MISSING MIDDLE HOUSING OVERLAY

AO 2025-85 AT CED COMMITTEE

Members Baldwin Day & Martinez

WHAT PROBLEM ARE WE TRYING TO SOLVE?

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HOUSING

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HOUSING SUPPLY.

MMHOP: EVOLVING LANDSCAPE

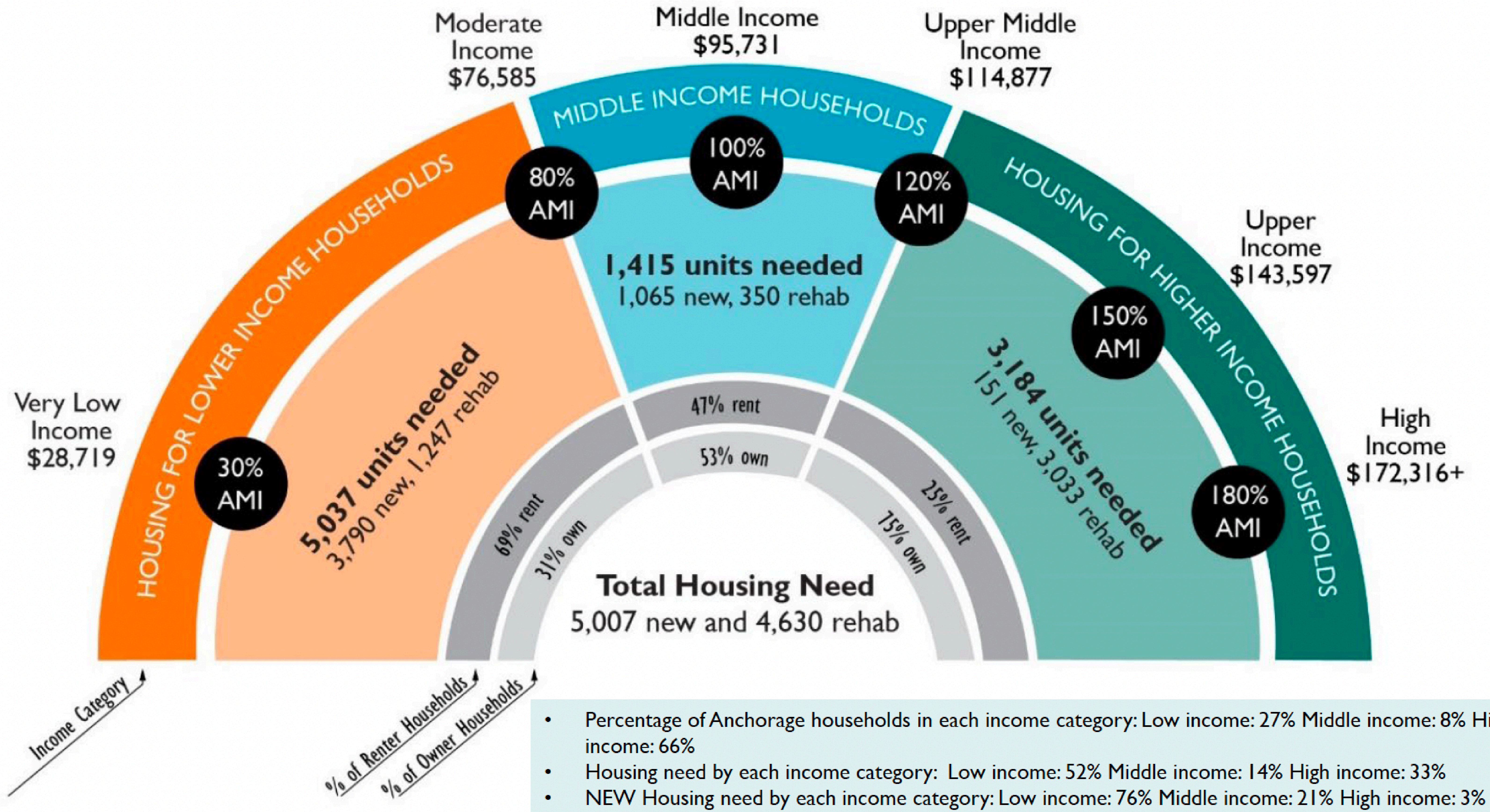
Col. Stephen Polacek

AEDC Economic Outlook Luncheon
August 05, 2026

JBER Recapitalization means:

- **2500 homes needed within 6 yrs**
- $80M in rent & mortgages
- ??? in new property taxes

EXISTING HOUSING NEED



- Percentage of Anchorage households in each income category: Low income: 27% Middle income: 8% High income: 66%
- Housing need by each income category: Low income: 52% Middle income: 14% High income: 33%
- NEW Housing need by each income category: Low income: 76% Middle income: 21% High income: 3%

A WARNING FROM 2012:

“The study’s key finding is that *there is not enough buildable land to accommodate future housing demand under historical development patterns, current land-use policies and development options…*

The mismatch between future housing demand and land supply is serious and needs attention. If not properly addressed, the housing gap could affect population growth in Anchorage as well as decrease affordability…”

from Anchorage Housing Market Analysis 2012, by McDowell Group and ECONorthwest

20 YEARS BEHIND THE CURVE

18,184 *NEW* HOUSING UNITS **NEEDED**: 2010-2030

PER 2012 HOUSING MARKET ANALYSIS

6,207

dwelling units permitted 2011 - 2025

11,977

missing new units as of 2025:

10,419 if adjusted for real # of households

BUILDING ON PAST ZONING ACTIONS

- removed required parking minumums (2022)
- allowed ADU's in all residential zones (2023)
- allowed duplexes by-right everywhere in the Anchorage bowl (2024)
- reclassified 3- and 4-plexes from commercial to residential construction (2024)
- paused some residential design standards (2025)

WHAT IS THE GOAL OF MMHOP?

MORE HOUSING TYPES…

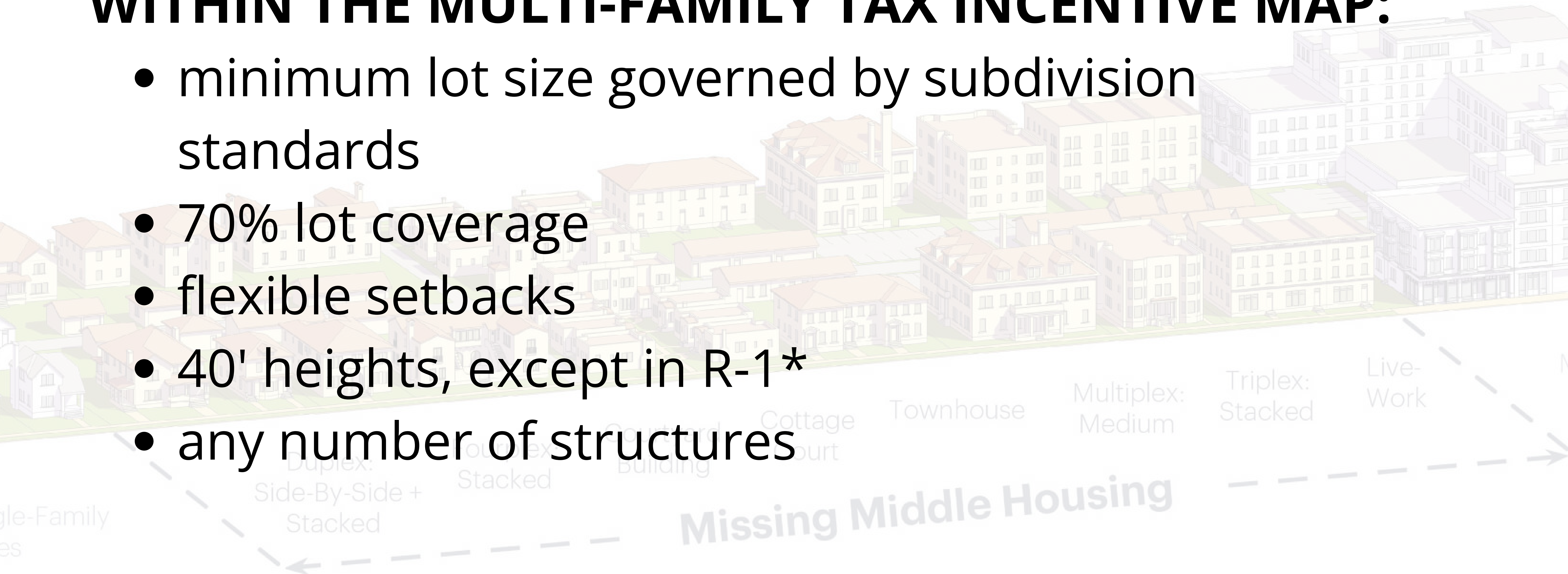
AT MORE PRICE POINTS…

FOR MORE PEOPLE.

MMHOP TECHNICAL SPECS

WITHIN THE MULTI-FAMILY TAX INCENTIVE MAP:

- minimum lot size governed by subdivision standards
- 70% lot coverage
- flexible setbacks
- 40' heights, except in R-1*
- any number of structures



WHAT ARE WE HEARING?

FEAR OF WHAT “MIGHT” HAPPEN

LACK OF TRUST OR KNOWLEDGE OF PROCESS

HISTORICAL PATTERNS REPEATING

VEHICLE-RELATED CONCERNS

WHAT ARE WE HEARING?

GET ON WITH IT.

WHY ARE WE IN A HOUSING CRISIS?

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- LIMITED LAND
- REGULATORY BARRIERS
- AGING HOUSING STOCK
- COST OF LABOR
- INFRASTRUCTURE $$$$$
- COST OF MATERIALS
- COST OF CAPITAL (12%)
- RISING MORTGAGE RATES

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- AGING HOUSING STOCK ?
- ~~INFRASTRUCTURE $$$$$~~
- COST OF CAPITAL (12%) ?
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- ~~COST OF LABOR~~
- ~~COST OF MATERIALS~~
- ~~RISING MORTGAGE RATES~~

MMHOP IS A...

DECADE + OVERDUE

PROVEN CONCEPT

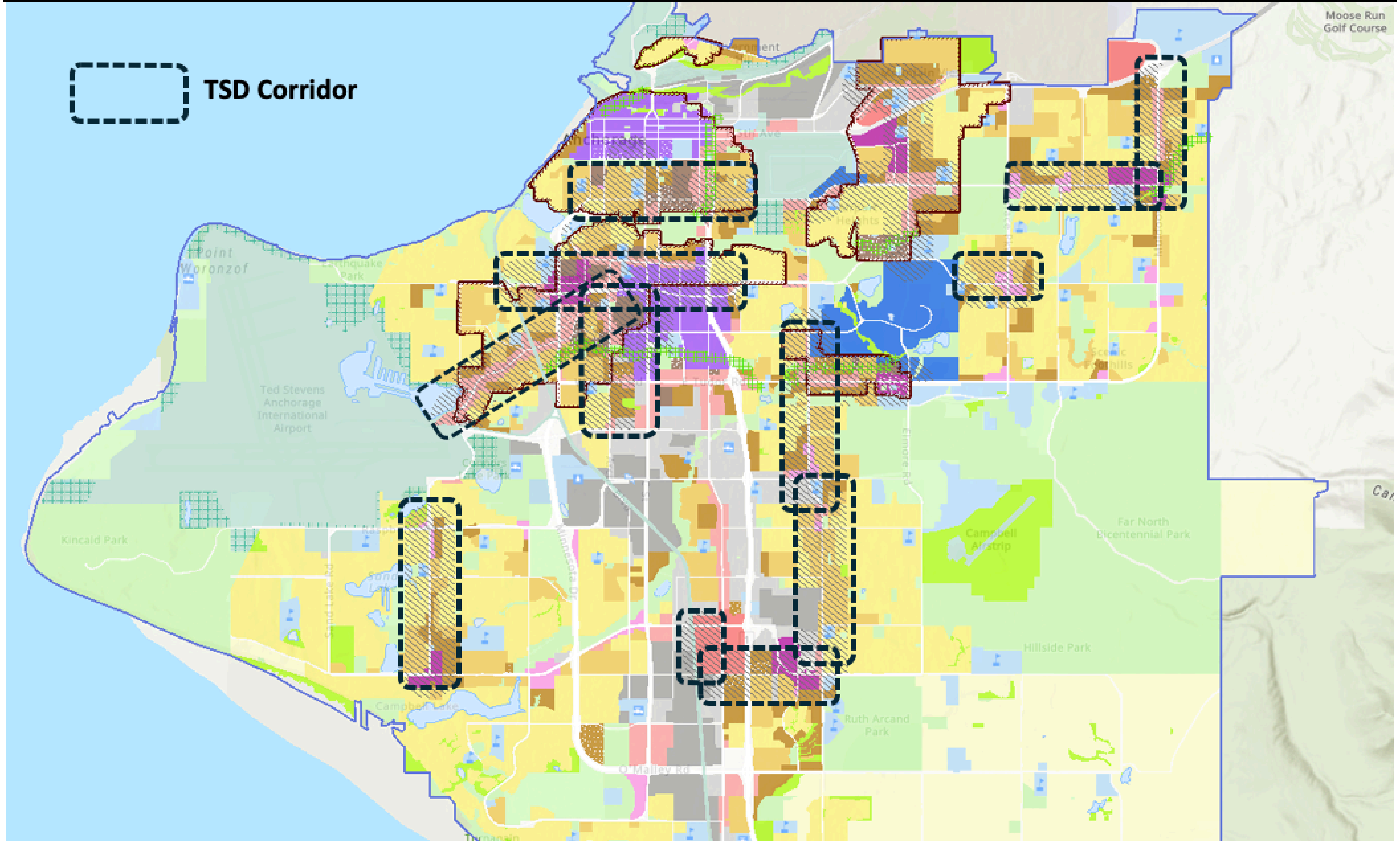
DECISION POINT

ZONING IS ONE OF MANY LEVERS THAT WE **MUST** PULL IF WE WANT MORE PEOPLE TO CALL ANCHORAGE "HOME".

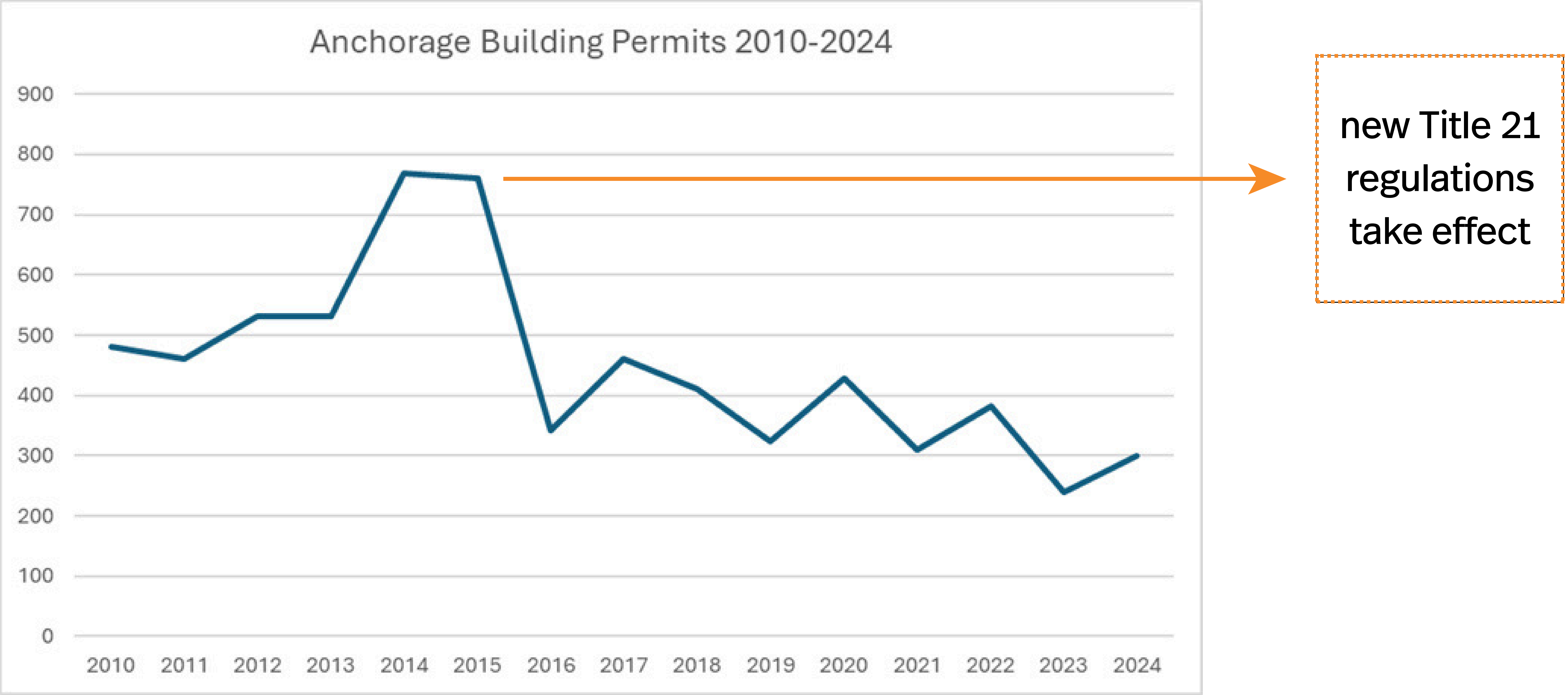
QUESTIONS?

REFERENCE CONTENT

Transit-supportive development corridors in the adopted 2040 Land Use Plan



REGULATORY BARRIERS



MMHOP MEANS FLEXIBILITY IN:

BUILDING PLACEMENT & ORIENTATION

BUILDING SIZE

NUMBER OF UNITS

REMOVING ROADBLOCKS

HOW DOES IT DO THIS?

TABLE 21.06-1: TABLE OF DIMENSIONAL STANDARDS - RESIDENTIAL DISTRICTS (Additional standards may apply. See district-specific standards in Chapter 21.04 and use-specific standards in Chapter 21.05.)								
Use	Minimum lot dimensions[1]		Max lot coverage (%)	Minimum Setback Requirements (ft)			Max number of principal structures per lot or tract[2]	Maximum height of structures (ft)
	Area (sq ft)	Width (ft)		Front	Side	Rear		
R-1: Single-Family Residential District								
Residential uses	6,000	50	40%[3]	20	5	10	2	Principal: 30 Accessory garages/carports: 25 Other accessory: 12
All other uses	6,000	50	40%	20	5	10	N/A	
R-1A: Single-Family Residential District (larger lot)								
Residential uses	8,400	70	40%[3]	20	5	10	2	Principal: 30 Accessory garages/carports: 25 Other accessory: 12
All other uses	8,400	70	40%	20	5	10	N/A	
R-2A: Two-Family Residential District (larger lot)								
Dwelling, single-family detached	7,200	60	40%	20	5	10	1	Principal: 30 Accessory garages/carports: 25 Other accessory: 12
Dwelling, two-family	8,400	70	40%	20	5	10	2	
Dwelling, single-family attached	3,500	35 (40 on corner lots)	40%	20	N/A on common lot line; otherwise 5	10	1	
All other uses	7,200	60	40%	20	5	10	N/A	
R-2D: Two-Family Residential District								
Dwelling, single-family detached	6,000	50	40%	20	5	10	1	Principal: 30 Accessory garages/carports: 25 Other accessory: 12
Dwelling, two-family	6,000	50	40%	20	5	10	2	
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HOW DOES IT DO THIS?

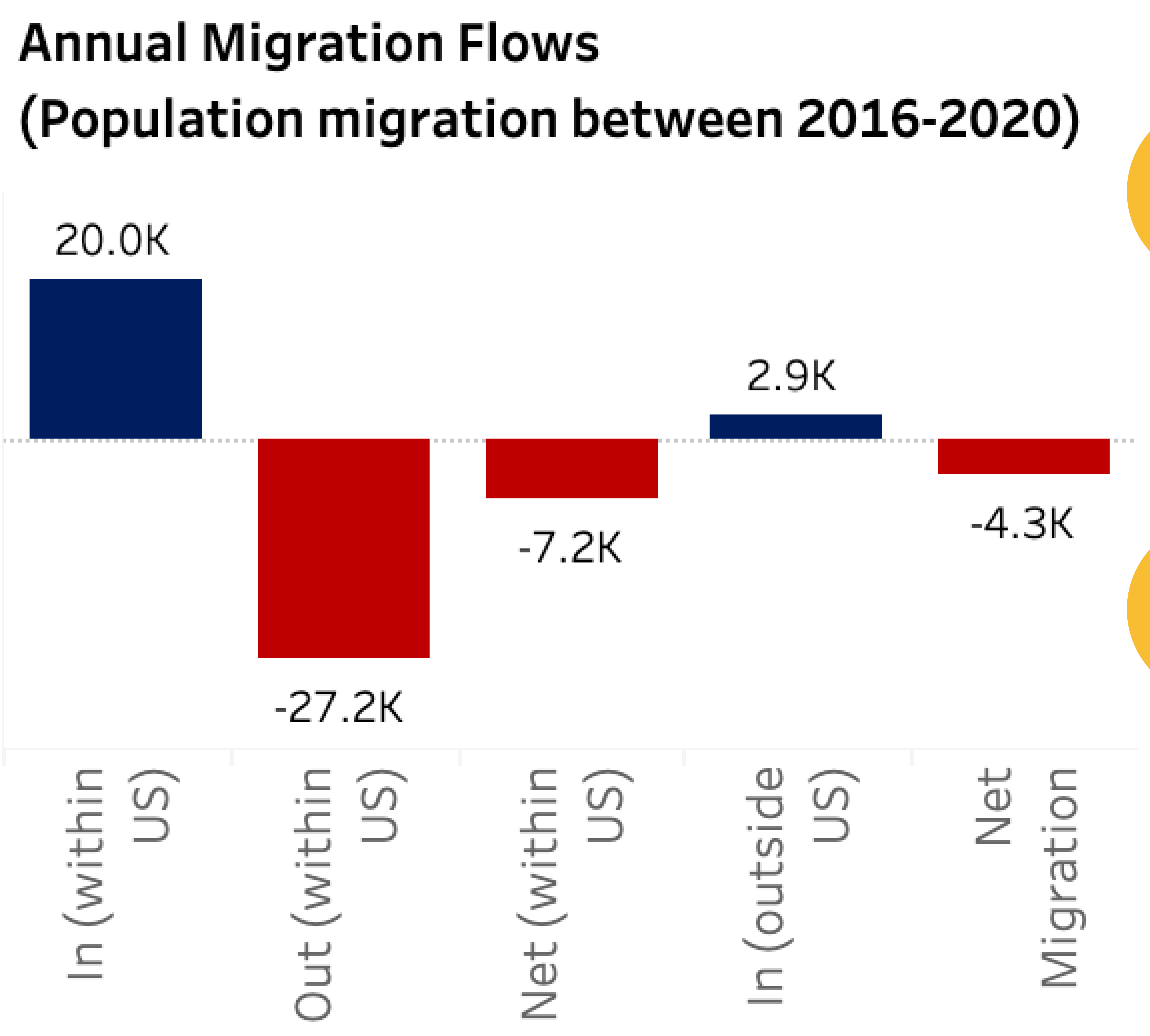
Uses	Minimum lot dimensions 14		Max lot coverage (%)	Minimum setback requirements (ft)			Maximum height (ft)
	Area (sq ft)	Width (ft)		Front	Side	Rear	
MMHOP: Missing Middle Housing Opportunity Overlay							
All	As required by 21.08.030.K	As required by 21.08.030.K	70	N/A	5, or N/A on common lot line or an alley.	10, or N/A on common lot line or an alley.	40, or 30 if the underlying zone is R-1.

⊕ FLEXIBILITY ⊕ RISK REDUCTION ⊕ EFFICIENCY

MMHOP OUTCOMES

GOAL	POLICY	OUTCOME(S)
efficient land use	no static minimum lot size	affordable starter homes
more units possible within a SFH-style footprint	incremental height increase	neighborhood-scale multi-family housing
design for “eyes & feet on the street”	smaller front setbacks	connected, walkable, safer neighborhoods
more flexible building & parking design	smaller side setbacks	townhomes & cottage courts
promote infill development	increase allowable lot coverage	add incremental density, develop odd-shaped lots
reduce infrastructure costs	build where facilities exist	lower prices for buyers/tenants

BUT AREN'T PEOPLE LEAVING?



POPULATION PROJECTED

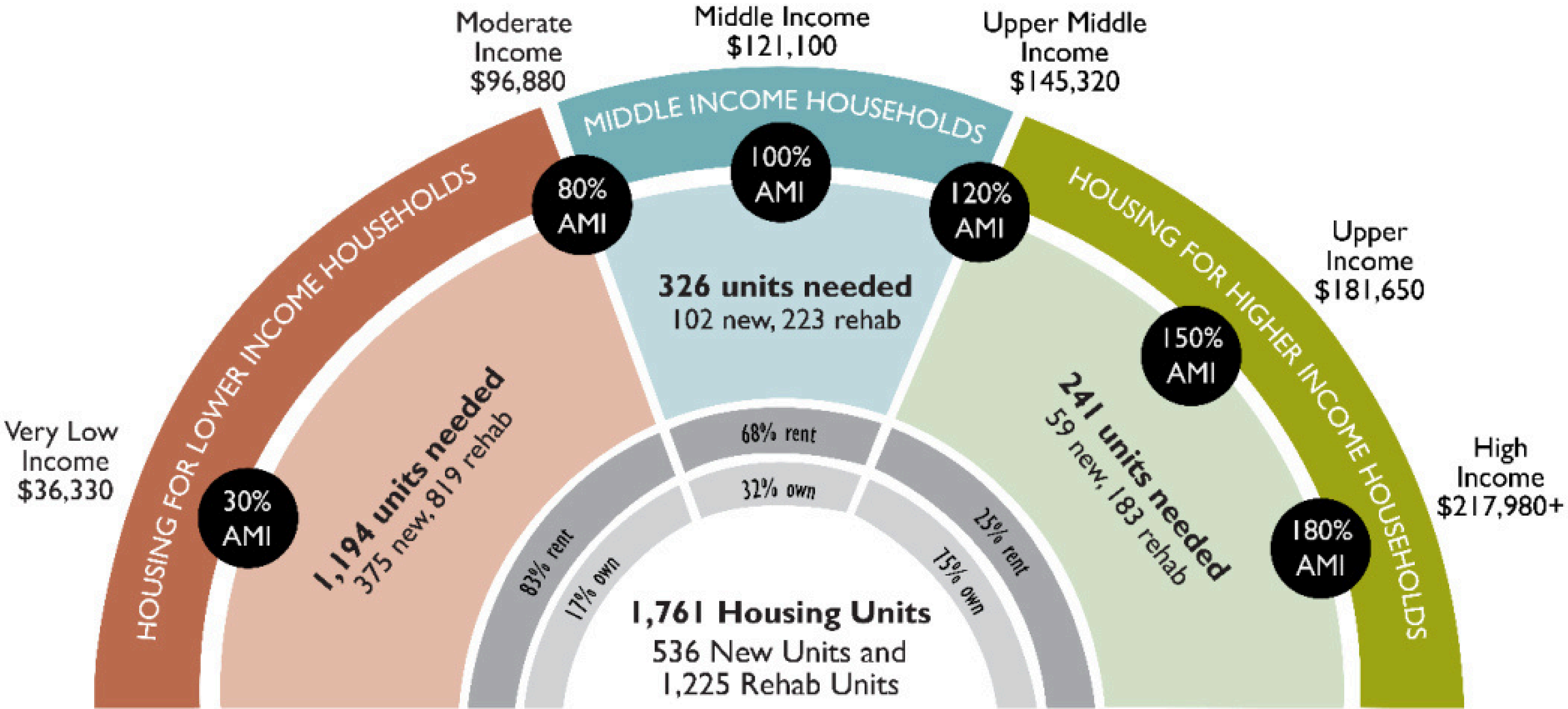
291K 79%

HOUSEHOLDS PROJECTED

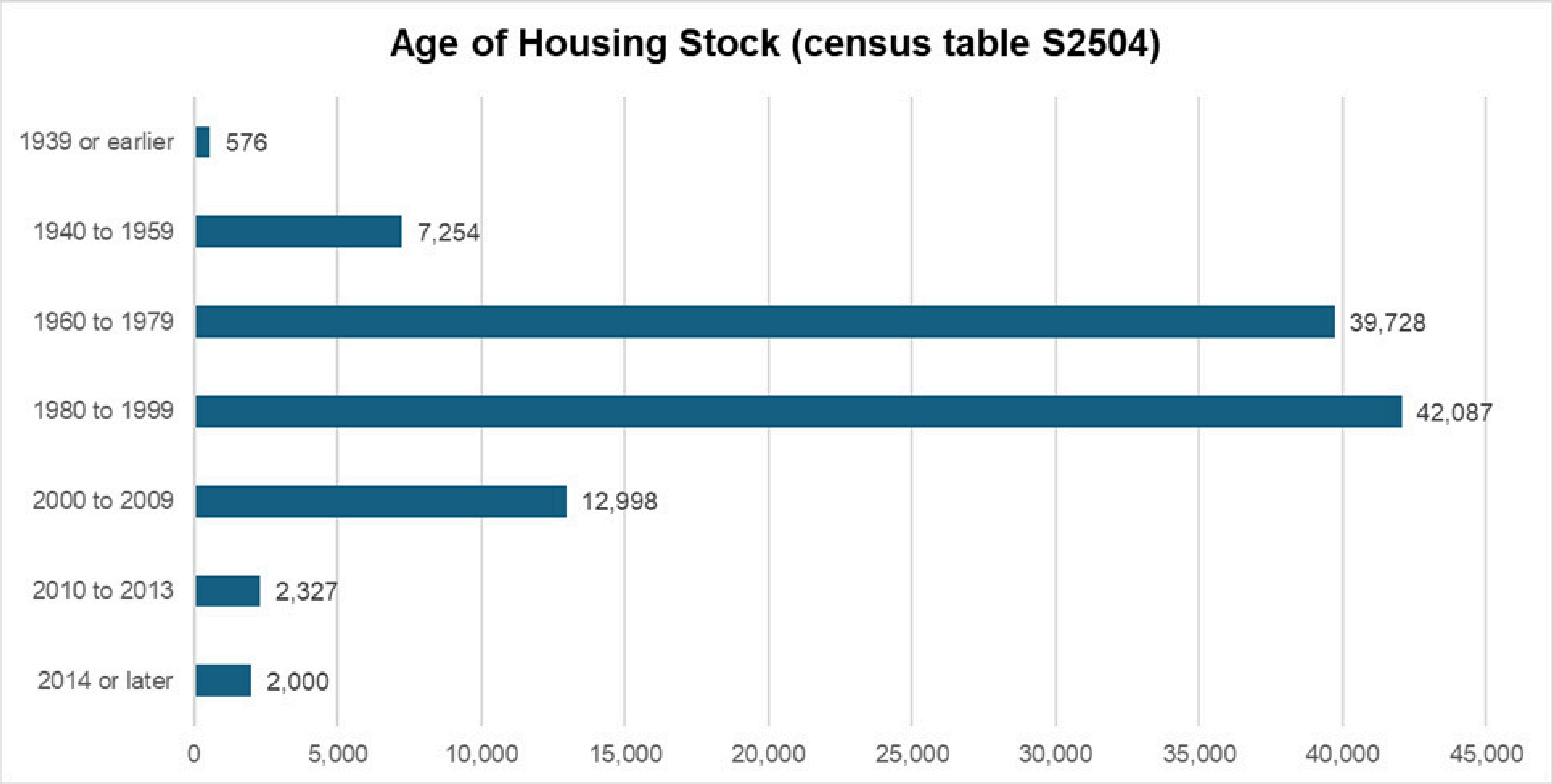
108K 87%

2020 Comprehensive Plan estimates for 2001 - 2020

HOUSING NEEDS: MIDTOWN ALONE



AGING HOUSING STOCK



PURCHASING POWER IN DECLINE

	2010	2019	2024	% CHANGE
AVERAGE HOME PRICE (SFH & CONDOS)	**$266,908**	$320,479	**$501,968**	**88.1%**
MEDIAN RENT	$1042	$1165	$1565	**50.2%**
AREA MEDIAN INCOME (AMI)	$70,524	$82,512	$93,881 (2023)	**33.1%**

STARTING OUT IN 2025

ASD	APD	RN's	AFD
57K	79K	63K	56K
			

PURCHASING CHOICE @ $75K

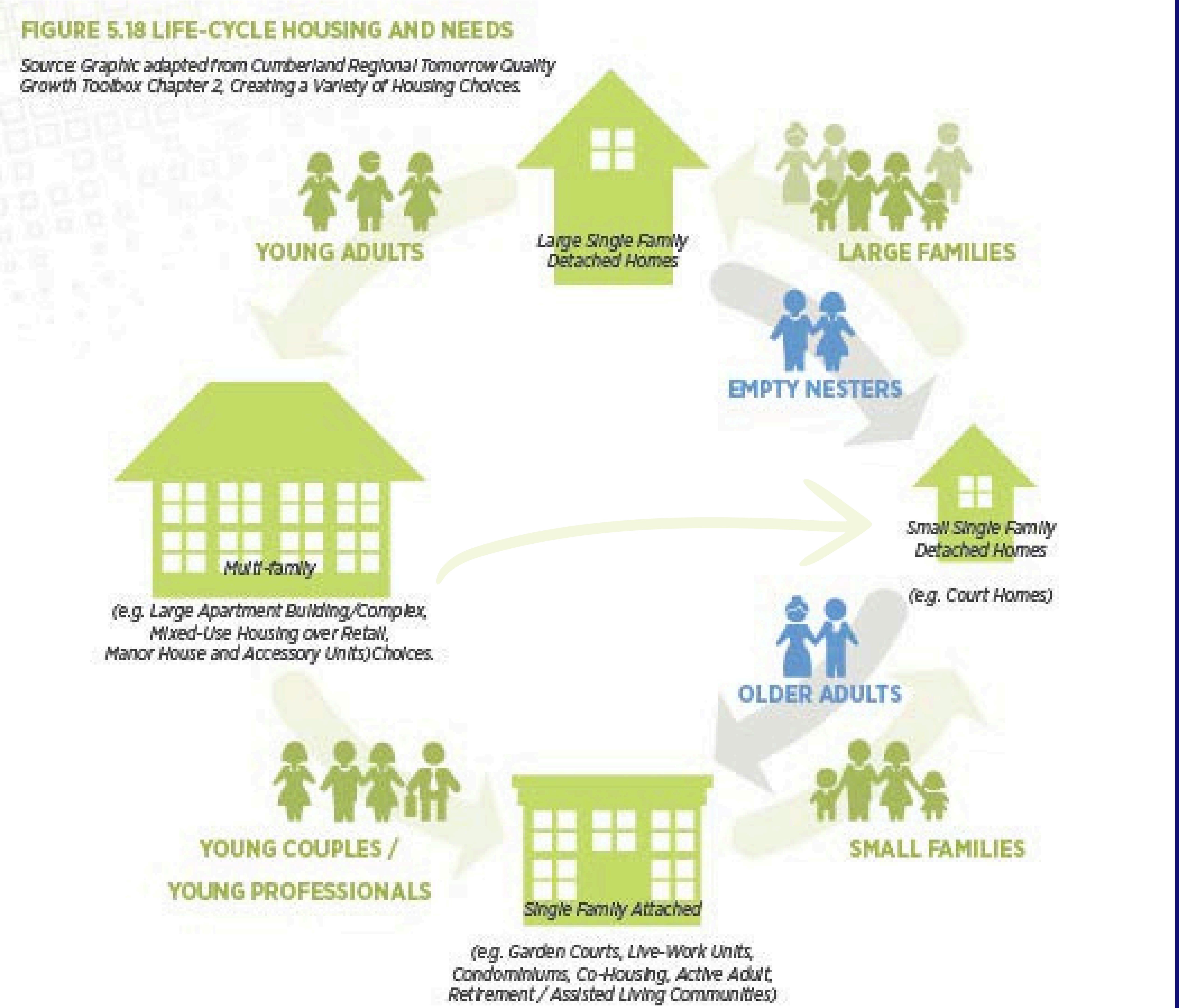
In 2019, a household making $75K could afford of all properties on the market.

49%

By 2025, that share had dropped to just

21%

LIFE-CYCLE HOUSING MODEL



LET'S REVIEW

- WOULD-BE BUYERS RENTING (OR LEAVING)
- OVERCROWDING AT 7%
- HOUSING CYCLE STALLED
- RENTAL OCCUPANCY AT 95%
- TAX BASE SHRINKING
- HOMES BUILT... ELSEWHERE

WHAT ELSE IS HAPPENING?

- property tax abatement for multi-family construction and dilapidated building renovation
- relocatable dwelling units allowable on foundations
- duplex + ADU allowed by-right on all residential properties in the Anchorage bowl
- nuisance property abatement & demolition
- permitting modular housing (in progress)
- review & digitization of permitting process (in progress)
- parking & right-of-way management studies (in progress)
- creative infrastructure financing (in progress)
- property tax abatement for first-time homebuyers (in progress)

INFLUENCES ON HOUSING SUPPLY