

Resolution Regarding Housing Policy and Development Incentives R2026-03-01

Version 1, April 8th

Submitted by: North Star Community Council Date: April 8th, 2026

1. **WHEREAS**, an increasing number of Anchorage residents are cost-burdened, spending more than 30% of their household income on rent or mortgages, forcing difficult choices between housing, healthcare, and other basic needs, thereby destabilizing families and the local economy;
2. **WHEREAS**, the correlation between housing scarcity and increased rates of unsheltered homelessness is well-documented, demonstrating that a lack of affordable housing supply places downstream strain on social services, public safety, and neighborhood vitality, affecting even higher-income residents through increased property taxes and blight;
3. **WHEREAS**, effective collaboration between the Municipality, tenants, residents, and private developers is essential to meeting our housing goals; providing public sector support through efforts such as land leases, tax abatements, and mediation between parties can allow the city to address the magnitude of the shortage without solely relying on public funds;
4. **WHEREAS**, recent progress in development of both market rate and subsidized multi-family complexes in Anchorage have demonstrated a desire and capacity to further develop in B-3, R-3, and R-4 zones where infrastructure capacity already exists and where higher density and mixed uses are already contemplated in City plans;
5. **WHEREAS**, recent policy changes to allow ADUs and Duplexes in low density zones have created a large opportunity for further development, and emphasis should be placed on enhancing homeowner and small scale developer action to take advantage of these changes and to renovate underutilized properties;
6. **WHEREAS**, many of the barriers to housing construction in Anchorage are unrelated to zoning, and the lack of any particular “silver bullet” policy change requires city leadership to work on multiple housing policies in parallel and iterate over a long time period which is significantly easier when focused on ideas with broad community support;
7. **WHEREAS**, the Assembly has taken important initial steps toward housing reform, but broad policy changes and their successful implementation require robust and proactive public engagement, active grassroots support, and practical administrative tools to ensure these goals are transformed into tangible housing units and real-world results;
8. **WHEREAS**, this document will be updated and revised with further community feedback from additional community councils and community groups;

THEREFORE, BE IT RESOLVED, the undersigned Community Councils and organizations advocate for the serious consideration of the following policies and initiatives and will participate with positive effort and good faith in exploring their implementation.

I. Reducing Regulatory Barriers and Costs

Reducing the direct financial costs and delays imposed by regulation is necessary to make new projects feasible in Alaska's expensive market.

1. **Administrative Approval for "Missing Middle" Housing:** Evaluate potential changes to approval processes for small scale infill development to reduce barriers and allow the maximization of recent reforms such as allowing Duplexes and ADUs by right.
2. **Partner for Pre-Approved Designs:** Expand the Municipality's existing ADU pre-approval pilot to include a broader catalog of licensed designs for starter homes, and "missing middle" housing such as townhomes and triplexes that all fit into the fabric of the city and consider nordic design best practices. The City should partner with local developers and architects to license their existing successful designs for public use, reducing design fees and "soft costs" for small builders.
3. **Waiver of Infrastructure Requirements for Small Scale Infill and Renovations:** Recommend the reduction of infrastructure re-development requirements (water/sewer) for small-scale infill projects (ADUs, Duplexes, and Duplex conversions) in established R-1 and R-2 neighborhoods. In some cases, re-development of older properties by homeowners have been required to include very costly upgrades to infrastructure to comply with code, and these costs represent a high upfront barrier that can stall affordable development taken on by small scale developers and homeowners.

II. Growing an Ecosystem of Incremental Developers

Policy changes alone are insufficient if we lack the builders to execute them. We must cultivate a local ecosystem of small-scale developers capable of executing infill projects.

1. **Technical Assistance Workshops:** The Municipality should create accessible reference materials, in addition to hosting regular workshops and "office hours" to educate residents and small builders on the development process, including navigation of Title 21, financing options, and the permitting process, lowering the barrier to entry for new builders. e.g. "So you Want to Build An ADU" guide for homeowners.
2. **Pre-Development Gap Financing:** Establish a small revolving loan fund or grant program to cover "soft costs" (feasibility studies, architectural plans, engineering) for small scale developers tackling infill projects. This helps projects become shovel-ready to unlock outside financing to reach the construction phase.
3. **Mentorship and Matchmaking:** Create a program to connect aspiring small developers with experienced mentors and connect property owners with builders, facilitating the development of modest infill housing that might otherwise never proceed.

III. Incentivizing Gentle Infill Density and Utilizing Existing Assets

We must use what we have, and lower the cost to add units to existing lots.

1. **Property Use Regulatory Reform:** Address barriers to better utilization of existing properties and administrative barriers preventing residents from building backyard cottages, re-configuring their homes to add an additional unit, or fully utilizing existing live/work buildings (storefronts with apartments above).
2. **Property Tax Relief for Density Creation:** Implement a temporary property tax exemption or freeze on increases for owner-occupied residences that add a backyard cottage, or convert to a duplex or in-home ADU. Include safeguards to ensure the new unit is rented long-term (e.g. 6+ month leases) and the base property remains owner-occupied, ensuring this supports local housing capacity rather than short-term vacation rentals. Relief could apply only to the value attributable to the density investment
3. **Expedited Site-Specific Upzoning:** Create a streamlined administrative process for developers to request upzoning of individual properties where a project has demonstrated neighborhood compatibility. For example, the five-unit condo development on Cordova Street required a minor upzone to become financially viable while maintaining the neighborhood character. A predictable, faster track for these cases encourages incremental density without necessitating broad district-wide changes. This process would not apply to R-1, R-1a, R-2a, R2D, and R-2M neighborhoods.
4. **Expand Tax Incentives to Smaller Developments:** expand tax incentives currently limited to developments above 8 units to apply to smaller projects, or create new incentives that encourage more small scale infill development.
5. **Utilize Municipal-Owned Land (excluding Parkland):** Audit municipally owned parcels to identify candidates for housing. Explore land-lease structures rather than land sales or transfers. This could allow the city to receive a return on their investment in housing, and developers avoid the upfront cost of land acquisition.
6. **Devote Municipal Resources to Development of Targeted Density Projects:** make it a priority within the Municipality to actively work on development of dense developments consistent with the 2040 Land Use Plan in areas where infrastructure capacity already exists and where higher density and mixed use are already contemplated, such as:
 - R3, R4, and B3 zones;
 - Lots abutting major roads, such as Northern Lights, Fireweed Lane, Spenard Road, Tudor Road, Muldoon Road, with vacant or underdeveloped parcels; and
 - Public-private partnerships formed to repurpose underutilized properties (e.g., former Carrs at Gambell; abandoned office buildings at 16th and C Street; the Archives site near the Library and Cuddy Park).

IV. Preservation, Rehabilitation, and Code Enforcement

We cannot afford to lose existing units, nor can we afford to ignore blight.

1. **Code Enforcement Funding:** Evaluate the Municipality code enforcement program and fee structure to ensure landlords are not incentivized to let properties deteriorate, and that code enforcement is meaningful and effective to preserve housing units and livability for residents.

2. **Rehabilitation Incentives:** Offer a "deferral" on property tax increases resulting from major renovations on older multi-family buildings (e.g., 4-plexes). This encourages owners to invest in repairs rather than allowing units to deteriorate, without reducing the city's existing tax base.
3. **Support Low-Displacement Development:** Work with community organizations to create a structured program for preventing displacement of low income residents and homeowners when properties are redeveloped into denser buildings, or must be reconstructed due to disrepair, such as guaranteeing an apartment in a new complex at an affordable rate to residents who will be displaced and choose not to move;
4. **Invest In Home Repair Programs:** Encourage efforts such as Anchorage Health Department's Housing Repair and Rehabilitation Program to preserve housing stock and prevent displacement. The Municipality should identify additional funding streams to assist more low-income homeowners in maintaining safe and habitable housing.
5. **Regulation of Short Term Rentals:** Pursue policies to minimize negative impacts of short term rentals on the Anchorage housing market, and on neighborhoods.

V. Strategic Financial Levers & Public Investment

Given the lack of municipal funds, we must use "catalytic" policy, targeted investment, and advocacy rather than broad subsidies.

1. **Seed Capital for Infrastructure:** Establish a modest "gap" financing revolving loan fund (potentially partnering with ACDA, AHFC, AIDEA, or private banks) specifically for infrastructure upgrades (water/sewer/electrical/road) on infill sites. Loans are repaid upon project completion, ensuring the fund rotates to support the next development.
2. **State-Level Advocacy:** Muni leaders should work with the State Legislature and Governor on efforts such as programs for AHFC to offer favorable financing rates, longer terms, and assumable housing development loans. Evaluate laws needed to authorize Muni actions that may be beneficial such as a Land Value Tax for blighted or vacant lots, discouraging land speculation.
3. **Public Housing Feasibility Study:** Direct the Administration to conduct a comprehensive study evaluating the creation of a public housing investment program led by the city. Even if currently unfunded, this study should lay the groundwork for a method to build quality, attractive housing should a future economic boom provide resources. The study should utilize the Anchorage Community Land Trust (ACLT) and Anchorage Affordable Housing and Land Trust (AAHLT) as potential operational models or partners.
4. **Street Changes and Investment:** Create a desirable streetscape for new investment through use of existing Muni transportation funding and implementing low cost transformation efforts such as limiting low traffic volume streets to local traffic and pedestrians only.

VI. Data-Driven Implementation

We cannot manage what we do not measure. The City must improve its data collection to track the efficacy of housing policies and identify areas of urgent need.

1. **Housing Metrics Dashboard:** The Administration should publish a quarterly dashboard tracking permit issuance, ADU construction rates, median time-to-approval, and administrative barriers reported by developers. This transparency allows the Assembly and public to evaluate the effectiveness of new policies and identify changes to those policies or new ones that may be needed to reduce barriers.
2. **Vacancy and Blight Tracking:** Implement a geographic system to track vacant lots and deteriorating buildings across the municipality, and new development. Identifying these "problem properties" allows for targeted enforcement before they become public safety hazards, and for the community to be aware of new development in their area.
3. **Displacement and Rent Mapping:** Track where rents are rising fastest and where affordable units are being lost to redevelopment. This data should be shared with Community Councils and non-profits to prioritize preservation efforts in vulnerable neighborhoods.
4. **Study Regional Costs and Impacts:** Study cost differentials in rent and housing construction in Anchorage vs. the Mat-Su Valley and the revenue impacts of Anchorage/Mat-Su commuters.
5. **Increase Staff Capacity:** Hire 1-2 staff housing circuit riders whose job it is to help building housing partnerships, help secure federal funding, provide technical assistance and be a housing liaison to neighborhoods and community councils to foster constructive two-way communications between the Administration and neighborhoods.

This resolution was unanimously passed on April 8th, with 21 NSCC members present.

A handwritten signature in black ink, appearing to read 'Jade Powell', with a long, sweeping flourish extending to the right.

Jade Powell, NSCC President