Pathways to Removing Obstacles to Housing (PRO Housing)

Municipality of Anchorage Application

Public Review Draft

September 26, 2024

Executive Summary

The Municipality of Anchorage (Muni) and partners are applying for $7,000,000 from the US Department of Housing and Urban Development (HUD) in Round 2 of the Pathways to Removing Obstacles to Housing (PRO Housing) program for a set of projects aimed at addressing barriers to housing development in Anchorage. Program partners, projects, and requested amounts are:

- University of Alaska Anchorage (UAA) – Research on housing costs and innovative construction techniques, including structural insulated panels (SIPs) - $800,000
- Anchorage Community Development Authority (ACDA) – Construction of up to 24 housing units using the results of UAA research to reduce costs - $3,300,000
- Native Village of Eklutna – Construction of 8 housing units using the results of UAA research to reduce costs - $1,600,000
- Anchorage Water & Wastewater Utility (AWWU) – Upgrade of water lines to properties recently rezoned for higher density - $1,000,000
- MOA Planning Department – Site-plan generation, public outreach, and a Civic Academy - $200,000
- Anchorage Health Department – Project management and coordination - $100,000

Need

Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.

Improved laws, regulations or land use policies:

The Municipality of Anchorage (Muni) has taken the lead on pro-housing land use reforms over the past several years and is broadly focused on making code more flexible and allowing more types of housing in more places. These positive reforms include

- Eliminating zone-based minimum lot sizes in the Downtown and mixed-use R-4A districts, (Assembly Ordinance 2023-42 and Assembly Ordinance 2023-43, AA)
- Eliminating minimum parking requirements (Assembly Ordinance 2022-80(S)),
- Exempted residential design standards for hotel conversions (reducing the cost and time needed to convert hotels and motels into facilities suitable for housing (AO 2023-30))
- Simplifying the process for building accessory dwelling units (ADUs) and "missing middle" housing types (AO 2022-107, AO 2023-103, and AO 2023-104)
- Simplifying open space requirements for multifamily development (AO 2024-16)
- Extending the option of independent plan review to commercial projects as well as residential (AO 2023 136-S) ,
- Removing building code barriers for using modular construction for transitional housing/homeless shelters
- Eliminating single family zoning in the areas with the best access to goods and services of the Anchorage Bowl (AO 202387 S-1).

Although these improvements have begun bearing fruit through a growing number of small-scale infill projects that would not have previously been allowed, years of limited production mean the problems remain sizeable and complex.

Since 2023 the Muni has devoted more energy to doing a better job at tracking and measuring the progress of reforms against actual development, first with requiring an annual review and new tracking system for ADU regulations, and more recently with the creation of a housing permit dashboard which provides over ten years of public housing permitting data to the public. Improving better data sharing and transparency is a priority of the new mayoral administration, which has just hired a new outreach and communications director.

The process of completing these reforms and then tracking implementation have subsequently uncovered other obstacles in existing permitting processes or code sections; policymakers continue to take an active role in following through with reforms so that procedural issues or internal factors do not undermine the broad policy intent of getting more housing. Based on feedback from the public, one project in this vein which has recently kicked off focuses on creating a set of pre-approved ADU plans for certain eligible properties and allowing streamlined placement that removes penalties for existing non-conformities on a property for non-conformities that are not related to health and safety. As this proposal is going to submission,

the Anchorage Assembly will be discussing a new overlay zone in the transit-supportive corridors identified by the 2040 Land Use Plan adopted in 2017 in order to enable more housing and enough density to support robust transit in high-opportunity corridors across the city.

At the same time that it has been reviewing regulatory barriers, the Muni has been exploring how to create positive incentives for development such as targeted tax abatements, how to facilitate the conversion of existing buildings, how to equitably share the cost of new infrastructure and off-site improvements between residents of new housing and the public overall, and additional direct capital investment in specific projects. The Muni's use of federal relief funding (ARPA) to increase the number of aging hotels that could be rehabilitated and converted to housing units has also proven to be a successful use of public funding. The city continues to engage the public in solutions to address more known local barriers in code and the permitting process, and is committed to removing additional regulatory barriers in how local government interacts with housing production. A common thread among all of these projects is looking at ways to reduce housing cost burdens and reducing the time, cost, and uncertainty in the permitting process for all projects, particularly small owner-build projects.

Other recent actions to overcome barriers:

One of the guiding documents for the Muni's strategy to overcome barriers is the Assembly's 2023 Housing Action Plan, adopted in AR 2023-433, which highlighted increasing housing supply, diversifying the housing market, increasing the share of resident-occupied housing, reducing housing cost burdens for all residents, and making the Municipality a better partner in the development process. To achieve these goals, the Plan has 6 strategies, each with a number of specific actions that include removing barriers to infill and new construction, encouraging reuse and redevelopment, developing funding streams for infrastructure and public utilities, focusing incentives and public investment to increase the housing stock, expanding housing affordability, access, and stability, and, streamlining municipal processes.

This guidance and the work leading up to it has helped direct a range of other activities beyond regulatory reform which include:

- The Muni invested public funds to convert aging hotels into affordable housing.
- In November 2023, the Assembly hosted Housing Action Week, culminating in a one-day Housing Summit, where over 100 attendees gathered to hear expert presentations, participated in small-group discussions using real-life case studies illustrating local policy barriers, and provided initial feedback on the Action Plan, later adopted in December 2023.
- Updating the procedures and outreach processes for the Federation of Community Councils to reach more varied populations
- Recent work investigating whether tax abatements might be a useful tool for spurring new residential construction.
- Using an EPA Brownfield grant to assess potential development sites for clean-up in low-income areas in Downtown, in Spenard, Midtown, and Muldoon.
- Funding a feasibility study for how to address the community's aging mobile home parks.

- Helping religious organizations place micro-shelters on their properties for quick-build transitional housing.
- Funding the demolition of vacant and abandoned properties in target neighborhoods.
- The Anchorage Community Development Authority developed a facade improvement program in order to provide support to businesses in low-income neighborhoods.

At the time of this application, the Muni is currently working with a local community organization to explore the deployment of Structural Insulated Panels (SIPs) for a small-scale separated shelter project with a local community partner. This experience will help inform the activities proposed in this project and help direct research for our UAA partners.

Other activities the Muni will continue to work on:

In addition to the range of reforms it has completed already, the Muni will continue to proactively work to remove barriers to the adaptive reuse of existing buildings, reduce barriers to building ADUs, simplify both zoning and building codes, reduce the burden on private development for public infrastructure (offsite improvements), eliminate design standards that discriminate against multi-family housing, and simplify Planned Unit Developments (PUDs).

Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?

Although Anchorage is not a "priority geography" according to the parameters of this grant, it is still home to a variety of populations at higher risk for displacement and housing insecurity. The solutions for modular housing, developed here, will have applicability statewide, particularly in rural Alaska. The cost of failure for new and innovative technologies is much higher in remote areas like rural Alaska than in Anchorage, which makes piloting these technologies in Anchorage a more practical and less risky way to assess feasibility. It is also likely that Anchorage is where these manufactured elements will need to be manufactured if they are ultimately determined to be feasible for rural Alaska. While this project focuses on Anchorage, therefore, many of the results will be applicable to the higher-cost areas of the state that are considered priority communities. The Muni is interested in partnerships with other communities and statewide organizations to apply the results of this research and will be pursuing those opportunities as the projects move forward.

The cost of housing in Anchorage is high and rising, and housing is particularly unaffordable for LMI residents. HUD's 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) provides data on the number of households experiencing housing problems (see the table below). It shows that 11,080 Anchorage households (10.4%) have an income below 30% of the HUD-Adjusted Median Family Income; 35,500 (33.2%) have at least one housing problem and 17,495 (16.4%) have at least one severe housing problem; 12,740 (11.9%) have a housing cost burden above 50% of household income; and 19,200 (17.9%) have a housing cost burden between 30% and 50% of household income. The large proportion of the Anchorage population these households represent demonstrates the extent of the housing crisis and the need for additional housing.

Data for: Anchorage Municipality; Alaska			
Year Selected: 2016-2020 ACS			
Income Distribution Overview	Owner	Renter	Total
Household Income <= 30% HAMFI	3,775	7,305	11,080
Household Income >30% to <=50% HAMFI	4,245	7,530	11,775
Household Income >50% to <=80% HAMFI	10,330	10,680	21,010
Household Income >80% to <=100% HAMFI	7,385	5,340	12,725
Household Income >100% HAMFI	40,825	9,550	50,375
Total	66,560	40,410	106,970

Housing Problems Overview 1	Owner	Renter	Total
Household has at least 1 of 4 Housing Problems	16,790	18,710	35,500
Household has none of 4 Housing Problems OR cost burden not available no other problems	49,775	21,700	71,475
Total	66,560	40,410	106,970
Severe Housing Problems Overview 2	Owner	Renter	Total
Household has at least 1 of 4 Severe Housing Problems	7,455	10,040	17,495
Household has none of 4 Severe Housing Problems OR cost burden not available no other problems	59,110	30,365	89,475
Total	66,560	40,410	106,970
Housing Cost Burden Overview 3	Owner	Renter	Total
Cost Burden <=30%	51,335	23,305	74,640
Cost Burden >30% to <=50%	9,660	9,540	19,200
Cost Burden >50%	5,410	7,330	12,740
Cost Burden not available	165	235	400
Total	66,560	40,410	106,970

Notes:

HAMFI = HUD-Adjusted Median Family Income

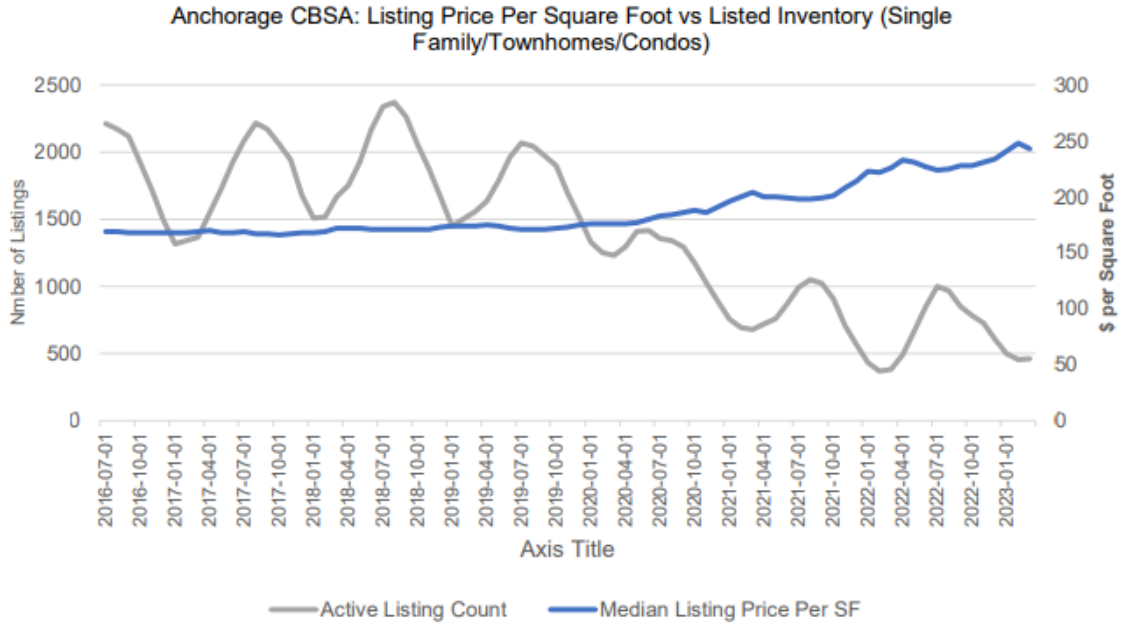
The four housing problems are: incomplete kitchen facilities; incomplete plumbing facilities; more than 1 person per room; and cost burden greater than 30%.

The four severe housing problems are: incomplete kitchen facilities; incomplete plumbing facilities; more than 1 person per room; and cost burden greater than 50%.

Cost burden is the ratio of housing costs to household income. For renters- housing cost is gross rent (contract rent plus utilities). For owners- housing cost is "select monthly owner costs" which includes mortgage payment; utilities; association fees; insurance; and real estate taxes.

The housing affordability crisis in Anchorage has only grown since 2020. According to data collected from the Federal Reserve Bank of St. Louis (FRED) database: Median single family home listing price in Anchorage **rose 43%** in only three years from $311,000 in January 2020 to $446,000 in May 2023, putting home ownership further out of reach.

Anchorage Listings Compared with Prices (St Louis FED)



The local planning firm Agnew::Beck has developed a Housing Needs Forecast model to forecast housing demand in Alaska communities, including rural Alaska, over a specific period. The model uses U.S. Census and State Department of Labor (DOL) data to estimate the need for new units based on population growth and overcrowding, and the need for rehab or replacement of existing units based on three proxies for housing condition. The model shows that 14,000 new units are needed over the next 10 years due to population change and severe overcrowding:

- 7,000 new units are needed due to expected population growth (using the mid-point estimate of DOL data)

- 7,000 new units are needed due to severe overcrowding in existing housing

The model also shows that 13,500 rehab or replacement units are needed over the next 10 years. This component of the forecast model is based on three proxies for housing condition:

- Aging housing stock (% of housing stock built before 1960)

- Housing units without plumbing (% of occupied units without plumbing + kitchen facilities)

- Mobile home units that need replacement sooner than other unit types (% of total housing stock that are mobile home units

What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

Anchorage is a remote city in a subarctic climate, and as a result it faces a variety of barriers at all levels of the planning, financing, and development process. Years of rising materials costs, shipping costs, infrastructure development costs, and increasing complexity in land use regulations have resulted in a development environment where it is difficult to get projects going and find new solutions. We seek to address some of the most frequent problems that Municipalities throughout Alaska have been hesitant to address while also removing as many jurisdictional restrictions as possible.

1. **Materials Costs and Cost of Shipping.**

   According to data provided by the Alaska Housing Finance Corporation, construction cost for new residential multifamily construction in Anchorage from 2017 to 2024 averaged $299 per square foot, with a peak of $468 per square foot in 2022.

2. **Local Developer and Financing Capacity**

   Anchorage has a small pool of contractors, builders, skilled tradespeople, and developers. Zoning restrictions and regulatory barriers have led this limited labor pool to specialize in greenfield single-family construction, leaving little capacity or expertise for much-needed infill development. The limited labor pool results in less competition, higher bids, and more difficulty finishing projects in a timely manner. Of the group of experienced developers in the area, many are increasingly choosing to work outside of Anchorage due to difficulty navigating the Muni's development process in a timely manner. We also have a limited number of lenders willing to work in Alaska on development projects. Alaska is a less attractive market for lower 48 lenders, which means many of these issues simply must be addressed locally.

3. **Uncertainty with new materials, designs, and innovative building types**

   Innovative building components utilized with Industrialized Construction such as structural insulated panels (SIPs), mass timber, continuous insulation, and helical pile foundations, are becoming more common in the lower 48 but are still unproven in many places in Alaska. Shipping costs, lack of expertise, lack of financing, seismic and winter concerns, and regulatory uncertainty make local builders hesitant to take the risk on untested technology. New materials and methods for building could potentially provide significant cost effectiveness and energy efficiency in the long term. However, some of these techniques and materials have not proved to be economically feasible in the Lower 48. Alaska's conditions are different in ways that may make them more feasible here, but this requires testing and demonstration.

4. **Uncertainty in permitting**

Like many American cities, Anchorage's kaleidoscope of overlapping rules and processes makes it difficult to build housing, let alone try out innovative approaches. Developers frequently report that they have no clarity about what will be required of them for anything but the simplest projects.

Property owners often provide feedback to the Muni that they are not sure what is allowed on their property or what kind of regulatory, slope, easement, or other types of restrictions might exist.

Along with funding research into materials, we will be working to streamline processes and increase regulatory certainty to reward builders and researchers working on creative solutions to Alaska's unique challenges. In particular, we'll ensure researchers and regulators work closely to remove barriers to modular construction methods.

5. **Lack of workforce trained to work with new modular building technologies**

   Anchorage and the State of Alaska suffer from a lack of skilled labor, especially in the housing industry. Skilled labor, including architects, engineers, designers, and precision builders are also unfamiliar with some of the new technologies which have been developed elsewhere and so may be hesitant to try them in Alaska's more-complicated conditions. Working with the University of Alaska system will help both identify areas where Alaska can better train its young people to stay and work in the state, and provide the training for engineers, developers, designers, and housing-specific trades.

6. **Public knowledge of planning processes, and expectations about levels of public service versus the fiscal realities of providing them.**

   Anchorage is a large, sprawling city that has traditionally leaned heavily on state and federal funding to build its infrastructure. As those sources dry up, the Municipality has to look at different ways of providing infrastructure and different ways of developing. Managing public expectations about what sort of development is feasible, the scale of infrastructure and levels of service, and thinking about ways to provide more housing on existing infrastructure networks is a continuous process.

7. **Aging Housing Stock**

   According to US Census 2023 ACS 1-year estimates, 42% of occupied housing units in the Municipality of Anchorage were built before 1980 and 77% were built before 2000. Many housing units are not energy efficient, which leads to higher energy costs over time.

8. **Infrastructure Costs**

   Water and sewer infrastructure costs in the Anchorage area have become increasingly untenable over time, with new water pipe installation or rehabilitation beginning at around $25,000 per connection. At the same time, several parts of the Municipality have older infrastructure which needs replacement or lots which are currently underserved for the density that exists or the density the zoning now allows. Some parts of the urban area still draw water from private wells. Working within an extremely fiscally strained

environment, the Muni is increasingly looking at the necessity of prioritizing infrastructure in infill areas and finding ways to make targeted infrastructure improvements for priority parcels or target areas where recent reforms now allow more efficient land use and more housing.

Anchorage currently has over 3,500 lots zoned R-2M R-3, R-3A, R-4, and R-4A which are underbuilt in terms of housing capacity but do not have sufficient water line capacity to support additional construction or greater density as properties redevelop.

9. **Energy Costs**
   Declining energy production in the Cook Inlet area means that Anchorage and the State of Alaska are nearing a period of energy uncertainty, the short-term solution for which may be important Liquified Natural Gas (LNG). Whether importation moves forward or the State develops additional energy resources, the average resident is likely to see higher energy prices for heating their homes in the future.

Soundness of Approach

Vision: Anchorage is proposing to take a multi-pronged approach to address the housing crisis and build on past accomplishments. The projects proposed in this application will address the issue of housing affordability, especially for Low- and Moderate-Income families and individuals, by targeting several of the remaining key barriers to housing affordability identified.

Through an innovative partnership between the Municipality, the Anchorage Community Development Authority (ACDA), the Native Village of Eklutna, and the University of Alaska Anchorage (UAA), Anchorage is looking to take the lead on exploring innovative modular building and siting technologies for all scales of residential construction, but especially compact housing, throughout Alaska. This project seeks to bring a strong coalition of interested parties together to find scalable solutions that are cost-effective, rapidly constructable, and offer long term energy efficiency, and creating a sustainable impact through public materials research and workforce development.

The Municipality will also work on regulatory changes to reduce barriers to new housing. This will involve partnering with UAA's Institute for Social and Economic Research (ISER) as well as internal work within the Planning Department. And we will find ways to facilitate infill infrastructure to allow newly developable lots to be used for affordable housing. The Anchorage Water and Wastewater Utility (AWWU) will use PRO Housing funding for a pilot project to upgrade water connections to lots that have been rezoned for higher density but have insufficient water infrastructure to support that density. The project will focus on upgrades that provide benefits to LMI residents in priority areas, including high-amenity areas.

Proposed Activities:

First, the University of Alaska Anchorage will provide the research and data to make informed decisions about opportunities for innovative housing technology in Anchorage and Alaska. Next, the Anchorage Community Development Authority (ACDA) will build on this research to test any of this technology at one of a number of development sites in either high-need areas or high-access areas in the Municipality. At the same time the Native Village of Eklutna will pilot modular housing concept ideas based on the experience of UAA and ACDA. Throughout the project, the Anchorage Health Department will facilitate, manage, and report according to CDBG regulations, the Muni Planning Department will expand data tracking and facilitate the removal of code barriers so that it is no longer a concern for the other partners.

1. **UAA**

   The University of Alaska Anchorage will make a foundational contribution to the project in two ways:

   First, the Institute of Social and Economic Research (ISER) and UAA Department of Economics will research policy drivers, economic cost drivers, logistics limitations, and labor limitations in order to subsequently create a tool kit for developers throughout the state.

A. Quantify Regional Cost Multipliers

Identify and assess construction cost multipliers for key Alaskan regions compared to Anchorage, with a focus on:

1.1. Labor: Using Bureau of Labor Statistics (BLS) wage and salary data to determine industry-specific labor cost differentials.
1.2. Materials: Analyze delivery costs of construction materials to remote and semi-urban regions.
1.3. Land: Evaluate the impact of land availability and zoning regulations on land prices.
1.4. Regulatory Environment: Build on the frameworks developed by Bartik et al (2023) and the Wharton Residential Land Use Regulatory Index to measure the regulatory burden on housing prices, using machine learning to assess data from regions like Fairbanks, Palmer/Wasilla, Kodiak, and the Kenai Peninsula.

B. Examine Regulatory Impact on Housing Supply Elasticity

Building on the work of Saiz (2010), this study will analyze the supply elasticity of housing in different Alaskan regions. Using data on zoning restrictions, building permit processes, and other regulatory factors, the research will explore how these constraints influence the availability and cost of housing. This will include:

1.5. A machine learning model that predicts housing price variations based on regulatory intensity.
1.6. Comparative analysis of regional regulatory structures and their correlation with supply constraints.

C. Evaluate the Impact of Upzoning and Multifamily Construction on Property Values

The study will investigate how zoning changes, particularly upzoning to allow for multifamily construction, affect surrounding property values. This will be done through a hedonic pricing model to:

1.7. Measure the short- and long-term impacts of upzoning on single-family home values in nearby areas.
1.8. Quantify any potential spillover effects on the rental market and broader community development outcomes.

Second, the UAA Civil Engineering department will expand its capacity by hiring a local construction expert and pairing them with a graduate researcher to investigate how combinations of innovative building materials, innovative component assembly, and new types of foundations that can provide housing that is economically, energy efficient, and durable in Alaska's range of building conditions. A key piece of this value engineering will be in-depth analysis of scenarios to clarify how higher up-front material and fabrication costs might be balanced with faster construction, lower on-site labor costs, and greater long-term efficiency. The lessons learned directly from this research will feed

directly into the development activities for ACDA and the Native Village of Eklutna. Throughout this process UAA will be working with the Muni planning department to ensure that the researched scenarios will be permittable under Muni building and zoning codes, and if not, investigating how to reduce those obstacles.

UAA will follow up on this research by workforce training to educate local architects, builders, engineers, and students on how to use this new technology. UAA plans to spend one year in pre-engineering, engineering, and development, then an additional year implementing and evaluating the solutions for additional improvements.

Anchorage Community Development Authority (ACDA): ACDA will complete the development side of the project, and currently has a project site that is shovel-ready because ACDA is under contract to purchase from a willing seller. This project site is located on Fireweed Road in a high-amenity area along a public transit corridor within the highest-density employment center of Anchorage. The property also has existing utilities.

The Fireweed site is proposed for 24 housing units. However, that number could be as much as tripled by using metal-frame or timber-frame construction with the SIPs. Advances in both metal- and timber-frame construction could potentially reduce costs in conjunction with the SIPs. ACDA will pilot ideas for cost-savings and energy efficiency proposed by UAA in their research and testing of the SIP product for to ensure the product can meet requirements for northern high-seismic areas.

Anchorage Water & Wastewater Utility (AWWU): AWWU is the Municipality's primary water and wastewater utility, serving over 55,000 customers. AWWU's role in the project will be to facilitate the identification, installation, upgrade, or replacement of water infrastructure for lots within the R-2M, R-3, and R-4 zoning districts for which zoning reforms have recently made more middle housing viable in the future. This policy change has not resulted in redevelopment at higher densities, however, since many of these lots were developed at single-family density and have utility infrastructure installed for that density, especially water pipes. Single-family homes typically have ¾" water pipes, but three- and four-plexes that are now allowed on these lots generally require 2" lines instead. Some lots are not on city water at all and rely on wells which are not sufficient for the needs of denser development. Some of the work done by AWWU with this funding will be installing 2" water lines (that can support a 4-plex or higher) to properties without existing water service or to properties with water lines which need to be repaired or upgraded from a 3/4" line for higher density in the future. Because each upgrade could cost around $25,000, these public investments will be prioritized for lots that can be used for Affordable housing in the future. Because these investments can be made parcel by parcel, this section of the proposal could be scaled up or down, depending on the total award. The full request of $1,000,000 in PRO Housing funds would fund approximately 40 parcels.

Muni Planning: The Muni Planning department's role is to get rid of all the obstacles that are not related to health and safety that discourage people from trying to build new housing. The Department will facilitate code changes to both building codes and zoning codes and conduct

public outreach and education on reforms necessary to allow more compact types of housing. Specific activities may include:

1.9. Public information campaign about Anchorage's housing needs and the costs of infrastructure.
1.10. Mediated working groups to navigate removing code obstacles.
1.11. Developing a publicly-accessible application that connects to the Muni's existing GIS system which provides developers and property owners a graphical overview of what kinds of obstacles to or opportunities for housing exist for their lot. (This has been a major limitation of the pre-approved ADU project; property owners are interested but cannot tell if their lots have the setback area, lot coverage allowance, slopes, water lines, and other overlapping limitations.)

Native Village of Eklutna: The Native Village of Eklutna will prepare a new 8-lot subdivision at the Village site to receive 8 of the modular homes or cabins that will be produced by local builders using insights developed through the UAA research. This project will benefit elders of the tribe.

Anchorage Health Department: The Anchorage Health Department will manage the project, contribute to public outreach, and ensure that activities proceed according to federal guidelines and within CDBG regulations.

Activity	Barriers Addressed
1.UAA Research of modular construction and other forms of innovative housing technology	**1. Materials Costs and Cost of Shipping:** **2. Local Developer and Financing Capacity** **3. Uncertainty with new materials, designs, and innovative building types** **9. Energy Costs**
2. ACDA will cooperate with UAA to pursue a cold climate housing option that can be constructed on small or large lots throughout Anchorage and Alaska	**1. Materials Costs and Cost of Shipping** **2. Local Developer and Financing Capacity**

	3. Uncertainty with new materials, designs, and innovative building types **5. Lack of workforce trained to work with new modular building technologies** **7. Aging Housing Stock** **8. Infrastructure Costs** **9. Energy Costs**
3. AWWU: Sewer and Water connections for high-potential lots in high-priority areas	**7. Aging Housing Stock** **8. Infrastructure Costs**
4. Muni Planning: Public outreach, remove jurisdictional obstacles that are not related to health/safety	**3. Uncertainty with new materials, designs, and innovative building types** **4. Uncertainty in permitting** **6. Public knowledge of planning processes, and expectations about levels of public service versus the fiscal realities of providing them.**
5. Anchorage Health Department: Managing the project, reporting, and public outreach.	**6. Public expectations about levels of public service versus the fiscal realities of providing them**

Activity	**National Objective** (CDBG national objective pursuant to section 101(c) of the Housing and Community Development Act of 1974)	**Constitutes an eligible activity** (Eligible activities must identify and seek to remove one or more barriers to affordable housing production and preservation. Additionally, each proposed activity must do one or more of the following)	**Specific Eligible activity** (105(a) of the Housing and Community Development Act of 1974 and applicable program regulations at 24 CFR part 570, as applied and modified by this NOFO)
1.The University of Alaska will research	Benefiting low- and moderate-income persons,	**Improve housing strategies**	• X. Developing proposals to harmonize land-use policies or building

modular construction and other innovative forms of housing technology		**Facilitate affordable housing production and preservation**	codes among adjoining municipalities and facilitate consistent regional development standards that streamline housing development • E. Providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing
2. ACDA will cooperate with UAA to pursue a cold climate housing option that can be constructed on small or large lots throughout Anchorage and Alaska	Benefiting low- and moderate-income persons,	**Facilitate affordable housing production and preservation**	• Establishing incentive programs or flexibilities to enable and promote the adaptive reuse of vacant or underutilized properties for housing or mixed-use development •
3. AWWU: Sewer and Water connections for high-potential lots in high-priority areas	Benefiting low- and moderate-income persons,	**Facilitate affordable housing production and preservation**	• iii. Infrastructure activities. Examples include: A. Installing new utilities and/or infrastructure improvements necessary for the development or preservation of affordable housing • B. Upgrading existing utilities or improvements to increase an area's overall capacity for new housing

4. Muni Planning: Public outreach, remove jurisdictional obstacles that are not related to health/safety	Benefitting low- and moderate-income persons	**Further develop, evaluate, and implement housing policy plans** **Facilitate affordable housing production and preservation**	• C. Developing proposals for new by-right permitting procedures to streamline affordable housing development and reduce discretionary approvals • F. Developing proposals to reduce or eliminate requirements related to parking, building height, lot coverage, setbacks, minimum unit size, minimum lot size, floor area ratio, and other common land use controls • H. Developing proposals to streamline and modernize local permit processing, such as by enabling one-stop or parallel-process permitting • I. Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals, such as duplicative and burdensome hearings and documentation for variances, rezonings, or similar planning approvals

5. Anchorage Health Department: Managing the project, reporting, and public outreach.	Benefiting low- and moderate-income persons	**Facilitate affordable housing production and preservation**	• Program administration

Addressing Materials Costs: This project will explore the feasibility of new building technologies such as SIPS and mass timber. There are also significant costs for building water infrastructure, and if funded, this project will fund a pilot for upgrading the water infrastructure of targeted lots that might allow higher capacity development.

Addressing Local Developer and Financing Capacity:

Most Anchorage developers are familiar with greenfield, rather than infill development. The Anchorage Community Development Authority has a strong track record of encouraging innovative proof-of-concept projects, most recently the Block 96 flats opened through a public-private partnership in Downtown. ACDA's Fireweed project will be another proof-of-concept project, leveraging already granted EPA brownfield assessment funding for site investigation. The project will also align with the upcoming road diet and redesign for Fireweed Lane. This project will be a pilot of SIPS or other modular technologies. The project will convene a working group to follow progress with innovative technologies and recommend changes to building or zoning codes concurrently.

Addressing Uncertainty with new materials, designs, and innovative building types

UAA's work on this project will provide certainty to the villages, municipalities, and the development community across the state by providing definitive answers on the viability, costs, and speed of innovative housing materials and foundations. This work will also address the detailed specifications and product requirements related to using these methods in a high seismic zone.

Addressing Uncertainty in permitting:

A significant portion of the project will be identifying and reducing or removing the obstacles that provide uncertainty for housing development. This will include reducing dimensional standards that impede small or innovative housing development, redundancies between building codes and zoning codes, streamlining internal policies and practices to focus on the user experience and housing as the end goal.

For small scale developers and individual property owners, the Muni plans to use the project funding to develop a publicly-accessible application "site plan generator" that provides a general idea about what types of development may be possible on a lot when considering zoning

restrictions, environmental hazards like slopes and wetlands, easements, utility availability, and others. This tool will allow any member of the public to use existing GIS layers to create a generalized schematic of what kind of development or additional housing might be possible on their lot when considering setbacks, slopes, lot coverage restrictions, easements, and other site-specific obstacles. This tool will help improve transparency for all public information on all properties throughout the Municipality.

Addressing Lack of workforce trained to work with new modular building technologies

Alaska is in dire need of workforce development and currently lacks capacity for training new skilled labor with innovative technologies. The Anchorage School District has recently switched to a career-focused model and with this PRO Housing Grant we will establish a pipeline for workers working in innovative construction.

Addressing public knowledge of planning processes, and expectations about levels of public service versus the fiscal realities of providing them.

The Muni Planning department will use funding from this project to conduct additional outreach beyond its normal capacity in order to help educate the public about the depth and breadth of the issues facing development in Anchorage. This will include expanded types of digital outreach such as the automatic site-plan generator and civic academies on the nature of municipal costs and processes. The civic academy concept would create a 12 month program which holds a monthly seminar to hear from a leader from any of the fields related to operating a city and building new housing: planning, public works, a private developer, the health department, transit department, and others. The academy would include workshops, scenario planning, and ideally an individual project and presentation by each attendee. This project will help the public understand the complexity of city systems and encourage continued participation in the process. This would be a pilot project to see if the concept is popular and might have long term utility.

Addressing Infrastructure Costs

One secondary component of this project will be targeting water and sewer infrastructure to parcels or priority areas in which recent land use reforms now allow greater density. This will help offset this major cost of adding homes in areas with good access to desirable destinations.

Addressing Energy Costs

A primary component of this project is looking at the life cycle costs of housing and answering the question of how to build housing quickly and creatively that is also energy-efficient in the long term.

Discuss how your proposal advances or complements existing planning initiatives, updates to local land use policies, services, other community assets (e.g., transportation planning, climate resilience and mitigation plans, public or supportive housing services, economic development opportunities, healthcare or school systems, etc.

As mentioned above, this proposal aligns with the Assembly's 2023 Housing Action plan, the 2040 Land Use Plan, and aligns with other recommendations from the Planning Department's May 2023 Housing White Paper and ACDA's November 2023 "Incentives for Market-Rate Attainable Housing Development" report. The proposal builds most significantly on recent code reforms to allow more missing middle housing across Anchorage, specifically allowing more triplexes, fourplexes, and ADUs in high amenity neighborhoods.

Describe the community's most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience.

Anchorage's biggest risks are earthquakes, wind loads, extreme temperatures, weather variability, tsunamis, and negative impacts from climate change related to flooding, wildfire, and others. Working with the University of Alaska system, this project will provide key research on how to provide innovative, scalable housing production that is safe and sustainable under these risk conditions, or can replace older housing which does not provide adequate protection from these risks.

Describe what roadblocks might impede the implementation of your proposal (e.g., the reversal of a plan to streamline the permitting process or difficulties codifying reforms due to local or state legislative processes). What are the most likely obstacles you might face? How will this proposal account for and counteract implementation obstacles and barriers that may still exist post implementation?

Some of the biggest obstacles related to this proposal may be finding that innovative building technologies may not provide the cost savings that Anchorage and Alaska need and the possibility of community opposition to new development, especially smaller forms of more compact housing. In the former case, the certainty that this project provides will in itself be a benefit for the development community across the state as it can provide direction for which areas might be better worth pursuing.

Geographic priority

This project will be centered high access, high-need areas in the Municipality of Anchorage but have implications for all areas of the state. Priority sites include a potential multifamily project along Fireweed Lane in the North Star area of Anchorage, the potential redevelopment of a large multi-acre site in the midtown area of Anchorage, and a small lot development in the Village of Eklutna.

The UAA research and workforce development components of the project will also be centered in Anchorage but are designed to bolster a workforce that can work anywhere in the state. This project will help answer the questions that many community partners have been asking across Anchorage and Alaska but have not the capacity or means to answer. We aim to play the role of convener and take on risks to find solutions that benefit the entire community and the state.

Describe your key stakeholders and how you conducted outreach in developing this proposal, including how you built support and engaged community members most likely to benefit from your proposed activity. Please also describe your strategy for continued outreach during the grant's period of performance.

In developing this proposal we convened a series of working groups with Muni departments, local utilities, NGOs, and other community partners to talk about needs, ongoing projects, and commonly identified problems. Several organizations contributed suggestions, ideas, and guidance even if they were not ready to participate in the project. The proposal solidified based on a long project list on needs winnowed down to the issues that all parties agreed upon in terms alignment with existing priorities and the likelihood of effectiveness and capacity to deliver.

Describe the specific actions you have taken to solicit input from and collaborate with stakeholders in developing this application, including how input from stakeholders and community members has shaped your proposal. In particular, describe input from the housing industry in your area, including affordable housing developers, builders/general contractors, and unions as well as persons in need of affordable housing

Small-scale developers and local housing organizations have been talking about the possibilities of modular or other innovative forms of housing for several years. This project fits well into the Muni's activities and focus building from the 2023 Housing Action Plan and through the reforms

of the past several years. These projects and subsequent processes identified a lot of the specific barriers that the proposal seeks to address.

The process for this proposal in particular has been a highly collaborative process, starting from a series of group calls with interested parties to several working group meetings and continuous outreach to potential partners or interested partners throughout the process. The project team has talked to Anchorage Housing Finance Corporation, Cook Inlet Housing Authority, The Anchorage Coalition to End Homelessness, local developers, In Our Backyard, a local nonprofit which is currently building small shelters with SIPS panels, and of course AWWU and UAA. Cook Inlet Housing Authority, the largest Affordable housing developer in Anchorage, works primarily in traditional construction but has been involved in discussions of the proposal and has encouraged the team to find out more about these issues.

Describe how you incorporated input from stakeholders into your proposal.

Our proposal was directly shaped and strengthened by the stakeholders we connected with. Our main goal in this project is to provide proof-of-concept information, so getting feedback from stakeholders and incorporating their needs into the application was essential.

Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity. How will your proposal increase access for underserved groups to these areas? What is the racial composition of the persons or households who are expected to benefit from your proposed grant activities?

Several aspects of the proposed projects address this issue. Modular housing, especially when allowed on smaller lots, allows a wider range of households to make their homes in high-access areas that may have previously been inaccessible due to low-density development patterns and zoning restrictions. Allowing these types of housing in more zones willl help lower housing costs and increase the housing supply for Anchorage residents of all income levels, especially LMI families and individuals. The AWWU water system upgrade project will additionally facilitate increased density of development in high-amenity areas that have been rezoned for higher density but have physical infrastructure more suited to single-family development.

Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation. What policies or practices perpetuate segregation and how will your proposal address them?

Anchorage code makes it very difficult to build compact forms of housing on infill lots. The code also still treats mobile homes as a separate category of dwelling, limiting them to either mobile home parks or a single residential zone. This project paves the way for a variety of smaller, more attainable housing types that can either fit into existing rules or will be classified and reviewed differently in order to resolve the existing prohibitions on manufactured housing, which in Anchorage has traditionally been mobile homes.

How will you ensure that your proposal will not cause affordable housing to be further concentrated in low-opportunity areas or in areas that already have ample affordable

housing? How will your proposal increase housing choice by expanding the neighborhoods in which residents who need affordable housing can live?

There are no neighborhoods in Anchorage that have ample affordable housing. By creating a new means of creating all types of housing plus reducing regulatory barriers to modular housing and smaller types of housing, this project will open up land in areas with the best access to goods and services. The infrastructure component of this proposal will also lay the groundwork for allowing more homes in key areas that previously would not have allowed, or for which development would not previously have been feasible.

How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?

This proposal seeks to definitively establish the viability of modular housing tools that many of our partner organizations which serve protected class groups are interested in using in order to serve those communities.

Does your plan address issues identified in your jurisdiction's most recent fair housing plan or plans?

Section AP-75 of the Muni's 2023 CDBG Action Plan and 2023-2027 Consolidated Plan identified: zoning ordinances limiting size, type, and number of residences, building codes, infrastructure standards and requirements, and off-site improvements and requirements as policies affecting the provision of affordable housing. The projects proposed in this PRO Housing application will address several of these issues and contribute to the Muni's overall efforts to affirmatively further fair housing.

Have you considered the risk of displacement associated with your proposal? How will you ensure that your planned activities do not lead to the displacement of vulnerable residents in communities of color? Describe any anti-displacement measures included in your proposal (e.g., replacement of affordable units for new construction, or right of first refusal for tenants)?

This proposal poses a very low risk of displacement because all activities focus on either solidifying the means of production of scalable compact housing or building on existing vacant or under-utilized sites. The proposal should result in a net increase of overall housing units.

How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing? How will it support independent living with access to supportive services and transportation in the community? Please also describe your plan to ensure compliance with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.

Because this proposal focuses on providing scalable modular housing, ensuring that this housing type can be built to be accessible will be central to the research.

Describe any equity-related educational resources, tools, or public input that have informed your proposal.

We have solicited comments and ideas from partner organizations throughout the process on how we can ensure that this project meets their needs, especially in terms of improving equity outcomes in the community.

Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process? Do you have a diversity and equity plan in place or plan to create one?

The Municipality has an existing plan to engage and support minority, women-, and veteran-owned businesses through its HUD-funded projects. The Municipality also has a diversity and equity plan in place in compliance with requirements for federal funding.

Other equity considerations informed by your local circumstances.

The project's partnership with the Native Village of Eklutna will advance racial equity by providing for the production of desperately needed new housing for elders and other residents of the Anchorage area's federally recognized Alaska Native tribe.

Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing

A major component of this project is removing jurisdictional obstacles that prevent smaller, more compact forms of housing in high-access areas.

How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?

We will track progress for advancing racial equity on this grant using the same methodology as for our existing CDBG block grants.

If the applicant proposes to use PRO Housing funds to fund housing units, the applicant must discuss how those benefits will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts. Note that any actions taken in furtherance of this section must be consistent with federal nondiscrimination requirements. If proposing to act as a pass-through entity by operating a subgrant program, you must confirm that you will evaluate subapplicants' proposals for alignment with the requirements to affirmatively further fair housing.

This project aims to research modular building technology and then use this practical research to build a smaller number of units in a high-opportunity area. While the ACDA can develop the property, it will not be the agency to operate or manage it, so the coalition will partner with one of Anchorage's local housing or service operators to run the property. Part of this agreement will require broad marketing throughout the local area and outreach to demographic groups that

would be unlikely or least likely to apply absent such efforts. The Municipality routinely requires its grantees and subrecipients who build housing with HUD funding to include Affirmative Marketing Plans as a condition of receiving funding and will include the same requirement for work funded under this grant.

Provide a budget for the proposed activities that documents all projected sources of funds and estimates all applicable costs. Describe how you determined the budget and how you will ensure that the project will be cost-effective, in line with industry standards, and appropriate for the scope of the project. HUD will evaluate your proposed project cost estimate on the extent to which projected sources, including PRO Housing funds and any leveraged funds, are sufficient for the scope of the proposed project as a whole.

Proposal Partner	Budget	Total Need
UAA	ISER: $250,000 over two years UAA Engineering: Staff funding, research, new graduate student position: $550,000	$800,000
ACDA	Construction of up to 24 housing units at $137,500 each	$3,300,000
Native Village of Eklutna	Construction of 8 units at $200,000 each	$1,600,000
AWWU	40 connections at $25,000 each.	$1,000,000
Muni Planning Department	$50,000 to code a site-plan generator $50,000 for a Civic Academy pilot $100,000 for outreach	$200,000
Anchorage Health Department	Project management (8 hours per week for one project manager at $40/hour over six years)	$100,000

Please describe how you would budget for and manage a successful project if HUD awards a different dollar amount than you are requesting. If HUD were to award less funding than you requested, include how you would specifically scale your proposal, including whether and to what extent you would scale back or remove components of your application? What is the minimum funding amount that would allow you to carry out your proposal in some form? If you were to receive only 50% of your request, what would you be able to achieve? You should also identify if the removal or scaling of activities would affect your geographic scope and how.

The project team has designed this proposal so several of the aspects can be scaled, and all of the aspects will proceed to some degree with or without the HUD PRO funding in alignment with the Muni's goals and priorities. If HUD is unable to fund the full award, Anchorage will continue to work in these directions but may have to proceed on a slower scale. The UAA research component is the essential component of the project, so that aspect would be the main priority. The Muni Planning Department's support and outreach functions are smaller proportional pieces of the grant but could be reduced with less outreach. The AWWU component would be the easiest to reduce by doing utility upgrades for fewer properties. ACDA could also scale down its projects by extending its timeline to find additional financing. The Native Village of Eklutna could reduce the number of units that it would provide to its village members.

Provide a schedule for completing all of the proposed activities in advance of the period of performance end date at the end of FY 2030. The schedule should identify each significant activity and milestone required for completing the planning process as well as relevant sub-tasks and should list the planned start and completion dates of all items. The application may include additional description of the schedule in the narrative exhibits.

2025

- Beginning process for removing jurisdictional barriers: building codes, zoning codes, and practices or policies. (reduce lot sizes, allow modular/mobile housing anywhere that stick-built housing is allowed)
- Establishing research center in UAA, potentially meeting with UAF. Funding for a series of meetings and research
- UAA recruits graduate student and local expert
- Public outreach on infrastructure costs and compact housing
- Planning for workforce development
- ACDA begins site assessment through EPA Brownfield Grant
- Village of Eklutna begins site assessment through EPA Brownfield Grant
- AWWU & Planning develop a list of priority properties for targeting infrastructure.

2026

- Complete regulatory reforms (changes to building code and zoning code)
- UAA testing of concept
- UAA public outreach academies: King Tech High School, local engineering and architectural associations.
- ACDA Fireweed (or other) project design
- Village of Eklutna Subdivision, site clearance, siting

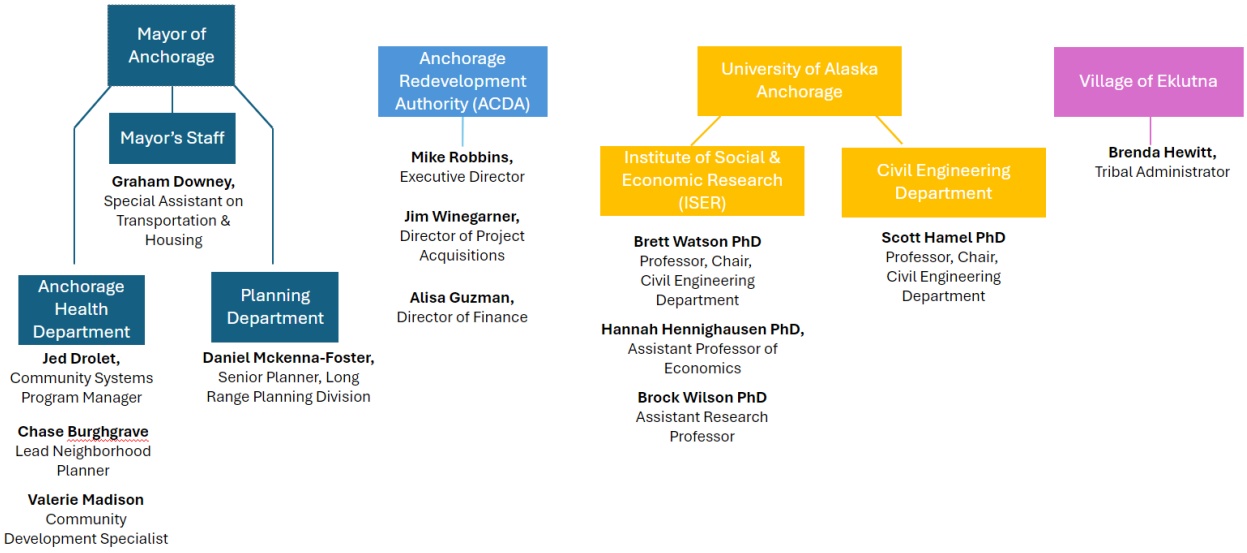
2027

- ACDA project construction
- UAA follow up, post-engineering work

2030

- Project Completion

Provide an organizational chart that identifies names and positions of key management for proposed PRO Housing activities. In addition to key management, be sure to include a count of all full-time staff that will manage PRO Housing activities. Please also include a description of your existing management structure and staff roles, including any gaps, vacancies, or positions contingent on award. If you are applying with a partner or partners, provide this information for each organization.



ACDA, AWWU, the Muni Planning Department and the Anchorage Health Department do not plan to add any full staff for this proposal. The ISER division of UA does not plan to add any staff, but the UA Engineering department would use the funding to recruit a graduate student and a local advisor with experience in local construction and development. The Planning Department would contract out for third party assistance in building an application that would connect with the Muni GIS database in for the site-plan generator project.

Key program staff at AHD who will manage PRO Housing activities include:

- Jed Drolet, Community Systems Program Manager
- Chase Burghgrave, Lead Neighborhood Planner
- Valerie Madison, Community Development Specialist
- Kyle Mielke, Community Development Specialist
- Frankie Dahl, Senior Office Associate

Which specific agency or entity will lead implementation of the proposed activities? What is its role and management capacity?

The Anchorage Health Department will lead implementation of the proposed activities and will facilitate any activities among coalition members. AHD manages the Muni's entitlement HUD grants including CDBG, HOME Investment Partnerships, Emergency Solutions Grants. Total funding in recent years has been approximately $3 million, divided into several separate projects. AHD staff is highly experienced and capable of managing projects on the scale of those proposed for PRO Housing funding and routinely manages relationships with grantees and subrecipients in a similar structure to that proposed for the PRO Housing grant.

Describe how the agency or entity has (or plans to obtain) the relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement a major project.

The Anchorage Health Department (AHD) already manages CDBG funding for the Municipality of Anchorage and has recently added staff capacity to assist with expanded workloads. AHD has managed CDBG projects for several years and has quality assurance practices in place. AHD's quality control processes will align with the Municipality of Anchorage's purchasing and treasury departments to ensure consistency in financial procurement and reporting. The Anchorage Long Range Planning Division also recently added a new staff member with additional capacity for supporting AHD.

Describe your jurisdiction's leadership capacity and legal authority to effectively implement your proposed reforms. If other government entities are necessary for implementation, describe how their support is secured.

The Municipality of Anchorage recently elected a new Mayor who is taking collaborative, forward-thinking approach to addressing the community's issues. In managing this proposal already, the Mayor's office has brought together a range of departments and community groups in order to put together the best project possible.

If your proposed approach includes partners, describe each partner's capacities and credentials related to its role in implementing the project. Is your capacity to design, plan, or remove a barrier dependent on partner capacity? If yes, describe the dependency.

- Anchorage Health Department: The Anchorage health department has experience managing CDBG grants, reporting, and low-income housing and funding programs.
- Muni Planning: The Muni Planning department has experience in public outreach, convening partners, identifying code barriers and facilitating code changes through the public process. AHD will depend on the Planning Department to manage the code reform aspects of the grant.
- University of Alaska Anchorage: UAA is a multidisciplinary institution with experience researching materials science and economic viability, workforce issues, production. Ongoing outreach to the development community. AHD will depend on UAA to provide key research information and development information for proofs-of-concept.

- Anchorage Community Development Authority: ACDA is the redevelopment authority for the Municipality of Anchorage and is experienced in large project management, inter-agency collaboration, property management, and most recently acting as a development partner for the new Block 96 housing in Downtown Anchorage. AHD will depend on ACDA to secure land control and develop sites.
- Native Village of Eklutna: AHD will depend on the Native Village of Eklutna to provide eight test sites for the project.

Describe the agency's or entity's experience working with and coordinating partners (including contractors, funders, subrecipients, community stakeholders, and other government agencies) in previous projects similar in scope of scale to the proposed activities. If you do not have such experience, how will you obtain it?

The Anchorage Health Department works regularly with contractors, federal and state funders, community stakeholders, and other community organizations to complete projects of all scales with entitlement HUD funds. Recent housing development projects include the Spenard East Phase II project with Cook Inlet Housing Authority and the Dave Wallace Commons project with Habitat for Humanity Anchorage. The Muni Planning department, playing a support role, also has extensive experience in public outreach and involvement at all scales and in all areas of the community. One recent successful project was the Block 96 Flats, Downtown Anchorage's first new market rate housing product in several years that came about from cooperation over Brownfield Assessment, right of way space provision courtesy of ACDA, and a tax abatement through the Muni treasurer.

Who wrote this application: applicant staff, or a professional technical or grant writer in a consulting or contract capacity? Please provide name(s), title(s), and organization(s). If the application was drafted by someone external to the applicant's organization, describe how the applicant staff and decision makers were actively engaged in the development of this proposal and how this coordination may continue over time.

Building on the contributions of staff at AWWU, ACDA, and UAA, staff from the Anchorage Health Department, Muni Planning Department, and Anchorage Mayor's Office wrote this application:

- Jed Drolet, Anchorage Health Department
- Daniel Mckenna-Foster, Long Range Planning, Planning Department
- Graham Downey, Special Assistant to the Mayor

The project team held a series of working group meetings with multiple staff from the Planning Department, Health Department, Anchorage Community Development Authority, and members of the Anchorage Assembly. Key staff and elected officials from each of these groups will remain involved in the project for its duration.

Do you or any partner(s) have experience working with civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities? Do you or your partner(s) have experience designing or operating programs that have

provided tangible reductions in racial disparities? If proposing to act as a pass-through entity by operating a subgrant program, you must address your capacity as well as confirming that you will evaluate a subapplicant's capacity when they apply to your subgrant program.

AHD and the Muni Planning department have experience working with zoning, assessing, census, and other types of data to analyze racial and economic disparities. AHD's work on CDBG block grant programs has addressed racial disparities for several years.

All of the proposal partners plan to commit significant time or resources to this project;

- The Anchorage Health Department will manage the project and dedicate staff to its completion.
- The Muni Planning Department will identify jurisdictional barriers, begin the process to removing them, facilitate discussions for identifying additional obstacles, and manage any code changes. The Planning Department will also help ACDA use existing EPA Brownfield Assessment Grant funds in the process of preparing sites for development.
- ACDA will contribute land, site clearing, and management to provide building sites for testing any concepts produced
- The University of Alaska will contribute time, facilities, management, and expertise for researching and developing guidance materials.
- The Native Village of Eklutna will provide sites for testing new innovative housing units.

Describe how the removal of your identified barrier(s) will result in sustained production. A successful response will show how production and preservation are improved in the long term, rather than showing how the existing need will be alleviated in the short term.

By establishing the viability of modular housing, SIPS, mass timber, or other innovative building technologies, this project will answer the question of what types of modular construction is viable for all community groups and developers in Anchorage and Alaska. If the project indicates that modular is not as successful as hoped, it means the state can begin looking for new avenues to produce housing into the future.

Removal of regulatory obstacles will enable additional development of housing for years to come. The AWWU water line upgrades will allow for significant increases in density on existing lots that have recently been zoned for higher density.

Describe what you will have achieved upon completion of grant-funded activities, including the specific work product(s), deliverable(s), or completed projects you will produce and any implementation actions that follow. Be sure to address how these achievements will have a permanent, long-term effect on your identified barrier(s).

Upon completion of grant-funded activities Anchorage will have certainty about which modular products do or don't work in Anchorage or Alaska. It will also have a regulatory environment which allows for innovation on the technical side without worrying about jurisdictional obstacles unrelated to health, safety, and welfare. It will also have a number of new housing units built using those innovative techniques, at both the ACDA project site and the Native Village of

Eklutna, which will work directly to reduce to the housing shortage in Anchorage. The AWWU water line upgrades will result in additional set of new housing units that would not have been developable without the support provided by this grant.

Describe how your proposal represents a model for other communities, including the manner(s) in which your jurisdiction(s) or others may scale or replicate the proposal. • What do you consider success to look like at the end of the period of performance or beyond? How would you anticipate the proposal to enable the production and preservation of affordable housing? Explain how the targeted outcomes will remedy the identified Need [prompt (a)]. If possible, propose metrics (the quantifiable topic area you will measure) and target outcomes (a quantified goal for each metric which you will strive to achieve) such as an increase in land area where multifamily housing is allowed, increase in number of homes permitted, reductions in community opposition, decrease in the average time needed to issue a permit, reduction in the number of discretionary approvals required, number of homes built using pre approved floorplans, etc.

This project will:

- Provide proof of concept for modular building technology including SIPS panels and laminated timber;
- Provide a toolkit which provides the most accurate accounting of costs, benefits, and limits of this technology.
- Provide a model for interagency and inter-institutional cooperation
- Provide model code reforms for cities and boroughs in Alaska seeking to build more compact or modular housing.
- Construct up to 24 new units which will serve LMI populations in Anchorage.
- Upgrade water connections to approximately 40 lots to accommodate new construction at higher densities.

Success at the end of this proposal will be actionable information about the utility of innovative building technologies for Alaska's unique climate and climate risks, plus new housing units that serve LMI Populations. In the long term this will translate into either more of these types of housing units being produced locally, or new paths for finding solutions.

The project team will track success based on 1) the number of units permitted using any new modular or otherwise innovative technology to come out of the grant, 2) the number of units permitted that would not have previously been permitted without the zoning code or building code reforms instituted as part of the project.

Describe the long-term effect of your proposal on removing barriers to affordable housing production that have perpetuated segregation, inhibited access to well resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations.

A lack of infill development in high resource areas has long been an issue for Anchorage. Because this project both removes regulatory barriers and provides material solutions for taking

advantage of those reforms, it will create several paths forward for encouraging both better housing access and more opportunities for housing in the places where people want to live.

In the long term, the work done through this proposal will eliminate barriers and result in the construction of new housing to alleviate Anchorage's housing crisis. The number of units directly constructed and available in the short term will be relatively modest compared to the scale of the crisis, but the techniques demonstrated and pioneered in these projects will provide models for further building by the private sector at lower costs, which will ultimately result in a dramatic increase in housing supply and reduction in housing costs for Anchorage residents.