

Submitted by: Assembly Chair LaFrance, Vice
Chair Constant, Member Zaletel
Prepared by: Legislative Services
For reading: December 20, 2022

ANCHORAGE, ALASKA
AR No. 2022-416

1 **A RESOLUTION OF THE ANCHORAGE ASSEMBLY SUPPORTING ACTIONS**
2 **TO ALLEVIATE ANCHORAGE’S HOUSING SHORTAGE AND AFFORDABILITY**
3 **CRISIS THROUGH SUPPORT OF THE DEVELOPMENT OF HOUSING ACROSS**
4 **THE MUNICIPALITY OF VARIED DENSITIES, TYPES, AND PRICE POINTS AND**
5 **IDENTIFICATION OF OPPORTUNITIES FOR ADDITIONAL HOUSING**
6 **DEVELOPMENT INCENTIVES, STREAMLINING OF REGULATIONS, AND**
7 **FOSTERING AN ENVIRONMENT OF COLLABORATION AND COOPERATION**
8 **BETWEEN THE PUBLIC AND PRIVATE SECTORS.**
9

10
11 **WHEREAS**, Anchorage has been experiencing a housing shortage and affordability
12 crisis for several years, exacerbated by several events recently including supply
13 chain issues created by the COVID-19 pandemic that substantially increased the
14 cost of building materials; and

15
16 **WHEREAS**, several tax incentives for development have been implemented by the
17 Municipality since 2016 including transit supportive corridors, exemption for
18 subdivided property prior to sale or transfer, multi-unit incentives in the Central
19 Business District, and designation of Reinvestment Focus Areas, but few have been
20 utilized with the building community calling for incentives more tailored to
21 Anchorage; and

22
23 **WHEREAS**, the 2018 Housing Survey Report from the Anchorage Economic
24 Development Corporation¹ reports that only 21 percent of respondents said that they
25 would like to see more large, single-family homes in Anchorage – the bulk of what
26 has been developed for several decades – revealing that this segment may be
27 overbuilt and small high-density or multi-family housing is lacking; and

28
29 **WHEREAS**, the same study revealed that the most attractive housing type to
30 respondents was cottage-style, with 64 percent of respondents wanting more of this
31 type of housing in Anchorage, and that of those surveyed who had attempted to buy
32 a home in the previous three years, 69 percent reported they were unsuccessful
33 because housing was too expensive; and

34
35 **WHEREAS**, in 2004, over 2,000 residential permits were issued in the Municipality.
36 Last year in 2021, only 310 residential permits were issued, with 35 percent of the
37 units being single family homes. Permits declined over 60 percent from 2017 to
38 2021; and

39
40 **WHEREAS**, Anchorage Municipal Code Titles 21 and 23 underwent omnibus

¹ [Anchorage Economic Development Corporation, 2018 Housing Survey Report](#)

1 amendments in 2021, but permitting is still arduous and often prohibitive for smaller
2 builders or individuals; and

3
4 **WHEREAS**, the Assembly held a roundtable discussion on September 9, 2022 with
5 subject matter experts and catalogued valuable input and proposed paths to explore
6 solutions; and

7
8 **WHEREAS**, these proposals include completing area-wide or targeted rezones
9 proposed in the Anchorage 2020 Land Use Plan, loosening of zoning code and
10 change of use regulations, safe harbor provisions allowing improvement of
11 structures without triggering full code upgrades throughout, and commissioning an
12 updated Anchorage housing study to identify other opportunities; and

13
14 **WHEREAS**, while affordable housing, as defined by the United States Department
15 of Housing and Urban Development², is most lacking, the “migration chain” effect
16 has shown that building 100 new market-rate units opens up the equivalent of 70
17 units in neighborhoods earning below the area’s median income. In the poorest
18 neighborhoods, it opens up the equivalent of 40 units³; and

19
20 **WHEREAS**, other evidence shows that as new units come online in an area, rents
21 in a certain radius or the same census tract decreased, and lower income renters
22 were less likely to be displaced⁴; and

23
24 **WHEREAS**, many targeted policies such as inclusionary zoning limit support or
25 interest in one type of housing at the expense of all others; however, increasing
26 housing supply across the board is a necessary precondition to creating affordability
27 for many; and

28
29 **WHEREAS**, Heritage Land Bank (HLB) holds uncommitted land within the
30 Municipality and is governed by Title 25 of Anchorage Municipal Code, which states
31 in 25.40.010 that “It is the mission of the Heritage Land Bank to manage
32 uncommitted municipal land and the Heritage Land Bank fund in a manner designed
33 to benefit the present and future citizens of Anchorage, promote orderly
34 development, and achieve the goals of the comprehensive plan”; and

35
36 **WHEREAS**, Title 25 does not does not limit the calculation of public benefit of HLB
37 activities to strictly monetary terms, allowing for the consideration of the overall
38 benefit to the residents of the Municipality, with attention to specific local impacts
39 such as infrastructure, emergency services and food security, when weighing the
40 return on investment of HLB activities; and

41
42 **WHEREAS**, Real Estate Services (RES) also manages an extensive array of

² “**AFFORDABLE HOUSING**: In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities.” [Glossary of HUD Terms | HUD USER](#)

³ [Upjohn Institute, "The Effect of New Market-Rate Housing Construction on the Low-Income Rental Market" \(2019\)](#)

⁴ [Rate.com, "Do New Market-Rate Units Accelerate or Slow Gentrification?" \(2021\)](#)

1 municipal land, including multiple uncommitted vacant parcels such as the former
2 National Archives site in Midtown, and is also governed by Title 25 of Anchorage
3 Municipal Code, with flexibility in disposal options and generally more developable
4 and urban properties that may lend themselves to residential use; and
5

6 **WHEREAS**, the Assembly seeks to prioritize the use of uncommitted municipal land
7 to address the housing shortage, either through disposal or land exchanges or
8 development through public-private partnerships (P3s), which can result in greater
9 public benefit by advancing housing goals in ways not typically feasible through
10 private development alone; and
11

12 **WHEREAS**, the Assembly seeks to collaborate with the Mayor and members of the
13 Administration to alleviate the housing shortage and affordability crisis; and
14

15 **WHEREAS**, economic development to include the support of housing is one of the
16 adopted 2022 Priorities of the Anchorage Assembly, with policies specifically aimed
17 at, “general infrastructure investments, tax abatement and code changes that
18 increase density and spur private development”; now, therefore
19

20 **NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES TO:**
21

22 **Section 1.** Work with the Administration to support housing development
23 throughout the Municipality of Anchorage of varied types, densities and price points
24 and committing to identify opportunities for additional housing development
25 incentives, streamlining of regulations, and fostering an environment of cooperation
26 and collaboration between the public and private sectors to alleviate Anchorage’s
27 housing shortage and affordability crisis in the following ways, among others:
28

- 29 • Continue ongoing discussions with stakeholders exploring the suggestions
30 developed at the September 9, 2022 session in search of viable policy
31 solutions;
- 32 • Develop a comprehensive housing policy outlining an Assembly action plan
33 which may include many of the items on this list;
- 34 • Work with the Alaska Housing Trust, the Anchorage Affordable Housing and
35 Land Trust, Cook Inlet Housing Authority, and the Alaska Housing Finance
36 Corporation and any other potential collaborators to facilitate public-private
37 partnerships and to ensure a development environment exists where these
38 entities can successfully fulfill their missions;
- 39 • Explore funding mechanisms for housing development through P3s, grants,
40 or other legal arrangements;
- 41 • Incentivize lot assemblages resulting in larger multi-unit development;
- 42 • Encourage actions that create opportunities for increased and more dense
43 development, including area-wide or targeted area rezoning, upzoning, unit
44 lot subdivisions, and mixed density development through conditional use
45 permits in planned unit developments;
- 46 • Commission an updated housing market study, to include an analysis of
47 infrastructure costs and impact on development feasibility and affordability;
- 48 • Identify potential options for low-income property restoration/improvement
49 grant or match programs for existing property owners, such as sidewalk

1 repair, sewer pipe replacement, mold removal, etc. such as those found in
2 communities across the country;

- 3 • Work with the Building Services Department to establish a safe harbor
4 program to make it easier to do partial building upgrades without triggering
5 code compliance issues in older parts of the same structure;
- 6 • Identify opportunities for employer-assisted housing incentives including
7 forgivable down payment assistance; and
- 8 • Explore options for the establishment or support of down payment assistance
9 programs to increase home ownership, and foreclosure prevention programs
10 to keep homes occupied vs. managed by a bank or HUD for several years.

11
12 **Section 2.** The Assembly requests that the HLB timely produce the 2023 Annual
13 Work Program and 2024-2027 Five-Year Management Plan to prioritize increasing
14 attainable and affordable housing opportunities within the Municipality and to place
15 additional emphasis on the calculation of HLB's return on investment to include
16 equivalent non-monetary public benefits.

17
18 **Section 3.** The Assembly requests that the Administration and Real Estate
19 Department identify municipally owned properties that might be developed as
20 housing, ideally affordable or attainable units, and also those municipal properties
21 which could be rezoned to accommodate residential development vs. current use
22 or zoning.

23
24 **Section 4.** This resolution shall be effective immediately upon passage and
25 approval by the Assembly.

26
27 PASSED AND APPROVED by the Anchorage Assembly this _____ day
28 of _____, 2022.

29
30
31
32 _____
33 Chair of the Assembly

34 ATTEST:

35
36
37 _____
38 Municipal Clerk