

Rethinking Housing Finance and Affordability

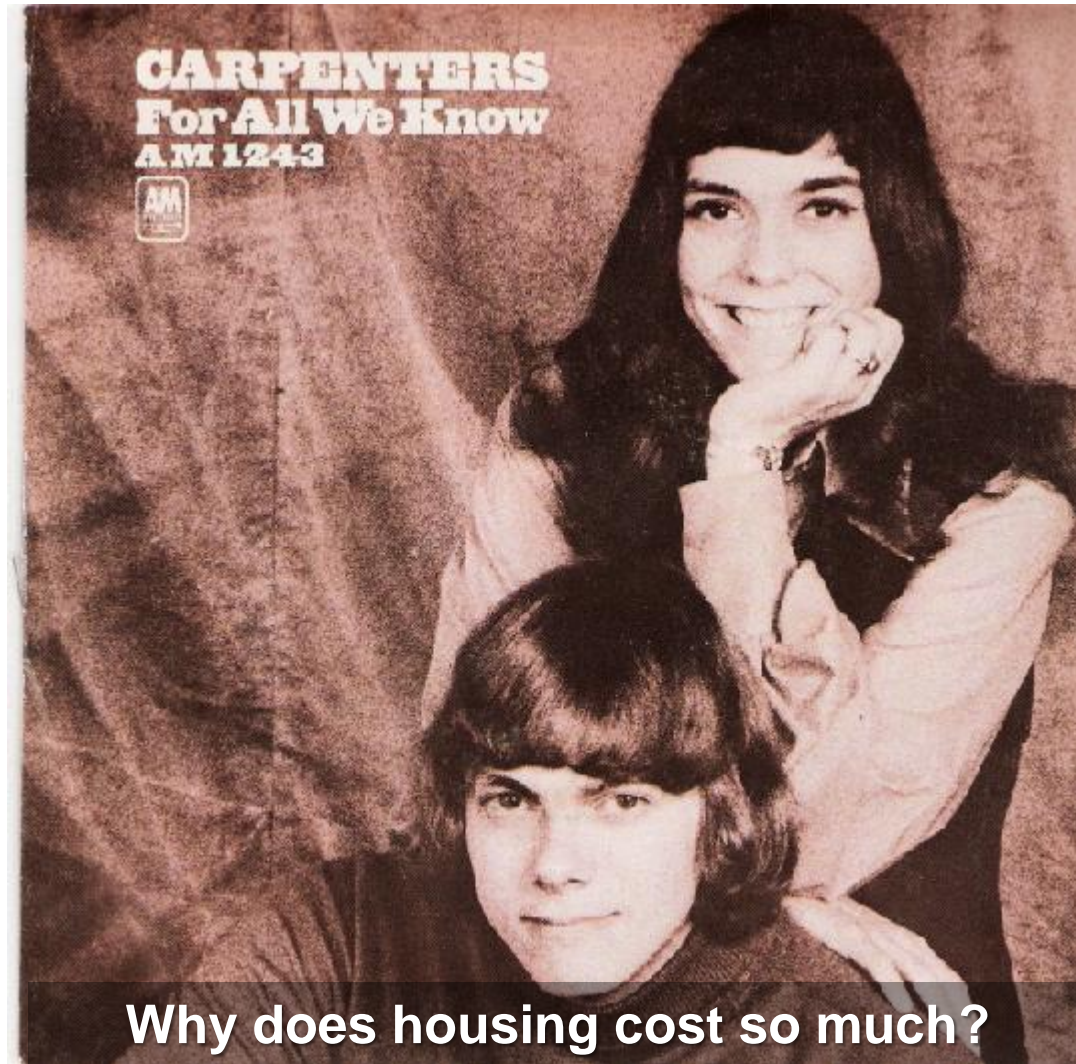
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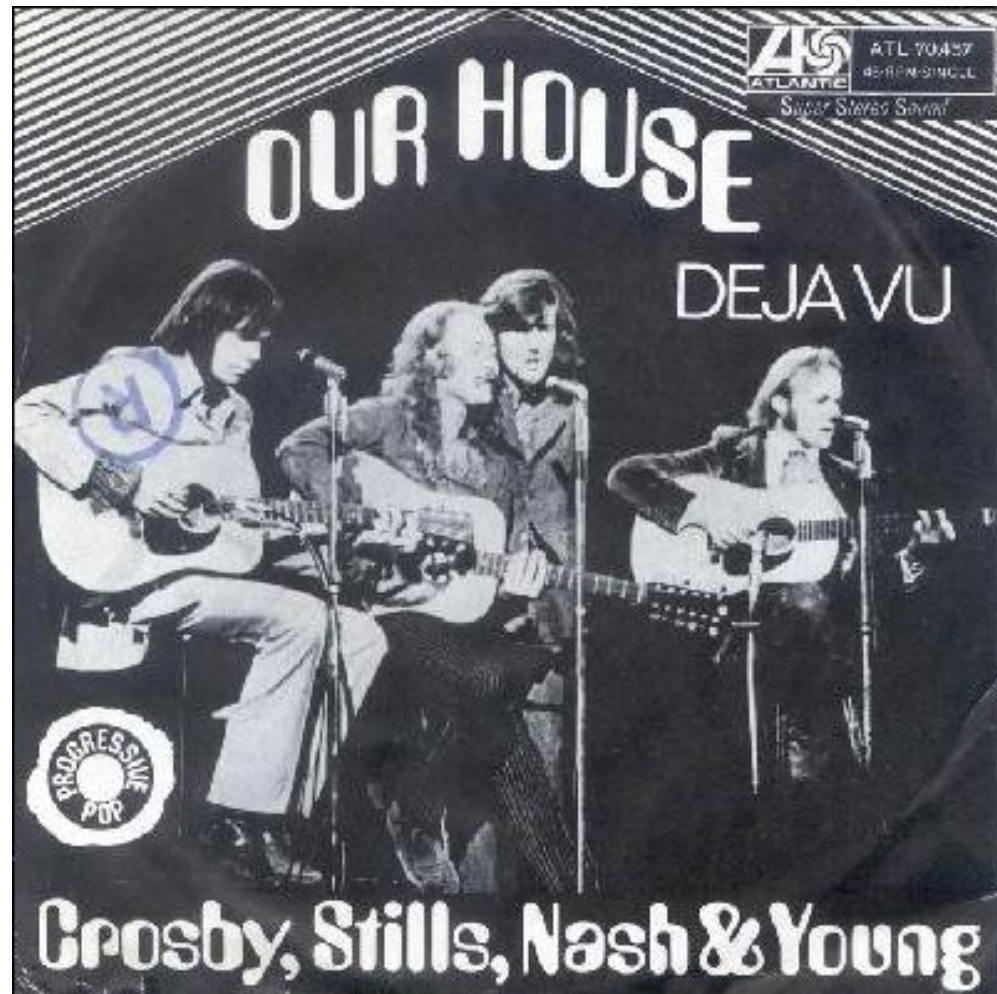
Alaska Housing Finance Corporation





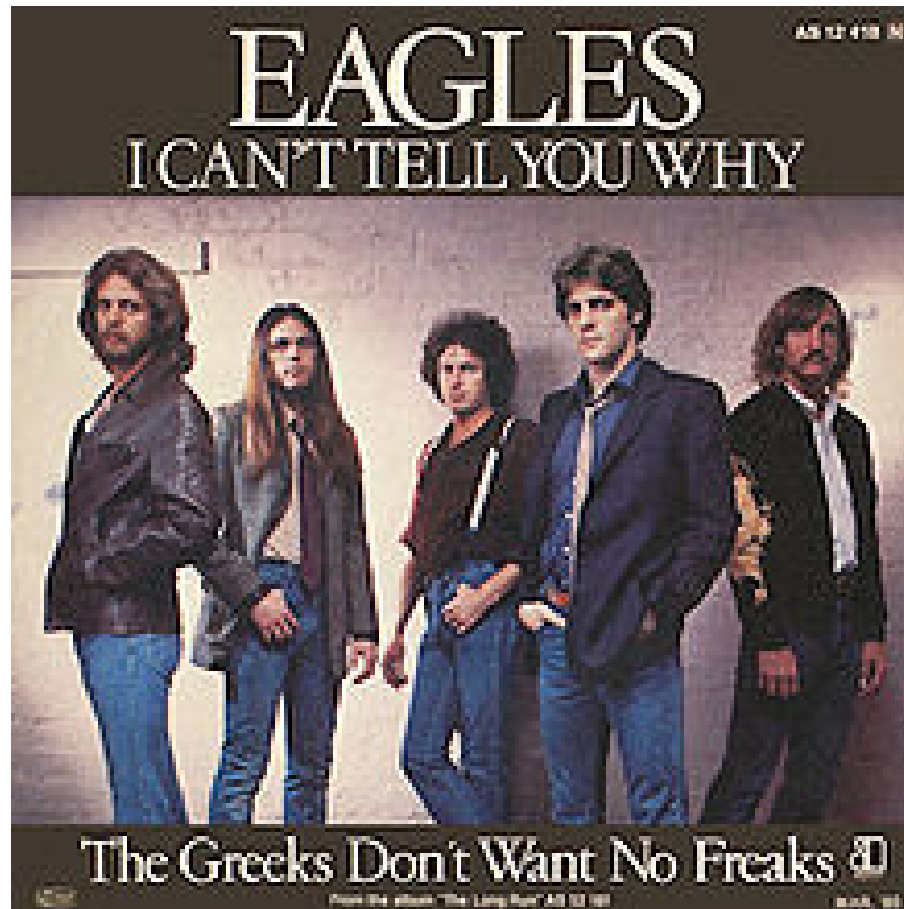
- Land
- Permits
- Labor & materials for construction
- O&M
- Market factors
- Wages for renters & homebuyers have stayed relatively flat

What makes our house affordable?



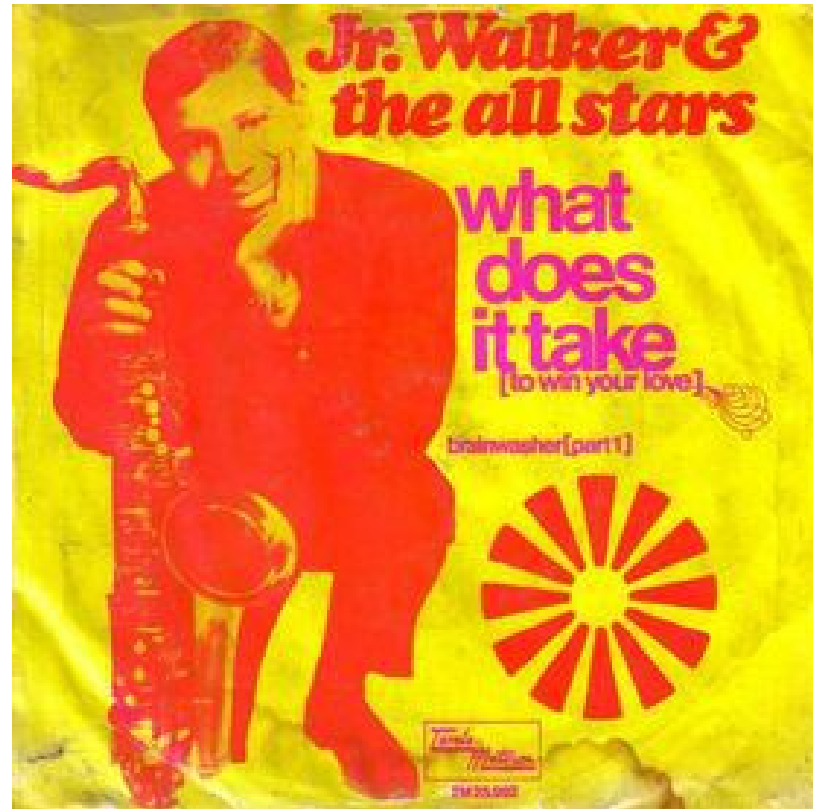
- What's the origin of “no more than 30%” of income?
- Is it different than homeownership ratios?

“Why can’t you just build something affordable?”



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- “Price floor limbo”: How low can a developer go and not fall down?
- Determinants of cost: Are they fixed or variable and can design or policy affect cost?
- Is affordability an issue for everyone or just for those below the median income?



...to make housing
affordable?

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- Robust economy?
 - Growing population?
 - Increasing incomes?
 - Willingness by the public sector to fill gaps for low to moderate income households?
 - Do we subsidize the development or the tenants?

What's in our tool box?



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- Grants
- Loans
- Tax credits
- Mixed-use development for multi-family
- Tax abatements, deferrals

What could be in our tool box?

- HB146: "An Act relating to the optional exemption from and deferral of payment of municipal taxes on deteriorated property; and relating to a municipal tax exemption for certain subdivided property."
- Increased use of public lands.
- Inclusionary zoning.
- Tax levies – like Seattle Housing Levy.
- Social Investment Funds – attracting private investment in a new way.

“In almost every case, the application – the actual use – of these “tools” rests upon the community’s willingness to deploy them, and that – the community’s level of willingness to use a tool that is not easy to deploy – is very much a function of the community’s **adaptive capacity.”**

