



HOUSING OPPORTUNITIES IN THE
MUNICIPALITY FOR EVERYONE

Community Presentations

By Assembly Members

**Anna Brawley, Daniel Volland and Meg
Zaletel**

The "Why"



Anchorage faces the following housing challenges, resulting in what some would call a ***housing crisis***:

- Increasing Home Prices, Increasing Rental Prices
- Less Housing Inventory (Supply/Demand)
- Increase in Smaller Households
- Little housing being built in AK
- VERY little housing built in Anchorage
- Zoning may be a factor
- Requirements and processes that raise the cost of development



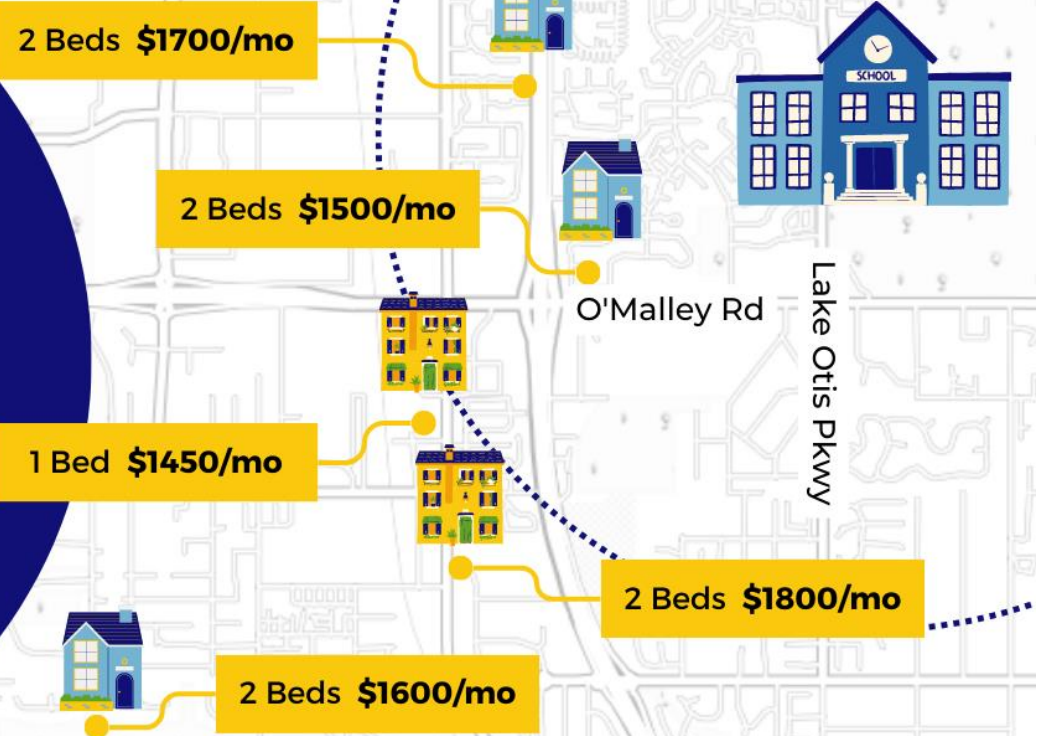
WHERE CAN MR. LEWIS LIVE WITHIN 1.5 MILES OF SCHOOL?

\$55,168 New ASD Teacher Annual Salary

\$3,586 Monthly Income After Taxes

\$1,200

Rent Budget as 30% of Monthly Income



TEACHERS NEED HOMES TOO.

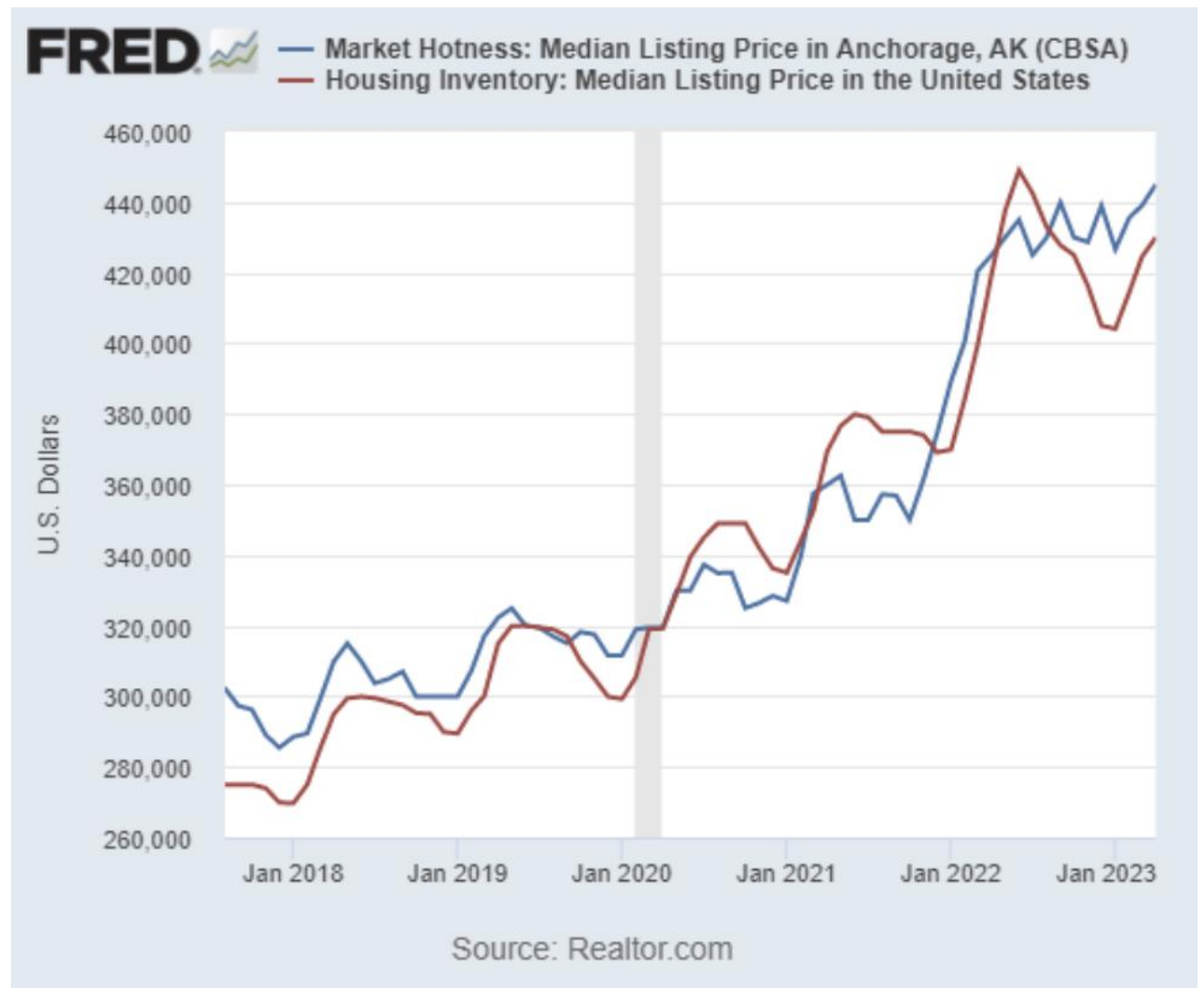
Salary information provided by the Anchorage School District (ASD). Zillow Data provided by Zillow through the Zillow Housing Market Metrics. April 27, 2023

Recent trends in home prices

US median listing price in April 2023: 430K

Anchorage MSA: 445K

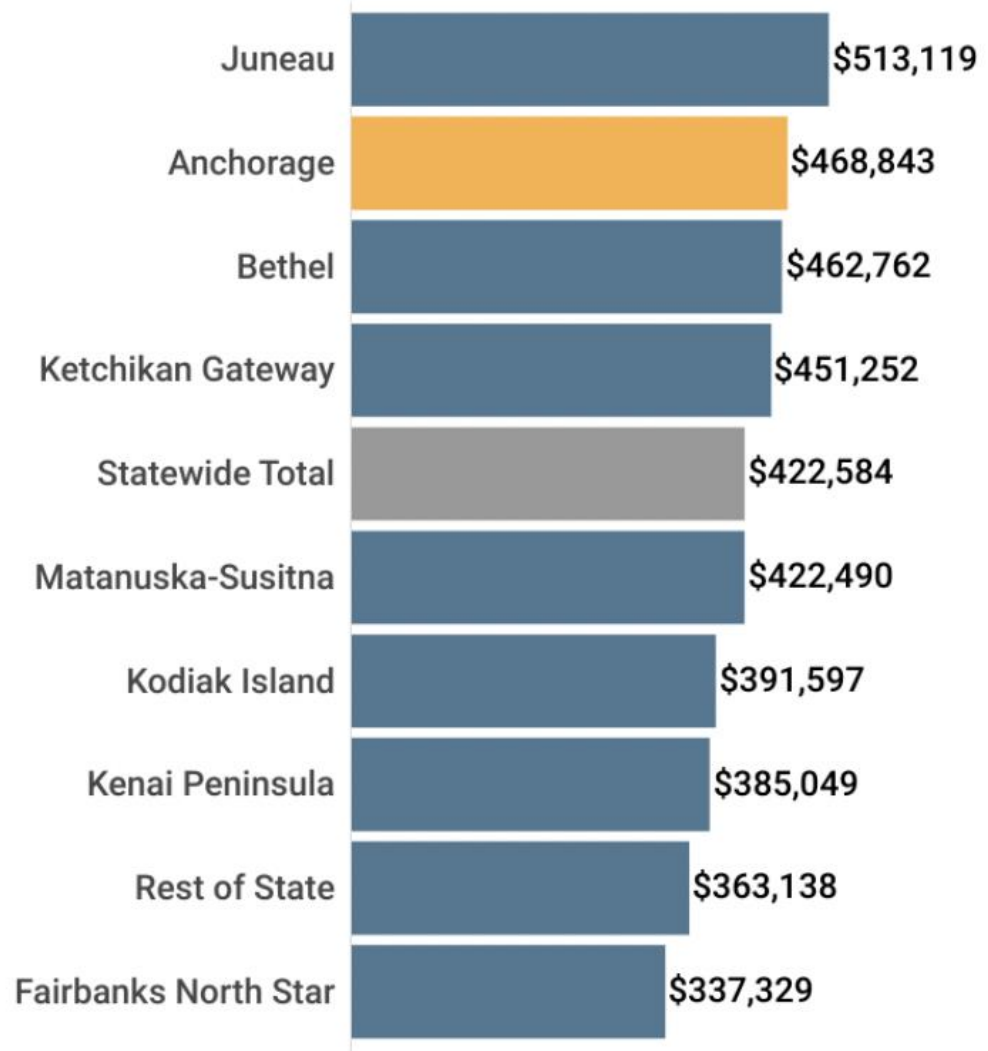
Prices are coming down, but still way above pre-pandemic



Average home prices around the state

- Juneau and Anchorage are most expensive
- Anchorage is ~10% above the Mat-Su
- Highway-connected areas outside of Anchorage have the cheapest homes in the state

Home prices vary across the state

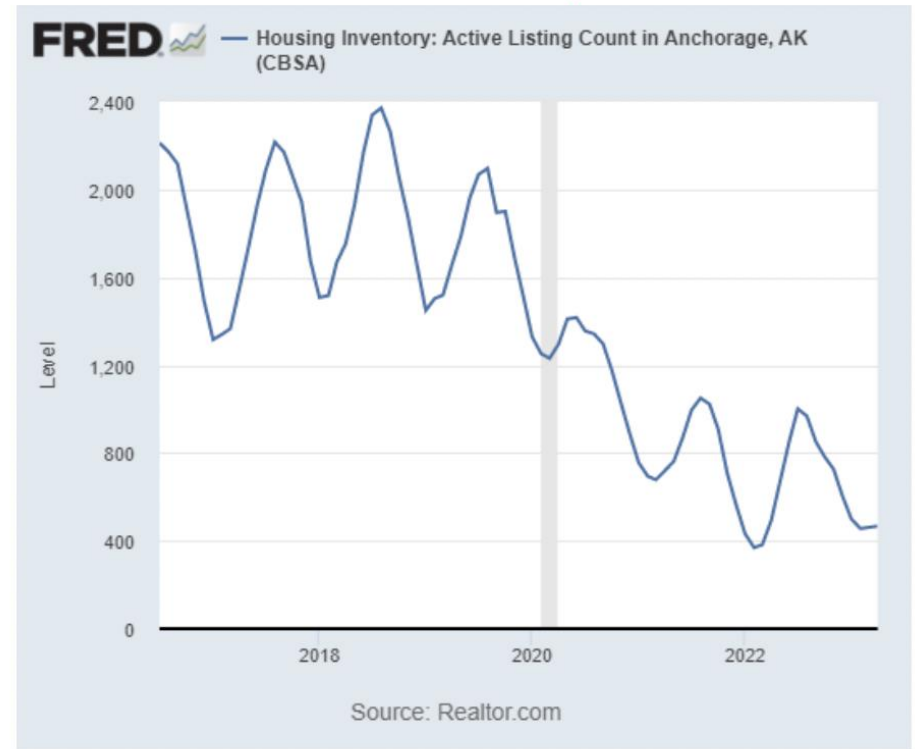


Source: AK DOL&WD and AHFC, 2022 data

Demand is High, Supply is Low

Prices ↑

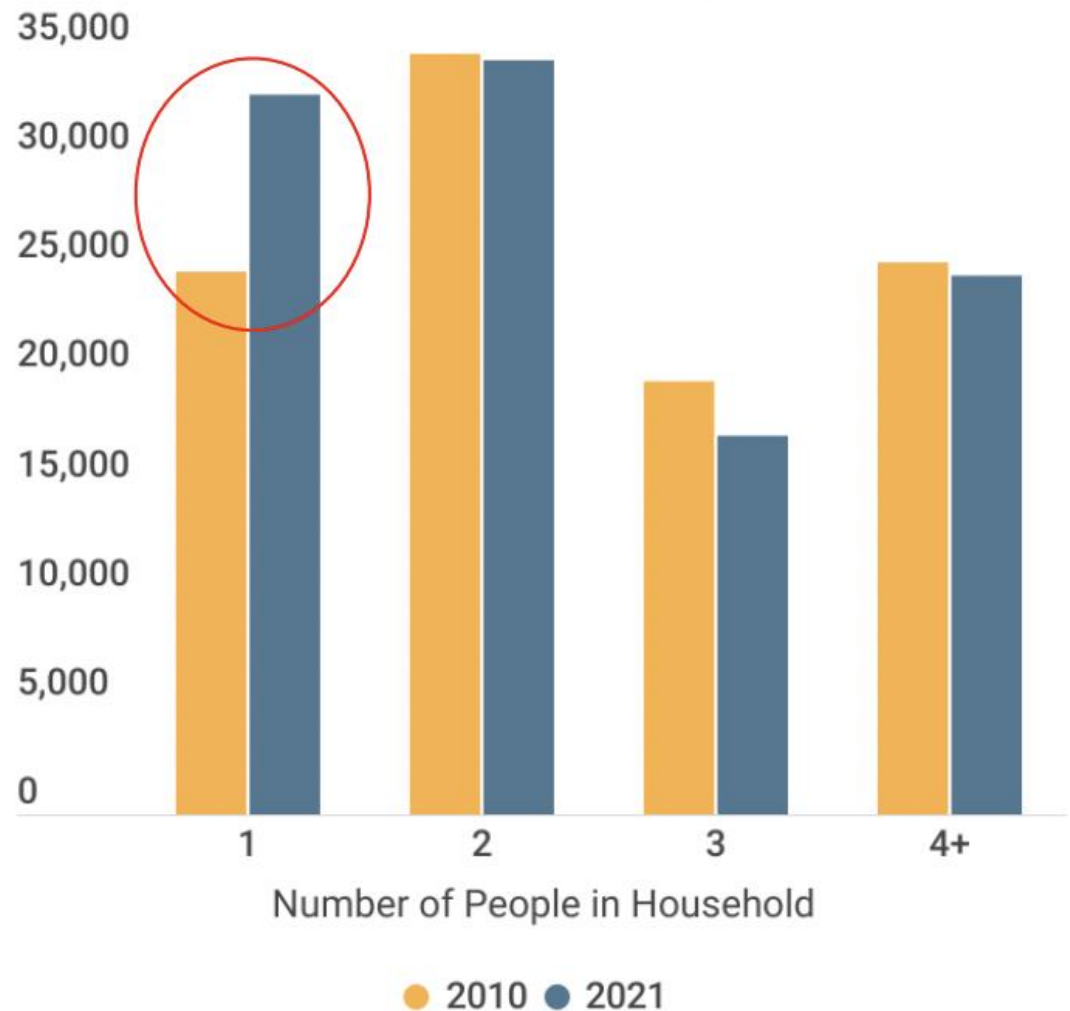
Supply ↓



Why did housing prices increase when we lost population?

- Anchorage has fewer people than in 2010, but more households
- Fewer families with children, higher population above age 18
- 2.71 people per household in 2010 2.56 in 2021

Household size changes in MOA



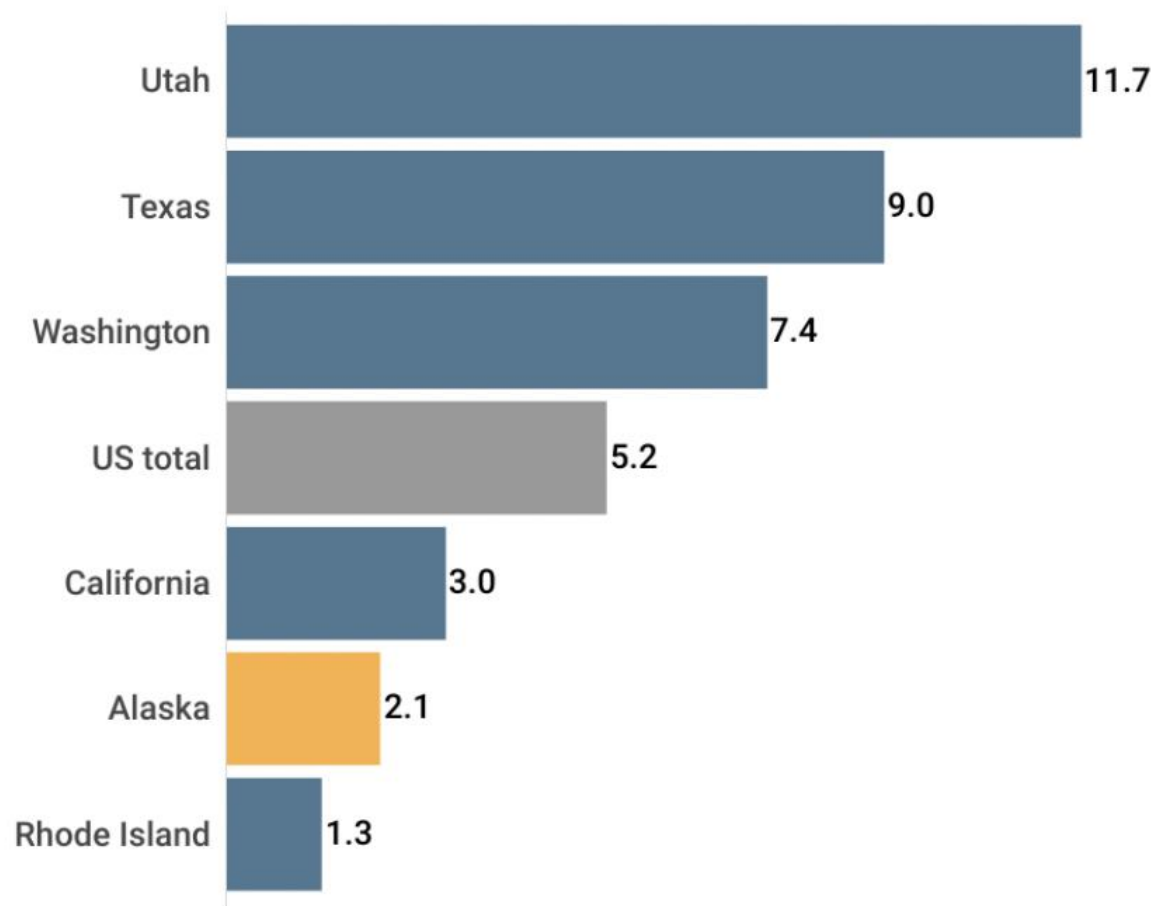
Source: US Census ACS 1-Year

Very little housing gets built in Alaska

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

High construction costs are likely the biggest culprit

Housing units permitted per 1,000 population

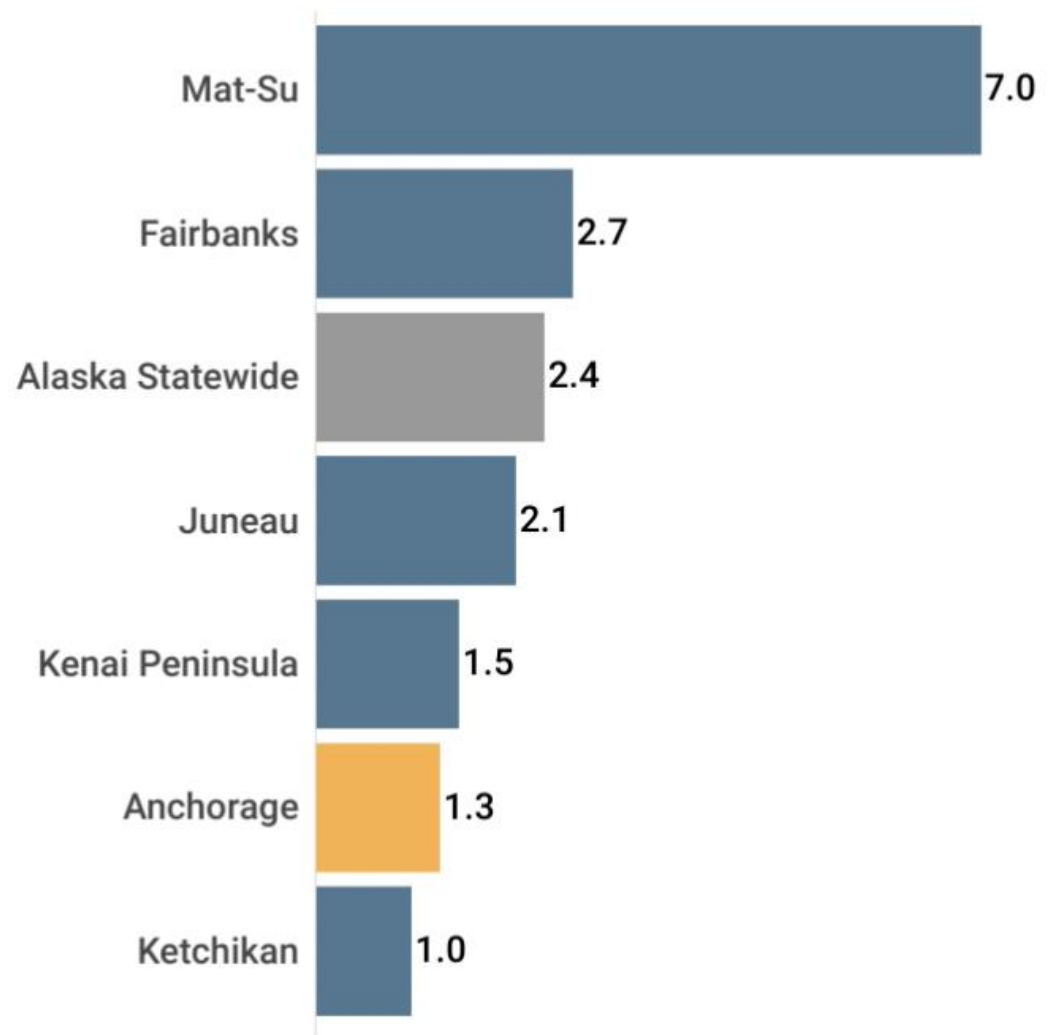


Source: US Census Building Permits Survey, 2021

Where is housing built?

- Anchorage currently adds less than 400 units per year
- To match statewide average: 700 units
- To match national average: 1500 units
- To match Mat-Su: 2,000 units

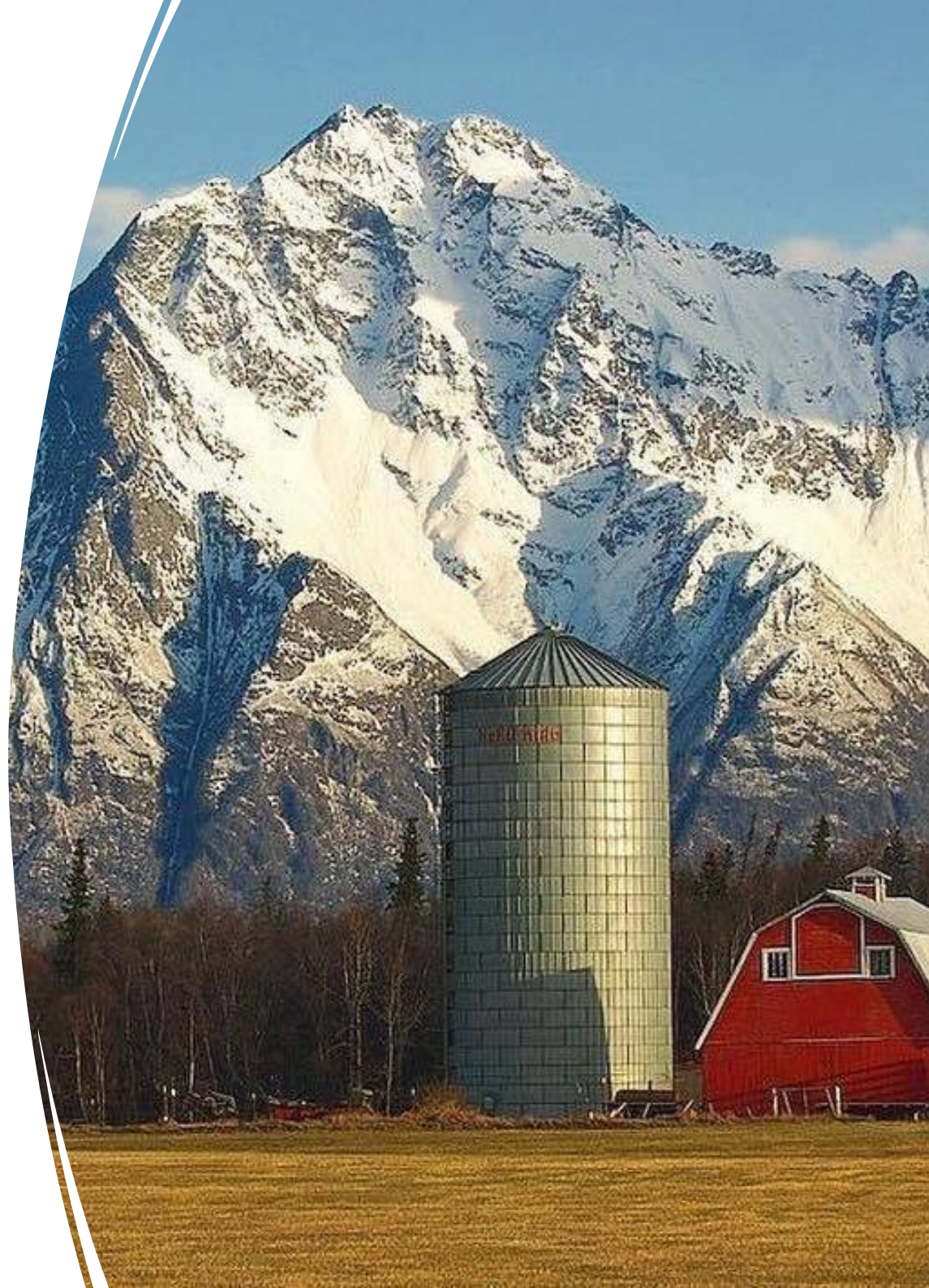
New housing units per 1,000 population



Source: DOL&WD and AHFC, 2021

Why does the Mat-Su build so many more homes?

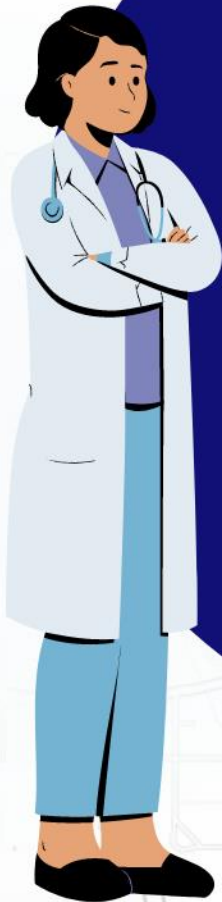
- Anchorage and Mat-Su have a shared economic base
- Land availability is a big factor
- Zoning, permitting, and regulations also play a part.



The rent is too darn high

- Average apartment rent is \$1,353 in Anchorage (DOL&WD in 2022)
- Vacancy is 3.2% (US is about 6%)
- Anchorage in top 20% of US metros for rent cost
- Very little multi-family construction for decades: difficulty of profitable development





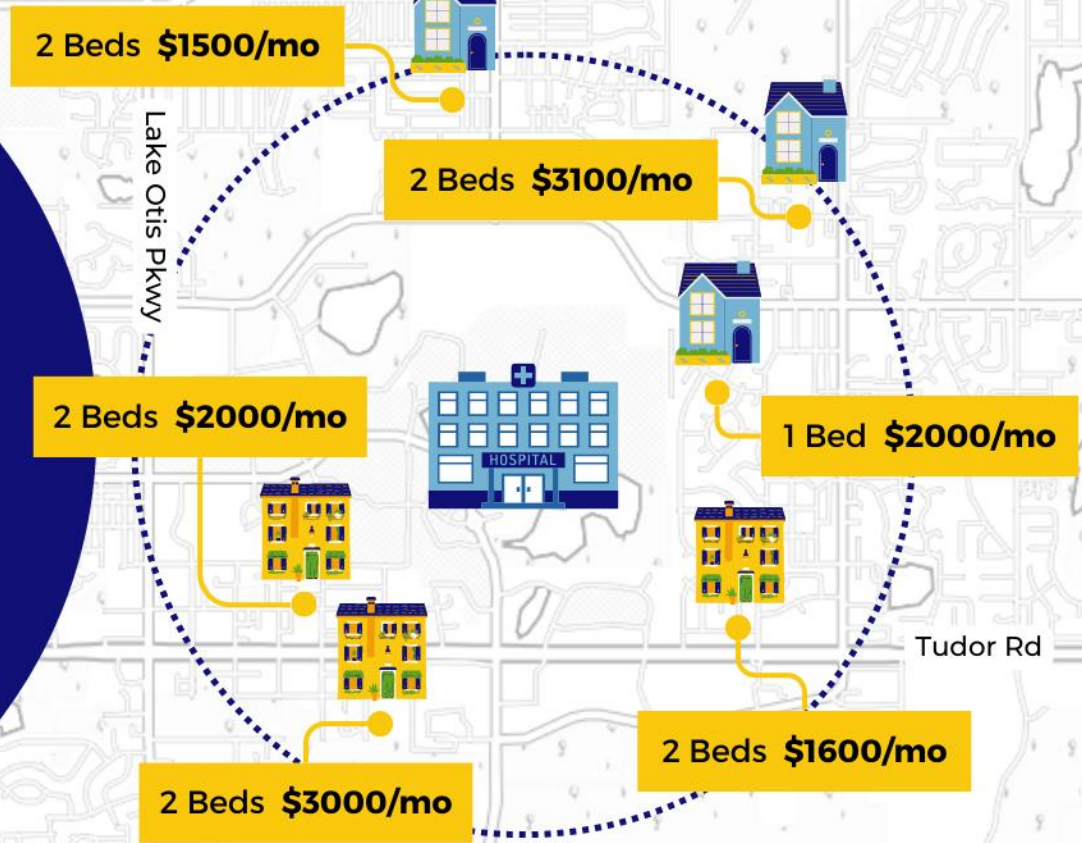
WHERE CAN NURSE SARA LIVE WITHIN 1.5 MILES OF THE HOSPITAL?

\$38.65/HR New RN Wage

\$5,135 Monthly Income After Taxes

\$1,550

Rent Budget as 30% of Monthly Income



NURSES NEED HOMES TOO.

Salary information provided by Providence Alaska. Zillow Data provided by Zillow through the Zillow Housing Market Metrics. July 6, 2023

The rent is too darn high

"The monthly price in Alaska for a two-bedroom apartment rose 7% on average, economists reported in the September issue of Alaska Economic Trends. That's nearly double the previous high in recent history, 4% in 2012, the report says."

"Renters in Anchorage paid an average of \$1,532 monthly for a two-bedroom apartment, utilities included, a 5% jump from the year before, the report says. Those rent prices were the second-highest of the Alaska communities surveyed in the report."

Business/Economy

Alaska rents just saw their highest increase in over a decade

By Alex DeMarban

Updated: 1 day ago

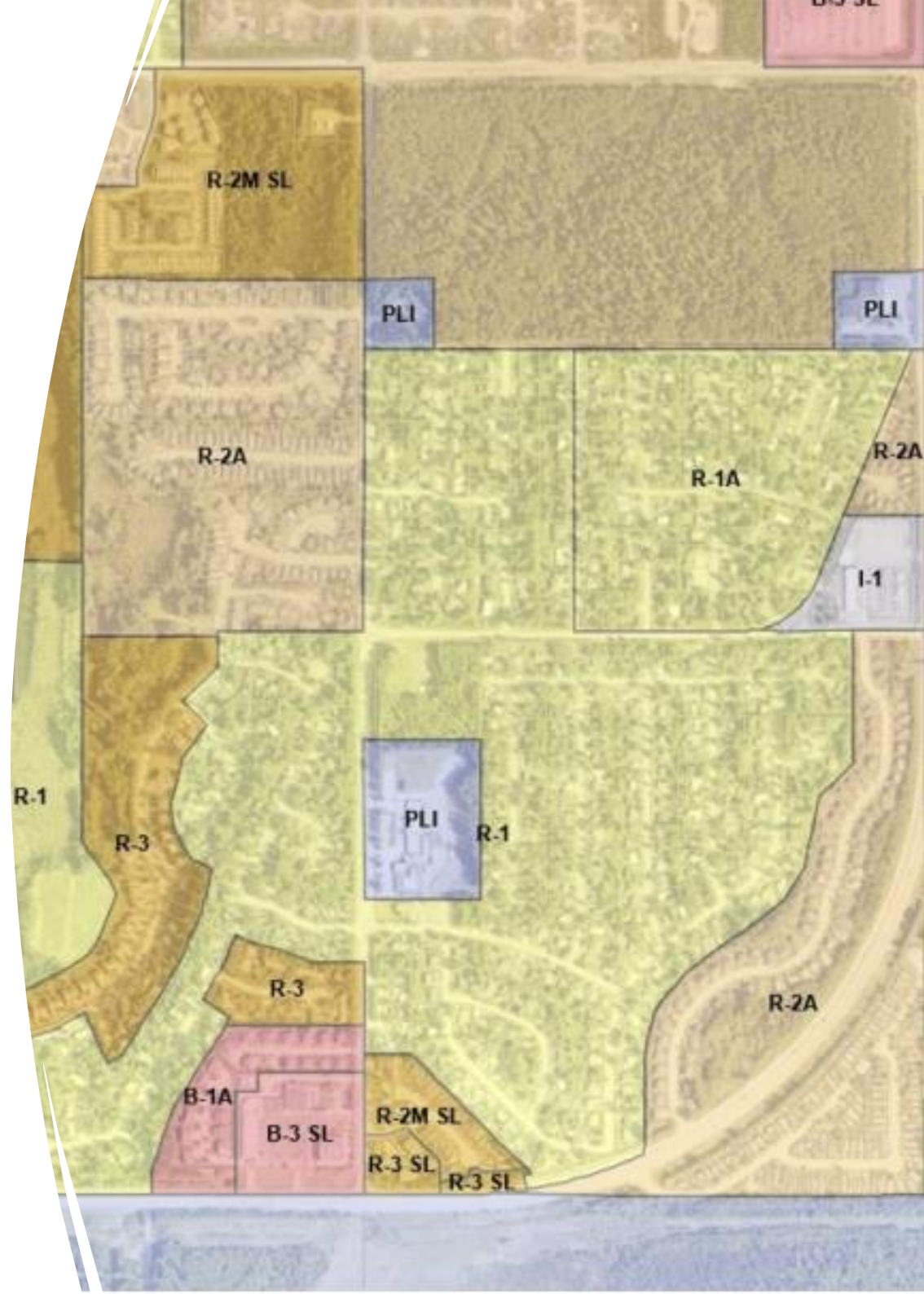
Published: September 7, 2023



Zoning & Code Reform

Any requirement raises the cost of development. Is it worth that cost?

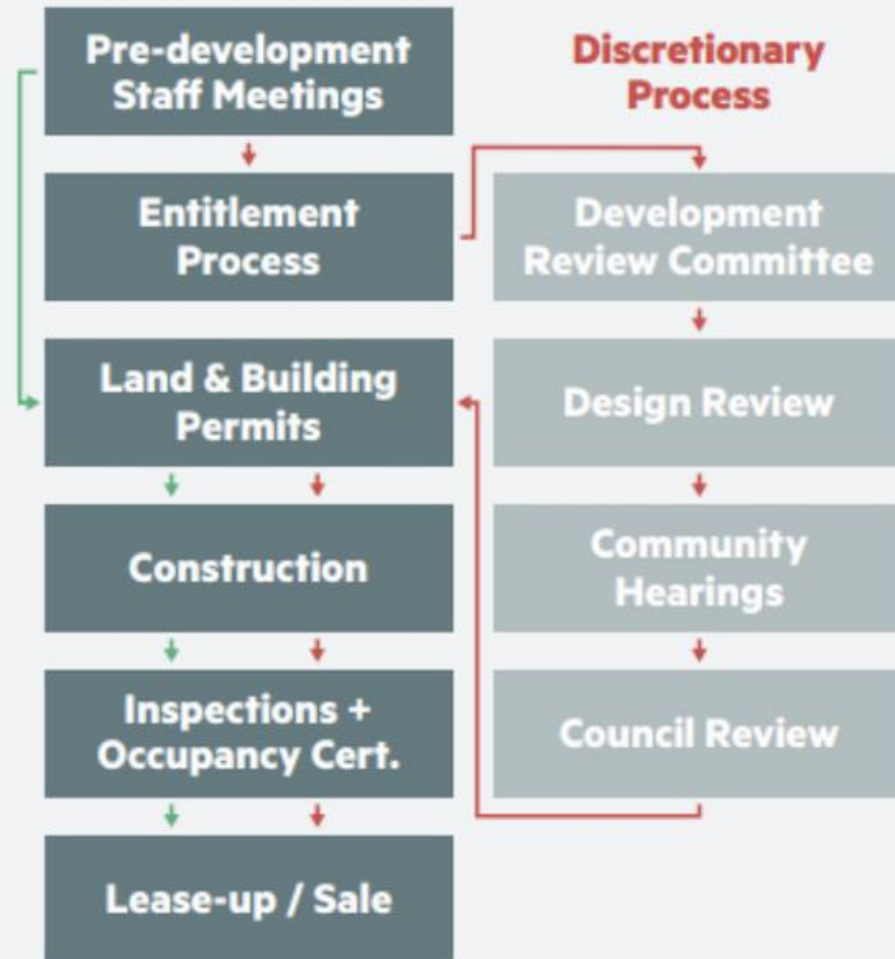
- Minimum lot sizes?
- Aesthetic requirements?
- Setbacks?
- Limits on density and multifamily development?



By-right Development

By-right development removes the discretionary aspect of approval, making development more predictable.

Typical Development Process Map



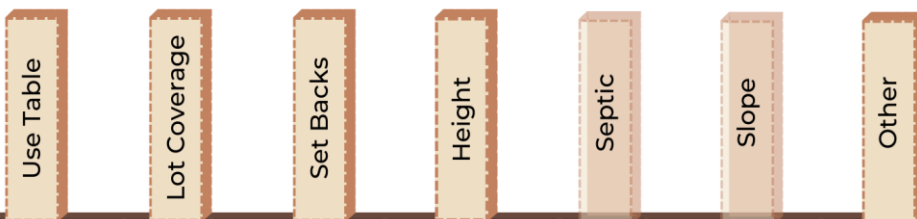
What is the HOME Initiative?

AO 2023-87 proposes streamlined zoning based on the land use designations in the 2040 Land Use Plan which is derived from the adopted Comprehensive Plan to be implemented through Title 21 of the Municipal Code

Predictable Residential Development By-Right

VARIABLE FRAMEWORK

Every lot is unique, but building on your property doesn't have to be complicated. Compatible uses can be buildable by-right with clear variables that lay a strong foundation for building in the residential zone.



Residential Zone *where by-right building is a simple equation*



New Residential Zoning District - STFR

Single and Two Family Residential

- The STFR district provides for a variety of low-density urban/suburban residential neighborhoods with gross densities between three and eight dwelling units per acre. Most areas have well-developed infrastructure, public water and sewer, and municipal services.

Replaces:

- R-1 – Single Family Residential
- R-1A – Single Family Residential (Larger Lot),
- R-2 – Two-Family Residential (Larger Lot); and
- R-2D – Two-Family Residential

Anchorage 2040 Land Use Plan

- Figure 3-2. 2040 LUP and Zoning District Cross-Reference:
- LUP Designation: Single-family and Two-Family Neighborhoods – R-1 and R-1A, R-2A and R-2D



Use Table Changes Proposed

E. TABLE OF ALLOWED USES – RESIDENTIAL

TABLE 21.05-1: TABLE OF ALLOWED USES – RESIDENTIAL																	
P = Permitted Use S = Administrative Site Plan Review C = Conditional Use																	
All other uses not shown are prohibited.																	
RESIDENTIAL																	
		HOME Initiative	STFR				CMR-L	CRM-M		UR		LLR					
Use Category	Use Type	R-1	R-1A	R-2A	R-2D	R-2M	R-3	R-3A	R-4	R-4A	R-5	R-6	R-7	R-8	R-9	R-10	Definitions and Use-Specific Standards
RESIDENTIAL USES																	
Household Living	Dwelling, mixed-use							P	P	P							21.05.030A.1.
	Dwelling, multifamily					P/S	P	P	P	P							21.05.030A.2.
	Dwelling, single-family, attached			P	P	P	P	P	P	P							21.05.030A.3.
	Dwelling, single-family, detached	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	21.05.030A.4.
	Dwelling, townhouse					S	S	S	S	P							21.05.030A.5.
	Dwelling, two-family			P	P	P	P	P	P	P	P	P	P	P	P		21.05.030A.6.
	Dwelling, mobile home										P						21.05.030A.7.
	Manufactured home community					C	C		C	C	C						21.05.030A.8.

What the new Single and Two Family Residential District Does and Does NOT do:

Does:

- allow for one and two family dwellings per lot
- allow for one ADU per lot pursuant to prior code change
- does not change set backs, height restrictions or lot sizes
- go into effect January 1, 2024.

Does NOT:

- allow for high density development
- allow for mixed use development

Remaining Proposed Changes

CMR-L Zoning effective date is proposed to be **June 1, 2024**

- Coincides with the proposed changes to tri and four plex building standards
- Provides time to go through use table and other necessary updates using the PZC process

Remaining Zoning Districts effective date is proposed to be **January 1, 2025**

- Have the most complicated considerations for more complex lots and developments
- Provides time to go through use table and other necessary updates using the PZC process

New Residential Zoning District – CMR-L

Compact Mixed Residential-Low

- The CMR-L district is intended primarily for residential areas that allow for a variety of single-family, two-family, and multifamily dwellings, with gross densities between five and 15 dwelling units per acre, with 8 or more near Centers or Transit supportive Development corridors.

Replaces:

- R-2M

Anchorage 2040 Land Use Plan

Figure 3-2. 2040 LUP and Zoning District Cross-Reference:

- LUP Designation: Compact Mixed Residential-Low – R-2, R-2D in transition area.



New Residential Zoning District - **CMR-M**

Compact Mixed Residential-Medium

- The CMR-M district is a multifamily residential district with gross densities between 10 and 30 dwelling units per acre, with 15 or more near Centers or Transit-supportive Development corridors

Replaces:

- R-3
- R-3A

Anchorage 2040 Land Use Plan

Figure 3-2. 2040 LUP and Zoning District Cross-Reference:

- LUP Designation: Compact Mixed Residential-Medium – R-3, R-2M in transition areas, R-3A



New Residential Zoning District – UR-H

Urban Residential-High

- The UR-H zone provides for urban living opportunities close to major employment centers and contributes to the vitality of city centers by concentrating new housing nearby. It is intended primarily for apartment buildings, condominiums, and townhouses but also allows for compact single and two-family and mixed-density projects, as well as limited ground floor commercial space within residential projects

Replaces:

- R-4
- R-4A

Anchorage 2040 Land Use Plan

Figure 3-2. 2040 LUP and Zoning District Cross-Reference:

- LUP Designation: Urban Residential-High – R-4, R-4A in Mixed-use areas



New Residential Zoning District - LLR

Large Lot Residential

- The LLR district is intended primarily for single- and two-family residential areas with gross densities of one housing unit or less per gross acre, and up to three dwelling units per acre in areas designated by approved district plans.

Replaces:

- R-6– Low-Density Residential
- R-7 – Single-Family Residential (½ Acre)
- R-8 – Low-Density Residential (4 Acres)
- R-9 – Low-Density Residential (2 Acres)
- R-10 – Low-Density Residential, Alpine/Slope

Anchorage 2040 Land Use Plan

Figure 3-2. 2040 LUP and Zoning District Cross-Reference:

- LUP Designation: Large-lot Residential – R-6, R-7, R-8, R-9, R-10

