HFA: Alaska Housing Finance Corporation (AHFC)
Entry Name: Lands to Housing Catalyst
Category: Special Achievement

As America's most ginormous State, Alaska is the last place people think of as being land poor. But even though our landmass eclipses the combined sizes of France, Germany, Italy and Spain, only 1% of Alaska's land is privately held. That's not a typo. Alaska is the least privately owned state in the country. The next smallest share of privately held land is Nevada at 12%. Most of the other 48 states have private ownership rates over 50%.

Building new housing takes land. It's the fundamental constraint Housing Finance Agencies face. No combination of funding, partnerships or innovative thinking can deliver housing without land.

Although we are a relatively young State, most of the privately owned lands that were buildable have already been developed. The vacant lands we have left are mostly government owned (state, federal or tribal) or are prohibitive to build on due to topography and site issues… Others are so geographically isolated that developments at scale would be impracticable.

As our communities try to grow to support the next generation of Alaskans, public lands need to be unlocked for housing or we will run out of land to build on. It's the reality of our math, and we already have communities grappling with the buildable lands = 0 outcome.

But wresting land from public owners to develop housing is not quick or easy. The years involved can turn cost / revenue forecasts into articles of faith, and political turnover can reset the risk calculus or derail the scope entirely. If the caricatured process was turned into an audiobook, it's the sort of high-risk, low-probability story that could warmly be narrated by Eeyore.

Stepping Up to Get New Lands for Housing

Our need for new land to build housing is statewide and has reached crisis levels in several regions. In FY2025, our Legislature and Governor asked Alaska Housing Finance Corporation (AHFC) to work with public landholders to get lands for housing - and we came together to make it happen! They appropriated $4M in State funds for us to start the work, and AHFC directed $20M+ in federal sources to level-up that seed money. Over the last year, AHFC engaged with public landholders to secure 15 properties with roughly 700 acres for new housing in 7 communities across Alaska – and a new development model was born in the process.

We call the work *The Lands to Housing Catalyst*. AHFC didn't just acquire land, we launched development initiatives for the properties that will bring hundreds of new single and multi-family housing units online for Alaskans across all incomes. The work involves an expanded rolodex of new partners, closer coordination with local governments and a first of its kind model for our state.

And its success is continuing forward with more public lands and expanded funding in the pipeline.

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Innovation

Excepting local governments, we have four primary public agency landholders: the Alaska Mental Health Trust Authority, the Department of Natural Resources, the Alaska Railroad, and the University of Alaska. Collectively and separately, AHFC met with the leadership and staff at all four organizations to assess the disposition processes / constraints for their properties suitable to housing starts. AHFC's first meetings assessed the timelines and practical likelihood of being able to secure lands from each partner, and a rough viability assessment for housing builds on their lands. There were some legit regulatory constraints, a plethora of operational ones, but several housing opportunities via targeted acquisitions and land improvements came into view.

<u>Cost Triage</u>: *Distinguishing Plausibly Acquirable and Plausibly Developable Lands*
Building here is expensive. Alaska's infrastructure is centuries behind other states. Our communities span several climate zones and many are off the road system. Logistics and shipping are expensive nightmares, our workforce is small and the building seasons are short. By necessity, we modeled the housing feasibility gaps on land with reduced or no acquisition costs for developers. If housing would still be infeasible with no acquisition costs for builders, we modeled the scale of likely resources needed to achieve viability and / or classified the lands as prohibitive.

<u>Source Triage</u>: *Modeling Development Costs with Probable Leverage Sources*
There are still communities in Alaska where homebuyer debt and equity can cover the cost of housing built by the private sector. But the margins are small, and building in these communities requires clean land and sharp pencils. For rental housing, it is a different story. The gap between affordable and market rents has compressed towards parity in recent years. In all markets, the achievable rents are unable to support the debt needed to fund construction. For affordable rentals, the debt supported by each rental unit only covers between 10%-15% of the cost to build it.

<u>Trust, but Verify</u>: *Site Visits and Community Pulse Checks*
Deep dives started last February with spreadsheets and PDFs of properties, then endless maps, and finally meetings around tables with our partners and google earth to walk through site questions. Once a refined list of property candidates was set, AHFC visited each site and began environmental reviews and development scenario modeling. Outreach to prospective local government partners followed. Properties with untenable friction were crossed off the list at each stage. Some were swampy, others lacked access, and some had great spreadsheet qualities but lacked local partner support. We only closed on lands that worked for the housing math **and** our community partners.

<u>Partner Buy-In</u>: Excited Partners Accomplish More than Paid Vendors
Roughly 700 acres were secured for 7 communities. The goal was housing across all incomes. Rental housing was planned, but our program resources relative to the acreage meant the lion's share of activity had to come through private sector builders of single-family units. AHFC engaged with the Alaska Municipal League and local governments through months of in-person and on-site meetings before launching the development rounds. Local government partner awareness, buy-in and support for the initiative was critical in leveraging the full community resources and response.

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Respond to an Important State Need

The easy to develop lands in Alaska are largely gone or publicly owned. Finding land where countless others have unsuccessfully spent years trying is requiring more ingenuity, grit and luck.

A few years ago, AHFC sponsored a dedicated round of funding to develop housing off the road system. One of our developers tried finding property in Unalaska -an island community in the Aleutians featured on the show *Deadliest Catch*. **Nothing was for sale**. They vented to a civil contractor they'd hired for a housing project in Juneau (1,200 miles to the west). By serendipity, the civil contractor owned land in Unalaska that was unlisted! The developer purchased the site for their 15 unit housing development – not because the site was ideal, but because it was the only one available. Stories like this are common, but they're neither efficient, scalable, or plannable.

Provide Benefits that Outweigh Costs

Costs: *Political risk* – potential blowback from public and / or land use disputes - *Operational risk* - steps beyond traditional operations into new partner / market space - *Financial cost* - $12M to acquire and improve lands, $13M in targeted development funding, $10k> in site visit expenses.

Benefits: Developed and implemented new housing model - Securing new partnership with buy-in – Increase local tax base, leveraged private capital - Over 1,000 new acres in pipeline, 5 new communities under evaluation for facility acquisitions and / or land improvements.

Achieve Intended Results

Our Lands to Housing Catalyst initiative set out to secure public lands for new housing builds. We were asked to get public lands for housing developments, and we did.

Land Improvement: AHFC and the University co-funded improvements to tip a marginally infeasible 30 acre property off the road system into sellable condition for homebuilders. Three properties in new communities are now under review for similar pre-sale land improvements.

Housing Development: AHFC purchased 14 publicly owned properties with 660+ acres to support several hundred new housing units in multiple communities. Funding rounds have been launched to build rental and homeowner units, and a facility conversion. Conservatively modeled, these housing builds will leverage home equity sources from the private sector exceeding $100M.

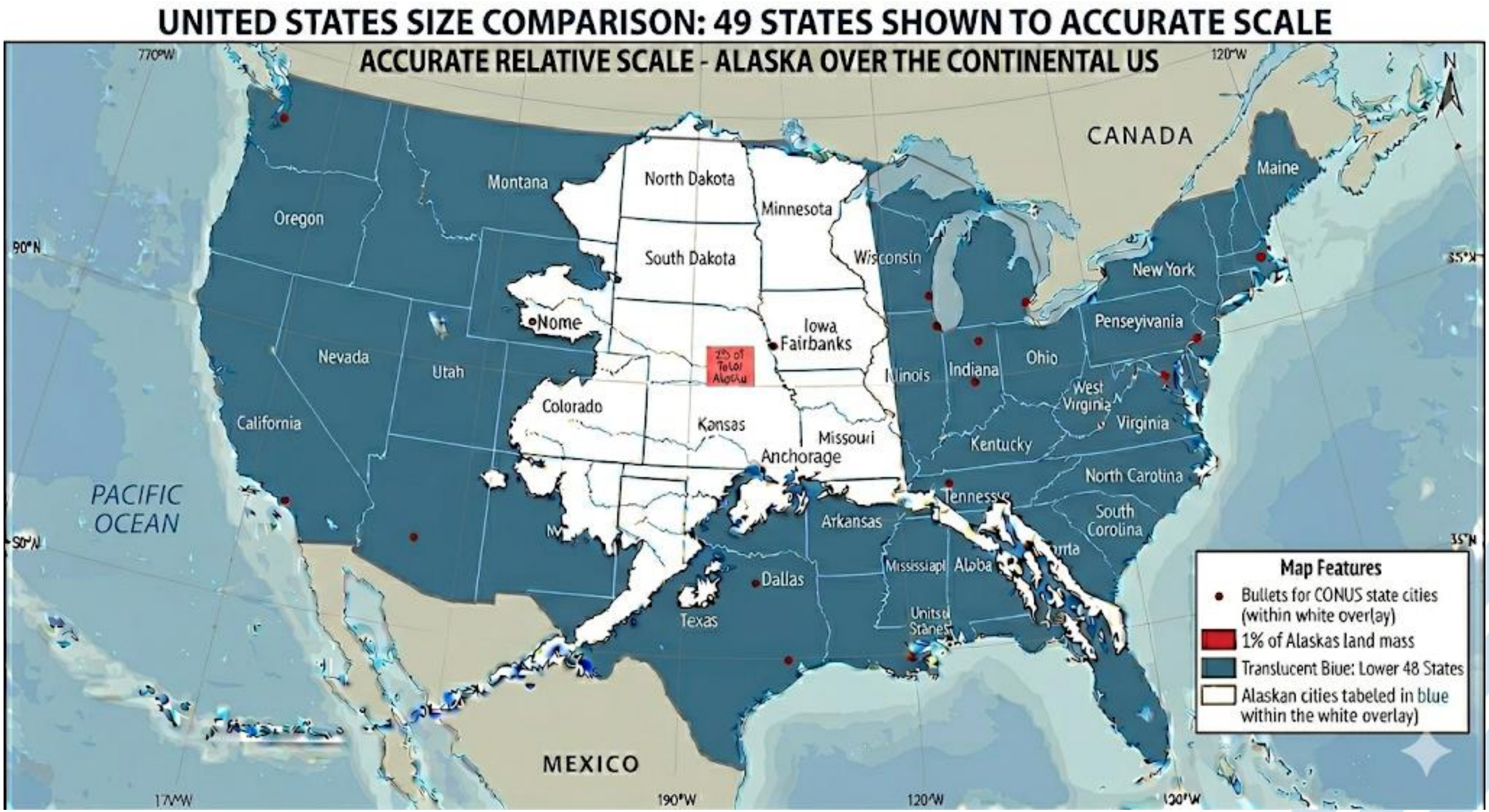
The Local Measure of Success: the Governor highlighted this work in his January State of the State address and put $8M of new funds into our budget to expand the effort. AHFC is continuing to meet weekly with our Department of Natural Resources partners to transfer up to 24 more state-owned properties with 1,000+ acres of land for additional housing builds.

Success for this initiative is not a finish line, it is a series of green lights to keep moving forward. That is exactly what we are doing, and we are bringing new partners and hundreds of new housing units with us!

Lands to Housing Catalyst

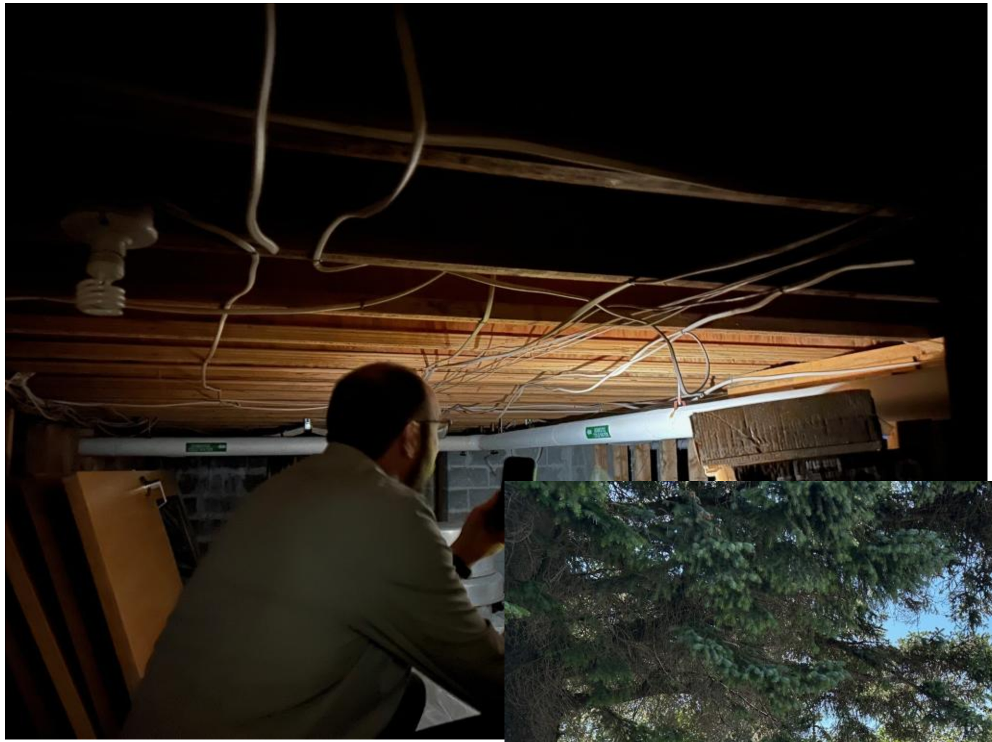
Visual Aids

Visualizing 1% Private Land Ownership in Alaska



AHFC Site Visit to Fairbanks September & November, 2025

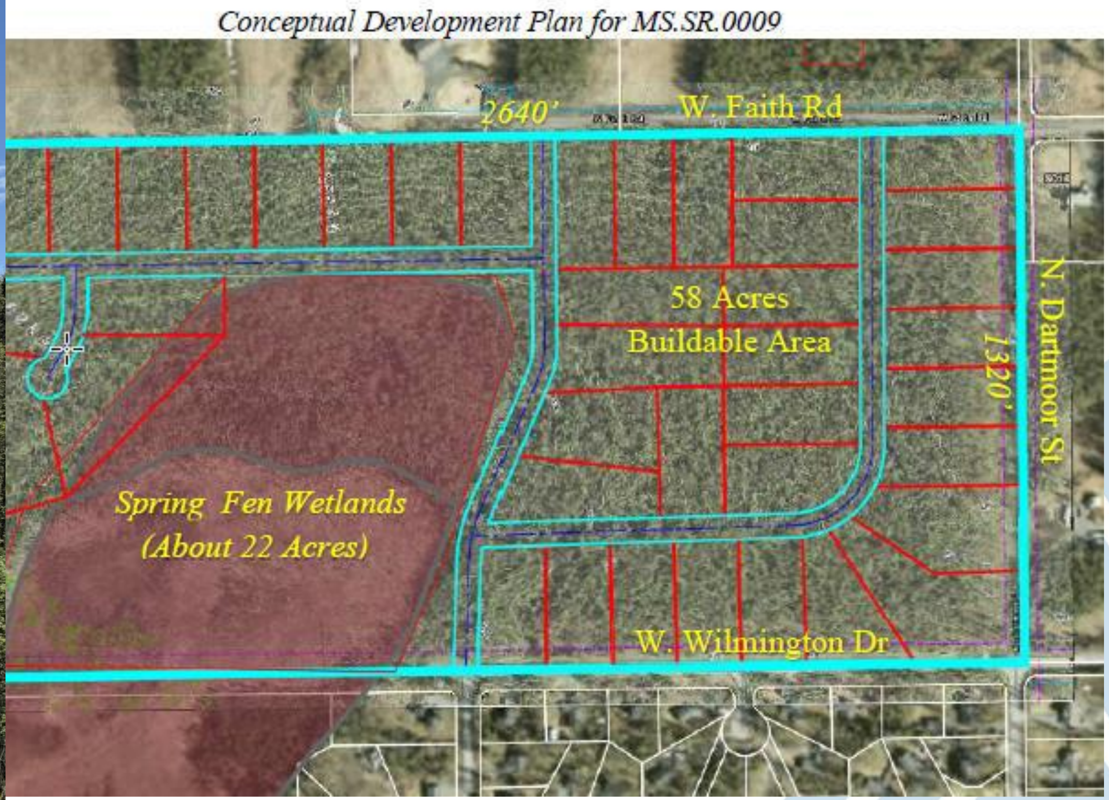
AHFC Site Visit to Seward
July - 2025



AHFC Site Visit to Dillingham
July 2025

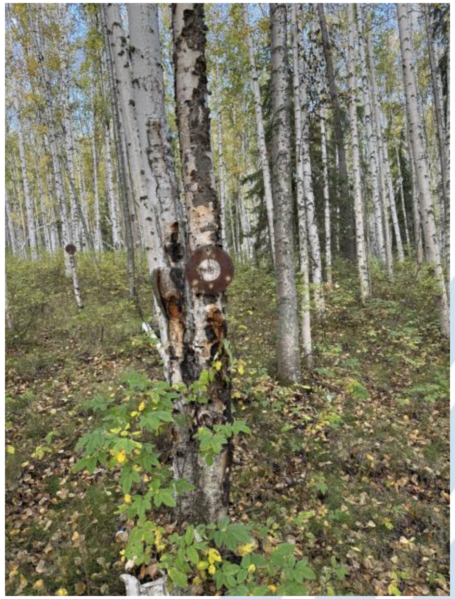
AHFC Site Visit to Bethel
July 2025

AHFC Site Visit to Mat Su Borough Properties August 2025

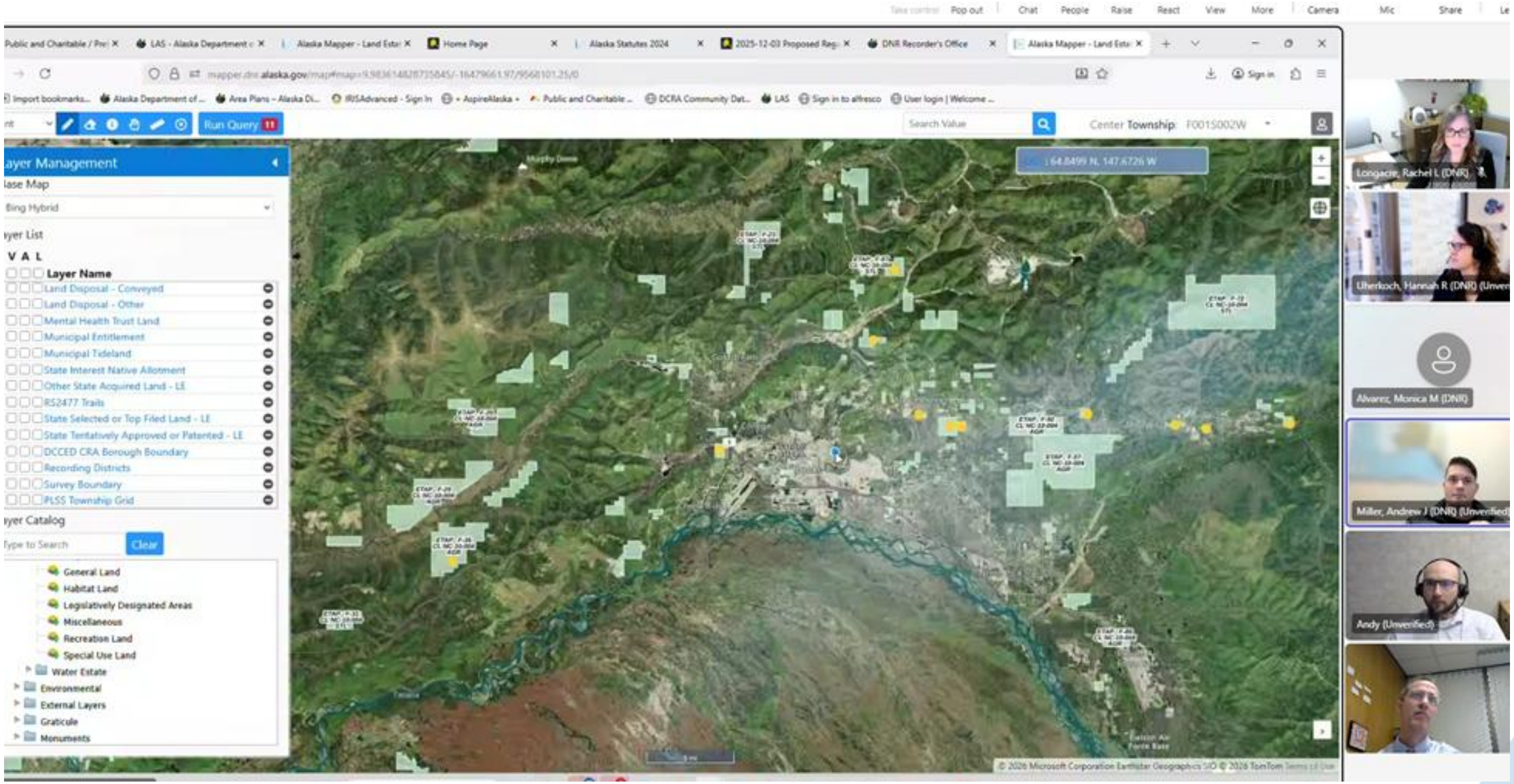


AHFC Site Visit to Anchorage June 2025

Site Visits
Noted Trespass Uses



Zoom Meetings with the Department of Natural Resources Exploring Potential Land Options



On Site Meeting with the University of Alaska
Narrowing the Scope of Acquisitions