TO: Assembly Lands Committee

FROM: Kimberly A. Kiefer
City Manager

DATE: March 7, 2013

SUBJECT: AHFC Affordable Housing Grant / Authorization to Negotiate Terms and Conditions for Conveyance of Municipal Land

Attached for your review and recommendation, is a resolution authorizing the Manager to enter into negotiations for the purpose of conveying municipal land to the recipient of an Alaska Housing Finance Corporation (AHFC) grant to enable the construction of affordable housing.

Affordable Housing and the “CBJ Switzer Lands Residential Development Study”

The CBJ has long recognized the need for more affordable housing in Juneau and has sought ways to help facilitate such development. In response to that concern, CBJ staff, with consultants, analyzed the residential development potential of municipal lands in the Switzer Creek area. This effort culminated in the May 2012 report, “CBJ Switzer Lands Residential Development Study.”

In its conclusions, the study recommended a 3.2-acre parcel, referred to in the study as “Development Area 2A,” for a first phase of development, stating “it is the easiest and least expensive to develop and offers the lowest cost per dwelling unit ratio.” Development Area 2A is located near the Dzantik’i Heeni Middle School, east of Renninger Street.

In the months following the release of the study, the Affordable Housing Commission, Lands Committee, Public Works Committee, and Planning Commission all reviewed the study and evaluated its conclusions. Most recently, the Planning Commission, at its November 13, 2012 meeting, by motion, recommended to the Assembly that the 3.2-acre parcel of municipal land (Development Area 2A) be developed in the near term.
Alaska Housing Finance Corporation’s “Region Specific – Greater Opportunities for Affordable Living Program”

The Manager’s Office recently learned that, in an unprecedented move, AHFC has targeted $7.6 million in funds to be granted to a qualifying entity for the purpose of constructing affordable housing in Juneau. These grant funds are part of AHFC’s “Region Specific – Greater Opportunities for Affordable Living Program.”

Unlike many grant programs, in which funding is subject to statewide competition, AHFC is directing $7.6 million specifically for the construction of affordable housing in Juneau. Four entities have successfully completed AHFC’s preliminary application process and have been invited to compete for the grant funds to build affordable housing in Juneau.

These circumstances present an opportunity for the CBJ to show its support for the awarding of the AHFC grant and to take measures to ensure that the four entities are well-positioned to compete for the funding.

Resolution No. 2641: Authorization to Enter into Negotiations to Convey Municipal Land to the Recipient of the AHFC Grant

Vacant land, suitable for cost-effective residential development is scarce in Juneau. The CBJ owns a parcel of land suitable for immediate residential development, known as Development Area 2A. The Manager’s Office is aware that at least one of the four entities qualified to compete for the AHFC grant needs a building site in order to successfully compete for the grant.

Resolution No. 2641 has been drafted to achieve the following goals:

- Demonstrate to the AHFC that the CBJ enthusiastically supports the awarding of the $7.6 million in grant funds that would enable construction of affordable housing in Juneau; and

- To help ensure that end, the CBJ will enter into negotiations to make municipal land available to that entity awarded the AHFC grant, if the successful entity needs a building site.

Staff Recommendation: That the Lands Committee, by motion, recommend the Assembly adopt Resolution 2641.