

Valdez Housing Market Assessment and Gap Analysis

Draft Report

PREPARED FOR:

City of Valdez

March 2020

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Executive Summary

The City of Valdez contracted with McDowell Group to study Valdez's housing gaps, gather community perceptions on local housing issues, and analyze the connection between housing conditions and Valdez's economy. The report is based on three key sources of information:

1. Available data on Valdez's housing supply and affordability, as well as population and economic trends.
2. A household survey of 210 randomly selected Valdez residents.
3. Key informant interviews with 22 Valdez business owners and housing market stakeholders.

Population and Economic Trends

Economic and population growth (or decline) are important drivers of housing demand. From 2012 to 2019, Valdez's population declined by 255 residents, or 6%. The population has also been greying. From 2010 to 2019 the percentage of the local population over 70 years of age grew from 2.9% to 5.2%. Projections indicate this percentage could grow to 17% by 2030.

Unlike population, employment has been rising in Valdez. From 2013 to 2018, overall employment grew 10% and wages grew 21%.

Housing Supply

Valdez has experienced a decline in the number of occupied housing units over the last decade. This decline has been steepest for renter-occupied units. A possible explanation is conversion of housing, especially rentals, into crew houses, vacation rentals, and second homes. Data purchased from airdna.co indicates that 33 whole houses were available for rent on AirBnB or VRBO in Summer 2019, up from a peak of 10 in summer 2017.

A smaller percentage of households in Valdez are renters (21%) compared to other nearby coastal communities such as Seward (51%), Homer (37%), and Cordova (30%). Recent new housing starts have been almost exclusively focused on single family housing units, with only two multi-family units constructed since 2008.

Compared to nearby coastal communities with similar population sizes, mobile homes make up an exceptionally high proportion of the housing stock in Valdez (23% compared to 0-7% elsewhere). According to the U.S. Census' American Community Survey (ACS) data, the only place in Alaska with more than 500 housing units and a higher percentage of mobile homes is Craig on Prince of Wales Island (27.8%).

Housing Costs

Valdez has higher estimated rents than nearby coastal communities due to fewer low-cost rentals and more high-cost rentals. Less than 1% of renting households paid less than \$500 a month in Valdez, compared to 20% in Seward, 11% in Homer, and 4% in Cordova. On the other end of the spectrum, 21% of Valdez renter households paid more than \$2,000 a month compared to only 4-9% in the other communities.

The median value of owner-occupied housing in Valdez is \$189,700, based on ACS data. The Valdez median is below Seward (\$235,000), Homer (\$237,300), and Cordova (\$316,200). The likely explanation is the high rate of

mobile home ownership. Valdez has a significantly higher percentage of homes valued less than \$50,000 than other nearby coastal communities (27% compared to 0-9%). Valdez also has a much lower percentage of high-value homes, with less than one percent of owner-occupied homes worth more than \$500,000, compared to 8-14% in Seward, Homer, and Cordova.

Resident Survey Results

While relatively few respondents were dissatisfied with their own housing, a clear majority of respondents rated various measures of Valdez's housing market poorly. More than three-quarters rated housing availability in the city as poor or very poor (83%), including 36% that rated availability as very poor. Similar portions of households rated housing affordability as poor and very poor.

Based on survey results, a very high proportion of renters consider there to be few good options in the local rental market. All renters in mobile homes reported that there were few good options as well as 84% of single-family home renters and 72% of renters in attached homes and multi-family complexes.

Most respondents, 85%, are supportive or very supportive of the City of Valdez taking steps to address housing issues in the community, with only 9% not supportive. Among specific proposals mentioned, the most support was found for "releasing more city lands for housing development" and "exploring partnerships to develop housing for seniors." Both of these efforts enjoyed wide support with 58-59% reporting being very supportive and an additional 27-32% supportive.

Housing Gap Analysis

There is a very high level of dissatisfaction with Valdez's housing situation in the community and equally high levels of support for city action on the topic. These are strong signs of the presence of housing gaps in the community.

High median wages in the community contribute to disparities in housing affordability. Most of the private housing development has focused on single family homes for moderate to higher income residents. This leaves the biggest gap for lower income residents and new residents looking for rentals.

Expansion of Valdez's housing inventory would be beneficial, especially in multi-family housing but also in single family housing and senior housing. These housing gaps appear to be barriers to economic and population growth in the community.

Implications for the City

A widespread sentiment is present that the city should make more of its land available for housing development. Land availability is seen as a key limitation, especially in the downtown area, and something the city is uniquely positioned to address.

Given various challenges to multi-family housing development, it may be necessary for the city to more aggressively support these types of developments for them to succeed. The payoff is that these units are more likely to address growing housing affordability gaps.

There is widespread support for increasing senior housing units in Valdez and city involvement in these efforts. The city could consider supporting this effort through funding a feasibility study reviewing potential partnership structures, demand estimates, preliminary capital costs associated with different development options, and available financing methods to maximize use of federal and other resources.

Other implications for the city discussed in this report include the need to consider other levers to address housing gaps, including those related to zoning, utilities, building codes, outreach to local businesses, and property tax credits, among others.

Introduction and Methodology

Housing issues have far-reaching implications on quality of life and economic opportunity for Valdez residents. This study provides a common understanding of Valdez's housing gaps and their impact on the community's economy. The information will help the community prioritize housing projects and inform ongoing planning efforts and policy development.

Most communities in Alaska suffer from housing availability and affordability issues. None have found easy solutions as they seek better alignment between housing supply and housing demand. Common themes are increasing the supply of housing for senior citizens, shortage of the affordable entry level homes that are necessary to attract and retain young families, seasonal housing for a growing non-resident workforce, and other factors. Much of the economic growth that has occurred in Alaska in recent years has been in the service and retail sectors, or other sectors with wages and seasonal aspects that are inconsistent with prevailing housing market conditions.

Still, as described in this report, Valdez has its own set of unique characteristics that overlay special challenges on the community as it seeks ways to support a housing market that best meets the needs of its residents and businesses that drive the local economy.

Methodology

Data Sources

A limited amount of published data is available regarding housing market conditions in Valdez. Sources of data presented in this report include the following:

- U.S. Census Bureau's American Community Survey (ACS) Five-Year Estimates
- City of Valdez Property Tax Roll (Accessor's Database)
- City of Valdez Household Population Survey
- Alaska Department of Labor & Workforce Development (ADOL&WD) New Housing Unit Survey
- Alaska Housing Finance Corporation Rent Reasonableness Standards

A Note on the Reliability of American Community Survey Data

On most topics, ACS is the source of best available data on Valdez's housing market. Data from this source is survey-based with fairly low sample sizes and is subject to large margins of error. The ACS data presented in this report should be interpreted with an understanding that some data points could be significantly misleading. Margins of error associated various ACS estimates are generally included for units such as number or amount (such as number of housing units). This report typically does not include margins of error associated with ACS percentage estimates (such as percent of housing units by type). This is done to improve readability, though it should be noted that similarly high margins of error are present for percentages as well.

Despite the limitations associated with large margins of error, ACS housing data provides useful information and is worth taking into consideration. Typically, ACS data are presented for Valdez as well as Cordova, Seward,

and Homer to allow comparison with nearby coastal communities. The most recent ACS housing data available for Valdez is the 2014-2018 five-year estimate, which is based on a sample of 40 housing units. Five-year estimates can be understood as estimates of the average conditions over the five-year period.

Other Data Sources Investigated

Several sources of data were investigated but not used in this report, primarily because data was only available at the Valdez-Cordova Census Area level. These sources include the following:

- U.S. Census Bureau Annual Estimates of Housing Units
- Alaska Housing Finance Corporation (AHFC) Housing Assessment
- AHFC Housing Market Indicators Report (produced by ADOLWD)
- Alaska Housing Finance Corporation, Rental Market Surveys.
- ADOLWD Quarterly Survey of Lenders' Activity
- ADOLWD Foreclosures Data
- Consumer Financial Protection Bureau
- Multiple Listing Service
- U.S. Housing and Urban Development (HUD) Fair Rent

Household Survey

McDowell Group fielded a telephone survey of randomly selected Valdez households from January 13 through January 21, 2020. The survey included a variety of questions related to housing in Valdez, including satisfaction with current housing; perceptions on the availability, quality, and affordability of housing; senior housing needs; and priorities for city housing efforts, among other questions. See Appendix A for survey instrument with full list of questions asked.

A total of 210 Valdez households were surveyed. Roughly two-thirds of respondents were reached on a cell phone and the remainder by landline. The cell phone sample is based on billing zip code, allowing inclusion of respondents that moved to the community with a with a non-local cell number (17% of cell phones contacted had an area code other than 907).

Based on this survey's sample size, the maximum margin of error associated with survey findings is ± 6.6 percent at the 90 percent confidence level. Similar to most surveys conducted by McDowell Group, survey data were weighted by age group to account for a lower proportion of younger households in the sample than are known to live in the community.

Survey data was analyzed as a whole, as well as for various subgroups, including length of residency, rent/own, presence of children and seniors in the household, income level, and other subgroups. Only statistically significant differences between subgroups are reported.

Key Informant Interviews

A series of interviews were conducted to gather insights regarding housing conditions, barriers to housing development, housing priorities, and other topics. Interviews were conducted with a broad range of Valdez business owners and housing stakeholders. A total of 22 people were interviewed for this study.

The majority of interviews were conducted using a standard interview protocol. Some interviewees were asked industry-specific and other questions. See Appendices D and E for Interview Protocol and list of those interviewed.

Interviews were conducted January through March 2020.

Economic and population growth (or decline) are important drivers of housing demand. This section briefly examines recent economic and demographic trends in Valdez.

Historically, Valdez's population has been fairly steady at around 4,000 residents, though it has trended down slightly over the last several years. The relative long-term population stability in Valdez stems from its economic diversification, including serving as the marine terminus for the Trans Alaska Pipeline, a destination for Alaska resident and non-resident visitors, and its key position in the Prince William Sound seafood industry.

Total Population

Valdez population has declined by a total 255 residents, or 6%, since 2012. The most recent estimate (2019) places Valdez's population at 3,876. It is important to note that the community's summer population is significantly higher, as seasonal workers fill jobs in seafood processing, the visitor industry, and other sectors.

Table 1. Valdez Population, 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population	3,976	4,033	4,131	4,094	4,042	4,009	3,939	3,942	3,891	3,876
Annual % Change	-	1.4%	2.4%	-0.9%	-1.3%	-0.8%	-1.7%	0.1%	-1.3%	-0.4%

Source: ADOLWD, Division of Research and Analysis.

Demographics

In 2010, 2.9% of the local population was 70 years of age or over. By 2019, 5.2% were 70 or above. The total number of residents age 70 or more increased from 112 to 203 over that period.

Based on the projection for the Valdez-Cordova Census Area overall (Valdez-specific projections are not available), by 2030 17% of the population will be 70 years of age or more. That would indicate a 70-plus population of approximately 600 residents. This demographic trend has important housing and community services implications. Seniors have a spectrum of housing needs, ranging from aging-in-place (in current housing), multi-unit independent senior-only living, assisted living, and nursing care. In addition to suitable housing, Valdez's capacity to retain its aging population will depend on availability of appropriate health and social services.

Table 2. Valdez Population by Age Cohort, 2010, 2014, and 2019

	2010		2014		2019	
Total	3,976		4,042		3,876	
0-4	279	7.0%	310	7.7%	266	6.9%
5-9	262	6.6%	286	7.1%	286	7.4%
9-14	282	7.1%	270	6.7%	276	7.1%
15-19	287	7.2%	246	6.1%	219	5.7%
20-24	263	6.6%	234	5.8%	197	5.1%
25-29	276	6.9%	301	7.4%	278	7.2%
30-34	256	6.4%	317	7.8%	325	8.4%
35-39	243	6.1%	278	6.9%	304	7.8%
40-44	311	7.8%	274	6.8%	284	7.3%
45-49	372	9.4%	283	7.0%	229	5.9%
50-54	392	9.9%	367	9.1%	236	6.1%
55-59	317	8.0%	338	8.4%	315	8.1%
60-64	216	5.4%	255	6.3%	278	7.2%
65-69	108	2.7%	143	3.5%	180	4.6%
70-74	47	1.2%	84	2.1%	111	2.9%
75-79	27	0.7%	25	0.6%	56	1.4%
80-84	20	0.5%	17	0.4%	24	0.6%
85+	18	0.5%	14	0.3%	12	0.3%
Median Age	36.7		36.0		36.5	

Source: ADOLWD, Division of Research and Analysis.

Employment Trends

Employment trends have important impacts on the housing market. For example, growth in seasonal employment will increase demand for seasonal rental housing. Growth in low-wage employment brings with it demand for lower-cost housing. High-wage jobs bring demand for single family homes (all other factors being equal). Growth in particular industries can have particular housing related effects. Growth in tourism, for example, can prompt property owners to convert long-term rental housing to short-term vacation rentals.

Unlike population, employment has been rising in Valdez. Private sector employment has increased in five consecutive years. Total non-agricultural wage and salary employment in Valdez averaged 2,350 in 2018 (this measure of employment excludes the active duty Coast Guard and self-employed people, such as commercial fishermen). Private sector employment averaged 1,800 jobs, while local, state and federal government together accounted for 550 jobs in Valdez. Employment is up 10% since 2013 and total annual wages are up 21% (not accounting for inflation).

Table 3. Valdez Employment and Wages, 2013-2018

	2013	2014	2015	2016	2017	2018	'13-'18 % Change
Average annual employment	2,131	2,145	2,155	2,253	2,278	2,350	10.3%
Total annual wages	\$117,443,926	\$120,006,587	\$126,986,783	\$129,370,518	\$134,390,532	\$141,640,972	20.6%
Annual average wage	\$55,112	\$55,947	\$58,927	\$57,421	\$58,995	\$60,273	9.4%

Source: ADOLWD, Division of Research and Analysis.

Employment growth over the past few years has been mainly in the private sector where employment is up about 14% since 2013. Valdez has added about 100 jobs since 2016, including 39 jobs in the Trade, Transportation and Utilities sector (the specific source of job growth within that sector is not discernable from the published data). Health care and social assistance added 21 jobs between 2016 and 2018.

The largest employers in Valdez are in the Trade, Transportation, and Utilities sector (which includes Alyeska) and manufacturing (which includes seafood processing).

Table 4. Valdez Employment by Industry, 2013-2018

Industry	2013	2014	2015	2016	2017	2018	'13-'18 % Change
Government	548	541	544	530	536	550	0.4%
Federal government	47	43	47	45	46	49	4.3%
State government	152	157	146	133	136	139	-8.6%
Local government	349	341	351	352	354	362	3.7%
Private Ownership	1,583	1,604	1,611	1,723	1,742	1,800	13.7%
Natural Resources and Mining	46	62	67	65	67	69	50.0%
Construction	51	59	79	82	65	72	41.2%
Manufacturing	(a)	(a)	(a)	252	270	269	-
Trade, Transportation, and Utilities	539	555	545	543	557	582	8.0%
Information	59	58	64	65	66	69	16.9%
Finance and Insurance	16	15	15	(a)	15	15	-6.3%
Real Estate and Rental and Leasing	19	18	20	19	22	23	21.1%
Professional and Business Services	138	133	138	137	147	143	3.6%
Educational Services	(a)	(a)	(a)	(a)	(a)	(a)	-
Health Care and Social Assistance	282	255	247	241	259	262	-7.1%
Accommodation and Food Services	226	241	244	237	217	236	4.4%
Other Services, Except Public Administration	22	23	24	27	22	23	4.5%
Public Administration	(a)	(a)	(a)	(a)	(a)	114	-
Total	2,131	2,145	2,155	2,253	2,278	2,350	10.3%

Source: ADOLWD, Division of Research and Analysis.

(a) Data are suppressed due to confidentiality.

Employment growth continued into 2019, according to data for the first nine months of the year. Overall, employment was up 5.8% (140 jobs), including 8.3% growth in the private sector and 2.7% decline in government employment. The Trade, Transportation and Utilities sector was again where most of the growth occurred, adding 135 jobs (growth was evident through all nine months, therefore not seasonal).

Annual average employment figures mask a high degree of seasonality in Valdez employment. Total employment typically peaks in July or August, in parallel with seafood processing (in the manufacturing sector) which in 2018 peaked at over 900 jobs in July, compared to a winter average of around 70 jobs. Other seasonal sectors include the leisure and hospitality sector (mainly lodging and food services) which more that doubles from winter to summer.

Table 5. Valdez Employment by Industry and Month, 2018

Category	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Government	554	563	560	550	564	547	467	560	577	555	547	543
Federal government	41	41	40	45	48	56	57	58	59	55	43	40
State government	133	140	137	142	143	143	127	131	147	138	142	141
Local government	380	382	383	363	373	348	283	371	371	362	362	362
Private Ownership	1,347	1,378	1,472	1,549	1,734	2,238	2,663	2,628	1,791	1,683	1,553	1,564
Goods-Producing	185	181	194	220	309	677	1,083	1,056	358	239	212	204
Natural Resources and Mining	64	62	66	63	71	68	75	91	72	72	59	59
<i>Mining, Quarrying, and Oil and Gas Extraction</i>	46	44	47	42	45	43	42	43	40	42	39	42
Construction	51	48	53	59	73	85	83	91	78	92	81	73
Manufacturing	70	71	75	98	165	524	925	874	208	75	72	72
<i>Nondurable Goods Manufacturing</i>	67	68	72	95	162	521	922	871	205	72	69	69
Service-Providing	1,162	1,197	1,278	1,329	1,425	1,561	1,580	1,572	1,433	1,444	1,341	1,360
Trade, Transportation, and Utilities	476	479	494	513	576	632	639	640	567	696	629	642
<i>Retail Trade</i>	171	170	176	170	172	198	191	191	174	166	167	185
Information	65	67	67	68	73	71	72	73	74	68	67	68
Financial Activities	40	40	40	37	37	38	37	37	35	36	38	38
<i>Finance and Insurance</i>	14	15	15	15	15	15	15	16	13	15	15	15
<i>Real Estate and Rental and Leasing</i>	26	25	25	22	22	23	22	21	22	21	23	23
Professional and Business Services	136	137	137	141	137	157	154	149	157	143	135	129
<i>Administrative and Waste Services</i>	105	104	104	106	105	122	120	115	121	107	100	99
Education and Health Services	267	273	270	272	267	261	257	255	264	274	269	275
<i>Health Care and Social Assistance</i>	260	266	265	266	263	256	256	253	263	265	262	268
Leisure and Hospitality	159	181	252	276	310	377	396	393	312	202	177	182
<i>Arts, Entertainment, and Recreation</i>	14	23	54	67	43	38	35	38	29	16	14	13
<i>Accommodation and Food Services</i>	145	158	198	209	267	339	361	355	283	186	163	169
Other Services	19	20	18	22	25	25	24	25	23	25	26	26
Public Administration	104	101	101	108	113	129	124	126	127	116	106	107
Total	1,901	1,941	2,032	2,099	2,298	2,785	3,130	3,188	2,368	2,238	2,100	2,107

Source: ADOLWD, Division of Research and Analysis.

The annual average wage in Valdez was \$60,273 in 2018. Demand for seasonal housing is greatest (outside of seafood processing) in the visitor-affected Leisure and Hospitality sector, where wages are relatively low, at about \$25,000 on an annualized basis.

Table 6. Valdez Average Employment and Wages by Industry, 2018

Category	Average Annual Employment	Total Annual Wages	Average Annual Wages
Government	550	\$28,630,614	\$52,056
Federal government	49	\$3,499,884	\$71,426
State government	139	\$7,009,332	\$50,427
Local government	362	\$18,121,398	\$50,059
Private Ownership	1,800	\$113,010,358	\$62,784
Goods-Producing	410	\$26,245,709	\$64,014
Natural Resources and Mining	69	\$6,097,053	\$88,363
<i>Mining, Quarrying, and Oil and Gas Extraction</i>	43	\$4,662,839	\$108,438
Construction	72	\$6,417,305	\$89,129
Manufacturing	269	\$13,731,351	\$51,046
<i>Nondurable Goods Manufacturing</i>	266	\$13,415,254	\$50,433
Service-Providing	1,390	\$86,764,649	\$62,421
Trade, Transportation, and Utilities	582	\$50,493,075	\$86,758
<i>Retail Trade</i>	178	\$5,767,290	\$32,401
Information	69	\$4,454,145	\$64,553
Financial Activities	38	\$1,768,402	\$46,537
<i>Finance and Insurance</i>	15	\$695,250	\$46,350
<i>Real Estate and Rental and Leasing</i>	23	\$1,073,152	\$46,659
Professional and Business Services	143	\$11,057,714	\$77,327
<i>Administrative and Waste Services</i>	109	\$8,668,986	\$79,532
Education and Health Services	267	\$11,513,907	\$43,123
<i>Health Care and Social Assistance</i>	262	\$11,473,769	\$43,793
Leisure and Hospitality	268	\$6,843,591	\$25,536
<i>Arts, Entertainment, and Recreation</i>	32	\$964,829	\$30,151
<i>Accommodation and Food Services</i>	236	\$5,878,762	\$24,910
Other Services	23	\$630,953	\$27,433
Public Administration	114	\$7,724,900	\$67,762
Total	2,350	\$141,640,972	\$60,273

Source: ADOLWD, Division of Research and Analysis.

Valdez Housing Profile

This chapter presents a range of data reflecting housing market conditions in Valdez, including:

- Housing supply (number of units, by type)
- Housing costs, as measured by average rental rates and homeowner costs
- Housing unit construction
- Housing affordability, reflecting the convergence of housing costs and household income

A limited amount of data is available regarding housing market conditions in Valdez. The data in this chapter provides a first step in identifying existing and/or potential future gaps in the community's housing market. Following sections of this report will combine and compare published housing data with information collected through other means, including a household survey and key stakeholder interviews.

Sources of data presented in this section include the following:

- U.S. Census Bureau's American Community Survey (ACS)
- City of Valdez Property Tax Rolls
- City of Valdez Household Population Survey
- ADOLWD New Housing Unit Survey
- Alaska Housing Finance Corporation's Rent Reasonableness Standards

Housing Supply

Two data sources provide estimates of the number of housing units in Valdez.

- ACS 2014-2018 Five-Year estimates put Valdez's housing inventory at a total of 1,550 units, including 1,322 (± 162) occupied units and 228 (± 116) seasonal or otherwise vacant units. Of the occupied housing units, an estimated 1,048 (± 166) were owner-occupied and 274 (± 91) renter-occupied.¹
- A total of 1,221 households responded to the City of Valdez's 2018 Household Population Survey. Completion of this survey is required to receive \$500 in energy assistance and has unknown but high application rates among eligible households (those with members present more than 180 days of the year). Similar programs such as the Alaska Permanent Fund typically see application rates of 90%. Assuming 90% of those eligible apply for energy assistance, survey responses suggest a total of 1,357 regularly occupied households in the community.

¹ As defined by the US Census Bureau, occupied housing units are those occupied by people that consider the housing unit their usual place of residence or have no usual place of residence elsewhere. The count of occupied housing units is the same as the count of households.

Trends in Housing Supply

Available data shows a decline in Valdez's housing stock from 2010 to 2018. Over this period, the number of households applying for energy assistance (City of Valdez Population Survey respondents) declined from 1,311 to 1,221, losing an average of 11 households per year (annual average rate of -0.9%). Based on ACS data, the number of occupied housing units in Valdez has declined more steeply, at an annual average rate of -2.6%. Population trends corroborate a decline over this time (annual average decline of -0.3%) but are more consistent with City Population Survey data than ACS data.

Table 7. Estimated Number of Housing Units in Valdez, 2010-2018

Year	Total Housing Units - ACS	Occupied Housing Units - ACS	Number of Households – City Population Survey	Population – ADOL&WD
2010	1,790 (±124)	1,668 (±109)	1,311	3,976
2011	1,761 (±165)	1,565 (±160)	1,319	4,033
2012	1,610 (±147)	1,458 (±147)	1,330	4,131
2013	1,520 (±122)	1,340 (±118)	1,294	4,094
2014	1,533 (±148)	1,296 (±153)	1,274	4,042
2015	1,427 (±172)	1,186 (±166)	1,280	4,009
2016	1,342 (±168)	1,154 (±167)	1,248	3,939
2017	1,446 (±163)	1,159 (±150)	1,257	3,942
2018	1,550 (±168)	1,322 (±162)	1,221	3,891
Annual Average Percent Change	-1.6%	-2.6%	-0.9%	-0.3%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

While subject to large margins of error, available data from ACS indicates that the decline in the number of Valdez households has occurred in both renter and owner-occupied units, but at a higher rate in the renter-occupied units.

Table 8. Estimated Number of Occupied Housing Units in Valdez, by Occupancy Status, 2010-2018

Year	Occupied Housing Units	Owner-Occupied Units	Renter-Occupied Units
2010	1,668 (±109)	1,219 (±126)	449 (±130)
2011	1,565 (±160)	1,245 (±174)	320 (±119)
2012	1,458 (±147)	1,104 (±144)	354 (±122)
2013	1,340 (±118)	991 (±140)	349 (±106)
2014	1,296 (±153)	957 (±134)	339 (±128)
2015	1,186 (±166)	797 (±144)	389 (±135)
2016	1,154 (±167)	794 (±139)	360 (±125)
2017	1,159 (±150)	943 (±158)	216 (±88)
2018	1,322 (±162)	1,048 (±166)	274 (±91)
Annual Average Percent Change	-2.6%	-1.3%	-3.5%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Renting Rates

A smaller percentage of households in Valdez are renters (21%) compared to other nearby coastal communities such as Seward (51%), Homer (37%), and Cordova (30%).

Table 9. Percent of Households Renting, Selected Cities, 2014-2018 Five-Year Estimates

	Valdez	Seward	Homer	Cordova
Renter-Occupied Housing Units	274 (±91)	433 (±98)	842 (±69)	302 (±114)
Occupied Housing Units	1,322 (±162)	845 (±140)	2,260 (±101)	1,002 (±151)
Percent of Households Renting	21%	51%	37%	30%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Housing Supply by Type of Housing

According to ACS data for the 2014-2018 period, single-family homes accounted for 53 percent of the occupied housing in Valdez, while multi-family units accounted for 24 percent. Mobile homes accounted for nearly a quarter of occupied housing units (23%).

Compared to nearby coastal communities with similar population sizes, mobile homes make up an exceptionally high proportion of the housing stock in Valdez (23% compared to 0-7%). Seward's housing stock has a comparable proportion of single-family homes but a much larger percentage of multi-family homes, while Homer and Cordova have similar percentages of multi-family units as Valdez but much higher percentages of single-family homes.

Valdez's high proportion of mobile homes is unique not just in comparison to nearby coastal communities, but also across the Alaska. According to ACS data, the only place in Alaska with more than 500 housing units and a higher percentage of mobile homes is Craig on Prince of Wales Island (27.8%).

Table 10. Number of Occupied Housing Units by Type, City of Valdez, 2014-2018 Five-Year Estimates

Type of Housing Structure	Renter Households	Owner Households	Total	% of Total
Single-family, detached	47 (±44)	609 (±148)	656 (±151)	50%
Single-family, attached	0 (±9)	42 (±50)	42 (±50)	3%
Duplex	47 (±38)	99 (±63)	146 (±68)	11%
Three or four-plex	106 (±61)	0 (±9)	106 (±61)	8%
Five to nine-unit complex	13 (±17)	6 (±10)	19 (±20)	1%
Ten or more-unit complex	46 (±52)	0 (±9)	46 (±52)	4%
Mobile Home	15 (±20)	292 (±121)	307 (±120)	23%
Total	274 (±91)	1,048 (±166)	1,322 (±162)	

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Table 11. Occupied Housing Units by Type, Selected Cities, 2014-2018 Five-Year Estimates

Type of Housing Structure	Valdez	Seward	Homer	Cordova
Single-family, detached	50%	51%	71%	60%
Single-family, attached	3%	2%	2%	8%
Single-Family Total	53%	53%	73%	68%
Duplex	11%	8%	6%	9%
Three or four-plex	8%	22%	8%	12%
Five to nine-unit complex	1%	14%	6%	2%
Ten or more-unit complex	4%	3%	4%	3%
Mulit-Family Total	24%	47%	24%	26%
Mobile Home	23%	0%	4%	7%
Total Units	1,322 (±162)	845 (±140)	2,260 (±101)	1,002 (±151)

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

The City of Valdez's Household Population Survey collects information on the type of structure for each household that responds to the survey. These data are in line with those from ACS, also showing 23% of the local occupied housing stock is in mobile homes. The city's survey data indicates a slightly higher percentage of the housing stock is in single family homes (59% compared to 53% for ACS data) and a slightly lower percentage in multi-family units (16% compared to 24% for ACS data).

Table 12. Number of Households Responding to City of Valdez Household Population Survey, by Structure Type, 2018

Type of Housing Structure	Number	% of Total
Single Family Home	725	59%
Mobile Home/Trailer	286	23%
Duplex/Zero Lot Line/Condo	95	8%
Multi-Family/Apartment	94	8%
Other	21	2%
Total	1,221	

Source: City of Valdez.

Housing Age

Valdez's housing stock reflects the community's unique history, with most of the community destroyed or abandoned by ramifications of the 1964 Good Friday earthquake. The community was quickly rebuilt in its current location in the years following the earthquake. A significant number of homes were added in the middle to late 1970's associated with construction of the Trans Alaska Pipeline System and Valdez Marine Terminal.

According to ACS data, only 3% of Valdez's existing housing stock was built before 1960. This percentage is similar to that seen in Homer but much less than in Seward (27%) and Cordova (22%). While ACS data indicates none of the currently occupied housing stock was constructed after 2010, this is contradicted by other data described below.

Table 13. Year Built, Occupied Housing Units, City of Valdez, 2014-2018 Five-Year Estimates

Year Built	Estimate	% of Total
2014 or later	0 (±9)	<1%
2010 to 2013	0 (±9)	<1%
2000 to 2009	198 (±92)	15%
1980 to 1999	595 (±135)	45%
1960 to 1979	488 (±135)	37%
1940 to 1959	41 (±38)	3%
1939 or earlier	0 (±9)	<1%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Table 14. Year Built, Occupied Housing Units, Selected Cities, 2014-2018 Five-Year Estimates

Year Built	Valdez	Seward	Homer	Cordova
2014 or later	<1%	<1%	1%	<1%
2010 to 2013	<1%	<1%	5%	5%
2000 to 2009	15%	7%	18%	9%
1980 to 1999	45%	48%	47%	34%
1960 to 1979	37%	17%	26%	30%
1940 to 1959	3%	18%	3%	16%
1939 or earlier	<1%	9%	<1%	6%
Total Units	1,322 (±162)	845 (±140)	2,260 (±101)	1,002 (±151)

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

New Construction

In the last 12 years, housing units added in Valdez have been almost exclusively single-family homes. From 2008 to 2019, an average of 7 new single-family homes were constructed annually, while only 2 multi-family and 2 mobile homes were added during this 12-year period.

Single-family homes made up a smaller proportion of new housing units added during this time in comparable coastal communities. While 94% of new units added in Valdez were single-family, that housing type only made up 45%, 84%, and 84% of those added in Seward, Homer, and Cordova, respectively.

Table 15. Estimated Number of New Housing Units Constructed in Valdez, 2010-2019

Year	Mobile Home	Multi-Family	Single-Family	Total
2008	0	0	10	10
2009	0	0	11	11
2010	0	0	13	13
2011	0	0	9	9
2012	0	0	3	3
2013	0	0	6	6
2014	0	0	3	3
2015	0	0	1	1
2016	0	0	6	6
2017	1	0	15	16
2018	0	0	1	1
2019	1	2	9	12
2008-2019 Total	2	2	87	91

Source: ADOL&WD New Housing Unit Survey.

Table 16. New Housing Units Constructed in Selected Communities, by Type, 2008-2019

Type of Housing Unit	Valdez		Seward		Homer		Cordova	
	Units	% Total	Units	% Total	Units	% Total	Units	% Total
Mobile Home	2	2%	0	0%	1	0%	2	0%
Multi-Family	2	2%	45	55%	74	16%	4	16%
Single-Family	87	96%	37	45%	391	84%	60	84%
Total	91		82		466		66	

Sources: ADOL&WD New Housing Unit Survey.

Housing Cost and Affordability

Housing cost and housing affordability are related but provide different perspectives on a community's housing market. Housing cost is the price owners and renters must pay to secure necessary or desired housing. Housing affordability is how that cost compares to the wages that can be earned in a community.

Rental Prices

ACS provides data on the distribution of rents paid in Valdez across a range from less than \$500 per month to more than \$2,000. Roughly one-third of renters (35 percent) in Valdez pay between \$500 and \$999 in monthly rent and 41 percent pay between \$1,000 and \$1,499.

This data includes the full spectrum of single-family and multi-family rentals. The overall median gross rent (which includes utilities) is \$1,125 (± 87) based on the ACS 2014-2018 Five-Year estimate.

Table 17. Distribution of Gross Rents for Households Paying Rent, 2014-2018 Five-Year Estimates

Gross Monthly Rent	Count	% of Total
Less than \$500	0 (±9)	<1%
\$500 to \$999	81 (±60)	35%
\$1,000 to \$1,499	95 (±54)	41%
\$1,500 to \$1,999	9 (±15)	4%
\$2,000 or more	48 (±39)	21%
Total	233 (±87)	
Median Gross Rent	\$1,125 (±142)	--

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Note: May not sum to totals due to rounding.

Valdez has higher estimated rents than nearby coastal communities due to fewer low-cost rentals and more high-cost rentals. Less than 1% of renting household paid less than \$500 a month in Valdez, compared to 20% in Seward, 11% in Homer, and 4% in Cordova. On the other end of the spectrum, 21% of Valdez renter households paid more than \$2,000 a month compared to only 4-9% in the other communities.

Table 18. Distribution of Gross Rents for Households Paying Rent in Selected Communities, 2014-2018 Five-Year Estimates

Gross Monthly Rent	Valdez	Seward	Homer	Cordova
Less than \$500	<1%	20%	11%	4%
\$500 - \$999	35%	44%	35%	41%
\$1,000 - \$1,499	41%	29%	39%	38%
\$1,500 - \$1,999	4%	4%	11%	9%
\$2,000 or More	21%	4%	4%	9%
Total Count	233 (±87)	406 (±101)	788 (±68)	217 (±102)
Median Gross Rent	\$1,125 (±142)	\$924 (±142)	\$1,035 (±44)	\$1,057 (±206)

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Another source of data comparing rents in Valdez to other communities is the rent reasonableness standards developed by AHFC for the eight cities where the agency's Housing Choice Voucher Program is available. Based on these standards – which are supposed to be equivalent to average rent prices – Valdez has the highest or second highest average rent for all housing types except two- and three-bedroom units.

Table 19. Payment Standards for Rent Reasonableness, AHFC Housing Choice Voucher Program Cities

	Number of Bedrooms							
	SRO	0	1	2	3	4	5	6
Anchorage	\$633	\$844	\$1,000	\$1,260	\$1,857	\$2,230	\$2,565	\$2,899
Fairbanks	\$542	\$723	\$883	\$1,169	\$1,723	\$2,007	\$2,308	\$2,609
Homer	\$529	\$705	\$845	\$1,000	\$1,230	\$1,600	\$1,840	\$2,080
Juneau	\$694	\$925	\$1,125	\$1,430	\$1,835	\$2,125	\$2,444	\$2,763
Ketchikan	\$603	\$804	\$1,006	\$1,295	\$1,547	\$1,828	\$2,102	\$2,376
Kodiak	\$554	\$739	\$1,061	\$1,397	\$1,689	\$1,929	\$2,218	\$2,508
Mat-Su	\$578	\$770	\$891	\$1,178	\$1,736	\$2,087	\$2,400	\$2,713
Petersburg	\$508	\$677	\$855	\$1,075	\$1,270	\$1,578	\$1,815	\$2,051
Sitka	\$585	\$780	\$975	\$1,235	\$1,600	\$1,800	\$2,070	\$2,340
Soldotna	\$529	\$705	\$845	\$1,000	\$1,230	\$1,750	\$2,013	\$2,275
Valdez	\$713	\$950	\$1,125	\$1,264	\$1,605	\$2,186	\$2,514	\$2,842
Wrangell	\$402	\$536	\$736	\$918	\$1,116	\$1,227	\$1,411	\$1,595

Source: AHFC. Standards are effective 8/2017 (most recent available).

Note: SRO stands for "single room occupancy" and is smaller than an efficiency apartment.

Home Ownership Costs

Valdez's median monthly housing cost for homeowners with mortgages is approximately \$1,711, according to ACS 2014-2018 data. This includes mortgage payments, property taxes, insurance, and condo fees (where applicable). Homeowners without mortgage payments are not included in this estimate. The median monthly cost for owners without mortgages is \$406. One-half of Valdez homeowners (51%) do not have a mortgage on their home.

Homeowner costs in Valdez are similar to those in Homer and Seward and lower than those in Cordova. While only 4% of households with mortgages are paying more than \$3,000 a month in Valdez, two-fifths (21%) are in Cordova.

Table 20. Distribution of Monthly Owner Costs for Households with Mortgages, Valdez, 2014-2018 Five-Year Estimates

Gross Monthly Cost	Count	% of Total
Less than \$500	0 (±9)	0%
\$500 - \$999	56 (±63)	11%
\$1,000 - \$1,499	98 (±71)	19%
\$1,500 - \$1,999	227 (±123)	45%
\$2,000 - \$2,499	48 (±46)	9%
\$2,499 - \$2,999	61 (±58)	12%
\$3,000 or More	19 (±29)	4%
Total Units	509 (±136)	
Median Monthly Cost	\$1,711 (±191)	

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Table 21. Distribution of Monthly Owner Costs for Housing Units with Mortgages in Selected Communities, 2014-2018 Five-Year Estimates

Gross Monthly Cost	Valdez	Seward	Homer	Cordova
Less than \$500	<1%	<1%	1%	<1%
\$500 - \$999	11%	<1%	8%	12%
\$1,000 - \$1,499	19%	41%	29%	12%
\$1,500 - \$1,999	45%	41%	28%	20%
\$2,000 - \$2,499	9%	9%	19%	23%
\$2,500 - \$2,999	12%	5%	9%	11%
\$3,000 or More	4%	4%	8%	21%
Total Count	509 (±136)	332 (±94)	871 (±73)	324 (±88)
Median Monthly Cost	\$1,711 (±191)	\$1,755 (±349)	\$1,740 (±83)	\$2,120 (±387)

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Home Value and Sales

The median value of owner-occupied housing in Valdez is \$189,700, based on ACS data. The Valdez median is below Seward (\$235,000), Homer (\$237,300), and Cordova (\$316,200). The likely explanation is the high rate of mobile home ownership. Valdez has a significantly higher percentage of homes valued less than \$50,000 than other nearby coastal communities (27% compared to 0-9%). Valdez also has a much lower percentage of high-value homes, with less than one percent of owner-occupied homes worth more than \$500,000, compared to 8-14% in Seward, Homer, and Cordova.

Table 22. Value of Owner-Occupied Housing Units, Valdez, 2014-2018 Five-Year Estimates

Value	Count	% of Total
Less than \$50,000	286 (±118)	27%
\$50,000 to \$99,999	22 (±21)	2%
\$100,000 to \$149,999	93 (±64)	9%
\$150,000 to \$199,999	167 (±92)	16%
\$200,000 to \$299,999	235 (±132)	22%
\$300,000 to \$499,999	245 (±83)	23%
\$500,000 to \$999,999	0 (±9)	<1%
\$1,000,000 or more	0 (±9)	<1%
Median Value	\$189,700 (±26,058)	
Total Units	286 (±118)	

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Table 23. Value of Owner-Occupied Housing Units in Selected Communities, 2014-2018 Five-Year Estimates

Value	Valdez	Seward	Homer	Cordova
Less than \$50,000	27%	<1%	3%	9%
\$50,000 to \$99,999	2%	4%	2%	1%
\$100,000 to \$149,999	9%	13%	3%	7%
\$150,000 to \$199,999	16%	16%	15%	4%
\$200,000 to \$299,999	22%	35%	38%	22%
\$300,000 to \$499,999	23%	24%	32%	43%
\$500,000 to \$999,999	<1%	8%	7%	14%
\$1,000,000 or more	<1%	<1%	1%	<1%
Median Value	\$189,700 (±26,058)	\$235,000 (±32,077)	\$273,300 (±8,606)	\$316,200 (±24,212)
Total Units	1,048 (±166)	412 (±102)	1,418 (±88)	700 (±132)

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

ACS data on home values are comparable to those obtained from Valdez's property tax rolls especially if one assumes that tax assessments are generally somewhat below market prices. The median assessed value for all tax parcels with buildings and located in residential zoning districts is \$171,500.

Table 24. Number of Valdez Property Tax Parcels with Buildings and Accessed Values, by Residential Zoning District, 2019

Zoning District	Number of Parcels with Buildings	Median Assessed Land and Building Value	Median Accessed Building Value	Average Accessed Land Value
Single Family Residential	538	\$188,250	\$155,100	\$34,119
Residential Mobile Home	185	\$54,700	\$32,200	\$24,452
Rural Residential	174	\$136,550	\$117,450	\$15,947
Multiple Family Residential	149	\$184,700	\$164,700	\$40,785
Commercial Residential	59	\$141,800	\$105,300	\$35,292
Single/Two Family Residential	21	\$174,200	\$144,300	\$28,810
Semi-rural Residential	20	\$212,400	\$202,800	\$37,659
Total Residential	1,146	\$171,500	\$144,450	\$30,070

Source: City of Valdez.

Note: Raw land tax parcels (those with no accessed building value) are excluded from the data in this table.

Housing Affordability

One in six (17%) Valdez households is estimated to be cost burdened, which is defined as spending more than 30% of household income on housing costs. This compares favorably to nearby coastal communities such as Seward (32% of households cost-burdened) and Homer (33%). Cordova is similar to Valdez with a 16% cost-burden rate. While housing costs are somewhat higher in Seward and Homer, higher incomes in Valdez and Cordova appear to be the main driver of a lower cost-burden rate in these communities.

Table 25. Cost-Burdened Households, Selected Communities, 2014-2018 Five-Year Estimates

	Valdez	Seward	Homer	Cordova
Median Monthly Housing Costs	\$999	\$1,240	\$1,114	\$1,043
Median Annual Household Income	\$95,847	\$76,410	\$59,837	\$85,970
Estimated Number of Cost-Burdened Households	224	270	754	162
Percentage of Households Cost-Burdened	17%	32%	33%	16%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Household Characteristics

Household Size

The average household size in Valdez for the 2014-2018 period was 2.83 people, including an average of 3.80 people in family households.

Table 26. Household Size (Number of People), Selected Communities, 2014-2018 Five-Year Estimates

	Valdez	Seward	Homer	Cordova
Average Household Size	2.83	2.65	2.42	2.96
Average Family Size	3.80	3.37	2.98	3.38
Households with at least one < 18 years old	25%	32%	27%	27%
Households with at least one > 60 years old	35%	30%	44%	40%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Length of Tenure in Current Housing

Two thirds (66 percent) of households moved into the current housing unit between 2000 and 2014. The most common move-in period was 2010 to 2014, representing 41 percent of all households.

Table 27. Year Household Moved into Unit, 2014-2018 Five-Year Estimates

Year of First Occupancy	Estimate	% of Total
2017 or later	40 (±37)	3%
2015-2016	98 (±47)	7%
2010-2014	537 (±152)	41%
2000-2009	328 (±155)	25%
1990-1999	123 (±86)	9%
1989 or earlier	196 (±108)	15%

Source: U.S. Census, ACS 2014-2018 Five-Year Estimates.

Household Telephone Survey

Results of a telephone survey of 210 randomly selected Valdez households are presented below. Based on this survey's sample size, the maximum margin of error associated with survey findings is ± 6.6 percent at the 90 percent confidence level. See the methodology section of this report for additional survey details.

Survey data was analyzed as a whole, as well as for various subgroups, including length of residency, rent/own, presence of children and seniors in the household, income level, and other subgroups. Only statistically significant differences between subgroups are reported.

Data in tables may not sum to 100% due to rounding.

Current Housing Status

Rent vs. Own

Three-quarters (74%) of survey respondents own their current home in Valdez, while 20% rent and 5% have another housing arrangement. These results are consistent with the latest ACS data, which indicates that renters make up 21% of occupied housing units.

Subgroup analysis

Similar proportions of those living in mobile homes and those living in single-family homes reported owning their home (85-86%). Most of those in other housing types reported renting (59%).

Table 28. Do you rent or own your current home in Valdez?

n=210	% of Total Weighted
Own	74
Rent	20
Other arrangement	5
Refused	1

Years in Current Home

Almost half (46%) of survey respondents have lived in their current home for five years or less, while 16% have lived in their home for 6 to 10 years, 21% for 11 to 20 years, and 14% for over 20 years. The average length of residency for all households surveyed was 10.5 years.

Subgroup analysis

Those living in mobile homes had the highest average tenure in their current home (14.8 years), compared to 11.3 years for those in single family homes and 8.4 years for those in attached homes or multi-family situations. One in six (16%) mobile home households report living in their current housing for more than 30 years, compared to just 2-6% of other respondents.

Table 29. How many years have you lived in your current home?

n=210	% of Total Weighted
5 years or less	46
6-10	16
11-20	21
21-30	8
Over 30	6
Don't know	1
Refused	1
Average	10.5 years

Type of Housing

The largest proportion (65%) of respondents currently live in a stand-alone, single family home, with 12% living in a mobile home or trailer, 11% in an attached home such as a duplex or zero lot line, 10% in an apartment, 1% in a condominium, and 2% in another form of housing.

Based on other sources of data, it appears that the survey somewhat under sampled those in mobile homes. ACS and City of Valdez Population survey data both indicate that mobile homes make up 23% of occupied housing units, whereas 12% of the survey sample resided in this housing type.

Subgroup analysis

Three-quarters (74%) of homeowners live in a stand-alone, single family home, versus 34% of those who rent. Over half of renters (58%) live in either an attached home or an apartment.

Table 30. Which type of housing do you currently live in?

n=210	% of Total Weighted
A stand-alone, single family home	65
A mobile home or trailer	12
An attached home such as a duplex or zero lot line	11
An apartment	10
A condominium	1
Other	2

Age of Home

Among respondents who know the age of their home (28% do not), homes averaged 33 years old. Only 8% of homes were reported as ten years old or less.

Subgroup analysis

More than half of mobile homes were reported to be over 40 years old (61%), compared to just 24% of single family homes in the survey sample.

Table 31. How many years ago was your home built?

n=210	% of Total Weighted
10 years or less	8
11-20	11
21-30	11
31-40	17
41-50	18
Over 50	7
Don't Know	28
Average	32.8 years

Size of Home

Housing size among respondents averages 1,783 square feet. The size of housing is fairly evenly spread out among respondents from 14% who live in 1,000 square feet or less, to 20% in 1,001 to 1,500 square feet, 16% in 1,501 to 2,000 square feet, and 17% in 2,001 to 3,000 square feet. Six percent live in housing larger than 3,000 square feet.

Table 32. Approximately how many square feet is your current home?

n=210	% of Total Weighted
1,000 or less	14
1,001-1,500	20
1,501-2,000	16
2,001-3,000	17
Over 3,000	6
Don't Know	25
Refused	3
Average	1,783 ft²

Homes contain an average of 3 bedrooms. One-third (33%) of homes have less than 3 bedrooms and 23% have more.

Table 33. How many bedrooms are in your home?

n=210	% of Total Weighted
1	10
2	23
3	43
4	14
5+	9
Refused	1
Average	3 bedrooms

Housing Costs

Monthly housing costs (rent or mortgage payments) are over \$1,000 for 40% of respondents, and \$1,000 or less for 17%. Thirty-one percent of respondents do not currently make housing payments. Over half (58%) of respondents 60 years of age or older are not making payments.

Table 34. Approximately how much is your monthly rent or mortgage payment?

n=210	% of Total Weighted
\$750 or less	8
\$ 751-\$1,000	9
\$1,001-\$1,250	10
\$1,251-\$1,500	15
Over \$1,500	15
Not making any payments	31
Don't Know	4
Refused	8
Average	\$1,298

Among those answering questions on housing costs (8% refused this question), 19% report these payments represent more than 30% of their household's combined monthly income. This is similar to ACS data which puts cost-burdened households (those paying more than 30% of their incomes to housing costs) at 17%.

Satisfaction with Housing

Overall Satisfaction

Most respondents (85%) report satisfaction with their current housing, though respondents were more likely to be satisfied (52%) compared to very satisfied (33%). Only 13% were dissatisfied, including just 3% that were very dissatisfied.

Subgroup analysis

A larger proportion of those who have lived in Valdez over 10 years report net satisfaction, at 92%, compared to 74% of those with residency of 10 years or less. One-quarter (24%) of those who have lived in Valdez for 10 years or less report they are dissatisfied or very dissatisfied, as do 29% who do not own their home.

Table 35. Overall, are you satisfied with your current housing?

n=210	% of Total Weighted
NET Satisfied	85
Very satisfied	33
Satisfied	52
NET Dissatisfied	13
Dissatisfied	11
Very dissatisfied	3
Don't know	2

Satisfaction with Specific Features

Respondents were asked about their level of satisfaction with an array of features in their current housing. At least half are satisfied (satisfied or very satisfied) with every feature in the list. The largest proportion (88%) report net satisfaction with parking, followed by indoor air quality (83%), and number of bedrooms (80%). The highest level of dissatisfaction was found for suitability for seniors to age in place (36% net dissatisfied) and energy efficiency (28% net dissatisfied).

Subgroup analysis

A smaller majority of mobile home households were satisfied with state of repair and design qualities (58% and 56%, respectively) compared to single family home households (83% and 89%, respectively). Roughly three in ten mobile home households were dissatisfied with these two features of their housing, though relatively few reported being “very dissatisfied” (4% for both).

Table 36. How satisfied are you with each of the following features of your current housing?

n=210	% of Total Weighted							
	NET Satisfied	Very Satisfied	Satisfied	NET Dissatisfied	Dissatisfied	Very Dissatisfied	NA	DK
Parking	88	34	54	8	6	2	4	-
Indoor air quality	83	23	59	14	12	2	3	-
Number of bedrooms	80	30	50	11	10	2	8	1
Design qualities and attractiveness	79	24	55	14	12	2	4	3
State of repair	78	23	55	14	11	3	4	3
Suitability for children	74	29	45	12	8	4	13	1
Value for the price	69	28	41	22	16	6	6	2
Energy efficiency	68	19	49	28	24	4	4	-
Suitability for seniors to age in place	51	11	41	36	25	11	10	3

Note: DK = Don't Know. Data may not sum to subtotals due to rounding.

Presence of Various Housing Issues

Respondents were asked about whether various potential issues were present in their current housing. One-third (33%) experienced draftiness, 21% experienced plumbing issues, 16% mold, 12% structural issues, and 8% neighborhood crime. Less than half of households (46%) experienced none of the issues listed.

Subgroup analysis

A larger proportion of renters than homeowners experience draftiness (48% of renters versus 28% of owners) and plumbing issues (37% versus 15% of owners). Mold and neighborhood crime were much more likely to be reported by mobile home households (29% and 33%, respectively) compared to those in other housing situations (less than 15% and less than 6%, respectively).

Table 37. Which of the following, if any, do you experience in your current housing?

n=210	% of Total Weighted
Draftiness	33
Plumbing issues	21
Mold	16
Structural issues	12
Neighborhood crime	8
None of the above	46
Don't know	1

Quality of Rental Options

Renters were asked their opinion on the quantity of good options available in the local rental market. Over three-quarters (77%) of renters said there were few good options in the Valdez rental market. Only 5% of renters think there are many good rental options.

Subgroup analysis

All renters (100%) in mobile homes reported that there were few good options in the Valdez rental market, compared to 84% of single-family home renters and 72% of renters in other housing types (including apartment buildings, multi-plexes, and attached homes).

Table 38. In general, do you think the Valdez rental market has many good options, some good options, or few good options?

(Base = Renters)

n=41	% of Total Weighted
Few good options	77
Some good options	15
Many good options	5
Don't know	3

Rating Housing Quality, Affordability, and Availability

While relatively few respondents were dissatisfied with their own housing, a clear majority of respondents rated various measures of Valdez's housing market poorly. More than three-quarters rated housing availability in the city as poor or very poor (83%), including 36% that rated availability as very poor.

Similar portions of households rated housing affordability as poor (81%), including 34% saying very poor.

More than a half (55%) of households surveyed Valdez's housing quality as poor or very poor.

Subgroup analysis

Respondents who have lived in Valdez for 10 years or less are more likely to report availability of housing as very poor, at almost half (48%), and quality of housing as poor or very poor (67%). Slightly more than one-

quarter (28%) of respondents who have lived in Valdez longer than ten years rate housing availability as very poor and 47% rate quality of housing as poor or very poor.

Households living in attached or multi-family housing were much more likely to rate availability and quality of housing as very poor in Valdez. More than half (52%) of these respondents rated housing availability as very poor, compared to 30-34% of those living in single family homes or mobile homes. Similarly, a third (32%) of households in attached or multi-family housing rated housing quality in Valdez as very poor, compared to just 8-9% of other households.

Table 39. For each of the following aspects of housing in Valdez, please tell me whether you think it is very good, good, poor, or very poor?

n=210	% of Total Weighted						
	NET Good	Very Good	Good	NET Poor	Poor	Very Poor	DK
Quality of housing	40	5	35	55	41	14	5
Affordability of housing	15	2	12	81	47	34	4
Availability of housing	12	3	9	83	47	36	5

Note: Data may not sum to subtotals due to rounding.

Future Housing Plans

Looking for New Housing

Respondents were asked whether they were currently looking for different housing in Valdez. Less than a quarter (17%) say yes, though an additional 16% expect to look for new housing in Valdez within the next five years.

Subgroup analysis

More than a third of renters (35%) are currently looking for new housing, compared to 10% of homeowners.

Table 40. Are you looking for different housing in Valdez?

n=210	% of Total Weighted
No	61
No, but expect to in the next five years	16
Yes	17
Don't know	6

Reasons Looking for New Housing

Among those looking or expecting to look for new housing, the most cited reasons were the need for more space (36%) and a desire to own their housing (24%). The next most common responses were downsizing (5%) and aging/need or more care (5%). Other reasons were each cited by fewer than 5% of respondents.

Table 41. What is the main reason you are looking, or expect to look, for new housing?*(Base = Those looking or expecting to look for housing within the next five years)*

n=69	% of Total Weighted
Need more space	36
Want to own	24
Downsizing	5
Aging/need more care	5
Building a home	4
Parking (boat, car, other)	3
High cost of rent	3
Family/roommate issues	3
Location	2
Building quality	2
Other	11
Refused	3

Desired Future Housing

Three-quarters (77%) of respondents looking for, or expecting to look for, new housing expect to look for a stand-alone, single family house. The next most type of housing reported was apartment (8%) and zero lot line (4%). Despite mobile homes making up a large portion of the local housing stock, only 1% of those looking for new housing expect to look for a mobile home.

Table 42. Which type of housing are you looking for or expecting to look for?*(Base = Those looking or expecting to look for housing within the next five years)*

n=69	% of Total Weighted
Stand-alone, single family house	77
Apartment	8
Attached home (i.e. duplex or zero lot line)	4
Condominium	2
Mobile home or trailer	1
Other	2
Don't know	3
Refused	3

More than two-thirds of those looking for new housing (69%) expect to buy their housing, while 22% expect to rent and 9% don't know.

Table 43. Are you more likely to rent or buy?*(Base = Those looking or expecting to look for housing within the next five years)*

n=69	% of Total Weighted
Buy	69
Rent	22
Don't know	9

Likelihood to Move from Valdez

Almost one-third of respondents (31%) report they are somewhat or very likely to move from Valdez within the next five years, while 67% are not likely.

Table 44. How likely are you to move from Valdez within the next five years?

n=210	% of Total Weighted
Very likely	17
Somewhat likely	14
Not likely	67
Don't know	2

Inability to Move to Valdez

Nearly a third (30%) of Valdez residents surveyed reported having family, friends, or work colleagues who would like to move to Valdez but cannot due to lack of housing.

Table 45. Do you have any family members, friends, or work colleagues that would like to move to Valdez but cannot because of lack of housing?

n=210	% of Total Weighted
No	69
Yes	30
Don't know	1

Senior Housing

Nearly a quarter (23%) of households include at least one member over 65 years of age.

Table 46. How many seniors (65+ years) live in your household?

n=210	% of Total Weighted
0	76
1	16
2	7
Refused	1

Seventeen percent of households with seniors report that at least one member of the household is somewhat or very likely to move to an assisted living or nursing home facility in the next five years, while 75% say this is unlikely.

Table 47. How likely is it anyone age 65 or older in your household will need to move to an assisted living or nursing home facility in the next five years?

(Base = Households with at least one senior)

n=48	% of Total Weighted
Very likely	6
Somewhat likely	11
Not likely	75
Don't know	8

City Housing Efforts

Most respondents, 85%, are supportive or very supportive of the City of Valdez taking steps to address housing issues in the community, with only 9% not supportive.

Subgroup analysis

Across a variety of subgroups, respondents had similar opinions on support for city housing efforts.

Table 48. How supportive are you of the City of Valdez taking steps to address housing issues in the community?

n=210	% of Total Weighted
Very supportive	60
Supportive	25
Not supportive	9
Don't know	6

Support for Specific Possible City Housing Efforts

Respondents were also asked about their level of support for several specific steps the City of Valdez could consider regarding housing. The inclusion of these questions does not necessarily imply that the city is considering these options.

The city housing efforts that garnered the most support were “releasing more city lands for housing development” and “exploring partnership to develop housing for seniors.” Both of these efforts enjoyed wide support with 58-59% reporting being very supportive and an additional 27-32% supportive. Only 5% of respondents were not supportive of senior housing partnerships, while 9% were not supportive of releasing more city lands.

All other housing steps considered in the survey garnered at least 60% support (very supportive and supportive combined), including providing tax breaks to developers to lower the cost of new housing (80% supportive), increasing development of tiny houses (74%), zoning changes to increase housing density (60%), and City-led housing development (60%).

Opposition to potential City housing efforts was greatest for zoning changes to increase housing density and city-led housing development. Nearly a third (30%) of respondents were not supportive of these potential steps by the City of Valdez.

Table 49. How supportive are you of the City of Valdez taking the following steps regarding housing?

n=210	% of Total Weighted			
	Very Supportive	Supportive	Not Supportive	Don't Know
Releasing more city lands for housing developments	59	27	9	5
Explore partnerships to develop housing for seniors	58	32	5	5
Tax breaks to developers to lower the cost of new housing	44	36	15	6
Support increased development of tiny houses	40	34	19	6
Zoning changes to increase housing density	32	28	30	10
City-led housing development	27	33	30	10

Comments about City Housing Efforts

Respondents were asked if they had any other comments regarding housing efforts by the City of Valdez. A full list of responses is provided in Appendix B.

Demographics

Survey respondent demographics are included in Appendix C.

Key Informant Interviews

A series of interviews was conducted to gather insights regarding housing conditions, barriers to housing development, housing priorities, and other topics. Interviews were conducted with a broad range of Valdez business owners and housing market stakeholders. A total of 22 people were interviewed for this study.

The majority of interviews were conducted using a standard interview protocol. Some interviewees were asked industry-specific and other questions. See Appendices D and E for the Interview Protocol and list of those interviewed.

Following is a summary of key themes identified from the interviews and selected paraphrased comments.

Housing Demand and Gaps

Rental Market

Nearly all interviewees reported that the rental housing market in Valdez is very tight. This shortage is particularly acute in the summer and in the downtown area. People that move to Valdez for work typically have to rent a hotel room or a room in someone's house for a month or significantly longer while trying to find more permanent housing. Resourceful, organized renters with good rental histories and incomes can typically find a place eventually, but others struggle to find rental housing, and some end up leaving town as a result.

A lot of folks rent out rooms in their houses. These help address some of the need for low-cost rentals, but they are typically not a top choice for most renters.

Many landlords do really well specializing in renting to people working across the bay – that's a different market than rentals for families.

Renters want to be located in town. Many renters don't have reliable access to transportation.

There would be a serious shortage of rentals if Aleutian trailer park shuts down.

Moving to Valdez is a nightmare for the first while.

Pet friendly units frequently in demand but very hard to find.

Rental stock was built up in late 60s to late 70s. It's showing some age and not many great options.

Some landlords have had to become more selective to make sure renters pay their rent.

There are 55 AHFC low-income rental assistance vouchers assigned to Valdez right now, with all in use and a waiting list for them of about 30 people. There is demand by people that qualify for another 15-20 vouchers or so, but it probably wouldn't be possible to find units for all those renters.

Home Ownership Market

Interviewees identified gaps in both the starter home market (less than \$300,000) and the “step up” home market (typically in the \$300-\$375,000 range). There was little discussion of gaps related to higher-end homes, and a perception that despite somewhat limited options the higher end home market is healthy.

Limited choice is somewhat to be expected in a small town.

Home values have increased considerably in recent years.

Homes typically sell via word of mouth before officially going on the market.

It's all of the above. We need more of everything. The only thing we don't need more of is mobile or modular homes.

The few vacant lots out there typically aren't for sale. People are waiting to build on them later when they retire.

City was basically rebuilt after 1964, so there isn't that really old stock. That would typically be the lower end of the market.

If more houses were on the market they would sell but it's fickle since everyone wants something different.

Some houses are less expensive to purchase but extremely inefficient and expensive to operate.

Overall housing is fairly affordable when you look at incomes.

Ok quality considering. Some say poor quality. Biggest issue is with mobile homes that probably should be condemned.

What is a reasonable expectation for affordable housing? People need to lower expectations for what they are going to get for any given price range.

Housing Construction

The most frequently cited barriers to affordable housing are the cost of construction and a lack of available land. Those interviewed frequently mentioned the cost of concrete as particularly high. Other causes of high construction costs mentioned by multiple people included transportation costs; engineering and building code requirements related to seismic and snow load considerations; a labor shortage; high land costs; and costs associated with putting in utilities such as sewer and water when not provided by the city.

For many years there has been only one professional builder focused on Valdez's residential market at any one time. Reasons given for this include the high cost of building – which makes it more difficult to make a profit – and low volume compared to other areas such as the Mat-Su. Several interviewees noted that the current active builder has an excellent reputation for quality construction, and is selling single family homes for prices that are as affordable as possible in the community (especially when taking into account the lower cost to operate a

more efficient home). In addition to the one residential-focused builder, there is at least one commercial builder occasionally building residences as well as several individuals building one-off homes.

Cost to construct is super high. Hard to get something you want unless you do it yourself.

Have to have your act together to build affordable housing here.

Local builder is doing really good work and building quality homes at the lowest price possible. It is still too expensive or not big enough for some folks, but that isn't a fault of the builder.

Building multi-family units requires more upfront investment and seems riskier. And then someone has to operate the rentals.

Owner/builder stuff is as common as professional home building because that is the only way folks can get something they want for a reasonable price.

Desirable land just not very available.

Senior Housing

While it typically is not listed as the top housing gap, there is universal recognition that more senior housing is needed in Valdez. The Valdez Senior Center is seen as an important community resource with a large waiting list that reflects unmet demand. Officials with the Valdez Senior Center estimate there is enough demand to keep another 10-12 apartments full (in addition to the existing 15 units).

While the Valdez Senior Center has staff that can help with some Activities of Daily Living (ADLs), the center is not an assisted living facility. It is recognized that there is a need for an assisted living facility but also a need to be creative to make it work in a small town.

Multiple interviewees noted that providing options for seniors that want to move would free up single family housing for families and others. Multiple people indicated that there is developable land near the Senior Center and an expansion has been under discussion for some time.

There is a huge gap in senior housing. We have folks contact us that probably shouldn't be living by themselves.

I would like to see options that allow people to age here. Affordability is probably the biggest issue for many seniors, rather than a need for an assisted living facility.

Is there a need for senior housing? Yes, but less so than family housing.

Private parties have come in and tried to set up an assisted living facility but when city didn't give them land free and other help they backed away.

Housing Gaps and Local Economy

When asked about the impact of housing gaps on the local economy, the most common issue discussed was employee retention. The workers most impacted are those in lower wage sectors such as the service industry. The town's major employers in other sectors – such as the seafood processors, Coast Guard, Edison Chouest, and others – generally have built bunkhouses or crew houses and report few issues resulting from any housing gaps in Valdez. Other higher wage employees, such as the those working at the Valdez Marine Terminal, typically have more housing options due to higher incomes, better credit and rental histories, and other factors.

One interviewee noted that Valdez's housing shortage has led to a depressed population, and argued that improved housing affordability and availability has the potential to lead to population growth.

Many employers have had to buy crew houses to make it work. Without that workers would not be able to afford to move to town for these jobs.

Workforce housing is the biggest housing issue in town. Need affordable rental units for folks that currently work in the service industries.

A lot of people work for a summer and fall in love with the place. They try to stay year-round but often can't find desirable housing and just give up and leave.

Can you have a housing crisis with a declining population?

We have definitely lost good people due to housing issues.

Certain jobs don't pay enough to cover the cost of housing comfortably. Employers have to look for other ways to meet their needs, like more outsourcing/contracting rather than as many in-house hires.

Housing for seasonals is pretty tough. Plays into the longevity of working in these jobs.

City Role in Housing Efforts

Every interview included discussion of the role of the City of Valdez in addressing any housing gaps present in the community. A widespread sentiment is present that the city should make more of its land available for housing development. Land availability is seen as a key limitation, especially in the downtown area, and a low hanging fruit for the city. Specific parcels frequently discussed included the Woodside parcel, an extension of the Cottonwood subdivision, as well as other areas.

Though typically not mentioned as the top priority, there was near unanimous support for more city efforts related to senior housing. Reasons mentioned include existing city involvement through support for the Valdez Senior Center; availability of city land near the senior center for expansion; and the observation that senior housing is an area on which the private sector is less focused.

There was less agreement on other potential actions the city could take. Several interviewees would like to see a review of potential improvements to zoning, building codes, and other housing regulations, but are also realistic any changes may not fundamentally change housing dynamics in the community.

Several respondents indicated strong opposition to the city getting too involved in housing development beyond land sales, citing concerns regarding competition with the private sector.

City should open up more opportunities via land sales.

Not a single approach but a multi-pronged approach needed from city.

Even if they open up land stuff not going to necessary fly off the shelves.

Corbin creek subdivision went well all in all. Not as affordable as ideal but it filled up and added some good options for some people.

Why hasn't additional road or two been added to cottonwood subdivision? Good question.

No builder can afford to build on a 40-acre parcel. Chunk things up so it's feasible to develop.

If someone brought a proposal, they should entertain variances and exceptions. It's my sense that's generally the case.

Probably makes sense to loosen some of the rules, such as in the single family zoning district.

Not just about building new housing but also helping folks afford what is available.

There has been a history of frustration with the city planning department. It seems better now but it's been so inconsistent over the last 20 years.

We've always been short on multi-family. Partly a zoning issue for sure. Just very little multi-family zoning out there.

Blast city budget at housing. Multi-plex apartment style duplexes – not top of the line but affordable – is what the city needs. Everywhere.

Not the city's job to open businesses or sell homes. City should just sell land.

Corbin Creek was a real good idea and it filled up nicely. The city could do something like that again. I really do think it will take something like that.

City permitting process can be challenging due to strict requirements.

Turnover in city leadership doesn't help with developing the partnerships needed.

Utility expansion is more important than zoning.

Whenever you get a permit have to go through zoning and that's where you have trouble.

The city has a fair amount of money so that is nice but the question is how to get involved without competing with private sector.

Have we over engineered our homes? Would be something to look at.

Housing Gap Analysis

This section summarizes the various sources of information collected on Valdez's housing situation with the goal of clarifying the housing gaps present in the community.

The following gaps, and related general observations, are evident:

- Expansion of Valdez's housing inventory would be beneficial, especially in multi-family housing but also in single family housing and senior housing.
- Housing availability and affordability are bigger issues than housing quality.
- High median wages in the community contribute to disparities in housing affordability. Most of the private housing development has focused on single family homes for moderate to higher income residents. This leaves the biggest gap for lower income residents and new residents looking for rentals.
- Housing gaps are likely somewhat of a barrier to economic and population growth in the community.
- There is a very high level of dissatisfaction with Valdez's housing situation in the community and equally high levels of support for city action on the topic. These are strong signs of the presence of housing gaps in the community. See following section of this report for a discussion of implications of housing gaps for the City of Valdez.

Rental and Multi-Family Housing

A variety of observations point to rental housing as a top housing gap in Valdez.

Based on survey results, a very high proportion of renters consider there to be few good options in the local rental market. All renters in mobile homes reported that there were few good options as well as 84% of single-family home renters and 72% of renters in attached homes and multi-family complexes.

Valdez has experienced a decline in the number of occupied housing units over the last decade. This decline has been steepest for renter-occupied units. A possible explanation is conversion of housing, especially rentals, into crew houses, vacation rentals, and second homes. Data purchased from airdna.co indicates that 33 whole houses were available for rent on AirBnB or VRBO in Summer 2019, up from a peak of 10 in summer 2017.

The percentage of households renting is lower in Valdez than other nearby coastal communities – with 21% renting compared to 30-51% in Homer, Seward, and Cordova. This is especially notable when taking into account that a significant number of Valdez rentals are higher end homes (21% of Valdez renter households paid more than \$2,000 a month compared to just 4-9% in the other communities).

Recent new housing starts have been almost exclusively focused on single family housing units, with only two multi-family units constructed since 2008.

Multi-family housing makes up a much larger portion of the housing stock in other similar communities such as Homer and Seward. This is particularly true for 5-9 unit complexes, which are also promising from an affordability standpoint.

Estimating the number of additional rental housing units needed is hampered by a lack of data on rental vacancy rates in the community. By most accounts rental vacancies are nearly always immediately filled through a waiting list or word of mouth. Furthermore, an unknown number of mobile home owners, seasonal residents, and others would rather rent an apartment than other options currently utilized.

Single Family Housing

Single family housing, not including mobile homes or trailers, is the most desirable housing type for most Valdez residents. Various sources of information indicate that there is unmet demand for single family housing in Valdez.

A gap between active residential-focused professional builders contributed to a decline in new single-family home construction seen between 2012 and 2016. A spike in home construction in 2017 was associated mostly with crew housing constructed for Edison Chouest employees. Other than those exceptions, Valdez has typically seen construction of about 10 single family homes annually, nearly all presold or owner built.

Similar to rental housing, Valdez's owner-occupied housing stock appears to be declining, likely due in part to an increase in vacation rentals, crew houses, and second homes.

More than a third of renters (35%) are currently looking for new housing, compared to 10% of homeowners. Of those looking, three-quarters (77%) would prefer a stand-alone, single family house. Among those looking or expecting to look for new housing, the most cited reasons were the need for more space (35%) and a desire to own their housing (24%).

Senior Housing

Nearly a quarter (23%) of households include at least one member over 65 years of age. Of these, 6% (or 1.3% of all Valdez households) indicated that someone in their household is very likely to need to move to an assisted living or nursing home facility in the next five years. These percentages can be translated into at least 20 residents very likely to need assisted living housing in the next five years. An additional 40 residents are somewhat likely to need to move to this type of housing in the next five years.

More than a third of households are dissatisfied with their current housing's suitability for seniors to age in place. That includes 11% that are very dissatisfied with the feature of their current housing.

Fewer households with seniors are cost-burdened than households without seniors (16% compared to 30%, respectively). This could be partly due to the fact that half of Valdez homeowners do not have a mortgage on their home, as well as the fact that the city exempts seniors from local property taxes (up to \$150,000 in home value).

Officials with the Valdez Senior Center estimate there is enough demand to keep another 10-12 apartments full, nearly double what is currently available.

Affordable Housing

Due primarily to higher incomes, Valdez is better situated than many communities when it comes to customary measures of housing affordability. One in six (17%) Valdez households is estimated to be cost burdened, which is defined as spending more than 30% of household income on housing costs. This compares favorably to Cordova (32% of households cost-burdened) and Homer (32%).

While rents are slightly higher on average, homeowner costs in Valdez are similar to those in Homer and Seward and lower than those in Cordova.

Data from the household survey paints a more mixed picture. Roughly half of residents rate Valdez's housing affordability as poor and another third rate it as very poor. On the other hand, two-thirds of households say they are satisfied with the value for the price of their current housing. Possible explanations for these contradictions include the fact that those unable to find a reasonable housing situation often leave the community; a satisfaction with current housing but memory of a very difficult time upon moving to the town; and the high impediments associated with changing housing.

Mobile Homes Residents

Interviewees frequently discussed Valdez's unusually large number of mobile homes and the deteriorating quality of this housing stock. More than half (61%) of mobile homes were reported to be over 40 years old and three in ten mobile home households report problems with mold.

While there is clearly a mix of situations facing mobile home residents, a significant portion of these residents appear to be stuck in this type of housing. Despite mobile homes making up nearly a quarter of the local housing stock, only 1% of those looking for new housing expect to look for a mobile home. Of current mobile home residents, 42% are looking for different housing or expect to in the next five years. Most of them are looking to buy single-family homes but the mean combined household income for those in mobile homes is nearly half the overall average at just \$50,000.

Economic Impact of Housing Gaps

Reasonably priced and available housing are underpinnings of economic and community well-being. Many indicators suggest the local housing inventory is not meeting this basic need effectively. The findings in this study point most clearly to a negative impact on population growth in recent years.

The vast majority of residents in Valdez rate the town's housing availability and affordability as poor or very poor (more than 81% for both). This is especially true for those living in the community for 10 years or less. Interviews highlighted the "nightmare" many faced when moving to town, piecing together various substandard rentals and other options for months or years before finding functional long-term housing.

Almost one-third of respondents (31%) report they are somewhat or very likely to move from Valdez within the next five years. In addition, nearly a third (30%) of Valdez residents surveyed reported having family, friends, or work colleagues who would like to move to Valdez but cannot due to lack of housing.

Interviews with employers suggest a mix of responses to Valdez's housing limitations have produced workable results for many employers but are a hurdle for others. Lower wage workers and their employers are the most impacted, but there is a sense that the overall impact of housing challenges is a smaller workforce and more turnover than would otherwise be present.

Divergent Population and Employment Trends

Population decline concurrent with employment growth is an atypical trend that may have implications in the housing market, including growing need to house non-resident workers. Increasing housing inventory should increase Valdez's ability to spread the benefits of employment and wage growth more widely in the community.

Available employment data do not allow a detailed analysis of the sectors driving employment growth. Many of the new jobs are in the Trade, Transportation, and Utilities sector, which include tourism employers as well as pipeline and oil/gas employers. Both seasonal workers and shift workers can be employed in Valdez while maintaining a primary place of residency in another community. Each individual's or family's residency choice is influenced by a variety of factors. The availability, affordability, and quality of housing options is certainly a major component of these decisions.

The economic trends discussed above support prioritizing rental housing and other affordable housing options. These housing units will most directly benefit lower-wage employees, such as those with seasonal and/or service sector employment. It will also benefit new residents in need of temporary housing as they look for permanent housing.

Addressing housing gaps will support local employers through increased employee retention, increased local hiring versus contracting, and increased demand for goods and services through stemming population declines and perhaps leading to population growth.

Implications for City of Valdez

A broad range of economic and demographic forces shape a community's housing market. Some of those forces may be external, and therefore beyond influence by the community. Other forces may be internal and somewhat controllable through public policy. This section attempts to translate the findings of this study into considerations relevant to housing efforts by the City of Valdez and community discussions more broadly. More information collection is recommended before any specific programs or policies are pursued.

Strong Support for City Housing Efforts

A strong majority of Valdez residents (85%) are supportive or very supportive of the City of Valdez taking steps to address housing issues in the community. This support was consistent across nearly all subgroups analyzed including type of and satisfaction with current housing, income level, ethnicity, household size, and many others.

Majority support was also found for all specific potential housing efforts mentioned in the survey, with the most support for "releasing more city lands for housing development" and "exploring partnerships to develop housing for seniors." Both of these efforts enjoyed wide support with 58-59% reporting being very supportive and an additional 27-32% supportive.

The City should interpret these survey results as a mandate to work diligently to find solutions to the community's housing needs.

Increase City Land Sales and Utility/Road Extensions

A widespread sentiment is present that the city should make more of its land available for housing development. Land availability is seen as a key limitation, especially in the downtown area, and something the city is uniquely positioned to address. Specific parcels frequently discussed included the Woodside parcel, an extension of the Cottonwood subdivision, and other areas. The city-led Corbin Creek subdivision is generally considered a success and other similar out of town projects should be considered as well.

Utility extensions and road development are additional ways the city can support housing projects in the community, including both public and private developments. Given the already high costs of construction, connecting to city sewer and city water can help drive down housing costs and encourage new housing construction. Potential improvements to how utility and road extensions are evaluated are beyond the scope of this study.

Multi-Family Housing Support

Valdez has seen very little development of multi-family units over the last decade. Limitations include high construction costs and the small area of land available and zoned for multi-family housing, especially in the downtown area. Another key issue identified is the fact that other simpler and/or more promising business opportunities are available for local and regional builders. Given these issues, it may be necessary to more aggressively support these types of developments for them to succeed.

Consider Zoning and Building Code Updates

While this study does not address potential zoning changes in detail, several ideas were discussed in the stakeholder interviews that appear to warrant further consideration. These include relaxation of housing restrictions, in the single-family and other residential zoning districts, to allow certain types of short- and long-term rentals. Such rentals are common in practice but not technically legal. Other housing restrictions, such as those in the light industrial zoning district, should be reviewed in light of the importance of housing development in the community. Finally, the city should continue to work with potential developers and help them obtain variances and exceptions, when needed and appropriate.

Local building codes and related regulations are widely recognized as important and valid. Several interviews also indicated that these could benefit from regular review to ensure that they are not unnecessarily restrictive.

Consider Property Tax Credits for Affordable Housing Developments

Lots in residential zoning districts represent just 6.3% of the total taxable value in the city's property tax base. Any additional housing development are likely to have only a modest impact on tax collections. A corollary finding is that housing tax credits could likely be offered to housing developers with limited impact on city finances. Interviews frequently spoke to cash flow and other financing challenges associated with housing developments by Valdez's predominantly local commercial and residential builders. In addition, at least one interviewee was very enthusiastic about the potential for housing tax credits to help builders accomplish affordable housing developments.

Senior Housing Feasibility Worth Further Study

There is widespread support for increasing senior housing units in Valdez and city involvement in these efforts. The city could consider supporting this effort through funding a feasibility study reviewing potential partnership structures, demand estimates, preliminary capital costs associated with different development options, and available financing methods to maximize use of federal and other resources.

Improved Communication with Local Businesses

The city has progress to make on maintaining productive two-way conversations with local housing stakeholders, multiple interviews indicated. There are significant misunderstandings present and a perception that some in the city are not in regular communication with local business leaders. Increased consensus could be expected from improved outreach and communication.

Contribute to an Improved Understanding of the Local Housing Market

Efforts currently underway by the city to digitize information on property tax roll cards and bring these records online is a relatively simple but valuable way to help potential builders and others better understand the local housing market.

Similarly, housing information collected via the city's Household Population Survey could be summarized and reported out to the community for relatively low cost. More broadly, regular publishing of "indicator" reports

are sometimes completed by local Chambers of Commerce, municipalities, or economic development organizations and help businesses and others understand and evaluate potential opportunities.

Appendix A: Household Survey Instrument

Valdez Housing Household Survey

PHONE # _____

Cell/Landline

INTERVIEWER NAME _____

DATE _____

Hi, this is _____ with the McDowell Group, an Alaska research firm. We're conducting a study for the City of Valdez to better understand housing needs in the community. I'd like to ask you a few questions.

1. In what year were you born? 19_____ (If 2002 or after, request someone over 18. If none available, thank and end survey)
01 ☐ Refused (Thank and end survey)
2. Do you live in Valdez at least six months of the year? 01 ☐ Yes 02 ☐ No
3. How many years have you lived in Valdez? #_____ years 01 ☐ Less than 1 year 02 ☐ DK/Ref
4. Including yourself, how many people live in your household for at least six months out of the year?
#_____ 01 ☐ Don't know 02 ☐ Refused

Current Housing Status

5. Do you rent or own your current home in Valdez?
01 ☐ Rent 05 ☐ Don't know (Skip to Q6)
02 ☐ Own (Skip to Q6) 06 ☐ Refused (Skip to Q6)
03 ☐ Other arrangement _____ (Skip to Q6)
- 5a. In general, do you think the Valdez rental market has many good options, some good options, or few good options?
1 ☐ Many good options 4 ☐ Don't know
2 ☐ Some good options 5 ☐ Refused
3 ☐ Few good options
6. How many years have you lived in your current home? #_____ years
01 ☐ Less than 1 year 02 ☐ Don't know 03 ☐ Refused
7. Of the following, which type of housing do you currently live in? (Read 1-5; check only one)
01 ☐ A stand-alone, single family house
02 ☐ An attached home such as a duplex or zero lot line
03 ☐ A condominium
04 ☐ An apartment
05 ☐ A mobile home or trailer
06 ☐ Other _____ 07 ☐ Don't know 08 ☐ Refused
8. Approximately how many square feet is your current home? _____ sq. ft
01 ☐ Don't know 02 ☐ Refused
9. Do you know what year was your home was built? _____ 01 ☐ Don't know (best guess is fine) 02 ☐ Refused
10. How many bedrooms are in your home? #_____ 01 ☐ Don't know 02 ☐ Refused
11. Approximately how much is your monthly rent or mortgage payment? \$ _____
01 ☐ Not making payments (Skip to Q13) 02 ☐ Don't know 03 ☐ Refused
12. Does your monthly rent or mortgage payment represent more than 30% of your household's combined monthly income?
01 ☐ Yes → 12a. Is it more than 50%? 01 ☐ Yes 02 ☐ No 03 ☐ Don't Know/Refused
02 ☐ No
03 ☐ Don't Know
04 ☐ Refused

Current Housing Preferences

13. Overall, are you very satisfied, satisfied, dissatisfied, or very dissatisfied with your current housing?
01 ☐ Very satisfied 03 ☐ Dissatisfied 05 ☐ Don't know
02 ☐ Satisfied 04 ☐ Very dissatisfied 06 ☐ Refused

14. For each of the following features of your current housing, are you very satisfied, satisfied, dissatisfied, very dissatisfied, or is it not applicable.

[ROTATE]	1 Very satisfied	2 Satisfied	3 Dissatisfied	4 Very dissatisfied	5 DK	6 Ref	7 NA
a. Number of bedrooms	01	02	03	04	05	06	07
b. Energy efficiency	01	02	03	04	05	06	07
c. Indoor air quality	01	02	03	04	05	06	07
d. Parking	01	02	03	04	05	06	07
e. State of repair	01	02	03	04	05	06	07
f. Design qualities and attractiveness	01	02	03	04	05	06	07
g. Suitability for children	01	02	03	04	05	06	07
h. Suitability for seniors to age in place	01	02	03	04	05	06	07
i. Value for the price	01	02	03	04	05	06	07

15. Which of the following, if any, do you experience in your current housing? (Read list 1-5, check all that apply)

- 01 ☐ Plumbing issues
- 02 ☐ Mold
- 03 ☐ Draftiness
- 04 ☐ Structural issues
- 05 ☐ Neighborhood crime
- 06 ☐ None of the above
- 07 ☐ Don't know
- 08 ☐ Refused

16. For each of the following aspects of housing in Valdez, please tell me whether you think it is very good, good, poor, or very poor.

[ROTATE]	1 Very good	2 Good	3 Poor	4 Very poor	5 DK	6 Ref	7 NA
a. Availability of housing	01	02	03	04	05	06	07
b. Quality of housing	01	02	03	04	05	06	07
c. Affordability of housing	01	02	03	04	05	06	07

Future Housing Plans

[Read] Next, I have some questions about your future housing plans.

17. Are you currently looking for different housing in Valdez?

- 01 ☐ Yes (skip to Q19)
- 02 ☐ No
- 03 ☐ Don't know
- 04 ☐ Refused

18. Do you expect to look for different housing in Valdez within the next five years?

- 01 ☐ Yes
- 02 ☐ No (skip to Q22)
- 03 ☐ Don't know (skip to Q22)
- 04 ☐ Refused (skip to Q22)

19. What is the main reason you are looking, or expect to look, for new housing? (Do not read, check only one)

- 01 ☐ Location
- 02 ☐ Need more space
- 03 ☐ Parking (boat, car, other)
- 04 ☐ Building quality
- 05 ☐ Want to own
- 06 ☐ Family/roommate issues
- 07 ☐ Aging/need more care
- 08 ☐ Other _____
- 09 ☐ Don't know
- 10 ☐ Refused

20. Of the following, which types of housing are you looking for, or expect to look for? (Read 1-5; check only one)

- 01 ☐ A stand-alone, single family house
- 02 ☐ An attached home such as a duplex or zero lot line
- 03 ☐ A condominium
- 04 ☐ An apartment
- 05 ☐ A mobile home or trailer
- 06 ☐ Other _____
- 07 ☐ Don't know
- 08 ☐ Refused

21. Are you more likely to rent or buy?

- 01 ☐ Rent
- 02 ☐ Buy
- 03 ☐ Don't know
- 04 ☐ Refused

22. Are you very likely, somewhat likely, or not likely to move from Valdez within the next five years?

- 01 ☐ Very likely
- 02 ☐ Somewhat likely
- 03 ☐ Not likely
- 04 ☐ Don't know
- 05 ☐ Refused

23. Do you have any family members, friends, or work colleagues that would like to move to Valdez but cannot because of a lack of housing?
- 01

Yes

02

No

03

Don't know

04

Refused

Senior Housing

[Read] Next, I would like to ask you about potential senior housing needs.

24. How many seniors 65 years of age or greater live in your household? # _____ 01 Zero (Skip to Q26)
- 02

Don't know

03

Refused
- 24a. How many seniors 80 years of age or greater live in your household? # _____ 01 Zero
- 02

Don't know

03

Refused
25. [if any 65+ in HH] Is it very likely, somewhat likely, or not likely that anyone age 65 or older in your household will need to move to an assisted living or nursing home facility in the next five years?
- 01

Very likely

02

Somewhat likely

03

Not likely

04

Don't know

05

Refused

City Housing Efforts

[Read] Next, I would like to ask you about local housing policies.

26. How supportive are you of the City of Valdez taking steps to address housing issues in the community?
- 01

Very supportive

02

Somewhat supportive

03

Not supportive

04

Don't know
27. Please tell me whether you are very supportive, somewhat supportive, or not supportive of the City of Valdez taking the following steps regarding housing.

[ROTATE]	1 Very supportive	2 Somewhat supportive	3 Not supportive	4 DK	5 Ref
a. Zoning changes to increase housing density.	01	02	03	04	05
b. Tax breaks to developers to lower the cost of new housing.	01	02	03	04	05
c. Releasing more city lands for housing developments.	01	02	03	04	05
d. Support increased development of tiny homes.	01	02	03	04	05
e. City-led housing development.	01	02	03	04	05
f. Explore partnership to develop supportive housing for seniors.	01	02	03	04	05

28. Do you have any other comments regarding housing efforts by the City of Valdez?

Demographics

[Read] I have just a few more questions for demographic purposes.

29. How many children under the age of 18 live in your household? # _____ 01 Zero
- 02

Don't know

03

Refused
30. Please stop me at the category that best describes your total combined household income before taxes for 2019.
- 01

Less than \$25,000

02

\$25,000 to \$50,000

03

\$50,000 to \$100,000

04

\$100,001 to \$150,000

05

More than \$150,000

06

Don't know

07

Refused
31. What racial or ethnic group do you consider yourself? (Don't read list, check all that apply)
- 01

White

02

Black or African American

03

Hispanic

04

Alaska Native/American Indian

05

Asian/Pacific Islander

06

Other (please specify): _____

07

Don't know

08

Refused

Thank you (and end survey)

32. (DO NOT ASK) Gender 01 Male 02 Female 03 Don't know

Appendix B: Household Survey Comments

Below are comments provided in response to question 28: *Do you have any other comments regarding housing efforts by the City of Valdez?* Responses are verbatim, though some responses have been edited to improve readability.

Availability and Affordability of Housing

- Valdez lacks housing.
- Valdez needs more housing. (3x)
- Need more housing. Get 'er done.
- Need more housing, apartments.
- Need more housing for military.
- Not enough rental housing.
- It's hard for people to find housing especially in the summer months.
- Affordable housing to live in Valdez.
- Why is housing so expensive here?
- Rental market is very difficult to get families to move here.
- Stop building \$400K houses; need for affordable housing.
- More land for housing and lower prices on housing.
- Make more property available at a fair market value.
- Too costly and the state we are living in is very poor. Something needs to change.
- We need more affordable housing, electricity is high. Rent is too high for low income housing, it's a joke, low income \$1,300 for 2-bedroom apartment.
- Not everyone can afford to not live in mobile homes. Are they trying to get rid of trailers to replace with nice fancy homes?
- The city overspends. If they are to develop more housing, it needs to be affordable for low income people.
- Need more affordable housing for low income families.
- Valdez needs more affordable housing. Rent is high.

Availability of Quality Housing

- A lot of structures need to be looked at.
- Options are limited and what is available is in poor shape. It took about 13 months to find a nice place.
- Need more housing also affordable housing places that are here are too high in cost. Poor quality and overpriced.
- Grandfathered in keeping homes that are no longer livable.
- Poor housing for families in Valdez; limited housing for disabled; slum housing not regulated by city; more houses should be condemned but are not due to lack of housing.

Development Ideas

- Could develop the old Petco site for housing.
- Tiny homes are a great idea especially for temporary summer workers.
- I feel like tiny houses would be ideal for a lot of people.
- Tiny houses rather than apartments.

- More levels of housing (opposed to scenic regulations). Smaller lots and smaller homes. Tiny home subdivision.
- Need to develop more on the waterfront. Make a bigger boat basin.
- Need to find a way to make housing development affordable to the builders.
- Build more affordable housing for the middle class.
- Explore more options.
- It would be great if they had more handicap accessibility buildings than just for students.
- 1. Permitting takes ridiculously long to get. 2. Goal posts keep changing so most don't bother getting permits.
- Building a home in Valdez is financially prohibitive both for property and materials.
- Open up to allow more private enterprise.
- Study reduction of restrictions on home building.
- Need to move forward quickly to release land for sale at reasonable prices for housing development.
- Need to open up more land to the public at reasonable prices. They did nice job on Corbin Creek.
- Make it so we could build more houses.
- Land availability at an affordable price would help.
- Remove septic, hook all current housing to city sewers.
- Lower the property taxes.
- Lower the residential tax on homes. Lower real estate taxes in general.

Support for City Housing Efforts

- Appreciate that they are making an effort.
- Glad they are doing the survey. Good place to start.
- Glad they are looking at possibly doing something about housing.
- I appreciate the survey and hope steps are taken to remedy the lack of housing in Valdez.
- I support the city developing more housing.
- Supportive of City, but don't believe it will happen.
- Anything to improve the housing situation would be appreciated.

City Involvement in Housing Development

- They need to do a better job of making it feasible to build homes.
- Lots of city potential but needs a direction.
- City has a lot of land to release for development and to expand their tax base. This would be desirable so that people would not need multiple jobs to afford to live here. Need to sell smaller parcels so that people can afford to buy for a reasonable amount.
- City needs a comprehensive plan to address zoning for low- and medium-income families.
- Currently when the city rezones land for development, people move trailers to land rather than build. Oftentimes, they create eyesores that bother the original neighborhood.
- The city had a good plan in the past and it was successful. They need to look at it again. There is no affordable mid-range housing. Only trailers available for low income people.
- We would like to have city sewer in our neighborhoods.
- They definitely need to do something. People need more affordable housing for everyone that wants to live there.
- The city should make land available with roads, sewer, water & permits thereby sharing the risks with developers by providing this infrastructure
- Lower taxes. Road maintenance, infrastructure to improve housing.

Feedback on City Efforts

- Do not compete with private enterprise. Do not take over the trailer park.
- I don't think the City of Valdez is making any efforts to make housing better. Valdez has the highest tax rate in Alaska.
- The city council talks but doesn't act. Has lots of funds available to make changes.
- The people making these decisions are being swallowed up by bureaucrats who do not talk to the people of Valdez.
- The city spends too much money on nonsense.
- Taxes are too high.
- They are too late.
- City needs to do their job. Admin is out of control, hiring people and not doing jobs. City Manager and department heads belittling their employees. They are wasting too much money on these surveys.
- I strongly urge the City of Valdez to keep their nose out of it. They need to look at their 20-million-dollar tax rate and their regulations.
- Need to get off their butt and do something-not just talk about it.
- I have not seen any efforts other than this survey by the City.
- City shouldn't be doing housing development. Keep it private.
- I don't like seeing the city compete with other developers. I bought a lot and the city said the sewer would be added but I still do not have city sewer.
- Housing development best left to private sector, but each situation should be addressed individually.

Senior Housing

- Move faster on senior housing.
- Need to support younger people in the city before focusing on senior housing.
- We could use another senior housing that is affordable. More affordable apartments.
- Senior housing is a serious problem in Valdez.
- Limited availability for nursing homes. Encourage them to do something ASAP. Critical shortage.

Miscellaneous Suggestions for the City

- Valdez is a small town and would like to continue to be a small town.
- Should focus on developing indoor recreation center for adults that doesn't include the high school.
- One way the city might be able to assist the community would be to manage freight costs.

Appendix C: Household Survey Demographics

Table 50. Age of Respondents

n=210	% of Total
18-24	4
25-34	26
35-44	18
45-54	18
55-64	20
65+	14
Average	46.4 years

Table 51. How many years have you lived in Valdez?

n=210	% of Total Weighted
10 years or less	39
11-20	19
21-30	19
31-40	12
Over 40	10
Average	19.8 years

Table 52. Including yourself, how many people live in your household at least six months out of the year?

n=210	% of Total Weighted
1	18
2	40
3	20
4	12
5+	10
Average	2.6 people

Table 53. How many children under the age of 18 live in your household?

n=210	% of Total Weighted
0	65
1	15
2	11
3+	7
Average	<1 child

Table 54. Please stop me at the category that best describes your total combined household income before taxes for 2019.

n=210	% of Total Weighted
Less than \$25,000	4
\$25,001 to \$50,000	16
\$50,001 to \$100,000	28
\$100,001 to \$150,000	19
More than \$150,000	18
Don't know	3
Refused	12

Table 55. What racial or ethnic group do you consider yourself?

n=210	% of Total Weighted
White	86
Alaska Native/American Indian	7
Hispanic	3
Asian/Pacific Islander	1
Black or African American	1
Other	-
Don't know	1
Refused	5

Appendix D: Key Informant Interview Protocol

Name:

Business & Title:

Hi this is (Name)_____ of the McDowell Group. We are conducting a housing study for the City of Valdez. I would like to ask you a few questions regarding housing needs in Valdez.

- 1) What type of housing do you think is most in demand in Valdez?

- 2) Do you consider housing in Valdez to be affordable for most residents? What would you consider to be an affordable monthly rent/mortgage payment for most Valdez residents?

- 3) How well are the housing needs of Valdez's senior population met, in your opinion?

- 4) How do seasonal residents affect the local housing market? What about VRBO/air bnb rentals?

- 5) On the whole, what would you rank as the top housing gaps, if any, in Valdez?

- 6) What are the barriers to increasing housing availability in Valdez? (single family, multi-family, short-term housing, etc.)

- 7) Is Valdez's housing situation affecting businesses and employers in town? What impact does the city's housing situation have on employers seeking to recruit or retain employees?
- 8) Are you aware of any efforts to address housing gaps in Valdez? Do you know of any housing projects currently in the planning phase?
- 9) What steps, if any, should the city take to address local housing gaps?
- 10) Are you supportive of the following hypothetical city actions regarding housing?
- a. Zoning changes to increase housing density
 - b. Tax breaks to developers to lower cost of new housing
 - c. Releasing more city lands for housing developments
 - d. Increase development of tiny homes
 - e. City-led housing development
 - f. Explore partnership to develop/expand supportive housing for seniors.

Appendix E: Key Informant Interview List

The following individuals were interviewed for their perspective on housing issues in Valdez.

- Alice MacDonald, Sound Realty
- Amanda Bower, Stan Stevens Cruises
- Bob Zastro, Zastro Enterprises
- Brad Barnett, Barnett Building
- Christian Stanford, Totem Inn
- Colby Boulton, Peter Pan
- Darren Reese, Alaska Department of Transportation and Public Facilities
- Deborah Plant, Valdez Senior Center
- John Lusk, Coast Guard
- Kate Huber, City of Valdez
- Kyle, Safeway
- Michael Renfro, Appraisal Company of Alaska
- Michelle Chase, Alaska Housing Finance Corporation
- Nathan Duval, City of Valdez
- Nicole LeRoy, City of Valdez
- Olen Harris, North Pacific Rim Housing Authority
- Paul Nyland, City of Valdez
- Randy Seaman, Frontier Appraisal Service
- Richard Franks, Silver Bay Seafoods
- Ron Hursh, Hursh Rentals
- Steve Shiell, Prince William Sound College
- Will Stark, First National Bank of Alaska