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Member of the National League of Cities and the National Association of Counties

January 28, 2025

The Honorable Jesse Bjorkman, Chair  
The Honorable Kelly Merrick, Vice Chair  
Senate Labor and Commerce

RE: SB 214

Dear Chair Bjorkman and Vice Chair Merrick:

The Alaska Municipal League is a voluntary statewide membership association comprised of Alaska's 165 cities and boroughs. Our mission is to strengthen local governments, and our members struggle to attract and retain qualified workers to fill essential community positions and grow their economies because most state and federal funding mechanisms do not address this population.

Alaska's rising rents and cost of building and remodeling make it one of the most expensive housing markets nationwide, making housing affordability an issue impacting Alaskans across the income spectrum. Most federal funding for affordable housing is designed to serve individuals below 80 percent of area median income (AMI), but those earning up to 120 of AMI are also struggling. With limited funding options to address the housing needs of those who fall into this "gap," communities across Alaska are struggling to provide affordable housing to teachers, nurses, tradespeople, and other skilled professionals. SB 14's proposed expansion of AIDEA's mission and powers to allow the corporation to use their loan program for the development of workforce housing is a high-impact housing intervention that complements existing efforts at the federal, state, and local level.

Alaska's housing issues are at the intersection of workforce and economic development. AML members have placed a priority on addressing adequate funding for affordable housing and commend the Committee and Legislature for its efforts this legislative session to resolve this issue. Many local governments are already taking steps to increase development of affordable housing in their communities, but our members are clear that state capital is necessary to meaningfully end the current crisis.

SB 14 will empower AIDEA to act swiftly to provide meaningful relief to Alaska communities whose economic growth and resilience are threatened by the lack of affordable housing for their growing workforce.

Sincerely,

Nils Andreassen  
Executive Director