

HOUSE CONCURRENT RESOLUTION NO. 18
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MARTIN

Introduced: 4/13/95

Referred: Health, Education and Social Services, Finance

A RESOLUTION

1 Endorsing a proposal by which the Alaska Housing Finance Corporation, under
2 provisions of law by which the corporation may exercise its powers to complete
3 moderate income and rental housing, will make interest-subsidized loans for the
4 construction of student housing facilities at certain campuses of the University of
5 Alaska, and relating to an agreement between the parties respecting the initiation
6 of student housing on certain campuses of the University of Alaska.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS on-campus housing creates a strong sense of campus community on
9 campuses throughout the state, creates greater opportunity for Alaskans to take advantage of
10 higher education opportunities, allows young Alaskans to experience college and independence
11 while staying within the state in proximity to their families, is proving to be one of the top
12 five factors increasing retention and graduation rates of college students, and provides greater
13 access to faculty, staff, and a wide variety of campus activities for resident students; and

14 WHEREAS students living in on-campus residence halls achieve better grades,
15 graduate faster, and report higher levels of satisfaction with their college experiences; and

1 **WHEREAS** the University of Alaska Anchorage currently houses only seven percent
2 of the full-time student population while the national average for student housing on campus
3 is between 35 and 50 percent; and

4 **WHEREAS** each spring semester 300 students and each fall semester 700 students
5 requesting housing and paying application fees at the University of Alaska Anchorage are
6 turned away due to lack of available residential space; and

7 **WHEREAS** the University of Alaska Anchorage master housing plan projected growth
8 to 1,436 beds by fiscal year 1995 and current capacity is at a maximum of available space at
9 388 beds; and

10 **WHEREAS** student housing at the University of Alaska Anchorage has been self-
11 supporting through student fees and has not required general fund operating dollars; and

12 **WHEREAS** the on-campus University of Alaska Southeast Juneau student housing has
13 been 100 percent occupied for the last four years; and

14 **WHEREAS** the last three fall semesters University of Alaska Southeast Juneau student
15 housing has had a waiting list of at least 125 students on opening day; and

16 **WHEREAS** the local Juneau rental market has a current vacancy rate of less than one
17 percent; and

18 **WHEREAS** a substantial number of students choose not to attend the University of
19 Alaska Southeast because of the lack of available housing; and

20 **WHEREAS** Ketchikan is the only campus of the University of Alaska Southeast
21 without student housing; and

22 **WHEREAS** a continuing need for housing at the Ketchikan campus has been
23 documented in 1986 and 1990 campus studies; and

24 **WHEREAS** placement of students enrolled at the Ketchikan campus in local homes
25 is unreliable due to a severe community housing shortage; and

26 **WHEREAS** Ketchikan campus leaders have identified the need for a total of 36 beds
27 in a combination dormitory/apartment configuration of modular units; and

28 **WHEREAS** the private sector on its own cannot afford to provide housing for students
29 at a reasonable cost; and

30 **WHEREAS** the Alaska Housing Finance Corporation has responsibility for meeting
31 housing needs of low and moderate income Alaskans; and

1 **WHEREAS** most students have low or moderate income; and

2 **WHEREAS** Alaska Housing Finance Corporation may, under AS 18.55.370, make
3 loans "for moderate-cost or rental housing facilities and projects to public agencies" with the
4 expectation that the loan will provide "reasonable rental to tenants and a reasonable return on
5 investment"; and

6 **WHEREAS**, in furtherance of its authority to provide moderate income and rental
7 housing, the Alaska Housing Finance Corporation may "invoke a power given to it under any
8 statute, including . . . those related to the issuance of bonds and obligations with respect to
9 a project undertaken or a loan made or to be made"; and

10 **WHEREAS** the University of Alaska, a body corporate and a public agency, has
11 authority to "borrow money, issue debt, and enter into long-term obligations" for the
12 acquisition of facilities, and its obligations "may secure. . . .debt issued by another party";
13 and

14 **WHEREAS** the University of Alaska has the ability to repay the principal of the
15 money borrowed from the Alaska Housing Finance Corporation, but cannot raise housing rates
16 sufficiently to pay market interest rates; and

17 **WHEREAS** the Alaska Housing Finance Corporation's financing of University of
18 Alaska student housing will not deplete the corporation's capital assets or affect its bond
19 rating;

20 **BE IT RESOLVED** that the Nineteenth Alaska State Legislature encourages the
21 Alaska Housing Finance Corporation to lend to the University of Alaska money of the
22 corporation at an interest rate of three percent for a period of 25 years for the construction and
23 acquisition of

24 (1) student housing projects at the Anchorage campus in the amount of
25 \$31,300,000;

26 (2) a student residence hall at the University of Alaska Southeast Juneau
27 campus in the amount of \$4,200,000; and

28 (3) a student housing project at the Ketchikan campus in the amount of
29 \$1,000,000; and be it

30 **FURTHER RESOLVED** that the specific terms of the loans are to be approved by
31 the Alaska Housing Finance Corporation's Board of Directors and the University of Alaska's

1 Board of Regents.