



# 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.

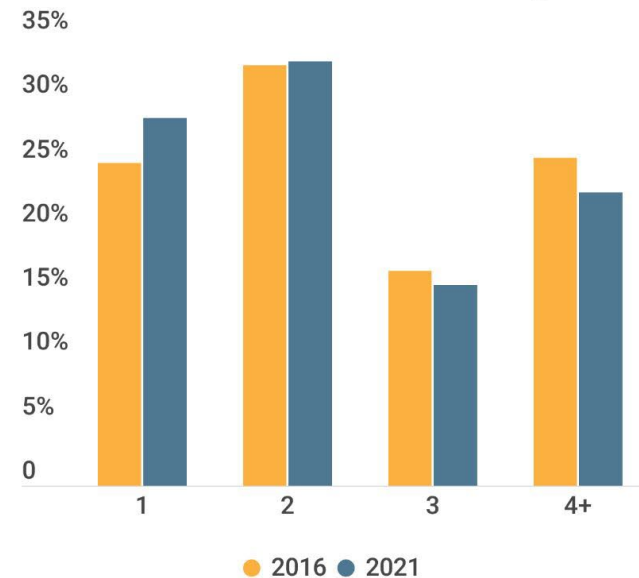
- Current State of Housing
- Survey Results
- Policy Recommendations

# Household Size

Household size is shrinking

- Fewer families with children
- Preferences for bigger houses
- 2.87 people per household in 2016 2.61 in 2021

Household size changes in AK

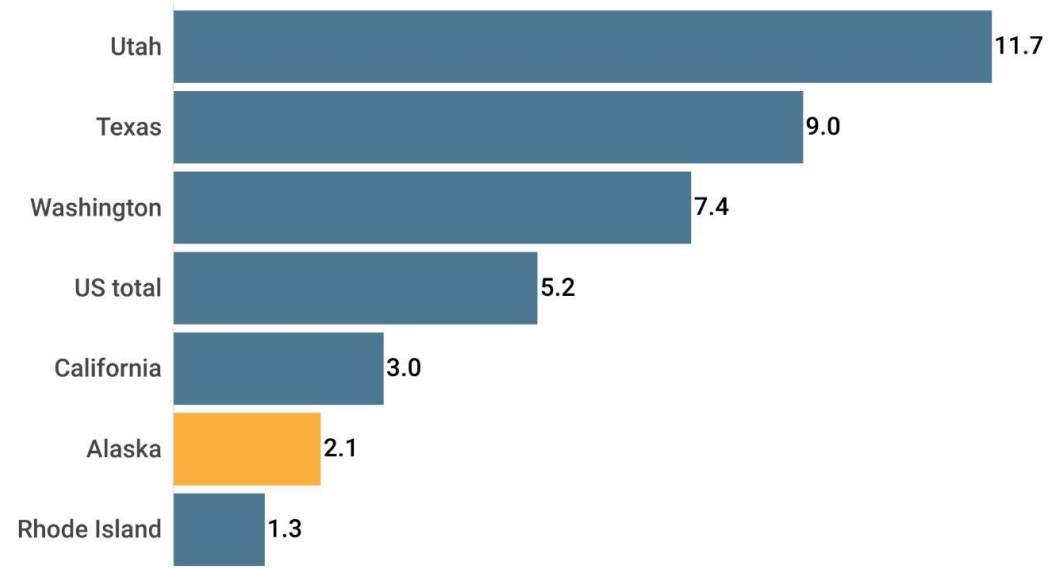


Source: US Census ACS 1-Year

# Housing Units Permitted

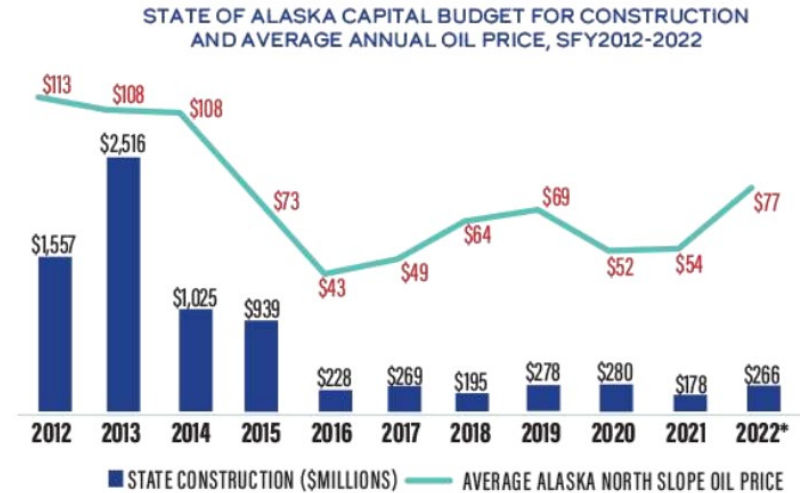
Alaska ranks 45th in the US for new housing units built, adjusted for population

Housing units permitted per 1,000 population

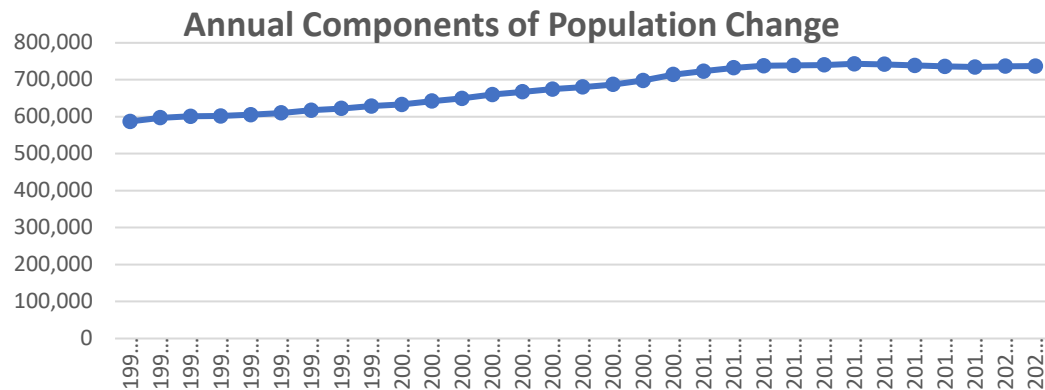


Source: US Census Building Permits Survey 2021

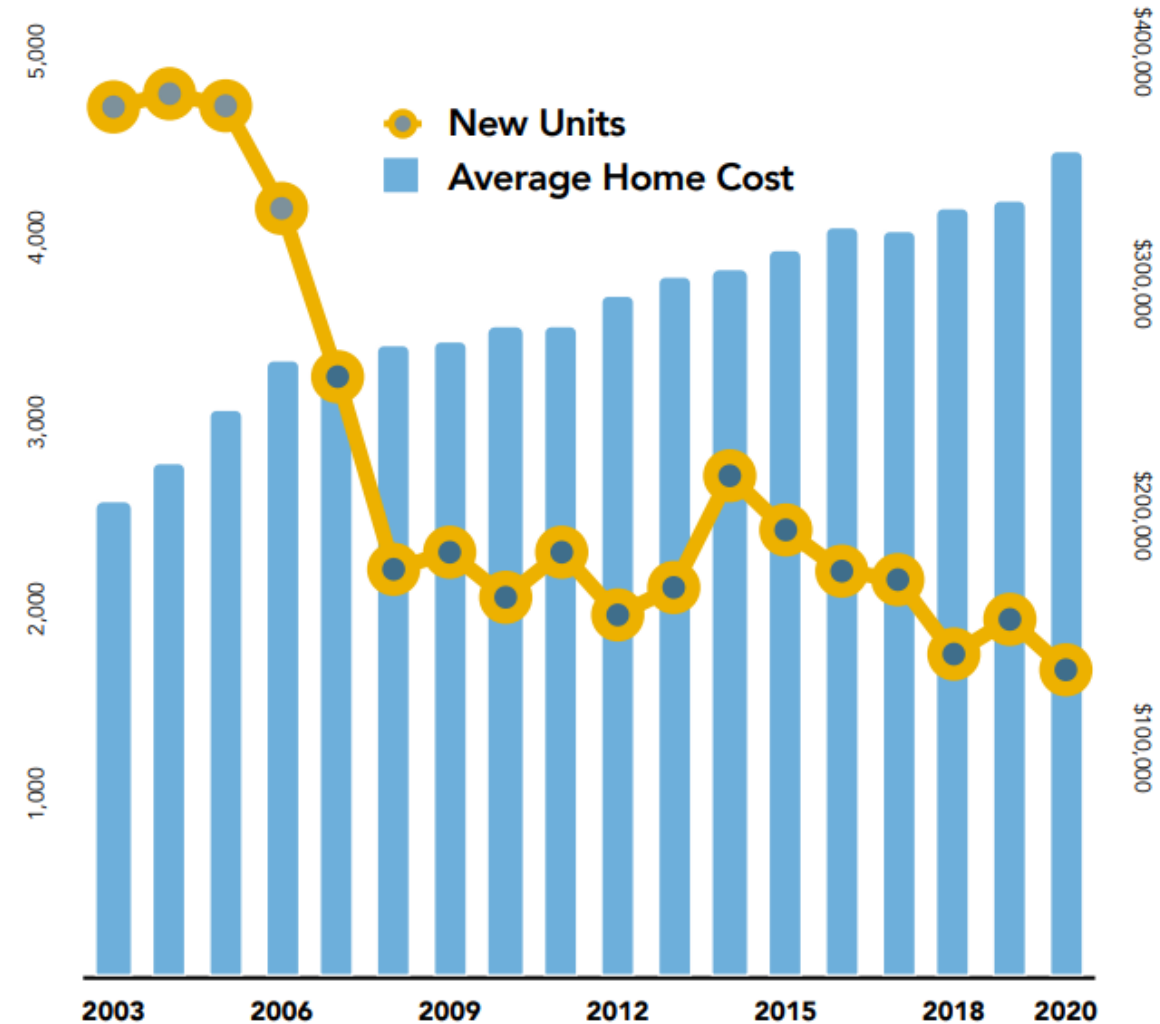
# Housing Units Permitted



\*SFY2022 average annual oil price based on Alaska North Slope price between July 2021 and December 2021. Source: Office of Management and Budget, Office of the Governor, State of Alaska; Alaska Department of Revenue, Tax Division.



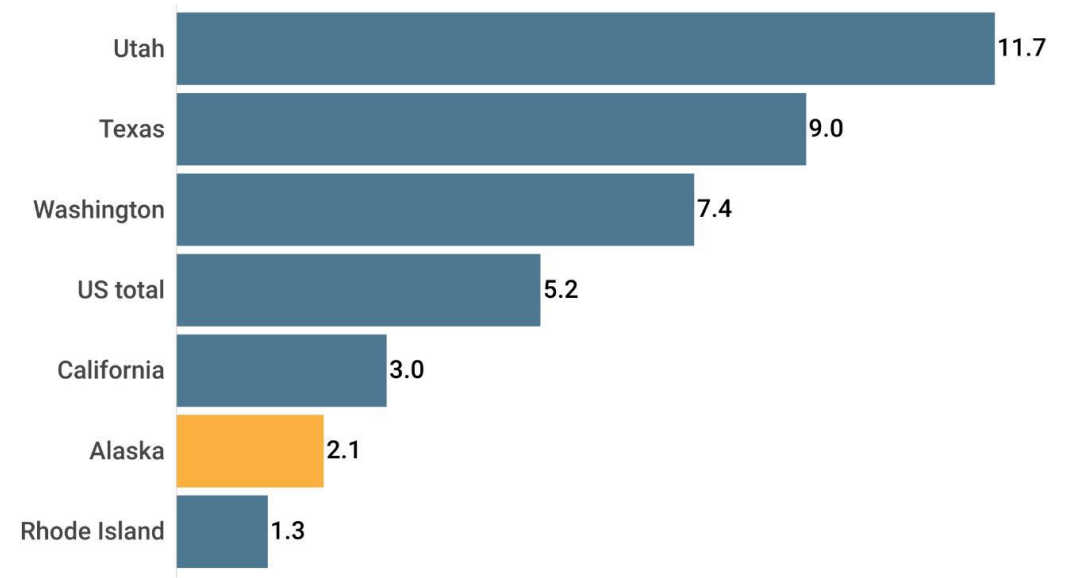
## New Housing Units Built and Average Home Cost in Alaska



# 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

Housing units permitted per 1,000 population

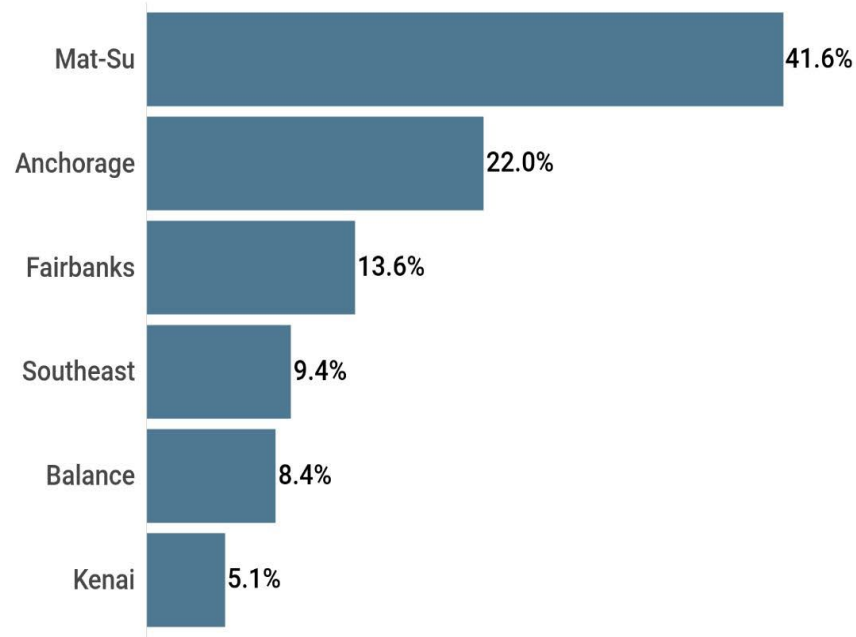


Source: US Census Building Permits Survey 2021

## But are we Building Housing *Anywhere?!?*

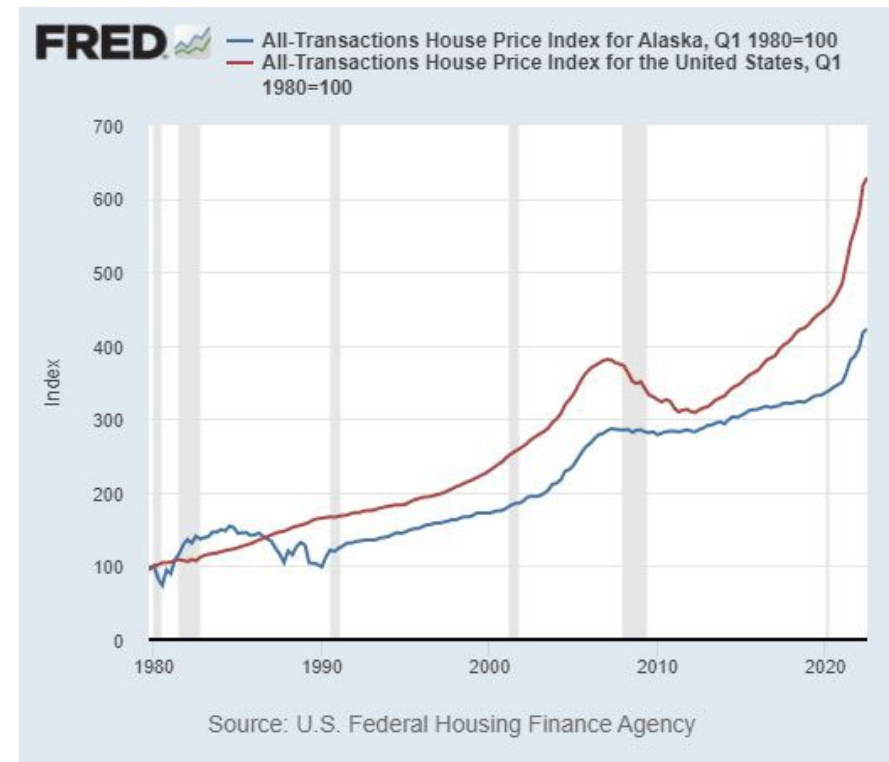
- **Mat-Su Built over 40% of all housing in the State in 2021 (14% of Population)**
- **All Areas outside the Railbelt and Southeast saw only 8.4% of Housing Units Built**

### Where housing was built in 2021



Source: DOL&WD and AHFC 2021

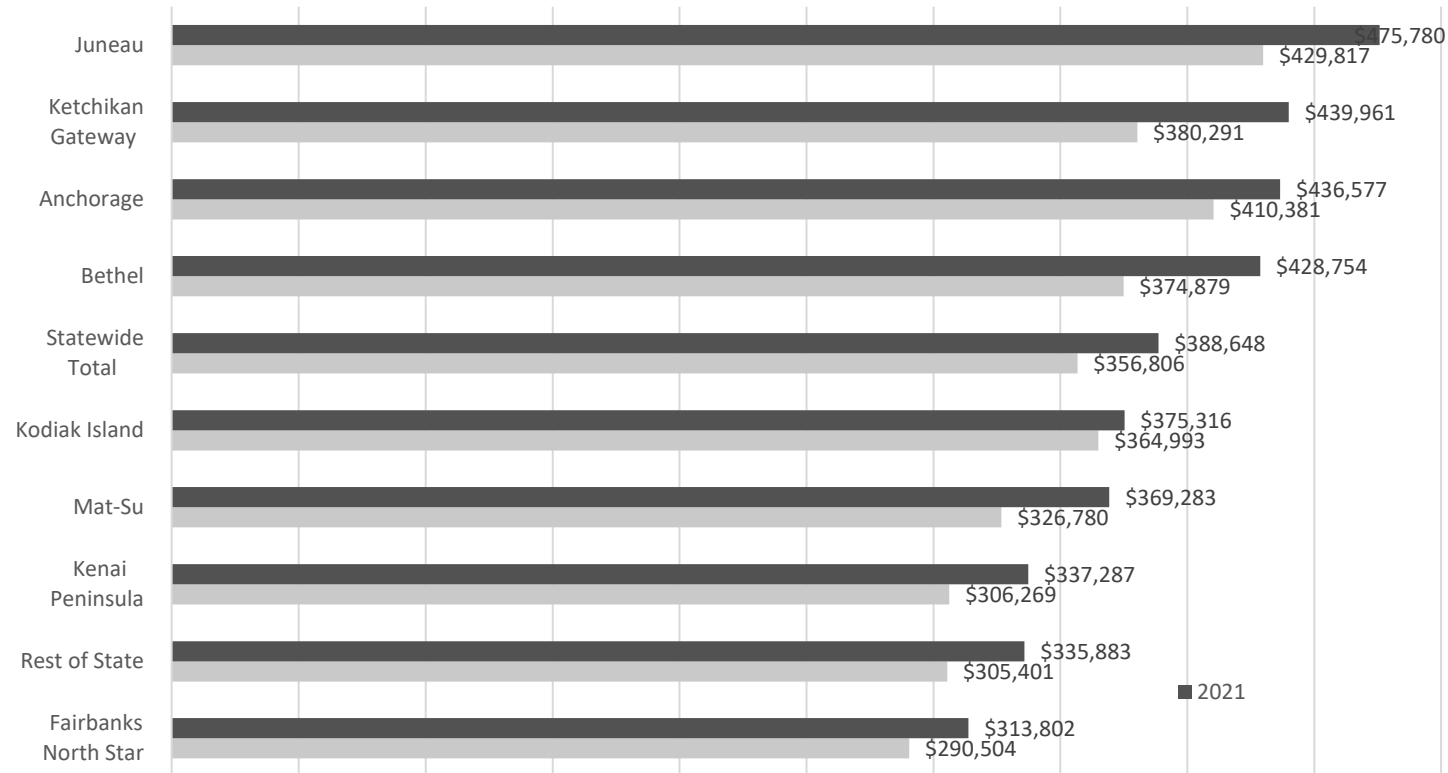
# Inventory and Price Comparison to US





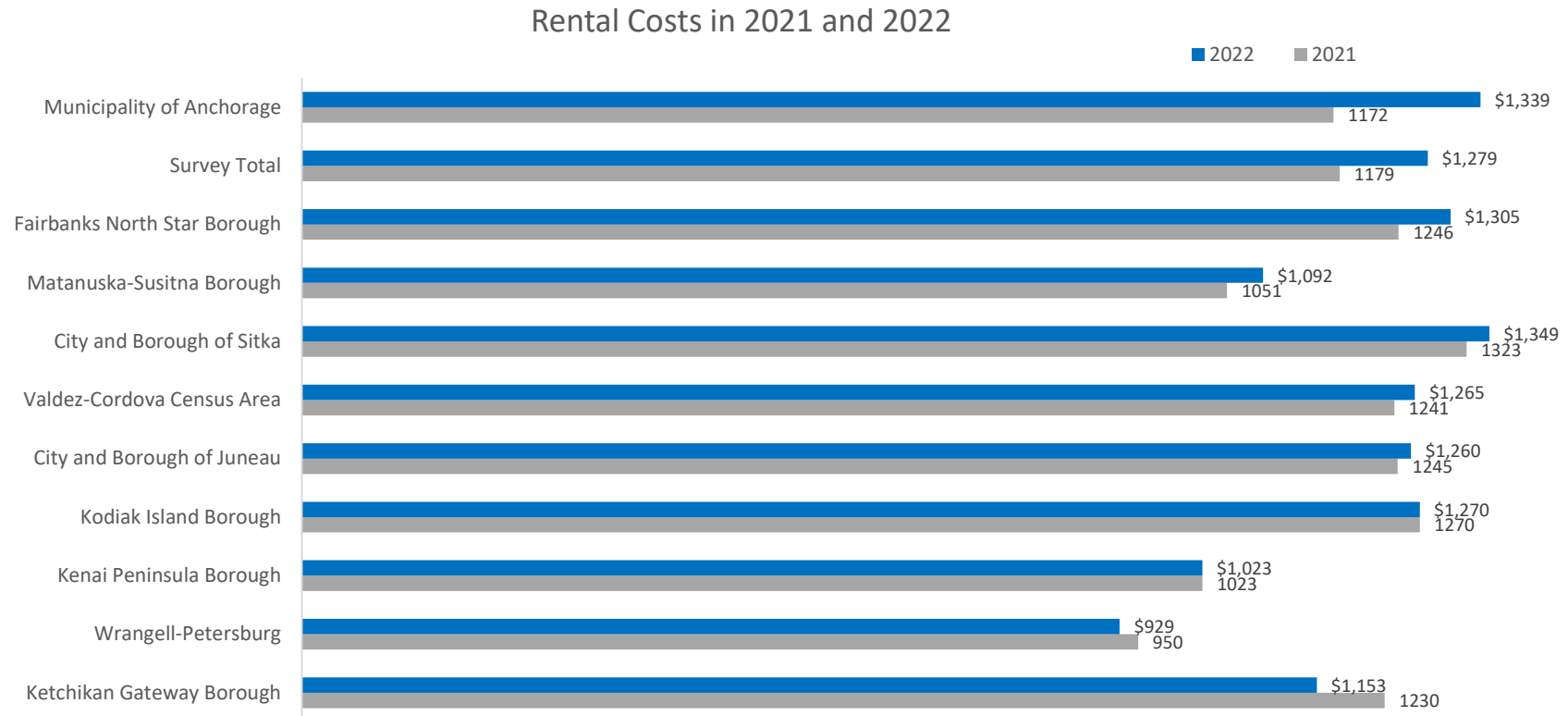
# Price

Highest Price in Juneau, Up the Most in Ketchikan



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

# Price - Rentals

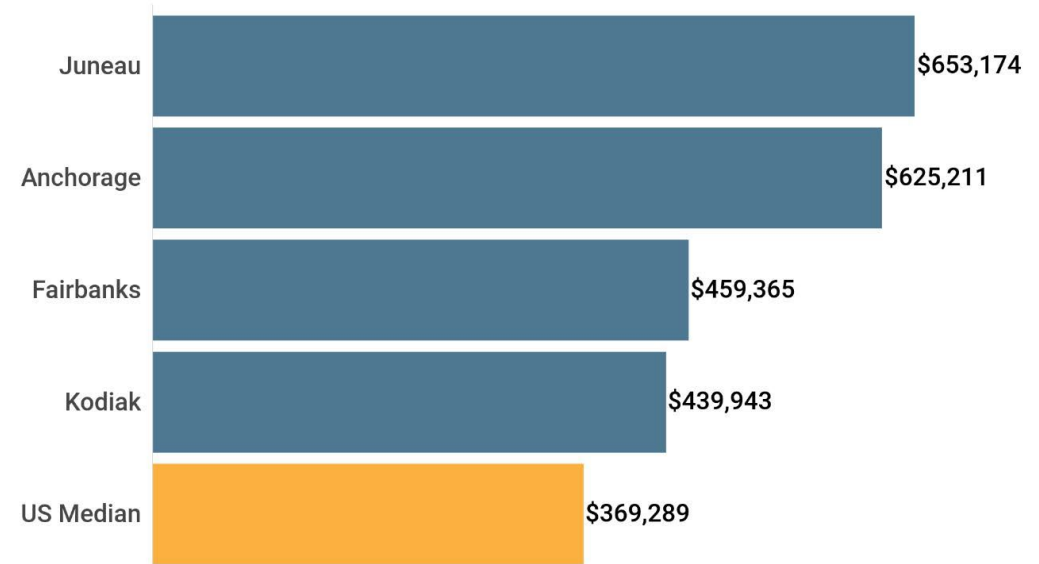


## Price - COLI

The Cost of Living Index (COLI) tracks the cost of a specific type of house around the US:

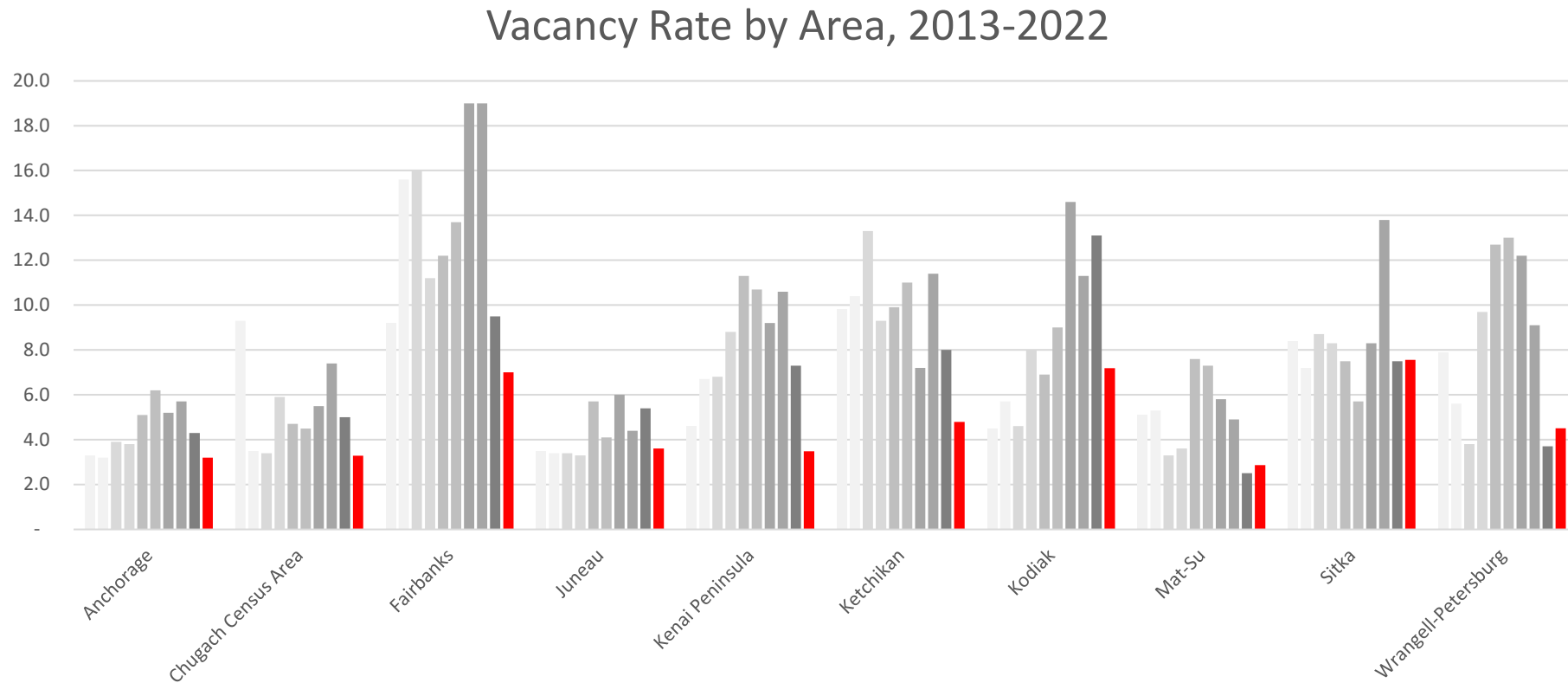
- 2,400 sq ft living area
- 8,000 sq ft lot
- 4 bedrooms, 2 bathrooms
- New construction

**COLI home prices for Alaska cities**



Source: Council for Community and Economic Research C2ER

# Vacancy Rate

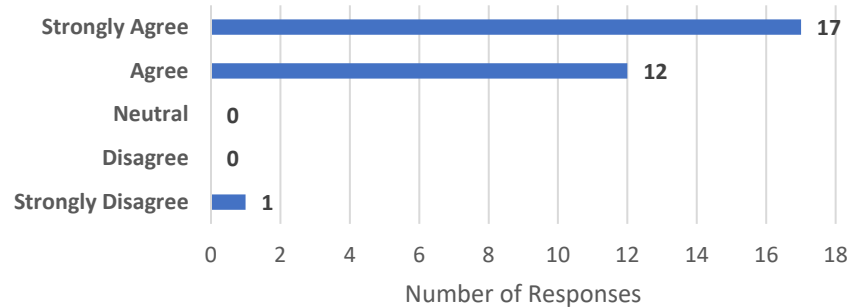


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2013-2022 Rental Market Surveys

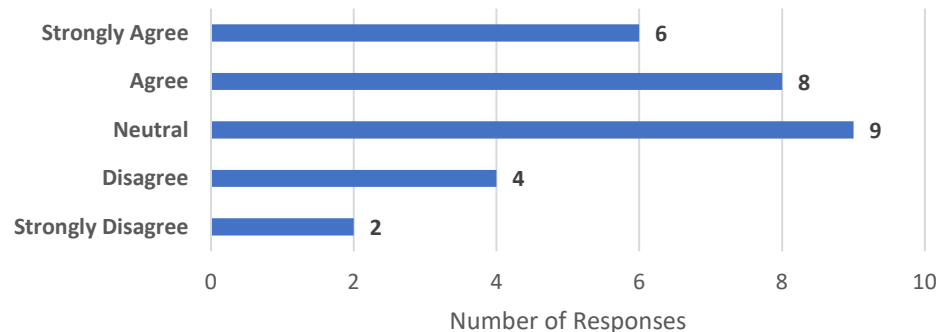
## AML Housing Survey

# Survey Says – Housing Challenges

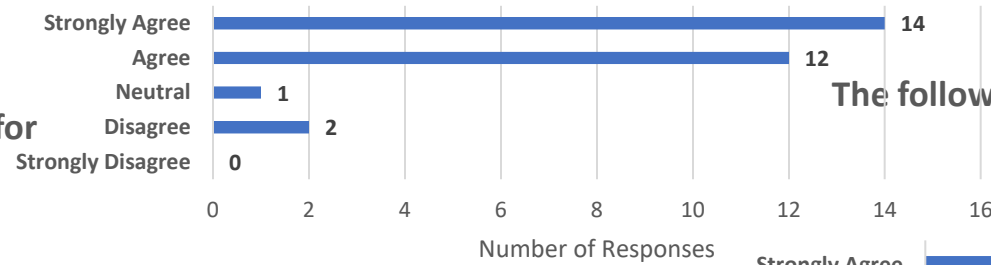
The following housing challenges are an issue for your community:  
Affordability



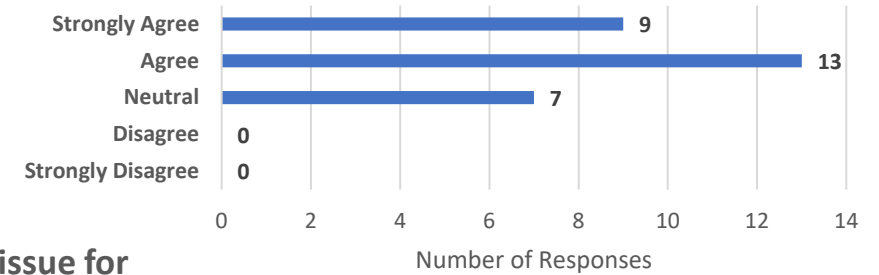
The following housing challenges are an issue for your community: Overcrowding / Health Concerns



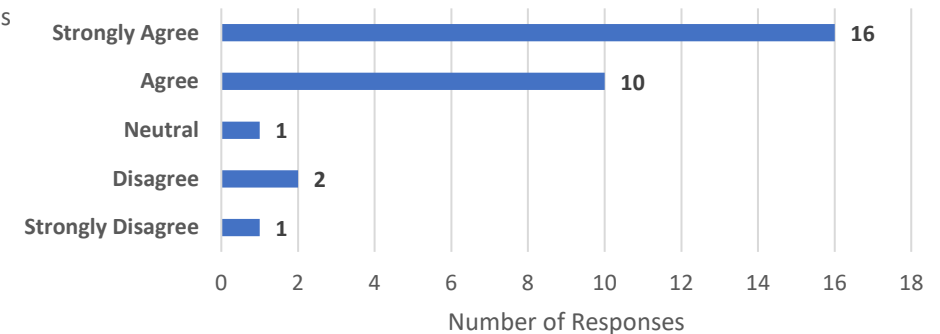
The following housing challenges are an issue for your community: Not enough for sale



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

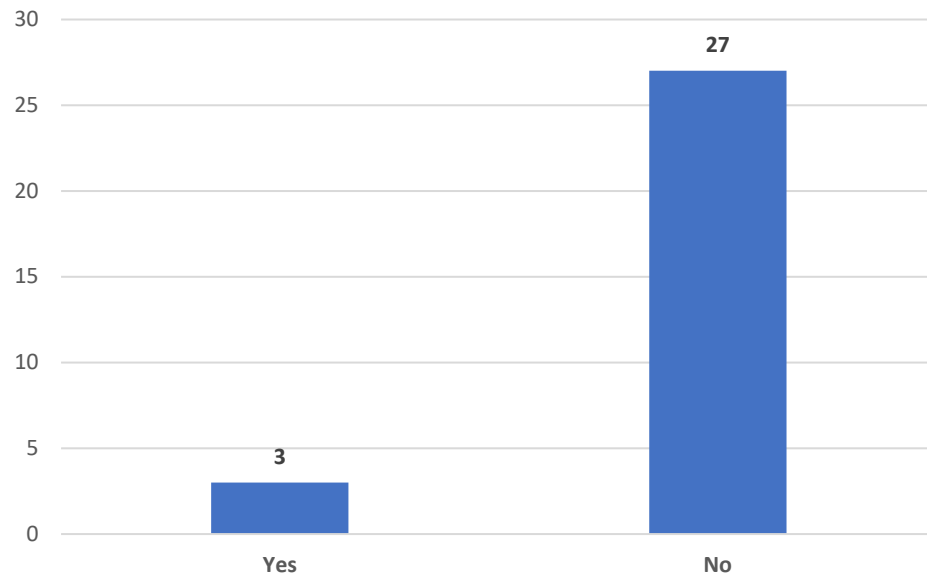


The following housing challenges are an issue for your community: Not enough rentals

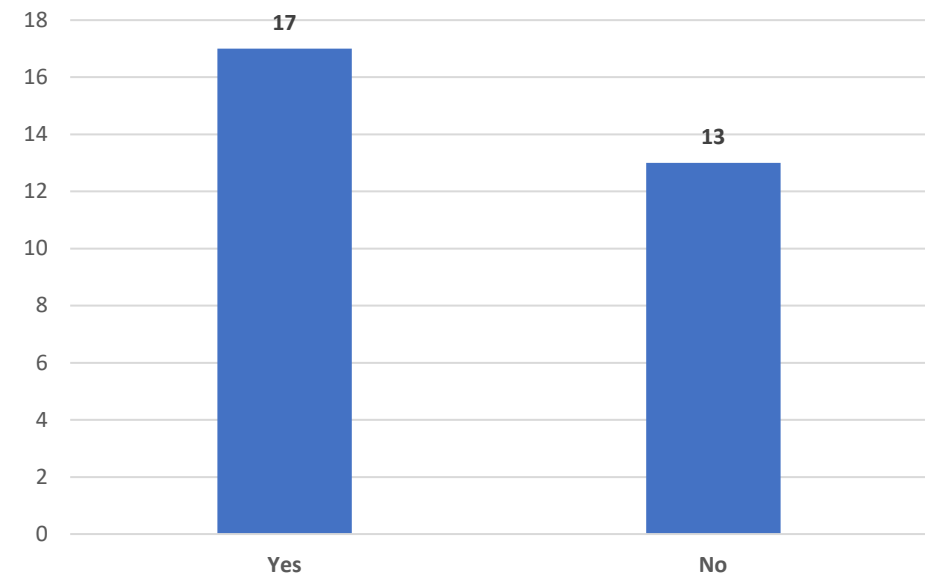


## Survey Says – Available Partners

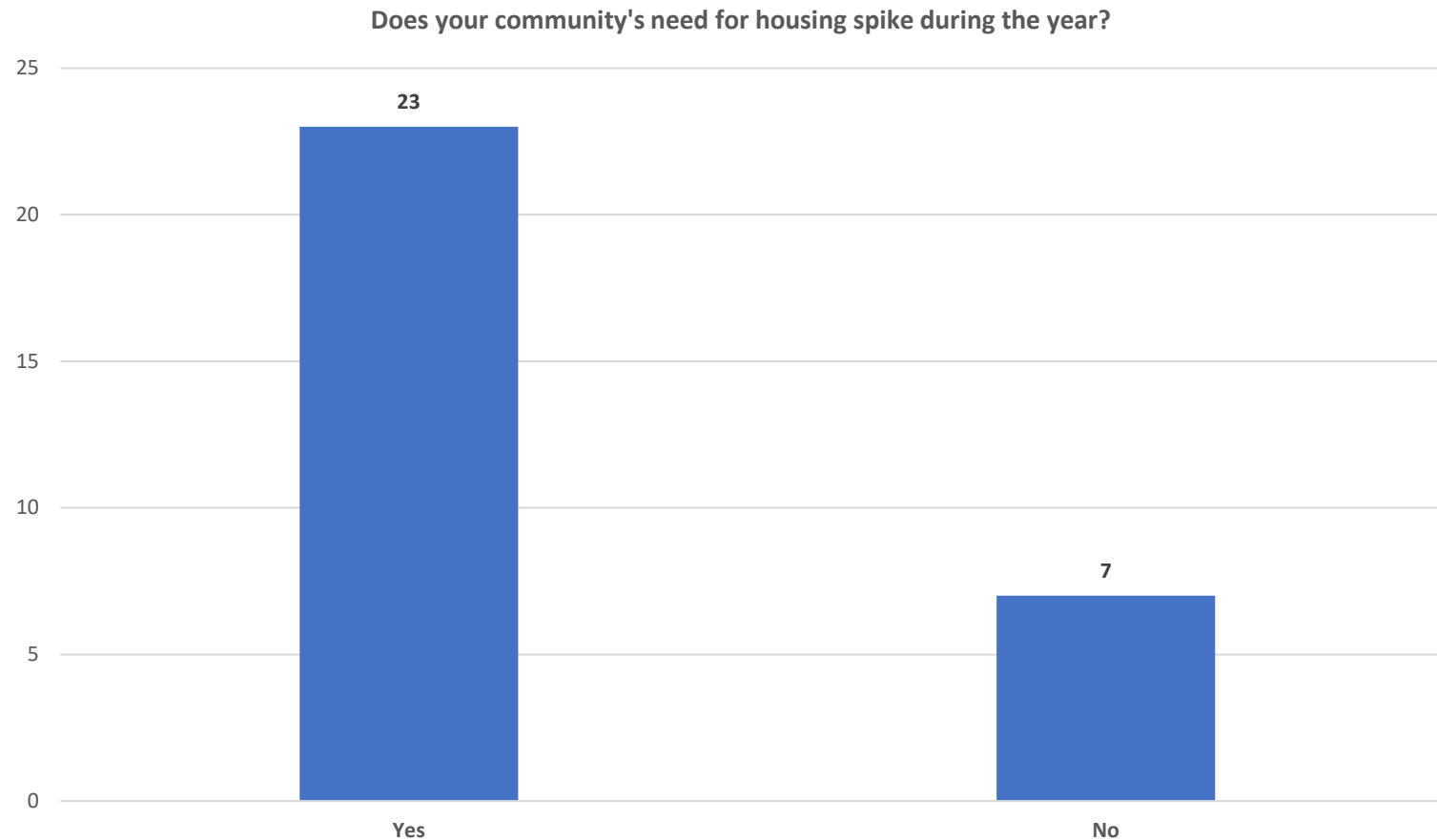
Is there a land trust in your community focused on housing?



Is there a housing authority operating in your community?



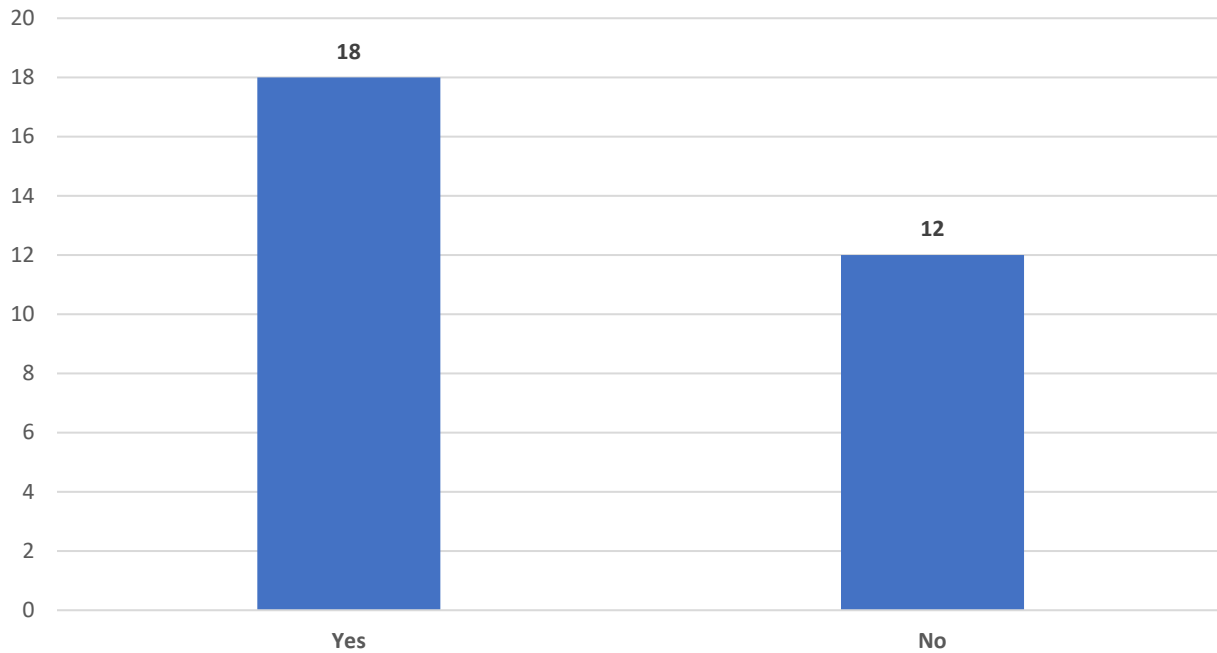
## Survey Says - Seasonality



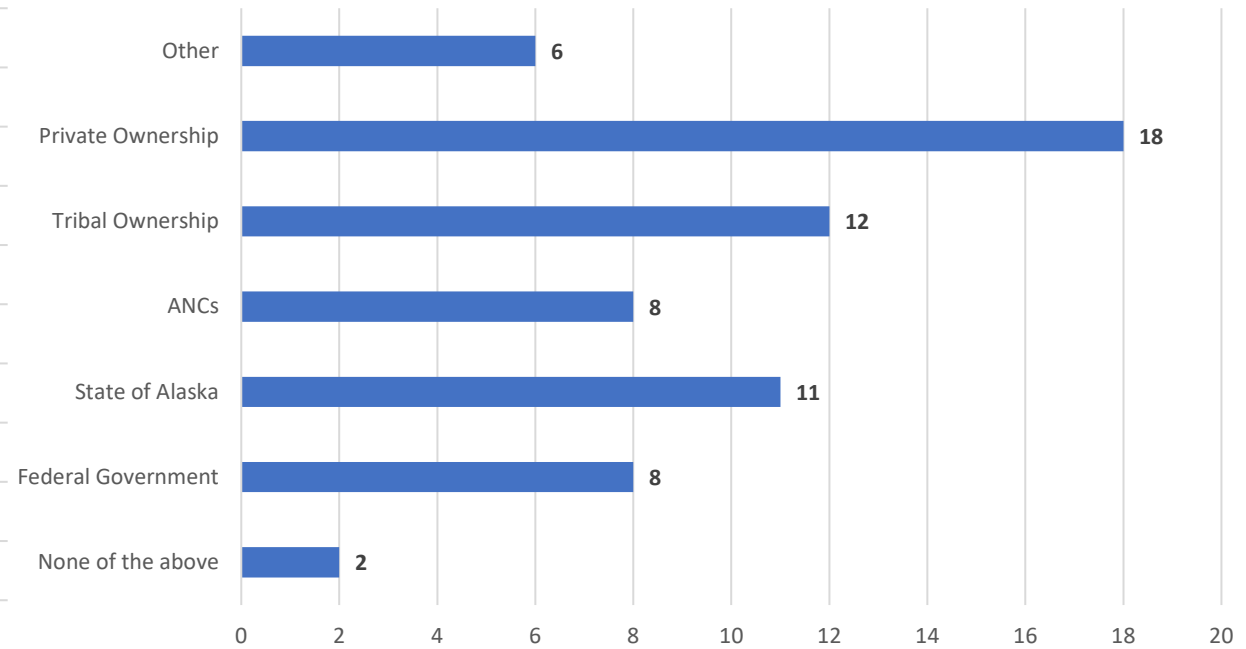


# Survey Says – Buildable Land

Does your municipality currently own reasonably buildable land?

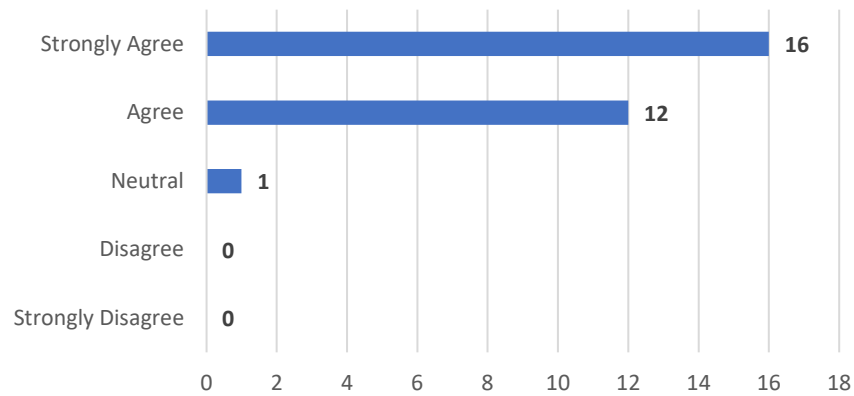


What other entities own buildable land in your community?

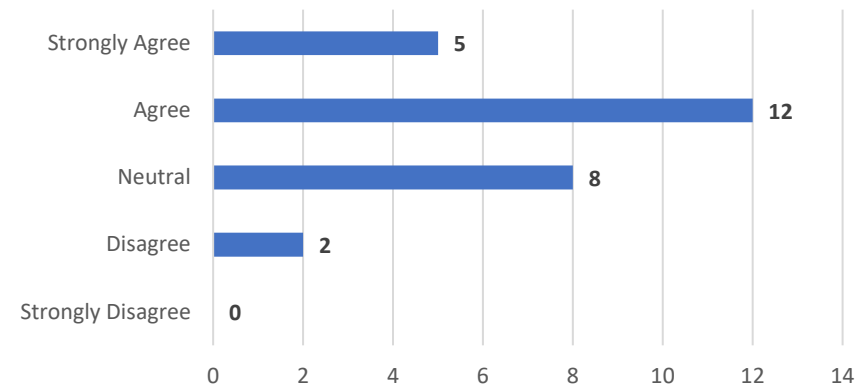


# Survey Says - Needs

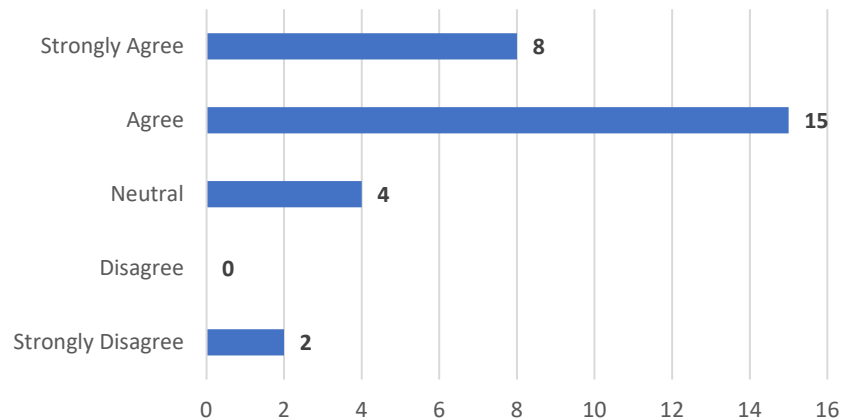
Who is "most in need of housing" in your community:  
Workforce



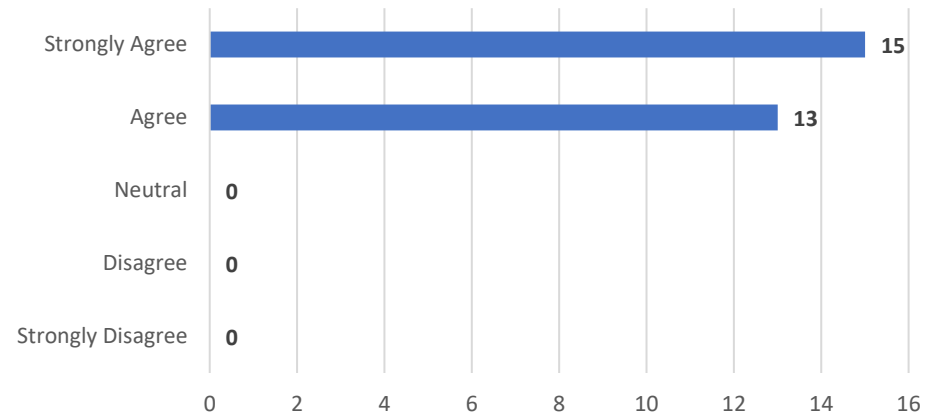
The following community groups rise to the top as being  
"most in need of housing" in your community: Seniors



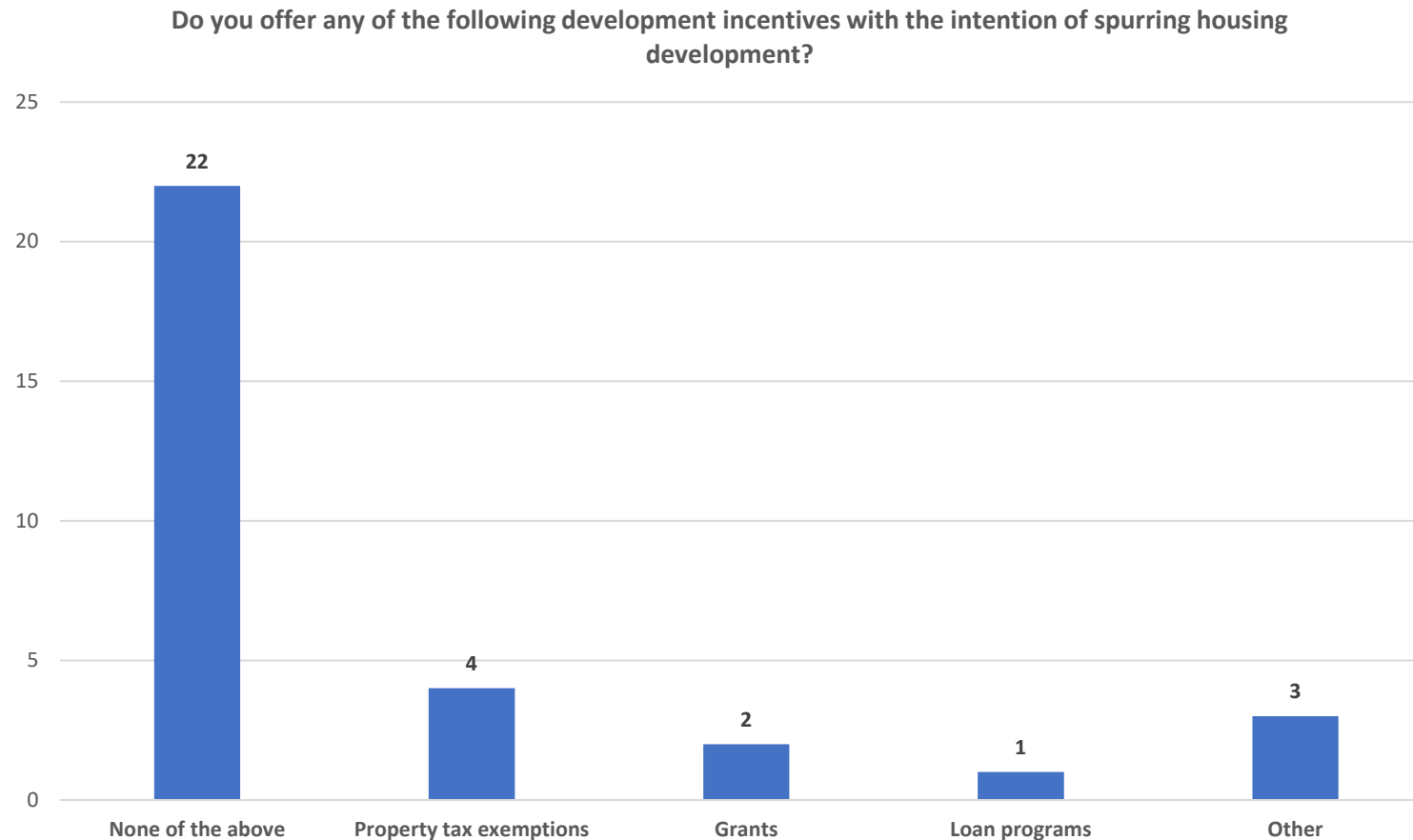
Who is "most in need of housing" in your community:  
Low Income



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

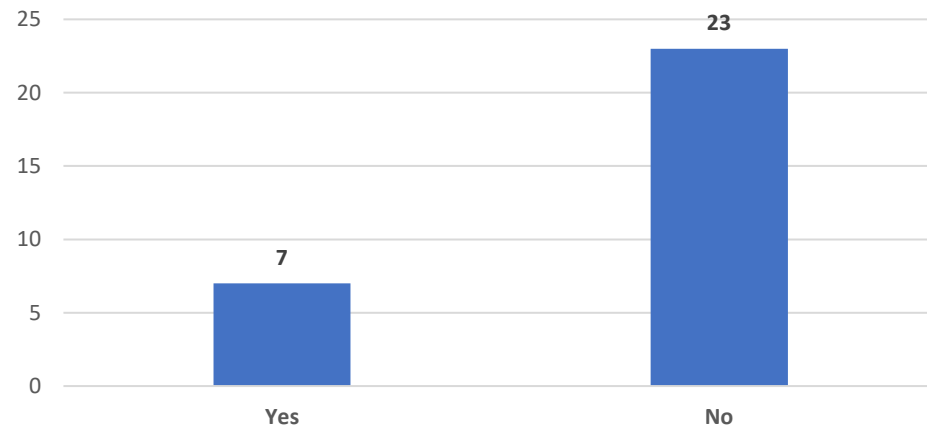


# Survey Says – Incentives Offered

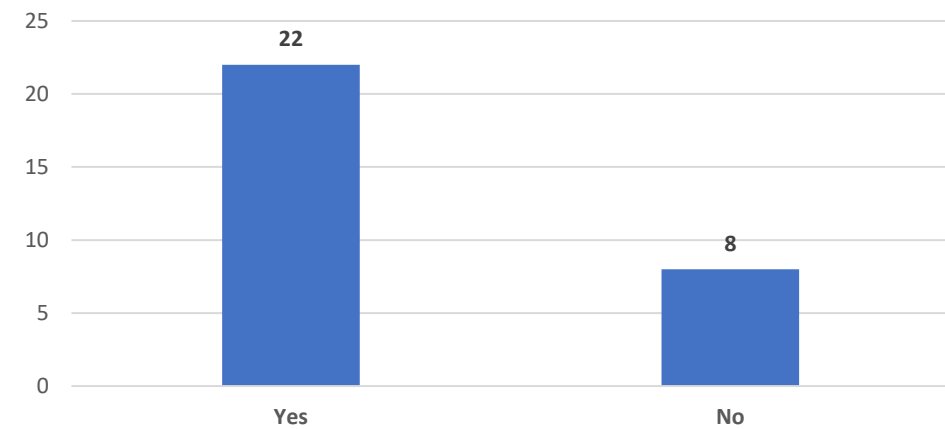


## Survey Says – Local Actions

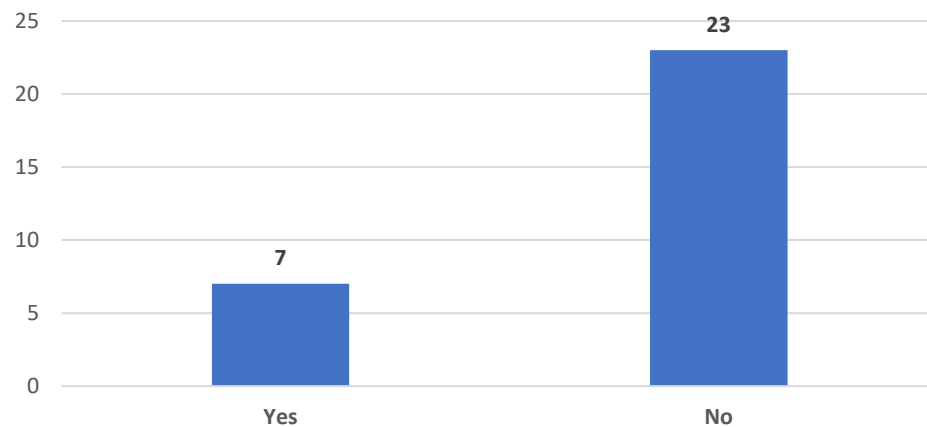
Have you adjusted your local building codes to respond to the need for housing?



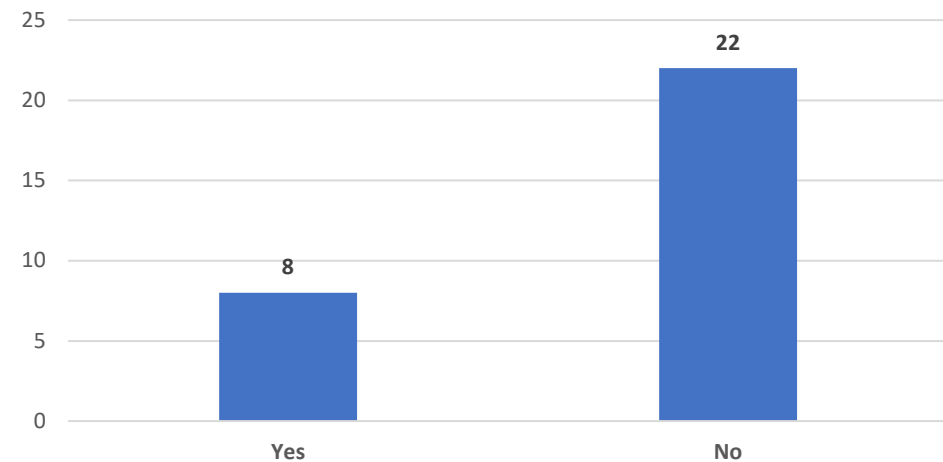
Have you adjusted your local zoning codes to the need for housing?



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



Are you currently regulating short-term rentals?



## Local Policy Tools

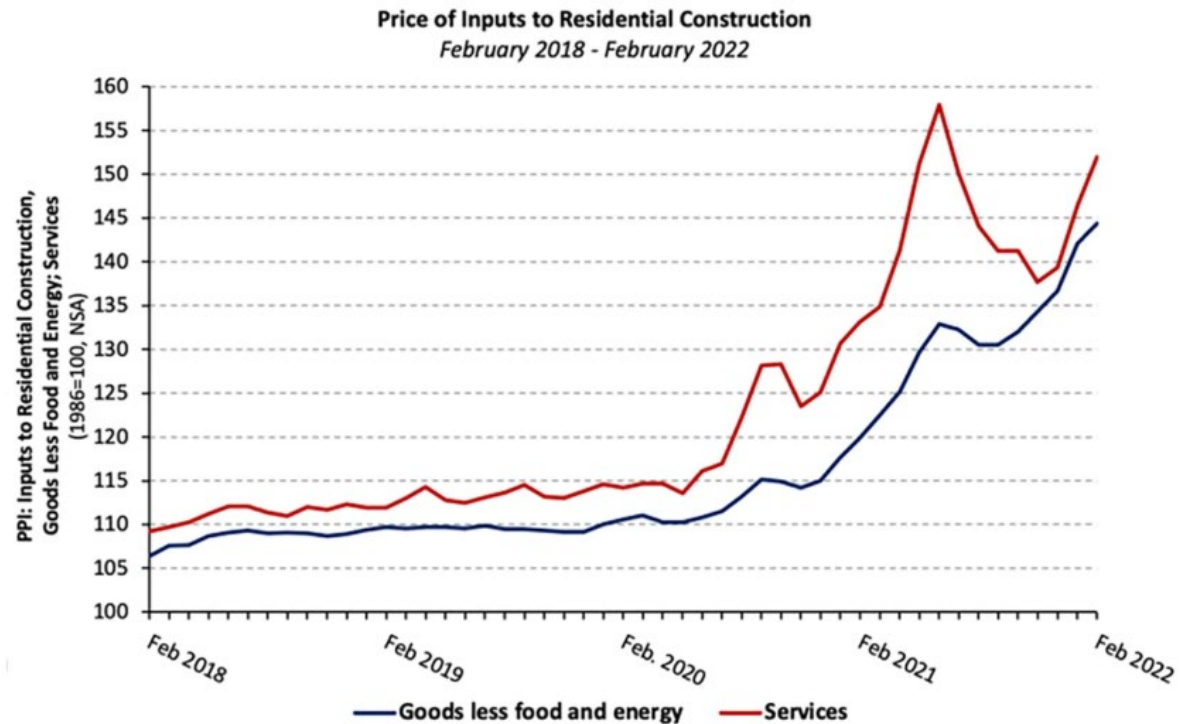
# Land Use and Subdivision Code

- 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.)

## FEWER VACANCIES

Continued from page 7

It's not clear how many units in Alaska are moving from long-term to short-term, but national studies have found that in other parts of the country, short-term rentals can deplete long-term rental stocks.

Anecdotally, our survey did suggest some Alaska units are transitioning to short-term rentals. The table on the right gives some context on their prevalence, as it shows the numbers of short-term rental listings in various places in Alaska relative to their total housing stock.

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## Short-term rental listings and total housing units by area

	Q2 2022 short-term listings	Housing units, total
Anchorage, Municipality	2,323	118,293
Kenai Peninsula	2,149	31,330
Matanuska-Susitna Borough	903	42,018
Fairbanks North Star Borough	717	44,270
Juneau, City and Borough	379	13,792
Sitka, City and Borough	151	4,229
Kodiak Island Borough	140	5,450
Ketchikan Gateway Borough	127	6,427
Chugach Census Area	72	3,287
Wrangell-Petersburg	37	3,251

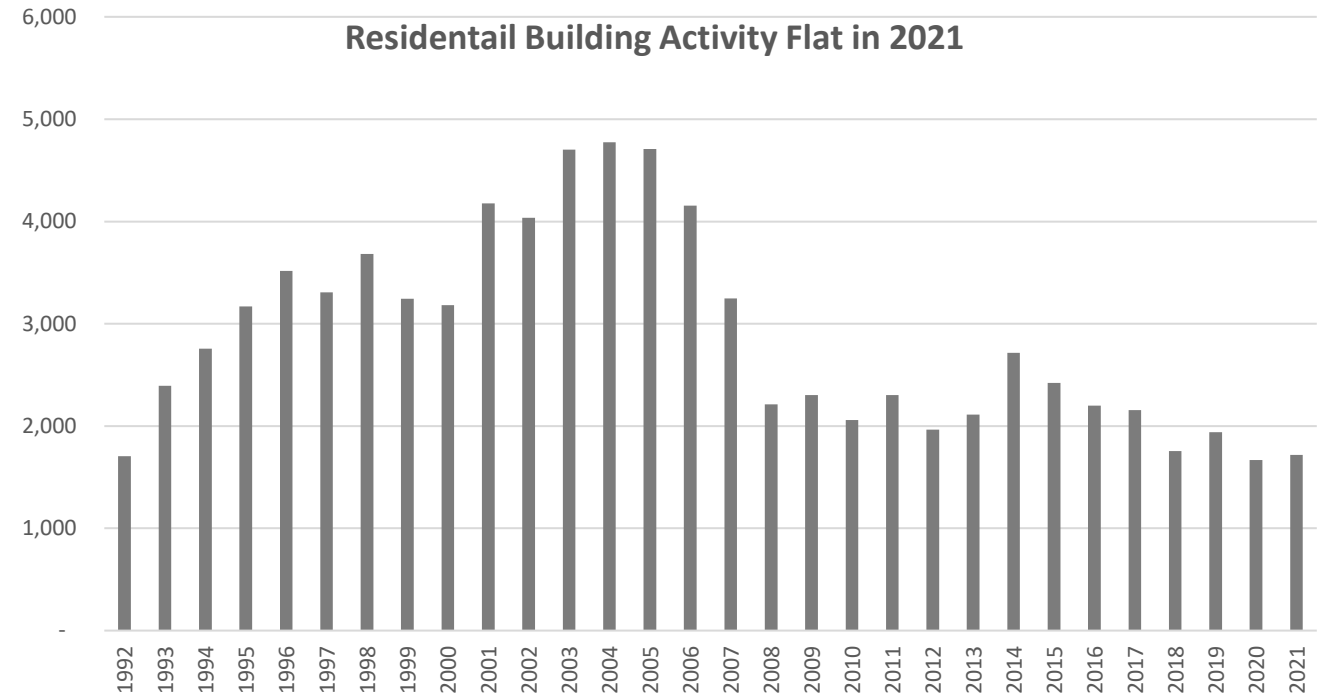
**Sources:** AirDNA for short-term listings and U.S. Census Bureau, American Community Survey 2016 to 2020 for housing units



## 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

# Property Tax

	Full Mill Rate	Tax Abated	Min Number of Units	Length of Abatement
Juneau	10.66	8.01	4	12 years
Anchorage (affordable & workforce housing)	16.48	13.83	20	15 years
Anchorage (downtown)	16.48	13.83	4	12 years
North Pole	12.29	9.64	4	10 years
North Pole	12.29	9.64	< 4	2 years
City of Nome	13	10.35	1 LTR	15 years

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

**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

## Draft Outcomes – Historical Challenges and Solutions

- **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.**

# Draft Outcomes – Rental Assistance

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.



## AML Task Force 2: Child Care

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