



# HOUSING ALASKANS

A PUBLIC PRIVATE PARTNERSHIP

## Board of Directors

**Nils Andreassen**  
Alaska Municipal League

**Melanie Bahnke**  
Kawerak, Inc

**Bryan Butcher\***  
Alaska Housing Finance  
Corporation

**Charles Clement**  
Southeast Alaska  
Regional Health Consortium

**Jess Hall**  
Hall Quality Homes

**Sauna Hegna**  
Koniag

**Mike Huston**  
Northrim Bank & Northrim  
BanCorp, Inc.

**Lisa Parady**  
The Alaska Council of  
School Administrators

**Preston Simmons**  
Retired, Providence Alaska

**J. Chad Stovall\***  
U.S. Department of Housing  
and Urban Development

**Dan Winkelman**  
Yukon-Kuskokwim  
Health Corporation

**\*Ex Officio**

February 3, 2025

Senator Forrest Dunbar  
State Capitol  
Juneau, AK 99801

Re: SB 50 An Act relating to the comprehensive plans of first and second class boroughs.

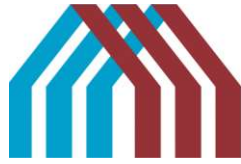
Dear Senator Dunbar,

Housing Alaskans: A Public-Private Partnership (HAPPP) was formed in 2022, making Alaska the 48th state with at least one statewide housing funding trust. Housing Alaskans serves as a housing accelerator which leverages federal, state, and municipal resources with philanthropic contributions to stimulate housing development. Housing Alaskans invests to produce, preserve, and protect housing for Alaskans through creative funding solutions to help developments cross the finish line. It is governed by an experienced, influential Board of Directors from across the state, and advised by an Advisory Committee of housing subject matter experts. Housing Alaskans made its first investments of \$1M into housing projects that resulted in 84 new housing units in the communities of Sitka, Juneau, Wasilla, Nome, Nikolai, and Soldotna. Another grant opportunity has just been opened for housing projects in the Mat-Su Borough made possible by a philanthropic donation.

Alaska's pervasive housing shortage stifles economic growth, impedes workforce attraction and retention, hampers community well-being, and undermines family stability. Alaska needs 27,500 new and rehabilitated homes over the next ten years to meet current need and a conservative moderate population growth. Yet, post-pandemic conditions such as skyrocketing construction costs, financing hurdles, and a scarce workforce exacerbate our already serious housing problems.

The consequences of the crisis include:

- Lack of housing is the #1 reason why businesses say they can't grow.
- Alaska's workers, from healthcare workers to teachers to cooks, can no longer afford rising housing costs.
- Housing production has shriveled since most development exceeds what Alaskans can afford.
- Housing construction peaked in the 1980s. As new construction and renovations lag, our outdated housing stock is a major obstacle to attracting and retaining a workforce, preventing economic growth.



# HOUSING ALASKANS

A PUBLIC PRIVATE PARTNERSHIP

The status quo is failing. The market isn't building enough housing for working families, and Alaska's housing crisis is felt statewide. From Ketchikan to Anchorage to Utqiagvik, new developments will take new resources. Many housing projects are financially complicated, requiring dozens of different funding sources that take years to maneuver the various application processes to build the required capital stack. Many projects languish, lacking the final funding needed to achieve financial feasibility.

For the reasons noted above, housing is a necessary infrastructure for communities to thrive. Especially given the large development gap in what housing costs to build and what Alaskans can afford to pay, housing needs to be planned for just like other community infrastructure projects. The best planning is done at the local level. SB 50 makes that clear by explicitly adding housing to the list of items for a local comprehensive plan.

Sincerely,

Shauna Hegna  
Chair, Board of Directors, Housing Alaskans



February 4, 2025

**RE: SB 50 – Municipal Comprehensive Plans: Housing**

Dear Alaska State Senate Labor and Commerce Committee,

Unfortunately, I was unable to provide live testimony regarding SB 50, but I am providing written comments to assist the Committee.

As the Director of Research and Technical Assistance at the University of Alaska Center for Economic Development one of my roles is to help communities across the state with their strategic economic development planning. These plans are comprehensive documents that look at the economy from all angles, and to do this they have to consider not just business and industry but also infrastructure, workforce, energy, housing, and more.

Planning for encouraging more plentiful, affordable housing is a component of almost every economic plan CED has worked on in recent years, including the Statewide Comprehensive Economic Development Strategy (CEDS) which has an explicit goal of “increasing the supply of affordable housing for urban and rural communities throughout Alaska.” To prepare for testifying for SB 50 I reviewed many of the currently active CEDS across Alaska and nearly all contained explicitly stated goals around housing.

Housing is being integrated in almost every area of planning. Many regions, in fact, already have requirements to conduct comprehensive housing assessments or housing planning. What makes all these layers of planning more effective is not duplicating efforts, instead having each layer of planning reference each other. This sets communities up to leverage funding opportunities more effectively. One example of this is the 2021 Valdez Comprehensive Plan Revision which has been leveraged to overhaul housing development in the community.

The addition of housing planning to the description of first- and second-class boroughs’ comprehensive plans proposed in SB 50, does not create a new requirement for these planning efforts. It simply encourages the explicit recognition of housing planning as its own area of focus, highlighting efforts that many communities are already engaging in independently.

I am happy to provide any further information to the Committee. Please do not hesitate to reach out.

Sincerely,

Richelle Johnson

Research and Technical Assistance Director

**From:** Susan A [REDACTED]  
**Sent:** Saturday, February 8, 2025 4:48 PM  
**To:** Senate Community and Regional Affairs  
**Subject:** SB 50

Public Testimony Regarding Senate Bill 50  
Relating to the Comprehensive Plans of First and Second Class Boroughs  
Alaska State Legislature

To the Honorable Members of the Senate:

I am writing to provide testimony regarding Senate Bill 50, which pertains to the comprehensive plans of first and second class boroughs in Alaska. While I understand the bill's intent to provide boroughs with greater flexibility in developing comprehensive plans for physical, social, and economic development, I have significant concerns about how this bill may unintentionally create issues for certain communities, particularly rural and remote areas, and how it may lead to legal, constitutional, and administrative complications. Below are the key issues I would like to address, along with proposed solutions for remedying them.

1. Legal and Constitutional Concerns

**Overextension of Local Authority:** SB 50 grants significant powers to local governments in the creation of comprehensive plans. While this may be beneficial in some cases, it could overextend local government authority, especially in matters that affect private property rights. Allowing local governments to regulate broad areas like land use and housing without sufficient safeguards could infringe on constitutional property rights. There is the potential for legal challenges should municipalities impose unreasonable regulations that restrict property use without adequate compensation.

**Proposed Solution:** To remedy this, the bill should include stronger safeguards to ensure that local governments cannot overreach in ways that violate property rights. Additionally, clear limits should be set on the scope of land use and zoning regulations, ensuring they are consistent with constitutional protections.

**Conflicts with State Law:** SB 50's expansion of local powers could result in conflicts between borough-level comprehensive plans and state laws or regulations. There is a real concern that local plans might contradict state-level development goals, leading to legal battles over which set of regulations takes precedence.

**Proposed Solution:** I recommend that the bill include provisions for collaborative planning between state and local governments, ensuring that borough plans do not conflict with statewide initiatives. This collaboration could involve the creation of a state-level review process to ensure that local plans align with broader state development policies.

2. Overlapping Laws and Administrative Challenges

**Regulatory Overlap:** There are already numerous state laws and regulations governing land use, housing, and transportation planning. By allowing boroughs to create comprehensive plans in these areas, SB 50 could result in overlap of regulations that might confuse developers, landowners, and local governments. This redundancy could lead to inefficiencies and administrative burden, particularly in smaller communities with limited resources.

**Proposed Solution:** To prevent redundancy, the state should clarify the division of responsibility between state and local government in these areas. Clear guidelines should be set out for when boroughs can develop their own plans and when they must adhere to existing state regulations. This would ensure that boroughs have autonomy without causing confusion or inefficiencies.

**Limited Resources for Smaller Boroughs:** Many first and second class boroughs, especially in rural and remote areas, lack the necessary resources to effectively develop and implement comprehensive plans. Without proper funding or technical assistance, smaller boroughs may struggle to meet the demands of such an expansive bill, potentially leading to poorly executed or ineffective planning.

**Proposed Solution:** The state should create a support program to assist smaller boroughs in developing comprehensive plans that are realistic and sustainable. This could include financial assistance, technical support, and training for local officials. Such support would help ensure that smaller boroughs can engage in comprehensive planning without facing undue hardship.

### 3. Impact on Rural and Remote Communities

**Inflexibility for Rural Needs:** The bill does not account for the unique challenges faced by rural and remote communities, which often differ significantly from urban areas. Issues like limited infrastructure, small-scale economies, and cultural considerations require tailored planning approaches, which a one-size-fits-all bill may not accommodate.

**Proposed Solution:** I urge that the bill include specific provisions for rural and remote boroughs. These provisions could allow rural boroughs to develop plans that are more suited to their unique circumstances, rather than being forced to adhere to uniform requirements that may not apply to their realities. Such flexibility would allow for more appropriate and effective local development.

### 4. Recommendations for a Better Solution

**Tailored Guidelines for Rural Boroughs:** Instead of imposing a uniform approach, the state should develop tailored guidelines for boroughs based on their geographic location, population size, and economic activities. These guidelines would allow for differentiated planning that meets the diverse needs of Alaska's communities, whether urban or rural. By accounting for the specific circumstances of each borough, we can ensure that the plans are more effective and applicable to each area's needs.

**State Support for Rural Boroughs:** A comprehensive support program should be created to help rural boroughs overcome the challenges of developing comprehensive plans. This program could provide funding for community outreach, data collection, and technical assistance. Additionally, the state could partner with tribal organizations and indigenous communities to ensure that the plans reflect the unique needs of these groups.

Clearer Division of Responsibilities: The state should establish clear distinctions between state and local regulatory responsibilities, ensuring that boroughs have the authority to plan locally while avoiding conflicts with state-level initiatives. This would prevent confusion and ensure that both state and local governments can effectively collaborate on development issues.

## 5. Conclusion

In conclusion, while SB 50 provides opportunities for boroughs to plan for their future development, it also raises several concerns related to legal authority, conflicting regulations, and the unique needs of rural communities. I strongly encourage the legislature to address these concerns by including safeguards for property rights, offering additional support for rural boroughs, and clarifying the division of responsibilities between state and local governments. This approach will allow for more effective, equitable, and sustainable planning across all of Alaska's diverse communities. Unfortunately we do not have an one-size-fits-all solution in this expansive states territory yet.

Thank you for considering my testimony.

Susan Allmeroth  
Two Rivers  
Myself