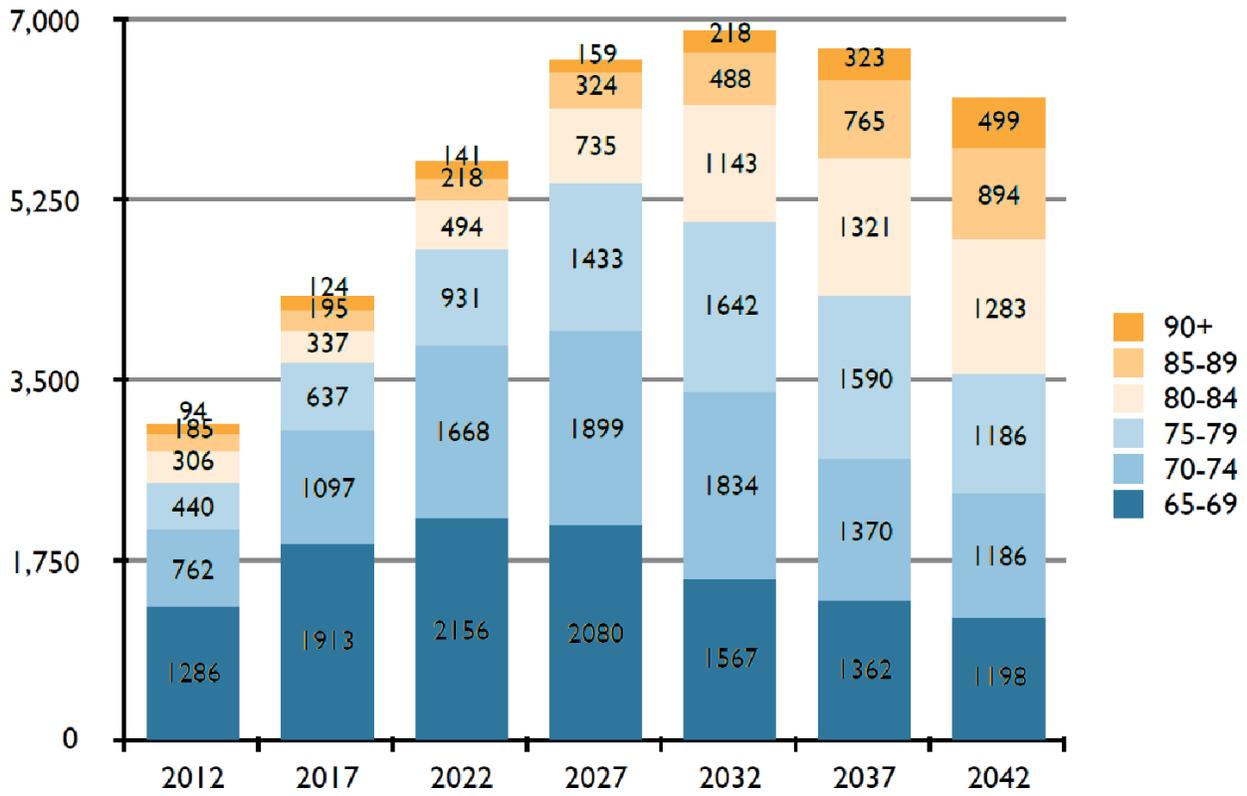
Juneau has the potential through zoning, public investment, and a downtown strategy to develop creative and long-lasting solutions to its housing market's challenges, solutions that will increase the desirability of living in Juneau and improve the long-term prospects of the community.

Housing is Needed for Young Households and an Aging Population

Juneau's declining number of births predicted by 2042 hint at another key component of the Department of Labor's (DOL) population projections: the age breakdown in Juneau is expected to change dramatically in the next thirty years. The number of Juneau residents aged 65 and older is predicted to more than double – from 3,073 to 6,246, and from 9.4% to 18.6% of all Juneau residents.

Furthermore, a growing share of the residents who are over 65 will be in older age cohorts. In 2012 and 2017, for example, about half of Juneau's population aged 65 and older will be between 65 and 69 years old; by 2042, just 19% of residents aged 65-years-old and older will be between 65 and 69 years old. In contrast, the population aged 85-years-old and older is expected to be five times larger in 2042 as it was in 2012: 1,393 residents vs. 279 residents.

Juneau's 65+ Population, 2012 to 2042



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

These figures highlight two key issues to be included in any affordable housing plan for Juneau: 1) the need for additional housing for senior householders; and 2) the implications of an aging population for the housing market.

In response to these DOL projections, the recent Juneau Senior Housing and Services Market Demand Study (2014) found a need in Juneau for more assisted living units as well as “the need for independent senior housing both with and without supportive services, short-term rehabilitation beds in skilled nursing facilities, dementia care, personal care assistant services, and a need for a more robust senior center system for Juneau” (page 4). That study determined that Juneau would need an additional 327 assisted living units by 2042 to meet the demand of the “silver tsunami” (pages 63, 14). The study further recommended that these units be co-located with senior independent housing units and medical services and supports to create a comprehensive aging-in-place community (page 63). The report went on to recommend that these campuses include “an assisted living facility of between 30 and 40 beds paired with approximately 40 to 50 units of senior independent housing units” (page 64). This would translate into the addition of roughly 420 senior independent living units to accompany the 327 assisted living units.

Juneau’s aging population, and the movement of older households into smaller homes, independent senior living facilities, or assisted living units, will have multiple ripple effects on the broader housing market. For one thing, as the Juneau Senior Housing and Services Market Demand Study pointed out, “home and community based services in Juneau will need to grow

to meet the demand. To help keep Juneau seniors in their own homes, a comprehensive set of home and community based services is required including trained personal care assistants who can afford to live and work in Juneau” (page 66).

According to Senior Assisted Living for Juneau, submitted by Senior Citizens Support Services, Inc. (March 2015), the Department of Labor “estimates that assisted living facilities create about 1 job per resident” and these jobs pay between \$25,000 and \$30,000 (page 3). This suggests that, if these workers have to come from other places because they do not currently live in Juneau, approximately 327 units of affordable workforce (likely rental) housing will need to accompany the 327 new assisted living units. Additional affordable rental units will be needed for others employed in the community-based services oriented towards helping Juneau’s senior residents remain in their own homes or in independent living units.

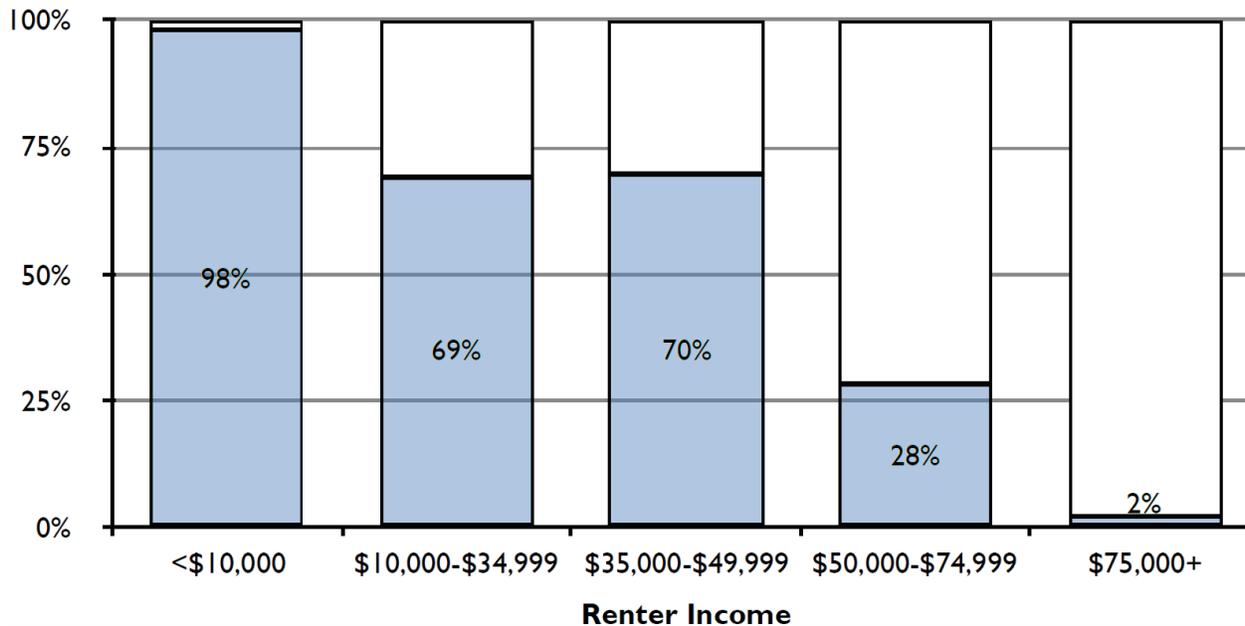
Juneau’s population numbers depend on a growing senior population. Currently, there is neither the housing for this aging population nor adequate services to support them. If Juneau does not meet its senior housing needs it will have a very hard time maintaining its population. Indeed, the lack of housing and services for seniors, which will force seniors to go elsewhere, is a serious threat to Juneau’s future population stability.

Entry-Level and Low-Wage Workers’ Need for Affordable Rental Housing is Substantial

The Juneau Housing Needs Assessment (2012) found that, even before taking in account the additional workers required to staff new assisted living facilities, Juneau needs roughly “441 rentals priced under \$700/month...to cover the income-rent gap for low- and very low-income households, many of whom are already eligible for subsidized housing or vouchers, which are already fully allocated” (page 5). This is in addition to another 170-230 market-rate rentals the analysis found a need for in Juneau (page 6).

Affordability and availability are also significant challenges for renters in Juneau. In 2013 most renter households with incomes below \$50,000 paid too much (more than 30% of their income) on housing. All (98%) renters with incomes below \$10,000 had unaffordable housing costs, as did seven out of every ten renter households with incomes between \$10,000 and \$49,999.

Juneau Renters with Unaffordable Costs by Income, 2013



Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Affordability for renters in Juneau eases significantly after households' incomes exceed \$50,000. Yet nearly half (46%) of Juneau renters (roughly 2,000 households) have incomes below \$50,000.

The challenges of availability challenge renters as they do owners. On July 11, 2015, there were only 8 apartments listed in the Juneau Empire. Craigslist had just 35 apartments listed (and dated between July 1 and July 11, 2015). These 35 apartments had an average rent of \$1,719. In contrast, Helena (MT) had nearly twice as many rentals listed on Craigslist (64 versus 35) and the average rent was roughly half as much (\$944 versus \$1,719).



As described earlier, the number of new multifamily units permitted annually significantly trails the number of single-family units permitted, which is itself low. Not only are fewer multifamily units added to the existing stock, more are lost each year to property disinvestment and deterioration. Older and lower-cost rentals are the most at risk. According to the 2000 Census and the 2013 American Community Survey 5-Year Estimates,

the number of renter-occupied units built prior to 1960 declined by 140 units between 2000 and 2013. Most of those lost (82 out of 140) were in larger buildings (those with at least 20 units per structure). CBJ needs a more proactive and aggressive property preservation strategy that

blends code enforcement, “carrots” for rehabilitation and property improvements, and “sticks” like condemnation to get problematic buildings out of problematic hands.

1,000 rental units need to be added to Juneau’s current supply, with the majority of these (770) being affordable to entry-level and lower-wage workers. These totals assume that no additional units are lost to deterioration. For this to be the case, CBJ has to be prepared to preserve through rehabilitation or replacement approximately 100 rental units each decade (if recent trends continue).

Streamlining and Enhancing Employers’ Role in the Housing Market

The business community is trying to make up for the stagnant nature of the housing market by creating and operating housing for their workers. According to the 2012 Housing Needs Inventory, private sector employers provide housing support, particularly for workers in seasonal industries. A large portion of Juneau’s economy is comprised of these seasonal workers: workers in the “visitor and fish processing industries” who come for the summer season, legislative workers who spend the winter in Juneau, and mine workers (p 26). Large employers of summer tourist workers collectively provide group housing for more than 200 employees. Fish processors and hatcheries provide seasonal housing for about 120, and the two mine sites can house as many as 450 workers. Some of these units are also used by the roughly 200 non-resident workers who spend the legislative season in Juneau (p 26).

In this way, Juneau employers are far more involved in the housing market, and generous with employer-assisted housing support, than employers in most communities. Ironically, while this generosity lessens housing cost burdens and provides affordable units for workers in these industries and of these employers, it makes it harder to provide year-round affordable rental housing and incorporate year-round renters into parts of town (like the downtown) that would benefit from a steady supply of renter households to demand services and amenities that could create more vibrant neighborhoods. Untangling this reality will be necessary to design an effective strategy for providing affordable housing for the projected employees affiliated with senior housing and services.

Some employers are taking it upon themselves to solve the housing issues for their own workers. This may solve a small slice of the overall housing affordability and availability problem, but it also contributes to inefficiencies in the market (as some of these units are not utilized year-round) and impedes solving these issues on a larger scale. These efforts need to be brought under a single umbrella to increase their scale through greater efficiencies and their impact on the overall market.

Part 2: Solutions

Recommendations

Based on qualitative findings as well as the quantitative data presented in this report, the following actions are recommended for consideration and implementation. They fall into two broad categories:

1. Direct interventions in the housing market.
2. Indirect interventions that focus on key policy reforms or planning initiatives.

Within each of these broad categories, recommendations are ranked according to their importance (as conveyed to czb through individual interviews and focus groups with key informants).

While there are no silver bullets that can single-handedly reinvigorate or realign a housing market as dysfunctional as Juneau's presently is, and while available capacity and funding may limit the number or scale of the actions taken, czb has concluded that these are important interventions that are worthy of top priority ranking by local officials and partners.

1. Formally Adopt *this* Plan

Juneau's comprehensive plan could certainly benefit from being shorter and easier to follow, and having a more specific focus on housing. But, rather than reopening the full CBJ Comprehensive Plan, we believe the most effective short course is to utilize *this* plan, *its* recommendations and *these* implementation strategies for those purposes.

To use *this report* as the housing plan for Juneau, this document should be explicitly linked to the existing Comprehensive Plan.

If endorsed by the Affordable Housing Commission, this report should then move through the normal public process, including the Planning Commission and Assembly. This public process should be used as an opportunity to share information with the public about the state of housing in Juneau and to continue the dialogue started with the survey and meetings used to create this Plan. CBJ needs to make explicit its goal of supporting and sustaining a more diverse, better-functioning housing market. It must also put forth a more predictable and consistent message to residents and developers about how this will be done (who does what, where the money comes from, what the benefits in terms of market effectiveness will be, and what the costs of inaction – business as usual - look like). This plan outlines how to do this.

Formally linking this report to the CBJ Comprehensive Plan would reaffirm the borough's commitment to that goal as well as to the specific recommendations included here. It would also be a step in a decidedly different direction than in the past where, in the wake following previous reports, adoption of goals and objectives did not occur in a robust formalized manner. Similar efforts exist throughout the United States in cities working to address the challenges to addressing affordable housing. Seattle has just adopted a particularly energetic affordable housing Action Plan that Juneau is encouraged to study.

Metrics

- Completion of the Plan.
- Community Participation in the formal adoption of the Plan.

Implementation

- Public Meetings about, and endorsement of the plan by the Affordable Housing Commission.
- Public Meetings to Share the Plan and receive feedback from the community and Planning Commission.
- Updates to the Plan.
- Endorsement of the Plan by the Planning Commission.
- Public Meetings to share the Plan and to receive feedback from the community and the Assembly.
- Endorsement of the Plan by the Assembly.
- Development of a regular report card to the Affordable Housing Commission, Planning Commission, and Assembly on the progress towards the goals in the Plan.

2. Housing Trust Fund

Increase resources and potential uses of the Affordable Housing Fund

With a few hundred thousand dollars and a limited mission, the existing Affordable Housing Fund (the Fund) does not have the capacity to support the development of enough units to noticeably affect local housing market conditions. czb estimates that it will take at least \$3 million for the fund to have meaningful impact. At 100% Area Median Income (AMI), a single qualified buyer might need upwards of \$45,000 in assistance to buy a median priced home. A trust fund at half a million dollars is insignificant under these conditions. The “catch up” goals contained in this report, 66 new units a year and 25 preserved (91), are such that if the gap to close averaged \$40,000 each, \$3.6M would be needed annually.

As is the case in other communities, these funds should be lendable, investable, and recyclable, and allowed to support a range of housing-related objectives, from downtown revitalization to increased housing affordability, to increased housing availability and choice. Housing funds are being used successfully throughout the country to enable public-private partnerships, to create new workforce housing, and more. These funds could also be generated through sales tax, real estate transfer fees, or developer contributions as new units are built. San Diego, CA utilizes a Transient Occupancy Tax (TOT) as well as a real estate transfer fee to pay for affordable housing initiatives. Asheville, NC created a City Housing Trust Fund in 2011 and has allocated \$500,000 from the General Fund to this fund over the past two years. The nation’s best practice is the Seattle Housing Levy, and it is recommended that Juneau evaluate it for possible modeling purposes.

Metrics

- Sustainability of the Fund: resources flowing in and out of the fund in balance, with 10% Fund balance revolved each year.

- Number of annual projects supported by the Fund (how many new projects started and how many projects finished).
- Breakdown of unit tenure and types in projects supported by the fund.
- Number of additional dollars leveraged by Fund resources.

Implementation

- Add to the Fund capital:
 - Consider sales tax, grants, private donations, business community contributions, the sale of CBJ land, tourism industry tax revenues, building department surcharges, direct annual allocation from CBJ's General Fund, voter approved bonds, or even what would be an unpopular surcharges on premium homes (as is done in Pitkin County, CO based on a square foot formula),
- Develop underwriting criteria and an operating plan for the Fund that supports deal-making and preservation of capital.
- Broaden the scope of projects eligible for support through the Fund.
- Prioritize Fund use for the creation of new fair market (unsubsidized) workforce and senior housing affordable for people with less than 80% Area Median Income (AMI).
- Prioritize fund use for the preservation of homes for families with less than 80% AMI.
- Hire a fund manager to grow the Fund when it isn't being used to increase housing.

3. Housing Director

Create and Fully Fund and Fully Support a Full-Time Housing Director

Housing issues are complicated, and implementing a comprehensive and strategic housing strategy requires the focused attention of someone – a single point of contact with significant formal authority – able to work with for-profit and nonprofit developers, community-based organizations, banks, and other partners. Indeed, most communities with a strong focus on housing have designated staff to coordinate these issues. In fact, it is difficult to imagine executing the recommendations listed in this plan without a qualified point person in this position.

In Juneau, a Housing Director would develop and implement programs to help maintain and preserve the borough's aging housing stock; assist individual developers and public-private partnerships conceive of and solicit funds for housing construction or rehabilitation projects; and assist employers seeking to provide or find housing for their employees. This person could be located in various entities or departments, but it is recommended that the Housing Director be a senior member of CBJ's Administration Department and report directly to the City Manager.

For this role to be an effective use of CBJ resources, it is essential that this individual have experience with housing and development finance, and be in a position to work with and be trusted by private and non-profit developers and financing organizations. This individual should be able to organize development deals and to assist others with their development projects. This person should understand the essentials of housing finance as well as land use economics so that they are in the best position to collaborate with developers.

This approach is similar to efforts around the United States in communities with Housing Offices, affordable housing action plans, and the like. These roles can be a part of a stand-alone housing office, a planning department, the city manager's office, a community development office, or another similarly situated agencies. Bend, Oregon has an affordable housing manager that also is part of Administrative Services and utilizes an appointed Affordable Housing Advisory Committee. Telluride, Colorado conducts the town's housing program through the Town Manager's office (regulatory functions such as inclusionary housing requirements are carried out through the Planning Department). In Seattle the Housing Director is an executive office of the Mayor, and thus has high visibility and substantial formal authority.

Metrics

- Agency, budget, and job description complete by September 2016.
- Recruitment complete and Housing Director hired by December 2016.
- FY17 Work Plan and Funding Proposals by April 2017.
- Quarterly reports begin December 2016.

Implementation

- Determine Agency To Oversee this Function.
- Develop Job Description and lines of authority.
- Develop Funding plan for staffing and project implementation.
- Hire a Housing Director.
- Refine Work Plan with new Housing Director and the Affordable Housing Commission.
- Draft project list.
- Develop reporting mechanism and benchmarks to keep the Assembly, the Affordable Housing Commission (AHC), and the Community updated on progress towards achievement of all plan targets.
- Appoint staff throughout CBJ departments to liaise with the Housing Director about housing-related projects and functions, and direct them to prioritize activities that will support additional housing.
- Organize regular community meetings to update the community on progress, educate them about housing issues and to increase awareness of the trade-offs between affordable housing and other community initiatives.
- Develop community housing web portal to track progress.
- Conduct annual needs assessment updates to verify and track change in vacancy rates, home prices, property tax base, new investment, new Housing Fund Capital, and changes in use and functional age of existing housing.

Potential Partners

CBJ, AHC, JEDC, JCHH, DIG, Neighborhood associations, SCSSI, Juneau Community Foundation, UAS

4. Production Targets

Create additional housing units through new construction and preservation for Juneau workers, seniors, and young families

Specific strategies for developing workforce housing, assisted and independent living units, and entry-level rental and homeownership opportunities, are described in more detail below. It is worth stating first, though, exactly how many units need to be constructed or preserved in order to give current and potential Juneau residents the range of housing choices they need. Based on our review of existing plans and our analysis of local conditions and recent trends, we are proposing the following 30-year goals for Juneau:

	30-Year Goal	Annual Goal
NEW CONSTRUCTION	1,980	66
Workforce Housing		
Affordable Rentals for Today's Workforce	450	15
Affordable Rentals for Expanded Workforce	330	11
Workforce Housing Subtotal	780	26
Senior Housing		
Independent Living Units	420	14
Assisted Living Units	330	11
Step-Down Single Family Housing Units	150	5
Senior Housing Subtotal	900	30
Workforce Owner Housing for Young Families		
Starter Homes	300	10
Workforce Owner Housing for Young Families	300	10
PRESERVATION	750	25
Affordable Rental Units	300	10
Single-family Homes	300	10
Mobile Homes	150	5

Progress toward these annual goals should be monitored closely for individual categories, subtotals, and overall totals.

Develop Housing Choices to Accommodate Juneau’s Workforce Needs

Many areas of the country subsidize workforce housing in order to ensure that their local economies function. Residents of CBJ overwhelmingly support this type of initiative: fully three-fourths (76%, or 525 of 688 respondents) of those completing a czb survey on housing issues in Juneau considered “Mak[ing] sure people who work here can live here” a top community priority. According to the recent Juneau Housing Needs Assessment (2012), the Juneau Senior Housing and Services Market Demand Study (2014), and this analysis, the borough would need 780 new lower-cost rentals to meet these needs.

	30-Year Goal	Annual Goal
New Construction		
Workforce Housing (\$500 to \$750 per month)		
Affordable Rentals for Today's Workforce	450	15
Affordable Rentals for Expanded Workforce	330	11
Workforce Housing Subtotal	780	26

These new units would complement the units already provided or subsidized by local employers for their employees. Juneau employers are far more involved in the housing market and generous with employer-assisted housing support than employers in most communities. However, while this generous support lessens housing cost burdens and provides affordable units for a select group of workers, it only increases the challenges faced by other renter households. Ensuring that companies’ involvement continues but that it becomes better coordinated and more explicitly linked to a broader public benefit, such as a greater supply of year-round rental units or a more vibrant downtown, will require some collaboration with and oversight of these efforts by the new Housing Director.

Metrics

- Number of employers working with Juneau to coordinate workforce housing (each year and over time).
- Number of units of workforce housing for seasonal and permanent workers per year owned or subsidized by employers (each year and over time).
- Number of workforce housing units constructed in the last year.
- Number of rental units available for less than \$700 per month.
- Percentage of Juneau workers living locally on a year-round basis (overall and by sector).

Implementation

- Develop annual targets (based on the annual goals established in this plan) for new workforce rental housing, specifying the appropriate mix of units by type, price, and location.
- Ensure the Housing Fund can be used for workforce housing projects.

- Solicit feedback from employers:
 - To learn how much is already being spent on worker housing and related services.
 - Determine how these units are used in the off-season.
 - On the types of housing and housing-related services most in demand.
 - To determine growth plans, and issues affecting workforce.
 - Determine the specific housing requirements of seasonal workers/renters (legislative staff, tourism operators, fish-processors, university students).
 - Develop an inventory of business owned/seasonal use housing.
- Maximize/leverage employer provided housing (coordinate business community efforts around housing).
 - Evaluate if employer-owned housing would be more cost effective if it were owned by a private housing company or a non-profit developer.
- Consider creating a tax abatement program for workforce housing.
- Consider using CBJ funds to directly finance or enhance the private financing of substantial projects.
- Evaluate the use of Tax Increment Financing (TIF) districts within CBJ (TIF financing enables a locality to pay for housing, infrastructure and other things by using future tax revenues from real estate as a tool to pay back bond payments on the infrastructure, TIFs for affordable housing are in use in Minneapolis, Minnesota; Madison, Wisconsin; Portland, Oregon; Dallas, Texas; and elsewhere).
- Evaluate the potential of time-share or related tourist housing as a tool for temporary worker housing by talking with timeshare developers.
- Review and update the zoning ordinance in regards to mobile home parks and manufactured housing.
- Evaluate the potential to replace obsolete mobile homes, and install additional manufactured homes.
- Create a list of possible partners for CBJ and solicit participation from outside developers and funders.
- Establish an annual process to survey employers about the current and expected state of employee housing needs.

Potential Partners

CBJ, AHC, Juneau Realtors, SEBIA, JEDC Industry Cluster Working Groups, Major Employers, Bartlett, SEARHC, REACH, UAS, Mobile Home Park owners.

Develop Assisted and Independent Living Units for Senior Citizens

Given population projections for Juneau and the expectation that individuals over 65 will come to represent not 9% but nearly 20% of the borough's population by 2042, facilitating the development of assisted living and independent living units for seniors (and the affordable housing units

required by the service workers who will support them) must be a key housing-related objective for CBJ.

The recent Juneau Senior Housing and Services Market Demand Study (2014) determined that Juneau will need roughly 330 additional assisted living units and 420 independent living units over the next 30 years (pages 63, 14).

As with affordable housing more generally, the public sector should provide land and/or financial support for such projects.

The Housing Director should also lend some of his or her expertise to helping developers coordinate funding sources and zoning incentives to bring these projects to fruition.

	30-Year Goal	Annual Goal
New Construction		
Senior Housing		
Independent Living Units	420	14
Assisted Living Units	330	11
Step-Down Single Family Housing Units	150	5
Senior Housing Subtotal	900	30

This is similar to efforts throughout the Country. Local and state governments often help subsidize assisted living facilities so that residents can properly age in place. States like Maryland, New York, Connecticut, New Jersey and many others and cities like Seattle participate in programs to subsidize the cost of assisted living. Specific examples include St. George, UT where the city actively promotes and utilizes Housing and Urban Development (HUD) and United States Department of Agriculture (USDA) funding opportunities for low-income seniors. In Berkeley, CA, the city coordinates with Satellite Housing Associates (<http://sahahomes.org/>), a non-profit affordable housing developer and property manager, to locate seniors in the appropriate type of housing based upon lifecycle needs.

Metrics

- Number of new independent living units added each year (with the goal of 14 per year; 70 per 5-year period, and 140 per decade).
- Number of new assisted living units added each year (with the goal of 11 per year; 55 per 5-year period, and 110 per decade).
- Number of assisted living units in all in Juneau.
- Number of independent living units in all in Juneau.
- Growth in and size of the senior population in Juneau.

- Number of employees working at assisted living facilities or for providers serving senior citizens living in independent living units or non-age-restricted housing in Juneau.

Implementation

- Develop annual targets (based on the annual goals established in this Plan) for new assisted and independent living units, specifying the appropriate mix of units by type, price, and location.
- Ensure Housing Fund money can be used for senior housing projects.⁴
- Evaluate why Juneau does not have more small for-profit senior assisted living or independent living developments, and determine how it might have more.
- Consider creating a tax abatement program for senior housing.
- Consider CBJ financing or offering credit enhancement for private financing of substantial projects.
- Evaluate the use of Tax Increment Financing (TIF) districts within CBJ (TIF financing enables a locality to pay for housing, infrastructure and other things by using future tax revenues from real estate as a tool to pay back bond payments on the infrastructure).
- Make CBJ land available for senior housing projects.
- Create a list of possible partners for CBJ and solicit participation from outside developers and funders.
- Develop a mechanism for ensuring that any assisted living projects either directly incorporate or are linked to off-site affordable housing for the workers who will staff them.
- Coordinate/support training for licensing & operating assisted living.
- Coordinate/support training for CNAs, LPNs, other types of caregivers.

Potential Partners

CCS, ALTF, SCSOI, AHFC, THRHA, CCTHIA, SEARHC, AHDC, St. Vincent's, Pioneer Home, Bartlett Regional Hospital, Wildflower Court, UAS

Develop Homeowner Opportunities for Young Adults and Families

As stated in the CBJ Comprehensive plan, housing is a key form of economic development, one that is best paired with the economic drivers of the local economy. In Juneau, these include sectors such as marine biology and high-end tourism, but they also include people, the most important group being innovative millennials. Young adults and families – who Juneau must have in order to maintain its current population and grow in the future – need affordable and market-rate rental units and lower-cost (“first time homebuyer”) for-sale opportunities.

⁴ If the Housing Trust Fund becomes too focused on the most needy and too income restricted, its viability as a tool to loosen the stuck Juneau market may be compromised.

	30-Year Goal	Annual Goal
New Construction		
Housing for Young Adults/Families		
Starter Homes (priced \$225,000 to \$275,000)	300	10
Young Adults/Families Subtotal	300	10

This is similar to efforts in Sonoma County, CA where the county implemented a workforce housing program in 2005. Prior to implementation, the county commissioned a study that noted a clear nexus between commercial development and the need for workforce housing. Based upon this data, the county created regulatory requirements for commercial development that include a pro-rata fee at time of building permit review or a pro-rata share (based on a square foot formula) for workforce housing.

Park City, UT has gone a step further and requires the provision of affordable housing for master planned developments for both commercial and residential developments. This is a regulatory requirement where the developer must provide 15%-20% workforce housing based upon the square feet of the project. A fee in lieu option is available as well. Satisfying the needs of the local workforce is a common affordable housing priority throughout Summit Country.

Metrics

- Number of new market-rate rental units added each year (with the goal of about 8 per year; 40 per 5-year period, and 80 per decade).
- Number of new starter homes added each year (with the goal of 10 per year; 50 per 5-year period, and 100 per decade).
- Number of market-rate rental units in all in Juneau.
- Number of “starter homes” (lower-valued or entry-level for-sale units) in all in Juneau.
- Growth in and size of the young adult population in Juneau.

Implementation

- Develop annual targets (based on the annual goals established in this plan) for new market-rate rental units and starter homes, specifying the appropriate mix of units by type, price, and location.
- Ensure Housing Fund monies can be used for these types of housing projects.
- Consider creating a tax abatement program for first-time homebuyers. (Washington, DC’s Department of Housing and Community Development has one of the most well developed programs of this kind in the country.)
- Consider using CBJ funds to directly finance or enhance the private financing of substantial projects.
- Evaluate the use of Tax Increment Financing (TIF) districts within CBJ (TIF financing enables a locality to pay for housing, infrastructure

and other things by using future tax revenues from real estate as a tool to pay back bond payments on the infrastructure).

- Make CBJ land available for higher density rental projects and affordable homeownership developments.
- Address Transit Oriented Demand (TOD), as identified in the 2013 Comprehensive Plan in CBJ codes, to assist the development community create projects that will attract millennials and young families (allowing for reduced on-site parking, offsite parking at a low rate or for bike storage).
- Create a list of possible partners for CBJ and solicit participation from outside developers and funders.
- Develop home ownership and preservation tools like down payment assistance, property upgrade assistance, and energy conservation loans. (Extremely well developed and evolved state level programs exist in New York (NYSERDA), California (Energy Upgrade), Connecticut (CHIF), and Massachusetts (Mass Save), and Pennsylvania HEELP through the state Housing Finance Agency. Cold climate cities operating their own program independent of the state include Buffalo, New York; Milwaukee, Wisconsin; and St. Paul, Minnesota.)
- Work with local employers to develop down payment assistance programs (funded with business and housing fund money) to encourage workers to buy in Juneau.

Potential Partners

CCS, ALTF, SSSI, AHFC, THRHA, CCHIA, SEARHC, AHDC, St. Vincent's, Pioneer Home, Bartlett Regional Hospital, Wildflower Court, UAS

5. Preservation Targets

Preserve Existing Affordable Housing

Even as it suffers from a severe lack of available and affordable housing, Juneau continues to lose older rental units, particularly in larger multifamily buildings. These properties typically have lower rents, and their loss only exacerbates the housing challenges faced by the community's most vulnerable households. Older single-family homes, and especially older mobile homes, are also at risk.

CBJ's Community Development Department should work to address existing problem properties and intervene in new cases that arise before property conditions deteriorate to such an extent that the buildings can no longer be saved. This can be done through housing and building inspections, code enforcement efforts, and the use of both "carrots" and "sticks" to encourage owners to address problematic conditions or transfer their properties to owners who will.

	30-Year Goal	Annual Goal
Preservation		
Affordable Rental Units	300	10
Single-family Homes	300	10
Mobile Homes	150	5
Preservation Total	750	25

This is similar to efforts in Miami Beach, FL where the city used Community Redevelopment Agency (CRA) funds in the form of Tax Increment Financing (TIF) to acquire three hotel/apartment structures. The city utilized the Miami Beach Community Development Corporation (MBCDC) to effectuate the acquisitions. The MBCDC was initiated in 1981 to begin efforts to save the city’s Art Deco District. The MBCDC is a nonprofit entity that is dedicated to neighborhood revitalization and has affordable housing as a core goal today.

Metrics

- Number of rehabilitation permits pulled per year (including information on the properties being addressed, the scope and scale of the rehabilitation work, and the neighborhood in which the improved properties are located).
- Number of projects completed (homes improved) with energy efficiency upgrades.
- Number of properties on blighted property list or with serious code violations.
- Number of properties threatened with, or lost to, demolition.

Implementation

- Locate funds to reinstate Code Enforcement Officer.
- Develop a plan to address “slumlord” economy.
- Create a CBJ requirement that all rental property:
 - Be registered with the CBJ and each property list a registered agent/ manager/ 24-7 reachable point of contact for every unit in the rental inventory.
 - Be subject to a periodic inspection (period can vary; but creating an inspection regimen parallel to Section 8 is recommended).
 - Create a provision where owners passing inspections are subsequently eligible for property upgrade funding assistance.
- Establish prohibitive fines for code enforcement violations. These not only create safe housing for the lowest income residents in Juneau but also lead to building improvements and/or ownership changes when meeting “code” becomes cumbersome for current owner.
- Develop and implement a blighted property ordinance.

- Resolve issues surrounding the problematic Gastineau Building and consider acquisition of property to begin implementing housing in the downtown.
- Use the Affordable Housing Fund and other sources to expand loan programs to help residents repair single-family homes, mobile homes, and manufactured housing.
- Use the Affordable Housing Fund and other sources to support energy efficiency upgrades to existing affordable properties.

Potential Partners

CBJ, AHC, Planning Commission, Juneau Realtors, JEDC, SEBIA, Neighborhood associations, JEDC Industry Cluster Working Groups, Major Employers, Bartlett, SEARHC, REACH, Alaskan Brewing Co., UAS, Realtors, Mobile Home Park owners, SEBIA, Juneau Housing Trust, AHFC

6. CBJ Owned Land

Develop New Policies for the Use of CBJ-owned Land and Assets

Publicly owned land and assets can be one of the most powerful tools a local government has to address housing availability and affordability issues. CBJ's Land Management Plan clearly recognizes this potential and the importance of having a transparent and strategic approach to making public land available for development. The Plan's stated goals – including guiding developers on the best future use of public land and disposing of land in a way that promotes compact urban growth – position it to do so. It is recommended that the CBJ build on this foundation in two important ways.

1. First, public land should be thought of not only as a means by which Juneau can encourage “beneficial private economic activity” and guide “a rational growth pattern,” but also, importantly, as a means by which Juneau can achieve key policy goals. These goals include filling key housing gaps – for example, by making public land available more cheaply for projects that promise to provide affordable or senior housing. These goals also include preserving land for future generations – by allowing developers to “pay for” their environmental mediation requirements, in part or whole, by “buying” city owned land for permanent conservation.
2. Second, it is suggested that it may be beneficial to bring the same strategic thinking (focused on undeveloped public land) to bear on buildings that come into CBJ's ownership as a result of tax foreclosure or code enforcement and demolition efforts.

In both cases – in efforts related to undeveloped land as well as to distressed properties in need of redevelopment – there must be genuinely sharp teeth in the disposition process to hold buyers of public land and buildings accountable for doing what they say they will do. There should also be a greater commitment to utilize a Request for Proposal Process (RFP), as described in the Land Management Plan, to limit the recipients of public land and assets to doing only those things that the borough wants on those sites. An RFP process creates additional opportunity for developers to demonstrate their capacity to carry out such projects, and also gives the community an opportunity to review and evaluate proposals. RFP's could be used to tie the final transfer of land ownership to the completion of a development project or other mechanisms to encourage

project completion. The current draft Land Management Plan that is being prepared by the Lands Department presents an opportunity for CBJ to begin to put this recommendation into effect.

CBJ could use the 150 acres on Pederson Hill as a case study and develop the site with a combination of market and workforce housing.

- CBJ can utilize existing General Fund dollars, or bond, for the infrastructure costs.
- Upon completion of the utilities and roads, CBJ could sell the lots to builders (up to 30% of the lots) and individuals (self-build).
- The sale price for the lots should be utilized to reimburse the General Fund or pay back the bond. CBJ should institute a maximum of two years for all buyers to obtain Certificates of Occupancy (CO), thus ensuring that housing is built and that land is not simply land banked by developers or self-build individuals.
- CBJ should designate a minimum of 20% of Pederson Hill lots for affordable housing and made available to buyers earning less than 50% Area Median Income (AMI). As one of the first efforts after adopting this strategy, this project would send all the right signals, hinge on important partnerships, and begin to clarify roles.

This would be similar to policies in Park City, UT where the city has recognized that the private market has neither the desire nor incentive to build workforce housing. Park City has utilized payments in lieu from developers (a result of regulatory inclusionary requirements put into place in the late 1980s) to develop workforce-housing units. More recently, Park City dedicated \$35M from the General Fund over the next ten years to construct workforce housing units. Park City and Seattle, Washington are two of the most forwarding thinking communities in the country right now; their policies – and their deployment of their own monies – exemplify acknowledgment and internalization of the fact that good things have costs.

Metrics

- In regard to developable parcels of land owned by the CBJ:
 - Portion identified for particular end use.
 - Portion with active RFP process underway.
 - Number of Requests for Proposals distributed.
 - Number of proposals returned.
 - Portion with developer selected and contracts signed (note date of selection and agreement).
 - Number of units proposed by type, tenure and price:
 - Slated for affordable housing.
 - Slated for senior housing.
 - Portion in construction (note date construction began).
 - Portion construction completed.
 - Number of units built by type, tenure and price.

- In regard to problematic properties acquired through foreclosure or code enforcement:
 - Portion identified for particular end use.
 - Portion with active RFP process underway.
 - Number of RFPs distributed.
 - Number of proposals returned.
 - Portion with developer selected and contracts signed (note date of selection and agreement).
 - Slated for affordable housing.
 - Number of units proposed by type, tenure and price.
 - Slated for senior housing.
 - Number of units proposed by type, tenure and price.
 - Portion in construction (note date construction began).
 - Portion construction completed.
 - Number of units built by type, tenure and price.
- Number of CBJ-owned parcels “bought” for permanent preservation.
- Dollars raised by the sale of publicly owned parcels for development or preservation.

Implementation

- Finalize new land management plan, including inventory of CBJ-owned land, that identifies which sites are appropriate for development and which are not (based on topography, existing infrastructure, environmental impacts, etc.).
- Ensure any CBJ-owned land slated for development is zoned for the least restrictive/highest density use, consistent with the Comprehensive Plan; rezone certain parcels as necessary.
- Adopt formal criteria for determining the appropriate use of developable publicly owned land (such as its impact on housing affordability and gaps, and its ability to catalyze larger development projects).
- Work with Army Corps on Land banking concept for parcels inappropriate for development.
- Create a Problem Building Acquisition and Redevelopment Plan that mirrors the thinking in the new land management plan, efforts to appropriately zone developable parcels, and the criteria for determining the appropriate use of land.
- Create a menu of disposition strategies for publicly owned land and buildings:
 - Properties should be transferred incrementally to assist developers and maintain control (for example, as phases of construction are completed, as additional financing is secured, or as certificates of occupancy are issued).
 - Establish a process by which developers can ‘buy down’ the sale price for a particular property by building projects that meet key public objectives.

- Develop a competitive process for CBJ-owned property disposal that awards points for project design, capital investment, number of units, density, project timeline, overall expected property value increase, affordability of new units to be built and price. Reduce required cash price to 0-50% or less of current appraised value.
- Consider identifying a few CBJ-owned properties appropriate for workforce or senior housing and a mix of uses for disposition and development through a national RFP process. These sites could be sold at a low-cost sale, given away, or made available through a public/private partnership (land lease through a Land Trust such as in Burlington, VT).

Potential Partners

CBJ, AHC, Planning Commission, Juneau Realtors, JEDC, SEBIA, Neighborhood associations

7. Zoning Changes

Update Zoning Tools with a Focus on Housing

The existing Zoning Ordinance does not include any inclusionary zoning requirements for workforce or affordable housing.⁵

The CBJ Comprehensive Plan (Policy 4.6 – Implementing Action 3) calls for “an analysis of inclusionary affordable housing zoning standards and requirements that could be suitable for application in the borough.” There are several viable options for inclusionary zoning. It is proposed that two be advanced:

1. Mandate that developers build a defined percentage of their project as affordable housing (with a density bonus making it a win/win for the city and developer).
2. Add “points” for affordable housing to the Bonus Procedures and Policies section of the Zoning Ordinance (Title 49, Chapter 49.60 (Articles I & II)).

Regulatory requirements such as these are an effective way to supplement CBJ’s more direct role in providing housing through the disposition and/or development of city-owned land and assets. Best practices suitable for modified use in Juneau include Montgomery County, Maryland’s Moderate Priced Dwelling Unit Ordinance, Madison, Wisconsin’s Inclusionary Zoning Ordinance, and San Diego, California’s use of inclusionary policies in their North City Future Urbanizing Area (NCFUA).

In addition, Juneau cannot afford to build infrastructure and then allow low-intensity development to use it. That is the very definition of private gain at public expense.

The cost of such infrastructure is just too high, and allowing low-intensity development to benefit from expensive infrastructure means the rest of the community is paying to subsidize

⁵ Section 49.15.670(g)(3)(B) does note a specific bonus density opportunity for Planned Unit Developments of up to “five percent for a mixture of housing units, at least 15 percent of which are designed for purchase via a monthly mortgage payment of no more than 30 percent of the median income in the City and Borough, as calculated by the Alaska Department of Labor.”

the infrastructure for those areas. The city must instead create and enforce a policy that directs new development to areas with existing infrastructure. (Incentivizing in-fill development where services and utilities already exist is one of the principle concepts in the CBJ Comprehensive Plan and is referenced, too, in the CBJ Land Management Plan.) In those instances where roads and sewer lines are expanded, the re-zoning of these areas should be automatic. The question about the impact of infrastructure and the development that goes with it on neighborhood character should be addressed and resolved before the infrastructure is funded and built. As resources are scarce, it is reasonable to apply a cost-benefit analysis to these projects and to establish a policy that they should be sustainable over their life without needing public support from tax payers who do not benefit from the infrastructure. For current areas with low-scale zoning and expensive infrastructure, there should be a regular review of the financial costs, including debt costs, to Juneau for the maintenance of that infrastructure compared to the tax base it supports.

The concept of requiring developers to designate 10-25% of a development (generally greater than 5 or 10 units) as affordable housing with deed restrictions has been used extensively in the US as noted.

Metrics

- Number of affordable housing units built through inclusionary zoning.
- Number of developers taking advantage of “points” for affordable housing.
- Number of infill units constructed (new units that did not require any new infrastructure investment) .
- Return on investment for new water/sewer/road financed by public within 10 years.

Implementation

- Develop inclusionary housing ordinance and bonus points for workforce and senior housing.
- Evaluate policies designed to encourage new development areas that already have infrastructure.
- Streamline/fast-track infill housing permitting.
- Evaluate policies that stipulate that CBJ does not have to spend money on infrastructure for new development if those projects do not address community-wide workforce or senior housing needs.
- Evaluate policies that require clear cost recovery before CBJ will pay for infrastructure to outlying development areas.
- Use local improvement district (LID) financing for new roads and utility service so developers need not front the total cost of public infrastructure on new projects, and do so in a shared manner so the burden does not fall inordinately on the owner or the developer.
- Make infrastructure development automatically increase zoning density.
- Re-zone D-18 zoning districts to Mixed Use.

- Evaluate other areas that need to be “up-zoned” – either areas that would be appropriate for greater residential density or switched from residential only to mixed-use areas.
- Evaluate criteria for approving conditional use permits.
- Adjust the language in the zoning ordinance to “require” there be both housing and commercial uses in mixed-use zoning areas.
- Look at reducing set-backs and minimum lot sizes for duplex, ADUs, and bungalow infill units.
- Complete the bonus section of Title 49 as envisioned in the 2013 Comprehensive Plan.

Potential Partners

SEBIA, AHC, AMHLT, landowners, Realtors, Mortgage lenders

8. Small Area Plans

Develop Small Area (Neighborhood) Plans with detailed incentives for and direction on tackling affordability and availability issues

Creating discrete, small area or neighborhood plans allows Juneau to look closely at a section of the borough and identify specific places that have the right infrastructure and capacity to be up-zoned, rezoned, or otherwise targeted for additional housing units.

These kind of plans also afford the community a chance to evaluate set-backs, lot size, home sizes, and other details that are difficult to do in the abstract, but that can be useful tools when addressed on a smaller, more detailed scale. At a more localized scale there are more opportunities to see how different lot sizes and home sizes can be incorporated into a place without harming or dramatically changing the charm and character of the community. Plans should identify areas that could support additional height and density.

Neighborhood plans will not only help Juneau create a broader range of housing types, but also better utilize existing transportation and infrastructure. These types of plans take significant time and focus for the government and community, so doing one per year is a reasonable goal.

This strategy for ensuring strong community involvement in the creation of detailed and predictable neighborhood plans has been employed throughout the nation. It is a strategy designed to ensure the local community is directly involved in the detailed vision setting and planning for its neighborhood. Such plans are intentionally less broad than a city’s comprehensive plan so that they can give the local community direct involvement and to allow for more detailed planning than would be attainable at the Comprehensive Plan level.

Metrics

- Number of neighborhood plans completed per year.
- Public participation in the planning projects.

- Total new housing (rental and ownership) allowed under approved neighborhood plans.
- Development activity associated with completed plans.
- Increased potential and realized economic value attributable to completed plans.

Implementation

- Identify five to ten areas appropriate for detailed neighborhood plans.
- Prioritize these areas based on development potential, developer/investor interest, community input, existing infrastructure, and ability to provide needed community benefits (e.g. senior housing, schools, parks, services).
- Invite neighborhood organizations and associations to help establish neighborhood or planning area boundaries.
- Invite local and outside developers to tour sites and discuss potential projects.
- Invite local and outside financing firms to help evaluate projects and potential investment opportunities.
- Meet with property owners to discover current development plans and timing, the presence of any real and/or perceived obstacles to development, opportunities to provide assistance, opportunities to add housing to existing plans, and their willingness to sell if they have no plans for development.
- Work with area residents and stakeholders to digest feedback from developers, lenders, and property owners and create goals and objectives for area improvements.
- Develop housing targets for each plan to encourage mixed-income housing.
- Develop preservation targets and implementation tools for each plan for housing to be preserved or replaced.
- Consider using Tax Increment Financing (TIF) funding methods to bring about implementation of neighborhood plans.

Potential Partners

Schools, Neighborhood Associations, Chamber of Commerce, DBA, DIG, Downtown Revitalization Group, Juneau Community Foundation

9. Downtown Strategy

The most important of these detailed neighborhood plans is the one that needs to be done for downtown. The downtown area has a significant opportunity to receive housing development on infill lots or via the redevelopment of some older structures. This would bring added vitality and increased economic activity to this essential part of Juneau.

CBJ-owned property (both land and buildings) is the ideal incubator for housing development in this area, and the disposition of these parcels should be strategic, closely aligned with public priorities for the area, and handled in a way (likely through an RFP process) that holds developers

accountable. A reinvigorated downtown with a greater array of housing choices also stands to boost the borough's tourism industry, overall quality of life, and future population growth.

These recommendations are meant to build upon the planning efforts already underway in the Willoughby District and the Downtown Historic District.

Communities as diverse as Burlington, Vermont to South Bend, Indiana have taken similar initiatives. These communities have identified the need for specific planning documents that address the needs of a downtown environment coupled with the need for a diversity of housing options, both in typology and cost/rent.

Metrics

- Number of housing units in downtown area by type, tenure and price.
- Dollars of new investment activity in downtown.
- Development activity associated with completed plans.
- Number of people living in downtown CBJ.
- Retail sales activity in downtown CBJ (and associated sales tax revenues).
- Number of blighted properties in downtown CBJ.
 - Number of units in problematic buildings and/or themselves in problematic condition.
 - Number of people living in poor buildings or poor units.
- Increased property value and related taxes in downtown CBJ following the new construction, redevelopment, or rehabilitation of area properties.

Implementation

- Make the downtown area one of the first detailed neighborhood planning areas.
- Set a goal for a number of residential units desired in downtown.
- Create a downtown improvement district with a revenue stream to fund activities, upgrades, and other incentives for people to live and shop in downtown CBJ.
- Inventory abandoned and illegal housing units in Downtown.
- Implement a blighted properties ordinance to encourage land-owners to fix downtown buildings.
- Develop incentives and provide assistance to upgrade and permit existing illegal housing units in residential properties.
- Identify a development project that CBJ can partner in that will catalyze more activity in downtown.
- Invite local and outside developers to tour sites and discuss potential projects.
- Invite local and outside financing firms to help evaluate projects and potential investment opportunities.
- Seek and assemble resources, including Housing Fund resources, to coordinate restoration for housing above the retail level within historic buildings.

- Develop Historic Preservation Opportunities: create a locally funded program to augment other programs.
 - Evaluate opportunity to utilize outside funding (e.g. Brownfields funding or historic preservation tax credits) to support downtown investment.
 - Consider cruise ship passenger fees as a possible funding source for downtown tourism-related housing.
 - Consider inclusionary zoning requirements for tourism-related businesses to ensure new businesses contribute to the housing needs for their workers and/or to ensure that as new tourism jobs develop, new CBJ development is working to meet housing needs.
 - Consider tax incentives to bring a grocery store to downtown area.
 - ORIG: Evaluate, including potential state code changes to allow, postponing taxes (or lengthening an abatement period) on any new value created in downtown area for next 3-5 years in order to encourage activity (or consider a more targeted approach just focused on housing creation).
- SUGGESTED: Evaluate postponing taxes or lengthening an abatement period (including potential state code changes) on any new value created in the downtown area for next 3-5 years in order to encourage activity. (Or consider a more targeted approach just focused on housing creation.)
- Address Parking:
 - Review the 2010 parking plan and address issues related to Demand Management efforts and the coordination of new investors in public parking opportunities.
 - Examine opportunities to leverage new development to obtain public parking.
 - Review off-site mitigation opportunities.
 - Evaluate the ability of a downtown transit network to counter the challenge of limited parking and to make it easier for residents and visitors to move around downtown. Consider the appropriate technology (bus, rail, trolley, electric, etc.) to do this.

Potential Partners

Schools, Neighborhood Associations, Chamber of Commerce, DBA, DIG, Downtown Revitalization Group, Juneau Community Foundation, JEDC.

Potential Sources of Revenue

Main Street Programs, Business Improvement Districts, ArtPlace America (which recently awarded the Cook Inlet Housing Authority).



The research for this report was conducted by czbLLC (Alexandria, Virginia). It was prepared during the period February - September 2015 under the direction of the City and Borough of Juneau.

Appendix 1

Description		If "Business as Usual"			The Ideal Future		
		Chosen	Rank	Respondent Rank	Chosen	Rank	Respondent Rank
Please choose the five (5) keywords/phrases that best describe Juneau...	Smaller	157	7	2.8	14	20	2.9
	About the same size	199	5	2.9	94	12	3.9
	Vibrant	18	22	3.2	174	8	3.4
	Multi Generational	24	19	3.3	177	7	3.5
	Uninviting	248	2	2.6	3	22	3.3
	Historic	56	14	3.7	87	13	4.1
	Lacking Identity	72	12	3.4			
	Rundown/Outdated/Aging	302	1	2.4	3	22	3.0
	Cultural/Arts/Entertainment	73	11	3.2	197	6	3.8
	Threatened	225	3	2.5	3	22	1.5
	Crowded	107	10	2.9	3	22	3.0
	Uniform, Boring, 'Anywhere USA'	28	18	3.4			
	Family Friendly	45	15	2.5	280	2	2.7
	Affordable	5	26	2.0	334	1	1.9
	Diverse	29	17	3.3	122	10	3.3
	Inviting	12	24	2.8	123	9	3.3
	Contemporary	2	27	4.0	25	19	4.0
	Funky/Colorful/Full of Character	43	16	2.8	86	14	3.5
	Natural Setting	137	9	2.7	208	5	2.9
	Growing	22	20	3.6	117	11	3.1
	Strong Identity	18	22	3.6	74	15	3.7
	Protected	20	21	3.5	27	18	3.5
	Underutilized/Room to Grow	141	8	2.7	8	21	3.4
	Sustainable	10	25	2.9	256	3	2.7
Tourism	208	4	3.4	69	16	3.6	
Mining	65	13	3.9	61	17	3.7	
State Capital	187	6	2.8	231	4	2.5	

Question	Response	#	Rank
Please choose the three (3) most accurate depictions of the Juneau's current housing situation.	It is fine; I don't think there is a problem.	33	7
	There are not enough options for people, especially entry-level workers and seniors	458	1
	We have a shortage of housing options	453	2
	We are overbuilt and should be a smaller city	28	8
	We have a hard time attracting workers because we don't have enough housing	236	4
	We are building too much right now	28	8
	We are not building enough housing to meet our community needs	256	3
	We have fallen behind where we should be with regard to housing	226	5
	Current housing is not going to stay around forever because of the challenge to maintain it	115	6
Under which conditions, if any, would you be willing to consider additional height/stories and density beyond current code requirements/allowances? Select all that apply.	If it means more people that work in Juneau can live here	326	1
	If it allows us to preserve for our <u>our</u> natural environment	253	4
	If it allows us to continue to support the unique services and features that we enjoy	236	5
	If it allows Juneau seniors to continue to live here after retirement	263	3
	It allows us to use our existing infrastructure in the most cost-effective way	293	2
	If it allows us to decrease the carbon footprint of a project	227	6
	If it reduces the need to build in un-touched natural areas	216	7
I don't think anything justifies more height or density	73	8	

Description		# Voted	Rank	Average Respondent Rank
Please choose the core values YOU BELIEVE SHOULD BE SHAPING decision making in Juneau. Pick your top five (5).	Economic Sustainability (fiscal stability and independence)	563	1	2.7
	Family Friendly	455	2	2.5
	A Good Place To Retire	165	9	3.4
	Resilient Spirit	50	14	3.9
	Historic Character	142	12	4.0
	Unique Culture	155	11	3.7
	Outdoors	301	5	3.5
	Independence	114	13	3.3
	Sense of Community	425	3	2.9
	Small Town	164	10	3.5
	Natural Setting	259	6	3.5
	Special & Unique Community Services (Ski Resort, Pools, etc.)	328	4	3.7
	Boating/Ocean Life	176	8	3.8
Please choose the five (5) most important considerations to take into account when considering development in Juneau.	Environmental Stewardship	227	7	3.1
	Equity (Support/promote diversity in people, housing and affordability)	300	5	2.6
	Make sure people who work here can live here	525	1	2.2
	Ensure seniors can age in place/stay in this community	225	6	3.4
	Provide housing choices for the whole community	370	2	3.1
	Environmental sustainability	195	7	3.3
	Ensuring all of us can maintain our connection to nature and the outdoors	155	11	3.8
	Supporting our business community	159	10	3.4
	Ensuring we can support the services that make Juneau unique (skiing, pools, libraries, etc.)	148	12	3.8
	Economic sustainability	364	3	2.8
	Protecting our role as a regional hub	172	9	3.6
Quality of Life	343	4	3.1	
Carefully managing the local government budget	179	8	3.2	

Description		# Voted	Rank	Average Respondent Rank
Please identify the top three (3) housing priorities for your community.	We need to protect the property values of people who own homes now	160	5	1.9
	Families, especially of workers in our area, should have the ability to make Juneau their home	425	1	2.0
	We should prioritize our environment first	89	6	2.0
	Children growing up in Juneau should be able to live here when they grow up	270	4	2.4
	People should be able to find a home whether they are starting their career or entering retirement	419	2	1.8
	We need a housing market that will ensure Juneau can sustain and survive into the future	391	3	2.0
Please describe the top three (3) guidelines for the disposition of land that CBJ controls now or could control.	Be careful how much is sold so as not to put so much out there it hurts our home values	231	4	2.0
	Only sell it for projects that will help address our housing issues.	444	1	1.7
	Sell it for the highest value it can get	170	5	2.0
	Don't sell anything	49	6	2.2
	Consider giving some of it to non-profits that can develop more housing options	392	2	2.0
What are the top three (3) reasons you live in Juneau?	Give it away to help build assisted living housing for seniors.	233	3	2.4
	Access to the water	182	5	2.3
	Work	365	1	1.6
	My family has always lived here	167	6	1.7
	Mountains	191	4	2.4
	Natural Setting	355	2	2.1
	Community Character	234	3	2.2
Affordable	5	7	1.8	

Question	Response	#	%
Juneau is presently capable of being economically self-sufficient, independent from money from the State or Federal government in the form of subsidies	True	38	6%
	False	572	94%
	Total	610	
Juneau should be capable of being economically self-sufficient, independent from money from the State or Federal government in the form of subsidies	Agree	305	50%
	Disagree	305	50%
	Total	610	
Should municipal government play a more active role to address housing issues, choice, availability and cost?	Yes	313	57%
	No	63	12%
	Perhaps	171	31%
	Total	547	
Should municipal government assume a direct financial role – Juneau itself writing a check – in tackling affordable housing issues?	Yes, but only to a very nominal degree	68	12%
	Yes, to a moderate degree	102	19%
	Yes, to a substantial degree	71	13%
	No	149	27%
	Not sure	156	29%
	Total	546	

Appendix 2

Implementation Actions

ACTION	Adopt Housing Action Plan	Prioritize Affordable Housing Fund	Hire Housing Director	Create housing for workforce, seniors, and young families	Preserve Existing Affordable Housing	Develop policies for CBJ owned land and assets	Amend Zoning Code to promote housing	Develop Neighborhood Plans	Develop Downtown Strategy	Timeline
IMPLEMENTATION STEPS	Hold public meetings to gather community feedback on the Plan	Raise revenue for fund through taxes, grants, donations, sale of CBJ land, permit surcharges	Draft project list with Affordable Housing Commission	Set annual unit goal established in Plan	Reinstate Code Enforcement Officer	Finalize update to CBJ Land Management Plan to include inventory of buildable land	Develop inclusionary zoning ordinance	Identify and prioritize areas for neighborhood plans	Set goal for number of downtown housing units	
	Development of report card to measure progress	Broaden scope of eligible projects	Develop benchmarks	Maximize/ leverage employer provided housing	Impose prohibitive fines for code enforcement violations	Apply appropriate zoning for CBJ buildable lands	Use UD financing for new roads and utility service to facilitate development	Use plans to identify housing development opportunities	Create downtown improvement district with a revenue stream	
		Prioritize funding of workforce and senior housing	Conduct annual needs assessment	Create tax abatement program	Develop blighted property ordinance	Adopt criteria for determining how Plan goals are achieved through development of specific CBJ parcels	Create inability to vary transition zone designation	Develop housing targets for each subarea	Inventory vacant/ abandoned/ blighted housing units	
		Develop operating plan	Create work plan	Evaluate potential to replace obsolete mobile homes	Support energy efficiency upgrades to existing units	Consider disposing of unbuildable sites to Army Corps land bank	Re-zone D-18 lands to Mixed Use	Encourage mixed income housing	Market development opportunities to outside developers and financiers	
		Hire fund manager to grow housing fund when it isn't being used to promote housing		Evaluate use of Tax Increment Financing (TIF)		Create strategy for CBJ land disposal aimed at meeting housing goals	Evaluate areas to be up-zoned		Review parking ordinance to ensure policies promote development	
				Make CBJ land available for projects		Identify land for workforce and senior housing to be developed through national	Require residential and commercial uses in mixed-use zoning		Implement blighted areas ordinance	
				Ensure assisted living facilities are connected to affordable workforce housing			Reduce setbacks and minimum lot sizes for duplex units		Develop incentives and provide assistance to upgrade and permit existing vacant residential units	
				Coordinate and support training for CNAs, LPNs			Infrastructure development automatically triggers upzoning			
				Create tax abatement program for first time home buyers			Update T49 as envisioned by 2013 Comp. Plan Update			
				Down payment assistance and property upgrade assistance						

Appendix 3

Resolution 2780 Adopting the Housing Action Plan

Presented by: The Manager
Introduced: 12/19/2016
Drafted by: A. G. Mead

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2780

A Resolution Adopting the Housing Action Plan.

WHEREAS, a housing needs assessment completed in 2010 and 2012 by the Juneau Economic Development Council found that Juneau suffers a critical housing shortage; and

WHEREAS, the 2013 Comprehensive Plan recommended the development of a housing plan to strategize methods to successfully develop affordable housing through a diversity of housing types and densities; and

WHEREAS, one of the top initiatives of the 2014 Juneau Economic Development Plan was to promote housing affordability and availability in Juneau, beginning with the development of a housing action plan; and

WHEREAS, the Affordable Housing Commission, in conjunction with the Community Development Department and the Lands and Resources Division, worked with czb, LLC, a firm specializing in housing analysis and neighborhood revitalization strategies to develop a draft housing action plan; and

WHEREAS, consistent with recommendations made in the Housing Action Plan, the Assembly funded the new Chief Housing Officer position, the creation of which is a top priority of the Plan; and

WHEREAS, the Assembly has identified three key areas in which progress on housing issues can be made - the provision of financial incentives, facilitating land development and disposal, and considering amendments to the City and Borough's Land Use Code; and

WHEREAS, the Assembly has facilitated work in the key area of land development and disposals by adopting the Land Management Plan, by funding and proceeding with the Renninger Subdivision development and then proceeding with land disposals in the subdivision; and by its continued consideration of the Pedersen Subdivision concept; and

WHEREAS, the Assembly has spent significant time working on and adopting revisions to the City and Borough's Land Use Code relating to subdivisions; and

WHEREAS, the Chief Housing Officer has been directed to draft a Housing Capital Improvement Plan listing potential programs considered in the Housing Action Plan, and as

the Assembly will be able to prioritize the expenditure of capital dollars on housing programs within the context of the Housing CIP; and

WHEREAS, the Assembly has supported the development of neighborhood area plans for Auke Bay and Lemon Creek, and where the development of such plans are a goal of the Plan; and

WHEREAS, at its meeting on June 7, 2016, the Affordable Housing Commission voted to recommend adoption of the Housing Action Plan; and

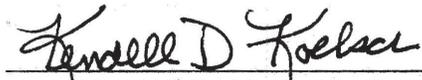
WHEREAS, at its meeting on July 12, 2016, the Planning Commission voted to recommend adoption of the Housing Action Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

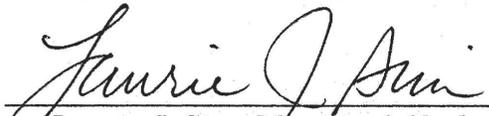
Section 1. That the document identified as the Housing Action Plan, dated November 2016, is approved and adopted.

Section 2. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 19th day of December, 2016.


Kendell D. Koelsch, Mayor

Attest:


Laurie J. Sica, Municipal Clerk

Appendix 4

czb presentation to Assembly, 10/28/15



HOUSING ACTION PLAN

City and Borough of Juneau Alaska

ASSEMBLY STANDING COMMITTEE - COMMITTEE OF THE WHOLE - CBJ - 10/26/15



PART 1 - EXECUTIVE SUMMARY

- czb was hired to complement and analyze existing data, and from there, help develop Juneau's housing action plan
- We evaluated the Borough's many previous studies, the comprehensive plan, and other relevant material
- Members of our team were here in Juneau in March and July, and on those visits, met with Commission members, Borough staff, and others

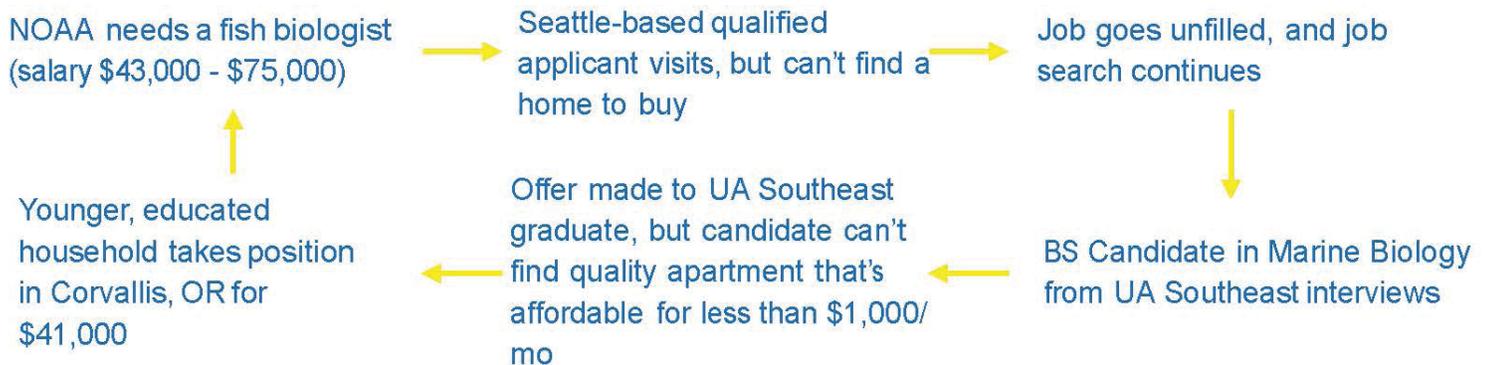
- Observations

- Juneau's housing market is **stuck**; *it has been stuck for a long time*
- The Juneau community is well **informed** about housing; *it has been so for a long time*
- Getting unstuck is easy - **technically** speaking; *but Juneau does not have a technical problem*

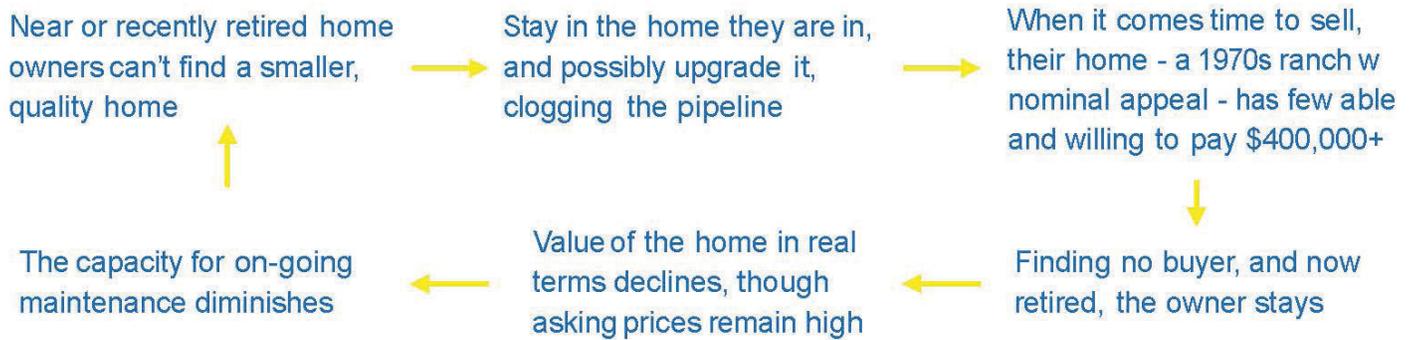
Stuck Market 1 : The Housing Pipeline



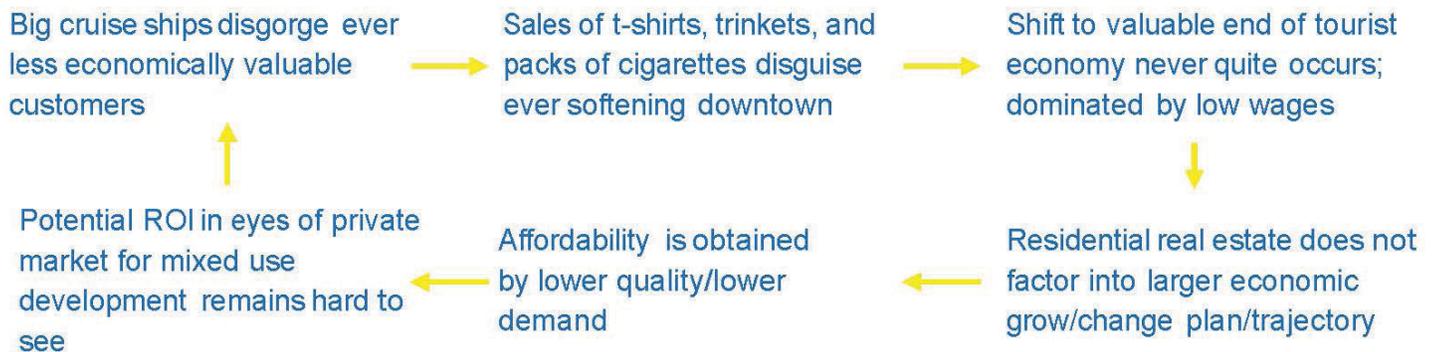
Stuck Market 2 : Jobs But No Housing



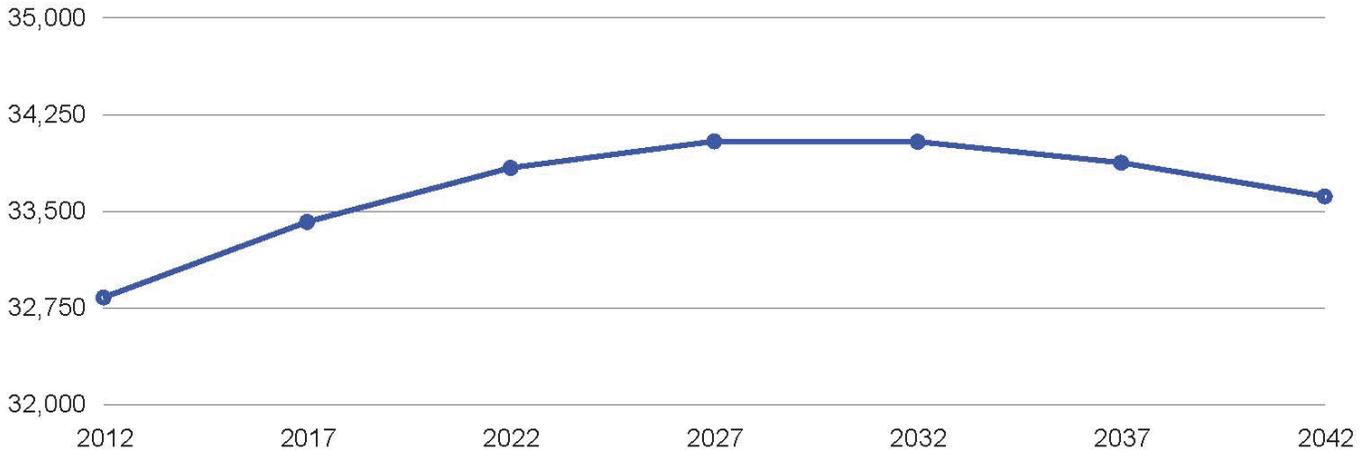
Stuck Market 3 : Life is Good



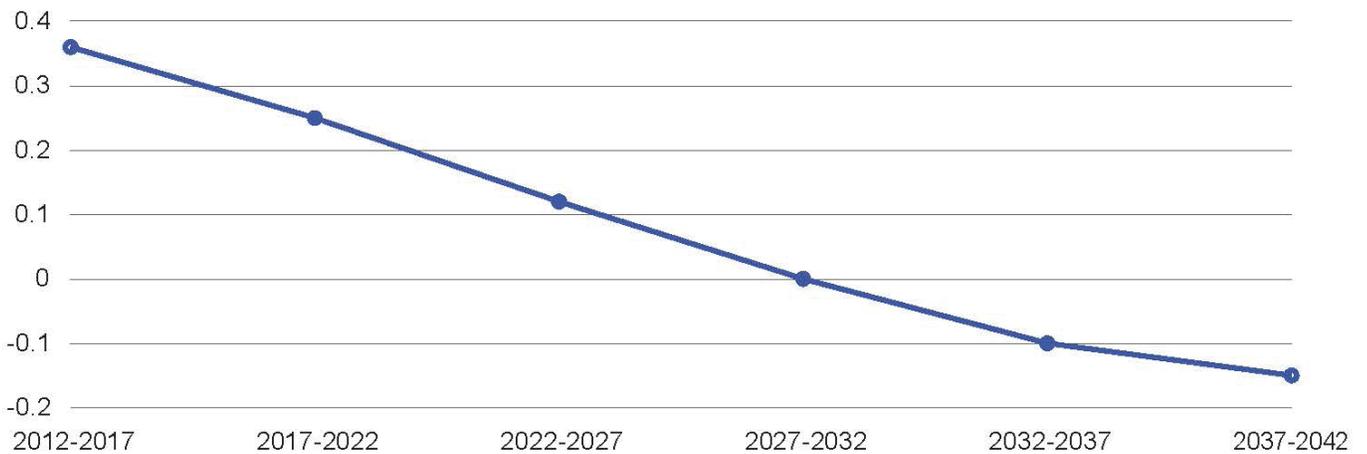
Stuck Market 4 : Economic Fork in Road



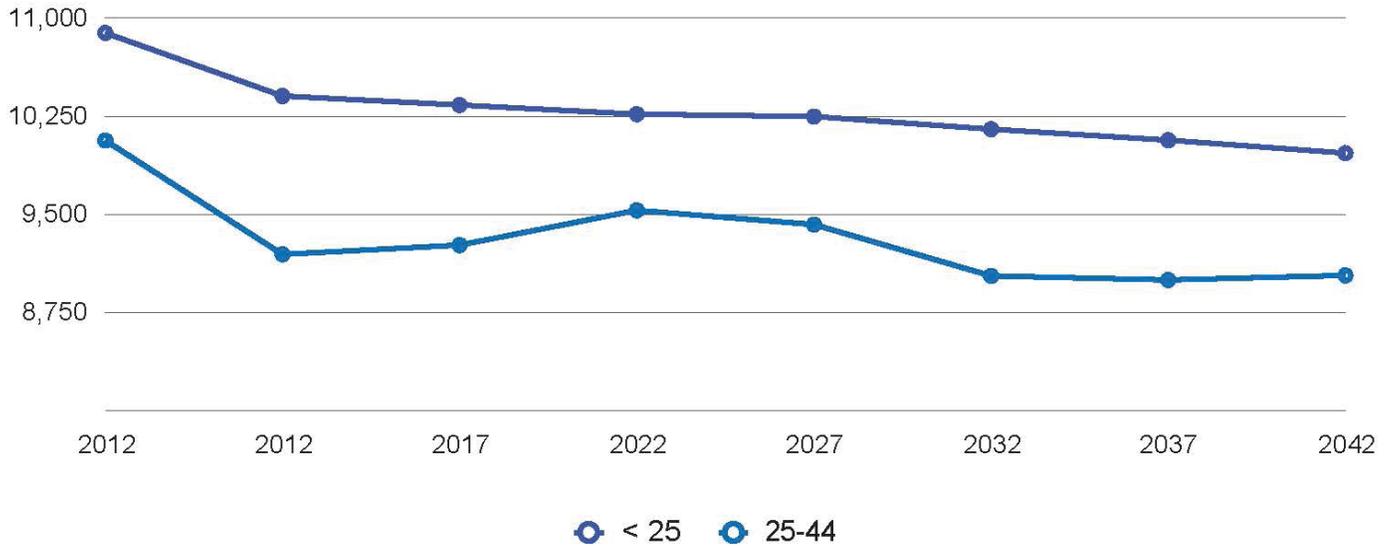
Stuck Market 4 : Population



Juneau's Stuck Market : Births-Deaths



Juneau's Stuck Market : Millennials



Task is to Loosen the Jam

- With an aging population, that means ensuring there are housing products suited for households to move to
- With a shrinking population, that means finding ways to grow demand so profitability can emerge
- With a robust but narrow private sector response, that means coordinating efforts under one umbrella

And doing so with built-in constraints

- Coastal lands development challenges reduce what's developable and increase costs
- Steep slope development challenges also reduce what's developable and also increase costs
- Isolating location means materials and labor costs add to the expense of getting housing built
- Isolated location also puts enormous premium on Q/I demand of possible target market - often more so than the one you already have

Built in constraints are relatively easy to tackle

- Preserve existing stocks that are needed by providing subsidy as necessary
- Redevelop existing low density settlements to reduce land per unit cost + gin your economy

What's hard are self-created impediments

How the Juneau community
thinks about
height and density and “home”





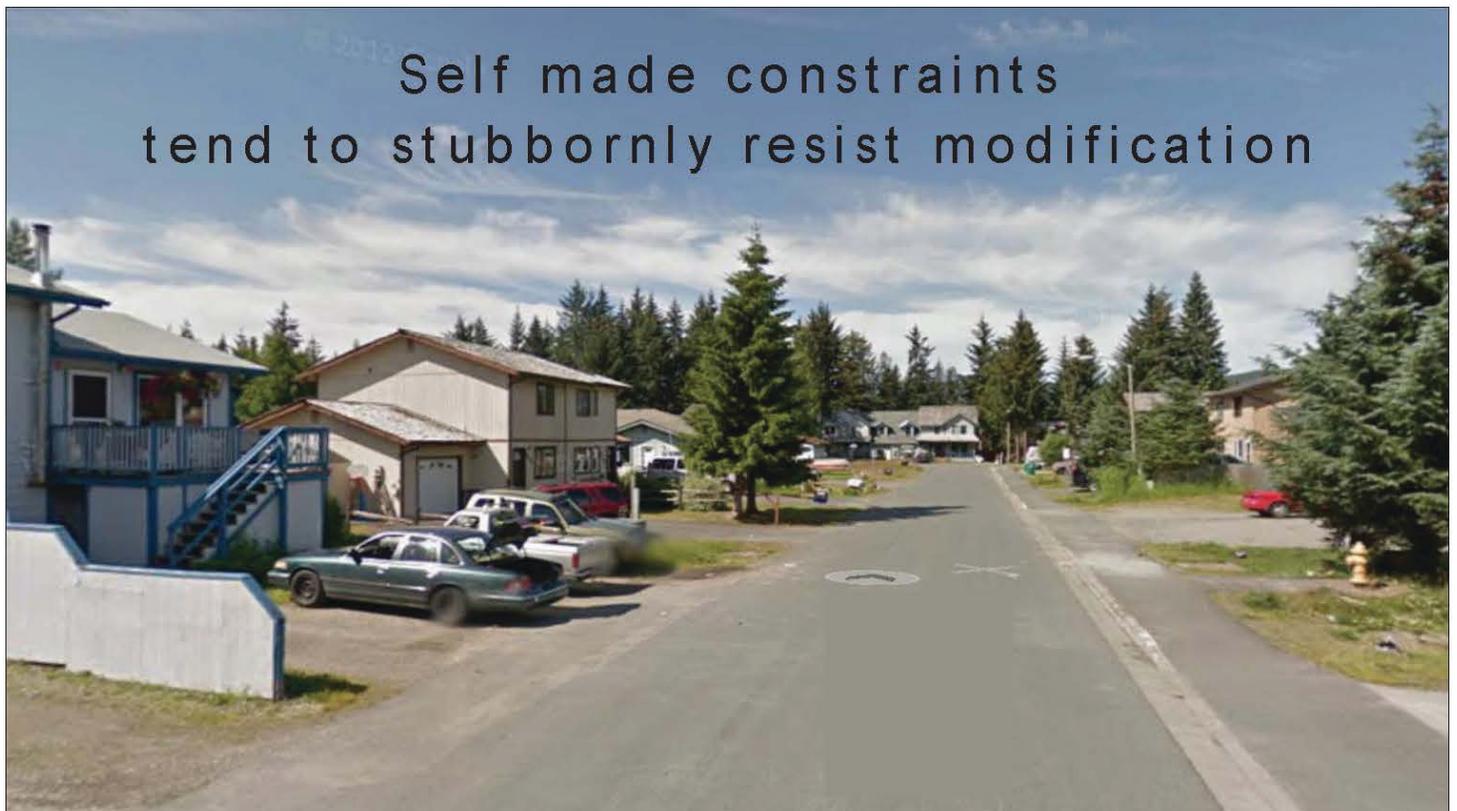
As is the low density big box on a single use, land consumptive parcel



=

Inefficient land use, high housing costs, and a recipe for being stuck when the economy is unable to grow (changing gov't role/contracting private sector)

There's nothing accidental
about the persistent stickiness
of the Juneau market



- Challenges

- Juneau needs to adopt a housing strategy; [whether it follows it is another matter](#)
- The community says it takes the housing situation in Juneau seriously; [the community now has to show that it does](#)
- Inefficient land use norms are a major technical root of the problem. The fragile, government-oriented economy is the other. [Changing either promises to be a massively difficult challenge](#)

PART 2 - RECOMMENDATIONS

1. **Adopt this (or another) action plan** into the CBJ's comprehensive plan
2. **Grow the housing trust fund** to a meaningful level
- ✓ 3. **Create and fund a FT housing director** position
4. Combine preservation, re-, and new development efforts in a **strategic manner**
5. **Leverage CBJ-owned lands** in housing-integrated ways
6. **Update the CBJ's zoning** regulations to explicitly shape the housing market Juneau says it wants
7. **Develop small area plans** that directly link to a revised comprehensive plan and the matching and revised zoning and development codes
8. Plan and redevelop **downtown** with a housing focus

czb

PART 2 - TARGETS

Preserve What You Have	Annual	30 Year Goal
Affordable Rental	10	300
Single Family Affordable Owner	10	300
Mobile Homes	5	150
	25	750

Build What You Don't Have And Will Need	Annual	30 Year Goal
Affordable Rental (<i>Catch Up</i>)	15	450
Affordable Rental (<i>Keep Up</i>)	11	330
Senior Independent Living	14	420
Senior Assisted	11	330
Step Down Single Family	5	150
Owner Housing For Workforce Families	10	300
	66	1,980

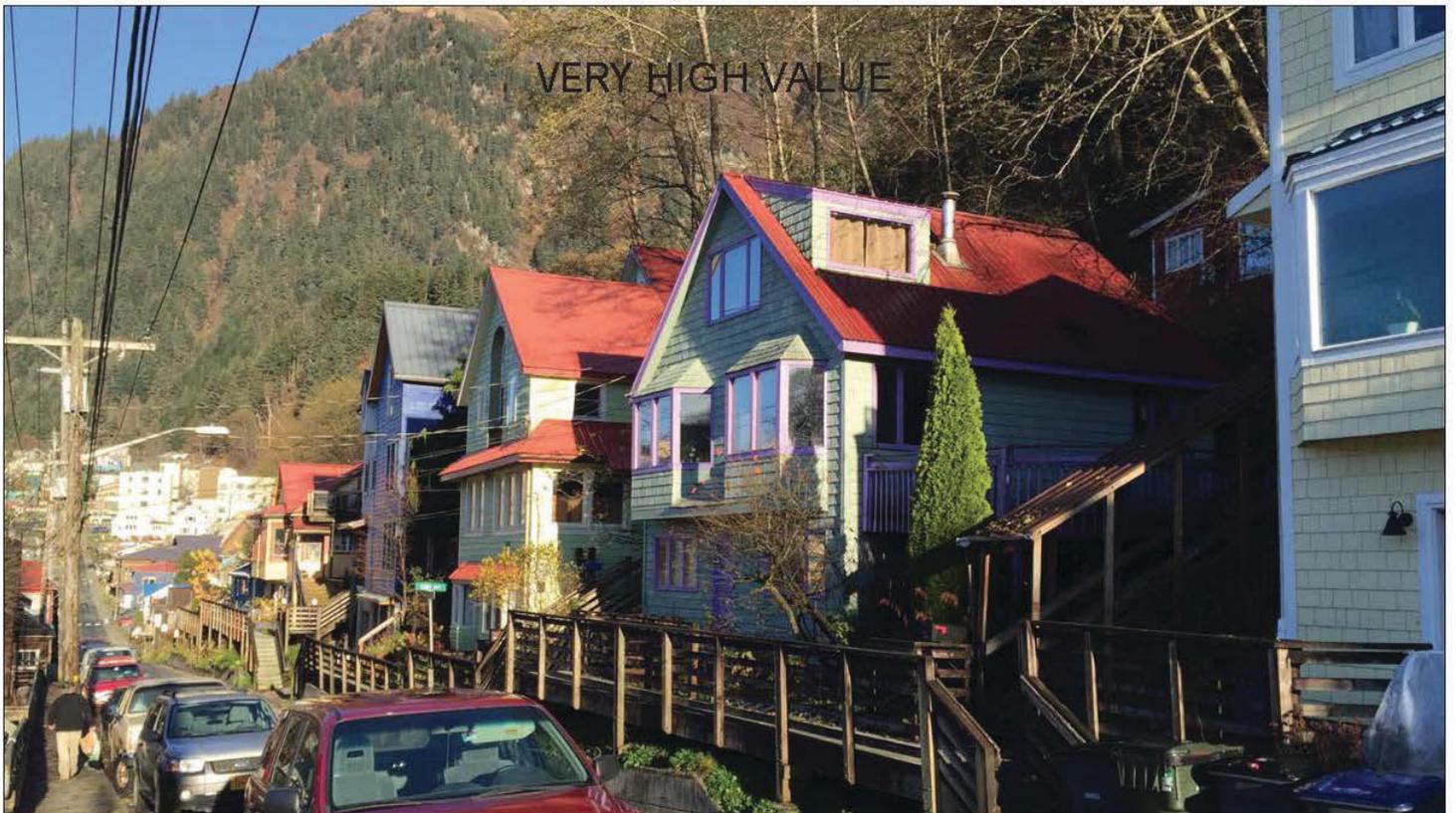
SUMMARY AT HIGH DENSITY	Annual	30 Year Goal
Preserving What You Have	25	750
Building What You Don't Have And Will Need	66	1,980
	91	2,730
Average du/a You Will Need To Consider	40	
Possible Annual Acres You Will Need To Find	2.28	68.25

SUMMARY AT RECOMMENDED DENSITY	Annual	30 Year Goal
Preserving What You Have	25	750
Building What You Don't Have And Will Need	66	1,980
	91	2,730
Average du/a You Will Need To Consider	25	
Possible Annual Acres You Will Need To Find	3.64	109.2

SUMMARY AT LOW DENSITY	Annual	30 Year Goal
Preserving What You Have	25	750
Building What You Don't Have And Will Need	66	1,980
	91	2,730
Average du/a You Will Need To Consider	10	
Possible Annual Acres You Will Need To Find	9.10	273

SUMMARY AT JUNEAU NORM DENSITY	Annual	30 Year Goal
Preserving What You Have	25	750
Building What You Don't Have And Will Need	66	1,980
	91	2,730
Average du/a You Will Need To Consider	1.5	
Possible Annual Acres You Will Need To Find	60.67	1,820

PART 3 - IN CLOSING





VERY LARGE MISTAKE



PROGRESS BUT NEEDS TO BE MUCH BETTER





BIG OPPORTUNITY



BIG OPPORTUNITY

STAFFING MONEY ZONING (EXPERTISE) (INCENTIVE) (RESOLVE)

Appendix 5

Initialisms

ADU – Accessory Dwelling Unit

AHC – The Affordable Housing Commission

ADHC – Alaska Development
Housing Corporation

AHFC – Alaska Housing Finance Corporation

ALTF – Assisted Living for Seniors Task Force

AMHLT – Alaska Mental Health Land Trust

AMI – Average Median Income

CBJ – City & Borough of Juneau

CCS – Catholic Community Service

CCTHIA – Central Council Tlingit
Haida Indian Tribes of Alaska

CHIF – Connecticut Housing
Investment Fund Inc.

CNA – Certified Nurse Aid

CRA – Community Redevelopment Agency

czb – czb LLC

DBA – Downtown Business Association

DIG – Downtown Improvement Group

DOL – Department of Labor

FY – Fiscal Year

HEELP – Homeowners Energy
Efficiency Loan Program

HFA – Housing Finance Agency

HUD – Housing and Urban Development

JCHH – Juneau Coalition of
Housing & Homelessness

JEDC – Juneau Economic Development Council

LID – Local improvement district

LPN – Licensed Practical Nurse

MBCDC – Miami Beach Community
Development Corporation

MCW – Montana Creek West Subdivision

MLS – Multiple listing service

NYSERDA – New York State Energy
Research & Development

PCMC – Park City Municipal Corporation

REACH – REACH Inc.

RFP – Request for Proposal

SCSSI – Senior Citizens Support Services Inc.

SEARHC – Southeast Alaska
Regional Health Consortium

SEBIA – Southeast Alaska Building
Industry Association

The Plan – The Housing Action Plan

THRHA – Tlingit-Haida Regional
Housing Authority

TIF – Tax Increment Financing

TOD – Transit Oriented Demand

TOT – Transient Occupancy Tax

UAS – University of Alaska, Southeast

ULDR – Urban LowDensity Residential

USDA – United States
Department of Agriculture