

ANCHORAGE, ALASKA
AO No. 2024-104

1 **AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING ANCHORAGE**
2 **MUNICIPAL CODE TITLE 21 TO REDUCE THE COSTS AND BURDEN OF**
3 **MULTIFAMILY RESIDENTIAL DEVELOPMENTS BY SUSPENDING THE**
4 **RESIDENTIAL DESIGN STANDARDS FOR DEVELOPMENT APPLICATIONS**
5 **SUBMITTED WITHIN A TIME CERTAIN.**

6
7 **WHEREAS**, The 2040 Land Use Plan (LUP) is the adopted policy guidance to direct
8 growth and change throughout the Anchorage Bowl; and
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10 **WHEREAS**, Title 21 of the Anchorage Municipal Code, *Land Use Planning*,
11 regulates the uses allowed within zoning districts, the restrictions on the form of new
12 development or redevelopment such as buildable height and setbacks, and the
13 design standards for site-specific development; and
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15 **WHEREAS**, There is an acute need for additional housing to support the projected
16 population and housing demand growth in the Municipality of Anchorage; and the
17

18 **WHEREAS**, Chapter 21.07, Development and Design Standards, is often
19 mentioned by developers as a specific significant hurdle in the process that is
20 complex and time consuming to successfully navigate and obtain a permit; and
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22 **WHEREAS**, One intent of the 2040 LUP was to allow increased flexibility over time
23 as infill and redevelopment projects and permits increase; and
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25 **WHEREAS**, The intent of the Assembly is to provide more flexibility in the designs
26 for multifamily residential housing developments by eliminating barriers and
27 reducing regulation, to reduce plan review and permitting process timelines and
28 accelerate the volume of permits for such projects; now, therefore,
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30 **THE ANCHORAGE ASSEMBLY ORDAINS:**

31
32 **Section 1.** Anchorage Municipal Code section 21.07.110 is hereby amended as
33 follows (*the remainder of the section is not affected and therefore not set out,*
34 *unaffected subsections are included for context*):
35

36 **21.07.110 Residential design standards.**

37 *** **

38 C. Standards for multifamily and townhouse residential. Except as
39 provided herein, the standards set forth in this Subsection
40 21.07.110C. are suspended for complete applications submitted on or
41 after February 1, 2025, and before January 31, 2027. The date an
42 application is determined complete pursuant to section 21.03.020F.
43 shall secure the applicable Title 21 and Title 23 provisions for the

proposed development in effect as of that date, including this moratorium. Absent assembly action to amend this provision of code, the standards set forth in this subsection shall become effective again for complete applications submitted after the expiration of the suspension period. During this period of suspension these standards shall continue to be effective for visitor accommodations and dormitory uses when applicable, but there are no applicable design standards in this subsection C. for multifamily and townhouse residential development with five or more units, except subsection C.8., *Mechanical and electrical equipment screening*, shall continue in effect.

*** *** ***
8. *Mechanical and electrical equipment screening.* Mechanical and electrical equipment serving a single building shall be screened from view as required by subsection 21.07.080G.4. This requirement is not suspended as set forth in subsection 21.07.110C.

*** *** ***
(AO 2012-124(S), 2-26-13; AO 2013-117, 12-3-13; AO No. 2015-36, §§ 8, 9, 5-14-15 ; AO No. 2015-100, § 8(Exh. C), 10-13-15 ; AO No. 2016-34(S), § 2, 4-12-16 ; AO No. 2016-136am , § 5, 1-1-17; AO No. 2017-160 , § 5, 12-19-17; AO No. 2017-176 , § 9, 1-9-18; AO No. 2018-59 , § 2, 7-31-18; AO No. 2020-38 , § 8, 5-28-20; AO No. 2021-89(S) , §§ 14, 21, 2-15-22; AO No. 2022-80(S), § 2, 11-22-22; AO No. 2023-30, § 1, 3-22-23; AO No. 2023-77, § 14, 7-25-23; AO No. 2023-42, § 5, 8-22-23; AO No. 2023-50, § 3, 7-11-23, eff. 1-1-24; AO No. 2023-103(S), § 6, 1-1-24)

Section 2. The Planning Department shall provide a report to the Assembly no later than July 31 of 2025 and 2026, and March 1, 2027 analyzing the efficacy of this ordinance for encouraging multifamily development with comment and recommendations. The report shall be an informational memorandum provided on a regular meeting agenda.

Section 3. Pursuant to AMC subsection 21.03.210C., this ordinance shall not require planning and zoning commission review prior to assembly action, and the 21-day published notice requirement of AMC subsection 21.03.020H.4. is waived; this ordinance shall comply with charter § 10.01(b) notice requirements.

Section 4. This ordinance shall be effective immediately upon passage and approval by the assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2024.

Chair

ATTEST:

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Municipal Clerk

MUNICIPALITY OF ANCHORAGE



ASSEMBLY MEMORANDUM

No. AM 851-2024

Meeting Date: October 22, 2024

From: Assembly Vice Chair Zaletel and Assembly Member Brawley

Subject: AN ORDINANCE OF THE ANCHORAGE ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE TITLE 21 TO REDUCE THE COSTS AND BURDEN OF MULTIFAMILY RESIDENTIAL DEVELOPMENTS BY SUSPENDING THE RESIDENTIAL DESIGN STANDARDS FOR DEVELOPMENT APPLICATIONS SUBMITTED WITHIN A TIME CERTAIN.

This proposed ordinance places a moratorium on Title 21 residential design standards that apply to multifamily (5 or more dwelling units) housing developments as defined in portions of AMC section 21.07.110, for a limited time (2 years). The objective is to catalyze development and construction of new multifamily housing projects, as well as renovation of existing multifamily properties, so the market and property owners can more quickly and easily respond to the community’s acute need for housing. By relaxing design specifications, architects and developers can be creative during this limited period, with designs that do not need to follow the prescriptive, detailed standards in Code today, but can still result in building attractive places.

Pause Design Standards to Encourage Novel Designs

The moratorium encourages innovation and accelerating the process for permitting new multifamily housing structures by temporarily eliminating the residential design standards for multifamily development permits. Many standards in AMC subsection 21.07.110C., *Standards for multifamily and townhouse residential*, were established for purposes of aesthetics, functionality, or consistency with the neighborhood character. In practice, these regulations lengthen the time and complicate the approval process for architects and designers, and require time-consuming plan reviews by municipal staff. For small infill sites and properties with physical design challenges, these rules can make a site economically infeasible to develop as attached multifamily housing, if the project cannot be designed to meet the standards within the property’s footprint, and also perform as an income-generating real estate venture, whether the units are intended for sale or rental.

By allowing developers and architects more freedom in the design choices for their projects, this novel approach will likely produce significantly different designs than what the current standards require. However, a moratorium on the requirements in AMC subsection 21.07.110C. does not remove any of the dimensional standards, such as height, bulk, or setbacks set out in Chapter 21.06. It also does not change requirements for subdivision design, right of way design, driveway design, or any rules in building code (Title 23). Developers and designers can continue to utilize the paused code as guidelines, and voluntarily utilize any portion of code that will enhance the functionality and aesthetic value of the project.

1
2 If this approach catalyzes an increase in permits issued and dwelling units
3 constructed, this benefit may justify prolonging the moratorium on residential design
4 standards. The Assembly should monitor the effects of this ordinance, if approved,
5 and take action in the future accordingly. Section 3 requires a report to the Assembly
6 near the end of each permitting/construction season and after the 2-year moratorium
7 period to facilitate this oversight and consideration of extending the suspension, and
8 to inform future code changes.
9

10 ***Pausing Standards Aligns with Concurrent Work on Title 21 Improvements***

11 This moratorium does not preclude further work on Title 21 improvements: in fact,
12 having a new set of projects and designs under a more flexible regulatory framework
13 will offer a natural testing environment to inform revisions to standards, to make
14 them effective and feasible. If developers continue to adhere to some or many of
15 the rules, it will help isolate which standards cause the most practical challenges. If
16 projects meet all other code requirements but would not be compatible with
17 residential design standards, this will suggest significant revision is needed to make
18 them valuable and practical. If a significant revision of Chapter 21.07 is determined
19 to be needed, it can be worked on within the moratorium period, and move through
20 the review process concurrently.
21

22 Specifically, this moratorium is intended to be compatible with a separate project to
23 review portions of AMC Chapter 21.07, commonly referred to as “Site Access and
24 Pedestrian Frontage Standards,” which went into effect in January 2024, but were
25 partially suspended from Title 21 until November 2025. A working group is intending
26 to produce a revised version of that code for Assembly adoption in spring 2025; this
27 moratorium could be adjusted to either continue suspending those portions of code
28 during the same period, or to exclude that new code section from the moratorium,
29 so it applies to future projects.
30

31 ***When and How Residential Design Standards Were Created***

32 Most of these rules were put in place during the Title 21 Rewrite (2002-2012, took
33 effect in 2014), after extensive community debate, and multiple revisions that either
34 increased or reduced the level of regulation on multifamily residential property
35 (apartments, townhouses, and condominiums). This debate turned into two
36 competing versions of the draft zoning code, as the community attempted to balance
37 the desire for quality, aesthetically-pleasing development, with preserving property
38 owners’ ability to design and use their property in ways that are economically viable
39 and feasible to develop, and avoid causing significant disruption to the real estate
40 market. At the center of the debate was a significant negative reaction to prior
41 decades of development in the Municipality, especially the construction boom of the
42 1970s and early 1980s, which produced over half of Anchorage’s current housing
43 stock, but also many projects that were built quickly, in some cases substandard,
44 and considered to be not aesthetically pleasing. In particular, residents described
45 attached and rental housing as the problem: apartments, townhouses, and
46 condominiums.
47

48 The Title 21 Rewrite was originally an implementation action of the *Anchorage 2020*
49 *Comprehensive Plan*, which included a number of housing-related policy goals such

1 as encouraging compact and small-lot housing, building a diversity of housing types,
 2 and generally adopting policies consistent with the “Urban Transition” preferred
 3 scenario. The plan also called for stricter residential design standards, and
 4 requirements on new development to be compatible and in scale with current
 5 buildings. Much of the Rewrite’s focus ultimately became creation of multifamily
 6 residential design standards that apply to any project with 3 or more units, including
 7 attached single-family housing.¹

8
 9 A 2008 analysis by the Planning Department of the draft Title 21 rewrite, and how
 10 the draft implements the Comprehensive Plan, describes a number of housing-
 11 related policies and whether the zoning changes meet these goals. The analysis of
 12 several policies, with an example in Figure 1, was essentially the same: the draft
 13 code thoroughly addressed restrictive policies such as design standards, but took
 14 no action on other pro-housing policies such as inclusionary zoning or small-lot
 15 housing, and incentivized affordable housing only in some zoning districts “with
 16 design standards,” and allowing manufactured housing “as long as certain design
 17 standards are met.” The community’s priorities were, both through selective
 18 implementation of the plan’s policies and a focus on placing additional restrictions
 19 on multifamily development, to spend more time and energy on making
 20 development more difficult, rather than proactively allowing denser and more
 21 compact housing by right, without additional design requirements that are based on
 22 aesthetic preferences.

23
 24 *Figure 1. Implementation Analysis of Draft Rewrite, Policy 16 (page 10)*²

Policy	Strategy	Implementation
Policy 16: Adopt standards to ensure that new residential development provides for a variety of lot sizes and housing types for a range of households and age groups. (Residential)		<i>Some residential zoning districts allow only a limited type of housing, such as only detached single family homes, or just single- and two-family. Certain residential zoning districts, such as the (proposed) R-2F, R-2M, and R-3 allow a mix of dwelling types (single-family detached, two-family, various types of multifamily) with design standards. There are no requirements for a subdivision to provide a variety of lot sizes or housing types.</i>
	*Inclusionary Zoning	<i>Inclusionary Zoning is not addressed in the code rewrite.</i>
	*Design Standards	<i>Design standards for residential, commercial, and mixed-use development are proposed in the code rewrite. Most site and building design standards are found in chapter 21.07 of the rewrite.</i>
	*Accessory Units	<i>Standards for accessory dwelling units were adopted in 2003, and all residential zones except for the R-1 and R-1A allow accessory dwelling units. The standards can be found in section 21.05.070 of the rewrite.</i>
	Affordable Housing	<i>This strategy will be implemented through a variety of means, including some unrelated to Title 21. The rewrite encourages affordable housing by offering density bonuses for providing affordable housing units, in certain zoning districts. The rewrite also removes some barriers to affordable housing by lowering parking requirements for multifamily housing and allowing manufactured housing wherever site-built housing is allowed, as long as certain design standards are met.</i>
	Small-Lot Housing	<i>Small-Lot Housing can be created through a Conservation Subdivision (21.08.070), but no by-right standards for small-lot housing have yet been developed.</i>

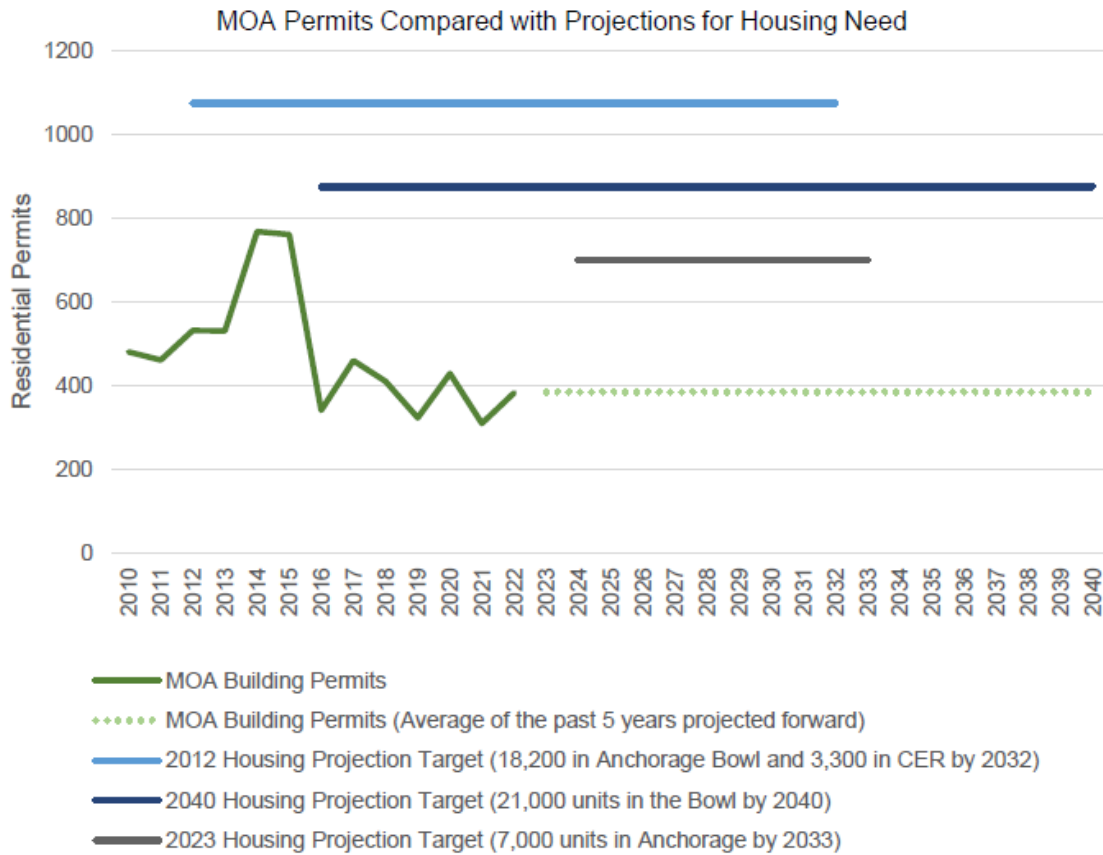
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¹ Planning Department, “Analysis of How the Title 21 Rewrite Public Hearing Draft Implements the Policies and Strategies of Anchorage 2020: Anchorage Bowl Comprehensive Plan,” May 7, 2008. <https://www.muni.org/Departments/OCPD/Planning/Projects/Documents/Analysis-T21-2020.pdf> (accessed October 17, 2024)

² Same as above.

Impacts of Residential Design Standards on Multifamily Development

The more restrictive version of the code ultimately was chosen, resulting in a significant, measurable drop in multi-family development: a 2023 report by the Planning Department documented the “bump” in building permits in 2014 and 2015 (Figure 2), the last years the “old” Title 21 code was still in use: developers had the choice to initiate projects under “old” or “new” code until December 31, 2015, and most opted for the old code.³

Figure 2. Permit Versus Projected Housing Need for Unit Production, 2010-2040⁴
Anchorage Permits Compared with Past Projections



While multiple factors have contributed to the significant decline in permit and construction activity in the Municipality in the last 10 years, adopting prescriptive design standards has made multifamily development in the Municipality more costly,

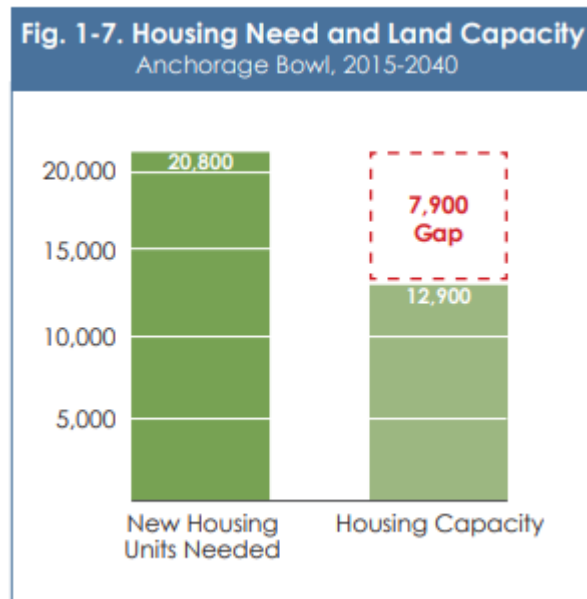
³ Bunnell, Kristine and McKenna-Foster, D., “Housing White Paper May 2023,” MOA Planning Dept., p. 8 (2023), (showing an annual breakdown of 6,214 permits for new residential construction issued since 2010, into three categories: single-family, duplex, and multifamily residential permits). See https://www.muni.org/Departments/Assembly/SiteAssets/Pages/FOCUS-Housing/Housing%20White%20Paper_May%202023.pdf , accessed October 17, 2024. Numbers for duplex/two-family residential permits issued was not available. The total of 6,193 permits for new residential construction (including duplexes) in a 12-year span from 2010-2022 illustrates the level of development activity, and not an accurate count of the number of housing units built, per project and in total.

⁴ *Id.*, Planning Department, “Housing White Paper: Housing Preference & Demand, How Do We Get There?” May 2023.

1 because it takes multiple rounds of review, and revising plans, to adhere to the exact
2 specifications of the standards in code, especially when dealing with real-world sites
3 that pose design challenges (slope and grade, existing features, and right of way
4 access points). Developers who work primarily on multifamily projects have also
5 reported that while the standards are intended to make building facades more
6 varied, in reality these standards force buildings to be repetitive and monotonous,
7 because there are so few ways that a façade can comply with these rules. Strict
8 design rules actually limit the creation of diverse and aesthetically pleasing housing
9 to enhance neighborhood character, contrary to the plan’s goals.

10 **2040 Land Use Plan and Housing Capacity Gap**

11 The Anchorage 2040 Land Use Plan (LUP) includes several goals and actions to
12 alleviate obstacles and streamline development permitting. No single strategy,
13 including this ordinance, are enough to enable housing development in the MOA to
14 catch up to the gap between projected housing units needed in the future, and the
15 actual annual trend of new units constructed. But revisiting and pressing “pause” on
16 strict design standards is a big step toward more housing. The LUP, with data
17 collected 9 years ago and adopted in 2017, identified the need for 21,000 new
18 housing units to meet population growth, requiring approximately 840 to be built
19 annually.⁵ The plan also identified the fact that the current zoning code, measured
20 through land capacity (the number of units that can be built in residential districts),
21 did not allow for construction of the number of units needed, with a deficit of 7,900
22 units short of the projected need. More action is needed to re-connect the goals and
23 objectives of the community’s 2020 Comprehensive Plan and 2040 Land Use Plan,
24 with revisiting and revising the flaws in the code adopted through the Title 21
25 Rewrite.
26



⁵ Anchorage 2040 Land Use Plan, Municipality of Anchorage, p. 10-11, located at <https://www.muni.org/Departments/OCPD/Planning/Publications/Pages/Anchorage2040LandUsePlan.aspx> (accessed October 17, 2024).

Applicability of Design Standards and Proposed Moratorium

Types of Development: The residential design standards in AMC section 21.07.110. only apply to residential developments, not to other types of development such as retail storefronts, office buildings, or industrial properties. The moratorium is only of Subsection 21.07.110C. and will only affect attached multifamily housing projects, including the residential portion of a mixed-use structure: apartments, townhouses, and condominiums.

Existing Properties: This ordinance also impacts existing buildings, if they intend to make improvements: because Title 21 requires most properties that apply for a permit for improvements, whether they include an addition, exterior modifications, or changes of use, generally move towards conformity with current zoning code. Developments built before 2014 for which an application for a modification or addition is submitted are also subject to these rules, even if properties were built decades ago. Bringing a property into legal conformity, or spending an additional 10% of a total project cost to move towards conformity, adds significant time and cost to the approval process, and may require seeking a nonconforming determination or variance(s) before even a modest project, like building a new accessory dwelling unit in the backyard of a home originally built in the 1970s, is approved and permitted to move forward.

A recent ordinance, AO 2023-30, responded to challenges faced by an affordable housing organization that was attempting to convert multiple hotel buildings into apartments, by exempting existing buildings undergoing conversion to multifamily housing from AMC subsection 21.07.110C. This proposed ordinance, by suspending design standards for all multifamily projects, not only catalyzes new construction, but also directly encourages reuse of—and improvements to—existing buildings. It is unknown to the sponsors how many existing apartments, townhouses, and condominiums built prior to adoption of the Title 21 Rewrite, would seek to make improvements. For any owner who submits a completed application during the moratorium, and secures permits based on those submitted plans, it will be easier to do so.

Project Lifecycle: While the moratorium is crafted to be temporary, it is important that developers have certainty in which version of the rules applies to their project. The ordinance sets multiple “triggers” by which a project applicant can secure entitlements under Title 21 at the time of the moratorium; these would persist throughout the life of the project’s permits, and ensure that the project, if already permitted, does not need to completely redo its design if the moratorium ends before it is built. Projects built during this period should also retain nonconforming rights in regard to AMC subsection 21.07.110C., meaning they are considered previously conforming based on the rules that existed at the time the project was permitted and built.

Geographic Areas: The Chugiak-Eagle River area has not adopted design standards specific to residential multifamily developments in its separate zoning chapter (AMC 21.10). However, design standards in Chapter 21.07 still apply: AMC subsection 21.10.070A. directs that “Unless otherwise provided the provisions

1 of Chapter 21.07 apply in the Chugiak-Eagle River area.” The moratorium proposed
2 in this ordinance would also apply to that area.

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4 Both Downtown and Girdwood are excluded from AMC section 21.07.110, and each
5 have their own zoning code chapters. Downtown has separately-defined design
6 standards, and its code chapter was recently updated in 2023, with several revisions
7 to make the code simpler and less prescriptive; these recent changes should
8 themselves be tested with new projects before being substantially modified again,
9 so Downtown is not affected by this ordinance. Girdwood has separate design
10 standards for multifamily and townhouse developments in AMC subsection
11 21.09.080E., and is not affected by this ordinance’s moratorium.

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13 **We request your support for the ordinance.**

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15 Prepared by: Assembly Counsel’s Office

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17 Respectfully submitted: Meg Zaletel, Assembly Vice Chair
18 District 4 – Midtown Anchorage

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20 Anna Brawley, Assembly Member
21 District 3 – West Anchorage
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