

**ALASKA STATE LEGISLATURE  
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

April 19, 2001

8:59 a.m.

**COMMITTEE CALENDAR**

OVERVIEW BY THE ALASKA ASSOCIATION OF HOUSING AUTHORITIES  
ON RURAL HOUSING ISSUES

**TAPES**

01-22, SIDES A & B

**CALL TO ORDER**

REPRESENTATIVE CARL MORGAN, CO-CHAIR, reconvened the House  
Community and Regional Affairs Committee at 8:59 a.m.

**PRESENT**

Committee members present were Representatives Morgan,  
Meyer, Halcro, Scalzi, Murkowski, Guess, and Kerttula.

**SUMMARY OF INFORMATION**

[Dr. Kazama's handouts entitled "Native American Housing  
Assistance and Self-Determination Act of 1966" and  
"Supplemental Housing Development Grant Program" were  
distributed to the committee.]

DR. BLAKE KAZAMA, President, Alaska Association of Housing  
Authorities, stated that his association is the  
practitioner in the building industry in rural Alaska. He  
asked representatives of the various housing authorities  
across the state to introduce themselves to the committee.  
Dr. Kazama explained the difficulties of construction of  
houses in rural Alaska. He provided an overview of the  
Native American Housing Assistance Self Determination Act  
(NAHASDA) program. He also reviewed how houses were  
constructed before NAHASDA. He referred to a document  
listing all tribes in Alaska [the document was not provided  
to the committee] and explained that all the tribes were  
getting some funds under NAHASDA.

DELBERT J. REXFORD related some of his experiences on the  
North Slope for TNHA Housing [actual name of housing

authority not distinguishable]. He explained logistical problems with getting building supplies to the North Slope for each building season. He also explained that NAHASDA funds only provide a small portion of the funds for the housing needs in his region. He spoke to the benefits of the Alaska Housing Finance Corporation supplemental funds.

REPRESENTATIVE HALCRO asked Mr. Rexford if the construction of 25 homes is really progress, since 400 homes are needed.

MR. REXFORD answered that they are seeking funds from all sources.

REPRESENTATIVE MURKOWSKI asked Mr. Rexford how AHFC supplemental funding is allocated among the various authorities.

MR. REXFORD answered that he believes the funds are allocated on a fair and equitable formula basis.

REPRESENTATIVE MURKOWSKI asked if the money was spread across the state.

DR. KAZAMA explained how supplemental funds are used, but expressed concern over the dwindling amounts.

REPRESENTATIVE GUESS asked if supplemental funding comes from the capital budget or AHFC funds.

JAMES WRIGHT, AHFC Program Manager for supplemental funding, replied that \$6 million is in the budget and is an AHFC priority. The AHFC originally recommended \$12.5 million to the Office of Management and Budget; however, that was reduced to \$6 million and that is the amount currently in the budget. Reductions in the past have all come from the legislature.

CO-CHAIR MORGAN asked Mr. Wright if the \$6 million is general fund or AFHC money.

MR. WRIGHT replied that the funds are AHFC.

REPRESENTATIVE HALCRO asked Mr. Wright if SB 181, having to do with the rural loan program, would affect the \$6 million for rural housing.

MR. WRIGHT replied that to his knowledge SB 181 does not affect the \$6 million.

REPRESENTATIVE MURKOWSKI asked Mr. Wright if Denali Commission monies are used for housing construction.

MR. WRIGHT answered that Denali Commission funds are not yet used for housing, but there has been discussion of such. AHFC has not requested Denali Commission funding.

REPRESENTATIVE GUESS replied that Denali Commission has been focused on bulk fuel.

REPRESENTATIVE SCALZI asked if the Village Safe Water Program is included when projects are expanded.

MR. WRIGHT replied that other monies are used for Village Safe Water.

MR. JEFF DOTY, Executive Director, Copper River Housing Authority, AHTNA Native Corporation Region, spoke about construction in his region, including problems and logistics. Without AHFC supplemental funds [the Copper River] housing authority would be building lesser quality homes that would be comparable to the old Bureau of Indian Affairs (BIA) homes built many years ago.

CO-CHAIR MEYER remarked that if rural areas are healthy, then Anchorage is healthy. He inquired as to how it's determined who gets the house and what does the typical house cost.

MR. DOTY, in response to the second question, said that his board of commissioners sets priorities.

CO-CHAIR MEYER asked what happens when someone moves to Anchorage.

MR. DOTY answered that the house is put back on the market for another tribal member.

REPRESENTATIVE MURKOWSKI asked whether minimum income requirements have to be met to qualify for housing.

DR. KAZAMA added that the NAHASDA requirements stipulate that those qualifying for houses must be at 80 percent or

below the median income in order to qualify. He further explained the qualifying criteria.

CO-CHAIR MEYER asked for a cost estimate on building a house. He recalled that the U.S. Department of Housing and Urban Development (HUD) sets a limit of \$159,000 for a 4-bedroom house.

[Joe Wilson distributed handouts entitled, "Village and Rivers in the TCC region" and "Our Mission."]

JOE WILSON, Executive Director, Interior Region Housing Authority, Fairbanks, said his authority has been operating for 30 years and covers half the State of Alaska. The region is the Doyon Native Corporation region. He covered the challenges of building in Interior Alaska. Support from AHFC is critical to his program because construction costs run \$225 per square foot for the structure, not including water and sewer, electricity, access to roads, and site preparation. His housing authority supports over 1000 vendors. He stressed the importance of the AHFC supplemental grant program. Mr. Wilson explained how various tribes sign certifications to the housing authority so that the authority will carry out what the tribe has put in the plan. He said some villages/tribes receive less than \$50,000 annually, which is not adequate to build a house. Therefore, they have to pool for several years to build a house. He noted that they also may decide to make improvements to existing non-HUD housing. He echoed earlier comments regarding logistical problems with getting building materials to the construction site.

REPRESENTATIVE MURKOWSKI asked how much the Interior Regional Housing Authority received from the AHFC supplemental funding program last year.

MR. WILSON said they received approximately \$250,000.

REPRESENTATIVE MURKOWSKI asked if the \$250,000 had to be spread around all the communities in the region.

MR. WILSON replied that it is only used where they have a plan for new construction, it is not for repair on non-HUD housing.

REPRESENTATIVE MURKOWSKI said she thought she heard that the supplemental funding had been used for maintenance on non-HUD housing.

MR. WILSON said he meant that some tribes have decided to use their block grants for repair work on non-HUD housing.

DR. KAZAMA concluded the presentation by reiterating the difficulties and highlighting their commitment to get houses for those in rural areas. He also highlighted the importance of obtaining the \$6 million supplemental funding. He thanked the committee for having the hearing.

CO-CHAIRMAN MORGAN asked the committee members to sign a memorandum of support for the \$6 million to the House and Senate Finance Committees.

CO-CHAIRMAN MORGAN thanked the housing authorities for their presentation to the committee.

#### **COMMITTEE ACTION**

The committee took no action.

#### **ANNOUNCEMENTS**

CO-CHAIR MORGAN announced the next committee meeting would be held on the following Tuesday [April 24, 2001].

#### **ADJOURNMENT**

The House Community and Regional Affairs Standing Committee meeting was adjourned at 10:00 a.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Second Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.