HOUSING SOLUTIONS MATCHMAKER TOOL
A DIAGNOSTIC TOOL FOR LOCAL OFFICIALS
AGENDA

• Introduction
• Uses and Scope
• Why Counties?
• Walk through the tool and features
• Demo
• Questions
THE TOOL AIMS TO:

• Provide a data-informed assessment to assists in understanding the elements of local housing markets
• Help identify challenges, and
• Providing resources on policies that might help enhance the local housing landscape
• Refer officials to resources that support counties’ continued actions to improve the affordability, quality and supply
INTENDED USES AND SCOPE

To provide users with a snapshot of housing conditions and point them in the general direction of policy solutions, the tool:

• Focuses on a handful of key metrics
• Does not provide a detailed implementation plan
• Focuses specifically on housing affordability and supply and is not intended to provide resources on all types of housing challenges
A REGIONAL APPROACH TO SOLUTIONS

• Housing supply and affordability challenges are regional problems requiring a regional approach to solutions

• Counties can play a key role in organizing and coordinating a regional approach to affordable and sustainable housing

• In addition, many counties already work together within metropolitan planning organizations (MPOs)

MPOs often have few financial resources tied to housing and do not have binding legal authority over member jurisdictions, making coordination and leadership by local officials to prioritize housing supply and affordability essential
www.naco.org/MatchmakerTool
Housing Solutions Matchmaker Tool
A Diagnostic Tool for Local Officials

ANCHORAGE MUNICIPALITY, AK
ALASKA'S METRO COUNTIES

Anchorage Municipality, Alaska: A high cost county with a growing population located in a moderate state with a growing population. The 3 metropolitan areas in the state experienced population growth from 2000 to 2010. Additionally, one of the 3 metropolitan areas has the highest cost category housing costs in the state over 3.3x. The map presents information for Anchorage Municipality compared to all metropolitan areas in Alaska because the county is in a low-cost county area.

Figure 1: Housing Cost and Population Growth

- Population: Current and future population trends are shown, along with the percentage of increase.
- Households: The number of households and their distribution is also depicted.
- Education: The level of education among the population is illustrated.

Typical Examples of Policy Changes
- Increase land to allow for higher density housing in low-cost housing areas.
- Load dimensional requirements, such as minimum lot sizes, setbacks, for coverage, or floor area ratios.
- Reduce minimum parking requirements.
- Allow flexibility in housing design standards.

Conclusion
- More development as right.
- Strive for a consistent process for multiple parts of the housing development process.
- Set a clear and transparent process for schedule.
- Set 'hot topics' that require development from ideas to make it a set amount of time.
- Finnish the landscape with a comprehensive study.
- Establish an affordable housing trust fund, which allows for a flexible financing vehicle to support affordable housing development.
ANCHORAGE MUNICIPALITY, AK
ALASKA'S METRO COUNTIES

Anchorage Municipality, Alaska, is a high-cost county with a growing population located in a moderate-cost state with a growing population. Two of the 3 metropolitan counties in the state experienced population growth from 2009 to 2019. Additionally, one of the 3 metropolitan counties falls into the highest cost category (housing value-to-income ratios over 3.5). The graph presents information for Anchorage Municipality compared to all metropolitan counties in Alaska because the county is in a two-county metro area.
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**Figure 1: HOUSING COST AND POPULATION GROWTH**

[Graph showing population change and housing costs across different counties.]
To develop a more complete picture of housing market conditions in Anchorage Municipality, we draw on a broader set of metrics (Table 1) that capture demand, affordability of both owner-occupied and rental housing, and housing quality. The table presents information for Anchorage Municipality compared to all metropolitan counties in Alaska because the county is in a two-county metro area.

<table>
<thead>
<tr>
<th></th>
<th>AK</th>
<th>Alaska’s metro counties</th>
<th>U.S. metro counties</th>
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<tbody>
<tr>
<td><strong>Population size &amp; growth</strong></td>
<td></td>
<td></td>
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<tr>
<td>Population change, 2009 - 2019</td>
<td>0.05</td>
<td>0.08</td>
<td>0.09</td>
</tr>
<tr>
<td>Population, 2019</td>
<td>293,531</td>
<td>215,029</td>
<td>1,345,466</td>
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<tr>
<td><strong>Housing affordability</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>County median home value/CBSA median income</td>
<td>3.79</td>
<td>3.5</td>
<td>4.14</td>
</tr>
<tr>
<td>Median income</td>
<td>$84,928</td>
<td>$81,353</td>
<td>$68,376</td>
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<td>Median home value</td>
<td>$314,800</td>
<td>$285,995</td>
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<td>$52,800</td>
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<td>Severely cost-burdened renters</td>
<td>19.3%</td>
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Median home value | $314,800 | $285,995 | $293,457
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**Housing quality**

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**KEY FINDINGS FROM THIS COMPARISON ARE:**

- The typical household in Alaska’s metro counties would have to pay 3.79 times their annual income to purchase the median home in Anchorage Municipality. Home value-to-income ratios between 2.5-3.5 are considered healthy.

- Households earning less than $52,800 (or 65 percent of the metro area median income) would have difficulty paying rent for the median rental home in Anchorage Municipality, while spending no more than 30% of their income on rent. While middle-income households in Alaska’s metro counties can afford median rent in Anchorage Municipality, low- and moderate-income households in the region will fall below this threshold.

- 19.3 percent of renters in Anchorage Municipality are severely cost-burdened, meaning they spend more than half their income on rent. That is above the severely cost-burdened share for all metro counties in the state combined.

- The vacancy rate (adjusted for seasonal vacancies), 7.7 percent, is healthy. Vacancy rates of six to ten percent are considered healthy.
RECOMMENDED POLICY SOLUTIONS:

Housing in Anchorage Municipality is expensive because supply has not kept up with demand. High prices and rents indicate that there is unmet demand for housing. It is important to realize that no single county can produce enough housing to meet demand. Reducing housing costs in expensive, supply-constrained metro areas will require sustained periods of increased housing production across multiple jurisdictions. All high-cost counties within a metro area adopting the strategies described below will have better results than actions by a single county, and county officials can play a leading role in coordinating across jurisdictions and sectors to achieve those goals.

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<th>Types and Examples of Policy Change</th>
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| **Make it easier to build small, moderately priced homes.** In expensive metro areas, the size of homes and the amount of land used per home are major factors in the price of individual homes. Single-family detached homes on large lots are the most expensive structure type. Rowhouses, townhomes, two-to-four family homes, and low-rise apartment buildings have lower per-unit development costs than detached homes. Developing a specific menu of reforms to make it easier to build small, moderately priced homes will require an assessment of the county’s current housing types, density, and land availability. Exactly what types of reform will yield the largest supply increases and cost reductions will vary across high-cost counties. | • Upzone land to allow for higher density housing or lower-cost housing types  
• Relax dimensional requirements, such as minimum lot sizes, setbacks, lot coverage, or floor-to-area ratios  
• Reduce minimum parking requirement  
• Allow flexibility in housing design standards |
| **Make the development process simpler and shorter.** The length of time required to complete development projects, combined with the complexity of the process, are significant factors in the price of newly built housing. Local development processes that make decisions on a case-by-case basis, rather than following consistent, transparent rules, increase the uncertainty and risk of development, which translates into higher costs. | • Allow more development as of right  
• Streamline the permitting process for multiple parts of the housing development process  
• Set a clear and transparent impact fee schedule  
• Set “shot clocks” that require development process decisions to be made in a set amount of time |
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<td><strong>Expand vouchers or income supports for low-income renters.</strong> Even in communities where enough housing is built to accommodate increased demand, market-rate housing remains unaffordable to many low-income households. The poorest 20% of households everywhere in the U.S. spend more than half their income on housing, well above the threshold HUD defines as affordable. Only one in four eligible households receives federal rental assistance, including vouchers and public housing.</td>
<td>• If your county has sufficient resources, supplement federal voucher programs programs through <a href="#">locally funded rental vouchers</a> or direct income supports. • Provide land or financial support for acquisition or construction of affordable housing. • Establish an affordable <a href="#">housing trust fund</a>, which are a flexible financing vehicle to support affordable housing development.</td>
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RECOMMENDED POLICY SOLUTIONS (CONTINUED):

Housing market conditions can vary across submarkets within counties. These policy recommendations are based on an assessment of overall county-level housing metrics. Larger counties often have multiple distinct submarkets with varying affordability, physical quality, infrastructure availability, and development regulations. Cities, towns, and neighborhoods that offer the best economic opportunity—proximity to well-paid jobs, transportation, good schools, and other amenities—often have housing that is too expensive for moderate-income households in the county. Lower-cost communities tend to have older, poorer-quality housing. Addressing within-county disparities in housing costs, availability, and quality may require coordinating between independent political entities (e.g., separate cities and towns) in counties with more fragmented local government.

As all counties are unique and require different interventions, rural counties should consider if urban housing policy recommendations will fit their needs or the needs of any of their districts. The policy recommendations for urban counties are below, arranged by their market conditions in terms of price and population growth. Each pair of market conditions links to a web page where you can find more details on the associated policy solutions.

- Solutions for counties with a high cost of housing and a shrinking population
- Solutions for counties with a low-to-moderate cost of housing and a shrinking population
- Solutions for counties with a high cost of housing and a growing population
- Solutions for counties with a moderately high housing cost and a growing population

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