



# Incentives for Market-Rate Attainable Housing development

Conducted  
by



# Why It Matters

*“Housing is the foundation on which Anchorage can build a stronger economic future. Lack of affordable, available and livable housing has been cited by many local businesses as a challenge to attracting and retaining employees in Anchorage.” –AEDC*





# The Housing Spectrum



## Temporary Housing

Emergency Shelter  
Transitional Housing



## Rental Housing

Permanent Supportive  
Housing  
Affordable Rent



## Homeownership

Affordable  
Homeownership



## Market Rate

Market Rate Rental and  
Homeownership

Publicly Funded

Public Supported Funding

Incentive Supported

Private Funding

Goal: A sustainable model to create Attainable Housing.



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# Attainable Housing?

Housing options that are affordable and accessible to middle-income individuals and families are referred to as "attainable housing." Unlike "affordable housing," which targets low-income individuals and families, attainable housing targets households with 80% to 120% of the area-wide median income.

**\$79,520 to \$119,280 per year AMI**

**Average Price in 2022 to buy  
\$456,000**

# Attainable Housing Thresholds

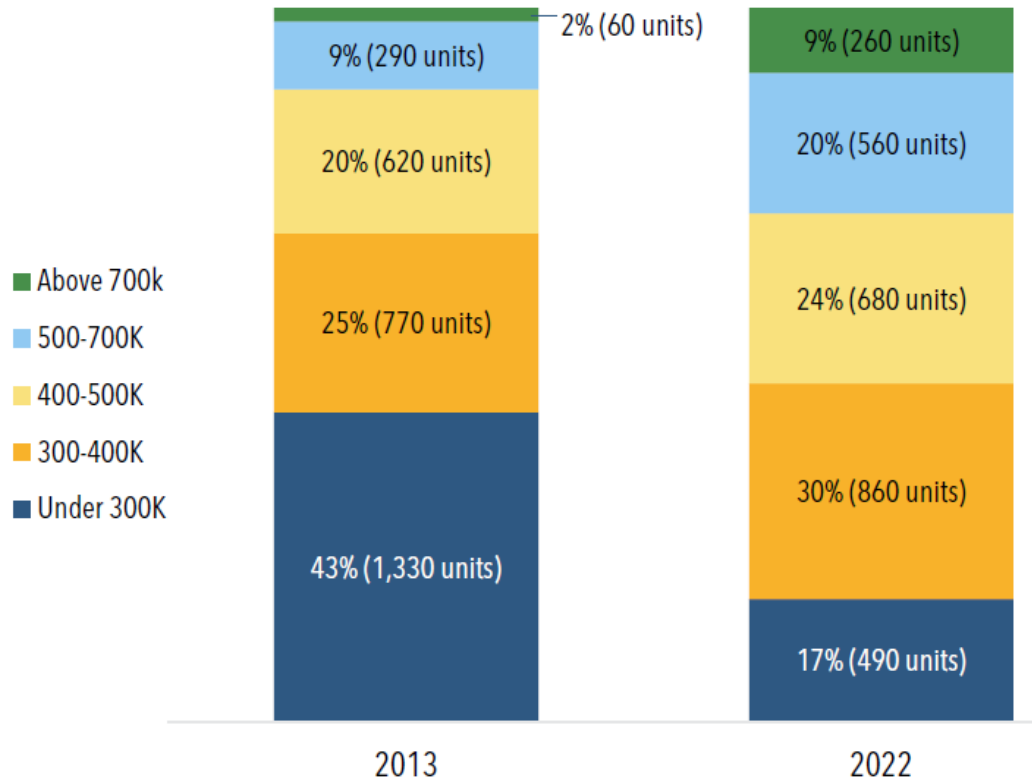
Anchorage, 2021

	Annual Household Income	Maximum Monthly Housing Costs	Maximum Cost of Attainable Home
80% Area wide Median Income	\$79,520	\$1,660	\$264,800
100% Area wide Median Income	\$99,400	\$2,070	\$331,000
120% Area wide Median Income	\$119,280	\$2,490	\$397,200

Sources: U.S. Department of Housing and Urban Development, U.S. Census Bureau American Community Survey 2021 5-year Estimates, McKinley Research Group calculations.

Note: The maximum housing cost calculation uses a cost-burdened threshold of 25%. This is adjusted down from HUD's 30% definition to account for additional housing-related expenses outside of mortgage or rent payments, including utilities and taxes. The maximum cost of an attainable home was calculated assuming a 30-year mortgage, a down payment of 5%, and an interest rate of 6.9% (current rate as of 8/1/2023).

# Anchorage Attainable Market



Units sold by price bracket has shifted dramatically. Units sold for under \$300,000 has decreased from 43% in 2013 to 17% in 2022. Meanwhile, the % of sold units outside the attainable range (>\$400K) increased from 31% to 53% in 2022.

Source: Alaska Multiple Listing Service, McKinley Research Group Estimates.

# Attainable housing development

Anchorage’s population declined by 4% between 2015 and 2022, a loss of over 10,000 residents. Despite this decline, the housing market in the Municipality has shown signs of high demand and short supply making attainable housing more difficult to attain.

Figure 2. Anchorage Population (thousands), 2015 – 2022 Actuals, 2025 – 2050 Forecasts

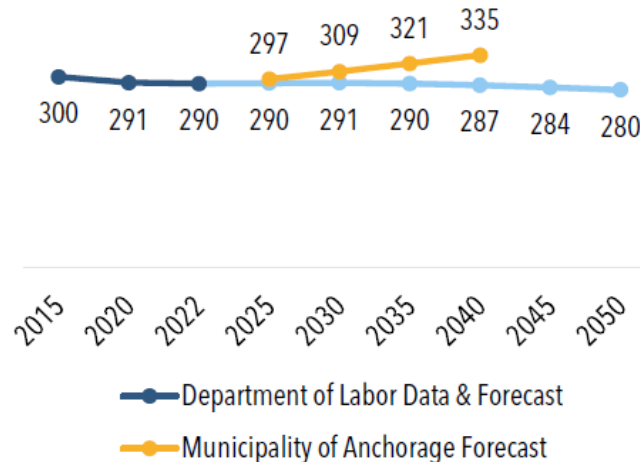
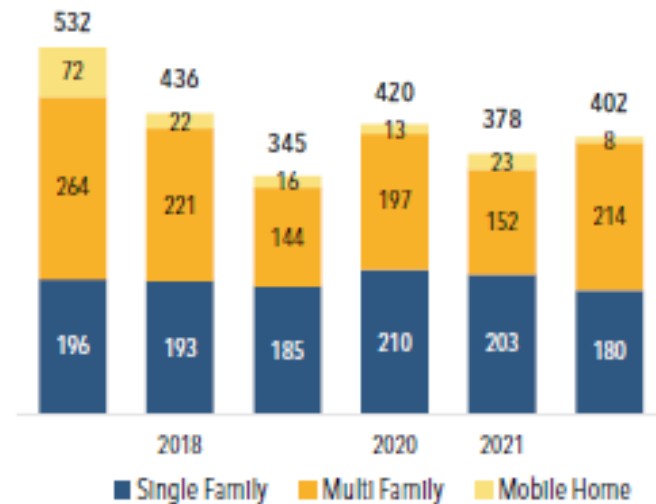


Figure 4. New Housing Supply, Anchorage, 2017-2022



Source: Municipality of Anchorage

# What's Inside

- **Anchorage Housing Market Analysis**
  - Anchorage Population Projections
  - Considerations
  - Trends
  - Homes Sold
  - New Residential Construction
  - Housing Prices
- **Obstacles to Attainable Housing Development**
  - Financial Obstacles
  - Zoning Obstacles
  - Procedural Obstacles
- **Incentives for Housing Attainability in Anchorage**
  - Financial Incentives
  - Process Improvements
  - Zoning Changes
  - Sustainable Attainability



# Case Studies



Cities selected for case studies were

- Bellingham, Washington
- Bend, Oregon
- Boise, Idaho
- Missoula, Montana

While these cities are not Anchorage, may have different challenges one thing they have in common is that they found solutions. Both challenges and solutions are explored beginning on page 21.

# Results That Matter

		Bellingham, WA	Bend, OR	Boise, ID	Missoula, MT
	Number of Units Built*	1,164	297	1,520	489
Process Improvements	Housing Liaison			✓	✓
	Land Assembly & Prep		✓		✓
Financial Policies	Infrastructure Grants	✓		✓	✓
	Housing Trust Fund		✓	✓	✓
	Tax Abatement	✓	✓	✓	
	Tax Exempt Bonds				
Zoning	Incentive Zoning		✓	✓	

\*Units Built since 2018 considered attainable

# Incentives

## Policies and Programs for Housing Development

	Infrastructure Costs	Land Costs	Zoning	Time to Permit	Community Involvement	Speculation Impacts
<b>Financial Policies</b>						
Tax-Exempt Bonds	✓					
Infrastructure Grants	✓					
Local Housing Trust Fund	✓	✓				
Tax Abatement	✓	✓				
<b>Process Improvement</b>						
Housing Liaison				✓	✓	
Land Assembly & Prep		✓	✓	✓		
<b>Zoning Changes</b>						
Incentive Zoning	✓		✓	✓	✓	
<b>Sustaining Attainability</b>						
Deed-Restricted Home Ownership						✓

# Key Takeaways from the study.

**Financial**

**Zoning**

**Procedural**

# Current Incentives

[www.acda.net/stepone](http://www.acda.net/stepone)

## Opportunities & Incentives



### TAX INCENTIVES

Learn about property tax incentives available in Anchorage.

[Why Anchorage Needs Tax Incentives to Grow!](#)

[Downtown Housing Tax Incentive](#)

[MOA Property Tax Exemptions](#)

[CPACE Financing](#)

[Fairview/East Anchorage Downtown Revitalization Area](#)

[Tax Incentives for Multi-Family Affordable & Workforce Housing](#)



### OPPORTUNITY ZONES

A Federal program designed to drive long-term capital to distressed communities within the State of Alaska and Anchorage.

[Anchorage Opportunity Zone Maps](#)

[Summary Slides from National Development Council](#)

[State Of Alaska](#)

[IRS](#)

[CDFI](#)



### ACCESSORY DWELLING UNITS

Anchorage now incentivizes construction of ADUs. Learn more about these incentives for home buyers and developers.

[25.05.070 ADU Code](#)

[ADU Flyer](#)

[Downtown Housing Incentive Ordinance](#)



### FINANCIAL INCENTIVES

The Municipality of Anchorage, State of Alaska and the Federal Government offer a number of programs that aid in redevelopment of land and housing construction, as well as re-development

[MOA - Brownfields Program](#)

[HUD 221\(d\)\(4\) Mortgage Loans for Multi-Family Housing](#)

[New Market Tax Credits & Alaska Growth Capital](#)



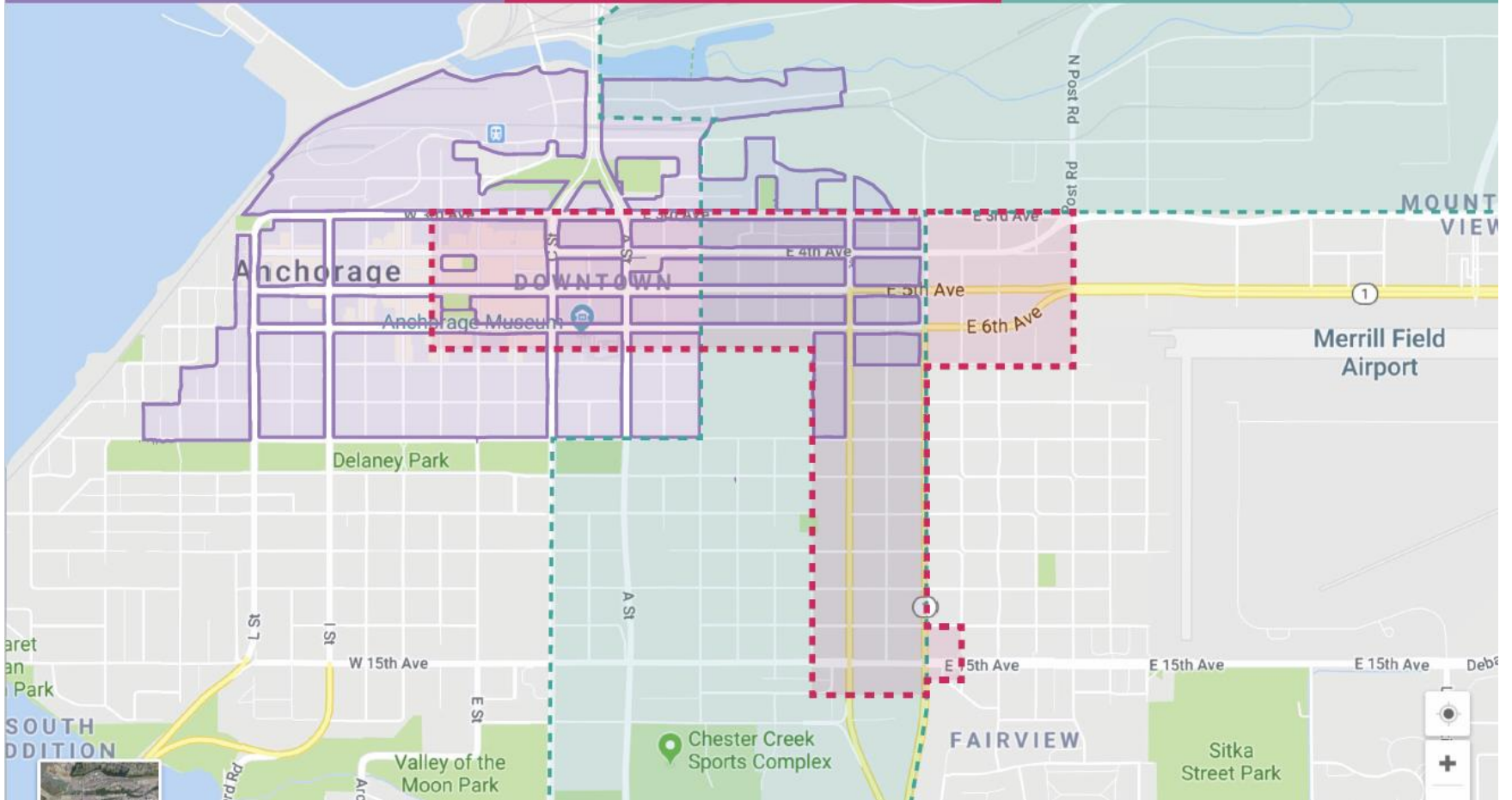
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# Downtown Housing Incentive Boundary

# Fairview/East Downtown Revitalization Area

Designated as a Deteriorated Area for Tax  
Incentive Purposes through AO No. 2014-715

# Federally Designated Opportunity Zones



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