



Municipality of Anchorage

Planning Department

Memorandum



DATE: December 9, 2024

TO: Planning and Zoning Commission

THRU: Mélisa Babb, Planning Director *MB*

FROM: *DJAF* Daniel McKenna-Foster, Senior Planner, Long-Range Planning Division

SUBJECT: Information on AO 2024-104, Establishing a Moratorium on Residential Design Standards in AMC 21.07.110C. of Title 21

Overview

AO 2024-104 was introduced at the Assembly's October 22, 2024 meeting and is scheduled for public hearing at the Assembly's January 7, 2025 meeting. The ordinance would suspend the existing design standards for multifamily and townhouse residential as listed in AMC 21.07.110C., with the exception of screening requirements for mechanical and electrical equipment. The Assembly sponsors have waived a Planning and Zoning Commission review; AO 2024-104 and the information presented below is for informational purposes for the Commission. This is not a public hearing item, and the Planning Department will not be providing a formal staff report to the Commission or the Assembly beyond this memorandum.

Policy Guidance and Community Priorities

The *Anchorage 2020—Anchorage Bowl Comprehensive Plan* (Anchorage 2020) includes design standards as an essential strategy for 33 of its 100 policies. The *Anchorage 2040 Land Use Plan* (2040 LUP) includes policy guidance mentioning compatibility, appropriateness, scale, neighborhood character, or neighborhood characteristics in 8 of its 94 implementation actions. Neither of these documents provide clear and actionable support for removing design standards, nor do they outline a highest-priority focus on housing production at the expense of other values.

However, goals 1-4 of the 2040 LUP policy do call for new residential construction in a mix of housing types and infill development.ⁱ Recent housing production in Anchorage has been abnormally low, with housing costs for consumers are at the least affordable level in 20 years. While demand is high, production of market-rate multifamily is consistently failing to meet that demand.ⁱⁱ In response to the changing conditions, the Assembly has passed a number of resolutions (AR 2022-136, AR 2022-416, AR 2023-45, and AR 2023-260(S)) which provide support for reducing regulatory barriers to housing production.

Design Standards in the Anchorage and National Context

In considering whether design standards are regulatory barriers to housing production, staff reviewed the following information.

- In the years preceding adoption of the new AMC Title 21 in 2014, at least two groups reviewing preliminary versions of the code predicted that design standards would increase costs and potentially hamper development.ⁱⁱⁱ
- AMC Title 21.07.110 applies more restrictive design standards to multifamily housing than to single family housing or commercial buildings of a similar size.
- The Planning Department's most recent efforts to measure the impacts of design standards on housing production focused on site access. However, this report also identified other existing AMC Title 21 design or landscaping requirements as obstacles to housing production.^{iv}
- The MOA's 2024 CDBG annual Action Plan and 2023-2026 Consolidated Plan, submitted to HUD on a regular basis, list "*Title 21 zoning ordinance residential design standards*" as a barrier to affordable housing.^v
- The Anchorage Community Development Authority's 2023 "Incentives for Market-Rate Attainable Housing Development" report noted that aesthetic requirements had often been cited as obstacles to new housing.^{vi}
- A letter dated November 20, 2024, from Cook Inlet Housing Authority and Debenham LLC to the Assembly calls for an expansion of the scope of the moratorium on residential design standards proposed in AO 2024-104.
- Surveys done by national industry organizations suggest that in 2021, design standards could add on average between \$10,000-\$18,000 in additional cost per unit.^{vii}
- Empirical literature which also finds a relationship between restrictive land use regulations and higher housing prices.^{viii}

Planning Department Recommendation

Design standards in Title 21 were intended to implement clear guidance from the comprehensive plan to support good design, neighborhood compatibility, and appropriate scale of development. The guidance was a response to problematic and unregulated development in previous decades and resulted in improved landscaping requirements for parking lots, improved stormwater treatment regulations, and use-based restrictions for nuisance uses, among others. This AO places a moratorium on a small portion of the design standards that only apply to multifamily construction. Other sections of code still address nuisance uses, building scale, percentage of windows, locations of primary

entrances, and setbacks via dimensional requirements and building frontage design guidelines. Considering the most recent guidance from the Assembly, the Mayor, Goals 1 through 4 of the *2040 LUP*, and the evidence supporting the role some design standards have in adding development costs for residential construction, the Department recommends that the Assembly approve the moratorium, but with the following additional suggestions for consideration:

1. Extend the suspension from January 31, 2027, to May 31, 2028, or until such time as new or revised standards are adopted, to provide more time for the full course of design, from concept to completion, for large projects.
2. For future action by the Planning Department: Convene a working group to explore and test revisions to 21.07.110C. and similar portions of 21.07.110.D., 21.07.110E., and 21.07.110F. per the recommendation letter by CIHA and Debenham, Inc., dated November 20, 2024. and regarding “AO 2024-104, *Multi-Family Residential Design Standard Moratorium.*”
3. For future action by the Planning Department: Update policy guidance in the *Anchorage 2020* and the *2040 LUP* to better align with current trends, data, and best planning practices regarding multifamily residential construction. This effort could be a part of the 10-year plan targeted update process.

ⁱ 2040 LUP Goal 1: Anchorage achieves residential and commercial growth, which improves community resiliency and citizens’ quality of life as it supports their vision for the future expressed in the Comprehensive Plan.

2040 LUP Goal 2: Infill and redevelopment meets the housing and employment needs of residents and businesses in Anchorage.
2040 LUP Goal 3: Mixed-use, walkable commercial centers and corridors thrive within their neighborhood context, offer housing affordable to a range of incomes, and enable business growth.

2040 LUP Goal 4: Anchorage’s neighborhoods provide a range of places to live, meeting the housing needs of residents at all income levels, household sizes, interests, ages, abilities, and races and ethnicities.

ⁱⁱ “Housing shortage keeps raising home prices in Anchorage as average jumps to more than \$500K”

<https://www.adn.com/alaska-news/anchorage/2024/10/31/housing-shortage-keeps-raising-home-prices-in-anchorage-as-average-jumps-to-more-than-500k/>

ⁱⁱⁱ “It was clear that the proposed changes to the code including design features, requirements related to open space, tree retention, landscaping and snow storage, as well as site design criteria intended to meet mixed use and density objectives would have significant impact on development costs. The Task Force also believes that the implementation of these regulations will not necessarily result in the achievement of the goals and objectives of the 2020 Plan.” **Mayor’s Real Estate Advisory Task Force Report and Analysis of the Proposed Rewrite of TITLE 21.** January 28, 2005.

<https://www.muni.org/Departments/OCPD/Planning/Projects/Documents/RETFFINALREPORT.pdf>

“The existing code has no residential design standards. The proposed code would include a new tool that would create residential design standards for single-family structures, duplexes, townhouses, and multi-family developments. Mobile homes would be excluded. These new design standards and regulations are more restrictive and could create additional costs for property owners.” **Economic Impact Analysis Title 21 Land Use Regulations Rewrite.** February 29, 2008.

https://www.muni.org/Departments/OCPD/Planning/Projects/Documents/FINAL_DRAFT_29Feb2008-rev1.pdf

^{iv} “Eliminate the requirement for a walkway from the main entry for multifamily and townhouse developments with less than five units: Allow small multifamily developments to match single-family residential which may use the driveway as a pedestrian walkway (Item 6). Eliminate or reduce the L2 landscape requirements under certain circumstances: Multifamily zoning districts should not be considered equivalent under code to “nuisance” zoning districts like high-intensity business districts or industrial (Item 7). Eliminate the requirement for a walkway from a parking courtyard to the street. If the parking courtyard meets all requirements for a parking courtyard, including providing a driveway that is design for pedestrian use, there is no need for an

additional walkway (Item 3). Amend the Pedestrian Amenities requirements: It is unclear which of the “pedestrian amenities” menu items address health and safety and which are aesthetic recommendations. The team suggests removing all standards that are optional or are only included for aesthetics. Amend 21.07.060G to select items on the menu that are considered vital for residential design in Anchorage (i.e. covered and well-lit entries) and make them a code requirement for all developments.” **Site Access Test Fit Report.** March 30, 2024.

https://www.muni.org/Departments/Assembly/SiteAssets/Pages/Community%20and%20Economic%20Development%20Committee/AIM_50-2024_2_SITE_ACCESS_TEST_FIT_REPORT_FINAL_FOR_AO_2024-24.PDF.PDF.pdf

^v **Anchorage 2024 CDBG Action Plan:**

<https://www.muni.org/Departments/health/PHIP/CSD/SiteAssets/Pages/PlansandReports/2024%20Action%20Plan%2008.13.24.pdf>

Anchorage CDBG 2023-2027 Consolidated Plan:

<https://www.muni.org/Departments/health/PHIP/CSD/Documents/2023-2027%20Draft%20Consolidated%20Plan%20for%20website%2007072023.pdf>

^{vi} *“In 2013, the Anchorage Assembly passed a significant rewrite of Title 21 to align the building and land use code with the Municipality’s Anchorage 2020 Comprehensive Plan. Many of the changes made building regulations more stringent, including tighter restrictions on height, bulk, and density of new developments, and increased requirements for landscaping, pedestrian and vehicle access, and aesthetic design. Title 21 requirements are often cited by developers as the most challenging obstacle to building new housing in Anchorage. Current regulations for new housing construction make high-density difficult or impossible to achieve without significant “variances” (exceptions to code) granted by the Planning Department.”* **Incentives for Market Rate Attainable Housing Report.** Anchorage Community Development Authority. <https://www.acda.net/news/incentives-for-market-rate-attainable-housing-development-report>

^{vii} **Government Regulation in the Price of a New Home: 2021** May 5, 2021 Special Study for Housing Economics. Paul Emrath, Ph.D.

<https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-government-regulation-in-the-price-of-a-new-home-may-2021.pdf>

^{viii} **“Chapter 19 - Regulation and Housing Supply”** Joseph Gyourko and Raven Molloy.

<https://www.sciencedirect.com/science/article/abs/pii/B9780444595317000193>. This paper was cited in the White House post “Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market” from June 17, 2021.