

CBJ Accessory Apartment Incentive Grant Program

Frequently Asked Questions



"I utilized the funds from the grant program to invest more in the efficiency of the space by placing additional insulation and installing an ultra-efficient heat pump heating and cooling system."

What is the CBJ Accessory Apartment Incentive Grant Program?

The CBJ Accessory Apartment Incentive Grant Program resulted in 12 additional housing units in the community and an investment of over \$1 million dollars in the local housing stock.

The program was developed as a way to leverage the financial capacity of Juneau homeowners to produce more accessory apartment rental units at a cost that would be a fraction of the public investment needed to develop traditional affordable housing.

In 2015, \$72,000 was made available for a pilot program. Twelve \$6000 grants were allocated on a first come, first serve basis through early 2017.

CBJ investment into the program will be recovered over time through additional property taxes collected from added home value.

How does the CBJ Accessory Apartment Program work?

Applicants must be the property owner and at least 18 years of age. Only new accessory apartments are eligible for the program. The grant award is made upon inspection and receipt of a certificate of occupancy, within one year of the issuance of a building permit. More details can be found at <http://www.juneau.org/cddftp/>.

How does the program meet the goals of the Housing Action Plan (HAP)?

The Housing Action Plan clearly indicates a need to create new housing opportunities for workforce, seniors, and young families in Juneau. Also:

- The CBJ needs to spend resources to develop housing and reduce drag on the economy.
- New rental units within existing homes increase density in established neighborhoods.
- Converting space is a down-size strategy for seniors and an up-size strategy for families.
- The program encourages investment into an aging housing stock through remodel and energy efficient upgrade opportunities.

What is the status of the program?

In February 2018 the CBJ Assembly approved appropriating \$480,000 (\$96,000 for five years) to the CBJ Accessory Apartment Incentive Grant Program. Interested applicants should contact Brenwynne Grigg in the Community Development Department at 907.586.0766.

CBJ Accessory Apartment Incentive Grant Program

Contact Information

To learn more about the program, contact:

Brenwynne Grigg, Community Development Department, 907.586.0766

To learn more about other CBJ Housing Programs or the Housing Action Plan, contact:

Scott Ciambor, Chief Housing Officer, 907.586.0220



“There is a severe housing shortage in the country – especially on the West Coast. Communities are utilizing accessory dwelling units as a way to address many needs.”

Why a \$6000 incentive grant versus another amount or a loan?

The goal of the program is that \$6000 would be a significant incentive amount to encourage homeowners to develop an accessory apartment but not to **fully subsidize the entire cost**.

	Value of Permitted Work	Average Project Cost	CBJ \$6000 Incentive Grant is ...
Remodels	\$352,000	\$32,000	19%
Additions	\$712,724	\$79,000	8%
Total	\$1,064,724	\$53,000	11%

- The pilot program shows that the incentive grant has covered roughly 11% of total project costs for the initial 12 units. (For \$72,000 worth of grant dollars there was a total investment of \$1,064,724 into the housing stock.)
- CBJ future investment will be re-captured through additional property taxes collected from added home value.
- Future \$6000 grants will be consistent with the pilot program and helps with the ease of administering the program.
- Per the Housing Action Plan, CBJ should expect to invest in housing at \$40K per unit to make an impact. To compare:
 - CBJ investment into the Housing First permanent supportive housing project was \$2.7 million for 32 units (\$84,375/unit) and;
 - Low-Income Housing Tax Credit projects (74 projects, 369 living units) often receive annual property tax exemptions equaling roughly \$1000 or more per unit for the length of the program. (15 or 30 years)

Will the market absorb 16 accessory apartments per year? What would happen if 70 applicants came forward in year one?

- The goal of the Housing Action Plan is to consistently add units over a 30-year period. The grant incentive program would be available to accommodate homeowners on their development timelines and the extended program period will encourage participants that might be on the fence.
- Over the past 8 years, CDD has averaged 17 accessory apartment applications per year – with the highest being 25. It is unlikely that a huge volume of applications would appear at once because housing development is difficult and takes planning time.