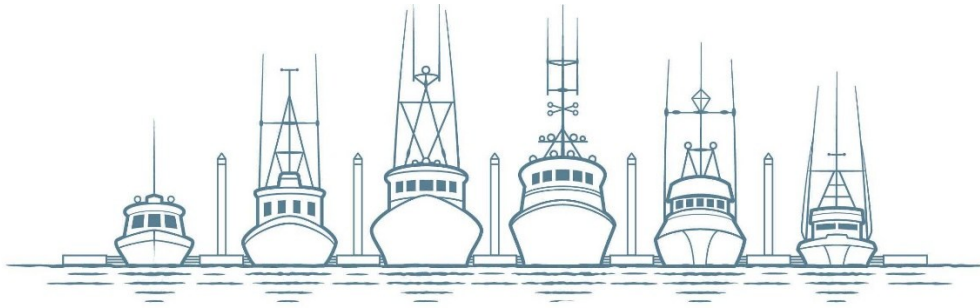


2022-2024 Building Permit Report

Community Development Department

Petersburg Borough, Alaska



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Executive Summary

The 2022-2024 period saw overall construction activity in Service Area 1 slightly above the 10-year average of 112 building permits. This activity was characterized by a significant increase in small residential alterations and heat pump installations.

Total building valuation fluctuated considerably, culminating in a record high of over \$19 million in 2024. This spike was overwhelmingly driven by Public Construction, specifically the \$14 million construction of the Petersburg Medical Center's new Wellness and Resource Center.

Prior years were dominated by large private-sector investments: 2022 saw high valuation in Commercial/Industrial construction (\$7.6 million) due to a large project at a seafood processing plant, new commercial warehouses, and numerous renovations, and 2023 had the highest Residential Construction valuation (\$4.2 million).

Despite the high valuation, the pace of new dwelling unit construction remains slow, with a total of 19 new housing starts over the three years. This rate is falling short of the community's identified housing need. The analysis set an annual target of 13 new units for both 2023 and 2024, resulting in a shortfall of 6 and 8 units, respectively, indicating a persistent need for additional annual housing construction.

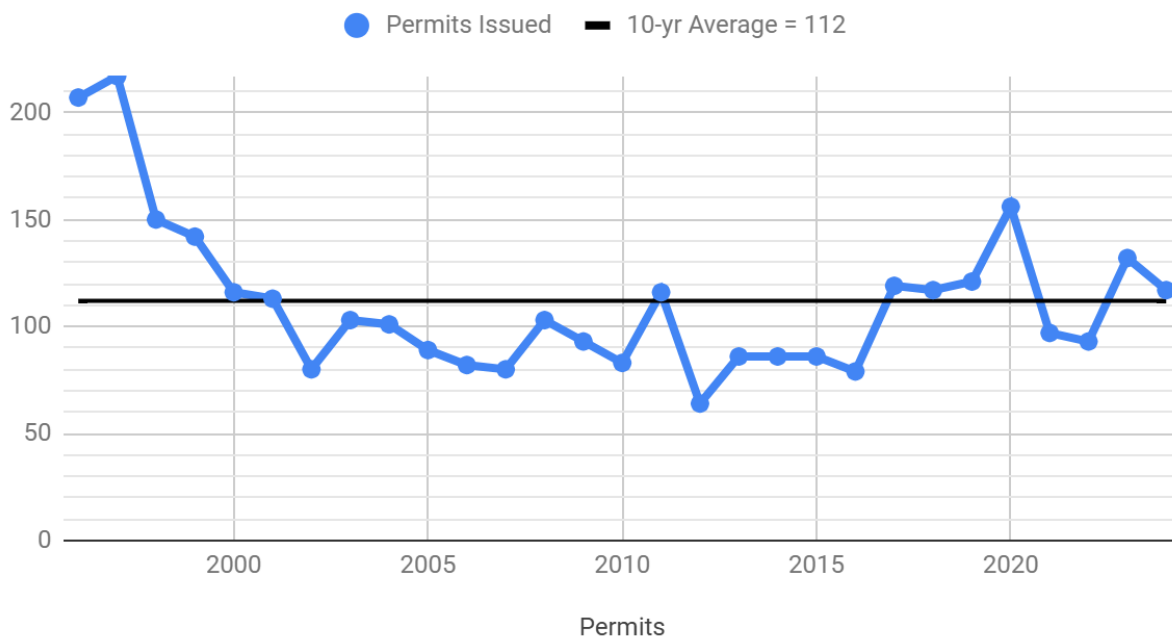
I. Building Codes

Petersburg's building permitting and inspection program is certified and accepted by the Alaska Household Finance Corporation (AHFC). Petersburg Municipal Code adopts the current versions of the codes as adopted by the Alaska Legislature and the State Fire Marshall's office.

Within Service Area 1, the Petersburg Borough enforces the 2021 International Residential Code, the 2021 International Fire Code, the 2021 Uniform Plumbing Code, the 2021 International Mechanical Code, and the 2020 National Electric Code. The State Fire Marshal's office enforces the 2021 International Building Code for commercial building construction within the borough,

II. Building Permits

Building Permits Issued 1996-2024

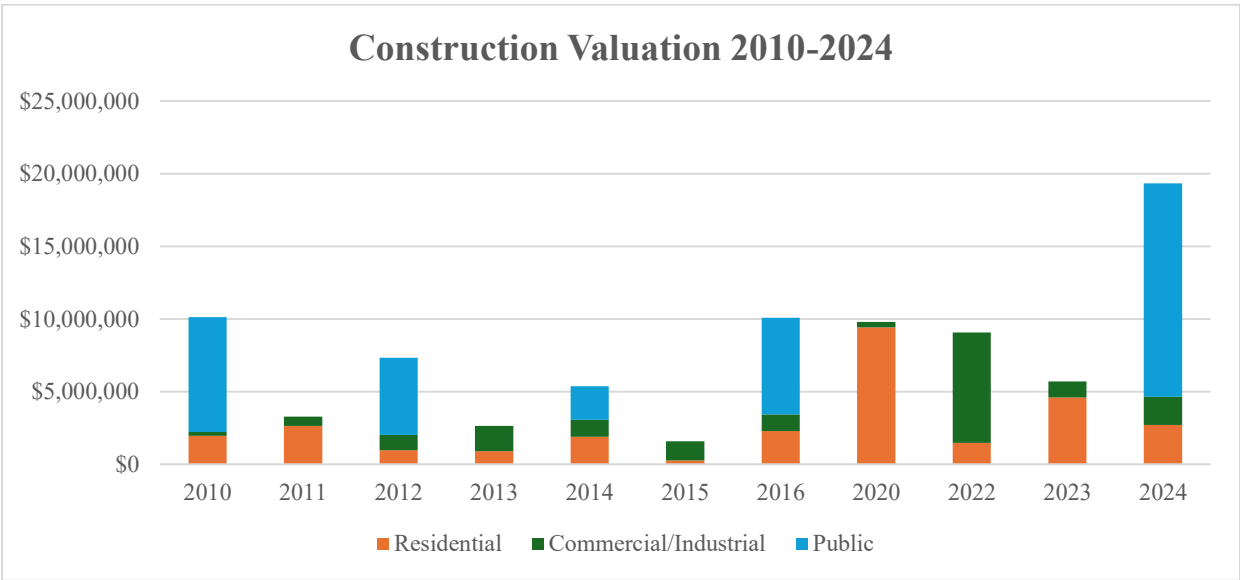


The borough issues building permits for construction, electrical, and plumbing work. Overall construction activity in Service Area 1 in the last two years has been slightly above the long-term

average of 112 permits per year. The borough has seen significant increase in small residential alterations and the installation of residential heat pumps.

Building Valuation

Building valuation is the estimated cost of construction. Building valuation is provided by the owner/applicant. If no information is provided, a \$65/sf minimum valuation is calculated for residential construction, which is significantly less than actual cost of construction. This minimum valuation is set by borough code. Therefore, the construction value may not be representative of the true value of construction.



Valuation by Type of Construction, 2022-2024

	2022	2023	2024
Number of Permits	94	132	119
Residential Construction	\$1,475,400	\$4,287,500	\$2,703,250
Commercial Construction	\$7,594,900	\$1,412,000	\$1,940,000
Public Construction	\$ 0	\$ 0	\$14,698,948
TOTAL	\$9,070,300	\$5,699,500.	\$19,342,198

Notable Projects

2022 - Commercial/Industrial Construction - \$7,594,900

Commercial/Industrial construction valuation rose significantly due to a large project at one of the seafood processing plants. In addition, 2 new commercial warehouses and numerous renovations and improvements were permitted.

2023 - Residential Construction - \$4,287,500

A total of nine new dwelling units were permitted in 2023 compared to five units in 2022.

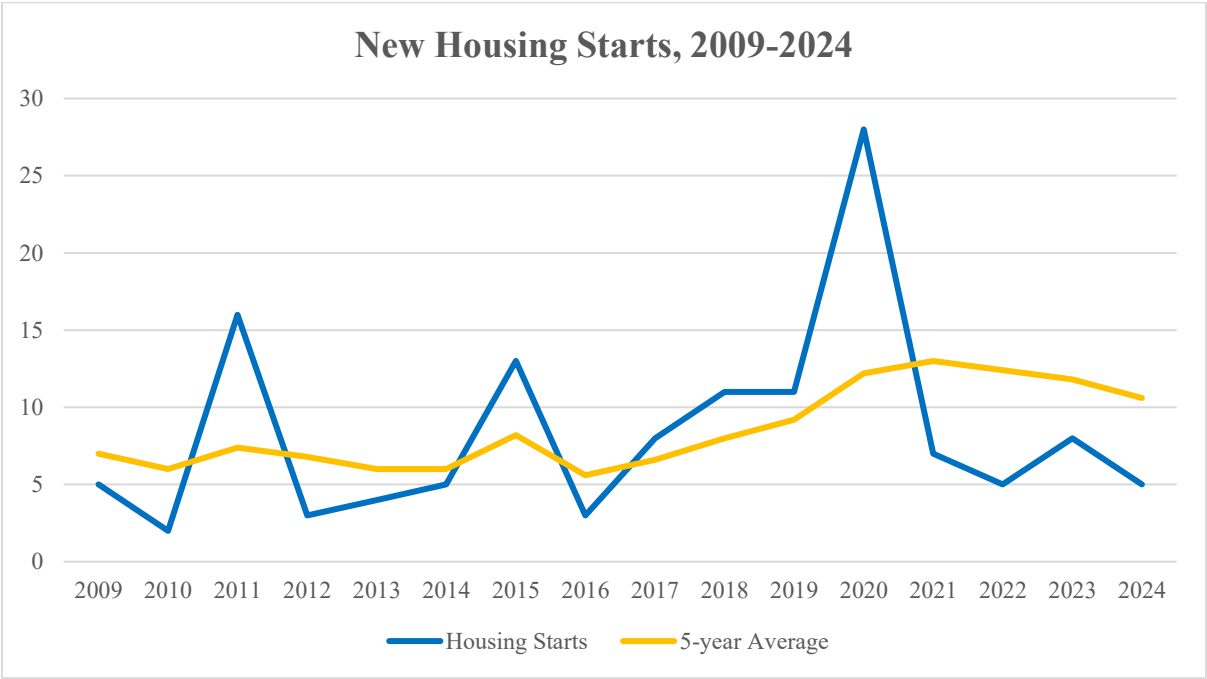
Building permits were issued for seven new single-family dwellings, a n d one permit each for a duplex and manufactured home.

2024 – Public Construction – \$14.698,948

The 2024 construction season ended with a valuation of over \$19 million. The construction of the Petersburg Medical Center’s new Wellness and Resource Center contributed significantly to this year’s total construction valuation.

III. Housing Starts

After a record number of new housing starts in 2020 (28 units), the pace of new housing starts slowed to five in 2022, nine in 2023, and five in 2024 for a total of 19 new dwelling units over the three-year period. Most of the dwellings are single-family residential dwellings constructed by the owner.



In 2023, Petersburg Borough undertook a housing needs analysis to identify housing trends and needs for the coming year. The analysis sets annual targets for new housing. The table below compares the actual number of housings starts to target.

Housing Starts Compared to Targets, 2023-2024			
	2023	2024	Cumulative Total
Need by Year	13	13	26
Current Rate	7	5	12
Additional Need	6	8	14

Conclusion

After a slower 2021-22 period, Petersburg Borough saw construction activity slightly above the 10-year average of 112 permits in the last two years, driven largely by an increase in small residential alterations and heat pump installations. While the total building valuation reached a record high of over \$19 million in 2024, this surge was primarily due to the single large Public Construction project for the Petersburg Medical Center's new Wellness and Resource Center.

Despite the high valuation from major commercial and public projects, the pace of new housing starts remains a concern. With a total of only 19 new dwelling units permitted over the three years, the community is consistently falling short of the annual housing need targets identified by the 2023 housing needs analysis, indicating an ongoing gap in the development of new housing.