

**NOTICE OF MEETING  
MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA**
- 3. PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA**
- 4. RECONSIDERATION**
- 5. APPROVAL OF MINUTES**
  - A. April 9, 2013 Regular Meeting Minutes **Page 1**
- 6. VISITORS**
  - A. Phillip Alderfer, Affordable Housing **Page 5**
- 7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORT**
  - A. Staff Report: RV parking update, Lone Eagle Survey report. **Page 7**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
  - A. Affordable Housing: Staff Report/Update **Page 13**
    - i. Coast Guard Housing
- 10. NEW BUSINESS**
  - A. City Council Sign up. Next meetings May 13 and May 27.
- 11. INFORMATIONAL ITEMS**
- 12. COMMENTS OF THE AUDIENCE**
- 13. COMMENTS OF THE CITY STAFF**
- 14. COMMENTS OF THE COUNCILMEMBER**
- 15. COMMENTS OF THE CHAIR**
- 16. COMMENTS OF THE COMMISSION**
- 17. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY, May 14, 2013 at 6:00 p.m. in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska.**



Session 13-04 a Regular Meeting of the Economic Development Advisory Commission was called to order by Chair Sarno at 6:00 p.m. on April 9, 2013 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

**PRESENT:** COMMISSIONER KRISINTU, MAXWELL, ROSS, SARNO, WAGNER

**STAFF:** COMMUNITY & ECONOMIC DEVELOPMENT COORDINATOR KOESTER  
DEPUTY CITY CLERK JACOBSEN

### **AGENDA APPROVAL**

The agenda was approved by consensus of the Commission.

### **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

None

### **RECONSIDERATION**

There was no reconsideration scheduled.

### **APPROVAL OF MINUTES**

A. March 12, 2013 Regular Meeting Minutes

MAXWELL/WAGNER MOVED TO APPROVE THE MINUTES.

There was no discussion.

**VOTE: NON OBJECTION: UNANIMOUS CONSENT**

Motion carried.

### **VISITORS**

A. Jess Tenhoff – Affordable Housing and Lightweight Housing Alternatives

Jess Tenhoff of Nomad Shelters gave the commission an overview of her life. She has been in Homer since 2000 with her husband producing yurts. Shelter is a basic need. The problem is shelter in our society is that it is the carrot at the end of a stick for the whole system. That system doesn't work for everyone because not everyone can get a bank loan, like students, elderly, poor, and unemployed. Lightweight shelter is another way do things and can free people. Mrs. Tenhoff talked about challenges of lightweight housing and opportunities for using them for personal housing, community housing, schools, or businesses.

In response to questions Mrs. Tenhoff reviewed what her company offers for yurts, costs, and payment options. She explained that yurts don't qualify for bank financing, but they are insurable and allowed in

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
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the city if they are connected to utilities. Point was raised that it is inexpensive housing, but a person would need a piece of land to put it on.

**STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**

A. Staff Report: Affordable Housing: A first look at the Homer market

Community and Economic Development Coordinator Koester reviewed her staff report.

The commission reviewed and discussed the housing costs provided by Mrs. Koester and brainstormed some ideas regarding affordable housing. Comments included:

- We have an "immigrant class" of really cool young people who come in and want to work, and then decide to stay. We have the ingredients to create a good culture that would make use of the affordable housing.
- There are great ways to do this with planning central areas where people can live. There is a way to put people in small units but give them what they want. Greenbelts and corridors for wildlife are important.
- Small five or six unit homes planned well with surrounding greenbelts can build community and still have security and a sense of smaller community.
- Intentional communities, like the European model, that have multi housing units. They are more efficient and can be really attractive.
- Yurts could be a good option for college housing if there was land available for them.
- Homer has infrastructure for water and sewer but not all are accessible by road, and that is something that should be resolved.

**PUBLIC HEARING**

**PENDING BUSINESS**

A. Review of electronic survey to work from home entrepreneurs.

The Commission reviewed the survey and agreed a good option is for each of them to pass it on to people they know.

**NEW BUSINESS**

A. Schedule of City Council Updates

The Commission discussed the best way to plan for attendance at Council meetings. They agreed to decide each month what information they will give to the council and who will speak that month.

B. Appointment of EDC member to the Lease Committee

Commissioner Krisintu said she would serve on the Lease Committee. The commission agreed by consensus.

**INFORMATIONAL ITEMS**

None

**COMMENTS OF THE AUDIENCE**

Larry Slone, city resident, provided a laydown about Hallo Bay, a locally based business that provides service outside of Homer. His goal was to encourage the commission to cast a wider net with their survey. He also provided some information from a 2008 survey by Hallo Bay that outlined some parameters they used. Regarding affordable housing Mr. Slone commented that he would categorize it as a starter home, in the \$150,000 range. He would also categorize an affordable home as anything under \$10,000. What was proposed in developing an alternative culture is a culture that won't graft well with the current structure. Homer is based on the model that has been developed over hundreds of years with specific building standards that have to be met with respect to construction materials, plumbing, and etcetera. There are government standards when they provide low income housing for people. The lending institutions are geared toward permanent structures of a more significant investment where they can recoup benefits through interest. People who are going to invest in a permanent structure aren't likely to want to have a yurt placed alongside. He agrees the advantage should be presented to the people who will benefit from it, but for the reasons he explained, it won't happen within Homer, unless a housing unit was set up as a test case.

Bumppo Bremmicker, city resident, commented that it is great they are looking at affordable housing. He thinks affordable means different things to different people, but he would say under \$100,000. Traditionally in Alaska a starter cabin was 16x20 feet for one person. He said for future discussions it would be good to know the median income in Homer, as well as the median home price, and then see how far apart those numbers are. It would be interesting to know. One thing they discussed on the Town Center Committee was mixed housing for students and seniors, also businesses with housing above it. Homer doesn't really have a lot of standards like they do outside, there are a few, but not the same at all. Larry made some good points tonight.

Jess Tenhoff, city resident, noted they had just talked about participation at the meetings and from her perspective the faster this city government can get hooked into the electronic world where they can have direct participation in our democracy, the faster we can make decisions happen. In the social networking world you can get consensus very quickly. It's archaic not to take that step. She encouraged the commission to take the first step in getting people to participate by putting it on line and making it interactive. To address Larry's concern with property values and yurts, a yurt is a portable structure so it has no effect on the home or land equity. It can happen where you make laws not to allow it, but then you limit portable shelter. She wants them to remember light weight living on the earth is the way of the future, because we have to.

**COMMENTS OF CITY STAFF**

None

**COMMENTS OF THE COUNCILMEMBER**

None

**COMMENTS OF THE CHAIR**

**ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
APRIL 9, 2013**

Chair Sarno said it was a great meeting. She is so grateful to the staff and to the commission for their work.

**COMMENTS OF THE COMMISSION**

Commissioner Wagner thanked Larry for his feedback. The Hallo Bay example matches up with what they are looking at. Another commissioner could be virtual. It could happen, but probably not very soon.

Commissioner Maxwell thanked everyone who participated tonight. It is a lively group and it is great to get input. She loves the idea of a virtual commissioner; she participates in a lot video conferencing from her work place. She likes the idea of the city having a link where folks could submit comments, and check and see what is going on with the committee.

Commissioner Krisintu had no further comments.

**ADJOURN**

There being no further business to come before the Commission the meeting adjourned at 7:28 p.m. The next regular meeting is scheduled for Tuesday, May 14, 2013 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: \_\_\_\_\_



Philip Alderfer  
Broker / Owner

## **Anchor Point, Kenai and Eagle River Offer Most “Affordable” Housing**

Updated Thursday, March 8, 2012 :: Views (342)

**The community of Anchor Point was the most “affordable” place to buy a home in 2011, according to a recent study of eleven Southcentral Alaska communities.**

The Alderfer Group recent completed a study comparing home affordability across communities in southcentral Alaska, and the results are in!

We examined 2011 home sale prices and median household incomes in the communities of Palmer and Wasilla in the Matanuska-Susitna Borough, Anchorage, Chugiak / Eagle River and Girdwood near Anchorage, as well as Anchor Point, Homer, Kenai / Nikiski, Seward, Soldotna and outlying areas on the Kenai Peninsula. Our goal was to identify those communities where median income earning families had the most home choices - and Anchor Point came out on top!

Our clients often talk about home ‘affordability.’ Not just what a home costs to buy, but how mortgage rates, homeowner’s insurance and property taxes will affect their family’s budget. We wanted to learn how those experiences differed across the communities we serve.

Because we could not find that information elsewhere we had to do the research ourselves. It was a great opportunity to compare the communities where our clients live - and good excuse to stretch our math skills!

We first identified median household incomes within each community using U.S. Census data. Then we calculated the maximum mortgage payment lenders would typically allow at those income levels. Next, we estimated the total monthly payment for each home sold within the eleven communities using 2011 home sales price data and average ownership costs.

By comparing these two figures, we then calculated a Home Affordability Index (HAI) score that showed how many home sales in a community could have been purchased by a median-earning family.

Anchor Point was the most affordable community we studied, with a whopping 82.8 HAI score. It was followed by Kenai / Nikiski at 81.3, Chugiak / Eagle River at 78.9 and Seward at 65.9.

Home affordability is a function of three things – sales price, household income and ownership costs. The study showed why they all matter. For example, the median home sales price in Chugiak / Eagle River was approximately \$322,000 – which was second highest on our list. Homes of that price could rule out many potential buyers. But the average household income in that community was also quite high, at \$94,000. As a result, our study showed that more than three-quarters (78.9%) of all home sales in the area could have been bought by – were ‘affordable’ – to a family earning the median income.”

Girdwood was at the other end of the scale. Though the median household income ranked third on the list at \$68,000, the median home price was also quite high, \$330,000 and it meant that only 32% of 2011 sales could have been afforded by a median-earning family. This is not surprising for a smaller community with so many second home and vacation home-type sales.

In only two communities, Girdwood (at 32) and the unincorporated areas outside Homer (47.1) was the Home Affordability Index score below 50.

I am anxious to repeat this study and see how HAI scores change over time. We Alaskans have been fortunate to avoid the worst of the economic downturn and concurrent housing crunch. And I hope our run of ‘good luck’ will last. But we will undoubtedly experience higher interest rates in the future. If household incomes keep pace, Alaskans’ purchasing power should not be affected. The Home Affordability Index was designed to show us whether that is true.

The 11 study communities, and their HAI rankings were:

- Anchor Point (82.8)
- Kenai / Nikiski (81.3)
- Chugiak / Eagle River (78.9)
- Seward (65.9)
- Wasilla (60.4)
- Palmer (59.0)
- Anchorage (58.4)
- Soldotna (57.7)
- Homer (53.6)
- Diamond Ridge, Fritz Creek, Kachemak City (47.1)
- Girdwood (32.0)

Feel free to contact me if you have any questions or would like to learn more about the Home Affordability Index. I can be reached via Email at [Philp@AlderferGroup.com](mailto:Philp@AlderferGroup.com) or on my cell phone (907) 299-2845





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

Administration

491 East Pioneer Avenue  
Homer, Alaska 99603

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## Memorandum

TO: Advisory Economic Development Commission

FROM: Katie Koester, Community and Economic Development Coordinator

DATE: May 8, 2013

SUBJECT: Staff Report: RV parking Update, Lone Eagle Survey

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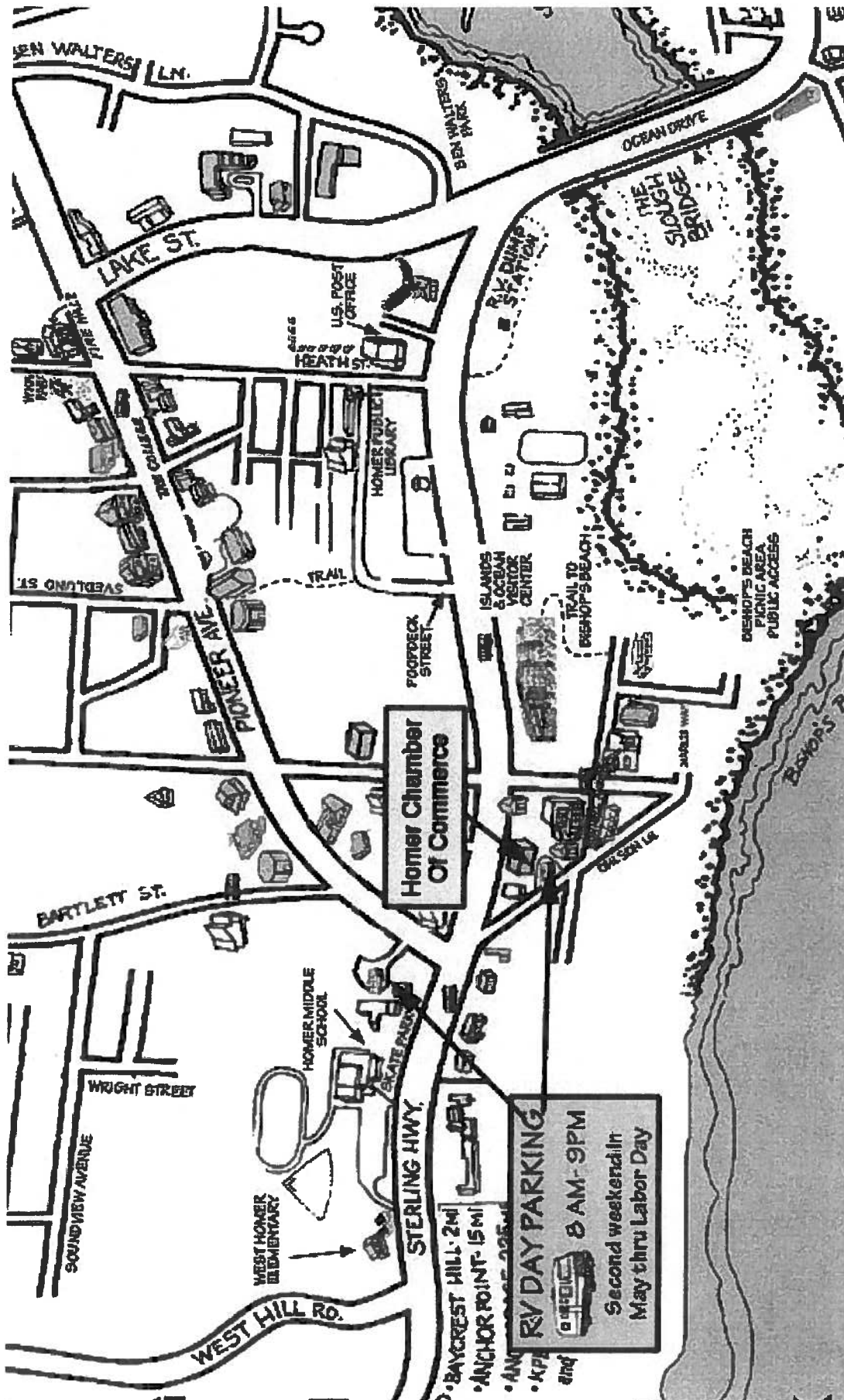
### RV Parking Update

Rocky has been working through the Chamber to post signs. The Chamber is going to be in charge of signs and removing them come fall and in future years (thanks Rocky!). The Homer News map incorporates the RV parking (see attached) and Homer Trolley Tours map will incorporate the RV parking and make the map available to RV visitors. The City and the Chamber are working with local businesses to have a link to a map of the RV parking on their websites. The parking should be up and running in time for the shorebird festival.

### Lone Eagle Entrepreneur Update

I send the survey link out to EDC members on April 22. I have received ZERO responses. I take this to signify there is not much interest in pursuing this avenue for gathering information on how Homer can attract Lone Eagle/Work from home entrepreneur. I am open to further suggestions.







## Katie Koester

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**From:** Katie Koester  
**Sent:** Monday, April 22, 2013 10:40 AM  
**To:** 'Adi Davis'; Bryan Zak; 'Lindianne Sarno'; Merry Maxwell; 'Nantia Krisintu'; 'Neil Wagner'; 'rocky.toni.ross@gmail.com' (rocky.toni.ross@gmail.com)  
**Cc:** Melissa Jacobsen  
**Subject:** Lone Eage Survey

Hi EDC,

I have drafted a email below for you to send to your techie “work from home” or “lone eagle” friends and colleagues (in blue). I suggest a more custom intro from you that includes a personal touch. Thanks for your help spreading the word. Katie

Sample intro:

Hi,

I am on the City of Homer Advisory Economic Development Commission and was hoping you could take a couple of minutes (I promise it is short) to fill out this survey we have drafted for high-tech entrepreneurs like yourself. Thanks for your help and input!

The City of Homer Advisory Economic Development Commission is looking at how to attract/foster “work from home entrepreneurs” in Homer and is conducting a short survey to help with that goal. You have been identified as a “work from home entrepreneur” by one of the Commission members.

A “work from home entrepreneur” has been defined as someone who is able to do their work anywhere in the world through the internet and other technologies. Another term that has been used to describe this type of entrepreneur is “lone eagle.” These professionals are an important sector of the community as they bring in new dollars and expertise.

The Commission is collecting information on what attracts “lone eagles” to our community and what infrastructure needs they have. This purpose of collecting this information is then to think of ways the community can grow and accommodate this sector.

If you could take a few minutes to fill out the survey online, it would be helpful in the Commission’s goals to promote economic development in Homer. Your answers are anonymous.

<http://www.surveymonkey.com/s/9GHD9Y9>

Thank you for taking the time to participate.

Sincerely,

Katie Koester

Staff to City of Homer Advisory Economic Development Commission





CITY OF HOMER  
CITY HALL

# MEMORANDUM

To: Economic Development Advisory Commission

From: Katie Koester, Community and Economic Development Coordinator

Date: April 3, 2013

Subject: Affordable Housing

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Chair Sarno has asked that the Commission address the topic of affordable housing. Affordable housing is one of the topics the Homer City Council asked the EDC to work on in Resolution 12-041.

I have included in your packet some background information. This includes a series of charts/article on housing trends in Alaska. Unfortunately, the data only goes down to the borough level. This is not reflective of Homer City limits which traditionally has much higher housing prices than the surrounding area or Upper Kenai Peninsula. I have also included pages of the Homer Comprehensive Plan that speak to affordable housing.

I recommend the commission take the following steps to look at the topic of 'affordable housing' in more detail.

- 1) **Identify what "affordable housing" means (as opposed to low income housing, for example).** Affordable housing is often thought of as entry level single family homes (what is referred to as a 'starter home.'). Anecdotal information shows that there is a lack of housing available for young families in Homer City limits. This drives those individuals and families to the outskirts of town (East End, Anchor Point).
- 2) **Research current market conditions and why there is a lack of affordable housing.** Planning Tech Julie Engebretsen commented that the market demand is for larger lots (higher end homes want more land). This promotes developers to subdivide into larger, more expensive lots (\$50,000 on average) and pushes the price tag of a new home and lot above the 'starter home range.' I recommend inviting a real estate professional to share their perspective with the commission.
- 3) **Research potential solutions to encourage the development of affordable housing.** The City could encourage developers to subdivide smaller, more compact lots. However, there has been community opposition to denser neighborhoods. Other planning and zoning recommendations could be considered to direct growth such as allowing more than one unit on lots zoned rural/residential.
- 4) **Meet in a joint work session with the Planning Commission** to discuss land use, affordable housing and up-zoning (proposed June date).







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## Memorandum

TO: Advisory Economic Development Commission

FROM: Katie Koester, Community and Economic Development Coordinator

DATE: April 29, 2013

SUBJECT: Coast Guard Housing

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When Mayor Wythe and City Manager Wrede visited with Rear Admiral Ostebo (USCG) in Juneau this March he mentioned that finding affordable, quality housing for Coast Guard families was a constant challenge in Homer. The Coast Guard brings a lot to our community, including employing over 70 individuals who have families here, shop here and volunteer in our local community organizations. Keeping in mind how the City of Homer can facilitate the Coast Guard in our community can be encompassed within the topic of affordable housing .

I met with Captain Michael Jones who helps Coast Guard families and individuals find rental homes and manages the 18 Coast Guard housing units owned by the USCG. He provided me with a copy of the 2011 Remote Housing Market Survey & Analysis 4-17-2012 Draft Report, a report the Coast Guard commissioned to analyze the housing market for Coast Guard members and their families. I have attached some charts and figures from the report that you may find interesting. Most of the rental homes in the Homer area (defined as a 60 minute one way commute from the end of spit) did not meet the Coast Guard's standards for adequate housing (running potable water, no mobile homes, structurally sound, washer/dryer, etc.) Affordability of rental units was also considered (the report helps the Coast Guard determine housing allowances for members). The Homer area median monthly rent for a one-bedroom unit is \$613, two-bedroom \$900; three-bedroom \$975 and four or more bedrooms is \$1600. The report determined that there is a 32% deficit of adequate housing for Coast Guard members stationed in Homer.

What could the City do?

One option is for the City to donate land to the USCG for additional Coast Guard Housing. However, this may not be the best option since the Coast Guard sometimes has a hard time filling the 18 units they have and we have no idea the Coast Guard's interest in taking on more units. The insight Captain Jones provided was that many members want more separation from their home life and work life and when you live in Coast Guard Housing you forgo the housing allowance the Coast Guard provides.

- Captain Jones said what he would really like is somewhere he can send Coast Guard members who are moving to the area that has information about what it is like to live in Homer. I spoke with the Chamber director about their "living in Homer" page as a good place to house some of this

information and the Economic Development page with the City a place to house more statistical data and information on the local economy with links between the two pages. The Commission has discussed the need for more information on living in Homer for the website at the lone eagle/work from home entrepreneur workshop.

**Recommendation:** The EDC work with the Homer Chamber of Commerce to develop a more robust web presence for people looking to move to Homer. The EDC could brainstorm things that would be valuable to include such as information on climate, schools, activities, etc. This would be valuable information for all types of people interested in moving to Homer.

## EXECUTIVE SUMMARY

This Remote Housing Market Survey & Analysis (RHMSA) evaluates the availability of housing for both accompanied and unaccompanied military personnel stationed in the greater Homer, Alaska area including CGC Roanoke Island, CGC Hickory, DD Homer and MSD Kenai, that meets USCG standards for affordability, location, quality, and number of bedrooms. This report is based on criteria and methods approved by the U.S. Coast Guard, and reflects current guidance adopted from the Office of the Secretary of Defense (OSD) regarding market analyses for military housing (U.S. Department of Defense, 2010). The principal assumptions and results of the analysis are shown in Tables ES-1 and ES-2.

**Table ES-1. 2011 Military Housing Market Remote Survey & Analysis Key Assumptions**

Assumptions
1. Family Housing Assumed Occupied in Current Year; Use of Community Housing First for Projected Year
2. Market Area Based on 60-Minute One-Way Commute During Peak Commute Periods
3. Rental Mobile Homes are Inadequate for Military Members
4. 2011 Basic Allowance for Housing (BAH) and 2011 Community Rental Costs
5. Planning Factors from CG Housing Manual (COMDINST M1101.13E) for Accompaniment Rates/Bedroom Entitlements
6. Total Families and Unaccompanied Personnel as of 16 November 2011 provided by PSC-PSD-FS Housing West
7. Accompaniment Rates Adjusted for Dual Military Families and Geographic Bachelors as per DoD 4165.63-M
8. Unaccompanied E1-E3 and 25% of Unaccompanied E4 Personnel to be Provided Government-Provided Housing per CG Housing Manual

**Table ES-2. Military Housing Requirements, USCG Homer, AK, 2011-2016**

Indicator	2011	2012	2013	2014	2015	2016
<b>Total Permanent-Party Personnel [1]</b>	72	72	72	72	72	72
<b>Total Military Families</b>	42	42	42	42	42	42
Base Occupancy in 2011; Floor Requirement in 2016	14	12	9	6	3	-
Community Housing Demand	28	30	33	36	39	42
Military Family Homeowners	7	7	7	7	7	7
Military Family Renters	21	23	26	29	32	35
Community Housing Shortfall	18	20	22	24	28	30
<b>Total Military Family Housing Requirement [3]</b>	32	32	31	30	31	30
Family Housing Inventory [2]	14	14	14	14	14	14
Deficit/(Surplus) of Military Family Housing	18	18	17	16	17	16
<b>Total Unaccompanied Personnel</b>	28	28	28	28	28	28
Floor Requirement (E1-E3 and 25% of E4)	12	12	12	12	12	12
Community Housing Demand	16	16	16	16	16	16
Unaccompanied Personnel Homeowners	-	-	-	-	-	-
Unaccompanied Personnel Renters	16	16	16	16	16	16
Community Housing Shortfall	12	9	7	7	7	7
<b>Total Unaccompanied Housing Requirement [3]</b>	24	21	19	19	19	19
Unaccompanied Housing Inventory [2]	12	12	12	12	12	12
Deficit/(Surplus) of Unaccompanied Military Housing	12	9	7	7	7	7

Notes: [1] Total permanent-party personnel include voluntarily-separated personnel and military spouses in dual military households, which are not shown separately in this table (see Table 6 and Table 7 for details).

[2] Military family and unaccompanied housing inventory by year provided by PSC-PSD-FS Housing West Unaccompanied inventory is designated for E1-E3 and 25 percent of E4 unaccompanied personnel (the floor requirement).

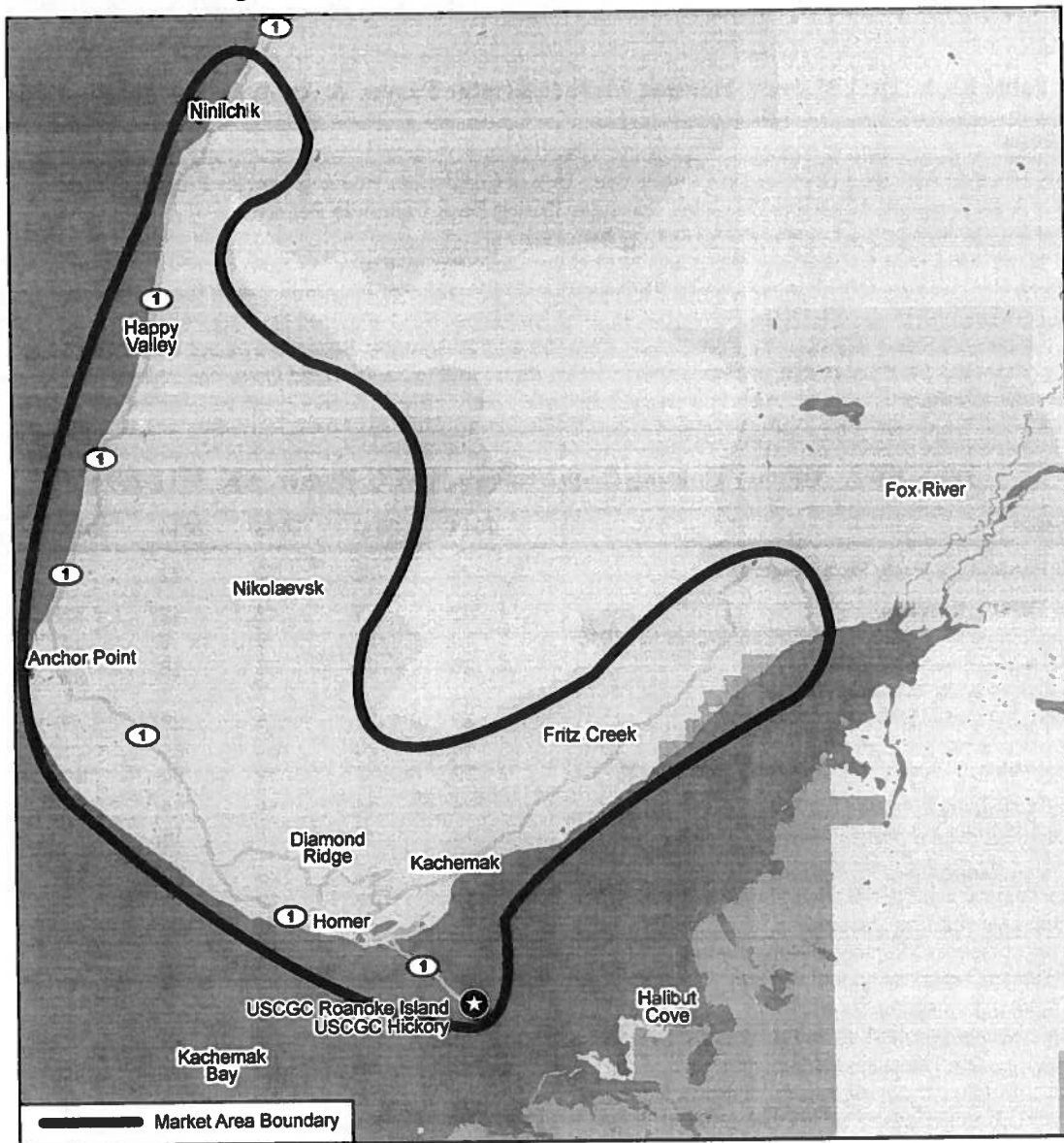
[3] The projected housing requirement is the sum of the floor requirement and the community housing shortfall.

Sources: PSC-PSD-FS Housing West, 2011; and estimates prepared for this study.

### HOUSING MARKET TRENDS

A housing market area is defined by the Coast Guard as that region within a 60-minute one-way commute from the installation's principal work areas by private auto during peak commute hours under average driving conditions. Homer, AK is located on the southwest side of the Kenai Peninsula bordering Kachemak Bay. The housing market area for Homer encompasses a portion of Kenai Peninsula Borough. Figure 1 maps the 2011 housing market area for USCG Homer, AK.

Figure 1. Housing Market Area, USCG Homer, Alaska



Data for the census tracts within the market area were extracted from 2000 and 2010 census files to compile a comprehensive database of population and housing characteristics within the market area as of April 2000 and April 2010. Key indicators of local housing demand (total population, household population, average household size, and owner- and renter-occupied housing units) are displayed in Table 1.

The off-base population in the market area grew at an average annual rate of 0.8 percent per year between 2000 and 2010, and 1.0 percent between 2010 and 2011. The current population is estimated to total 10,089 persons (Table 1). The household population (persons in occupied housing units) is an estimated 10,016 persons in 2011. Average household size decreased from 2.53 persons per household in 2000 to 2.28 persons per household in 2010, and is projected to remain at this level through 2016. The number of occupied housing units increased from 2,613 units in 2000 to an estimated 3,092 units in 2011. There are currently an estimated 1,294 renter-occupied housing units in the market area, representing 29.5 percent of the occupied housing stock in 2011.

**Table 1. Recent Trends and Baseline Projections of Housing Demand, USCG Homer Housing Market Area, 2000, 2010, 2011, and 2016**

Housing Market Indicator	2000	2010	2011	2016
Total Population	9,218	9,938	10,089	10,530
Average Annual Change (%)	N.A.	0.8%	1.0%	0.9%
Household Population	9,081	9,865	10,016	10,454
Average Annual Change (%)	N.A.	0.8%	1.0%	0.9%
Average Household Size	2.53	2.28	2.28	2.28
Occupied Housing Units	3,583	4,320	4,386	4,585
Average Annual Change (%)	N.A.	1.9%	1.0%	0.9%
Owner-Occupied Units	2,613	3,045	3,092	3,213
Percent of Baseline Total	72.9%	70.5%	70.5%	70.1%
Renter-Occupied Units	970	1,275	1,294	1,372
Percent of Baseline Total	27.1%	29.5%	29.5%	29.9%

Note: Average annual change in 2010 column is for 2000-2010; 2011 column is for 2010-2011, and 2016 column is for 2011-2016.

Sources: U.S. Bureau of the Census, 2001, 2011a and 2011b, and estimates prepared for this study.

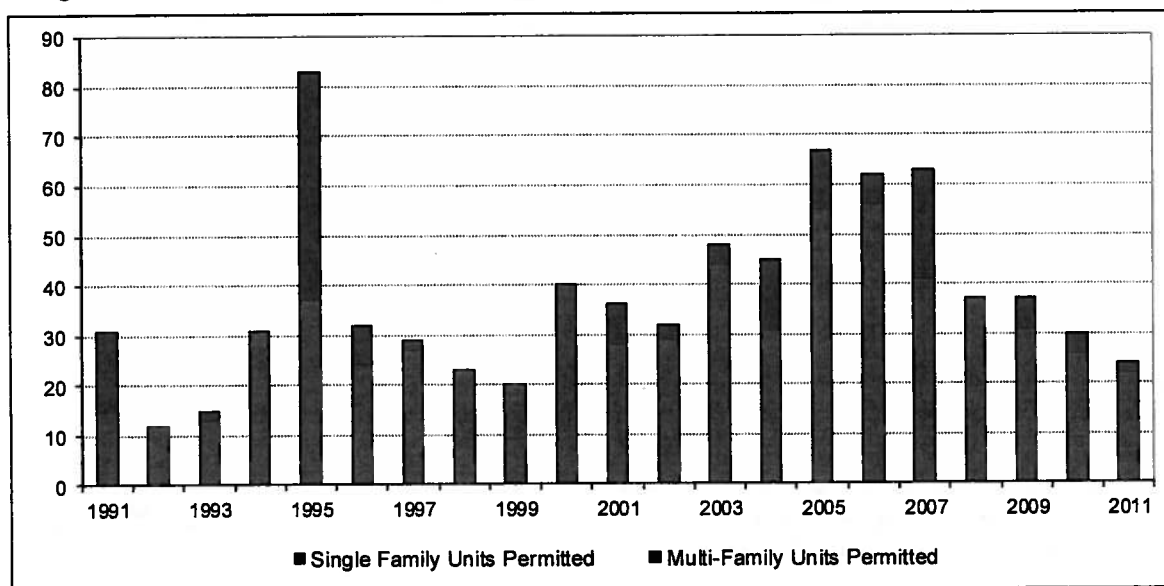
Market area housing supply indicators (total housing units, single-family units, multi-family units, and manufactured homes) are displayed in Table 2. The current housing stock is estimated to total 5,963 units, including both occupied and vacant units. The total housing supply has increased by an average of 119 units annually between 2000 and 2010; and 26 units between 2010 and 2011. Single-family units represent 82.0 percent of the total housing stock, while multi-family units constitute 13.2 percent, and manufactured homes 4.9 percent of the total.

**Table 2. Recent Trends and Baseline Projections of Housing Supply, by Type of Structure, USCG Homer Housing Market Area, 2000, 2010, 2011, and 2016**

Housing Market Indicator	2000	2010	2011	2016
Total Housing Units	4,736	5,922	5,963	6,137
Average Annual Change (#)	N.A.	119	26	35
Average Annual Change (%)	N.A.	2.3%	0.4%	0.6%
Single Family Units	3,663	4,850	4,888	5,023
Average Annual Change (#)	N.A.	119	24	27
Share of Total Housing (%)	77.3%	81.9%	82.0%	81.8%
Multiple Family Units	572	781	785	834
Average Annual Change (#)	N.A.	21	3	10
Share of Total Housing (%)	12.1%	13.2%	13.2%	13.6%
Manufactured/Trailers/Other	501	291	290	280
Average Annual Change (#)	N.A.	(21)	(1)	(2)
Share of Total Housing (%)	10.6%	4.9%	4.9%	4.6%

Sources: U.S. Bureau of the Census, 2001, 2011a and 2011b; and estimates prepared for this study.

As in most housing markets, residential development in the market area is cyclical. Figure 2 illustrates the trend in building permits in market area communities between 1991 and 2011. In the last decade, total building permits peaked in 2005, when 55 single-family units and 12 multi-family units were permitted. Building permits fell to their lowest level in 2011, when permits numbered 22 single-family units and two multi-family units.

**Figure 2. Building Permits for New Residential Units, Market Area Communities, 1991-2011**

Sources: U.S. Bureau of the Census, 2011b; and estimates prepared for this study.

Housing demand and housing supply together determine vacancy rates in the market area. Vacancy rates for key segments of the housing market are presented in Table 3. The total vacancy rate in the market area is currently estimated to be 26.4 percent. This includes vacant units for sale, vacant units for rent,

and other vacant units (units rented or sold but not yet occupied, boarded up units, units held for seasonal or recreational use, and other units). Seasonal or recreational units represent the large majority of vacant units, accounting for 84.1 percent of all vacant units in 2011. Based on current data collected from interviews with local property managers, and data from the U.S. Census Bureau (2011), this analysis estimates the vacancy rate for year-round vacant units for rent to be 11.4 percent at the present time. This is down slightly from rate observed in the 2010 census (see Table 3). The vacancy rate for homes in the for-sale market is estimated to be 2.6 percent.

The vacancy rate in the year-round rental market is currently higher than the national average. The U.S. Bureau of the Census estimates that the national average rental vacancy rate in the fourth quarter of 2011 stood at 9.4 percent (U.S. Bureau of the Census, 2011b).

**Table 3. Recent Trends and Baseline Projections of Vacant Units, USCG Homer Housing Market Area, 2000, 2010, 2011, and 2016**

<b>Housing Market Indicator</b>	<b>2000</b>	<b>2010</b>	<b>2011</b>	<b>2016</b>
Total Vacant Units	1,153	1,602	1,577	1,552
Total Vacancy Rate (%)	24.4%	27.0%	26.4%	25.3%
Vacant Units for Sale	90	84	83	82
For Sale Vacancy Rate (%)	3.3%	2.7%	2.6%	2.5%
Vacant Units for Rent	113	169	167	168
Rental Vacancy Rate (%)	10.4%	11.7%	11.4%	10.9%
Other Vacant Units (see note)	950	1,349	1,327	1,302
Vacancy Rate (%)	20.1%	22.8%	22.3%	21.2%

Note: Other vacant units include units rented or sold but not yet occupied; boarded-up units; units held for seasonal or recreational use; units held for migrant workers; and other units.

Sources: U.S. Bureau of the Census, 2001, 2011a and 2011b; and estimates prepared for this study.

Under current guidance for preparing housing studies for military installations, vacant units for rent are only available to military renters to the extent the number of vacant units exceeds a natural, or equilibrium, level of vacancies. Natural vacancies are not considered part of the available supply for market area households. In this analysis the current and projected rental vacancy rates are assumed to be at or below the natural vacancy rate in the market area. Therefore, there are no excess vacant units included in the suitable rental housing supply in the current and projected years.

Data for the census tracts within the market area were extracted from 2000 and 2010 census files to compile a comprehensive database of population and housing characteristics within the market area as of April 2000 and April 2010. Key indicators of local housing demand (total population, household population, average household size, and owner- and renter-occupied housing units) are displayed in Table 1.

The off-base population in the market area grew at an average annual rate of 0.8 percent per year between 2000 and 2010, and 1.0 percent between 2010 and 2011. The current population is estimated to total 10,089 persons (Table 1). The household population (persons in occupied housing units) is an estimated 10,016 persons in 2011. Average household size decreased from 2.53 persons per household in 2000 to 2.28 persons per household in 2010, and is projected to remain at this level through 2016. The number of occupied housing units increased from 2,613 units in 2000 to an estimated 3,092 units in 2011. There are currently an estimated 1,294 renter-occupied housing units in the market area, representing 29.5 percent of the occupied housing stock in 2011.

**Table 1. Recent Trends and Baseline Projections of Housing Demand, USCG Homer Housing Market Area, 2000, 2010, 2011, and 2016**

Housing Market Indicator	2000	2010	2011	2016
Total Population	9,218	9,938	10,089	10,530
Average Annual Change (%)	N.A.	0.8%	1.0%	0.9%
Household Population	9,081	9,865	10,016	10,454
Average Annual Change (%)	N.A.	0.8%	1.0%	0.9%
Average Household Size	2.53	2.28	2.28	2.28
Occupied Housing Units	3,583	4,320	4,386	4,585
Average Annual Change (%)	N.A.	1.9%	1.0%	0.9%
Owner-Occupied Units	2,613	3,045	3,092	3,213
Percent of Baseline Total	72.9%	70.5%	70.5%	70.1%
Renter-Occupied Units	970	1,275	1,294	1,372
Percent of Baseline Total	27.1%	29.5%	29.5%	29.9%

Note: Average annual change in 2010 column is for 2000-2010; 2011 column is for 2010-2011, and 2016 column is for 2011-2016.

Sources: U.S. Bureau of the Census, 2001, 2011a and 2011b, and estimates prepared for this study.

Market area housing supply indicators (total housing units, single-family units, multi-family units, and manufactured homes) are displayed in Table 2. The current housing stock is estimated to total 5,963 units, including both occupied and vacant units. The total housing supply has increased by an average of 119 units annually between 2000 and 2010; and 26 units between 2010 and 2011. Single-family units represent 82.0 percent of the total housing stock, while multi-family units constitute 13.2 percent, and manufactured homes 4.9 percent of the total.



## Current Rents

This study compiled a rental database for the market area based on current rental listings from Internet websites (including AHRN.com and Craigslist.com), local real estate agents, and property managers. A total of 67 rental observations were collected for the market area. Utility costs were estimated using utility allowance data from the U.S. Department of Housing and Urban Development, Office of Public and Indian Housing (2012) and costs reported by local Coast Guard personnel from the *2011 Coast Guard Nationwide Personnel Housing Survey* (Robert D. Niehaus, Inc. 2011). Renter's insurance costs were estimated from quotes obtained from an area insurance provider (USAA), and the data from the 2011 Coast Guard personnel survey. Below is a summary of rental housing costs in the market area by bedroom:

- Based on a sample of 18 rental units, the median rent for one-bedroom units is \$613 per month. Utility costs are estimated to average \$261 per month. Renter's insurance costs are estimated to be \$14 per month. Median rent plus utilities plus renter's insurance is thus \$888 per month for a one-bedroom rental.
- Based on a sample of 27 rental units, the median rent for two-bedroom units is \$900 per month. Utility costs are estimated to average \$292 per month. Renter's insurance costs are estimated to be \$16 per month. Median rent plus utilities plus renter's insurance is thus \$1,208 per month for a two-bedroom rental.
- Based on a sample of 17 rental units, the median rent for three-bedroom units is \$975 per month. Utility costs are estimated to average \$472 per month. Renter's insurance costs are estimated to be \$18 per month. Median rent plus utilities plus renter's insurance is thus \$1,465 per month for a three-bedroom rental.
- Based on a sample of 5 rental units, the median rent for units with four or more bedrooms is \$1,600 per month. Utility costs are estimated to average \$536 per month. Renter's insurance costs are estimated to be \$22 per month. Median rent plus utilities plus renter's insurance is thus \$2,158 per month for a rental unit with four or more bedrooms.

