Rethinking Housing: Framing the Issue of Housing Affordability

BP Energy Center

March 20, 2015
Our Goal: All Anchorage residents have stable, affordable housing.

Collaborators:
- Alaska Housing Finance Corporation
- Anchorage Community Development Authority
- Anchorage Downtown Partnership
- Cook Inlet Housing Authority
- Rasmuson Foundation
- United Way of Anchorage
Affordability

30% of income

• Renters: rent and utilities

• Homeowners: mortgage(including interest), utilities, insurance
Ways we describe housing

By cost or type of assistance:
market rate, affordable, subsidized, mixed income

By design:
multi-family (apartments, condos), single family, mobile home, mixed-use

By level of support:
independent living, assisted living

By length of stay:
Permanent, transitional, emergency shelter
Anchorage residents strongly agree that:

• Hardworking people should be able to afford housing and still have money left over for food and basic necessities. 84%

• An adequate supply of quality housing options is good for the economy. 70%

• Children in stable housing situations do better in school and in life. 83%

Source: the Alaska Survey conducted by Ivan Moore Research in 2014.
Good availability of housing in your budget range?

Source: Random sample survey of more than 350 Anchorage households conducted by Ivan Moore Research in 2014.
Is housing affecting your ability to retain and recruit employees?

Anchorage Population (in 1000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>83</td>
</tr>
<tr>
<td>1970</td>
<td>126</td>
</tr>
<tr>
<td>1980</td>
<td>174</td>
</tr>
<tr>
<td>1990</td>
<td>226</td>
</tr>
<tr>
<td>2000</td>
<td>260</td>
</tr>
<tr>
<td>2010</td>
<td>292</td>
</tr>
<tr>
<td>2013</td>
<td>301</td>
</tr>
<tr>
<td>2014</td>
<td>301</td>
</tr>
<tr>
<td>2022*</td>
<td>327</td>
</tr>
<tr>
<td>2032*</td>
<td>348</td>
</tr>
</tbody>
</table>

Source: U.S. Census and *Alaska Department of Labor projection.
Smaller Households Today

- 23% Married w/Children
- 26% Families - No Child
- 11% Single-parent
- 9% One Person
- 31% Roommates

Growing Senior Population

Source: U.S. Census and *Alaska Department of Labor projection.
Type of Occupied Housing Units

Source: U.S. Census American Community Survey 5 yr average 2008-2012.
Average Adjusted Rents

Source: Rental survey by AK Dept of Labor for Alaska Housing Finance Corporation.
Anchorage Median Rents - 2014

Source: Rental survey by AK Dept of Labor for Alaska Housing Finance Corporation.
Anchorage Rent as % of Gross Household Income

Source: U.S. Census American Community Survey 5 yr average 2008-2012.
How Many Minimum Wage Workers to Afford a One-Bedroom Apartment?

1. 2000: 2.1 Workers ($5.65/hr)
2. 2005: 2.0 Workers ($7.15/hr)
3. 2010: 2.4 Workers ($7.75/hr)
4. 2015: 2.4 Workers ($8.75/hr)

Sources: U.S. Bureau of Labor Statistics; Alaska Dept of Labor rental survey for AHFC.
Monthly Income to Afford Rent

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Income Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales (6,750)</td>
<td>$2,284</td>
</tr>
<tr>
<td>Office Clerks (4,340)</td>
<td>$3,298</td>
</tr>
<tr>
<td>Managers (4,010)</td>
<td>$9,086</td>
</tr>
<tr>
<td>Nurses-R.N. (3,640)</td>
<td>$7,044</td>
</tr>
<tr>
<td>Personal Care Aides (3620)</td>
<td>$2,416</td>
</tr>
<tr>
<td>Cashiers (3,150)</td>
<td>$2,037</td>
</tr>
<tr>
<td>Janitors (3,070)</td>
<td>$2,403</td>
</tr>
<tr>
<td>Teachers K-12 (3,040)</td>
<td>$5,576</td>
</tr>
<tr>
<td>Laborers (2,720)</td>
<td>$2,570</td>
</tr>
<tr>
<td>Admin. Assistants (2,630)</td>
<td>$2,940</td>
</tr>
<tr>
<td>Fast Food (2,540)</td>
<td>$1,809</td>
</tr>
<tr>
<td>Waiters (2,500)</td>
<td>$1,858</td>
</tr>
<tr>
<td>Bookkeepers (2,420)</td>
<td>$3,547</td>
</tr>
<tr>
<td>Stock Clerks (2,150)</td>
<td>$2,463</td>
</tr>
<tr>
<td>Office Supervisors (1,960)</td>
<td>$4,913</td>
</tr>
<tr>
<td>Home Health Aides (1,900)</td>
<td>$2,293</td>
</tr>
<tr>
<td>Cooks (1,880)</td>
<td>$2,556</td>
</tr>
<tr>
<td>Baristas (1,850)</td>
<td>$1,726</td>
</tr>
<tr>
<td>Exec. Assistants (1,800)</td>
<td>$4,273</td>
</tr>
<tr>
<td>Teacher Assistants (1,700)</td>
<td>$3,001</td>
</tr>
</tbody>
</table>

Wages needed to afford
1-bedroom ($3,606)
2-bedroom ($4,440)


Note: numbers in parentheses = number employed in occupation; dollars show monthly wage. Wages needed assumes 30% of income will be spent on housing.
Median Family Income compared to Single-Family Home Price

Sources: income family of four-HUD; single family residential sales prices - MLS
Home & Condo Average Prices Anchorage - 2014

- Condos
  - Income Needed: $60,000
  - Average Price: $200,000

- Homes
  - Income Needed: $85,000
  - Average Price: $359,000

Source: Alaska Multiple Listing Service (MLS) and local banks.
Average Single-Family Home Sale Price (in 1000s)

Source: Alaska Multiple Listing Service (MLS).
Average Apt. Vacancy Rate

Source: Rental survey by AK Dept of Labor for Alaska Housing Finance Corporation.
MLS Home Listings for May 2006-2014

Source: Alaska Multiple Listing Service (MLS).
New Housing Units by Type

Source: Municipality of Anchorage Building Permit reports. Totals are for entire Municipality which includes the Anchorage Bowl, Chugiak-Eagle River & Turnagain Arm.
HOUSING GRIDLOCK

A shortage of housing at every level means people can’t afford to move up and free units for other households.

Housing gridlock stifles upward mobility at every level and inhibits economic growth, affecting all of us.
New Housing - Municipality of Anchorage

Projected Need 2015-2030: 1200 Units Annually

Source: Municipality of Anchorage Building Permit Activity reports.
Grass Creek Village, Muldoon – Mixed Income

Mixed Use, Mountain View

Tax-credit multi-family

Rustic Goat, Turnagain
Market rate

Aurora Square Condos, East Anchorage
CORONADO PARK, EAGLE RIVER, SENIORS MIXED INCOME

Single-family to duplex, South Addition

Park Plaza Apartments, A and 14th
Solutions

Financial:
• Invest in infrastructure to support housing development
• Public private partnership for financing
• Tax code efforts to encourage rehabilitation and new development

Regulatory:
• Increase land use efficiency through re-development and zoning
• Streamline permitting processes

New ways of thinking and working:
• MOA comprehensively focuses on and organizes around housing goals.
• We can have livable, quality neighborhoods with affordable housing at higher densities
• Innovative design.
Get involved!

Live Work Play
Housing area of focus

housinganchorage@ak.org
www.facebook.com/HousingAnchorage