

Presented by: The Manager
Presented: 01/12/2026
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2025-01(b)(W)

An Ordinance Appropriating up to \$200,000 to the Manager for a Loan to Southeast Endeavors, LLC; Funding Provided by the Affordable Housing Fund.

WHEREAS, during the 2025 Juneau Affordable Housing Fund solicitation, the City and Borough of Juneau (“CBJ”) received a proposal from a private development group for a construction loan of \$200,000 for a four-plex (2 three-bedroom units and 2 one-bedroom units) to be developed at Lee Street LT 11 in Juneau, Alaska; and

WHEREAS, the Juneau Affordable Housing Fund Review Committee recommends the Assembly approve a loan of \$200,000 to Southeast Endeavors, LLC, for the 220 Front Street project; and

WHEREAS, CBJ and Southeast Endeavors, LLC agree that, since a bank loan will be used for the development project, a loan from CBJ must be secured in a manner that places CBJ’s interests after those of the bank, otherwise a bank will not loan on a development project; and

WHEREAS, given the high demand for housing and the potential benefits for the community if the Lee Street LT 11 project is fully developed, the following appropriation terms and conditions are in the best interest of the community.

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 \$200,000 for a loan to Southeast Endeavors, LLC.

1 **Section 3. Source of Funds.**

2 Juneau Affordable Housing Fund \$200,000

3 **Section 4. Loan Purpose and Terms.** The Manager is authorized to negotiate a
4 loan contract with Southeast Endeavors, LLC with the following essential terms, in addition to
5 other reasonable contractual and financing provisions deemed necessary by the Manager to
6 protect the City and Borough:
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8 (a) **Intent.** Housing is in high demand. The purpose of this loan is to provide capital in the
9 form of a construction loan, secured by a mortgage lien, to encourage and facilitate the
10 development of a four-plex to be developed at Lee Street LT 11 in Juneau, Alaska.

11 (b) **Restrictions.** The Manager must include, and the Borrower must agree to, the following
12 restrictions which are necessary to protect the public's interest with this loan:

13 (1) **Rentable Apartments.** During the term of this loan, the housing units must
14 remain apartments and available to rent. The apartments may be converted to
15 other forms of housing (i.e. condos) upon complete satisfaction of the CBJ loan.

16 (2) **Short-term rental.** During the term of this loan, no apartment may be used as a
17 short-term rental. The short-term rental restriction expires upon complete
18 satisfaction of the CBJ loan.

19 (3) **Affordability.** Two of the resulting four units must be rented or available for
20 rent to people who make 80% or less than the Juneau Area Median Income
21 (\$1,932 or less for a one-bedroom and \$2,174 or less for a two-bedroom per month)
22 adjusted for inflation annually for 30 years.

23
24 (c) **Borrower.** The Developer/Borrower is Southeast Endeavors, LLC, entity # 1005473
25 represented by Shawn Kantola, sole member and owner.

1 (d) **Real Property (“Property”).** This appropriation is for a four-plex on a portion of the
2 following real property:

3 Lee Street LT 11, Juneau Recording District,
4 First Judicial District, State of Alaska.

5 (e) **Loan Amount.** A construction loan of \$200,000 shall be made to Southeast Endeavors,
6 LLC, in a single disbursement.

7 (f) **Payment Term.** Southeast Endeavors, LLC shall pay CBJ monthly once repayment of
8 the loan commences. Monthly payments shall begin the first business day of the first
9 month that occurs six months after a final certificate of occupancy is obtained from the
10 CBJ Building Official. The loan payments shall be calculated on a 25-year amortization
11 schedule and the full amount of the loan shall be due after 10 years of payments (120
12 monthly payments).

13 (g) **Interest Rate and Calculation.** The loan authorized by the ordinance will be at zero
14 percent (0%) per annum from disbursement and for the first five years of the loan
15 repayment and two percent (2%) per annum for the remaining five years of the loan
16 repayment. After ten years of payments, the loan shall be repaid in full.

17 (h) **Security.** Southeast Endeavors, LLC must agree and grant authority to the City and
18 Borough to secure and record a lien for the full loan amount plus interest, costs, and
19 reasonable attorney’s fees related to or arising from the mortgage contract against the
20 real property and all personal property owned by the Borrower on or near the real
21 property. Southeast Endeavors, LLC and the City and Borough may renegotiate the
22 terms of the property which provides security for the loan over the life of the loan, but
23 the security must match or exceed the value of the outstanding loan. Southeast
24 Endeavors, LLC must further agree to authorize the City and Borough to secure the loan
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1 with liens on any materials purchased with the loaned money; the City and Borough will
2 release the materials liens either upon Southeast Endeavors, LLC completing repayment
3 or upon permanently installing the materials onto or into the property.

4 (i) **Subrogation.** The Manager may subrogate the CBJ's interests to those of the
5 commercial banking lender.

6 (j) **Additional Loan Terms.** The Manager may add additional terms consistent with the
7 intent of this ordinance.
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9 **Section 5. Effective Date.** This ordinance shall be effective 30 days after its
10 adoption.

11 Adopted this 9 day of February, 2026.

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14 Beth A. Weldon, Mayor

15 Attest:

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17 Breckan L. Hendricks, Municipal Clerk
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