

Rehabilitation Property Tax Incentive (AO 2025-84)

Nolan Klouda, Policy Director
Mayor Suzanne LaFrance
Community & Economic Development
Committee
August 2025



What AO 2025-84 does



Creates AMC 12.80 to introduce a new tax incentive for rehabilitation of vacant properties in Anchorage.



Modifies AMC 12.60 (multifamily incentive) to resolve some issues identified by departments and applicants

Alignment with MOA Strategies

10,000 Homes in 10 Years Strategy:

“Incentivize construction and repair. Bring Municipal resources...to support housing.”


Housing Action Plan:

“Focus investment on re-use of vacant and abandoned nuisance properties identified by the Municipality.”

Mayor Suzanne LaFrance / Housing Strategy

April 9, 2025

10,000 HOMES IN TEN YEARS



ANCHORAGE ASSEMBLY
HOUSING ACTION PLAN

THE ASSEMBLY'S HOUSING VISION
The Municipality of Anchorage has affordable, abundant, and diverse housing opportunities, so everyone who wants to live here can find a home that fits their needs and preferences.

We Want More Housing!

Cottage houses	Duplexes, 3- and 4-plexes	Supportive housing	Housing for seniors	Starter homes	Condominiums
Affordable rentals	Multi-generational housing	Walkable neighborhoods	Innovative design	New ownership models	Apartments

GUIDING PRINCIPLES

- Attainable home ownership
- Housing quality, choice, stability and accessibility
- Quality rental options
- Community where everyone belongs
- Distinct neighborhoods
- Economic prosperity
- Engage the whole community in solutions
- Innovation & collaboration
- Government that works

GOALS

1. Increase the supply of housing units for sale and for rent.
2. Diversify the housing market: housing types, sizes, price points, locations, accessibility, and ownership models.
3. Increase the share of resident-occupied housing throughout the year and reduce the number of vacant units.
4. Reduce housing cost burdens and ensure safe, affordable, high-quality permanent housing for all residents.
5. Make the Municipality a better partner in the development process.

STRATEGIES

1. Remove Barriers to Infill and New Construction
2. Encourage Reuse and Redevelopment
3. Develop Funding Streams for Infrastructure and Public Utilities
4. Focus Incentives & Public Investment to Increase Housing Stock
5. Expand Housing Affordability, Accessibility and Stability
6. Streamline Municipal Processes

age needs new rehabilitated in the years.

ape. Remove barriers to and repair

ne al s. Unlock increasing efficiency, stability.

ze tion and ing Municipal to the table to using.

te neglect. ers le for and perties.

Key Features of Rehab Incentive 12.80

- 10-year property tax exemption for rehabilitating registered Vacant and Abandoned properties
- Applies to residential properties (single or multifamily)
- Structure built on or before 1995 with no major renovation in past 15 years
- Must spend the greater of at least 15% of assessed value or \$3,000 per unit on rehab

Other Requirements

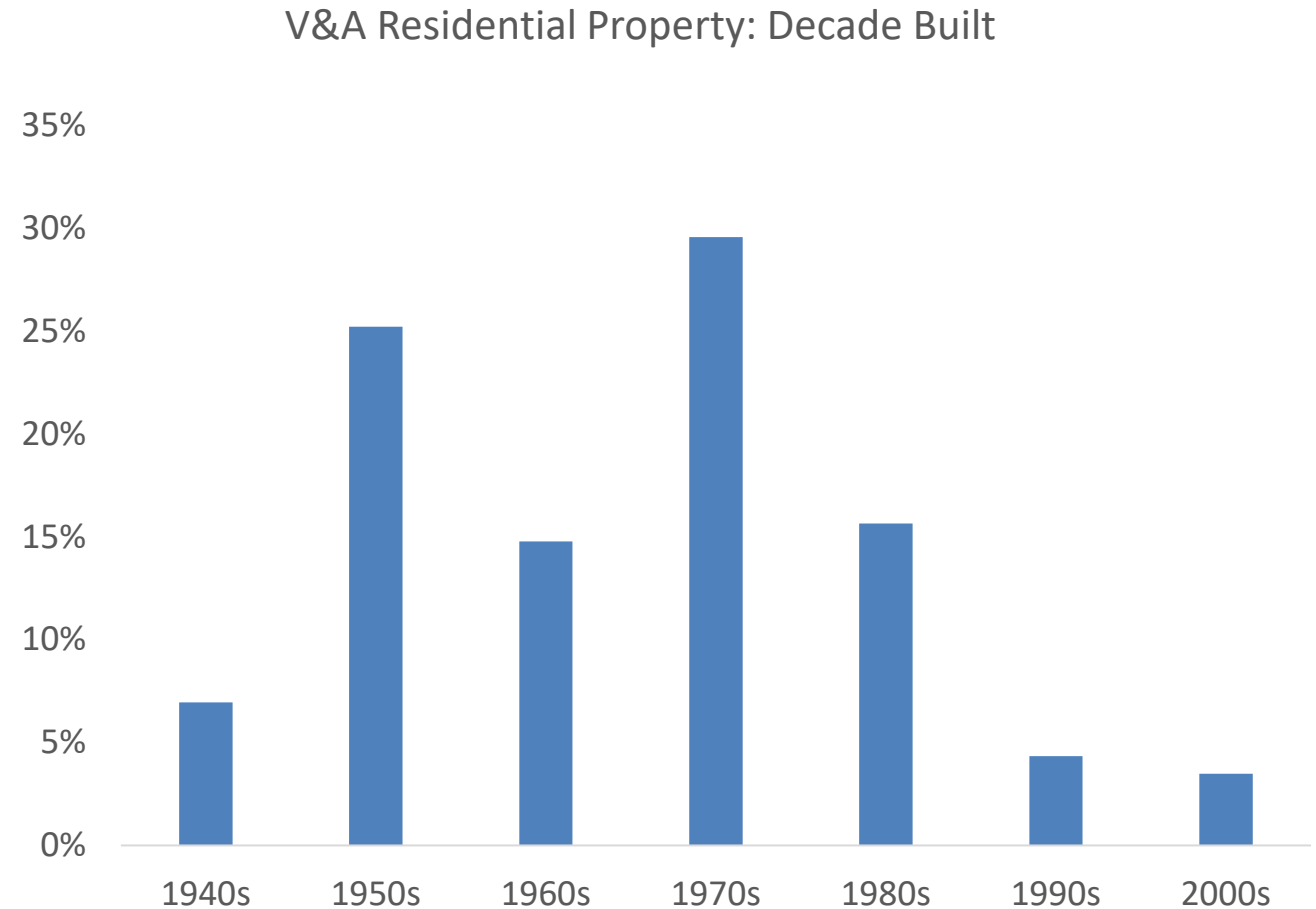
- Exemption applies to building, not land
- Must have Certificate of Occupancy within 5 years of provisional approval
- Municipal Assessor approval by application
- Annual reports to Assembly

What are Vacant and Abandoned (V&A) Properties?

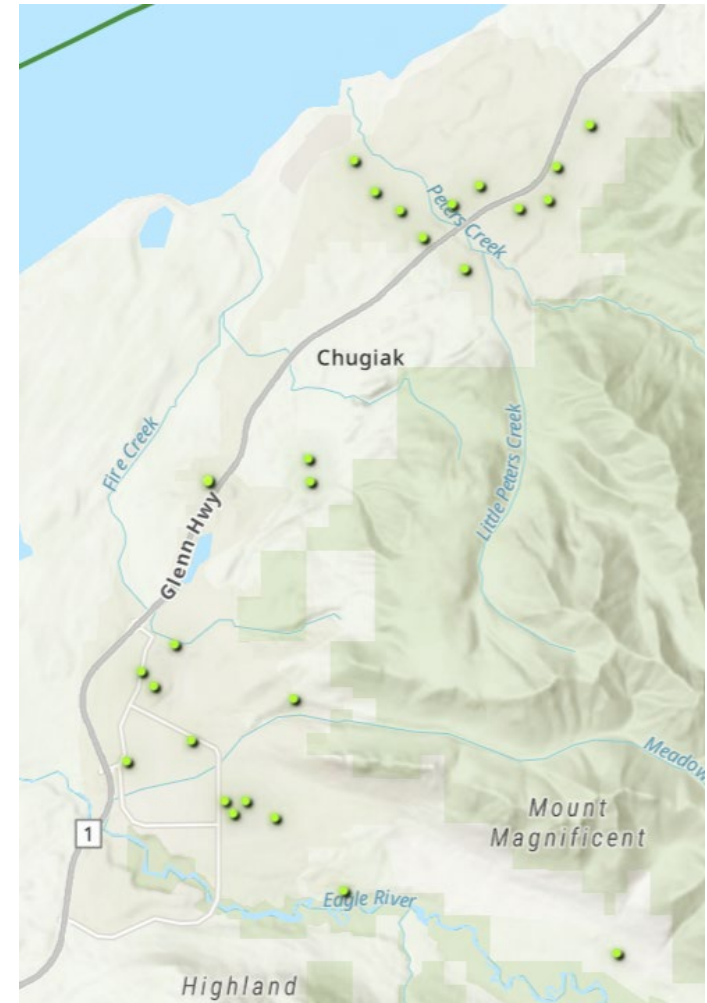
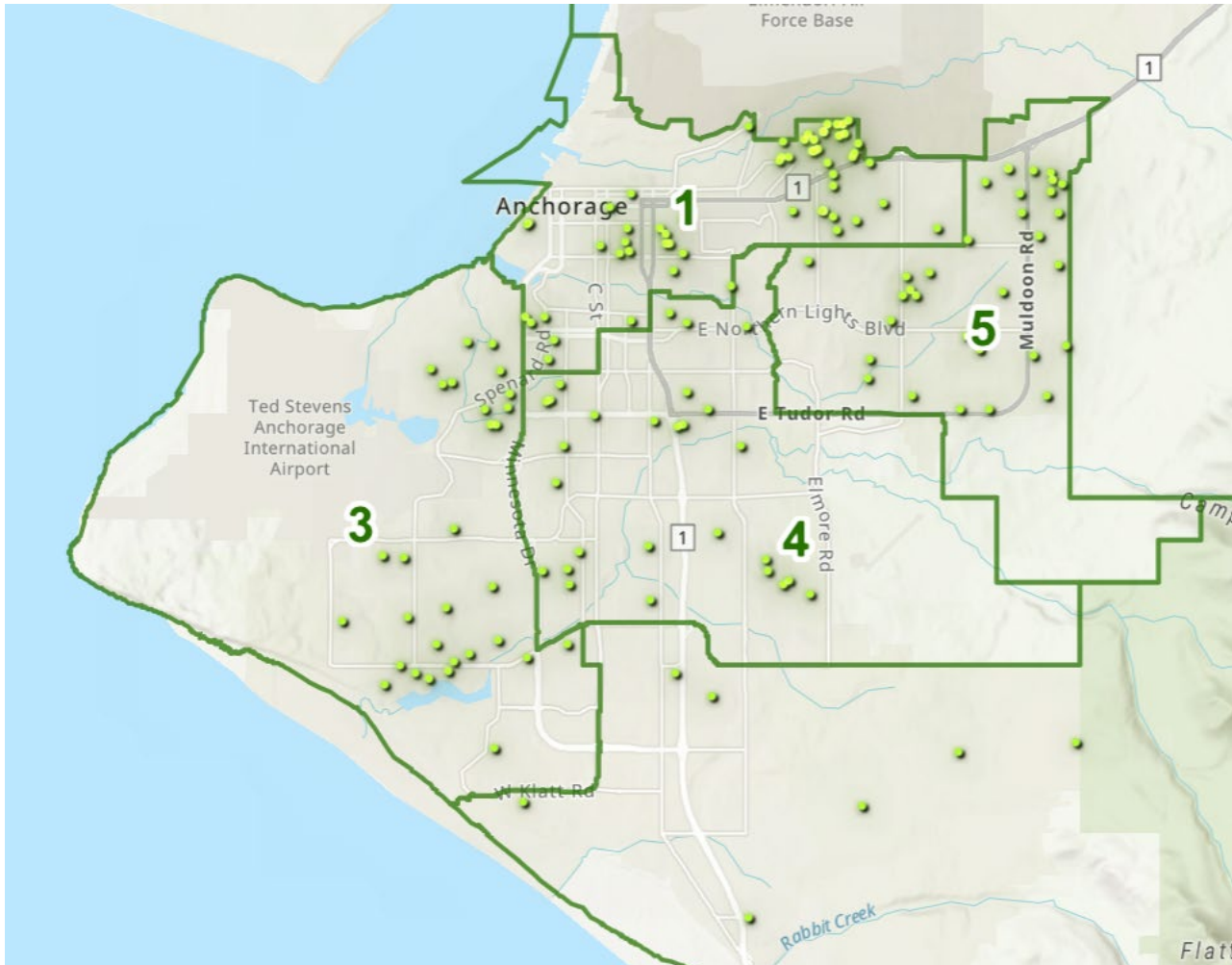
- Registry mandated under AMC 15.20.105
- “A structure designed for residential or commercial use that has not been lawfully used for residential or commercial purposes for 180 days.”
- Self-reported or identified by Code Abatement

Facts about V&A homes

- Much older than average home in MOA
- Frequently identified as nuisance properties
- Rehab often doesn't pencil



V&A Properties in the MOA



Changes to 12.60 Multifamily Incentive

- Rehab moved to 12.80
- Drops automatic fee waivers (too costly)
- Drops 45-day “shot clock” (not workable when public hearings are required)
- Clarifies the extent of the abatement
- Redefines affordability from AMI-based to Fair Market Value-based for clearer interpretation

Fair Market Value Rents

	Efficiency	1 Bed	2 Bed	3 Bed	4 Bed
120% FMV	\$1,307	\$1,429	\$1,876	\$2,628	\$3,150

Thank you!

