

Konrad Jackson

From: Brawley, Anna B. <Anna.Brawley@anchorageak.gov>
Sent: Monday, February 03, 2025 2:27 PM
To: Sen. Jesse Bjorkman; Sen. Kelly Merrick; Sen. Forrest Dunbar; Sen. Elvi Gray-Jackson; Sen. Robert Yundt
Cc: Konrad Jackson; Hahlen Behnken; Arielle Wiggin
Subject: SB14: Testimony in support from Assembly Member Brawley, Municipality of Anchorage

Follow Up Flag: Follow up
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Hello Chair Bjorkman, Vice Chair Merrick, and members of the Senate Labor & Commerce Committee:

Thank you for the opportunity to testify on SB 14 regarding AIDEA regarding multi-unit housing financing. I'm following up with written comments for the record, and how this fits into our community's legislative priorities.

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I'm speaking today as an Assembly member for West Anchorage, a strong advocate for building housing to meet our community needs, and a policymaker who is very focused on local housing action. While I am not speaking on behalf of the Municipality on this particular bill, housing is one of our legislative priorities, and in line with our overall requests to the State regarding housing financing (see excerpt below these comments). I urge your support for SB14.

The Municipality (MOA) is very focused on spurring housing production, and what we can do at the local level: cutting red tape, removing barriers, incentivizing new housing, and making local investments in affordable housing. The Assembly's Housing Action and the Mayor's 10,000 Homes in 10 Years Strategy both speak to actions we can take locally, and we continue making local policy changes to make it easier to build. The short version: we are doing everything we can, with the limited levers we can pull, particularly for small-scale projects like duplexes and 4-plexes, which the market is trying to produce and runs into local barriers. It is also important to understand and acknowledge that while Anchorage may have more tools at the local level, many communities with equally dire housing needs are facing cost and feasibility challenges, and have fewer options to solve these issues on their own.

I've spent a lot of time working with builders and developers, housing organizations, and people who specialize in financing, engineering and infrastructure policy to really understand what the challenges are, and what needs to be done locally, and at other levels. This informed our local housing work, and helped me understand what is most needed at the state level: Infrastructure (meaning water and sewer, roads, etc.) and Financing (helping make projects economically viable, where the market isn't producing them on their own).

It is also important to think about the different segments of the housing market, what the market is already producing and where local action is needed, and what types of housing the private sector struggles to provide in a feasible way, even as it continues to be what our communities need. Some types of housing are getting built, like single family homes; others can get built as we get local barriers out of the way, like more 4-plexes; and other housing, particularly medium- to large-size projects, simply don't pencil for the private sector without additional investment or financing options.

Since at least 2012 (documented in an MOA housing study), multi-family housing has been one of our biggest needs, but is not economic to build in Anchorage without either direct subsidy or other incentives. It is also important to consider the fact this means both rental housing (apartments), and housing for sale (condos), and all

of these are very needed to meet residents' housing needs. Rental housing is workforce housing, and only a very few developers in our community even work in this market. Condos can be starter homes for young adults, and downsize options for empty-nesters and older adults, but we aren't seeing these built anymore.

Outside of Anchorage, the challenges of cost, supply chains, infrastructure costs and needs, and other factors in most regions of the state mean these types of housing are very much needed, and not getting built. Having more financing options to complement the private sector, particularly in communities with a limited real estate market, is one piece of the puzzle we are all collectively working to solve, to build more housing in Alaska.

Lastly, below are a couple excerpts (screenshots) from the Municipality's 2025 Legislative Priorities, relevant to SB 14:

INCREASE HOUSING SUPPLY & ADDRESS AFFORDABILITY

Like most of the state, Anchorage needs more housing of all forms. While we pursue a range of solutions locally to cut red tape to get more housing built, especially workforce housing, the state can also equip communities with resources and tools.

STATUTORY CHANGES

Develop new mechanisms through AIDEA, AHFC and HAPPP to **provide gap financing, funding and patient capital** for housing development. Allow the AIDEA Loan Participation Program to be used for financing multifamily housing development.

Thanks,

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Dena'inaq elnen'aq' gheshtnu ch'q'u yeshdu (Dena'ina). *I live and work on the land of the Dena'ina (English).* Translation by Sondra Shaginoff-Stuart and Joel Isaak

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