

## **Municipal Impact Statement:**

### **Alaska House Bill 80 (HB 80) - Residential Building Code**

#### Overview:

Alaska House Bill 80 (HB 80) proposes the establishment of minimum standards for residential buildings, revises regulations concerning construction contractors and residential contractor endorsements, and seeks to establish the Alaska State Residential Building Safety Council.

#### Potential Impacts on Housing Costs and Development:

1. Standardization of Building Codes:
  - AML recognizes that implementing uniform building standards can enhance construction quality and safety, potentially increasing property values and homeowner confidence.
  - However, adherence to new standards may increase construction costs due to the need for upgraded materials or practices, which could elevate housing prices, particularly affecting affordable housing development.
2. Contractor Compliance:
  - Requiring contractors to meet specific endorsement criteria may improve workmanship and reduce future maintenance costs for homeowners. This also comes with the need for skills and workforce development.
  - Contractors might face increased expenses related to obtaining endorsements and complying with new regulations, potentially passing these costs onto consumers.

#### Effects on Local Authorities and Enforcement Costs:

1. Administrative Responsibilities:
  - Local governments may need to allocate resources to enforce the new building standards, including training personnel, conducting inspections, and managing compliance records.
  - Current Alaska law requires local governments to have enforcement capabilities to comply with code, and cities and boroughs lack the resources to do so.
2. Financial Implications:
  - The establishment of the Alaska State Residential Building Safety Council could centralize some oversight functions, which adds another layer of complexity for local authorities to respond to.

#### Efficiency Considerations and Incentives for Local Adoption:

1. Voluntary Adoption:
  - Encouraging municipalities to adopt the standards voluntarily, rather than through mandates, respects local autonomy and allows for tailored implementation based on community needs.
2. Incentive Programs:
  - The state could offer incentives, such as grants or technical assistance, to municipalities that adopt and enforce the new standards, promoting widespread compliance without imposing unfunded mandates.

Implementing and enforcing a residential building code in Alaska's cities and boroughs involves several key responsibilities, including adopting the code, establishing local enforcement mechanisms, training

personnel, conducting inspections, and managing compliance. The extent of these responsibilities varies depending on whether a municipality has existing building codes, its staffing capacity, and whether the state provides resources or mandates enforcement.

### Key Components of Implementation and Enforcement

#### 1. Adoption of the Residential Building Code

- **Ordinance Development:** Municipalities must adopt the building code into local ordinances, which may involve legal review, public hearings, and assembly or council approval.
- **Customization:** Some cities and boroughs may need to amend the standard code to reflect local environmental conditions, such as permafrost, seismic activity, or extreme weather considerations.
- **Coordination with State Agencies:** If HB 80 establishes a state-level council, local governments will need to align their codes with state requirements and ensure compliance with any reporting mechanisms.

#### 2. Establishing Local Enforcement Mechanisms

- **Building Department Creation or Expansion:** Municipalities that do not currently enforce building codes may need to establish or expand a local building department to oversee permitting and inspections.
- **Permit System Development:** A robust permitting system must be in place to track construction projects and ensure they meet code requirements. This includes application processes, review timelines, and approval mechanisms.

#### 3. Training and Certification of Personnel

- **Building Inspectors:** Cities and boroughs will need to hire or contract building inspectors with expertise in residential construction and Alaska-specific building challenges.
- **Plan Reviewers:** Personnel must be trained to review submitted construction plans to verify compliance with the code.
- **Permit Technicians:** Administrative staff will need training on processing applications, maintaining databases, and coordinating inspections.

#### 4. Conducting Inspections

- **Site Inspections:** Inspectors must conduct field visits at various stages of construction (e.g., foundation, framing, electrical, plumbing, insulation, final completion).
- **Enforcement Actions:** If violations are found, municipalities must issue corrective action notices, stop-work orders, or penalties.
- **Coordination with Contractors:** Educating builders on the new requirements will be necessary to ensure compliance and reduce delays.

#### 5. Managing Compliance and Appeals

- **Tracking Violations:** Cities and boroughs must maintain records of inspections, violations, and enforcement actions.
- **Handling Appeals:** A process must be established for builders and homeowners to appeal decisions, either through a local appeals board or state oversight body.

- Public Education: Outreach programs may be needed to inform homeowners and contractors about the new requirements and the benefits of compliance.

#### Challenges for Alaska's Cities and Boroughs

- Staffing Constraints: Many small municipalities lack building officials, requiring them to contract services or rely on regional collaboration.
- Cost of Compliance: Municipalities will face costs for hiring personnel, training, and technology upgrades for tracking permits and inspections.
- Geographic Barriers: Remote areas may struggle with timely inspections due to travel constraints, requiring alternative compliance mechanisms such as third-party inspectors or virtual inspections.
- Enforcement Consistency: Different levels of enforcement across municipalities could create confusion for builders working in multiple jurisdictions.

#### Potential Strategies to Support Local Implementation

- State-Backed Training Programs: Providing free or low-cost training for municipal staff to become certified inspectors or plan reviewers.
- Incentive-Based Compliance: Offering state grants to help municipalities offset the cost of implementation.
- Regional Building Code Authorities: Allowing boroughs or multi-city partnerships to pool resources and share enforcement responsibilities.
- Third-Party Inspections: Authorizing certified private-sector inspectors to assist in areas with limited local enforcement capacity.
- Online Permit and Inspection Systems: Establishing a centralized online system for permit applications, plan reviews, and inspection scheduling to reduce administrative burdens.

#### Conclusion

Implementing a residential building code in Alaska's cities and boroughs is a resource-intensive process that requires personnel, funding, and coordination. Municipalities with existing building codes may only need to update their regulations, while those without established enforcement mechanisms will face greater challenges. To ensure successful adoption, the state should consider incentives, training programs, and technical assistance to ease the burden on local governments.

While HB 80 aims to enhance residential building safety and quality through standardized codes and contractor regulations, it is essential to balance these benefits against potential increases in housing costs and the administrative impact on local authorities.