

Dear Senator Dunbar,

We are writing today urging the Senate Labor and Commerce Committee to take favorable action on SB 14. As noted in the sponsor statement, Alaska is experiencing a housing crisis which knows no boundaries. The crisis can be in Anchorage or our hometown, Soldotna.

Located in Soldotna, in late 2023 we created a nonprofit organization with the goal to build affordable housing for Alaska's workforce. We have acquired acreage within Soldotna City Limits however our biggest challenge is finding funding to build the necessary infrastructure – roads, water and sewer – needed before construction on homes can commence.

With our target audience being individuals in the 80-120% Area Median Income (AMI) there are few state or federal programs available to help with our project. As we read the proposed legislation, giving AIDEA this added authority could greatly assist projects like ours.

We urge the passage of SB14. Should you have questions about our organization please do not hesitate to contact me.

Lisa Parker

The Mountain Group & Alaska's Central Peninsula Land Trust

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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



HOUSING ALASKANS

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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.



HOUSING ALASKANS

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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