

Municipal Clerk's Office

**Amended and Approved**

Date: August 12, 2025

**Corrected**

Date: August 18, 2025

(S) Submitted by: Mayor LaFrance and  
Assembly Vice Chair Brawley

(S) Prepared by: Dept. of Law and  
Assembly Counsel's Office

(S) For reading: August 12, 2025

**ANCHORAGE, ALASKA**  
**AO No. 2025-84(S), As Amended and Corrected\***

1 **AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING ANCHORAGE**  
2 **MUNICIPAL CODE CHAPTER 12.60, TAX INCENTIVES FOR HOUSING, AND**  
3 **ENACTING ANCHORAGE MUNICIPAL CODE CHAPTER 12.80, TAX**  
4 **INCENTIVES FOR HOUSING REHABILITATION.**

---

5  
6 **WHEREAS**, housing is an urgent need in Anchorage, with rental vacancy rates  
7 below 5% and rents increasing by 30% since 2019; and,  
8

9 **WHEREAS**, 180 residential properties are listed on the Municipality's Vacant and  
10 Abandoned Buildings Registry, with almost 80% having been built before 1980; and,  
11

12 **WHEREAS**, Mayor LaFrance has set a goal and strategy to build and rehabilitate  
13 10,000 homes in Anchorage in 10 years; and,  
14

15 **WHEREAS**, the *10,000 Homes in 10 Years* plan calls for the development of  
16 incentives to "close the feasibility 'gap' in residential development and reuse"; and,  
17

18 **WHEREAS**, the Anchorage Assembly's *Housing Action Plan* sets a vision to  
19 "Reduce housing cost burdens and ensure safe, affordable, high-quality permanent  
20 housing for all residents" and a strategy to "Encourage Reuse and Redevelopment";  
21 and,  
22

23 **WHEREAS**, Goal 2 of the *Anchorage 2040 Land Use Plan (2040 LUP)* calls for "Infill  
24 and redevelopment meet the housing and employment needs of residents and  
25 businesses in Anchorage"; and,  
26

27 **WHEREAS**, on April 22, 2025, the Anchorage Assembly amended and approved  
28 AO 2025-35(S-1), As Amended, which created property tax incentives for new  
29 construction of rental housing; and,  
30

31 **WHEREAS**, Alaska Statute 29.45.050 allows local governments to abate property  
32 taxes for the purpose of economic development, to include the Municipal and School  
33 District portions; and,  
34

35 **WHEREAS**, rehabilitation of existing housing structures, including vacant,  
36 abandoned, and uninhabitable housing, offers a means to return deteriorated  
37 housing stock to livable conditions and increase diverse housing opportunities in the  
38 market; and,  
39

40 **WHEREAS**, this AO takes into account the best available market analysis, lessons  
41 learned from the prior and current 12.60 and 12.70 ordinances, and the priorities  
42 identified in *10,000 Homes in 10 Years*, the *Housing Action Plan*, and the *2040 LUP*;  
43 now, therefore,

1  
2 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
3

4 **Section 1.** Anchorage Municipal Code 12.60 is hereby amended to read as  
5 follows:  
6

7 **Chapter 12.60 TAX INCENTIVES FOR HOUSING**  
8

9 **12.60.010 Property tax incentives for housing; location.**  
10

11 This chapter authorizes property tax exemptions for [THE REHABILITATION  
12 OF EXISTING, AND] construction of new residential units, provided a  
13 minimum of eight new residential units, to include no more than one unit for  
14 owner-occupancy, are constructed [OR REHABILITATED] and the  
15 construction increases the total number of residential units on property.  
16

17 AO No. 2025-35(S-1), § 1, 4-22-2025)  
18

19 \*\*\* \*\*

20  
21 **12.60.020 Applications for property tax exemptions.**  
22

23 \*\*\* \*\*

24  
25 B. *Timeline for submission.* Applications must be submitted prior to  
26 issuance of the Conditional Certificate of Occupancy for the newly  
27 constructed units. Applications made after issuance of the Conditional  
28 Certificate of Occupancy for the newly constructed [OR  
29 REHABILITATED] units shall be rejected.  
30

31 \*\*\* \*\*

32  
33 AO No. 2025-35(S-1), § 1, 4-22-2025)  
34

35 **12.60.030 Provisional approval.**  
36

37 A. The municipal assessor shall provisionally approve an application for  
38 tax exemption if:  
39

- 40 1. *Complete application.* The applicant submitted a complete  
41 application; and  
42  
43 2. *Eight or more units.* The applicant acknowledges it must (a)  
44 construct [OR REHABILITATE] not less than eight new  
45 residential units in accordance with the plans and drawings  
46 submitted with its application or with modifications required for  
47 approval by permit or plan review procedures under chapters  
48 21.03 or 23.10.104, and (b) increase the total number of  
49 residential units on the property in order to receive final  
50 approval under AMC 12.60.040.

1  
2 [B. UPON RECEIPT OF A PROVISIONAL APPROVAL UNDER THIS  
3 SECTION, THE FOLLOWING ADDITIONAL INCENTIVES SHALL  
4 APPLY TO THE PROPOSED CONSTRUCTION OR  
5 REHABILITATION PROJECT:

- 6  
7 1. ANY APPLICABLE FEES THAT MAY BE WAIVED  
8 PURSUANT TO SECTION 12.35.055 SHALL BE  
9 AUTOMATICALLY WAIVED IN FULL WITHOUT SEPARATE  
10 APPLICATION FOR FEE RELIEF. THIS EXEMPTION SHALL  
11 NOT APPLY TO FINES ASSESSED FOR NONCOMPLIANCE  
12 WITH BUILDING CODE REQUIREMENTS; AND  
13  
14 2. ANY APPLICATION FOR CONDITIONAL USE OR  
15 ADMINISTRATIVE SITE PLAN REVIEW UNDER THE  
16 PROVISIONS OF CHAPTER 21.03 OR FOR A MINOR  
17 MODIFICATION, VARIANCE, OR OTHER ADMINISTRATIVE  
18 RELIEF UNDER THE PROVISIONS OF TITLE 21 SHALL BE  
19 PROCESSED ON AN EXPEDITED BASIS. FAILURE OF THE  
20 APPROPRIATE DECISION-MAKING BODY TO ACT UPON  
21 SUCH AN APPLICATION WITH 45 DAYS SHALL  
22 CONSTITUTE AN AUTOMATIC APPROVAL OF THE  
23 APPLICATION FOR RELIEF AS SUBMITTED.]  
24

25 AO No. 2025-35(S-1), § 1, 4-22-2025)

26  
27 **12.60.040 Final approval upon completion of construction of new**  
28 **housing; magnitude.**

29  
30 A. *Final approval of exemption.* The municipal assessor shall finally  
31 approve an application for tax exemption if:

- 32  
33 1. The applicant has completed construction of residential units  
34 substantially in accordance with the plans and drawings  
35 included in the provisional approval and a Certificate of  
36 Occupancy has been issued pursuant to AMC 23.10.107.4 for  
37 each structure that contains a residential unit described in the  
38 application;  
39  
40 2. The total number of residential units on the property has  
41 increased by at least the number required by this chapter; and  
42  
43 3. The applicant submits an affidavit that construction of the  
44 residential units was in compliance with State and Federal  
45 wage and labor standards and worker safety standards.  
46

47 B. *Magnitude of exemption.* The taxes eligible for exemption under this  
48 AMC 12.60 are those exempt to the extent of state statute and  
49 attributable only to:  
50



In this chapter:

\*\*\*                      \*\*\*                      \*\*\*

["REHABILITATION" MEANS MAJOR REPAIR, REPLACEMENT, CONSTRUCTION OR RECONSTRUCTION, INCLUDING ALTERATIONS AND ADDITIONS, HAVING THE EFFECT OF REHABILITATING AN EXISTING UNINHABITABLE PROPERTY SO THAT IT BECOMES HABITABLE OR IS BROUGHT INTO COMPLIANCE WITH LAWS, ORDINANCES OR REGULATIONS GOVERNING SUCH STANDARDS. ORDINARY UPKEEP, MINOR REPAIR, AND MAINTENANCE SHALL NOT BE DEEMED REHABILITATION.]

\*\*\*                      \*\*\*                      \*\*\*

AO No. 2025-35(S-1), § 1, 4-22-2025)

**Section 2.** Anchorage Municipal Code 12.80 is enacted as a new chapter as follows (legislative formatting is not used):

**Chapter 12.80            TAX INCENTIVES FOR HOUSING REHABILITATION**

**12.80.010    Property tax incentives for rehabilitated and additional housing[~~;- location~~].**

This chapter authorizes property tax exemptions for the rehabilitation of existing residential units and any additional residential units constructed in conjunction with the rehabilitation work.

**12.80.015    Property tax incentives for housing.**

A. *Exclusions:* The following types of properties are not eligible for this housing tax incentive:

1. *Deteriorated property; economic-development property.* Deteriorated property as defined in AMC 12.35.005 and economic development property for which an application has been filed and is under review, or has been granted pursuant to AMC 12.35.040 or AMC 12.35.050 are not eligible for this housing tax incentive. Submission of an application for exemption pursuant to this chapter shall automatically terminate any existing deteriorated property or economic development property application or designation for the subject property. This does not render ineligible a property located within a "deteriorated area" as defined under section 12.35.005, if no application is filed or under review or exemption granted for the property.
2. *Short-term rental property.* Properties with an initial rental term for a period of less than 30 days. Any portion of a property for which the initial rental term is less than 30 days is not eligible for this housing tax incentive. Rental of a portion of a property

1 for an initial term of less than 30 days shall automatically  
2 terminate an application for or previously granted exemption  
3 under this chapter.  
4

5 B. *Requirements:* The following requirements must be met by the  
6 residential units to be rehabilitated **and the additional residential**  
7 **units:**  
8

9 1. Qualifying residential units to be rehabilitated must:

10  
11 a. Be registered as vacant or abandoned pursuant to  
12 section 15.20.105, or had been registered as such and  
13 removed within the 6 months prior to the application for  
14 purposes of preparing the property to meet the  
15 requirements of this chapter, such as by sale or initiating  
16 rehabilitation work. Property may not be exempted under  
17 this chapter if the assessor determines, after notice to the  
18 applicant, that the property was registered as vacant or  
19 abandoned primarily for the purpose of obtaining tax  
20 exemption under this chapter;  
21

22 b. Have been constructed prior to 1995;

23  
24 c. Have not undergone substantial rehabilitation, renovation,  
25 demolition, removal or replacement within the past 15 years  
26 **under a permit issued pursuant to Title 23, Building**  
27 **Codes, or by work that would have required a permit;**  
28 **[and]**  
29

30 d. **at the time of application, not be vacant land, and there**  
31 **must be at least a portion of one existing residential**  
32 **structure; and**  
33

34 e. The cost of rehabilitation work is equal to or greater than  
35 each of the following:

36  
37 i. 15% of the value of the improvements to property as  
38 currently assessed excluding the value of land;

39  
40 ii. \$3,000 per residential unit inclusive of all residential  
41 units on the property; and  
42

43 2. **Qualifying additional residential units added to the**  
44 **property in conjunction with the rehabilitation work for**  
45 **units in subsection B.1. above must:**

46 a. **be an addition to the original structure or an**  
47 **additional residential structure on the same**  
48 **property;**

49 b. **be included in the drawings for the application and**  
50 **in the building permit for the rehabilitation work;**

- c. not be a separate phase of permitted construction from the rehabilitation work; and
- d. have cost for construction of the additional units separately estimated from the rehabilitation work.

3. Qualifying rehabilitated residential units and any additional units must be built in compliance with State and Federal wage and labor standards and worker safety standards.

- a. All work performed to construct the [new] residential units described in the application must be in compliance with State and Federal wage and labor standards and worker safety standards.
- b. Violations of the requirements of subsection B.1. of this section may be subject to penalty under AMC Chapter 1.60 including three times the value of exemption received.

#### 12.80.020 Applications for property tax exemptions.

- A. *Submission.* An application for an exemption under this chapter shall be made in writing to the municipal assessor.
- B. *Timeline for submission.* Applications must be submitted prior to issuance of the Certificate of Occupancy for the rehabilitated units and any additional units. Applications made after issuance of the Certificate of Occupancy for the rehabilitated units shall be rejected.
- C. *Contents.* The application shall, at a minimum, contain:
  - 1. *Name.* The name of the applicant;
  - 2. *Address.* The legal description and street address of the property for which the application is made;
  - 3. *Rehabilitated and additional residential units.* Drawings of the residential units that the applicant will rehabilitate and additional units, if any, including a floor plan that includes approximate square footages;
  - 4. *Existing structures.* Drawings showing the square footage of all existing structures and any structures to be constructed on the property;
  - 5. *Existing structure history.* Evidence that existing structures were constructed prior to 1995 and have not undergone substantial rehabilitation, renovation, demolition, removal or replacement within the past 15 years;

- 1           6.     *Vacant and abandoned registry.* Evidence that the property is  
2           registered pursuant to section 15.20.105, or had been  
3           registered as such and removed within the 6 months prior to  
4           the application for purposes of preparing the property to meet  
5           the requirements of this chapter, such as by sale or initiating  
6           rehabilitation work;
- 7
- 8           7.     *Rehabilitation work estimate.* An estimate of the nature and  
9           cost of the rehabilitation work to be done on the property,  
10           separate from the estimate of the cost for any additional  
11           units;
- 12
- 13           8.     *Acknowledgement of liability.* Applicant acknowledges that the  
14           residential units will be taxable if and when the residential units  
15           are no longer eligible for tax exemption under this chapter;
- 16
- 17           9.     *Labor compliance.* Applicant acknowledges that the residential  
18           units must be built in compliance with State and Federal wage  
19           and labor standards and worker safety standards;
- 20
- 21           10.    *Other information.* Other information as may be required by the  
22           assessor. Other information may include detailed financial  
23           records regarding the design and construction or rehabilitation  
24           of the residential units.

25

26     D.     *Deadline for applications.* Applications for an exemption under this  
27     chapter shall only be accepted before 5:00 p.m. August 31, 2030.

28

29     **12.80.030    Provisional approval.**

- 30
- 31     A.     The municipal assessor shall provisionally approve an application for  
32     tax exemption if:
- 33
- 34           1.     *Complete application.* The applicant submitted a complete  
35           application; and
  - 36           2.     *Cost of rehabilitation.* The applicant acknowledges it must:
    - 37                   a.     Perform rehabilitation work on the property to return the  
38                   property to a habitable condition in compliance with  
39                   Titles 15 and 23; and,
    - 40                   b.     Cost of the rehabilitation work must be equal or greater  
41                   than 15% of the value of the improvements to the  
42                   property as currently assessed excluding  
43                   ~~[improvements to]~~ land value and greater than \$3,000  
44                   per residential unit inclusive of all residential units on the  
45                   property existing prior to the application (excluding  
46                   additional residential units) in order to receive final  
47                   approval under AMC 12.80.040.
- 48
- 49
- 50

1  
2       **12.80.040   Final approval upon completion of construction of**  
3       **rehabilitated and additional housing; magnitude.**  
4

5       A.   *Final approval of exemption.* The municipal assessor shall finally  
6       approve an application for tax exemption if:

7  
8           1.   The applicant has completed rehabilitation of residential units,  
9           and construction of any additional residential units,  
10          substantially in accordance with the plans and drawings  
11          included in the provisional approval and a Certificate of  
12          Occupancy has been issued pursuant to AMC 23.10.107.4 for  
13          each structure that contains a residential unit described in the  
14          application within five years of provisional approval;

15  
16          2.   The cost of rehabilitation work is equal to or greater than each  
17          of the following:

18  
19           a.   15% of the value of the improvements to the property  
20           excluding [including] land [and improvements]  
21           assessed at the time of application;

22  
23           b.   \$3,000 per residential unit inclusive of all residential  
24           units on the property existing prior to the application  
25           (excluding additional residential units); and  
26

27          3.   The applicant submits an affidavit that construction of the  
28          residential units was in compliance with State and Federal  
29          wage and labor standards and worker safety standards.  
30

31       B.   *Magnitude of exemption.* The taxes eligible for exemption under this  
32       AMC 12.80 are those exempt to the extent of state statute and  
33       attributable only to the residential buildings and their accessory  
34       structures on [improvements to rehabilitated and additional  
35       residential units on] [to] the property. The exemption is not  
36       applicable to taxes attributable to land value, nonresidential buildings,  
37       or nonresidential portions of a mixed use building. The municipal  
38       assessor may determine the extent of the exemption on the property  
39       on a spatial basis. [This does not include taxes attributable to land  
40       value.]  
41

42       **12.80.045   Duration of Exemption**

43  
44       A.   *Base duration of tax exemption.* Tax exemptions approved under  
45       section 12.80.040 shall be for a base period of 10 consecutive years  
46       beginning on January 1 of the first full calendar year after final  
47       approval of the application.  
48

49       **12.80.050   Termination of exemption; transfer of exemption.**  
50

- 1 A. *Verified unfair labor practices.* An exemption granted under this  
2 chapter shall terminate entirely immediately if and when a state or  
3 federal court or administrative agency determines, in a final  
4 unappealable decision, that violations regarding unfair wage practices  
5 or unsafe working conditions occurred during the construction of the  
6 eligible residential units.  
7  
8 B. *Failure to file annual report.* An exemption granted under this chapter  
9 shall automatically terminate if the owner of the property fails to  
10 comply with the annual report for three consecutive years.  
11  
12 C. *Transfer on change of ownership.* An exemption shall run with the land  
13 and transfer, in whole only, to another entity or owner when the  
14 ownership of the property is transferred, however the municipality will  
15 not prorate the exemption for a partial calendar year.

16  
17 **12.80.060 Appeals.**

- 18  
19 A. *Of assessor to chief fiscal officer.* Any decision of the assessor under  
20 this chapter may be appealed to the chief fiscal officer or the chief  
21 fiscal officer's designee in writing within 30 days of the date the  
22 decision was issued. For the purposes of this chapter the date of  
23 issuance is the date upon which the decision was mailed or otherwise  
24 delivered to the parties.  
25  
26 B. *Of chief fiscal officer to the office of administrative hearings.* Any  
27 decision of the chief fiscal officer or the chief fiscal officer's designee  
28 under this chapter may be appealed to an administrative hearings  
29 officer in accordance with AMC 3.60 within 30 days of the date the  
30 decision was issued. For the purposes of this chapter the date of  
31 issuance is the date upon which the decision was mailed or otherwise  
32 delivered to the parties.  
33

34 **12.80.070 Annual reports of owners; assembly notification.**

- 35  
36 A. *Annual compliance and status report.* Not later than March 15 of each  
37 year, the owner of the property for which an exemption has been  
38 granted, shall file with the assessor, a report including:  
39  
40 1. *Occupancy.* A statement of occupancy and vacancy of the  
41 residential units for the prior 12 months;  
42  
43 2. *Residential unit(s) remain as described.* A certification that the  
44 rehabilitated **and any additional** residential unit(s) described  
45 in the application continue to exist and have not been converted  
46 to a non-residential use and continue to comply with the  
47 requirements of this chapter;  
48  
49 3. *Further changes.* A description of physical changes or other  
50 improvements constructed since the last report or, on first

1 report, since the filing of the application

- 2
- 3 4. *Additional information.* Any additional information requested by
- 4 the assessor, chief fiscal officer, or designee. Additional
- 5 information may include detailed financial records regarding the
- 6 design, construction, and operation of the residential units.

7

8 B. *Annual reports to the Assembly.* The assessor shall transmit annual

9 reports to the Assembly in an Assembly Information Memorandum

10 that contains:

- 11
- 12 1. *Annual reports of property owners.* Copies of annual
- 13 compliance and status reports submitted by property owners in
- 14 accordance with AMC 12.80.070A.
- 15
- 16 2. *Annual report of exempted taxes.* A summary of the total taxes
- 17 exempted for each property that has been granted a tax
- 18 exemption under this chapter.
- 19
- 20 3. *Annual report of applications and status.* A summary list of each
- 21 application for an exemption under this chapter received by the
- 22 assessor, the status (rejected, provisional approval, or final
- 23 approval), number of units proposed, under construction and
- 24 completed, and the parcel address or description of location.

25

26 **12.80.075 Confidentiality of information.**

27

28 At the request of the applicant or owner, financial information and records

29 submitted with the application or annual reports, and other information in

30 which the applicant or owner has a reasonable expectation of privacy and

31 nondisclosure, shall be confidential and may not be released except upon

32 court order, when necessary to enforce the provisions of or to collect the

33 taxes due to the municipality and reviewed only by the municipal assessor,

34 and not disclosed except to the municipal attorney, chief fiscal officer, the

35 internal auditor, or administrative hearing officer in the performance of their

36 official duties.

37

38 **12.80.080 Definitions.**

39

40 In this chapter:

41

42 **“Addition” in context of constructing additional residential units shall**

43 **have the meaning set forth in Title 23, chapter 23.10.**

44

45 "Construction" has the same meaning set forth in AMC 21.15.040.

46

47 **“Demolition” means to tear down or raze a structure under a permit**

48 **from the municipality under Title 23, or by work that would have**

49 **required a permit.**

1 "Rehabilitation work" means work necessary to return the property to a  
2 habitable condition in compliance with Titles 15 and 23.

3  
4 **"Removal" means to relocate a building removing it from its current**  
5 **footprint, with or without a permit but where such work would have**  
6 **required a permit under Title 23.**  
7

8 "Residential unit" means a dwelling unit as defined in AMC 21.15.040 which  
9 is leased or rented to the same person or persons for 30 or more consecutive  
10 days. As used in this definition, "person" means only natural persons.

11  
12 **Section 3.** Pursuant to AS 29.45.050(m), notice is hereby provided that this  
13 ordinance, if adopted, or the entirety of Chapters 12.60 and 12.80 may be repealed  
14 by the voters through referendum.

15  
16 **Section 4.** This ordinance shall be effective immediately upon passage and  
17 approval by the Assembly.

18  
19 PASSED AND APPROVED by the Anchorage Assembly this 12th day of August,  
20 2025.

21  
22  
23 

24  
25 ATTEST:

Chair

26  
27  
28 

29  
30 \_\_\_\_\_  
Municipal Clerk