

TSDO FAQ

2025-09-07



What is the purpose of the TSDO?

- More housing for more people at more price points.
- More compact, walkable neighborhoods with access to jobs and services in the core of city.
- Building housing where we already have infrastructure, including access to transit.
- Implementing our adopted plans.

The concept of Transit-Supportive Development was identified as a “growth-supporting feature” in the Anchorage 2020 Comprehensive Plan that was enacted in 2001, and the concept was reaffirmed in the 2040 Land Use Plan Map adopted in 2017.

Who is sponsoring the TSDO?

- The TSDO is sponsored by Assembly Members George Martinez and Erin Baldwin Day, and Mayor Suzanne LaFrance.

What is the rationale behind the TSDO map?

- The 2040 Land Use Plan Map (adopted in 2017) called for a TSDO within a quarter mile of most bus routes. This ordinance copies that map with the addition of Midtown, other town centers, opportunity zones, as well as the full routes of bus services in central and east Anchorage.
- Note that the TSDO map does **not include** Route 85 (South Anchorage) or Route 92 (Eagle River) as those bus routes have infrequent service. It also excludes parks and industrial zones as well as Downtown (because Downtown zones already have broad flexibility).
- You may also note that the ¼ mile radius sometimes creates gaps in neighborhoods. Comments on specific areas that should be included or excluded (and why) are welcome.

How does the Multi-Family Property Tax Abatement Incentive work?

- The multifamily tax incentive was established earlier this year by AO 2025-35(S-1). It is not changed by the TSDO. It exempts new construction of at least 8 units from property taxes for 20 years. Further years (up to 28 years total) can be granted if the units meet certain qualifications, such as being within the bonus area (which is the same as the proposed TSDO map) or being affordable.

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- The incentive does not apply to the land or to any existing housing units, so it does not take any existing property off the tax rolls. That means it does not increase anyone's taxes, and in fact, helps to reduce taxes long term by supporting the development of property that wouldn't have otherwise been built and will be taxable in the future.

Is there a housing shortage in Anchorage?

- Over the last 10 years, Anchorage has built very little housing and almost no unsubsidized multifamily housing. Nearly all of the housing that has been built has been high-end single-family homes at the edges of town. One of the major reasons is that current regulations micromanage development to the point where it's nearly impossible to build.
- Most of Anchorage's current housing was built over 40 years ago. As this aging housing stock declines and new housing isn't being built, it creates a crunch in the market. The result is a city that is increasingly unaffordable for young people and working families. Moreover, the largest driver of homelessness is housing affordability. And the largest driver of housing affordability is housing supply.
- Since 2017, there has been a 57% drop in available homes for sale. Over the same time period, home prices have risen from just under \$300,000 to over \$500,000. At the same time, rents have increased by as much as 15% in a single year.
- The Mayor's plan to build 10,000 Homes in Ten Years is meant to address this crisis, in order to build more housing so that everyone has a decent place to live.

Will new development in existing neighborhoods burden infrastructure?

- Anchorage has sufficient capacity in its existing water, sewer, and road infrastructure to accommodate more residents. Allowing more people to live on existing infrastructure helps reduce costs for the community as a whole.
- Estimates suggest that the Municipality of Anchorage faces over \$1 billion in deferred maintenance on roads alone, and more low-density development will continue to stretch the Municipality's resources even further.
- By building on existing infrastructure, the Municipality will create a stronger fiscal foundation for maintaining that infrastructure.

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Will this lower my property values?

- Zoning doesn't create development potential, it restricts it. Removing restrictions may make property more usable, and thus more valuable.
- New forms of housing generally do not have a negative impact on values of existing older housing.

Why isn't this more targeted?

- The current TSDO area focuses on the parts of the Bowl that make the most sense for more opportunities. Most of the Bowl is not included.
- The current TSDO area applies to only about 17%, or less than 1/5th, of developable area in the Bowl. This is about 8% of developable land in the entire Municipality.

What about parking?

- Parking problems are generally an issue of people storing private property (vehicles) on public streets (the right-of-way). Off-street parking mandates (parking minimums) and setbacks do not solve on-street parking problems because they do not address the problem where it occurs.
- The Municipality of Anchorage has no parking mandates, but developers are still building off-street parking because homeowners and tenants want places to park.
- Current evidence suggests that Anchorage tends to have too much on-street parking and too many parking lots, rather than too little.
- The Planning Department is currently conducting a Right-of-Way management study, which will recommend better strategies for managing on-street parking and snow plowing.

Have other Municipality departments reviewed the draft ordinance?

- Yes--The Planning Department circulated the proposed draft ordinance to departments across the Municipality and has received supportive or no opposition comments from AWWU, Watershed Management Services, AMATS, Right-of-Way, Traffic Engineering and Addressing. No other departments has submitted comments.

This seems to conflict with a specific aspect of the Comprehensive Plan. Why are you saying it implements the plan?

- The Comprehensive Plan includes high-level goals as well as more specific strategies meant to achieve those goals. The TSDO was proposed as a strategy to achieve several goals, including promoting a greater diversity of housing options, taking a forward-looking approach to development, promoting walkability, supporting transit service, and targeting development to the core of the city.
- However, the Plan also contradicts itself and recommends that density not change within the TSDO, which is difficult to square with the goal of the TSDO being the place where housing should be built as well as Federal guidance that adequate bus service depends on at least 30 dwellings per acre. To resolve this contradiction in favor of the plan's broader goals and planning best practices, the TSDO is accompanied by an AO that amends the Comprehensive Plan to allow appropriate densities in the TSDO.
- The Plan also called for the TSDO map to be developed via a comprehensive walking study to refine the ¼ mile radius to account for actual travel times. Such a study, however, would likely take several years and tens (if not hundreds) of thousands of dollars, while creating minimal public value.

Why not do it another way?

- Some comments have suggested several other ways of promoting housing, such as changing the rules in the R-3 and R-4 zones. We appreciate these ideas and will certainly consider them in upcoming reforms.
- Some have suggested that the TSDO be more geographically limited, specifically that R-1 neighborhoods should be excluded. On the other hand, many others have worried that allowing R-1 neighborhoods to block new housing would both (a) limit the effectiveness of the TSDO; and (b) tend to promote racial and economic segregation.
- The proposal as designed is based on planning best practices and the realities of development in Anchorage today.

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How does the TSDO account for short-term rentals?

- Short-term rentals are being addressed in another upcoming ordinance. The first step will be to collect better data by requiring STRs to register and provide more information.

Why wasn't there more public process?

- In addition to being a part of our adopted plans for 25 years, the specific TSDO ordinance has been in development by the sponsors and the Planning Department since late 2024.
- The sponsors conducted outreach through late 2024 and early 2025, generating several letters of support from community councils.
- It was intended to be released for review in early 2025 but a change in Assembly sponsors resulted in unexpected delays.
- The Planning Department notified all community council presidents of the project in June 2025, and held a work session and regular meeting at the Planning and Zoning Commission in July 2025. Since then the Planning Department has attended and presented at any community council meetings where invited.
- The Mayor's office and Federation of Community Councils convened a focus group of community members that met over two meetings in August 2025.
- The item will be at the September 8, 2025 Planning and Zoning Commission Meeting and will likely be continued to a subsequent Planning and Zoning Commission Meeting in October.
- The item will likely be before the Assembly in November or December of 2025.