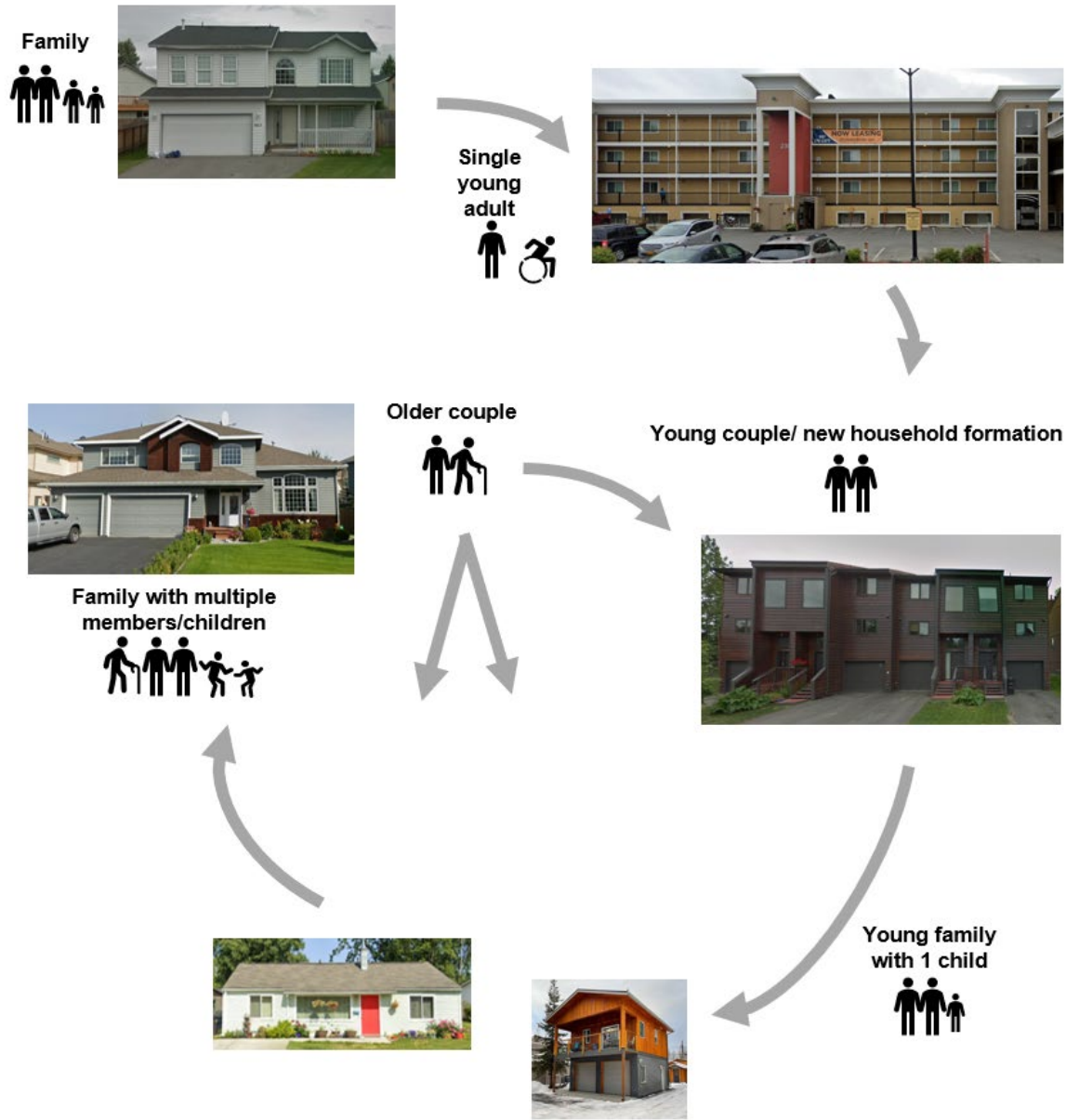


THE HOUSING LIFECYCLE:



Adapted from ECONorthwest, Clark, William A.V and Frans Dieleman, 1996
Households and Housing, New Brunswick, NJ: Center for Urban Policy Research

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



Table of Contents

1. Why This Document

- Overview: Coordinating Across the Municipality to Address Housing Needs
- Agency/Department Commitments to Housing Development

2. Housing Preference and Demand

- Recent Housing Preference and Demand Information

3. Housing Projections & Permit Data

- Housing Projections 2012 to Date 2023
- Units Permitted - 2010 to Date 2023
- Anchorage Permits Compared with Past Projections
- Alternative Housing Options – Accessory Dwelling Units
- Anchorage Listings Compared with Prices (St Louis FED)

4. Frontline Perspectives

5. How do we get there?

- Options for Improving the Housing Production Environment

6. Biggest Returns for the Investment (Staff, Time, Funding)

7. Action Items

APPENDIX 1. Overview of Plan Recommendations Since 2012

APPENDIX 2. Anchorage 2040 Plan Progress

APPENDIX 3. Examples of Recent Zoning Reforms in Other Communities

APPENDIX 4. Tax Abatement & Opportunity Zone Maps

APPENDIX 5. The Housing Lifecycle

APPENDIX 6. Our Downtown Utility Subcommittee Report

APPENDIX 7. Our Downtown GAP Funding Subcommittee Report

1. Why This Document

Overview: Coordinating Across the Municipality to Address Housing Needs

Facilitating the provision of enough housing to meet community needs has been a primary focus for the Anchorage Assembly, the Municipal Planning Department's Long-Range Planning Team (MOA LRP), the Anchorage Health Department (AHD), and Anchorage Community Development Authority (ACDA) for the past several years. Aligning efforts will help ensure better efficiency and less duplication. Upcoming projects include:

- **MOA LRP** will soon kick off a land capacity study and a housing demand update using the information from this white paper.
- **Assembly** staff will formulate a housing preference survey for residents throughout Anchorage and hold a housing summit.
- **AHD** will ensure that federal funding reaches to qualified low- and moderate-income housing projects.
- **ACDA** will use information from these projects to help craft new recommendations for housing incentives.

This white paper is a product of this group working together with inputs from several plans, studies, and surveys to align efforts in this direction. The white paper includes general information about housing preference and demand, permit information, frontline perspectives, reforms in other communities, and some ideas of how to move forward.

This white paper is a living document and will continue to be updated as the Assembly and administration adopts recommendations and policies.

Agency / Department Commitments to Housing Development



Assembly Commitment to Housing Development:

- The Assembly made a major commitment to increase housing development and to “cut red tape in 2023.” Goals for this initiative included setting a long-term vision, streamlining codes and processes, and spur innovative attainable housing.
- Assembly approvals to that end have garnered reductions in parking requirements, funding for the Midtown, South Addition, and Girdwood plans, funding for a long-range transportation plan strategy (LRTP), and funding for a right-of-way (ROW) management study.
- Assembly work is ongoing with several options under consideration for low-income and transitional housing, updates to Title 23, and discussions on housing materials and onsite regulations.
- Funding housing data surveys.
- Housing Retreat: developing strategies and objectives for the Housing Action Plan.
- Housing Summit (Fall 2023): Continuation of Housing Action Plan focused on community engagement.

Planning Department Commitment to Housing Development:



Planning Department
MUNICIPALITY OF ANCHORAGE

- In 2017, the Planning Department brought forward the *Anchorage Bowl: Anchorage 2040 Land Use Plan* (2040 Plan) for adoption. The 2040 Plan provided a new land use plan, goals, policies, and actions to make housing more attainable.
- Several Title 21 land use code updates have been adopted from the 2040 Plan.
- The recent adoption of the *Our Downtown: Anchorage Downtown District Plan 2021* and Title 21, Chapter 11: Downtown is already bringing new housing to Downtown Anchorage.

Anchorage Health Department Commitment to a Healthy Community:



- AHD has a variety of programs addressing housing development and homelessness. AHD’s Community Safety and Development (CSD) program manages the Municipality’s entitlement grants from the US Department of Housing and Urban Development (HUD). AHD’s Housing and Homeless Services (HHS) program manages programs funded through alcohol tax revenue and other initiatives.
- HUD Funding:



- Community Development Block Grant (CDBG): This program funds a variety of projects, including both capital projects and public services. Capital projects are mostly non-housing community facilities but can involve some components of housing projects such as land acquisition and utility construction. Public services programs include homeless outreach, legal services, and case management for residents of transitional housing.
- HOME Investment Partnerships: This program primarily funds housing, including construction of housing for low- and moderate-income residents and tenant-based rental assistance vouchers.
- Emergency Solutions Grants (ESG): This program primarily addresses homelessness through programs such as homelessness prevention and rapid rehousing.

ACDA's Commitment to Housing Development:



- In early 2016, ACDA championed the Strategic Development & Finance Guide compiled by Dorsey and Whitney LLP of Anchorage. Tools in that guide were used to recommend and justify the 4-unit and transit-supportive corridor housing incentives adopted by the Anchorage Assembly.
- ACDA also has new housing projects in the works including the Block 96 Lofts and the 6th Avenue Hotel in addition to their StepOne development tool hosted online at ACDA.net.

| 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. |



| MAYOR | |
|---|--|
| Actions | Result |
| ▶ Department Support & Communication | ➤ More housing at all income/preference levels |

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



| 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 | ➤ More housing at all income/preference levels |

| 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. |



2. Housing Preference and Demand

Recent housing preference and demand information:

2018 AEDC Housing Survey

AEDC's 2018 Anchorage Housing Survey Report is based on 1,100+ resident responses and provides detail on what Anchorage residents are looking for in housing, how satisfied they are with housing options, and what they would like to see in the housing market.

- 64% would like to see more cottage-style housing.
- 41% would like to see high-density mixed-use housing.
- Under 35-year-olds struggle more than any age group to buy a home: 74% said it was too expensive, 50% couldn't find a home in the neighborhood they liked, and 32% couldn't afford the down payment.

2021 Community Living Survey of Older Anchorage Residents

A 2021 survey of 300 residents between 55-75 found that:

- Among respondents who were likely to move out of Anchorage, the most important factors in their decision to leave were public safety (53% very important) and cost of living (50%)
- Respondents who expressed interest in living in a stand-alone, single family home were asked what size home was of most interest. The most popular size was 1,000 to 2,000 square feet (46%) followed by 500 to 1,000 square feet (28%), and 2,000 to 3,000 square feet (17%).
- Among those interested in a stand-alone, single family home, about half (52%) expressed interest in having a larger lot, while 39% expressed interest in a smaller lot. Note: No definition of what constituted a larger or smaller lot was provided.

Housing Demand Types:






Demographic information for Anchorage leads us to suggest several housing types remain in demand including:

- Starter housing (households under 35 years of age)
- Peak housing (households between 35 and 64 years of age)
- Downsizing housing (households 65 years and older).

Mixed within these demographic groups are low- and median-income workers who may not consider themselves as looking for one of the three housing types noted above. They just wish to find housing that is affordable as many of us do.

3. Housing Projections & Permit Data

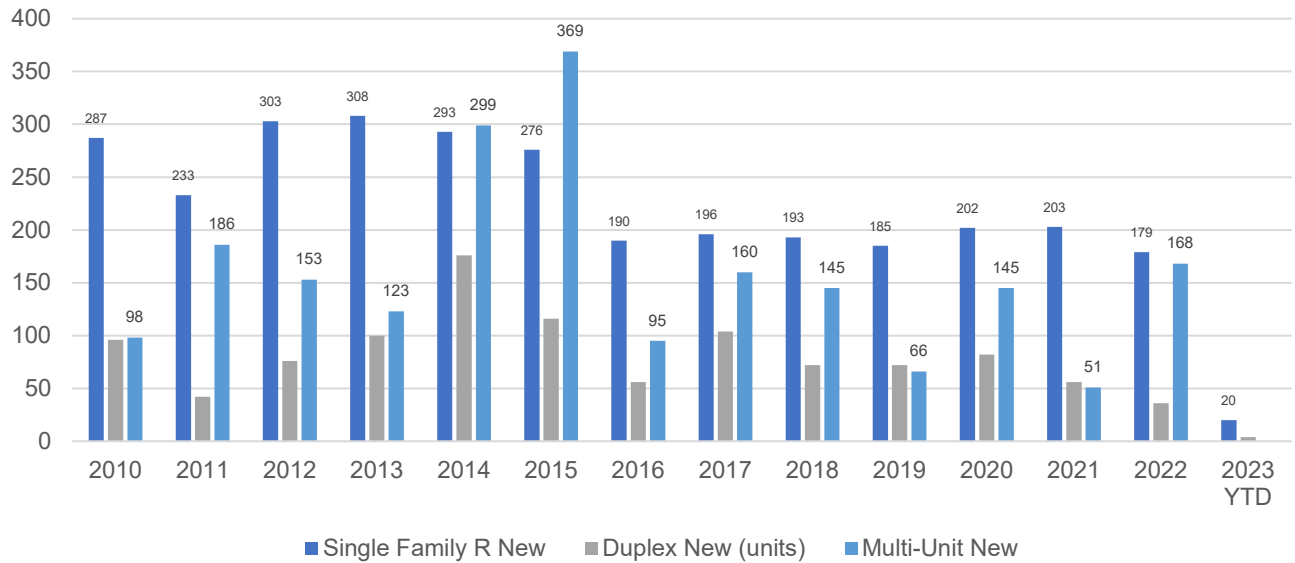
Housing Projections 2012 to Date 2023

| Plan/Projection Document | Projection |
|---|--|
|  2012 Anchorage Housing Market Analysis | <ul style="list-style-type: none"> ○ 18,200 new dwelling in the Bowl by 2032. ○ 3,300 new dwellings in Chugiak/Eagle River by 2032. |
|  2040 Land Use Plan: | <ul style="list-style-type: none"> ○ 21,000 new dwellings in the Bowl by 2040. ○ 1000 new accessory dwelling units in the Bowl by 2040. |
|  Our Downtown: Downtown Anchorage District Plan 2021 | <ul style="list-style-type: none"> ○ Projected need for 4,700 housing units Downtown, with 1400 housing units in the next 5-8 years. |
|  2021 Anchorage Coalition to End Homelessness GAP Analysis | <ul style="list-style-type: none"> ○ Single adults are the largest demographic facing unmet housing needs (Housing types included Shelter, Transitional Housing, Rapid Rehousing, Permanent Supportive Housing in this analysis) with a total GAP or projected need of 3,000 units: <ul style="list-style-type: none"> ▪ GAP of 2,621 total units for singles. ▪ GAP of 81 total units for families. ▪ GAP of 277 total units for youth and emerging adults. ▪ GAP of 21 units for Veterans. |
|  Housing Alaskans 2023 Housing Data (Agnew Beck) | <ul style="list-style-type: none"> ○ Anchorage needs an estimated 7,000 housing units over the next 10 years. <ul style="list-style-type: none"> ▪ 4,700 of these are existing units in need of renovation or replacement ▪ 2,300 are new units due to population growth or severe overcrowding. |

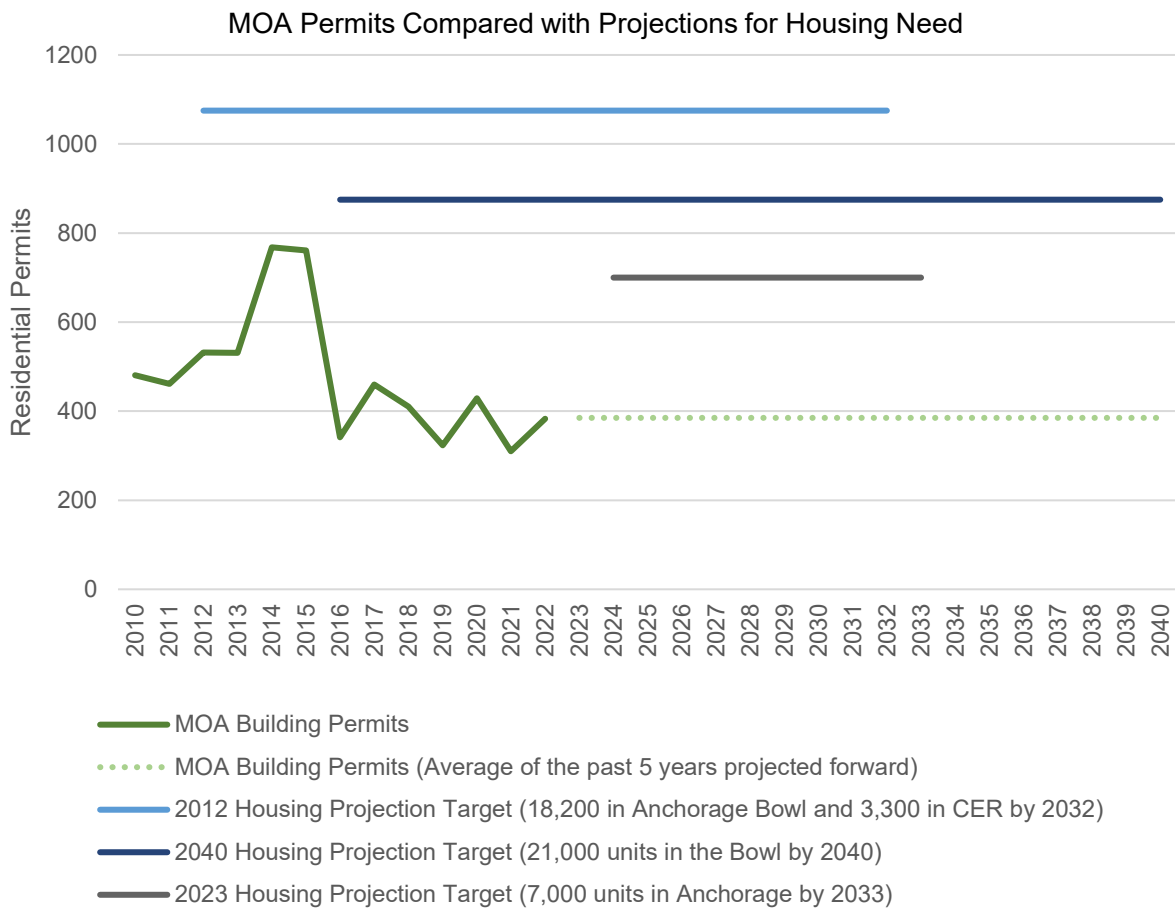
Units Permitted - 2010 to Date 2023

According to MOA permit data for all types of housing permits there have been **6,214 permits** issued since 2010 LRP is still confirming all permits resulted in new housing units.

Anchorage Residential Permits (MOA)



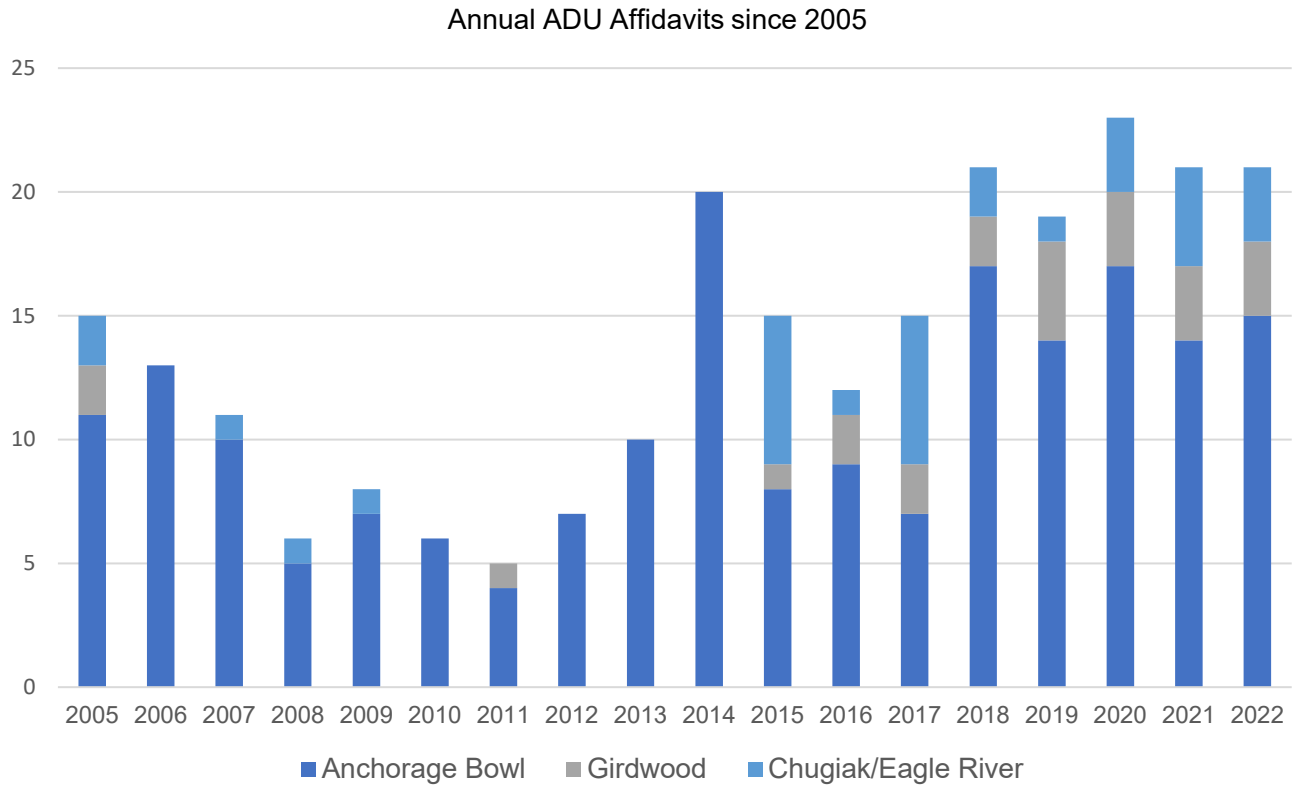
Anchorage Permits Compared with Past Projections



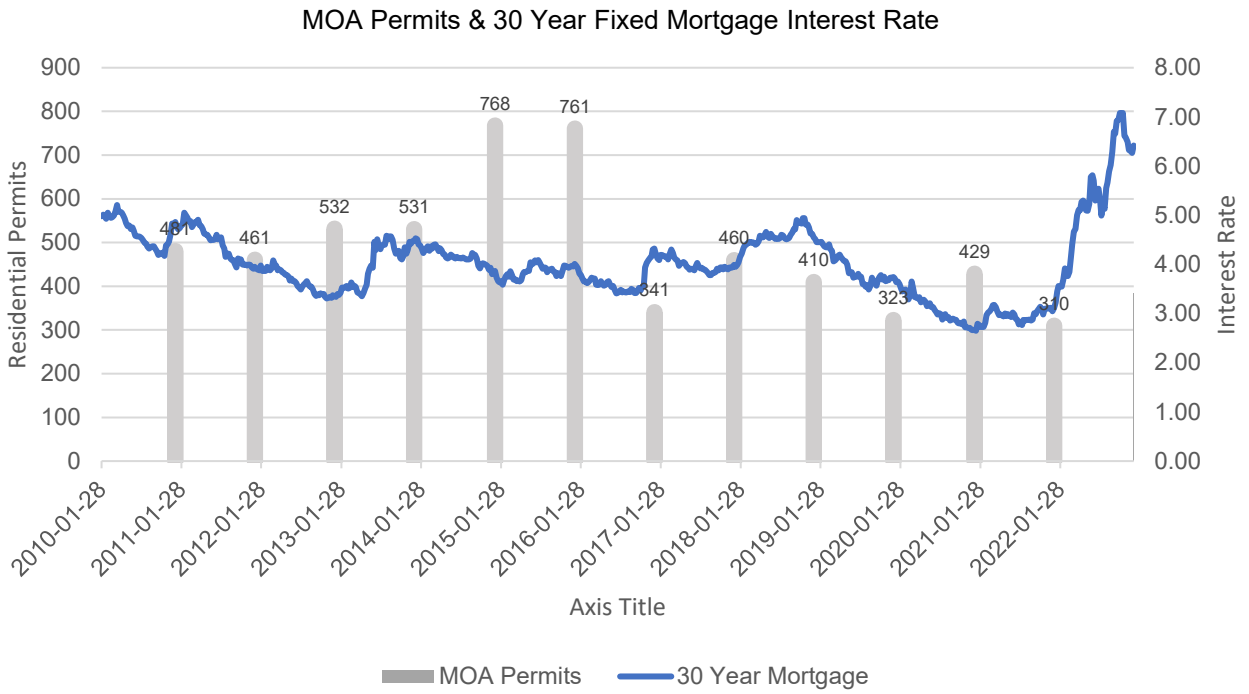
Alternative Housing Options – Accessory Dwelling Units

Accessory Dwelling Units are making a small dent in the number of housing units projected and then built. The 2040 Plan projected a need for 1000 new ADUs in the Bowl by 2040. Data gathered from owner-occupancy affidavits between 2005 - 2022 shows **248 permits**.

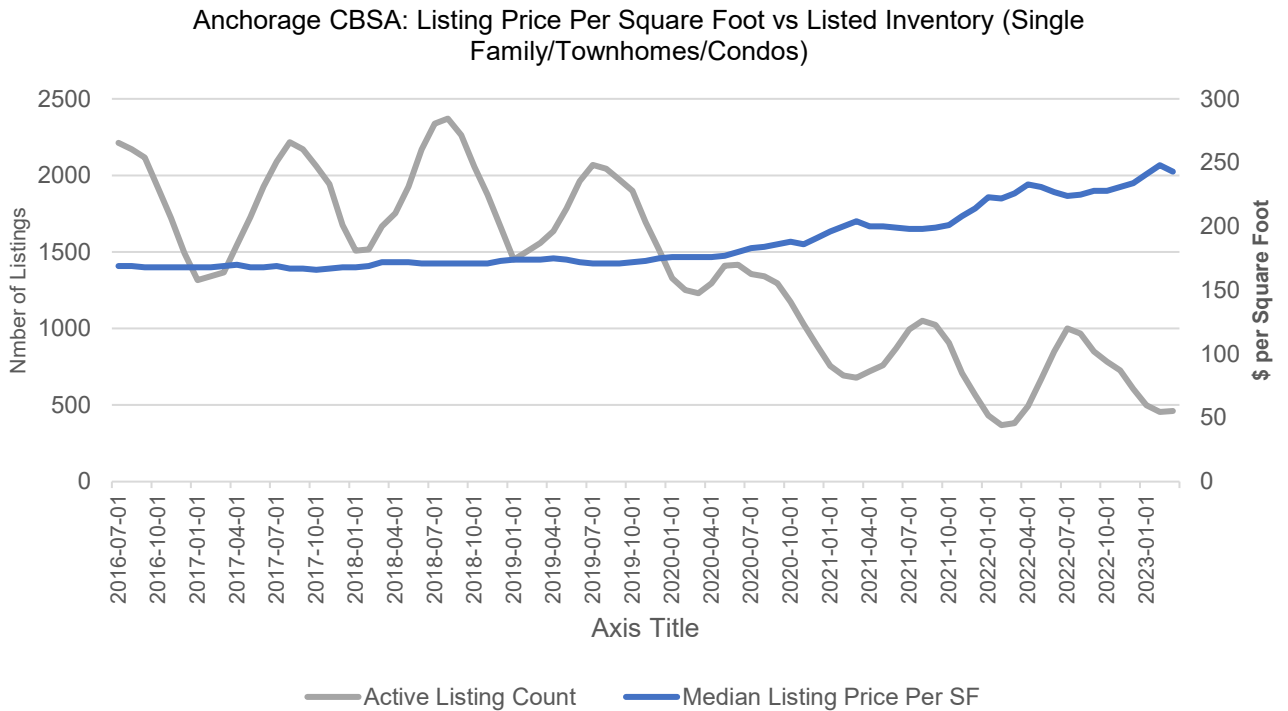
Recent Title 21 amendments now allow more flexibility for ADUs in all residential and commercial zoning districts throughout the Bowl and additional allowances in Chugiak/Eagle River and Girdwood.



All Permits Compared with 30 Year Fixed Mortgage Rates (St Louis FED)



Anchorage Listings Compared with Prices (St Louis FED)



4. Frontline Perspectives

Real Estate Community Comments

“Homes are going for \$100,000 over their listed price in some cases. There is not a single-family home without multiple offers within the first three days. There’s not enough inventory to support the demand and there’s a couple reasons why we have a demand. I’ll make you a video explaining. I Have done a substantial amount of research on this. there are several factors for starting with substantially reduced new housing opportunities. I spoke with a few builders in the valley they’re willing to come to Anchorage but they’re quoting 300 square-foot and that does not include land cost. Local builders are building around 350 a square foot which does include land cost. next is the 55+ who are not downsizing. And then the young adults who live with mom and dad or roommates till they were in their mid-30s now they want to buy real houses and they’ve got the money to do it. There are also a ton of mid 20s homes looking for real houses very few of them request condos or townhomes. That said condominiums have massive demand substantially increased in price some condos doubling in price from 2019”

-Email from Brandy Pennington, Realtor, March 22, 2023

Higher interest rates are limiting the amount of house people can buy and the willingness of people to sell. Many people are sitting in houses larger than what they need, but don’t want to sell because they might not be able to downsize at a price they are comfortable with.

Detached fourplexes have become less attractive in the valley as construction costs have increased. Anecdotally, they have seen more people looking to buy small scale single family in Anchorage instead.

Notes from discussion with Robert Meinhardt, realtor/broker on March 29, 2023

“It has always been easier and likely always will be to build a single family detached home versus multifamily....One thing I would say about the evolution of the housing market is that the first time home buyers or the lower end of the market for new construction has been very soft the past 7 years or so. Meanwhile the “move up” (\$500k and up) market is tight and there is a lot of demand. When looking at new construction townhomes starting around \$390k many people end up shopping for older single family homes instead. Thus home builders aren’t building much in that price range. I still build in that range because I have large existing projects that require similar units but sales are slow so I only build out about 10-15 per year total in three different projects.”

-Email from Andre Spinelli, Home Builder, April 19, 2023

5. How do we get there?

[Options for Improving the Housing Production Environment](#)

□ **McKinley Alaska Growth Capital and the [New Market Tax Program \(NMTC\)](#)**

McKinley Alaska Growth Capital (MAGC) has successfully secured \$120 million in NMTCs, receiving NMTC allocation in 2002, 2003, 2009, and 2020. To date, MAGC is the only Alaska-based entity to have received NMTC allocation and currently has \$20 million in available allocation for deployment. MAGC actively applies for NMTC allocation annually and seeks to work with for-profit, nonprofit, and Native-owned entities to create jobs and support expanded infrastructure, commercial activity and community facilities needed across low-income communities in Alaska and nationwide, including:

- Improvements to power systems to ease the cost of living and doing business;
- Accessible broadband to enable commerce and connection;
- and Community facilities across healthcare, education, and nonprofit support services to build stronger tomorrows

AIDEA can also be a partner in NMTC projects according to their [website](#).

□ **Mortgage Insurance for Rental and Cooperative Housing: HUD [SECTION 221\(D\)\(4\)](#)**

Section 221(d)(4) insures mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, elderly, and the handicapped. Single Room Occupancy (SRO) projects may also be insured under this section.

- Purpose: Section 221(d)(4) insures lenders against loss on mortgage defaults. Section 221(d)(4) assists private industry in the construction or rehabilitation of rental and cooperative housing for moderate-income and displaced families by making capital more readily available. The program allows for long-term mortgages (up to 40 years) that can be financed with Government National Mortgage Association (GNMA) Mortgage Backed Securities.
- Type of Assistance: FHA mortgage insurance for HUD-approved lenders.
- Eligible Activities: Insured mortgages may be used to finance the construction or rehabilitation of detached, semidetached, row, walkup, or elevator-type rental or cooperative housing containing 5 or more units. The program has statutory mortgage limits which vary according to the size of the unit, the type of structure, and the location of the project.
- Eligible Borrowers: Eligible mortgagors include public, profit-motivated sponsors, limited distribution, nonprofit cooperatives, builder-seller, investor-sponsor, and general mortgagors.

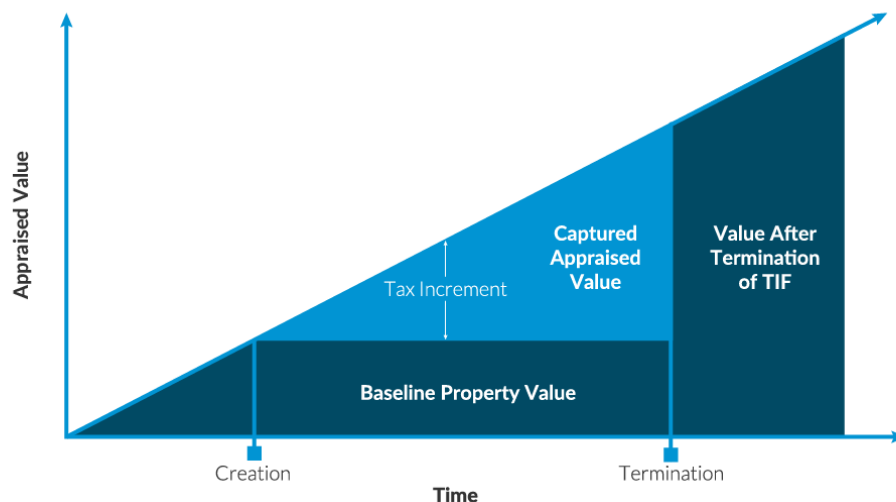
- Eligible Customers: All families are eligible to occupy dwellings in a structure whose mortgage is insured under this program, subject to normal tenant selection. There are no income limits. Projects may be designed specifically for the elderly or handicapped.

□ **Tax Increment Financing (TIF): May Need Changes to MOA Charter**

The concept behind TIF is that public investments in infrastructure and services induces private development, which in turn leads to higher property values, more employment, and additional tax revenue.

- A municipality identifies an area in need of redevelopment, or a developer approaches the city with a redevelopment plan that would not be viable without specific public improvements.
- The municipality conducts what is commonly known as the “but for” analysis that addresses two questions: is the proposed TIF district “blighted” or in need of redevelopment, and would the proposed development occur “but for” the TIF-funded capital improvements? If evidence of blight is found and the project satisfies the “but for” analysis, it can move past the initial planning stages.
- The municipality begins work on a district improvement plan. The properties that will benefit from the investment are identified, and the total assessed value of properties within the potential TIF district is determined. This establishes the baseline value from which the incremental tax revenue is calculated. In most TIF districts, the baseline is frozen at this “year zero” amount; in others, it grows at a specified rate of inflation established by law or by negotiation with affected tax districts.⁵ This analysis allows the city to project the property tax revenue that the project will generate over time in order to develop a borrowing plan or a plan to reimburse a developer’s upfront infrastructure expenditures. The city then can begin to negotiate covenants with bond underwriters and agreements with real estate developers and relevant public agencies. A local development corporation (LDC) could also be created to oversee the capital improvement and financing plan.

Figure 1: Diagram of a Conceptual Tax Increment Financing Plan



- After securing the necessary planning approvals, the local government (or the LDC) launches the TIF district. If necessary, bonds are issued and the proceeds used to fund the upfront infrastructure project costs and other expenditures. In other cases, a developer will pay for the improvements and get reimbursed in whole or in part by the proceeds from a TIF bond, or directly from incremental TIF revenue as it is collected.
- The new investments begin to induce development, and total property values within the TIF district begins to rise. This growth in property value translates into an increase in the properties' assessed value, which generates incremental property tax revenue above the baseline value, which then flows into a special TIF fund. If bonds were issued TIF revenue will be used to repay the bonds; otherwise, the incremental revenue will be used to fund expenditures on a pay-as-you-go basis or to reimburse developers for their upfront investments. The incremental tax revenue continues to flow into the TIF fund until the district expires. The maximum TIF district length varies by state, and many states allow for extensions of the initial length. The most common TIF district length is between 20 and 29 years, though some jurisdictions allow up to 50 years.⁶
- After the district expires, properties within the TIF district fully return to the tax rolls and resume paying taxes to all the applicable tax jurisdictions based on the full assessed value.

□ **Public Private Partnerships (3Ps)**

Key Characteristics of Public-Private Partnerships (PPPs/P3s):

There is no single definition of a P3. The Government Accountability Office defines a public-private partnership as “a contractual arrangement that is formed between public and private-sector partners. These arrangements typically involve a government agency contracting with a private partner to renovate, construct, operate, maintain, and/or manage a facility or system, in whole or in part, that provides a public service. Under these arrangements, the agency may retain ownership of the public facility or system, but the private party generally invests its own capital to design and develop the properties. Typically, each partner shares in income resulting from the partnership. Such a venture, although a contractual arrangement, differs from typical service contracting in that the private-sector partner usually makes a substantial cash, at-risk, equity investment in the project, and the public sector gains access to new revenue or service delivery capacity without having to pay the private-sector partner,” (United States Government Accountability Office, 1999).

The National Council for Public-Private Partnerships (NCP3P) defines a public-private partnership as "a contractual agreement between a public agency (federal, state, or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility," ((Top Ten Facts About PPPs, n.d.).

Benefits of P3s:

Public-private partnerships help fill the void between typical annual government accounting and capital budgeting. The private markets know the benefits of capital budgeting and are investing heavily in U.S. capital infrastructure. Those who support the advancement of PPPs highlight

many advantages. In a recent report by Deloitte titled, "Closing America's Infrastructure Gap: The Role of Public-Private Partnerships," it succinctly outlines six perceived benefits to governments utilizing PPPs as follows:

- PPPs allow the costs of investment to be spread over the lifetime of the asset and, therefore, allow infrastructure projects to be brought forward in years compared to the pay-as-you-go financing that is typical of many infrastructure projects.
- PPPs have a solid track record of on-time, on-budget delivery.
- PPPs transfer certain risks to the private sector and provide incentives for assets to be properly maintained.
- PPPs can lower the cost of infrastructure to the public entity by reducing both construction costs and overall life-cycle costs.

Since satisfaction metrics can be built into the contract, PPPs encourage a strong customer service orientation.

Because the destination, not the path, becomes the organizing theme around which a project is built, PPPs enable the private sector to focus on the outcome-based public value they are trying to create.

□ **Land Assembly – Focusing the Effort – Pilot Projects**

Several adopted MOA plans discuss land assembly and pilot projects as redevelopment tools. Most recently in the “Few Good Blocks” area declared in downtown in 2015, new projects include Elizabeth Place, Block 96 Lofts, and the new Fire Island Bakery. Focusing the effort was the mantra for the “Few Good Blocks” area, after a Smart Growth America workshop held in May 2015. These projects indicate that focusing the effort is working in downtown. How do we make it work other places?

A land assembly or assemblage is the process of purchasing various smaller, contiguous parcels of property to merge them into one large land parcel or property. Elizabeth Place included a land assembly of 3 lots, two owned by the MOA and one owned privately. This land assembly process was successful for three reasons.

- Knowledgeable staff – The MOA Housing Czar led this project, providing an RFP for the development and an open and proactive communication process leading to success.
- Willing seller – The private property owner was willing to sell: The property was an investment holding and the timing was right.
- Willing developer – While there were some financing, utility, and design issues to overcome, the project was built and rented before it opened. With the recent adoption of Title 21, Chapter 11: Downtown, those design issues should not be an issue in the future.

Block 96 Lofts could also be considered a Pilot Project wherein ACDA provided the land in a long-term lease and a parking incentive. Block 96 Lofts is also using the 4-unit housing incentive to help make the project financially viable.

□ **Title 21 Amendments**

Recent changes to Title 21 include:

- Chapter 11:Downtown update (A.O. 2023-43)
- Removal of parking minimums (A.O. 2022-80 (S))
- Site access (A.O. 2023-50)
- ADU regulations update (A.O. 2022-107, As Amended)
- R-4A mixed use zone update (A.O. 2023-42)
- Most recent Omnibus (in process as of 4/27/2023).

What else is needed? The Housing Summit should provide more information on issues and changes that could be made. The table in section 6 provides some options, and additional areas for improvement may be:

- Predesign approvals (Tiny Houses, PUD)
- Sidewalk exemption

□ **Title 23 Amendments**

The project will need to consult with staff and the development community on any new items to consider. This include fee-in-lieu for off-site developments.

□ **State Land Exchanges**

Work with the state of Alaska to acquire or encourage develop of appropriate parcels.

□ **Federal Qualified Opportunity Zones (QOZ)**

A Qualified Federal Opportunity Zone is a delineated geographic area within which new investments, under certain conditions, may be eligible for preferential tax treatment.

To invest in a QOZ, an investor must use a qualified opportunity fund (QOF). A QOF is an investment vehicle organized as either a partnership or corporation that holds at least 90% of its assets in QOZ property. A limited liability company (LLC) may be a QOF if it chooses to be treated as a partnership or corporation for federal income tax purposes and is organized specifically to invest in a QOZ property.

Per IRS guidelines, a QOF must double its basis within 30 months to qualify for the tax benefits and provide a “substantial improvement” to its assets.

QOF Tax Benefits - QOFs offer a unique opportunity for investors selling a range of investments, including, but not limited to, stocks, bonds, real estate, closely held business assets, cryptocurrency, jewelry and art. When the gains realized from the sale of these assets are reinvested into QOFs, an investor can potentially benefit from the following “triple-layer” tax incentives:

- Deferral: Those who roll over their capital gains into a QOF can defer capital gain recognition from the original investment until December 31, 2026.
- Reduction: The amount of capital gain recognized from the original investment is reduced by 10% after achieving a five-year holding period if that five-year holding period is achieved by December 31, 2026.

- Exclusion: Long-term investors are eligible to pay no tax on the appreciation of their QOF investment upon disposition of that investment, regardless of the size of that profit, if the assets held in that QOF are held for at least 10 years. However, the tax benefits are not guaranteed. It is possible, due to tax, regulatory or investment decisions, that a fund, or its investors, are unable to realize any tax benefits. It is crucial that investors evaluate the merits of the underlying investment and do not solely invest in an OZ fund for any potential tax advantage.
- Furthermore, OZ investments qualify during a 1031 exchange, meaning investors trading from one asset can trade into an asset located in a QOZ to defer paying capital gains.

It's important to note that these tax benefits are not guaranteed and costs from the transaction may impact returns and potentially outweigh the tax benefits. Furthermore, income from the property and the assets depreciation schedule may affect an investor's tax bracket or tax status, possibly resulting in an unfavorable tax ruling.

Risks Associated with Opportunity Zones - opportunity zones were developed to promote investments in underperforming markets, and since their inception is relatively newer, there are risks that investors should be aware of.

OZ funds are at higher risk compared to alternative investment options:

- Since QOZs are newly formed entities with no operating history, there's no assurance of investment return, property appreciation, profits or resale opportunity. Investors must accept the reality that the investment may lose value over time.
- OZ investments are generally located in secondary markets, limiting liquidity options.
- Underwriting the portfolio holdings in OZ funds can be difficult. As such, market prices for most of a fund's holdings will not be readily available.
- OZ funds are leveraged, which increases the investment's exposure to factors such as rising interest rates, downturns in the economy and deterioration in the condition of the assets underlying the investments. Assets are also at risk of foreclosure.
- If an investor invests in a QOZ via a 1031 exchange, they need to keep in mind that these exchanges are available from private placement offerings and are considered illiquid securities. There is no secondary market for these investments.
- The regulatory protections of the Investment Company Act of 1940 are not available with unregistered securities.

These factors can result in more risk for an investor compared to other real estate offerings.

Investing in an OZ is a long-term investment - Investors pursuing OZ investments should consider that investing in an opportunity zone is a long-term strategy. In most cases, return of capital and realization of gains, if any, do not generally occur until selling or refinancing the asset. Furthermore, if a property loses a tenant or sustains damage, there is a potential for disruption in cash flow distributions.

Regardless, investors must be able to meet their contractual obligation and provide pledged capital. Failure to do so could have adverse consequences, including forfeiture of their interest in the fund.

□ **HUD Section 108 Works in OZs**

The HUD Section 108 loan guarantee program allows recipients to receive low-interest loans and is available on a rolling basis. The program uses the framework of the CDBG program and guarantees loans between the private sector and a state or local government that receives the CDBG funds. Government agencies can then relend the funds to a third-party business or developer or use the money on the development directly or through a sub-recipient partner.

The key is that Section 108 functions as a CDBG multiplier: CDBG recipient entities can borrow up to five times their annual CDBG allocation.

Entities can use Section 108 loans to acquire real property; rehabilitate publicly owned real property; conduct CDBG-eligible housing rehabilitation; build, reconstruct or install public facilities; and do related-relocation, clearance and site improvement.

Subrecipient entities—such as public housing authorities, economic development organizations, community development corporations and nonprofits—may receive Section 108 funds. Section 108 borrowers may also pass-through Section 108 financing to for-profit developers of OZ properties

□ **AIDEA Military Zone Designation**

AIDEA is a public corporation of the State of Alaska, created in 1967 by the Alaska Legislature:

"...in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises..."

AIDEA representatives participated in the Our Downtown Funding GAP working group providing information on loan and development programs have available. AIDEA mentioned the agency was giving the ability to declare an area a military zone, which would then allow some bonding capacity for utility upgrades. This needs to be researched further with AIDEA to determine if this program could be a viable option to support new development.

□ **ACDA Capital Bonding**

According to *AMC 25.35.060 Powers*; ACDA through is allowed to bond for projects:

9. As authorized by ordinance setting forth the form and manner of sale of bonds and notes in accordance with the Charter, to issue bonds in accordance with section 25.35.070 to pay the cost of a facility or to retire any bonds previously issued by it, and to secure payment of the bonds as provided in this chapter.

11. To purchase its bonds, with all bonds so purchased to be cancelled.

□ **Realign MOA CIP Process**

Expand coordination among departments in advance of the Capital Improvement Process to reduce private party costs and ensure that new infrastructure supports new housing development.

□ **Realign AWWU CIP Process & Pursue Tariff Changes**

Expand coordination among departments to reduce private party costs and ensure that new infrastructure supports new housing development .

6. 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. |
| Up to Four 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 • 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. |
| Development Services (In Title 23) | |
| Process improvement | Low hurdle: See Appendix 1(2022 AERDAC) |
| | High hurdle: See Appendix 1 (2022 AERDAC) |
| 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 • Guide to using tax incentives (Mitchell-Hamline project) |
| | High hurdle: <ul style="list-style-type: none"> • 8-unit 25 year, muni-wide tax abatement • Change MOA charter to allow TIF • Lobby state for changes to AS 29.45.050(m) to make economic development property tax incentives more beneficial. |
| AWWU | |
| | Low hurdle: Implement recommendations from the Our Downtown Utilities Subcommittee. Medium/high hurdle: Change tariff structure/procedure for new development. |

7. Action Item Worksheet

| Action | Who? | Timeframe | Cost |
|---|------|-----------|------|
| McKinley Alaska Growth Capital and the <u>New Market Tax Program (NMTC)</u> | | | |
| Mortgage Insurance for Rental and Cooperative Housing: HUD <u>SECTION 221(D)(4)</u> | | | |
| <u>Tax increment Financing (TIF)</u> : May Need Changes to MOA Charter | | | |
| <u>Public Private Partnerships (3Ps)</u> | | | |
| Land Assembly – Focusing the Effort – Pilot Projects | | | |
| Title 21 Changes | | | |
| Title 23 Changes | | | |
| State Land Exchanges | | | |
| <u>Federal Qualified Opportunity Zones (QOZ)</u> | | | |
| <u>HUD Section 108 Works in OZs</u> | | | |
| AIDEA Military Zone Designation | | | |
| ACDA Capital Bonding | | | |
| Realign MOA CIP Process | | | |
| Realign AWWU CIP Process & Pursue Tariff Changes | | | |

APPENDIX 1. Overview of Plan Recommendations Since 2012

[Selected Housing Studies/Analyses/Plans](#)

- [2012 Anchorage Housing Market Analysis](#)
- [2014 East Anchorage District Plan](#)
- [2016 Mountain View Targeted Neighborhood Plan](#)
- [2016 Anchorage 2040 Land Use Plan](#)
- [2017 Municipality of Anchorage Streamlining Development Process](#)
- [2018 AEDC Housing Survey](#)
- 2019 Compact Fairview Design competition
- [2020 Spenard Corridor Plan](#)
- [2021 Community Living Survey of Older Anchorage Residents](#)
- [2021 Anchorage Coalition to End Homelessness Gap Analysis](#)
- [2021 Our Downtown Plan](#)
- [2022 AERDAC The Planning, Building Permitting and Inspection Process Within the MOA](#)
- [2022 Anchorage Communities By Design Report](#)
- [2022 Roger Brooks Assessment Findings & Suggestions](#)

| Document | Projections and Actions (selected based on relevance to housing) |
|--|--|
| 2012 Anchorage Housing Market Analysis | <p>PROJECTION:</p> <p>Demand for approximately 18,200 new dwellings in the Anchorage Bowl and 3,300 new dwellings in Chugiak-Eagle River over the next 20 years is expected.</p> <ul style="list-style-type: none"> • The demand for attached and compact housing types will increase over time; attached housing is projected to make up 65 percent of housing demand preference in the Anchorage Bowl by 2030 (up from 58 percent currently). An aging population decreases in housing affordability, and changes in lifestyle will drive this shift in housing preference toward attached housing, particularly in the Anchorage Bowl. • A survey of over 800 households in the Anchorage Bowl and Chugiak-Eagle River found that 18 percent of respondents were “highly likely” candidates to choose compact housing based on their stated housing preference. |
| | <p>IMPLEMENTATION ACTIONS:</p> <p>Increase Efficient Land Use</p> |

| Document | Projections and Actions (selected based on relevance to housing) |
|--|---|
| | <ul style="list-style-type: none"> • Update the Land-Use Map to increase land use efficiency and implement Anchorage 2020 and the Title 21 Rewrite. • Reduce parking requirements for multifamily housing to reduce development costs. Increase Residential Densities • Allow small-lot single-family housing on smaller lots (less than 6,000 square feet) and narrower lots (less than 50 feet) where appropriate and with design standards. • Provide opportunity areas for building denser housing, such as the centers identified in Anchorage 2020. • Develop funding solutions to provide infrastructure to support residential densities and more efficient use of land. • Implement design standards to ensure development of desirable communities and protection of land values. Increase the Supply of Buildable Land • Phase infrastructure expansion into large land holdings in Chugiak-Eagle River. • Conserve the residential land supply by limiting rezoning of residential land for other uses. • Identify publicly owned lands that are suitable and make them available for residential development. <p>Facilitate Redevelopment</p> <ul style="list-style-type: none"> • Create and implement a redevelopment strategy to encourage infill and more compact residential development. • Identify key redevelopment stakeholders, tools, and opportunity areas or sites to implement a redevelopment strategy. • Target and clarify the existing tax-abatement and fee-waiver ordinance to increase effectiveness as a redevelopment tool. Ensure Affordable Housing • Expand affordable and workforce housing opportunities by identifying appropriate tools or financial incentives to create or rehabilitate affordable housing. <p>Improve the Regulatory Process</p> <ul style="list-style-type: none"> • Seek ways to further streamline development regulations and the permit process. |
| <u>2014 East Anchorage District Plan</u> | <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • 1.1.1 Use the policies in this Plan to guide development, rezoning, subdivision and zoning decisions to ensure that new development does not compromise the unique characteristics and stability of existing neighborhoods. [Planning Department, Planning Commission and Assembly] • 1.1.2 As new housing development or infill housing development occurs in the established single-family |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|--|
| | <p>neighborhoods, minimize negative impacts and developments that are out of character with the vision or desired outcome of the Plan.</p> <ul style="list-style-type: none"> • 1.1.5 New mixed-use areas and neighborhood centers on former residential sites must include residential units in order to minimize loss of residential capacity. • 1.1.7 Create, update and use an infill and revitalization toolkit to help facilitate housing development in existing residential neighborhoods. This could include preparation and maintenance of an active inventory of available lots, financing packages, and pre-approved building plans. • 1.1.8 Prepare and implement new small area or neighborhood target plans that implement desired zoning. In areas such as redeveloping trailer courts, a small area plan developed with property owners and adjacent land owners would show how new development could be integrated into the community, have support of adjacent home owners, and attract potential developers. • 1.1.10 The Planning Department should consider use of incentives, including changes in Title 21 such as PC District minimum acres, minimum densities and transition standards. • 1.1.12 The Municipality should actively assemble land or fund such actions to support improvements and stabilization of neighborhoods. • 1.1.15 Evaluate how to revise Title 21 to allow for up to 40 gross dwellings per unit area in R-3 districts in and around Town Centers. • 1.2.6 Establish a program that promotes the reuse and/or redevelopment of aging and low-density housing types, while preserving the affordability of an area, through a variety of mechanisms including site design guidelines, zoning changes where applicable and development incentives such as tax credits for affordable housing. • 1.2.7 As they age and/or are sold, transition mobile home housing to narrow house designs on small-lot subdivisions or other higher density housing types. This could include both single units per lot as well as multi-family units. • 1.2.8 Future mixed-use zoning on sites designated by the land use map should include residential units. • 1.3.3 Consider integrating the following guidelines into the Title 21 mixed-use design standards: » Integrate open space and trail connections. » Provide storage space for outdoor activity equipment. » Incorporate products suited to northern climates into design details. » Allow for housing with diverse characteristics, including both urban and suburban, to accommodate all family types and ages. • Allow redevelopment of large-lot single-family areas to smaller lot single family types (townhomes, cottage housing and duplexes) by rezoning vacant or underutilized properties to |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|---|
| | <p>allow for smaller lot subdivisions. » Develop and provide off-the shelf housing plans that reduce redevelopment costs and promote affordability of new development.</p> <ul style="list-style-type: none"> • 1.4.2 As mobile home parks and other aging residential areas are redeveloped, the Municipality should partner with housing providers, such as Cook Inlet Housing and senior housing providers to incentivize development of new and affordable housing units. • 1.4.3 Evaluate other methods of including a broader mix of housing types, rental ranges and purchase prices for new developments. • 1.4.4 Develop clear and objective standards for making land use planning decisions in small area plans. • 1.4.5 Create a public involvement process that achieves long-term consensus rather than project-by-project evaluation and approval. • 2.1.4 Plan for mixed-use development patterns that provide access options for daily public transit services, as well as bike and pedestrian connections, in order to minimize local auto trips and roadway congestion. <p>Housing Actions under Goal 4, <i>Neighborhood Housing</i>:</p> <ul style="list-style-type: none"> • 4-1. Expand regulatory user guidance/assistance materials for residential uses, including for ADUs, and other desired use types. • 4-2. Facilitate a Targeted Area Rezoning in the vicinity of Central Spenard Reinvestment Focus Area, with coordinated targeted area re-platting assistance or small-area plans on some portions, and expansion of the Midtown Deteriorated Properties Tax Abatement designated area as shown on the Actions Map to specifically incentivize housing. • 4-3. Amend Title 21 to allow parking reductions by right for residential uses; offer greater reductions in RFAs and other key development areas. • 4-4. Amend Title 21 to allow compact housing on R-2M or R-3 zoned lots near designated Centers. May include increased height or allowed units per lot, subject to additional urban design and neighborhood compatibility standards, such as for building massing and scale, lot coverage, setbacks, and vehicle access. Determine appropriate measures through a public process including collaboration with neighborhoods and stakeholders. • 4-5. Review site and utility engineering design criteria for infill housing and explore amendments to standards and procedures to reduce infrastructure costs while preserving safety and engineering objectives. • 4-6. Amend Title 21 and other regulations for internal site circulation for vehicles, parking courtyards, and private lanes for compact infill housing. |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|---|
| | <ul style="list-style-type: none"> • 4-7. Amend Title 21 to ease restrictions that currently deter construction of accessory dwelling units (ADUs). Determine appropriate measures through a meaningful, collaborative public process and include development standards for neighborhood compatibility. • 4-8. Evaluate and monitor barriers to fair housing in Anchorage, and establish goals and actions to overcome those barriers. • 4-9. Encourage the construction of accessory dwelling units (ADUs) through a permit review assistance program, applicant guidance materials, improved tracking of ADU development trends, and public information. • 4-10. Amend Title 21 to reduce restrictions that currently deter construction of compact housing types; and expand provisions that allow for compact housing types, including: <ul style="list-style-type: none"> ○ small-lot housing, ○ cottage houses with shared courtyards, ○ townhouses, and ○ small-scale garden apartments. • 4-11. Partner with other agencies to provide public education about the provisions of the Fair Housing Act and municipal laws to developers, landlords, tenants, financial institutions, and homebuyers. • 4-12. Work jointly with the manufactured housing industry/community and affordable housing advocates to develop an affordable housing redevelopment displacement mitigation strategy. • 4-13. Research and pre-approve housing construction plans that specifically promote desired new forms of compact housing development for walkable infill neighborhood contexts. Review existing municipally pre-approved plans to determine forms of housing that may be more appropriate to pre-approve primarily in suburban contexts, and replace those with pre-approved variations more appropriate in urban neighborhood environments. • 4-14. Require minimum densities for new single-family in multifamily zones in areas that are near Town and City Centers and are designated for public infrastructure investment or incentives for housing, such as Reinvestment Focus Areas. • 4-15. Prepare a special study/small-area implementation plan for the Tudor Road land use and transportation corridor between Lake Otis Parkway and Elmore Road, including the 3500 Tudor Road mixed-use redevelopment and public facilities campus. • 4-16. Update the 2012 Anchorage Housing Market Analysis including market trends and forecast housing needs. • 4-17. Amend Title 21 to allow small-lot subdivisions enabling more forms of small-lot housing as an alternative to large multi-unit buildings in multifamily districts. |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|---|
| | <ul style="list-style-type: none"> • 4-18. Adopt a housing impact mitigation program to ensure that any losses of housing units or residential land to rezonings or ROW acquisitions are offset by additions in an appropriate location. • 4-19. Adopt a low-density compact housing district that allows a modest increase in density above the R-2D two-family district, of up to 3 to 4 residential units per structure, while retaining the prevailing lotting pattern and built scale within existing neighborhoods. Avoid lot aggregation of whole blocks or construction of eight-plexes, which is already allowed in the R-2M zone. <p>Other Actions that the 2040 Plan states are integral to Goal 4:</p> <ul style="list-style-type: none"> • 1-1. Update, maintain, and publish a land use and buildable lands inventory database, development and demographic trends data, and environmental conditions data. • 2-1. Revise state laws to expand municipal tax incentive tools for economic development, and adopt local economic development tools, including improved tax abatement, tax increment financing (TIF), bonding capacity, and other programs to catalyze growth and redevelopment that advances policy objectives for housing, development, and neighborhood compatibility. • 2-2. Coordinate with agencies and partners to establish criteria, responsibilities, and the public-private partnership framework for the Reinvestment Focus Areas (RFAs). Identify a range of public investments, fiscal incentives, and other tools, and how they may be coordinated. Create a formal RFA selection and approval process that serves as the policy and procedure guide and funding/action directive for RFAs. • 2-3. Implement the formal RFA selection and approval process from Action 2-2 and initiate action on the priority RFAs as established in Section 3.2 of this Plan. • 2-4. Identify and implement appropriate ways to modify, simplify, or waive procedural requirements and application fees for certain permit reviews, while maintaining the integrity of those review processes, for projects in Reinvestment Focus Areas and for proposed rezonings that conform to and implement the 2040 LUP. • 2-5. Create a Project Review Management Service to help applicants navigate the permitting process for 2040 LUP priority projects, such as compact housing and adaptive reuse of older buildings, and developments in Reinvestment Focus Areas. • 2-12. Reform the system for requiring off-site public infrastructure improvements to be more flexible and enhance certainty in the development approval process. Flexibility may |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|--|
| | <p>include a lower level-of-service (LOS) standard for off-site transportation improvements in delineated Reinvestment Focus Areas where alternative transportation modes such as transit and pedestrian access exist. Retain the objective to provide adequate public facilities.</p> <ul style="list-style-type: none"> • 5-3. Develop and maintain an updatable asset inventory of the condition and capacity of Anchorage's infrastructure, including water, wastewater, storm water, roads, alleys, sidewalks, public transit, schools, energy utilities, and "green infrastructure" such as parks, wetlands, riparian corridors, and natural drainageways—especially in areas designated for growth. A street inventory includes the identification of needed additional local and collector street connections, intersection and access improvements, and pedestrian connections. • 6-2. Adopt a policy and municipal street design criteria for “Complete Streets” and urban and mixed-use Street Typologies to serve all users and reflect adjacent land use patterns. Apply these in priority Reinvestment Focus Areas. • 6-8. Develop a phasing and prioritization program for additional local and collector street connections, intersection and access improvements, right-of-way width, and pedestrian connections that are needed to support infill and redevelopment in neighborhoods, centers, and corridors targeted to experience growth and change, including in Special Study Areas identified along Lake Otis and Tudor near the UMED District, along northern Muldoon Road, and other areas shown on the Actions Map. • 7-2. Incorporate neighborhood compatibility standards in compact housing amendments in Actions 3-4, 4-3, 4-4, 4-6, 4-7, and 4-10. • 7-4. Adopt one or more Traditional Neighborhood Design zoning districts or overlay zones for urban neighborhoods, which reflect adopted plans and incorporate "form-based" regulations. Structure the form-based code to accommodate neighborhood differences and characteristics while staying consistent and simple in format. For example, this action includes helping to implement the “City Center” and “Mixed-use (a.k.a., Main Street) Corridor” land use designations in the Fairview Neighborhood Plan area. <p>Other 2040 Actions that support infill and redevelopment containing housing:</p> <ul style="list-style-type: none"> • 2-6. Amend Title 21 to create a medium-density residential district that allows mixed-use commercial in an integrated neighborhood setting... • 2-7. Adopt and apply an adaptive reuse ordinance to promote reuse of older structures, consistent with life safety standards. • 2-8. Analyze and recommend amendments to the Land Use Plan Map changing public and institutional lands to a residential |

| Document | Projections and Actions (selected based on relevance to housing) |
|---|---|
| | <p>designation that permits compact mixed housing to be developed in the future.</p> <ul style="list-style-type: none"> • 2-10. Host a joint workshop with the housing finance and mortgaging lenders and AHFC regarding implementation of the 2040 LUP. Provide a workshop report with findings and conclusions regarding potential lending programs and practices that could coordinate with municipal policies and regulations to reduce housing costs and promote new housing choices. • 3-1. Amend Title 21 to simplify zoning regulations for mixed-use projects relative to commercial or other projects. • 3-4. Establish financial and zoning incentives for housing projects to meet or exceed a minimum housing density in Town Centers, City Centers, and high-frequency public transit corridors. • 3-9. Complete a comprehensive update to the downtown zoning regulations, establishing new DT districts, as part of a targeted plan review and update to the Downtown Comprehensive Plan with an analytical report of issues and conditions. |
| <p><u>2014 Fairview Neighborhood Plan</u></p> | <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Identify and provide a range of housing densities, serving a range of incomes and ages: <ul style="list-style-type: none"> ○ See Land Use Plan Map – rezone to higher density, mixed uses along Gambell, retain historic, traditional lower density neighborhood ambiance in east and west Fairview. ○ Identify areas for down-zoning from R-3 to R-2M or R-1. ○ Determine specific boundaries of overlay district. ○ Determine appropriate review process – administrative review of any development larger than triplex for conformance to design standards. ○ Adopt design standards. (See Appendix B – Proposed Design Standards). • 1.2 Create a review process for multifamily developments over 4 dwelling units/lot that involves community participation and design standards. • 1.3 Foster high-intensity mixed-use development for Gambell/Ingra Corridor and North Fairview. • 1.5 Sponsor construction of a high-quality multi-family demonstration pilot dwelling, to show how such structures can be both profitable and a good neighbor • 1.6 Use accessory dwelling units (“mother in-law apartments”) to achieve increased density while respecting its historic character and socioeconomic diversity. ADUs are encouraged in the single family and duplex areas. If not allowed under existing zoning, they will be approved through the Overlay District process that encourages and facilitates ADUs with single family and duplex housing. |

| Document | Projections and Actions (selected based on relevance to housing) |
|---|--|
| | <ul style="list-style-type: none"> • 1.10 Encourage small-scale, neighborhood-serving commercial development. • 1.11 Promote homebuyer loans for property improvement. • 2.4 Implement the Gambell Street Redevelopment Plan – reduce Gambell to three lanes, improve sidewalks, underground utilities, add street amenities, study and adjust zoning to allow for more pedestrian interaction, perhaps establishing maximum setbacks for commercial development. |
| 2016 Mountain View Targeted Neighborhood Plan | <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • 5.1.a. Acquire key commercial buildings in the commercial district to create opportunities for small businesses • 5.1.b. Create mechanisms that encourage and fund minor upgrades to buildings • 5.1.c. Create mechanisms that encourage and fund rehabilitation of sites with environmental contamination • 5.1.d. Attract the development of commercial, industrial, and retail real estate to produce economic investment and jobs. • 5.2.a. Attract the development of quality, mid-priced market rate housing units • 5.3.a. Pave Mountain View’s alleys to improve the ease of trash pickup and driveway access. • 5. Encourage redevelopment of blighted and vacant properties We support redevelopment of vacant lots with smart infill. |
| Anchorage 2040 Land Use Plan | <p>PROJECTION:</p> <ul style="list-style-type: none"> • The Anchorage Bowl has an identified need for 21,000 new residential units to meet the base case forecast population growth through 2040...The 21,000 new households translate into a need for an average net gain of 840 housing units per year in the Anchorage Bowl, nearly triple the net gain of recent years. • Recent historical redevelopment rates and the characteristics of lots which redeveloped from 2000 to 2015 indicate a redevelopment capacity of 2,500 additional dwellings. • The 2040 LUP housing capacity estimate for “Compact Housing Types” in Figure 1-10 includes 1,000 new accessory units in the Bowl by 2040 <p>IMPLEMENTATION ACTIONS (see page 82-92 for specifics):</p> <p>Housing Actions under Goal 4, <i>Neighborhood Housing</i>:</p> <ul style="list-style-type: none"> • 4-1. Expand regulatory user guidance/assistance materials for residential uses, including for ADUs, and other desired use types. • 4-2. Facilitate a Targeted Area Rezoning in the vicinity of Central Spenard Reinvestment Focus Area, with coordinated |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|---|
| | <p>targeted area re-platting assistance or small-area plans on some portions, and expansion of the Midtown Deteriorated Properties Tax Abatement designated area as shown on the Actions Map to specifically incentivize housing.</p> <ul style="list-style-type: none"> • 4-3. Amend Title 21 to allow parking reductions by right for residential uses; offer greater reductions in RFAs and other key development areas. • 4-4. Amend Title 21 to allow compact housing on R-2M or R-3 zoned lots near designated Centers. May include increased height or allowed units per lot, subject to additional urban design and neighborhood compatibility standards, such as for building massing and scale, lot coverage, setbacks, and vehicle access. Determine appropriate measures through a public process including collaboration with neighborhoods and stakeholders. • 4-5. Review site and utility engineering design criteria for infill housing and explore amendments to standards and procedures to reduce infrastructure costs while preserving safety and engineering objectives. • 4-6. Amend Title 21 and other regulations for internal site circulation for vehicles, parking courtyards, and private lanes for compact infill housing. • 4-7. Amend Title 21 to ease restrictions that currently deter construction of accessory dwelling units (ADUs). Determine appropriate measures through a meaningful, collaborative public process and include development standards for neighborhood compatibility. • 4-8. Evaluate and monitor barriers to fair housing in Anchorage, and establish goals and actions to overcome those barriers. • 4-9. Encourage the construction of accessory dwelling units (ADUs) through a permit review assistance program, applicant guidance materials, improved tracking of ADU development trends, and public information. • 4-10. Amend Title 21 to reduce restrictions that currently deter construction of compact housing types; and expand provisions that allow for compact housing types, including: <ul style="list-style-type: none"> ○ small-lot housing, ○ cottage houses with shared courtyards, ○ townhouses, and ○ small-scale garden apartments. • 4-11. Partner with other agencies to provide public education about the provisions of the Fair Housing Act and municipal laws to developers, landlords, tenants, financial institutions, and homebuyers. • 4-12. Work jointly with the manufactured housing industry/community and affordable housing advocates to develop an affordable housing redevelopment displacement mitigation strategy. |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|--|
| | <ul style="list-style-type: none"> • 4-13. Research and pre-approve housing construction plans that specifically promote desired new forms of compact housing development for walkable infill neighborhood contexts. Review existing municipally pre-approved plans to determine forms of housing that may be more appropriate to pre-approve primarily in suburban contexts, and replace those with pre-approved variations more appropriate in urban neighborhood environments. • 4-14. Require minimum densities for new single-family in multifamily zones in areas that are near Town and City Centers and are designated for public infrastructure investment or incentives for housing, such as Reinvestment Focus Areas. • 4-15. Prepare a special study/small-area implementation plan for the Tudor Road land use and transportation corridor between Lake Otis Parkway and Elmore Road, including the 3500 Tudor Road mixed-use redevelopment and public facilities campus. • 4-16. Update the 2012 Anchorage Housing Market Analysis including market trends and forecast housing needs. • 4-17. Amend Title 21 to allow small-lot subdivisions enabling more forms of small-lot housing as an alternative to large multi-unit buildings in multifamily districts. • 4-18. Adopt a housing impact mitigation program to ensure that any losses of housing units or residential land to rezonings or ROW acquisitions are offset by additions in an appropriate location. • 4-19. Adopt a low-density compact housing district that allows a modest increase in density above the R-2D two-family district, of up to 3 to 4 residential units per structure, while retaining the prevailing lotting pattern and built scale within existing neighborhoods. Avoid lot aggregation of whole blocks or construction of eight-plexes, which is already allowed in the R-2M zone. <p>Other Actions that the 2040 Plan states are integral to Goal 4:</p> <ul style="list-style-type: none"> • 1-1. Update, maintain, and publish a land use and buildable lands inventory database, development and demographic trends data, and environmental conditions data. • 2-1. Revise state laws to expand municipal tax incentive tools for economic development, and adopt local economic development tools, including improved tax abatement, tax increment financing (TIF), bonding capacity, and other programs to catalyze growth and redevelopment that advances policy objectives for housing, development, and neighborhood compatibility. • 2-2. Coordinate with agencies and partners to establish criteria, responsibilities, and the public-private partnership framework for the Reinvestment Focus Areas (RFAs). Identify a range of public investments, fiscal incentives, and other tools, and how |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|--|
| | <p>they may be coordinated. Create a formal RFA selection and approval process that serves as the policy and procedure guide and funding/action directive for RFAs.</p> <ul style="list-style-type: none"> • 2-3. Implement the formal RFA selection and approval process from Action 2-2 and initiate action on the priority RFAs as established in Section 3.2 of this Plan. • 2-4. Identify and implement appropriate ways to modify, simplify, or waive procedural requirements and application fees for certain permit reviews, while maintaining the integrity of those review processes, for projects in Reinvestment Focus Areas and for proposed rezonings that conform to and implement the 2040 LUP. • 2-5. Create a Project Review Management Service to help applicants navigate the permitting process for 2040 LUP priority projects, such as compact housing and adaptive reuse of older buildings, and developments in Reinvestment Focus Areas. • 2-12. Reform the system for requiring off-site public infrastructure improvements to be more flexible and enhance certainty in the development approval process. Flexibility may include a lower level-of-service (LOS) standard for off-site transportation improvements in delineated Reinvestment Focus Areas where alternative transportation modes such as transit and pedestrian access exist. Retain the objective to provide adequate public facilities. • 5-3. Develop and maintain an updatable asset inventory of the condition and capacity of Anchorage's infrastructure, including water, wastewater, storm water, roads, alleys, sidewalks, public transit, schools, energy utilities, and "green infrastructure" such as parks, wetlands, riparian corridors, and natural drainageways—especially in areas designated for growth. A street inventory includes the identification of needed additional local and collector street connections, intersection and access improvements, and pedestrian connections. • 6-2. Adopt a policy and municipal street design criteria for "Complete Streets" and urban and mixed-use Street Typologies to serve all users and reflect adjacent land use patterns. Apply these in priority Reinvestment Focus Areas. • 6-8. Develop a phasing and prioritization program for additional local and collector street connections, intersection and access improvements, right-of-way width, and pedestrian connections that are needed to support infill and redevelopment in neighborhoods, centers, and corridors targeted to experience growth and change, including in Special Study Areas identified along Lake Otis and Tudor near the UMED District, along northern Muldoon Road, and other areas shown on the Actions Map. • 7-2. Incorporate neighborhood compatibility standards in compact housing amendments in Actions 3-4, 4-3, 4-4, 4-6, 4-7, and 4-10. |

| Document | Projections and Actions (selected based on relevance to housing) |
|---|--|
| | <ul style="list-style-type: none"> • 7-4. Adopt one or more Traditional Neighborhood Design zoning districts or overlay zones for urban neighborhoods, which reflect adopted plans and incorporate "form-based" regulations. Structure the form-based code to accommodate neighborhood differences and characteristics while staying consistent and simple in format. For example, this action includes helping to implement the "City Center" and "Mixed-use (a.k.a., Main Street) Corridor" land use designations in the Fairview Neighborhood Plan area. <p>Other 2040 Actions that support infill and redevelopment containing housing:</p> <ul style="list-style-type: none"> • 2-6. Amend Title 21 to create a medium-density residential district that allows mixed-use commercial in an integrated neighborhood setting. • 2-7. Adopt and apply an adaptive reuse ordinance to promote reuse of older structures, consistent with life safety standards. • 2-8. Analyze and recommend amendments to the Land Use Plan Map changing public and institutional lands to a residential designation that permits compact mixed housing to be developed in the future. • 2-10. Host a joint workshop with the housing finance and mortgaging lenders and AHFC regarding implementation of the 2040 LUP. Provide a workshop report with findings and conclusions regarding potential lending programs and practices that could coordinate with municipal policies and regulations to reduce housing costs and promote new housing choices. • 3-1. Amend Title 21 to simplify zoning regulations for mixed-use projects relative to commercial or other projects. • 3-4. Establish financial and zoning incentives for housing projects to meet or exceed a minimum housing density in Town Centers, City Centers, and high-frequency public transit corridors. • 3-9. Complete a comprehensive update to the downtown zoning regulations, establishing new DT districts, as part of a targeted plan review and update to the Downtown Comprehensive Plan with an analytical report of issues and conditions. |
| <p><u>2017 Municipality of Anchorage Streamlining Development Process</u></p> | <p>IMPLEMENTATION ACTIONS:</p> <p>Planning Process</p> <ul style="list-style-type: none"> • Evaluate the leadership and mentorship responsibilities of the Planning Department Director position. • Establish a policy for unified Planning Department recommendations and conditions of approval that are based on Code requirements. • Develop the framework for a retooled pre-app system and a marketing elevator pitch for the new system to improve trust and increase participation and buy-in from referral agencies. |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|--|
| | <ul style="list-style-type: none"> • Hold an internal review of the process for long-range plans and implementation of those plans. • Institute a quarterly code amendment process- led by the Current Planning Manager - to fix various code issues that are identified during entitlement and zoning processes. <p>Permitting Process</p> <ul style="list-style-type: none"> • Review the barriers to filling the Development Services Director/ Building Official position. • Reduce or eliminate computer lock-out. • Establish periods of uninterrupted work time for reviewers to decrease cycle times and increase accuracy and completeness of reviews while maintaining reasonable availability at the counter for customers. • Strengthen submittal requirement checklists, clarifying requirements for both intake staff and applicants. • Return (do not accept) applications that are not complete, since they inevitably cause extra rounds of review and clog the system • Allow drop-off of simple, over-the-counter applications (no customer waiting in the building for the review). • Establish protocol on acceptable review comments, focusing them on code requirements (is the code met?) and away from personal opinions or preferences. • Establish expectations for code citations in review comments. • Reconsider how to handle walk-throughs. • Establish resubmittal requirements. • Assess the success of the deferred submission policy with input from Inspectors and Permit Technicians. <p>Inspection Process</p> <ul style="list-style-type: none"> • Arrange a series of Inspect-a longs with leadership staff, Permit Technicians, Plans Reviewers, and influential industry people. • Hold a series of meetings between Permit Techs, Plans Reviewers, and Inspectors to identify gaps in information and items that cause inefficiency or frustration. • Identify and prioritize solutions to present to leadership staff • Establish process for resolving different interpretations of code between Plan Reviewers and Inspectors. • Draft an elevator pitch regarding the importance of being ready for an inspection request. • Talk about the problem. Utilize the inspection crew to repeat the problem statement with customers, elected officials, influential industry people. • Draft a revised inspection policy. Focus on reversing the stated problems, making the inspection process more efficient and the service improvement for projects that are ready for inspection. • Identify software solutions that can assist the inspection policy. |

| Document | Projections and Actions (selected based on relevance to housing) |
|---|--|
| | <p>Organizational Management Processes</p> <ul style="list-style-type: none"> • Re-invigorate Anchorage’s mission and vision with respect to development processes. • Consider the physical arrangement of departments and staff. • Charter a cross-functional, cross-departmental team of managers who come together at least twice monthly specifically to a) identify and resolve unclear or conflicting review policies and standards, b) educate each other on the purpose and value of individual department policies, c) lead, monitor and adjust process improvement initiatives and d) identify and jointly address emerging complex cases and situations. • Discussion about new policy should involve all affected parties – internal and external. • Review the overarching purpose of technology allowing staff be effective customer service agents, deliver services efficiently, and be connected to up-to-date information. |
| <p>2018 AEDC Housing Survey</p> | <p>PROJECTION (Survey Results):</p> <ul style="list-style-type: none"> • 64% said they would like to see more cottage-style housing, which is small scale single-family housing, usually with multiple-single family homes on a single lot that share common areas like gardens • 41% said they would like to see high density mixed-use residential development, which would include retail or commercial space together with condos or apartments, usually built up at least three or four stories. • Those under 35 struggled more than any other age group to buy a home. Of those that tried to buy but couldn’t, 74% said it was because it was too expensive, 50% couldn’t find a home in a neighborhood they liked, and 32% couldn’t afford a down payment. <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Prefab construction reduces the expense of construction by limiting the amount of construction that occurs at the building site and by shortening the amount of time it takes to construct these buildings on site. • Consulting group Bendon Adams’ recent report on streamlining the development process in Anchorage provides potential solutions to the Municipality’s regulatory difficulties. These recommendations include eliminating the planning office’s computer lock-out protocol, improving permitting submittal approval checklists, and drafting a revised inspection process. 13 Through a reduction in regulatory burden, the municipality could shorten approval and construction times, thus lowering costs. • With so many survey respondents indicating an interest in cottage-style housing, compact housing could be beneficial to young professionals and seniors looking to downsize while |

| Document | Projections and Actions (selected based on relevance to housing) |
|--|--|
| | <p>assuaging concerns regarding affordability and equipment storage.</p> <ul style="list-style-type: none"> • Opportunity zones: Anchorage must pass a local ordinance for SB 100 by winter 2019 in order for builders to have time to build during the summer 2019 building season, and take full advantage of the federal opportunity, ultimately increasing housing access and affordability in the city. • While fixing deteriorating parts of Anchorage is beneficial in its own right, improving alleys and changing the regulation surrounding alleyway improvement would include the added benefit of attracting more real estate investment in Anchorage. |
| <p>2019 Compact Fairview Design competition</p> | <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Allow ADU with duplex • Do we want to move the more restrictive requirements to 4 units? Affects parking, driveway, dumpsters, and so much more. • Reduce setback requirements from streets for living area (not garages). Why do we have setbacks? Safety, Drainage, Sight-Address these issues to allow encroachments • Allow backing out into alleys by right. Do we want to allow vehicles to use the street in limited cases? If the higher standard moves to 4-plex, this issue goes away. • Reduce on-site parking requirements in certain areas. • Street-facing garages: Allow Street garages in specific cases (third unit, setback from other building massing)? |
| <p><u>2020 Spenard Corridor Plan</u></p> <p>(goal: get to transit-supportive densities of 12 du/a +)</p> | <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Establish a Land Bank (NGO) • Create an Active Role for the Municipality in Land Assembly. • Incentivize Land Assembly. • To achieve long-term implementation, promote and allow phased development where part of a site is built and the remaining portions are constructed when the market matures. • The Municipality should also prioritize efforts to attract those development prototypes that are both feasible and meet the Plan’s objectives (horizontal mixed use, commercial mixed use, lower rise vertical mixed use, stand-alone commercial, adaptive reuse). • Streamline Development Review • Provide Strategic Financial Incentives • Provide Regulatory Relief for Projects that Meet the Corridor Vision: Examples of redevelopment barriers include requirements for lot size, setbacks, landscaping, easement and parking • Encourage Tax Increment Financing (TIF) • Explore Special Assessment Districts. |

| Document | Projections and Actions (selected based on relevance to housing) |
|---|--|
| 2021 Community Living Survey of Older Anchorage Residents | <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Advocacy for improved public safety must be an important component of any strategy to retain seniors. Real improvements in public safety, and communicating those improvements when they are evident, are key. • Perceptions of healthcare in Anchorage is mixed. While a strong majority rate Anchorage health care as good or very good, perceived availability of health care is an important factor for residents expecting to leave Anchorage. • Availability of health care is a key motivator for residents expecting to stay in Anchorage. Communicating health care options and quality in Anchorage could contribute to retaining seniors. • A high percentage of Anchorage residents in the target age group evidently do not have much familiarity with senior services available in Anchorage. While senior services are apparently not among the primary motivators in residents' decision to move, a campaign could raise awareness of opportunities for older residents to age in place. • Proximity to family is a primary motivator in decisions to stay in Anchorage or leave. Campaigns designed to attract residents to Anchorage might consider potential intergenerational impacts. For example, motivating Anchorage high school graduates to return to Alaska could contribute to retention of older generations. • Residents likely to move within Anchorage were most interested in single-family, stand-alone homes with a yard and indoor parking. Desired home sizes are modest (three-quarters want a home under 2,000 square feet). New housing developments meeting these criteria would most attract residents aged 55 to 75. |
| <p>2021 Our Downtown Plan</p> | <p>PROJECTION:</p> <ul style="list-style-type: none"> • 4,700 new units are needed Downtown • Target of 1,400 market rate housing units proposed up to 2026-2029. <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Fund and Establish the Downtown Development Project Manager position within the Community Development Department to oversee and champion the ongoing implementation of this plan. The Program will be responsible for coordination of projects and may coordinate with the Downtown New Investments Point of Contact to facilitate implementation of this Plan. Works with RVS-3. • Fund and complete the 2040 LUP Housing Needs Update (LUP Action 4-16) to determine the capacity for affordable and market-rate housing options possible for Downtown. |

| Document | Projections and Actions (selected based on relevance to housing) |
|--|---|
| | <ul style="list-style-type: none"> • Amend Chapter 12.35 to incorporate a longer time frame for new commercial development and to create a streamlined application process. • Create land assembly and site control strategies through a public process managed by the Redevelopment Authority. • Create guidelines for short-term rentals in Downtown. • Establish the Municipal Downtown Capital Improvements Tax Zone, with Downtown business and property owner approval, to fund specific infrastructure improvements in support new housing in Downtown. Seek a percentage of the Alcohol Tax (AT) proceeds to reinvest in the proposed tax zone area (dependent on how AT proceeds can be used). • Incentivize the reuse and renovation of existing buildings to reduce landfill impacts and costs to help retain the historic fabric of Downtown. • Provide funding assistance and support to help maintain the AEDC Business Resources Program developed to encourage new and growing businesses in Anchorage. • Encourage and incentivize civic and office employment in Downtown to retain all large employment sectors. • Adopt an Idle Property Tax Abatement Program or similar program to catalyze redevelopment. Consider using the Ohio Idle Property Tax Abatement Program as a model to spur the redevelopment or shared use of excess parking lots. An IPTAP is a program that provides tax incentives for properties in predevelopment. • Allow multifamily residential and live/work spaces in all districts. • Allow the placement of active interiors to face the public realm on lower floors of buildings, conversely using the interior for storage. • Allow for smaller-scale, light industrial production uses such as cottage crafts, maker spaces, studio spaces, work-live spaces that can fit into and contribute to activities and attractions in the Downtown urban mixed-use context. • Incentivize developments with active ground floors. • Provide a framework for addressing conflicts between nighttime and residential uses. Development protections in identified areas of Downtown may be required to address late-night impacts such as noise while providing stronger buffers for existing and future uses. The implementation of policies intending to increase residents in Downtown will lead to increased conflicts unless a thoughtful approach is established. |
| <u>2021 Anchorage Coalition to End Homelessness Gap Analysis</u> | <p>PROJECTION:</p> <ul style="list-style-type: none"> • Single adults account for the largest portion of unmet need across the system 2621 units of several types (Shelter, Transitional, Rapid Rehousing, Permanent Supportive) recommended. |

| Document | Projections and Actions (selected based on relevance to housing) |
|---|---|
| | <ul style="list-style-type: none"> • Families need 81 units (Shelter, Rapid Rehousing or Permanent Supportive Housing). • Youth and Emerging Adults need 277 units (Shelter, Rapid Rehousing or Permanent Supportive Housing). • Veterans need 21 units (Transitional or Permanent Supportive housing). <p>IMPLEMENTATION ACTIONS:</p> <ul style="list-style-type: none"> • Ensuring sufficient shelter capacity, especially during winter, is critical for public health and safety. Shelter will be most effective by complying with Centers for Disease Control (CDC) COVID-19 recommendations and by providing day and night services. • Anchorage has an opportunity to align prevention data and systems. Preventing experiences of homelessness is cost-effective and creates better long-term outcomes for individuals and the community. • If we do not increase capacity, the gaps across the system are likely to grow. Data shows that demand is exceeding capacity, i.e., inflow into the system is exceeding outflow. Experts also predict an increase in homelessness nationwide due to the economic impacts of COVID-19. • Homelessness is a community problem, symptomatic of deficiencies in parallel and related systems. There is a community and individual cost to doing nothing to address homelessness. • The solutions that help our vulnerable community members to access stable and sustainable housing are also the solutions that make our community more safe and livable for all. |
| 2022 Anchorage Communities By Design Report | <p>IMPLEMENTATION ACTIONS</p> <ul style="list-style-type: none"> • Create new downtown housing at all levels of affordability and land tenure <ul style="list-style-type: none"> ○ Eliminate punitive housing minimum lot size, front, side, and rear setbacks, and open space requirements that don't apply to non-residential uses. ○ Privatize downtown housing (and perhaps other uses) parking requirements- let the market decide. ○ Examine the Anchorage Public Health Building for possible reuse for housing. ○ Create a comprehensive one stop team to support housing. ○ Consider the full range of housing support services including a community resilience hub. • Reduce the amount of off-road surface parking lots, converting the land to housing and other infill <ul style="list-style-type: none"> ○ Create a plan of which ACDA parking lots can be surplus for housing. ○ Create a clear policy of how surplus of ACDA parking lots works. |

| Document | Projections and Actions (selected based on relevance to housing) |
|--|---|
| | <ul style="list-style-type: none"> ○ Adopt parking management strategies to ensure the availability of on-street parking. ● Improve the financial and institutional structures to support downtown improvements <ul style="list-style-type: none"> ○ ACDA should exercise its land banking and bonding authority. ○ Create a business ombudsman position/responsibility within City Hall. ○ Sell off City real estate assets, which can be readily be put to productive use. ○ Strengthen public private partnership among economic development organizations. ○ Chase all grant funding opportunities to supplement existing resources. |
| <u>2022 AERDAC The Planning, Building Permitting and Inspection Process Within the MOA</u> | <p>IMPLEMENTATION ACTIONS</p> <ul style="list-style-type: none"> ● Hire a Building Official with extensive building code and construction management experience, who is personable and solutions oriented. ● Enlist an Accountability Manager to consult with the Office of Economic and Community Development (OECD) Director and supervisors to review Performance Measures for Development Services and Planning. Update if necessary. Collectively review the Bendon Adams strategic plan for areas meriting attention. ● Appoint a Mayor’s Permitting Task Force comprised of representatives from Anchorage Home Builders Association (AHBA), Associated General Contractors (AGC), and the architectural and engineering community. The Mayor’s Permitting Task Force will collaborate with the OECD Director and Accountability Manager to identify progress and remaining gaps in streamlining the permitting process. ● Assess the feasibility of privatizing components of the planning, building permitting, and inspections process |
| <u>2022 Roger Brooks Assessment Findings & Suggestions</u> | <p>IMPLEMENTATION ACTIONS</p> <ul style="list-style-type: none"> ● Readerboards at the Visitor Information Center & Town Square Park ● Blade Sign Program ● Façade Beautification ● Parking lot infill ● Convert one-way streets to two-way streets ● Better wayfinding ● Identify districts ● Activate downtown through programming |
| Housing Alaskans 2023 Housing Data | <p>PROJECTION:</p> <ul style="list-style-type: none"> ● Hard costs in Anchorage can be \$210+ per sq ft, with total development cost at \$280+ per sq ft for a 35-unit stick-built |

| Document | Projections and Actions (selected based on relevance to housing) |
|----------|---|
| | <p>rental project with an elevator that is surface parked. (pre-COVID)</p> <ul style="list-style-type: none">• Anchorage needs an estimated 7,000 housing units over the next 10 years.<ul style="list-style-type: none">○ 4,700 of these are existing units that need replacement or renovation due to housing condition.○ 2,300 new units are needed due to population growth and severe overcrowding. |

APPENDIX 2. Anchorage 2040 Plan Progress

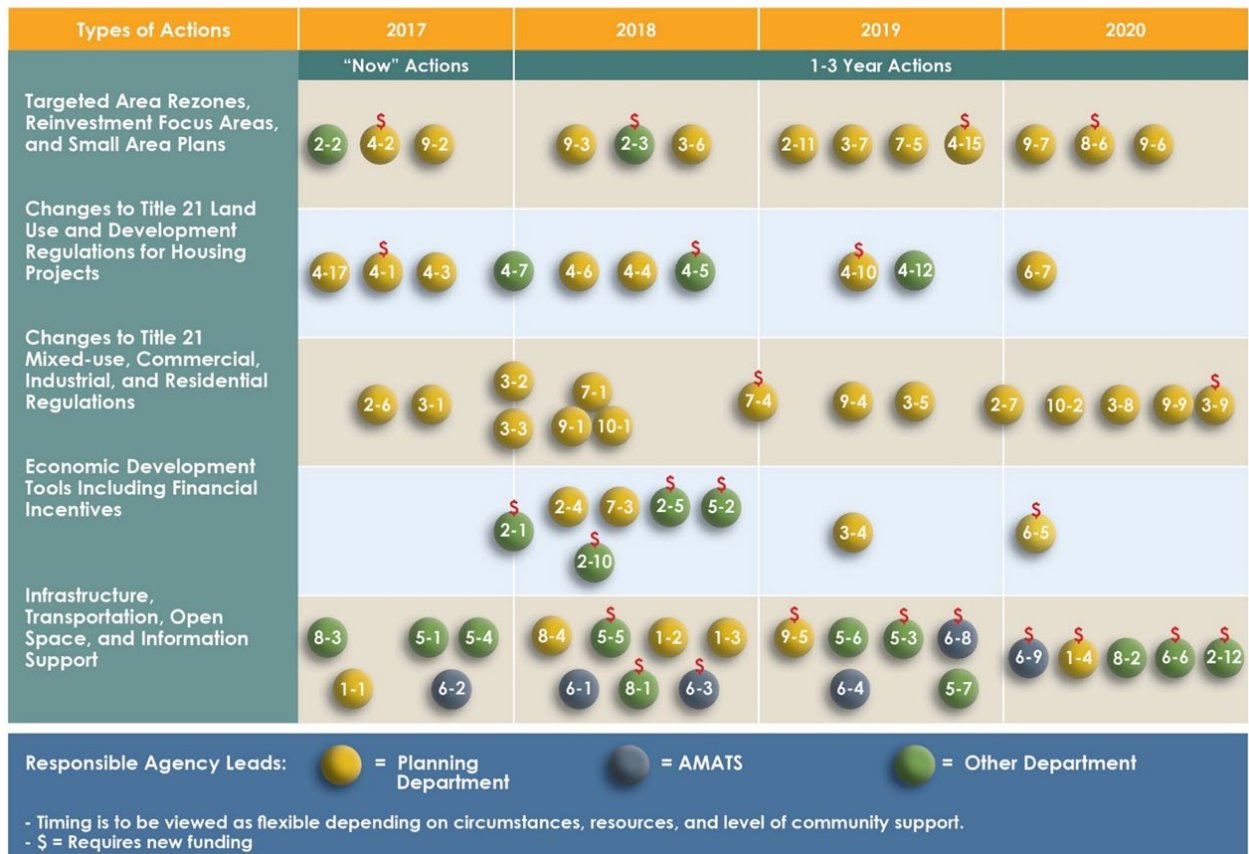
Progress on Implementing the Anchorage 2040 Plan

Anchorage 2040 Plan Progress

70 Near-term Actions



Figure 3-6. Optimal Work Flow of the Near-Term Actions from the Actions Checklist



Projects which have Implemented the Above:

- 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)

APPENDIX 3. Examples of Recent Zoning Reforms in Other Communities

1/2023 State of Vermont: *“In hopes of alleviating Vermont’s housing crisis, a tri-partisan group of state lawmakers has endorsed a slate of zoning reforms that would remove barriers to denser development, particularly in town centers and areas served by municipal water and sewer systems...a move that would make it legal to build at least a duplex anywhere a single-family home is allowed. In areas served by water and sewer, municipalities would have to also allow three- and four-unit homes.*”

<https://vtdigger.org/2023/01/17/to-tackle-the-housing-crisis-vermont-lawmakers-consider-ending-single-family-zoning/>

2/2023 State of Washington: SB 5491 - 2023-24 *“Allowing for residential buildings of a certain height to be served by a single exit under certain conditions.”*

<https://app.leg.wa.gov/bills/summary?BillNumber=5491&Year=2023>

3/2023 Port Angeles, WA: *“Changes approved by the council include allowing up to four units on 7,000-square-foot lots, allowing for housing units to be situated on alleyways and reducing the lot size requirements for trailer parks from 4 acres to half a city block. The city also changed many of its residential zones from single family to mixed density and reduced size requirements for manufactured homes if they meet building code requirements.”*

<https://www.peninsuladailynews.com/news/port-angeles-updates-zoning-regulations/>

3/2023 State of Colorado “More Housing Now” State Reforms: *“So-called “Tier 1” cities would see the biggest impact from the Polis proposal...Those communities would have to allow the construction of “middle housing,” defined as townhomes and multiplexes with up to six units, as well as accessory dwelling units, on lots in all residential neighborhoods. (New single-family homes would still be allowed, too.) The bill would not require cities to actually build those denser options. But it would open the door for developers to propose and construct them much more easily.”*

<https://www.cpr.org/2023/03/22/gov-polis-housing-proposal-duplexes-townhomes-adus/>

3/2023 Arlington, Virginia Missing Middle: *Allow up to 6 units on a residential lot (duplexes, townhouses, and multiplexes with 3-6 units)...*

<https://www.arlnow.com/2023/03/22/breaking-arlington-county-board-approves-missing-middle-zoning-changes/>

3/2023 Durham, North Carolina: SCAD: Simplifying Codes for More Affordable Development (TC2200001) text amendment

<https://durham.mysocialpinpoint.com/growthmanagement/land-use-home/>

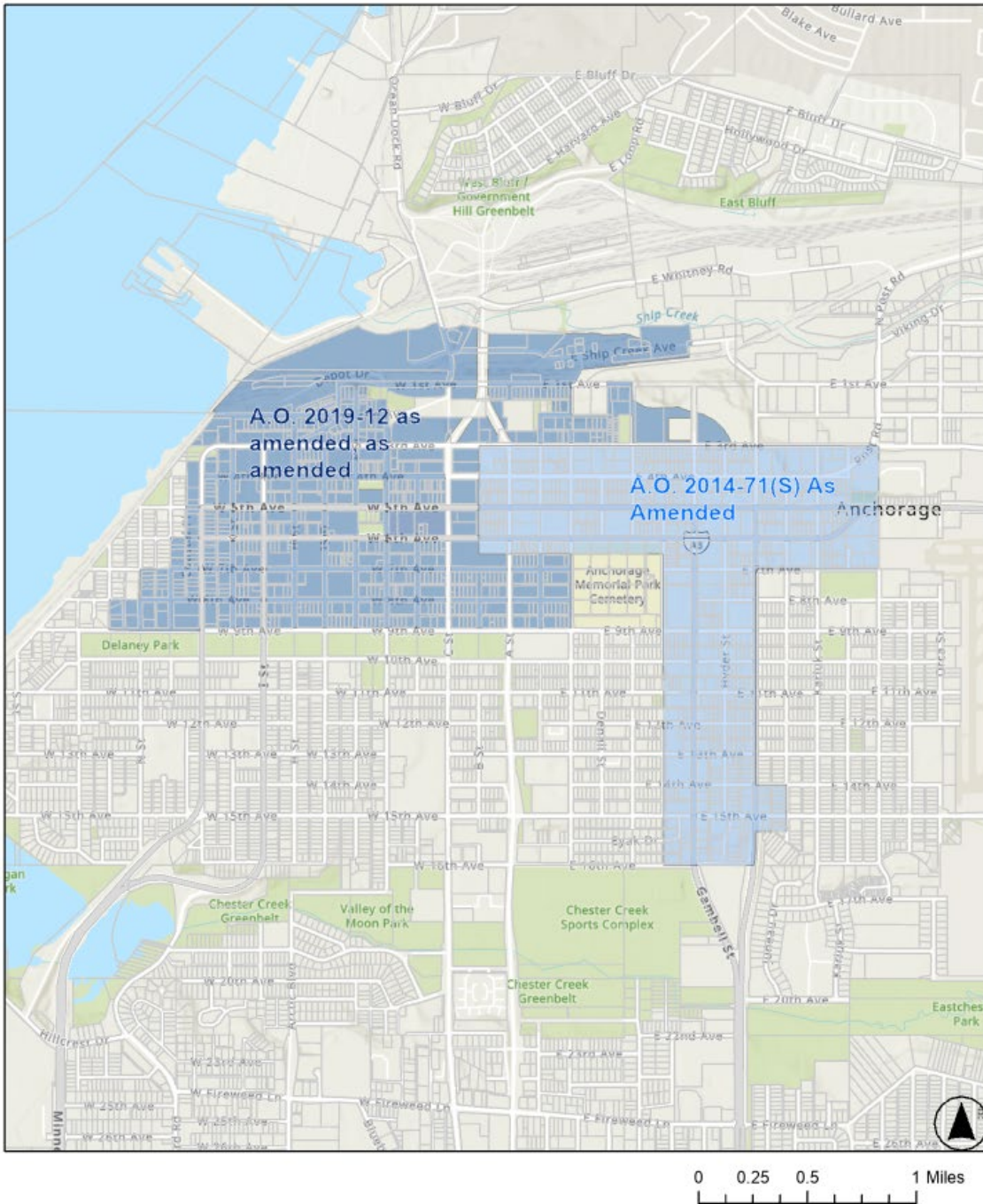
4/2023 State of Montana

- *SB 382, sponsored by Sen. Forrest Mandeville, R-Columbus, passed 95-5. It would fully overhaul cities' land-use planning process. As part of that, it would require that cities adopt five recommendations from a list of 14 strategies for increasing housing access. The bill would apply to cities with more than 5,000 people that are in counties with more than 70,000 people.*
- *SB 323, sponsored by Sen. Jeremy Trebas, R-Great Falls, passed 72-26. It would require that cities with more than 5,000 residents allow duplexes anywhere that single-family residences are allowed. The bill previously would have required larger cities to also allow triplexes and fourplexes, but it was amended in the House Local Government Committee.*
- *SB 245, sponsored by Sen. Daniel Zolnikov, R-Billings, passed 96-4. It would require cities to allow multi-unit housing developments in commercial zones. The bill would apply to municipalities designated as urban areas that have more than 7,000 residents.*

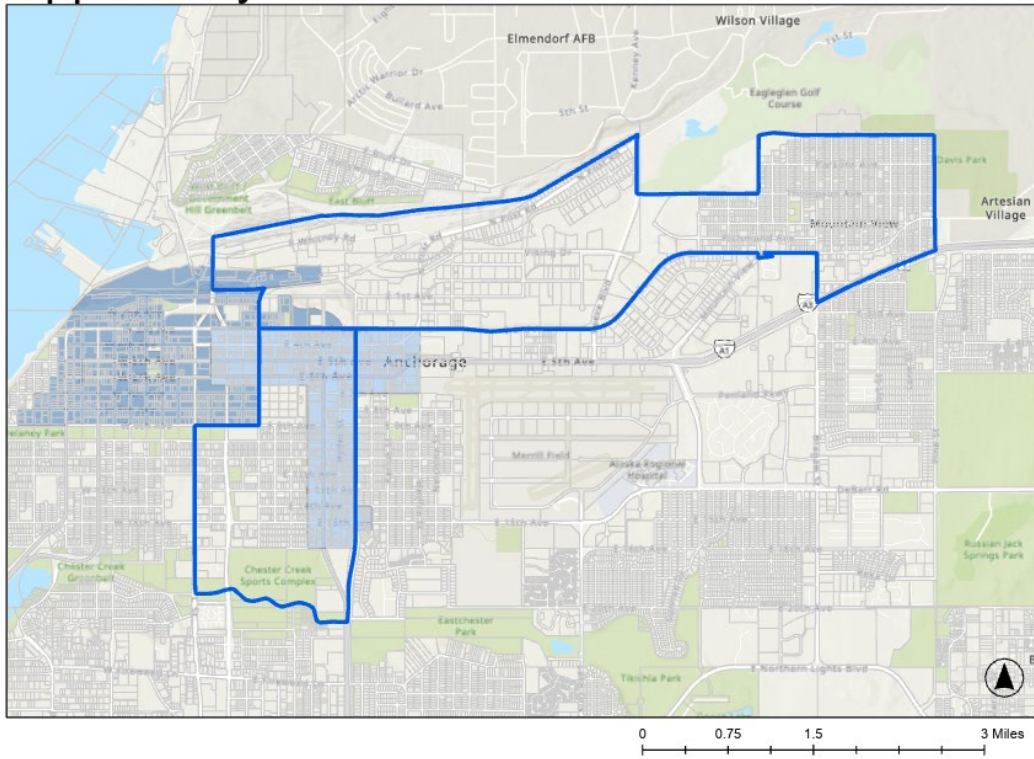
<https://www.ktvh.com/news/68th-session/zoning-reform-bills-pass-montana-house-with-bipartisan-support>

APPENDIX 4. Tax Abatement & Opportunity Zone Maps

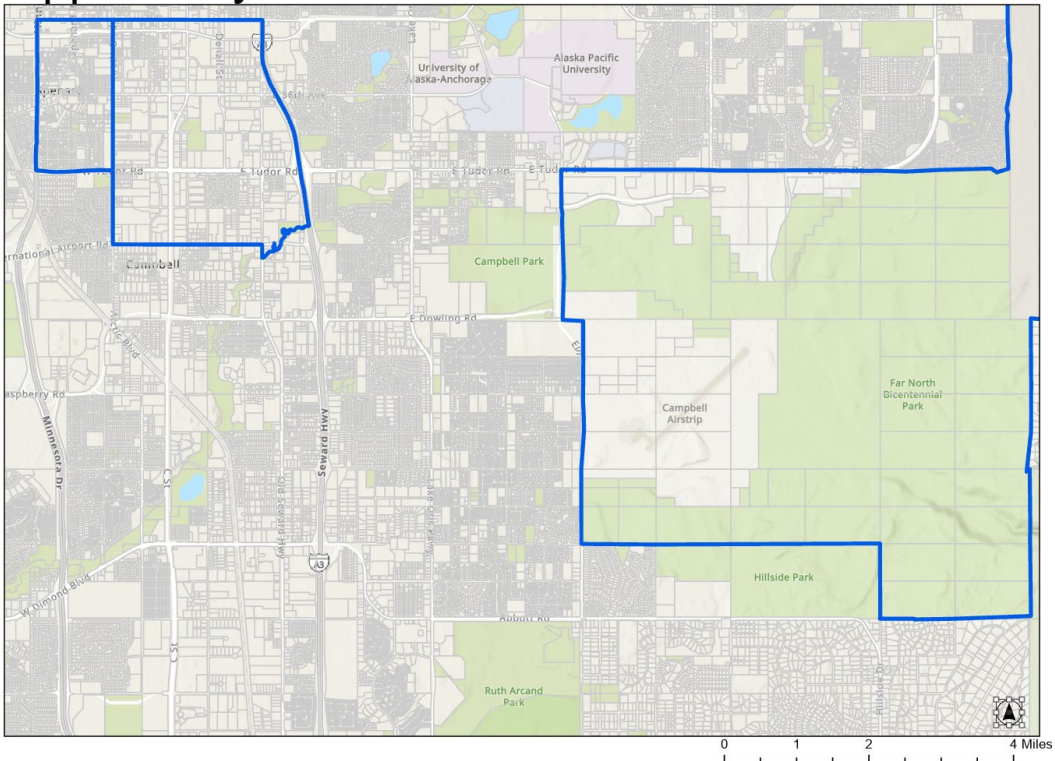
Existing Tax Abatement Opportunities Set to Expire in 2024



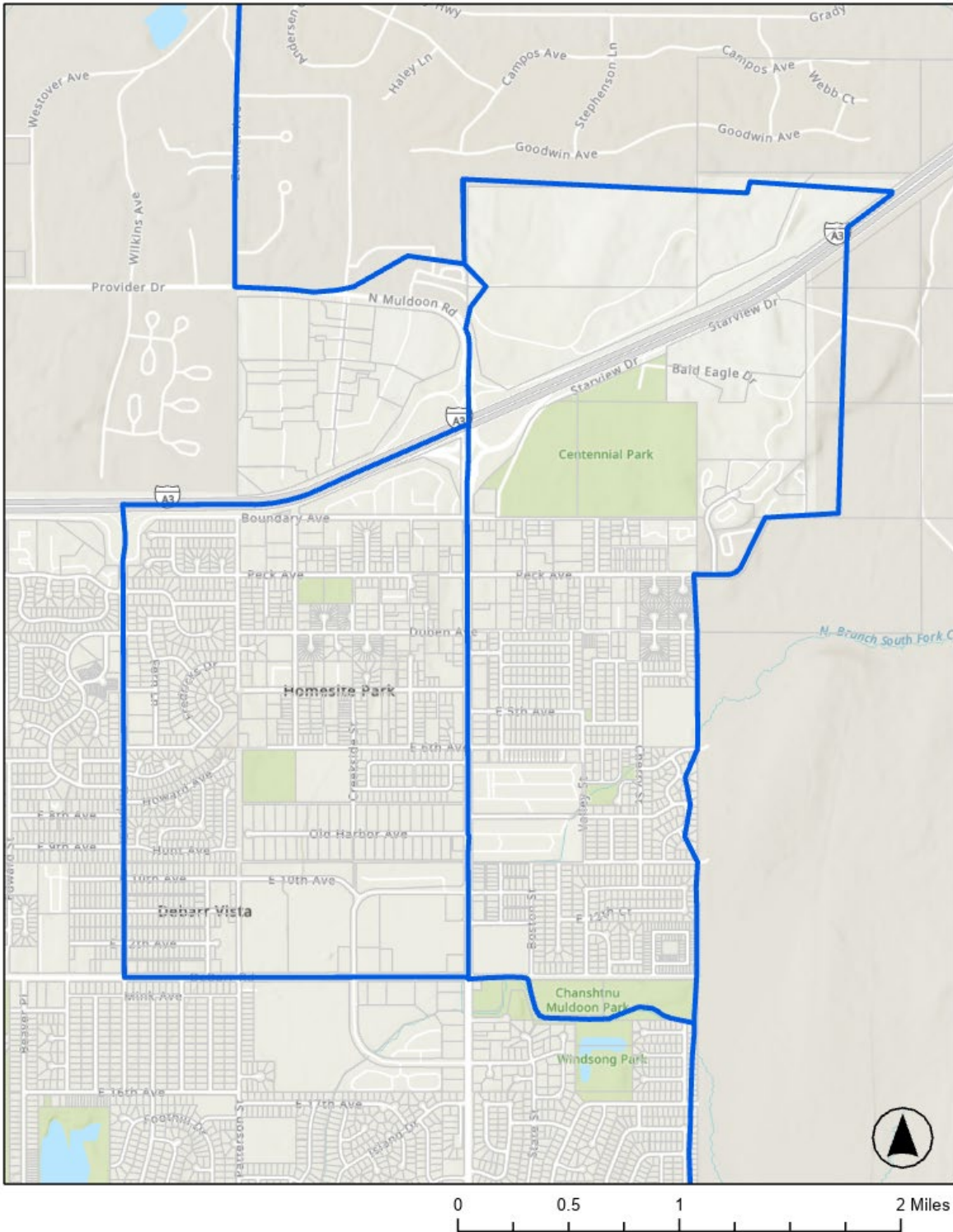
Opportunity Zones: North



Opportunity Zones: South

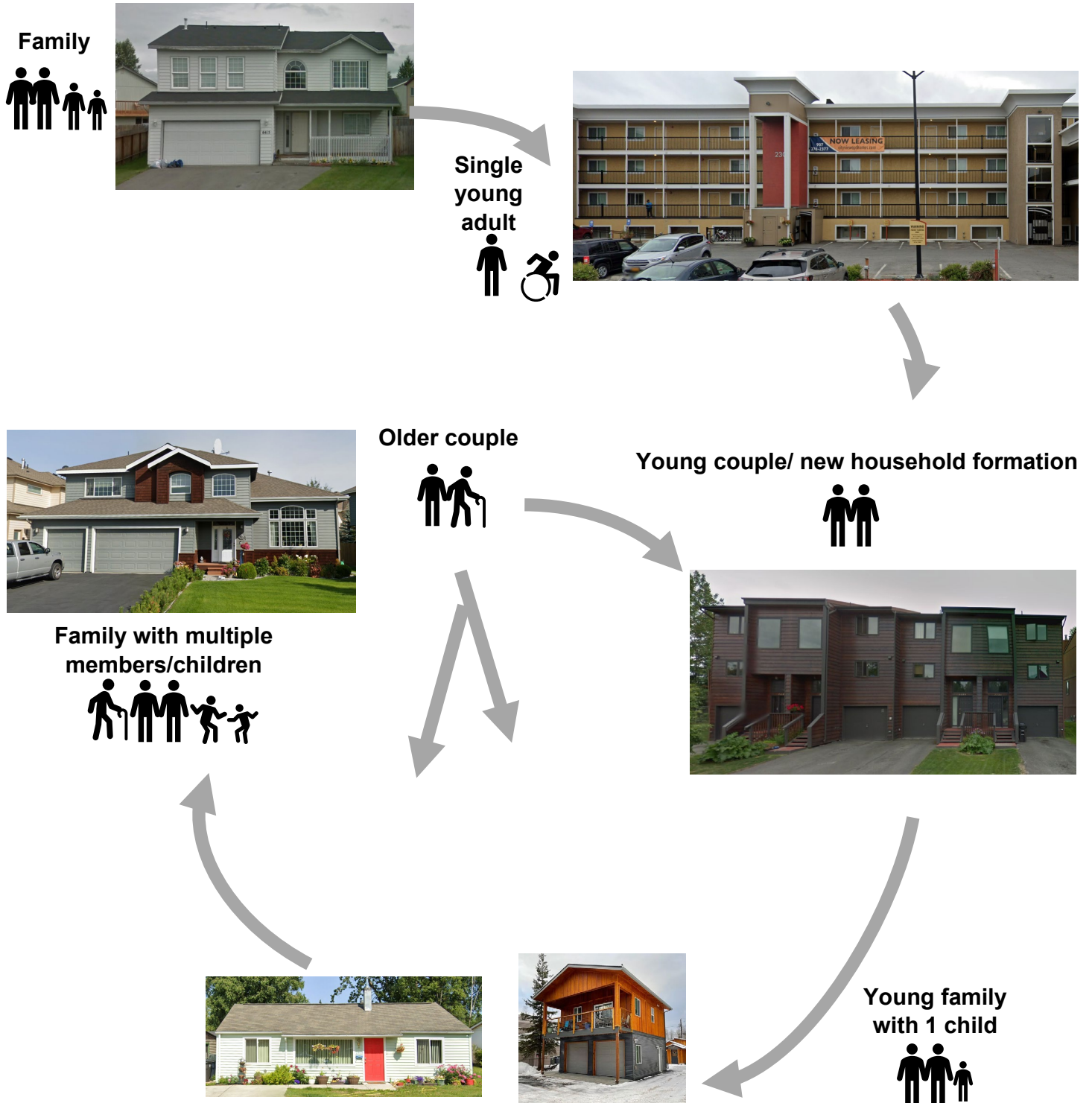


Opportunity Zones: East



APPENDIX 5.

THE HOUSING LIFECYCLE:



APPENDIX 6 Our Downtown Utility Subcommittee Report

OUR DOWNTOWN STEP 2

Meeting Notes and Draft Recommendations – Updated 5/13/21

Utilities Subcommittee meetings 4/14/21 and 5/11/21

5/11/21: Meeting Notes - Draft recommendations were updated with additional information and proposed project areas in Downtown. Draft recommendations will be sent as a separate agency review and comment request.

- I. **Planning Team included:** Michelle Feribach – Huddle AK, Shanna Zuspan - Agnew::Beck, Paul Hatcher, Kristine Bunnell, Carol Wong and Sue Perry MOA.
- II. **Utility and Agency Attendees:** Jim Amundsen, DOT&PF, James (Bobby) Stone, ACS, Edward Sorenson, AWWU, Alex Prosak, AWWU, Christine Metcalf, AWWU, Brad Jackson, CEA, Joseph Dickerson, ENSTAR, Kevin Campbell, ENSTAR, Greg Soule, MOA, Gaylon (Paul) VanLandingham MOA/Streets, Kent Kohlhase, Director MOA PM&E, Judy Anunciacion, and Heather Cavanaugh, ACS.
- III. **Action items:**
 1. **Kristine** - will update notes and recommendations and forward to Paul to send out as 2 separate attachments for utilities to review and comment on.
 2. **Utilities** – Please submit comments on the draft recommendations **by 5/27/21**.

4/14/21: Meeting Notes -

- IV. **WELCOME:** Holly Spoth-Torres introduced planning team including Holly and Michelle Feribach – Huddle AK, Shanna Zuspan - Agnew::Beck, Paul Hatcher, Kristine Bunnell, Sue Perry MOA.
- V. **ATTENDEES:** Steven Cranford, GCI, Mike Snyder, GCI, Brue Rein, GCI, Jim Amundsen, DOT&PF, James (Bobby) Stone, ACS, Edward Sorenson, AWWU, Alex Prosak, AWWU, Christine Metcalf, AWWU, Brad Jackson, CEA, Joseph Dickerson, ENSTAR, Kevin Campbell, ENSTAR, Greg Soule, MOA, Julie Makela, MOA, Gaylon (Paul) VanLandingham MOA/Streets.
- VI. **SUBCOMMITTEE PURPOSE** - Attend 1-2 meetings over the course of the planning process. Give insight into agency or department operations, planning, funding and implementation. Comment on plan recommendations. May be “Proposed Implementers” on some action items. Outreach to your agency, community members, friends and colleagues to gain support and input into the plan.
- VII. **WHITE PAPER REVIEW:**
 - ✚ 10-year “Targeted” review of 2007 Downtown Comprehensive Plan. Vision adopted with one additional sentence, Overarching Goals to stay the same. Subcommittees requested needed to review Chapter 8 Implementation Actions, one-on-one developer interview comments, and public comments to develop recommendations for plan update. Implementation.
 - 2007 Plan didn’t include a utilities coordination element.
 - It’s a great time right now for utilities due to new technologies, use of cameras to locate services and help inform to reduce impacts and costs. Forward thinking we can use in other areas of Anchorage.
 - Looking for recommendations to be included in the plan for increased coordination.
 - ✚ Information in the one-on-one interviews was reviewed.

- Utilities and services tricky, shouldn't be big expense.
 - Should be available.
 - Large costs for upgrades.
 - Storm drain not well connected or not there.
 - Wants to exercise judgement where utilities come into building.
 - Storm drain not there.
- ✚ Action LU-6 included the establishment of a Downtown housing task force. Anchorage Economic Development Corporation established the Live Work Play housing task force to work on the issues identified in this plan. It was not known if the utility companies had been involved with the Live Work Play group.
- Question to Utility Subcommittee: Should you be part of this action item if it stays in the plan?

VIII. GROUP DISCUSSION:

- ✚ Information in the one-on-one interviews was used to initiate the discussion. We started digging and didn't really know what we are going to find. How do we improve this situation?

Brad Jackson (Chugach Electric):

1. Downtown means alley ways as principle distribution corridor back of the lot for Chugach. Probably in conflict with ACS and GCI. Water and sewer in street at the front of the property.
2. In former commercial design and construction position always reached out to utilities early and often. Sometimes design groups do a lot of frontend concept plans almost to the point where they are going to funding without reaching out to the utilities [assuming things are going to be there]. **Chugach has a pre-application process for engineering** requests, to produce preapplication estimates that are fairly high-level non-binding cost estimate for utility service as long as we are given a reasonable finalized or conceptual site plan. Can't afford to do a lot of design reiterations, but as long as the site are locked down we would encourage developers to reach out ASAP, so we can get staff assigned to investigate what infrastructure is there to get the developer a realistic cost for upgrades.
3. **Hidden costs** can be in Downtown Chugach/MLP infrastructure **due to old legacy installations post 1964 Earthquake** when it was developed by the Corps of Engineers. Sometimes there is some hidden costs that we don't know about until we get further along in the design process to bring things up to code and safety. The earlier people reach out, the earlier those costs can be captured. There is a lack of understanding of the service requirements. Muni (national code). **Chugach has published service requirements** which the Muni also enforces to bring services buried inside of buildings to the outside. Services can't remain inside the building and have to be remodeled to the outside in order to be maintained. There is also the requirement of easements. A lot of downtown electrical is built in vaults, configured in ways that cannot be maintained long-term.
4. New **urban design standards** could include acknowledgement that **easements are going to be a necessary part** of providing new or substantially modified electrical service that could include a pocket easement in an alcove to locate a **transformer or other above-grade piece of equipment needs to be incorporated into their design**. The [Downtown Plan] could help make this cost more transparent so developers know what to expect.

Questions/Answers/Comments to Brad's comments:

5. Does electric infrastructure have to be above ground, thinking about the Urban DT core are we envisioning is this infrastructure taking up space? Service structure does (transformers) takes space above ground. Switching equipment exists in vaults that allows service to be sectionalized and movement of service. Pad-mounted transformer can be used if lucky, many instances a new one has to be installed. Best design at the Dena'ina Center where alcove designed in with a rolldown gate with transformers built in so it's not using sidewalk or road space.
6. It's important to reach out to utilities early and often. Don't assume you know what's happening with your concept design. Is there a process or checklist in place for developers to contact every utility as early as possible? Muni has a preapplication process for Current and Long-range Planning for some projects that utilities could be invited to. [Usually not all utilities are invited]. Bi-rite projects go directly to Development Services who may not have a checklist. AWWU implemented process due to the problems with subdivisions. Example given on subdivision of 2 properties and how utilities had to be provided for access and safety. Too often they don't know how utilities are going to affect their design. Elizabeth Place the foundation had to be modified. The idea of more and early communication with developers and the utilities would be helpful.
7. What percent of design should they come in with? What's the balance between early enough but not spend too much money to get the feedback needed?

James (Bobby) Stone (ACS):

8. Interesting because of competition between ACS and GCI. New or rebuilds are probably going to present a higher demand for service. The current copper may not be able to serve the building, and fiber will be needed for service and that costs money.
9. ACS might compete with GCI on that [installation]. ACS and GCI need to be included early. We are an afterthought in most cases. Halfway through construction they figure out they need comms.
10. Really need to be on the frontend just like electrical. Having a site plan where the communications are going to be placed in the building helps the estimate on what that cost is going to be.
11. We don't want to have to cut or go underneath pavement because they have forgotten about us. All of sudden at end of the project and they need comms.
12. Checklist sounds like a good idea. Too often developers make invalid assumptions on what's there and they want higher speed.
13. We are often left to reverse engineer because utilities are an afterthought. Explosion of broad band is the new electricity and just as important.
14. Has to be part of any planning and just as important.

Mike Snyder (GCI):

15. A true partnership between utilities would create efficiencies and avoid surprise expenses. A true partnership is simply more collaboration. True partnership is between utilities and developers, and maintainers. If utilities could get together and develop their plans somewhat parallel we wouldn't have to go in and build each piece of infrastructure separately. We could share some of these expenses. We are doing that already in certain areas of town. Often the case is everything is built one at a time and it's incredibly expensive.

Julie Makela (MOA):

16. Downtown signal and lighting project on 4th Avenue going. Most sidewalks don't meet ADA. Taking up curbs and raising them.

17. There are opportunities for utilities with this project. AT&T is extending their 5G service on light poles for example. ACS is extending fiber into the roadways. Looking for projects to help with saving costs.

Christine Metcalf (AWWU):

18. We work with several different agencies to replace aging infrastructure. At least 35% for timing on new infrastructure. The Building Department didn't know water and sewer permits were different. Things haven't gotten better but things happen sometimes.

QUESTIONS/COMMENTS/DISCUSSION

Why does one developer have to pay for improvements that may help many more developments. Is there a way to share the costs?

What about the 2007 Catalytic sites on the Strategy Diagram? If this plan update continues to identify catalytic sites to move forward, should the MUNI step in and provide the site suitability information they would need?

TSAIA asked muni to help with a project readiness process. Would this group want to make a recommendation for a targeted area – maybe within the [Few Good Blocks] area where development is currently occurring? Agencies are talking about new projects in this same area.

Jim Amundsen (DOT&PF):

19. Targeted upgrades to the networks work. This gets services as close to the development envelope as possible. The problem developers face is the time between pulling trigger [on development] until getting money back from that development. It's the single biggest concern.
20. Having utilities in place or as close to in-place, so they can move forward quickly works. Look at where we have holes in the network to determine needs to be met.
21. If we don't have it in place to immediately plug in and start developing or using, then advance the planning now to look at where we want targeted development and then making sure we have the networks in place. Increase the services that we know will need to be there.
22. Example industrial park that had been sitting for 10 years. When utilities went in the development started literally within 6 months. Went to a multi-billion-dollar industrial park with lots of tax revenue. Made difference on empty lot and development.
23. If we want to do this Downtown, that's what we need on an advanced investment. Get the utility grids in place right up to the property line and maybe a little advanced thinking on where they are going to need it on the property. If we want to make this work, that's what we need to do.

Holly (Huddle AK):

24. How do we pay for that?
25. Does everybody know where all their stuff is?
26. What's our information like about our utilities Downtown?
27. Is it just storm water that we don't know about?

ANSWERS: ACS / GCI / Enstar knows where they are at. AWWU knows water and sewer.

Christine Metcalf (AWWU):

- 28. We don't put infrastructure in that isn't needed. Can't do dead-end infrastructure. Hopefully we can figure out a way around that. Having empty pipes is not a good thing. Some utilities can, some utilities can't be there until there is service.
- 29. Most utilities have a good idea where they are.
- 30. Storm water is on main arterials and has to be run to alleys. Issue is the lack of real estate and be successful to clear snow. There isn't room for everything to live in the rights of way. We don't have all the area we need.

Bobby Stone (ACS):

- 31. Early planning – Developer needs to know what services they need. Very difficult to start – alarms, etc. requirements must be defined.
- 32. What's there is the big question.
- 33. Tariff question? Example early Anchorage development where water and sewer were built by utility and the developer paid back over time.

Brad Jackson (CEA):

- 34. Chugach / MLP is running on dual tariff – Regulatory group writing a unified tariff – Yes, there is cost sharing language in both tariffs: South - Lot credits given based on anticipated load, anticipated revenue and developer gets a cost offset. North – 5-year payback period based on anticipated load, any cost based on projection and demand, gets offset. Can't expend capital just to spur economic development. Do spend capital to upgrade aging, failing, unsafe, maintenance, and needed upgrades. Can plan CIP if knows where realistically development will go to work closely together.

Christine Metcalf (AWWU):

- 35. AWWU doesn't spend capital to do redundancy, better to not set off a whole neighborhood, one street at a time, as well as to replace aging infrastructure. Rule 8 of tariff - Will let a tariff for properties that are benefitted where they do connect. Public notification process comes in to play there. Rule 10 of tariff - speaks to MOA/private development shared cost to extend main lines to serve the properties. Constructing in Sand Lake this year. Also, improvement districts can make a request and then pay us back.

QUESTIONS - Is there a limit on the size of an improvement district? Could it be 4-5 large lots? Or new subdivision.

Christine Metcalf (AWWU):

- 36. Rule 10 - Made for existing properties. Balloting process must be more than 2, more than 50% for the balloting process. Roads or other utilities not familiar. 2 ballot process – how they want to share the costs/equal or benefitted.

IX. FOLLOW-UP:

- a. Staff will publish draft meeting notes.
- b. Please review research paper.
- c. Hoping to meet again in 3 weeks with recommendations.

X. DRAFT RECOMMENDATIONS for 2021 Downtown District Plan – Implementation Actions:

1R: Establish the Utility Subcommittee with representatives from ACS, AWWU, CEA, DOT&PF, ENSTAR, GCI, and MOA PM&E to provide information and expertise on their respective systems, upgrades, capacities, etc. to be facilitated by the MOA Planning Department.

The Subcommittee will be invited to participate in MOA-scheduled Pre-Application Meetings. Utility Subcommittee members may also be invited to meetings with MOA Development Services and Long-Range Planning Division meetings dependent on the developer requests and other planning or programming efforts.

2R: Identify parcels for community incentives so developers have a packet to help them with the utilities. Description of what's needed for the lots. That's the one way to help – do the research and then provide the information. Help developers plan accordingly.

3R: Amend Action Item LU-6 from the 2007 Downtown Plan to include utility providers as possible implementers.

4R: Concentrate on an expansion of the Smart Growth-recommended Few Good Blocks area, which includes (9th to 2nd avenues and G to M streets) as the pilot project area. Elizabeth Place, Block 96 Lofts, 7th & L, 6th Avenue Redevelopment, 8th and I MOA properties, proposed 2nd Avenue project all within this area.

5R: Use 2040 Land Use Plan land capacity determination to calculate the existing and up-front utility needs and upgrades.

6R: Develop a focused Capital Improvement Program within each utility provider that prioritizes the Few Good Blocks for funding and upgrades.

7R: Seek funding to advance utility upgrades in the Downtown catalytic project areas including such areas as: The Few Good Blocks area, Nordstrom area or Cyrano's.

Advance funding grants requests could be made to FEMA/HUD/CDBG, State of Alaska, Municipality of Anchorage, and/or other grant programs to be determined.

Planning and funding of this work will provide Downtown Anchorage with a resilient network for near-term mixed-use commercial and housing investment. The 2018 Earthquake demonstrated the lack of resiliency found in this area of Anchorage. The added benefit of providing this resilient infrastructure is a reduction in costs to development which will lead to needed lower-income and workforce housing as envisioned by the 2007 Downtown Comprehensive Plan, the Anchorage 2040 Land Use Plan, and Alaska State programs such as the 2018 Local Infrastructure earthquake recoveryⁱ. This project would also catalyze mixed-use and residential housing projects to help address housing and economic recovery in one of the “most impacted and distressed areas” of the stateⁱⁱ.

The project would qualify under Categories B-Emergency Protective Measure, D-Water Control, and F-Utilities by ensuring better coordination between the Municipality of Anchorage and the local utility providers. This project could also attribute to the long-term recovery and restoration of the utility infrastructure in the Downtown Anchorage area, some that has been in place since the 1964 Earthquake and in dire need of repair, replacement or upgrades to meet the unmet housing needs of the projected 2,577 families and 661 seniors as reported by Alaska Housing Finance and excerpted from the Department of Commerce Report noted below.

ⁱ **Local Infrastructure Program** (\$2.69 million): Repairs, enhances and restores infrastructure for local communities impacted by the 2018 Cook Inlet Earthquake as part of a comprehensive long-term recovery program up to \$2 million per project. Match for FEMA Public Assistance and Hazard Mitigation Grant Programs may be eligible. <https://www.commerce.alaska.gov/web/dcra/GrantsSection/CDBG-DR.aspx>

ii [https://www.commerce.alaska.gov/web/Portals/4/pub/CBDG-DR/Community%20Development%20Block%20Grant%20E2%80%93%20Disaster%20Recovery%20\(CDBG-DR\)%20Action%20Plan%20for%20the%202018%20Cook%20Inlet%20Earthquake.pdf](https://www.commerce.alaska.gov/web/Portals/4/pub/CBDG-DR/Community%20Development%20Block%20Grant%20E2%80%93%20Disaster%20Recovery%20(CDBG-DR)%20Action%20Plan%20for%20the%202018%20Cook%20Inlet%20Earthquake.pdf)

APPENDIX 7 Our Downtown GAP Funding Subcommittee Report

OUR DOWNTOWN:

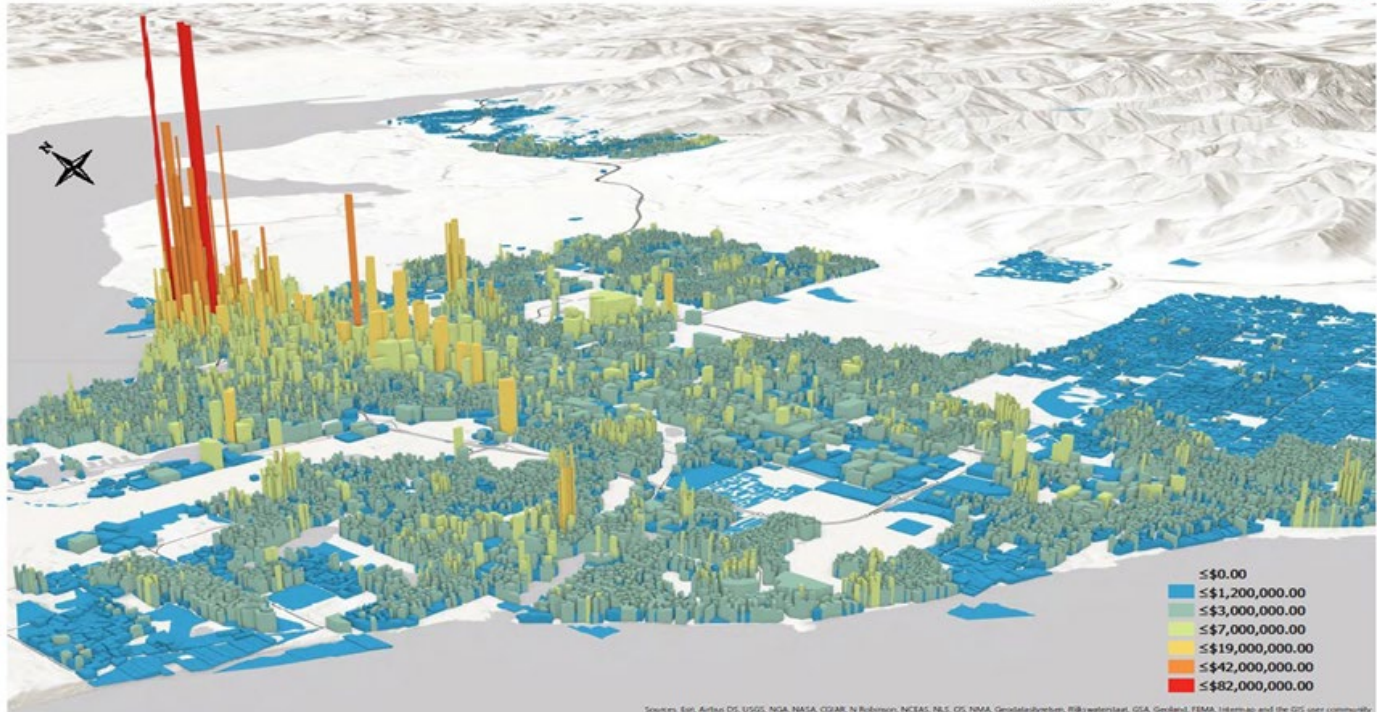
ANCHORAGE DOWNTOWN DISTRICT PLAN 2021 (A.O. 2022-27)

EARLY ACTION ITEM EA-5: Identify and Establish New Sources of Funding

GAP FUNDING WORKING GROUP TECHNICAL MEMORANDUM

Taxable Value per Acre by Parcel (2019)

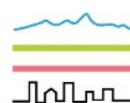
Municipality of Anchorage
Planning Department



GAP Funding Working Group Purpose:

Discuss the financial gap in providing new rental housing and brainstorm new sources of revenue, tax incentives, or other incentives to fill the known funding gap for market rate rental housing in Downtown Anchorage.

Amended 1/24/23 from 10/18/22 Original



OUR DOWNTOWN
The Heart of Anchorage

A Project to Implement the Downtown Comprehensive Plan

Technical Memorandum Purpose

This technical memorandum intends to do the following:

1. Reaffirm the connection between Anchorage Downtown (Downtown) housing and Downtown revitalization.
2. Provide a realistic snapshot of the financial barriers to Downtown housing development today.
3. Provide a realistic snapshot of the administrative barriers to Downtown housing development.
4. Provide recommendations for how to close the financial gap and increase Downtown housing.
5. Share best practices and examples from other cities that have set Downtown housing development goals and removed barriers to increase their Downtown housing supply.

Acknowledgements

GAP Funding Working Group Members:

- Adam Trombley, Director – MOA Office of Economic and Community Development
- James Doughty – BDO Anchorage
- Craig Lyon, Director – MOA Planning
- Mark Romick, Bryan Butcher – AHFC
- Mark Begich, Schawna Thoma, Clare Boersma – Northern Compass Group
- Ryan Strong – First National Bank of Alaska
- David McDonald – AK Mental Health Trust Authority, Trust Land Office
- Michael Huston – Northrim Bank
- Shaun Debenham – Debenham Properties
- Allen Weitzner – AIDEA
- Dean Weidner, Greg Cerbana – Weidner Apartment Homes

Planning Team:

- Shanna Zuspan, and Katie Scovic – Agnew Beck
- Kristine Bunnell and Daniel Mckenna-Foster – MOA Planning
- Holly Spoth-Torres – Huddle AK
- Melisa Babb – Bettisworth North

“Housing is Economic Development” – Bill Popp, President and CEO, Anchorage Economic Development Authority - 2014

Contents

- Technical Memorandum Purpose..... 3
- Acknowledgements 3
- I. Executive Summary 5**
 - Introduction..... 5
 - The Funding GAP Is a Real Issue!..... 6
 - New Downtown Housing – What’s Working? 7
 - Downtown Housing Target..... 7
 - Planning Team Recommendations: 8
 - Let’s Keep the Positive Trajectory Going!..... 9
 - Process Overview and What We Heard:..... 10
 - Key Findings:..... 11
- 2. The Housing Gap: Why Market Rate Rental Housing Doesn’t Pencil? 13**
- 3. Our Downtown Housing Goal: 1400 Units! 16**
- 4. Let’s Build on Existing Incentives to Catalyze New Housing in Our Downtown! 17**
 - Implement a Comprehensive Incentive Structure for Anchorage:* 17
- 5. Identify Leaders to Champion the Goal! 19**
- 6. Downtown Housing Visualizations:..... 20**
- 7. Getting to 1400 by 2030!..... 23**

I. Executive Summary

Introduction

Throughout the *Our Downtown: Anchorage Downtown District Plan 2021 (Our Downtown Plan)* update process, the public expressed a strong desire for new housing in Downtown Anchorage. We also heard from developers who wished to build new housing but have been struggling to make projects pencil out given the high costs. Interest in providing Downtown housing is also high among the development community. However, barriers to making Downtown housing financially feasible are significant. Our community is then left with a challenge; and that is to determine whether and how we might close the gap to make Downtown housing financially feasible.

Downtown housing will create economic opportunity and will support Anchorage's recovery. Efforts to recover from the recession have been in process for a few years now. Anchorage Economic Development Corporation's Live.Work.Play initiative declared Anchorage would be the #1 Place to [Live, Work & Play](#) by 2030. Following that declaration, two important economic recovery groups visited Anchorage in 2016. The [Oklahoma City](#) and [Smart Growth America](#) delegations confirmed that recovery depends on new housing in "Our Downtown" and lots of it. Both groups advocated for Anchorage won't get there unless we "FOCUS THE EFFORT," which is exactly what the *Our Downtown Plan* does.

It should be noted the incentives and actions recommended in this memorandum will be useful throughout Anchorage. *Focusing the Effort* on Downtown first to bring revitalization and success through a set program of incentives will give the community a preview into what can be done in other areas of Anchorage. A set program of incentives can then be emulated in other areas of our city. Success breeds success. Cities across the country have shown this is true. Case studies in Section 4 share some positive results.

Best practices and examples from other cities show us that such gap funding sources are often critical to getting new Downtown housing developments off the ground, especially in early revitalization efforts. This plan presents a pathway to more Downtown housing and more economic revitalization in "Our Downtown."

During the *Our Downtown Plan* planning process the planning team initiated the Gap Funding Working Group, a team of local experts leaned on to help us determine how to mitigate one of the biggest roadblocks to new housing in Downtown: How to bring market rate housing to Downtown by establishing new incentives and financial tools. The *Our Downtown Plan* early action item EA-5 recommends establishing new sources of funding. Staff recommendations from this working group effort are intended to implement this action item.

This technical memorandum and its recommendations come from several frank conversations held with bankers, landowners, and developers who share in a commitment to bring more housing to Downtown.

The Funding GAP Is a Real Issue!

The premise for the GAP Funding Working Group discussions was based on a gap calculation of \$120,000 per market rate housing unit. This funding gap is calculated in the housing project pro forma developed and maintained by Agnew::Beck Consulting.

Why is there a \$120,000 per unit funding “GAP” for Housing in Downtown?

Results from Agnew::Beck’s housing project pro forma have been used to measure project feasibility for several rental housing projects throughout Anchorage, including Downtown.

Over the last few years, the pro forma consistently indicates there is somewhere between a \$90,000 and \$120,000 gap per market rate rental housing unit depending on where the development is built, the project’s density, and construction type. For Downtown, this gap is consistently at least \$120,000 per unit. The gap is driven by the full gamut of costs it takes to develop, including land, construction, and utility upgrades.

“There is not one single line item that pushes the budgets over,” – Shanna Zuspan, Agnew::Beck

Tax Incentives and Tax Abatement Areas Are Sunsetting

The other issue set to impact new housing involves the sunsetting of several tax incentives adopted by the Assembly. Two tax incentives and a tax incentive area will sunset in 2024. These include the: 4-unit housing 12-year tax abatement, Transit-supportive corridor development 12-year tax abatement with the 40% affordable housing requirement, and the Fairview/East Downtown 10-year Tax Abatement Area. These tax incentives are critical financing elements for projects such as the Block 96 Flats at 8th and K and the 6th Avenue/Downtown Transit Center project. This report bears out that tax incentives are needed to provide new housing in Anchorage.

It’s Time to Support ACDA in Its Role as Anchorage’s Redevelopment Authority

The Anchorage Community Development Authority (ACDA) is one of three quasi-governmental agencies associated with the Municipality of Anchorage and enabled through municipal code to bond for capital projects. Capital projects can include housing. ACDA has been working on several new housing and mixed-use projects over the years. Two are coming to fruition because ACDA currently has funding to support them.

How then can we as a community and the Municipality support further housing projects by ACDA? Does this agency need more funding and how can we as a community and the Municipality provide ACDA with more funding or a reliable funding stream? ACDA pays a Municipal Enterprise Service Assessment (MESA) fee annually to the Municipality. One way to provide more support and funding to ACDA would be to partially waive the MESA pursuant to those funds being redirected expressly for investments in economic development projects that support municipal goals in adopted plans. Supporting ACDA implements *Our Downtown Plan Action Item LU-1: Fund and Establish the Downtown Redevelopment Program to oversee and champion the ongoing implementation of this plan.*

New Downtown Housing – What’s Working?

Rental Housing

Positive news about new housing in Downtown since 2016 includes construction of Elizabeth Place and Qanchi Place by Cook Inlet Housing Authority, both assisted using federal and local grant funding along with other incentives available to non-profit developers.

Similar incentive packages are not normally available to the private multi-family rental developer. Public investment is included in the new Block 96 Flats made possible through a \$1.8 million patient capital investment and 50-year ground lease from ACDA. This development package also included a 12-year property tax abatement approved by the Anchorage Assembly, making this development a prime example of the public/private partnership currently needed to fill the \$120,000 funding gap per unit.

For Sale Housing

The Alaska Railroad Corporation with the Peterson Group continues to build housing in the Downtown Edge and Downtown Edge North. These two projects are bringing in a desirable “for sale” housing product to Downtown. They are also building new commercial offerings on 11 acres in Ship Creek planned as mixed-use development.

Downtown Housing Target

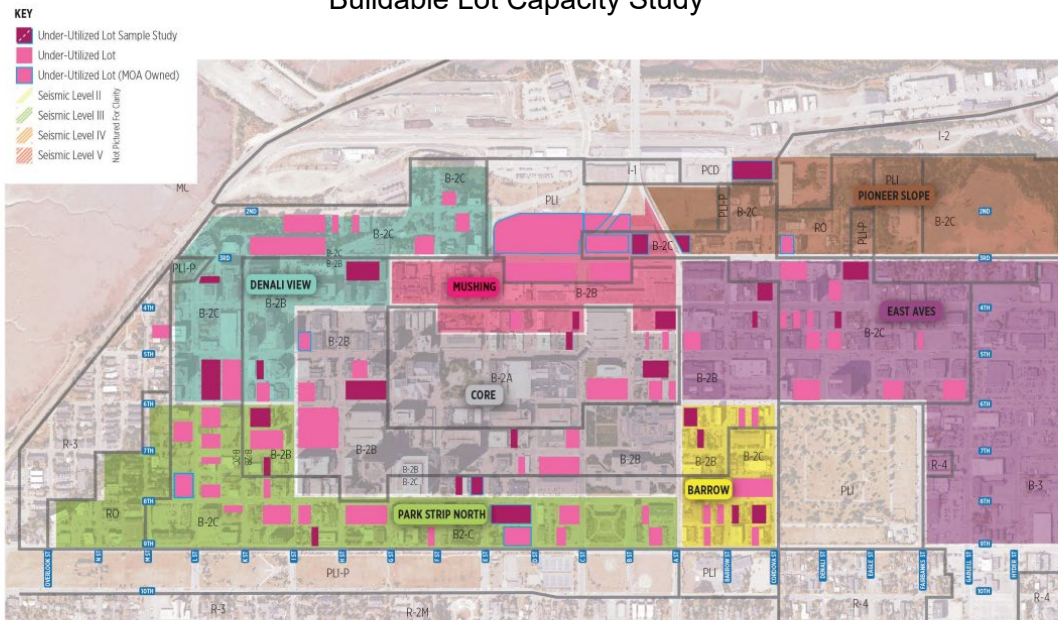


Examples from other cities show us that the most effective catalysts for Downtown housing combine real incentives with a strong vision as found in the *Our Downtown Plan*.

The buildable lands capacity study completed for this effort (map next page) estimated over 4,500 new housing units possible in Downtown. The planning team considered research and anecdotal information gathered during the planning process, including economic conditions, interest rates, lending strategies, public/private partnership strategies, buildable land capacity, Downtown Zoning Code update, tax incentives, green energy incentives, land write-downs, and land assembly options will help us meet the need for a possible 4,500 units.

- The Buildable Lot Capacity study estimated 4700 housing units are possible in Downtown.
- This GAP Housing Funding Study recommends **1400 new market-rate housing units in 5-8 years.**
- Tax Incentive Amendments.
- \$5M GAP Trust Fund Established.
- ACDA leads redevelopment in DT.

Municipality of Anchorage Buildable Lot Capacity Study



Overlay Map

Municipality of Anchorage - Underutilized Lot Study

December 16, 2021
Draft Analysis Graphics
5 of 10 **BETTISWORTH
NORTH**

Planning Team Recommendations:

(Amended 1/24/23 based on continuing financial/feasibility studies)

Let's keep working on what works and add new tools and funding to create certainty and support for market rate housing in Downtown Anchorage. Recommendations 1-5 are a result of working group discussions. Recommendations 6-10 are from the *Our Downtown Plan*: Chapter 8 Action Items.

1. **Extend the 4-unit housing tax incentive** (A.O. 2019-12 As Amended) currently adopted at 12 years to 25 years with a sunset date of July 1, 2030.
2. **Adopt a 8+ unit market rate housing tax abatement of 25 years** for all of Anchorage to sunset on July 1, 2030, (action will amend A.O. 2020-13).
3. **Extend the Fairview/East Downtown Tax Abatement Zone** sunset date from 2024 to July 1, 2030.
4. **Establish a GAP Trust Fund of \$5 million** to provide patient capital funding to fill the financing gap on market-rate housing with an established set of guidelines and a competitive process to disperse those funds.
5. **Direct 50% of ACDA's MESA payment to support economic development projects** to support Municipal goals and action items in adopted plans.
6. **Consider the transfer of development and management rights of HLB properties in Downtown to ACDA.** ACDA and the Economic and Community Development Department will work together on new housing through quarterly meetings and joint communication and outreach efforts to the development community and residents.

7. **Create a private land assembly program managed by ACDA as the Redevelopment Authority** with public outreach materials on how the land assembly program would work. This would include how the owner benefits to ensure private property owner buy-in and understanding.
8. **Focus capital improvement projects to Downtown areas identified in the *Our Downtown: Downtown Anchorage District Plan 2021 Revitalization Map Chapter 3 (See Map #2)***. ACDA will also be responsible for this community outreach in partnership with MOA PM&E and Planning Departments, and the Office of Economic and Community Development.
9. **Focus utility upgrades and capital improvement projects to Downtown areas also identified in the *Our Downtown Plan Revitalization Map Chapter 3 (See Map #2)***. ACDA will also be responsible for this community outreach in partnership with MOA PM&E and Planning Departments, and the Office of Economic and Community Development.
10. **Provide quarterly reports online for the community and at the Assembly meetings on the progress of this report's recommendations**. Reports will be compiled collaboratively between ACDA, MOA PM&E and Planning Departments, and the Office of Economic and Community Development.
11. **Establish one Point of Contact within either the Economic and Community Development Department or ACDA** to ensure developers and the community know who to contact for questions and progress.
12. **ACDA will develop a 10-year Comprehensive Economic Development Plan (EDP)** to be approved by the Assembly, using goals, policies, and action items from Assembly adopted Comprehensive Plan(s). ACDA will adopt, manage, and implement priorities of the EDP using it as the agency's guidance document for economic development and revitalization projects throughout Anchorage.

Let's Keep the Positive Trajectory Going!

We know our community wants to stay on this positive trajectory. Public comment, news articles, recent investments, and proposed land trades foretell a positive future. To that end, the GAP Funding Working Group acknowledges the following needs:

- Renewal and expansion of the housing tax incentives.
- Public agency/private development long-term ground leases.
- Municipal support for utility upgrades, and/or fee waivers.
- Financial/Legislative support of the redevelopment authority.
- Establish the patient capital (Housing GAP Trust) fund to provide reduced (2-3% interest return) returns on housing loans.

Process Overview and What We Heard:

Establishing the GAP Funding Working Group

During several one-on-one interviews with the development community, the *Our Downtown Plan* planning team heard loud and clear that we need to work together to fill the funding gap. This resulted in two courses of action:

- 1). An action item to address the funding gap was included in the Downtown Plan Update.
- 2). The formation of a working group to discuss the issue needed to occur soon because three tax abatement opportunities are scheduled to sunset in 2024.

The GAP Funding Working Group was formed in December 2021. Working group invitees included local experts from the following partners:

- First National Bank of Alaska
- Alaska Mental Health Trust Authority's Trust Land Office
- Debenham Properties
- MOA Community & Economic Development
- Northrim Bank
- Alaska Industrial Development and Export Authority
- Weidner Apartment Homes
- Anchorage Economic Development Corporation
- CPA firm BDO
- Alaska Housing Finance Corporation
- Northern Compass Group
- MOA Planning Department

Consultant Team Members

Agnew::Beck provided the Downtown development proforma. Bettisworth North provided information on an estimated housing capacity and current code restrictions to meet that capacity. Huddle, AK facilitated the discussions.

Municipal Planning Department Members

The project manager for the Downtown District Plan and supporting senior planning staff provided background information on tax incentives, land assembly processes, property ownership, and potential funding sources.

Group and Subcommittee Meetings

This process included three working group meetings and two subcommittee meetings, with notes available for each. Recommendations from the planning team and consultants are provided from what we heard. The Anchorage Economic Development Corporation was an early convener of this group. Three meetings of the Housing Gap Working Group were held. As part of this process, we formed a Patient Capital subcommittee and a Land Assembly subcommittee, which each met one time. Key takeaways from these conversations are as follows.

- Stakeholders in the private sector and key financing agencies generally have a common understanding that there is gap in the ability to generate enough value from market rate rental housing pro formas to cover the cost of development in Downtown Anchorage and elsewhere in Alaska.

- From the private developer perspective, the pro forma model that was shared indicated that property tax incentives, land write downs and patient capital have the largest impact on improving the financial feasibility outcome with property tax incentives and patient capital having the biggest impact.
- There does not appear to be any readily available patient capital to support new projects, currently. AIDEA and AHFC shared that they are considering a partnership in Fairbanks and North Pole where AIDEA could develop the infrastructure and land to catalyze new housing in and near to North Pole, Alaska. This example was discussed generally as a possibility for other parts of Alaska.
- Other tools should be considered, such as land assembly and infrastructure support, federal tax incentives and federal funding, support from foundations. Some of these options may be viable; others still require local resources to support, such as land assembly and infrastructure support.

Key Findings:

- **Downtown housing is essential to Downtown Anchorage revitalization.** The literature tells us that a vibrant Downtown requires more people living in it. Recommendations in this technical memorandum support incentives for market-rate housing to ensure that Downtown is a place where median-income households can live.
- **We must shift our thinking and focus on supply** if we are to affect Anchorage's Downtown housing environment. The *Our Downtown Plan* focuses on affecting supply, thereby revealing, and growing the demand for Downtown housing.
- **Other cities show the importance of setting a Downtown housing goal.** A Housing Goal or Housing Target is about setting a vision and expressing confidence and commitment in Downtown Anchorage.
- **We can fit a lot of housing in Downtown.** The Buildable Land Capacity Study completed for the *Our Downtown Plan* estimated over 4500 new housing units are possible in Downtown.
- **We propose an initial goal of 1,400 Downtown housing units by 2030 in Anchorage.** This goal or target is based on housing goals in other similarly sized cities.
- **Other cities show us that public investment in Downtown housing as a Downtown revitalization tool is absolutely necessary** to spur initial investment, unleash demand, and unlock longer-term private investment and the economic benefits that come with it.
- **The housing finance gap is large but not insurmountable.** The housing pro forma example provided within this technical memorandum is based on an actual housing project in Downtown. This Downtown housing pro forma indicates the \$120,000 funding gap per unit.
- **Downtown housing has examples that are working!** The 8th and K a collaboration between ACDA and Debenham Homes will proceed with patient capital and the Downtown 4-unit with 12-year property tax incentive.
- **The current 4-unit / 12-year tax abatement makes up close to half of the current housing finance gap –** But this still leaves a gap of about \$70,000/unit per unit for development Downtown.

- **Patient capital is not readily available.** Based on information shared during three Housing Gap Working Group meetings and a Patient Capital Subcommittee meeting it was concluded that a readily available source of funding to capitalize a patient capital fund is not currently available.
- **Each housing project approach relies on deployment of other policies that make projects pencil** including incentives like parking support and land assembly write-downs.
- **We create both the vision for a vibrant Downtown Anchorage and the tools to make it a reality by championing a clear housing goal and approving the incentives to spur Downtown housing development!**

2. The Housing Gap: Why Market Rate Rental Housing Doesn't Pencil?

Cities across the country have taken their downtown redevelopment efforts to the next level by setting a downtown housing goal. These goals provide a tangible, shared goal for increasing housing, thereby increasing the residential population downtown and fueling downtown revitalization.

Across cities, a similar process for setting and meeting these goals emerge:

1. **Develop an initial understanding of downtown housing demand** via housing assessments or surveys. For Anchorage, this has been complete based on previous AEDC surveys of housing demand.
2. **Set a specific medium-term goal for downtown housing development** (X units over 5-10 years). This report completes this step.
3. **Quantify the existing housing finance gaps/barriers** to downtown housing development today. Anchorage has received numerous studies demonstrate the financial feasibility gap and this report summarizes this issue.
4. **Identify and implement local incentive programs** to address the gaps, encourage private development, and reach the housing goal.
5. **Identify and empower key local leaders to champion the downtown housing goal** and incentives and create buy-in in the community.

These steps don't have to happen exactly in chronological order, but the intent is to align stakeholders and leadership around what is needed to move forward collectively and achieve additional housing for Downtown.

Quantify Existing Housing Finance Gaps



We would not be setting a Downtown housing goal and contemplating incentives for Downtown housing today had the market already facilitated Downtown housing development in the recent past. While that might seem worrying at first reading, the reality is that examples from across the country show that Downtown housing development is rarely incentivized by the private market in the early stages of development. In fact, early public investment is essential to spurring private housing development and ultimately unlocking the high returns of private-sector Downtown investment, which benefit the public and private sectors alike.

To get to an understanding of incentives to meet the housing finance gap in Anchorage, we first had to quantify what the gap currently looks like. The following is based off an example Downtown housing project with 40 units on ½ acre.

The project assumes surface parking at 0.50 space per unit, and a density of 80 units/acre. The pro forma for the example project mirrors those for actual Downtown projects, and is meant to illustrate current costs, gaps, and possible incentives to close the gaps.

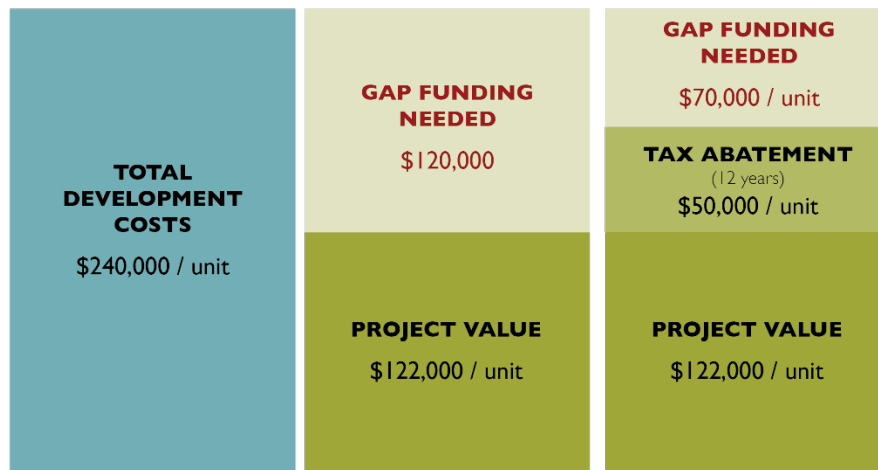
Housing Finance Gap (No Incentive)

In the 40-unit Downtown example, total development costs come out to around \$240,000 per unit, with project value at about \$122,000. This leaves a funding gap of \$120,000 with no incentives.



Housing Finance Gap (Current Incentive):

Adding in the current 12-year tax abatement closes the gap by 42 percent, leaving a remaining gap of \$70,000 per unit.



The current incentive structure in Anchorage starts to make up the difference but still leaves a substantial housing finance gap of \$70,000 per unit. The good news is that other cities provide examples for how to start affecting housing supply and filling gaps like these. The current Anchorage context presents opportunities to replicate some of these incentives and spur Downtown housing development.

Does Tax Abatement Impact the Municipal Tax Cap?

The answer from the Municipal assessor was “No.” It should be noted that in discussions with the Municipal assessor, the assessor conveyed that other Municipal property taxpayers would not be unduly impacted through the combination of the Municipal tax cap and the tax abatements. The planning team held multiple meetings with the assessor to discuss the current tax abatement program, and asked for clarification about what might result from extending the existing abatements. The assessor shared pursuant to AMC 12.25.040 B.1. new construction that is tax exempt in the previous year is excluded from the tax cap limitations and wouldn’t impact other taxpayers during the period of the exemption. The assessor shared an example of \$50MM of exempt new construction that was exempt for five years. In this case, the Municipality may not raise additional revenue from that exempted \$50MM until the property becomes taxable five years later.

3. Our Downtown Housing Goal: 1400 Units!

Setting a Downtown Housing Goal will catalyze development and give a performance measure the community can invest in:



The table shows that comparably sized cities have set goals in the range of 1,000-2,000 units over a 5-10-year period. When outliers are excluded from this list, the below housing goals average out to 4.5 Downtown housing units per 1,000 people. Applied to Anchorage this results in a proposed goal of 1400 new Downtown housing units.

Proposed Anchorage Goal: 1400 new Downtown housing units by 2030

Examples from Other Cities:

| City | Population | Housing Goal/Context |
|----------------------|------------|--|
| Colorado Springs, CO | 410,000 | 1,000 new residential units by 2020 , and 2,000 total by 2025 (2016 plan) |
| Wichita, KS | 397,532 | 1,500 housing units in a mix of types: loft, apartment, townhouse, live/work |
| Arlington, TX | 394,266 | The ' low ' scenario is a target of approximately 1,300 new housing units and the ' high ' scenario is a target of approximately 2,300 additional dwelling units ...over the next 10 to 15 years |
| Cleveland, OH | 372,624 | Downtown Cleveland has a goal of reaching 30,000 residents by 2030—with over 1,900 apartments added in the last few years . |
| Stockton, CA | 320,804 | Approx. 1,300 units recently constructed or in development in Downtown area |
| Corpus Cristi, TX | 317,863 | 1,850 market-rate units over next 5-7 years ("approximately 1,000 rental lofts or apartments, 500 for-sale lofts or apartments, and 400 for-sale townhouses") |
| Pittsburgh, PA | 302,971 | "Continued growth in Pittsburgh's urban core is certain as there are currently 3,980 units in the pipeline ." |
| Durham, NC | 382,506 | 1,700 new housing units coming to Durham Downtown area |
| Boise, ID | 226,115 | 1,000 units by 2020 (goal set in 2014) |

"There has been consistent demand for Downtown housing since more has become available." -Wichita, Kansas Master Plan

4. Let's Build on Existing Incentives to Catalyze New Housing in Our Downtown!

Build on Local Incentives to Close the Gap + Meet the Housing Goal:



In many ways, setting a Downtown housing goal and identifying the challenges to meeting it is the easy part, the hard part is in facilitating the supply. This is especially true in cities like Anchorage where the market conditions do not independently support or enable Downtown housing development through private investment. The good news is examples from other cities indicate Anchorage is not alone in facing a housing finance gap in our Downtown and there are innovative ways to fill it.

Examples from Other Cities:

Boise, Idaho

In 2014, the city of *Boise set a goal of 1,000 new residential units constructed in downtown by 2020...* In 2015, Boise launched an incentive program to pay developers \$1,000 per unit and an additional \$1,000 for qualified affordable housing apartments.” – *Idaho Press*

Reno, Nevada

Investing in a large anchor project identified in Reno’s *Downtown Action Plan* and using land write-downs to encourage downtown development and bring 2,000 to 3,000 new housing units to downtown Reno. Incentives included fee credits, land write downs, and investing tax revenue within the district.

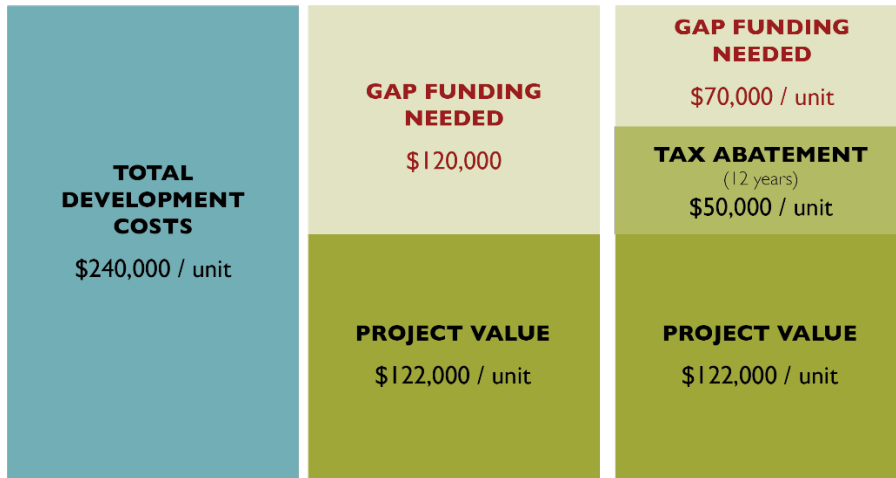
Corpus Cristi, Texas

Corpus Cristi’s *2018 Downtown Area Development Plan* frames public investment as a necessary short-term action to unlock the returns that come from private investment. Specific incentives include reinvestment of tax revenue in specific projects, fee waivers, affordable housing trust funds, land write-downs, and shared parking.

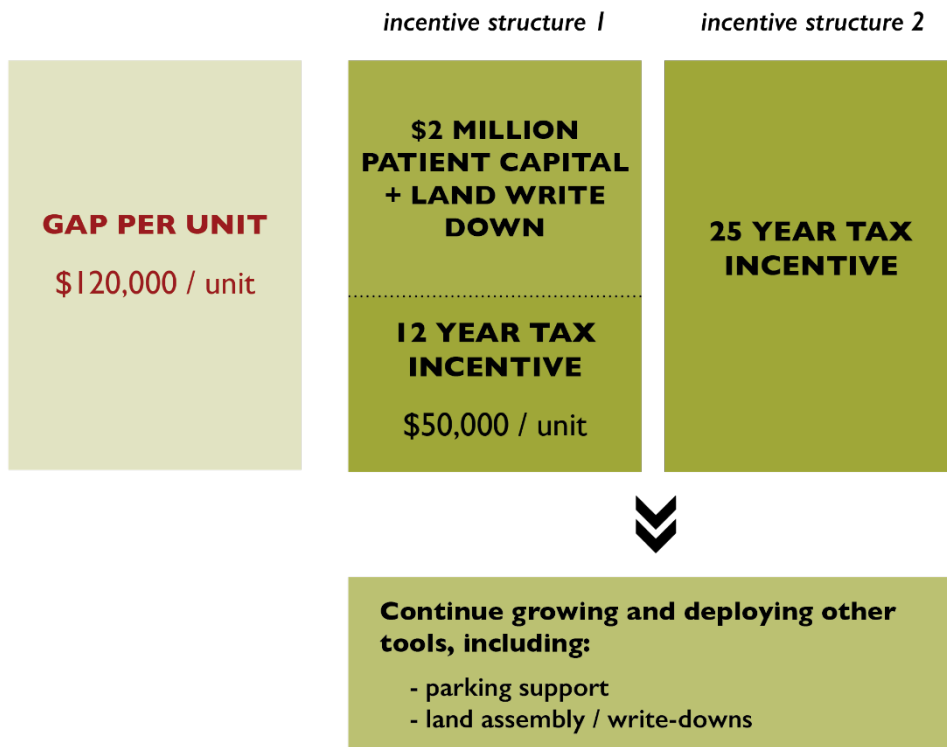
In summary, these examples all point to significant public investment early in their downtown revitalization efforts. Each also points to somewhat of a toolbox approach: Lining up multiple incentives and deploying them in unison, from direct financial incentives to flexible parking requirements, to land write downs.

Implement a Comprehensive Incentive Structure for Anchorage:

What is learned from these examples and how can Anchorage fill the gap? A revisit of the original 40-unit housing finance challenge presents the \$120,000/unit gap. When the current 4-unit, 12-year tax abatement is applied the \$120,000 per unit gap is reduced to \$70,000 per unit.



Examples from other cities suggest that filling such gaps requires a toolbox of resources, from direct financial incentives to land write downs to flexible parking requirements. In the Anchorage context, the following two incentive structures rise to the surface for filling the remaining financial gap:



5. Identify Leaders to Champion the Goal!



Ultimately, a Downtown housing goal is perhaps as much about vision and voicing confidence in a Downtown area as it is about building housing units. It is a signal that a city is open for business, and that there is commitment to revitalization. Visibility and buy-in to the goal are key. The most visible housing goals in other cities are those that have been championed by key local leaders or coalitions of key public- and private-sector individuals. And the most successful goals are those that are paired with the tools and incentives to spur development Downtown.

Setting a Vision for Downtown Anchorage

The image to the right is likely familiar: Alaska's largest city set against the backdrop of the Chugach. Viewed at this level, the benefits of Downtown Anchorage are on display: a compact urban area with plenty of office space, lodging for visitors, and a beautiful backdrop against the mountains. When we zoom in, we see what's missing: the number of people we might expect to see frequenting the Downtown area of our state's largest city. The good news is that Anchorage is not alone in contemplating the vibrancy of its Downtown, and examples from other cities provide blueprints for how to revitalize Downtown areas. One of the main lessons learned, which will be explored here, is that a vibrant Downtown Anchorage requires a consistent population of people living in it.



What Does This Vision Look Like?

Following are several visualizations developed for actual properties located in Downtown along L Street and 5th and 6th Avenues and at 9th Avenue and D Street.

"We won't have a vibrant Downtown Anchorage, and all the economic benefits that come with it, until we have a city center where people want to and can live. The Our Downtown Plan lays out a path to a vibrant Downtown anchored in Downtown housing," — from public comment.

6. Downtown Housing Visualizations:

Block 102 - 9th Avenue and D Street:

Imagine Block 102 | Southeast Corner Character



Title 21: B-2C; Seismic Zone 3
 7-Story Mixed-Use building
 Parking L0-3; L1 Retail;
 L1-2 Office; L3-7 Residential

Title 21: B-2C; Seismic Zone 3
 3-Story Residential Options
 Boarding House, Multi-Family,
 Single Family Attached
 Parking at grade from alley

Development Specifications

- Chapter 4 Land Use Districts: Park Strip North
- Medium Density Housing + Mixed-Use
- Protect viewsheds, step buildings down in height to preserve views/sunlight access
- South half: Housing, with layered public to private spaces
- North half: Retail, Housing, Restaurants/Cafes, Grocery, Laundry, small Public Spaces

Chapter 6 Urban Design: Streets

- Residential streets focus on providing safe enjoyable experience for all users
- Activate alleys with art, feature lighting, secure bike parking

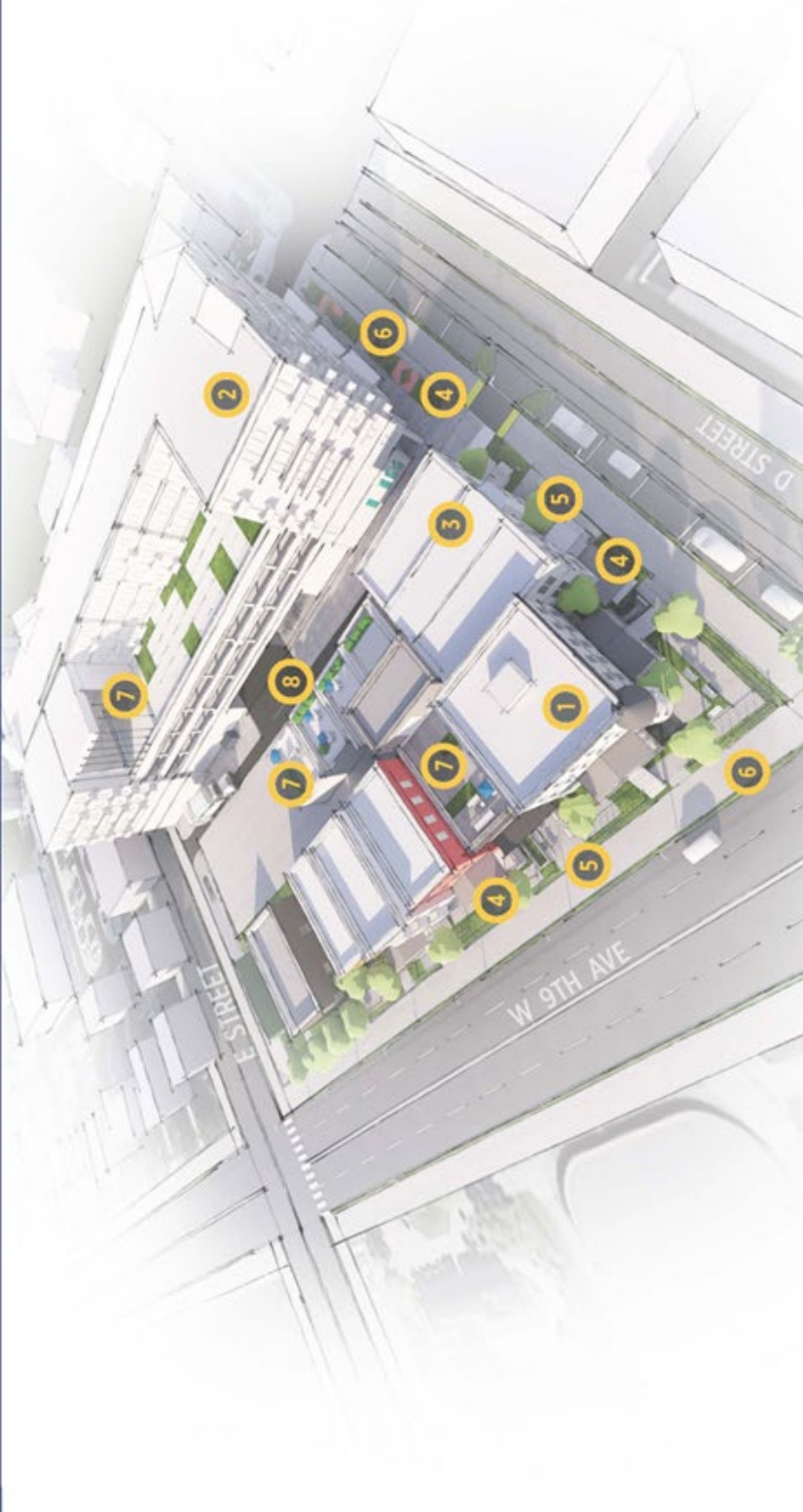
Title 21 Design Amenities

1. Multi-Unit Housing, Parking at grade L1-3 Residential + Terraces
2. Mixed-Use Retail, Office + Housing, Parking structure wrapped by L1-2 Retail/Office, L3-7 Residential

Site Amenities

3. Lower structure to maintain sunlight access for residential units on north block

4. Landscaping, seating, pedestrian lighting, small yards and porches encourage street level activity
5. Pedestrian access on all street edges
6. Sidewalks, widened and textured
7. Crossings for pedestrian safety
8. Parking/utility access from alley side



Development Specifications

Chapter 4 Land Use Districts; Park Strip North

- Medium Density Residential
- Protect viewsheds, step buildings down in height to preserve views/sunlight access
- South half: Housing, with layered public to private spaces
- North half: Retail, Housing, Restaurants/Cafes, Grocery, Laundry, small Public Spaces

Chapter 6 Urban Design; Streets

- Residential streets focus on providing safe enjoyable experience for all users
- Activate alleys with art, feature lighting, secure bike parking

Title 21 Design Amenities

1. Multi-Unit Housing, Parking at grade L1-3 Residential + Terraces
2. Mixed-Use Retail, Office + Housing, Parking structure wrapped by L1-2 Retail/Office, L3-7 Residential

Site Amenities

3. Lower structure to maintain sunlight access for residential units on north block

4. Landscaping, seating, pedestrian lighting, small yards and porches encourage street level activity
5. Pedestrian access on all street edges
6. Sidewalks, widened and textured
7. Building/Parking rooftop activation
8. Parking/utility access from alley side, activated with bike parking, etc

Block 56 – 6th Avenue and L Street:

Imagine Block 56 Block Overall Character



Development Specifications

- Chapter 4 Land Use Districts: Dermal View
- Medium to High Density Housing + Mixed-Use
- Protect viewsheds and steep buildings down in height to preserve view corridors
- Housing, Office, Retail, Restaurants/Cafes, Grocery, Laundry, small public spaces
- Chapter 6 Urban Design: Streets
- Mixed-Use streets focus on providing safe enjoyable experience for all users
- Bike Boulevard to connect to areas / regional trail network

Title 21 Design Amenities

- Mixed-Use building, parking below grade, LI Retail, L2-3 Office, L4-5 Residential
- Mixed-Use Tower; Parking below grade LI Retail; L2-5 Office; L6-9 Residential
- Entry Plaza, Retail + restaurant entries at street level
- Exterior seating + plaza for dining
- Street trees, seating, pedestrian lighting, Arcade/covered walkways and landscaping
- Sidewalks, widened and textured
- Crossings for pedestrian safety
- Parking structure accessible from alley to minimize sidewalk crossing

Site Amenities

- Entry Plaza, Retail + restaurant entries at street level
- Exterior seating + plaza for dining

Figure #12: Buildable Lots Capacity Study visualization, (Betisworth North)

7. Getting to 1400 by 2030!

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 |