ANCHORAGE, ALASKA
AR No. 2022-416

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

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

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

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

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

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

WHEREAS, Anchorage Municipal Code Titles 21 and 23 underwent omnibus

1 Anchorage Economic Development Corporation, 2018 Housing Survey Report
amendments in 2021, but permitting is still arduous and often prohibitive for smaller builders or individuals; and

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

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

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

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

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

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

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

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

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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](https://portal.hud.gov/hudportal/HUD?AUT=221) | [HUD USER](https://www.huduser.gov)

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

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

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

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

NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES TO:

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

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

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

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

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

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

PASSED AND APPROVED by the Anchorage Assembly this ______ day of ________________, 2022.

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Chair of the Assembly

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ATTEST:

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Municipal Clerk