



# HOUSING ALASKANS

A PUBLIC PRIVATE PARTNERSHIP

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**\*Ex Officio**

February 3, 2025

Senator Forrest Dunbar

State Capitol

Juneau, AK 99801

Re: SB 14 An Act relating to the Alaska Industrial Development and Export Authority; and relating to workforce housing development projects

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.

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 As new construction and renovations lag, our outdated housing stock is a major obstacle to attracting and retaining a workforce, preventing economic growth.



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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.

This is an all-hands on deck problem and we need investment and collaboration from as many sources as possible to incent and assist all housing developers, private and non-profit, to build housing affordable to Alaska's workforce. 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. The bedrock of our communities' workforce is priced out of the housing market and AIDEA can play an important role in helping to spur development, especially if AIDEA works with Alaska's financial institutions to develop the program parameters. Therefore, the Housing Alaskans Board of Directors supports SB 239 to give the Alaska Industrial Development and Export Authority clear authority to use its loan program to fund the construction of workforce housing to help alleviate the housing crisis for Alaska's critical workforce.

Sincerely,

Shauna Hegna  
Chair, Board of Directors, Housing Alaskans