What is a CEDS?

- A strategic plan for economic development of a locality, region, or state
- Requires a public process
- Necessary for some federal funds
- Valid for 5 years, updated annually (2022-2027)
- Must be approved by the Economic Development Administration (EDA)
What does EDA fund in Alaska? Some recent examples

- Energy infrastructure in Huslia: $1.7M
- Visitor amenities in Anchorage: $1M
- Tourism and outdoor recreation in Valdez: $2.5M
- Utility upgrades for business growth in St. Paul: $2.3M
- New visitor infrastructure in Mat-Su: $6.7M
- Improve food security in Savoonga: $4.6M
- UAA healthcare workforce: $4M
Infrastructure Investment and Jobs Act spending by category
(Billions of dollars)

Transportation: $283.8

Broadband: $65

Power and Grid: $65

Resiliency: $47.2

Water: $55

Legacy Pollution: $21

Western Water: $8.3

Sources: Brookings Institution
Goal 1: Strengthen Alaska’s Economic Engines
Economic Engines

- Tourism
- Seafood
- Oil and gas
- Mining
- Federal/defense
- Forestry
- International air cargo

- Regulatory and permitting
- Marketing
- Federal advocacy
- Energy transition to low carbon
- Forest transition
- Visitor amenities
Goal 2: Cultivate and Grow Emerging Sectors
Emerging Sectors

- Mariculture (esp kelp)
- Agriculture
- Aerospace
- Industrial maritime
- Critical mineral processing
- Manufacturing
- Energy innovation

- Cluster initiatives
- R&D
- Special infrastructure
- Financing programs
Goal 3: A Strong Business Climate & Entrepreneurial Ecosystem
Business and entrepreneurship

- Business advising and training
- Access to capital
- Easing regulatory barriers
- Digital literacy/e-commerce
- Marketing and promoting
- Alaska
Goal 4: Build & Update Economic Foundations
Economic foundations

- Infrastructure
  - Marine Highway
  - Ports and harbors
  - Airports
  - Broadband
- Housing
- Affordable energy
- Affordable health care
- Recreational assets
Goal 5: Develop Alaska’s Workforce & Human Capital
Workforce and human capital

- Workforce coordination
- K-12 education
- Higher education and votech
- Infrastructure spending preparedness
- Energy transition training
- Child care
- Remote workforce
Goal 6: Build a Resilient Economy

Resiliency refers to the ability of an economy to avoid, withstand, or mitigate the effects of negative external events such as natural disasters, commodity price instability, or downturns. Recent years in Alaska have witnessed oil price swings, fisheries disasters, floods, earthquakes, severe storms, wildfires, food supply chain interruptions, power outages, coastal and riverine erosion, cyber-attacks, and the COVID-19 pandemic. Some of these are associated with climate change. The CEDS includes both proactive and responsive measures to plan for and reduce negative impacts.
Resilience

- Disaster preparedness and response
- In-state capacity to produce certain goods and services
- Resilient infrastructure
- Preserving subsistence resources and lifestyle
Let’s look at housing

Objective 4.4:

Increase the **supply of affordable housing** for urban and rural communities throughout Alaska.
Recent trends in home prices

- US median listing price: 425K
- AK median listing price: 399K
- Prices are coming down, but still way above pre-pandemic
Home prices vary widely

Average sales price in 2021 by borough/census area.

- Juneau: $475,780
- Ketchikan Gateway: $439,961
- Anchorage: $436,577
- Bethel: $428,754
- Statewide Total: $388,648
- Kodiak Island: $375,316
- Matanuska-Susitna: $369,283
- Kenai Peninsula: $337,287
- Rest of State: $335,883
- Fairbanks North Star: $313,802

Source: AK DOL&WD and AHFC
OK, so Alaska has cheaper housing than the US overall?

- Not exactly
- The Cost of Living Index (COLI) tracks the cost of a specific type of house around the US:
  - 2,400 sq ft living area
  - 8,000 sq ft lot
  - 4 bedrooms, 2 bathrooms
  - New construction

![COLI home prices for Alaska cities](image)

Source: Council for Community and Economic Research C2ER
Very little housing gets built in Alaska.

Alaska ranks 45th in the US for new housing units built, adjusted for population.
What does the CEDS say we should do?

- Local tax incentives (i.e. property tax abatement for multifamily)
- Assess Title 29 reforms limiting local gov’t exemptions
- Apply lessons learned from FNSB/Eielson housing
- Evaluate powers for local gov’t to redevelop abandoned property
Solutions: technology

- Concrete 3D printing
- Other additive manufacturing
- Modular construction
- Techniques based on local materials (i.e. milling local lumber)
Solutions: more direct public money

- For some parts of the state, tweaks and current funds aren’t enough
- Secure more federal money via HUD, etc
- Create matching grants for NAHASDA (and similar) funds
- Use public funds to create revolving loan funds or housing trust funds
INFRASTRUCTURE BILL

- Roads and Bridges: $110B
- Electric Grid Upgrade: $73B
- Passenger and Freight Rail: $66B
- Broadband: $65B
- Improved Water Quality: $55B
- Climate Change Protection: $50B
- Airports & Ports: $42B
- Public Transit: $39B
- Environmental Clean-Up: $21B
- Electric Vehicles: $15B
- Transportation Safety: $11B
- Reconnecting Communities: $1B
Goal 4: Economic Foundations:

- Broadband 4.1
- Marine Highway 4.2
- Ports and harbors 4.5
- Energy and grid 4.6
- Transportation infrastructure 4.8
Goal 5: Workforce Development:

- Job preparedness for infrastructure jobs 5.7
- Energy transition jobs 5.9

Goal 6: Resilience:

- Resilient and redundant infrastructure 6.3
Wrapping it up

- Read it: commerce.alaska.gov
- Consult local and Statewide CEDS for grant applications
- Direct comments/concerns to DCCED for annual updates
Thank You!