

**Exhibit A Executive Summary**  
**Kodiak Island Borough**

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The Kodiak Island Borough is a second-class borough in the State of Alaska, located in the Kodiak Island Archipelago in the northern portion of the Gulf of Alaska, approximately 287 miles south of the City of Anchorage. The borough consists of 16 major islands paralleling the Katmai Coast along the Alaska Peninsula, approximately 177 miles in length. The borough contains 3,588 square miles of land and ocean area. Kodiak Island contains the major population centers within the borough and is the second-largest island within the United States. The City of Kodiak is the largest population center; however, the borough contains nine smaller communities, including Akhiok, Aleneva, Chiniak, Karluk, Larsen Bay, Old Harbor, Ouzinkie, Port Lions, and Womens Bay. Five of these are incorporated second-class cities. In total, the borough population is approximately 13,000.

Kodiak is the transportation hub for southwest Alaska. Kodiak's fishing port is the largest in the state and ranks among the top in the country. Kodiak is also home to the largest United States Coast Guard base and the first privately owned rocket launch facility. In addition, the tourism industry is a growing sector of the local economy. Kodiak is best known for its most famous residents, the Kodiak brown bear.

According to numerous news outlets, housing advocacy groups, and public policy think tanks; America is in a housing crisis. The biggest cause is a lack of housing supply. The Kodiak Island Borough has a housing problem just like the rest of America; however, the housing crisis in Kodiak is exacerbated by the higher costs of living in Alaska and the remoteness of Kodiak. In May 2022, the Kodiak Island Housing Authority published the Kodiak Island Borough Housing Needs Assessment (referred to as Needs Assessment in this document). This document is intended to serve as a resource for the community to identify housing needs as well as the housing-related impacts on employment and the local economy.

The Needs Assessment identified 4,271 households within the borough with 2,604 of those households located within single-family dwellings or 61 percent of the total dwelling units in the borough. Middle housing dwellings such as duplexes, triplexes, and fourplexes make up about 20 percent of the units. Condominiums, zero lot line developments, planned use development, and business-related units make up only 1 percent of the total number of units. The remaining units are located within a larger multi-family residential development. In addition, Kodiak includes 11 properties that make up a total of 373 low-income housing units.

The Needs Assessment reviewed housing costs within the borough. The median monthly mortgage on the Kodiak Road System is \$2,070, which is seven percent higher than the statewide median of \$1,933. Median rental rates in the borough are \$1,200 versus \$1,045 statewide; 15 percent higher than the state median rate. In addition, more than 28 percent of Kodiak households are "cost-burdened," meaning they spend 30 percent or more of their monthly income on rent or owner costs. That equals 1,007 cost-burdened households in Kodiak.

The Needs Assessment included a survey of Kodiak Island residents. The survey had several key findings. Kodiak residents recognized how challenging the local housing market is; 77 percent rated the affordability of homes for purchase as poor or very poor. Similarly, 71 percent rated the affordability of rental housing as poor or very poor. Availability of homes to purchase was also

rated poor to very poor by 70 percent of respondents. Rental unit availability was rated poor to very poor by 57 percent of respondents.

The survey also included questions regarding barriers to housing development. The top barriers listed in survey responses were the cost and availability of land and the cost of infrastructure (sewer, water, etc.). Building codes and restrictive zoning were also identified as barriers by many survey respondents. The survey also asked for potential solutions to these development challenges. The top responses were releasing more lands for housing development, road construction to access areas for new housing development, and exploring public/private partnerships for housing development. Less popular solutions were public funding for subdivision development and tax breaks for developers, both of which were supported by around 50 percent of respondents.

Other regulatory solutions were also discussed in the survey. The strongest support among respondents to increase housing availability was to reduce restrictions on accessory dwelling units. More than 50 percent of respondents opposed zoning changes to allow increased housing density. In addition, more than 50 percent of respondents opposed increased regulation of short-term rentals and reducing minimum lot sizes.

Interviews of Kodiak realtors, property managers, employers, health care and social service providers, U.S. Coast Guard personnel, low-income housing providers, college personnel, village representatives, and others with knowledge of the housing market were conducted. The interviews provided additional input on housing demand and barriers to increasing housing availability. All interviewees described the single-family residential housing market as very tight. All interviewees also stated that there are few homes available, and prices have increased significantly over the last five years. Interviewees stated that there is a significant lack of affordable housing for first-time home buyers. Interviewees stated that there is a need for new single-story senior housing and that older residents are looking to downsize but cannot find the housing. Duplexes were also discussed as being in short supply. Interviewees also discussed the rental market and availability as variables over the last decade. Overall interviewees stated that the rental market is tight.

Regarding barriers to housing development, interviewees stated that the following were the primary issues; land availability, cost of utilities (water and sewer), construction cost for new homes, and short-term rentals. Barriers to an adequate supply of rental housing included the purchase of multi-family properties by employers for housing, conversion of rental units to short-term rentals, and the need for housing not provided on the US Coast Guard base as the number of personnel increases based on current plans for the base.

A related issue briefly identified in the Needs Assessment was zoning and regulatory barriers. Nationally, there is a need for zoning reform, especially concerning housing. According to the housing advocacy group, Up for Growth, the nation is 3.79 million units shy of its housing needs. The National Association of Realtors noted that over the past few years, 98 percent of the nation's metro areas had home prices rise an average of 98 percent, reaching an average of \$400,000. Harvard's Joint Center for Housing Studies found that rental vacancies had hit an all-

time low in 2021, with the increase in recent housing development unable to keep up with demand.

The discussion on zoning reform and housing points to a systemic failure in zoning regulations after the population boom post-Second World War. The post-World War Two housing is long gone; the government is not investing in homeownership via the GI Bill and the Federal Housing Authority, new mortgage options have shrunk because of the Great Recession, and we no longer see vast government investment in the creation of new interstates and highways. In recent decades the creation of new housing has been restricted, whether it be by increased labor and materials costs, restricted lending practices, more restrictive building codes, or land use policies it is hard to point to one over the other. However, restrictive land use regulation does play an important role in further restricting new housing in the nation. Therefore, many cities and counties around the country are looking at these land use restrictions, which has spurred the idea of zoning reform. Zoning reform has become a major focus of planning and community development departments around the country.

According to the American Planning Association, there are six tactics decision-makers at local and state levels are reviewing when discussing zoning reform. One is opening single-family zoning to other housing options. Two is reducing parking minimums to minimize the cost of parking for new residential development. Three is promoting missing middle housing to provide additional housing choices beyond single-family residential or larger multi-family residential development, such as allowing accessory dwelling units. Fourth is zoning regulation amendments to make it easier to reuse non-residential development for residential use. Five is embracing state preemption to allow the state to mandate certain development types be legal and minimize the impact of private deed restrictions or the influence of anti-development groups.

Another aspect of zoning reform that is overlooked because of the need to address the housing crisis is equity. An equity review of a zoning regulation is important to point out issues of fairness in the zoning regulations and zoning processes. Equitable zoning has become an increasingly important part of new comprehensive plans to ensure that all citizens can participate in the zoning process and that existing zoning regulations are reviewed through the lens of environmental and social justice goals.

In Kodiak, the current comprehensive plan was adopted in 2008 and has not been reviewed or updated since. The remote nature of the borough and the COVID-19 pandemic all contributed to limiting the Department of Community Development staff to a level where an update to the comprehensive plan was infeasible. Today, the staffing level is such that a comprehensive plan could begin with assistance from a consultant. As noted in the Housing Needs Assessment, the borough has an increasing need for new housing units at a currently unavailable price point. One of the factors in limiting new housing is land use regulations. Currently, the borough has approximately 4,139,000 acres of land zoned for residential use. The percent of residentially zoned land that is limited to single-family residential use is approximately 95.76 percent. As with most of the country, this is a large percentage of land zoned for residential development that limits housing choices to single-family residential use only. Like many boroughs in Alaska, the amount of land owned by government entities further restricts the land available for residential

development. For example, the Conservation Zoning District in the borough comprises more than 95% of all land in the borough, or 4,134,047 acres; government-owned land makes up more than 95 percent of this area. Therefore, this further restricts where housing can be developed. Lack of utilities such as public water and sewer restrict development as pointed out in the needs assessment. Lastly, the cost of construction has gone up across the nation. Kodiak already had higher construction costs because of the remote nature of Kodiak Island to the rest of the country. Therefore, any further increase in construction costs only intensifies the negative impact on housing development.

The Borough government tried to expand housing choices in single-family residential areas in 2019 when it created an accessory dwelling unit (ADU) ordinance to allow for ADU construction. This ordinance allowed ADUs as a use of rights in some zoning districts and others as permitted with a conditional use permit. Since 2019 very few ADUs have been approved by the Borough; approximately three ADUs were approved administratively and three were approved through the conditional use permit process.

This grant proposal includes a multi-phase project that would begin with a review of the comprehensive plan and zoning code to identify barriers to housing choice and affordable housing. The second part of phase one would be the development of a housing element to the comprehensive plan. This element would build on the first part of the project by recommending changes in policy and regulations to identify priority areas of housing as part of the future land use map and create policies in the comprehensive plan that support housing choice, affordability, and accessibility. In addition, this housing element would recommend changes to the zoning code to facilitate housing choice and affordability. These changes would build on amendments like the ADU ordinance to increase flexibility within single-family residential zones to allow more diverse housing types. Phase 1 would provide an important basis for the community's update to the comprehensive plan and an incremental approach to zoning code reform. Phase 2 of the project would look to address issues not related to policy or land use regulations. This second phase would focus on a housing strategic plan that could guide partner agencies and the community in resolving the other barriers to housing choice and affordability. The third phase would be a pilot housing project that would use the policies created in the comprehensive plan, changes to the zoning regulations, and the tools created from the housing strategic plan to address housing choice and affordability to create a housing project that could be replicated in other areas of the community.

**Exhibit B Threshold Requirements**  
**Kodiak Island Borough**

### Resolution of Civil Rights Matters

Not applicable, the Kodiak Island Borough has no outstanding civil rights matters.

### Eligible Applicant

The Kodiak Island Borough is a local government similar to a county.

### Code of Conduct

The Kodiak Island Borough does not have a written standard of conduct document on file with HUD, however the borough's Code of Ordinances includes provisions for procurement rules and conflicts of interest which can readily be shared.

**Exhibit C Need  
Kodiak Island Borough**

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- i. Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.

The Kodiak Island Housing Authority conducted a housing needs assessment (referred to in this document as Needs Assessment) to identify the current state of housing within the borough and to try to answer certain questions; what types of housing are needed for borough residents, and what barriers may exist to developing additional housing units. This Needs Assessment was conducted by the McKinley Research Group, LLC for the Kodiak Island Borough Housing Authority. In addition, several agencies, including the Kodiak Island Borough, the City of Kodiak, the City of Port Lions, the City of Ouzinkie, the City of Old Harbor, the City of Akhiok, the City of Larsen Bay, the Alaska Housing Finance Corporation, and several major employers, including the United States Coast Guard participated in the Needs Assessment. This document was completed in May of 2022.

In addition, before the Needs Assessment the Borough through the efforts of the Community Development Department created and implemented an accessory dwelling unit ordinance, which permitted accessory dwelling units (ADU) through both administrative and conditional use permit approval processes within single-family residential and duplex zoning districts. This ordinance was the first zoning reform project that the Borough conducted related to affordable housing and housing choice. Since 2019, only six ADUs have been approved through the ADU ordinance. The Kodiak Island Borough Planning and Zoning Commission is currently in the process of reviewing the ADU regulation to make improvements to the ordinance to hopefully promote greater development of ADUs in the community. Such a review was recommended in the Needs Assessment.

Lastly, with the hiring of a new director for the Borough Community Development Department, the community is poised to begin a process to update the current comprehensive plan which was adopted in 2008. A major focus of the comprehensive plan project would be affordable housing and housing choice.

- ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?

According to the PRO-Housing priority area spreadsheet the Kodiak Island Borough qualifies as a priority geography as a county. In addition, the City of Kodiak and the Kodiak Station CDP are both priority geographies as a place according to the PRO-Housing priority area spreadsheet. All three areas are priority geography areas because affordable housing is not keeping pace with the need for housing based on the population. As noted in the spreadsheet this factor compares the change in population from 2009 to 2019 divided by the 2009 population and the change in the number of units affordable

and available to households at 80% HUD area median family income (HAMFI) from 2009 to 2019 divided by units affordable and available at 80% HAMFI 2009.

In addition, the Needs Assessment outlined the housing needs gap in the borough. Like the rest of Alaska and the Lower 48, the increased demand and limited supply of housing has resulted in a significant escalation in Kodiak home prices. According to an analysis of the Kodiak Island Borough Assessor's databases between 2017 and 2021, the average assessed value of single-family homes with an ADU increased by 9.1 percent and 8.9 percent for standalone single-family homes. In addition, other home types also increased significantly in value; 28.6 percent for condominiums, 13.3 percent for zero lot line development, and 10.6 percent for duplexes.

The Needs Assessment reviewed the gap in housing availability in the borough; the housing gap analysis identified that for single-family homes, there is a demand of 65 to 75 homes. This number of homes is in addition to the roughly 60 existing homes sold yearly. Also, based on the U.S. Census Bureau American Community Survey, it was estimated that 42 percent of Kodiak households have incomes of \$100,000 or more, which could allow the purchase of homes at around \$340,000. However, the Needs Assessment pointed out that new construction costs would greatly exceed this purchase price even for the most modest of single-family homes. For example, 1,100 square feet home had an estimated cost of \$392,000; well above the \$340,000 baseline for incomes at the \$100,000 level. This and the fact that 58 percent of households have incomes under \$100,000 points to the need for more affordable housing choices within the borough. This household income level also points to the need for rental housing. The Needs Assessment pointed out that estimating the need for rental housing was harder because of the fluctuation in the seasonal workforce, primarily related to the fishing industry. However, one factor that points to a shortage in rental housing is the growing number of businesses that are renting housing for employees. The Needs Assessment estimates that more than 100 units are being rented by employers. Lastly, the senior population of the borough is increasing, the Alaska Department of Labor and Workforce Development estimates that the borough's senior population increased by 79 percent from 2010 to 2020. The department forecasts the senior population will peak at 2,281 in 2035. Therefore, the need for accessible housing choices will also increase within the community.

- iii. What key barriers still exist and need to be addressed to produce and preserve more affordable accessible housing?

Based on the Needs Assessment several issues were identified as barriers to affordable housing and housing choice. The first issue identified is the cost and availability of land. The cost of land is directly related to the amount of land available for development. More

than 95% of the land within the borough is owned by governments or government entities. This is a common issue within Alaska.

The second issue is the cost and availability of infrastructure (water and sewer). The primary provider of water and sewer infrastructure is the City of Kodiak. Therefore, the location of this infrastructure is restricted to within the City of Kodiak or near the city. Most of the lots in areas with existing infrastructure access have been developed, which leaves very few vacant lots for development. The cost of expanding infrastructure has become cost-prohibitive and has been a major reason why few homes are being constructed each year.

The third issue is the remote nature of the borough and the cost of shipping supplies to Kodiak Island and the effect this has on the cost of construction, which is higher than many areas within Alaska. For example, the Needs Assessment estimated new construction cost for a 1,500-square-foot single-family home in the borough as \$498,000 with a garage. According to the National Association of Home Builders, the average construction cost of a 2,561-square-foot single-family home in the country was \$392,241 in 2022. This is a much lower cost for an even larger home. This demonstrates the high construction costs within the borough.

The fourth is an issue identified in the survey portion of the Needs Assessment, 70 percent of respondents rated homes for purchase as poor to very poor. In addition, 57 percent of respondents rated the availability of rental housing as poor to very poor. The quality of homes on the market is an issue that exists across Alaska.

The last barrier discussed in the Needs Assessment was overly restrictive zoning regulations and building codes. The Needs Assessment discussed the need for more areas to be zoned for higher-density residential and reviewed the current accessory dwelling unit regulation to allow for larger units. The assessment also discussed reviewing zoning restrictions on building height and lot size. In addition, the assessment stated a review of the building code was needed to review the impact of the code on the cost of housing construction and the ability to construct more diverse housing types.

**Exhibit D Soundness of Approach**  
**Kodiak Island Borough**

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i. What is your vision?

The barriers to affordable housing production within the Kodiak Island Borough are diverse issues that address the price of existing housing, quality of existing housing, cost of new construction, and regulatory barriers that prevent new construction and/or infill development. The shortage of housing for purchase is restricted by the cost of existing housing compared to the income of residents within the borough. The Kodiak Island Borough Housing Needs Assessment (referred to as Needs Assessment) noted that approximately 58 percent of households in the Kodiak Island Borough have incomes less than \$100,000. According to the American Community Survey for 2021, the median household income for the Kodiak Island Borough was \$88,765 with a per capita income of \$35,751. The Needs Assessment stated that a household income of \$100,000 would support the purchase of a home of approximately \$340,000; however, the average sale price of a single-family home in Kodiak increased by 21 percent from \$297,000 to \$358,000 between 2017 and 2021. Therefore, much of the housing stock is out of reach of most households within the borough. With single-family residential, by far the largest unit type for home ownership (61 percent of all unit types within the borough according to the Needs Assessment) other housing type options and the need to address affordability are of paramount importance.

The cost of rental housing has also increased within the borough. There are an estimated 600 units in multi-family buildings within the borough, according to the Needs Assessment. This would represent about 14 percent of all units. The Needs Assessment listed median rental rates in the borough as 15 percent higher than the statewide median rental rate (\$1,200 versus \$1,045, respectively). Overall, between rental rates and for-purchase housing costs, more than 28 percent of households spend more than 30 percent or more of their monthly income on rent or owner costs. According to the Needs Assessment, this equals 1,007 households that spend 30% or more of their monthly income on housing.

The Needs Assessment pointed to another issue which is the age and condition of housing. The average age of single-family homes in Kodiak is 42 years. The household survey conducted as part of the Needs Assessment addressed housing conditions as well. 70 percent of respondents rated available homes on the market as poor to very poor. Available rental housing was rated poor to very poor by 57 percent of respondents. This is important because it points to two factors. One, replacement homes are needed to address poor housing stock. Two, improvements are needed to existing housing stock which may not be possible based on the cost of even poor housing in the borough and the high cost of construction in the borough, which is the next barrier to discuss.

The Needs Assessment as part of the household survey, provided questions regarding major barriers to affordable housing for the community. Respondents stated that major barriers related to building a home or improving an existing home are freight costs for

materials (77 percent of respondents), construction costs (71 percent of respondents), and infrastructure costs (66 percent of respondents). The Needs Assessment provides some cost examples for various size homes in Kodiak. For example, a 1,100-square-foot home had an estimated cost of \$392,000 and a 1,500-square-foot single-family home had an estimated cost of \$498,000. When compared to the country, the National Association of Home Builders estimate in 2022 that a 2,561 square foot single-family home would cost \$392,241 to construct, clearly identifies that construction cost is a major factor in affordability and housing choice in the borough.

Another barrier identified in the Needs Assessment was land availability. More than 95 percent of the borough is owned by government entities. This of course limits the amount of available land. Within this remaining area, only a small amount of vacant property exists that has access to utilities (sewer and water); the borough still needs to identify these vacant parcels as part of the proposed project. How to make additional land available for development and how to provide utilities within the cost constraints of local government are all important factors in addressing this barrier to housing development.

The last barrier identified by the Needs Assessment was regulatory constraints. The survey respondents provided some input on what type of zoning constraints exist. One potential issue was the current accessory dwelling unit ordinance, which is currently under review by the Planning and Zoning Commission. The Community Development Department has completed a cursory review of potential issues for review in an update to the comprehensive plan for housing and that is the current amount of single-family residential zoning districts in the borough and how that is a barrier to more affordable housing and additional housing choices. Currently, the borough has 4,139,000 acres of land zoned for residential use. The percent of residentially zoned land that is limited to single-family use is approximately 95.76 percent. Like most of the country, this is a large portion of the community that is zoned for one type of residential dwelling. This issue in Kodiak is further restricted by the lack of available land (as discussed earlier) and the lack of access to utilities (as discussed earlier). The combination of these factors with these regulatory constraints greatly limits housing affordability and housing choice. Another potential regulatory barrier that was identified in the Needs Assessment was the building code. Currently, the Kodiak Island Borough and the City of Kodiak have a joint committee that is looking at the most recent version of the International Building Code to identify issues.

In summary, the barriers identified work together to limit the availability of existing housing stock and restrict the ability for new housing stock at a price point or rental rate that is attainable by most of the population of the borough. To address this issue more work needs to be done to further identify issues within the current comprehensive plan and zoning regulations, additional review of barriers to housing outside of zoning regulations, and detailed recommendations and action steps must be developed so that

decision-makers have the tools to address barriers, and the public must be an integral part of the solution throughout these planning processes and implementation steps.

The Needs Assessment identified several barriers to affordable housing and housing choice, additional barriers may exist; therefore, expert assistance is needed to identify all barriers as well as further explore existing identified barriers to affordable housing.

The grant proposal includes Phase 1, which is a review of the comprehensive plan and existing zoning regulations to identify not only additional barriers but also refine already identified barriers and to provide general recommendations that would be part of the comprehensive plan element for housing. The beginnings of Phase 1 must contain a public outreach and education campaign; one that is rooted in equity and transparency. All racial, ethnic, age, gender, and other backgrounds must be part of the process. The process must be inclusive and open to community discourse. The public outreach and education campaign will inform not only Phase 1 of the project but will also be used in the development of the comprehensive plan and Phase 2 and 3 of the grant project. The Community Development Department will be the lead entity for Phase 1 and the update to the comprehensive plan.

Phase 2 of the grant proposal will further explore non-regulatory barriers to affordable housing and housing choice. The strategic housing plan will identify and analyze barriers to housing development, recommend tools that can be used to eliminate or lessen barriers, and provide a work plan for developing and implementing the tools and solutions. The PRO-Housing grant provides a unique opportunity for the community to obtain expert assistance in removing barriers to affordable housing creation and reforming zoning codes to address regulatory barriers to diverse housing types.

Phase 3 is a pilot project developed by partners to the grant project. The goal of the pilot project is to utilize the zoning code changes and the tools created in Phases 1 and 2 to develop a pilot project for an up to 15-acre property, that would include a conceptual plan for the 15-acre site and more detailed planning for a two to four-acre portion of the site for a pilot housing development. The project would include site preparation and utility work to make the two to four-acre pilot project area shovel-ready. The goal of Phase 3 is a project that can be replicated in other areas of the community.

Lastly, the grant project must include a monitoring component that can review for unforeseen consequences and address those identified issues. This monitoring mechanism is most important in the first few years after the completion of the project. The most important part of a plan is the implementation and that includes monitoring of that implementation over time.

- ii. What is your geographic scope?

The Kodiak Island Borough is the local government that has local planning and zoning powers. The grant proposal would look at both regulatory and non-regulatory barriers to housing. The Community Development Department is the Borough department that provides staff to the Planning and Zoning Commission. The Community Development Department is the lead agency for updating the comprehensive plan and the zoning regulations; therefore, the department would be the lead agency for the Borough for the grant proposal. The geographic scope of the project would look at the entire borough, including the City of Kodiak, and other communities not on the road system, excluding the areas within federal and state parks, refuges, and forests. Those communities outside of the road system have limited access to public utilities; therefore, some tools that could be developed as part of the grant proposal may not apply to the most remote communities within the borough.

The anticipated effect on targeted locations is the identification of areas in Phase 1 of the project that would locate the most appropriate areas for higher-density development. As part of this project, the future land use map will be updated to identify these areas. In addition to identifying appropriate areas for high-density development Phase 1 of the project will create the tools within the zoning regulations to allow for more diverse housing types and more opportunities for affordable housing development.

Phase 2 of the project focuses on non-regulatory approaches to develop affordable housing and housing choices. Phase 2 is the development of a strategic housing plan that further analyzes barriers to affordable housing and housing choice. Develops recommendations for tools to alleviate barriers and a work plan for the development and implementation of tools. Phase 2 is a broad multi-agency document that provides a road map for affordable housing development and to increase housing choice within the community.

Phase 3 would be a site-specific project based on the identification of development areas within Phase 1 and the development of housing tools within Phase 2 of the project. This project would have the greatest impact on a specific area once identified through Phase 1 of the project and further refined through the development of Phase 2. The goal of Phase 3 is the creation of an on-the-ground pilot project for the development of housing that would achieve both housing affordability and housing choice goals identified in Phase 1 and 2 of the grant project.

iii. Who are your key stakeholders? How are you engaging them?

The grant proposal requires more community outreach in the development of each phase of the project. The Needs Assessment conducted surveys and interviews with stakeholders and this grant proposal would build on that outreach effort. Phase 1 of the proposal is directly related to an update to the community's comprehensive plan which



would include a multi-year time frame to focus on community outreach and engagement. The focus is to create an equitable program for outreach and engagement that would start with the housing element from Phase 1 of this grant proposal that can be used throughout the full comprehensive plan project which is a separate project from this grant proposal.

Phase 2 would build on the public outreach and engagement for this multi-year project that will focus on the development of a strategic plan. The strategic plan will focus on housing needs and issues not related to the comprehensive plan and the zoning regulations. The strategic plan would be used by the community to address the housing needs of the present and into the future.

Phase 3 builds on the work from Phase 1 and Phase 2 by creating a pilot housing project that would utilize the work conducted in Phase 1 and 2 to develop a housing project to meet some of the housing needs in the community, using tools developed in Phase 1 and 2. The primary goal of the pilot project is to provide an example of how to use the developed tools and implement an affordable housing project to meet the needs of the community.

The stakeholders for the project will begin with those identified within the Needs Assessment. The Kodiak Island Borough would be the major agency involved in this project. The City of Kodiak and the smaller cities within the borough would be engaged to support more localized communities and to provide needed experience with local areas and housing needs. Non-incorporated areas will be included as well. Nongovernmental agencies are crucial to this project. The Kodiak Island Housing Authority, the Alaska Housing Finance Corporation, the Kodiak Economic Development Corporation, the Kodiak Chamber of Commerce, and the Kodiak Area Native Association are all important groups to include and potentially partner with the Borough in this effort. Employers are another group that has an important role in housing development. As mentioned in the Needs Assessment, employers have begun to provide housing to employees; therefore, this group has an important role to play in this project. Employers have an unmet need for housing for their employees and these groups must be involved in this planning effort. Lastly, the community needs to be involved in the project, and a major focus of outreach and engagement would be trying to break through the issues of lack of involvement since the COVID-19 pandemic. This is an issue that extends across the country with similar planning efforts.

- iv. How does your proposal align with requirements to affirmatively further fair housing?

Fair and equitable housing will be a focus of this project. Phase 1 of the project will focus on public outreach and education on the issue of lack of affordable housing in the community. The public must be made aware of the issue and the fact that governments

and other entities are working together to create solutions. Kodiak is a small community when it comes to the actual areas of housing development. As such there will be a major focus on educating the public not only on the problem but on the solutions as well.

Staff and the consulting team would spend a good portion of the first year of the project educating the public on the problem and potential solutions. This engagement will help to inform people on why the project is important and what solutions exist or may require development. The public needs to be part of the solution and the equitable delivery of information is integral to this approach. The public outreach and engagement work developed for Phase 1 would continue into Phase 2 and 3.

Segregation currently is more of a socio-economic nature. The value of housing and cost of housing as well as the condition of housing all play a role. The use of single-family zoning plays an important role in restricting additional housing. The focus of new affordable housing development will need to be addressed through approaches that identify areas for infill development and the small areas that still exist for new development, mostly in areas outside the City of Kodiak. The limitations on new utility development will focus on development in newly developed areas that have higher property values. There is not enough room to concentrate housing in just one area. In addition, any housing strategy will need to review the need for replacement housing. Creating new affordable housing options while addressing the concerns of existing residents will be extremely important and will require an appropriate design of the development that will complement the existing developed area while achieving the affordable housing and housing choice goals of the planning effort.

The ethnic and racial makeup of the borough includes 47.8 percent white (non-Hispanic), 22.8 percent Asian, 12 percent Native Alaskan, 9.05 percent Hispanic, and a smaller number of racial and ethnic groups. By far the largest Asian group is Filipino; therefore, a large portion of the community has English as the second language after the Filipino language. Any outreach process would need to include the translation of documents into the Filipino language and to a lesser degree the Spanish language. There is a large portion of the population which is Native Alaskan; this part of the community is extremely important to communicate with and to understand the best ways to reach this important group. The focus of the project must be outreach and a multi-tiered approach to communication to have a more equitable involvement of all groups.

In addition to locating more affordable housing options, it will be extremely important to address the need for housing for the aging population of the borough. This work will need to focus on accessible designs for the elderly and locating developable properties that are close enough to health care and other services. All newly constructed housing will need to conform to the current version of the approved building code and development must meet ADA requirements.

The primary goal of this project is the development of housing plans and strategies that address the major housing needs as listed in the Needs Assessment and as further determined by this planning project. The goal of the planning process is to have an equitable approach to assist in housing development that meets the needs of Kodiak's diverse population. The plans, tools, and partnerships developed through this project will be used for the next ten to fifteen years.

Another goal of the project besides trying to forecast potential issues ahead of time is to also be able to respond effectively to unforeseen changes over time. Any project of this magnitude will need a work plan that focuses on the impact of the plan and tools to address unforeseen consequences. It is important to have an annual review of the planning projects and other implementation strategies. The community will need to review for unforeseen consequences from minor issues such as some individual code problems to major issues such as displacement. The implementation goal is to have a project that can be responsive to unforeseen occurrences while remaining true to the primary goals of the project which is to be inclusive, equitable, and responsive in the development of new affordable housing and increasing housing choice for the community.

v. What are your budget and timeline proposals?

The total budget for the grant proposal is \$1.50 million from the PRO-Housing Grant. The budget was determined by contacts with consulting firms engaged in this type of work and cost estimates for site preparation and utility preparation work based on previous projects by the borough and contractor consultation. The breakdown of the grant proposal is as follows:

Phase 1: Comprehensive Plan Update Assistance

1a - \$150,000 for diagnostic of comprehensive plan and zoning regulations with emphasis on design barriers.

1b - \$200,000 for housing plan element to comprehensive plan.

Timeframe: 1.5 years (6 months for Phase 1a and 1 year for Phase 1b)

Milestone: Completed draft housing element for comprehensive plan update.

Estimated Start Date: February 1, 2024

Estimated Completion Date: June 30, 2025

Phase 2: Housing Strategic Plan - \$400,000

Timeframe: 1 year

Milestone: Completed strategic plan document.

Estimated Start Date: July 1, 2024

Estimated Completion Date: June 30, 2025

Phase 3: Pilot Project

3a (Planning and Due Diligence) - \$250,000

3b (Site Preparation Work and Utility Preparation) – \$500,000

Timeframe: 1.5 year

Milestone 1: Completion of phase 1 environmental review, site survey, project feasibility documents, and draft site plan (conceptual plan for up to 15-acre site).

Milestone 2: Completion of site preparation work and utility preparation (estimated property size is 2 to 4 acres). Currently, no specific site selected, Phases 1 and 2 will identify prospective sites and the cost of site preparation and utility preparation may vary based on site conditions.

Estimated Start Date: May 1, 2025

Estimated Completion Date: October 30, 2026

If the grant was awarded at a lower level, the project would eliminate or reduce the site preparation work. The site preparation work was included to reduce the cost of construction for affordable housing providers based on the already high cost of construction in the borough. If all site preparation and utility work is excluded the total cost of Phase 3 would be \$250,000, which reduces the overall project cost to \$1,000,000.

**Exhibit E Capacity  
Kodiak Island Borough**

DRAFT

What capacity do you and your Partner(s) have? What is your staffing plan?

The Kodiak Island Borough has the areawide planning and zoning powers for the jurisdiction. The Borough government provides these services to all cities and communities within the borough. The Borough has the authority to address changes to the zoning regulations for the entire community. Phase 2 of the proposed project will require additional collaboration and support from other agencies, if selected, the Borough staff will continue to work with other agencies to increase partnerships as needed. The Community Development Department is the agency within the borough that manages the planning, zoning, and subdivision authority for the borough since this department provides staff to the Planning and Zoning Commission. Chris French, the director of the Community Development Department has 27 years of experience as a community planner in Kentucky and Alaska with the last five years of his work in Louisville, Kentucky working for Louisville Metro Planning and Design Services where he managed the Land Development Code Reform Project for the city. He worked through the first phase of the project creating a list of 46 projects for implementation as part of the reform project. In addition, he managed the implementation of the first phase of the project, including the implementation of an accessory dwelling unit ordinance, increasing equity in the agency review processes, improving food security through urban agriculture, eliminating provisions in the code such as floor area ratios for residential development, eliminating parking requirements for residential development, improving the ability to allow missing middle housing in multi-family zones, and reducing setbacks in areas to allow great design flexibility for residential development. These projects give Mr. French the needed experience to develop a scope of work that will provide the best opportunity for success in the grant proposal. He will be the lead planner for the borough. In addition, the Borough is in the process of hiring an additional planner to assist with this project and other planning tasks.

It is anticipated that the Special Project staff person in the Manager's Office and staff in the Finance Department will be crucial to the management of the grant process and in the procurement of professional services for the project. Borough staff has experience working with other federal grants and there is capacity to manage this grant if selected. An organizational chart is included with this exhibit.

Currently, this grant proposal has received support from several major employers in the borough and support from the City of Kodiak and the Kodiak Area Native Association. If selected for the grant, as part of community engagement Borough staff will work to obtain additional support from employers and other relevant agencies. Public education and engagement are an important part of this project and will be scrutinized closely in order to ensure maximum participation in all aspects of the planning process.

**Exhibit F Leverage**  
**Kodiak Island Borough**

DRAFT

Are you leveraging other funding or non-financial contributions?

Currently, the Kodiak Island Borough is not proposing to provide matching funds for this grant; however, the Borough is looking for possible grant funding for additional pieces of the comprehensive plan project and for the potential implementation of tools developed as part of this grant proposal, if selected. Community Development staff has been in contact with the AARP Alaska to discuss potential funding for other pieces of the comprehensive plan work and potential projects related implementation of this grant proposal if selected.

In addition, Phase 3 of the grant proposal includes working with other agencies, this work is in the beginning stages and is dependent upon the grant proposal being selected. Phase 3 includes a site selection process for a pilot project. Some potential properties under general review at this time are owned by government entities such as the Kodiak Island Borough; it is anticipated that land acquisition would not be needed because the potential land for the pilot project would most likely be owned by the government or other agencies that may participate in this project. It should be noted that this grant proposal would not be able to go forward as presented in this grant application without being selected for the PRO-Housing Grant.



**Exhibit G Long-term Effect**

**Kodiak Island Borough**

DRAFT

What permanent, long-term effects will your proposal have? What outcomes do you expect?

The long-term effects of the grant proposal will first provide policy guidance on housing for the Borough's comprehensive plan. This guidance will focus on housing needs and removing barriers to affordable housing options. The future land use map would be updated to identify priority areas for affordable housing. In addition, the proposal will recommend changes to the zoning regulations that will provide greater opportunities for housing choice and affordable housing development. Implementation of these recommendations will proceed through an incremental process outlined within the comprehensive plans work program. These changes to the zoning regulations may be controversial and could lead to compromises that could limit the effectiveness of the zoning regulation amendment. Monitoring of the effectiveness of these zoning code changes will be crucial to manage potential needs for adjustments so that the long-term effectiveness of the project is not compromised.

The second part of the grant proposal will focus on the development of a housing needs assessment that will further refine what non-regulatory barriers exist beyond those identified within the Housing Needs Assessment. The goal of Phase 2 is a strategic plan for housing with a specific emphasis on affordable housing and increased housing choices for the community. The strategic housing plan will include a work program for implementation of the plan and the development of tools to address identified housing barriers.

Phase 3 of the grant proposal focuses on a pilot housing project. The pilot project will use developed tools, policies, and regulation changes to create a housing project that could be replicated in other areas of the borough. This project includes site selection, planning and design work, and site and utility preparation. The goal of the pilot project is a shovel-ready housing project.

The long-term effects of this project will be increased affordable housing. A decrease in housing cost burden is anticipated because of the focus on new housing near existing infrastructure. Actual number of projected units will be developed as part of the strategic housing plan. The goal for new affordable housing units is that the type of units will be diverse to address the housing needs of the diverse population of the borough. Phase 3 and the overall project will be monitored over the first five years. The monitoring of the project will focus on unattended consequences. To address unforeseen issues, the Community Development Department should be prepared to bring issues up to the Planning and Zoning Commission and the Borough Assembly for direction on the type of actions that are needed to resolve issues.

Another aspect of this project is its potential use in other communities within Alaska. If the plan is successful in its public outreach and participation that part of the planning effort could be replicated in other parts of Alaska. Changes in zoning regulations and the strategic housing plan could also be models for other communities. However, it is anticipated that the remote nature of Kodiak and the terrain of the island may make replication difficult. The success of this project will also have a lasting impact on the community and the connection to the comprehensive plan update provides the opportunity for a better-informed public and improved planning for future needs.