

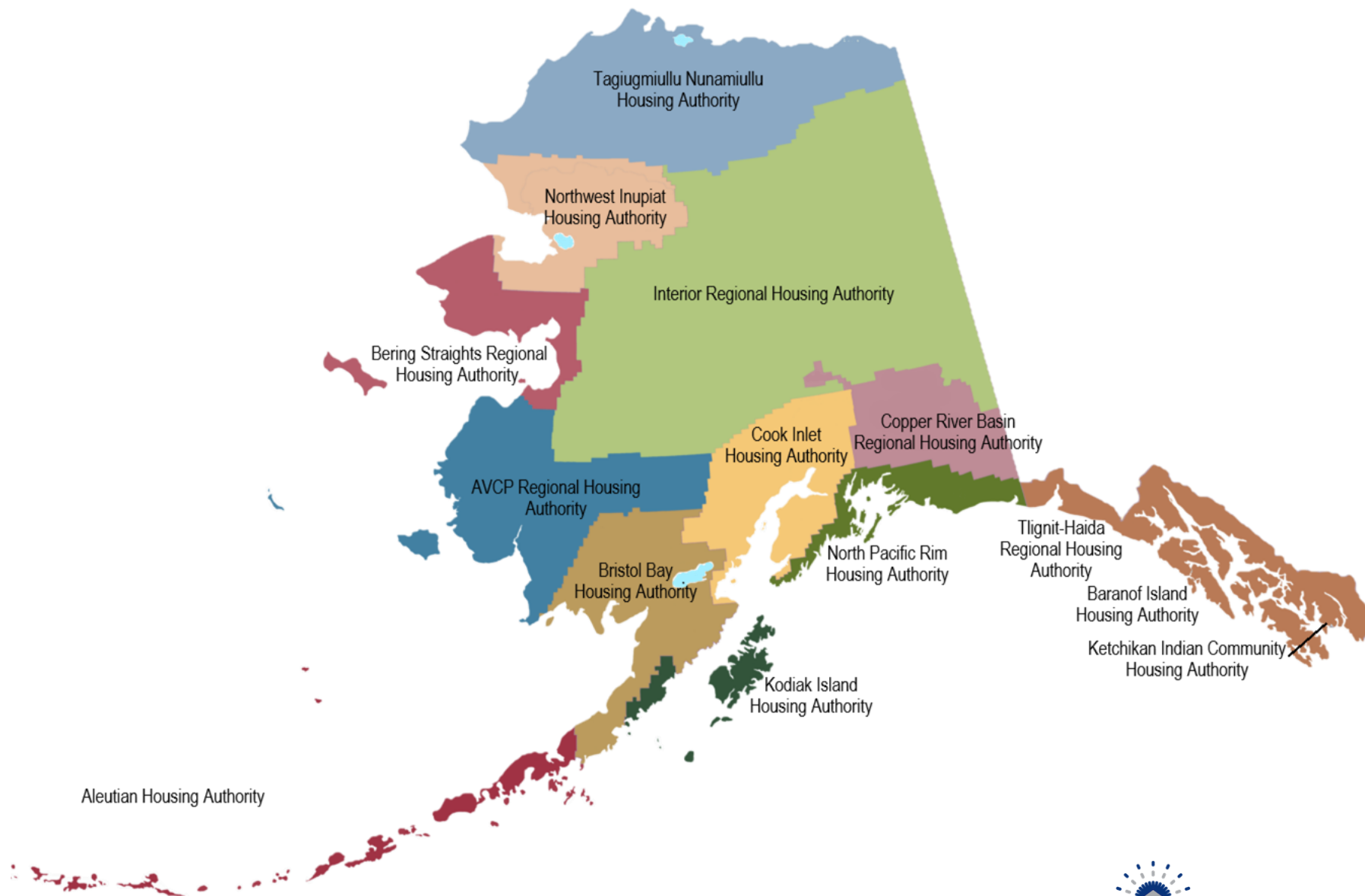


ASSOCIATION OF
ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

Alaska House Labor & Commerce Committee 02/28/2023





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What do Regional Housing Authorities do?

■ Affordable Housing Development

- Shell and internals of a house or apartment
- Infrastructure for the house
 - Water/Sewer connection, electrical connection, roads, and foundations
- Annually construct approximately 185 homes
- All homes are constructed to Alaska Building Energy Efficiency Standards



What do Regional Housing Authorities do?

■ Preserve Housing stock

- Through rehabilitation and weatherization
- Most homes in Alaska were built in the 70's and 80's
- 50- and 60-year-old objects do not work like they used to
- 1350 homes were rehabilitated in 2021
- 100 homes were weatherized in 2021



What do Regional Housing Authorities Do?

- Education that helps people navigate home finances:
 - Financial literacy,
 - Homebuyer readiness,
 - Safety programs,





Economic Benefit of Regional Housing Authorities

Economic Benefit of Regional Housing Authorities

- 90% of spending is within Alaska
- \$228 MM in direct, indirect, and induced spending annually
- \$157 MM in planned spending on construction, maintenance, rehabilitation, and other housing programs



Economic Benefit of Regional Housing Authorities



- 1,280 Alaskan jobs
- \$97 MM in payroll
- Many jobs are force-account construction work
- **WORKFORCE HOUSING:** developed with AHFC's Teacher, Health Professional, and Public Safety Housing Development Program



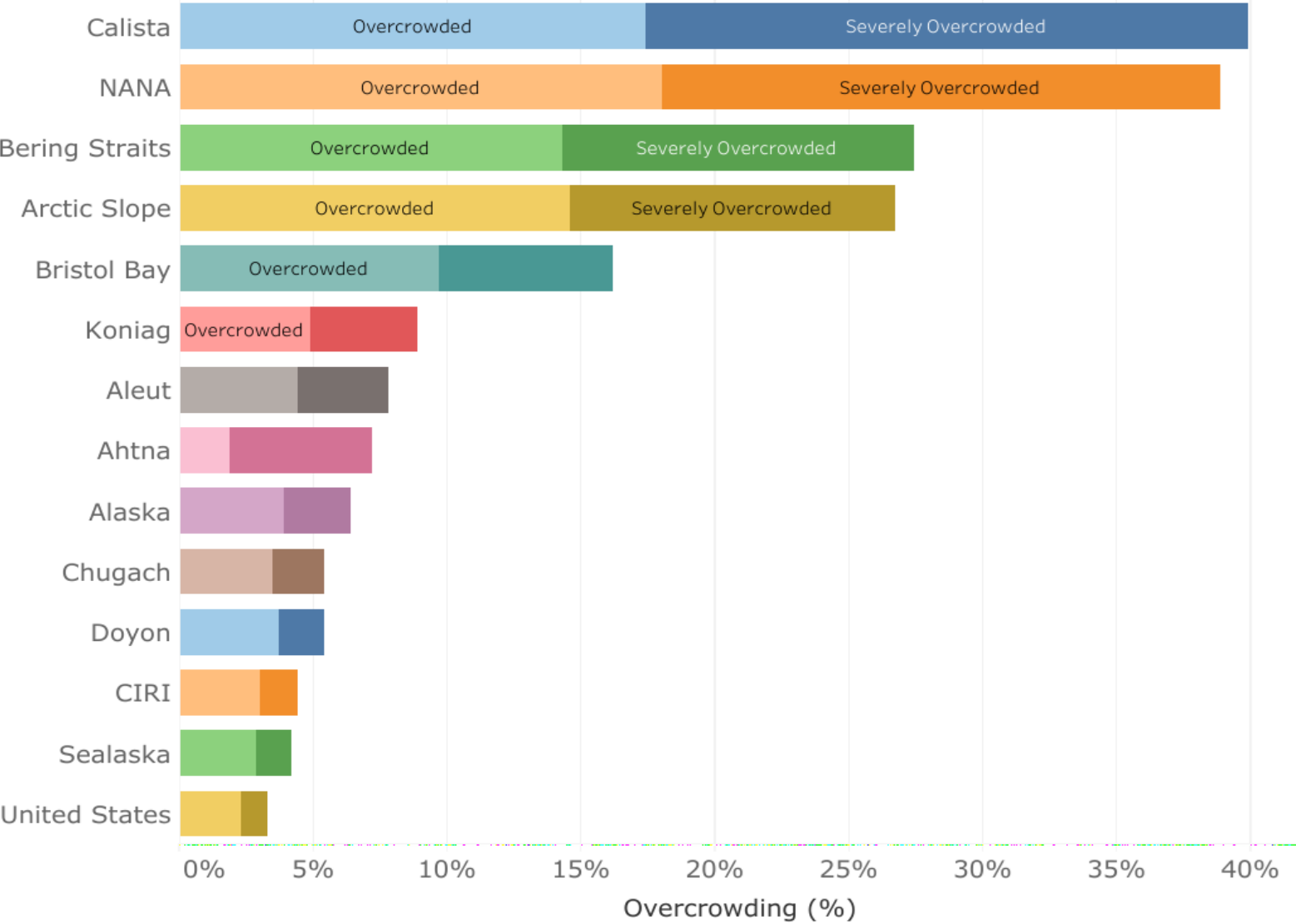
Alaska's Housing Shortage

Describing the Problem ...

Or “Who says we have a housing shortage?”

Overcrowding Rates

ANCSA Re..



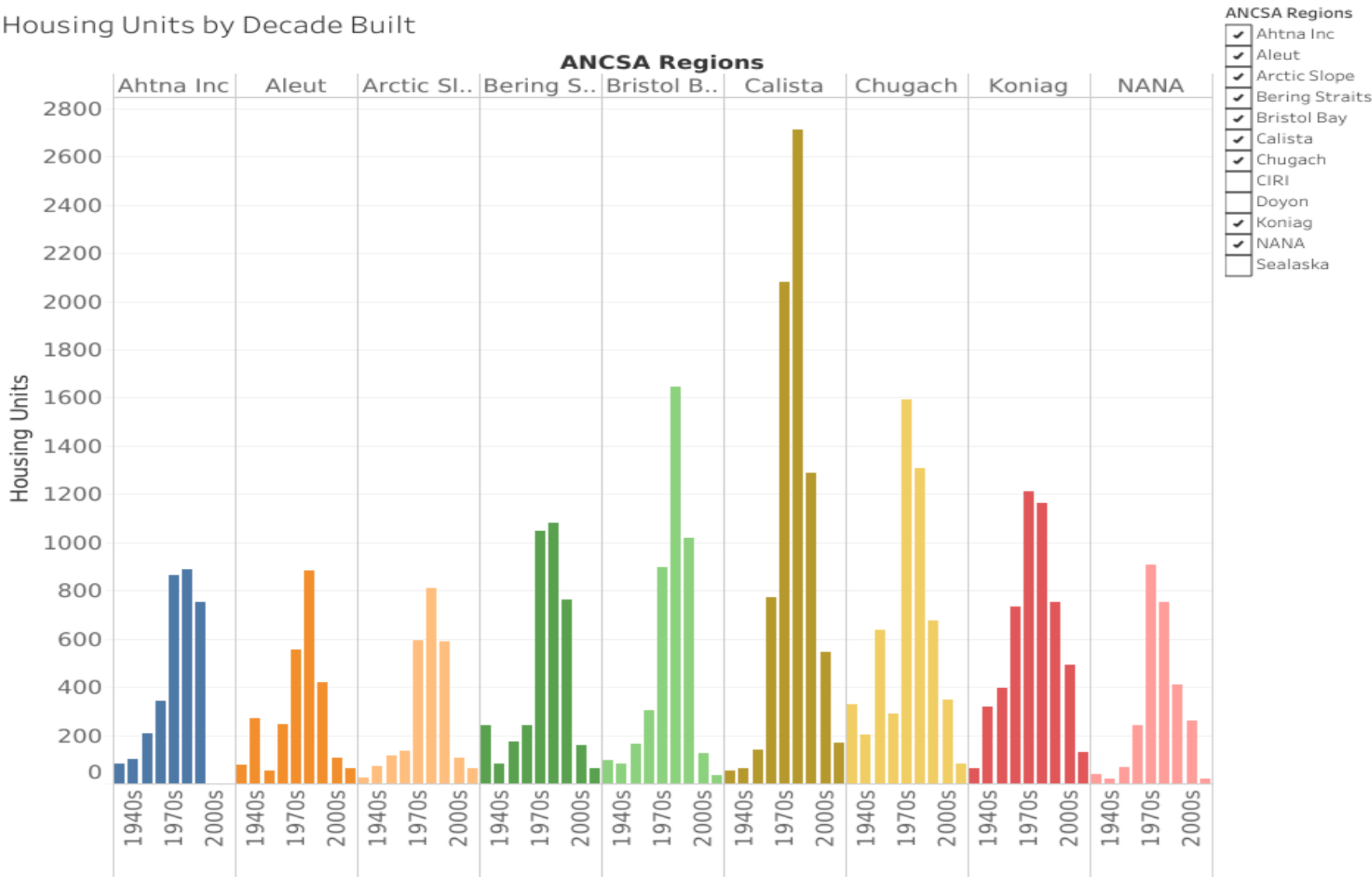
- ANCSA Regions
- ☒ Ahtna
 - ☒ Alaska
 - ☒ Aleut
 - ☒ Arctic Slope
 - ☒ Bering Straits
 - ☒ Bristol Bay
 - ☒ Calista
 - ☒ Chugach
 - ☒ CIRI
 - ☒ Doyon
 - ☒ Koniag
 - ☒ NANA
 - ☒ Sealaska
 - ☒ United States

HUD defines a home as overcrowded if it has more than 1 person per room, and severely overcrowded if it has more than 1.5 people per room

Community and Demographics - ANCSA Regions

Housing Units by Decade Built	Recent New Construction	Housing Occupancy	Future Population Projections	Current Senior Population and Future Projection
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Housing Units by Decade Built



The majority of the housing units in Alaska were built in the 1970s and 80s.

Two drivers of housing shortage

- Homes fall into disrepair and become decrepit
- Not enough houses are constructed in the first place

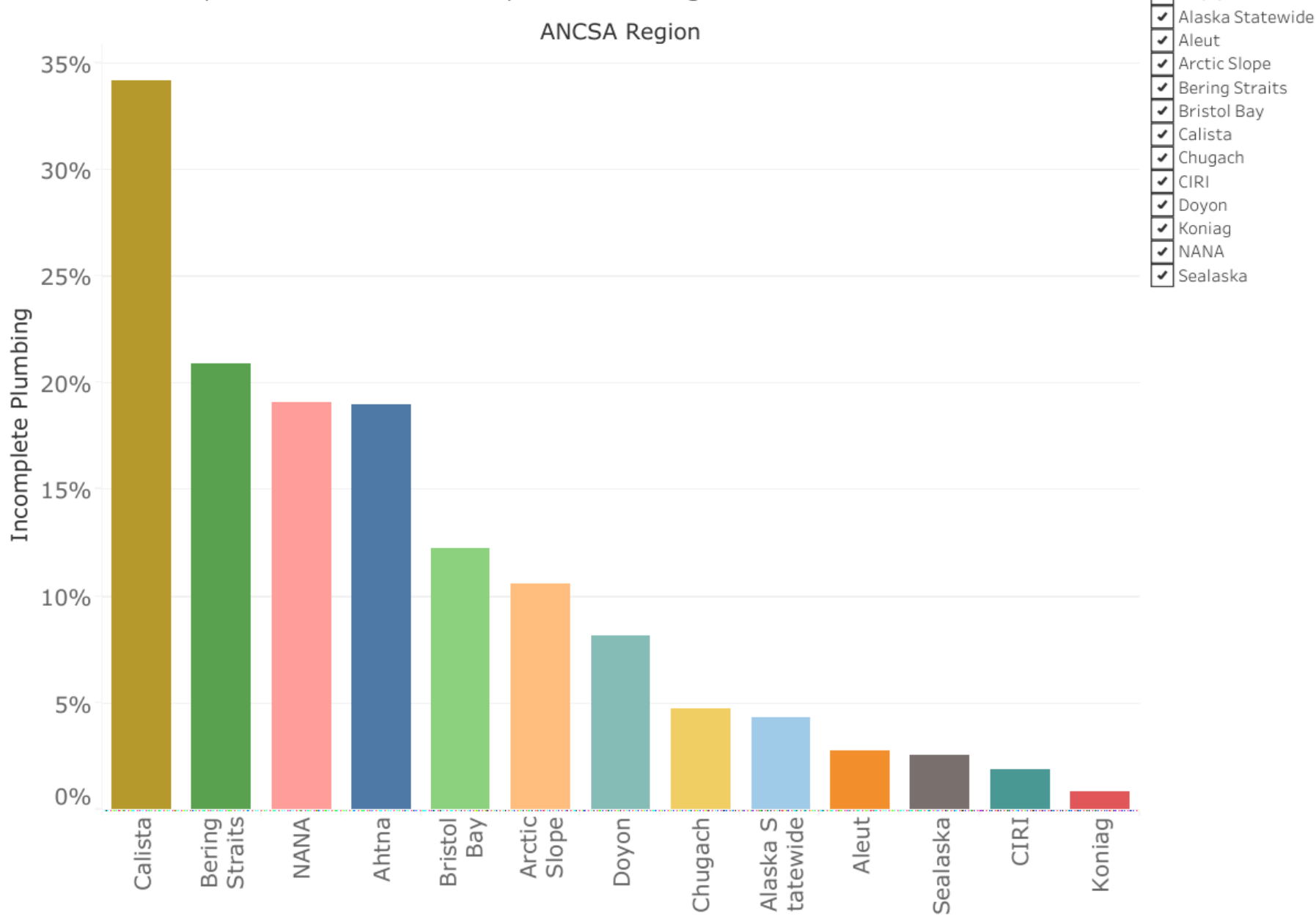


Supplemental Housing Development Grant

- Develop new housing
- Rehab existing housing
- Water/sewer, electrical, roads are eligible
- 20% of a project cost maximum

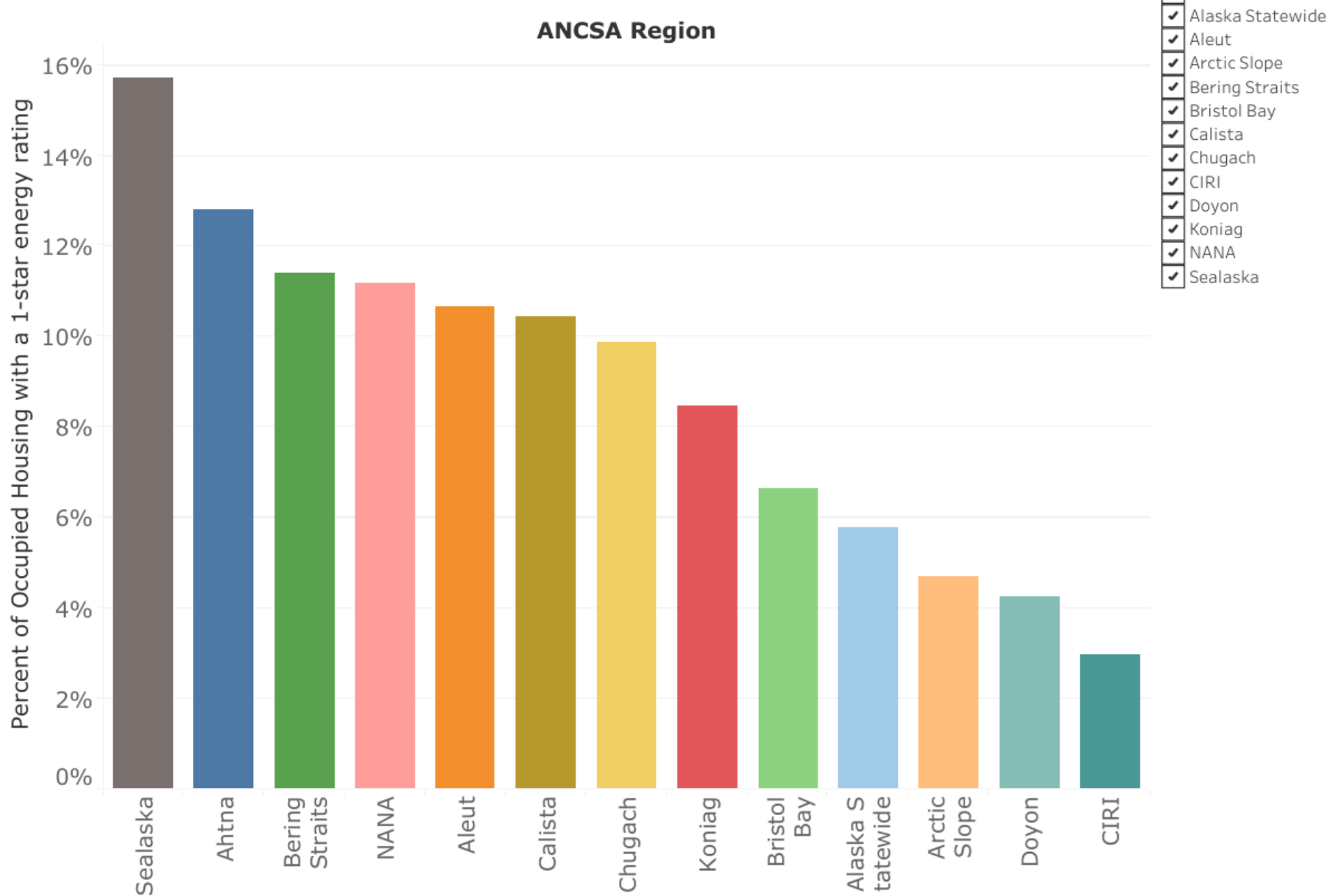


Percent of Occupied Homes with Incomplete Plumbing



Homes lacking hot and cold running water, a tub or shower, or a flush toilet are considered to have incomplete plumbing.

Percent of Homes with a 1-star Energy Rating



Homes with a 1-star energy rating are the least efficient homes in Alaska, using more than four times more energy than a new home built to the current Building Energy Efficiency Standard. They tend to be the most expensive to heat and the most uncomfortable.

Weatherization preserves housing





Challenges to Housing Our Fellow Alaskans

Describing the Causes

Why Isn't There More Housing?

Because housing is expensive

Our 3 biggest costs get bigger every year

- Labor
- Construction material
- Logistics
- BEFORE COVID:
 - CPI – 52% 2000-2020
 - 56% for construction labor, BLS, Employment Cost Index: Wages and Salaries: Private Industry Workers: Construction
<https://fred.stlouisfed.org/series/ECICONWAG>
 - 70% for construction material, BLS, Producer Price Index by Commodity for Special Indexes: Construction Materials
<https://fred.stlouisfed.org/series/WPUSI012011>
 - and 52% for water freight and 64% for air freight. BLS, Producer Price Index by Industry: Scheduled Freight Air Transportation
<https://fred.stlouisfed.org/series/PCU481112481112P>



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Infrastructure costs us \$\$\$



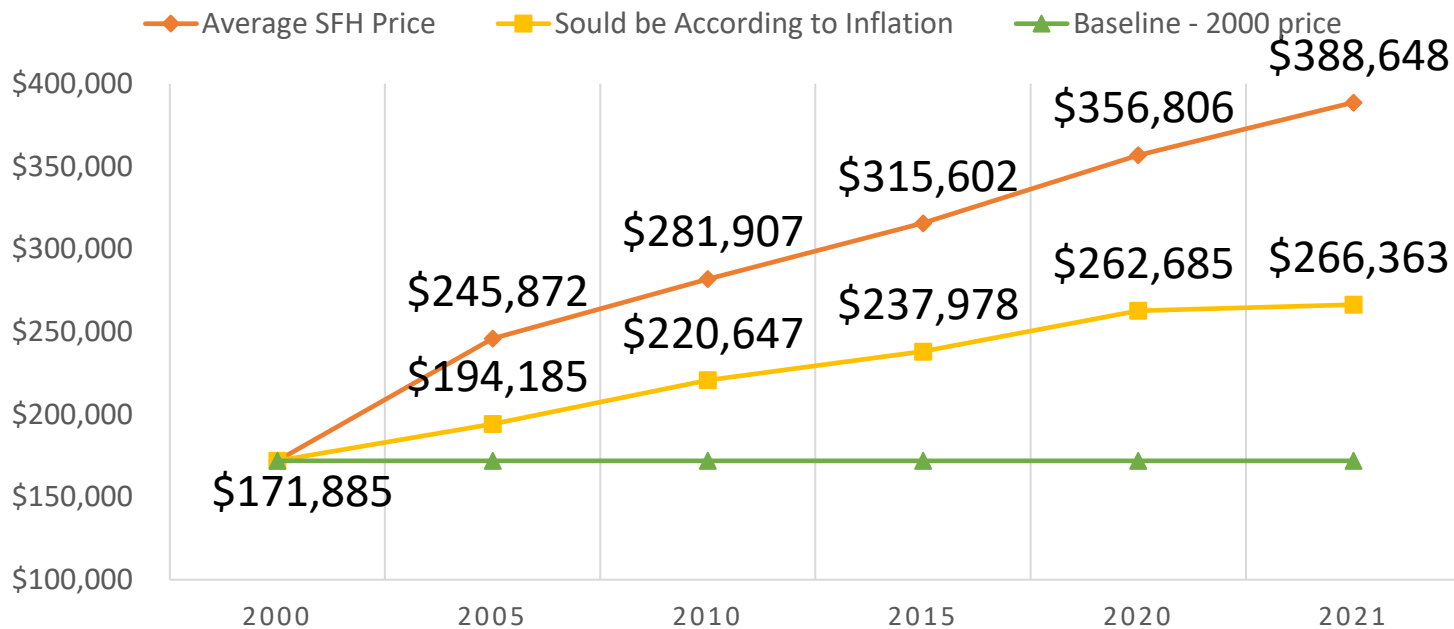
Housing is expensive

- Think about the last time you heard the claim “I can build a house in rural Alaska for \$185K” and look at this picture:
 - The foundation is not included in kit purchase from a major retailer
 - Site prep and infrastructure connection is not included in the kit
 - Shipping may or may not be included, FOB to the hub ... but to the village?



Home Prices in Alaska: 36% **ABOVE** inflation

SINGLE FAMILY HOME PRICES IN ALASKA



Data from: <https://live.laborstats.alaska.gov/housing/alaska-sales-price.html> on 10/5/22

Average home sold
in Alaska in 2000
cost: \$171,885

Average Home Price
in 2020 **ACTUALLY**
was:
\$356,806

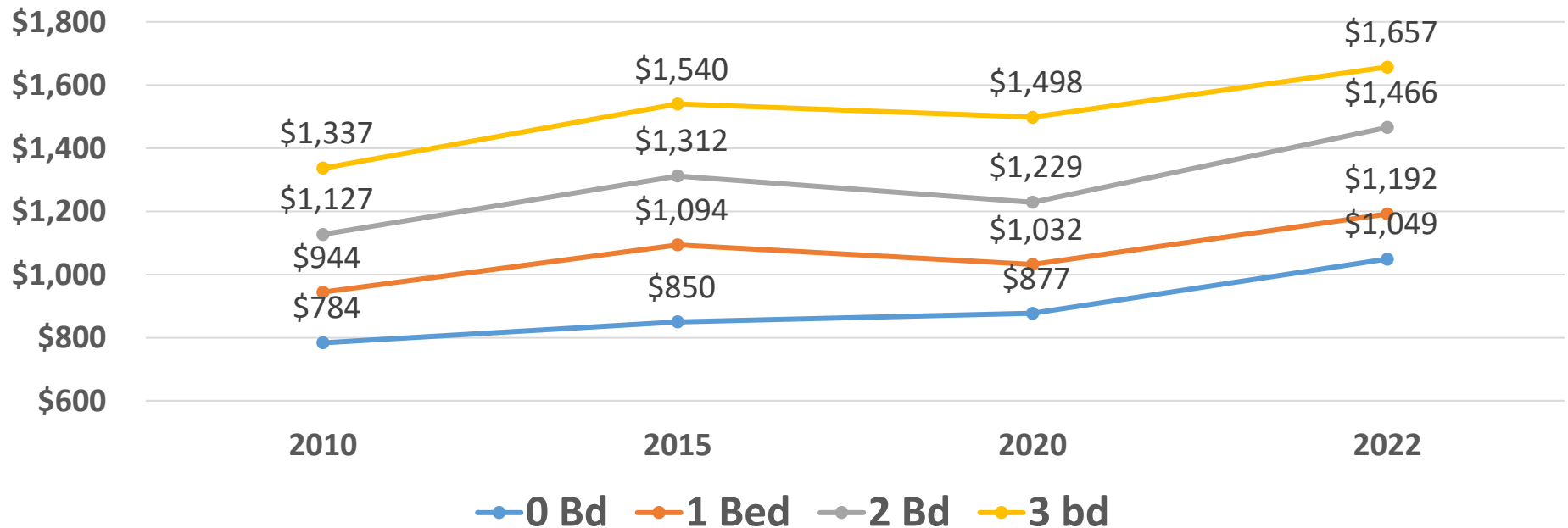
Average Home Price
in 2020 **SHOULD**
HAVE been:
\$262,685

Anchorage average SFH and rental prices

Time	Area	No. of	Avg Sales			
		Loans	Avg Loan	Total Loan	Price	Total Sales Vol
2022YR	Anchorage	817	390,084	318,698,775	457,903	374,106,448
2021YR	Anchorage	2240	374,040	837,850,559	436,577	977,933,584
2020YR	Anchorage	2238	355,932	796,574,778	410,658	919,053,309
2019YR	Anchorage	1906	336,895	642,121,026	389,477	742,343,232
2018YR	Anchorage	2082	337,384	702,434,156	391,828	815,786,687

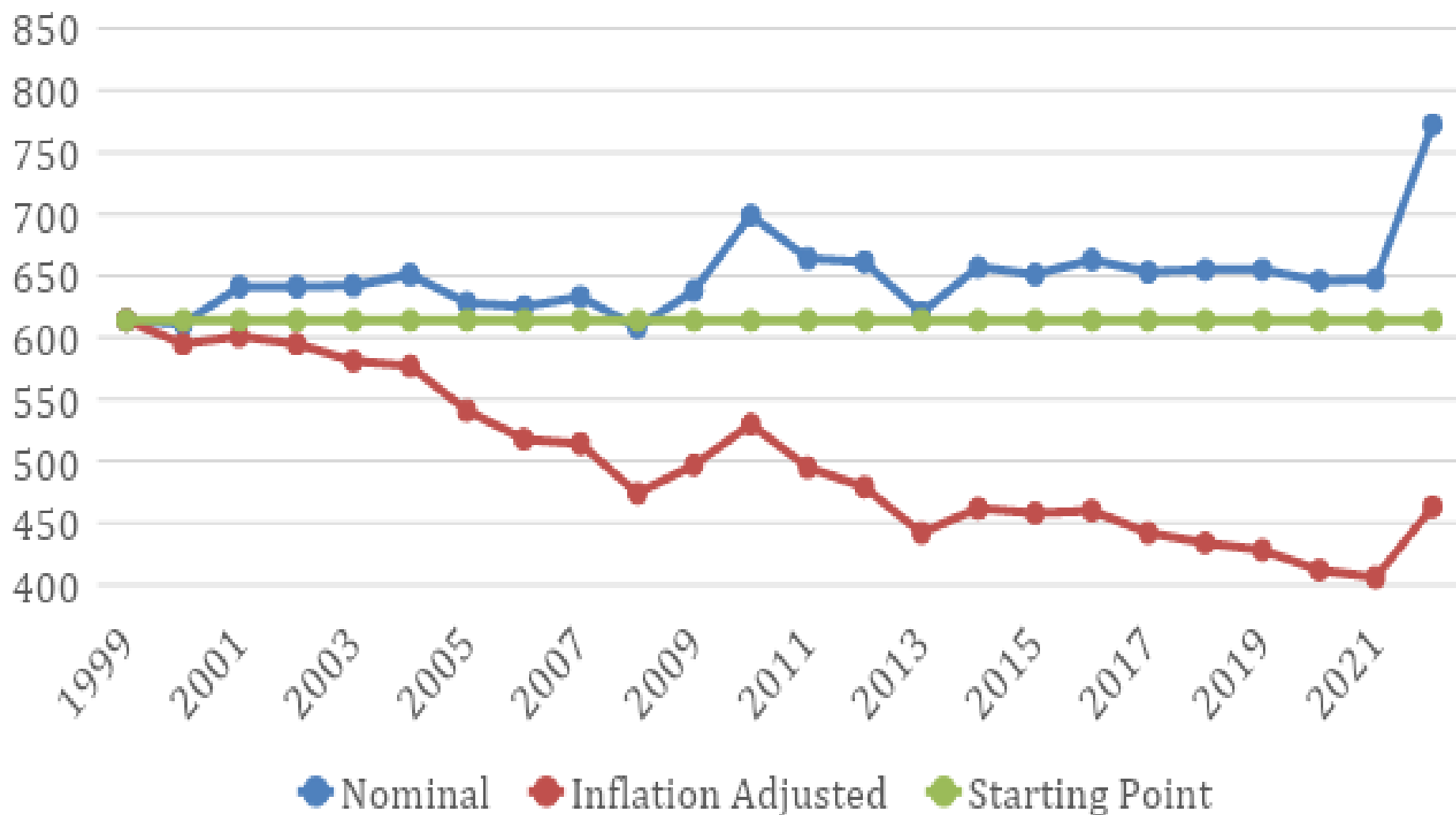
<https://live.laborstats.alaska.gov/housing/loanarea/1>

Average Rent in Anchorage



Federal Support for Indian Housing

NAHBG Nominal vs Inflation Adjusted



Brevig Mission shows us inflation



Operating vs Capital for Housing



Affordable housing

- FAIR HOUSING
- Rent Caps
- On-going Eligibility
- Compliance and Audits
- Background Check
- Operating and Maintenance
- Repairs
- Vacancy loss

For-profit housing

- Background Check
- Operating and Maintenance
- Repairs
- Vacancy loss



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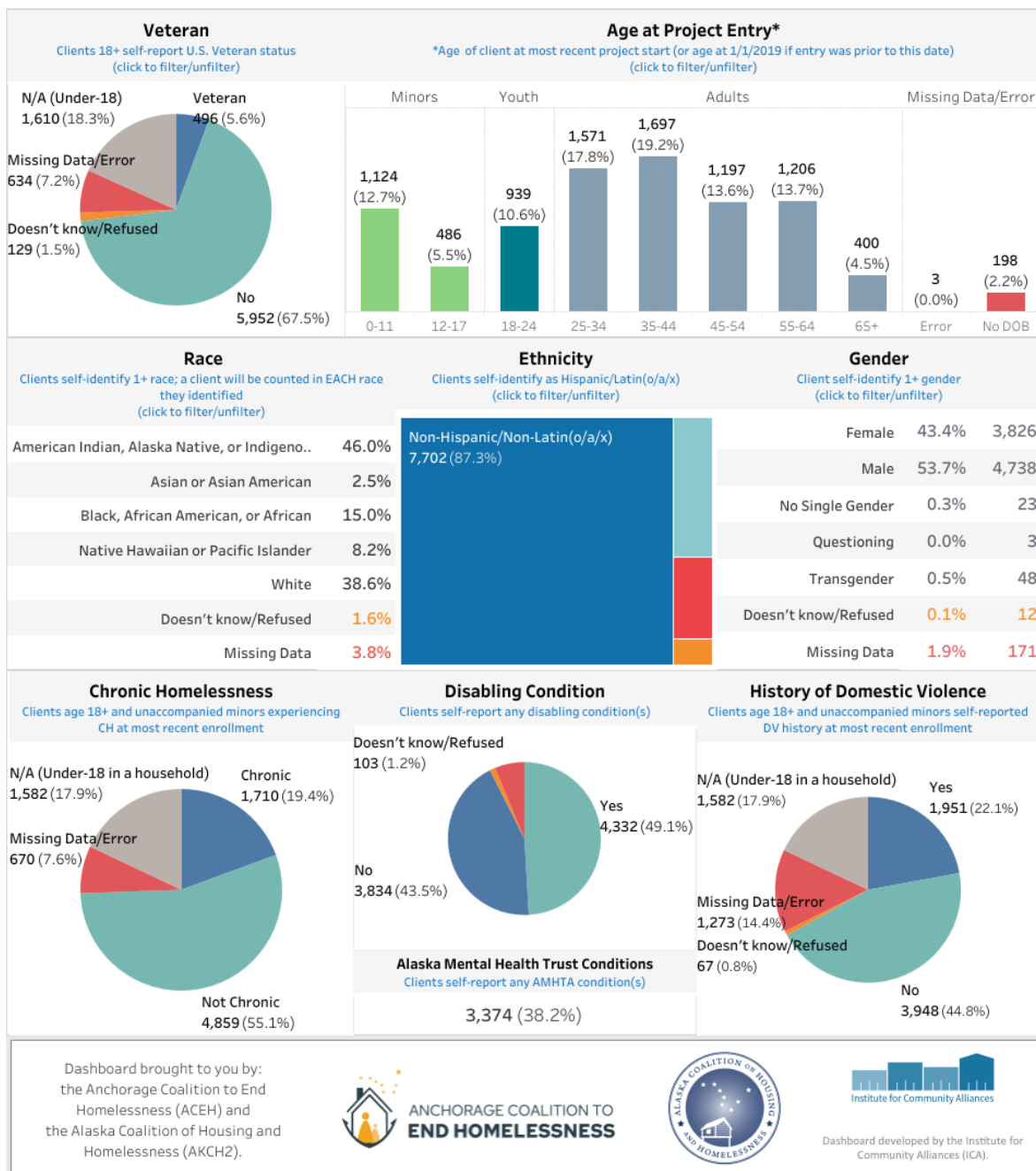
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Homelessness in urban areas

Anchorage's homeless population: We have lots of data

- AK Native: 46%
- White: 39%
- Black: 15
- 18% started homelessness before they were 18 years old
- 38% are eligible to be Alaska Mental Health Trust beneficiaries
- 22% experienced Domestic Violence



People fail coming out of homelessness

- Think back to the last time you became angry at something trivial that you had to learn or something you forgot:
 - How to change a setting on your TV/roku remote
 - Why your phone is doing something unexpected
- Think about the amount of irrational anger you had –
 - Remember how angry you were at yourself and world for changing something you used to know

- NOW APPLY THAT ANGER AND IRRATIONALITY TO THE SCALE OF YOUR ENTIRE EXISTENCE
 - Imagine forgetting what the sound of apartment building is and you cannot sleep for days
 - Or imagine the behaviors that kept you safe for years in the Chester Creek camps makes your neighbors fear you and say bad things to your face

The solution to housing is Housing + (___)

- HUD + (VA, HHS, Local, ???)
- For most, homelessness is rare, brief, and one-time
- For those in chronic homelessness – transition requires navigation, support services, time and the right type of housing –
- Treatment for behavioral health and substance misuse is the most important need

- Challenges:
 - Lack of funding and capacity for behavioral health and substance misuse treatment
 - Lack of transitional and permanent supportive housing for chronic homelessness
 - Lack of sustainable funding for operations and supportive services
 - Landlords providing independent housing are experiencing higher damages and high turnover related to residents who are not ready for permanent housing
 - Tenants in independent housing can decline or refuse services at anytime

TWO WAYS OF HOUSING PEOPLE

INDEPENDENT HOUSING

INDEPENDENT HOUSING		
FOR-PROFIT HOUSING	AFFORDABLE/SUBSIDIZED HOMES	SENIOR HOMES
 	 	

SUPPORTED HOUSING

SUPPORTED HOUSING			
SHELTERS	PERMANENT SUPPORTIVE	SENIOR/ASSISTED LIVING	NURSING
 	 	 	 

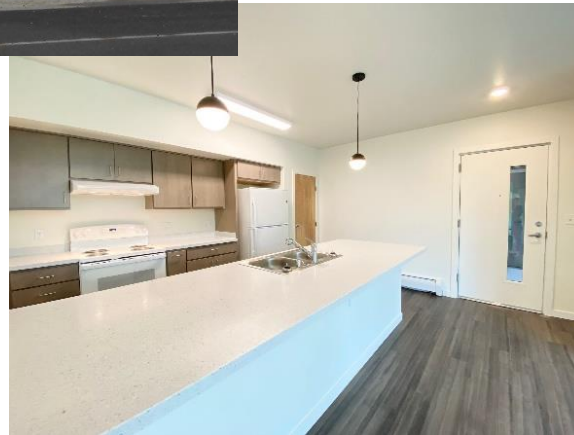


AFFORDABLE, INDEPENDENT HOUSING

- Single-Family, Duplex, Triplex
- Townhomes, Apartments
- Operating our properties requires heat, grounds, maintenance & repair, compliance, lease-up, rent collection



Independent Housing



Independent Housing: BSRHA in Nome



SUPPORTED HOUSING

- Shelters
- Permanent Supportive
- Operating these properties requires much more staff:
 - Clinicians, case managers, navigators, safety, food service
 - AND what our properties require



Supported Housing



Partners' Supportive Housing





Thank you



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