



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Work Session

Monday, August 28, 2023

6:00 PM

Assembly Chambers

You are invited to a Zoom webinar.

When: August 28, 2023 06:00 PM Alaska

Topic: Assembly Work Session - Housing Needs Assessment

Please click the link below to join the webinar:

<https://petersburgak->

[gov.zoom.us/j/89542264578?pwd=SUY5VGhTeVRFTVdtVSttVEg2UIV5QT09](https://petersburgak-gov.zoom.us/j/89542264578?pwd=SUY5VGhTeVRFTVdtVSttVEg2UIV5QT09)

Passcode: 982861

Or Telephone:

(253) 215-8782 or (720) 707-2699

Webinar ID: 895 4226 4578

Passcode: 982861

1. Content of Work Session

A. Housing Needs Assessment - DRAFT

Agnew::Beck consultants will share the results of the 2023 Petersburg Housing Needs Assessment with the Assembly.

Petersburg Housing Needs Assessment



**HOUSING TASK FORCE
MEETING**

August 2023

Note:

This analysis is still underway. Results shared here are in draft form; final content for the 2023 Housing Needs Assessment will be shared by September 30, 2023.

Today's Agenda

Item A.



Overview



Review secondary data findings



Discuss survey data + interviews

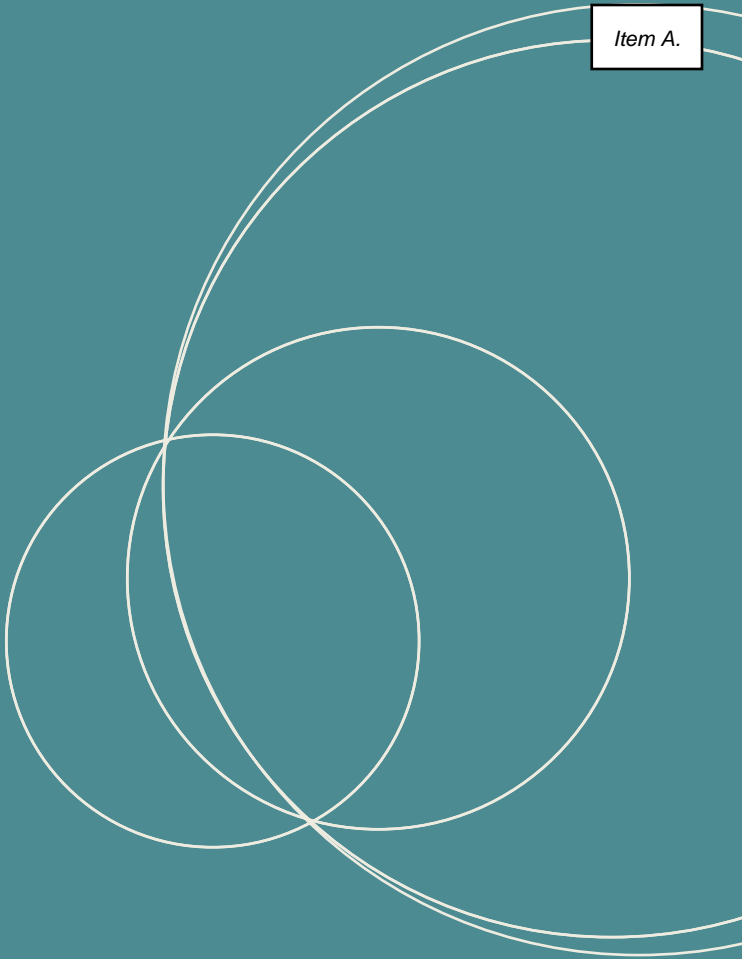


Preview of housing solutions



Next steps and timeline

Item A.



Overview

The Agnew::Beck project team



**Shanna
Zuspan**
Principal in
Charge



**Katie
Scovic**
Project
Manager



**Michelle
Bowlds**
Lead Data
Analyst



**Britta
Hamre**
Data Analyst

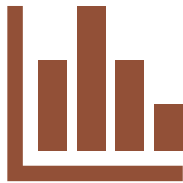


**Aaron
Mondada**
Survey
Design +
Analysis

Project Timeline



Kickoff!



Data



Survey



Interviews



**Compile +
share findings!**



We are here

Item A.

Secondary Data

Secondary Data: What we look at

- Population Estimates + Forecasts
- Housing + Household Characteristics
- Housing Need Forecast
- Local Real Estate Data

Gives us a baseline understanding of current population, housing market, and future housing needs. Tells us what to dig into more via survey + interviews.

Population Projections

Alaska Department of Labor Population Projections 2021-2050

	Petersburg Borough	Southeast Region	Alaska (Statewide)
2021-2025	0.3%	-0.5%	0.2%
2025-2030	-0.3%	-0.3%	0.3%
2030-2035	-0.5%	-0.4%	0.2%
2035-2040	-0.5%	-0.5%	0.1%
2040-2045	-0.6%	-0.6%	0.0%
2045-2050	-0.6%	-0.6%	0.0%

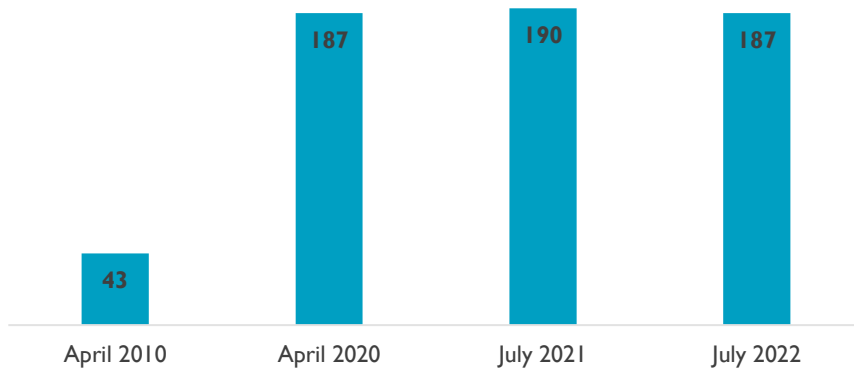
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Historical Growth Rates:

- 20 Year Average Annual Growth Rate: -1.0%
- 10 Year Average Annual Growth Rate: 0.3% *
- 5 Year Average Annual Growth Rate: 1.0%

* When group quarters populations are removed the 10-Year Average Annual Growth Rate is closer to 0.0%

Petersburg Group Quarters Population

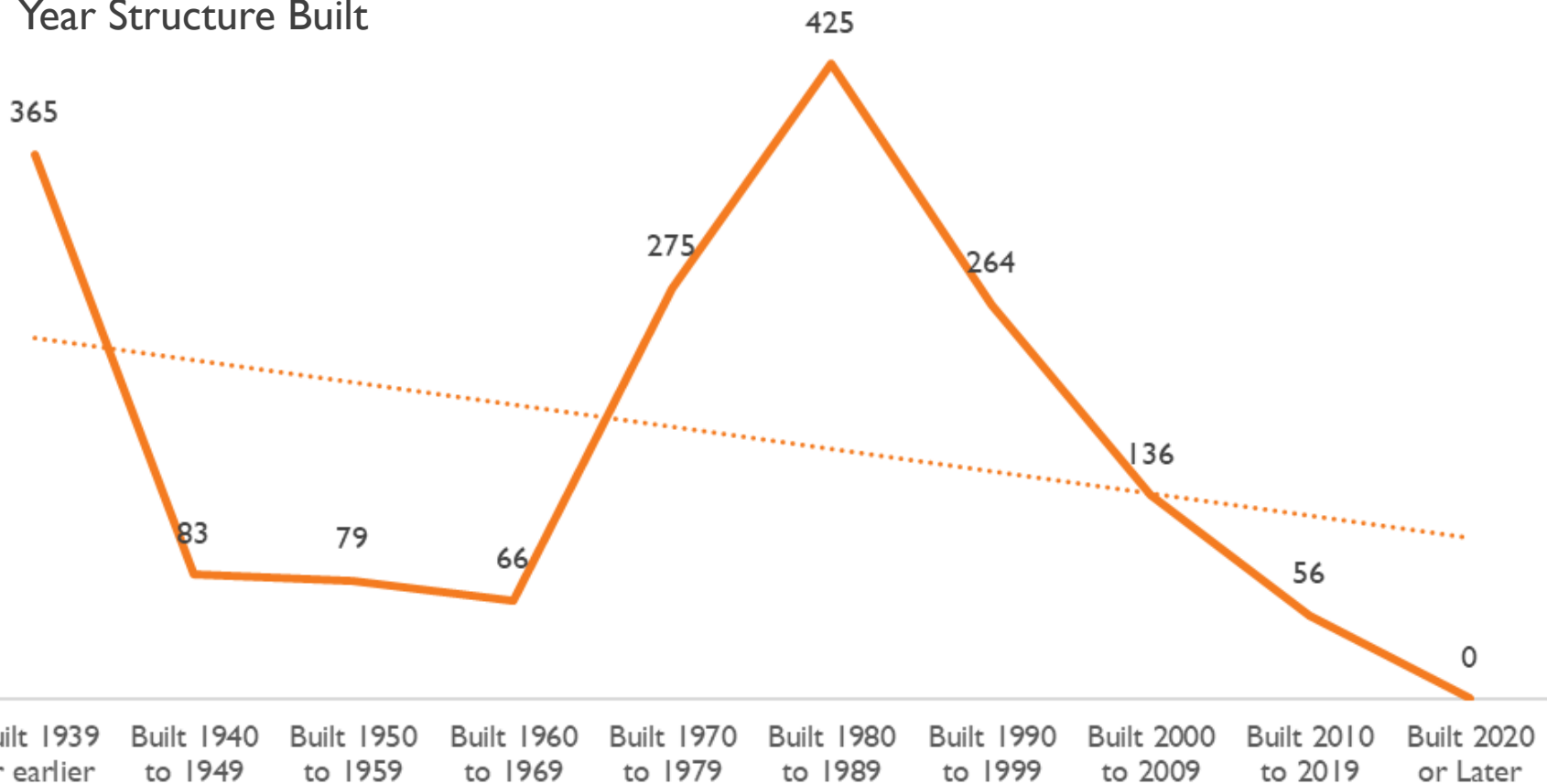


Note: Populations living in group quarters are not expected to drive demand for new housing units.

* Group quarters includes the population in shared living facilities such as barracks, dorms, employee housing, prisons and certain nursing homes.

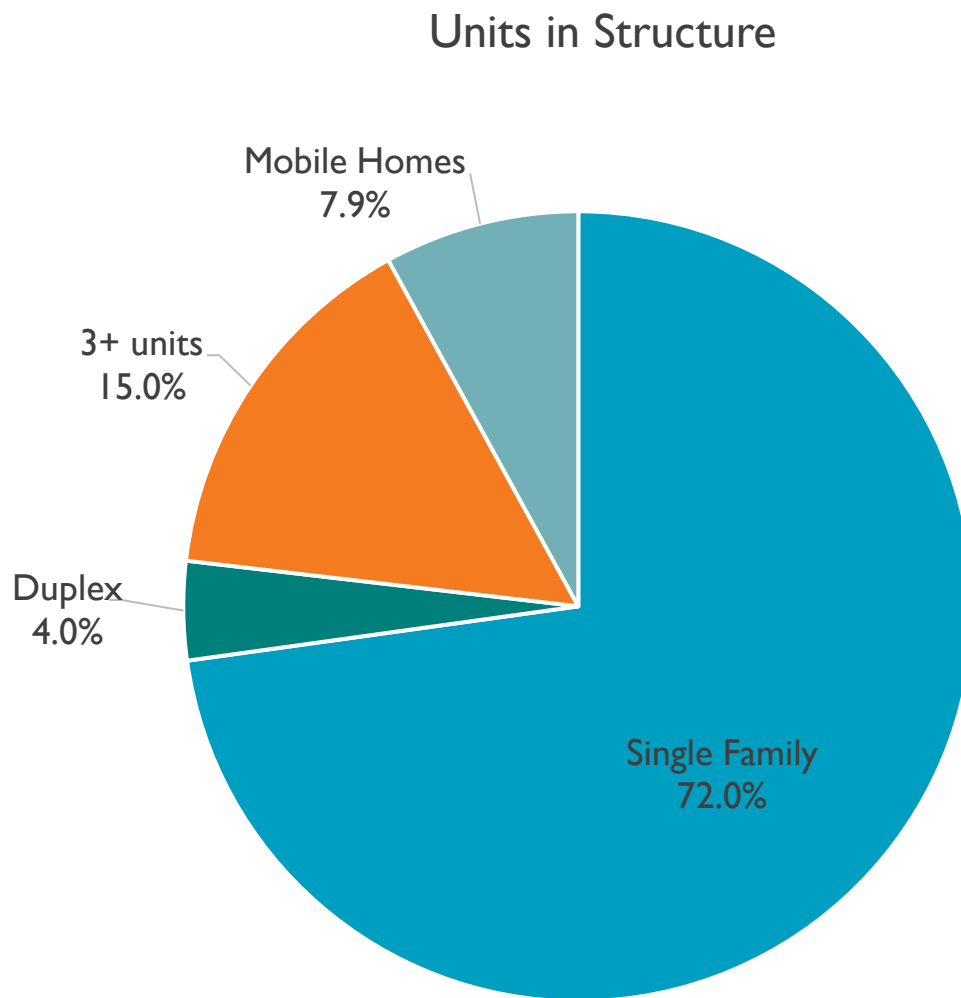
Housing Characteristics

Year Structure Built



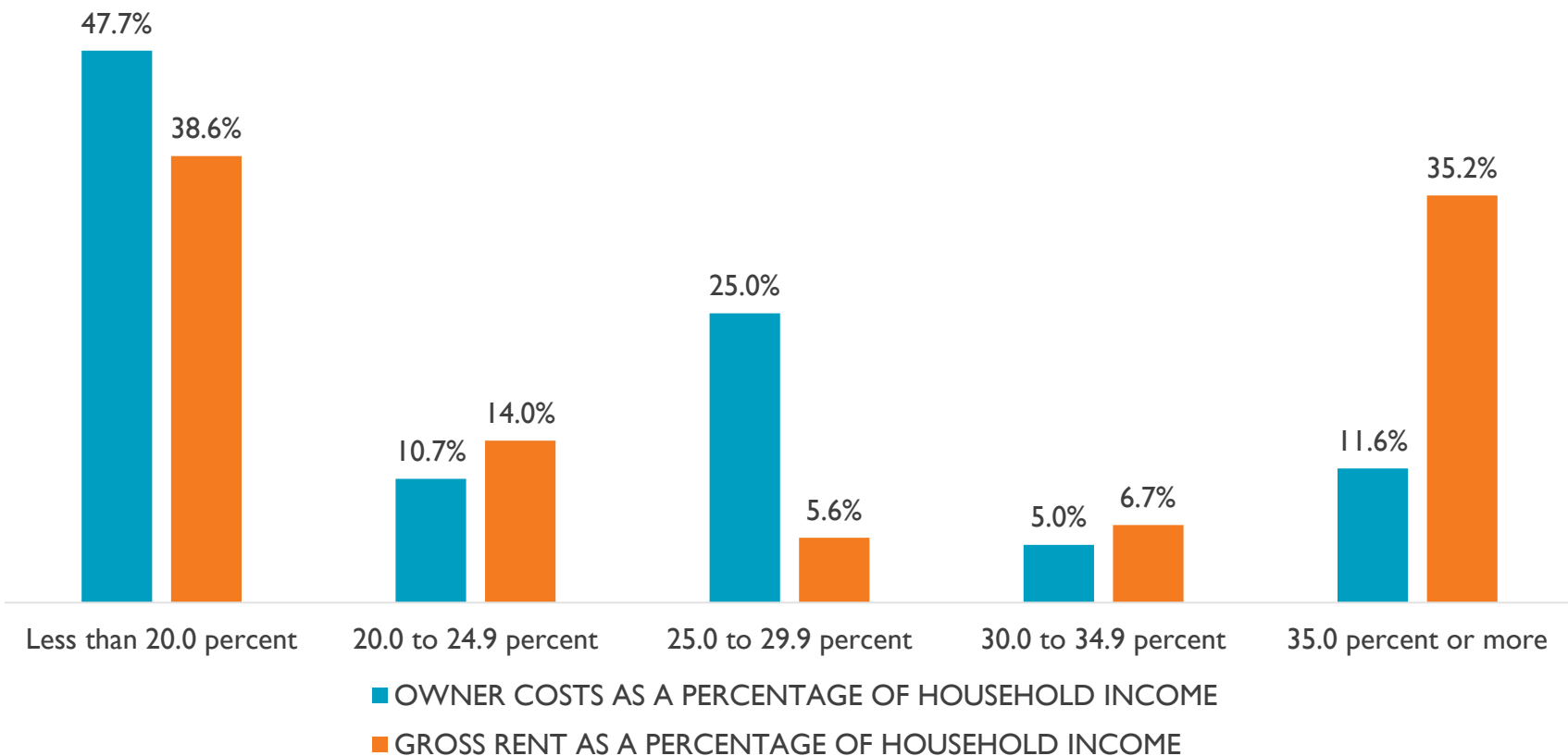
Source: 2021 ACS 5-Year Estimate Selected Housing Characteristics (Table DP04)

Housing Characteristics



Source: 2021 ACS 5-Year Estimate Selected Housing Characteristics (Table DP04)

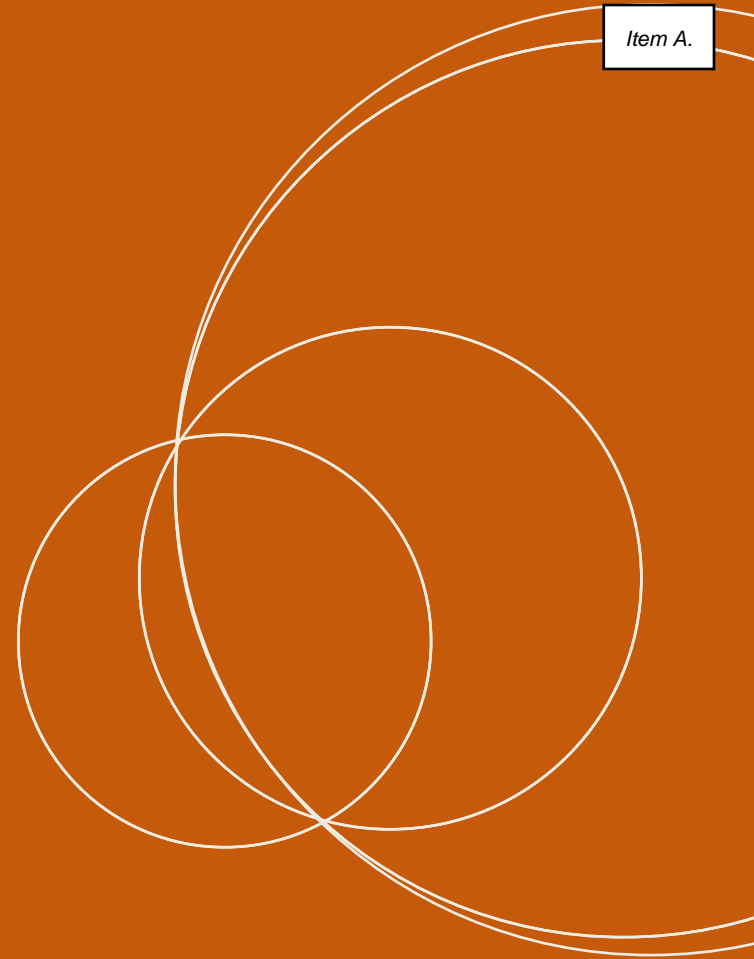
Housing Characteristics: Housing Costs as a Percentage of Household Income (by Tenure)



Source: 2021 ACS 5-Year Estimate Selected Housing Characteristics (Table DP04)

Some initial takeaways

- Population in Petersburg is expected to decline slightly from now until 2050, alongside a slight decline in the overall population in Southeast.
- Housing stock is aging in Petersburg, as in the state as a whole.
- Most housing units in Petersburg are single family homes, which account for 72% of housing units.
- Over 40% of renter households in Petersburg are housing cost burdened, meaning they pay over 30% of income to housing. About 15% of owner households are cost burdened.



Forecasting Housing Need

Methodology: Housing Need Forecast

This model has been purpose-built to forecast housing demand in Alaska communities, including rural Alaska, over a specific period. The model uses Census and State DOL data to estimate the need for new units, based on population growth and overcrowding, and the need for rehab or replacement of existing units based on three proxies for housing condition.

New units needed over the next 10 years

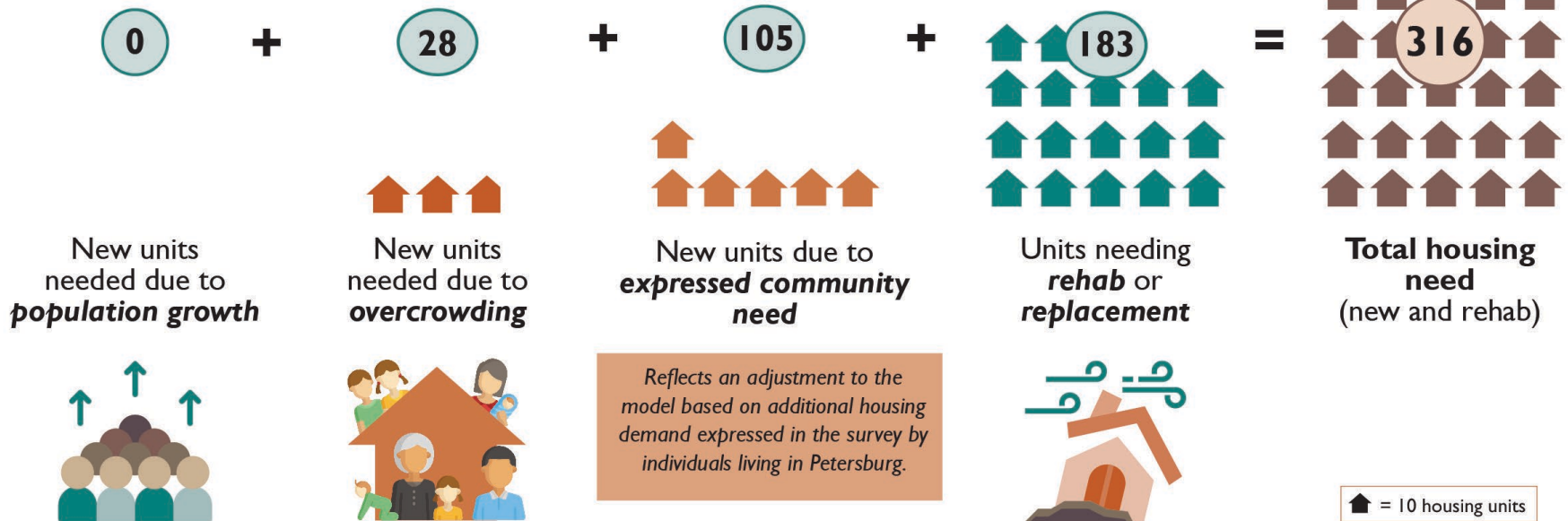
- New units needed due to expected population growth (using the mid-point estimate of DOL data)
- New units needed due to severe overcrowding in existing housing

Rehab or replacement units needed

- Aging housing stock (% of housing stock built before 1960)
- Housing units without plumbing (% of occupied units without plumbing + kitchen facilities)
- Mobile home units that need replacement sooner than other unit types (% of total housing stock that are mobile home units)

Housing Need Forecast

10-year housing need for Petersburg



Meeting the housing need

Annual Targets for Next 10 Years:

6 additional new units / year (assuming current rate holds)

18 rehab / renovation units / year

New units

133 new units needed over next 10 years

Needed rate: 13 new units / year

Current rate: 7 new units / year

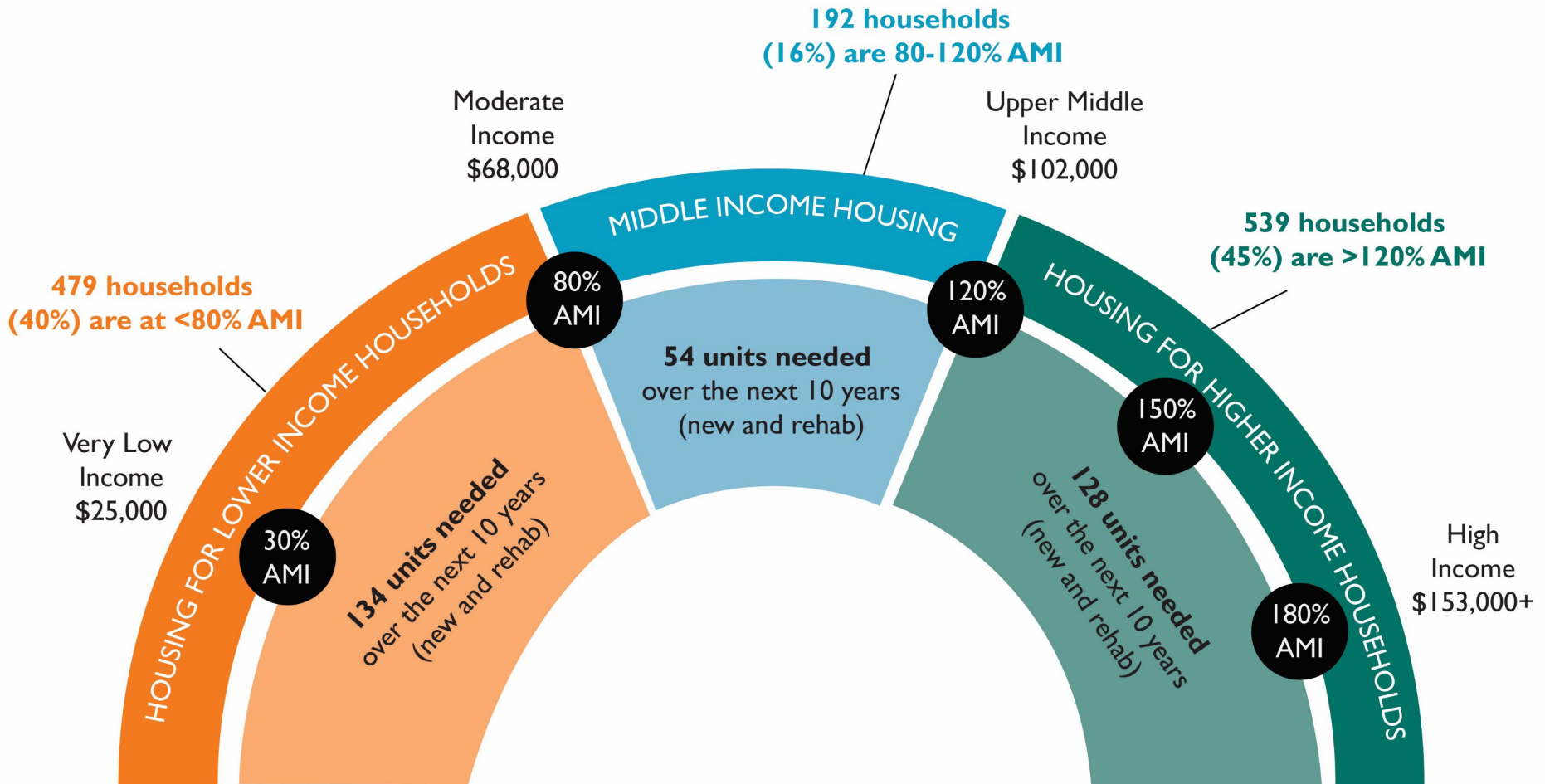
Also, consider housing types...who is looking for new housing? What size and tenure? At what price point?

Rehab / replacement units

183 units need rehab / replacement

Survey gives us more insight into what type and level of rehab is needed.

Housing Bridge



Item A.

Survey

Survey

Response Highlights

- **366 total survey responses!**
- **102 online responses (28%) came during Little Norway Festival**, with a peak in responses on Friday, May 19 (58 responses). Responses peaked again on May 30, with 30 responses and one last surge between June 14-16 with 55 responses.
- Respondent demographics track closely with overall population.

Petersburg Housing Needs Survey

Introduction and Instructions

The Borough of Petersburg is in the process of assessing housing need and is looking for community input from individuals living and working in Petersburg. This survey is designed to collect information about your housing experiences and your sense of housing need in the community and more broadly. Your responses to this survey will remain anonymous and will be analyzed by a third party.

Completed surveys can be returned to any of the following locations:

- Petersburg Library: 14 S. 2nd Street
- Petersburg Borough offices: 12 S. Nordic Drive
- KFSK: 404 N. 2nd Street

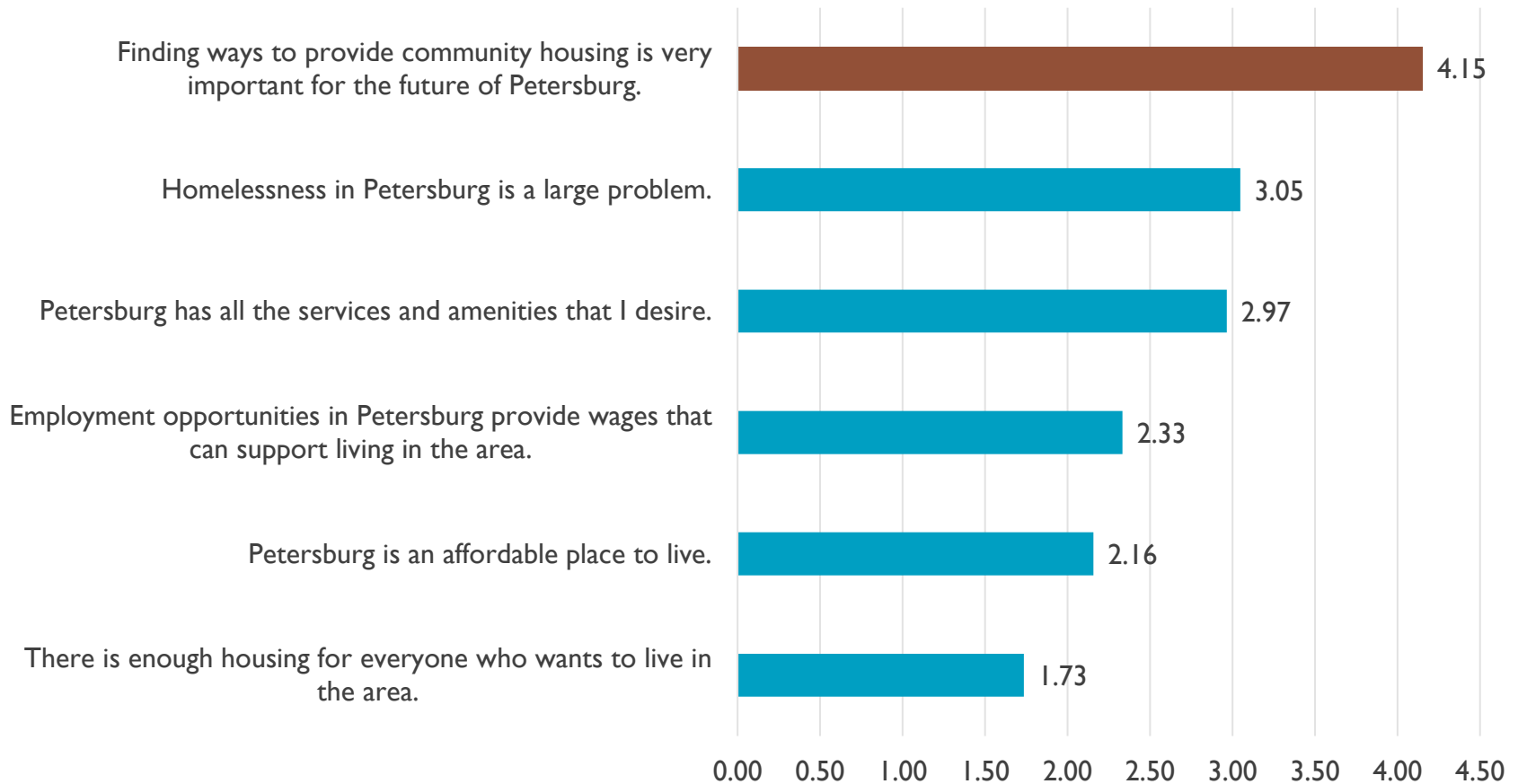
Thank you for your time and thoughtful input.

Section I, Demographics and Identifiers

1. Where do you currently reside?
 - Inside Service Area 1 (inside the old city limits)
 - Outside of Service Area 1 (outside the old city limits)
 - I do not currently reside in Petersburg
2. About how many months a year do you occupy your residence in Petersburg during a typical year? _____
3. Which of the following statements most closely reflects your employment status/situation?
 - I am retired
 - I work year-round at a job that is located in Petersburg (either in person or remotely for a company in Petersburg)
 - I work seasonally at a job that is located in Petersburg and I work the rest of the year in another community
 - I work seasonally at a job that is located in Petersburg and do not work the remaining part of the year
 - I work seasonally at a job based outside of Petersburg
 - I work remotely for an employer that is based elsewhere in Alaska
 - I work remotely for an employer that is based in another state or Country
 - I am unemployed
 - I stay at home and help care for children, elders, or other family members
 - Other, please specify _____

Housing in Petersburg today

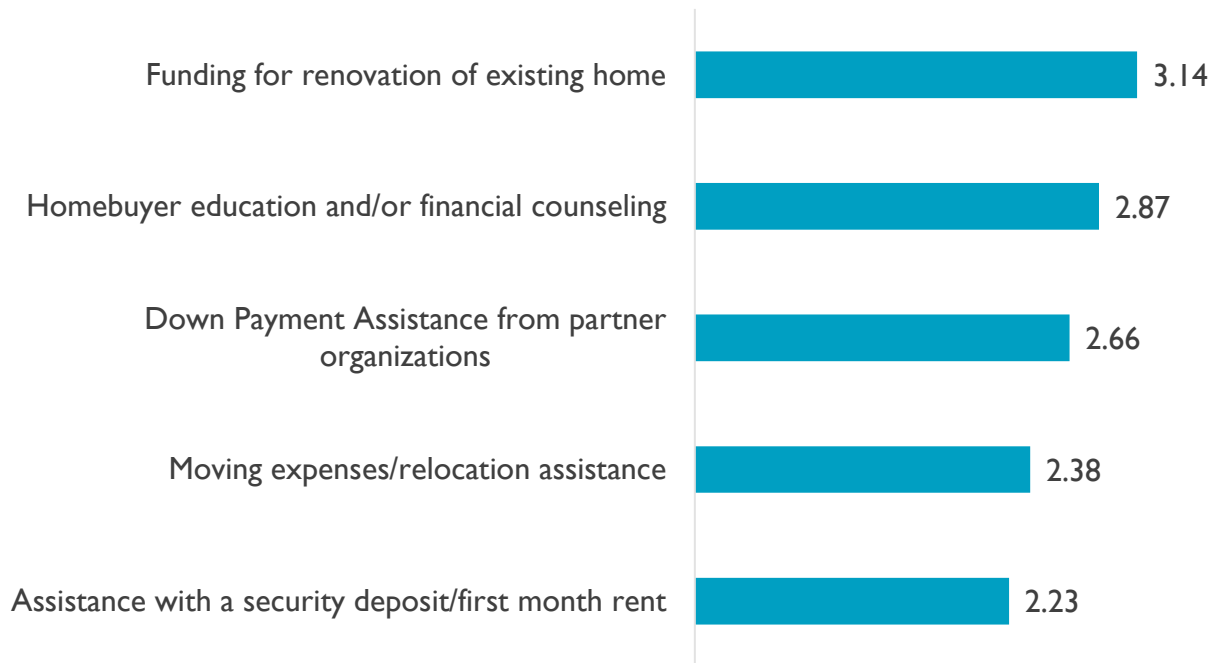
To what degree do respondents agree with the below statements



N=346 The greater the weighted number, the greater the support from respondents (5 being the highest possible score)

Housing assistance

Respondent interest in the following types of assistance



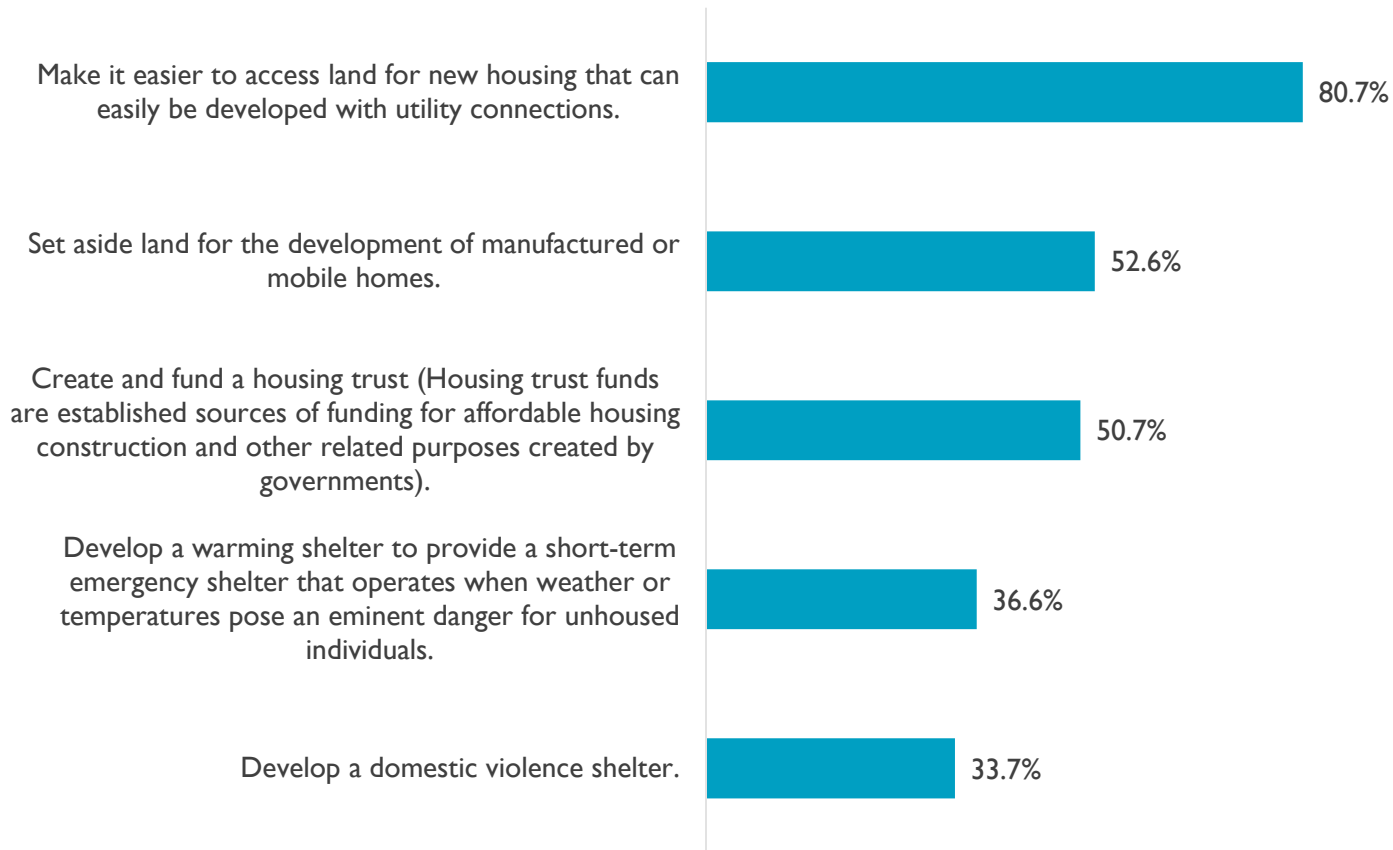
“Although I checked not interested, I think these choices are very important to help people”

-Survey respondent

N=308 The greater the weighted number, the greater the support from respondents (5 being the highest possible score)

Housing strategies

Which strategies should Petersburg be exploring?



“All of the above reflect on a community's interest in humanity. Helping an individual gain housing, achieve a level of subsistence, gain confidence to hold down a job and earn a salary that pays for lodging, utilities, transportation, are goals that knitted together create a community of like-minded individuals.”

-Survey respondent

N=306 Percentages reflect the number of “yes” responses to each potential strategy.

Cross-tabs to explore

Special population housing needs

- Seniors
- Veterans
- Individuals with disabilities

Individuals planning to move out of Petersburg and/or dissatisfied with housing

Housing affordability, tenure, and stress

Expressed housing demand

- Individuals who indicated there's someone living in their home who would like to live elsewhere if they could

Housing condition and renovation needs

Dissatisfaction with housing

85 survey respondents (25%) shared that they are dissatisfied with their housing.

Summary: The majority of respondents who are dissatisfied with their housing live and work full-time in Petersburg, are age 25-44, are currently renting, and are open to either renting or owning. Single family homes are the most preferred housing type for this group, though other types (apartment, duplex, townhome, mobile home) have interest.

- 80% live in Petersburg 12 months out of the year
- 66% are age 25-44
- 52% have children; 48% have no children
- 71% work full-time at a job in Petersburg
- 58% are renters; 19% are homeowners with a mortgage; 12% are living with others and assisting with rent or mortgage
- 52% shared that the condition of their home is “adequate” (some repairs needed)
- 38% are looking to rent; 57% are open to renting or owning
- 48% prefer a single family home
 - Apartment, duplex, townhome, and mobile home each account for 10%

Planning to move out of Petersburg in 5 years

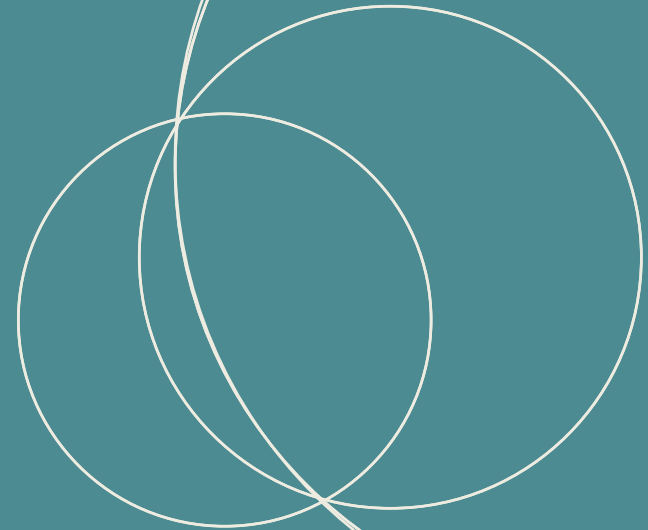
41 respondents (11%) plan to move out of Petersburg in the next 5 years.

Summary: The majority of respondents who plan to move out of Petersburg live and work year-round in Petersburg, are younger, have no children, live in a single family home, are homeowners, and want to own a single family home.

- 90% live in Petersburg 12 months out of the year
- 61% work year-round at a job in Petersburg
- 51% are homeowners; 36% are renters
- 24% are 18-14; 20% are 25-34; 24% are 35-44 (68% age 18-44)
- 68% have 0 children
- 71% live in a single family home
- 76% shared that the condition of their house is “good” or “excellent”
- 71% are looking to own
- 52% prefer a single family home

“We need a bigger home but cannot find one at a reasonable price and cannot afford to add on to our home. I also know several new employees moving to town that are struggling to find a place to stay.

We need to develop/lower the cost of homes so they aren't all bought by the rich visitors or select few residents that can afford the million dollar homes that are really only worth \$250,000.”



Interviews + Real Estate Market

Theme from Interviews

Housing Need

- Housing need across all types (rental, owner, higher income, lower income)
- New for-sale would help to open up rentals
- More rentals would take pressure off of ownership
- Rentals that are duplex or single family or triplex make sense
- Greying population but need is largely with younger families

Housing Market Data

- Rents: \$575-\$1,200, depending on unit type/size
 - \$2,300 on high end for single family.
 - A typical 3/2 in Service Area I rents for \$1,500-\$1,800.
- Sale prices: \$320K-\$490K, depending on location and utilities.
 - Custom new builds closer to \$500K
- Rental vacancy rate is nonexistent; no one has vacancies
 - Northwind
 - Vakkersted (Swell)
 - Raven Eagle (Petersburg Indian Association) – 10 on wait list
 - Petersburg Properties & Anchor Properties- not a lot of turnover
- A few more units for sale recently than typical; higher interest rate is the cause.

Interviews

Housing Task Force

Jalyn Birchell (complete)
Gary Aulbach (complete)
Sarah Holmgrain (complete)

Other

Glenn Gellert (Swell
Development- Bakker Sted)

Theme from Interviews

Short Term Rentals

- Short term rentals: not really a problem yet but could become a concern. It's nice to have people live here seasonally but we need housing for them.
- Definite change from 6 years ago
- Not receiving calls from owners who rent to convert to short term rentals; many people know that would be unpopular since we have a housing shortage

Obstacles

- Not enough people to do the work (rehab or new construction). No plumbers, no skilled trades. Makes it very challenging to build new housing and renovate existing.
- Not enough land being made available by the Borough
- Costs are high

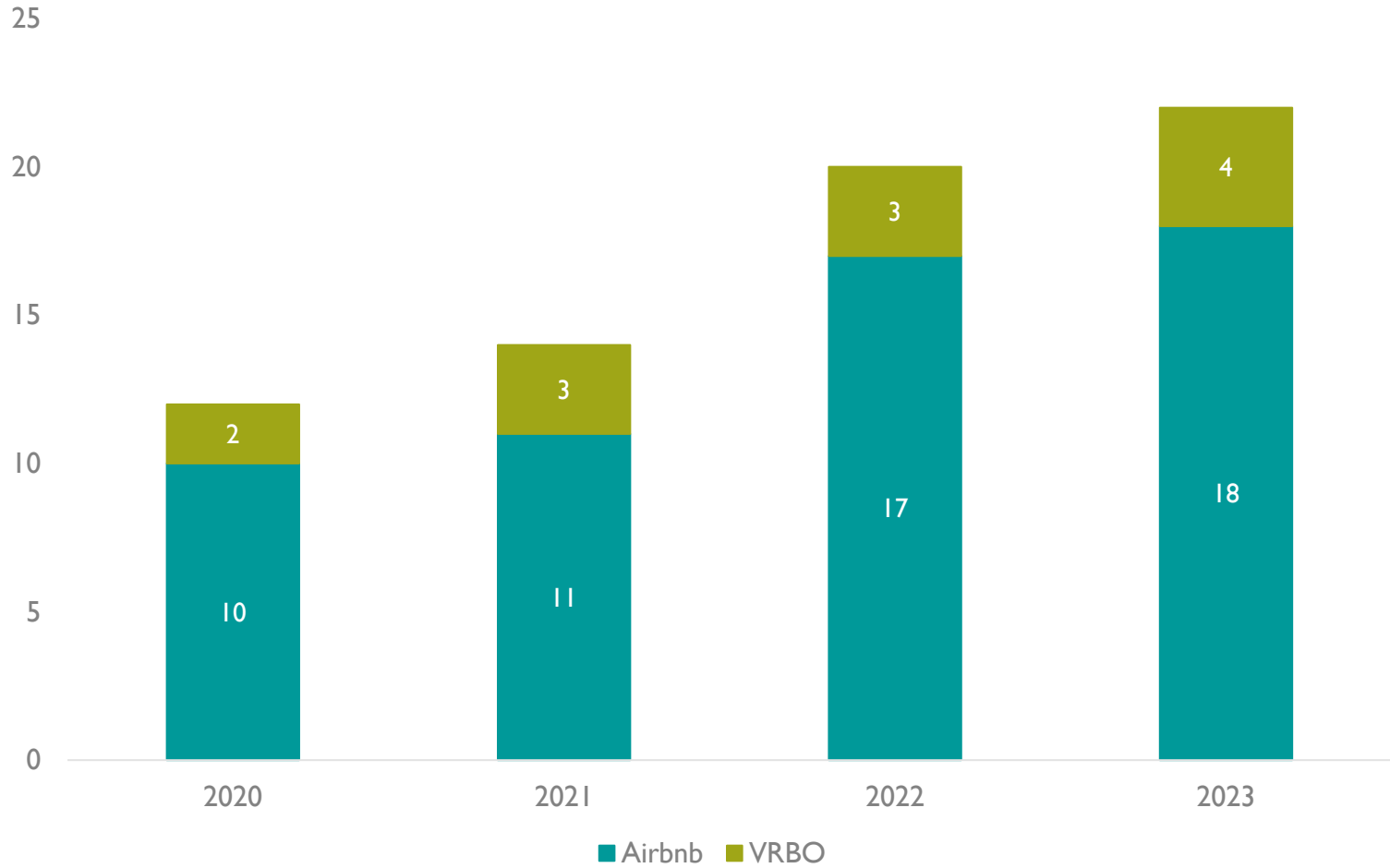
Theme from Interviews

Possible Solutions

- Reduce minimum lot size to closer to 3,500 sqft or 4,000 sqft to allow for smaller for-sale units and rental units to be built.
- Make more Borough land available for housing with specific objectives in mind
 - Manufactured housing
 - Smaller lots for more affordable ownership and rental product
 - Duplexes and triplexes
 - Revenue from auctioned land that yields premiums should be used to support infrastructure extension and lower cost land for housing that is affordable
- Connect utilities to Borough land and make it available for new housing
 - Revenue from auctioned land that yields premiums should be used to support infrastructure extension and lower cost land for housing that is affordable
 - Aggressively pursue federal funding for infrastructure

Short Term Rentals

Listed Short Term Rentals, 2020 - 2023

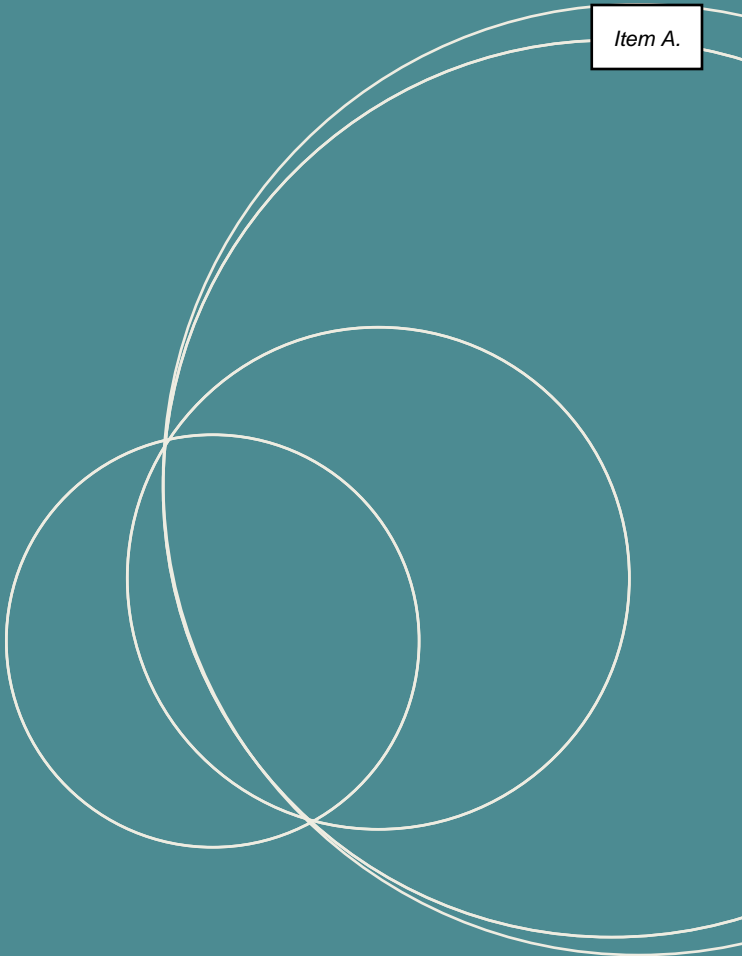


Housing Solutions in Petersburg

Housing Solutions

- **Make more Borough land available for housing with specific objectives in mind** (interviews + survey)
 - Manufactured housing
 - Smaller lots for more affordable ownership and rental product
 - Duplexes and triplexes
- **Connect utilities to Borough land and make it available for new housing** (interviews + survey)
 - Revenue from auctioned land that yields premiums should be used to support infrastructure extension and lower cost land for housing that is affordable
 - Aggressively pursue federal funding for infrastructure
- **Consider rehab and renovation programs / identify funding sources** to preserve and improve existing housing stock.
- **Invest in skilled trades programs** to build up the workforce to support renovation of existing housing and new housing development

- **Focus local housing conversations in local data.**
 - 75% of Petersburg residents are satisfied with their housing, including over 90% of seniors who responded. But respondents also said that addressing community housing is a priority.
 - Those who need housing or are dissatisfied tend to be younger, full-time residents. They cite cost and the limited availability of starter homes as challenges. Consider these needs when adding new housing.
 - Most survey respondents support land set asides and the creation of a housing trust.
 - Short-term rentals represent anywhere from 12-22 housing units on average. This is an important trend to monitor but does not account for all the housing need in Petersburg.



Next Steps

Next Steps



Assembly Work Session



Final Report

Agnew::Beck point of contact:
Katie Scovic, katie@agnewbeck.com