



ASSEMBLY COMMITTEE OF THE WHOLE AGENDA

May 06, 2024 at 5:00 PM

Assembly Chambers/Zoom Webinar

Assembly Committee of the Whole Worksession - No Public Testimony will be taken.

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

[Note: The start time has changed to 5:00p.m. and they hope the meeting will be finished by 6:00p.m.]

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

D. APPROVAL OF AGENDA

E. APPROVAL OF MINUTES

- [1. June 5, 2023 Assembly COW DRAFT Minutes](#)
- [2. June 26, 2023 Assembly COW DRAFT Minutes](#)
- [3. August 7, 2023 Assembly COW DRAFT Minutes](#)

F. AGENDA TOPICS

- [4. Douglas Cemeteries](#)
- [5. Ridgeview Update](#)
- [6. Title 49 Rewrite Workplan](#)
- [7. Juneau Affordable Housing Guidelines](#)

G. STAFF REPORTS

H. NEXT MEETING DATE

June 3, 2024 at 6:00p.m. Immediately following the Special Assembly Meeting.

I. SUPPLEMENTAL MATERIALS

- [8. RED FOLDER: Tax Abatement Map Ord. 2021-01\(c\)\(am\)](#)
- [9. RED FOLDER: Ord. 2021-01\(c\)\(am\) Attachment A - Scoresheet](#)

J. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.gov.

ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION **DRAFT** MINUTES

June 05, 2023 at 5:00 PM

Assembly Chambers/Zoom Webinar



A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the meeting to order at 5:00p.m.

B. LAND ACKNOWLEDGEMENT

Mr. Bryson gave the following Land acknowledgement: “We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!”

C. ROLL CALL

Assemblymembers Present: Wade Bryson, Michele Hale, Alicia Hughes-Skandijs, Carole Triem, Christine Woll, ‘Wáahlaal Gídaag, Maria Gladziszewski, Greg Smith (arrived at 5:11p.m.), and Mayor Beth Weldon

Assemblymembers Absent: None

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, City Clerk Beth McEwen, Deputy City Clerk Diane Cathcart, Acting City Attorney, Sherri Layne, Assistant Municipal Attorney Emily Wright, Engineering and Public Works Director Katie Koester, Finance Director Jeff Rodgers, Law Office Manager Deb Senn

D. APPROVAL OF AGENDA – *Approved as presented.*

E. APPROVAL OF MINUTES

1. November 7, 2022 Draft COW Minutes

MOTION by Ms. Gladziszewski to approve the November 7, 2022 minutes and asked for unanimous consent.

Hearing no objection, the minutes were approved by unanimous consent.

F. AGENDA TOPICS

2. City Hall & Bonding

Mr. Watt provided an overview to the Assembly of city hall needs, as contained in his memo. He said there were two specific items the Assembly would vote on at the next Assembly meeting; an appropriation of \$10 million to a City Hall Capital Improvement Project (CIP) and an appropriation of \$50,000 to advocate for a ballot proposition for a new city hall.

Mr. Watt noted that last year’s failed vote on the city hall proposition was very close and none of the issues that lead to the need for a new city hall have abated. He cited new examples of deteriorating conditions since that vote, including an expected OSHA fine for CBJ for inadequate working conditions in the Marine View building and the Sealaska Heritage Institute purchasing the Municipal Way building and eventually not renewing the lease. Mr. Watt said that in terms of timing, he advocates for putting the issue back on the ballot. He said using a design build method may help maximize what CBJ needs from the building without escalating the cost. He also said that appropriating money for city hall in the CIP project would allow the General Obligation (GO) bond to be lower

than the previous failed attempt. Mr. Watt said that he believed an appropriation for advocacy was proper because the line between advocacy and information is narrow and this appropriation would provide legal security for CBJ. Lastly, he said that when voters reject a project it does not mean no forever; instead it means that CBJ did not get it right that time.

Ms. Triem asked for more information about the advocacy budget. Mr. Watt said the funding for advocating for new city hall was already in the manager's budget but they are looking for a specific ordinance to call out that effort.

Mayor Weldon asked about lease costs and other associated costs. Mr. Watt said CBJ's current lease costs are approximately \$820,000 per year, plus the cost to maintain the current city hall. He said that for a new building there will be maintenance costs on that new building, debt issuance, utilities, plus the cost of disposing of the current city hall. He noted that some costs would increase, and some would decrease.

Mayor Weldon asked for more information about the OSHA fines. Mr. Watt said the water is frequently turned off and they have to send city employees home. He emphasized that the Marine View building has fallen below professional standards.

Mr. Smith asked if the building could cost less than \$45 million dollars. Mr. Watt said that was a decision to be made by the Assembly – they could remove the underground garage, have a separate Assembly Chambers, or provide additional changes. Mr. Watt said that appropriating \$10 million dollars into the project outside of the GO bond would allow voters to pay less in property taxes. He also said that inflation and pricing for construction is high right now, with the supply chain being disrupted and the ability to lock in prices in the future limited.

Mr. Bryson asked when an appropriate time would be to suggest changes to the building. Mr. Watt said that if the changes would reduce the amount below \$27 million, then tonight would be preferable as it would need to be introduced no later than July 10th to go on the ballot.

Mayor Weldon asked about debt service. Mr. Rogers said that CBJ could bond about \$50 million dollars in the next two years without affecting the debt service mill rate, as debt continues to be paid off. He said another way to think about it is that every \$10 million of debt issued for 25 years at 4% costs about 1/10th of one mill.

MOTION by Mayor Weldon authorizing an ordinance for the issuance of general obligation bonds and the principal amount not to exceed \$27 million dollars to finance construction and equipping of a new City Hall for the City and Borough of Juneau and submitting a proposition to the voters at the election to be held on October 3, 2023 and asked for unanimous consent.

OBJECTION by Mr. Bryson for purposes of an amendment.

AMENDMENT #1 to reduce the principal amount to \$23 million, the \$4 million coming from the reduction of the underground parking garage.

In speaking to his amendment, Mr. Bryson said he believes that parking is critical downtown but that reducing the scope of the project is important, as this proposition was voted down last year. He said no other reduction in scope is so large and he did not want to jeopardize not getting the building due to the parking issue.

Ms. Hale said she believes the Assembly has already reduced the cost for the voters by appropriating \$10 million separately. She said that real estate downtown is precious, and they rarely have the opportunity to build and put parking underneath.

Ms. Triem appreciated both points of view. She said that CBJ will be in business in perpetuity and that having parking is better in the long run for a new City Hall.

Mr. Smith asked how many parking spaces would be under the building. Ms. Koester said there were 38 spaces in the original design.

OBJECTION by Ms. Hughes-Skandijs on the amendment. She said she does not believe that \$4 million will change someone's mind about voting for or against the project, and that they should focus on convincing more voters that building a new City Hall is in the best interests of the people.

Mr. Smith asked if the amount of the GO bond could be reduced later in the process. Ms. Layne said if they wanted to change the title, it would need to be reintroduced. Ms. Layne said that last year they introduced two ordinances with different amounts, then followed through with one.

Roll Call Vote on Amendment #1

Yeah: Ms. Bryson

Nay: Ms. Hale, Ms. Hughes-Skandijs, Mr. Smith, Ms. Triem, Ms. Woll, Ms. Gladziszewski, Mayor Weldon

Amendment #1 failed, 1 Yeah/8 Nays

Hearing no objection, the motion to introduce an ordinance for \$27M GO Bond passed by unanimous consent.

MOTION by Mayor Weldon to draft an ordinance authorizing the manager to advocate and provide public information regarding the need for a new city hall, including the dissemination of information that may influence the outcome of a future ballot initiative and asked for unanimous consent.

Hearing no objection, the motion carried by unanimous consent.

3. Juneau Commission on Sustainability (JCOS) Presentation

Juneau Commission on Sustainability (JCOS) Chair Gretchen Kaiser and energy subcommittee chair Steven Behnke provided a presentation to the Assembly about the history of Juneau's climate action, current energy and greenhouse gas (GHG) inventory analysis, JCOS recommendations, and community actions.

Ms. Kaiser said that the first greenhouse gas emissions study was in 2007, a second in 2011, and a third in 2021. Mr. Behnke said that from 2010 to 2021 there was a 28% reduction in emissions, but qualified that number by saying they do not know much about the in-between years, so it was unknown if that reduction took place steadily over time or dipped precipitously in 2021 with minimal tourism and COVID impacts. He said that the report showed that buildings are the major user of energy in the community, followed by transportation, and mining. He said that approximately 27% of our energy comes from renewable electricity and the remaining 73% comes from greenhouse gas emitting fuels. He noted that cruise ship emissions are not included in this analysis.

The presenters highlighted different ways for the community to reduce GHG: more efficient use of current energy sources, electrification, reducing dependence on automobiles, supporting infill development, and composting organic waste.

Ms. Kaiser talked about some of the actions CBJ has already taken to reduce energy usage including a 2020 bond for energy efficiency upgrades to city facilities, purchasing passenger EVs, and electric buses.

Mr. Behnke provided an overview of suggestions that JCOS will be looking at, refining, and bringing back to the Assembly, including: additional greenhouse gas emission analysis, incorporating climate energy priorities into the CIP and budget, supporting community transit, implement bike and pedestrian improvement, expanding the public EV charging network, dock electrification, incorporating energy efficiency into affordable housing actions, partnership with Alaska Heat Smart and other weatherization and state programs, developing clean energy financing options, updating the Juneau Climate target to meet or match national goals of a 50% reduction in greenhouse gas emissions by 2030, adopting a zero emission municipal fleet policy, school bus electrification, new standards for municipally owned buildings, updating building codes to include stricter energy standards, and creating a commercial building energy code

The Assembly asked questions to the presenters.

The Assembly took a break at 6:53 and resumed at 7:03p.m.

4. Short Term Rentals - Common Regulatory Options

Mr. Barr provided a memo in the packet. He said the Manager's office is looking for direction from the Assembly on whether they should prepare a slate of regulatory options for consideration soon, and if so, what direction those regulations should take. He also said that the Assembly had a short-term registration ordinance on the agenda for the following Monday, and if that passed then they would probably have better data for analysis and options in 8 to 12 months. He provided various pros and cons of regulation sooner and later.

Mr. Smith disclosed that he runs a seasonal short-term rental from his primary residence and that he had discussed this with the City Attorney, and due to the broad nature of the issue he does not believe there is a conflict of interest.

Mr. Bryson disclosed that he has property that he is considering turning into a short-term rental but does not have any short-term rentals at this time. Mr. Bryson asked if Juneau is experiencing a growth in short-term rentals. Mr. Barr said that the answer is complicated and difficult, but their best guess is that there is an increase of 8-12 short-term rental units per month.

Ms. Triem said she would like to get something in place now; she said she liked the idea of using regulations more than zoning rules as a framework for regulating short-term rentals. She said she does not like the idea of a cap on the total number of short-term rentals, as that increases the value to everybody who already has one before the cap is instituted.

Ms. Woll said she would also like to have regulations in place soon. She asked about the process for making short-term rental decisions and suggested that this might be the case where a community driven process is better suited for helping make these decisions. Mr. Barr said that regulations done in the regular method might not be the best method for this topic, as it will probably have broader community interest.

Ms. Hughes-Skandijs said she would like to see a slate of regulatory options to allow the Assembly to look at a variety of options. She said she was interested in looking at caps, limiting to a primary residence, limitations on the number that an individual could operate, permit fees, and addressing whether these items would roll over if the property was sold.

Mayor Weldon said this topic will be very tricky. She said she was interested in limitations on the number of short-term rentals by an individual or business and a limit on the number of units in a building that may be permitted as a short-term rental.

Ms. Hale said she would like a round-table public worksession to start the public process.

Mr. Smith asked if it was legal to limit short-term rental owners to Alaska residents. Ms. Layne said that it appears to be legal to limit short-term rental ownership to state residents only, but that it might not be legal to restrict it to CBJ residents only. She said the Law Department would need to look at case law and challenges. She said this area of law is complicated, and they are waiting to receive direction from the Assembly to help narrow their research.

Mr. Smith asked about grandfathering in units and how other communities have dealt with this issue. Mr. Barr said that a common method is an annual permit system, but that there is a lot of variation in how those communities institute the permit. He said some are first come, first serve; some are tiered structures that incentivize the type of short-term rentals found to be more appealing for a public purpose. He said he has seen communities that grandfather in all existing short-term rentals and place caps on new ones.

Ms. Hughes-Skandijs asked if any community has a lottery system. Mr. Barr said he has not seen that one.

Ms. Triem said that other communities have regulations that address the impacts of poorly behaved guests. She asked if that was an issue in Juneau. Ms. Gladziszewski said that when she was on the Planning Commission there was lots of controversy over bed and breakfasts. Mr. Barr said that he has received one complaint about a bed and breakfast during this conversation about regulations of short-term rentals.

Mr. Smith said that there are very important community uses of short-term rentals, such as for traveling nurses. He asked how the Assembly protected desired usages. Mr. Barr said that most communities define a short-term rental to be anything less than 30 days, while other communities use anything less than 6 months. Mr. Barr said the Assembly could set the definition, and it could be less than 30 days, which might prioritize medium-term rentals to seasonal workers.

Ms. Triem noted that short-term rental is defined as less than 30 days in the property tax code.

Ms. Hale asked if there was a way to exempt seasonal workforce housing. Mr. Barr said the best way would be through defining a short-term rental appropriately, as other methods might not provide the legal standard of equal and fair treatment for all.

Ms. Gladyszewski said there seemed to be some consensus on short-term housing regulations happening sooner rather than later and that they would like to see a variety of options.

Mr. Barr said that his next steps will be looking at whether they should have a program and how to administer any program that is decided upon. Mr. Barr said that his goal is to give the Assembly a fairly limited slate of options that are relatively simple and easy to implement, and modify them as directed by the Assembly. He said that the Assembly will want to revisit options again as the housing market changes and more input is received from the public.

Ms. Gladyszewski said the other thing the Assembly needed to agree upon was the reason why they were doing this, which is to help the housing market and affordability.

Mr. Bryson said that he agreed that CBJ needed to register short-term rentals and make sure they are not displacing residents. He cautioned the Assembly that they are about to begin on a process of telling people what to do with their property that they own, and cautioned that it is a slippery slope.

Mr. Smith said that short-term rentals provide a chance for everyday people to benefit economically. He said it is problematic when people purchase a house specifically to use as a primary business, compared to people who are supplementing their income.

G. NEW BUSINESS

H. UNFINISHED BUSINESS

I. STAFF REPORTS

5. October 3, 2023 Municipal Election Quick Reference Dates

Ms. McEwen said this was included in the packet so the Assembly would know how much time they had to bring forward ordinances for the October election.

J. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mayor Weldon congratulated Mr. Barr for being on the Governor’s task force on childcare.

Ms. Triem noted that there will be a Finance Committee meeting at 6pm on Wednesday. She said this will be Mr. Roger’s last Finance Committee meeting and encouraged everyone to wear one dangly earring or dress in drag.

K. NEXT MEETING DATE

6. Next Meeting Date: June 26, 2023, 6:00 p.m.

L. SUPPLEMENTAL MATERIALS

M. ADJOURNMENT

Having no further business, the Assembly Committee of the Whole adjourned at 7:41pm.

ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION
DRAFT MINUTES

June 26, 2023, at 6:05 PM



Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the Assembly Committee of the Whole meeting to order at 6:32p.m. following adjournment of the Special Assembly meeting. The COW meeting was held in the Assembly Chambers and virtually via Zoom.

B. LAND ACKNOWLEDGEMENT

Mr. Bryson provided the following land acknowledgment: "We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*"

C. ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith, Michelle Hale, Christine Woll, Carole Triem, and 'Wáahlaal Gídaag

Assemblymembers Absent: Mayor Beth Weldon.

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, Acting Municipal Attorney Sherri Layne, Municipal Clerk Beth McEwen, Deputy City Clerk Andi Hirsh, Finance Director Jeff Rogers, Finance Director Angie Flick, Engineering and Public Works Director Katie Koester, BRH CEO David Keith, BRH CFO Sam Muse, Lands Manager Dan Bleidorn, Treasurer Ruth Kostik

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. APPROVAL OF MINUTES

1. September 26, 2022, Assembly Committee of the Whole DRAFT Minutes

Hearing no objection, the minutes of the September 26, 2022, COW meeting were approved.

F. AGENDA TOPICS

2. Short Term Rental (STR) Ordinance

Chair Gladziszewski noted that there had been some discussion about a possible round-table discussion. She clarified that they were not doing that at this meeting or taking any testimony. She noted that the next time members of the public can testify on this ordinance will be when it comes back to the Assembly for public hearing. She noted the Assembly has received a lot of input from the public on this ordinance and there is a new version in the folder with strikethroughs and underlines indicating what has changed.

Chair Gladziszewski put **Ordinance 2023-26(b) An Ordinance Creating a Short-Term Residential Rental Registration Program and Providing a Penalty.** before the body for purposes of discussion, amendment and action.

Ms. Gladziszewski outlined the changes on the new draft of short-term rental (STR) ordinance from the previous one viewed by the Assembly, noting that it includes new whereas clauses, the business license number instead of

a copy of the business license will now be required, the section on reporting amenities was crossed out, and there is a new 90-day effective date instead of taking effect 30-days after adoption.

Mr. Barr said there was a memo in the packet answering many of the questions that were brought up during public testimony. He said that on packet page 18 is a first draft of what the registration form might look like depending on what the Assembly does at this and future meetings.

AMENDMENT #1 by Ms. Triem to add “69.40.040 Exemptions: ... b) A business that is registered as a bed and breakfast and defined by CBJ Code 49.80.120 and has gone through the conditional use permit process.” In speaking to her amendment Ms. Triem said these businesses have been regulated through the land use code and the Planning Commission.

OBJECTION by Mr. Smith for the purpose of a question. He asked if Mr. Barr had any concerns about this amendment. Mr. Barr said that it is a policy call; he said that the distinctions between a bed and breakfast (B&B) and a STR are sometimes unclear, especially when they are listed on a typical STR platform like Airbnb or VRBO. He said that some communities regulate B&B’s and STR’s separately, other communities regulate them together. He said this amendment would result in a little less data when the Assembly is thinking through regulatory options, but that he did not think the numbers would be significant. Mr. Smith removed his objection.

Ms. Gladziszewski asked how many B&Bs are operated in Juneau. Mr. Barr said he did not know.

Ms. Triem said that the policy goal of this ordinance was to measure the effect of STRs on local housing stock. She said that B&Bs will not be part of our local housing stock, so they should not be included in the data.

OBJECTION by Ms. Hale for purposes of a question. She asked if B&Bs can be counted through their licensing process. Mr. Barr said they can look at it but would be hesitant to commit to it because it crosses multiple departments. He said that B&B’s conditional use permits are issued by the Planning Commission, supported by the Community Development Department and this new registration process will be administered by the Sales Tax Office, part of the Finance Department. He said the data between those two entities would not be the same, so comparisons would be tricky. Ms. Hale removed her objection.

Ms. Kostik, who oversees the Sales Tax office, said that one complication with excluding B&Bs comes from the fact that business names are not always used on STR listings, so it can be difficult to tie a permitted B&B to an STR listing.

OBJECTION by Ms. Gladziszewski to this amendment, in speaking to her objection she said she did not feel like there were very many permitted B&Bs.

Roll Call vote on Amendment #1

Yeas: Ms. Triem, Ms. Hale, Mr. Bryson, ‘Wáahlaal Gídaag

Nays: Mr. Smith, Ms. Hughes-Skandijs, Ms. Woll, Ms. Gladziszewski

Motion failed, 4 yeas, 4 nays.

AMENDMENT #2 by Ms. Hale to strike the clause that new registrations must be completed in 10 business days and replace it with new registrations must be completed quarterly.

Speaking to her amendment, Ms. Hale said that many rentals oscillate between short-term and long-term and they get busy in the summer. She was worried about people missing the 10-day window and receiving a fine of \$25 per day. She said she would like this to be included when people file their quarterly sales and bed taxes, but failing that, she would like to at least change the window from 10 days to 30 days.

Ms. Kostik said that changes that need to be reported are things like whether the business has been sold, not that it contains a long-term renter for several months. She also said that the quarterly tax return is about the business and an operator may run multiple short-term rentals.

Ms. Hale withdrew her amendment.

AMENDMENT #3 by Ms. Hale to strike the clause that new registrations must be completed in 10 business days and replace it with 30 business days.

Hearing no objection, Amendment #3 passed by unanimous consent.

Mr. Bryson asked if operators who run multiple locations must fill out multiple forms. Mr. Barr said yes. Mr. Bryson asked if something is registered as a STR, but then goes to a long-term rental at some point during the year, do they need to do anything? Mr. Barr answered no, they do not.

Ms. Hale, sharing the request from the mayor, said she wanted to have a registration form that allows people to mark a checkbox if nothing changed from the previous year.

AMENDMENT #4 by Ms. Hale, on page 3 of 5 of the ordinance, to strike the requirement that the operator provide "Contact information for an emergency point of contact for the operator or operator's designee who is responsible for responding to complaints or emergencies in a timely manner, in person, if required by public safety personnel, or over the phone or by email at any time of day." In speaking to her amendment, she said it was unnecessary for registration and could be added back in the future if it turns out to be needed.

OBJECTION by Ms. Hughes-Skandijs. In speaking to her objection, she said owners may not manage the STRs and that it's important to be able to contact someone if needed.

Ms. Woll said she supported this amendment, because without it this felt like regulating STRs before the Assembly agreed on how to regulate STRs.

Mr. Barr said that the form will still include owner and operator contact information, due to other parts of the ordinance. He said that emergency contact information is typically included when municipalities struggle with neighborhood complaints.

Ms. Hughes-Skandijs removed her objection.

Hearing no further objection, Amendment #4 passed by unanimous consent.

MOTION by Ms. Hale to move Ordinance 2023-26(b) as amended to the full Assembly for public hearing and asked for unanimous consent.

Hearing no objection, Ordinance 2023-26(b) as amended moved to the full Assembly for public hearing by unanimous consent.

3. BRH proposed purchase of BBGH Development LLC, property

Mr. Watt said, in June, they introduced an appropriation ordinance for \$8.1 million from the Hospital Fund Balance for the purchase of this property. Mr. Watt said that the hospital has struggled in the past to have enough space and that purchasing this would allow for greater physical flexibility. Mr. Watt said he did not have anything to offer on the merits of this purchase, but that BRH CEO David Keith and CFO Sam Muse were available to answer questions. He said this will be up for public hearing on July 10.

Ms. Woll asked what this change will mean for people who use Juneau Bone and Joint services. Mr. Keith said that over time it will be used for professional medical services, but they plan to maintain orthopedic services.

Ms. Triem asked about the BRH Board's decision process. BRH Board Chair Kenny Solomon-Gross said that this is a great piece of property located near the hospital. He said this is the best scenario for Bartlett to expand to serve the people of Juneau. He said they have been working on this for many years, and that until now, the property has not come up on the open market.

Ms. Hughes-Skandijs asked for an estimated timeframe for when BRH might expand services into this building. Mr. Keith said that approximately 12-18 months before additional specialists might be able to expand into that space. Ms. Gladyszewski asked if the current people operating in the building will be able to continue to lease space. Mr. Keith said that Juneau Bone and Joint will stay in place, but that BRH will own the real estate.

Ms. Gladziszewski said that there has been flooding in that area. Mr. Watt said the ordinance gives budget authority for the acquisition of the property. Mr. Watt said they will work with the administration to complete all the details, including looking at potential flooding.

‘Wáahlaal Gídaag asked about the other tenants. Mr. Solomon-Gross said that Grumpy’s Deli, Edward Jones, Applied Behavioral Analysis, and other entities are currently renting space in the building. Mr. Keith said they will be respectful of their contracts.

4. Aurora Integrated Oncology Foundation – TEFRA Bond Hearing Request

Mr. Watt said this was an unusual topic that they do not have expertise in. He said that Southeast Radiation and several other oncology providers in Alaska want to form a new nonprofit for business reasons and use federal TEFRA bond financing. TEFRA bonds are tax-exempt and to get the TEFRA bonds, local governing agencies are required to hold a public hearing and pass a resolution of support. This group is simultaneously making this request to the Kenai Peninsula Borough, the Municipality of Anchorage, the Mat-Su Borough and the City and Borough of Juneau. Mr. Watt said that Greg Merrill, President of Radiation Business Solutions, and Dr. Eugene Huang, from Southeast Radiation Oncology were available to answer questions.

Ms. Gladziszewski asked if other municipalities had already signed this. Mr. Watt said that the Kenai Peninsula Borough had.

Ms. Hale asked if this would cause any decrease in oncology services in Juneau. Dr. Huang said the purpose of this nonprofit is to make sure that all the cancer clinics that are currently operating independently continue to survive, thrive, and stay open. He said that these clinicians already meet weekly to peer review each other’s work and sometimes cover each other’s practices. He said this is their attempt to be able to work more closely together; they will benefit by being able to purchase in bulk and offer economies of scale for contracts. Dr. Huang said this nonprofit organization they are creating would need to acquire all the existing buildings and land, which is what they will use the tax-exempt bonds for.

Ms. Triem said she is uncomfortable with this unusual process and she does not want to obligate CBJ to do anything. She said she would like to see more geographical representation on the board, specifically someone from Southeast Alaska. Mr. Merrill said the current board is very small, only five people, and he is supportive of more geographic representation going forward if they expand. He noted that Dr. Huang, from Juneau, will be the Chief Medical Officer and will report to the board.

Ms. Hughes-Skandijs asked if the TEFRA bonds were required to go from for-profit entities to a non-profit umbrella agency. Mr. Huang said that a non-profit structure was a better fit for what the cancer clinics are trying to achieve. He said that they are not asking the City and Borough of Juneau for anything financial, but that this is a requirement of the IRS which gives the local community a chance to decline a project.

Mr. Merrill noted that in 2011 or 2012, CBJ went through a similar TEFRA hearing process for Wildflower Court.

Ms. Hughes-Skandijs asked the Manager if he was confident that CBJ would not be obligated to anything if this passed. Mr. Watt said they would ask for a legal opinion from their bond council if this was forwarded to the full Assembly. Ms. Hughes-Skandijs requested that staff do more research.

MOTION by Ms. Hale that the Committee of the Whole request staff to put together a resolution in accordance with the IRS requirements and that the resolution include a whereas clause that says that CBJ is not obligated for anything, and to forward it for public hearing at the next regularly scheduled Assembly meeting.

Hearing no objection, the motion passed by unanimous consent.

G. STAFF REPORTS

H. NEXT MEETING DATE

July 17, 2023, 6:00p.m.

I. SUPPLEMENTAL MATERIALS

- 5. RED FOLDER - Ordinance 2023-26(b) An Ordinance Creating a Short-Term Residential Rental Registration Program and Providing for a Penalty.**

J. ADJOURNMENT

There being no further business to come before the Committee of the Whole, the meeting adjourned at 7:49p.m.

ASSEMBLY COMMITTEE OF THE WHOLE **DRAFT** MINUTES



August 07, 2023, at 6:00 PM

Assembly Chambers/Zoom Webinar

The Assembly Committee of the Whole Worksession will convene immediately following adjournment of the Special Assembly Meeting. (No public testimony will be taken during the COW Meeting.)

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the Assembly Committee of the Whole meeting to order at 7:04p.m.

B. LAND ACKNOWLEDGEMENT

Mr. Greg Smith provided the land acknowledgement.

C. ROLL CALL

Assemblymembers Present: Deputy Mayor Maria Gladziszewski, Greg Smith, 'Wáahlaal Gídaag, Wade Bryson, Michelle Hale, Alicia Hughes-Skandijs, Loren Jones, and Mayor Beth Weldon (via Zoom)

Assemblymembers Absent: Christine Woll

CBJ Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, Acting Municipal Attorney Sherri Layne, Municipal Clerk Beth McEwen, Engineer/Public Works Director Katie Koester, Assistant Attorney Emily Wright, Community Development Director Jill Maclean, Port Director Carl Uchytel, Deputy Clerk Andi Hirsh, Deputy Clerk Diane Cathcart, Parks and Recreation Director George Schaaf, Public Information Officer Meredith Thatcher, Deputy Parks and Recreation Director Michele Elfers, Senior Planner Irene Gallion

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. APPROVAL OF MINUTES

1. November 28, 2022, Assembly COW Draft Minutes
2. February 13, 2023, Assembly COW DRAFT Minutes

Hearing no objection, the minutes were approved as presented.

F. AGENDA TOPICS

3. Energy Loan Concepts (JEDC, OBF, etc...)

Presenters

- Chris Rose, Renewable Energy Alaska Project
- Stuart Cohen, Co-Chair, Alaska Interfaith Power and Light
- Jonathan Moscatello, Daikin Comfort Technologies
- John-Michael Cross, The Environmental and Energy Study Institute

Mr. Cohen introduced all the presenters and their affiliations. Each presenter provided information about their particular organization and their role in the energy sector with an emphasis on renewable energy programs. They spoke about what implementing an On-Bill Financing Program, to finance and install heat pumps might do to improve renewable energy usage within the community. They spoke about the benefits of switching to heat pumps to reduce the use of heating fuel oil.

They suggested that Alaska law allows for On-Bill Financing to be added to the CBJ water and wastewater utility billing. As stated by Mr. Rose, “If Juneau sets up an On-Bill Financing program, it is a win, win, win scenario. 1) Individuals in Juneau, including low- and moderate-income consumers will save enough money on heating every month that they will have more than enough money to repay their loans. 2) Millions of dollars will stay in Juneau and provide a boost to the local economy. 3) An On-Bill Financing of heat pumps will provide good paying jobs for the installation of those devices.”

Mr. Cohen explained that the average heat pump pays for itself in savings, approximately 3 years after installation. Over the 20-year life of the heat pump, the total savings over the life of the loan are approximately \$27,000. He then went on to outline how a rapid adoption program works to bill and extracts payments from an On-Bill Financing program. Each of the presenters discussed the On-Bill Financing Program, the partnership, program delivery, and financing features/options.

Presenters then answered questions from Assemblymembers.

In answer to questions from Assemblymembers Mr. Cohen provided that their program is not the same type of model as that used by Alaska HeatSmart. Their proposed program would have two teams consisting of 1 electrician and 1 installer. He noted that they would start with one team and eventually, build up to a second team. He anticipates that one team can do approximately 400-500 installations per year after the first year.

Mr. Bryson asked what the rebate was that Daikin was offering, what would the interest rate to customers be and what would the repayment period be. Mr. Cohen answered that the loans would be at a 5% interest rate for a 7-year repayment period. The average payments would be approximately \$104/per month. Mr. Moscatello said they often offer a consumer rebate program at approximately \$100-\$200 per sale and those funds would go towards supporting any marketing and outreach program.

‘Wáahlaal Gídaag asked Mr. Watt if they wanted to consider this proposal, what would the process look like, would it first go to the Assembly Public Works & Facilities Committee (PWFC).

Mr. Watt answered that he believes that the Public Works and Facilities Committee (PWFC) and the Utility Advisory Board (UAB) would be good places for this proposal to be looked at. This proposal in question though is different in that it links an energy loan to the Water and Sewer Bill, and he has some trepidation on the city’s only recourse in the event of non-payment would be to turn off potable water and he sees that as not a great cross between potable water and an energy investment. He noted that however good the economics may be, there are other issues that would be better settled and worked on in the Public Works and Facilities as well as the Utility Advisory Board.

Ms. Gladziszewski relayed some questions from the Mayor which included: Where does the money come from to start this? Where does the money come from that they said they’d have to help when folks default?

Mr. Cohen said they are on a parallel track and are currently looking for the right platform for the program and that’s something they’ve talked about with several different organizations. He stated one possible funding source they are looking into is a “Rest Loan” – which is a zero-interest loan from the US Government Department of Agriculture Rural Energy Savings Program. It is loaned at 0% for 20 Years, for which, they are then allowed to loan it out at 5%. They are also speaking to another organization that has the funds to capitalize the loans and to provide the start-up capital which they assume will be \$200,000. They have calculated that after a few years the program will break even.

Mr. Cohen then went on to answer differences about this program compared to the business model for HeatSmart. He spoke to who the target market is for this program and that many of the questions asked by Assemblymembers will be addressed during the “Rule Making Phase” for On-Bill Financing.

Mr. Bryson pointed out that he didn’t see any representatives from AEL&P present and felt they are an imperative party to this type of program. Mr. Cohen said that he is not an expert in AEL&P’s business but if AEL&P were to

choose to, they could reach out to multi-family homes by offering On-Bill financing on their electricity bill. He noted that their team could even work with AELP to find those families and finance them. He said that from anecdotal conversations with AEL&P employees as well as from the 10-year power planning report they submitted by AEL&P to the Assembly 2 years ago, they don't have plans in developing "New Generation" energy sources in the next 8-years. Mr. Cohen said that he could not speak for AEL&P but when he spoke with Alec Mesdag approximately 5 years ago, AEL&P did not have much interest in offering a rapid adoption program and that AEL&P was not interested in creating an On-Bill Financing program for the 85% people in Juneau who use oil heat.

Ms. Hughes-Skandijs said that since CBJ is not in charge of the electrical system in Juneau, tying the heat pump program to the water billing is something she doesn't quite connect in her mind. She asked about the letter in the packet related to Ft. Collins, CO, and if Ft. Collins, CO was a public utility and if so, did they specifically include On-Bill Financing on their utility bills and are they also an electric utility company. Mr. Cohen said he believed Ft. Collins also offers it on the electric bill for single-family homes. He commented that they are not providing electricity, rather, they are providing the heating appliance that uses electricity. He also pointed out that in those letters, On-Bill Financing is offered by many different entities, including the Gems Program in Hawaii, which is not a municipality or a utility, it is a state organization that was set up to facilitate the conversion to renewable energy. Fort Collins is a Municipality. He said that OPALCO is a utility and they "Do a bunch of stuff because they are a small town like us." Mr. Cohen said that it is often offered by electric utilities because it's a way for them to increase the number of people using their product, but he doesn't feel it should be limited to that. He noted that it was simply a great tool for meeting the Assembly's goals for helping people save money and use renewable energy options.

The presenters then continued to answer questions from Assemblymembers, including the complexities of how rental units might or might not be good candidates for this type of program. Mr. Cross stated that there is no good way to improve the energy efficiency of rental units and it is something we are grappling with nationwide. He noted there are many organizations that are working on those issues but that if they want to include rental units in the mix, it is something that must be baked into the program's design and it cannot be an after-thought.

Ms. Hughes-Skandijs said she would like additional information about how the program would work and what the program would do and be responsible for vs. what CBJ would be responsible for. She specifically would be interested in the cyber security issues related to how the program would interface with the CBJ utility billing systems. Mr. Cohen then stated that he had a conversation with CBJ IT Systems Operations Manager James Zuelow who informed Mr. Cohen that it was something they could work on in-house and there would be no interaction with financial software from outside of the City's system.

Mr. Watt stated that mechanically, something like this is resolvable but there are policy issues that the Assembly needs to consider as well. He stated that staff could fill them in on other efforts that are on-going, so Assemblymembers have full context. He noted that JEDC is applying for a rural energy savings program funding, specifically that would provide commercial entities loans and businesses boost energy costs. Spruceroot, a 501(c)(3) non-profit created with seed money by Sealaska, is a community development financial institution and they are looking to establish a region wide "Green Bank." As a CDFI they are eligible for EPA Greenhouse Gas Reduction Funds, and they've asked for a resolution of support and other communities of Southeast Alaska have also provided them. He noted that with respect to policy, the Assembly will need to wade through all the various programs with respect to who provides the capitol, who provides the technical advice, who provides the loan qualifying, who provides the loan servicing, who provides the installation etc... He noted they all have their own slightly different pros and cons, and it would be good to look at all those in follow-up committee meetings, including a nexus with the utility. Mr. Watt noted that the PWFC and UAB committees would be good forums to start to flesh those things out.

Ms. Gladziszewski noted that since this is creating more complex questions relating to technology and policy, she asked Mr. Smith to offer a motion if the Assembly is interested in working on this further.

MOTION by Mr. Smith for staff to work on the topic of On-Bill Financing (OBF), to get more details and identify further concerns and for staff to report back to the Public Works and Facilities Committee (PWFC) so they can make a more informed decision and he asked for unanimous consent.

Hearing no objection, the motion passed by unanimous consent.

Ms. Gladziszewski thanked the presenters for attending and providing this information.

4. Accessory Dwelling Unit (ADU) Grants 8:02p.m.

Mr. Watt noted that the packet contained a memorandum on Accessory Dwelling Units (page 26). He noted that this has been through committee meetings and there are two possible paths and staff is asking the Assembly to approve one of the two possible paths at this meeting. The first concept is that Tier 1 grants are expanding from the original \$6,000 up to \$13,500 because of inflation and because of the cost of construction and they are trying to encourage more apartments to be built.

With respect to the Tier 2 grants, staff are asking the Assembly not to do anything with those at this time. He said that in trying to figure out a way to try to implement affordability with the loan program, they saw some issues that they couldn't ensure that kind of program would not be mis-used. It has a much higher loan amount and there was no way to control people from making inside deals and them not offering the apartments to the public and it may be difficult to track for quite some time.

Ms. Gladziszewski noted that this matter had been heard in the Lands, Housing, Economic Development Committee as well as the COW. She asked members if they had any questions for staff.

Mr. Bryson said that he understands why the staff is not recommending increasing Tier 2 but asked if Tier 2 could stay in place. Ms. Gladziszewski said that Tier 2 is not entirely off the table or going away, it is just that staff is not recommending any increases to the dollar amounts awarded to Tier 2 applicants.

Ms. Hale spoke to the language in the memo that states "A goal of the ADU Grant program is to provide grants for the creation of quality housing units at a rental level affordable to Juneau's workforce..." She noted that she could not find that language in the resolution and she said that she thinks Tier 2 is so complicated because it is trying to do too much. She said that she would be interested in possibly scaling back Tier 2 but imposing restrictions to try to make it affordable housing, that causes problems. She said she would like to identify the goals more clearly.

Ms. Gladziszewski noted that Tier 2 is something that will need more work and they are trying to just decide whether to move the changes to Tier 1 tonight forward. They will take up the topic of Tier 2 in a future discussion.

Ms. Hughes-Skandijs agreed and asked the Manager whether the conversation on Tier 2 would be held in the LHED Committee or the COW. Mr. Watt noted that staff would discuss it with the Chairs of both bodies and determine where it would best be taken up.

MOTION by Ms. Hale that the COW forward the Resolution to the full Assembly for the continuation of the Accessory Dwelling Unit Grant Program for Tier 1 grants in the amount of \$13,500 and that the Assembly, through the COW further discuss the Tier 2 grant concept so that all members of the Assembly can participate in the discussion.

Mr. Jones objected for the purposes of questions. He said that he didn't read the LHED materials, but he is assuming that the deed restrictions are legal. He also assumes that this is a grant program which grants to persons with likely one and possibly two bank mortgages and it raises a lot of legal issues in his mind.

Ms. Gladziszewski asked Ms. Layne if Law had reviewed these and if they had any concerns. Ms. Layne stated that Law did review these, and the committee addressed it and it should be fine, she said that it is not necessarily the

best idea but legally, it is fine. Mr. Watt noted that like all the various housing programs, this is not suited for everyone. It would be primarily for applicants who would be situated to accept those kinds of restrictions.

Mr. Jones removed his objection.

Hearing no further objection, the motion passed by unanimous consent.

5. Tourism Update - Title 3

Mr. Watt explained that they did a tourism update during the last Assembly meeting in July. Since the COW meeting in the middle of July had been rescheduled, he took the memo in the packet and the Title 3 update to the Docks & Harbors (D&H) Board. The full D&H Board sitting in committee had a good discussion and agreed to come back later in August working on a more specific proposal. He noted that this portion of the discussion is trying to navigate the divide and authority between the Tourism Manager and the Docks & Harbors Board and the Port Director. He said that he thinks they are on a good discussion path with the D&H Board. He noted that he has a few other tourism update matters but wanted to pause here in case they had any questions related to the Title 3 Tourism Manager topic.

Ms. Hughes-Skandijs noted that there were many D&H staff members and board members in the audience at the meeting and she was interested in what their response to this proposal was. Mr. Watt said the D&H Board was very interested in this matter and if we make a change, it needs to make sense and be functionally good for the port and the harbor system. He said that the way the D&H Board looks at tourism differently than he and the Tourism Manager look at it from a policy standpoint. He said that he doesn't think there is necessarily a big divide, but he expects the board to be fully engaged and have a chance to work on any legislative drafts.

Mr. Smith asked if Mr. Watt anticipated any significant changes with the governance structure. Mr. Watt said that yes, he has laid a lot on the table with this proposal and he isn't pre-disposed to any one path but mainly that they lay this out with the most functional organization that we can have, recognizing that with the growth in visitation, there will be a lot of focus on the Assembly setting the goals with respect to the tourism industry. He said that he doesn't think the D&H Board is as focused on that as they are focused on some other things such as the health of the department and the operations of the facilities.

Ms. Gladziszewski asked the body if they agreed with moving the Title 3 piece forward and keeping the Title 85 piece in committee for further work.

MOTION by Ms. Hale to forward the Title 3 changes to the Assembly for Public Hearing and adoption. She also moved to keep Title 85 for continued discussion with the Docks & Harbors Board and to potentially consider scheduling a joint meeting with the Docks & Harbors Board and the Assembly to discuss this further, and she asked for unanimous consent.

Objection by Mr. Jones for purposes of a question. He noted that as he followed the budget process, in looking at page 33 and the budget, his recollection was that the Tourism Manager was only one staff member working out of the Manager's Office. He said that this looks like additional staff and since the fiscal year just began on July 1 if they still have just the one Tourism Manager and no one else, if he was anyplace other than the Assembly, he would like to see a fiscal note for this and asked what the impact would be.

Mr. Watt said that there is no proposal to increase staff under the Tourism Manager. There is just one FTE under the Manager's Office, and the working approach is to fund projects through the CIP structure for whenever there is a planning project or infrastructure project, but the goal is not to add any staff to grow that program.

Ms. Gladziszewski noted that any amendment to Title 85 would also have to take that into account.

Mr. Jones said that in looking to the next phase, which is not part of the motion, it seems to accomplish this with just one person. He said that the expertise of the Port Director, the D&H staff and board will need to be used to assist the Tourism Manager in getting their job done. He asked that more information be provided in a future packet on how all those things might be coordinated between the Tourism Manager and the D&H Board and staff. Those are serious questions that will need to be addressed. He then removed his objections.

Hearing no further objection, motion carried by unanimous consent.

Mr. Watt then provided a Tourism Update that wasn't related to the Title 3/Title 85 discussion.

Mr. Watt explained that there is a memo in the packet from Ms. Pierce that followed up on the questions Assemblymembers posed at the July meeting when they received the most recent update. He noted that Ms. Pierce was currently meeting with industry officials and could not be present at this meeting.

Mr. Watt said they recently met with U.S. Forest Service about their permit process for glacier visits. He said they appealed to the USFS about being more engaged with the community so that tour operators can't create the kind of problems that they created this summer by overselling early during the summer season. The USFS has agreed to engage with the operators and Mr. Watt said he anticipates the USFS will be convening a meeting with the tour operators sometime during the next month to start to work on some ideas. He said that he knows that there were some frustrations on this topic has gone up the channels to even involve the U.S. Congressional Delegation and he is trying to get the USFS to look at this in a different way that will help look at these issues.

Ms. Hale said that she is glad they are engaging and was sorry to see the disconnect when they impacted the use of Capital Transit by locals. She asked Mr. Watt if he had any updates on the Capital Transit situation and on how many people are being left behind.

Mr. Watt said that was his next topic. He said that Ms. Pierce's memo did provide an update. He said that Capital Transit has been having to drop a few people but, in those instances, they are also sending out a secondary bus for those routes/times when they have drivers available. He said they are seeing big numbers of people, such as 20 or more people waiting at the bus stop at the Back Loop Road waiting to get on the bus to come back to the docks. He said that the Manager's Office has received emails from people saying they are planning on coming to Juneau and have a family of 15 and wanting to know how to ride the bus to the glacier. He said we are trying to do the best we can through the rest of the summer and that Capital Transit is trying to send out relief vehicles when they have maxed out capacity on buses and they are starting to lose people. He said that he has a little more info on the circulator study planning but would like to leave that matter alone in case there were any more questions about Capital Transit.

Ms. Hale thanked Mr. Watt and added that these are great big, worldwide companies that should have figured this out and it has now coalesced into CBJ's problem down to it impacting the residents' ability to ride the bus to get to work.

Ms. Hughes-Skandijs echoed Ms. Hale's disbelief and she is frustrated that we are doing the best we can to triage the situation, but we aren't getting the cooperation and coordination from those entities. She said that it is great that we are sending out extra buses when we have drivers available but that is the key, we have a hurting transit system because we don't have enough drivers. Where are the bus companies and cruise industry in providing the support? She said they have a variety of bus shapes and sizes, and she would love to see one of those following the city bus and if someone is left off, taking them where they need to go. She asked if CBJ had made that request.

Mr. Watt said they discussed that with the industry and the industry's response was that they could provide buses but that they didn't have drivers either. He said the truth of the matter is that the cruise lines themselves are not in the transportation business. The tour operators, for the most part, are Juneau-based businesses that over-sold the permits early. The problem is not predictable or schedulable. When we get a pulse of the numbers of tourists on the city buses, it is in that moment, and there is no one but CBJ who could dispatch a bus and do anything about it and it will likely be that through the remainder of the cruise ship season.

Ms. Gladyszewski asked what the numbers look like, is it once a day, one or two people or multiple times a day with larger quantities of individuals left behind.

Mr. Watt said that Ms. Pierce provided those numbers during the last Assembly meeting, but he didn't see that information in this current memo.

Ms. Gladziszewski said with respect to the TBMP hotline that she didn't know if the public was aware of the hotline anymore. She said that she doesn't think it is well advertised or the public is not feeling heard, so they don't even bother calling the hotline. She said from an Assemblymember viewpoint, the temperature of the feedback they are receiving through email and other communications is much hotter than last year. She asked if there was any more outreach about the hotline.

Mr. Watt said that since the last update at the Assembly meeting, the number of calls to the hotline has shot up and he thinks that is a result of the media coverage saying there weren't that many calls received via the TBMP hotline. He said they are getting more calls now and focused primarily on tour operations where CBJ residents traditionally recreate. Ms. Gladziszewski said she would like to see more CBJ outreach efforts to inform the public about the hotline.

Ms. Hughes-Skandijs asked about the whale watching situation. She said that Ms. Pierce provided an update on the rate study. She asked if we needed an affirmative step to get the data commercial whale watching tours going out of CBJ owned harbors vs. those that are going out from private docks.

Mr. Watt said that he said that the whale biologist who tracks this program has data, and it is our understanding that Juneau has most of the whale watching that occurs in the state. He said they can provide data/statistics on the facilities from Statter Harbor, Fisherman's Bend, and the private docks by the ferry terminal. Ms. Hughes-Skandijs said that she would like to hear again from the NOAA representative about this issue and would like to receive an update of what those numbers look like.

She said that Travel Juneau, NOAA and CBJ were involved in the meeting with the whale watch owners. She said that it looks like the work that they are doing is primarily a public outreach campaign. She asked if that addresses any of the issues and if Mr. Watt could speak with any of those pieces.

Mr. Watt said that Ms. Pierce, working with the whale watching companies and captains, has clearly expressed the public feedback that we are getting around the activity. He said those operators have formed a workgroup and they are struggling with how to self-regulate but that is necessarily the first step. He said that one of the conclusions is that no one is telling their story. He said that what it looks like from shore, may be completely compliant with NOAA regulations. He said there may be other whale watching impacts that we hear from the public such as noise of the vessels, wakes impacting fishing boats or private property. He said that one of the outcomes is to try to tell their story.

Mr. Smith asked about the flightseeing numbers and helicopter noise. He said the biggest complaint that he continues to hear is about helicopter noise in the valley and if they take the same flight path. Mr. Watt said that the issue is fraught and has been around a long time. One thing to keep in mind is that on clear days, the flights are flying higher, and the noise is less, but on overcast days, they are flying lower, and the noise is more noticeable. He said that early in the summer, there were more overcast days. Aircraft noise re: flightseeing is highly specific to where one lives and how they feel about it, and it is a difficult issue for sure. Ms. Gladziszewski spoke to the flightseeing paths that are set and shared about the study that was done approximately 20 years ago that measured the decibel levels and how the flight paths and routes were established. She said that one of the conclusions was that while you can measure decibels, you can't measure annoyance levels, i.e. a person may not be as annoyed by a helicopter doing a search and rescue as they would be for a flightseeing helicopter.

Ms. Hale invited Mr. Smith to come to her house since she is centrally located between the routes and she understands all the routes and they are very methodical in trying to minimize the impacts of those flights. She commented that she would like to talk about over capacity. She said they are all hearing greater dissatisfaction about tourism everywhere within the community that we have gone past previous years and that we as a community are over capacity on our tourism impacts. She said that she appreciates all the work that went into negotiating the 5 large ship limitation starting in 2024, since we own two docks, we can decide what size ships are at our docks. She asked if this might be able to allow us as a city to limit the number based on use of city owned docks by the ships with smaller capacities.

Mr. Watt said those are some of the exact conversations that have been occurring. He said that there are some things that CBJ can do to reduce overall numbers and stated that they are rather blunt and clunky, there are potential levers that CBJ can use. He provided an example of tying them to the scheduling functions such that they might limit the size of a ship at anchor. The ship at anchor lighters to one of our cruise ship terminals and creates a lot of congestion at that location. He said by managing the number and size of ships at anchor, they have appealed to the companies to think about scheduling differently to lessen some of the impacts that are happening all at once. He said that we own two docks and at some point, we can talk about utilization of those docks to manage capacity. He said that they are having those conversations more frequently than they have in the past. Right now, staff is working with the direction from the Assembly through the VITF recommendations that were made during a 1.3 million visitor timeframe with a prediction that it would cap at 1.5 million and we have now blown past that this year. He said there is a lot of conversation on this topic, but he doesn't have any demonstrable action to report on that topic. He said he has other information to cover in his update that will touch on that if they might hold any additional questions until he is done with his report.

Mr. Watt said they are wrapping up the circulator study which recommends some ideas and improvements. That will be coming to the Assembly in the future with recommendations related to Passenger Fees to the Capital Transit system with some changes. He said that even if the tour operators are doing a great job, finding a \$2 bus ride on a cell phone is just too easy and CBJ will need to adapt its transit system to adjust; this will be part of our future.

Mr. Watt said they have been talking with phone providers about internet and data capacity and other communities, such as Sitka, have been experiencing similar issues. Disney offered some of their engineers and counseled CBJ on how they deal with data surges in their parks.

Mr. Watt said they have been in contact with individuals from communities such as Bar Harbor, ME; Monterey, CA; and Key West, FL who are reaching out to ask about what communities are doing to restrict or contemplating restricting cruise activity from communities. He said that with respect to Bar Harbor, ME, there was a citizens' initiative to limit the total to 1,000 passengers/day. He said in Bar Harbor, they do not have any cruise ship docks, the ships anchor and lighter their passengers to a private dock. He said that case is in federal court and that judge is expected to make a ruling in November. He said in answer to a question from Ms. Hale that the key control mechanism is to own the facility in the first place if they want to influence the volume. Owning the facility or controlling somehow through lease language is important if they don't want to be in a laissez faire mode.

Mr. Watt then provided an update that the Huna Totem dock proposal was at the Planning Commission last month and they received a partial approval. The Planning Commission broke the project in two parts and gave them a partial approval. They are back at the Planning Commission for the second piece. On Friday, CBJ received an appeal of the first conditional use permit and the Assembly will be seeing that at its meeting on August 21. He reminded members of the memo of January 2021 where he recommended that the Assembly engage in the topic but in the event of an appeal, he recommended they assign it to a hearing officer so that discussion will need to take place at that August 21 meeting.

Ms. Gladziszewski asked Ms. Layne to advise if/how the Assembly may be talking about that conditional use permit.

Ms. Layne said that the Assembly at this point should not discuss that unless and until they get direction from Assistant Attorney Emily Wright who will be advising the Assembly on that appeal.

Mr. Smith asked if there were plans for another visitor survey this year. Mr. Watt said that they conduct those surveys annually.

Mr. Watt then answered questions from Assemblymembers about the Commercial Recreational Use RFP referenced in the packet on page 36 along with a conversation about some of the historical aspects on how the tourism industry has developed in Juneau over the years. Mr. Bryson pointed out that it took 30 years to get to the tourism levels from 2019 and then they were turned off for two years during the pandemic. He explained the

challenges for turning on the tourism industry full force following the pandemic and how that has impacted staffing for CBJ bus drivers and all other aspects of the industry.

The committee discussed possible levers the Assembly may have in its toolkit to be able to do what they can to mitigate the impacts of the cruise industry such as possibly having some of the smaller ships at the CBJ owned docks if the Assembly felt that was necessary.

Ms. Hale thanked Ms. Layne for reminding them, and the public, about their limitations to not talk about the Huna Totem dock until after the appeal is finished. She said that while she understands the need for those constraints, it can also be frustrating to Assemblymembers and their constituents.

Ms. Hughes-Skandijs said that she would like to eventually have an update and broader conversation about the Whale Watching issue and what the Assembly powers/jurisdictional restraints are related to that issue.

G. INFORMATION ITEMS

Ms. Gladyszewski noted there were some additional informational items on the agenda and asked staff to provide a brief update on those since it was getting late in the evening at this time.

6. JSD Funding Update (Outside the Cap)

Mr. Watt referenced the memos in the packet and introduced the new Juneau School District (JSD) Superintendent Frank Hauser to the Assembly and invited Mr. Hauser to address the letter sent to the state from the School Board related to the issue of funding outside the cap.

Mr. Hauser introduced himself to the Assembly and his history with education in Alaska. Mr. Hauser said that he has been an educator in Alaska for 25 years, previously serving as the Superintendent of the Sitka School District. Before that, he was the principal of one of the largest high schools in the state of Alaska for five years and a graduate of Alaska public schools from the Mat-Su Valley. He shared that one of the principals that has guided all his decisions in his education career is asking "What is best for the kids?" That question informs every single decision that he makes and will make as a Superintendent of the Juneau School District. He said he believes strongly in transparency, collaboration, and open communication. He noted that he was here mainly to introduce himself and answer any questions. He said in moving forward, if the Assembly has any questions about school funding or wants to know what's going on in the school district, to please reach out and ask him.

Mr. Hauser said that in October, he'll be hosting for new school board members and Assemblymembers an opportunity to visit the schools and see first-hand all the wonderful things that are taking place and going on in our schools. He said he is looking forward to working with the Assembly in the partnership of educating our students. On a personal note, he noted that he and his have really been enjoying the Juneau weather and loving the sun. He said he is looking forward to working with all the Assemblymembers.

Ms. Hale asked for clarification about the memo/letter in the packet where the school board indicated that they would be budgeting with the money outside of the cap that the Department of Education and Early Development (DEED) said they could not.

Mr. Hauser said that there is some uncertainty as to what the letter in the packet from DEED and sent to JSD on June 29, 2023, was really saying and so that was what the board response letter of July 28 was addressing and asking for further clarification. He said the bulk of the money being used in the ordinance is for pupil transportation which is excluded from the state and federal disparity test. He said he believes DEED's concerns have to do with the feds driving this and that DEED is concerned about failing the disparity test. He then went into detail about the state's record with the disparity test over the past few years and that JSD is waiting for clarification pupil transportation, RALLY, and all the community uses of the schools should not count based on regulations that the US Department of Education has around the impact of local aid. In short, he said JSD is waiting for clarification because those items should not count towards the revenues and expenditures related to the "funding cap."

7. Childcare Update

Mr. Barr noted that they are planning to introduce the appropriation ordinance for Childcare funding at the next assembly meeting. He said that in brief, they last talked about childcare in April. While they haven't received the final documents, they are confident that CBJ will receive a \$2,000,000 grant from the state that they told the Assembly they would be applying for back in April. This will supplement and allow CBJ to greatly enhance the Assembly's childcare programs for this fiscal year and next fiscal year. That grant must be entirely spent in the current fiscal year (FY24), assuming we get it. And that's the reason for the de-appropriation ordinance so that they can move local money into FY25 and have a smooth increased 2-year program rather than a gigantic one-year program that falls off a cliff in FY25.

Ms. Gladziszewski congratulated them for applying for and getting that grant.

Mr. Smith asked for clarification on the timing and asked Mr. Barr that what this means is that they will be able to double the amount of funding to the childcare programs in FY24 and FY25 but then there would not be any additional funding available in FY26. Mr. Barr said that was correct.

‘Wáahlaal Gídaag apologized if she missed this during a meeting she had missed. She said that her recollection when they were appropriating this, was that the Mayor had brought up whether school facilities and the RALLY program might be brought into this process.

Mr. Barr said he would be happy to take other direction but that his recollection of the Assembly direction given during the last discussion they had on this was to look at the other programs in town and see if there was a kind of fairness or equity reason to pull those programs that aren't currently included into this program. That would essentially be to look at the playing field and see what levels those different programs were compensating at. He said they did that and currently are this program is still targeting those entities, generally in the private sector, that are only able to pay the lowest wages to their staff.

Ms. Gladziszewski, piggybacking on what ‘Wáahlaal Gídaag said, asked where they were with the RALLY issue. She said the school district has been talking about RALLY for at least the last three years about doing something different and we're still doing RALLY. She asked what the status of that conversation was.

Mr. Barr said they do have another meeting scheduled with the school district. He said they had one meeting with the school district on this topic before Mr. Hauser started and that conversation was focused on Community Schools. He said they still have a lot of work to do on both of those topics.

H. STAFF REPORTS

I. NEXT MEETING DATE

8. NEXT MEETING DATE: AUGUST 28, 2023; 6:00P.M.

J. SUPPLEMENTAL MATERIALS

K. ADJOURNMENT

There being no further business to come before the Assembly COW, the meeting adjourned at 9:01p.m.



TO: Deputy Mayor Hale and CBJ Committee of the Whole
FROM: George Schaaf, Parks & Recreation Director
THROUGH: Katie Koester, City Manager
DATE: May 2, 2024
RE: Acquisition and Maintenance of Private Cemeteries in Douglas

Introduction

Former Juneau Mayor Merrill Sanford has proposed donating the Eagles’ Cemetery in Douglas to the City & Borough of Juneau. In addition to the Eagles’ Cemetery, Mr. Sanford asked the Lands Committee to consider acquiring seven other cemeteries in Douglas that are privately owned or whose owners are unknown (Catholic Cemetery, Russian Orthodox Cemetery, Masons Cemetery, Native Cemetery, Asian Cemetery, Servian Cemetery, and the “City” Cemetery).

This memo provides information regarding the estimated cost and legal hurdles to acquire and maintain these cemeteries. These cost estimates assume a low level of maintenance and do not include costs associated with future burials.

Background

The CBJ owns the parcel containing the Odd Fellows Cemetery, and the Parks & Recreation Department clears brush on a monthly basis. After construction at Gastineau Elementary School disturbed human remains in 2012, the city manager’s office directed the Department to provide weekly maintenance of the Douglas Indian Cemetery, which is owned by the Ross Estate. The other cemeteries in Douglas receive varying amounts of maintenance from volunteers.

Owner	Cemetery	Area (ft ²)
Unknown	Servian Cemetery “City” Cemetery	35,393
Merrill Sanford, Trustee	Eagles Cemetery	5,230
Corp of Catholic Bishops of Juneau	Asian Cemetery Native Cemetery Catholic Cemetery Russian Orthodox Cemetery	46,928
Ross Estate	Masons Cemetery	18,885
Total		106,436 (2.44 acres)

Legal/Acquisition Costs

If the CBJ wants to acquire one or all of the cemeteries, there are a variety of necessary acquisition tasks. Each cemetery would likely have a slightly different process, but the following are basic steps: negotiate with willing seller or invoke eminent domain authority, obtain title report, commission boundary survey, comply with Title 49 platting/zoning requirements, and finalize a negotiated transaction or finalize the eminent domain lawsuit. The CBJ does not necessarily have to independently complete each of those tasks, as community members have expressed a willingness to help. Regardless, the Municipal Attorney estimates that a simple acquisition could cost ~100 hours of staff time (MGR, Law, Lands, CDD, P&R) and a complicated acquisition could cost ~1000 hours of staff time in addition to title, survey, and purchase expenses. The creation of a Cemetery Acquisition CIP with \$100,000 of initial funding would allow the acquisition process to start.

Maintenance Costs

Maintenance costs depend on the level of service provided. It would be very costly to restore most of these properties to a high standard, such as the Eagles’ Cemetery. Most of the graves are sunken and unmarked, making it difficult to establish and maintain grass. A private contractor would need to clear brush in most of the cemeteries, as the Parks & Recreation Department does not have the staff capacity for this work.

The following estimate reflects one-time contract costs to clear the cemeteries and increased staff to provide a minimal level of maintenance. This level of service includes keeping the area clear of brush and saplings, but does not include turf or gravesite restoration and maintenance. Attachment “A” contains examples of different service levels for cemeteries in Juneau. These costs are based on the fully loaded FY25 rate for Parks & Landscape Maintenance of \$82.92/hour (this includes personnel services, materials & commodities, and equipment).

Cemetery	Initial Clearing (Contractor)	Labor (FTE)	Labor Costs (FY25)
Servian Cemetery “City” Cemetery	\$10,000	0.10 FTE	\$16,418
Eagles’ Cemetery	\$0	0.07 FTE	\$11,493
Asian Cemetery Native Cemetery Catholic Cemetery Russian Orthodox Cemetery	\$5,000	0.14 FTE	\$22,985
Masons Cemetery	\$5,000	0.09 FTE	\$14,776
TOTAL	\$20,000	0.40 FTE	\$65,672

Incrementally acquiring these properties without a corresponding increase in staff would steadily erode the Department’s ability to maintain other parks and facilities. It is not practical to hire an employee to work 41 hours per year (0.02 FTE), for example, so an additional 0.40 FTE position is necessary to maintain these cemeteries without reducing service levels elsewhere.

Conclusion

Acquiring the Douglas cemeteries is a long, expensive, complicated, and staff intensive process due to ownership issues. It would be difficult to prioritize without additional resources (legal and otherwise). Staff estimates \$120,000 in initial capital cost for clearing the grave sites and legal fees. Maintaining the cemeteries has an ongoing operational cost estimated at \$65,672. If the Assembly wishes to support the preservation and beautification of Douglas cemeteries, a mechanism could be to establish a small grant program that would be available to non-profits and neighborhood groups to coordinate that work. The challenge would be finding an outside organization to administer the grant; it is not something CBJ has expertise in and requires staff resources. A direct appropriation to a qualified entity interested in maintaining the cemeteries would be the most streamlined option.

Options

1. Status quo; volunteer maintenance, occasional help from Parks staff
2. Direct appropriation to an entity to coordinate maintenance (who is the big question, CBJ could issue an RFI)
3. Create a grant program for different entities to apply for funding to maintain cemeteries (structure of program to ensure equity and accountability could be time consuming; best to find an entity with experience to administer).
4. Initiate legal process to acquire ownership of cemeteries. (Minimum of \$120,000 + staff time initial investment; \$65,000 operating budget addition).

Recommendation: The simplest option to execute quickly is a direct appropriation. Assembly could add an appropriation to the pending list. If approved staff would issue an RFI to solicit interested organizations.

Attachment A - Examples of Maintenance

High

Eagles' Cemetery



Medium

Douglas Indian Cemetery



Minimal

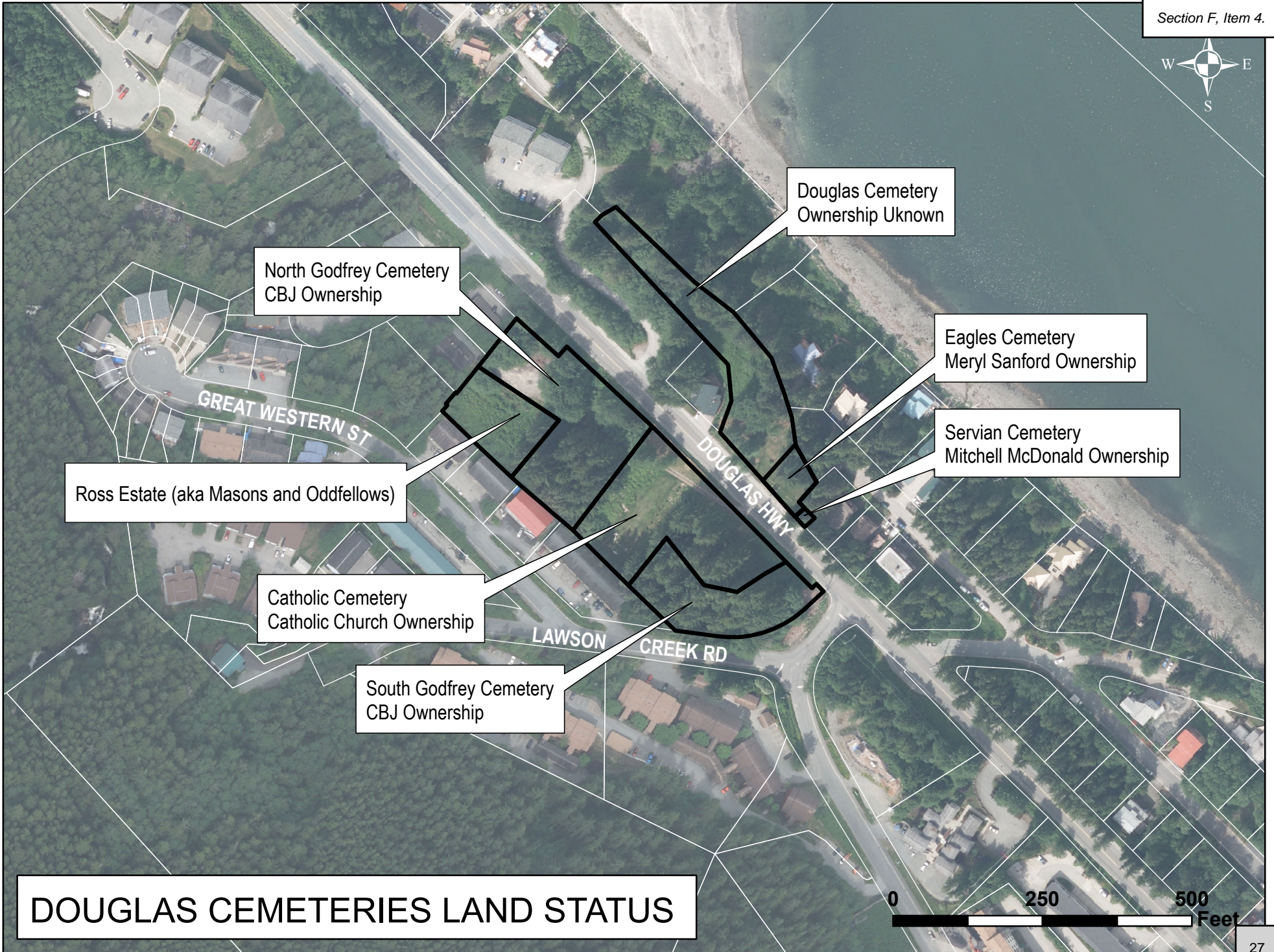
Odd Fellows Cemetery



No Maintenance

"City" Cemetery





North Godfrey Cemetery
CBJ Ownership

Douglas Cemetery
Ownership Uknown

Eagles Cemetery
Meryl Sanford Ownership

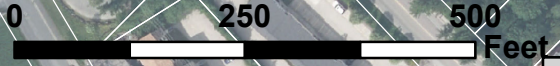
Servian Cemetery
Mitchell McDonald Ownership

Ross Estate (aka Masons and Oddfellows)

Catholic Cemetery
Catholic Church Ownership

South Godfrey Cemetery
CBJ Ownership

DOUGLAS CEMETERIES LAND STATUS





City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240 | Facsimile: 586-5385

TO: Deputy Mayor Hale and Assembly Committee of the Whole
DATE: May 6, 2024
FROM: Robert Barr, Deputy City Manager
RE: Ridgeview Development Update

The Ridgeview Development loan ordinance ([Ord. 2022-06\(b\)\(AK\)\(c\)](#)) was adopted by the Assembly in May of 2023 and contractual terms between the Developer and Manager were finalized in July of 2023.

At that time, the Assembly struggled with a challenging policy decision regarding whether to include an affordability requirement in the loan terms. CBJ loans to housing developers are always complex. Staff and ultimately the Assembly must balance the financial likelihood of the development with the inclusion of desired community purpose elements, such as affordability, parking, etc¹.

For the Ridgeview Development, the Assembly, concurring with the recommendation of the Manager, landed on ensuring the success of the development. Since then, the developers have rapidly constructed a 24-unit multifamily housing building and are continuing to develop the site and site infrastructure for future phases.

While we originally envisioned apartments at this site, the developers shifted to condominiums. Our loan ordinance permits this; however, it also requires the loan continue to be collateralized with the value of the property. As the developer sells condos, the value of their remaining property decreases as portions of it are shifted into cash. Our consent is required for these sales to happen so that we can minimize risk to public funds.

The current loan contains a 10-year payback period: 5 years at 0% interest, and then 5 years at 2% interest with a balloon payment at the end.

We plan to work on new loan terms, within the bounds of the original ordinance, at a high level that accomplish two things:

- 1) Sufficient collateral – as condos are sold, the collateral and loan-to-value ratio changes to balance commercial and CBJ risk against the remaining amounts of the loans.
- 2) Future development – enables the developer to continue with additional phases of housing.

Recommendation:

Information only at this time

¹ Those who were tracking in 2016 will recall a failed development project with Eagle Rock Ventures at 2nd & Franklin, due primarily to parking concerns that the Assembly has since addressed.



City and Borough of Juneau
City & Borough Manager's Office
155 Heritage Way
Juneau, Alaska 99801
Telephone: 907-586-5240| Facsimile: 907-586-5385

TO: Deputy Mayor Hale and CBJ Borough Assembly Committee of the Whole
FROM: Katie Koester, City Manager
Jill Lawhorne, Community Development Director
DATE: April 11, 2024
RE: Process for Title 49 Re-write

Purpose

At the 2023 Assembly Retreat, staff was asked to provide an overview of what it would take to completely rewrite the land [use code](#). The current process for amending Title 49 code has been time-consuming and inefficient for a variety of reasons. This proposal would help streamline the Title 49 re-write process to ensure significant changes to code can be made, yet still provide a high level of engagement and public input into the proposed changes – with the Assembly having final approval.

Structure

Title 49 re-write will be a Manager's Office project that includes a project manager, a contracted land use attorney, and a stakeholder group/ advisory committee to serve as a sounding board for the project team. This committee would be appointed by the Assembly for appropriate representation but would not have powers to approve/deny code amendments from moving forward to the Assembly. This would be a working committee, and for efficiency reasons staff recommends limiting it to 5 members. Potential membership categories include:

- A Planning Commission liaison.
- A developer liaison.* This could be the Chair of the Chamber Development Group, or someone from Southeast Alaska Building Industry Association, or similar.
- An assembly liaison.* this person would keep the Assembly notified, and provide Assembly with context during code evaluation.
- Affordable housing interest – such as a regional housing authority.
- Real estate agent.
- Business specialist, as needed. For instance, if rewriting wireless communications, we might want someone from that industry on the board. If rewriting regulations that impact hazards, we might want someone from Capital City Fire and Rescue.
- A civil engineer or land surveyor.

As a chunk of code is developed, it will be presented to the Assembly with a designated comment period for the public and other advisory bodies, including the Planning Commission, to review the work product and provide comments to the Assembly. A standing quarterly update with the T49 advisory group to check in with the Assembly on high level policy questions at the COW will help keep forward momentum.

Phased Approach

Existing Title 49 code can be broken into two categories:

- Procedural – such as permitting practices and standards for development.
- Qualitative – standards for maintaining community quality.

Staff proposes a two phased approach for a Title 49 re-write – an initial phase that addresses procedural code and a second phase that focuses on qualitative components. Ideally, the second phase would be addressed during the Comprehensive Plan update to leverage robust public outreach. Best practice for changes to zoning districts, creating new zoning districts, major changes to permissible uses, and other impactful code section are developed with the community during the Comprehensive Plan public engagement process. .

The first phase would address procedural code and could include:

- Subdivision
- Accessory dwelling units
- Access requirements
- Conditional Use Permit processes
- Public outreach requirements

These items have already been noted in numerous Planning Commission, the Mayor’s Housing & Development Task Force, special interest groups, and staff meetings as topics to address in Title 49. Work could begin as soon as the project team is in place.

The second phase, in conjunction with robust community engagement from the Comprehensive Update Plan process, would include zoning elements and the rules used to shape the built environment. Title 49 re-write efforts would focus on amendments that address these types of questions:

- What type of community does Juneau want to be?
- What types of housing does Juneau need to sustain itself?
- How densely should we develop land?
- If land is densely developed, what key infrastructure elements are needed to make that work for us?
- Where should our development nodes be?
- Where are the appropriate areas for industrial development, large-scale tourism, or other large impacts?
- What businesses are appropriate for neighborhoods? Neighborhood bar? Marijuana shop? Coffee cart?

Timing

Changes to Title 49 will take time to ensure adequate opportunity for public, stakeholder, and Assembly input. However, the phased approach works well with the workflow for the comprehensive plan; Phase 1 changes will take 12-18 months once staff is hired. The community engagement phase of the Comprehensive Plan should be in a good place to launch Phase 2 of the Title 49 re-write.

What can be done now?

The public, special interest groups, Assembly members, staff and advisory boards and commissions should be formulating their lists of things they would like to see changed in Title 49 based upon best practices recognizing Juneau’s distinctive characteristics. These will be combined with known sections of code already identified through staff, the Planning Commission, 2022 Mayor’s Housing and Development Taskforce, the [CBJ Housing Progress Tracker](#), giving the project manager a solid starting point.

Recommendation

Discuss the process for tackling Title 49 changes presented and provide staff feedback. It would be helpful to staff to get your specific feedback on the phased approach, timing, and membership and role of a stakeholder group.



(907) 586-0715
 CDD_Admin@juneau.org
 www.juneau.org/community-development
 155 S. Seward Street • Juneau, AK 99801

May 2, 2024

MEMO

To: Chair Hale & the Committee of the Whole
Through: Katie Koester, City Manager
From: Joseph Meyers, Housing & Land Use Specialist

RE: Juneau Affordable Housing Fund Guidelines

The Juneau Affordable Housing Fund resolution was discussed at the following meetings:

- At the COW on [January 29, 2024](#), staff were directed to bring forward a resolution that would formalize the JAHF guidelines;
- At the Lands, Housing, & Economic Development Committee on [March 11, 2024](#), the resolution was introduced. The LHED committee forwarded to the COW with two conceptual amendments to ensure specific priorities are included in the guidelines.

Priorities: The Lands, Housing & Economic Development committee wanted to make sure that the following two priorities were included in the final resolution:

1. Prioritize housing in Downtown Juneau; and
2. Prioritize low-income, permanently affordable projects over workforce housing projects.

Each of these priorities has been included in the Juneau Affordable Housing Fund guidelines since 2018 and utilized during project review by the committee. (Attachment A: Scoresheet). Specific language on these priorities has been added to the resolution to make these priorities clearer.

Recommendation: Forward Resolution 3022 with recommended changes from the Lands Housing and Economic Development Committee to the Assembly for introduction.ⁱ

ⁱ 2024 JAHF Timeline (tentative for Round 4)

April 15, 2024: CDD staff presented update on program and awards to LHED
 June 3, 2024: Assembly passes budget (AHF currently funded at \$2.64M in manager’s budget)
 July 15, 2024: Application period opens; public information meeting held for interested applicants in July
 August 26, 2024: Application period closes
 September 16 – October 7, 2024: Committee review and ranking of projects
 November 4, 2024: Committee reports on projects recommended for funding to LHED
 December 2, 2024: Full Assembly approves essential terms and conditions of loan agreements to borrowers
 January 2025: Assembly approval of ordinances created for grants and loans
 January to April 2025: Staff to put in place grant and loan agreements with awardees

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Presented by: The Manager
Presented:
Drafted by: S. Layne

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3022 v2

A Resolution Adopting Guidelines for the Juneau Affordable Housing Fund.

WHEREAS, the City and Borough of Juneau urgently needs more affordable and middle-income housing for its current residents, to support and maintain the economy, to allow for population growth, and to enable positive developments; and

WHEREAS, the City and Borough worked for years to create affordable housing to alleviate the problems caused by the scarcity of housing infrastructure and the rise of short-term rental units in Alaska’s Capital City; and

WHEREAS, beginning in 2008 the City and Borough Assembly, the Affordable Housing Commission, and other local stakeholders have worked collaboratively to advance the community towards realizing the goal of creating more affordable housing; and

WHEREAS, in 2010 Ordinance 2010-11(G)(b) was adopted, which appropriated \$400,000 for the Juneau Affordable Housing Fund (JAHF); and

WHEREAS, in the 2012 Capital Improvement Program grant from the Alaska Legislature, it invested an additional \$90,000 for the JAHF; and

WHEREAS, the 2016 Housing Action Plan calls for a new framework for Juneau housing policy, including increasing resources and uses for the Juneau Affordable Housing Fund, at a rate of \$3.6 million dollars annually to have a meaningful impact in the housing market; and

WHEREAS, in 2017 the voters of Juneau approved Proposition 1 (Ord. 2017-22(am)), a temporary 1% sales tax, which allocated \$400,000 a year to the JAHF over the five-year period; and

WHEREAS, in 2022, the voters extended the temporary 1% sales tax to fund Affordable Housing Initiatives during the next five years, which would inject a total of \$6 million dollars into the JAHF; and

WHEREAS, the City and Borough has worked with national experts, statewide partners, and administrators of other local housing funds to ascertain best practices and design a high-functioning, sustainable, affordable, and middle-income housing program that will make a meaningful difference in the creation of more affordable and middle-income housing in Alaska’s Capital City; and

48 WHEREAS, since the inception of the fund, it has awarded \$4.4 million dollars in funds
49 for a total of 198 projected units, in addition to pending awards of \$3.1 million dollars; and

50
51 WHEREAS, the adoption of the guidelines in this resolution would help potential
52 applicants understand expectations, help the review committee evaluate applications, and
53 help fund qualified projects faster while still preserving the Assembly’s discretion to adjust
54 the JAHF guidelines by ordinance on a case-by-case basis; and

55
56 WHEREAS, a complete application guide based on the criteria in this resolution will be
57 developed by staff to provide additional clarity to applicants; and

58
59 WHEREAS, this resolution and the accompanying application guide should be reviewed
60 periodically by the Assembly to ensure the intent is consistent with current community
61 values.

62
63 NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF
64 JUNEAU, ALASKA:

65
66 **Section 1. JAHF Guidelines.** The City and Borough of Juneau Assembly establishes
67 the following guidelines for the Juneau Affordable Housing Fund (JAHF).

68 **A. Intent.** The primary purpose for establishing the JAHF is to direct financial
69 resources for creation of affordable (0% to 80% area median income (AMI)) and
70 middle-income housing units (80% to 120% AMI) in the City and Borough of Juneau
71 through the following activities:

- 72 1. Funding capital costs of rental and ownership housing;
- 73 2. Funding for capacity-building activities of non-profit housing developers;
- 74 3. Leveraging CBJ investments with other fund sources to maximize the number
75 of quality affordable and middle-income housing units that are created or
76 preserved.

77
78 **B. Availability of Funds.** The CBJ Assembly will determine the amount of funding
79 available each year. JAHF funds will be made available for qualifying affordable and
80 middle-income housing projects that meet goals of the CBJ Housing Action Plan or
81 other identified community housing needs.

- 82 1. Funds will be made available in the following forms:
 - 83 a. Grants for non-profit organizations and public housing authorities
84 targeting households in the affordable or middle-income housing range;
 - 85 b. Low-interest loans for private developers building affordable or middle-
86 income housing units;
 - 87 c. Long term rental units, with restrictions on short-term rentals; and
 - 88 d. Qualifying projects are eligible for grants and loans up to \$50,000 per
89 housing unit created and for other eligible uses on a similar per unit
90 basis.

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- C. Eligible Uses of Fund.** Funding is available for the following uses:
 1. For acquisition, construction, rehabilitation, or preservation of affordable and middle-income housing located within the City and Borough of Juneau, including activities such as:
 - a. Purchase of developable real estate;
 - b. Fees for architects and other professionals;
 - c. Demolition to make way for affordable or middle-income housing; and
 - d. Building materials and labor costs.
 2. Costs incurred by nonprofit organizations to develop or implement a specific affordable or middle-income housing project. Examples include:
 - a. Capacity building such as training, legal and accounting costs; and
 - b. Technical assistance such as development consultants.
 3. Projects will be given preference based on their proximity to public transportation.

- D. Funding Priorities.** The following are priorities of the JAHF:
 1. **Use of Capital to Develop Housing Units:** Funding for capital costs for acquisition, construction, rehabilitation, or preservation of affordable or middle-income housing, senior housing, and possibly homeowner opportunities.
 2. **Long-Term Affordability:** Units created using JAHF funds that include affordability covenants or that are permanently affordable are preferred.
 3. **Downtown Housing Development:** Units developed within the boundaries established by the Downtown Juneau Residential Tax Abatement Map (ORD2021-01(c)(am)).

E. Application and Review Process. The Department will develop an application process that is clear, easy to follow, and posted online as part of the Juneau Affordable Housing Fund Guidelines. Completed applications will be reviewed by a committee to include CBJ staff, a public member with direct experience in housing development, and a public member with financing/banking experience. A complete application must include an affordability component defined as 20% of units at or below 80% AMI. Incomplete applications will not be accepted.

- F. Selection Criteria.** Projects considered to be ready or feasible will be evaluated by the review committee based on the following criteria.
 1. **Team Experience.**
 - a. Demonstrated experience on projects of similar size and scope;
 - b. Established development and/or operating partnerships, including support services;
 - c. Qualified staff – Developer, Director, Property Manager, Supportive Services; and
 - d. Capacity to maintain and/or manage project.
 2. **Population Targeting and JAHF Priority Targeting.**
 - a. Use of capital to develop housing units;
 - b. Long-term or permanent affordability;

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- c. **Downtown Housing**
- d. Proximity to public transportation.

3. Project Design and Characteristics.

a. For Capital Projects:

- i. Plans stamped by an engineer or architect accredited to work in Alaska, or professionally qualified staff on the development team; and
- ii. *Energy Efficiency:* JAHF projects should be energy-efficient and adhere to either the Alaska Building Energy Efficiency Standard (BEES) or HUD’s Energy Star Home Standard.

b. For All Projects:

- i. *Accessibility Standards:* Proposals must comply with the federal Fair Housing Act (42U.S.C. 3601-3619) and the Americans with Disabilities Act of 1990.

4. Readiness to Proceed.

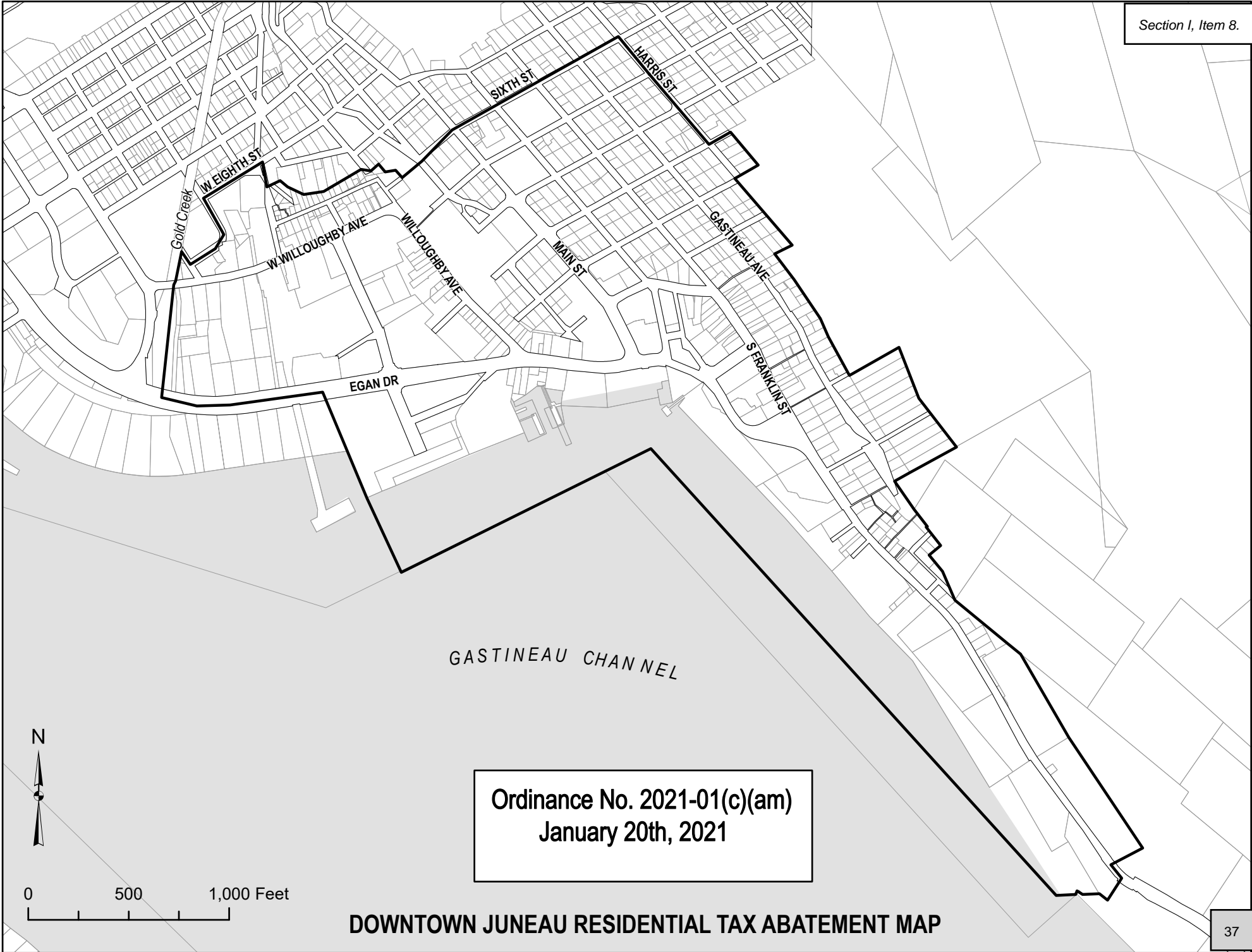
- a. Ability to secure other financing needed to carry out project;
- b. Operational feasibility/long-term financial viability;
- c. Reasonable and balanced budget with cost controls;
- d. Leveraging/percentage of total cost with commitments;
- e. Site ownership;
- f. Plans, environmental permitting, estimate complete;
- g. Construction/operation within following fiscal year; and
- h. Land use and building permits received.

G. Compliance and Monitoring.

- 1. **Inspection and Monitoring.** The CBJ, at any time, could inspect and monitor the records and work of the proposed project as to performance and compliance with JAHF program rules and loan requirements.
- 2. **Termination.** The CBJ City Manager may terminate any agreement if awardees:
 - a. Lose the ability to proceed with the project;
 - b. Make material alterations; or
 - c. Fail to comply with the project schedule.
- 3. **Annual Reporting.** All projects that receive funding from the JAHF are required to submit an annual report to Community Development by March 31st the year following award and for the duration of the loan.

H. Repayment Terms for JAHF Awards.

- 1. **Not for profit developer:**
 - a. In general, non-profit developers would receive a grant.
- 2. **For profit developer:**



Ordinance No. 2021-01(c)(am)
January 20th, 2021

DOWNTOWN JUNEAU RESIDENTIAL TAX ABATEMENT MAP

Appendix C: Score Sheet

2023 Juneau Affordable Housing Fund Score Sheet				
Program Name:				
Evaluation Criterion				
<i>points); Each question is worth a maximum of 5 points</i>	INPUT POINTS HERE	Possible Points	Score	Questions and Comments
Section 1: Team Experience				
Demonstrated experience on projects of similar scope and nature		25	0	
Established development and/or operating partnerships, including support services				
Qualified staff: developer, director, property manager, supportive services				
Capacity to maintain/manage the project				
Performance history of previous loan or grant from the JAHF				
Section 1 Subtotal				
Section 2: Juneau Affordable Housing Fund Priorities and Population Targeting				
Capital projects to develop housing		15	0	
Long-term or permanent affordability				
Downtown housing				
Section 2 Subtotal				
Section 3: Project Design and Characteristics				
Stamped plans by appropriate engineer or architect, or staff on development team		15	0	
Energy efficiency				
Accessibility				
Section 3 Subtotal				
Section 4: Feasibility				
Ability to secure other financing needed to carry out the project		15	0	
Operational feasibility/long-term financial viability				
Reasonable and balanced budget with cost controls				
Section 4 Subtotal				
Section 5: Readiness to Proceed				
Construction/operation within the fiscal year		20	0	
Site ownership				
Plans, environmental permitting, estimate complete				
Leveraging/percentage of total costs with commitments				
Section 5 Subtotal				
		Points Possible	90	<--- total points possible
		Total Points	0	<--- points earned
		Score:	0%	<--- total score

Applicant: _____ Evaluator: _____ Date: _____

Juneau Affordable Housing Fund – Program Description and Application Guidelines