

# Comprehensive Plan 2020 Housing Plan

## Unalaska, Alaska



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- Alaska Housing Finance Corporation
- Qawalangin Tribe of Unalaska
- Unalaska City School District
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- Seafood Processor Representatives
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## Introduction

This Housing Plan is one element of the broader City of Unalaska Comprehensive Plan 2020. The Comprehensive Plan is intended to serve as the blueprint to guide the development of the future Unalaska. The housing plan documents trends and issues in the local housing market, and offers recommendations to address a wide range of housing related matters that have been identified during the planning process.

The Housing Plan was shaped by an extensive community involvement and planning process. The planning process included:

- Stakeholder interviews;
- Meetings with the Unalaska City Council, Unalaska Planning Commission and Unalaska Corporation Board of Directors;
- Focus group with housing consumers and providers;
- Housing Preference Survey;
- Housing Conditions Survey;
- Survey of Unalaska's largest employers; and
- August 7, 2010 Plan Commission workshop that included a presentation and community discussion regarding the draft housing plan report.
- September 25, 2010 Community Open House that included a presentation and discussion regarding the draft housing plan report.

A foundation for the Housing Plan is the *Community Visions for the Future: Unalaska 2010-2020* prepared in late 2009. Housing was identified as a key component of the community's vision:

***“More housing – and more affordable housing – would be created within the City limits. This is “the key to our future,” without which Unalaska will not be able to retain its current residents or accommodate additional residents. Therefore, over the next ten-years it will be essential to make more land available for the development of quality, affordable housing.”***

The sole intent of the recommendations contained in this document is to help the community attain its stated housing vision. In no way are these recommendations intended as a criticism of any entity – or of the current practices of any entity referenced in this housing plan. In addition, it is fully understood that all individuals and entities involved in the provision, improvement or creation of housing in Unalaska are free to choose whether or not to implement the recommendations offered. It is hoped that all involved will make the choices that are best for the current and future residents of Unalaska.

## Housing Trends and Conditions

The purpose of this section is to provide an overview of key housing characteristics and identify relevant trends affecting the City of Unalaska as they relate to changing demographic and housing characteristics.

### Total Population

Unalaska's population is estimated to have dropped by about 15% from 2000 to 2009 despite a tight housing market. This decrease, as discussed later, in part results from the lack of adequate housing choices in the community.

Unalaska – Total Population		
2000 (US Census)	2009 (Claritas Inc. Estimate)	2014 (Claritas Inc. Projection)
4,283	3,637	3,312

It should be noted that Unalaska has many transient workers who are not consistently counted by the Census. During peak fish processing seasons, the number of transient workers increases the community population to nearly 10,000.

### Total Housing Units

The total number of housing units has also declined in the City although at a slower rate than population. The number of occupied housing units in 2009 was 834, or 85% of the total number of housing units. Total housing units include some units in disrepair and uninhabitable.

Unalaska – Total Housing Units		
2000 (US Census)	2009 (Claritas Inc. Estimate)	2014 (Claritas Inc. Projection)
989	979	880

### Housing Tenure

Unalaska has a low homeownership rate, particularly when compared with the State of Alaska. Alaska's homeownership rate is almost triple Unalaska's rate. This low homeownership rate is partly attributable to the large number of seasonal employees and the employer provided rental housing units.

Unalaska's housing is dominated by group quarters rental living connected with the fishing and the seafood processing industry. Approximately 40 percent of Unalaska's

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population lives in group quarters based on a 2008 estimate by the Alaska Department of Labor and Workforce development

<b>Occupied Housing, City of Unalaska</b>						
	2000		2009 (Claritas Inc. Estimate)		2014 (Claritas Inc. Projection)	
	City of Unalaska	State of Alaska	City of Unalaska	State of Alaska	City of Unalaska	State of Alaska
Homeownership Rate	21.7%	62.5%	22.34%	63.62%	22.13%	64.11%
Rental Rate	78.3%	37.5%	77.66%	36.38%	77.87%	35.89%

### Household Incomes

The table below provides a detailed description of household incomes in Unalaska. As shown, almost half of the households have incomes of \$100,000 or more.

<b>Household Income, City of Unalaska</b>						
	2000		2010 Estimate		2015 Projection	
<b>Households by Income</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
<\$15,000	29	3.5%	15	2.0%	11	1.6%
\$15,000 - \$24,999	58	6.9%	25	3.3%	16	2.3%
\$25,000 - \$34,999	62	7.4%	27	3.6%	16	2.3%
\$35,000 - \$49,999	110	13.1%	54	7.2%	24	3.4%
\$50,000 - \$74,999	209	25.0%	195	25.8%	210	30.0%
\$75,000 - \$99,999	154	18.4%	115	15.2%	86	12.3%
\$100,000 - \$149,999	183	21.9%	241	31.9%	237	33.9%
\$150,000 - \$199,999	17	2.0%	60	7.9%	68	9.7%
\$200,000+	15	1.8%	23	3.0%	31	4.4%

Source: U.S. Bureau of the Census, for 2000; ESRI forecasts for 2010 and 2015.

## Median Income

Unalaska has a considerably higher median income than the State of Alaska, reflecting the higher cost of living in the City. Unalaska's median income is about a third higher than the State.

Median Household Income		
	City of Unalaska	State of Alaska
2000	\$69,539	\$51,571
2009 Claritis Estimate	\$84,161	\$65,005
2014 Claritis Projection	\$92,073	\$71,812

Area Median Income (AMI) for an area is used to calculate eligibility for certain affordable housing programs. One half of the incomes in the area are above this amount and one half is below. Each year the U.S. Department of Housing and Urban Development (HUD) determines an Area Median Income (AMI) for every county in the United States. For 2010 the HUD AMI is \$96,300 for the Aleutians West Census Tract which is used as the AMI for Unalaska.

## Housing Cost Burdened

In general, housing is considered affordable to its occupants if their total housing costs (including principal, interest, taxes and insurance for owner housing, or rent and utilities for rental housing) do not exceed 30% of their gross annual income. Based on 2000 census data, 18% of renters and 27% of owners are housing cost burdened.

While housing costs are particularly high in Unalaska, there is generally less overspending or a cost burden compared with the entire State as the result of the relatively higher incomes in the community. Renters are less cost burdened, in part because several employers are providing a large share of the rental housing for their employees.



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Households Cost Burdened, 2000		
	City of Unalaska	State of Alaska
Renters cost burdened (% of renter households for whom gross rent is 30% or more)	13.58%	32.79%
Renters <u>severely</u> cost burdened (% of renter households for whom gross rent is 50% or more)	5.09%	14.03%
Homeowners burdened by housing costs (% of owner households for whom selected monthly owner costs are 30% or more of household income)	19.82%	23.01%
Homeowners <u>severely</u> burdened by housing costs (% of owner households for whom selected monthly owner costs are 50% or more of household income)	7.21%	7.52%

Source: 2000 US Census

## Housing Values and Rents

In 2000, the median value of a home in Unalaska was \$172,300, about 25% above the median value of homes for the entire State. However, current estimates and projects show that housing values are increasing at a much slower pace than the State.

In 2000, the median gross rent in Unalaska was \$1,094, about 50% above the median rent for the entire State.

Housing Values and Rents						
	2000		2009 (Claritas Inc. Estimate)		2014 (Claritas Inc. Projection)	
	City of Unalaska	State of Alaska	City of Unalaska	State of Alaska	City of Unalaska	State of Alaska
Median Home Value	\$172,300	\$137,400	\$193,182	\$214,059	\$195,000	\$234,436
Median Gross Rent	\$1,094	\$720	Not available	Not available	Not available	Not available

## Monthly Owner Costs

For homes with a mortgage in 2000, average monthly owner costs were \$1,763 (national average was \$1,088). For homes without a mortgage in Unalaska, average costs per month were \$463 (national average was \$295).

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## Age

Compared with the State, Unalaska has a relatively small proportion of both young (under 18) and elderly (over 65) residents. Reflecting the working class nature of the City, there is a relatively high proportion of residents between the ages of 18-34 and 35-54 in Unalaska.

	Age					
	Age, 2000		2009 estimate		2014 projection	
	City of Unalaska	State of Alaska	City of Unalaska	State of Alaska	City of Unalaska	State of Alaska
Percent Population Under 18	14.45%	30.39%	11.8%	26.49%	10.54%	25.62%
Percent Population 18-34 Years Old	29.98%	23.3%	28.76%	25.16%	28.32%	24.41%
Percent Population 35-54 Years Old	49.52%	33.59%	46.03%	29.58%	44.96%	27.11%
Percent Population 55-64 Years Old	5.16%	7.13%	10.67%	11.17%	12.41%	13.06%
Percent Population 65+	.89%	5.6%	2.75%	7.6%	3.77%	9.79%

## Job Growth

Based on the past two years, the number Unalaska residents employed has increased 11.4% from 2008 to 2009. The Alaska Department of Labor and Workforce Development has not maintained comparable data prior to 2008.

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<b>Unalaska Employment, 2008 and 2009</b>	
Year	Number Unalaska Residents Employed
2008	1447
2009	1612

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

These two data points are insufficient for an analysis of job trends. However, combined with other data there is evidence of job stability in Unalaska. An Employment Survey of Unalaska's largest employers was conducted as part of this planning process. Results indicate small decreases in employment between 2005 and 2010 and stable employment levels over the next five years.

## Housing Conditions Survey

An exterior housing conditions survey was conducted by City of Unalaska staff between May 19 and June 2, 2010. City staff used the consultant prepared housing conditions survey form that evaluated four major exterior elements: property maintenance, roofing, siding/paint and windows to achieve an overall condition score. Below are the survey results organized by the communities in each of the two islands. A copy of the survey form can be found in Appendix A.

<b>Condition of Housing Units</b>											
	<b>Sound</b>		<b>Minor Repair</b>		<b>Major Repair</b>		<b>Substantial Repair</b>		<b>Dilapidated</b>		<b>Total Units</b>
	# Units	%	# Units	%	# Units	%	# Units	%	# Units	%	
<b>Amaknak Island</b>											
Standard Oil Hill	75	48.7%	8	5.2%	55	35.7%	14	9.1%	2	1.3%	154
Unisea	440	81.5%	0	0.0%	80	14.8%	0	0.0%	20	3.7%	540
East Point	11	9.6%	0	0.0%	48	41.7%	46	40.0%	10	8.7%	115
Strawberry Hill	0	0.0%	0	0.0%	48	92.3%	0	0.0%	4	7.7%	52
Dutch Harbor/Ballyhoo	1	1.9%	0	0.0%	12	23.1%	7	13.5%	32	61.5%	52
<b>Total Amaknak Island</b>	<b>527</b>	<b>57.7%</b>	<b>8</b>	<b>0.9%</b>	<b>243</b>	<b>26.6%</b>	<b>67</b>	<b>7.3%</b>	<b>68</b>	<b>7.4%</b>	<b>913</b>
<b>Unalaska Island</b>											
Alyeska	186	100%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	186
Westward	84	44.4%	9	4.8%	95	50.3%	0	0.0%	1	0.5%	189
Downtown	42	31.8%	6	4.5%	33	25.0%	18	13.6%	33	25.0%	132
Valley	144	60.8%	34	14.3%	22	9.3%	23	9.7%	14	5.9%	237
Crowley/OSI	5	9.3%	1	1.9%	8	14.8%	4	7.4%	36	66.7%	54
Haystack Hill	20	44.4%	1	2.2%	9	20.0%	10	22.2%	5	11.1%	45
Nirvana Hill	25	42.4%	3	5.1%	5	8.5%	20	33.9%	6	10.2%	59
Armstrong Ct.	15	46.9%	8	25.0%	6	18.8%	2	6.3%	1	3.1%	32
<b>Total Unalaska Island</b>	<b>521</b>	<b>55.8%</b>	<b>62</b>	<b>6.6%</b>	<b>178</b>	<b>19.1%</b>	<b>77</b>	<b>8.2%</b>	<b>96</b>	<b>10.3%</b>	<b>934</b>
<b>Total City of Unalaska</b>	<b>1,048</b>	<b>56.7%</b>	<b>70</b>	<b>3.8%</b>	<b>421</b>	<b>22.8%</b>	<b>144</b>	<b>7.8%</b>	<b>164</b>	<b>8.9%</b>	<b>1,847</b>

## Conclusions

- The overall conditions of housing in Amaknak and Unalaska Islands are similar. However, there are significant differences regarding conditions among the communities within each respective Island.
- Overall, 157 or 8.5% of the total number of units in the City are considered dilapidated based upon the survey results. These units may not be fit for human habitation and either substantial rehabilitation or demolition may be required. About 55% of these “dilapidated” housing units are occupied, reflecting the need for quality affordable housing.
- About a quarter of the housing units within the City need either minor or major repair.
- Unalaska’s housing type in the worst condition is trailers. Approximately 35% of the 82 trailers identified in the survey are dilapidated – about four times the City’s overall rate for dilapidated housing. Another 21% need substantial rehabilitation, while 20% need major repair. Only 23% were considered to be in sound condition, compared with 56% for the total housing stock surveyed.

Below is a description of the conditions within each community identified by the survey results. A map identifying the location of each of these communities follows on page 16.

## Amaknak Island

- **Standard Oil Hill**  
This residential community is primarily comprised of single family homes and duplexes. While about half the housing units are in “sound” condition, about 40% of the units need either minor or moderate repair based upon survey results. The only two units identified by the survey results as “dilapidated” are trailers. Most of the homes are one-story and wood frame construction with one log constructed home. Survey results identified only one residential property as vacant, reflecting the high demand for housing in this neighborhood in Amaknak Island.
- **Unisea**  
This area is primarily comprised of Unisea management housing and bunkhouses in excellent condition. Over 80% of the units in Unisea are in sound condition. Some of the bunkhouses further away from Unisea Central are in need of minor or major repairs. The dilapidated units consist of just two properties: the vacant and foreclosed Harbor Crown Bunkhouse and the bunk house at the Harbor Crown Dry Dock that is partly occupied.

- **East Point Road**

East Point Road has a mix of single family and duplex residences and larger bunkhouses. The approximately dozen single family and duplex homes at East Point Village on Bendiksen Road are mostly in excellent condition. In contrast, many of the bunkhouses along East Point Road are generally in substandard condition, most needing either major or substantial repair. Two of the three dilapidated units are trailers. The other dilapidated building along East Point Road is the vacant landmark Red Brick Building (estimated 8 units) discussed later on page 68 under “Adaptive Reuse of Existing Buildings.”

- **Strawberry Hill**

While a prime area for future housing development, it is currently sparsely populated and undeveloped. This hilly area consists of only four trailers in poor condition and the nearby 48-unit Strawberry Hill Apartments – the FTS Apartments at Airport Beach Road that have been renamed and are in close proximity to Strawberry Hill. These apartments need major repair based upon the survey results.

- **Dutch Harbor / Ballyhoo Road**

This portion of Amaknak Island is also sparsely populated and consists primarily of single family homes and duplexes needing moderate repair. There is also a six-unit converted warehouse needing substantial repair and a 30-unit WW II structure which was damaged in the 2006 mud slide resulting in significant structural damage.

### Unalaska Island

- **Alyeska**

This well maintained community is entirely comprised of Alyeska bunkhouses. These bunkhouses are two and three story multifamily buildings ranging from five to 45 units. All of the bunkhouse units are in “sound” condition based upon the survey results.

- **Westward Seafoods**

Similar to Alyeska, this community is comprised of Westward bunkhouses along Captains Bay Road. These bunkhouses are also two and three story multifamily buildings that range from ten to 95 units. While about 45% of the units are in “sound” condition based upon the survey results, half need major repair, primarily maintenance issues.

- **Downtown**

The Downtown area is primarily comprised of wood frame single and two family homes. Several of the single family homes are small WW II cabanas. While there has been some recent rehabilitation of homes Downtown, there is a high level of disinvestment and deterioration. A quarter of the housing units, almost entirely single family homes, are dilapidated. While five of these dilapidated units are vacant, most are occupied. About 45% of the Downtown units need some level of repair while only 31% of the units are considered “sound.” Downtown has a relatively large number of mixed-use and buildings converted to housing.

The 15-unit senior center is considered needing major rehabilitation. However, the Aleutian Housing Authority is planning upgrades to these units.

- **Valley**

The Valley has the City’s largest concentration of housing units other than the fish processing companies’ cluster of bunkhouses. Homes are predominantly single family with a scattering of duplexes and multiple family homes. There are also several trailers. A soon to be constructed 8-plex rental housing development along Ptarmigan Road will replace twelve City owned trailers.

The Valley also has some of the newer and best overall housing conditions in the City. Three quarters of the units are considered sound or only requiring minor repair. Only 5.9% of the units (14 units) are considered dilapidated based upon the survey results. These units primarily consist of the 8-unit Dutch Longhouse and a few small and old WW II cabana barracks.

- **Crowley / OSI**

Located along Captains Bay Road, this area includes Offshore Systems Inc, the dock and warehouse compound south of Crowley on Captains Bay Road. This area is comprised of small WW II era cabanas, trailers and bunkhouses. This relatively small area has the most distressed housing conditions in the City. Two-thirds of the units are considered “dilapidated” including a 14-unit vacant bunkhouse, based on survey results. Only five units (four-unit bunkhouse and a single family cabana) were considered to be in sound condition.

- **Haystack Hill**

Haystack Hill is a relatively small residential community consisting of about 45 housing units, mostly single family homes and a few duplexes and converted trailers.

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About 42% of the housing units require either major or substantial repair based upon the survey results. In addition, 5 units ( 11%) are considered “dilapidated.” This area has a relatively high proportion (11%) of trailers, all located behind BC Auto, that have been converted to duplexes. All of these units are either dilapidated or need substantial repair according to survey results.

- **Nirvana Hill**

This community consists mostly of a diverse mix of single family one and two story home styles including WW II era cabanas and HUD financed homes. There is also a 14-unit multiple family housing development needing substantial repairs. Similar to Haystack, this community is relatively small and about 42% of the housing units require either major or substantial repair. In addition, six units (10%) consisting of a duplex and single family homes are considered “dilapidated.”

- **Armstrong Court**

The area around Armstrong Court, Lake Drive, and Gromoff Lane, is a mix of wood frame and modular single family homes and duplexes . Many of the properties are HUD assisted affordable homes. There are also several (six) trailers. Homes are in generally good condition – about 70% of the housing units are “sound” or need minor repair. The housing units considered either requiring substantial repair or being dilapidated according to survey results are all trailers.



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**City of Unalaska**  
**Housing Subareas**  
June 2010



## Housing Preference Survey

As part of the community outreach component of the Housing Element, a Housing Preference Survey was conducted in May, 2010. The purpose of this survey was to help identify housing preferences and needs of Unalaska residents. The survey was distributed widely with copies available at City Hall, the PCR Community Center, Public Library, Iliuluk Family Health Services, and the Unalaska City School District. The availability of the survey was also announced at City Council and other community meetings. Further, there was a bulk mailing of surveys.

A total of 129 completed surveys were returned. Many of the surveys included additional comments and recommendations regarding the quality, supply and cost of housing in the City. The results of the housing preference survey are summarized below. A copy of the Housing Preference Survey can be found in Appendix B.

### Description of Unalaska residents responding to the survey

- About a quarter (23%) of those responding live in Amaknak Island while the remaining three quarters (77%) live in Unalaska Island. Residents of Unalaska Island are more heavily represented in the survey than their actual proportion within the City.
- About half of the respondents have lived at their current address for five years or less, while the remaining half have lived in the City six or more years.

How long have you lived at your current address?				
1-2 years	3-5 years	6-10 years	More than 10 years	All My Life
30%	19%	25%	20%	6%

- About 38% of the respondents are homeowners while the remaining 62% rent housing. Homeowners are more heavily represented in the survey than their actual proportion within the City.
- Over a third of the respondents live in a single family home while almost 30% live in an apartment including employer owned dormitories.

What kind of home do you currently live in?						
Single family	Apartment	Attached town house	Duplex	Trailer	Other	Unsure
37%	29%	3%	21%	5%	5%	0%

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- The racial/ethnic composition of respondents provided a reasonable cross-section of the Unalaska community as shown below.

What best describes your racial or ethnic background?						
White (Caucasian)	Black (African American)	Hispanic	Native Alaskan	Asian	Other	Prefer not to answer
57%	1%	4%	12%	14%	3%	9%

## Survey Results

- **Primary reasons for your decision to live at your current address**  
The cost of housing was the most often cited reason for the decision to live at their current residence. Second was proximity to work. There were also numerous written comments providing further insights.

The most frequent comments regarding the current selection of a residence addressed the lack of adequate housing choice in the City. The lack of adequate housing choice was expressed by several variations of “it was the only place available at the time.” The second most frequent comment was: company employer housing was provided. Comments are summarized below:

- It was the only place available at the time – Only thing we could find – No where else to rent – Only land I could find to build on – Temporary, waiting for apartment to open up (12);
- Company / employer housing provided (7);
- Divorce forced move to rental housing;
- View;
- Grew up in this house;
- Quiet area;
- Inherited it;
- Yards;
- Allowed pets; and
- Homeless.

What were the primary reasons for your decision to live at your current address?											
Cost of home / rent	Proximity to work	Other	Quality / type of residence	Home features	Quality of life	Safety	Quality of schools	Atmosphere community feel	Proximity to family or friends	Live in a rural setting	Social Activities
22%	15%	14%	12%	10%	8%	5%	5%	4%	3%	2%	0%

• **If you were to consider moving within the next 3 years, would you stay in the City of Unalaska?**

Residents were asked – If you were to consider moving within the next 3 years, would you stay in the City of Unalaska? Of those responding, 56% said that they would “definitely” or “probably” stay within the City. The remaining 44% responded “Definitely no” or “Probably no.”

If you were to consider moving within the next 3 years, would you stay in the City of Unalaska			
Definitely Yes	Probably Yes	Definitely No	Probably No
27%	29%	21%	22%

**Preferences within Unalaska**

• **Location Preference**

Most respondents cited the Unalaska Island side as a preferred future location to live within the City if they moved. For those respondents that said they would stay in the City of Unalaska if they consider moving within the next 3 years – 81% prefer to stay/move to the Unalaska Island side of the City.

If you were to consider moving within the next 3 years, would you prefer Amaknak Island or Unalaska Island?			
	Currently Live in Amaknak Island	Currently Live in Unalaska Island	Total
Prefer Amaknak Island	64%	7%	19%
Prefer Unalaska Island	36%	93%	81%

For those currently living in Amaknak Island – if they were to move, about 64% prefer to stay on the Amaknak side. For those currently living in Unalaska Island – if they were to move, a much higher percent, 93%, prefer to stay on the Unalaska

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side. While a third of Amaknak residents would prefer Unalaska Island, only seven percent of Unalaska Island residents prefer Amaknak.

- Preference by Household Income**

The household income distribution of the respondents most likely to remain in the City of Unalaska if they were to move in three years, generally matches the income distribution of all respondents. Households with incomes between \$51-100,000 have the highest likelihood of moving within the City if they were to move within three years.

Which range best describes your total annual household income?								
	Less than \$20,000	\$21,000 to 35,000	\$36,000 to 50,000	\$51,000 to 75,000	\$76,000 to 100,000	\$101,000 to 125,000	\$126,000 +	Prefer not to answer
All Respondents	7%	4%	6%	18%	18%	17%	17%	13%
Respondents Likely to stay in Unalaska if they Move in 3 Years	10%	4%	1%	21%	23%	14%	14%	13%

- Preference by Age**

The age distribution of the respondents most likely to remain in the City of Unalaska if they were to move in three years, generally matches the age distribution of all respondents.

What is your Age?					
Age Group	Under 18	18 – 29	30 – 44	45 – 59	Over 60
All Respondents	2%	8%	37%	40%	14%
Preference of Respondents Likely to Stay in Unalaska if they Move in 3 Years	1%	7%	39%	32%	20%

- Type of Home Preference**

There is a strong preference to live in a single family home. While 37% of the respondents currently live in a single family home, a much higher proportion, 65%,

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prefer a single family home. Similarly, a large share of residents currently living in an apartment or duplex, prefer a different choice if they were to move within the City.

What Kind Of Home Do You Currently Live In – And Preference If Moving Within The City In 3 Years							
Type of Home	Single family	Apartment	Attached Town house	Duplex	Trailer	Other	Unsure
All Respondents	37%	29%	3%	21%	5%	5%	0%
Preference of Respondents Likely to Stay in Unalaska if they Move in 3 Years	65%	11%	14%	4%	0%	1%	5%

- **Reasons to Move Within Unalaska**

The primary reasons cited for moving within Unalaska within the next three years are:

- Prefer to own a home;
- To find a less expensive home; and
- To find a larger home

If you answered “Definitely yes” or “Probably yes” to question 6 above, what would be your reason for moving within Unalaska									
Prefer to own a home	To find a less expensive home	To find a larger home	Home features	To be closer to work	Other	Prefer to rent	Land is currently being leased	To live in a different community within Unalaska	To find a smaller home
22%	20%	18%	15%	10%	7%	2%	2%	2%	1%

Other reasons cited for moving within the City were:

- Close to school and work/social activities;
- Place to rent with ocean view;
- Access to wilderness areas; lighting, windows and views; and
- Larger lot.



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- **Reasons to Not Move Within Unalaska**

The three primary housing related reasons cited for not moving within the City of Unalaska if the respondent was to move within the next three years are:

- Cost of housing;
- Quality of life; and
- Housing not being available.

If you answered “Definitely no” or “Probably no” to Living in Unalaska if you were to Move in 3 years -- what are the primary factors for your decision to NOT live in the City of Unalaska?											
Cost of home / Cost of rent	Quality of life	Housing not being available	Atmosphere / community feel	Social activities	Proximity to work	Other	Home features	Home features	Quality of schools	Land being leased	Safety
22%	18%	14%	10%	8%	5%	5%	4%	4%	3%	3%	2%

Other reasons cited for not moving within the City were:

- Cost of travel to/from the Island (4);
- Lack of sunshine – weather (2);
- Cost of living / remoteness (2);
- Proximity to family;
- Love Unalaska! If we were to move, it would be due to an employer decision which would likely take us out of Unalaska. I want to raise both of my children to adulthood here in this town; and
- Parents getting older.

### Survey Recommendations and Comments

Respondents were asked to share ideas for improving the quality and/or the cost of housing in Unalaska including suggestions for the City of Unalaska’s role. These open ended responses to the Housing Preference Survey represent resident opinions, suggestions and concerns and do not necessarily reflect the conclusions and/or recommendations of the City of Unalaska.

There were a large number and broad range of resident observations and proposals which have been grouped into several categories as presented below. The largest number of resident comments related to housing costs being too high and the lack of adequate housing choice.

## Preference Survey – Resident Comments Regarding Housing Costs

- Something should be done about the high cost of rent and utilities as well as the high cost to buy land for a home.
- Be more realistic on rental costs; supply and demand sets tone for outrageous rental and cost of living areas.
- More housing at a more affordable price is needed. Utilities are very pricey. Many people have a difficult time making it here.
- Quality affordable housing to own for a single person with a modest income is needed.
- If I can't get a single family detached home at a cost I can afford I will move out of town.
- City needs to keep property taxes lower to encourage people to want to own their own homes or to build rentals.
- Fully or partially subsidized teacher housing is needed.
- Continue to assist with utility costs.
- Cost of housing is ridiculous, particularly for a single person who has to work two jobs to cover overhead.
- City needs to work to lower housing costs. Salaries are not sufficient for the price one pays to live here. It's more expensive to rent a small apartment here than to pay a mortgage elsewhere.
- Shipping costs are high and there is a lack of reasonable repair materials.
- Cost of utility extensions, utility costs and subdivision development are extremely high.
- Don't charge for hooking utilities to properties.
- There is a shortage of quality homes and rents are too expensive.
- The City needs to take a more active role in making housing more affordable. Continuing to raise assessed values of property raises the cost of homes and drives down potential new homeowners. Instead of spending on boat harbors and raising taxes, spend within our means.
- Apartment rents are too high considering quality.
- Homes need better insulation to keep down costs; rentals should have Energy Star appliances.
- Cost is too much for quality and size of homes. Mandate housing improvements with grants to larger families to help with housing costs.
- Make housing more affordable to low income people.
- A housing allowance would also be nice for tier 3 city employees.
- Reduce property taxes. My assessed value went from \$112,000 to \$162,000 in five years.



**Preference Survey – Resident Comments Regarding Housing Choice**

- It would have been nice to rent a 3-bedroom 1/2 bath home when we first got here years ago. Now though we will stay where we are until we move back. It is too expensive to get in and out of here to see family.
- As Unalaska continues to grow, and more families move to this community, more affordable three and four bedroom homes, duplexes and apartments would make it a more family friendly place.
- Create more affordable lots and have an opportunity to buy and build your own house, have developers build more new houses and be able to choose and buy your own house in different areas around the island.
- More housing options are needed.
- There needs to be more available good places to live. We are locked into a lease every year. When the lease comes up, there isn't anything else open.
- Add opportunities for people to be able to pick a design for a house and a builder to complete the project in a timely way – have model homes to purchase in bulk?
- Need more homes to buy.
- Allow more private home and apartment development.
- Develop new housing options.
- Build homes with a view, away from noise and traffic – a “green home”
- Add to the availability of affordability quality housing – there is not enough space for all the people of Unalaska.
- Quality housing is scarce. Need condominiums so newly married couples can get a start here. City should foster housing development – but can't do it alone.
- Encourage new builders.
- Provide more community buildings that offer kids more opportunity that live on Amaknak Island side.
- Develop more rentals that allow pets.
- Create local housing authority with programs that help first time buyers and single parent families.
- Affordable housing is obviously needed. Collaborate with Q- Tribe and OC to build apartments and replace trailers. Collaborate with processors to rent empty apartments on their property.
- Need more houses of different sizes and prices.
- Provide more homes and duplexes, not apartments.
- Need one bedroom housing units for single persons, not having to pay the cost to live in a three-bedroom home.

<b>Preference Survey – Resident Comments Regarding Availability of Land</b>
<ul style="list-style-type: none"><li>• Open up land to be purchased and developed.</li><li>• Use eminent domain for acquisition of OC property for housing development.</li><li>• Open up more land to build.</li><li>• More land for purchase is needed.</li><li>• With all the undeveloped land, City should find a developer to build affordable homes.</li><li>• Make more land available for the construction of single family homes</li><li>• More private land to purchase.</li><li>• Open up more land for development.</li><li>• Open up OC land for sale to the public.</li><li>• OC and the City must cooperate.</li><li>• More land needs to be made available. Present situation causes high costs, stress for families, poor lifestyle options. Work with OC to open up more land.</li><li>• Need additional land made available for single family homes.</li><li>• More land is needed to purchase.</li></ul>

<b>Preference Survey – Resident Comments Regarding Housing Conditions</b>
<ul style="list-style-type: none"><li>• Owners/landlords should keep up their buildings with regular maintenance. They should also clean up the junk in the yards.</li><li>• Have OC do a better job maintaining their apartments and responding in a timelier manner for regular fixes.</li><li>• OC should open up land for new homes and dispose of garbage on their property – makes for an eyesore in what could be a beautiful place.</li><li>• There is a need for better housing with garages – and more square feet, space, etc.</li><li>• There is not enough regulation resulting in a community full of junk and shoddy built housing stock where the landlords charge ridiculous rents. Need clean, decent rental housing at a fair price or create more competition for.</li><li>• Implement laws limiting type and quantity of junk a homeowner can have in their yard.</li><li>• Cleanup junk, crab pots, cabanas, and other items.</li><li>• Older houses such as OC's duplex have high utility costs due to poor insulation and others have mold.</li></ul>

<b>Preference Survey – Resident Comments Regarding Incentives for Housing Development</b>
<ul style="list-style-type: none"><li>• Give incentives for companies to build housing, tax breaks, energy breaks.</li><li>• Need more incentives for city employees like grants to lower electric bill and</li></ul>

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decrease fuel bills.

- Develop incentives for property owners to make land available for purchase.
- Create incentives for private sector to build apartments and/or condos.
- Provide incentives to land owners to build more insulated homes and apartments with small efficiency apartments.
- Negotiate with OC to lower housing costs – create more opportunities for Native Alaskans and non-Native Alaskans to buy a home.
- Provide tax incentives.
- OC's unwillingness to allow growth is primarily responsible for the lack of available land to develop, affecting costs. Small businesses are the backbone of our recovery – however, where do we house the employees?
- Builders who wish to construct apartment buildings should be encouraged with tax abatements tied to the present IRS code. Generally, a new owner can take federal tax benefits from a new building for 5-7 years to encourage building and spur construction. The city will still collect taxes for another 25-30 years from the construction project.

### **Preference Survey – Resident Comments Regarding Temporary Housing**

- Another bunkhouse or two would be helpful during peak fishing seasons to accommodate the temporary residents working in our community whose employers do not provide housing, and those who are in the process of changing jobs.
- Many families working for the fishing companies get free shelter. The school district should help teachers out more in this area

### **Preference Survey – Resident Comments Regarding Fair Housing**

- Revisit Title VIII (reference to Title VIII of the Civil Rights Act of 1968 that prohibits discrimination in the sale, rental and financing of dwellings based on protected classes).

### **Preference Survey – Resident Comments Regarding Role of the City**

- City should not be in the housing rental business.
- Put tax on alcohol and not raise property tax and utility rates.
- Because of the cost to keep a home, the City should provide good pay. Remove the step 10 (highest you can go in the City union system – once employees is at the top wage grade, they are only eligible for 1.5% merit increases every year because they are maxed out on the pay scale) so people can make a good income to buy homes,

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pay tax and keep Unalaska going.

- We need better appraisals – the one guy that comes here doesn't take certain things into consideration and will appraise a home for the full price if there is an offer on the table even if it should be lower. The City should train someone within their employment to be an appraiser.
- Enforce zoning.
- Lot improvements are one of the most expensive parts of building a new home. City should use Industrial Revenue Bonds to install water, sewer and street improvements for contractors. The improvements should be paid back through tax assessments over 20-25 years. The present system of requiring the 1<sup>st</sup> owner who participates in a LID to pay it out should be abandoned in favor of simply allowing improvements to be paid over the ENTIRE course of a bond issue by succeeding owners. After all, the home will be there for many years.
- City should improve its roads.
- Why is City involved with housing issues? With an economy not growing, now is not the time to develop more housing in Unalaska.
- City should not be involved with private residential housing.

### **Preference Survey – Other Resident Comments and Recommendations**

- Increase sales tax rather than property tax so people would have more incentive to buy and stay.
- Use cheaper and better energy for lower costs.
- Build energy efficient housing.
- Higher pay would help make housing affordable.
- Let jobs pay a living wage. How could you own a house on the PCR wage structure?
- Reduce the size of government and number of surveys.
- Reduce airfare. Better and less expensive airline service with two different airlines to bring down cost.
- Lot sizes and frontage requirements need to be reduced for single family lots to 5,000 square feet and 20 feet frontage to accommodate irregular shaped property. Private drives with multiple lots should also be allowed.

## Housing Need and Demand

The three dominant and related issues impacting unmet housing needs in Unalaska are:

1. Cost – High costs contributing to housing being unaffordable;
2. Condition – High level of housing deterioration resulting in households living in substandard conditions; and
3. Choice – Lack of adequate choices for affordable housing in good condition.

### Housing Costs

First, housing is too expensive for most first time homebuyers and many renters. Many “would be” first time home buyers are people who currently work in Unalaska. Moreover, the incomes of employees are often inadequate to support purchasing a home in the City. Based on census data described earlier, 18% of renters and 27% of owners are overspending for housing. According to the results of the Housing Preference Survey, a primary reason cited for moving within Unalaska within the next three years is “to find a less expensive home.” Further, the most often cited housing related reasons for not moving within the City of Unalaska if the respondent was to move within the next three years was the cost of housing.

The high cost of housing is partly driven by the overall shortage of housing which drives up purchase prices and rents. Also, high infrastructure, material and construction costs, and environmental conditions all contribute to high housing costs in Unalaska. These high costs make it difficult for the private market to develop affordable or “less expensive” housing in Unalaska today.

Another issue is the lack of a pool of locally based building contractors and renovators. There is also a lack of professional service providers such as appraisers and realtors. The lack of competitive contractors and service providers is another ingredient in the high cost of housing in Unalaska.

### Housing Conditions

Second, a large share of the existing supply of housing is old and not adequately maintained. Based on the housing conditions survey, 8.5% of the total number of units in the City are considered dilapidated. These units may not be fit for human habitation and either substantial rehabilitation or demolition may be required. About 55% of these “dilapidated” housing units are occupied, reflecting a housing shortage and the need for

quality affordable housing. Further, about a quarter of the housing units within the City need either minor or major repair

### **Housing Choice**

Third, many Unalaska residents have selected their current residence as the result of inadequate choices. The lack of choice inhibits their ability to move to a more appropriate size residence or desired location within the City. A frequent response from the Preference Survey was – “It was the only place available at the time.”

In addition to providing options for both homeowners and renters, a diversity of housing would give alternatives to existing residents who want to change their housing situation but do not want to move out of the City. The survey indicates that a number of people are considering moving within Unalaska or to another community in order to better meet their housing needs. Further, an often cited housing related reason for not moving within the City of Unalaska if the respondent was to move within the next three years was – housing not being available.

The lack of adequate housing choice coupled with high costs has also resulted in households doubling up, resulting in overcrowding.

The lack of adequate choice is further demonstrated by the high occupancy of the housing supply managed by several housing providers as described below:

### **Aleutian Housing Authority Housing Units**

The Aleutian Housing Authority (AHA), located in Anchorage, was organized in 1977 to provide affordable housing and other related housing services to low-to-moderate-income families throughout the Aleutian Pribilof Islands region that includes the City of Unalaska. Two of AHA's housing developments are on land donated by OC. AHA has developed and either still manages or has an ongoing role as a partner for 80 lower income housing units in the City. Of these units, 98% are occupied – an exceptionally high rate of occupancy. Of the 65 family units, there is 100% occupancy while the senior project has an 87% occupancy rate. These projects help demonstrate the demand for low cost housing in Unalaska.

<b>Aleutian Housing Authority Managed Affordable Housing Units – 6/1/10</b>				
Type of Housing	Name of Project	Number of Units	Number Occupied	Number Vacant
Senior	Unalaska Senior Center	15	13	2
Family	Project #5	20	20	0
Family	Project #19 Dora Circle	15	15	0
Family	Project # 29	14	14	0
Family	Tradewinds Apartments	16	16	0
Totals		80	78	2

**OC Managed Housing Units**

Ounalashka Corporation currently leases 38 housing units including eight units that are leased to the Unalaska City School District. Similar to the affordable units managed by the Aleutian Housing Authority, there is a high 97% occupancy rate – only one of the 38 units is vacant. Rents average \$1,280 per month plus all utilities.

**Other Housing Providers**

Several of the City’s largest employers provide housing for their employees as the result of the seasonal nature of some jobs and the shortage of available housing units. Below is a sample of the status of non-bunkhouse housing available to employees.

- Unisea rents 29 housing units within the City, 24 one-bedroom and studio apartments, three two-bedroom apartment and a five- bedroom house. Rent for studio apartments rent from \$575 to \$1,035 per month. One bedroom apartments rent from \$1, 265 to \$1,435 per month while the two-bedroom units rent for \$1,435 per month. Unisea’s five bedroom house rents for \$1,840 per month. All of Unisea’s 29 housing units are occupied.
- Alyeska has five apartment style buildings in addition to its six bunkhouses. All of the apartments are occupied.
- City of Unalaska manages 20 two- and three-bedroom housing units including 5 units leased to the Unalaska City School District. All of these units are occupied except for seven trailers that are considered uninhabitable and will be removed.

## Past Rent Study

A *Residential Housing Rent Survey* was prepared by MacSwain Associates in June 2007. Conclusions regarding this housing rent survey included the following.

- Demand for residential housing in Unalaska, particularly one, two and three-bedroom units, exceed available supply;
- Unalaska construction projects and conversion of bunkhouses into employee housing has eliminated bunkhouse units as a supply source for rental housing;
- Since current residential rent rates do not support the cost of constructing new inventory, housing development for private sector tenants is not a financially feasible alternative;
- Data pertaining to the Unalaska economy indicates an imbalanced rental market for residential housing with demand exceeding available supply, which will prevail over the next 12-month interval.

## Eligibility for Affordable Housing Programs

Area Median Income (AMI) for an area is used to calculate eligibility for certain affordable housing programs. One half of the incomes in the area are above this amount and one half are below. Each year the U.S. Department of Housing and Urban Development (HUD) determines an AMI for every county in the United States. For 2010 the HUD AMI is \$96,300 for the Aleutians West Census Tract used for Unalaska.

Category	Estimated Number of Unalaska Households Qualifying
<b>Very Low Income</b> Less than 30% of AMI	49 households
<b>Low Income</b> 30-50% of AMI	114 households
<b>Moderate Income</b> 50-80% of AMI	328 households

## Demand for Housing

Ensuring more affordable and market rate housing has benefits which include the individual, the family and the entire Unalaska community. The provision of an appropriate mix of housing directly affects the social, economic and environmental sustainability of the City.



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Unalaska has a demand and a need for more housing, both for owner and rental occupancy. Virtually every “livable” housing unit in the City of Unalaska is occupied. Further, many housing units in the City in substandard condition are occupied.

Housing demand is a function not only of needs such as overspending, overcrowding and living in substandard housing. It is also influenced by desires, preferences and affordability based on household income. Households with preferences for housing other than that in which they now live compete with residents who have these measurable needs and as such should be taken into consideration when estimating the total demand for housing.

Based upon the analysis of City demographic and employment trends, past studies, recent preference survey, recent housing conditions survey, assessment of occupancy of major housing providers and other indicators, an estimate of Unalaska’s demand for new housing follows.

<b>2010 City of Unalaska Housing Demand Estimate</b>		
<b>Income (4-person household)</b>	<b>Rental Housing Gap</b>	<b>Homeownership Gap</b>
<b>Very Low Income</b> 0 – 30% AMI (0 - \$28,890)	25 units	Uncertain
<b>Low Income</b> 30 – 50% AMI (\$28,890 - \$48,150)	45 units	15 units
<b>Moderate Income</b> 50 – 80% AMI (\$48,150 – \$77,040)	65 units	20 units
<b>Market Rate</b> Above 80% AMI (above \$77,040)	110 units	60 units
	245 units	95 units

**Priorities for meeting housing demand are as follows:**

1. Moderate and Market Rate Rental Housing – rental housing represents the category of the City’s largest housing demand. This category includes households not eligible for assistance programs, overspending, and living in substandard housing. Demand also includes households residing in rental housing not meeting their needs as the result of limited choice.

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2. Lower Income Rental Housing – the demand for lower cost affordable rental housing includes households overspending, living in overcrowded and substandard housing and not being able to afford available housing in Unalaska.
3. Moderate and Market Rate Homeownership – There is strong demand for both moderate and market rate affordable owner housing based on households overspending, preferences to be homeowners, and households residing in housing not meeting their needs due to limited choice.
4. Lower Income Homeownership – affordable homeownership for households with incomes less than 50% of the area median income represents the smallest category of housing demand.

**New housing should be developed gradually and incrementally based upon each new major development being absorbed into the market. This approach is particularly important in light of Unalaska’s shifting population trends.**

### **Senior Housing**

There is minimal demand for affordable senior housing in Unalaska. This conclusion is based upon population trends and the occupancy at the City’s sole senior housing development managed by the Aleutian Housing Authority. This senior housing has consistent vacancies.

## Housing Issues, Goals and Strategies

Several Unalaska housing issues have been identified during the planning process. These issues are discussed and followed by goals and more specific strategies to address the issue and help carry out the goal. An Action Plan for the first year is included in a subsequent section.

The 12 goals for addressing Unalaska's housing issues reflect the diversity of the community. These goals are listed below and are further described in subsequent sections along with strategies to help the community reach these goals.

1. Create a plan for the phased development of housing sites throughout the City of Unalaska.
2. Increase affordable home-ownership opportunities for current and future City residents.
3. Increase the supply of affordable rental housing using local funds to leverage other resources.
4. Preserve and improve the condition and stability of existing housing throughout the City.
5. Make existing housing more affordable.
6. Adaptively reuse older landmark historic buildings to preserve Unalaska's historic heritage and create a broader range of housing choices.
7. Provide a comprehensive system of emergency shelter.
8. Improve homebuyer confidence in the concept of leasing land for housing; and structure land lease terms to address the needs of both OC and potential lessees.
9. Ensure that zoning and all regulatory and permit processes support the redevelopment of in-fill lots and new subdivisions for new housing development.
10. Create greater awareness and compliance of fair housing laws and requirements among local landlords.

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11. Increase the capacity of all local organizations to carryout housing improvement and development.
12. Create a c limate that fosters effi cient, collaborative and sust ainable progress in carrying out improvements in housing affordability, supply and conditions.

## Priority Housing Sites

### Issue

“Make more land available for housing” was identified as a priority action as part of the Visioning process. The need to “open up land” was also frequently cited in the Preference Survey. It is important for the Unalaska community to strategically decide on the prime locations for new housing sites in which to encourage future housing development.

### Goal # 1

**Create a Plan for the Phased Development of Housing Sites throughout the City Of Unalaska**

### Strategy

Phase housing development based upon three categories of housing development sites listed and further described below.

- A. Short-Term Housing Sites – Years 1 – 2
- B. Mid-Term Housing Sites – Years 3 – 6
- C. Long Term Housing Sites – Years 7 – 20

These priority sites for new housing development have been identified based upon field surveys, stakeholder interviews, a focus group and other background materials.

#### **A. Short Term Housing Sites – Years 1 - 2**

During the first two years, individual housing sites that are ready or near ready for development should be the top priority. Ownership of these lots is a mix of OC owned land and multiple other private owners. These sites include:

- **The Valley**

There are multiple private and public owners of developable sites in the Valley including OC, other private property owners and the City of Unalaska. While many of the properties in the Valley are within flood plains, there are several sites that are developable, some of which have already been platted and have utilities.

Priority sites in the Valley are listed below.

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- Sites in the Valley that can extend single family housing development along East Broadway Avenue and the end of Steward Road (where the pavement ends and gravel begins) should be the first priority for increasing housing supply. Road pavement and utilities will need to be extended along Steward Road to facilitate housing development. An overall plan should be prepared that encourages development to sequentially move along Steward Road without jumping over vacant lots.
- Sites near the recreation facilities with utilities are particularly attractive;
- Four City owned lots along Lear Road – while the cliff cuts off the rear of these sites, there are opportunities for housing development. This site has utilities.
- Other privately owned scattered sites throughout the Valley.



The Housing Preference survey demonstrated a clear preference for the Unalaska Island side of the City. These survey results further support starting housing development within the Valley, the most stable residential community on the Unalaska Island side and the location of much of the new housing development in the City.

- **Additional short-term housing sites include:**

- Scattered infill sites Downtown that have utilities and adjoin other residences that are in stable condition.
- Undeveloped sites within Standard Oil Hill.
- Other scattered sites in stable areas that have been platted and either have utilities or only require an extension of nearby utilities.



## Creating a Housing Site Inventory

To help identify and market developable sites, the City Department of Planning should prepare an inventory, as part of the new GIS, of all developable properties suitable for housing within the City. Available information should include:

- Ownership and contact information;
- Size of property;
- Topography and other identified issues affecting housing development. While this inventory system cannot provide environmental assurances for specific properties, it could provide references to third party environmental studies that are available;
- Availability of utilities; and
- Zoning classification;

The availability of this housing site inventory should be widely distributed to all residents and developers.

## Clean-up

As described in other sections of the Comprehensive Plan, cleanup and the removal of abandoned vehicles that diminish the overall attractiveness of potential development sites should be carried out.

## B. Mid-term Housing Sites – Years 3 – 6

Mid-term housing sites should focus on large undeveloped areas that need an overall development plan and adjoin either other major investments or existing residential areas. These sites create opportunities for larger planned housing developments. Examples include:

- **Strawberry Hill**

Strawberry Hill is an optimal location for new single family housing development based upon its excellent views and proximity to Standard Oil Hill. There is asbestos contamination in parts of this area as the result of being used as a World War II defense site and the subsequent clean-up efforts. Based upon stakeholder interviews, it appears that the asbestos issue is defined and isolated. An overall



housing development plan that takes into consideration the environmental issues and the topography of this mountainous area needs to be prepared. Approximately 10-20 acres are developable for housing. Land in Strawberry Hill is owned by OC.

### **Development Teams**

A paradigm shift is recommended regarding the respective roles of the City, OC and all other partners in the development of all other major housing sites requiring extensive planning and a multi-organizational coordination necessary for success.

In this instance, it is recommended that the City and OC form a “Strawberry Hill Development Team” to plan for the redevelopment of this site. The intent of a Development Team is for all major stakeholders to work together for a common purpose and jointly address the issues that evolve during the planning and redevelopment process. In addition to the City, OC and other land owners, additional team members should be added as the project progresses such as the project architect, consultant and/ or environmental firm.

The Strawberry Hill Development Team would work together throughout the planning and development process. City and OC should also consider sharing predevelopment expenses for the following initial steps:

- Prepare a Request for Proposals to select an architectural firm experienced in site planning. Responsibilities of the selected firm include is to help the development team reach consensus on an overall vision, density and conceptual site plan for the property.
- Review current environmental studies. Determine if any additional testing is needed at this point in the process to further define the asbestos and any other environmental concerns.
- Obtain a third-party assessment of development and infrastructure cost estimates.
- Determine the financial feasibility for development and operations.
- Determine the development and support roles of various organizations including City, OC and private developers.
- Develop a Strawberry Hill management plan for its development.



- Initiate a rezoning and platting of the property based upon the results of the overall design plan.
  - Determine likely funding sources and secure funding by preparing grant and/or loan applications using multiple funding sources.
  - Promote the availability of single family lots for housing development.
- **Uplands Site Adjoining the Carl E. Moses Boat Basin Site – a New Community**

The area adjoining the planned \$72 million Carl E. Moses Boat Basin in Little South America is a prime future housing site. The Carl E. Moses Boat Harbor – Inner Harbor and Uplands Improvements project is located on Amaknak Island, at the head of Captains Bay. This area is a highly attractive housing site that should be developed subsequent to the completion of the boat basin and the area being graded. The mining and excavation plans are currently in progress.



This site has potential to create a new market for upper income condominiums and apartments as part of a broader mixed-use development. In addition to housing, the overall development should also include water oriented commercial uses. Industrial uses that may conflict with the future residential community should be discouraged at this site.

The size of the development should be sufficient to create a critical mass and establish a new community within Unalaska. While the housing development will need to be phased in, the overall plan should include a minimum of 50 housing units, with opportunities for expansion.

Similar to Strawberry Hill, it is recommended that the City and OC should form an “Uplands Development Team” to plan for the redevelopment of this site. The development team should work together throughout the process and share predevelopment expenses for the following initial steps:

- An engineering firm has been selected for this site. It is recommended that this firm help the development team reach consensus on an overall vision for the property and a comprehensive design for a mixed use development that includes marina oriented housing.

- Select a firm to conduct a market analysis of the Uplands site for upper end housing.
  - Initiate rezoning of the property based upon the results of the overall design plan.
  - Determine the development and support roles of various organizations including City, OC and private developers.
  - Determine construction and infrastructure costs and a plan for sharing costs.
  - Determine likely funding sources and secure funding by preparing grant and/or loan applications using multiple funding sources.
  - Prepare a Request for Proposals for the selection of the developer.
- **Airport Beach Road**

The portion of Airport Beach Road between the Grand Aleutian Hotel and Airport is another potential housing site. An advantage of this site is its proximity to utilities. Similar to other larger development sites, a development team approach should be used.

### **C. Long Term Housing Sites – Years 7 – 20**

These long-term housing sites are dependent upon a variety of circumstances including clean-up, infrastructure and environmental testing. As important, these areas will require the future housing market to be able to support the added future housing development.

- **Tundra Drive**

This area near and above Tom Madsen Airport, has an excellent view and potential for redevelopment. The Tundra site being near the airport will create noise concerns although the high elevation should mitigate this issue. There are no utilities near the site. An overall Tundra Drive development plan, similar to recommendations for other large sites, should be crafted.

- **Pyramid Valley**

This potential housing site near the new water plant and summer recreation areas is a potential long-term housing site. Infrastructure will be upgraded as the result of the new water plant, thereby enhancing the potential of this area for housing development. The property is owned by OC.

- **Captains Bay**

A portion of Captains Bay within Unalaska Island is another long term housing development site. Most of the land in this area is controlled by private owners. Captains Bay is currently characterized by fish processing facilities and substandard housing. Portions of this corridor have long term potential for both rental and homeownership housing. Suitability of this area for housing will be dependent upon a major clean-up and improvement.

- **Lear Road Tank Site**

There is a potential long-term housing site at the end of Lear Road. There is a steep road leading to the top of Lear Road that will require an extension of pavement and utilities. An overall plan should be developed for this Valley site.

## Increasing Home Ownership

### Issue

Unalaska has a particularly low homeownership rate. Less than a quarter of City households are homeowners. This low homeownership rate is partly attributable to the large number of seasonal employees and the employer provided rental housing units. The Housing Preference Survey results show a strong preference to own a home.

There are numerous barriers to homeownership in Unalaska. The most prominent issues are:

- Limited supply of available and affordable housing;
- High cost of housing;
- Lack of incentive programs to address the high cost of housing;
- Lack of access to mortgage products and flexible financing sources that serve first time homebuyers;
- Some community aversion and misunderstanding regarding the concept of leasing the land; and
- Lack of institutional capacity among organizations within the City to develop new housing for homeownership.

There are several issues that contribute to the high cost of housing in Unalaska. The terrain and isolation of Unalaska increases construction costs; this cost transfers to consumers through high housing prices and increased rent costs. To combat these costs, the City of Unalaska must ensure that its ordinances and regulations do not add to the cost of construction.

The lack of building supplies and a local pool of skilled building contractors and renovators also contribute to the high cost of housing.

In addition to high construction costs, other expenses add to the elevated costs of single family homeownership in Unalaska. For example, the cost of a single family home appraisal is about \$2-3,000 due to the need of an appraiser to travel to Unalaska from Anchorage. Similarly, the cost of multiple inspection draws is high due to the lack of building inspectors within the City.

Below is a sample budget for developing a 1,500 square foot single family home in Unalaska. This scenario assumes that the property is privately purchased.

# Unalaska Comprehensive Plan 2020 - Housing Plan

Use of Funds		
Land	\$	50,000
Site Improvements (level property, water, sewer)	\$	50,000
Construction (assuming \$200/sf)	\$	300,000
Closing and other Soft Costs		<u>\$ 20,000</u>
Total Use of Funds		\$ 420,000
Source of Funds		
Down payment / Equity (20%)	\$	84,000
Bank Financing		<u>\$ 336,000</u>
Total Source of Funds		\$ 420,000

While actual costs will certainly vary from this model budget, it is unlikely that a prospective homebuyer will receive this level of bank financing since it will be considerably above the appraised value of the property. The average sales price of single family homes from 2006 to 2008 was \$311,096. If a lender financed 80% of the appraised home value (\$248,900) there would be a financing gap of about \$87,000. This scenario assumes a 20% down payment and construction costs of \$200 per square feet, which may be a low estimate.

Further, mortgage payments will result in this home being unaffordable to a large share of prospective owners. To make homeownership more attainable in Unalaska, costs have to be reduced and gap financing tools need to be accessed and established.

## Goal # 2

### Increase Affordable Home-Ownership Opportunities for Current and Future City Residents

## STRATEGIES

### 1. Building Inspection

The City should contract with a local individual for building inspection services to provide building inspections for housing construction projects. The intent is to reduce housing costs by eliminating the need for an inspector to fly to Unalaska for each draw inspection. A local resident should be trained to provide this service under contract with the City. This recommendation is dependent upon an increased production of homes for sale.

## 2. Increase the Capacity of City, OC and Q-Tribe

The capacity of all major housing partners needs to be increased to:

- Access, market and manage housing resources for homeownership;
- Buy homes or vacant lots for sale to homebuyers;
- Develop housing for home buyers; and
- Facilitate the development of housing by private developers

Increased institutional capacity to facilitate and develop housing is needed. These strategies are discussed under the “Organizational / Management” section.

## 3. Rental Conversion

Encourage the conversion of rental units for sale whereby private owners offer current residents the first option to purchase the housing unit.

## 4. Land Lease Issue

Address recommendations regarding the land leasing issue which is perceived as a disincentive for purchasing a home. These recommendations are described on page 67.

## 5. Infrastructure

Infrastructure improvements are one of the most expensive parts of building a new home and can cost up to \$50,000 per property. City should consider the use of Industrial Revenue Bonds to install water, sewer and street improvements for targeted housing development sites. The improvements should be paid back through tax assessments over 20-25 years. Revenue bonds allow improvements to be paid over the entire course of a bond issue by succeeding owners.

Similarly, Local Improvement Districts (LID) can be established for target areas where the City self-funds the cost of utilities extensions, and each landowner pays their share over a period of many years. The City has used LIDs for infrastructure improvements for areas such as Nirvana and Haystack Hill.

## 6. Unalaska Homeownership Assistance Program

The City should establish a local incentive program for homeownership. While there are several homeownership programs targeted to either low income and/or Native Alaskans, there is also a need to encourage moderate income households to

purchase homes in Unalaska. The goal is to stimulate the market to increase homeownership. A Homeownership Assistance Program should be established to enable homebuyers with moderate incomes and households not qualifying for other assistance to qualify for City down payment and closing cost assistance.

This program should provide up to \$25,000 in deferred second mortgage loans to assist with down payment and closing costs. Recipients should be required to sign an agreement with the City that requires the applicant to live in the house for at least three years, during which time one-third of the loan amount will be forgiven each year. The City should work with Key Bank regarding assistance in servicing these homebuyer loans.

### **7. Prefabricated Homes**

City and OC should help smooth the way for the building of more prefabricated modular homes to potentially reduce costs and address the relatively short construction season in Unalaska. Quality and flexible manufactured homes producers should be identified who have a willingness to work in Unalaska and accommodate the environmental and weather conditions.

### **8. Homebuyer Education and Homeownership Sustainability**

Key Bank currently provides some homebuyer counseling on an informal basis. Demand for counseling is currently limited by the lack of housing on the market for homeownership. As for-sale housing development increases there will be a higher need for more homebuyer and financial counseling efforts.

Key Bank, City Of Unalaska and OC should meet with the Aleutian Financial Incorporated (AFI) to develop a home buyer and financial counseling program. AFI is a new Community Development Financial Institution (CDFI) sponsored by the Aleutian Housing Authority.

Homeownership education and counseling programs typically cover the benefits and responsibilities of homeownership, strategies for locating and evaluating a suitable home, household budgeting strategies, credit reporting and evaluation, and the intricacies of the mortgage underwriting and lending process. Most homeownership education today is in accordance with national models, meets certain curriculum standards and is provided directly by financial institutions, often in partnerships with nonprofits. Individual homeownership counseling supplements other kinds of homebuyer education by focusing with a particular individual on how to become a successful homeowner. The one-on-one counseling sessions generally

include information and analysis on budgeting, developing a savings plan, gaining and repairing credit, selecting a home and the mortgage process. Additionally, borrowers are assessed for eligibility and need for down payment and closing cost assistance programs.

## 9. Property Tax Abatement

City of Unalaska should enact property tax abatement as an incentive for housing development. Alaska Statute AS 29.45.050 identifies optional exemptions a municipality may enact:

(f) A municipality may by ordinance exempt from taxation all or part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land, or new maintenance, repair, or renovation of an existing structure, and if the alteration, maintenance, repair, or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed, or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or part of the increase in assessed value of improvements to a single-family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed, or from the date of approval of an application for the exemption by the local assessor, whichever is later.

(l) A municipality may by ordinance exempt from taxation an interest, other than record ownership, in real property of an individual residing in the property if the property has been developed, improved, or acquired with federal funds for low-income housing and is owned or managed as low-income housing by the Alaska Housing Finance Corporation under AS 18.55.100 – 18.55.960 or by a regional housing authority formed under AS 18.55.996. However, the corporation may make payments to the municipality or political subdivision for improvements, services, and facilities furnished by it for the benefit of a housing project, and this subsection does not prohibit a municipality from receiving those payments or any payments in lieu of taxes authorized under federal law.

## 10. Attract More Local Skilled Building Contractors and Professional Service Providers

As described in the Unalaska Comprehensive Plan:

“As new construction activity occurs in Unalaska, a concerted effort should be made to get the word out in those areas with large supplies of construction companies – such as Anchorage and Seattle – that Unalaska is building and that opportunities are



growing for a larger, locally based construction industry. Emphasis should also be placed on the demand for renovation contractors as the demand for these services increases.

When it is anticipated that other professional service providers can be supported in Unalaska, a concerted effort should also be made to get the work out in those areas with large supplies of professional service providers, such as Anchorage, Seattle, and, as feasible, the balance of the nation.

It should be kept in mind, however, that Unalaska's ability to attract more local skilled contractors and professional service providers will be dependent, to a great degree, on an increase in the construction of new homes, natural growth in population, and Unalaska's continued recognition as a regional hub." (*Unalaska Comprehensive Plan*)

### Resources

Unalaska organizations need to develop stronger relationships with all appropriate sources of funding and encourage the use of existing programs that assist in the purchase of a home. Homeownership programs that are not fully used in Unalaska include:

- o **Alaska Housing Finance Corporation (AHFC)**

- Rural Owner Occupied Loan Program**

- AHFC has several loan products including a Rural Owner Occupied Loan Program that provides financing at favorable terms for owner occupied properties located in "small communities," which is defined to include Unalaska. AHFC also has a Tax-Exempt First-Time Home Buyer Program. Eligible properties are limited to single-family homes, condominiums, units within a Common Interest Community, duplexes, and Type I manufactured homes. A duplex must be at least five years old and occupied as a multi-family residence for at least the last five years.

- Applications are through approved lenders. The only lender with an Unalaska branch office is Key Bank which is not currently an approved lender for AHFC programs. Key Bank should work with AHFC to become an approved lender to facilitate homebuyers being able to secure financing locally.

- Moving to Work Program**

- AHFC had operated a Housing Choice Voucher Homeownership Program for several years. This program has been restructured as Moving to Work in which AHFC will begin offering a down payment option in lieu of the monthly

housing assistance payment. To increase the affordability of homes throughout Alaska, AHFC will offer up to the equivalent of 24 months of housing assistance payment as down payment assistance. This assistance will augment the minimum three percent down payment the family will be required to provide and may be used to reduce the overall purchase price of the home or applied to closing costs.

### ○ **Aleutian Housing Authority (AHA)**

AHA programs to support homeownership include:

**Second Mortgage Loan Program.** AHA has a Second Mortgage Loan Program designed to assist low-income families in purchasing or constructing a home. The program will help with down payment and closing costs and is designed to make home mortgage payments more affordable. This program targets Alaska Native household income at or below 80% median income for the area, per HUD guidelines.

**Individual Development Account Program.** AHA has recently established an Individual Development Account Program (IDA). This program is designed to assist low to moderate low income Alaska Native households to achieve financial independence and to become financially self-sufficient through providing the motivation, information and skills to:

- Set goals for their future;
- Establish regular saving habits and disciplines; and
- Invest in assets that will achievement of goals including purchasing a home.

The IDA program is designed to provide training and counseling, access to financial services and a financial incentive to reach for a worthwhile goal. The financial incentive is a 4:1 match for each dollar saved up to \$1000 (if \$1,000 is saved by the participant, \$4,000 will be contributed by AHA, for a total savings of \$5,000), which can be used to purchase a first home or to start a small business.

The OC Housing staff assisting the Q-tribe should help market and access these house resources.

### ○ **US Department of Agriculture (USDA) – Rural Development – Housing and Community Facilities Programs**

USDA has several programs to support housing development:

### **Direct Loan Program (Section 502)**

Under the Direct Loan program, households receive direct financial assistance from USDA in the form of a home loan at an affordable interest rate. Most of the loans made under the Direct Loan Program are to families with income below 80% of the median income level. Loans can be made to those who will not qualify for a conventional loan, and may be made for the purchase of an existing home or for new home construction.

### **Loan Guarantee Program (Section 502)**

Under the Guaranteed Loan program, the Housing and Community Facilities Programs guarantees loans made by private sector lenders. (A loan guarantee through HCFP means that, should the individual borrower default on the loan, HCFP will pay the private financier for the loan.) The individual works with the private lender and makes his or her payments to that lender. Under the terms of the program, an individual or family may borrow up to 100% of the appraised value of the home, which eliminates the need for a down payment. Since a common barrier to owning a home for many low-income people is the lack of funds to make a down payment, this program helps make homeownership more possible.

### **Mutual Self-Help Housing Program (Section 523)**

The Mutual Self-Help Housing Program makes homes affordable by enabling future homeowners to work on homes themselves. With this investment in the home, or "sweat equity", each homeowner pays less for his or her home. Each qualified applicant is required to complete 65% of the work to build his or her own home. Technical Assistance Grants and Site Loans are provided to nonprofit and local government organizations, which supervise groups of 5 to 12 enrollees in the Self-Help Program. Members of each group help work on each other's homes, moving in only when all the homes are completed.

## Expand the Supply of Rental Housing

**Issue**

The City of Unalaska has a shortage of quality affordable rental housing. There is a lack of choice for those seeking rental opportunities.

**Goal # 3**

**Increase the Supply of Affordable Rental Housing Using Local Funds to Leverage Other Resources**

**Strategies**

**1. Access Alternative Funding**

Assist private housing developers access financing to construct rental units with emphasis on increasing the number of two and three bedroom units. A summary of several USDA Rural Development rental programs is included in this section.

**2. Property Tax Abatement**

City of Unalaska should enact property tax abatement as an incentive for rental housing development. As previously described, Alaska Statute AS 29.45.050 identifies optional exemptions a municipality may enact.

**3. Low Income Housing Tax Credit Program (LIHTC)**

City of Unalaska and OC should work with the Aleutian Housing Authority to submit a LIHTC application to the Alaska Housing Finance Corporation for 20 to 25 units of affordable rental housing. Maximum rents under this competitive program are 60% of the AMI. Income limits are shown below.

2010 Income Limits, Low Income Housing Tax Credit Program (Aleutians West Census Area)	
1 Person	40,500
2 Person	46,260
3 Person	52,020
4 Person	57,780
5 Person	62,460
6 Person	67,080
7 Person	71,700
8 Person	76,320

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The Aleutian Housing Authority should be contacted to serve as the general partner and developer. OC should consider serving as the co-developer and co-general partner. The Minnesota firm currently managing Tradewinds Apartments, Northstar Management, should be contacted regarding a property manager role to provide them more of a critical mass of housing to spread their property management costs.

If the LIHTC project is developed on OC owned land, the lease structure should not be an issue as long as the lease term is a minimum of 30 years which is the affordability period.

The high local construction costs and current decreased equity pricing are major impediments to preparing a successful LIHTC application. These issues are partly mitigated by the Area Median Income for the Aleutians West Census Area being quite high, allowing many households to qualify. Also, rents could be high enough to pay all of the operating expenses and support a reasonable amount of debt.

Below is a sample source and uses budget for a 20-unit LIHTC development using the syndication of LIHTC as the primary financing source. This model assumes all units are 1,500 square feet, energy efficient and three-bedroom units. It is assumed that the land is leased from OC thereby eliminating acquisition costs.

Use of Funds			
Land		\$	0
Site	Improvements	\$	500,000
	Construction	\$7,500,000	
	Soft Costs		<u>\$1,000,000</u>
Total	Use of Funds	\$9,000,000	
Source of Funds			
	Equity from Syndication of LIHTCs		\$6,500,000
Bank	Financing	\$1,150,000	
City/OC/State	Grants		<u>\$1,350,000</u>
Total	Source of Funds	\$9,000,000	

While LIHTCs can provide a sizable share of the project costs and the project can support some debt, there is still a gap that will need to be filled by a combination of City, OC, State and other sources.

#### **4. Teacher, Health Professional and Public Safety Housing Program**

City of Unalaska has secured a Teacher, Health Professional and Public Safety Grant from the Alaska Housing Finance Corporation based upon a July 1, 2009 application. This funding will result in an 8-plex rental housing development along Ptarmigan Road replacing old and in some instances, substandard, City trailers. Of the eight new units, four will be reserved for teachers, two will be reserved for public safety officials and two will be left open for non-grant eligible City employees. Half of the units will be two-bedroom and the other half three-bedroom units.

Based upon lease-up of the initial 8-plex, the City should prepare and submit an application for a second phase of this program. The tenant mix should be evaluated based upon the results of the initial phase and current teacher and government employee needs.

#### **5. Accessing Other Rental Housing Resources**

##### **USDA Rural Development**

USDA Rural Development has several programs to support rural rental housing. Multi-Family Housing Programs offer Rural Rental Housing Loans to provide affordable multi-family rental housing for very low, low and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems. In addition, deep subsidy rental assistance is available to eligible families.

##### **Rural Rental Housing**

This program is adaptable for participation by a wide variety of owners. Loans can be made to individuals, trusts, associations, partnerships, limited partnerships, State or local public agencies, consumer cooperatives, and profit or nonprofit corporations.

##### **Guaranteed Rental Housing**

The Rural Housing Programs guarantees loans under the Rural Rental Housing Guaranteed loan program for development of multi-family housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multi-family housing.

##### **Housing Preservation Grants**

The Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low and very low-income housing.

## **Rental Assistance Program**

The Rural Rental Assistance ( RRA) program provides an additional source of support for households with incomes too low to pay the HCFP subsidized (basic) rent from their own resources.

## Improving Existing Housing Conditions and Affordability

### Issue

Much of Unalaska’s housing stock is deteriorating or at risk of deteriorating based upon the Housing Conditions Survey. Replacement is cost-prohibitive. No local affordable housing development strategy can produce housing that is as affordable to residents as maintaining the existing stock of rental housing or bringing substandard single-family housing into continued service. Preserving this existing housing in Unalaska costs substantially less per unit than new construction in most instances and should be a high priority.

Based on the Housing Conditions and Housing Preference surveys, comments during the focus group and other interviews, the condition of property is a top concern. Current conditions are also a disincentive for neighbors to improve their properties. The Visioning process recognized “The need to improve the appearance of private property, to remove abandoned junk vehicles and to maintain City facilities.”

Several factors contribute to the condition of housing in Unalaska including:

- High cost of home improvement materials;
- Lack of a pool of home improvement contractors;
- Lack of access to home improvement financing; and
- Uncertainty among investor owner owned properties regarding the long term commitment of their tenants.

### Goal # 4

**Preserve and Improve the Condition and Stability of Existing Housing throughout the City**

### Strategies

#### 1. Code Enforcement

City should initiate a Housing Code Enforcement program that addresses violations to the City’s Nuisance Code, Chapter 11.08. The enforcement of the City’s Nuisance Code is critical to the proper maintenance and improvement of personal property in residential areas. A house code enforcement program should be combined with efforts to enforce the City’s zoning code.



There is also a need to create more specificity to the Nuisance Code and establish the minimum acceptable conditions for existing housing. A Task Force should be established to review Unalaska's Nuisance Code and Statewide models to decide on a proposal for either expanding the Nuisance Code; establishing a new housing code section addressing minimum housing maintenance and occupancy standards; or defer to the International Building Code/IBC that has more specific standards for acceptable housing conditions.

### **2. Unalaska Home Improvement Program**

For homeowners unable to afford the cost of necessary home improvements, an Unalaska Home Improvement Program should be established that provides financial incentives for improvement. A source of funding for the program is HUD's Community Development Block Grant Program (CDBG) in which home repair is an eligible activity.

The program should be designed to help income qualified homeowners fix problems in their homes such as roofing, plumbing, heating and electrical. Up to \$25,000 in assistance should be provided in the form of a deferred or low-interest loan, and is prioritized to eliminate health and safety issues, correct code violations, make the home more energy-efficient, and undertake cosmetic improvements.

To qualify for the program, the total household income may not exceed 80% of the area median income by household size. Unalaska's Area Median Income (AMI) which is \$77,040 based on 2010 HUD data (the Area Median Income for a four-person household is \$96,300 for the Aleutians West Census Tract). For households that earn between 51% and 80% of the area median income, a 3% interest loan is repaid over 10 years should be established. For households that earn below 50% of the area median income, a deferred loan should be available whereby the loan is due upon the home being sold, refinanced or title is transferred.

#### **Emergency Repairs**

The Unalaska Home Improvement Program should also assist qualified homeowners with emergency housing problems that pose a serious and immediate threat to the health, safety or welfare of the household. A maximum of \$2,500 in assistance should be granted to correct emergency conditions including an inoperable furnace or water heater, and potentially hazardous plumbing and electrical systems. This assistance is in the form of a grant; therefore, it is not required to be repaid. Mobile homes are eligible for this program. To qualify for the Emergency Repair Program, the total household income should not exceed 50% of the area median income by family size.

#### **Applying for Community Development Block Grant (CDBG) funding**

City should apply for Community Development Block Grant (CDBG) funding through the State of Alaska Department of Commerce, Division of Community and Regional Affairs. Any Alaskan municipal government (except Anchorage) is eligible to apply for the grants. Federal regulations require that at least 51% of the persons who benefit from a funded project must be low and moderate income persons as defined by HUD. The goals of the Alaska Community Development Block Grant Program (CDBG) are to provide financial resources to Alaskan communities for public facilities and planning activities which address issues detrimental to the health and safety of local residents and to reduce the costs of essential community services. The program may also fund Special Economic Development activities which result in the creation of jobs for low and moderate income persons.

CDBG competitive grants are single-purpose project grants, maximum of \$850,000 per community. There are three basic funding categories: community development, planning and Special Economic Development. These funds should be used for

- Home repair program described above.
- Incentives for new affordable housing construction by providing a deferred second mortgage as previously described.

### **3. Fish Processing Company Housing**

The local fish processing companies provide an important service by providing both permanent and temporary housing for many of their employees who otherwise would not have sufficient housing options. There is a wide range in the condition of these bunkhouses and other housing complexes. While many of the employer provided homes and apartments are in excellent condition, several of the bunkhouse developments need extensive maintenance, clean-up and rehabilitation. Some of these buildings may need to be demolished.

The fish processing companies should be encouraged by the City and the Unalaska Housing Consortium to make the necessary improvements to their housing developments.

In addition to bunk houses for the fish processing companies, there are developments for construction workers employed at various community projects. Similar to the fish processing housing, there is a wide range of conditions with several of these bunkhouse developments needing major improvement.

### **A Starting Point**

An initial target area for encouraging the improvement of bunkhouses is East Point. In this community, the substandard condition of much of the bunkhouse housing is in sharp contrast to the condition of the single and two-family homes. Improvement of the bunkhouses could help stabilize the entire community.

#### 4. Target Areas

City should establish target areas for both code enforcement and the Unalaska Home Improvement Program. Initial target areas should be predominantly residential non-bunkhouse areas experiencing high rates of needed repair. The three initial target areas are:

- The Valley – this community has the most short-term potential for new housing development. As part of a strategy for improving the area and enhancing the area for new private investment, code enforcement and the Housing Repair Program should start in the Valley.
- Downtown; and
- Standard Oil Hill

#### 5. Directory of Residential Contractors

One of the identified issues inhibiting home improvement and affecting rehabilitation costs is the scarcity of home contractors in the City. It is recommended that the City Planning Department maintain and make available on the City web site a directory of local residential contractors. The Directory could include types of home contracting work performed and customer reviews.

#### 6. Clearing Title

Another issue affecting the ability to obtain financing for home repair is the lack of clear title, principally on Native Allotment properties. It is recommended that the Bureau of Indian Affairs be requested to expedite the process of clearing title for Native Allotment properties and restricted deeds, particularly in Downtown Unalaska.

#### Resources

Develop relationships with all appropriate sources of funding and encourage the use of existing programs that assist in the improvement of housing conditions. Homeownership programs that are not fully used in Unalaska include:

## **Aleutian Housing Authority Home Repair Program**

The Aleutian Housing Authority has a single family home repair program for Alaskan Native household with income at or below 80% median income. The program is a combination grant / loan. If the total cost of work is under \$5,000, the funds will be a grant and not repaid (a 6-month retention period is required). If the total cost of work is \$5,000 or more, the funds exceeding \$5,000 will be a loan that does not require monthly payments, but will be due and payable, with interest, when the property is sold or transferred.

The OC Housing staff assisting the Q- tribe should help market and access this resource.

## **US Department of Agriculture (USDA) – Rural Development – Housing and Community Facilities Programs**

### **Home Repair Loan and Grant Program (Section 504)**

For very low income families who own homes in need of repair, the USDA's Home Repair Loan and Grant Program offers loans and grants for renovation. The Home Repair Program also provides funds to make a home accessible to someone with disabilities. Money may be provided, for example, to repair a leaking roof; to replace a wood stove with central heating; to construct a front-door ramp for someone using a wheelchair; or to replace an outhouse and pump with running water, a bathroom, and a waste disposal system. Homeowners 62 years and older are eligible for home improvement grants. Other low income households receive loans at a 1% interest rate directly from HCFP.

## **Issue**

Housing in Unalaska is too expensive for most first time homebuyers and many renters. The high cost of housing is partly driven by the overall shortage of housing which drives up purchase prices and rents. Also, high infrastructure, material and construction costs, and environmental conditions all contribute to high housing costs. These high costs make it difficult for the private market to develop affordable or "less expensive" housing in Unalaska today. Another related issue is the lack of a pool of locally based building contractors and renovators.

## **Goal # 5**

### **Make Existing Housing More Affordable**

## **Strategy**

## 1. Section 8 Housing Vouchers

While 3.5% of Alaska's rental housing units in 2000 were occupied by Section 8 Voucher recipients, there are not any Section 8 rental vouchers available in Unalaska.

City of Unalaska should work with the Aleutian Housing Authority to seek Section 8 Housing Vouchers for Unalaska residents under the Section 8 Housing Assistance Payments program. The Housing Choice Voucher Program provides eligible low-income Alaskans with a method of obtaining affordable housing. It helps families lease privately-owned rental units from participating landlords. The Alaska Housing Finance Corporation (AHFC) Public Housing Division administers the voucher program in 11 communities throughout Alaska. Families whose income is at or below 50 percent of the area median income are encouraged to apply. Income limits are set by HUD and are based on family size and the community where the family resides. To use the Housing Choice Voucher, a private rental market landlord must enter into an agreement with AHFC to receive the subsidy.

There are two impediments to Section 8 Vouchers in Unalaska. First, the rent must be reasonable and within limits set by HUD which could be a challenge in Unalaska due to its high rent structure. Second, the units must meet a federal housing quality standards inspection – thereby requiring local housing inspectors that are not currently available in Unalaska.

## 2. Home Refinancing

Homeowners should consider refinancing their homes to take advantage of lower mortgage rates.

Another resource is HUD's Home Affordable Program which includes assistance to homeowners making a good-faith effort to make their mortgage payments, while attempting to prevent the destructive impact of the housing crisis on families and communities. This program includes opportunities to modify or refinance your mortgage to make your monthly payments more affordable.

### **Refinancing**

Refinancing support for homeowners pay their mortgages on time but are not able to refinance to take advantage of today's lower mortgage rates perhaps due to a decrease in the value of their home.

### **Mortgage Modification**

Modify mortgages for homeowners struggling to make their monthly mortgage payments perhaps because their interest rate has increased or they have less income.

### 3. Weatherization

An effective and critical strategy to reduce housing costs is to reduce utility costs by introducing weatherization and green features and technologies into all new and existing housing developments.

Weatherization is the science of making a dwelling more energy-efficient by making improvements that may result in a return on investment in the form of reduced energy consumption, reduced energy costs, and/or increased comfort and durability of the dwelling.

There are two primary weatherization programs available to Unalaska residents. These weatherization resources should be marketed and accessed to the maximum extent possible by the City, OC, Q- Tribe and all members of the Housing Consortium.

According to *Alaska Housing Finance Corporation 2009 Alaska Housing Assessment* low income households are more than twice as likely as middle and upper income households to have had their homes weatherized in the last ten years. This discrepancy is partly the result of the primary Weatherization Program described below only serving households that were at 60 percent of median household income. There is a need to also market the Home Energy Rebate program, also described below, which does not have income restrictions.

- **Weatherization Program**

The Weatherization Program is managed by the Aleutian Housing Authority and funded by the Alaska Housing Finance Corporation. A Weatherization Program investment is planned for 2010 by AHA.

The purpose of the Weatherization Program is to make homes energy efficient as well as reduce energy costs. Weatherization through AHA focuses on the weatherization of low and moderate income homes. AHA plans to replace oversized and inefficient boilers in eligible homes, which alone will reduce energy consumption significantly. The program will also focus on air-sealing, window and door replacements (as appropriate), re-insulating, moisture control for mold prevention, skirting and vapor barriers, and repairs related to weatherization.

- **Home Energy Rebate Program**

Households not qualifying for the AHA Weatherization income limits may be eligible to receive assistance from the Alaska Housing Finance Corporation's Home Energy Rebate Program. The Home Energy Rebate program is managed by the AHFC. This program has no income requirements and focuses on owner-occupied homes. Homeowners pay for certain energy-efficiency improvements and are rebated a portion of the cost for these energy enhancements.

- **Rental Housing Weatherization**

Since the majority of Unalaska's housing is rental, there needs to be more emphasis on weatherization initiatives for the large number of rental housing units. While US Department of Energy weatherization services extend to multi-family and rental housing, these subsectors of housing have received only a small portion of the limited funds available in the past. The City and OC should work with the Aleutian Housing Authority to encourage private owners of rental housing to access weatherization resources.



## Adaptive Reuse of Existing Buildings

### Issue

There are a few older landmark buildings in the City that may have potential to be converted to housing. A principal example is the two-story red brick building accessed from East Point Road on the Amaknak Island side, next to Lake Iluluaq. The building is pre-WWII and is owned by OC. The building's interior is built with structural members made of heavy timber, and the exterior is a masonry wall sheathed with red brick veneer. The building was built by the United States Navy in 1932 as part of a radio complex, and at the time was the only brick structure in the Aleutians. It was constructed to house six families, has about 6,650 square feet and was called Building 621. It is referred to locally as the "Red Brick Building."



The surrounding area is industrial, docks and container yards. American President Lines is across the street. Just to the north of the building are two structures: one is a concrete WWII building that is used for storage, while the other is a red-shingled house that is currently occupied. East Point Road is unpaved and has heavy truck traffic. The industrial character of the area can be mitigated by the view of Lake Iluluaq, size of the property, clean-up efforts and the notable quality of the structure. There may be an opportunity to transform this property into a unique and landmark housing development. There are mainline utilities for water, electric, and sanitary sewer in close proximity to the building along East Point Road. The nearby red-shingled house hooks into the City electric, water and sanitary sewer.

### Goal # 6

**Adaptively Reuse Older Landmark Historic Buildings to Preserve Unalaska's Historic Heritage and Create a Broader Range of Housing Choices.**

### Strategies

1. Use the Red Brick Building off East Point Road as the City's first adaptive reuse "model project" for housing. To prevent further deterioration of this abandoned property, it should be inspected and "moth balled" as the first step.
2. Create a development team with OC, the property owner, to assess the project's feasibility. Early steps in this process will include engaging an architect to prepare a



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schematic design for the conversion to housing and securing a rehabilitation cost estimate from a contractor.

3. Based upon the above information and an analysis of comparable market rents, the development team should assess the feasibility of the project and decide upon a preferred developer.
4. As options for this long-vacant structure are limited and this type of adaptive reuse project is very costly, OC needs to be flexible regarding its leasing prices to support the redevelopment of the property.
5. Enact property tax abatement for this property as an incentive for its development. Alaska Statute 29.45.050 (a) (1) (B) allows the City of Unalaska by ordinance to exempt historic buildings from taxation. This property may need to secure the appropriate historic designation to qualify.
6. Even with property tax abatement and flexible land lease terms there will likely be a significant financing gap between the project's capacity to carry debt and the total development cost. To fill this gap, several sources should be explored including applying for a second Teacher, Health Professional and Public Safety Grant from the Alaska Housing Finance Corporation to help finance this project. USDA and AHFC financing sources should also be considered.
7. Approach the fish processing companies regarding either:
  - Redeveloping the building for improved housing for their employees, perhaps management employees; or
  - Redeveloping the building as replacement housing for the more substandard bunkhouses currently being used.
8. Conduct a clean-up of the area surrounding the Red Brick Building to make the overall area more attractive and conducive to developers by enhancing its view and residential character.
9. Long term, create an inventory of all landmark buildings in the City that may have potential to be converted to housing. Based upon the success of redeveloping the initial project, begin marketing these properties to developers.

## Emergency Housing

### Issue

The sole emergency housing shelter in Unalaska is managed by Unalaskans Against Sexual Assault & Family Violence (USAFV). The USAFV program provides safe shelter, advocacy, and other services to victims of domestic violence, sexual assault, stalking, child abuse, elder abuse, and other crimes.

Other than domestic violence, emergency housing in Unalaska is most often characterized by individuals who have been terminated from employment and lose their employer provided housing or are unable to leave the Island due to insufficient funds or flights being cancelled.

A recent proposal and conditional use request by the Alexandria House to develop a men's homeless shelter along Broadway was met with opposition from many residents in the surrounding neighborhood, and was ultimately denied by the Planning Commission.

### Goal # 7

#### Provide a Comprehensive System of Emergency Shelter

### Strategies

There is a need for a new shelter for men that are homeless or stranded in Unalaska. There are several options for moving forward:

- Revise the design and decrease the scale and density of the former proposal by Alexandria House in cooperation with neighborhood residents to determine if there is an acceptable alternative to the proposal that was disapproved; or
- Select a new shelter site for men, preferably near the Airport;

### Long term

Long term, regardless of location, a strategic alliance should be crafted between Alexandria House and USAFV that currently manages a shelter for women. An alliance may provide mutual financial benefits to help sustain both organizations. Further, an alliance could enhance the long term management of both facilities – instead of two separate organizations being responsible for individual facilities for persons in need of emergency shelter. It is understood that due to the nature of USAFV's clients, the two facilities can not share the same space.

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As an initial step the Board leadership of both organizations should meet to discuss the opportunity to begin a process of crafting a strategic alliance.

## Land Lease Issue

### Issue

The Ounalashka Corporation (OC) is a for-profit corporation. While it is recognized that OC is not the only private property owner in the City, according to its website it is the major land owner in Unalaska. The website further states that OC's business is "land leasing and development."

OC's policy is to only lease its property. This Board policy is based on strong convictions regarding land being the "... only thing that lasts." This practice of leasing and not selling land fee simple to homebuyers has been identified during the planning process as a deterrent to developing new housing in the community. Concerns include the uncertainty of potentially escalating lease payments. Others feel it would be difficult to both obtain a mortgage and sell a home constructed on leased land.

There appears to be a general lack of a full understanding regarding potential terms of a land lease and OC's willingness to negotiate lease terms. For example, OC leases have been up to 99 years and shorter term leases have been renewable. However, during the focus group it was suggested that "...even with good terms, they wouldn't feel they own it" as most households are more accustomed to owning a home fee simple. While many stakeholders and consumers view the lease issue as a potential obstacle to housing development, Housing Preference Survey results did not suggest that the land lease issue was a critical factor discouraging moving within Unalaska. Also, lenders interviewed did not view the lease issue as a major impediment to buying a home assuming lease terms were reasonable.

### Goal # 8

**A. Improve Homebuyer Confidence in the Concept of Leasing Land for Housing;**

**and**

**B. Structure Land Lease Terms to Address the Needs of Both OC and Potential Lessees**

Residential leases are different than commercial leases and necessitate home buyer confidence. These recommendations are for OC's consideration to both help the Corporation continue fulfilling its mission and enhance the community's ability to carry out the housing vision and plan.

## **Strategies**

1. It is recommended that a “model lease” to be used for Unalaska homebuyers be prepared. Establishing a special task force is encouraged to work with OC to reach consensus on this model lease. This task force should include the City, a consumer and representative from Key Bank. The intent is to:
  - Create broad confidence within the community that all land lease terms will meet a homeowner’s long term housing needs and concerns; and
  - Lease terms meet the long-term needs of OC and its shareholders.

Proposed terms of a “model lease” for housing could address these guiding principles:

- Length of the leases are long term, at least as long as the length of the asset;
  - Leases are transferable to increase homebuyer confidence and facilitate a sale to a subsequent home buyer;
  - Leases are renewable; and
  - Lease fees are reasonable and any increases are linked to a predetermined cost of living index.
2. Support a public awareness and education campaign designed to overcome the myths and stereotypes connected to leasing land. Once “model lease” terms are formulated, it is recommended that a brochure be prepared and distributed throughout the community. Material could also be included on OC and the City’s web sites explaining the model lease terms. There could be a section of Frequently Asked Questions to increase understanding of the lease concept and minimize misconceptions. Examples of other communities within Alaska and elsewhere such as Palm Springs, California in which land leases for housing are used could be shared.

Also, potential benefits of leasing for some homebuyers could be addressed. For example, leasing the land can reduce the initial housing cost to the homebuyer.

## Zoning

### Issue

Local government's influence on affordable housing includes land use and development approval processes, particularly through zoning, regulatory permit processes, and permit fees arrangements

The minimum lot size in Unalaska's zoning code for a single family home is 10,000 square feet. The minimum lot size for a duplex is 12,500 square feet. These minimum lot sizes appear excessive and may impede some infill housing development.

### Goal # 9

**Ensure That Zoning and All Regulatory and Permit Processes Support the Redevelopment of In-Fill Lots and New Subdivisions for New Housing Development**

### Strategies

1. Amend the Single Family/Duplex Residential Zoning District (SFD-R) in Unalaska's Title 8: Planning and Land Use Development code. The minimum lot sizes for both a detached single family home and duplex should be reduced from 10,000 and 12,500 square feet respectively to 6,000 square feet. This reduced lot size should be conditional on an approved site plan that includes off-street parking and provisions for snow removal.

The minimum lot width at the front lot line should be reduced from 70 feet to 60 feet to better accommodate irregular shaped parcels.

2. Review the regulatory processes to determine if there are opportunities to streamline the approval processes.

## Fair Housing

### Issue

There is need for more education regarding fair housing laws based upon stakeholder interviews and the Housing Preference Survey results. Property owners need education regarding fair housing laws. Responsibility for enforcing fair housing law rests with the HUD Fair Housing Regional Office in Seattle. Regional HUD offices enforce fair housing laws; conduct training, outreach, and compliance monitoring; and work with state and local agencies to administer fair housing programs.

### Goal #10

**Create Greater Awareness and Compliance of Fair Housing Laws and Requirements among Local Landlords**

### Strategy

- Request the HUD Fair Housing Regional Office in Seattle to conduct workshops for local landlords regarding Title VIII of the Civil Rights Act of 1968 that prohibits discrimination in the sale, rental and financing of dwellings based on protected classes.
- Inform providers of rental housing of rights and responsibilities through ongoing training of landlords of multifamily units containing four or more units.
- Prepare fair housing outreach materials and explore possible funding sources to complete this task.

## Organizational / Management

### Issue

There are several local organizations in Unalaska that have a primary role in the improvement of the City's housing situation – most notably the City of Unalaska, Ounalashka Corporation and the Qawalangin Tribe of Unalaska. None of these organizations have staff dedicated to housing. Further, none of these organizations have housing development or improvement as a primary mission.

### Aleutian Housing Authority

The primary housing developer covering the City of Unalaska is the Aleutian Housing Authority (AHA) located in Anchorage. AHA was organized in 1977 to provide affordable housing and other related housing services to low-to-moderate-income families throughout the Aleutian Pribilof Islands region that includes the City of Unalaska. With the passage of the federal Native American Housing and Self-Determination Act (NAHASDA) in 1998, AHA became the "Tribally Designated Housing Entity," and is responsible for managing these funds in partnership with the Qawalangin Tribe of Unalaska.

AHA also serves as a housing developer and currently owns the 15 units at the Unalaska Senior Center and 49 additional affordable homes that they rent. AHA is also a partner in the 16 unit Tradewinds Apartments that was financed with equity from Low Income Housing Tax Credits and a Rural Development Section 515 loan.

### Non-Traditional Housing Providers

As the result of a lack of adequate housing choices and the seasonal nature of major employers in the City, several non-traditional housing providers have been compelled to provide housing for their employees. Housing providers comprise some of the City's largest employers including Unisea, Westward Seafoods, Alyeska Seafoods, Unalaska School District and the City of Unalaska.

### Goal # 11

**Increase the Capacity of All Local Organizations to Carryout Housing Improvement and Development**



## Strategies

### 1. Ounalashka Corporation

The Ounalashka Corporation (OC) is the for-profit Alaska Native Village Corporation for Unalaska. OC was formed in 1973 under the Alaska Native Claims Settlement Act of 1971. OC is the primary property owner in the City and is a key player in any plan to improve housing in the City. The organization has developed about 38 homes in the City which they currently lease.

Housing development is a full-time responsibility requiring a staff person dedicated to this role. As the City's primary landowner, OC needs dedicated staff to proactively focus on housing improvement and development. It is recommended that OC consider either:

- Create a new development specialist position on its staff responsible for housing development; or
- Contract with an individual/firm with experience and expertise in this field.

This person/firm would be responsible for managing all aspects of OC's housing development and improvement initiatives at the direction of the Executive Director and Board of Directors. This position would also serve as OC's primary liaison for working with other community partners in carrying out all housing plans.

It is recommended that responsibilities for this position/firm also include providing technical assistance to the Qawalangin Tribe of Unalaska to increase its capacity as described in the following section. Further responsibilities of this role would include identifying OC and Q-Tribe staff development and training needs and assuring that training is obtained.

### 2. Qawalangin Tribe of Unalaska

The Qawalangin Tribe of Unalaska (Q-Tribe) has responsibility for establishing priorities for the use of The Native American Housing Assistance and Self Determination Act (NAHSDA) funds. AHA is responsible for managing the program. In the past several years the Q-Tribe's priority has been a housing rehabilitation program for eligible elders with a per unit cap of \$25,000.

As a governmental entity, Q-Tribe is positioned to access other State and federal funds. Similar to OC, the organization does not have a staff position responsible for housing.

The mission statement of the Qawalangin Tribe states: The Qawalangin Tribe of Unalaska, a federally recognized sovereign nation, vows to exercise its powers to

further the economic and social well-being of all its members, and in so doing, will safeguard and support the Unangan language, culture, customs and traditions for those generations to come.

Responsibilities of the proposed OC housing development position described above are encouraged to also include providing technical assistance to the Qawalangin Tribe of Unalaska for securing, overseeing and managing NAHASDA funds and other housing resources. A strategic alliance between OC and Q-Tribe regarding housing could be mutually beneficial.

Qawalangin Tribe is encouraged to work towards being certified as a nonprofit housing developer and access additional funding sources as a State and a HUD recognized Community Housing Development Organization (CHDO). This designation would make the Qawalangin Tribe eligible for HOME funds for housing development and technical assistance. By increasing the housing development capacity of Q-tribe and OC, additional resources could be accessed including the Indian Community Development Block Grant (ICDBG) program described below.

### **Alaska Office of Native American Programs (ONAP)**

Alaska Office of Native American Programs (ONAP) manages several programs targeting Alaska Native organizations such as the Q-Tribe including the Indian Community Development Block Grant (ICDBG) program. The ICDBG Program provides eligible grantees with direct grants for use in developing viable Indian and Alaska Native Communities including decent housing, a suitable living environment and economic opportunities, primarily for low and moderate income persons.

### **Technical Assistance and Training**

The Qawalangin Tribe of Unalaska is encouraged to join the National American Indian Housing Council (NAIHC). Founded in 1974 as a 501(c)(3) corporation, NAIHC is the only national organization representing housing interests of Native people who reside in Indian communities, Alaska Native Villages, and on native Hawaiian Home Lands. The NAIHC is composed of 271 members representing 463 tribes and housing organizations. NAIHC also has associate and individual members and organizations that support our mission. NAIHC promotes and supports Native housing entities in their efforts to provide culturally relevant and quality affordable housing on behalf of Native people.

NAIHC provides on-site technical assistance at the request of any tribe or tribal housing entity. A few of the areas in which NAIHC can assist are:

- The fundamentals of Indian housing management and financial accountability.

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- Preparation of operating budgets, review of staffing and personnel policies and organizational structure.
- Assessments of financial management and control functions including bookkeeping, computers and computer software.
- Indian Housing Plans and Annual Performance Reports.

The NAIHC offers a variety of training in subjects related to its mission. NAIHC offers both formal training classes and specialized training on a regional basis. Training is also provided at the annual convention. NAIHC courses are designed to assist in the development of competency in specialized areas of Indian housing management, finance and budgets, resident services, development, procurement, occupancy, modernization, and program administration.

### 3. City of Unalaska

In acknowledgement of the need to address housing issues, the City of Unalaska took action by authorizing the creation of this plan. The City has also been a housing provider for some of its employees and recently received funding to develop a new 8-plex rental housing development through a Teacher, Health Professional and Public Safety Grant from the Alaska Housing Finance Corporation.

For the City to play a long term and proactive role in housing improvement and development, an organizational change would be beneficial. The City's Department of Planning should have an expanded housing role and be reorganized as the Department of Planning and Community Development. The need for additional staff within the reorganized department should be assessed subsequent to completing responsibilities regarding the Comprehensive Plan.

Additional responsibilities of a reorganized Planning Department would include:

- Applying and managing housing and community development resources including, for example, Community Development Block Grant funds;
- Developing and managing housing incentive programs described in subsequent sections;
- Providing staff support to the Housing Consortium described later in this section; and
- Serving as the primary City liaison regarding housing issues.

The City should also establish a new position of Housing Code Inspector or contract with an individual to help enforce and abate housing and nuisance violations. This individual could also be responsible for enforcing zoning code violations. This issue is discussed further under Improving Housing Conditions strategies.

## Issue

It is critical that the activities of the many individual housing related organizations contribute to the effectiveness of a cohesive and long term housing strategy and plan for the City of Unalaska.

## Goal # 12

**Create a Climate That Fosters Efficient, Collaborative and Sustainable Progress in Carrying Out Improvements in Housing Affordability, Supply and Conditions**

## Strategy

An “Unalaska Housing Consortium” should be established to improve the environment for efficient, cooperative and sustainable progress in carrying out improvements in housing affordability, supply and conditions in Unalaska.

Purposes of the Unalaska Housing Consortium are:

- Monitor progress in carrying out the housing strategy;
- Identify and encourage the use of new and underutilized housing resources and opportunities as the result of changing State and Federal initiatives;
- Identify and address new housing issues and obstacles that evolve; and
- Enhance relationships and trust among all housing providers and stakeholders.

A Chairperson and members of the Consortium shall be appointed by the Unalaska City Council in consultation with OC. Membership should consist of the following representatives:

- City of Unalaska;
- Ounalashka Corporation;
- Additional private property owners (2);
- Qawalangin Tribe of Unalaska;
- Key Bank;
- Aleutian Housing Authority (conferenced in when not available in person);
- Fish processing company representative;
- General contractor;
- Unalaskans Against Sexual Assault & Family Violence (USAFV);
- Alexandria House;

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- Unalaska School District; and
- Two at-large members.

A Steering Committee should be established to help organize, plan and facilitate Consortium meetings. This Steering Committee should consist of the City, OC and the appointed Chairperson. City Department of Planning and Community Development should be responsible for providing staff support to the Consortium.

### **Consortium / Development Teams**

The purpose of the Unalaska Housing Consortium is different than the role of Development Teams discussed on page 39. The Consortium is intended to address the broad scope of housing issues in the City. Development Teams are focused on specific housing developments and its composition will likely vary from project to project.

**First Year Action Plan**

A first-year action plan with milestones and detailed work plan actions to reach the goals and strategies follows. This action plan will guide the community’s actions regarding housing over the next year. Each first-year action includes target dates for completion and a designation of primary responsibility for carrying out the action.

**Priority Housing Sites**

**GOAL 1**

**Create a plan for the phased development of housing sites throughout the City of Unalaska.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Creating a housing site inventory to help identify all developable sites – beginning with properties in the Valley.	City Department of Planning	March 2011
Prepare a financing plan for extending infrastructure (road improvements and utilities) along Steward Road.	City of Unalaska	September 2011
Promote and market the availability of housing sites within the City to potential homeowners and developers beginning with properties in the Valley	City Department of Planning; OC; other private owners	Ongoing
Discuss the concept of “Development Teams” and establish the City’s first such team for the development of Strawberry Hill.	Mayor, City Manager and OC Board	June 2011
Carry out clean-up efforts to enhance the overall attractiveness of potential development sites.	City of Unalaska	Ongoing

## Increasing Home Ownership

### GOAL 2

**Increase home-ownership opportunities for current and future City residents.**

#### 1<sup>st</sup> Year Actions

Action	Responsibility	Target Date
Assess the cost and availability of local individuals and firms for providing building inspection services.	City Manager	December 2011
Assess the use of Industrial Revenue Bonds to plan and install water, sewer and street improvements for targeted housing development sites – starting in the Valley.	City Risk Manager	August 2011
Prepare guidelines and assess cost for the City’s Homeownership Assistance Program.	City Department of Planning	June 2011
Apply for Community Development Block Grant funding through the State of Alaska Department of Commerce, Division of Community, and Regional Affairs for a Homeownership Assistance Program to serve as a local incentive program for homeownership.	City Department of Planning	August 2011
Enact property tax abatement program as an incentive for new housing development for homeownership.	City Department of Planning and Law Department	August 2011
Promote the availability of property tax abatement as an incentive for new housing development.	City Department of Planning	September 2011; Ongoing
Contact the Aleutian Housing Authority to co-sponsor a Housing Resource Forum to address all available resources for homeownership in cooperation with USDA and AHFC.	Co-sponsored by City, OC and Q-Tribe	August 2011

**Expand the Supply of Rental Housing**

**GOAL 3**

**Increase the supply of affordable rental housing using local funds to leverage other resources.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Enact property tax abatement program as an incentive for new rental housing development.	City Department of Planning and Law Department	August 2011
Promote the availability of property tax abatement as an incentive for new housing development.	City Department of Planning	September 2011; Ongoing
Convene a meeting with the AHA, OC and Q-Tribe regarding the submission of a 2012 Low Income Housing Tax Credit application.	City Planning Department	September 2011
Initiate predevelopment process, including site selection and the selection of development team members, for submitting an application to the Alaska Housing Finance Corporation in 2012.	AHA, OC, Q-tribe and City Planning Department	October 2011



## Improving Housing Conditions

### GOAL 4

**Preserve and improve the condition and stability of existing housing throughout the City.**

#### 1<sup>st</sup> Year Actions

Action	Responsibility	Target Date
Establish a Task Force including consumers, OC, and others to decide upon either expanding the Nuisance Code or establishing a new housing code section addressing minimum housing maintenance and occupancy code.	City Department of Planning	May 2011
Carryout Task Force recommendations by creating necessary legislation.	City Manger, Law Department, City Council	June 2011
Prepare a detailed program proposal with guidelines for a Unalaska Home Improvement Program.	Department of Planning	June 2011
Apply for Community Development Block Grant funding through the State of Alaska Department of Commerce, Division of Community, and Regional Affairs for a Homeownership Assistance Program to serve as a local incentive program for homeownership.	Department of Planning	August 2011
Include resources to improve the condition of housing in the Housing Forum.	Co-sponsored by City, OC and Q-Tribe	August 2011
Meet individually with the fish processing and other companies providing bunkhouses regarding the condition of their properties and seek opportunities to make the necessary improvements to their housing developments.	Mayor, Housing Consortium Chairperson	Ongoing

**GOAL 5**

**Make existing housing more affordable**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Work with the Aleutian Housing Authority to seek Section 8 Housing Vouchers for Unalaska residents under the Section 8 Housing Assistance Payments program.	Department of Planning	November 2011
Include Weatherization resources in the Housing Forum — both the AHA Weatherization and the AHFC Home Energy Rebate Program.	Co-sponsored by City, OC and Q-Tribe	August 2011
Include green technology and weatherization tools in all new housing construction.	All community partners and developers	Ongoing

**Adaptive Reuse of Existing Buildings**

**GOAL 6**

**Adaptively reuse older landmark historic buildings to preserve Unalaska’s historic heritage and create a broader range of housing choices.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Ensure that the “Red Brick Building” owned by OC is inspected and adequately moth-balled to stop any further deterioration to the structure.	OC	January 2011
Form a “Red Brick Building” Development Team to begin the process of 1) assessing the potential adaptive reuse of this property and 2) steps to transform the area to a more marketable housing site.	OC, City of Unalaska, Fish processing company representatives	November 2011

**Emergency Housing**

**GOAL 7**

**Provide a comprehensive system of emergency shelter in Unalaska.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Alexandria House meets with community residents regarding its previous proposal and crafts an alternate plan and / or location.	Alexandria House	June 2011
Unalaskans Against Sexual Assault & Family Violence and Alexandria House Board members meet to begin assessing the potential for crafting a long term strategic alliance between the two organizations.	Unalaskans Against Sexual Assault & Family Violence and Alexandria House Board members	September 2011

**Land Lease Issue**

**GOAL 8**

- 1) Improve homebuyer confidence in the concept of leasing land for housing; and**
- 2) Structure land lease terms to address the need of both OC and potential lessees.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Establish a task force to craft a “model lease” based on the identified principles described in the strategy section.	OC	March 2011
A “model lease” is approved by Task Force and adopted by OC.	OC	May 2011
Prepare and carryout a public awareness and education campaign designed to overcome the myths and stereotypes connected to leasing land.	OC	June 2011; Ongoing

**Zoning**

**GOAL 9**

**Amend the zoning code to provide more flexibility in redeveloping in-fill lots and new subdivisions for new housing development.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Amend Title 8: Planning and Land Use development by reducing 1) The minimum lot sizes for both a detached single family home and duplex from 10,000 and 12,500 square feet respectively to 6,000 square feet and 2) the minimum lot width at the front lot line from 70 feet to 60 feet to better accommodate irregular shaped parcels.	Department of Planning	May 2011

**FAIR HOUSING**

**GOAL 10**

**Create greater awareness and compliance of fair housing laws and requirements among local landlords.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Contact the HUD Fair Housing Regional Office in Seattle regarding participating in the Housing Forum.	Co-sponsored by City, OC and Q-Tribe	August 2011

**Organization and Management issues**

**GOAL #11**

**Increase the capacity of local organizations to carryout housing improvement and development in the City of Unalaska.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
OC considers establishing a new housing development position or contract with a firm.	OC Board	January 2011
OC considers preparation of a job description for position / firm and recruits a qualified individual or firm.	OC Director	March 2011
OC and Q-Tribe establish an alliance for sharing services of the new housing specialist / firm.	OC Board and Q-Tribe Board	April 2011
OC and Q-Tribe prepare and execute a Memorandum of Understanding regarding the alliance for providing housing support	OC Board and Q-Tribe Board	May 2011
Q-Tribe joins the National American Indian Housing Council for the purpose of receiving training and technical assistance.	Q-tribe executive Director	May 2011
City broaden the Department of Planning to a Department of Planning and Community Development.	City Manager and City Council	February 2011
Current positions in City Department of Planning reviewed to align with new responsibilities.	City Manager	April 2011



**GOAL # 12**

**Create a climate that fosters efficient, collaborative and sustainable progress in carrying out improvements in housing affordability, supply and conditions in Unalaska.**

**1<sup>st</sup> Year Actions**

<b>Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Meetings held with all potential organization to be represented on the Unalaska Housing Consortium to secure their cooperation and participation.	City Manager	January 2011
Housing Consortium established and all members and a chairperson are appointed.	Mayor, City Council	March 2011
Housing Consortium Steering Committee established.	Housing Consortium	March 2011
Housing Consortium's mission and by-laws prepared.	Housing Consortium (Task Force to prepare by-laws)	April 2011

**Appendix A**

**City of Unalaska Housing Conditions Assessment**

Tax / Parcel #: \_\_\_\_\_

Amaknak Island   
 Standard Oil Hill   
 Unisea

Unalaska Island   
 Alyeska  Downtown   
 Westward  Valley

Vacant: Yes  No

**CONSTRUCTION TYPE:**

Wood Frame   
 Masonry   
 Trailer   
 Modular   
 Other \_\_\_\_\_

**STRUCTURE TYPE:**

Single Family   
 Duplex   
 Multi-Family  # of Units \_\_\_\_  
 Bunkhouses  # of Units \_\_\_\_  
 Other \_\_\_\_\_

**#1 - PROPERTY MAINTENANCE:**

0 Well maintained  
 15 Moderate maintenance issues  
 25 Substantial maintenance issues

**#3 - SIDING/STUCCO:**

0 Does not need repair.  
 1 Needs re-painting.  
 5 Needs to be patched and re-painted.  
 10 Needs replacement and painting.

**#2 - ROOFING:**

0 Does not need repair.  
 5 Shingles missing  
 5 Chimney needs repair  
 10 Needs re-roofing  
 25 Roof structure needs replacement and re-roofing.

**#4 - WINDOWS:**

0 No repair needed.  
 1 Broken window panes  
 5 In need of repair.  
 10 In need of replacement.

Points based on criteria above	#1 Maintenance	#2 Roofing	#3 Siding/ Stucco	#4 Windows	TOTAL POINTS

<p><b><u>SCORING CRITERIA</u></b>                  Sound: 5 or less                  Minor Repair: 6 - 10                  Moderate Repair: 11 - 34</p>
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Substantial Repair: 35 - 50 Dilapidated: 51 and over
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## **DILAPIDATED UNIT**

51 A unit suffering from excessive neglect, where the building appears structurally unsound and lacks maintenance, not fit for human habitation in its current condition, may be considered for demolition or at a minimum, major rehabilitation will be required.

Comments:

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Surveyor \_\_\_\_\_ Date \_\_\_\_\_

**Appendix B**

**City of Unalaska, Alaska  
Housing Preference Survey for City Residents  
Update of the City of Unalaska Comprehensive Plan**

**1. What part of the City of Unalaska do you live?**

- a) Amaknak Island (Dutch Harbor side) \_\_\_\_
- b) Unalaska Island \_\_\_\_

**2. How long have you lived at your current address?**

- a) 1-2 years \_\_\_\_
- b) 3-5 years \_\_\_\_
- c) 6-10 years \_\_\_\_
- d) More than 10 years \_\_\_\_
- e) All my life \_\_\_\_

**3. Do you own or rent your current residence?**

- a) Own \_\_\_\_
- b) Rent \_\_\_\_

**4. What kind of home do you currently live in?**

- a) Single family detached house \_\_\_\_
- b) Apartment \_\_\_\_
- c) Attached town house \_\_\_\_
- d) Duplex \_\_\_\_
- e) Trailer \_\_\_\_
- f) Other \_\_\_\_
- g) Unsure \_\_\_\_

**5. What were the primary reasons for your decision to live at your current address?**

**Please choose up to three.**

- a) Proximity to work \_\_\_\_
- b) Quality of schools \_\_\_\_
- c) Live in a more rural setting \_\_\_\_
- d) Proximity to family or friends \_\_\_\_
- e) Safety \_\_\_\_
- f) Social activities \_\_\_\_
- g) Atmosphere / community feel \_\_\_\_

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- h) Quality of life \_\_\_\_
- i) Cost of home / Cost of rent \_\_\_\_
- j) Quality / type of house or apartment \_\_\_\_
- k) Home features (e.g. 3 of bedrooms, large kitchen) \_\_\_\_
- l) Other \_\_\_\_

**6. If you were to consider moving within the next 3 years, would you stay in the City of Unalaska?**

- a) Definitely yes \_\_\_\_
- b) Probably yes \_\_\_\_
- c) Definitely no \_\_\_\_
- d) Probably no \_\_\_\_

**7. If you answered “Definitely yes” or “Probably yes” to question 6 above, which part of Unalaska would you prefer?**

- a) Amaknak Island (Dutch Harbor side) \_\_\_\_
- b) Unalaska Island \_\_\_\_

**8. If you answered “Definitely yes” or “Probably yes” to question 6 above, which would you prefer to be?**

- a) Owner \_\_\_\_
- b) Renter \_\_\_\_

**9. If you answered “Definitely yes” or “Probably yes” to question 6 above, what kind of home would you prefer?**

- a) Single family detached house \_\_\_\_
- b) Apartment \_\_\_\_
- c) Attached town house \_\_\_\_
- d) Duplex \_\_\_\_
- e) Trailer \_\_\_\_
- f) Other \_\_\_\_
- g) Unsure \_\_\_\_

**10. If you answered “Definitely yes” or “Probably yes” to question 6 above, what would be your reason for moving within Unalaska?**

- a) To find a larger home \_\_\_\_
- b) To find a smaller home \_\_\_\_
- c) To find a less expensive home \_\_\_\_
- d) Home features (e.g. number of bedrooms, large kitchen). \_\_\_\_
- e) To live in a different community within Unalaska \_\_\_\_

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- f) To be closer to work \_\_\_
- g) Prefer to own a home \_\_\_
- h) Prefer to rent \_\_\_
- i) Land is currently being leased \_\_\_
- j) Other \_\_\_ (please explain below)

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**11. If you answered “Definitely no” or “Probably no” to question 6 above, what are the primary factors for your decision to NOT live in the City of Unalaska? Please choose up to three.**

- a) Proximity to work \_\_\_
- b) Quality of schools \_\_\_
- c) Safety \_\_\_
- d) Social activities \_\_\_
- e) Atmosphere / community feel \_\_\_
- f) Quality of life \_\_\_
- g) Cost of home / Cost of rent \_\_\_
- h) Quality / type of house or apartment \_\_\_
- i) Home features (e.g. 3 of bedrooms, large kitchen). \_\_\_
- j) Housing not being available \_\_\_
- k) Land being leased \_\_\_

**12. Please share any ideas you have for improving the quality and/or the cost of housing in Unalaska including your suggestions for the City of Unalaska’s role.**

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**13. Which of the following best describes your household?**

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- a) Empty nester (children no longer living at home) \_\_\_\_
- b) Couple, no children \_\_\_\_
- c) Couple with one or more children at home \_\_\_\_
- d) Single, no children \_\_\_\_
- e) Single with one or more children at home \_\_\_\_
- f) Other \_\_\_\_
- g) Prefer not to answer \_\_\_\_

### **14. What is your age?**

- a) Under 18 \_\_\_\_
- b) 18 -29 \_\_\_\_
- c) 30 - 44 \_\_\_\_
- d) 45 - 59 \_\_\_\_
- e) Over 60 \_\_\_\_

### **15. Which range best describes your total annual household income?**

- a) Less than \$20,000 \_\_\_\_
- b) \$21,000 to 35,000 \_\_\_\_
- c) \$36,000 to 50,000 \_\_\_\_
- d) \$51,000 to 75,000 \_\_\_\_
- e) \$76,000 to 100,000 \_\_\_\_
- f) \$101,000 to 125,000 \_\_\_\_
- g) \$126,000+ \_\_\_\_
- h) Prefer not to answer \_\_\_\_

### **16. What best describes your racial or ethnic background?**

- a) White (Caucasian) \_\_\_\_
- b) Black (African American) \_\_\_\_
- c) Hispanic \_\_\_\_
- d) Native American \_\_\_\_
- e) Asian \_\_\_\_
- f) Other \_\_\_\_
- g) Prefer not to answer \_\_\_\_

**Thank you for your time. Together we can make Unalaska an even better place to live.**

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