

Juneau Affordable Housing Fund

APPLICATION FORM



For more information, contact:
Scott Ciambor, Chief Housing Officer
City and Borough of Juneau
155 S. Seward St.
Juneau, Alaska 99801
Phone: 907-586-5240 ext. 4171
Email: scott.ciambor@juneau.org

To: Mr. Scott Ciambor,
Chief Housing Officer
City and Borough of Juneau

November 16, 2021

From: Steven Soenksen, Manager
Gastineau Lodge Apartments, LLC

RE: Affordable Housing Fund Application
Response to review questions

We have received the follow-up questions from you and the review committee. These are very good questions and important considerations to clarify, and we welcome this opportunity.

Please consider the following as our response. If additional questions or clarification are needed, we are ready to answer it promptly.

Gastineau Lodge Apartments

1. • **What is the funding request at this time? \$700,000 or \$1.3 million? (eligible for loan)**

Yes, The funding request is for \$700,000 at this time. We are “shovel ready” to begin several tasks of the project simultaneously, including site preparation as soon as weather permits in spring.

This loan would provide and generate significant capital investment in project cost of development and delivery. This investment by the city will help us attract additional investment in the private sector by showing that CBJ materially supports the project. Downtown buildings present special challenges to construct, additional construction costs and risk, due to the Hazard Zone Designation.

Available funding, to date, will not cover these pre-development costs and initial expenses.

For more information, see Appendix G in our original application for Tasks and Timeline. This funding at \$700,000 would immediately fund the development project to include: Finalize location survey, Preliminary Site plan approvals, Final Design, Development and Pricing, Project documentation, and final construction documents as CBJ required permitting continues throughout.

Please see timeline for additional tasks and status as we progress 3,6,9, months after CBJ funding. The highlighted area in green indicates activities and tasks to be partially funded with CBJ AHF Funding.

Additional Capital may be required. Yes. Construction Activities, post-covid have uncertain costs and availability of materials. Wide fluctuations have been seen in the past several years. The completion of design development phase will clarify building delivery systems and therefore the amount of funds needed.

After this pre-construction phase, we would need to show an additional \$1,000,000. These funds would be used as a line-of-credit for lender required initial operating deficit deposit and 4% working capital fund.

When this work has been completed, the long term mortgage note would kick in and pay off the pre-development costs. Then the building general contractor would take the site and construct the building.

Note: The long-term mortgage lender does not allow subordinated debt to their loan. Therefore any CBJ-AHF funds on loan to the project will be paid back within the first year or 2 of project development.

Without the CBJ funding from the Affordable Housing Fund, this project will not proceed due to funding capital and other barriers (Hazard Zone, high cost of development, and more) to building in downtown Juneau and on this site.

2. • **Is there interest in a longer period of affordability? 10 years is noted in the application.**

Yes, we would consider longer term affordability or partnership arrangements

We are open to consider solutions for long term affordability

During our feasibility studies and In an effort to raise local investment capital, we reached out to local affordable housing providers and other private sector investors. We wanted to see if they were interested in partnering to develop a mixed-occupancy project that would include set aside units for affordable goals, in the same building as market rate workforce housing.

Such project models do meet a broader market need and additional housing options through mixed income and occupancy. We believe this concept is closer to solving diverse community needs and promotes long-term market stability and sustainability. This building could be a great way to blend affordable and workforce housing solutions through mixed occupancy and an expanded housing market capacity and availability.

Our potential partners liked the design and building concept. However, after noting the many barriers and increased cost to downtown development, they had reached a similar conclusion. "We cannot invest in developing multi-family, high density housing in a hazard zone. All of downtown is a Hazard Zone".

Although under current rules, this is more perception than Code, the effect is the same: no capital investment in the capitol city downtown in over 40 years.

Under the current proposed map, it does classify all of downtown as some level of defined “Hazard” (Low, medium, high, and severe), **Adopting the new map will effectively extinguish any investment in downtown Juneau**, the capitol City of Alaska. For a vital and healthy capitol city, we will need to find a new location for a new downtown that is not in a Designated Hazard Zone.

Or,

We need to change the narrative and focus on mitigation, not just a designation and adopting new and more damaging maps.

Let us focus on mitigation, then there is no need for the “Hazard Zone” designations that cover private property. The FEMA study identified Hazards, potentially affecting downtown Juneau but all of those originate on CBJ property, or former Mining properties.

See Question 5 for more detail on this topic. Availability and affordability of multi-family housing is directly tied to the current code and related rules designation.

3. • **Underwriting letter of interest is from 2018; still eligible? Lots has changed in underwriting world in 3 years, post-covid.**

Yes, Eligible and a preferred project. (see attached). We have been in regular conversations with the lender and Underwriter over the past several years trying to close the funding gap. Today we can include an updated application letter.

4. • **Conditional use permit; pre-application meeting details are from 2018. Would developer be interested in coming back with permitting, updated drawings to have clarity on project – for example # of units, maximum density, etc.**

No, at our stage of development, we utilized an integrated and “whole building design approach” through project planning and Concept Development. To move forward with the project, we need to work multiple tasks simultaneously through project and Design Development with CBJ-AHF available funding, (See Timeline Appendix G). It’s not practical or even possible to do one step of this at a time. We propose 1-2 years from today, to deliver the project.

Our building program and details will be verified through the process, but should not change much through the process, and concept development has been extensively planned out.

We will have 78 Workforce efficiency and one-bedroom apartment units to rent out and a managers unit. The building site, shape, scale, and external and interior features will not change.

5. • **Moderate hazard map designation; will FHA loan on projects in these areas?**

YES, we believe so, but no one has worked a project through the process in Juneau to completion. No one, (local or agency), has funded any projects in downtown for over 40 years. That's why we, as a city, haven't been able to keep up with replacement of buildings that have gone out of service in that time frame. (more than 300+ units downtown)

HAZARD ZONE

New Public Policy needed. CBJ Hazard Zone designation and "updated" maps that show any part of platted downtown Juneau properties is still vague and ambiguous, and full of uncertainty. It shows "potential landslide areas" through possibility, speculation, and mapping of "potential downhill flow areas" covering all of the base of Mount Roberts.

Yet, in fact, only localized hazards present any potential risk. Two locations are known. Both are the result of man-made interventions in the hillside, not natural geography, geology, and landforms.

The current code sets up the vast uncertainty and risk scenario where no one can or will invest local and possibly agency sources of funding. As proof, no one has invested in any potential multi-family housing solutions downtown in over 40 years.

We have seen that locations and availability of housing effects transportation and parking issues dramatically. Public policy needs to recognize these facts too.

Therefore, It is in the cities best interests for address mitigation of the "potential Hazard". Identify and mitigate potential landslide Hazards in areas adjacent to downtown Juneau. As the city, it is the only entity eligible for FEMA and other federal grants to do mitigation. With that effort in place, the current mapping may be used to identify a special engineering district for specific site conditions. But hazard zone designation, "possible landslide throughout large areas" and colors are not appropriate.

The community development process and permitting in certain areas may stay the same, or be simplified. But the map overlay designation of Hazard Zone would no longer be appropriate as the city has "taken steps to mitigate known and identified Hazards".

The city inherited a continuously clear-cut mountainside that dates back to the initial settlement of the community. It also inherited a hillside with the base

covered, (ballasted) in rock and tailings from major mining activities uphill. This “asset” has for years, and will continue to serve, to stabilize the base of Mount Roberts geology.

All this mining and logging activity is documented through historical photos and records of Juneau.

Its not as “hazardous or unstable” as the current vague and incomplete code and mapping designation implies. With appropriate mitigation strategies, a much better promise and possibility for the Capital City of Alaska emerges.

Mitigation, according to the consultant Tetra Tech, is:

1. Removing hazard trees, and
2. Making sure drainage channels are not clogged.

These are not expensive or complex activities.

CBJ typically does this, (or AEL&P) on an annual basis in other parts of the borough. This city-owned land needs to be addressed as well.

Mitigation addresses the Hazard, which is appropriate public policy, therefore there is public funding available. This is especially true since the CBJ can access federal funds to cover most and possibly all of the mitigation effort.

CBJ can and should remove platted properties from the Hazard zone maps, as Mitigation measures will be in place, or underway and will reduce the likelihood and potential of a damaging mass wasting event.

6. • **Application shows an equity financing gap of between \$2-\$4 million; what are the targets to close gap; additional equity financing or partnerships? Would there be an additional funding request to CBJ?**

Our current project sizing letter shows a capital requirement of \$2,079,539. Less \$700,000 from CBJ leaves a gap of \$1,379, 539. We could raise and had planned for \$450,000 in additional equity to invest in this phase of project and site development.

Previously we stated that there would be a later \$1,000,000 set aside for working capital fund and initial operating deficit needed later. We will seek additional funding opportunities or possibly raise additional investment equity for this line item.

The CBJ AHF initial loan money with these items together appears to close the funding gap needed to launch this project.

7. • **Would developer be interested in smaller predevelopment loan/grant to answer some of these questions; figure out the next piece of the puzzle?**

No, The puzzle is figured out, The pieces are well known by our all local team. We have spent years (worth of hours) and many thousands of dollars of our own investment in figuring it out how to deliver a true housing solution as indicated in conformance with the Housing Action Plan, as affordably as possible. This project makes a significant contribution to Downtown Housing Solutions. It is a shovel ready project as soon as final approvals are complete.

It just needs completing final documentation, approvals, and to commence pre-construction activities. (See timeline in Appendix G)

We need to move forward with multiple tasks simultaneously with available funding, to meet the overall Budget and Timeline.

While a building of this scale and complexity will be completed a piece at a time, modern construction requires many things to happen simultaneously. When funding is fully available, we need to deliver it as quickly as possible. We are very capable of accomplishing this.

8. • **Will applicant use the downtown tax abatement program?**

Yes, This program will support a reduced operating expense budget for property taxes for the first 12 years of operations. In our case, it represents approximately 24% of our annual operating expenses in abatement. This significantly helps keep rents lower for a longer period of housing unit delivery by abating possible \$1,500,000 in operating expenses. (\$125,000 x 12 years =)

We appreciate this opportunity to provide additional information and expand on the barriers, financial and jurisdictional, facing this project. With CBJ support, we can begin immediately, utilizing local resources and talent, to successfully deliver this project.

Please let us know if you would like additional information

Sincerely,

Steven Soenksen, Manager
Gastineau Lodge Apartments, LLC
907-209-0709

Juneau Affordable Housing Fund

Application Checklist

Check all items that you have included with this application.

Note: The items identified as Borrower Information must be provided for each applicant. If separate entities will operate and own the real property, both must be applicants/co-borrowers.

- ☐ **Property information**
- ☐ Copies of deeds, permits, purchase agreement, lease, home inspection reports
- ☒ Appraisal (as-is, as proposed if available) See Appendix D
- ☒ Location map /site description See Appendix A
- ☒ **Project Information**
- ☒ Project Narrative: Market study information, housing waiting list information, evidence of local support for the project, and fit into CBJ plans and housing priorities See Appendix A
- ☒ Approach to green building and sustainable development
- ☒ Blueprints, preliminary design drawings, housing unit floor plans See Appendix F
- ☐ **Financing Information**
- ☒ Project budget/pro forma
- ☒ Construction Budget/Bids See Appendix H
- ☐ Operating Budget
- ☐ Support Services Budget, if applicable
- ☐ Documentation of financing gap
- ☐ Senior loan terms (loan documents/commitment letters)
- ☒ Documentation of grant commitment letters or loan documents requested/received
- ☐ Credit or loan denial letters, if any See Appendix H PGIM
- ☐ **Borrower Information. Provide the information below for any entity operating the project property and/or any entity who will own the project property.**
- ☒ JAHF Application for Funding, completed and signed (pg. 3)
- ☐ Borrower Financial Statements (balance sheet and current operating statements < 90 days old)
- ☐ Board resolution(s) authorizing the application, if required by your organization
- ☒ Resumes/Organizational History for Developer, Project Sponsor, Property Manager
- ☒ Articles of Incorporation & Bylaws (S & C Corps, including non-profits); Articles of Incorporation & Operating Agreement (LLC); Partnership Agreement (General & Limited Partnerships) for each borrower. See Appendix E
- ☒ Current List of Officers & Directors, General/Managing Partners, Authorized Members See Appendix B

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Application for Funding

Formatting Note: All applicants must sign and submit pg. 3. For the other sections, applicants can put information/narrative into their own format –making sure that all details requested are addressed. For sections 8 & 9, applicants can attach their own pro forma to supplement information provided. During the review period, applicants may be asked to provide missing or additional details.

1. APPLICANT IDENTIFICATION – for capital projects, the entity owning the property must be an applicant/co-borrower and sign below.

Copy and complete the information below for each applicant/co-borrower.

Legal Entity: ☐ Non-profit ☐ Public Housing Authority ☐ Ltd./Gen'l Partnership ☐ S/C Corp
☒ LLC ☐ Individual ☐ Other (Describe):

Applicant Name: **Gastineau Lodge Apartments, LLC**
Mailing Address: Street/City/State/Zip **PO Box 35854, Juneau, Alaska 99803**

Phone: **9072090709**

Fax:

Contact Name/Title: **Steven Soenksen**

Email: **ssoenk@yahoo.com**

Applicant's Federal I.D. or Social Security Number:

Contact Person for Award Notification: **Steven Soenksen**

The Juneau Affordable Housing Fund (JAHF) is a program of the City and Borough of Juneau (CBJ). Approval of all grants and loans from the JAHF is a public process and loan files maintained by the CBJ are subject to open government policies and procedures observed by the CBJ. By signing and delivering this application to JAHF, I/we hereby WAIVE ANY RIGHTS TO OBJECT TO OR PREVENT THE DISCLOSURE TO THE PUBLIC OF THE FOLLOWING INFORMATION: Grantee's/Borrower's name; name and location of the project; grant or loan amount and terms; amounts and source of other financing; public purpose of the grant or loan; a description of the project including the number of units and number of units set aside for the public purpose.

I/we, am/are authorized to apply for financing from the City and Borough of Juneau Affordable Housing Fund on behalf of the applicant and certify that the information contained in this application is true and accurate.

Signature

Date

Printed Name: **Steven M Soenksen**

Title:

Manager

Applicant:

Gastineau Lodge Apartments, LLC

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2. PROJECT DESCRIPTION: See Appendix A

Project Name	
Project Address Street/City/Zip	NNN Gastineau Ave
Property Complete Legal Description	Block 2, Pacific Coast Addn Lot 13, 14, 15
Site Size	150'x100'
Current Site Zoning	Mixed Use

Type of project:

- ☐ Affordable, low-income, senior, or special needs housing
- ☒ Fair market workforce housing
- ☒ Downtown housing
- ☐ Other:

Please identify and provide a description of the project. Include a narrative that:

- highlights market study information, population targeted, local support for the project, and fit into CBJ plans and housing priorities;
- includes a location map, and describes the condition of housing nearby; availability of public transportation; location of schools, shopping and employment centers, and other information relevant to the site; and
- Describes how this project addresses green building technologies and encourages sustainable development.

3. TYPE OF FUNDING REQUEST: Choose any of the following activities that describe your request:

- ☒ Construction of new housing
- ☐ Acquisition of land for new housing construction
- ☐ Acquisition of existing housing
- ☐ Rehabilitation of existing housing
- ☐ Capacity building activities
- ☐ Operating expenses
- ☐ Supportive services
- ☐ Other:

4. ORGANIZATIONAL DEVELOPMENT AND TEAM SUMMARY See Appendix B

Provide details on the organizational capacity and team experience for the project.

Please Attach Resumes and/or organizational references for the Project Development Team Members below

- ☒ Project Sponsor
- ☒ Developer
- ☐ Property Manager

Please discuss:

- the objective, management structure, and staffing of the sponsor organization;
- experience and ability to implement and manage housing projects/complex capital projects, including the organizations fiscal management systems;
- service provision experience, if part of the overall project design; and
- details for extended project development team members such as general contractor, architect, structural and mechanical engineers, attorney, consultant, tax advisor – if available.

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5. HOUSING UNITS AND POPULATION TARGETS

See Appendix C

List unit details below and describe the total housing units, unit mix, and units anticipated to be funded with JAHF funding.

Unit Type	Total # of Units	Unit Size (Sq. Ft.)	Total Unit Area: Garage + Unit Size	# ≤ 30% HUD Income Limit	# ≤ 50% HUD Income Limit	# ≤ 80% HUD Income Limit	Market Rate Units
SRO							
Efficiencies							
1 Bedroom			See Appendix C				
2 Bedroom							
3 Bedroom							
4 Bedroom							
5 Bedroom							
Total Units							

For income limits, see Appendix B of Juneau Affordable Housing Fund Program Description and Application Guidelines or go to HUD User Datasets at https://www.huduser.gov/portal/pdrdatas_landing.html

Total Residential Square Footage:

Manager's Unit included? ☐ Yes ☐ No If Yes, describe:

DEVELOPMENT DESIGN	# Units	# Buildings
Detached Single Family		
Townhouse		
2-, 3-, 4-plex		
Multi-Family	78	1
Scattered Sites		
Tiny Homes		

OTHER AMENITIES:

- ☐ Units contain Washer/Dryer Appliances ☐ Units contain Washer/Dryer hook-ups only
☒ Common Laundry with: # 9 washers and # 9 dryers.
☐ Covered parking spaces: # ☒ Uncovered parking spaces: # 11
☒ Other amenities (describe)

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Population to be served:

Affordable Housing: ☐ Single adults ☐ Families with minor children ☐ Chronic homeless ☐ Seniors
☐ Assisted Living ☐ Veterans ☐ Special needs (describe) ☐ Survivors of Domestic Violence
☒ Workforce Housing
☐ Other (describe)

Number of years units will be committed to serving the population above:

☒ 10 years ☐ 15 years ☐ 20 years ☐ 30 years ☐ Other (describe)

FOR RENTAL PROJECTS ONLY

List Rental Rates for each type of unit and describe the process you will use to set and adjust rents.

Unit Type	Rental Rate @ ≤ 30% HUD Income Limit	Rental Rate @ ≤ 50% HUD Income Limit	Rental Rate @ ≤ 80% HUD Income Limit	Market Rate Rental Rate
SRO				
Efficiencies				
1 Bedroom		See Appendix C		
2 Bedroom				
3 Bedroom				
4 Bedroom				
5 Bedroom				
Total Units				

FOR HOMEOWNERSHIP PROJECTS ONLY

Not Applicable

List proposed sales price of all homes in project. Indicate if the project will include affordability covenants, e.g. community land trust.

Unit Type	JAHF Financed Units	Financed by Other Affordable Housing Lenders	Market Price Units
1 Bedroom			
2 Bedroom			
3 Bedroom			
4+ Bedroom			
Total Units			

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6. PROJECT READINESS AND SITE INFORMATION: Please provide details on site control and project readiness.

How is control of the project property site established?

☒ Ownership ☐ Purchase Agreement ☐ Purchase Option ☐ Lease ☐ Other (describe)

If no site control exists, describe plans to acquire the project property?

Current property owner's name: **Doug Trucano**

Is the site properly zoned for your development?

- Attach evidence that the site is properly zoned for the proposed use or if a variance or exception is required, evidence that a request has been filed and a hearing date has been scheduled.

See Pre-Application meeting as Appendix D

Does the project operator plan to own the property directly? **Yes**

If property is to be owned by related entity, please provide name of entity and specify relationship (e.g., subsidiary corporation or partnership of which applicant is general partner)

Name of entity: **Gastineau Lodge Apartments, LP**
Relationship: **Planning Partnership Entity**

See Appendix C Business Lic

PLEASE NOTE: Entity proposed to own the property must be co-applicant and co-borrower for any JAHF Financing.

Are there liens or other encumbrances on the property that must be cleared by allocating funds to them? If yes, please describe amount due, date due, nature of obligation and cost of clearing title.

Have you obtained	Yes/No	If No, when will these be completed?
Blueprints		
Zoning changes		See Appendix D and F
Building permits		
Utility hookups		
Environmental report		
Commitments from service providers		

Will the project require any displacement of current occupants? If yes, will you compensate or relocate those who are displaced? Describe your proposed plan for relocation assistance.

Please attach copies of supporting documents – evidence of zoning, deeds, permits, leases, options, sales agreements, etc. Projects requesting assistance for homeownership (rehab or acquisition) must include a current Home Inspection Report.

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Funder	Specify Agency/ Program/Investor Name	Amount Committed or Received ¹	Amount Requested ²	Date of Application	Anticipated Approval Date
Private Loan					
Private Grant					
Private Investor					
Applicant's Funds					
Other					
Totals		\$	\$		

Total non-JAHF funds committed and requested above:

+ _____

Total JAHF grant/loan requested from 8a above

+ _____

Total project funding from all sources. Total project cost must match total project funding in 8a. Above.

= _____

Reminder:

- Qualifying projects are eligible for grants and loans up to \$50,000 per affordable or workforce housing unit created, or for other eligible uses on a similar per unit basis.
- For profit-developer projects utilizing JAHF funds for workforce housing must reserve at least 20% of units for tenants with gross incomes at 80% or less AMI for at least ten years or the life of the loan.

Your grant/loan may be approved for an amount less than requested.

See Appendix C

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9. DETAILED USE OF FUNDS

For section 9, applicants only need to complete the sub-section(s) for which JAHF funding is being requested. (See 8a) The total JAHF funds requested and the total of funds provided by others should match the total in Section 8a and 8b.

9a. CAPITAL COSTS. Please include below the total project cost for each type of capital cost (Acquisition, New Construction, or Rehabilitation) regardless of funding source.

Capital Costs	Acquisition	Construction	Rehabilitation	Admin/Overhead
Land				
Residential structures				
Nonresidential structures				
On Site improvements		See appendix H		
Off Site improvements				
Remove, Refinance Liens/ Encumbrances				
General requirements				
Contractor Fees				
*Developer's Fee				
Architect Fee				
Design				
Supervision				
Legal Fees				
Packaging/Processing				
Other (describe)				
Other (describe)				
Total Capital Costs				\$

General requirements: % of 9a Total	
Builder's General Overhead: % 9a Total	
Builder's Profit: % of 9a Total	

PROJECT COST PER UNIT \$ _____

*The amount and use of developer's fee will be relevant to the evaluation of the application.

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9b. PREDEVELOPMENT COSTS (list cost of each item below)

Predevelopment Costs	JAHF Funds	Other Funds	Total Cost
Architect Fee			
Design			
Supervision			
Legal Fees			
Packaging/Processing			
Surveys and Soil Borings			
Appraisal			
Environmental Study			
Market Study			
Other (describe)			
Other (describe)			
Total Predevelopment Costs			\$

9c. OPERATING ASSISTANCE request for one (1) year

Operating Costs (Annual)	JAHF Funds	Other Funds	Total Cost
Salaries – Office & Admin			
Advertising and Marketing			
Management Fees			
Accounting Services and Fees			
Auditing Expenses (project only)			
Insurance			
Legal Expenses (project only)			
Office Supplies, Postage, etc.			
Permits, Licenses and Misc. Taxes			
Telephone and Answering Services			
Other			
Other			
ADMINISTRATIVE Subtotal(A)			
Salaries – Maintenance & Janitorial			
Exterminating			
Costs associated with lead-paint reduction			
Electrical Repairs & Supplies			
Garbage and Trash Removal			
Grounds Maintenance Contract and Supplies			
Heating & Air Conditioning Maintenance			
Janitorial Supplies			
Painting			
Plumbing Repairs & Supplies			
Rental Equipment/Small Tools			
Roof Repairs			
Other			

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Operating Costs (Annual)	JAHF Funds	Other Funds	Total Cost
Other			
MAINTENANCE & REPAIRS Subtotal (B)			
UTILITIES PAID BY OWNER			
REAL ESTATE TAXES			
GROUND RENT			
RESERVE FOR REPLACEMENT			
Other (describe)			
Other (describe)			
Total Operating Costs (A+B+this subsection)			

Revenues Earned Year 1:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Year 1
Unit Rentals					
Fees/Other					
Total					

9d. CAPACITY BUILDING COSTS must be directly related to the specific housing project covered by this application.

General organizational development or broad-based client needs assessments will not be funded. Examples of capacity building include training for on-site property manager or maintenance staff, acquisition of software for facility management, website development for rental information, etc.

Purpose/Use of Funds (list)	JAHF Funds	Other Funds	Total Cost
Total Capacity Building Costs			

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9e. SELF-SUFFICIENCY / SUPPORTIVE SERVICES

Enter funding amounts anticipated for salaries and other expenses related to providing the services offered to residents in the specific housing project named in this application:

Purpose/Use of Funds (list)	Y/N	JAHF Funds	Other Funds	Total Cost
Rental/Down Payment Assistance				
Job Skills Training	y		HUD	
Educational Courses				
Budget Counseling/Financial Literacy				
Substance Abuse Aid				
Mental Health Care				
Other Health Care				
Child Care				
Other Project-Specific Costs:				
Total				

The funding requested is for a ☐ new position ☐ current position

For services not to be provided by applicant, please list service(s) and service provider(s):

Project Description

This proposal has been developed to address the various needs for housing in downtown Juneau. In addition to appropriate building design to meet energy and environmental conditions, this will be a prominent and beautiful building with good access to downtown Juneau.

This project is specifically designed to meet needs as defines in the Juneau Housing Action Plan. It is intended to comply with existing codes, market conditions, as many resident and community needs, as possible, within the context of being affordable and market rate apartments.

Project design description.

- The form of the building is a multi story "Lodge concept". As you enter the building from Gastineau avenue, a covered entry is the main point of arrival. As you enter the lobby, managers unit, mail and parcel station are the first things you walk past. A large two story "Lodge great room" provides a gathering and meeting place and may hold coffee station and tables and seating for tenants and guests. This area will have wifi internet access and stunning views of downtown Juneau.
- The building will be four stories of wood framing on top of two floors cast in concrete with insulated formwork.
- Building exterior is designed for low maintenance and long durability of materials. It will be a beautiful building in a visually prominent part of downtown Juneau.
- Energy efficiency elements and WELL building standards may be followed.
- Standard unit design improves efficiency in construction, materials and labor
- All units will be built in and furnished to minimize the need to move in furniture and for ease of cycling apartment between tenants.
- The building is designed for easy accessibility through the street, Bulger Way public stairway extension improves pedestrian access to the building, wide hallway corridors, stairs at each end of the building, and an elevator. There are two main points of egress.
- Many Accessible units are provided beyond required minimum as there is a community need for these units.

Special needs requirements - exceeded.

- By the program formula, we are required to provide 4 accessible ADA units.

- We will be providing 8 ADA units and 6 Universal Design units for a total of 14 accessible units for various special needs.

Challenges already overcome.

- The challenges to a building solution like this are many. Our first obstacle was designing a building to fit the existing topography, minimize excavation, and provide a long term solution to Juneau's housing needs. We went through 10 different design solutions before we centered on the current conceptual design, and have been refining it.
- The second challenge was to develop a design that could meet market-rate and affordable housing guidelines and financing provisions to arrive at a feasible project.
- Third, in Juneau's "stuck market" how can we develop a proposal that can provide a new start for a local building solution?
- Fourth, How can we propose a building design to solve multiple problems, simultaneously, with one building solution? Utilizing an architectural planning model, we were determined to create a solution proposed by local builders. The end product here will be a very well designed and constructed solution in a great location, to address many workforce housing needs that is locally appropriate for all the right reasons.

Target population

This will be a Market rate: Workforce housing for transient and local resident workers are the main market segment. Several cycles of tenants come to Juneau for work. Some repeat this cycle for many years. Housing availability and quality of spaces are the main demand concern, heard from workers and employers. A large housing solution in the downtown core area will help attract and retain better workers and skilled professionals.

Current Status

Site control and conceptual project designs, financing, and financial assets nearing completion. Capital is needed to proceed with project development.

With building permitting infrastructure in place, the pre-construction site work can proceed as soon as weather and funding are available. The building conceptual design has been refined to be an efficient building to construct, own, and maintain for many years to come.

Anticipated timeline. (See detailed timeline as Appendix G)

With equity funding in place, final permitting, design, engineering, and planning can begin. We need to begin three things simultaneously.

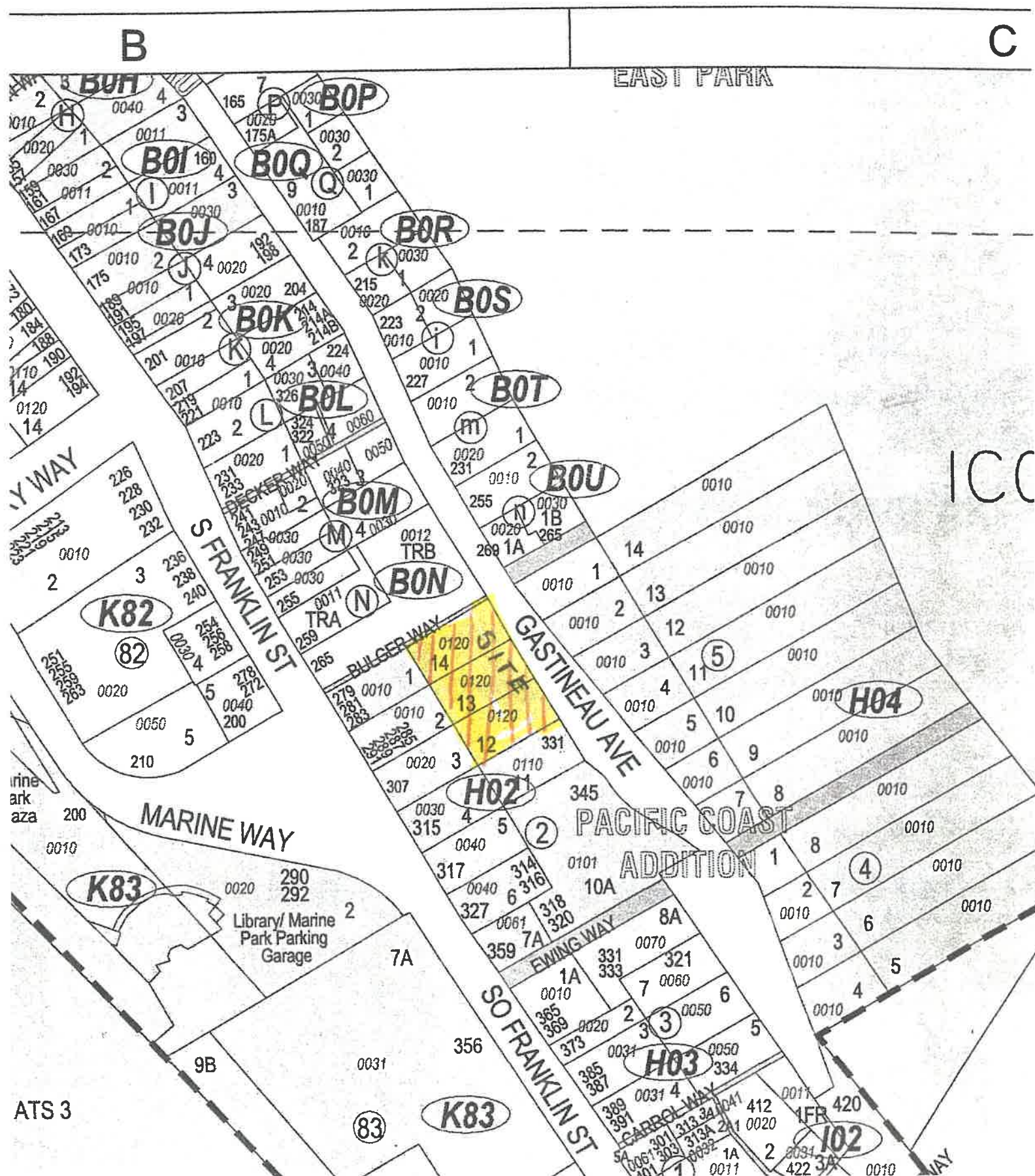
Design and documents,
Site work – pre-construction, and

Administrative; plans, permits, applications. Pre-construction should begin as soon as funding is available to improve site grading and stability work, drainage, constructability, utilities, and access. Actual building construction will begin as soon as Sitework, permitting, all designs and plans are complete and ready to execute. HUD package is complete to disbursements. We could have units available by the end of the 2022 or early Spring 2023.

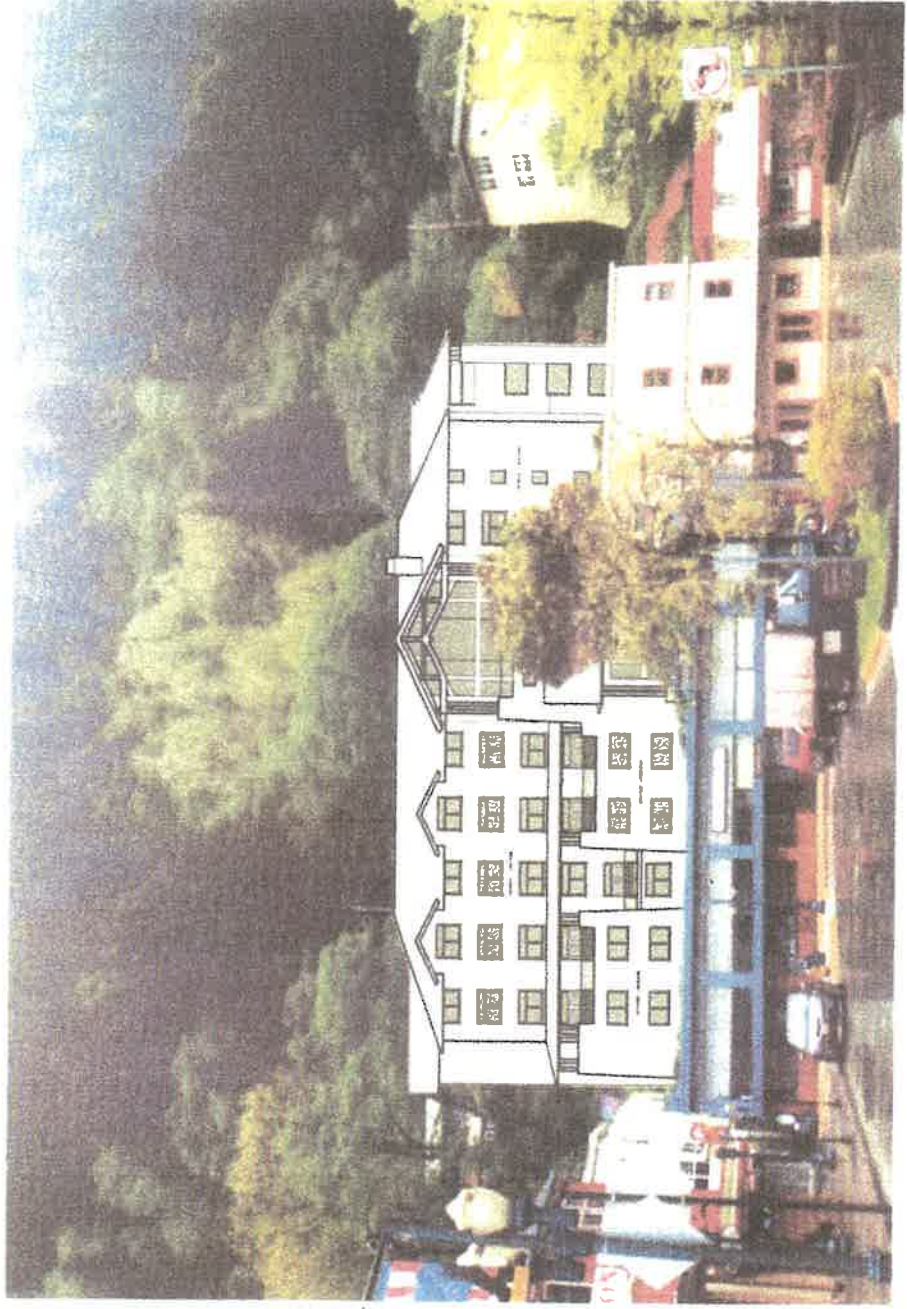
Market Demand

- There have been numerous media articles and studies over the past 30 years about Juneau's lack of capacity in rental housing opportunities and affordability concerns in the downtown core area.
- We have lost more than 300 housing units in downtown Juneau in the past 30 years. We have not replaced even that to date.
- This project can help break the "stuck" market conditions and allow for replacement housing of 78 units for that which has been lost. It is also to demonstrate how it can be done, and done well, by design.

Location map Appendix A



Gastineau Lodge Apartments



Verde Infrastructure Partners, LLC, will lead the project and provide overall Project management. Mr. Soenksen has owned and managed rental properties for over 30 years.

The development team includes: PND Engineers, Northwind Architects, and other design professionals to complete design and local project delivery. The original and continuing partners brief resume follows.

Verde Infrastructure Partners, LLC

Steven Soenksen, Manager

Steven Soenksen comes from a long line of builders and designers. He has extensive experience as a builder, (ACHP Certified previous) and constructed more than 60 dwellings that specialized in energy efficiency and good indoor air quality. He holds a Bachelor and Masters Degree in Architecture. He has 8 years of experience as federal grant program manager with Alaska Department of Transportation. He has over 30 years combined experience as Design-build general contractor in Alaska, architectural project internship, project management, and project administration (\$9-25 million schools) He worked on numerous single family, townhouse, multi-family and commercial structures development and construction. His experience and skills will be utilized in his role as project manager for this project.

Experience

Completed Projects - Juneau, Ak

- 2017 to 2021 213 Harris St – single family new roof and rehabilitation project.
- 2016 – 5875 Glacier Hwy #72 new roof and remodel
- 2015 – 5010 N Douglas Hwy #3 new roof and remodel
- 2010 – 8991 Long Run Drive, Design-build Single Family with apartment
- 1995 – 8411 Airport Blvd Mixed use - Design-build 5 Commercial space with apartment above
- 1993 – Gastineau Ave - Design-build Strasbaugh House – 7 unit apartment
- 1993 – Hermit St townhouses Design-build 4 units sold to individual buyers
- 1993 and prior - Commercial Tee Hangers – Design-build commercial, single and multi family projects

Education

Bachelor of Architecture - Frank Lloyd Wright School of Architecture

1998-2001

Studied from FLW original apprentices, Master Planning , organic design, project management, Completed degree program Designed Phoenix Developing Families Center for natural childbirth

Masters study and architectural internship was concurrent. Project Administrator for 2-\$25 million new schools and many other smaller school renovations. Thesis project was urban infill of net zero-energy elementary school in San Diego, Ca.

Skills

Steve has the ability to work with all levels of government and private sector contracts for successful permit and project completion. Trained as a program administrator, project manager and administrator, he has managed a variety of projects. He has a strong appreciation and design intention toward affordability, on-time/on-budget delivery, energy efficiency, healthy living spaces, and good indoor air quality, and reduced long-term maintenance costs.

Doug Trucano

Trucano Construction has been working in Juneau for three generations. They specialize in heavy construction, docks and harbors, marine, and other public facilities. They have also worked on numerous multi-family and commercial structures construction. Their experience and abilities give a solid platform to develop a quality built and successful project.

Experience

Residential Projects - Juneau, Ak

- 2018-2021 Cinema Drive and completion of Riverside Drive Condos - under construction
- 2017 – Riverside Drive 48-54 unit multi-story Condominium project –.
- 2016 – Breezee St. 36 unit condominium project
- 2004 – S. Franklin St - Jewelry International-Mixed use building, Commercial with residential above
- 2003 – S Franklin St gift shop next to Jewelry International Mixed use building, Commercial-store/residential
- 1998 – S. Franklin St, A and J Building, 3 story, Commercial store space with offices above
- 1997 – Gastineau Ave- 5 story multifamily 22 unit apartments.

Education

High school diploma

Trade school certificate – Carpentry

Alaskan many years business owner and manager –

Skills

Doug has been involved with construction in Juneau, Alaska all of his life. He and his company are frequently part of many major construction projects in Juneau. They have cranes, barges, excavation equipment, dump trucks and other heavy construction equipment. They work in public funded and private funded projects. He operates machinery, organizes the work force and equipment utilization, manages the business, finances, bidding, proposals, rfp, and other bid and contract response.

He will be providing technical assistance and support on the pre-construction and site work phases. He is the owner of the property. He will continue to be a project sponsor, owner and manager.

PGIM REAL ESTATE			PGIM Real Estate Gastineau Lodge				
Prepared by: Adrian Hartman / Robyn Cunningham / (314) 396-3872 / (314) 396-3871							
Draft Date: 10/28/21							
UNIT MIX & RENTAL REVENUES							
Unit Type	# of Units	% of Total	SF	Rents	Rent/SF	Total SF	Annual Income
0BD / 1BA	28	35%	240	\$1,650	\$6.88	6,720	\$554,400
0BD / 1BA	4	5%	312	\$1,850	\$5.93	1,248	\$88,800
0BD / 1BA	4	5%	390	\$2,047	\$5.25	1,560	\$98,256
0BD / 1BA	6	8%	420	\$2,047	\$4.87	2,520	\$147,384
0BD / 1BA	6	8%	380	\$2,047	\$5.39	2,280	\$147,384
0BD / 1BA	6	8%	350	\$2,047	\$5.85	2,100	\$147,384
0BD / 1BA	16	20%		\$1,638			\$314,496
1BD / 1BA	8	10%	480	\$2,340	\$4.88	3,840	\$224,640
n/a							\$0
n/a							\$0
n/a							\$0
Employee Units	1	1%	350	\$1,060	\$3.03	350	\$12,720
Totals/Weighted Averages	79	100%	261	\$1,841	\$7.05	20,618	\$1,735,464
Other Income					Amt. Per Unit	Annual Income	
Tenant Charges					\$0	\$0	
Laundry and Vending					\$32	\$2,544	
Commercial Income					\$304	\$24,000	
Parking					\$0	\$0	
Concessions					\$0	\$0	
Miscellaneous Income					\$1,264	\$99,840	
Total					\$1,600	\$126,384	
Less Vacancy/Collection Loss (% of Gross Potential Rents)						7.0%	(\$121,482)
Less Commercial Vacancy						20.0%	(\$4,800)
Effective Annual Gross Income							\$1,735,566
Project Expenses				% of EGI	PUPM	PUPA	Total
Advertising and Marketing				0.0%	\$0.00	\$0.00	\$0
Management Fee				3.0%	\$55.40	\$664.75	\$52,516
General Administrative				2.3%	\$41.56	\$498.73	\$39,400
Payroll - Administrative				2.8%	\$50.63	\$607.59	\$48,000
Electricity				1.5%	\$27.34	\$328.10	\$25,920
Water/Sewer				0.9%	\$16.03	\$192.41	\$15,200
Gas/Heating Fuel				0.0%	\$0.00	\$0.00	\$0
Payroll - Maintenance				0.0%	\$0.00	\$0.00	\$0
Trash Removal				0.9%	\$16.46	\$197.47	\$15,600
Elevator Maintenance				0.0%	\$0.00	\$0.00	\$0
Exterminating				0.0%	\$0.00	\$0.00	\$0
Decorating				0.0%	\$0.00	\$0.00	\$0
Ground Expense				0.0%	\$0.00	\$0.00	\$0
Repairs				0.0%	\$0.00	\$0.00	\$0
Commercial Expenses				0.0%	\$0.00	\$0.00	\$0
Misc. Operating & Maintenance				0.3%	\$5.27	\$63.29	\$5,000
Real Estate Taxes				6.9%	\$126.58	\$1,518.99	\$120,000
Insurance				1.5%	\$27.43	\$329.11	\$26,000
Other Taxes and Fees				7.3%	\$133.33	\$1,600.00	\$126,400
Employee Benefits				0.0%	\$0.00	\$0.00	\$0
Reserves for Replacement				1.4%	\$25.00	\$300.00	\$23,700
Total Expenses					\$525	\$6,300	\$497,736
Expense Ratio							28.7%
Net Cash Flow						\$15,669	\$1,237,830
Ground Rent					0.0%	\$0.00	\$0
Special Assessments					0.0%	\$0.00	\$0
Net Cash Flow before debt service						\$15,669	\$1,237,830
This is a preliminary analysis based on current market conditions and information supplied by this Applicant. All terms are subject to HUD and lender approval.							

Note: at this time, we are offering 20% of units at 80%AMI rental rate for Affordable Housing Fund Loan

We are offering an additional 35% of total units at 80% AMI for additional city support for equity requirements

We have had a pre-application meeting with CDD and believe permitting and certifications will be time consuming and challenging, but not unnecessarily difficult and should be complete within 6-9 months

We are ready to begin final engineering for site, access and utilities and to commence site work as budget, weather and conditions are favorable.

Site work and related planning, programming and permitting are ready to move forward.

See attached land appraisal

See attached CDD Pre-application meeting - Conference Summary

Integra Realty Resources
Seattle

600 University Street
Suite 310
Seattle, WA 98101

T 206.903.6700
F 206.623.5731
www.irr.com



December 4, 2017

Douglas J. Trucano
PO Box 020870
Juneau, AK 99802

SUBJECT: Market Value Appraisal
Bulger Way Vacant Land
Bulger Way
Juneau, Juneau Borough, Alaska 99801
IRR - Seattle File No. 154-2017-0530

Dear Mr. Trucano:

Integra Realty Resources – Seattle is pleased to submit the following Restricted Appraisal Report containing an opinion of value of the fee simple interest in the referenced property. The report is intended to comply with the requirements for a Restricted Appraisal Report contained in Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents no discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the opinion of value. The opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file. Use of the report is restricted to the client.

Identification of Subject

The subject is a parcel of vacant land containing an area of 0.34 acres or 14,995 square feet. The property is zoned MU, Mixed Use - Residential/Commercial.

Property Identification

Property Name	Bulger Way Vacant Land
Address	Bulger Way Juneau, Alaska 99801
Tax ID	1C070H020120
Owner of Record	Douglas Trucano

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property as of the effective date of the appraisal, November 7, 2017. The date of the report is December 4, 2017. The appraisal is valid only as of the stated effective date or dates.

Intended Use and User

The intended use of the appraisal is for property disposition purposes. The client and sole intended user is Douglas Trucano. According to Standards Rule 2-2 (b) of USPAP, no party other than the client may use a Restricted Appraisal Report. Integra Realty Resources – Seattle is not responsible for unauthorized use of this report.

Sale History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Definition of Market Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Prior Services

We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

Kim M. Wold conducted an on-site inspection of the property on November 7, 2017 that included visual observation of the land.

We identified the subject through a legal description, tax records, and assembled information about the characteristics of the property that are relevant to its probable use and market value.

Valuation Methodology

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We used only the sales comparison approach to develop an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

In the sales comparison approach, we searched for sale transactions within the following parameters:

- Location: Juneau
- Size: 10,000 SF to 150,000 SF
- Use: Mixed use or high density residential
- Transaction Date: 2011 to current

We researched and assembled data for the most relevant sales, and confirmed the arms-length nature of the sales with parties to the transaction or secondary sources. The sales were then analyzed to develop a value indication for the subject.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Highest and Best Use

The highest and best use of the subject as vacant land is its development for multifamily use.

Conclusion of Value

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	November 7, 2017	\$750,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The site can be permitted for the development of 72 residential units.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None.

The data and analysis used to develop the opinion of value are retained in our work file.

Exposure and Marketing Times

Based on the concluded market value stated previously, it is our opinion that the probable exposure and marketing times are as follows:

Exposure Time and Marketing Period	
Exposure Time (Months)	3 to 6
Marketing Period (Months)	3 to 6



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

Gastineau Lodge

Case Number: PAC20180007

Applicant: Steve Soenksen

Property Owner: Douglas Trucano

Property Address: Gastineau Ave

Parcel Code Number: 1C070H020120

Site Size: 14,995 sq ft

Zoning: MU

Existing Land Use: Vacant

Conference Date: 2/5/18

Report Issued: 2/15/2018

List of attendees

Note: Copies of the Pre-Application Conference Report will be emailed, instead of mailed, to participants who have provided their email address below.

Name	Title	Email address
Steve Soenksen	Applicant	ssoenk@yahoo.com
Rob Steedle	CDD Director	Rob.Steedle@juneau.org
Amy Liu	Planner	Amy.Liu@juneau.org
Laura Boyce		Laura.Boyce@juneau.org
Dan Jager	Fire Marshal	Dan.Jager@juneau.org
Charlie Ford	Building Official	Charlie.Ford@juneau.org
John Young	Plans Examiner	John.Young@juneau.org
Mark Millay	General Engineering	Mark.Millay@juneau.org
Autumn Sapp		Autumn.Sapp@juneau.org
Eddie Quinto	Permit Specialist	Edward.Quinto@juneau.org

Conference Summary

Questions/issues/agreements identified at the conference that were not already identified in the attached reports.

The following is a list of issues, comments and proposed actions, and requested technical submittal items that were discussed at the pre-application conference.

Planning Division:

1. **Zoning** – 49.25.300(c)(4), Conditional Use Permit is required for construction of ⁷⁸~~72~~ units. 49.70.300(a)(3), Conditional Use Permit is required for construction in a moderate hazard zone. 49.70.210, Hillside Development Permit is required for excavation of any slope in excess of 18%. 49.25.430, Minor Subdivision Application is required for lot consolidation.
2. **Setbacks** – None
3. **Height** – None
4. **Access** – N/A
5. **Parking** – Given 72 single room occupancies/single bedrooms and 30% parking reduction for location in PD-2, the project is required to provide 50 parking spaces. Site plan currently shows 9 parking spaces, and applicant has expressed that there are no plans to include more onsite parking. Upon further research, the only other mechanism for offsetting required spaces would be Downtown Fee in Lieu of Parking. The FY16 rate, which is the most recent available rate, is \$10,438.00 per commercial parking space. Note that the applicant must provide information to support findings that the proposed development will not have significant adverse impacts on nearby on-street parking, subject to the approval of the Planning Commission.
6. **Lot Coverage** – None
7. **Vegetative Coverage** – None
8. **Lighting** – Lighting must be provided and directed downward at door entries and stairs.
9. **Noise** – No comments at this time, though comments may arise during public comment process for a Conditional Use Permit
10. **Flood** – N/A
11. **Hazard/Mass Wasting/Avalanche/Hillside Endorsement** – Site is in a moderate landslide and avalanche zone and thus requires a Hillside Endorsement Permit. The permit will be reviewed by the Planning Commission, as the project does not meet the exceptions outlined in 49.70.210(b).
12. **Wetlands** – N/A
13. **Habitat** – N/A
14. **Plat or Covenant Restrictions** – N/A

Building Division:

15. **Building** – Building does not have any additional input at this time. Once the information is expanded we may have comments.
16. **Outstanding Permits** - None

General Engineering/Public Works:

17. **Engineering** – Driveway, as proposed regarding planters, parking and trash storage-pickup will need to be reconfigured and approved through Engineering/Public Works. Hillside site plan will need to be designed by an Alaska licensed Engineer. Hillside site work will need special inspection.
18. **Drainage** – The drainage from the development can be collected and sent to the drainage infrastructure piping in the Bulger Way ROW.
19. **Utilities** – (water, power, sewer, etc.) - The three 1" water services located within the Gastineau Ave. ROW will have to be decommissioned. A fireline and domestic water line will need to be sized and configured for supply. Sewer is available and will need to be sized for drain fixture discharge.

Connection cost for the water: \$750.00 for fireline connection or actual cost of connection/ inspection, whichever is greater. Domestic water connection cost is based on line size at \$750.00 per each ½ inch line size rounded up to the ½ inch. Sewer connection cost: \$1,000.00 for the first 20 fixture units, or a fraction thereof, and \$500.00 for each additional 20 fixture units, or a fraction thereof.

Fire Marshal:

20. **Fire Items/Access** – N/A

List of required applications

Based upon the information submitted for pre-application review, the following list of applications must be submitted in order for the project to receive a thorough and speedy review.

1. Development Permit
2. Conditional Use (Major Development)
3. Conditional Use (Moderate hazard zone development)
4. Hillside endorsement permit
5. Minor subdivision / lot consolidation

Additional submittal requirements:

Submittal of additional information, given the specifics of the development proposal and site, are listed below. These items will be required in order for the application to be determined Counter Complete.

1. A copy of this pre-application conference report.

Exceptions to submittal requirements:

Submittal requirements staff has determined **not** to be applicable or **not** required, given the specifics of the development proposal, are listed below. These items will **not** be required in order for the application to be reviewed.

1. None

Fee estimates

The preliminary plan review fees listed below can be found in the CBJ code section 49.85.

Based upon the project plan submitted for pre-application review, staff has attempted to provide an accurate estimate for the permits and permit fees which will be triggered by your proposal.

1. Development Permit; \$0.00

2. Conditional Use Permit (major development); \$750.00
3. Conditional Use Permit (moderate hazard zone development); \$400.00
4. Hillside Endorsement Permit; \$23,7912.00

Initial deposit is 1% of project's value, which equals [livable space][dollar coefficient specific to building's structural designation]*0.01. For this project, that is equation is $22330 * 106.4 * 0.01$. The fee to the developer is the gross hourly rate for professional review of the application and for inspection. The difference between this charge and the initial deposit will be returned to the developer.

5. Minor Subdivision; \$185.00

For informational handouts with submittal requirements for development applications, please visit our website at www.juneau.org/cdd.

Submit your completed application

You must submit your application(s) in person with payment to:

City/Borough of Juneau
Permit Center
230 S. Franklin Street,
Fourth Floor Marine View Center
Juneau, AK 99801

Phone: (907) 586-0715
Fax: (907) 586-4529
Web: www.juneau.org/cdd



October 29, 2021

Architects Acknowledgement

Appendix F

NorthWind Architects have reviewed the program, preliminary sketches and concept drawings and discussed the proposed project process. We support the documents the extensive planning work completed to date by Steven Soenksen and look forward to being part of the design team moving forward.

Although it is a difficult site, Mr. Soenksen and Mr. Trucano have the most extensive experience building in these conditions. The design work recognizes the unique conditions, context, and environment and reveals a represents well-design and beautiful building.

In his capacity as a builder, Mr. Soenksen has pursued energy efficiency and good qualities in each of his many projects as design-build general contractor. With his experience and background, he has shown that he and his team are capable of delivering this project. The design has supports sustainable design and expresses many unique features. More so, it will be welcomed addition to Juneau's downtown. The project plans to pursue new WELL building standards, that address personal health in commercial and residential buildings. This would be a clear asset for the capital city in many respects.

From our review, it appears that the program and drawings to date are ready for design development and with the addition of engineering, ready to move toward final design. It is our assessment that the work completed to date is sufficient to pursue Planning Commission and Community Development department permitting.

This project represents a very comprehensive and professional approach to helping the city begin to solve the needs for downtown housing. It is a creative multi-family housing solution that lifts the aesthetic face (and facilities) of the Capital City of Alaska.

We look forward to working with and supporting this project as the architect of record as this project moves to a successful completion.

Sean M Boily AIA
Principal Architect

James Bibb AIA
Principal Architect

E David Hurley III AIA
Principal Architect

Sincerely,

James Bibb, Principal
Northwind Architects

Date 10-29-2021

126 Seward Street
Juneau, AK 99801

p.907.586.6150
f.907.586.6181

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Verde Infrastructure Partners, LLC

po box 35854, Juneau, AK 99803

owned by

Verde Infrastructure Partners, LLC

is licensed by the department to conduct business for the period

October 28, 2021 to December 31, 2023
for the following line(s) of business:

54 - Professional, Scientific and Technical Services



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Julie Anderson
Commissioner

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Gastineau Lodge Apartments, LLC

po box 35854, Juneau, AK 99803

owned by

Doug Trucano; Verde Infrastructure Partners, LLC

is licensed by the department to conduct business for the period

October 28, 2021 to December 31, 2023
for the following line(s) of business:

53 - Real Estate, Rental and Leasing

Item 6

Business Licenses

Appendix E



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Julie Anderson
Commissioner



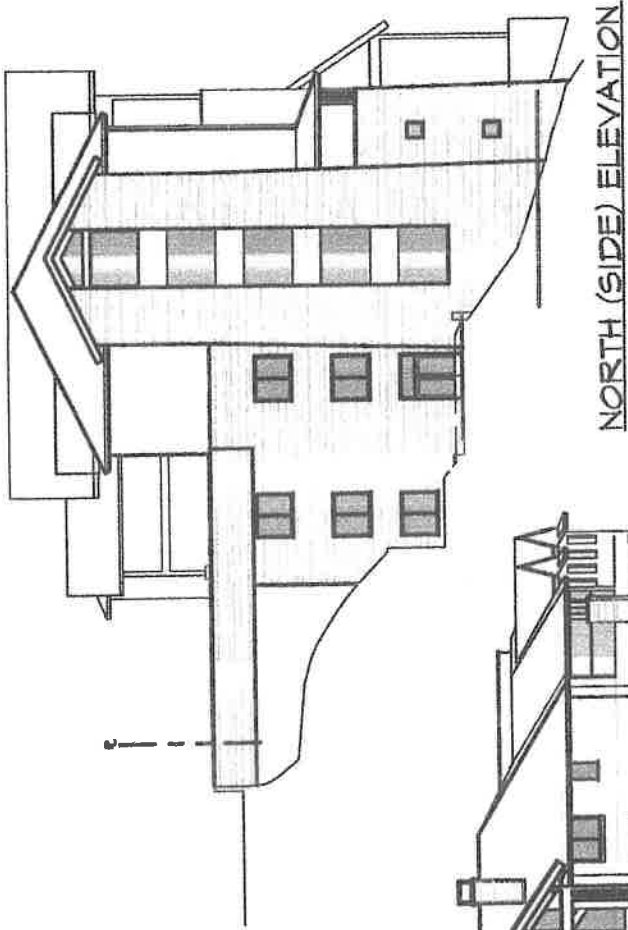
GASTINEAU LODGE
APARTMENTS

11.12.17

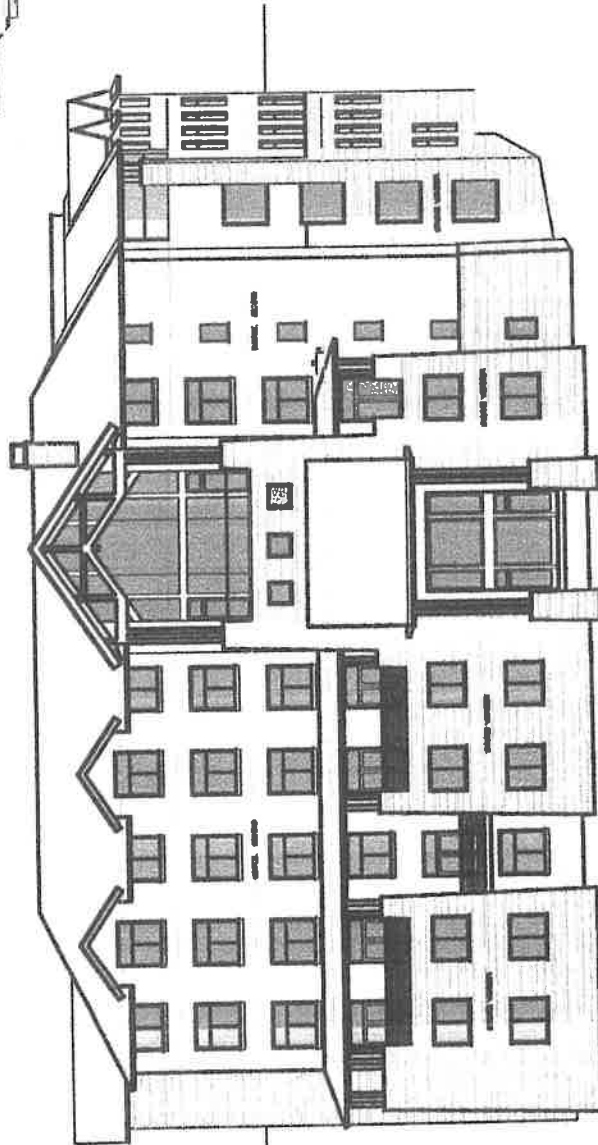
TOM KING
ARCHITECTURAL DESIGN & CONSULTING



10



NORTH (SIDE) ELEVATION



SOUTHWEST (REAR) ELEVATION

EXTERIOR ELEVATIONS
SC: 1/16" = 1'-0"



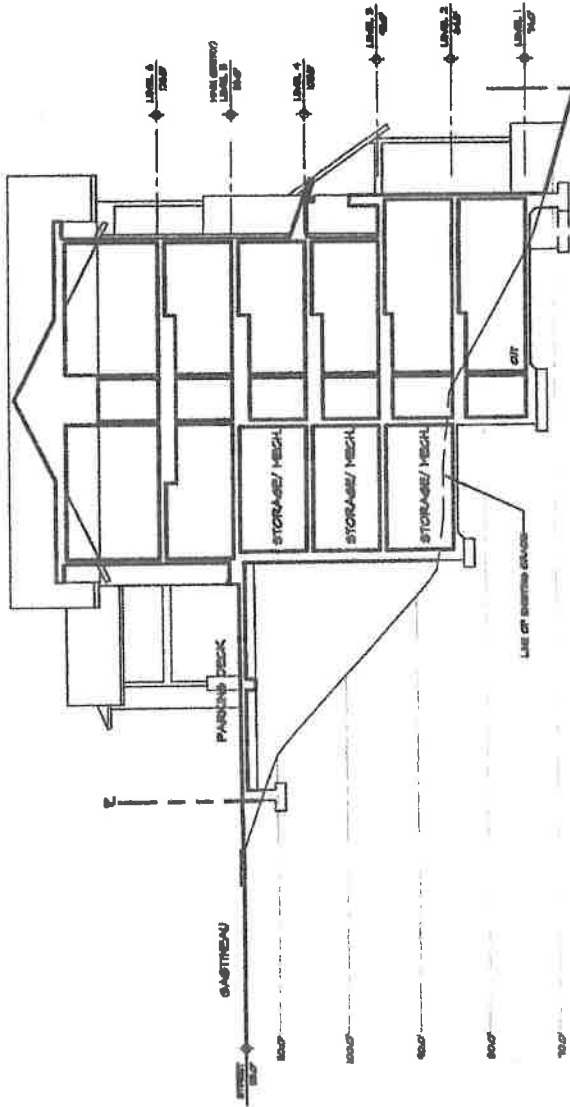
**GASTINEAU LODGE
APARTMENTS**

11/12/17

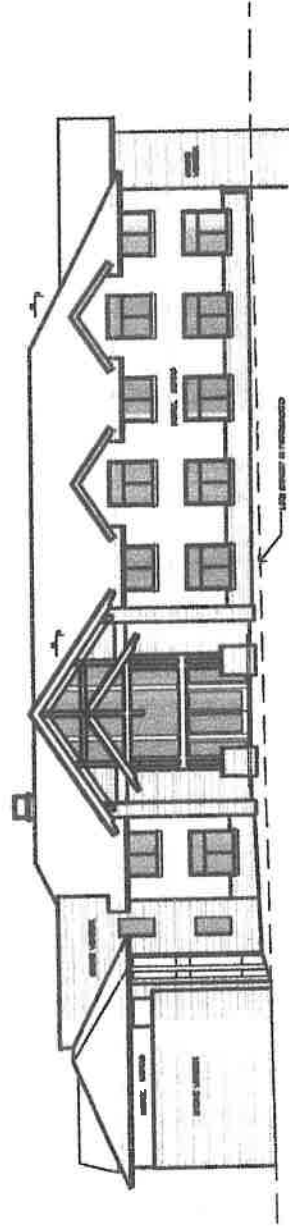
TOM KING
Architectural Design & Consulting



11



SITE SECTION A - A



NORTHEAST (FRONT) ELEVATION

EXTERIOR ELEVATION/ SECTION

SC: 1/16" = 1'-0"



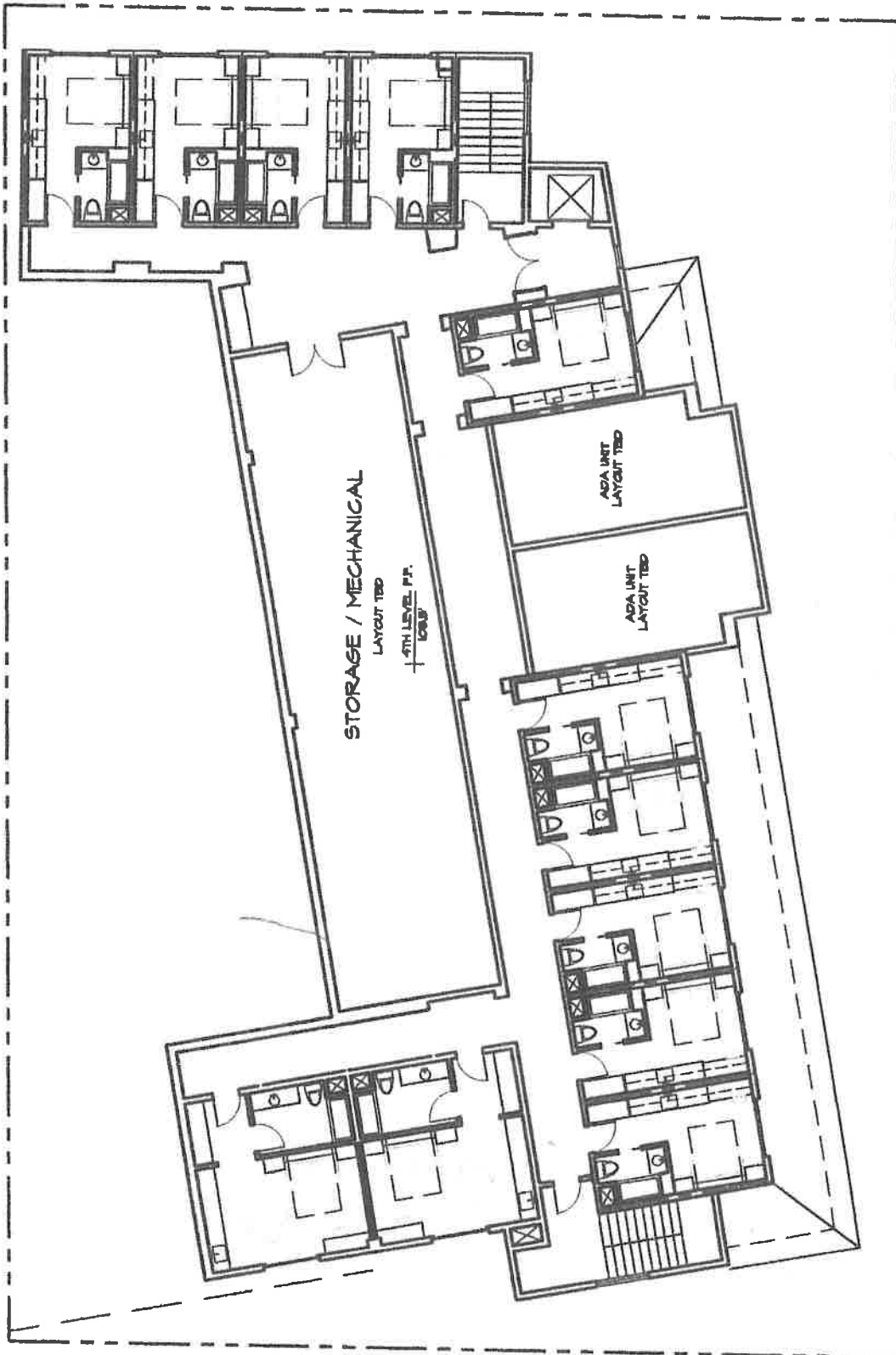
GASTINEAU LODGE APARTMENTS

11/12/17

TOM KING
Architectural Design & Consulting



5



4TH LEVEL PLAN
SC: 3/32" = 1'-0"

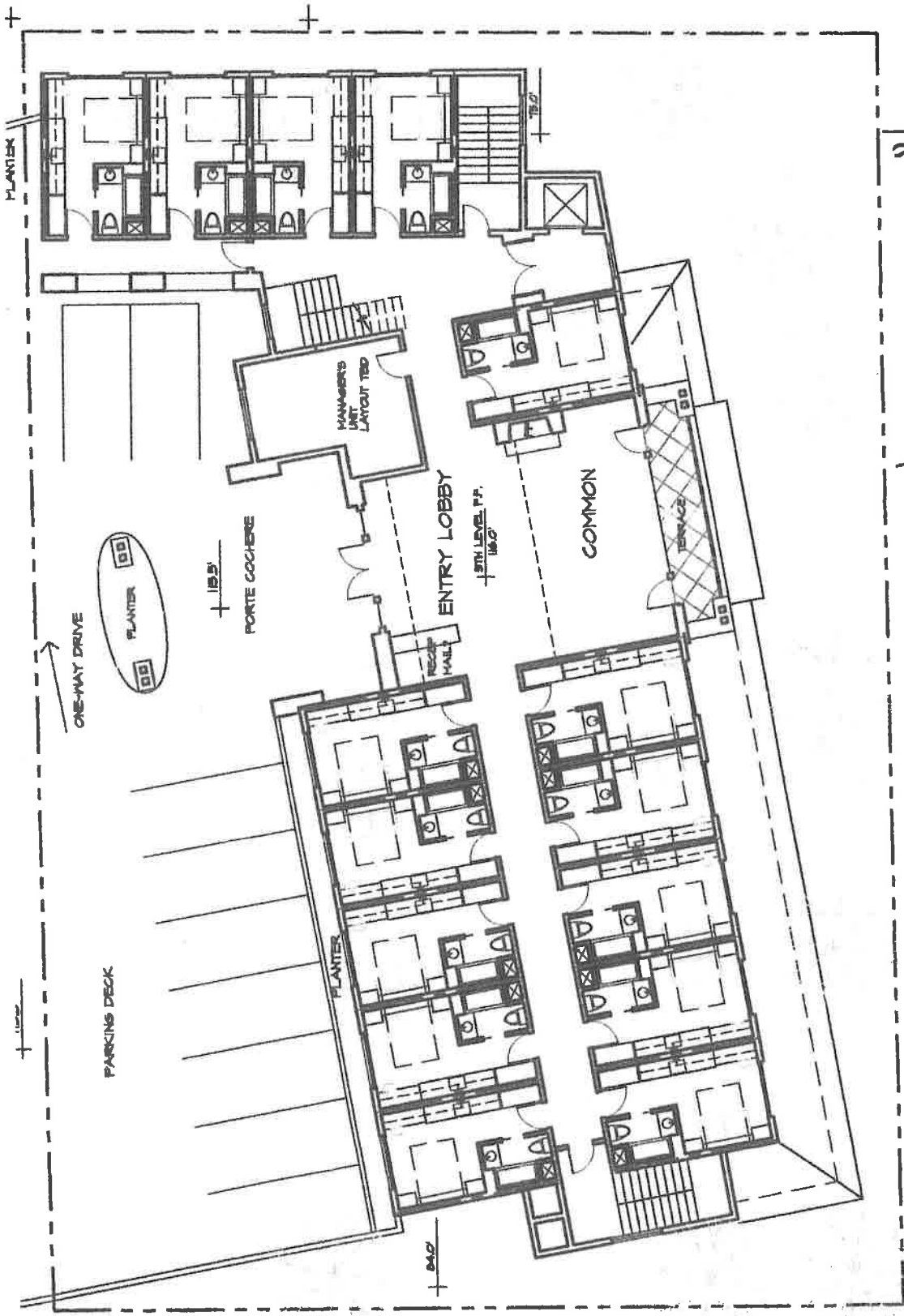


**GASTINEAU LODGE
APARTMENTS**

11/2/17

TOM KING
ARCHITECTURAL DESIGN & CONSTRUCTION

3



5TH (STREET) LEVEL PLAN
SC. 9/32" = 1'-0"

Appendix G

Juneau Housing Fund
2021

Application for Funding

Timeline of Activities - Gastineau
Lodge Apartments

	CBJ Funding Available	plus						plus			plus		
		3 mo	6 mo	9 mo	12 mo	15 mo	18 mo	24 mo	30 mo	36 mo	42 mo	48 mo	54 mo
Financial Commitment for funding sources				x	x								
Initial Closing Date-Long Term					x								
Location Survey Complete	x	x	x	Completed									
Preliminary site plan Approved	x	x	x	Completed									
Design, development and pricing	x	x	x	Completed									
Construction and Bid Documents	x	x	x	completed									
Planning and Permit Documents		x	x	Completed									
Engineering Plan approval				x									
Final Pricing				x									
Building Permit			x	Completed									
Construction Contract Executed				x									
Pre-construction - Site			x	Under Way									
Pre-Construction - Access			x	Completed									
Pre-Construction Utilities Start Construction			x	Underway	x	under way	x						
Substantial Completion						under way							
Final Completion/Certificate of Occupancy													
Funding Phases													

CBJ and initial investor funding to pay for items in Green Listed above in the first 9 months of activity covers the cost of the building after site and preliminary work is complete

CBJ Affordable Housing Fund Application
 Gastineau Lodge Apartments
 8. Project Costs and resources

APPENDIX H

Project costs and funding require extensive project development, pre-design, pre-construction excavation, and site work. The capital requirements is large at the beginning, therefore our request is for CBJ Housing fund to allocate \$1,300,000. This money will be used in the first year of project development but will be paid back within two years at first draw of long term construction financing.

<u>Item</u>	<u>Uses of Funds</u>	<u>Amount</u>
8a		
	Land purchase by project	\$750,000
	preliminary design and docs	\$195,000
	Pre-development expenses	555,000
	Site Work	1,350,000
	Project overhead	610,238
	Financing costs	781,790
	Construction	10,687,897
	General Requirements	1,046,123
	Contingency	871,769
	Utilities	203,000
	Insurance and bonds	160,000
	Architecture and Supervision	245,000
	Engineering and Supervision	185,000
	Survey	18,000
	Initial operating deficit	455,616 Reserves
	Working capital req(4%)	607,488 Reserves
	<u>Developer fee and administration</u>	<u>617,386</u>
	Total Project Cost	19,339,307

8b	<u>Funding Sources/Revenues</u>	
	HUD FHA Loan	\$15,187,200
	Equity Needed	\$4,152,107
	Equity sources	
	CBJ Housing Fund	700,000
	Investors	\$450,000
	<u>Deferred Developer fee</u>	<u>\$500,000</u>
		\$1,650,000
	Gap funding needed	\$2,502,107

9	<u>Detailed Use of Funds</u>	
	ROW Access driveway	150,000
	Entity Structure and Formalize	
	Activities and functions	36,000
	Planning and Permitting	250,000
	Site improvements	1,350,000
	Utilities	146,000
	<u>Excavation</u>	<u>450,000</u>
	Total Pre-construction	2,382,000

9B

9C, D, E No funding are requested

Summary: CBJ Affordable Housing Funding of \$700,000 is needed for Pre-construction activities,
Even with \$700,000, an additional funding gap of \$2,502,000 is needed

Note: CBJ funding will be paid back within two years as pre-development expenses are eligible for reimbursement

Dawson

Conceptual Budget Summary

GENERAL INFORMATION

Project:	Gastineau Lodge	Building:	Wood Frame over CIP Podium
Location:	Juneau, AK	Building Data:	39,390 BSF
Wage Rates	Private	Residential SF	22,090 LSF
		Non Residential	17,300 PSF
A/E Team:	N/A	Work Type:	Multi-Family / Mixed Use
Design Phase:	Conceptual	Drawings:	N/A
Budget Date:	November 14, 2017	Dated:	11/27/2017

DIVISION	DIVISION OF WORK DESCRIPTION	TOTAL COST	COST / SQFT	COST RATIO	
02	Existing Conditions - Demolition Allowance	\$29,542.50	\$0.75	0.27%	
03	Concrete	\$1,378,650.00	\$35.00	12.53%	
04	Masonry	\$0.00	\$0.00	0.00%	
05	Metals	\$98,475.00	\$2.50	0.89%	
06	Woods, Plastics & Composites	\$1,004,445.00	\$25.50	9.13%	
07	Thermal & Moisture Protection	\$748,410.00	\$19.00	6.80%	
08	Openings	\$334,815.00	\$8.50	3.04%	
09	Finishes	\$1,063,530.00	\$27.00	9.66%	
10	Specialties	\$118,170.00	\$3.00	1.07%	
11	Equipment	\$167,407.50	\$4.25	1.52%	
12	Furnishings	\$344,662.50	\$8.75	3.13%	
13	Special Construction	\$0.00	\$0.00	0.00%	
14	Conveying Equipment	\$196,950.00	\$5.00	1.79%	
21	Fire Suppression	\$128,017.50	\$3.25	1.16%	
22	Plumbing	\$965,055.00	\$24.50	8.77%	
23	HVAC	\$0.00	\$0.00	0.00%	
26	Electrical	\$768,105.00	\$19.50	6.98%	
31	Earthwork	\$541,612.50	\$13.75	4.92%	
	Shoring	\$59,085.00	\$1.50	0.54%	
32	Exterior Improvements	\$108,322.50	\$2.75	0.98%	
	Hoisting	\$275,730.00	\$7.00	2.51%	
SUBTOTAL →		\$8,330,985	\$212	75.70%	
General Conditions/Office/Laydown		12.00%	\$999,718.20	\$25.38	9.08%
Design/Estimating/Inflation Contingency		10.00%	\$833,098.50	\$21.15	7.57%
Construction Permits By Owner		0.00%		\$0.00	0.00%
Utility Connection Fees By Owner		0.00%		\$0.00	0.00%
Weather / Winter Conditions		ALLOW	\$50,000.00	\$1.27	0.45%
Insurance		1.00%	\$83,309.85	\$2.12	0.76%
Contractor's Payment & Performance Bonds		1.00%	\$83,309.85	\$2.12	0.76%
Subcontractor & Supplier Bonds		0.50%	\$41,654.93	\$1.06	0.38%
Contractor's Fee		7.00%	\$583,168.95	\$14.81	5.30%
TOTAL CONSTRUCTION BUDGET →		\$11,005,245	\$279		100%

This budget reflects probable construction costs for this project at the time this budget was created. Information found in this document is developed through standard industry wide practice, professional experience and information available at the time of it's creation. This budget represents fair value of the project and is not a prediction of market place bidding. Since Dawson Construction has no control over labor rates, cost of material, equipment, or subcontractor pricing we cannot guarantee the bids and proposals will not vary from the information found in this document.



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October 25, 2018

Steven Soenksen
Gastineau Lodge, LP
PO Box 35854
Juneau, Alaska 99803

Re: Loan Application – FHA Section 221(d)(4) NC
Gastineau Lodge Apartments
Juneau, AK

Dear Mr. Soenksen:

Prudential Huntoon Paige Associates, LLC, a Delaware limited liability company ("**PHP**" or "**Lender**"), has reviewed your request for a mortgage loan (the "**Mortgage Loan**"). Based upon a preliminary analysis of the information provided to PHP as well as your representations, we are issuing this application letter (together with the Term Sheet attached hereto as **Exhibit B** [the "**Term Sheet**"] and all other Exhibits attached hereto, the "**Application**") for the Mortgage Loan, upon the preliminary terms and conditions set forth herein. This Application is not a commitment to make the Mortgage Loan. Final approval of the Mortgage Loan and PHP's obligation to make the Mortgage Loan are subject to a complete underwriting review, approval by PHP's loan committee, if applicable, a site visit, if applicable, and compliance with all other applicable PHP and Federal Housing Administration (acting as a part of the Department of Housing and Urban Development's Office of Housing) ("**FHA**") program requirements and conditions (as the same may change from time to time) and each and every term and condition of this Application. Upon agreement by FHA to insure the Mortgage Loan as evidenced by its issuance of a commitment to insure the Mortgage Loan (the "**FHA Firm Commitment**"), PHP will issue a written loan commitment (the "**Lender's Funding Commitment**"), which may be subject to the satisfaction of certain conditions that would be specified therein. The Lender's Funding Commitment will not be issued unless and until the FHA Firm Commitment is issued by FHA and approved by Borrower. The Lender's Funding Commitment may contain terms and conditions differing from the terms and conditions contained in this Application if required by FHA requirements, the FHA Firm Commitment or by Lender based upon Lender's review of the information to be provided to Lender under this Application.

By submission of a signed copy of this Application, along with the fees and deposits described in the Section titled "Fee and Deposit Summary" and the other deliveries required below, Borrower hereby agrees as follows:

1. **Loan Amount.** The estimated loan amount (the "**Loan Amount**") is set forth on the Term Sheet as the "Proposed Loan Amount", which amount may be reduced based upon FHA requirements and the final interest rate. The estimated Loan Amount is based on a current estimate of interest rates and assumes a loan term, an amortization period and a prepayment provision, all as set forth on the Term Sheet.

2. **Rate Lock.** Upon receipt and approval of the (i) FHA Firm Commitment by PHP and Borrower and (ii) Lender's Funding Commitment by Borrower, the final interest rate for the Mortgage Loan will be determined on a date selected by Borrower. Borrower acknowledges that the interest rate estimates contained in this Application or otherwise provided to Borrower from time to time fluctuate on a daily basis and may be different than the final interest rate for the Mortgage Loan.

