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February 4, 2015

To: Mayor Merrill Sanford
City and Borough of Juneau Assembly Members

Re: Support of Land Development Tax Deferral Change to Exemption

The City and Borough of Juneau (CBJ) residents are suffering from a housing shortage. The 2008 CBJ Comprehensive Plan documents the following:

- Insufficient supply of housing to provide residents adequate choice in housing size, location and prize.
- Many residents live in overcrowded and/or unsafe and unsanitary conditions.
- Many households are paying more than 30% of their household income for shelter.

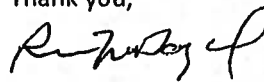
Providing affordable housing has been a top priority for the CBJ for quite some time.

I am writing in regard to AS 29.45.051 tax deferral for certain subdivision property. The Alaska Legislature passed this statutory change in response to builders across the state through the Alaska State Home Building Association (ASHBA), including the local Southeast Alaska Building Association (SEABIA) here in Juneau. In response to the building community, the City and Borough of Juneau passed a city ordinance, #2013-20(b) on the 19th of August 2013 to implement the tax deferral program.

This tax deferral was adopted to help construction contractors develop and make available more property in the borough to meet the housing needs in our area, including affordable housing. However, the deferral law has not provided the incentive hoped for in the original legislation.

The Juneau Affordable Housing Commission and the ASHBA are asking the City and Borough of Juneau to support a change to AS 29.45.051 for a tax exemption in order to provide land owners and developers the kind of incentive they need to build more subdivisions. By writing a letter of support of this legislative change to our local delegation, we can build a better capital city.

Thank you,



Russ McDougal
Owner, Mac's Design & Construction
Member, Juneau Affordable Housing Commission
Builder Director, ASHBA & SEABIA