



Valdez Housing Needs Assessment

January 2026 - Executive Summary



Report developed by Agnew::Beck Consulting, Inc.

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Acknowledgements

Thank you to all the members of the public who participated in the community housing survey and shared their stories and ideas related to housing in and around the City of Valdez.

Thank you to the following individuals and to the organizations and partners who shared housing data, participated in interviews and helped inform the findings of this needs assessment.

Mayor and City Council

- Dennis Fleming – Mayor
- Austin Love – Mayor Pro Tempore
- James Devens
- Olivia Foster
- Joseph Lally
- Joy Witte
- Lester Green

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1.0 Executive Summary

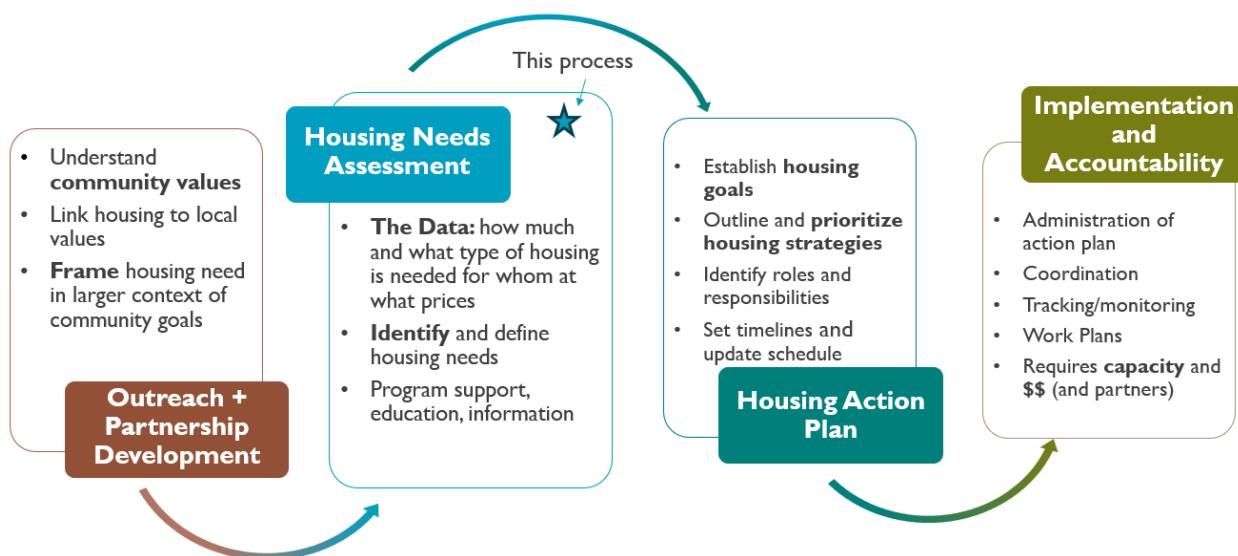
Report Purpose

The City of Valdez is actively working to improve housing outcomes for current and future residents. With the adoption of Plan Valdez, the 2021 Comprehensive plan, the city set housing as a top priority for the future health and vitality of the community. Additionally, the Valdez City Council established housing availability as their top priority for 2025. This housing needs assessment provides information that will help refine the city's housing efforts and future investments.

What is a Housing Needs Assessment?

A housing needs assessment is a data informed process through which a community identifies current and future housing needs, including housing types, affordability, and accessibility. An evaluation of the existing housing inventory, building trends as well as market and economic conditions inform a forecast of the community's specific housing needs. These assessments help provide baseline data and analysis to inform meaningful investments, policy development, and program implementation to achieve current and future housing goals. While a housing needs assessment is not a planning document, it lays the foundation for future planning efforts.

The findings of this housing needs assessment are used to forecast the number of units needed to accommodate future population growth and address existing pent-up demand. Renovation and preservation of the existing housing inventory is also taken into consideration to develop a more nuanced picture of the overall housing need in Valdez. Additionally, this assessment looks at housing price and accessibility, to highlight the specific needs of households of various income levels and identify the need for housing across a broad spectrum of affordability.



GOAL 2.3

Promote, protect, and build quality housing

Quality housing is housing that meets community needs including a range of incomes, housing types, and locations; and is built with longevity in mind

Without dedicated resources or programmatic priorities to support more diverse housing types, the city's capacity to help residents find housing best suited to their needs, has been limited. Adopting a policy direction that promotes an inclusive, diverse, and flexible housing environment will contribute to a capable workforce, retain residents in the community, and help develop a sturdy customer base to sustain local businesses and population. Various housing options will enable residents to find suitable local housing regardless of income level.

Approach

This assessment utilizes local, regional, and statewide data sets to provide the framework for understanding the current state of housing in Valdez along with the factors that will influence housing supply and future housing demand. The data is strengthened by significant community and stakeholder feedback that was collected in the following ways:

- **A community wide housing survey** that reached 462 respondents during the spring of 2025. The community housing survey featured an extensive 53 questions that asked about current housing status, condition, affordability, assessed interest in moving (both within Valdez and to other locations) and identified the type and size of housing units that respondents were most interested in seeing in Valdez. The survey provided invaluable information related to the challenges and opportunities that face residents and individuals who may wish to move to the area on a more full-time basis.
- **A local business and employer questionnaire** that connected with 21 employers. This questionnaire was designed to collect feedback from businesses and local employers regarding the impacts of the local housing market on their ability to hire and retain a workforce necessary to support their business. We asked 22 questions and respondents identified challenges and suggested strategies to better support Valdez's local workforce in attaining housing that meets their needs. The questionnaire also helped to identify if there was a need for workforce housing to support businesses that were likely to undergo significant expansion in the next few years.
- **Key informant interviews** that included 13 conversations aimed at further understanding local housing dynamics, development and employment patterns, as well as community driven ideas to address housing issues. These interviews provided a qualitative perspective into the Valdez housing market and were used to confirm if local housing data matched housing perceptions in the area. Interviews with developers and local businesses also helped to establish an understanding of employment trends, nuances of the local construction industry, and any planned housing investments that are likely over the next few years.

This assessment provides a housing need forecast for Valdez through 2035. The assessment model quantifies new housing unit needs and assesses the total existing housing inventory requiring significant renovation or rehabilitation to stay on the market. The assessment also provides information about the demand for different types of housing and housing affordability levels.

Key Definitions

Affordable and Attainable Housing

Housing that is affordable. The U.S. Department of Housing and Urban Development (HUD) defines “affordable housing” as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities. Housing that is affordable can be built by private developers and open to all income groups. This is sometimes called naturally occurring affordable housing. Housing that is affordable can also be built using public investment and restricted to certain incomes. In some communities, there is an abundance of naturally occurring affordable housing that has been built by private developers. In other

communities, the opportunities for housing that is affordable are few and far between, as housing prices have outpaced wage growth, causing housing to be out of reach for many households.

Income Restricted Affordable Housing. This type of affordable housing typically targets lower-income households (below 80 percent of area median income). In most cases, income restricted affordable housing receives public investment through local, state, federal, or foundation funds and is available to households who are under a certain income. The Low-Income Housing Tax Credit (LIHTC) program is a federal tax credit program and provides the vast majority of funding to support income restricted affordable housing in the United States.

Attainable Housing is a more recent term and generally refers to housing options that are accessible and affordable for middle-income families typically those between 80 percent and 120 percent of area median income.

Housing Costs

This report adopts the definitions used by HUD to determine which costs are included in the “total monthly housing costs” that are calculated based on household income to determine affordability and cost burden. HUD defines housing costs as the sum of all monthly payments to maintain a home, which includes rent and utilities for renters and mortgage payments, property taxes, insurance and homeowner/condominium fees for homeowners. Unless otherwise specified, monthly housing costs referenced throughout this report include the following components:

Figure 1. Components of Monthly Housing Cost by Tenure

For Renters	For Homeowners
Monthly Contract Rent	Monthly Mortgage (principal + interest)
Utilities (electricity, gas, water, sewer, trash)	Utilities
Fuels (oil, coal, kerosene, wood)	Property Taxes
	Hazard Insurance
	Homeowner Association Fees
	Condominium Fees

Key Findings

Community Profile

Shifting Demographics: The population over the age of 80 years in the Chugach Census Area is expected to more than double over the next 25 years and will account for a greater proportion of the overall population. This demographic shift could put additional pressure on the local workforce and drive additional demand for senior housing and services.

Lower Income Renters: The median household income for renters in Valdez is \$70,976 which is well below the HUD's published AMI of \$114,300. Roughly 54 percent of renter households, or 322 households, in Valdez make less than 80 percent of AMI and could potentially qualify for federally sponsored income restricted affordable housing programs.

Single-Person Households: Nearly a third of Valdez households are occupied by a person living alone. The community's aging population paired with relatively mobile cohort of young professionals are likely driving the longer-term trend toward smaller and more single-person households.

Constrained Growth: Housing could be constraining population growth in Valdez. The relationship between population and housing presents a two-sided dynamic in which population growth can drive demand for housing, and in turn, restricted housing availability can also stifle population growth that would otherwise occur.

Housing Supply

Fewer Small Housing Units: Only four percent of Valdez's housing inventory is studio or 1-bedroom units, which often serve as the most affordable housing option on the market and is also a desirable product type for seasonal and shift workers and single-person households. Larger luxury homes typically generate a higher return for developers compared to smaller multi-family units, which often require subsidy or a diverse capital stack to make pencil.

Aging Housing Stock: Over 600 housing units in Valdez were built prior to 1975 and are reaching the end of their expected lifespan. This suggests a growing need for rehabilitation and renovation within the community. The preservation of the existing housing stock plays a critical role in meeting the community's housing needs, especially given the current high cost of new construction in Valdez.

Mobile Homes: Valdez is home to a large number of mobile home units that are also at risk of aging out of the market. Roughly 66 percent of Valdez's mobile home units were built between 1960 and 1979 and are at least 45 years old.

Higher Ownership Rates: More housing units are owner-occupied than renter-occupied in Valdez (63 percent vs 37 percent.) and homeowners are likely to have a higher household income than renters.

Slow Pace of Development: Residential development has not kept pace with the demand for housing in Valdez. Barriers to development, including high construction cost and workforce constraints have limited residential development in recent years.

Housing Demand

Workforce Housing: Housing has a direct impact on the local workforce, and the lack of available and affordable housing options can negatively impact employee recruitment, retention and productivity. When businesses are unable to find, hire, and retain a reliable workforce, it can slow down overall economic growth in a community.

Existing Pent-Up Demand: In addition to overcrowding, latent housing demand can also be present in a housing market when households cannot find housing that meets their needs due to affordability or availability constraints. The community housing survey developed for this assessment asked three questions targeted at quantifying this additional pent-up demand and found that 114 respondents reported some degree of pent-up demand within their household that could be alleviated with an additional housing unit.

Seasonal Demand: The seasonality of Valdez's employment opportunities creates challenges in housing accessibility during peak activity months. The seasonal workforce is often competing with visitors for a limited supply of short-term rentals and temporary housing options during the busy summer months, putting additional pressure on the overall housing stock.

Affordability

Increasing Rents: Rents in Valdez have been trending upward over the past decade, increasing at an average annual rate of 2 percent. In more recent years, increases in rental prices have become more pronounced with rents increasing by 10 percent between 2020 and 2024.

High Cost of Housing: In Valdez, 27 percent of households meet the definition of cost burdened, spending more than 30 percent of their total income on housing costs and renter households are more likely to be cost burdened. High rates of cost burden could indicate a potential mismatch between local wages and housing costs, highlighting a need for more affordable housing options.

Renters More Likely to be Cost Burdened: Low-income renter households are particularly vulnerable to the lack of affordable housing. Roughly 28 percent or 159 renter-occupied households are spending more than 35 percent of their household income on housing, indicating that they are significantly cost burdened. This suggests that there is a need for more affordable housing, specifically affordable rental housing in Valdez.

Lower-Income Households Spend More on Housing: The burden of housing unaffordability falls disproportionately to the poor. For example, 89 percent of renter-occupied households who make less than \$50,000 per year are cost burdened, while only 18 percent of renter-occupied households who make \$75,000 and more are cost burdened. Approximately 71 households who make under \$35,000 annually are currently paying more than 35 percent of their income in housing costs and would benefit from affordable housing offered at rents from \$375 to \$875 per month.

Housing Between \$1,000-\$2,000 per Month Needed: Based on data collected through the community housing survey, additional housing units with monthly housing costs between \$1,000 and \$2,000 would support a large portion of households in Valdez. For renters, monthly housing costs include the contract rent as well as the cost of utilities, such as electricity, gas, water and sewer. For homeowners, monthly housing costs are inclusive of monthly mortgage payments, utilities, property taxes, insurance and any homeowner association or condominium fees.

High Utility Costs for Mobile Homes: While many of the existing mobile home units in Valdez provide seemingly affordable monthly housing costs, many of the existing mobile home units are not energy efficient or were not constructed to withstand the extreme climate in Valdez. Community survey respondents residing in mobile homes reported paying less for monthly housing costs on average but paying an average of \$250 or more per month on heating costs. These high utility costs contribute to the high level of cost burden among mobile home residents.

Housing Need Forecast

There is a need for new housing development in Valdez, as the current housing inventory doesn't fully meet the needs and desires of the community. An estimated 202 new housing units are needed to address housing affordability, overcrowding, seasonal demand spikes, and market mobility.

- Roughly 90 percent (182 housing units) represent an immediate need in the community driven by overcrowding and pent-up demand and the remaining 20 forecasted units are needed to accommodate modest forecasted population growth over the next 10 years.

- Approximately 60 percent of these new housing units (123 units) would need to be accessible to households earning less than 80 percent of the area median income to meet the projected need across affordability levels.
- Less than half of community survey respondents say their current housing is meeting their needs. A total of 183 survey respondents indicated a desire to move to a different residence within the next 5 years and only 43 percent said that their current house meets their needs. Mobile home residents were more likely to express a desire to move with 66 percent of mobile home residents indicating a desire for a new housing situation within the next 3 years.

520 housing units in Valdez will likely need a moderate to significant amount of renovation/rehabilitation to remain livable long-term. If existing housing units are not maintained or rehabilitated, it is likely that some portion of the existing housing stock will continue to fall off the market and further compound the need for new housing units to replace them.

- Valdez's housing inventory is aging and many residents report needing home rehabilitation and renovation. Specifically, many of the mobile home units in Valdez are nearing or have reached the end of the life expectancy and are expected to need considerable repair or replacement in the near future.
- The above figure is an estimate based on previously documented characteristics of the overall housing stock in Valdez, such as year structure built, completed kitchen and bathroom facilities and mobile home units. A physical condition assessment was not completed as part of this analysis, and given our methodology, a distinction between rehabilitation and replacement cannot be inferred.

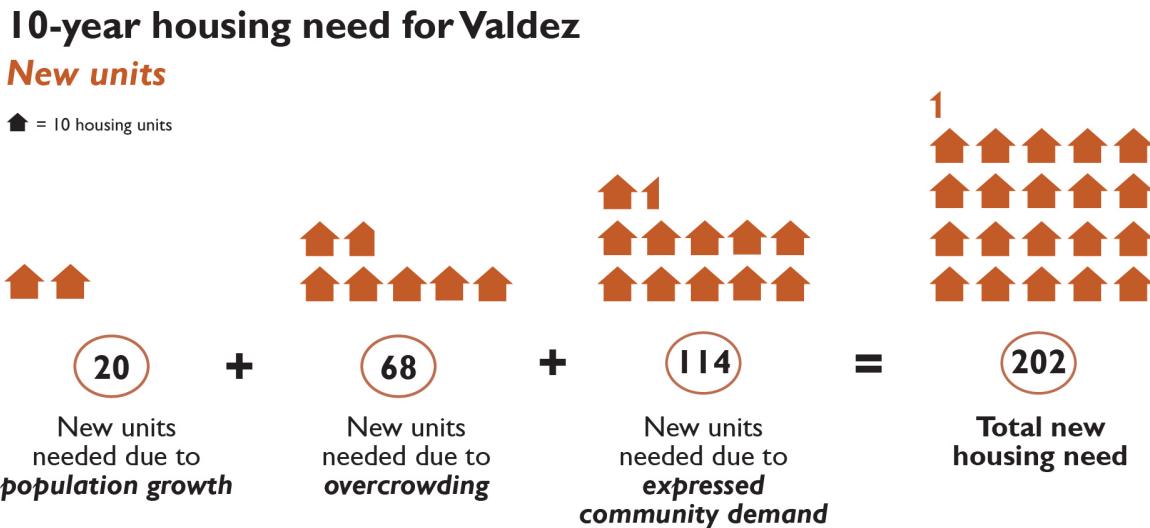
The supply of housing affordable to the local workforce (year-round and seasonal) has not kept pace with demand. There is a pronounced shortage of rental housing and ownership options for households earning 80 percent of the area median income (\$81,760) or less. This lack of housing at this affordability level makes it challenging for local employers to recruit and maintain employees.

10-Year Housing Need Summary

New Housing Units

Over the next decade, Valdez is projected to need approximately 202 additional new housing units. The forecasted demand for new housing units is driven by modest population growth and existing pent-up demand with the community needed to alleviate overcrowding and address expressed community needs.

Figure 2. 10-Year Housing Need for Valdez: New Units



Note: New units needed due to expressed community demand are directly associated with expressed demand identified in the Valdez Community Housing survey that was distributed in the spring of 2025.

Population Growth

Despite experiencing a slight decline in population in recent years, Valdez continues to be a desirable place to live, work, and play as evidenced by strong economic and job growth and sustained low vacancy rates within the community. Housing has likely been one of the constraints that has limited population growth in the past, but with proactive planning, it is reasonable to assume that modest population growth (0.12 percent AAGR) could occur, driving demand for roughly 20 new housing units by 2035.

Overcrowding

In Valdez, 4.2 percent of the 1,605 occupied housing units are considered overcrowded or severely overcrowded, lower than the statewide average of 5.9 percent but still a significant issue within the Valdez housing market. To alleviate overcrowding and severe overcrowding, it is estimated 68 new units are needed in Valdez. Unlike the demand associated with forecasted population growth that is spread out over the next 10 years, the demand for new housing units driven by overcrowding is immediate.

Expressed Community Demand

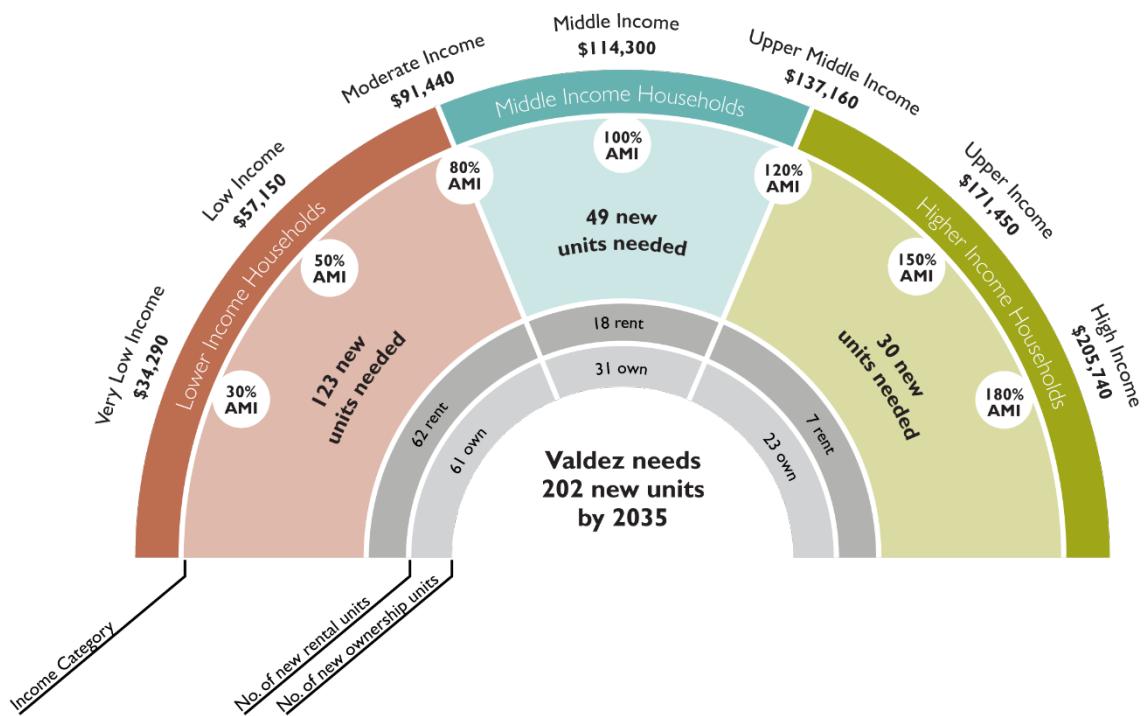
Additional existing demand for new housing units may also be present in households who do not technically meet the definition of overcrowding but have one or more people living in their home that would choose to have their own housing unit if one were available that could meet their needs and budget. The community housing survey developed for this assessment asked three questions targeted at quantifying this additional pent-up demand. When the responses to these questions were deduplicated and adjusted for overcrowding,

an estimated 114 respondents indicated that there was some degree of pent-up demand within their household that could be alleviated with an additional housing unit.

Affordability

The housing bridge graphic below shows the total projected housing demand for Valdez over the next ten years and illustrates a distribution of housing development that would serve a broad spectrum of household needs and affordability levels. In order to meet the projected demand for new housing, Valdez requires the construction of an additional 202 new housing units by 2035. To serve the needs of the community, these units should reflect a range of affordability levels as well as a mix of renter and ownership opportunities. Approximately 60 percent of these new housing units (123 units) would need to be accessible to households earning less than 80 percent of the area median income to meet the projected need across affordability levels.

Figure 3. Housing Need Bridge Graphic



Item	Low Income	Middle Income	High Income
Annual Household Income [1]	Less than \$90K	Between \$90K and \$135K	Greater than \$135K
Affordable Monthly Housing Costs [2][3]	\$2,200 or less	\$2,200-\$3,300	More than \$3,300
Housing Need: Total New Units	123	49	30
Ownership Units	61 (49%)	31 (64%)	23 (78%)
Rental Units	62 (51%)	18 (36%)	7 (22%)

[1] Based on HUD FY2025 Income Limits for the Chugach Census Area (\$114,300 Median Family Income)

[2] Assuming households spend 30% or less of their total household income on housing.

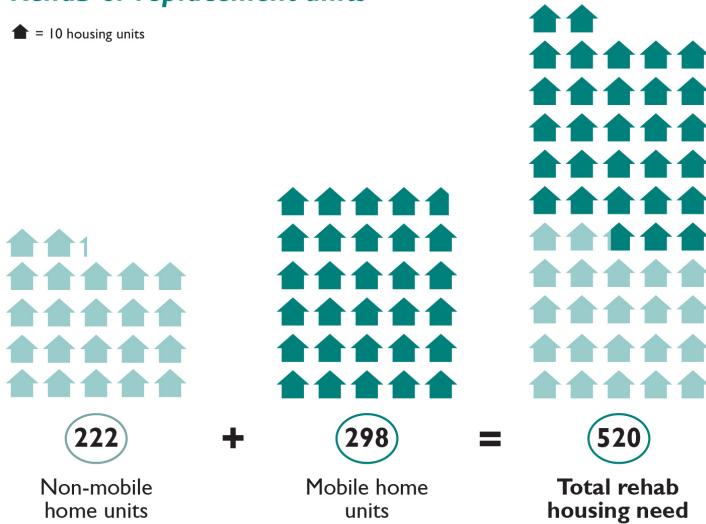
[3] Monthly housing close includes contract rent and utilities for renters and mortgage payments, utilities, property taxes, insurance and homeowner fees for homeowners

Housing Rehabilitation and Replacement

Valdez has an aging housing stock and a large inventory of mobile/manufactured homes. These factors, coupled with the harsh weather conditions in Valdez, contribute a considerable need for rehabilitation and replacement of the housing inventory. It is estimated that around 520 housing units in Valdez will need to undergo significant rehabilitation efforts or be replaced to maintain existing levels of housing for the Valdez population. These renovations are often challenging for local residents due to the high costs of repairs and the lack of access to licensed contractors necessary to implement updates.

10-year housing need for Valdez Rehab or replacement units

▲ = 10 housing units



For a more comprehensive overview of the analysis the contributed to the key findings summarized in this document, please refer to the complete Valdez Housing Needs Assessment available on the City of Valdez website.