

Planning Department
MUNICIPALITY OF ANCHORAGE

Spring 2023 Anchorage Housing Retreat

May 19, 2023

Prepared by Long-Range Planning Manager Kristine Bunnell & Senior Planner Daniel McKenna-Foster

Support Teams

MOA LRP	
Deliverable	What does this do?
☐ White Papers	☐ Provide context, overview of past recommendations, and record of the process.
☐ Land Capacity Analysis	☐ Provide context for policy changes to land use regulations.

ACDA	
Deliverable	What does this do?
☐ Incentives Report	☐ Provide context for policy changes to tax code, tax credits, and other financial incentives.

Agnew Beck	
Deliverable	What does this do?
☐ Housing Data & Proforma Analysis	☐ Provide current, accurate data on specific obstacles to desired types of housing.

Health Department	
Deliverable	What does this do?
☐ 5 Year CAP plan required by HUD	☐ Set a plan for spending federal funding.
☐ Provide data on numbers of low-income households, estimate needs	☐ Provide context for making decisions related to low income households.



Decision & Action Teams

MAYOR	
Actions	Result
► Department Support & Communication	☐ More housing at all income/preference levels

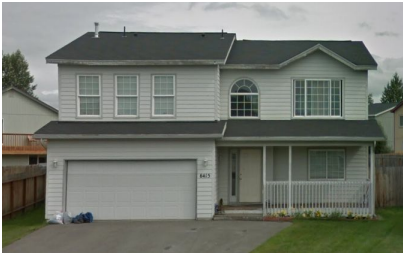
ASSEMBLY	
Actions	Result
► Housing preferences survey	☐ Provide focus for additional research and policy changes to land use regulations.
► Housing Retreat (May 2023)	☐ Align conversations/community knowledge
► Housing Summit (August 2023)	☐ Determine actions, funding and timeline ☐ Community engagement
► Policy changes ► Code changes ► Funding allocation ► Communication program ► State legislative recommendations	☐ More housing at all income/preference levels

Overview

- Housing needs change over time
- Housing markets are regional [but decisions are local]
- Transportation and other costs affect housing choice
- Several factors influence the cost of construction
- “Affordable” doesn’t mean “low cost to build”
- Funding GAP analysis
- Local government is participating to fill the gap
- The State needs to participate to fill the gap
- Recent data points
- Biggest returns for the investment
- Potential Actions

Housing Needs Change Over Time

Family



Single young adult



Young couple/ new household formation



Older couple



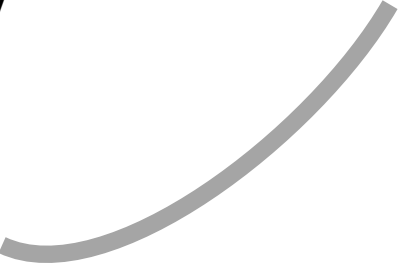
Family with multiple members/children



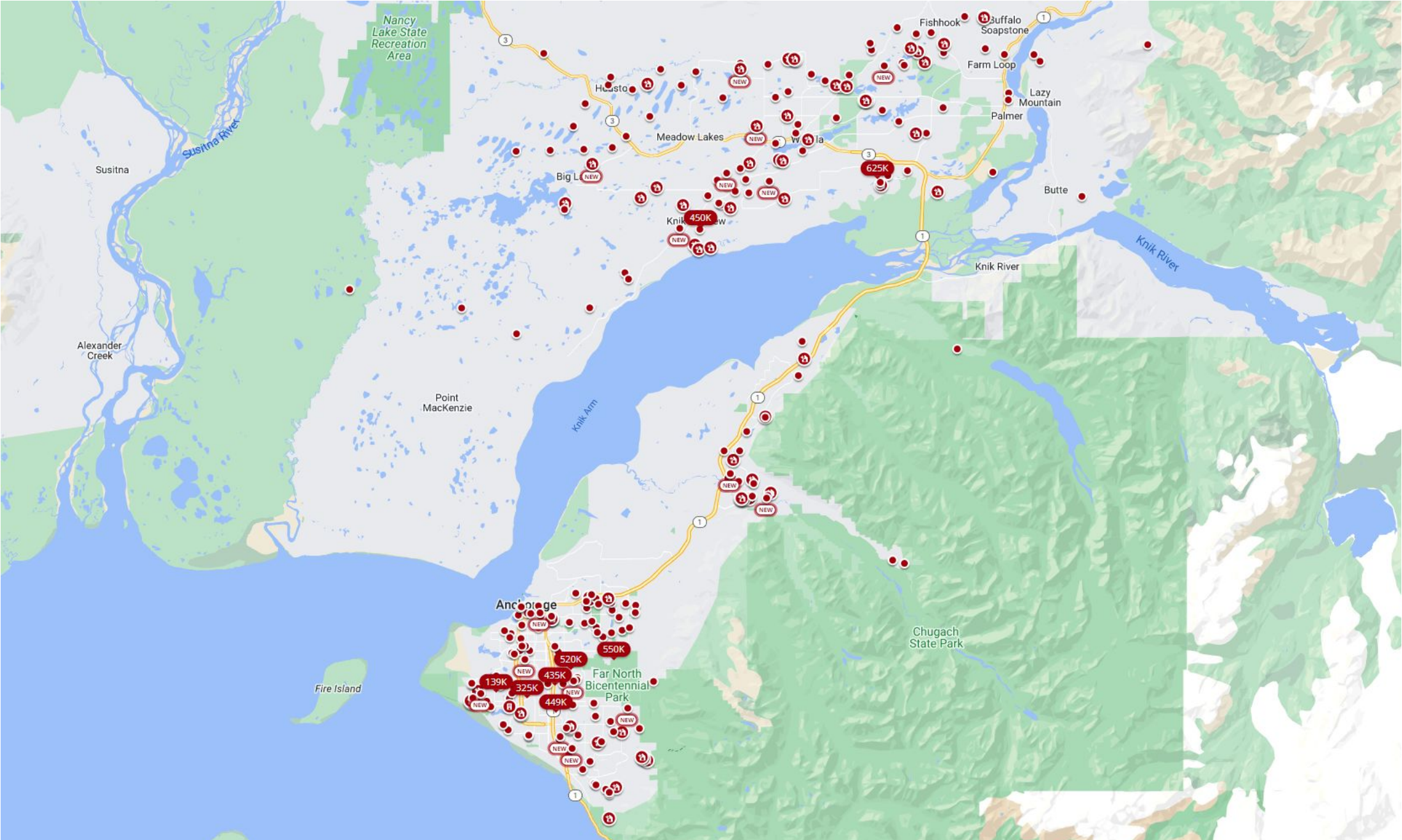
Single adult



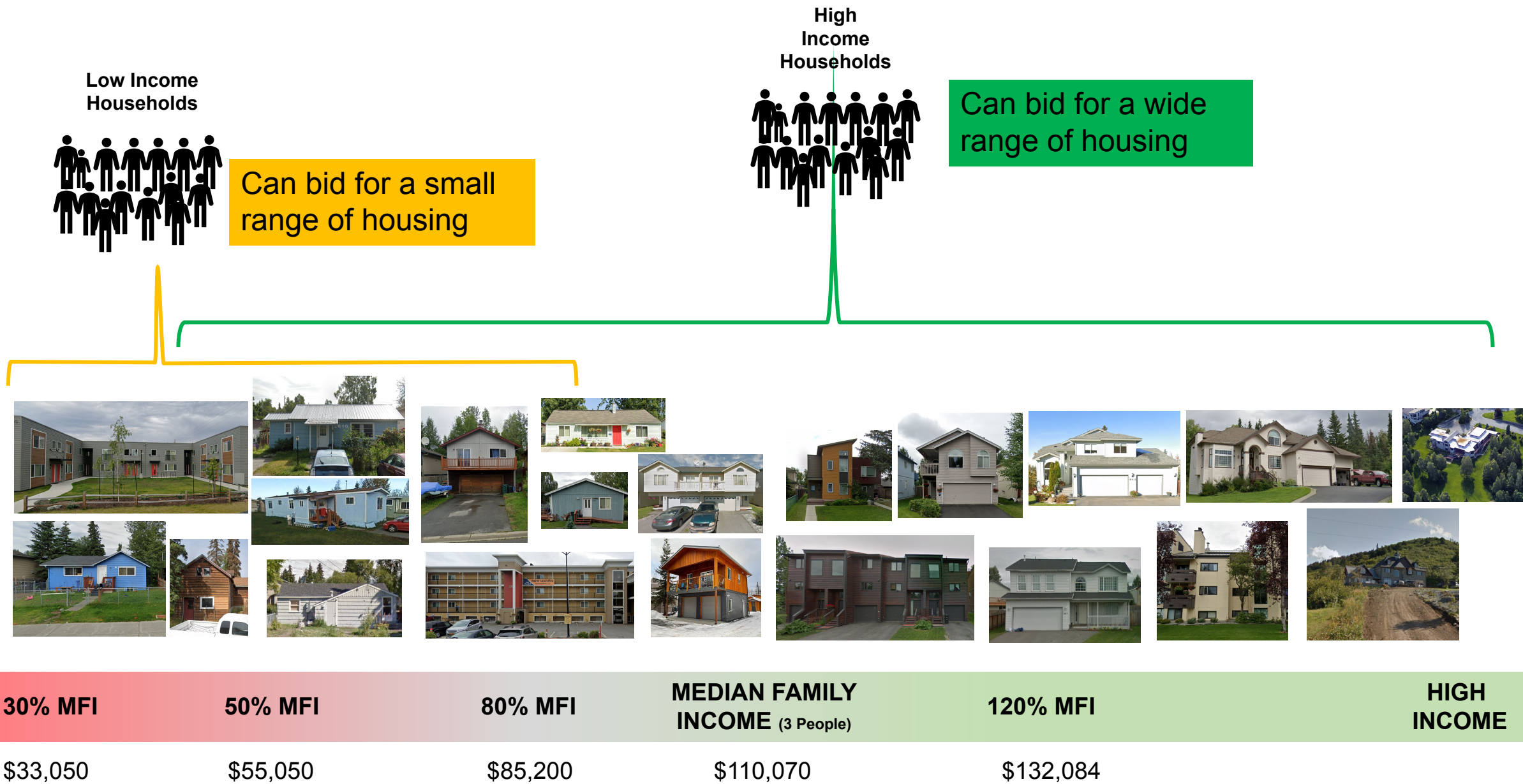
Young family with 1 child




Housing Markets are Regional









Housing Markets are Regional: Who can access what's available?



Transportation And Other Costs Affect Housing Choice

 U.S. Department of Transportation

ABOUT DOT ▾PRIORITIES ▾CONNECT ▾

[Home](#) \ [Mission](#) \ [Health](#)

Transportation and Health Tool

Home

Indicator Data

Indicator Profiles

Strategies

Literature and Resources >

Scoring Methodology


Background

Related Links

- [Indicator Profiles List](#)

Contact Us

Transportation and Health Tool

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9:00am-5:00pm ET, M-F

If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Housing And Transportation Affordability

- [Indicator Description](#)
- [Related Strategies](#)
- [Transportation and Health Connection](#)
- [About the Data](#)
- [Moving Forward](#)
- [References](#)

Indicator Description

The Housing and Transportation Affordability indicator measures the percentage of income that the average household spends on housing and transportation combined. Data come from the U.S. Department of Housing and Urban Development Location Affordability Index (LAI), version 2, which uses data on housing costs from the American Community Survey (ACS) and estimates transportation costs based on land use mix, commute patterns, and socioeconomic information.

Related Strategies

- [Complete Streets](#)
- [Expand public transportation](#)
- [Health impact assessment \(HIA\)](#)
- [Health performance metrics](#)
- [Integrate health and transportation planning](#)
- [Rural transit systems](#)

Transportation and Health Connection

Housing costs are the single largest expense for most households. When combined with transportation costs, they account for approximately half of the average U.S. household budget. Combined housing and transportation costs strongly reflect aspects of the built environment. Those include density, land use mix, and overall accessibility, which influence public health through physical activity and access to basic amenities.

Although housing costs are regularly accounted for in location decisions, transportation costs often are not adequately considered when making decisions about where to live and work. Consequently, housing affordability indexes that do not account for transportation costs cannot provide an accurate assessment of the cost of housing choices.

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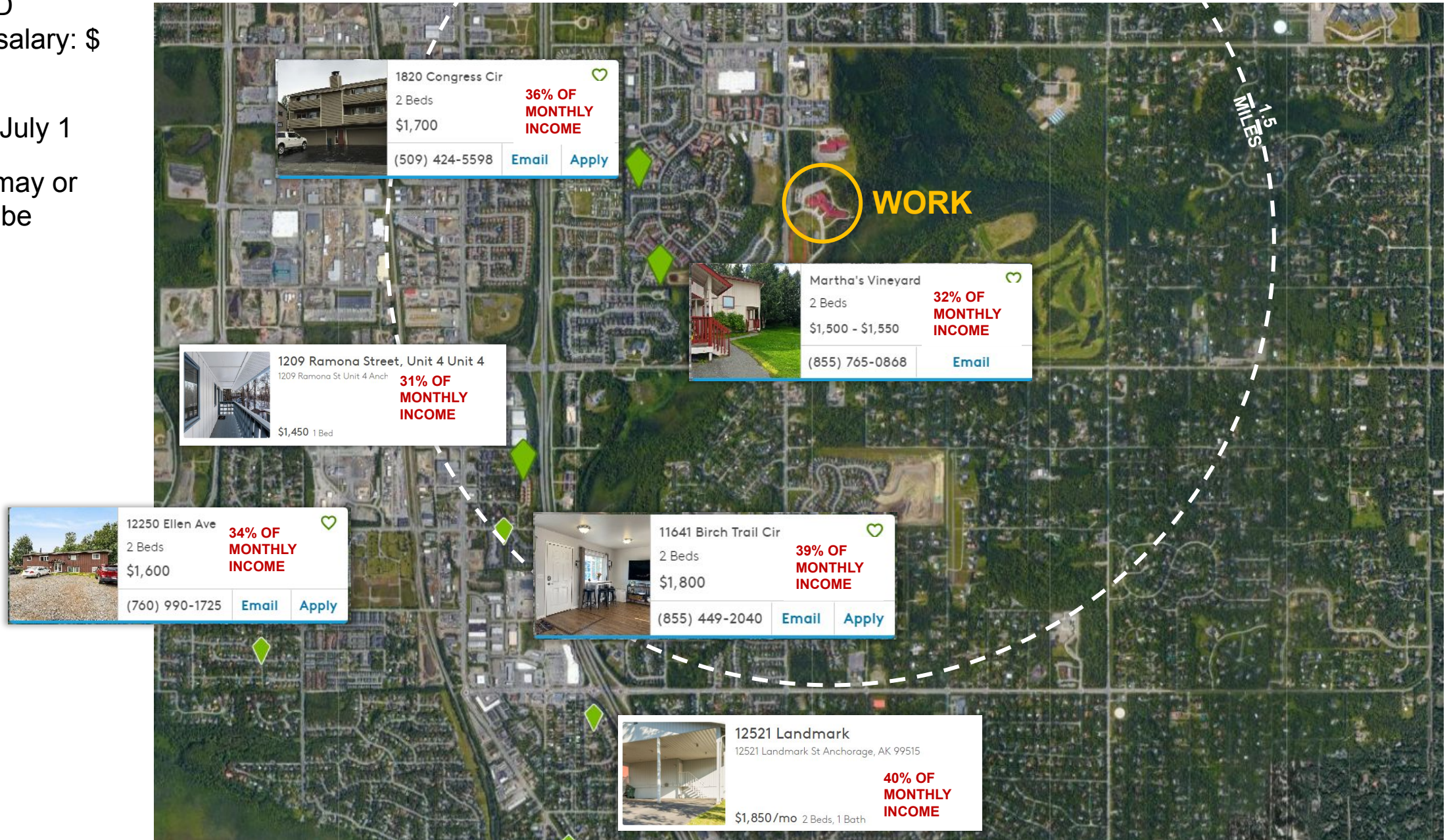
Transportation And Other Costs Affect Housing Choice



Sample of Household Utilities for 2023	
GCI:	\$159.99
Chugach Electric:	\$105.89
AWWU:	\$114.88
Enstar:	\$228.71
SWS	\$80.08
Total Monthly Cost: \$689.55	

Transportation And Other Costs Affect Housing Choice

- New ASD teacher salary: \$ 55,168
- Move in July 1
- Utilities may or may not be included



Several Factors Influence The Cost of Construction

“...I think I would say land (improved [streets, entitlements and anything else MOA requires]) and lumber but with construction financing approaching 10% the cost of money is climbing toward the top also.”

—Andre Spinelli

“CIHA’s two biggest hard costs for housing are related to the land: the land purchase cost and the dirtwork/utilities. I’m sharing a PPT slide below comparing national pre-pandemic and current commodity costs in case that is helpful, and to acknowledge that commodity costs are still much higher than pre-pandemic levels. This is supported by CIHA’s recent construction bid history. Pre-pandemic, our affordable multifamily building costs were in the lower \$200/sf range. Now, we are in the high \$200/sf range, approaching \$300/sf. These costs do not include land. ”

—Mark Fineman, CIHA Vice President of Development

“The Municipality needs to honor the tax abatements/incentive agreements it puts in place by Ordinance, doing otherwise creates significant uncertainty and makes development more difficult.”

—Shaun Debenham

- Materials costs
- Site improvement costs
- Labor costs
- Financing/tax costs
- Regulatory costs (Title 21/Title 23)

Several Factors Influence The Cost of Construction

Project Financing Gaps: Key Findings

3 Downtown Anchorage Examples

GAP PER UNIT				
Project	NO INCENTIVE	12-YEAR TAX INCENTIVE	12-YEAR + \$2M Patient Capital + Land Write Down	25-YEAR + Some Land Write Down
Current DT Project	\$120,000	\$70,000	No Gap	No Gap
40 units on 1/2 acre. Surface parked at .50 spaces per unit. Density: 80 DUA. All Stick Built.				
Block 102 – 8th & F	\$110,000	\$60,000	\$20,000	No Gap
150 Units on .96 acres: North Parcel Only. Parking = .05 per unit. 40% parking onsite surface and remaining in adjacent lots or garages. Density: 155 DUA. All Stick Built.				
Block 28 – 3rd & H	\$90,000	\$50,000	\$20,000	No Gap
200 Units on .80 acres: North parcel only. Parking = .05 per unit. 40% parking onsite surface and remaining in adjacent lots or garages. Density: 249 DUA. All Stick Built.				

UNIT SIZE - RENTS

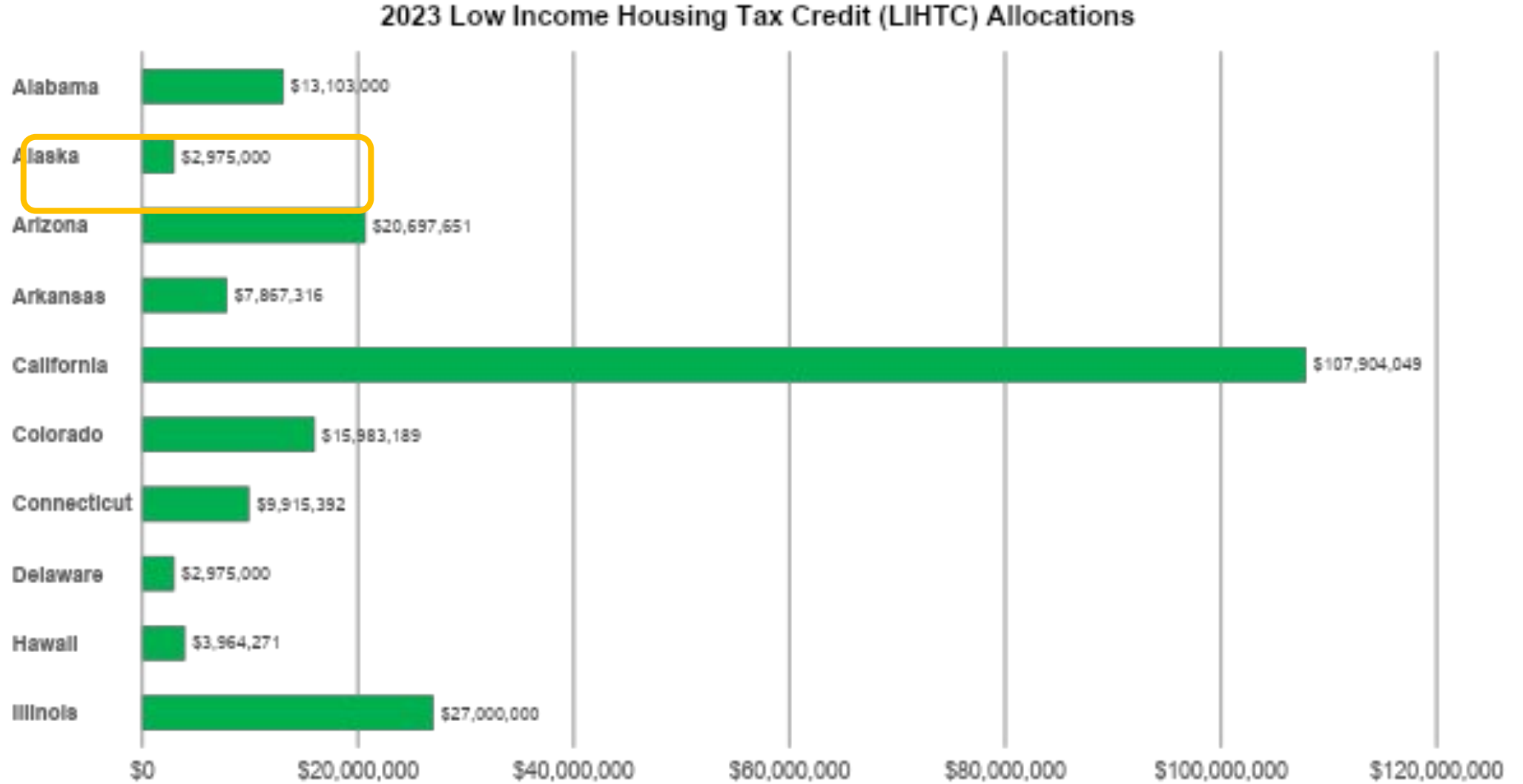
Studio – 450sf	\$1,150
1 Bedroom – 550sf	\$1,380
2 Bedroom – 800sf	\$1,725
3 Bedroom – 1100sf	\$1,800

“Affordable” doesn’t mean “low cost to build.”

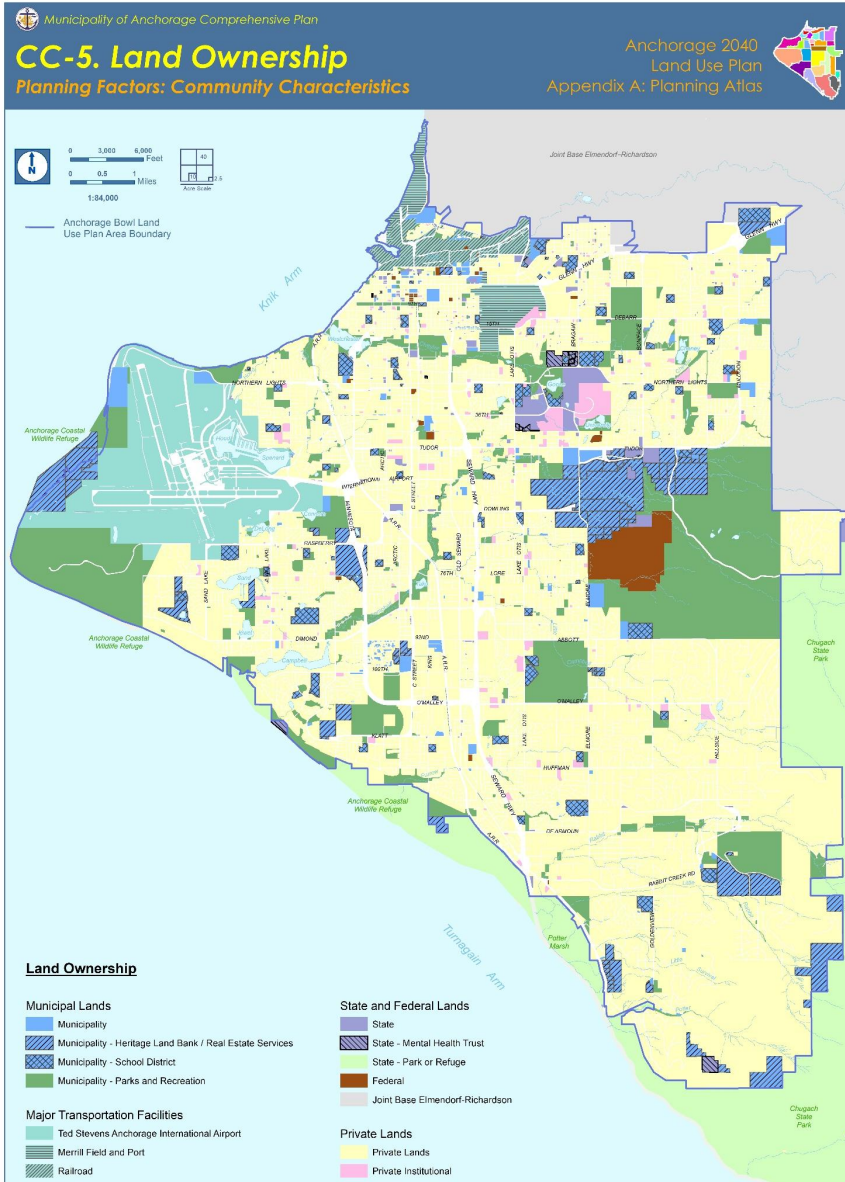
[Affordable Housing: *Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.]*

- The amount of money available for any income-restricted housing development is limited.
- Income-restricted housing requires staff capacity to verify incomes, document compliance, and manage the property.
 - Most developers are probably not likely to take on the compliance requirements for this type of housing.
- Affordable housing costs the same or more (financing, etc) to develop as market-rate housing.

“Affordable” doesn’t mean “low cost to build.”



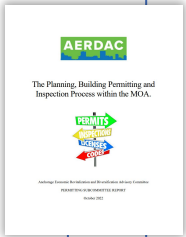
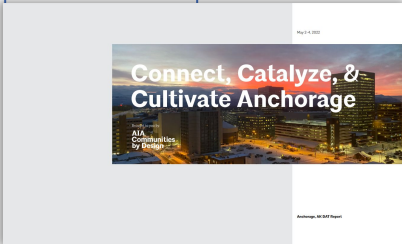
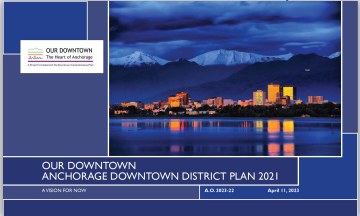
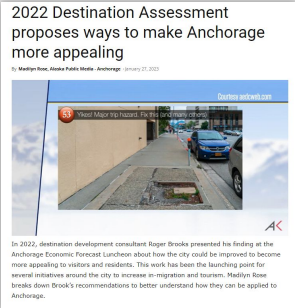
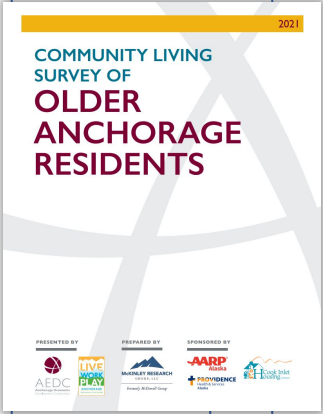
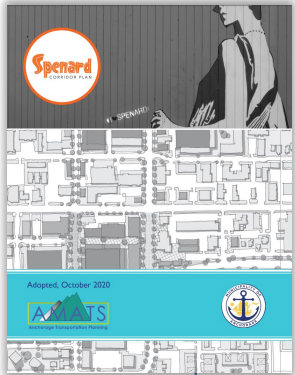
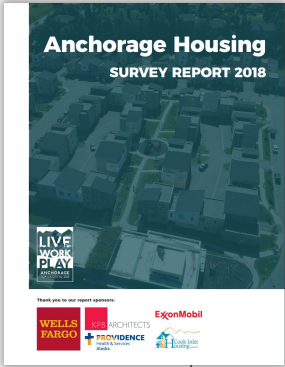
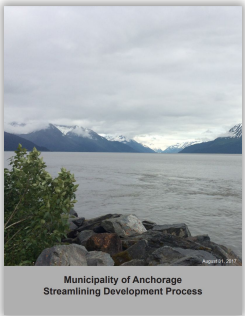
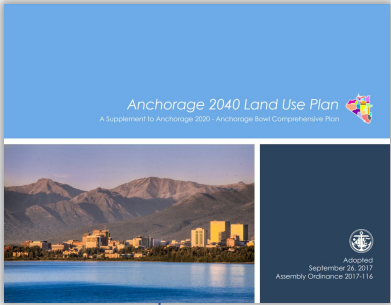
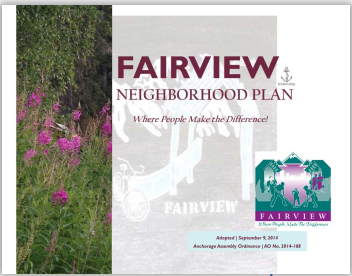
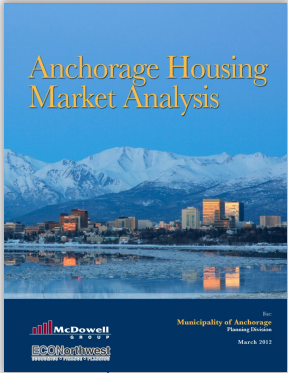
The State Needs To Participate to Fill the Gap



State ownership includes:

- UAA
- Trust Land Office
- AKDOT&PF

Local Government Is Participating to Fill the Gap



Local Government Is Participating to Fill the Gap

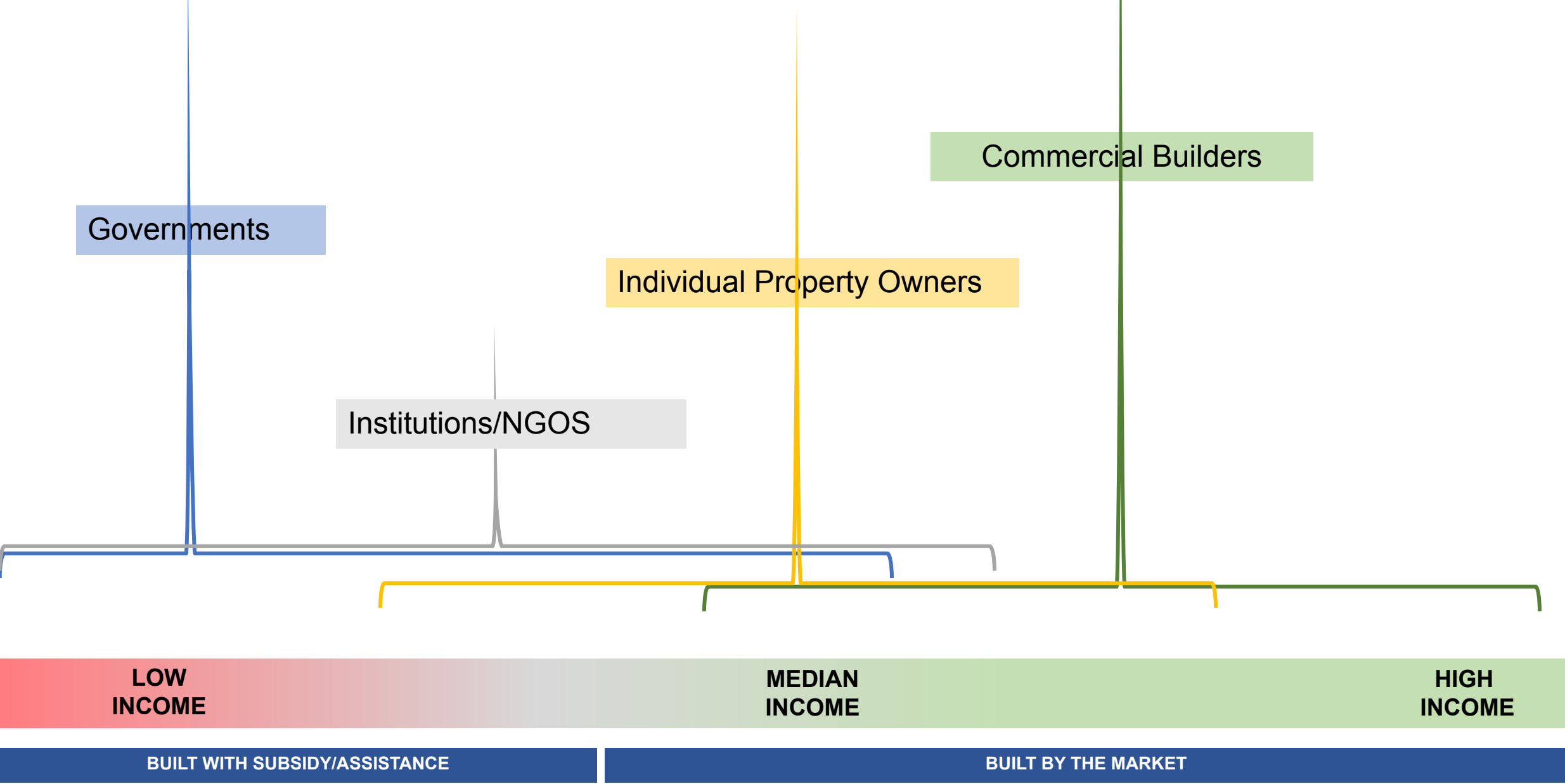
Recent projects to get more housing:

- Unit Lot Subdivision (AO 2017-75)
- Parking Reform (AO 2022-80S)
- ADU Reform (AO 2022-007 as Amended)
- RFA update (AO 2022-62)
- Downtown Code (AO 2023-43 as Amended)
- R-4A update (AO 2023-42 as Amended)
- 4-Unit Housing Downtown Tax Incentive (AO 2019-12 As Amended, As Amended)
- Fairview/East Downtown Tax Abatement Zone (AO 2014-71(S) As Amended)
- Transit Corridor Tax Incentive (AO 2020-103)
- CPACER Program (HB227)

Local Government Is Participating to Fill the Gap

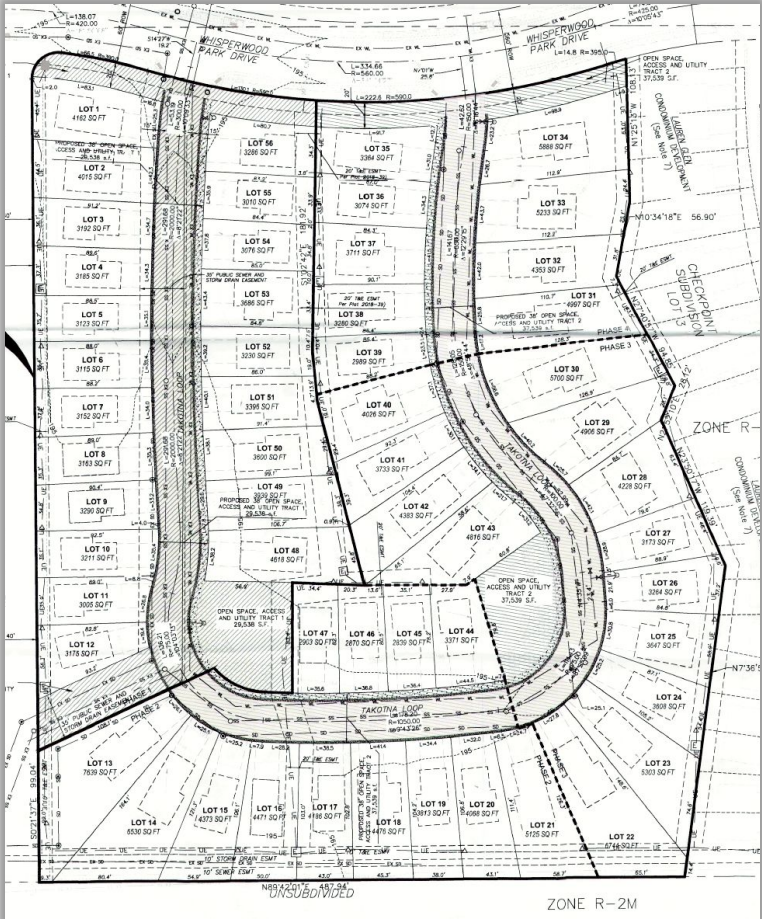
1 of 1 Find Next								
Accessory_Dwelling_Unit								
APNO	APNAME	APTYPE	APDESC	WORKTYPE	APPLSTATUS	ADDBY	EXPDTTM	APDTTM
R23-1326	EPLANS - EXEMPT YOUNG RESIDENCE	RESBLDG	Residential Building App	BldgNew	Cancelled	pwrwp	3/31/2024 12:00:00 AM	4/6/2023 11:51:28 AM
R23-1174	EPLANS / EXEMPT	RESBLDG	Residential Building App	BldgNew	Issued	michael.radovan	3/1/2024 12:00:00 AM	3/7/2023 8:20:24 AM
R23-1211	LAND USE - ADU	RESBLDG	Residential Building App	BldgAdd	Open	daniel.woods	3/10/2024 12:00:00 AM	3/16/2023 2:41:46 PM
R23-1196	EPLANS - WHITMORE	RESBLDG	Residential Building App	BldgAdd	Issued	michael.radovan	3/7/2024 12:00:00 AM	3/13/2023 9:35:53 AM

Recent Data Points





Recent Data Points

Checkpoint Subdivision



McCain Loop Project

[FIND YOUR HOME](#) [FOR OUR RESIDENTS](#) [COMMERCIAL PROPERTIES](#)  [WHO WE ARE](#) [OUR IMPACT](#) [WORK WITH US](#)



[Pictures](#) [Google Map](#)

McCain Loop Duplexes

3717 McCain Loop, Anchorage, 99503

Description

Triplex built in 2022 and located in the Spennard district. Each unit consists of a modern unique layout, privacy front door, luxury vinyl plank flooring, carpet in bedrooms, lots of natural light, 10 ft ceilings, and solid surface counter tops/sills. These are a must see! Conveniently located close to parks, schools, shopping, restaurants, and public transportation. Great location and in a quiet neighborhood with lots of green space.

Rental Rates

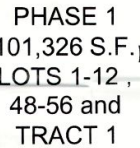
\$1,248 - \$2,175

- 3717 Unit A, 1BR (975 sqft)
- 3717 Unit B, 1BR (770 sqft)
- 3717 Unit C, 1BR (1000 sqft)
- Lots of green space and landscaped
- All units have ample parking
- Contemporary design
- Modern finishes
- High ceilings (10-11ft) depending on unit with ample built in storage
- Solid surface counters and window sills
- Lots of natural light with blinds included

Block 96 Flats



Checkpoint Subdivision



In conclusion there are several elements of this plan that do not conform with Title 21 as written today. We have put together a project that aims to achieve the goals of the Land Use Plan, optimizes construction administration and programming for the developer and provides the home buyers with superior product with more options for competitive financing. Please support this project.


Recent Data Points

McCain Loop Project

FIND YOUR HOME ▾

FOR OUR RESIDENTS ▾


COMMERCIAL PROPERTIES

Cook Inlet Housing Authority

WHO WE ARE ▾

OUR IMPACT ▾

WORK WITH US ▾



Pictures

Google Map

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- 3717 Unit A, 2BR (975 sf)**
- 3717 Unit B, 1BR (770 sf)
- 3717 Unit C, 2BR (1030 sf)
- Lot's of green space and landscaped
- All units have ample parking
- Contemporary design
- Modern finishes
- High ceilings (8-10ft) depending on unit with ample built in storage
- Solid surface counters and window sills
- Lots of natural light with blinds included

Rental Rates

\$1,248 - \$2,175

Detailed recommendations

These specifics stem from a roundtable convened by Anchorage Assembly members on Feb. 24, 2023.

Moving the “trigger” for residential

- Amend the local IRC to include 3- and 4-unit buildings. Review Title 21, Title 23 and policy to ensure that 3- and 4-unit dwellings do not trigger commercial permit requirements in other areas.

3



Sprinklers and fire safety

- Consider exempting 3 and 4 unit-buildings from fire sprinklers requirements in lieu of other fire safety design criteria (such as individual egress doors or enhanced fire assembly ratings), given the cost of a sprinkler system, associated monitoring contracts and equipment, water service line upgrades, ongoing operational costs, and risk of catastrophic flooding. Specifically line out the requirements and pathways in code so that builders know what to expect.

Driveways and car access

- Lessen or eliminate the requirement for on-site maneuverability as long as the builder is not widening driveways where they interface with the street. To fully eliminate on-site maneuverability, builders should still need a sign-off from Traffic that it can be done safely.
- Consider making the number of off-street parking spaces being supplied by the project (surface and garage) the trigger for the review. Make it about the number of car spaces, not the number of units.

R2M lot size and setbacks

- The R2M zoning district requires 1) an 8,500 SF lot for 3 units and a 10,000 SF lot for 4 units and 2) increasing setbacks from 5 feet to 10 feet when the unit count goes from 2 units to 3. Revisit the zoning code and consider changing these parameters if we want to allow anything other than a duplex on a standard 7,000 SF R2M lot.
 - MPA property data indicates at least 22 triplexes on R2M lots of 7,000 SF or less in Anchorage, all built pre-1982. [Here is an example in South Addition.](#)

Drainage and lot coverage

- If the area of disturbance is less than a certain size, the project should avoid Private Development review, regardless of the number of units. There should be feedback internally on what “a certain size” is. Is the current lot coverage requirement sufficient to avoid creating offsite drainage impacts?

Alleys and improvements

- Clarify in policy and practice that offsite impacts (e.g., alley and sidewalk improvements, storm sewer) are not triggered by 3- and 4-unit projects. The Assembly should consider other ways to align capital improvements for infill redevelopment.

Fire review

- Exempt 3- and 4-unit projects. While the review process may highlight deficiencies in public infrastructure, the suggestion very small multi-family projects pay for them is misplaced. The MOA needs to figure out how to address these deficiencies (ie, road improvement districts, bonds).

4

Recent Data Points

Block 96 Flats



- Public private partnership between ACDA and Debenham Properties began March 2019
- 8th & K site owned by ACDA
- 48 market rate rental units @ \$1,100 - \$1,500 per month from 400-600 sq ft studio and 1-bdrms Onsite surface & indoor parking at 1 space per unit
- ACDA invested \$1.8M in this \$11.6M project
- Estimated completion: August 2023

Potential Actions: Biggest Returns for the Investment (Staff, Time, Funding)

Planning Department (In Title 21)	
Lot Size Reform	Low hurdle: Align lot size minimums with target densities in existing zoning code.
	High hurdle: Reduce lot size minimums across the Bowl for lots on sewer & water.
Targeted Rezones	Low hurdle: Simplify the process/reduce costs for landowners who would like to up-zone their properties.
	High hurdle: The Assembly allows more flexibility by right by up-zoning properties directly.
Code Simplification	Low hurdle: Eagle River High hurdle: Girdwood
Up to 4 Units as Residential Construction	Medium hurdle: change both Title 21 and Title 23 to equalize standards.
Federal Grant Applications	<ul style="list-style-type: none"> • EPA Brownfield assessment & clean up • CDBG DR • Other federal grant opportunities
Brownfield Redevelopment Revolving Loan Fund	High hurdle: Apply for an EPA Brownfield revolving loan fund. The application is not necessarily difficult, but the loan takes long term staff capacity.

Potential Actions: Biggest Returns for the Investment (Staff, Time, Funding)

Development Services (In Title 23)	
Process improvement	Low hurdle: See Appendix 1(2022 AERDAC)
	Medium/high hurdle: Fee in lieu for infrastructure
Fee in Lieu	High Hurdle: Requires establishment of an infrastructure trust fund.
HLB	
Land Assembly	Low hurdle: Dispose of municipal property with or without stipulations for additional housing.
	High hurdle: Actively assemble land for housing development.
Mayor/Assembly	
Tax Abatement	Low hurdle: <ul style="list-style-type: none"> • Fix 12.3.5 application • Extend 4 unit housing tax abatement Downtown • Extend transit corridor tax abatement • GAP housing trust fund
	High hurdle: <ul style="list-style-type: none"> • 8 unit 25 year, muni-wide tax abatement • Change MOA charter to allow TIF

Potential Actions: Biggest Returns for the Investment (Staff, Time, Funding)

AWWU	
Tariff Structure Changes	Low hurdle: Implement recommendations from the Our Downtown Utilities Subcommittee.
	Medium/high hurdle: Change tariff structure/procedure for new development.

Closing Thoughts



Questions?



Planning Department
MUNICIPALITY OF ANCHORAGE

Thank you

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Daniel.mckenna-foster@anchorageak.gov

