Housing Task Force

With special thanks to our Task Force members, and to presenters who provided resources thus far, including UAA Center for Economic Development, Department of Labor and Workforce Development.
• Current State of Housing
• Survey Results
• Policy Recommendations
Household size is shrinking

- Fewer families with children
- Preferences for bigger houses
- 2.87 people per household in 2016 2.61 in 2021
Alaska ranks 45th in the US for new housing units built, adjusted for population.
Housing Units Permitted

New Housing Units Built and Average Home Cost in Alaska

Annual Components of Population Change
Why aren’t we building any housing?

- High Construction Costs
- Cost of Construction can exceed Market Value depending on Location
- Most Areas of the State have this issue to some degree (Not you, Mat-Su, Fairbanks, and Kenai Area.)
- Multi Family Housing is more expensive to build
But are we Building Housing Anywhere?!?

- Mat-Su Built over 40% of all housing in the State in 2021 (14% of Population)
- All Areas outside the Railbelt and Southeast saw only 8.4% of Housing Units Built
Inventory and Price Comparison to US

Source: Realtor.com

Source: U.S. Federal Housing Finance Agency
 locality gove r nment priorities

Highest Price in Juneau, Up the Most in Ketchikan

Juneau: $429,817
Ketchikan: $439,961
Gateway: $380,291
Anchorage: $410,381
Bethel: $374,879
Statewide Total: $356,806
Kodiak Island: $375,316
Mat-Su: $369,283
Kenai Peninsula: $305,401
Rest of State: $335,883
Fairbanks North Star: $290,504

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation
Price - Rentals

Rental Costs in 2021 and 2022

- Municipality of Anchorage: $1,339 (2022), $1,172 (2021)
- Survey Total: $1,279 (2022), $1,179 (2021)
- Fairbanks North Star Borough: $1,305 (2022), $1,126 (2021)
- Matanuska-Susitna Borough: $1,265 (2022), $1,092 (2021)
- City and Borough of Sitka: $1,349 (2022), $1,233 (2021)
- Valdez-Cordova Census Area: $1,260 (2022), $1,124 (2021)
- City and Borough of Juneau: $1,270 (2022), $1,146 (2021)
- Kodiak Island Borough: $1,270 (2022), $1,127 (2021)
- Kenai Peninsula Borough: $1,023 (2022), $1,023 (2021)
- Wrangell-Petersburg: $929 (2022), $950 (2021)
- Ketchikan Gateway Borough: $1,153 (2022), $1,230 (2021)
The Cost of Living Index (COLI) tracks the cost of a specific type of house around the US:
• 2,400 sq ft living area
• 8,000 sq ft lot
• 4 bedrooms, 2 bathrooms
• New construction
NEW LOCAL GOVERNMENT PRIORITIES

Vacancy Rate

Vacancy Rate by Area, 2013-2022

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2013-2022 Rental Market Surveys
AML Housing Survey
Survey Says – Housing Challenges

The following housing challenges are an issue for your community:
Affordability

- Strongly Agree: 17
- Agree: 12
- Neutral: 0
- Disagree: 0
- Strongly Disagree: 1

The following housing challenges are an issue for your community:
Quality

- Strongly Agree: 9
- Agree: 13
- Neutral: 7
- Disagree: 0
- Strongly Disagree: 0

The following housing challenges are an issue for your community:
Overcrowding / Health Concerns

- Strongly Agree: 6
- Agree: 8
- Neutral: 2
- Disagree: 4
- Strongly Disagree: 2

The following housing challenges are an issue for your community:
Not enough for sale

- Strongly Agree: 12
- Agree: 14
- Neutral: 1
- Disagree: 2
- Strongly Disagree: 0

The following housing challenges are an issue for your community:
Not enough rentals

- Strongly Agree: 10
- Agree: 10
- Neutral: 1
- Disagree: 2
- Strongly Disagree: 1
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a land trust in your community focused on housing?</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Is there a housing authority operating in your community?</td>
<td>17</td>
<td>13</td>
</tr>
</tbody>
</table>
Survey Says - Seasonality

Does your community's need for housing spike during the year?

- Yes: 23
- No: 7
Survey Says – Buildable Land

Does your municipality currently own reasonably buildable land?

Yes: 18
No: 12

What other entities own buildable land in your community?

- Other: 6
- Private Ownership: 18
- Tribal Ownership: 12
- ANCs: 8
- State of Alaska: 11
- Federal Government: 8
- None of the above: 2
Survey Says - Needs

Who is "most in need of housing" in your community:

- **Workforce**
  - Strongly Agree: 16
  - Agree: 12
  - Neutral: 0
  - Disagree: 0
  - Strongly Disagree: 0

Who is "most in need of housing" in your community:

- **Low Income**
  - Strongly Agree: 8
  - Agree: 15
  - Neutral: 4
  - Disagree: 0
  - Strongly Disagree: 2

The following community groups rise to the top as being "most in need of housing" in your community:

- **Seniors**
  - Strongly Agree: 5
  - Agree: 12
  - Neutral: 8
  - Disagree: 2
  - Strongly Disagree: 0

- **Renters**
  - Strongly Agree: 15
  - Agree: 13
  - Neutral: 0
  - Disagree: 0
  - Strongly Disagree: 0

- **Low Income**
  - Strongly Agree: 8
  - Agree: 15
  - Neutral: 4
  - Disagree: 0
  - Strongly Disagree: 2

- **Workforce**
  - Strongly Agree: 16
  - Agree: 12
  - Neutral: 0
  - Disagree: 0
  - Strongly Disagree: 0
Survey Says – Incentives Offered

Do you offer any of the following development incentives with the intention of spurring housing development?

- None of the above: 22
- Property tax exemptions: 4
- Grants: 2
- Loan programs: 1
- Other: 3
Survey Says – Local Actions

Have you adjusted your local building codes to respond to the need for housing?

- Yes: 7
- No: 23

Have you adjusted your local zoning codes to the need for housing?

- Yes: 22
- No: 8

Have you adjusted your permitting and/or fee structure to try to spur development?

- Yes: 7
- No: 23

Are you currently regulating short-term rentals?

- Yes: 8
- No: 22
Local Policy Tools
Land Use and Subdivision Code

- AS 29.35.180
  - Home Rules shall regulate land use/subdivision consistent with AS 29.40.
  - First and Second Class Boroughs shall regulate land use/subdivision

- Hot topics
  - Unit-lot subdivisions (hybrid between condo & traditional sub.)
  - Short term rental restrictions
  - Rezoning
  - Accessory apartments
  - Density and infill
  - Parking requirements
Municipal Grants and Loans for Housing

- Home rules, first class boroughs
- Second class boroughs: 
  - AS 29.35.210(a)(8) economic development or get voter approval
- Senior housing
- Affordable housing
- Accessory apartments
- Subdividing & building roads
- Public-Private Partnerships
- Fee structures
Short Term Rentals

Available Tools

• Register STRs
• Register and require permit (may include costly permit fee, annual permit, etc.)
• Ban (full/partial)/moratorium of STR’s
• Cap the total number of short-term rentals
• Only allow at certain times of the year
• Limit types of short-term rental
  • (No entire houses, only allowable in certain areas, number of nights limited, require homeowner on site)
• Other restrictions: (Make ineligible for incentives, etc.)
State Level Options
Summary

- Expedite Land Conveyances
- State revolving loan fund for roads and utilities
- Evaluate State Special Committee on Housing
- Examine State Credits for Developers
- Allow AHFC to bond for the creation of large housing developments for employee housing for essential services or in distressed communities with a declared housing shortage

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation
Limited by state law to “Full and true value.” AS 29.45.110(a); mandatory education contribution

- Carrots: Hot topic exceptions (i.e. exemptions or deferrals)
  - Economic development (senior, new multifamily). AS 29.45.050(L)
  - Exclusive nonprofit charitable (homeless shelter) AS 29.45.030(a)(3).
  - Nonprofit and community purpose (low income) AS 29.45.050(b)(1)(A)
  - Remodel to increase occupancy in a home. AS 29.45.050(g)
  - Remodel blighted property. AS 29.45.050(o)
  - Certain subdivided property. AS 29.45.050(w) & 29.45.051.

- Sticks (higher tax rate): raw land, vacancy, blight, short term rental...need new state legislation

### Property Tax

<table>
<thead>
<tr>
<th></th>
<th>Full Mill Rate</th>
<th>Tax Abated</th>
<th>Min Number of Units</th>
<th>Length of Abatement</th>
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</thead>
<tbody>
<tr>
<td>Juneau</td>
<td>10.66</td>
<td>8.01</td>
<td>4</td>
<td>12 years</td>
</tr>
<tr>
<td>Anchorage (affordable &amp; workforce housing)</td>
<td>16.48</td>
<td>13.83</td>
<td>20</td>
<td>15 years</td>
</tr>
<tr>
<td>Anchorage (downtown)</td>
<td>16.48</td>
<td>13.83</td>
<td>4</td>
<td>12 years</td>
</tr>
<tr>
<td>North Pole</td>
<td>12.29</td>
<td>9.64</td>
<td>4</td>
<td>10 years</td>
</tr>
<tr>
<td>North Pole</td>
<td>12.29</td>
<td>9.64</td>
<td>&lt; 4</td>
<td>2 years</td>
</tr>
<tr>
<td>City of Nome</td>
<td>13</td>
<td>10.35</td>
<td>1 LTR</td>
<td>15 years</td>
</tr>
</tbody>
</table>
Federal
Greater Flexibility in Federal Programs

- Reexamination of Area Median Income Limits maybe helpful in expanding the number of people who are able to access affordable housing.

- More flexible limits for AMI and other federal eligibility requirements for programs like Section 8, CDBG, and the fair housing act would allow more support for the development of affordable housing in areas that need it the most.

- Participation by Federal Agencies in making land available for housing, and participation in the creation of housing for agencies like the Forest Service and Coast Guard can provide a real local impact.
Historical Perspective
State-funded construction of a rental project in 1972 resulted in 98 rental units using no federal funding, with a 36-year loan term in which the first 5 years required interest only. These units remain a core of Juneau’s downtown housing today.

Senior Housing Development Program created in 1975 for grants and loans to municipalities and nonprofit corporations to build senior housing resulted in five significant housing projects around the State. *Over the last thirty years, over a thousand senior housing units have been created through Senior programs within the Alaska Housing Finance Corporation.*

The development of the supplemental housing development grant program through the Alaska Housing Finance Corporation, AS.18.55.998, funds project costs not covered by HUD funding. Set at 20% of federal grant, this can be used for associated costs such as water, sewer, road construction, extension of electrical, energy efficient design, and other utility development that is often a barrier to affordability. This grant program has resulted in *60ish houses in four rural communities.*
Available to residents whose income levels are at or below fifty percent median income.

- Families displaced by Violence or Sexual Assault Program
- Low-income Alaskans Renting from Private Landlords Program
- Homeless Veterans and Families Program
- Alaskans Eligible for Long Term Assistance Program

Available for those residents whose income levels are at or below eighty percent median income.

- Housing Stabilization and Recovery
- Low Income Alaskans Seeking Public Housing
- Senior and Accessible Housing

The Alaskans on Parole or Probation and Youth leaving Foster Care program - Income must be at or below sixty percent area median income.

- Rental assistance limited to twenty-four months for parolees and probationers and limited to thirty-six months for youth aging out of foster care.

Emergency Housing Voucher program was designed to target homeless individuals and families leaving domestic violence, human trafficking, dating violence, sexual assault, and stalking.

- The program is available in communities where the Alaska Housing Finance Corporation Voucher program is active. In the communities of Bethel, Cordova, and Nome, where the voucher program is not available, preferential placement on public housing waiting list is available.

Voucher programs or Section Eight are available in the following communities: Anchorage, Juneau, Fairbanks, Ketchikan, Kodiak, Mat-Su, Sitka, Valdez, Wrangell, Homer, Petersburg, and Soldotna.

Public Housing is available in: Anchorage, Juneau, Fairbanks, Ketchikan, Kodiak, Mat-Su, Sitka, Valdez, Wrangell, Bethel, Cordova, Nome, and Seward.
Draft Outcomes – Historical Challenges and Solutions

- Revolving fund to be used by Alaska Housing Authority (a portion dedicated to rural with no collateral required)
- Allowing loans from revolving fund when private financing not available
- Direct State or local government construction when private developers unwilling to build
- Incentivizing the private capital and building industries to participate in construction of necessary housing in Alaska
Next Steps
What are we working on now?

• Produce Summary of Key Recommendations from National Research for Resource Bank

• Navigation Guide for Utilizing State Programs and Funding Mechanisms including Housing Authorities

• Cost Map Identifying Costs of Materials, Labor, and Supply Chain Issues by Region

• Comprehensive List of Local Building Codes and Fee Structures to Assess Commonalities and Differences

• Compendium of Potential Solutions to Share with Local Governments

• Recommendations for Legislature to Implement
Draft Outcomes – Compiling Recommendations and Research

- Updating State procurement rules to allow for federal discounts.
- Shared use of heavy equipment on multiple projects before demobilization from the region.
- Consolidating construction bids and material and equipment shipments.
- Make effective use of alternative construction techniques (modular, prefabricated walls, panels).
- Use high performance, lower weight, lower cost materials guided by Cold Climate Housing Center.

- Create new program through Alaska Housing Finance Center using existing sweat equity ownership models like Habitat for Humanity and USDA Self-Help Program to expand self-help home ownership throughout Alaska.
- Coordinate State capital improvement to support housing, including coordination between localities and the Department of Transportation and Public Facilities (DOT) to encourage DOT to upsize storm water system that is currently built only to drain road and not surrounding development.
- Consider State Brownfield revolving loan fund or State land that is ready for redevelopment.

- Advocate for the development of State housing trust, a long-term sustainable trust like the Mental Health Trust. The trust would be used for all housing, not just senior housing.
- Pilot a roommate finder service for seniors.
- Coordination across the state to create policy alignment across state agencies and in partnership with agencies and advocates on the local level.
- Coordinate available funding for housing and homeless services and make widely available the list of programs that can be matched.
- Make a shift towards permanent supportive housing. Currently in many communities housing resources for the homeless are limited or do not exist. The state is operating a limited shelter system when best practices indicate that permanent housing is key to ending homelessness.
LOCAL GOVERNMENT PRIORITIES

AML Task Force 2: Child Care