



ASSEMBLY COMMITTEE OF THE WHOLE - CANCELLED AGENDA

July 17, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar

Assembly Committee of the Whole Worksession

THIS MEETING WAS CANCELLED ON 7/17/23 DUE TO LACK OF QUORUM

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. February 13, 2023 Assembly Committee of the Whole DRAFT Minutes

F. AGENDA TOPICS

2. JSD Funding Update (Outside the Cap)

3. Tourism Update - Title 3

4. Accessory Dwelling Unit (ADU) Grants

5. Childcare - post grant decision(s)

G. NEW BUSINESS

H. UNFINISHED BUSINESS

I. STAFF REPORTS

J. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

K. NEXT MEETING DATE

6. Next COW Meeting: August 7, 2023, 6:00PM

L. SUPPLEMENTAL MATERIALS

M. 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.org.

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

February 13, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream



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

Assembly Committee of the Whole Worksession-no public testimony will be taken.

A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the meeting order at 6:00p.m.

B. LAND ACKNOWLEDGEMENT

Mr. Bryson led the 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, Greg Smith, Christine Woll, Michelle Hale, Carole Triem, and Mayor Beth Weldon (via Zoom).

Assemblymembers Absent: Alicia Hughes-Skandijs, 'Wáahlaal Gíidaak

Staff Present: City Manager Rorie Watt, Acting City Attorney Sherri Layne, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, CDD Planning Manager Scott Ciambor, Finance Director Jeff Rogers, Engineering/Public Works Director Katie Koester, City Architect Jeanne Rynne, Port Director Carl Uchtyl, Library Director John Thill, City Museum Director Beth Weigel, Lands and Resources Director Dan Bleidorn, Parks and Recreation Director George Schaaf, Parks and Recreation Deputy Director Michele Elfers, Tourism Manager Alexandra Pierce, Bartlett Regional Hospital CEO David Keith and CFO Sam Muse, CDD Planners Teri Camery and Irene Gallion.

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. APPROVAL OF MINUTES

1. June 6, 2022 Assembly Committee of the Whole Draft Minutes

Hearing no objections, the minutes of the June 6, 2022 COW meeting were approved.

F. AGENDA TOPICS

2. BRH - Management Agreement for Wildflower Court

Mr. Watt said that Bartlett senior staff and Bartlett Regional Hospital Board members were available to answer questions regarding the proposed takeover of Wildflower Court (WFC) by Bartlett Regional Hospital (BRH). Mr. Watt also referenced a February 9, 2023 Memorandum from BRH senior leadership to the Assembly asking for \$1,475,300.

“To reduce the liability assumed by the hospital, it has been recommended that the outstanding PTO and bond liabilities be extinguished prior to any merger. The Assembly could choose to help facilitate the merger by contributing funding in the amount of these liabilities (\$1,475,300) for their extinguishment.”

Mr. Watt also told the Assembly that assuming the arrangement between WFC and BRH moves forward, there would ultimately be a resolution that would come before the Assembly to authorize it.

David Keith, Chief Executive Officer of BRH, provided a history of the agreement between WFC and BRH and the merits of BRH acquiring WFC. Mr. Keith said that first they need to create a letter of intent, then a management agreement for the transition, then ultimately the change of ownership paperwork.

Mr. Smith asked to be provided with the financial projections of taking over WFC. Mr. Keith answered that nursing homes and hospitals align with expenses and there are opportunities for overall reduction of costs. BRH is part of a group purchasing organization that allows them to purchase goods and services at a reduced rate, where WFC is paying retail prices. Contracts can also be combined, which may create savings as well. Mr. Keith said that WFC will become profitable.

Mr. Bryson asked if taking over WFC was in response to Southeast Alaska Regional Health Consortium (SEARHC) growing their medical industry. Mr. Keith said this was done to increase the quality of care through BRH and that a lot of hospitals are pivoting to provide an entire continuum of care. BRH wanted to broaden their scope of services which is partly why they added Home Health and Hospice care.

Ms. Hale asked if this change would result in higher rates for users. Mr. Keith said that most elderly people spend down their savings and enter a nursing home as a Medicaid patient. Mr. Keith said they will probably receive a higher reimbursement rate from Medicaid on behalf of patients but it should not affect users directly.

Mayor Weldon asked how this will integrate with the Home Health and Hospice program. Mr. Keith said that these programs work together. He said that when individuals reside in a nursing home, that is their home; therefore, the Home Health program may also provide services to those individuals.

Ms. Triem asked for details regarding absorbing the administrative functions of WFC, such as HR, maintenance, and IT. Mr. Keith said that this will be covered in the transitional agreement, but they often struggle to fill such positions and consolidating these groups of employees will be beneficial. Mr. Keith also noted that they finished the interview to fill BRH’s IT Director position and plan to move forward with that in the next week.

Ms. Gladziszewski asked if the actual financial numbers have been reviewed by the BRH Board. Mr. Keith said they have been reviewed by the BRH Finance Committee and will be codified at the upcoming BRH Board meeting. Mr. Muse, Chief Financial Officer of BRH, said they are in the due diligence process and have access to all WFC’s financial documentation.

Mayor Weldon asked why BRH or CBJ would cover Paid Time Off (PTO) and bond liabilities. Mr. Keith said that WFC has about a million dollars in reserve, and they hope the liabilities would be mitigated by that reserve. Mr. Muse said that it was the City Attorney’s recommendation that BRH mitigate the liability defusing the debt prior to merging. Mayor Weldon asked for more clarification on why CBJ

would be responsible for liabilities. Ms. Layne, Acting City Attorney, said that Mr. Palmer had concerns about taking on debt, especially the bond debt, and it should be taken care of before a merger or purchase of WFC. Ms. Barbra Nault, outside counsel for BRH, said they are in ongoing discussions with WFC about the amount of their PTO liabilities for current employees and 401K contributions liabilities, and those discussions have centered on the concept of WFC using their current funds or fund generated during the transition period to pay those liabilities down. The bond discussion has been different and handled through the CBJ Law department.

Mr. Smith asked if the \$1,475,300 BRH request to cover PTO and bond liabilities is the entire amount needed. Mr. Keith said the \$1,475,300 should cover everything, and the funding mechanism could either be directly from the Assembly or for the Assembly to give permission for BRH to take it out of their fund balance reserves.

Ms. Hale said that BRH will receive almost \$4,000,000 in equity in the building.

MOTION by Mayor Weldon to move a resolution of support for BRH to engage with WFC a letter of intent and eventual transition plan and asked for unanimous consent.

Hearing no objection, motion passed by unanimous consent.

3. **Ordinance 2022-64** An Ordinance Reorganizing and Consolidating the Aquatics Board, the Treadwell Arena Advisory Board, the Jensen-Olson Arboretum Advisory Board, and the Parks and Recreation Advisory Committee. (Referred from the January 9, 2023 HRC/Assembly Meetings)

Mr. Watt said that Ordinance 2022-64 had been at the January 9, 2023 Human Resources Committee meeting and Assembly Meeting, where it had been referred to the COW. Mr. Watt said many boards struggle with getting applicants or quorums and all boards require significant staff time to manage. He recommended a single larger board to take on the duties of several smaller boards. Mr. Watt said there had been public comments recommending designated seats to cover various interests and that while it is ultimately the Assembly choice, he recommends against having designated seats. Mr. Watt also said the memo in the packet by Assistant Municipal Attorney Gottschalk regarding the Systemic Racism Review Committee's (SRRC) recommendations was an area the Assembly might want to review and discuss.

Ms. Triem asked how the budgets were developed for Treadwell Ice Arena, the pools, and the Jensen-Olson Arboretum Advisory Board (JOAAB). Mr. Watt answered that Parks and Recreation department has the city's most complicated budget. He said that while he believes they legally have the authority in the Charter and Code to move money between Parks and Recreation programs, historically they have not. He said that consolidating the advisory board would have no impact on the budgeting process. Ms. Triem asked if the new board would look at budgets. Ms. Elfers, Deputy Director for Parks and Recreation, said that if the ordinance passed the board would look at parts of the budget, like the fee schedule and the CIP budget, but not the entire Parks and Recreation budget. Ms. Triem asked if the ordinance allows the board to provide recommendations about the Department's fee schedule at individual facilities or broadly overall. Ms. Elfers answered that specific fee recommendations would be brought to the board.

Mr. Bryson asked how often the subcommittees have action items on their agendas. Ms. Elfers said it does not happen very frequently. Mr. Bryson asked what a meeting looked like when there are no action

items. Ms. Elfers said sometimes there are informational updates on operations or discussion that does not lead to action items for staff. Ms. Gladziszewski provided statistics of times the boards did not meet, either due to lack of quorum or lack of items on the agenda: 22% of the aquatics board meetings were cancelled and 69% of Treadwell meetings were cancelled.

A discussion was had on the merits of designated seats for certain facilities versus open seats.

Ms. Gladziszewski asked if this ordinance goes forward, would the PRAC become all new members. Ms. Elfers answered that was correct and they would appoint nine members.

Mr. Smith stated that as the PRAC liaison and the HRC chair, he has seen this ordinance in all its various iterations. He said that he was not as supportive of consolidating seats and that the PRAC supported the ordinance as written. He said that there was a change that they were looking at making when this was previously before the Assembly and then it got moved back to the COW. The amendment had to do with the make up of any subcommittees and whether non-PRAC members would be allowed on subcommittees. He said the amendment he would propose was drafted but he did not have a copy of it. It was to be on page 5 of 6 of the ordinance, line 9.

MOTION by Mr. Smith to move Ordinance 2022-64 to the full assembly for public hearing for purposes of amendment.

Amendment #1 by Mr. Smith on page 5, line 9, striking “Members of such subcommittees are limited to PRAC members” and replacing it with: “Membership on subcommittees may include public seats in addition to PRAC Members.”

Additional discussion took place regarding the status of “special or temporary” committees vs. standing subcommittees.

Ms. Gladziszewski asked if subcommittees are included anywhere in the ordinance. Mr. Watt said he did not know, but had other information that might be germane to the discussion. He said that Docks and Harbors are working on their rules of procedure and they have the ability to establish special committees to facilitate board business and to allow members who are not on the board to participate and vote.

Mayor Weldon objected for purposes of a question. Mayor Weldon asked Mr. Smith how members of the subcommittee would be selected. Mr. Smith said that language is on page 5, line 7 stating that “The chairperson – subject to ratification by the PRAC or a majority of the PRAC...” can create special temporary subcommittees to complete PRAC business. Mayor Weldon clarified that members of the PRAC would select the public seats.

Ms. Triem asked for a brief at-east at 7:09pm. The meeting resumed at 7:14pm.

Mayor Weldon withdrew her objection.

Amendment #1(a) by Ms. Triem to amend Mr. Smith’s Amendment #1 on page 5, line 8 of the packet, to add the words “permanent or” to the following sentence “The chairperson – subject to ratification by the PRAC – or majority of the PRAC may create **permanent or** temporary special subcommittees to facility any discrete PRAC business issues.”

Additional discussion took place regarding the best way to establish a permanent facilities subcommittee vs. the language above.

After discussion, Ms. Triem withdrew her amendment #1(a).

Ms. Gladyszewski called for any objection to Mr. Smith's Amendment #1 on page 5, line 9, striking "Members of such subcommittees are limited to PRAC members" and replacing it with: "Membership on subcommittees may include public seats in addition to PRAC Members." **Hearing no further objection, Amendment #1 passed by unanimous consent.**

Amendment #2 by Ms. Triem to add the following language as written by Manager Watt:

"Facilities Subcommittee. There is established a Facilities subcommittee that will focus on the health and good repair of all facilities under the purview of the PRAC. At a minimum of once per year the facilities subcommittee shall engage users of each facility to hear from those users and to plan for facility needs."

Ms. Hale objected for purposes of a comment. She appreciated how broad the amendment is and that it does not focus on a single facility. Ms. Hale removed her objection.

Ms. Woll said that when they were discussing this in the HRC, they also were doing appointments to the Juneau Commission on Aging and she asked the City Attorney staff why CBJ is allowed to create seats based on age but not based on race. Mr. Gottschalk answered that "race, unlike age, is a suspect classification in Alaska and federally. In Alaska, the suspect classifications are race, color, creed, sex, and national origin. He said that any specific age-based criteria just needed to be rationally related to a legitimate government interest. He stated that the CBJ Charter at 15.2, as far as municipal appointments it doesn't actually forbid consideration of age, where as we do in Title 41 as employment. He spoke to some of the federal legislation that allows for age related exceptions such as the Older Americans Act, which promotes the wellbeing of older individuals. There are also state components in Title 47, with the State Commission on Aging, that provides a means to support older persons in communities and distributing federal funds.

Ms. Hale said that she appreciated the depth of Mr. Gottschalk's analysis. She noted that the Assembly has not found a good way of broadening racial representation of city boards and commissions to better reflect the community. She thanked the SRRC for their work.

Mr. Bryson said that recruiting diverse community members to serve on boards and committees has been a perennial problem. He said he supports reducing the number of seats as filling them is a problem.

Ms. Woll said that she knows the greater issue will not be solved by this Amendment alone and would like to echo Ms. Hale's comment that there should be a continuous focus on looking at ways at diversifying the boards and committees. She looks forward to implementing processes that make the application process easier and more inviting that she's been working with Mr. Hargraves on.

Mayor Weldon says the SRRC has been talking about ways they can change their mission and this may be a good way to engage the SRRC in finding solutions. HRC Chair Smith asked Ms. Cathcart to put this on a future HRC meeting.

Hearing no objection, Amendment #2 passed by unanimous consent.

Hearing no objection, Ordinance 2022-64 as amended, was moved to the full Assembly.

- 4. Resolution 3023** A Resolution of the City and Borough of Juneau Opposing the Wild Fish Conservancy Lawsuit and Protecting the Southeast Alaska Troll Fishery from Closure.

Ms. Triem said that many Southeast Alaska communities, including Petersburg, Sitka, Wrangell, and Ketchikan, have passed ordinances in support of the Southeast Alaska Troll Fishery. Ms. Triem said the

first round of the lawsuit has wrapped up but that there might be an appeal; she urged the Assembly to show support to this industry.

Mr. Bryson said he wanted the record to reflect that this supports **Trollers** and does not support **trawlers**.

Mayor Weldon and Mr. Smith both raised concerns about the use of the “prosecution” in the draft resolution. Ms. Layne suggested changing the language to “support the activity of Southeast winter and summer troll fisheries”. Ms. Gladziszewski then suggested “continuation” instead of “prosecution”.

Ms. Hale asked if she had a conflict of interest, as she has a hand-troll permit. Ms. Layne said she did not see this as a conflict of interest for Ms. Hale.

MOTION by Ms. Hale to move Resolution 3023, and substituting of the word on page 2 line 38 from “prosecution” to “continuation” so the line would read “The City and Borough of Juneau urges the National Marine Fisheries Service (NMFS) to prioritize preparation of the necessary documents and processes to support continuation of the Southeast winter and summer troll fisheries;” to the Assembly and asked for unanimous consent.

Hearing no objection, Resolution 3023 as amended, was moved to the Assembly.

G. STAFF REPORTS

5. Telephone Hill Update-verbal report

Ms. Gladziszewski said there are regular updates about Telephone Hill on the Lands, Housing, and Economic Development Committee agendas. She asked for clarification about an RFP for a property manager that listed July 2023 vacating date for residents. Mr. Watt answered that the property manager will be under contract in a matter of days so the neighborhood will have a sole point of contact. He said there is a date in the RFP for July because that was a timeframe provided by the neighborhood association. He said that no decision has been made and CBJ does not yet own the property. Mr. Watt said there is also a planning RFP which will include everything from a leave as-is option to multiple development options that closed today. He anticipated the consultant team would be on board in the next couple of weeks and would start the public planning process. Mr. Watt said they expect the State of Alaska to convey the property to CBJ “sometime soon” and when that conveyance happens the neighborhood association, which is the lessee, will dissolve itself and each person will go to the property manager as a point of contact.

Ms. Gladziszewski reiterated that the City has not asked or required the properties to be vacated by July 2023.

Ms. Hale asked if the property manager will contact people to make a five-month lease. Mr. Watt said the direction of the Assembly was to continue to current situation, which was month-to-month leases and a soft landing. Mr. Watt said they want care for the likelihood that some people will move out on their own, and CBJ does not want to have vacant properties.

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

I. NEXT MEETING DATE: March 6, 2023, 6:00p.m.

J. SUPPLEMENTAL MATERIALS

K. ADJOURNMENT

There being no further business, the meeting adjourned at 7:52p.m.



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 Gladziszewski and Assembly

Date: 7/14/2023

From: Rorie Watt, City Manager

Re: JSD Funding Update

The Juneau School District recently received the attached letter from the State of Alaska Department of Education and Early Development.

If this becomes a permanent interpretation by the SOA DEED it would have significant and ongoing budget impact to the JSD. There are obvious avenues of discussion between DEED and JSD around the question of exactly what expenditures are part of the education function and what are not. As this issue has state-wide ramifications it is ultimately an issue that other Boroughs will want to participate in. Participation by the ASSB and AML seems necessary.

There is no action appropriate for the Assembly at this time. As this issue evolves, we will bring back additional information for discussion and updates.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of
& Early Development

Section F, Item 2.

FINANCE & SUPPORT SERVICES
School Finance Section

333 Willoughby Avenue, 9th Floor SOB
PO Box 110500
Juneau, Alaska 99811-0500
Phone: 907.465.2785
Lori.Weed@alaska.gov

June 29, 2023

Dr. Bridget Weiss, Superintendent
Juneau School District
10014 Crazy Horse Drive
Juneau, AK 99801

Dear Dr. Weiss:

This letter is in response to the City and Borough of Juneau ordinance 2022-06(b)(AR) passed on April 17, 2023, appropriating \$2.3 million for “outside the funding cap to resolve current and prior year deficits...”. The named “funding cap” is the local contribution calculation set out in AS 14.17.410, which is a combination of the required minimum local contribution (AS 14.17.410(b)(2)) and an optional additional local contribution (AS 14.17.410(c)).

The U.S. Department of Education has certified that Alaska meets the requirements of section 7009(b) of the Elementary and Secondary Education Act (ESEA). As a result, Alaska has an equalized funding formula and is eligible to consider a portion of Impact Aid payments as local resources in determining State Aid entitlements to district. Providing additional local funding outside of the established funding cap creates inequity amongst Alaska school districts and has major repercussions on the above-mentioned certification from the U.S. Department of Education. Labeling funds as “outside the funding cap” and identifying the allocation to a special revenue fund does not make it compliant. It is not acceptable for a municipal school district to circumnavigate the local contribution funding calculation set out in AS 14.17.410. The Department of Education & Early Development (DEED) requests that the Juneau School District and the City and Borough of Juneau revisit this ordinance and make the appropriate correction in compliance with AS 14.17.410.

A review of the district’s prior years’ financial statements confirms this is a continuing issue and must be addressed. While DEED is not exercising its authority to require the district reimburse previous fiscal year ordinances’ “outside the funding cap” appropriations at this time, this issue must be corrected with the above-referenced ordinance and going forward, starting with the FY2024 budget process.

If there are any further questions, please do not hesitate to contact me.

Sincerely,

Handwritten signature of Lori Weed in cursive.

Lori Weed
School Finance Manager

Attachment – Ordinance 2022-06(b)(AR)

cc: Cassie Olin, Juneau School District Administrative Services Director
Deedie Sorensen, Juneau School District Board President
Rorie Watt, City and Borough of Juneau City Manager
Lacey Sanders, DEED Deputy Commissioner

Presented by: The Manager
Introduced: March 20, 2023
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-06(b)(AR)(am)

An Ordinance Appropriating up to \$2,340,737 to the Manager for Juneau School District Special Revenue Fund Deficits and Current Year Student Activities; Funding Provided by General Funds.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$2,320,737 for Juneau School District special revenue fund deficits and current year student activities.

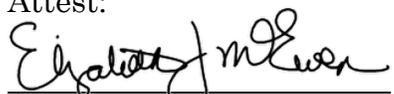
Section 3. Source of Funds

General Funds \$2,320,737

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this 17th day of April, 2023.


Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



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 Gladziszewski and Assembly Committee of the Whole Date: 7/14/2023
From: Rorie Watt, City Manager
Re: Code Revisions – Tourism and Docks & Harbors Duties

At the November 28, 2022 COW meeting, the committee discussed code updates to better align priorities set by the Visitor Industry Task Force (VITF). The VITF recommends centralized management of the visitor industry and associated CBJ policies, projects, and services. To do this, roles and responsibilities within Docks & Harbors and the Manager's Office need to be clarified to ensure consistency in planning, development, industry relations, public use and outreach, and operations on the waterfront. To achieve this, staff recommends establishing the duties of the Tourism office under Title 3, and making corresponding amendments to Title 85, Docks & Harbors.

Currently, there is overlap in services related to industry communication, fee planning, commercial use and development of the waterfront. Authority is given to both the Manager and Port Director for similar tasks on the waterfront and this results in inefficiencies and (confusion to the public) in accomplishing work.

For everyone's sake – the Assembly, Tourism Manager, Port Director, Docks & Harbors Board, industry, and public, we need to bring our code into conformance in a manner that is efficient and aligns with the Assembly's expectations. To resolve these conflicts, structural reorganization of authority related to waterfront and tourism management is needed. The following changes are recommended:

1. **Revising CBJ Title 3 Administration** would codify duties and responsibilities under the City Manager to oversee capital projects, policy decisions, and community relations related to waterfront public spaces which would be executed by the Tourism Manager. These tasks include Seawalk development, ship scheduling, implementing community planning efforts such as the VITF, Tourism Management Plan and the Long Range Waterfront Plan for waterfront development, public outreach and engagement, integration of marketing issues, and coordinating commercial use permitting and strategy. The Tourism Manager would also oversee harmonizing dockage fees across the port in consultation with the Port Director and private docks to meet community tourism management goals. The Tourism Manager's office would continue to be funded by Marine Passenger fees and would be responsible for setting the Passenger Fee budget and lead industry and CBJ relations. A draft of Title 3 amendments is attached and should be forwarded to the Assembly for action.
2. **Revisions to Title 85 Waters and Harbors** are also necessary to complement changes to Title 3. Prior to making these changes, the Assembly should also contemplate the larger organizational question – what role should an empowered board play on cruise ship issues (several notes below on empowered boards). The goal should be to clarify the role of the Port Director and the Board and avoid a situation where CBJ has to essentially negotiate with itself. Currently, the Port Director and the Manager work very well together and make the situation functional – but with a changing of responsibilities (creation of Tourism Manager, Title 3 amendments) and upcoming personnel changes (City Manager), now is the time to update our governance.

A key question for the Assembly is "Do you want advice from Docks & Harbors Board on cruise ship issues?" My assumption is that the Assembly does not want advice from the Board; the Board has

yielded to the Assembly for years on this topic and the reason is that the ramifications of the cruise ship industry extend far beyond the municipal cruise ship infrastructure. The public also understands that the Assembly is the body to receive testimony on topics related to the visitor industry.

Of great importance to the City, Docks & Harbors effectively and efficiently completes many duties for the CBJ and generally does the Assembly the very big favor of hearing and resolving harbor issues. The empowered Docks & Harbors board is comprised of volunteers who typically join the board because they are harbor patrons and have a keen interest in a healthy harbor and small boat infrastructure system. Key tasks performed by the Department include:

- a. Managing small boat harbors, parking lots, boat ramps
- b. Managing and leasing most of CBJ’s marine properties
- c. Port Revenue management (coordinating, billing, collecting passenger fees)
- d. Seasonal Dock Operations (security, maintenance, cleaning, operations coordination)
- e. Bus and van staging management, tour vendor issues
- f. Coordination of employees in Harbors and Docks to maximize year round employment
- g. Capital project planning/development/project management

Currently, the Docks and Harbors Department performs two very different functions, while docks and harbors are obviously both marine related, the policy issues in the harbors largely affect the harbors and dock issues have a much different nexus with broad community issues.

As tourism has grown in Juneau, the Assembly has desired to participate directly in the dock function on decisions related to community tourism goals such as dockage fees, tideland leases, and dock electrification; all parties understand that community tourism goals are an Assembly duty. An unintended internal conflict has been created within Docks & Harbors core mission – managing the port using revenue generated by port activities – and community tourism management goals that contemplate limits, volume management, and strategic management of the waterfront to meet local needs and support the visitor industry. One example is that an increase in whale watching activity is good for harbor revenue, but maybe not so good for the community.

Clarifying roles and responsibilities will promote centralized and consistent management of the waterfront in the best interest of the community and support the clear and direct application of Assembly goals. At root level, the big questions that the creation of the Tourism Manager, Title 3 amendments and consolidation of cruise industry activities under the City Manager cut right to the question about whether Docks & Harbors should remain as an empowered board or if some other governance structure (Harbors becomes an enterprise similar to the utilities, D&H becomes a City Department reporting to the Manager and no change are several possibilities) is more appropriate. The next step should be to gain formal board input on this matter.

Recommendations:

- 1. Forward Title 3 to the Assembly for public hearing and adoption.
- 2. Forward Title 85 discussion to the D&H Board for initial comment.



CBJ has several empowered boards – Bartlett, Docks and Harbors, Eaglecrest and the Airport. In 1984, voters passed a Charter amendment that allowed the Assembly to create an empowered Docks & Harbors board by Ordinance. Upon the creation of empowered boards, the general expectation was that an empowered Board

would set fees and self-fund their programmatic operations and reduce workload on the Assembly and the Manager. Self funding has largely worked for the hospital and the airport (each with occasional financial assistance from the Assembly), and Eaglecrest has more or less settled into a pattern of receiving an annual general fund subsidy (much like the Parks & Recreation programs). CBJ also has self-fund enterprise functions (water & wastewater) that fall under the Manager with the oversight of an advisory board (the UAB).

Docks & Harbors is also entirely operationally funded by user fees from boat harbors, parking lots and ramps and from fees at the cruise ship docks. D&H does not receive general fund support. Funding and fees related to cruise ship dock operation, capital investment and maintenance flows strongly through the decision making of the Manager of the Assembly (unlike the other empowered boards).

For a time, the Aquatics board was quasi-empowered and the Aquatics Director jointly reported to the Aquatics Board and the Parks & Recreation Director. This structure came out an Assembly negotiation between two competing ideas – some Assembly members wanting and some Assembly members **not** wanting to have the AB be empowered. It is this kind of problem that needs to be fixed. Currently the Port Director reports to the Board, but also has to be sophisticated enough to navigate around and with the Assembly, Manager, Tourism Director and other Departments.

Under normal inter-departmental conflicts, Directors report to the Manager and there is one decider. Right now, the Port Director does an admirable job trying to keep many masters happy while efficiently running the Department. But, with regard to cruise ship issues, our governance structure no longer aligns with Assembly direction.

03.10.010 Departments established.

(a) The following departments of the City and Borough are established:

- (1) Finance;
- (2) Community development;
- (3) Reserved;
- (4) Engineering and public works;
- (5) Fire;
- (6) Administration;
- (7) Police;
- (8) Parks and recreation;
- (9) Airport;
- (10) Library;
- (11) Human resources and risk management;
- (12) Tourism.

(b) The manager may require a department or division to report to the manager through a deputy manager or the head of another department, either full time or for the purpose of coordinating a specific project.

(CBJ Code 1970, § 03.10.010; Serial No. 70-2, § 3, 1970; Serial No. 72-26, § 3(A), 1971; Serial No. 71-40, § 3(A), 1971; Serial No. 79-22, § 2, 1979; Serial No. 82-12, § 4, 1982; Serial No. 85-83, § 2, 1985; Serial No. 91-15, § 2, 1991; Serial No. 92-01, § 2, 1992; Serial No. 93-03, § 2, 1993; Serial No. 96-22, § 3, 1996; Serial No. 2000-51, § 3, 12-18-2000; Serial No. 2006-06, § 2, 4-3-2006; Serial No. 2011-09, § 2, 5-2-2011; Serial No. 2013-29, § 2, 1-6-2014, eff. 2-5-2014 ; Serial No. 2015-04 , § 2, 4-6-2015, eff. 5-7-2015)

Charter reference(s)—Departments created by ordinance, § 5.2(a); oath of office of appointed officer, § 15.4.

~~03.10.052 Reserved.~~

The Tourism Department shall be responsible for:

- (1) Centralized tourism policy and management;
- (2) Coordination of community planning and waterfront projects;
- (3) Public relations related to the waterfront and the cruise ship industry; and
- (4) Cruise ship industry relations, including CLAA contract management and schedule coordination.

Editor's note(s)—Section 4 of Serial No. 2015-04 , adopted Apr. 6, 2015, repealed § 03.10.052 which pertained to engineering department and derived from Serial No. 82-12, 1982; Serial No. 83-1, 1983; Serial No. 83-82, 1983; Serial No. 84-55, 1984; Serial No. 85-83, 1985; Serial No. 93-03, 1993; Serial No. 95-16, 1995; and Serial No. 2006-06, adopted Apr. 3, 2006. This change became effective May 7, 2015.



MEMORANDUM

DATE: July 14, 2023

TO: Assembly Committee of the Whole

FROM: Alexandra Pierce, Tourism Manager

SUBJECT: Tourism Update

The Assembly has requested an update on the 2023 visitor season to date and the progress of ongoing tourism management efforts. Since this update was provided at the July 10 Assembly meeting, I have updated this memo in **bold** font in response to Assembly requests.

Phone and Internet Service

Chris Murray and I met with AT&T and they are evaluating how to bolster their network and informed us that other communities (i.e. Seward) are experiencing some of the same capacity issues. We will continue to put pressure on the cell phone companies to address the issue. They also noted that there may be a need to add network capacity to Juneau. I am meeting with another provider on Tuesday.

TBMP Statistics

The below chart provides a year over year comparison of TBMP calls from April – June 2019-2023. Call volume is similar to last year. I have personally received numerous complaints about ship emissions, specifically from the older Norwegian Cruise Line ships. I am working directly with NCL on these complaints, which are not tracked with TBMP calls.

TBMP Hotline Year Over Year Comparison (April - June) by Call Type					
2019		2022		2023	
Cruise Ship Noise	8	Cruise Ship Noise	15	Cruise Ship Noise	4
Cruise Ship Emissions	2	Cruise Ship Emissions	4	Cruise Ship Emissions	5
Aircraft	5	Aircraft	9	Cruise - Visual	3
Vehicles	15	Vehicles	21	Aircraft	8
Other	5	Other	7	Vehicles	24
Other: Whale Watching	7	Vessel: Whale watching	10	Other	12
Kudos	0	Kudos	2	Vessel: Whale watching	10
Total Calls	42	Total Calls	68	Kudos	1
				Total Calls	67

Whale watching

While TBMP call volume on whale watching has remained steady between this year and last, we also know that the whale watch industry has a volume problem (many boats on the water at a time) and the Assembly has received letters from several frustrated citizens. Anecdotal feedback indicates increasing and potentially intensified friction between whale watching and local recreation. Travel Juneau, NOAA, and CBJ convened a meeting of whale watch owners on June 26 to discuss industry issues and concerns. The group agreed to establish a committee to work on a public outreach campaign and on developing and implementing more stringent management practices with the goal of reducing industry impacts on whales, recreational boaters, and waterfront landowners.

Data from the [Docks and Harbors Rate Study](#) shows 43 total passenger for hire vessels using CBJ facilities. This does not account for vessels using private docks. The whale watching operators committee met on Thursday and discussed opportunities for public outreach as well as more stringent guidelines to be implemented this year and formalized for 2024. Examples are agreeing to a request by Shelter Island property owners to avoid certain areas around the island and limiting the number of boats around a whale to 12. They have also agreed to share contact information and establish better communication between companies.

Flightseeing

The below table shows the number of glacier landings (equivalent to the number of helicopter flights) from 2010 to 2022. Flightseeing growth is limited by the number of landing permits available from the US Forest Service. The industry operates under USFS permit limitations established in 2001. CBJ continues to have limited jurisdictional authority over flightseeing but we will continue to work with the USFS on their long-range planning to help manage offsite noise impacts.

Year	Helicopter Landings	Visitation	Avg. Landings/day	Landings as % of Visitation	Total Difference from 2010	Difference Landings/day from 2010
2010	12042	860,878	78.7	1.40%	0	0
2011	13244	866,762	86.6	1.53%	1202	7.9
2012	12907	921,023	84.4	1.40%	865	5.7
2013	14019	971,525	91.6	1.44%	1977	12.9
2014	13445	953,091	87.9	1.41%	1403	9.2
2015	14779	977,157	96.6	1.51%	2737	17.9
2016	14346	1,000,819	93.8	1.43%	2304	15.1
2017	14193	1,055,245	92.8	1.34%	2151	14.1
2018	16021	1,128,626	104.7	1.42%	3979	26.0
2019	17394	1,283,853	113.7	1.35%	5352	35.0
2020	197	0	1.3	0.00%	-11845	-77.4
2021	1658	114,031	10.8	1.45%	-10384	-67.9
2022	12049	1,167,194	78.8	1.03%	7	0.0

Forest Service Permitting

The USFS also issues a set number of permits per year for bus companies visiting the glacier. In recent years, companies have run out of permits before the end of the season. This has meant that the bus companies continue to run pre-booked glacier tours (those already sold online) but are no longer selling tours on the dock or onboard the ships. Several operators are expecting to run out of permits in mid-July. In past years, there has been a redistribution of permits between operators late in the season, and the glacier has the ability to issue a limited number of additional permits. Even if these things happen, permit supply will not meet demand for the remainder of the season. This will likely impact Capital Transit. Tourism, Law, and Engineering & Public Works staff are currently evaluating our CBJ’s options for ensuring that transit service remains available to residents who rely on it. This change is a generalized consequence of visitation growth occurring before the development of new tour opportunities.

I will have information on Capital Transit’s estimate of the impact on resident transit users for the meeting. In a meeting on Tuesday, July 11, the Forest Service said there is no flexibility in the number of glacier permits. However, it was also stated that the Forest Service has no concerns with individuals accessing the glacier through other modes of transport. The operators have pivoted, and Parks & Rec has issued additional permits for the Brotherhood Bridge parking lot, Homestead Park, and Overstreet Park. Travel Juneau continues to monitor the situation and has been working on messaging through its visitor centers and website to encourage people to visit other attractions or access the glacier by other modes of transport.

Commercial Recreational Use

Most of this update has focused on Juneau’s current shore excursion supply and demand problem. The Assembly approved funding for a commercial recreational use study to help inform the locations for future shore excursion development including an update of City-owned trails for commercial use. Staff is

planning to issue an RFP for that work in the fall, with public process conducted over the winter. Outcomes may include constructing new trails for commercial use funded by Marine Passenger Fees. Another large-scale shore excursion opportunity is the gondola development with Goldbelt. Due to renegotiation of the gondola agreement, progress has been limited and slow and is expected to ramp up soon.

Regional Engagement

Juneau is part of a regional network and the decisions we make affect our neighbors and vice versa. We are the largest destination in the region for a number of reasons including our geography, size, and amenities. We are in the early stages of working with our neighbors on a regional strategy to identify issues and opportunities in each port, how those issues and opportunities affect the rest of the region and articulate our needs to the industry as a common voice. Below is a short synopsis of each of our regional partners' relationship with cruise tourism. There are other, smaller ports that see calls from luxury ships, but this summary sticks to the ports that regularly receive ships with 1000+ passengers:

Pre-covid, Seattle was looking to construct a fourth cruise berth. That project was scrapped and Seattle continues to be extremely busy on weekends and is offering homeport space to large cruise ships mid-week.

Vancouver also has a development project to construct a fourth homeport berth, but the project faces a number of challenges and is unlikely to be constructed in the next 5-10 years, if ever. Vancouver has bridge clearance issues for the largest ships but is still the region's busiest home port.

Victoria is a required stop for Seattle-based ships. It has three berths and many passenger amenities. It has a robust independent visitor and conference economy. However, because of the distance between Ketchikan and Victoria, both struggle with short and oddly timed port calls. Most ships arrive in Victoria between 5 and 8 pm. Call times have become shorter and later due to reduced ship speeds under International Maritime Organization Carbon Intensity Index regulations and orca protection zones. These factors also affect call times in Juneau.

Prince Rupert has made major investments in its one berth to become a Canadian alternative to Victoria. This has resulted in lost calls, but not volume, for Victoria.

Ketchikan typically sees Victoria-bound ships for short morning port calls. Ketchikan has four berths downtown and two berths at Ward Cove, about 10 miles from downtown. Ward Cove is outside of city limits and the City does not collect passenger fees from Ward Cove but experiences the impacts from passengers that arrive there and are shuttled into the city. City of Ketchikan is in the process of hiring a tourism position.

Over the years, Sitka has seen sporadic and irregular visitation. With two private cruise berths several miles out of town, it is now on a steady growth track and is launching its own Visitor Industry Task Force to make recommendations on industry management. It was recently reported in the media that Sitka recently had a record day that many community members felt exceeded community capacity.

Most visitors to Hoonah stay at Icy Strait Point, which is also the major local employer. With last summer's rockslides in Skagway, many extra ships were deployed to Sitka and Hoonah, which has two berths. For ships doing a round-trip voyage out of Seattle without Glacier Bay permits, Hoonah is the

northernmost port call. Those ships (notably the large Norwegian ships that have historically hot berthed in Juneau) go to Tracy Arm and spend shorter days in Juneau.

Skagway controls two of its four berths as of March 2023 when a long-term lease expired. The city is in the process of improving its port infrastructure and continues to struggle with rockslide issues at its two private berths. The forward berth operates by lightering, and ships currently call (and often hot berth) at the rear berth, where passengers are bussed through the slide zone into town.

Haines has also historically seen sporadic calls and growth and this trend continues. Haines can take one ship and has not developed the shore excursion capacity to manage visitors.

Alaska Railroad and Royal Caribbean are investing in major dock improvements in Seward to turn large ships and transport passengers by rail to Anchorage.

There is currently one berth in Whittier and NCL and Huna Totem are planning to construct a double-sided berth to turn ships.

With so many port issues in the region in flux, predicting impacts on Juneau (and Juneau's impacts on the region) is rather challenging. Juneau has consistently had one of the strongest visitation interest from all of the lines and benefits from geographical location, large suite of tour opportunities, convenient and high quality berthing. Unlike the other ports, virtually all ships visiting the region visit Juneau.

Cruise lines appear to be increasingly experimenting with non-seven day itineraries. This change increases the likelihood that historically non-peak days (Thurs-Sun) could become busier in the coming years.

Survey Point Holdings (Cruise Line Agencies of Alaska) Contract

CBJ and CLAA signed a contract for operating and scheduling the City docks in June. This will increase CBJ staff involvement in scheduling and will help support VITF goals including working toward 'best ship at best dock'. The cost of this contract is \$50,000 annually. Survey Point (CLAA) meets CBJ's sole source requirements. It is important for this contract to have monetary value, so CBJ has recourse if the contractor fails to perform the duties listed. Other communities are very interested in this development and are watching closely. Cruise ship industry leaders are very appreciative of Juneau's efforts to negotiate agreements and develop collaborative models that could be used in other ports.

Action:

No action required at this time, but the Assembly should expect an appropriation of \$50,000 of Marine Passenger Fees for port scheduling and management services.



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 Gladziszewski and Assembly Committee of the Whole Date: 7/14/2023
From: Rorie Watt, City Manager
Subject: ADUs: An Integral Part of the Juneau Housing Strategy

Background Information

At the April 24, 2023, meeting of the Lands, Housing & Economic Development Committee ([LHEDC](#)), and at the May 22, 2023 meeting of the Committee of the Whole ([COW](#)), staff presented a status report and proposed options for updating the Accessory Apartment Grant Program (AAG). The current AAG program expired on June 30, 2023. The LHEDC also supported staff's recommendation to rename the AAG to a more holistic title—the Accessory Dwelling Unit Grant Program.

The draft recommendation was to pursue a two-tiered structure as follows:

- Tier 1 grants of \$13,500, short-term rentals (STRs) not allowed for three (3) years by deed-restriction with annual reporting.
- Tier 2 grants of \$50,000, short-term rentals (STRs) not allowed for 10 years, and affordability capped at 60% AMI for 10 years by deed restriction with annual reporting.

Based on the discussion at the May 22, 2023, COW meeting, several questions were raised, which are discussed below.

Average Median Income (AMI) Calculation

For the proposed Tier 2 level, applicants would be required to maintain the ADU unit at 60% AMI for 10 years through a recorded deed restriction. The policy issue here is whether the public financial support of an additional rent-controlled housing unit can be done in a manner that results in housing availability to those that need it. In order to not have a big loophole (builder of an apartment rents at a low rate to a friend or family member), close monitoring including the following would have to occur:

1. Evidence that the unit was broadly available to the public
2. Evidence that renters met the income limits
3. Evidence that rent levels are maintained

Absent these measures, there is substantial likelihood that the program would be misused. However, for a small and new CBJ program, the monitoring and enforcement of these conditions over a ten year period could be administratively onerous, and difficult to properly monitor.

Vacancy

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. Building an ADU is an expensive investment, and staff finds that enacting a vacancy requirement is not pertinent to the success of the program. If a property owner invests in constructing an ADU, it is highly unlikely that they will not follow through on renting the unit given that they will likely work towards recouping their expenses. Additionally, given the housing crisis in Juneau, it is also highly unlikely that a quality, affordable unit would lie vacant for any length of time. A property owner may need some time to prepare the unit as it turns over, as is the normal course of renting.

If vacancy limits are required, staff recommends that those limits are included in the grant program guidelines and requirements, and not in the Resolution governing the update to the program. Staff has reviewed vacancy requirements for similar programs and found that maximum vacancy ranges from one (1) month (Claremont,

California), to 90 days (Eagle County, Colorado). However, the majority of comparable programs have no maximum vacancy standards to secure funding. Comparable programs without a vacancy requirement include: West Denver, Colorado; Montpelier, Vermont; Kittery, Maine; and Hyannis, Massachusetts. During the research process, several Alaskan communities were reviewed including Anchorage, Fairbanks, Wasilla, Ketchikan, and Sitka. None have an ADU program of this type.

Tax Abatement

CBJ has four tax abatement programs. They are as follows:

- Downtown Tax Abatement: Provides 12-year tax abatement for projects that develop at least four (4) new residential units in the area of the Downtown Juneau Residential Tax Abatement Map.
- Senior Assisted Living Tax Abatement: Provides 12-year tax abatement for projects that provide at least 15 new residential units of assisted living for senior citizens in the urban service area.
- Subdivision Property Tax Abatement: Property taxes derived from the increase in assessed value and directly attributable to the subdivision of a single parcel of property into three (3) or more parcels and any improvements made to the property necessitated by its subdivision may be exempted for a maximum of five (5) years.
- High-density Tax Abatement: Provides 12-year tax abatement for projects that develop at least four (4) new residential units within the Urban Service Area.

ADUs are not generally constructed in multi-family zoning districts, because units in multi-family zoning districts are simply considered dwelling units, and not *accessory* dwelling units, and the units count toward density. ADUs are typically found in single-family zoning districts (staff can explain this in more detail if desired).

The result is that ADUs are not eligible for three of the four tax abatement programs. The final tax abatement option, subdivision property tax abatement, would only apply to subdivisions creating three or more lots. It would be possible to construct an ADU, subsequently subdivide the land, and stack the tax abatement. However, the abatement would only be applicable for the value attributable to the subdivision and subsequent improvements. At five years, this abatement program has the shortest timeframe of any of the existing programs. Staff does not believe there will be much overlap, if any, between the ADU and Tax Abatement programs.

Recommendation

Staff recommends that the COW forward the draft Resolution to the full Assembly for the continuation of the Accessory Dwelling Unit (ADU) Grant Program for Tier 1 grants of \$13,500.

The Assembly should further discuss its comfort level with the Tier 2 grant concept, considering the balance between creating needed housing, provision of significant capital, creation of a new program that is not administratively burdensome and the need to have grant conditions that are easily enforceable. Consider whether other non-profits (THRHA for example) are perhaps better situated to implement this type of program.

2023	Number of Persons	Extremely Low Income (30% of Median)	Very Low Income (50% of Median)	Low Income (80% of Median)
	1	\$25,050	\$41,700	\$66,750
	2	\$28,600	\$47,650	\$76,250
	3	\$32,200	\$53,600	\$85,800
	4	\$35,750	\$59,550	\$95,300
	5	\$38,650	\$64,350	\$102,950
	6	\$41,500	\$69,100	\$110,550
	7	\$44,350	\$73,850	\$118,200
	8	\$47,200	\$78,650	\$125,800

2023	Bedrooms	Fair Market Rent	30% AMI	60% AMI	80% AMI	100% AMI	120% AMI
	Efficiency	\$1,002	\$642	\$1,284	\$1,712	\$2,140	\$2,568
	1 bedroom	\$1,176	\$688	\$1,375	\$1,834	\$2,292	\$2,750
	2 bedroom	\$1,499	\$825	\$1,650	\$2,200	\$2,750	\$3,300
	3 bedroom	\$2,130	\$953	\$1,906	\$2,541	\$3,176	\$3,811
	4 bedroom	\$2,236	\$1,063	\$2,126	\$2,835	\$3,544	\$4,253
	5 bedroom	\$2,571	\$1,174	\$2,347	\$3,130	\$3,912	\$4,694

Presented by: Joseph Meyers
Presented:
Drafted by: S. Layne

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3030

A Resolution Amending the Accessory Apartment Grant Incentive Program Criteria.

WHEREAS, consistent with the CBJ Housing Action Plan, to ensure a healthy housing market, the City and Borough of Juneau (CBJ) needs to spend its own resources to create more housing for young families, workers, and seniors; and

WHEREAS, in 2015, the Assembly established an accessory apartment grant pilot program with \$72,000 in \$6,000 individual grants, which resulted in 12 new accessory apartments; and

WHEREAS, by early 2017, the \$72,000 pilot program created more than \$1,000,000 in development, which is recognized through property taxes; and

WHEREAS, because of the success of the pilot program, the Assembly appropriated \$480,000 as funding for the Accessory Apartment Grant Incentive Program for five years via Ordinance 2017-06(AD); and

WHEREAS, the Accessory Apartment Grant Incentive Program criteria has been amended to clarify that the Assembly’s intent is to create accessory apartments for long-term rental use, and not for short term rental use; and

WHEREAS, the CBJ Lands Housing and Economic Development Committee (LHEDC) made a motion of support of modifications to the Accessory Apartment Grant Incentive Program including structural and funding amount changes, and a name change to the “Accessory Dwelling Unit” Grant Program.

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

Section 1. Accessory Dwelling Unit Grant Program. The following program criteria governs new Accessory Dwelling Unit Grants:

- A. Intent.** The Accessory Dwelling Unit Grant Program is intended to provide encouragement for homeowners to add an accessory dwelling unit (ADU) to their home, furthering the creation of affordable housing. This two-tiered program provides homeowners flexibility by offering two grant tiers with different levels of commitment. Applicants may choose either Tier 1 (\$13,500) or Tier 2 (\$50,000).
- B. Availability.** Grants are limited based on available funding. The CBJ is free to reduce or eliminate the funding for this program. Applicants do not vest any rights

in this program. Funding for this program is provided by the Juneau Affordable Housing Fund.

C. Preliminary Eligibility Requirements to Apply.

1. One grant per property;
2. Applicant must be a Juneau resident whose principal residence is within the borough of Juneau;
3. Applicant must be the property owner(s) and at least 18 years of age;
4. No outstanding code enforcement cases can exist on the subject property;
5. Only new accessory dwelling units are eligible for this incentive program;
6. Building permit and grant application must be compliant with applicable federal, state, and municipal codes, laws, and regulations; and Grant Criteria; and
7. Applicant can only apply for the grant program concurrently with a building permit application; applications received after submittal of a building permit will not be accepted.

D. General Eligibility for Award.

1. Must pass final inspection within two years of issuance of associated building permit.
2. Receive a full Certificate of Occupancy within two years from issuance of the building permit. A Temporary Certificate of Occupancy is insufficient.
3. The grant is non-transferable; therefore, if there is a conveyance of property prior to awarding this grant, this application becomes null and void. If a conveyance of property occurs after receipt of the grant award, Section F of this resolution applies.
4. Provide photos of the unit interior and exterior upon receipt of CO and prior to award. Photos must show the kitchen, bathroom(s), and a view of the unit from the street.
5. Property taxes and assessments, including bonds, must be in good standing.
6. Tier 1:
 - a. Record a deed restriction agreeing not to rent the resulting unit as a short-term rental for three (3) years from the date of issuance of the certificate of occupancy;
 - b. A default would cause the property owner to owe the CBJ the grant award;
 - c. A short-term rental means a dwelling unit, or portion of a dwelling unit, offered for overnight occupancy in exchange for a fee and that is available for rent for fewer than 30 consecutive days; and
7. Tier 2:
 - a. Record a deed restriction agreeing not to rent the resulting unit as a short-term rental for ten (10) years from date of issuance of the certificate of occupancy;
 - b. A default would cause the property owner to owe the CBJ the grant award;

- c. A short-term rental means a dwelling unit, or portion of a dwelling unit, offered for overnight occupancy in exchange for a fee and that is available for rent for fewer than 30 consecutive days;
- d. Record a deed restriction agreeing to rent the resulting unit at 60% AMI or less from date of issuance of the certificate of occupancy for ten (10) years.

E. Application and Disbursement Process.

1. Property owners shall complete an Accessory Dwelling Unit Grant application concurrently with a Building Permit application for an accessory dwelling unit. Applications are accepted at the CBJ Permit Center on the 4th floor of the Marine View Building, located at 230 South Franklin Street.
2. Availability of funding currently allows for 16 grant awards for Tier 1 and eight (8) grant awards for Tier 2, per fiscal year, beginning FY24. Applications are received on a first-come, first-served basis. Grant application approval will be determined by the Community Development Department; approval is subject to meeting preliminary eligibility requirements. The first 24 eligible applicants will be awarded after meeting the final eligibility for award requirements. After the first 24 applications have been received, eligible applicants will be placed on a waitlist in the event more funding becomes available, or an applicant on the primary list fails to meet award eligibility requirements.
3. Grant proceeds will be disbursed after a Certificate of Occupancy is issued by the CBJ Building Division, within the two-year timeframe, and all other award eligibility requirements are met. Temporary Certificates of Occupancy are insufficient to receive an incentive grant award.
4. Grant awards will be paid with vendor account created for each recipient and be paid on the next payment cycle after award.

- F. Conveyance.** If the applicant conveys the property prior to the end of the deed-restricted period, the applicant shall provide written notice to CDD and;
- i. Tier 1: The applicant shall pay back \$4,500 for each year remaining of the three-year deed restriction period, up to \$13,500
 - ii. Tier 2: The applicant shall pay back the entire grant less 10% for each year that the property was in compliance with the ten-year deed restriction period, up to \$50,000

- A. Final Inspections.** Applicants are cautioned that the building inspection process may take more time to complete than one may anticipate. Depending on the season, inspectors may be unable to respond rapidly to a request for an inspection. Please allow adequate time after inspections to make necessary corrections. Final inspections should be scheduled at least one month in advance of the two-year deadline.

B. Income and Taxes. Applicant is solely responsible for any tax implications upon receiving this incentive grant and should consult their tax professional.

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

Adopted this _____ day of _____, 2023.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



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 Gladziszewski and Assembly Committee of the Whole
DATE: July 17, 2023
FROM: Robert Barr, Deputy City Manager
RE: Childcare Update

This is a follow-up to our discussion at the [April 24, 2023](#) Committee of the Whole meeting. Since then, AEYC has published a request for [letters of interest](#) for new and/or expanded childcare startups, we were notified that our \$2M grant application was successful and will be awarded in full. An [appropriating ordinance](#) was introduced at the July 10, 2023 Regular Assembly meeting.

As a reminder, total CBJ funding with the grant requires shifting some funds from FY24 to FY25 due to a requirement the grant be fully expended in FY24, and our desire to smooth out and create a longer-term period of predictable funding for providers. Currently anticipated 5-year funding with the new grant (more detail in the 4/24 memo linked above):

Revenue Source	FY24	FY25	FY26	FY27	FY28
General Fund	\$330,000	\$1,355,000	\$805,000	\$805,000	\$805,000
1% Sales Tax		\$900,000	\$500,000	\$500,000	\$600,000
State Grant	\$2,000,000				
Total	\$2,330,000	\$2,255,000	\$1,305,000	\$1,305,000	\$1,405,000

This level of funding will allow us to double the size of our per-child stipend program in FY24 and FY25 while also creating a new per-employee stipend program and an apprenticeship program designed to provide training and development opportunities for 4 new childcare administrators.

A final note – while we have received verbal notification of this grant award, we have yet to receive formal grant documents. We expect to receive those just-in-time for AEYC to process July payments – if something changes, we will adjust course and update the Assembly.

Recommendation:

Direct staff to prepare a deappropriation ordinance for \$950K (\$550K from GF, \$400K from 1% Sales Tax) in FY24, and include the same amount as a one-time increment in FY25.