

e. Grow Ketchikan – Q2 Grant Report



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor & City Council

Initials:

FROM: Delilah A. Walsh, City Manager

File #: MGR24-515

DATE: July 31, 2024

Mtg. #: 08/15/24 FYIe

RE: **Grow Ketchikan – Q2 Grant Report**

Attached for the City Council's information is the quarter-two grant report from Grow Ketchikan, a 2024 community agency grant recipient.

REPORT TO KETCHIKAN CITY COUNCIL

GROW KETCHIKAN GRANT ACTIVITIES

APRIL 1 THROUGH JUNE 30, 2024

Grow Ketchikan is grateful for the City's grant support for our community-based quality of life and housing projects. The grant became active on March 19. We are reporting on activities from April 1 through June 30.

Ketchikan Community Land Trust President, Deborah Hayden, joined the Northwest Community Land Trust Coalition's (NWCLTC) Board of Directors. The NWCLTC has 30 members across Washington, Idaho, Montana, Oregon, Alaska, and Hawaii. Advice received from NWCLTC colleagues has already proved beneficial in strategic direction for Ketchikan Community Land Trust. The information and resources available from the NWCLTC will benefit the many people and employers in Ketchikan concerned with housing.

The Alaska Women's Business Center (AWBC) elected Deborah Hayden to its Board of Directors. The AWBC is affiliated with Business Impact Northwest which gives business development classes, coaching, and has a loan fund. Business Impact Northwest fosters Women's Business Centers in Washington and Oregon in addition to the one in Alaska. Despite having the term, Women's, in its name, the AWBC includes men and all genders in its programs, classes and funding sources. Deborah will work toward having business development classes in Ketchikan.

Deborah is in discussions with Wells Fargo Bank about having first time home buyer classes in Ketchikan. The classes can qualify individuals for assistance with down payments and interest reductions as well as simply educating people about buying a home. This will have broad impact in the community.

PROJECTS:

Goal 1: Increase commercial activity, business revenues, individual incomes, and tax revenue through expanding existing businesses, creating new businesses, and housing construction.

a. Counseling/Business Expansion

During the quarter, Grow Ketchikan's Executive Director counseled 23 clients on funding, incorporation strategies, market expansion, increasing public awareness, kelp farming, micro loans, and a business purchase. 25 hours counseling.

Some significant outcomes:

We completed the incorporation and filing as a nonprofit with the state for a group that wants to provide activities for children.

We completed overdue tax filings for a local contractor. This avoided penalties and will help him stay in business.

We gave funding options to a landowner who intends to farm kelp and oysters

We helped a local business with options for ownership transfer. This will help the business continue as a hub for public information.
We gave funding options to a landlord who is offering units at below market rates.
We counseled an entrepreneur on business planning for a software product

b. Housing:

On April 25, we held a public meeting: Affordable Housing Update. ~70 attendees heard updates from Peter Amylon, KGB Economic Development Coordinator, and Melissa O'Bryan, from KIC Housing. Peter explained about the borough's plans for subdividing and selling lots from its property at 17-mile North Tongass and for installing road access and some infrastructure for its property adjacent to Old Dairy Road. Melissa described KIC's plans for its acreage at the top of Jackson Street and that the tribe plans to share the water tank, for which they recently received funding, with the nearby Summit development. This will help Summit move forward with its housing plans. Randy Hughey, Executive Director of Sitka Community Land Trust, gave a presentation about how land trusts work in creating housing that is immediately and permanently affordable. The meeting sparked interest among the attendees. A builder and realtor volunteered to become involved with Ketchikan Community Land Trust. They will augment the current board which consists of the Chief Operating Officer of First Bank, an attorney, a business administrator, a retired businessman, and Grow Ketchikan's Executive Director.

City Lots: The City has 35 surplus and foreclosed lots scattered from the Carlanna area to Downtown (see attached maps). Deborah has viewed 32 of them and identified several good candidates for multifamily housing. There is a need for researching the status of these lots, the costs for sewer, water, and electric hookups, and construction costs. On June 6, the City Council agreed that Deborah could meet with City staff and obtain the City's files on these lots and other City property. That meeting happened the following week, and City staff has sent Deborah those files. She is reviewing them.

Rasmuson: Several months ago, Deborah sent a letter of inquiry to the Rasmuson Foundation about possible funding for housing. Two Rasmuson staff members came to Ketchikan and interviewed Deborah about the Ketchikan Community Land Trust and possible housing development. The staffers encouraged Deborah to keep in touch and update the Foundation in July when it will again open its granting functions after a hiatus. We will share information about the City lots with the Foundation in the next few weeks. The Rasmuson Foundation funded \$500,000 to the Sitka Community Land Trust.

Denali Commission: Eric O'Brien of the Denali Commission spoke at length with Deborah about funding options for housing. He suggested contacting the Coast Guard about any funding that might be excess at their fiscal year end that could be directed to the Denali Commission which would then use it for Coast Guard housing. Ketchikan's Coast Guard Commander, Tim Boettner, explained that this Coast Guard detachment has almost no excess funding at the end of its fiscal year. They are exploring other housing options with the borough. Eric mentioned the

Denali Commission will have other funding for housing and will know more after the Governor signs the state budget.

Borough Assistant Manager, Cynna Gubatayao, and Economic Development Coordinator, Peter Amylon, met with Deborah and discussed several avenues they are pursuing for housing funding. There is a possibility that the borough, Ketchikan Community Land Trust, and Grow Ketchikan can support each other in funding applications and plans for housing projects.

Goal 2: Enhance delivery of business counseling, expansion, and creation services by establishing Grow Ketchikan as the SBDC in Ketchikan.

Multiple attempts to contact the SBDC state administrator have not succeeded. At one point the former Assistant State Administrator had sent Grow Ketchikan contract terms for an SBDC position. That person left the agency. Since then, despite one or two conversations with the regional business advisor, we have not received a straight answer about a contract. In August 2023 Senator Sullivan brought Isabella Guzman, the head of the SBA, to Ketchikan. We spoke with her about moving toward an SBDC position in Ketchikan. She facilitated some response from the regional business advisor, but there has been nothing definite. We contacted Senator Sullivan's local representative, Chere Klein, for advice. She said she would reach out to Senator Sullivan. We are waiting for information from Chere. We have met all the conditions from the SBDC as we have understood them. One condition was that we have a competent person as the business advisor. We hired former banker, Trevor Bradford, who has been on the Anchorage SBDC Advisory Board and worked with Evergreen Capital, Northrim Bank, and Cook Inlet Lending Center.

Goal 3: Facilitate business expansion, housing construction, and home ownership through financing mechanisms such as an economic development authority that can issue tax exempt revenue bonds for industrial and housing projects and an economic development revolving loan fund.

The economic development authority legislation will become active in the next legislature. We explained previously that the 2024 version of the economic development authority bill was not workable and needed revision.

We have pursued forming an Intermediary Relending Program through the USDA. The USDA staff person for this program left the agency, and there has not been a successor whom we have been able to contact. We contacted several IRP providers in Washington State about partnering with them. One has responded positively, and we will continue communication with them.

In the absence of movement with the SBDC, Trevor Bradford is turning in another direction. He has set up micro-loan documentation and procedures in aid of possibly working with the Washington IRP agency or establishing an independent micro-loan program in Ketchikan. Grow Ketchikan has set aside funds and plans to launch the micro-loan program in early August. Trevor also has contact with a grant

writer who writes grants for non-profit lending institutions. We sent him a list of five possible grants that could fund a micro-loan program.