

SB

290

"An Act relating to rent regulation and control in emergency situations; and providing for an effective date."

COMMITTEE REPORT

4/2/75

HOUSE

FINANCE

Mr. Speaker:

Date

4/2/75

The Committee on JUDICIARY has had SB 290

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

| | | |
|--------------------|-------|-------|
| <u>[Signature]</u> | _____ | _____ |
| <u>[Signature]</u> | _____ | _____ |
| <u>[Signature]</u> | _____ | _____ |
| <u>[Signature]</u> | _____ | _____ |

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

copy

LETTER OF INTENT

In the context of emergency rent controls, it is anticipated that the term "adjustments" in AS 34.06.030 includes the authority in appropriate cases to order "rollbacks" in residential rents.

Original sponsor: Miller, Huber,
Ray and Butrovich

HB 321 added on
Rest of bill is what got
cut out of the rent control
bill last year

Based on New York law

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to rent regulation and control in
7 emergency situations; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 34.06.020 is amended to read:

11 Sec. 34.06.020. DECLARATION OF HOUSING EMERGENCY. (a) In accor-
12 dance with regulations promulgated under sec. 30 of this chapter, when
13 the governor finds that emergency conditions exist with regard to resi-
14 dential rental housing, after public hearings in the area or areas
15 affected, he may by written proclamation declare that a state of housing
16 emergency exists. A housing emergency exists when the rate of vacancies
17 in residential rental housing is so low that there is a substantial
18 impairment of free choice in residential rental housing [OR WHEN THE
19 AVERAGE VACANCIES IN RESIDENTIAL HOUSING RENTALS FALLS BELOW THREE PER
20 CENT IN THE AREA, OR AREAS, AFFECTED AND REMAINS BELOW THREE PER CENT
21 FOR A PERIOD OF AT LEAST 90 DAYS]. The proclamation shall state the
22 nature of the housing emergency, the area or areas affected, and shall
23 be published generally through the state in the manner provided by law.
24 When the state of emergency no longer exists, the governor shall issue a
25 written proclamation stating this fact and publish it generally through-
26 out the state in the manner provided by law.

27 (b) After the governor issues [ON ISSUING] a proclamation of a
28 housing emergency, the attorney general [GOVERNOR] may invoke the pro-
29 visions of this chapter to regulate and control residential rents and

1 evictions in some parts or all of the state.

2 * Sec. 2. AS 34.06.030 is amended to read.

3 Sec. 34.06.030. SCOPE OF EMERGENCY HOUSING REGULATIONS. Subject
4 to the Administrative Procedure Act (AS 44.62), the attorney general
5 [COMMISSIONER OF COMMERCE], who is charged with the administration of
6 this chapter, shall promulgate regulations concerning the control of
7 residential rents, including but not limited to provision for the estab-
8 lishment and adjustment of maximum rents, the classification of residen-
9 tial housing accommodations, [AND] the regulation of evictions and the
10 standards for issuance of certificates of eviction.

11 * Sec. 3. AS 34.06 is amended by adding a new section to read:

12 Sec. 34.06.035. INVESTIGATIONS. (a) The attorney general may
13 make studies and conduct investigations and hearings when necessary for
14 the enforcement of the provisions of this chapter.

15 (b) The attorney general may administer oaths and affirmations,
16 and, when necessary, may issue subpoenas and order a person to appear
17 and testify, or appear and produce documents, at any designated place.
18 If a person refuses to obey a subpoena served upon him by the attorney
19 general, the superior court of the judicial district in which that
20 person resides or transacts business may issue an order requiring him to
21 appear and testify, produce documents, or both. Failure to obey an
22 order of the superior court is punishable by the court as contempt.

23 * Sec. 4. AS 34.06 is amended by adding new sections to read:

24 Sec. 34.06.041. PROHIBITIONS. (a) During a proclaimed housing
25 emergency, regardless of any existing contract, lease or other agree-
26 ment, no person may demand or receive rent for a residential housing
27 accommodation in excess of the maximum rent established for the accom-
28 modation by the attorney general by regulation, or to perform or omit to
29 perform an act which violates this chapter or a regulation or order

1 issued under this chapter. However, the attorney general may by regu-
2 lation permit increases in the maximum rent established under this
3 subsection to allow for increases in local property taxes, actual
4 maintenance costs, or charges for utility services including but not
5 limited to heat, water, electricity, natural gas, garbage or other solid
6 waste disposal services when supplied by the landlord.

7 (b) During a proclaimed housing emergency, no person may remove or
8 attempt to remove from a residential housing accommodation the tenant or
9 occupant of the accommodation or refuse to renew the lease or agreement
10 for the use of the accommodation because the tenant or occupant has
11 taken or proposes to take action authorized by this chapter or a regu-
12 lation or order issued under it.

13 (c) During a proclaimed housing emergency no landlord or person
14 acting on his behalf, with intent to cause a tenant to vacate, may
15 engage in a course of conduct including but not limited to interruption
16 or discontinuance of essential services which interferes with or is
17 intended to interfere with the quiet enjoyment of the tenant in his use
18 or occupancy of a residential housing accommodation.

19 (d) No officer, employee, agent, or consultant of the department
20 may disclose, other than in the course of his official duty under this
21 chapter, information obtained under this chapter or use any of that
22 information for his personal benefit.

23 Sec. 34.06.042. INJUNCTIVE RELIEF. When a person has engaged or
24 is about to engage in acts or practices which constitute or will con-
25 stitute a violation of this chapter or a regulation or order issued
26 under it, a tenant or the department may apply to the superior court in
27 the judicial district where the alleged violation has occurred or is
28 about to occur for an order enjoining these acts or practices, or for an
29 order enforcing compliance with this chapter or the regulations or

1 orders issued under it, or for an order directing the landlord to
2 correct the violation. Upon a showing that a person has engaged in or
3 is about to engage in a violation a permanent injunction, temporary
4 restraining order, or other appropriate order shall be granted without
5 bond.

6 Sec. 34.06.043. CRIMINAL PENALTIES. A person who wilfully vio-
7 lates a provision of this chapter or a regulation or order issued under
8 it is guilty of a misdemeanor and upon conviction is punishable by a
9 fine of not more than \$2,500, or by imprisonment for not more than one
10 year, or by both.

11 Sec. 34.06.044. ACTION FOR DAMAGES. (a) If a landlord violates
12 a provision of this chapter or a regulation or order issued under it,
13 an aggrieved tenant, within one year from the date of the violation, may
14 bring an action against the landlord for damages, except as provided in
15 this section. In an action for damages the landlord is liable for
16 reasonable attorney fees and costs as determined by the court, plus
17 whichever of the following sums is the greater: (1) an amount not more
18 than three times the damages upon which the action is based, as the
19 court in its discretion may determine; or (2) \$100.

20 (b) If a landlord violates a provision of this chapter or a regu-
21 lation or order issued under it and the aggrieved tenant fails to insti-
22 tute an action under (a) of this section within 90 days from the date of
23 the violation, the department may bring an action under this section
24 within one year from the date of the violation, and for damages provided
25 in (a) of th's section. If the department brings the action, the
26 tenant affected is barred from bringing an action for the same viola-
27 tion, unless the action brought by the department has been dismissed
28 without prejudice. If judgment is rendered in favor of the department,
29 the department shall pay the affected tenant one-third of the recovery,

1 exclusive of costs and attorney fees.

2 (c) A judgment in an action for damages under (a) or (b) of this
3 section is a bar to recovery in any other action under this section
4 against the same landlord for the same violation.

5 (d) A tenant who has vacated his residential housing accommodation
6 because the landlord or person acting on his behalf intentionally
7 engaged in a course of conduct, including but not limited to interrup-
8 tion or discontinuance of essential services, which interfered with the
9 quiet enjoyment of the tenant in his use or occupancy of the residential
10 housing accommodation, may within 90 days after vacating apply for a
11 determination from the department that the housing accommodation was
12 vacated as a result of that conduct, and may within one year after the
13 determination bring an action against the landlord by reason of his
14 misconduct under this subsection. In this action the landlord is liable
15 to the tenant in an amount not more than three times the damages sus-
16 tained on account of the landlord's misconduct plus reasonable attorney
17 fees and costs as determined by the court. In addition to any other
18 damages the cost of removal and storage of property and any increase in
19 rent is a lawful measure of damages.

20 Sec. 34.06.045. CERTIFICATE OF EVICTION. During a proclaimed
21 housing emergency the department, upon application by the landlord,
22 shall issue a certificate of eviction if it finds that the reasons given
23 by the landlord are reasonable and consistent with the purposes of this
24 chapter. If after the department has granted a certificate of eviction
25 allowing the landlord to pursue his legal remedies to acquire posses-
26 sion, the landlord evicts the tenant and permits use of the residential
27 housing accommodation in any manner other than contemplated in the
28 eviction certificate, unless good cause is shown, the landlord is liable
29 to the tenant in an amount not more than three times the damages sus-

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99707

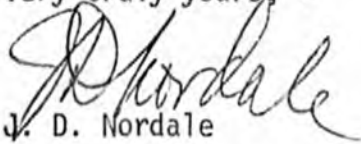
April 3, 1975

Langhorne A. Motley
Commissioner
Department of Commerce
Pouch D
Juneau, Alaska 99801

Dear Commissioner Motley:

With further reference to my letter of February 24th, and yours of March 5th, concerning rent control regulations, I am enclosing a letter received from Mrs. Marie White for your information and records.

Very truly yours,


J. D. Nordale
Borough Attorney

JDN:ds
Enclosure

March 18, 1975

James D. Nordale
Borough Attorney
Fairbanks North Star Borough
P. O. Box 1267
Fairbanks, Alaska 99701

Dear Mr. Nordale:

Re: The Outrageous Prices of Rent in this Town and No
Controls on Rent to Protect the Renter

I believe that Fairbanks ought to have some sort of controls over landlords in this town. We have boards that review applications for rate increases, etc. for utilities, so how about one for landlords and rent? I realize that the suggestion "smacks of governmental control", but we desperately need control for the protection of the tenant.

For those of us who are in no way affiliated with the pipeline, our salaries have not increased significantly and proportionately with those that do work for Alyeska. There are plenty of us who cannot afford the price tag of \$500.00 a month for a two bedroom apartment and other outrageous rates put on us by greedy landlords.

Granted the housing situation is very critical here in Fairbanks, but is that any reason for the landlords to "take the tenant to the cleaners"? (The cost of living is higher here, but financially it still seems to balance out to a degree compared with the lower "43".) So after paying rent, food and utility bills (which the apartment rent does not include), there is little left over for a person to feel even a little financially secure. Now with the increased rent hikes, it's that much more difficult. Please note the article titled "For Rent: One Room, No Plumbing for \$500.00" and the clipping from the classified section under Mobile Homes for Rent. People will rent and pay anything for a roof over their head. This is a very unfair advantage.

We received a notice as of April 1, our rent will be increased 50% for the apartment which we occupy. This increase will make our rent \$500.00 a month and somehow we must find another \$175.00 to pay out on top of what we were paying. (I figured I would have to work for one full month and what I clear after taxes would just pay the rent with approximately \$30.00 left over)

Mr. James D. Nordale

-2-

March 19, 1975

My husband and I both work and he has taken on another job in order that we may meet the higher cost of living (rent). This is a pretty sad state of affairs, I'd say. (Neither of us are unskilled)

If enough tenants complain long and loud enough, are the landlords going to evict all of us? Then what will the city or borough do? - Build refugee camps for evicted tenants because they can't afford rent for the greedy landlords? It just isn't fair that people are suffering because they have to have someplace to live and are at the mercy of a money-grubbing landlord. Therefore they must pay his grossly inflated price of what the place should reasonably rent for.

My husband and I are not newcomers to Fairbanks. We have lived here quite a number of years and intend to make this our permanent home. We must be able to financially withstand the higher cost of living, and the increased rent has the wolves creeping closer to the door.

I had heard that Klondike Inn evicted their tenants in favor of a contract with Alyeska for a reported \$55,000.00 a month. I cannot comprehend the fact that landlords are becoming so greedy just for the almighty dollar, this includes the Fairbanks merchants. The pipeline people knew the housing situation and the number of personnel they had to hire, so why didn't they make arrangements prior to all of this? When I asked the manager of Klondike Inn if he had any vacancies, the answer was no. I then asked if they were rented to Alyeska and Bechtel, to which there was a long pause and then the reply was a meek yes. Where did the previous tenants go? Were they lucky enough to find another place or were they forced to leave Fairbanks because of the pipeline and the inflated rent?

Sincerely,

Marie White

P. O. Box 91166
College, Alaska 99701

Reply dictated 1/7/75 by Bm for LAM sig.

March 27, 1975

The Honorable Jay S. Hammond
Governor, State of Alaska
Third Floor
State Capitol Building
Pouch A
Juneau, Alaska 99801

RECEIVED
APR - 1 1975

GOVERNOR'S OFFICE

Dear Sir:

*Roll back
pencil* →

You have asked for response from the public concerning rent control and its implications. Before responding to the question at issue, I have personally contacted several tenants from various parts of Fairbanks in several brackets of income. Upon questioning these residents of Alaska, I have received diversified answers. The general consensus among the tenants is favorable toward rent control, although they fear that when the landlords feel the rent control is about to be adopted, they will immediately raise the rent for compensation. Nearly 75% of the questioned tenants have had their rent raised 20% - 50% in the last year. While admitting that costs for upkeep and repairs have been increased, the majority of tenants pay their own utilities. These utilities, along with raised rent, have put a double burden upon them. Since February, 1975, rentals have virtually disappeared from the market in Fairbanks, thereby allowing landlords to choose at their discretion whom they accept to be tenants, providing there is an opening, and to charge almost any price for an apartment or house. If a landlord charges a fair price and a tenant leaves, there is the temptation to then charge a higher price, of which he would surely get. Since the rental shortage has been in effect, the population has not decreased but increased, with more on the way anticipating the pipeline and construction boom this summer; but, in fact, the construction people I've talked to are leery about new construction, not knowing how long the pipeline influx of people will last. Many families have been forced to take whatever is available, often substandard housing for exorbitant prices. The so-called oil rush has brought many people to Alaska and many jobs as well, and Alaskans are in some of these jobs; but many more are working the same occupation that they have worked for years, as in the city, borough, state university, local educational, etc. Since receiving virtually little increase in pay compared to the high cost of living that has sky-rocketed, such as gasoline, utilities, heating fuel, food and rent, the resident worker has not the financial means to combat the high cost of living. Granted, the jobs will always be filled, but if qualified personnel can't afford to stay and are forced to leave and qualified personnel can't enter because of housing shortage and high cost of living, the vacant job openings will possibly be filled with people that aren't qualified for particular positions. If this is to happen, the competence and quality of Fairbanks will be lowered, with

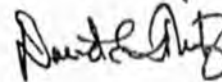
the resident to suffer most. Getting quality or even qualified teachers may pose a problem, as teachers presently are either accepting pipeline positions or leaving Alaska. Where are the new teachers going to reside?

Sir, I do not envy your job at all. If Alaska is to maintain the quality of people and the independent ideas that reflect the ideals of the state, Alaska must adopt a position of helping the economy of Alaska. One last item for thought: while I have conferred with tenants about the rental situation concerning rent controls, I have also talked to several landlords; and while the majority of them have expressed concern for the tenant, they have also cited that so many costs have increased that the 20% - 50% increase is warranted. These landlords are also against rent control and anticipate that if they feel rent control is being adopted, landlords, not necessarily these landlords, will raise rents to compensate for future costs.

I realize that these thoughts possibly pose more questions, but sometimes more and pointed questions can direct toward more valid conclusions.

Sir, you are governor of the state with possibly the most potential in growth concerning natural resources and population. Your immediate future decisions will affect future generations toward which direction the state is to move. These thoughts have led me to ask one consideration. Although the state will progress with the oil boom, let the resident Alaskan progress with it and not stagnate or suffer any negative consequences.

Sincerely,



David Fritz

Brx 00476, 99501

GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

PLANNING DEPARTMENT



*Bill min.
rent control
file.*

March 25, 1975

Langhorne A. Motley,
Commissioner of Commerce
State of Alaska
Pouch D
Juneau, Alaska 99811

Dear Commissioner Motley:

Anchorage already has begun to experience a housing shortage, perhaps not as severely yet as in Fairbanks but the vacancy rate seems less than 1%.

We want to assist your office to explore the possible use of the state "rent control" law. The law is only a few paragraphs in the statute book but is laden with many questions such as the legal definition of housing vacancy and the mode of control enforcement. We are available to help with research of local technical matters.

Respectfully,

Darrell van Ness
Darrell vanNess
Planner

DvN:jh

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February 3, 1975

The Honorable John Sackett
Pouch V
State Capitcl
Juneau, AK 99801

Dear Senator Sackett:

I apologize for the delay in my response to your inquiries about rent control regulations. I was suddenly called out of town for a few days.

A cursory study of the files on rent control regulations yields the following:

There are two pertinent statutes concerning rent control: the Uniform Residential Landlord and Tenant Act and the Emergency Rent Regulation and Control Act. To date, regulations have not been formulated relating to either law.

The Uniform Residential Landlord and Tenant Act provides guidelines for rental property with specific regard to remedies and procedures. However, it does not appear to provide powers of enforcement. No public hearings have been held as yet.

Public hearings have been held relating to the Emergency Rent Regulation and Control Act. No regulations have been prepared.

Two major problem areas appeared from the public hearings in Fairbanks and Valdez. First, the rents are rising sharply; secondly, there is a dire shortage of adequate housing.

I'm afraid that is all the information I can give you at the moment. Be assured that the Department of Commerce plans to hold hearings and prepare regulations in compliance with the statutes.

Thank you for your interest in this matter. If I can be of future help to you, please let me know.

Personal regards,

L.A. Motley / by Bill Niles
Langhorne A. Motley
Commissioner

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMERCE

TO: Langhorne A. Motley
Commissioner
Department of Commerce

DATE: January 31, 1975

FILE NO:

TELEPHONE NO:

FROM: *BM*
Bill Miles, demon memo writer

SUBJECT: Rent Control

The file history on rent control includes the following:

1. Pertinent statutes (Uniform Residential Landlord and Tenant Act; Emergency Rent Regulation and Control Act).
2. Correspondence from complaintants and responses from the previous Administration.
3. Minutes from public hearings held in Valdez and Fairbanks. Two overall problems appear:
 - a. sharply rising rents
 - b. shortage of adequate housing.

Briefly, the Landlord-Tenant Act provides guidelines for rental property with regard to remedies and procedures. However, this Act, upon cursory glance, and upon checking correspondence does NOT provide powers of enforcement.

The public hearings that were held (and, probably, regulations which might be forthcoming) will be pursuant to the Emergency Rent Regulation and Control Act...unless new hearings are conducted, an idea that should be discussed.

MEMORANDUM

State of Alaska

TO: *Bill*
 ~~Bob~~ Miles
Department of Commerce

DEPT. Law
DIV. _____
SEC. Consumer Protection

DATE : February 21, 1975

FROM: *to*
Terry O'Connell
Consumer Protection Section

SUBJECT: Rent Control

Attached is the memo received by me from Stan Howitt in our Consumer Protection Office in Anchorage regarding the need for rent controls. In addition, attached to his memo are two pieces of correspondence dealing with rent increases in the Valdez and Anchorage areas.

MEMORANDUM

State of Alaska

TO: Terry O'Connell
Assistant Attorney General
Consumer Protection Section
Juneau AGO

DATE: February 19, 1975

FILE NO:

TELEPHONE NO:

FROM: Stanley Howitt
Assistant Attorney General
Consumer Protection Section
Anchorage AGO

SUBJECT: Rent control hearings -
Anchorage, Fairbanks & Valdez

Again, I would like to report to you that we are having quite a large number of telephone calls concerning rent increases. In many cases it is not always one large rental increase but quite a number of smaller increases over a period of a few months. This seems to be causing many of the difficulties.

Therefore, I would recommend that we do hold rent hearings in Anchorage and Fairbanks as well. Insofar as Valdez is concerned, attached hereto is a letter from Herbert W. Lehfeldt, City Manager, concerning a rent increase. As you will note, he actually has examples of true rent gouging. You will note that he is mentioning that a two bedroom apartment which is borderline substandard is renting for \$520.00. Attached thereto you will find the apartment that he is referring to.

Please let me know if rent control hearings will be held for the purposes of gauging consumer commentaries and for the purposes of getting information for regulations. Also, I would like to have any drafted rent control regulations for my comments and would be glad to assist in any way possible.

SH:cs

cc: Avrum M. Gross

RECEIVED
Department of Law

FEB 21 1975

AM PM
7,8,9,10,11,12,1,2,3,4,5,6



CITY OF VALDEZ

P O BOX 506
PHONE: 835-4313

January 31, 1975

State of Alaska
Consumer Protection Section
360 K Street, Suite 250
Anchorage, Alaska 99501

Att: Stanley Howett

Subject: Valdez Rent Increases

Dear Mr. Howett:

Attached is a copy of a rent increase notice sent to a Valdez resident. In the past, I have been sending this information to the Governor's office. However, with the new administration I am at a loss as to how to route it.

Valdez has been subject to a good deal of this type of rent gouging. Something is going to have to be done. \$520.00 for a two bedroom apartment which is borderline substandard is completely inexcusable.

Valdez has had a high demand for housing that many land owners are exploiting.

We will appreciate any help that your section can give.

Very truly yours,

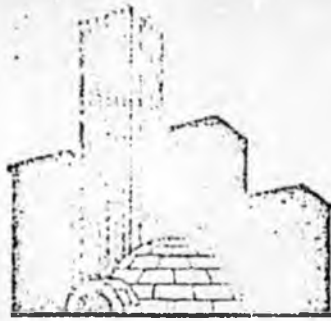
Herbert W. Lehfeldt
City Manager

HWL/my

RECEIVED
Department of Law

FEB 3 1975

Office of the Attorney General
Anchorage, Alaska



INCOME INVESTED FUNDS, INCORPORATED

BOX 2103 ANCHORAGE, ALASKA 99510

Phone 907-277-3116

January 15, 1975

David Oehler

Dear Mr. Oehler:

As you are probably well aware, inflation has really gone wild here in Alaska.

We have tried to avoid raising the rent on your apartment, but have been fighting a losing battle.

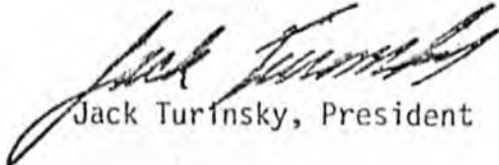
The income from the four-plex is not enough to cover the current expenses, maintenance, taxes, insurance, ect.

We are sure that you are well aware that there is a lot of maintenance and repair work that needs to be done on the buildings but hasn't been, because there just wasn't enough money to pay for it.

In order for us to be able to do these things, and also set aside enough to cover the anticipated tax increase that will be coming in the near future, we have no alternative but to increase the rent on your apartment.

As of March 1, 1975, the rent on apartment # 2 will be \$520.00, plus tax.

Board of Directors
Income Invested Funds


Jack Turinsky, President

cc Leonard Everman

Current \$358.00

April 7, 1975

RC-Valdez

To: Herb Lehfeldt
City Manager
Valdez

Reports on rent, not necessarily factual.

Walker's Village Motel - units rented at \$900.00 per month;

Walker's house - 2nd from Meals Avenue on south side of Dadina St.
reported rented at \$4,000 per month;

Walker's house - north side of end of cul-de-sac on Dadina St., reported
by one of occupants - usually 8 men at \$900 per month each;

Simmons Trailer Court - \$140 per month per space, was \$90 per month;

Kennedy, et al - by the airport - \$600 per month per unit and up.

Teeters Apts. reported to be in the process of raising rents again.
On the 1st of March 1975, was raised to \$350 for a one bedroom apt.

Apartments at 101 Alafna - rents being raised to \$1600 per month per
apartment on May 1, 1975.

343 Nabesna - Joe Zarembo - \$1000 per month.

Rainbow Trailer Park - rent was raised from \$98 to \$134 a month per space;

George Kolitis Apartments - Rent has raised from \$225 to \$375 during the
past few months and is reported to be raised again.

APR 08 1975

4-7-75

High Rent Comment:

We rented a one bedroom trailer at Rainbow Trailer Court, the toilet did not work, the bedroom ceiling leaked over the entire room, the living room ceiling leaked in five places, the front door to the trailer was off the hinges, and the back door exit blocked by snow as high as the trailer itself.

This we paid \$400.00 a month, all utilities were extra.

When the lanlord wanted to sell the trailer we looked for a place to rent, we found a house on the corner of Nabesna and Hazelette for \$1,000.00 a month, the utilies were not included.

April 3, 1975

To whom it may concern:

We, Allison L. Pike and I, Katherine E. Reid, currently live in the Atlatna Apartments, Apt. 4 at 101 Atlatna Street, Valdez, Alaska. Apt. 4 is an unfurnished two bedroom apartment.

As of January 1, 1975, our rent was \$286.00 including tax. On January 30, 1975 we received a letter from Income Invested Funds, Inc. that beginning March 1, 1975 our rent would be \$488.00 including tax. However, when the manager, Leonard Everman, came to collect the rent, he informed us that we had a 'month's reprieve.' Thus we paid the original rate of \$286.00. On March 30, 1975, we were informed the building had been sold to Valdez Industries. We also received an eviction notice as of May 1, 1975. We and two other tenants, Carlene Moberg and Jean Salinas, conferred with the authorized agent for the owner, Marty Barbero to see if we could remain in the building until June 1, 1975. Mr. Barbero informed us that the four of us could live in Apt. 4 for the month of May, however, the rent would be increased to \$1,600.00. Since we could not afford it, we verbally accepted the eviction notice. The other tenants in the other three apartments received mandatory evictions.

On April 2, 1975, we were informed by Leonard Everman and Jim Lindsey, who had conferred with Mr. Barbero, that the four of us, could live in Apt. 4 until June 1, 1975 at the rate of \$940.00. This still is too expensive for us so we verbally accepted the eviction notice.

Ms. Katherine E. Reid

Katherine E. Reid

101 Apt. 4, Atlatna St.
Valdez, Alaska 99686

NOTICE TO VACATE

TO: Apartment #4
101 Alaina

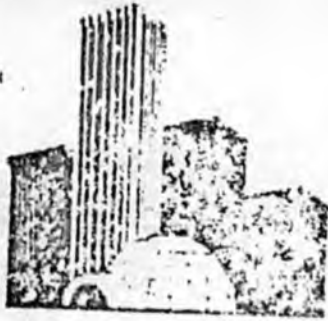
The undersigned, authorized agent for the owner of the following described property, hereby notifies you that you are to vacate these premises on or before 30 days from the due date of your next rent payment, which is the 1 day of April, 1975.

Therefore, you must vacate on or before the 1 day of May, 1975.

ADDRESS: 101 Alaina Street
Valdez, Alaska
Apartment No. 4

DATED _____

Marty E. Baker
Authorized Agent for Owner.



INCOME INVESTED FUNDS, INCORPORATED

BOX 203 ANCHORAGE, ALASKA 99501

PHONE 587-2273

Allison Pike
P. O. Box
Valdez, Alaska

Dear Ms. Pike:

As per our phone conversation January 28, 1975, please be advised that as of March 1, 1975, the rent on apartment number 4 will be \$470.00 plus tax, since your apartment is unfurnished.

Sincerely,

Board of Directors
Income Invested Funds
Jack Turinsky, President

cc Leonard Everman



INCOME INVESTED FUNDS, INCORPORATED

BOX 203 ANCHORAGE, ALASKA 99510

Phone 907-277-3116

Allison Pike

Dear Ms. Pike:

As you are probably well aware, inflation has really gone wild here in Alaska.

We have tried to avoid raising the rent on your apartment, but have been fighting a losing battle.


The income from the four-plex is not enough to cover the current expenses, maintenance, taxes, insurance, ect.

We are sure that you are well aware that there is a lot of maintenance and repair work that needs to be done on the buildings but hasn't been, because there just wasn't enough money to pay for it.

In order for us to be able to do these things, and also set aside enough to cover the anticipated tax increase that will be coming in the near future, we have no alternative but to increase the rent on your apartment.

As of March 1, 1975, the rent on apartment # 4 will be \$520.00, plus tax.

Board of Directors
Income Invested Funds


Jack T. Minsky, President

cc Leonard Everman

Dorothea Doty

Senior Citizens Survey

Question 11: Do you favor some type of rent control this summer?

| <u>Income of Respondent</u> | <u>Total Sample</u> | | | | <u>Homeowners</u> | | | | <u>Non-Homeowners</u> | | | |
|-----------------------------|---------------------|-----------|------------|--------------|-------------------|-----------|------------|--------------|-----------------------|-----------|------------|--------------|
| | <u>Yes</u> | <u>No</u> | <u>N/A</u> | <u>Total</u> | <u>Yes</u> | <u>No</u> | <u>N/A</u> | <u>Total</u> | <u>Yes</u> | <u>No</u> | <u>N/A</u> | <u>Total</u> |
| under \$300 | <u>30</u> | <u>13</u> | 12 | 55 | <u>6</u> | <u>9</u> | 6 | 21 | <u>24</u> | <u>4</u> | 6 | 34 |
| \$300-\$500 | 25 | 4 | 10 | 39 | 11 | 4 | 8 | 23 | 14 | 0 | 2 | 16 |
| \$501-\$700 | 13 | 2 | 7 | 22 | 9 | 1 | 6 | 16 | 4 | 1 | 1 | 6 |
| \$701-\$900 | 7 | 2 | 2 | 11 | 5 | 2 | 2 | 9 | 2 | 0 | 0 | 2 |
| \$901-\$1100 | 7 | 5 | 3 | 15 | 5 | 3 | 3 | 11 | 2 | 2 | 0 | 4 |
| more than \$1100 | 4 | 4 | 0 | 8 | 1 | 3 | 0 | 4 | 3 | 1 | 0 | 4 |
| unknown | <u>10</u> | <u>11</u> | <u>4</u> | <u>25</u> | <u>9</u> | <u>2</u> | <u>3</u> | <u>14</u> | <u>1</u> | <u>9</u> | <u>1</u> | <u>11</u> |
| TOTAL | 96 | 41 | 38 | 175 | 46 | 24 | 28 | 98 | 50 | 17 | 10 | 77 |

Survey taken in March 1975 by
North Star Council on Aging and
Fairbanks North Star Borough's
Impact Information Center

John F. Carlson

April 1, 1975

The Honorable Senator Mike Gravel
P. O. Box 2283
Anchorage, Alaska 99510

Your Honor:

Yesterday my x-husband called from Fairbanks to tell me his rent had been increased from \$225.00 a month to \$400.00. Having been born and raised in Alaska I believe myself to be somewhat of an authority on its assets as well as its liabilities. One such liability being that there is NO LAW to protect the rentee but many to protect the rentor. The apartment in question is not worth \$225.00 much less \$400.00. It is a basement apartment with two extremely small bedrooms, one of which fits a twin, the other a double bed, and neither have room for anything else. There is not one item NEW or anywhere near excellent condition. The kitchen and living room are combined. Hardly ones idea of 'home'.

Since 1969 I have watched our reactions to the coming of the pipeline. I have yet to feel any pride in those reactions nor have our actions been anything to be proud of.

While recent statistics show us we have progressed a considerable amount economically and even socially, our attitudes and 'help thy neighbor' philosophy seems only to have REgressed an even more amount.

Also since 1969 there has been a rush to make ones garages, basements and whatever else is available into supposedly livable quarters for those unsuspecting naive "lower 48er's" and even worse to their own friends and neighbors. Since we do not have the availability of apartments (which in itself is odd to me, as we have had over five years to prepare) people either pack up and leave or give in and pay the high rental cost. I have heard some say 'what will happen to the apartment buildings once the pipeline rush is over'. That too makes sense, but anyone in their right mind would not WANT to stay under present circumstances.

We are not only going through a recession, (depression?), inflation AND high unemployment (of which Alaska has the highest at over 10%) but we are forced to act like dogs forging together scraping and pushing to reach that 'precious' bone (not caring if its old and dirty with no meat on it). Of course in our case its PEOPLE forging together scraping and pushing etc. etc.

I'am well aware the landlords have their own obligations and they too are affected by the economic situation, but the fact remains that they have no real laws to control them, and they are well AWARE of this.

Believe it or not, there once WAS a time when landlords worked very hard to sell us on his available apartment. How? Well, now we say yes BEFORE we have even seen the darn thing.

Does it have to be a disaster, as in the flood and earthquake, that once again brings us together, really together? Alaska was supposed to be different, remember?

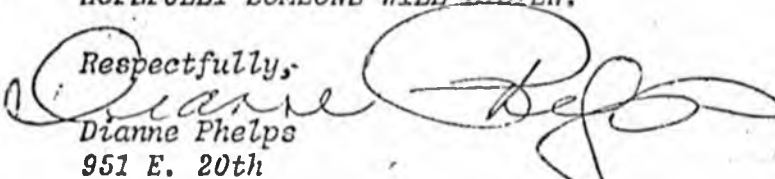
I myself recently had a rent increase in the amount of \$9.00 a month. I was given a letter of explanation and two months with which to prepare. This I considered FAIR. And FAIRNESS is all that we ask for, all that we EXPECT and EVENTUALLY what we will DEMAND.

I have no intentions of having my letter ignored and/or shoved aside, therefore I'am mailing copies to the following:

Govenor J. Hammond
Mayor John Carlson
Mayor Harold Gilliam
Representative Mike Bradner
Representative Fred Brown
President G. Ford
Senator Terry Miller
Senator John Huber
Senator John Butrovich
Representative Don Young
Anchorage Daily Times
Daily News Miner

HOPEFULLY SOMEONE WILL LISTEN!

Respectfully,


Dianne Phelps

951 E. 20th
Anchorage, Alaska 99501
279-1989

March 17, 1975

Mr. John Carlson
Borough Mayor
Fairbanks North Star Borough
P. O. Box 1267
Fairbanks, Alaska 99707

Dear Mayor Carlson:

Re: The Outrageous Prices of Rent in this Town and No
Controls on Rent to Protect the Renters.

I believe that Fairbanks ought to have some sort of controls over the landlords in this town. We have boards that review applications for rate increases, etc. for utilities, so how about one for landlords and rent? I realize that the suggestion "smacks of governmental control", but we desperately need control for the protection of the tenant. For those of us who are in no way affiliated with the pipeline, our salaries have not increased significantly and proportionately with those that do work for Alyeska. There are plenty of us who cannot afford the prices of \$500.00 a month for a two bedroom apartment and other outrageous rates put on us by greedy landlords.

Granted the housing situation is very critical here in Fairbanks, but is that any reason for the landlords to "take the tenants to the cleaners"? (The cost of living is higher here, but financially it still seems to balance out to a degree as compared with the lower "42".) So after paying rent, food and utility bills (which the apartment does not include), there is little left over for a person to feel even a little financially secure. Now with the increased rent hikes, it's that much more difficult. Please note the article titled "For Rent: One Room, No Plumbing for \$500.00" and the clipping from the classified section under Mobile Homes for Rent. People will rent and pay anything for a roof over their head. This is a very unfair advantage.

We received a notice as of April 1, 1975, our rent will be increased 50% for the apartment which we now occupy. This increase will make our rent \$500.00 a month and somehow we must find another \$175.00 to pay out on top of what we were paying. (I figured I would have to work for one full month and what I clear after taxes would just pay the rent with approximately \$30.00 left over)

March 17, 1975

My husband and I both work and he has taken on another job in order that we may meet the higher cost of living. This is a pretty sad state of affairs, I'd say. (Neither of us are unskilled)

If enough tenants complain long and loud enough, are the landlords going to evict all of us? Then what will the city or borough do? - Build refugee camps for evicted tenants because they can't afford rent for the greedy landlords? It just isn't fair that people are suffering because they have to have someplace to live and are at the mercy of a money-grubbing landlord. Therefore they must pay his grossly inflated price of what the place should reasonably rent for.

My husband and I are not newcomers to Fairbanks. We have lived here quite a number of years and intend to make this our permanent home. We must be able to financially withstand the higher cost of living, and increased rent has got the wolves creeping closer to the door.

I had heard that Klondike Inn evicted their tenants in favor of a contract with Alyeska for a reported \$55,000.00 a month. I cannot comprehend the fact that landlords and merchants are becoming so greedy just for the almighty dollar. The pipeline people knew the housing situation and the number of personnel they had to hire, so why didn't they make arrangements prior to all of this. When I asked the manager of Klondike Inn if he had any vacancies, the answer was no. I then asked if they were rented to Alyeska and Bechtel, to which there was a long pause and then the reply was a meek yes. Where did the previous tenants go? Were they lucky enough to find another place or were they forced to leave Fairbanks because of the pipeline and inflated rent?

Sincerely,

Marie White

P. O. Box 91166
College, Alaska 99701

RECEIVED
APR - 2 1975

Grassi
3.7 Mile Fairbanks Loop Road
Fairbanks, Alaska 99711

GOVERNOR'S OFFICE

March 27, 1975

Jay S. Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99801

Dear Sir:

We wish to advise you of some of the reasons why we are opposed to Rent Controls. We really want you to take serious measures to prevent Rent Controls.

First of all, they are unconstitutional, they are against free enterprise, they are discriminatory to one group of people, they reduce the building of new apartments, they cause higher local revenue taxes by holding down prices on apartment houses, they cause a rise in assessments to other commercial buildings and private homes. At this time, in Fairbanks, Rent Control plays favoritism to seasonal and/or pipeline workers from other states instead of the year-round Fairbanksan (us, included) who was here before the oil discovery and who will be here after the pipeline is built. We will also be here to vote after the transients are gone. Anyone who votes for Rent Control will have lost our support permanently. It is quite evident how the long-time Alaskan resident feels if one looks at the fate of the last two officials who pressed for rent control (I'm referring, of course, to Mr. Egan and Mr. Parsons)

It is nauseating, indeed, to realize that we have voted into office some politicians who are more concerned with winning votes than in fairness and justice for all the people, especially the ones who labor hard to get a little ahead of the masses. Those politicians are prejudiced because if they want to impose controls they should also be considering controls on labor (i.e. plumbing, heating, electrical, appliance, carpentry labor); controls on the rising costs of materials (i.e. windows, roofing, carpet, beds, lumber, etc.); controls on utilities (water and electricity); on fuel, taxes and assessments; controls on all kinds of business, hospitals and on other housing. Yes, on other housing... We haven't heard a word on controlling hotels, motels and rooming houses. Why not? Do they have too much political influence? If you are going to impose Rent Controls on apartments, then you must also impose controls on the rest.

What about the lean years, when 25% to 50% of the apartments in Fairbanks were empty? What did all the political do-gooders do for the apartment owners then? What will you do when all the Pipeline workers go back home to the Lower 48 with their savings? Just what will you do for the lean years to come? I know... you will increase the taxes to clear up the mess that will be left. Right? I hope you realize what we think of that idea.

We know first-hand what rent controls can do. It started in New York City for the war years. 30 years later, it is still there, but the City Government is now the largest landlord in town; who got that way by having to repossess the buildings that weren't bringing in enough rent to pay the increased bills and taxes. So, they had to tax business to counteract the loss of tax revenue from the former apartment owners. Now, business has left in droves and the city is in chaos. They built the Twin Towers, but they are half empty. The Stock Market threatened to move out to the Virginia, Maryland, Washington D.C. area in 1965 until they were exempt from some taxes. The last we heard was that someone had suggested foreign aid.

We started in the apartment business before the oil discovery and we own twelve apartments. We managed to barely stay in the black for a number of years and we looked forward to a little relief in the construction of the pipeline. But, between the excessive high rise in costs and the possibility of Rent Control, we are beginning to feel it was not worth the effort or investment. If you think it is such a good business, please try it. We are so disgusted between the rent control crisis and the excessive costs (particularly in labor) that, although we had planned to build some apartments near Airport Road and Cushman Street, we have cancelled all plans until this rent control situation is settled once and for all.

For your information, the following is a percent cost increase within the past year. We arrived at these figures by comparing our own bills and/or by contacting the businesses in Fairbanks that we deal with and checking with them. If you feel you wish to check on our credibility, just go talk to the business people.

- ...assessment increase over last year range from 20% on some property to 100% on others
- ...taxes: unknown at present, but estimated possibility of 50% increase
- ...Fuel Oil (per 1,000 gal. tank price): increase of 9%
price Aug. '74...43.9¢; Feb '75...47.7¢
plus a 5¢ per gal. Federal increase is expected
- ...Plumbing maintenance & repairservice: increase of 50 to 100%
went from \$20 to \$30 per hour, with a possibility
of going to \$40 per hour by end of summer
- ...Burner service: increase of 33.3% to 66.6%
went from \$18 to \$24 per hour, with a possibility
of going to \$30 per hour by summer
- ...Garage door repairs: increase of 25%
went from \$24 to \$30 per hour
- ...Business & Snow Removal Vehicle (Jeep) increase of 70%
labor repair costs went from \$14 to \$24 per hr.
- ...Carpenter labor went from \$16 to \$20 per hour increase of 50%
with possibility of going to \$24 by summer
- ...Garbage pick-up went from \$25 to \$33.33 increase of 55%
- ...Miscellaneous furniture items often needing replacement
in furnished apartments:
 - mattresses went from \$87.75 to \$120 increase of 73%
 - couch (July '73) from \$207.85 to \$359.90 increase of 75%
 - couch reupholstery from \$125 to \$185 increase of 50%
 - carpet from \$11 per sq.yd. to \$15 increase of 33.3%
- ...Water...Electricity...Insurance: increases are unknown presently
- ...last, but not least, let us mention the increase as of April first in
the newspaper subscription rates from \$4 to \$4.50

3.
The average six hours per month, per apartment for maintenance, repair, supervision and management. I need an increase per hour, too.

What about our investment of cash for down payments, totalling \$48,000.00? Which otherwise could be drawing interest at the bank.

We feel that we need an increase this year of 25%. Our apartments range from our best two-bedroom (1200 sq.ft., carpeted, expensively panelled, modern kitchen/built-in appliances, table-top stove, breakfast bar, heat & water, completely furnished, near the center of town) that rents for \$375; our smallest two-bedroom that rents for \$325; our largest (as plush as mentioned above) one-bedroom that rents for \$300; to our smallest one-bedroom that rents for \$250. Major repairs are beginning to be needed in two of our duplexes (in Arctic Park) as they are approximately 20 to 25 years old. Items needed such as:

| | |
|-----------------------------------|------------|
| new kitchen...estimated cost of | \$2,000.00 |
| new burner, furnace & air blowers | 1,000.00 |
| aluminum siding | 2,700.00 |
| peaked roof | 2,500.00 |

total cost est. \$8,200.00

If a substantial rent increase is not allowed, these improvements cannot be made and the original investment will be lost as we stated in the example of New York City. We feel we are in need of a minimum of 25% increase over our present rents, provided the City and Borough taxes do not become excessive. Some apartment owners need to charge higher rents than others due to their having paid higher purchase prices to start with. So, how can a blanket rent control be set up fairly?

We were impressed with the Governor's recent statement in which he wanted Alaskans to be hired first to work on the pipeline. If this came to pass, the housing problem would be minimal because the Alaskan from Ketchikan or Juneau or Barrow is not bringing his family to Fairbanks. He is not the one who is screaming for rent control. Rather, the newcomer, who will also return to his home when the bonanza is over, is the one who is making himself heard. Unfortunately, we Alaskans will still be here to pay the taxes, suffer the consequences, and vote.

I suggest a guide-line for both renter and rentee as to what is fair, because most people simply do not know. They can easily be influenced by second-hand stories and by inflammatory statements published in the newspaper. As for the landlord who is excessive in his rents, we feel the Consumer Protection Agency should be able to take care of the problem.

Thank you.

Yours truly,

Mario & Vilma H. Grassi
Mario & Vilma H. Grassi



REGION X
Arcade Plaza Building
1321 Second Avenue
Seattle, Washington 98101

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
ANCHORAGE INSURING OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

April 7, 1975

R.C. - Coenl

IN REPLY REFER TO:
10.35

Honorable Tony Motley
Commissioner
Department of Commerce
State of Alaska
Pouch D
Juneau, Alaska 99801

Dear Tony:

The following statement was prepared in case of public hearings here in Anchorage on rent control.

If such hearings are held, you already know that only renters who want control will show up in volume.

In addition to the approximate 2,500 rental units wherein HUD controls the rent, we have about 500 trailer spaces under rent control here in Anchorage; in Fairbanks we control approximately 1,000 rental units, and in Juneau 208 trailer spaces and approximately 270 units of rental.

So, in effect we do control the rent of many of the low-income people. I cannot over-emphasize the danger of any further control on rental units.

If I can be of further assistance please advise.

Sincerely,

Roger A. Riddell
Director

Enclosure

cc: Chamber of Commerce

April 7, 1975

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rent Control Public Hearings

My name is Roger A. Riddell, I am Director of the HUD-FHA office for Alaska. Our office is at 334 W. Fifth Avenue in Anchorage. I appear here to speak in opposition to rent control.

What incentive was not killed to construct new apartments by the Alaska State Landlord Act would certainly be killed by the establishment of any type of rent control. There is no way the Federal or State Government can force a person to invest his money in the construction of rental property. There are no Federal programs which can construct rental units.

An analysis of the market here in Anchorage indicates that it has been a renter's market rather than an owner's market. Ownership has been enhanced by the idea of an unearned increment gain but such a gain is based upon a regular inflationary rate over a period of time. Any lessening of this rate would eliminate this gain in home ownership. The old rule of thumb is still fairly true, that 1/100 of the cost of a unit of housing is equal to its monthly rental. In other words, if a unit costs \$50,000 it would have to rent for at least \$500 to be a break even investment. This rule of economics was developed during a period of time when there was 4 and 5 percent money. A market which is based upon 10 to 12 percent for construction money and 8 to 8 1/2 percent in long term money demands that the return to the owner must be greater.

At the present date here in Anchorage, there are approximately 200 rental units under construction and 300 in construction planning. Those under

construction planning would not be feasible if a rental freeze was imposed. There are about 2500 units in this area wherein the rent is under the control of our office. These units do have rental control. Any increase in rent must be approved by my office and any increase would be based upon factual increase in costs. For example, the recent increase in sewer rate is allowed to be passed on to the renter. Increases in real property taxes, out of necessity must be passed on to the occupant through the owner.

Rent control is an unfair restriction which cannot be effectively policed. It invites undercover payment, black marketing tactics, and the many subterfuges that can be initiated to require a tenant to pay more than the base amount allowed.

Rent control has the opposite result of that which is intended. It actually works against those whom can least afford to pay unusual charges.

Rent control is an unfair charge against the property owner whom pays the greater amount of taxes. Why should this investor be penalized from making a fair return on his capital while the grocer, the car dealer, the druggist, the merchant, the doctor or dentists be allowed to raise their prices without great capital risk or real contribution to the growth of a community?

There are many better ways to gain control rather than by an autocratic dictate by Government. One method would be publicizing unrealistic or unfair rent increases. The best method to correct the problem is to encourage rental unit construction. Give the owner of rental units a property tax break. To encourage construction of new rental units there must be a desire and a profit motivation for the investor to invest in this type of property.

A Mayor's Housing Advisory Committee acting as an information point for people who are looking for rental property could be an effective tool to prevent rent gouging. The Committee could keep a record of units of rental available at a fair market price. The prospective renter could find from this Committee if the unit being offered was within the reasonable price range. This Committee could act as a damper on the rental market, along with the restrictive control exercised on FHA controlled units.

Rent controls have never successfully been imposed during any peacetime period in any government. During the wartime when the materials were not available for any type of construction, and housing was in critical shortage, there was a possible justified use of rent control. However, at the present time any restriction on rental property growth would be to court disaster. The way we are going to lick our housing and rental units shortage is by production. Curtailing production by control can have no beneficial end result.

At the present time in the City of Anchorage, there is planned the first luxury unit apartment house the city has known. The market is sufficient to bear the cost of a luxury type apartment house. There is a demand by people to become the occupants of such a structure. The establishment of rent control would make this project unfeasible from a financial investment standpoint.

I lived through and saw the economic blight caused by World War II rent control. Many of our great cities still carry the scars of this unfortunate time. I urge you to reject rent control and adopt a positive program of

encouragement to the builder and investor in rental property. Let our community grow in economic health and not die in sickness from the application of socialistic governmental control.



CITY OF ANCHORAGE



ALASKA

R.C. - Arch

International

Polar air crossroads of the world

GEORGE M. SULLIVAN, MAYOR

Office of The Mayor

April 3, 1975

The Honorable Langhorne A. Motley
Commissioner of Commerce
State of Alaska
Pouch D
Juneau, Alaska 99801

Dear ^{Tony} Commissioner ~~Motley~~:

Since receiving your letter in regards to possible hearings on rent controls, I have discussed this matter with a good many people here in Anchorage. I have also asked the Chamber of Commerce Manager to bring it to the attention of his board and membership for consideration.

There seems to be a consensus at the present time that, at least in Anchorage, new construction for apartment houses at the present rental rates now being derived are not financially feasible. There has been a substantial increase in land valuation, labor, and other items that have increased costs for this type of construction substantially.

I think possibly what we need to look at is some way of getting more housing available rather than putting rent controls on the present housing. I would assume it would be a further deterrent to any new construction, especially apartments in this area.

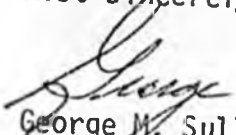
I am also told that many out of state brokerage or loaning firms will not loan funds into a state where rent controls are applicable. This, unfortunately, could also curtail more units being built in the Anchorage area.

There does seem to be, presently, financing available for apartment units. Unfortunately, as I am told, the present rent figure now being charged does not, again, make it feasible for people to get into this market.

Do you plan to have hearings in Anchorage? In our discussion the other day on the phone, I understood you to say that you planned hearings in Fairbanks and Valdez. Today, I heard on the radio this also included Anchorage. If

The Honorable Langhorne A. Motley
Juneau, Alaska
Page 2
April 3, 1975

so, I would appreciate the dates and location of same. Thank you.

Most sincerely,

George M. Sullivan
Mayor

GMS:kt

P.S. Needless to say, I am also a landlord and not a renter.

Greater Anchorage
CHAMBER of COMMERCE

April 7, 1975

RC - Anch
Crossroads of the Air World

Mr. Langhorne A. Motley, Commissioner
Alaska State Department of Commerce
Office of the Governor
Pouch D
Juneau, Alaska 99801

Dear Commissioner Tony:

Immediately prior to his departure for sunny Hawaii, President Ken Hume and his Impact Committee met with our two Mayors (Sullivan and Roderic) plus a representative group of eight local businessmen. On the agenda was your letter to Mayor Sullivan requesting our opinion on "rent control".

Unanimously, the answer was quick, loud and clear! Rent control will unquestionably play havoc with the housing market in Anchorage. The entire committee cited the basic premise of "why would anyone build new housing units if the market return is controlled and there is reason to believe the builder cannot come out financially on his or her investment?"

While Anchorage is not in the tight position as that of Fairbanks and we can understand the concern of other markets, please do not consider rent control in this market as we sincerely believe it would have a disastrous effect.

Sincerely,

Claire
Claire O. Banks
Executive Vice President

COB:t1b

TESTIMONY PRESENTED BY
C. W. Baer, General Manager
Greater Fairbanks Chamber of Commerce
at the
Rent Control Hearings
April 8, 1975

Fairbanks has a critical housing shortage -- both family units and transient rooms. There is a reason for this. Fairbanks is the construction headquarters for the trans-Alaska oil pipeline, an eight billion dollar effort and the world's largest private construction project.

As an indication of the impact this construction project has had upon our city it should be noted that the population of Fairbanks on April 1, 1973 was 18,640. On April 1, 1975 that figure is 32,989 -- a gain of 57% in two years. A similar expansion has occurred throughout the Fairbanks North Star Borough.

Recognizing the problems created by this influx of people, particularly in the matter of housing, the Greater Fairbanks Chamber of Commerce initiated action early this year to determine the best course of action to be followed in attacking both phases of the housing problem -- permanent family housing and transient facilities.

With regard to transient rooms, our research revealed that as early as last January all existing hotel-motel facilities were operating at or near capacity. It was readily apparent that with the influx of tourist traffic during the summer months we would have an acute shortage of accommodations for the overnight visitor.

It was at this point that the Chamber began working with the Administration at the University of Alaska to determine whether or not University dormitory beds might be available to help meet this shortage. We are now in the process of concluding an arrangement whereby the local hotel-motel industry will operate a clearing house for all transient housing. Under this arrangement, when all privately operated hotel-motel facilities are full, up to 200 dormitory beds will be available at the University. This cooperative agreement will be a major help in solving the transient housing problem.

With regard to the shortage of permanent family type housing, and in particular the shortage of rental housing, the Chamber has, for the past three weeks, been conducting a study of both the availability of rental housing and the rental rates for such facilities. Through announcements in the news media, we asked both tenants and landlords to advise us of their problems and their opinions as to the advisability of imposing rent controls.

For the purpose of this hearing, we will omit any reference to the need for permanent family type housing in the private sector and address our remarks only to those facilities available for rent.

Based upon the information we have received, we make the following observations. That there is a critical shortage of rental units cannot be questioned. That there has been a widespread increase in rental charges over the past year is also apparent. That

there has been widespread "gouging" in the rental markets is not a substantiated fact. There have been a few landlords who could not resist temptation and have indeed "ripped off" their tenants but they have been the exception and not the rule. By and large, rent increases throughout the area have pretty well reflected increased costs to the landlord.

In the most flagrant instance of "gouging" reported to the Chamber we have written the landlord requesting his voluntary compliance in adjusting his rent schedule to a more justifiable level and are in hopes that he will do so.

It is apparent from the information we have received that operational expenses have indeed risen sharply for most landlords and that if they are to continue to realize a fair return on their investments then rents must be increased. So long as such increases are made in direct ratio to increased costs there can be little honest objection.

We are also aware, from the information we have received, of the very serious problem of the tenant on a low, fixed income who is simply not in a position to pay substantially increased costs for housing. How this matter is to be resolved with fairness to both landlord and tenant is the crux of the problem.

For your information and assistance in your deliberations, we submit the attached exhibits. These include a recent series of articles published in the Fairbanks Daily News-Miner, a list of apartment rental facilities in Fairbanks which indicates the size of the unit and the current rental charge and a summary of the information received by the Chamber in response to our requests through the news media.

In conclusion, it is the opinion of the Greater Fairbanks Chamber of Commerce, based upon the information we have been able to gather from landlords and tenants as well as the expert opinion of Fairbanks leaders in the housing, banking, real estate and other allied industries, that the imposition of rent controls is not the answer to the critical housing shortage facing our community at this time. Rather, it is our feeling that prompt and effective governmental action to insure the immediate construction of sufficient additional rental housing units would be the most effective means of stabilizing the rental market and making housing available at a fair price to all concerned.

OUTLER BUILDER

SANDERS CONSTRUCTION CO.

565 UNIVERSITY AVENUE

FAIRBANKS, ALASKA 99701

PHONE: 907-479-6931

2 April 1975

Marc Langland
National Bank of Alaska
Fairbanks, Alaska 99707

Dear Marc,

You had ask if I would prepare a resume of operational costs with regard to a 6-plex we own and the rent we charge on these units. So will attempt to set forth some of these facts.

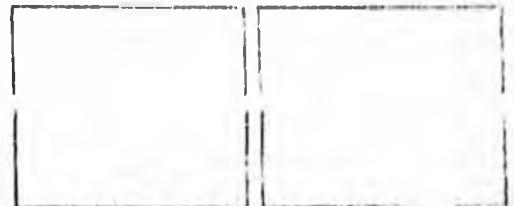
The apartment house was built during 1967 and completed in 1968. In June of 68, we leased the entire unit to Alyeska at the rate of \$325.00 for the 3 upper units, and \$300.00 for the daylight basement units. This was unfurnished and each tenant paying their own electrical costs. We furnished the heat, garbage services and electricty for the common elements of the building--hallways, entryways, laundry rooms.

The above named units are all 2 bedroom units, all walls paneled except in the bath and kitchen areas and they have marlite. All floors are carpeted, even the kitchens and baths in the lower apartments. Kitchen & baths in the upper units have flooring that never requires waxing. All units are complete with self-cleaning refrigerators (16 cu. ft.) and stoves with self-cleaning ovens.

Costs incurred in the operation during 1968 were as follows:

| | |
|-------------------------|--|
| Fuel costs----- | Averaged between \$150.00 --\$195.00 per month |
| Water, electricity----- | \$59.00-----\$70.00 per month |
| Garbage Service----- | \$20.00 per month |
| Insurance----- | \$840.00 per year |
| Taxes----- | \$1,250.00 per year |
| Bank Payment----- | \$1,225.00 per month |

When the pipeline failed to materialize and apartments were difficult to keep filled, we dropped our rent to \$295.00 for the upper units, and \$250.00 for the lower units. Accordingly the bank dropped our payments to \$925.00 per month.



BUTLER BUILDER

SANDERS CONSTRUCTION CO.

565 UNIVERSITY AVENUE

FAIRBANKS, ALASKA 99701

PHONE: 907-479-6931

Since 1971, we have held the rents on these units at those costs. But our operational costs, with the exception of the bank payment have increased.

In 1973 and 1974, we furnished all of the apartments completely with all new furniture from Nerland's and did not raise the rent, until in March of 1974 we raised the rent to \$300.00 and \$260.00

In April of this year, we have now been forced because of increase in operational costs to raise the rent to \$350.00 and \$325.00 for these rental units.

Operational costs are now averaging the following:

- Fuel-----\$220.00 to \$250.00 per month
 - Water, electricity----\$85.00 to 120.00 per month
 - Garbage service-----\$37.50 to \$42.50
 - Taxes-----\$1,850.00 per year
 - Insurance----- \$1,491.00 per year
 - Bank Payment (because we refinanced the unit)-----\$1,198.00
- included in bank payment*

In neither of the comparative costs have I mentioned the incidental expenses which are incurred in operating a rental unit, e.g. snow removal from parking lot, repair and maintenance on heating elements, electrical appliances; landscaping and other such type incidentals.

As you can see, we have never intended to make this our chief source of livelihood, nor have we charged rents that would allow us to pay off the indebtedness in a 5 year period. But it does not take a mathematician to see that costs for its operation have risen considerably, as it has for everyone else who owns rental units or homes. I know that Fairbanks is experiencing a terrible housing situation at this moment and some of our fellow citizens have seen fit to take full advantage of the problem, but I do not think that governmental controls will answer the need to stem the rental hikes being felt.

Sincerely,

Merrilynn Sanders

Merrilynn Sanders
President



Since 1904
FAIRBANKS PLUMBING & HEATING
SAMSON HARDWARE

P. O. Box 1270
FAIRBANKS, ALASKA 99707
PHONE 452-3110

Anchors & Fasteners

March 22, 1975

Bolts & Screws

"C" Clamps

Cap Screws

C. W. Baer, General Manager
Chamber of Commerce

Janitorial Supplies

550 First Avenue
Fairbanks, Alaska 99701

Concrete Tools

Re: Inquiry on Rent Controls

Taps & Dies

Torches

Dear Mr. Baer:

Wheelbarrows

It would seem to me that rent controls would be a very difficult thing to enforce. I understand building costs are now roughly \$60.00/per sq. ft. and that interest rates are running 13%.

Lawn Mowers

Hand Trucks

Our apartment house, with the exception of the penthouse, are all efficiencies. Our rents on the efficiencies average out at about \$160.00 per month with the tenants paying the telephone and lights. The penthouse, which is quite luxurious, rents for \$400.00 per month plus lights and telephone.

Wire Products

Solder & Flux

Mailboxes

Our building was built for \$30.00 per sq. ft. We have established long-time residents that have never had a rent raise. We do, however, when and if we get a vacancy raise the rent \$15.00 per month. Our fuel costs have doubled and we have the 25% surcharge on water and yard and hall lights. We have very few vacancies so very few tenants are paying the extra \$15.00 a month.

Water Coolers

Sprayers

Electrical Supplies

Weed Burners

I have been fortunate that my taxes haven't increased drastically; however, if I get insurance increases, utility increases, and tax increases I certainly do not want anybody telling me what I can charge for rent.

Hard Hats

Safety Goggles

Sincerely,

Tie Wire

Plumbing Supplies

FAIRBANKS PLUMBING AND HEATING
SAMSON HARDWARE

Plumbing Fixtures

E. S. Albright

Building Hardware

E. S. Albright, President

Stoves — Grills —

Heavy Hardware

GOLDEN NUGGET MOTEL, INC.

900 NODLE STREET
FAIRBANKS, ALASKA 99701

March 27, 1975

Mr. C. W. Baer
General Manager
Greater Fairbanks Chamber of Commerce
550 First Ave.
Fairbanks, Alaska 99701

Dear Mr. Baer:

We are pleased to see the Chamber take an active role in seeking out the housing situation as it really exists, rather than relying on the heresay of such an emotion packed subject. The following is a summary of the major cost increases that we have endured during this last year:

The oil surcharge effected by GVEA last August has recently increased our monthly GVEA bill between 35 and 45%. In real dollars, it added to our bill last month approximately \$4000, half of which we have had to absorb. We have been advised by GVEA that next months bill, on a percentage basis, will be even greater.

We have our own water treatment system that services approximately 161 of our units. During the last 12 months, the cost of producing approximately the same quantity of water has increased 80%. In real dollars, that amounts to \$800 per month increase. This has resulted from an increase in the cost of chemicals and an increase in the cost of freight to bring those chemicals to Fairbanks.

We are serviced by Far North Sanitation Service. Our cost of refuse collection has increased during the last 12 months more than 60%. That is approximately \$300 per month.

Maintenance costs have also risen substantially. Materials appear to be rising at an annual rate of 20% and our maintenance wages have increased nearly 30%. Together, these amount to nearly \$500 per month increase during the last month.

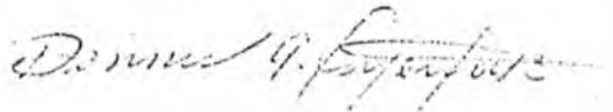
When totaled, the above increases have significantly advanced the costs of our operations, yet we have regained only a portion of those increases in the form of higher rents. An arbitrary rent control during these inflationary times would only serve to

(Cont'd)

Golden Nugget Motel
March 27, 1975
(Cont'd)

cripple the entire Fairbanks housing industry. Establishing the bureaucratic machinery necessary to effectuate equitable rent controls which would enable the landlord to pass on his increased costs of operations while providing for a reasonable profit would take too long to be helpful. We are in a period of high inflation brought on by a feverish economy and controls of any kind will do nothing but cost the taxpayer additional dollars.

Very truly yours,



Dennis A. Osterdock
Vice President

Tanana Trailer Village
Tanana Village Apartments
Geist Apartments
Nanook Niches Apartments

DAO:pt
file



DOWNTOWN OFFICE
500 SECOND AVENUE
CUSHMAN-GAFFNEY OFFICE
570 GAFFNEY ROAD

MAIL: P.O. BOX 709
FAIRBANKS, ALASKA 99707

PHONE 452-4471

March 25, 1975

The Honorable Jay S. Hammond
Governor, State of Alaska
Pouch A
Juneau, Alaska 99801

Re: Rent controls

Dear Governor Hammond:

The Daily News-Miner in two or three recent articles indicates that you are surveying the housing situation with the possibility of invoking rent controls. (Clipping from March 19, 1975, enclosed.)

This Association, its Directors and officers, feel that rent controls would be detrimental to the housing market in our community, and not in the ultimate public interest, for the following reasons:

(1) Developers discouraged. Developers involved in housing, both residential and multiple, would be discouraged from entering the local rental market by rent control laws. At present, and the immediate future the City of Fairbanks and the State should be encouraging such developments, and not raising impediments, because of the great rental housing demand. Developers must seek adequate rents to justify the risks, and to cover skyrocketing construction costs, high interest rates, and continually climbing taxes, utility rates, insurance rates and cost of labor.

Apparently at a recent hearing reported in the Daily News-Miner on March 24, 1975 (clipping enclosed), held by State Senator Pat Rody and Charles Parr, Representative from Fairbanks, it appeared from the summary of that hearing that rent controls were not the answer. Mr. Mario Grassi from Fairbanks testified that he was thinking of building additional housing, but would not do so now in view of the possibility of rent controls.

This Association has contracted to sell a tract of approximately five acres in Hamilton Acres, which it acquired through foreclosure, where a builder went into bankruptcy last year apparently because of the rising construction costs and the low rentals. The new buyers have already questioned whether they should go through with their proposed purchase because of the prospect of rent controls. They were planning to rush completion of 24 units of housing (2-bedroom apartments) by June



"Christ Makes Men Independent"

on existing foundations. They further planned to build approximately 150 more units by October. There are other projects under consideration or planned, which may stop because the fear of rent controls may discourage lending institutions from proceeding with loans, because of the income uncertainties which would follow, or because the builders are discouraged by such uncertainties. It is difficult to encourage builders to construct housing when rent controls are threatened, when such builders can find ample work on commercial projects, the Alyeska pipeline project, and various City, State and Federal projects, involving no such controls on income.

(2) Mortgage investors discouraged. Such discouragement would affect also mortgage investment funds. These would seek areas, which have fewer restrictions, and a more positive basis for a return as good as is available in other markets, and commensurate with risks involved. We have already been confronted by reluctance of investors to consider the Fairbanks market because of the low rentals, which had prevailed since the partial closing of Ft. Wainwright. It is only since approximately last spring that housing has become tight in the Fairbanks area, and that apartment owners have been able to secure a reasonable rental commensurate with their costs of operation and meeting mortgage payment requirements, insurance, and taxes. It is our opinion that any rental gouging is not by the recognized, stable rental projects, but by scattered cases of individuals with one or two, or a handful of units to rent.

(3) Property values lowered. Such rental controls would lower property values of existing multiple apartment projects, affect their maintenance and upkeep, and ultimately reduce the tax base. Examples can be found in New York state, where core areas of cities deteriorated, and ghettos were created, because of rent controls.

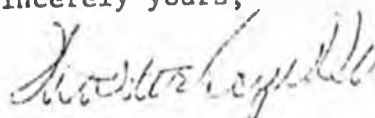
(4) Encourage bad building practices. It would encourage low-cost housing building practices, and proliferate cheap trailer courts, which would remain as a scar in this community. Builders of this type of low-cost homes are quickly in and out of the building market. As a result of rent controls, our reputable builders could not enter the housing market, because of the limitations as to income to be realized from their investment, but no limitations on their costs.

(5) Sound rental controls. Supply and demand has long been recognized as the stimulus for economic growth. It is also the sound basis in a free enterprise system on which to control rental rates. Encouraging more housing so that a vacancy factor of 3% to 6% is achieved will control rental rates more efficiently. Rental gouging has no place when there are vacant units into which a tenant can move. Vacant units are offered at reasonable market rates.

The Honorable Jay S. Hammond
March 25, 1975
Page Three

When taxes, interest rates, insurance, utilities and the cost of repairs are so high, and continue to climb annually, who is to say what the rental rate should be on a particular type of apartment? Obviously the market, the law of supply and demand must control it. The recent Federal price and wage controls have been generally recognized as failing to achieve their purpose. There is no war or disaster, which inhibits the supply, and which would justify rental control. Rental control may inhibit supply. If additional housing is desired, and more adequate and acceptable housing, then rent controls are not the answer.

Sincerely yours,



Walter Sczudlo
President

WS/eb

Enclosures

cc: ✓ Fairbanks Chamber of Commerce
Dr. William R. Wood, Executive Vice President
Fairbanks Industrial Development Corporation
Mr. Don Dennis, City Editor
Daily News-Miner
Senator John Butrovich
Senator John Huber
Senator Terry Miller
Representative Mike Bradner
Representative Fred Brown
Representative Steve Cowper
Representative Glenn Hackney
Representative Charles Parr
Mr. Roger A. Riddell, Director
Federal Housing Administration
Mr. Ray Hartlieb, President
Alaska League of Savings Associations

More views on the housing problem

Don't believe all landlords getting fat on rental gouge

Despite previously published reports of rent gouging in Fairbanks discovered in a Daily News-Miner survey, most landlords here are facing rising costs of doing business with minor increases and in some cases no increases.

This coupled with a pending decision facing Gov. Jay Hammond on whether to establish rent controls adds up to challenge for Fairbanksans to solve its housing problems as best it can.

Chamber of Commerce Manager Wally Baer said today the chamber is starting a survey among renters and landlords alike to determine the need for rent controls and to discover exactly what problems both tenants and landlords are having.

A spokesman for the governor said today that some form of rent control is being considered but, said Hammond representative here, Larry Holmstrom, the governor wants comments from Fairbanksans to determine how he will proceed on the matter if at all.

The Daily News-Miner today contacted several apartment complex managers who indicated they are leary of rent controls because, as one put it, "what's fair for one owner is not fair for another."

Holmstrom said the governor wants to know if residents think rent controls are justified, what specific examples persons have to justify them, and what form they want the controls to take.

The chamber began a survey of existing rental rates last week and discovered that rents in most large complexes have risen slightly to not at all.

A comparison of reported rental rates between March of this year and April of last year, showed increases from as little as 4 per cent to as much as 10 per cent.

Grandeur Apartments, reportedly up for sale, reported increased rents 10 per cent for its two-bedroom, unfurnished apartments which will cost existing tenants \$302 and new tenants about \$160 a month.

Although increases were not necessarily uniform, it appears that landlords are raising their rents to cope with rising costs for heat and utilities and maintenance and taxes.

Notable exceptions where no increases occurred during the year included Blevins apartments, Crown Court, Dixon apartments, Northward

Building, Palfy Aello, Pleasant Manor, Smith apartments, and some units at Tanana Village.

A sampling showed increases for two-bedroom furnished apartments at Ambassador, 33 per cent; Ballaine Lake, 16 per cent; E P Rentals, 15 per cent for unfurnished; Fairview Manor, 12 per cent; Goldner, 8 per cent; Glenwood Manor, 10 per cent; and Midtown, 38 per cent.

The manager of the Ambassador, who asked not to be identified said, "I don't think rent controls are necessary in our case. I don't understand how they could make it a fair deal all around.

I don't think other owners are charging outrageous prices, especially for new apartments. They've got to charge high prices to come out on them due to high cost of building and furnishing.

"Your newspaper went from 10 to 15 cents in 15 years. That's a bigger increase than we've had," the manager said.

The manager said since 1958 Ambassador rents have been raised from \$185 to \$250 for a one-bedroom unfurnished apartment, and from \$225 to \$360 for a one-bedroom furnished.

The Ambassador property is assessed at \$700,000, "so we pay a pretty good hunk in taxes," the manager said.

Zelma Traeton, who owns Ballaine Lake apartments and is business office manager for the Daily News-Miner, said she agrees there is some price gouging going on but, "prices for everything are going up. Maybe rent controls are necessary, but I can't really say I favor any type of controls. You have to keep in mind the high building costs now as well as interest rates."

(See LANDLORDS, page 3)

LANDLORDS...

(Continued from page 1)

The manager at Moose Creek apartments reported a rent increase of \$20 in the past year. Two-bedroom apartments there including utilities cost \$293 monthly. The manager said there are 80 persons on the waiting list to move in.

A tenant at Midtown apartments, where rents increased more than 20 per cent in a year, said the rent was too high for the apartments offered.

Alvin Braker, manager for Sparhawk and McLean's complex at Gust Road said the complex is still below the market rate for increases while heating costs have gone up as much as 60 per cent over last year.

"I think it would be a wonderful idea rent control," she said. I can see now some people recognize that with no vacancies

in town they can charge what they want. I'd rather keep our tenants than run them off by raising the rent."

Barbara Donathan of Sprucewood Manor reported their rents had gone up \$20 in the last year because the bank "raised its interest rate on us so we were forced to that. I imagine there will be another rent increase this summer because the manager is going to make some repairs."

Barbara Morris of Tanana Village said, "rent is getting out of control but not here because we're not that way. Compared to what I see in the paper people do need some sort of protection."

"There is such demand and no availability, they're asking high prices and jacking them. I'm leaving at the end of the month."

Housing dominates impact hearings

By SUZANNE BUSHONG
Family Editor

Although testimony wandered through topics ranging from child care to the State Office on Aging, impact hearings in Fairbanks Saturday turned out to be a forum on the housing crunch.

And though a few solutions to Fairbanks' housing shortage were offered, the two legislators conducting the hearings will take more complaints than suggestions back to Juneau.

State Sen. Pat Rody of Anchorage summed up the feelings of many of those testifying: "This impact is coming from the oil companies, not the pipeline workers. They have brought us inflation on top of inflation and they should bear that cost as part of the cost of doing business. We must reduce the burden on the average Alaskan who is paying

the way for Standard Oil and BP."

Rody and Charles Parr, representative from Fairbanks, were conducting the hearing to gather information for the legislature on the impact of pipeline construction on low and fixed income persons. They also were looking for residents' opinions on rent control.

The three solutions suggested were installation of railroad sleeping cars in the town, erection of several small units for seniors at the 33 Mile Senior Citizen Center and development of parks for mobile and modular homes.

Doris Southall, who has been instrumental in getting the senior citizen high rise project started, suggested that the city look into stationing railroad cars around town for temporary housing this summer. She said the Canadian

railroad has several cars to lease or sell to the state, which could be used in Fairbanks the way railroad cars are used for housing at McKinley Park. Borough Mayor John Carlson said it would be difficult to find a place to put the cars, however, since the Alaska Railroad has plans to develop the railroad area for industry in the near future.

Joe Steinar, a member of the Senior Citizens of Interior Alaska, said the organization has land at the 33 Mile Center and about 1,000 logs which could be used to construct housing. He suggested the group look for assistance in the way of federal and state matching funds to put up several small units on the property. The units would be only for sleeping, with a utility building for laundry and showers

and meals provided at the main center.

Perry Stoop told the legislators mobile and modular units were the only answer for a temporary increase in housing. But he said utilities would have to be provided by the city before any sites could be developed for the units.

Older persons were one of the main concerns of the hearing, and many testified individually and as members of senior citizen groups.

Marjorie Lockwood said she was finding it impossible to locate a place to live. She is moving out of her large home, which she no longer can maintain, she said, and is looking for an apartment. She said she saw one place for \$250 a month, "but you would have to pay me \$250 a month to live in it." She noted

that several nice apartment complexes in town have kept their rates reasonable. "If one can do it, I can't understand why the others get such awful prices."

Sue Ohata, director of the North Star Council on Aging, testified that there are 40 elderly in the Golden Age Apartments on Ninth Avenue. That complex has 20 units. She also noted that there are many persons in Careage North who don't need nursing care, but can't be released because there is no place for them to go. "It costs the state \$900 a month to keep them there and I don't think that's a good way for our tax money to be spent," she said.

There are persons taking up residence at the Salvation Army and Rescue Mission as well, Ohata said, preventing these agencies from providing the emergency relief services they are designed to provide.

But retired persons aren't the only ones on fixed income who are suffering from the housing crunch. Testimony also was received from many young people, including a teacher, a borough employe and a federal employe.

Pat Johnson, a federal government employe, said she has lived in Alaska all her life and in Fairbanks the last five years and doesn't want to move. She is, however, faced with finding an apartment because the building

in which she resides is being demolished to make way for the Steese Bypass. She said she had been trying to save money to buy her own home, "but I can't save anymore, I just can't afford to." She said although inflation on food and other items is causing problems, rent is the biggest cause. Johnson said she has been looking for housing since notification from the Highway Department, and hasn't had any luck yet.

Rody questioned her about trailers, and she said she would live in one if she had to, but preferred apartments to trailer parks. Parr pointed out that many banks have been reluctant to loan money for construction of trailer courts, and Carlson said there are not enough trailers coming into town to meet the demand anyway. "If someone could get 400 mobile homes in here tomorrow he would sell them all," the mayor said.

Pat Rutledge, a borough employe, said she may have to leave Fairbanks if she receives another rent increase. "I have lived here 15 years, I have worked in this area and spent my money here. I resent this situation. I consider Fairbanks my home and I am being driven out."

Rutledge said she does not think her landlord is gouging, and said the increases have been reasonable and over a reasonable period of time, but her salary has

not gone up accordingly. She said half of her pay goes toward rent and utilities. "There is a lot of money in town and I don't blame the people who own apartments. They could make a lot more. Everyone says if you can't make it in Fairbanks go work on the pipeline, but I don't think that's an answer," she said.

Rutledge, like many of those testifying, felt the permanent residents of Fairbanks with stable jobs were the ones suffering most from the impact of pipeline construction, and the ones who are being forced to move out, but she didn't know what the state could do.

One suggestion has been rent controls, but Mario Grassi, a landlord here, told the legislators that would be a mistake. He said if rent controls were instituted, landlords would raise rents to the maximum in order to insure income for the duration of the controls. Other problems landlords face, he said, are increased costs and the risks in any new construction here. "I was thinking of building but I won't now with the possibility of rent controls," he said.

Other testimony included statements about lack of child care facilities, increase in juvenile delinquency, high food prices, high fuel costs, and hiring of out-of-state persons over Alaskan residents for pipeline jobs.

Grassi
3.7 Mile Parkers Loop Road
Fairbanks, Alaska 99701

March 27, 1975

Mr. John Carlson
Borough Mayor
Box 1267
Fairbanks, Alaska 99701

Dear Sir:

We wish to advise you of some of the reasons why we are opposed to Rent Controls. We really want you to take serious measures to prevent Rent Controls.

First of all, they are unconstitutional, they are against free enterprise, they are discriminatory to one group of people, they reduce the building of new apartments, they cause higher local revenue taxes by holding down prices on apartment houses, they cause a rise in assessments to other commercial buildings and private homes. At this time, in Fairbanks, Rent Control plays favoritism to seasonal and/or pipeline workers from other states instead of the year-round Fairbanksan (us, included) who was here before the oil discovery and who will be here after the pipeline is built. We will also be here to vote after the transients are gone. Anyone who votes for Rent Control will have lost our support permanently. It is quite evident how the long-time Alaskan resident feels if one looks at the fate of the last two officials who pressed for rent control (I'm referring, of course, to Mr. Egan and Mr. Parsons)

It is nauseating, indeed, to realize that we have voted into office some politicians who are more concerned with winning votes than in fairness and justice for all the people, especially the ones who labor hard to get a little ahead of the masses. Those politicians are prejudiced because if they want to impose controls they should also be considering controls on labor (i.e. plumbing, heating, electrical, appliance, carpentry labor); controls on the rising costs of materials (i.e. windows, roofing, carpet, beds, lumber, etc.); controls on utilities (water and electricity); on fuel, taxes and assessments; controls on all kinds of business, hospitals and on other housing. Yes, on other housing...We haven't heard a word on controlling hotels, motels and rooming houses. Why not? Do they have too much political influence? If you are going to impose Rent Controls on apartments, then you must also impose controls on the rest.

What about the lean years, when 25% to 50% of the apartments in Fairbanks were empty? What did all the political co-gooders do for the apartment owners then? What will you do when all the Pipeline workers go back home to the Lower 48 with their savings? Just what will you do for the lean years to come? I know...you will increase the taxes to clear up the mess that will be left. Right? I hope you realize what we think of that idea.

We know first-hand what rent controls can do. It started in New York City for the war years. 34 years later, it is still there, but the City Government is now the largest landlord in town; who got that way by having to repossess the buildings that weren't bringing in enough rent to pay the increased bills and taxes. So, they had to tax business to counteract the loss of tax revenue from the former apartment owners. Now, business has left in droves and the city is in chaos. They built the Twin Towers, but they are half empty. The Stock Market threatened to move out to the Virginia, Maryland, Washington D.C. area in 1965 until they were exempt from some taxes. The last we heard was that someone had suggested foreign aid.

We started in the apartment business before the oil discovery and we own twelve apartments. We managed to barely stay in the black for a number of years and we looked forward to a little relief in the construction of the pipeline. But, between the excessive high rise in costs and the possibility of Rent Control, we are beginning to feel it was not worth the effort or investment. If you think it is such a good business, please try it. We are so disgusted between the rent control crisis and the excessive costs (particularly in labor) that, although we had planned to build some apartments near Airport Road and Cushman Street, we have cancelled all plans until this rent control situation is settled once and for all.

For your information, the following is a percent cost increase within the past year. We arrived at these figures by comparing our own bills and/or by contacting the businesses in Fairbanks that we deal with and checking with them. If you feel you wish to check on our credibility, just go talk to the business people.

- ...assessment increase over last year range from 20% on some property to 100% on others
- ...taxes: unknown at present, but estimated possibility of 5% increase
- ...Fuel Oil (per 1,000 gal. tank price): increase of 9%
price Aug. '74...43.9¢; Feb '75...47.7¢
plus a 5¢ per gal. Federal increase is expected
- ...Plumbing maintenance & repairservice: increase of 50 to 100%
went from \$20 to \$30 per hour, with a possibility
of going to \$40 per hour by end of summer
- ...Burner service: increase of 33.3% to 66.6%
went from \$18 to \$24 per hour, with a possibility
of going to \$30 per hour by summer
- ...Garage door repairs: increase of 25%
went from \$24 to \$30 per hour.
- ...Business & Snow Removal Vehicle (Jeep) increase of 70%
labor repair costs went from \$14 to \$24 per hr.
- ...Carpenter labor went from \$16 to \$20 per hour increase of 50%
- ...Garbage pick-up went from \$25 to \$33.33 increase of 55%
- ...Miscellaneous furniture items often needing replacement
in furnished apartments:
 - mattresses went from \$87.75 to \$120 increase of 73%
 - couch (July '73) from \$201.85 to \$369.90 increase of 75%
 - couch reupholstery from \$125 to \$185 increase of 50%
 - carpet from \$11 per sq.yd. to \$15 increase of 33.3%
- ...Water...Electricity...Insurance: increases are unknown presently
- ...last, but not least, let us mention the increase as of April first in
the newspaper subscription rates from \$4 to \$4.50.

We average six hours per month, per apartment for maintenance, repair, supervision and management. I need an increase per hour, too.

What about our investment of cash for down payments, totalling \$48,000.00?; which otherwise could be drawing interest at the bank.

We feel that we need an increase this year of 25%. Our apartments range from our best two-bedroom (1200 sq.ft., carpeted, expensively panelled, modern kitchen/built-in appliances, table-top stove, breakfast bar, heat & water, completely furnished, near the center of town) that rents for \$375; our smallest two-bedroom that rents for \$325; our largest (as plush as mentioned above) one-bedroom that rents for \$300; to our smallest one-bedroom that rents for \$250. Major repairs are beginning to be needed in two of our duplexes (in Arctic Park) as they are approximately 20 to 25 years old. Items

| | | |
|--------------------------------|-----------------------------------|-------------------|
| needed such as: new kitchen... | estimated cost of | \$2,000.00 |
| | new burner, furnace & air blowers | 1,000.00 |
| | aluminum siding | 2,700.00 |
| | peaked roof | 2,500.00 |
| | total cost est. | <u>\$8,200.00</u> |

If a substantial rent increase is not allowed, these improvements cannot be made and the original investment will be lost as we stated in the example of New York City. We feel we are in need of a minimum of 25% increase over our present rents, provided the City and Borough taxes do not become excessive. Some apartment owners need to charge higher rents than others due to their having paid higher purchase prices to start with. So, how can a blanket rent control be set up fairly?

We were impressed with the Governor's recent statement in which he wanted Alaskans to be hired first to work on the pipeline. If this came to pass, the housing problem would be minimal because the Alaskan from Ketchikan or Juneau or Barrow is not bringing his family to Fairbanks. He is not the one who is screaming for rent control. Rather, the newcomer, who will also return to his home when the bonanza is over, is the one who is making himself heard. Unfortunately, we Alaskans will still be here to pay the taxes, suffer the consequences, and vote.

I suggest a guide-line for both renter and rentee as to what is fair, because most people simply do not know. They can easily be influenced by second-hand stories and by inflammatory statements published in the newspaper. As for the landlord who is excessive in his rents, we feel the Consumer Protection Agency should be able to take care of the problem.

Thank you.

Yours truly,

Mario & Vilma M. Grassi

CONFERENCE COMMITTEE
REPORT

_____ Date

Mr. President
Mr. Speaker

The Conference Committee [with powers of free conference]

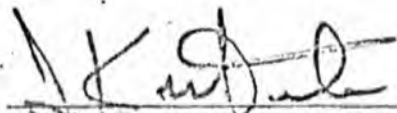
which has had SENATE BILL NO. 290 and HOUSE COMMITTEE

SUBSTITUTE FOR SENATE BILL NO. 290 (rent control)

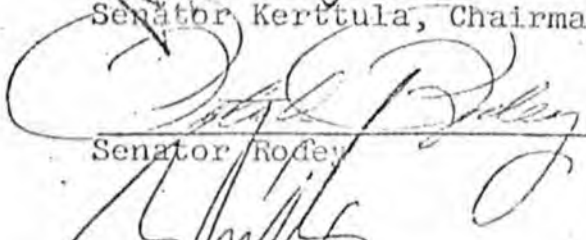
under consideration, recommends that

Senate members

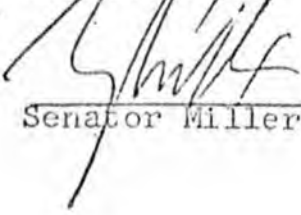
House members




Senator Kerttula, Chairman



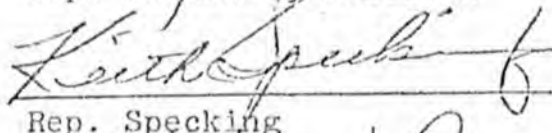
Senator Rodey



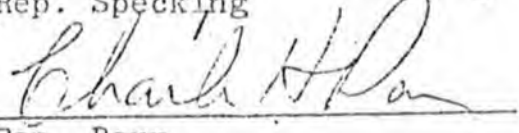
Senator Miller



Rep. Gardiner, Chairman



Rep. Specking




Rep. Parr

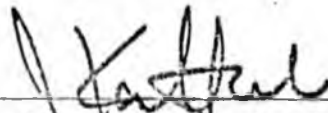
May 15, 1975

Statement of Intent
Free Conference Committee on
SB 290 and House CS SB 290 (Rent Control)

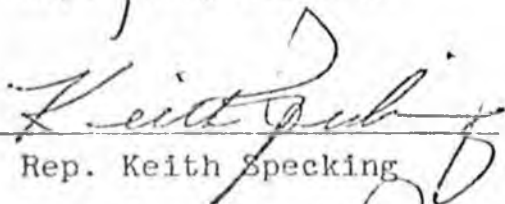
Emergency rent control is new to Alaska and therefore the committee has sought to avoid the problem of having all the enforcement provisions necessary to carry out the intent of the act contained in statutes which could not be modified between legislative sessions to meet unexpected or changing circumstances in the months ahead. Basic enforcement provisions are set out in regulations promulgated by the commissioner of the Department of Commerce, and are already in effect. The commissioner has the authority to change the regulations should the need arise as he administers the program. However, the bill does not limit the aggrieved person to administrative remedies and litigation sponsored on his behalf by the Department of Commerce; the person may take his cause of action into court, after having exhausted administrative remedies provided in the regulations, and seek either injunctive relief or monetary damages, or both.



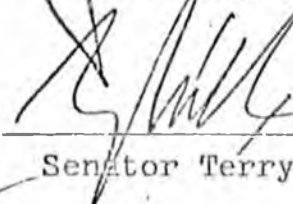
Rep. Terry Gardiner



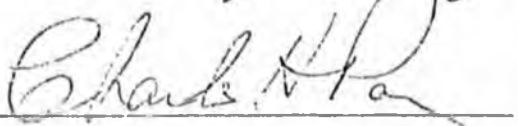
Senator Jay Kerttula



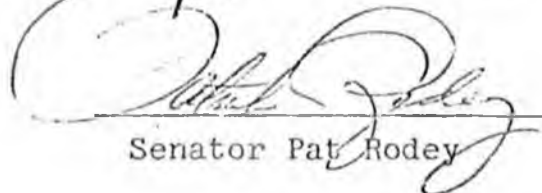
Rep. Keith Specking



Senator Terry Miller



Rep. Charles Parr



Senator Pat Rodey

CONFERENCE COMMITTEE
REPORT

_____ Date

Mr. President
Mr. Speaker

The Conference Committee [with powers of free conference]

which has had SENATE BILL NO. 290 and HOUSE COMMITTEE

SUBSTITUTE FOR SENATE BILL NO. 290 (rent control)

under consideration, recommends that

Senate members

House members

Senator Kerttula, Chairman

Serry Gardiner
Rep. Gardiner, Chairman

Senator Rodey

Keith Specking
Rep. Specking

Senator Miller

Charles Parr
Rep. Parr

letter of intent

*Act left broad so Dept
can attempt other reg's*

AMENDMENTS TO HCSSB 290

PAGE 1, LINE 27:

Delete "After the governor issues [ON ISSUING]" and insert in its place "On issuing."

PAGE 1, LINE 28:

Delete "attorney general [GOVERNOR]" and insert in its place "governor."

PAGE 2, LINES 4 and 5:

Delete "attorney general [COMMISSIONER OF COMMERCE]" and insert in its place "commissioner of commerce."

PAGE 2, LINES 7 and 8:

Delete "including but not limited to provision for the establishment and adjustment of maximum rents."

PAGE 2, LINE 12

Delete "attorney general" and insert in its place "commissioner of commerce."

PAGE 2, LINE 15:

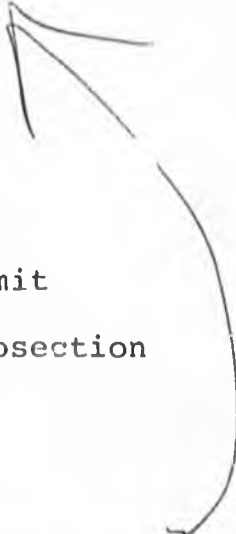
Delete "attorney general" and insert in its place
"commissioner of commerce."

PAGE 2, LINES 18 and 19:

Delete "attorney general" and insert in its place
"commissioner of commerce."

PAGE 2, LINES 27 and 28:

Delete "in excess of the maximum rent established for
the accomodation by the attorney general by regulation,"
and insert in its place "without justification for an
increase in accordance with regulations adopted under this
chapter,"



PAGE 3, LINES 1-3:

Delete "the attorney general may by regulation permit
increases in the maximum rent established under this subsection
to allow for increases in" and insert in its place "the
commissioner of commerce may permit rent increases in
accordance with regulations adopted under this chapter for a
reasonable rate of return on investment," *+ increased costs*

PAGE 3, LINE 23 -- PAGE 4, LINE 5:

Delete all material. Renumber following sections accordingly.

PAGE 4, LINE 11 -- PAGE 6, LINE 4:

Delete all material. Renumber following sections accordingly.

PAGE 6, LINE 5:

Delete all material. Renumber following sections accordingly.

PAGE 6, LINES 6 and 7:

Delete all material. Renumber following sections accordingly.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 29, 1975

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Gardiner:

As you probably know, my administration has endeavored to develop a workable solution to the residential-rent problem in various areas of the State. This month alone, we have studied a dozen different "rent-control" plans, held hearings in Fairbanks and Valdez, issued a statement of findings, declared that an emergency housing crisis exists in the two areas and created what appears to be a completely workable solution to the problem including the drafting of a set of regulations.

After advising the Valdez City Council and the Fairbanks Borough Assembly on the details of the plan, each body unanimously approved the plan.

In essence, the Emergency Rent Review Program is composed of four points:

1. A local advisory board of adjustment is created in each area wherein an emergency exists;
2. Landlords are required to give 30-day notice of rent increases. Upon complaint, the board of adjustment advises the Commissioner of Commerce on the validity of the rent increase within 15 days of submission;
3. An appeal to the Commissioner of Commerce or to the courts is provided;
4. Reasonable expense and profit increases are allowed.

Members of my administration have, in the past, testified at many committee hearings on four rent-control bills. Regularly, they have supported my theory of opposition to a broad-brushed approach: such an approach is cumbersome, costly and inappropriate for the problems facing Alaska today.



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The Honorable
Terry Gardiner

-2-

April 29, 1975

Hence, I feel obliged to strongly urge you to introduce the amendments below deleting reference to "maximum rent established in H.C.S.S.B. 290:

AMENDMENT 1. Page 2, lines 7-8: delete "including but not limited to provision for the establishment of maximum rents"

AMENDMENT 2. Page 2, lines 27-28: replace "in excess of the maximum rent established for the accomodation by the Attorney General by regulation," with "without justification for an increase as set out in regulations pursuant to this chapter,"

AMENDMENT 3. Page 3. lines 2-3: Replace "increases in the maximum rent established under this subsection to allow for increases in" with "rent increases under this subsection to allow for increases in reasonable rate of return,"

Furthermore, in that the Department of Commerce has had substantial input into this program, I would prefer that the statutory authority for implementation of any such program remain with that department.

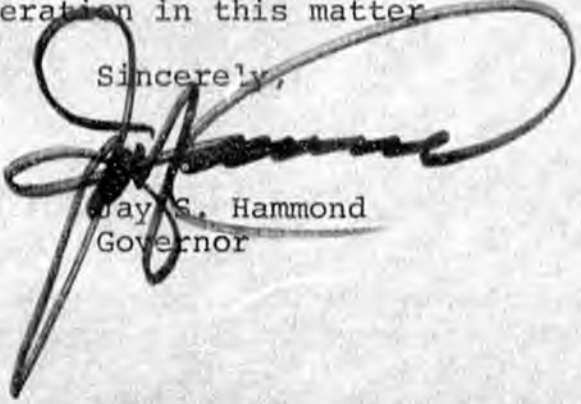
And finally, I feel that the following sections of H.C.S.S.B. 290 will be covered in the regulations now being prepared by the Attorney General in conjunction with the Department of Commerce and, therefore, should be deleted from the bill:

1. Sec. 34.06.042. Injunctive Relief;
2. Sec 34.06.044. Action for Damages;
3. Sec. 34.06.045. Certificate of Eviction.

It is unfortunate that the timing of completion, presentation and subsequent approval of the rent-review program by the most affected areas (any many members of the legislature) coincided with the diligent work you have performed and as such we did not have the opportunity to formally present the program to your committee. Nevertheless, I feel that an unamended H.C.S.S.B. 290 could detract from the program as understood and approved by local communities, that it is (unamended) a broad control program vice and individual case-by-case approach that we found acceptable and desirable through public hearings.

Thank you for your consideration in this matter

Sincerely,



Jay S. Hammond
Governor

*file under
Rent control*

RONALD G. NELSON

Professional Civil Engineer

1500 AIRPORT WAY P.O. BOX 888

FAIRBANKS, ALASKA 99701

(907) 456-4854

April 29, 1975

Alaska House of Representatives

Pouch V

Juneau, Alaska 99801

Dear Representative:

REF: House Bills No. 448, No. 449 & House Concurrent Resolution No. 52
(All introduced 4/22/75)

I'm strongly opposed to all of the referenced legislation in its present form and request that you do not support its passage.

I'm currently midway in development of a 179 unit mobile home park near Fairbanks at 3/4 mile cGrath Road. I will begin accepting units in June 1975 with completion scheduled this construction season.

The referenced legislation will place me and other private developers of mobile home parks in competition with state government, a situation which I'm sure you'll agree is contrary to the basic free enterprise system.

If the legislature sees fit to single out the mobile home industry as its vehicle for alleviating the current housing shortage in the Fairbanks area I strongly recommend a method be employed that will accomplish the objective of making available mobile homes to individuals of lower, fixed or moderate income in a manner that will not adversely affect any segment of the mobile home industry as the referenced legislation certainly would do.

Contrary to wording in HCR # 52 which states "...Whereas there is no indication that private industry can or will supply the low-cost housing necessary to meet this crisis..." I submit for your information the following list of mobile home parks which have been approved by the Alaska Dept. of Environmental Conservation, The Fairbanks North Star Borough and further are under construction:


| | |
|---------------------------------|-----------------|
| Greenwood Village | 179 Units |
| Tanana Mobile Home Park | 182 Units |
| Town & Country Mobile Home Park | <u>40 Units</u> |
| TOTAL | 401 Units |

Verbal contact with the two above mentioned agencies revealed also that a 500 unit mobile home park is presently in the final stages of planning and approval for the North Pole area to be constructed by Columbia Developers this season. Additionally, Mr. Jeff Cook of Cook Real Estate, estimated that there are approximately 200 private subdivision lots

presently available in the Fairbanks area on which placement of mobile homes are approved. Considering the above, I believe it is evident that the private sector can and is supplying the necessary spaces for mobile homes in the Fairbanks community.

I recommend that the legislature direct its efforts in this area towards establishment of a form of state guaranteed/ and or subsidized loans to individuals for purchase of the mobile home units from the various established dealers for placement of said units in the various parks or on private lots which are available and are continuing to be made available by private industry. I believe such an approach would make lower cost housing available to the desired segment of the population, greatly alleviate the housing emergency in the Fairbanks area and accomplish it in a manner acceptable to all portions of the mobile home industry.

Sincerely,


Ronald G. Nelson P.E.

RGN/bd

cc: Governor Hammond
Fairbanks Borough Mayor, John Carlson

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXX~~ 6425

By: Donald E. Clocksin

May 12, 1975

PROPOSED AMENDMENTS TO HCS for SB 290

1. On P. 3, line 24, strike all of section 34.06.042 and insert:

"Sec. 34.06.042. [INJUNCTIVE RELIEF]. An aggrieved person or the department may apply to the Superior Court for an order enjoining any act which is or may be a violation of this chapter or a regulation or order issued under it. The order shall be granted without bond.

2. On P. 4, line 11, strike all of section 34.06.044 and insert:

Sec. 34.06.044. [ACTION FOR DAMAGES.] For any violation of this chapter or a regulation or order issued under it, an aggrieved person may bring an action for damages within one year from the date of the violation or from the effective date of a declaration of a housing emergency, whichever is greater. In such an action, the prevailing party may recover attorney fees and costs and damages, as determined by the court.

3. On P. 5, line 20, strike section 34.06.045 and insert:

Sec. 34.06.045. [CERTIFICATE OF EVICTION.] During a housing emergency the department shall adopt regulations which allow evictions upon a finding that the reasons for the eviction are fair and consistent with the purposes of this chapter.

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXXX~~ 6425

MEMORANDUM

TO: Representative Terry Gardiner
FROM: Donald E. Clocksin
RE: HCSSB 290 - Rent Control
DATE: April 29, 1975

The following are proposed amendments to the rent control bill to satisfy some of the concerns of the governor in his April 29 letter to you, and to eliminate unnecessary confusion and inconsistencies between the governor's plan and the bill.

1. On p. 2, line 8, after "rents" insert "or rent increases"

Explanation: This clarifies that the program implemented by the governor could adopt either of the two alternative systems of rent control - across-the-board rent maximums or individually authorized rent increases. The governor's plan adopts the second alternative, but the situation may require more flexibility in the future.

2. On p. 2, line 27, after "rent" insert "or rent increases"

On p. 2, line 28, after "general" strike "by regulation"

Explanation: Same as above. In addition, the deleted language would not allow the attorney-general to forbid a rent increase in an order, as opposed to an across-the-board regulation.

3. On p. 3, line 2, after "permit" insert "rent" and ^{after} "increases" delete "in the maximum rent established"

Explanation: Same as #1 above.

4. On p. 3, line 3, after "allow for" delete the remainder of the sentence and insert "certain justifiable cost increases in accordance with regulations adopted by the attorney general."

Explanation: The proposed regulations allow the pass-along of costs and have identified other justifiable costs not included in the bill. The change would allow the regulations to specify what costs could be passed along.

5. On p. 3, line 26, strike "a tenant" and insert "an aggrieved person"

Explanation: This achieves balance by recognizing that either party can be injured.

6. On p. 4, line 1, strike "landlcrd" and insert "responsible person"

Explanation: same

7. On p. 4, line 11
On p. 4, line 14
On p. 4, line 15
On p. 4, line 20, after "landlord" insert "or tenant"

Explanation: Either landlord or tenant could hypothetically violate this chapter.

8. On p. 4, line 13
On p. 4, line 21
On p. 4, line 26
On p. 4, line 29, strike "tenant" and insert "person"

Explanation: same

9. On p. 5, line 4, strike "landlord" and insert "person"

Explanation: same

DEC:mjb

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER / POUCH: D — JUNEAU 99801

May 7, 1975

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Representative Gardiner:

The attached amendments to HCSSB 290 are offered for your consideration. They reflect the feeling and program outlined by the Governor to local governments affected by the declaration of the housing emergency.

Essentially, the amendments intend to accomplish the following:

- 1) The elimination of a statutory provision requiring the establishment of maximum rents prior to implementation of any rent regulation plan. (Reason: The Emergency Rent Review program calls for a one-on-one approach, not broad maximum rent ceilings.)
- 2) The transfer of the rent regulation program to the Department of Commerce. (Reason: The Department of Commerce has geared up for this emergency. Transfer to another agency at this time will incur delay in solving emergency problems.)
- 3) The deletion of the sections dealing with Injunctive Relief, Action for Damages and Certificate of Eviction. (Reason: They are either covered in existant regulations or not consistent with the primary target of the regulations. "Teeth" are provided in the ~~regulations~~ through the retention of the criminal penalties.)

Optional

yes

I would be more than happy to meet with the members of the Free Conference Committee and discuss these amendments - or any of the information attached - at any time.

The Honorable
Terry Gardiner


-2-

May 7, 1975

Hopefully, the committee will also discuss methods of financing a rent regulation program. Should the committee decide to transfer the program to the Department of Commerce, suggested appropriation bills, with supportive data, are attached.

Thank you for your consideration.

Sincerely yours,



Langhorne A. Motley
Commissioner

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER / POUCH D — JUNEAU 99801

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*Must have
conflict
reg & stat
law
yes*

yes

*Delete:
042
044
045*

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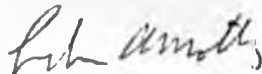
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Commissioner

CHAPTER 90. EMERGENCY RENT REVIEW.

Section

- 10 Application of chapter
- 20 Procedure for Increase in Rent
- 30 Complaints by Tenants
- 40 Notice of Filing a Complaint
- 50 Retroactivity
- 60 Emergency Rent Review Board
- 70 Operation of the Board
- 80 Hearings
- 90 Objections to Adverse Board Recommendations
- 100 Commissioner of Commerce
- 110 Standard for Review of Proposed Increase
- 120 Evictions and Vacations
- 130 Retaliatory Conduct Prohibited
- 140 No Waiver of Rights
- 150 Definitions

3 AAC 90.010. APPLICATION OF CHAPTER. This chapter applies to all residential housing accommodations, as defined in sec. 150 of this chapter, if the property is located in an area declared by the governor to be in a state of housing emergency, pursuant to AS 34.06.020. Except as provided in sec. 120 of this chapter, nothing in this chapter affects application of the Uniform Residential Landlord and Tenant Act (AS 34.03). The following are exempt from the provisions of this chapter:

- (1) the first rent assessed and collected upon the initial occupancy of a residential housing accommodation;
- (2) rent charged for transient occupancy in hotels, motels, and motor inns, as defined in sec. 150 of this chapter;
- (3) rent in federal or state-owned residential housing accommodations where the amount of rent charged is regulated by a public authority. (Eff. / / , Register)

Authority: AS 34.06.020
AS 34.06.030

3 AAC 90.020. PROCEDURE FOR INCREASE IN RENT. Before imposing any rental increase for a unit, a landlord shall deliver to a current tenant notice in writing of the proposed increase at least 30 days before the effective date of the increase. A landlord shall deliver such a notice in writing to a prospective tenant before the landlord-tenant relationship is created. The notice shall state:

- (1) the amount of the proposed increase and its effective date;
- (2) the specific reasons for the increase; and

Register ,

1975

COMMERCE

3 AAC 90.030

3 AAC 90.050

(3) the tenant's right to present the matter to the board within ten days. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.030. COMPLAINTS BY TENANTS. (a) Upon receipt of the notice required in sec. 20 of this chapter, a tenant, or a person who has reached an agreement with his or her prospective landlord, who believes that the proposed rent increase for the rental unit occupied or about to be occupied is unjustified may file a complaint with the Emergency Rent Review Board for his or her area. A complaint must be filed within 10 days after the receipt of a notice of intent to increase the rent; however, complaints as to rent increases which become effective after December 31, 1974 and before the effective date of this chapter must be filed within 30 days after the effective date of this chapter.

(b) Complaints may be on forms provided by the board, but any written statement which clearly delineates the complaint of the tenant shall be accepted as a properly filed complaint.

(c) A person who is unable to prepare a written complaint may make an oral statement to the board which clearly delineates his or her complaint, and this complaint shall be accepted by the board. The board shall prepare a memorandum of an oral complaint which shall be signed by the complaining party. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.040. NOTICE OF FILING A COMPLAINT. Within five days after a tenant has filed a complaint with the board under sec. 30 of this chapter, the board shall notify the landlord by sending to the landlord, or the landlord's agent who collects rent on the property, a copy of the complaint. Upon receipt of the complaint, the landlord may not implement the proposed rent increase until he is issued a rent order approving the increase by the commissioner of commerce or his designee, as set out in this chapter. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.050. RETROACTIVITY. When applicable, an approved increase is retroactive to the effective date specified in the notice of increase. A tenant who, after the effective date of this chapter, mistakenly pays a rental increase which is later denied in whole or in part, is entitled to a refund of the denied amount of that increase which he paid. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.060. EMERGENCY RENT REVIEW BOARD. (a) Appointments. A three-member Emergency Rent Review Board is created in each area in which a housing emergency is declared by the governor to exist. Within 20 days after the housing emergency is declared or after this chapter takes effect, whichever occurs last, members will be appointed by the governor in the following manner, assuring insofar as possible an equal representation of the interests of landlords and tenants:

(1) one member will be appointed from a list of three names submitted by the borough assembly;

(2) one member will be appointed from a list of three names submitted by the city council;

(3) one member will be appointed at-large by the governor.

(b) Failure to nominate. If the governing body of a municipality fails to provide the governor with its list of candidates within 10 days after the housing emergency is declared or after this chapter takes effect, whichever occurs last, the governor will appoint another at-large member.

(c) Single government areas. If only a single municipal government exists in the emergency area, two members of the board will be appointed by the governor from a list of five names submitted by that municipal government within 10 days after the housing emergency is declared or after this chapter takes effect, whichever occurs last.

(d) Vacancies. A board member who misses three consecutive meetings is considered to have resigned from his or her board. If a vacancy occurs, the original recommending authority shall, within 10 days, submit a list of three names to the governor for appointment. If the vacancy is in the position of the at-large member, the governor will appoint a person to fill the vacancy within 10 days. (Eff. / / , Register)

Authority: AS 34.06.020
AS 34.06.030

3 AAC 90.070. OPERATION OF THE BOARD. (a) Compensation and residence. All members serve without pay at the pleasure of the governor and must reside within the area declared to be under a housing emergency.

(b) Quorum. Two members of each board constitute a quorum for the transaction of business.

(c) Meetings. Each board shall meet at least once every 15 days. The first meeting of the board shall be held within 10 days after the official appointment date of the second member appointed.

(d) Duties. Each board shall review all complaints submitted to it within 15 days of submission. It shall recommend to the commissioner whether or not a proposed rent increase should be allowed to go into effect. If the board determines that a rent increase is not justified, it shall recommend to the commissioner that the increase be denied. If the board determines that the increase is justified, in whole or in part, it shall recommend to the commissioner the increase that should be allowed. The board shall notify the parties of its recommendation and notify them of their right to object to the commissioner as set out in sec. 90 of this chapter.

(e) Jurisdiction. Each board is authorized to review complaints involving any rent increases for residential housing accommodations which have or are proposed to become effective after December 31, 1974, in its area which has been declared by the governor to be in a state of housing emergency.

(f) Publication of Board Activities. Each board shall publish once a month during the period of housing emergency, in a newspaper of general circulation within its area, the names of its members, the dates of its meetings, the precise address to which all correspondence, complaints and reports should be directed, and a statement of the availability of a monthly journal. Each board shall publish a monthly journal which lists the increases requested and the commissioner's final disposition of complaints disposed of during the previous month. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.080. HEARINGS. (a) Hearing Procedure. Each board shall hold a hearing if it is requested by either party. Parties may be represented by counsel or by any other individual or agency if they desire representation. Any person designated by the commissioner may appear before the board. The board need not follow strict rules of evidence at a hearing but may consider any evidence it considers relevant in the interest of justice. Testimony shall be taken on oath or affirmation. The time of the hearings shall be set with regard to the convenience of the board and the parties.

(b) Record of hearing. Each board shall make a tape recording of each hearing. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040

3 AAC 90.090. OBJECTIONS TO ADVERSE BOARD RECOMMENDATIONS. (a) Procedure for objecting to a board recommendation. A party aggrieved by an adverse recommendation of the board may object to the commissioner within 10 days from the notification of an adverse board recommendation. The objections shall be in writing and shall state in a brief and informal manner the

reasons for the objection. Upon receipt of the objection, the commissioner shall review the record and issue a final determination concerning the proposed rental increase.

(b) Record. The record for purpose of reviewing objections or for purposes of judicial review consists of all written statements, evidence, and reports submitted to the board, and the recording of the hearing. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040

3 AAC 90.100. ORDERS OF COMMISSIONER OF COMMERCE. (a) Review of Objections to Board Recommendations. All recommendations of Emergency Rent Review Boards shall be forwarded to the commissioner for final action. The commissioner or his authorized designee will review on the record each recommendation of the board and issue a rent order approving or denying, in whole or in part, the proposed rental increase. A copy of the commissioner's order will be sent by certified mail to the landlord and the tenant. A rent order is considered a final order for purposes of judicial review and will include a statement of the parties' right to have the order reviewed in court, if a notice of appeal is filed in the superior court within 30 days after the issuance of the rent order.

(b) Effect of orders in actions for eviction. An order by the commissioner prohibiting an increase in rent is a defense in an action for eviction of a tenant for failure to pay that rent increase. An order by the commissioner allowing an increase in rent may be pleaded by the landlord in support of an action for eviction for failure to pay that rent increase.

(c) Prospective effect of orders affecting rents raised between December 31, 1974 and the effective date of this chapter. Any order of the commissioner requiring roll-back of a rent increase which became effective after December 31, 1974 and before the effective date of this chapter has the effect of invalidating the increase, but the tenant does not have an action to recover the amount of rent paid under the increase before the order of the commissioner is issued. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040

3 AAC 90.110. STANDARD FOR REVIEW OF PROPOSED INCREASES IN RENT. (a) It is the intent of this chapter to allow landlords in housing emergency areas to implement only those rent increases sufficient to enable them to recover increased costs for items reasonably and actually related to the operation of their properties and to permit them a reasonable profit on their investment.

(b) A rent increase will be approved by the commissioner if it does not exceed increased costs for the property or would not result in a profit on investment which is higher than that required to attract capital to the rental market in the housing emergency area. In determining what profit on investment would attract capital to the rental market in a particular emergency area, a board may take evidence on that subject before hearing particular cases, or it may consider evidence of that kind in particular cases. The burden of proof to establish, by a preponderance of the evidence, the profit on investment which would attract capital to that rental market is on the party alleging the appropriateness of a particular level of profit. If the evidence is inadequate, the allowable profit on investment is 15 per cent.

(c) In this section, "increased costs" means:

- (1) increases in taxes assessed;
- (2) municipal property assessments imposed since the last rent increase;
- (3) increase in utility costs;
- (4) increases in maintenance and repair costs;
- (5) increases in profit for a sole proprietorship or a partnership other than a limited partnership which are comparable to increases in the cost of living for the area;
- (6) the cost of capital improvements made after December 31, 1974 on residential housing accommodations existing on January 1, 1975, amortized over the useful life of the structure;
- (7) the cost of fixtures and furnishings provided after December 31, 1974 for residential housing accommodations existing on January 1, 1975, amortized over the useful life of the item;
- (8) increases in premiums for insurance on the property involved;
- (9) increases in credit losses occurring since the last rent increases;
- (10) increases in personnel or other management costs.

(d) In considering the items set out in (c)(1)--(10) of this section, allowable increases include but are not limited to the tenant's pro rata share of that cost item. In this subsection, "pro rata share" means the portion of the increase paid or assessed which bears the same ratio to the total increase as the rent set for the complaining tenant's unit bears to the total rent set for all units covered by that cost increase.

(e) A recommendation of the board either to approve or disapprove a requested increase shall set out in writing those findings of the board which, in the opinion of the board, were relevant to a determination of the validity of the increase.
(Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.120. EVICTIONS AND VACATIONS. (a) Notice of eviction. A landlord shall deliver a written notice of eviction to a tenant at least 30 days before the effective date of the eviction. In an area declared by the governor to be in a state of housing emergency, the notice of eviction shall clearly state reasons for the eviction.

(b) Notice of intent to vacate. A tenant shall deliver to a landlord a notification in writing that the tenant intends to vacate the premises. The notice shall be delivered to the landlord at least 30 days before the tenant vacates the premises.
(Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.130. RETALIATORY CONDUCT PROHIBITED. A landlord may not retaliate by increasing rent or decreasing services or by bringing or threatening to bring an action for possession after the tenant has exercised his rights under this chapter or AS 34.06. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.140. NO WAIVER OF RIGHTS. No landlord or tenant may waive his or her rights under this chapter or AS 34.06.
(Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.150. DEFINITIONS. Unless the context indicates otherwise, in this chapter,

(1) "board" means an Emergency Rent Review Board established under sec. 60 of this chapter;

(2) "commissioner" means the commissioner of commerce or his designee;

(3) "transient occupancy in hotels, motels, and motor inns" means the customary short-term presence of guests in those facilities and does not mean arrangements which substantially compete with other residential housing accommodations;

(4) "residential housing accommodation" means a single or multiple unit private dwelling, including mobile homes, or a

Register

1975

COMMERCE

3 AAC 90.150

structure on the land that may be leased for any term of one week or longer, or other condition of tenancy, that is used for dwelling purposes. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040
AS 34.06.050

House Judiciary Committee
April 15, 1975

The meeting was called to order at 1:20 p.m. by Chairman Gardiner. All members were present except Mr. Cotton.

SB 290 Rent Control

Bill Miles of the Department of Commerce, testified that approximately 200 persons attended the April 8 hearing in Fairbanks on rent control. He felt that the testimony at the hearing was about evenly divided. Two written statements were submitted which Mr. Miles will forward to the committee. He felt that the majority opinion was that if anything was to be done, now was the time to do it.

Regarding SB 290, the Department of Commerce requests that the committee delay action. The Department hopes to work out a less broad solution to the present situation than presented in the bill. He felt that the bill would slow down planned emergency action because the stipulations of the bill require normal judicial procedures. He felt that the governor would make a decision within two weeks as to whether an emergency situation exists. Mr. Specking suggested that the committee check with the governor on Friday, to allow him time to get the results of the Valdez hearing. Mr. Bradley and Mr. Brown suggested that the committee prepare the bill and get it to Rules, just in case it was determined needed.

Mr. Miles stated that the broad base approach will probably not work. He suggested a case by case approach.

Mr. Parr raised the question of whether the bill required blanket controls or could the controls be selective?

Don Clocksin testified in favor of the bill. He stated that the two objections raised at the Fairbanks hearing were that rent control would discourage new construction and prevent landlords from passing on reasonable increased costs. He stated that the bill was concerned with rent control, not a freeze. He stated that a freeze definitely would not work. He testified that the bill provided, in effect, the regulations with which to work. This is the first step in a series of requirements (regulations, hearings on regs, emergency proclaimed) before the Governor may declare an emergency. He said that the bill basically provides a stronger enforcement mechanism. He felt that the long term answer to the present problem was construction, but that rent control as a short term solution was needed immediately.

Mr. Parr moved on page 2, line 5, after "taxes" add "actual maintenance costs." The amendment passed.

Mr. Bradley moved on page 3, line 18, change \$1,000 to \$2,500. Mr. Specking objected. The amendment passed.

House Judiciary Committee
April 15, 1975
page 2

page 5, sections (1) and (2) were determined to be confusing and the committee requested that . . . language be drafted.
line 9 - delete "or the amount directed to be refunded"
add "or not less than" "three times the amount the department directed by refunded" line 12 should be part of (d)

page 4, lines 10 - 19 Does the department have a vested interest in the suit. If the department sues, this bars the tenant from suit.

The committee requested that the new language be drawn up and that after further consideration, SB 290 would be attached to HB 321.

House Judiciary Committee
April 17, 1975

The meeting was called to order at 7:10 p.m. by Chairman Gardiner. All members were present except Mr. Specking.

SB 290 Rent Control

The committee met in work session and adopted the following amendments:

page 3, line 6 after "costs" insert ,

page 4, lines 21 and 22 delete "who receives rent from a tenant"
lines 23, 24, 25, 26, 27, 28: Delete all beginning
with "that prescribes . . . to . . . account of the overcharge"
and insert: an aggrieved tenant within one year from the date of
the occurrence of the violation, may bring an action against the
landlord for his damages, as provided in this section."

page 5, lines 2 and 3 delete "The amount of the overcharge" and
insert "the damages"

page 5, line 6 delete "who receives rent from a tenant"
page 5, line 7 after "department" insert , and delete "prescribing
maximum rent with respect to the residential housing
accommodations for which rent is received from the tenant,"
page 5, line 9 insert "aggrieved" before "tenant"
page 5, line 10 change 30 days to 90 days
page 5, line 15 insert , unless the action brought by the
department has been dismissed without prejudice."

page 5, line 16 change "and" to "or"
page 5, line 17 delete "the" before "recovery and delete "either by the
tenant or the department under this section of damages"
page 5, line 18 insert after "action "under this section"
page 5, line 19 delete "overcharge," before "the bringing of the
action in which the judgment was rendered." and insert "violation."

page 5, line 15 insert "when judgment is rendered in favor of
the department, there shall be paid to the tenant from the sum
recovered one-third of the recovery, exclusive of costs
and other disbursements." Delete this language from lines 20 - 24.

page 5, line 24 delete "who receives rent from a tenant"
line 25 delete "containing a directive" and insert "directing"

page 6, line 5 delete "or the amount directed to be refunded"
page 6, line 7 insert "When judgement is rendered in favor of the
department in the action, there shall be paid to the tenant from
the sum recovered one-third of the recovery, exclusive of the
costs and other disbursements." and delete this language from
lines 19-23.

page 6, line 7 delete "paying the rent also may" and insert "may also"
line 8 after "section" insert "and recover the same damages"

House Judiciary Committee
April 17, 1975
page 2

after "violation" in line 12, page 6 insert "unless the action brought by the Department has been dismissed without prejudice."

page 6, line 13 delete "either by the department or the tenant, as the case may be,"
delete lines 14 and 15 "under this section for damages"
delete line 16 and 17 "before the bringing of the action in which the judgment was rendered."

page 6, line 16 - 19 Delete the language "When an action is brought by the tenant, the damages which shall be awarded to the tenant shall be the same as if the action were brought by the department."

Insert page 6, line 12 "When an action is brought by the tenant, the landlord is liable as in subsection (d)."

page 6, line 23 insert "The department, upon application by the landlord, shall issue a certificate of eviction if it finds that the reasons given by the landlord are reasonable and consistent with the purpose of this chapter." Delete "when" and insert "After"

page 6, line 25 - 29 delete "and a tenant voluntarily . . . under law"

page 7, lines 1 and 2 delete to "occupied by it, or" and insert "evicts the tenant, and"

page 7, line 2 delete "it" and insert "the residential housing accommodation"

page 7, line 7 insert after "property" "and any increased rent"

page 7, lines 10 and 11: delete "with intent to cause the tenant to vacate" and insert "intentionally"

100

House Judiciary Committee
April 18, 1975

page 2

Mr. Brown moved the addition of new language to form sections (f) and (g) to state that the official map shall be published 90 days before becoming effective and that owners would be notified by registered mail. No municipality may exercise powers in this bill unless they require by ordinance, building permits. The amendment passed.

Mr. Parr moved that the 18 months be changed to 12 in sections (b) and (e). The amendment passed.

Mr. Brown moved that the five year period be changed to seven years, but that reference to a second five year period be deleted. The amendment passed.

Mr. Brown moved CS HB 140 out of committee.

SB 290 Rent Control

Mr. Turnbull went through the bill with the committee, explaining how their previous amendments had been incorporated. He deleted the definition of overcharge since the term had been changed to damages in the bill. Mr. Brown mentioned the need for a one line committee report defining adjustments.

The committee signed CS SB 290 out.

No person may demand or receive rent for a residential housing accommodation without justification for an increase as set out in regulation pursuant to this chapter.

(a)

^{proclaimed}

During a housing emergency, regardless of any existing contract, lease or other agreement, rental prices on residential housing accommodations shall ~~remain not exceed the price level at~~ not be increased, except as provided in (c) of this section.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 29, 1975

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Gardiner:

As you probably know, my administration has endeavored to develop a workable solution to the residential-rent problem in various areas of the State. This month alone, we have studied a dozen different "rent-control" plans, held hearings in Fairbanks and Valdez, issued a statement of findings, declared that an emergency housing crisis exists in the two areas and created what appears to be a completely workable solution to the problem including the drafting of a set of regulations.

After advising the Valdez City Council and the Fairbanks Borough Assembly on the details of the plan, each body unanimously approved the plan.

In essence, the Emergency Rent Review Program is composed of four points:

1. A local advisory board of adjustment is created in each area wherein an emergency exists;
2. Landlords are required to give 30-day notice of rent increases. Upon complaint, the board of adjustment advises the Commissioner of Commerce on the validity of the rent increase within 15 days of submission;
3. An appeal to the Commissioner of Commerce or to the courts is provided;
4. Reasonable expense and profit increases are allowed.

Members of my administration have, in the past, testified at many committee hearings on four rent-control bills. Regularly, they have supported my theory of opposition to a broad-brushed approach: such an approach is cumbersome, costly and inappropriate for the problems facing Alaska today.

The Honorable
Terry Gardiner

-2-

April 29, 1975

Hence, I feel obliged to strongly urge you to introduce the amendments below deleting reference to "maximum rent established in H.C.S.S.B. 290:

AMENDMENT 1. Page 2, lines 7-8: delete "including but not limited to provision for the establishment of maximum rents"

AMENDMENT 2. Page 2, lines 27-28: replace "in excess of the maximum rent established for the accomodation by the Attorney General by regulation," with "without justification for an increase as set out in regulations pursuant to this chapter,"

AMENDMENT 3. Page 3, lines 2-3: Replace "increases in the maximum rent established under this subsection to allow for increases in" with "rent increases under this subsection to allow for increases in reasonable rate of return,"

Furthermore, in that the Department of Commerce has had substantial input into this program, I would prefer that the statutory authority for implementation of any such program remain with that department.

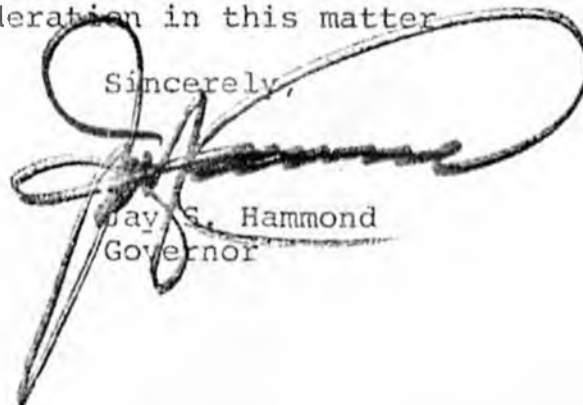
And finally, I feel that the following sections of H.C.S.S.B. 290 will be covered in the regulations now being prepared by the Attorney General in conjunction with the Department of Commerce and, therefore, should be deleted from the bill:

1. Sec. 34.06.042. Injunctive Relief;
2. Sec. 34.06.044. Action for Damages;
3. Sec. 34.06.045. Certificate of Eviction.

It is unfortunate that the timing of completion, presentation and subsequent approval of the rent-review program by the most affected areas (any many members of the legislature) coincided with the diligent work you have performed and as such we did not have the opportunity to formally present the program to your committee. Nevertheless, I feel that an unamended H.C.S.S.B. 290 could detract from the program as understood and approved by local communities, that it is (unamended) a broad control program vice and individual case-by-case approach that we found acceptable and desirable through public hearings.

Thank you for your consideration in this matter

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond". The signature is written over the typed name and title.

Jay S. Hammond
Governor

REPLY MEMO

State of Alaska

MESSAGE


REPLY

to Rep. Terry Gardner DATE 4/28

TO _____ DATE _____

Just heard that S.B. 290
is on today's calendar.
Is it possible to hold it for
a day for an amendment to
the section 34.06.042(a)
relating to the Commissioner
establishing maximum rents
by regulation? Would cause
excessive delay, I think.

SIGNED


Bill Miles

SIGNED

1. KEEP YELLOW COPY.

2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

1. WRITE REPLY.

2. DETACH STUB, KEEP PINK COPY. RETURN WHITE COPY TO SENDER.

S. Bill 290

April 8 - Fairbanks 200 people

John Carlson - Borough Mayor

C.W. Bare - chamber

Emergency - Do it now

Delay action on 290 - slow down emergency action

- ① Rent Control should exclude new housing
- ② Allows passing on of costs

1. Gen regulations -
2. hearings
3. then proclamation

Original sponsor: Miller, Huber,
Ray and Butrovich

Offered: 4/26/75
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to rent regulation and control in
7 emergency situations; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 34.06.020 is amended to read:

11 Sec. 34.06.020. DECLARATION OF HOUSING EMERGENCY. (a) In accor-
12 dance with regulations promulgated under sec. 30 of this chapter, when
13 the governor finds that emergency conditions exist with regard to resi-
14 dential rental housing, after public hearings in the area or areas
15 affected, he may by written proclamation declare that a state of housing
16 emergency exists. A housing emergency exists when the rate of vacancies
17 in residential rental housing is so low that there is a substantial
18 impairment of free choice in residential rental housing [OR WHEN THE
19 AVERAGE VACANCIES IN RESIDENTIAL HOUSING RENTALS FALLS BELOW THREE PER
20 CENT IN THE AREA, OR AREAS, AFFECTED AND REMAINS BELOW THREE PER CENT
21 FOR A PERIOD OF AT LEAST 90 DAYS]. The proclamation shall state the
22 nature of the housing emergency, the area or areas affected, and shall
23 be published generally through the state in the manner provided by law.
24 When the state of emergency no longer exists, the governor shall issue a
25 written proclamation stating this fact and publish it generally through-
26 out the state in the manner provided by law.

27 (b) After the governor issues [ON ISSUING] a proclamation of a
28 housing emergency, the attorney general [GOVERNOR] may invoke the pro-
29 visions of this chapter to regulate and control residential rents and

1 evictions in some parts or all of the state.

2 * Sec. 2. AS 34.06.030 is amended to read:

3 Sec. 34.06.030. SCOPE OF EMERGENCY HOUSING REGULATIONS. Subject
4 to the Administrative Procedure Act (AS 44.62), the attorney general
5 [COMMISSIONER OF COMMERCE], who is charged with the administration of
6 this chapter, shall promulgate regulations concerning the control of
7 residential rents, ^{which may include a} ~~including but not limited to~~ provision for the estab-
8 lishment and adjustment of maximum rents, the classification of residen-
9 tial housing accommodations, [AND] the regulation of evictions and the
10 standards for issuance of certificates of eviction.

11 * Sec. 3. AS 34.06 is amended by adding a new section to read:

12 Sec. 34.06.035. INVESTIGATIONS. (a) The attorney general may
13 make studies and conduct investigations and hearings when necessary for
14 the enforcement of the provisions of this chapter.

15 (b) The attorney general may administer oaths and affirmations,
16 and, when necessary, may issue subpoenas and order a person to appear
17 and testify, or appear and produce documents, at any designated place.
18 If a person refuses to obey a subpoena served upon him by the attorney
19 general, the superior court of the judicial district in which that
20 person resides or transacts business may issue an order requiring him to
21 appear and testify, produce documents, or both. Failure to obey an
22 order of the superior court is punishable by the court as contempt.

23 * Sec. 4. AS 34.06 is amended by adding new sections to read:

24 Sec. 34.06.041. PROHIBITIONS. (a) During a proclaimed housing
25 emergency, regardless of any existing contract, lease or other agree-
26 ment, no person may demand or receive rent for a residential housing
27 accommodation in excess of the maximum rent established for the accom-
28 modation by the attorney general by regulation, or to perform or omit to
29 perform an act which violates this chapter or a regulation or order

allow option

May not need if eviction selection deleted

1 issued under this chapter. [However, the attorney general may by regu-
2 lation permit increases in the maximum rent established under this
3 subsection to allow for increases in] local property taxes, actual
4 maintenance costs, or charges for utility services including but not
5 limited to heat, water, electricity, natural gas, garbage or other solid
6 waste disposal services when supplied by the landlord.]

7 (b) During a proclaimed housing emergency, no person may remove or
8 attempt to remove from a residential housing accommodation the tenant or
9 occupant of the accommodation or refuse to renew the lease or agreement
10 for the use of the accommodation because the tenant or occupant has
11 taken or proposes to take action authorized by this chapter or a regu-
12 lation or order issued under it.

13 (c) During a proclaimed housing emergency no landlord or person
14 acting on his behalf, with intent to cause a tenant to vacate, may
15 engage in a course of conduct including but not limited to interruption
16 or discontinuance of essential services which interferes with or is
17 intended to interfere with the quiet enjoyment of the tenant in his use
18 or occupancy of a residential housing accommodation.

19 (d) No officer, employee, agent, or consultant of the department
20 may disclose, other than in the course of his official duty under this
21 chapter, information obtained under this chapter or use any of that
22 information for his personal benefit.

23
24 X Sec. 34.06.042. INJUNCTIVE RELIEF. When a person has engaged or
25 is about to engage in acts or practices which constitute or will con-
26 stitute a violation of this chapter or a regulation or order issued
27 under it, a tenant or the department may apply to the superior court in
28 the judicial district where the alleged violation has occurred or is
29 about to occur for an order enjoining these acts or practices, or for an
order enforcing compliance with this chapter or the regulations or

delete

1 orders issued under it, or for an order directing the landlord to
2 correct the violation. Upon a showing that a person has engaged in or
3 is about to engage in a violation a permanent injunction, temporary
4 restraining order, or other appropriate order shall be granted without
5 bond.

6 Sec. 34.06.043. CRIMINAL PENALTIES. A person who wilfully vio-
7 lates a provision of this chapter or a regulation or order issued under
8 it is guilty of a misdemeanor and upon conviction is punishable by a
9 fine of not more than \$2,500, or by imprisonment for not more than one
10 year, or by both. *Willful violation of this chapter or reg*

11 *will include falsification of information given for violation*
12 Sec. 34.06.044. ACTION FOR DAMAGES. (a) If a landlord violates
13 a provision of this chapter or a regulation or order issued under it,
14 an aggrieved tenant, within one year from the date of the violation, may
15 bring an action against the landlord for damages, except as provided in
16 this section. In an action for damages the landlord is liable for
17 reasonable attorney fees and costs as determined by the court, plus
18 whichever of the following sums is the greater: (1) an amount not more
19 than three times the damages upon which the action is based, as the
20 court in its discretion may determine; or (2) \$100.

21 (b) If a landlord violates a provision of this chapter or a regu-
22 lation or order issued under it and the aggrieved tenant fails to insti-
23 tute an action under (a) of this section within 90 days from the date of
24 the violation, the department may bring an action under this section
25 within one year from the date of the violation, and for damages provided
26 in (a) of this section. If the department brings the action, the
27 tenant affected is barred from bringing an action for the same viola-
28 tion, unless the action brought by the department has been dismissed
29 without prejudice. If judgment is rendered in favor of the department,
the department shall pay the affected tenant one-third of the recovery,

1 exclusive of costs and attorney fees.

2 (c) A judgment in an action for damages under (a) or (b) of this
3 section is a bar to recovery in any other action under this section
4 against the same landlord for the same violation.

5 (d) A tenant who has vacated his residential housing accommodation
6 because the landlord or person acting on his behalf intentionally
7 engaged in a course of conduct, including but not limited to interrup-
8 tion or discontinuance of essential services, which interfered with the
9 quiet enjoyment of the tenant in his use or occupancy of the residential
10 housing accommodation, may within 90 days after vacating apply for a
11 determination from the department that the housing accommodation was
12 vacated as a result of that conduct, and may within one year after the
13 determination bring an action against the landlord by reason of his
14 misconduct under this subsection. In this action the landlord is liable
15 to the tenant in an amount not more than three times the damages sus-
16 tained on account of the landlord's misconduct plus reasonable attorney
17 fees and costs as determined by the court. In addition to any other
18 damages the cost of removal and storage of property and any increase in
19 rent is a lawful measure of damages.

20 X Sec. 34.06.045. CERTIFICATE OF EVICTION. During a proclaimed
21 housing emergency the department, upon application by the landlord,
22 shall issue a certificate of eviction if it finds that the reasons given
23 by the landlord are reasonable and consistent with the purposes of this
24 chapter. If after the department has granted a certificate of eviction
25 allowing the landlord to pursue his legal remedies to acquire posses-
26 sion, the landlord evicts the tenant and permits use of the residential
27 housing accommodation in any manner other than contemplated in the
28 eviction certificate, unless good cause is shown, the landlord is liable
29 to the tenant in an amount not more than three times the damages sus-

1 tained on account of the removal plus reasonable attorney fees and costs
2 as determined by the court. In addition to any other damage, the cost
3 of removal and storage of property and any increase in rent is a lawful
4 measure of damage.

5 * Sec. 5. AS 34.06.050(1) is repealed. ² 6

6 * Sec. 5. AS ~~34.06.050(2)~~ is amended to read:

7 (2) "department" means the Department of ~~Law~~ [COMMERCE].

8 * Sec. 7. AS 34.06.050 is amended by adding a new paragraph to read:

9 (4) "essential services" means running water, hot water,
10 heat, sanitary facilities, or the supply of other like services; and
11 electricity and garbage or other solid waste disposal services when
12 supplied by the landlord.

13 * Sec. 8. Section 3, ch. 128, SLA 1974, is amended to read:

14 Sec. 3. This Act expires July 1, 1977 [1975].

15 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXX~~ 6425

MEMORANDUM

TO: Representative Terry Gardiner
FROM: Donald E. Clocksin
RE: HCSSB 290 - Rent Control
DATE: April 29, 1975

The following are proposed amendments to the rent control bill to satisfy some of the concerns of the governor in his April 29 letter to you, and to eliminate unnecessary confusion and inconsistencies between the governor's plan and the bill.

1. On p. 2, line 8, after "rents" insert "or rent increases"

Explanation: This clarifies that the program implemented by the governor could adopt either of the two alternative systems of rent control - across-the-board rent maximums or individually authorized rent increases. The governor's plan adopts the second alternative, but the situation may require more flexibility in the future.

2. On p. 2, line 27, after "rent" insert "or rent increases"

On p. 2, line 28, after "general" strike "by regulation"

Explanation: Same as above. In addition, the deleted language would not allow the attorney-general to forbid a rent increase in an order, as opposed to an across-the-board regulation.

3. On p. 3, line 2, after "permit" insert "rent" and ^{after} "increases" delete "in the maximum rent established"

Explanation: Same as #1 above.

4. On p. 3, line 3, after "allow for" delete the remainder of the sentence and insert "certain justifiable cost increases in accordance with regulations adopted by the attorney general."

Explanation: The proposed regulations allow the pass-along of costs and have identified other justifiable costs not included in the bill. The change would allow the regulations to specify what costs could be passed along.

5. On p. 3, line 26, strike "a tenant" and insert "an aggrieved person"

Explanation: This achieves balance by recognizing that either party can be injured.

6. On p. 4, line 1, strike "landlord" and insert "responsible person"

Explanation: same

7. On p. 4, line 11
On p. 4, line 14
On p. 4, line 15
On p. 4, line 20, after "landlord" insert "or tenant"

Explanation: Either landlord or tenant could hypothetically violate this chapter.

8. On p. 4, line 13
On p. 4, line 21
On p. 4, line 26
On p. 4, line 29, strike "tenant" and insert "person"

Explanation: same

9. On p. 5, line 4, strike "landlord" and insert "person"

Explanation: same

DEC:mjb

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STATE
of ALASKA

MEMORANDUM

TO: [Rep. Terry Gardiner, Chairman
House Judiciary Committee

DATE : April 18, 1975

FROM: Bill Miles *B Miles*
Department of Commerce

SUBJECT: Rent Control

Attached is the information on rent control you requested. Although the file is not, by any means, complete, it will give you a fair idea of what's been coming in. I purposely left out much redundant material, inter-department memos and letter carbons because the Xerox machine threatened a walk-out.

Should you wish additional material or information, just give me a call.

EDITORIAL PAGE

Anchorage Daily Times

ROBERT B. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

CLINTON T. ANDREWS JR.
Managing Editor

Page 4

Wednesday, April 9, 1975

Rent Gouging

SUREST WAY TO CONTROLS

ANCHORAGE IS in no position to sit back and point a finger at Fairbanks when it comes to accusations of rent-gouging as a result of the pipeline boom. There are mounting indications that abuses are occurring here and some formal note needs to be made of the fact before the situation gets completely out of hand.

One example to prove the point:

A friend of ours, apartment shopping last summer, found a two-bedroom unit renting for \$290 a month — a reasonable enough figure for a quality place to live. By last month, however, rentals in the same building for the same type unit were up to \$325. This month the price jumped to \$375.

That's an increase of 29.3 per cent over a nine-month period.

TO BE SURE, the life of a landlord is not all gravy. Financing new homes and new apartment buildings is an expensive proposition. Real estate taxes are on the rise, and charges for such services as sewers and utilities seem to know only one way to go — and that's up.

But there is a limit to reasonable and justified increases to meet real or anticipated tax hikes.

In defense of sudden and apparently outrageous increases in rents, some landlords say they are forced to take such steps in order to protect their investments from the possibility that stringent rent controls might be imposed by the state.

If rent controls come, they argue, they will be unable in the future to meet increased tax assessments and to set aside sufficient funds to cover necessary upkeep and maintenance.

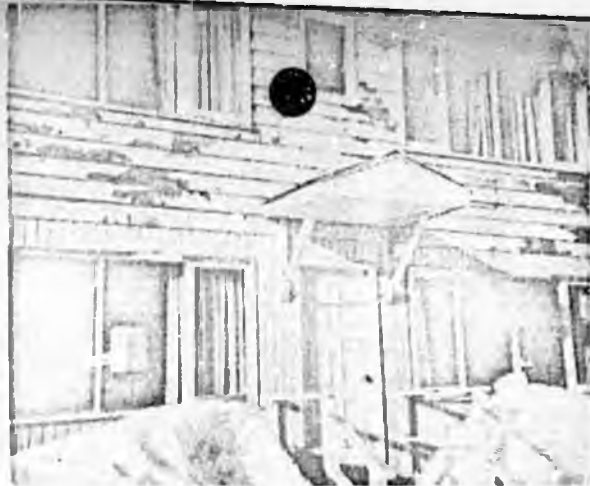
THERE IS some merit to this concern, of course. One of the evils of artificially controlled rents and rent ceilings is that the regulations tend to devalue property and over the years create slum conditions.

On the other hand, outlandish and arbitrary rent increases merely to make a financial killing can hardly be condoned. And the surest way to get incentive-stopping controls is to permit rent gouging on a rampant scale without any pressure or effort to bring about voluntary restraint on those who would act in an unscrupulous manner during boom periods when housing is in short supply.

There is a happy medium that needs to be struck.

If Anchorage is to avoid the bad name now being given to some other communities of the state, and if government imposed rent ceilings are to be avoided, the business community — in its own self-interest — is going to have to take some action.

The Greater Anchorage Chamber of Commerce should look into this matter. Its leadership in avoiding what could become a crisis would be a feather in its cap and a plus-mark for the entire community.



Kathy Reid's Valdez apartment building.

\$1,600 a month for apartment

By PAM MILLSAP
Daily News Staff Writer

When teacher Kathy Reid moved into the two-bedroom unfurnished apartment she shares with another teacher in Valdez the rent was \$286 a month, plus tax. That was in December.

On Jan. 29 the two women were informed that beginning March 1 the rent would be \$520, plus tax. The reason? Rampant inflation which made it impossible to cover current expenses, maintenance, taxes and insurance in income from the four-plex, according to the owner — an Anchorage investment firm.

ON MARCH 30 Kathy and her roommate, Allison Pike, were told the building had been sold. They also received a notice they were being evicted as of May 1. They asked the new owners if they could stay in the apartment until the end of May when school gets out. They were told they could — if they allowed two other tenants to move in with them, and if they paid a new rent of \$1,600 a month.

"I was outraged at the price increase and decided to stand up and protest," said Kathy in an interview with the Daily News Friday. "We went to the school board and they appointed one of the members to talk with the new owners to see if they would allow a more reasonable rent until the end of the school term. The owners informed us they would let four teachers live in the apartment during the month of May only — for \$940."

The teachers cannot afford the \$940, so they plan to move temporarily into a trailer provided by Harborview Hospital. But that won't solve the problem of where they and a lot of other Valdez residents will live next year.

"IF YOU AREN'T into big money, and school teachers and others not employed by the pipeline companies aren't, you can't afford the rents," said Kathy. "The whole town is upset, but nothing is being done to solve the problem."

According to Valdez City Manager Herb Lehfeldt, there is little that can be done, at least on the local level.

"The rental problem here is absolutely atrocious," he said Tuesday. "The people of Valdez are very irate about it. The fact that there isn't any housing available puts the existing housing in extremely high demand, and people all over town are being evicted because they can't pay the high rents."

LEHFELDT ADDED that apartment owners won't have much trouble getting as much as \$1,600 a month for a small apartment.



Kathy Reid

"They're not talking about a family moving in but turning the apartments into a barracks or dormitory," he said. "If they put two guys in a room paying \$250 or more each they can hit that \$1,600 in a hurry."

He said holding more rent control hearings in Valdez as recently proposed by the state won't solve the problem. "They're only talking about rent gouging, not providing the additional housing we need," he said. "And I don't think anything will ever come of rent gouging, it's too touchy a political problem."

In the meantime, he expects as many as 600 trailers and campers carrying transients looking for pipeline work to move into Valdez within the next two months. Accordingly, the city is asking the state for \$250,000 in impact funds to build a temporary camper park. And to help alleviate the high cost of housing for local residents, the city has developed a number of trailer sites which are being made available to city employees and teachers at reasonable rents.

NEVERTHELESS, Superintendent of Schools Herman Hutchins is still worried about finding housing for teachers next year. "We had 21 students register yesterday and today and all but one came from pipeline families," he said. "We have 44 teachers now and we're projecting 61 for next year. And not all the new teachers will be able to afford trailers." He said several construction companies had been buying apartment buildings and converting them into places where their men can bunk "for a night or two."

High rent deposit penalty rejected

JUNEAU (AP) — A double-damages clause applied to landlords who overcharge on security deposits or prepaid rent was rejected Wednesday by the State House.

Reversing a Tuesday vote 22 to 14, the House left intact the ability of tenants to recover the actual amount of an overcharge. Deposits and prepaid rent now are limited to the total of two months' rent.

KETCHIKAN Democrat Terry Gardiner argued that a double assessment was needed to prevent landlords from deliberately gouging tenants on the grounds that "they have nothing to lose."

Nine legislators, most of them saying a double penalty was too stiff and not clearly defined, switched their votes.

The penalty clause was contained in a bill requiring landlords to make an inventory of damages before a tenant moves in or be prohibited from collecting prepayments. The bill now goes to the Senate.

Earlier, the House rejected 19 to 16 an amendment removing a penalty clause leaving landlords liable for twice the amount of any overcharges.

"You're not helping the tenant," said Rep. Leshe Swanson, a Nenana Democrat who owns apartments himself. "The penalty is going to cause the landlord to raise the rent to protect himself" and to recover possible attorneys' fees.

SPONSORED by Rep. Joe McKinnon, D-Anchorage, and others, the bill was held for additional debate.

The measure removing rent-control administration from the department of commerce also extended the life of the emergency law two years until mid-1977.

And, it deleted a clause

Fairbanks hearing

By JANE PENDER

Our Fairbanks Correspondent

FAIRBANKS — Landlords and tenants squared off Tuesday night in a hearing on rent controls conducted by Commerce Commissioner Tony Motley.

One tenant said his apartment rent had been raised \$250 to \$750 for a three-bedroom apartment. Another said rent for his three-bedroom unfurnished apartment is being raised to \$525 from last June's \$375.

Ed Noonan, supervising attorney for Alaska Legal Services, said there has been a "very significant increase" in landlord-tenant cases. He said in some instances people just don't have the money and cited one individual who after rent increases found his rent cost \$12 more than his income.

Landlords on the other hand said they felt rent controls would be unfair. Some said the only solution was to build more houses. Others mentioned higher costs of fuel, electric surcharge, increases in general labor, water treatment costs (up 60 per cent), freight costs. The same men claimed garbage disposal was up six per cent and maintenance up 20 per cent and taxes up 50 per cent to 110 per cent.

Others talked about the prospect of a bust to follow the boom and mentioned the insecure economics of Fairbanks over the past few years as a reason the "get it while they could."

Chamber of Commerce general manager Wally Baer said, "It is the opinion of the Greater Fairbanks Chamber of Commerce that the imposition of rent controls is not the answer to the critical housing shortage." He said the chamber felt governmental action to ensure immediate construction of additional rental housing would be the best way to stabilize the market.

de a housing emergency
at 90-day period when the
y factor in a com
y falls below 3 per cent.
The remaining test would be
an administrative decision
that "there is a substantial
impairment of free choice" in
selecting rental housing.

DEMOCRATIC Rep. Steve Cowper said his constituents in Fairbanks would receive better service if the attorney general's office assumed control of the law. The Department of Commerce does not have a full-fledged office there.

Other amendments were needed, he said, because there were no reliable statistics on vacancy rates in most communities except Anchorage. The ceiling also might be indefensible in court, he said.

"Besides," Cowper said, "we cannot wait 90 days to find out" if a 3-per-cent rate exists.

Commerce officials held a hearing late Tuesday in Fairbanks to determine whether the law should be enforced for the first time. Other hearings were planned later in Anchorage and Valdez.

More views on the housing problem

Don't believe all landlords getting fat on rental gouge

Despite previously published reports of rent gouging in Fairbanks discovered in a Daily News-Miner survey, most landlords here are facing rising costs of doing business with minor increases and in some cases no increases.

This coupled with a pending decision facing Gov. Jay Hammond on whether to establish rent controls adds up to challenge for Fairbanksans to solve the housing problem as best it can.

Commerce Manager Wally Base said today the chamber is starting a survey among renters and landlords alike to determine the need for rent controls and to discover exactly what problems both tenants and landlords are having.

A spokesman for the governor said today that some form of rent control is being considered but, said Hammond representative here, Larry Holmstrom, the governor wants comments from Fairbanksans to determine how he will proceed on the matter if at all.

The Daily News-Miner today contacted several apartment complex managers who indicated they are leary of rent controls because, as one put it, "what's fair for one owner is not fair for another."

Holmstrom said the governor wants to know if residents think rent controls are justified, what specific examples persons have to justify them, and what form they want the controls to take.

The chamber began a survey of existing rental rates last week and discovered that rents in most large complexes have risen slightly to rent at all.

A comparison of reported rental rates between March of this year and April of last year, showed increases from 25 to 40 per cent to as much as 50 per cent.

Chenular Apartments, reportedly up for sale, recently increased rents 10 per cent for its two-bedroom unfurnished apartments which will cost existing tenants \$225 and new tenants about \$150 a month.

Although increases were not necessarily uniform, it appears that landlords are raising their fees to cope with rising costs for heat and utilities and maintenance and taxes.

Notable exceptions where no increases occurred during the year included Bienva apartments, Schena Court, Dixon apartments, Northward

Building, Polly Aiello, Pleasant Manor, Smith apartments, and some units at Tanana Village.

A sampling showed increases for two-bedroom furnished apartments at Ambassador, 23 per cent; Ballaine Lake, 10 per cent; E.P. Rentals, 13 per cent for unfurnished; Fairview Manor, 12 per cent; Golden, 8 per cent; Glenwood Manor, 10 per cent; and Midtown, 25 per cent.

The manager of the Ambassador, who asked not to be identified said, "I don't think rent controls are necessary in our case. I don't understand how they could make it a fair deal all around."

I don't think other owners are charging outrageous prices, especially for new apartments. They've got to charge high prices to come out on them due to high cost of building and furnishing.

"Your newspaper went from 10 to 15 cents in 15 years. That's a bigger increase than we've had," the manager said.

The manager said since 1958 Ambassador rents have been raised from \$175 to 1.50 for a one-bedroom unfurnished apartment, and from \$225 to \$300 for a one-bedroom furnished.

The Ambassador property is assessed at \$100,000, "so we pay a pretty good bunk in taxes," the manager said.

Zappa Testoni, who owns Ballaine Lake apartments and is business office manager for the Daily News-Miner, said she agrees there is some price gouging going on but, "prices for everything are going up. Maybe rent controls are necessary, but I can't really say I favor any type of controls. You have to keep in mind the high building costs now as well as interest rates."

(See LANDLORDS, page 3)

Scarce, high-priced housing poses problems for military

By CANNIACH KIMMER Staff Writer

Maintaining lists of available housing for newcomers in Fairbanks is an exercise in futility, officials at the school district and two military reservations report.

"We tell military families there is no civilian housing available here," Maj. J.S. Vincent, family housing manager at Ft. Wainwright, said. "We have nothing listed," Mrs. Jerry Andrews, manager at Eielson Air Force Base, said.

Both still try to find housing in the community and both are having almost no success. Vincent said "We maintain a list but housing is almost nonexistent and the prices are out of sight."

"What we find our people can't afford," Vincent said. "You know as well as I do what Alaska is paying for housing," Vincent said in reference to high offers by Alyeska Pipeline Service Company to find housing for employees.

Of six families that arrived in the first week in December, Vincent said one found a one bedroom apartment for \$200 a month. "An E-4 can't afford that kind of rent," he said.

Vincent said he heard of a captain who was looking and finally found a three bedroom house, with an \$800 a month price tag. "I'm sure he didn't take it," he said.

The housing crunch is apparently most critical at Ft. Wainwright, Vincent said he had requests for housing for about 75 individuals and families. Those waiting are jammed into transient living quarters which Vincent described as "like a hotel room but not as nice."

"Some families have been living there so long

that it has become a financial burden," he said. One family has been in the cramped quarters for three and a half months. Although 75 quarters are requested, Vincent estimated he would place "maybe 10-15 quarters."

The crisis was foreseen last fall but housing didn't literally dry up until just before Christmas, he said. Vincent said the base was hurt by a move within the Defense Department to stop moving people from post to post in order to save money. A freeze on such transfers is scheduled to go in effect from April to July.

Since no one is being transferred, no base housing is opening up. "Usually we could send people downtown for relief but not now."

Eielson has been spared from the housing shortage by selectively approving and disapproving requests by servicemen to bring their families with them, Andrews said. The serviceman must find housing before a transfer of his family is approved.

About 14 families are now living in transient housing at Eielson, Andrews said they would be housed within 30 days. There is sufficient bachelor housing at the base.

The school district doesn't maintain its housing list for new teachers from outside until later in the summer. But Dale Durrwachter, director of personnel, is anticipating "grave difficulties."

"With the reversed statistics of most of the teachers being hired within the community," he said the problem will be limited to placing 20 to 25 teachers and their families.

H.O. Williams, president of the Fairbanks (See SCARCE, page 3)



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...icipating in the decision
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...M. Fitzgerald

Health service starting Friday

...blic meeting on state wide
...service boundaries will be
...today at 7:30 p.m. in the
...tional Inn in Anchorage.
...missioner of Health and
...Services, Dr. Francine
...rs will address the opening
...cinar Friday morning.
...e meeting, the governor's
...l task force on im-
...tation of the new act will
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...will be solicited.

...ording to federal
...tions, Alaska is eligible for
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...each plan will replace
...cheensive Health Planning,
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...programs by local health
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...year if they are able to provide
...their own transportation. They
...must request to remain at their
...present school before July 15.

...Smith said major con-
...siderations in dividing at-
...tendance areas included keeping
...as many students in their present
...school as possible, placing
...students in schools nearest their

...Horn Road, Cushman Extension,
...the east side of Peger Road and
...St. Wainwright will also attend
...East.

...West students will come from
...Goldstream, Sheep Creek,
...Murphy Dome, Yankovich Road,
...Miller Hill, Balaine Lake Road,
...Farmers Loop from McGrath

SCARCE...

(Continued from page 1)

Education Association, said he expects turnover to be higher this year than normal as teachers here take higher paying pipeline jobs.

Addressing the school board Tuesday, he asked, "How can we ask new teachers to come and live here with no housing available?" Calling Fairbanks a "landlord and real estate agent paradise," he said that the quality of education would suffer if sufficient housing can't be found for needed teachers.

He asked the board to work with other governmental bodies to solve the problem.

"It's going to be super difficult. In my 14 years here, I've never seen housing as critical as it is now," Durrwachter said. "We've always been able to take care of our people. Last fall, only two of 25 people encountered long delays."

Durrwachter claims teachers have an advantage over others competing for shelter. "It will be teacher assisting teachers. Many teachers do own rentals and they will often call and place openings," he said.

He said many landlords prefer to rent to teachers because they have a steady income and aren't as itinerant as pipeline workers.

The situation with rental shortages has caused a shift in buying and renting statistics among teachers. "Far more are going out and buying a trailer or house. When large numbers were hired from outside, 80 per cent rented. Now I think it is 60-40." He said 60 per cent are renting.

He said teachers who buy and sell their house a year later at the end of their contract aren't losing money. Several teachers were amazed to find the value of their house increased three to four thousand dollars in the short time.

Durrwachter said the district isn't doing anything about securing commitments for housing. He added "Nobody seems too interested" in listing available units.

...building principals.

...Board members didn't com-
...length on the proposed
...division. Member Jim Movius
...said any decision would have to
...be final and asked that the vote
...be postponed until the next
...meeting.

...The board voted unanimously

...Lathrop, Assistant Principal of
...West Robert D. Cope will be
...principal at North Pole and a
...Skagway teacher Gordon C. Tope
...will be assistant principal at
...North Pole.

...Also approved at the meeting
...were names chosen by a board
...committee for the new schools in

...rushing to take graduate studies!

...She said the board should have
...a way to make sure the teachers
...weren't taking pipeline jobs for a
...year instead of studying fulltime.
...Mendenhall said she didn't think
...the district should guarantee jobs
...to those who quit to take pipeline
...work.

South Vietnamese abandon north Quang Tri province

SAIGON (AP)— A North Vietnamese troop buildup was reported in South Vietnam's northern provinces today, and thousands of frightened civilians are fleeing southward.

Foreign relief workers said about 100,000 refugees had collected in Hue, the former imperial capital 50 miles north of Da Nang. They fled from fighting in Quang Tri province, just below the North Vietnamese border.

Lt. Col. Le Trung Hien, the government's chief military spokesman, said there are five North Vietnamese divisions, or about 30,000 troops, in the northern part of the country. He said 10 per cent of them are in the Quang Tri-Hue area, where there has been heavy fighting for more than two weeks.

Hien said Hue is threatened by at least two divisions, including one that moved into the region recently.

Meanwhile, officials of the South Vietnamese ministry of social welfare said they expect as many as 450,000 refugees from the three Central Highlands provinces of Pleiku, Kontum and Dalat which the government is abandoning to the North Vietnamese and Viet Cong.

With the main highways to the coast cut, the swarm fleeing from the highlands stretched out from Pleiku southward along Highway 19, heading for the coastal city of Tuy Hoa.

It appeared that most of them would not reach the safety of the

coastal lowlands for three or four more days.

An exodus also was reported under way from Dalat, 140 miles northeast of Saigon in the lower central highlands. It is outside the three provinces the government is giving up, but its highway to Saigon has been cut by North Vietnamese and Viet Cong attacks on Dinh Quan, a district capital 75 miles northeast of Saigon.

The government reported more

Communist attacks on Binh Quan as well as on Hoai Duc and Gia Ray, two other district capitals south of Dinh Quan. The Saigon command said nearly 200 shells were fired into Hoai Duc.

In Cambodia, about 1,000 militant university students held a four-hour rally on their campus in Phnom Penh urging the U.S. Congress to cut off aid to the Cambodian government and demanding that President Long Nol resign.

LANDLORDS...

(Continued from page 1)

The manager at Moose Creek apartments reported a rent increase of 28 in the past year. Two bedroom apartments there including utilities cost \$293 monthly. The manager said there are 30 persons on the waiting list to move in.

A tenant at Midtown apartments, where rents increased more than 30 per cent in a year, said the rent was too high for the apartments offered.

Allen Brinker, manager for Sparkman and McLean's complex on Geist Road, said the complex is still below the market rate for increases while heating costs have gone up as much as 60 per cent over last year.

"I think it would be a wonderful idea (rent control)," she said. "I can see how some people recognize that with no vacancies

in town they can charge what they want. I'd rather keep our tenants than run them off by raising the rent."

Barbara Donathan of Sprucewood Manor reported their rents had gone up \$20 in the last year because the bank "raised its interest rate on us so we were forced to that. I imagine there will be another rent increase this summer because the manager is going to make some repairs.

Barbara Morris of Tanana Village said, "rent is getting out of control but not here because we're not that way. Compared to what I see in the paper people do need some sort of protection.

"There is such demand and no availability, they're asking high prices and getting them. I'm leaving at the end of the month.

Thanks News Miner, Mar. 24, 1975

Housing dominates

By SUZANNE RUSHONG
Family Editor

Although testimony wandered through topics ranging from child care to the State Office on Aging, impact hearings in Fairbanks Saturday turned out to be a forum on the housing crunch.

And though a few solutions to Fairbanks' housing shortage were offered, the two legislators conducting the hearings will take more complaints than suggestions back to Juneau.

State Sen. Pat Rody, of Anchorage summed up the feelings of many of those testifying: "This impact is coming from the oil companies, not the pipeline workers. They have brought us inflation on top of inflation and they should bear that cost as part of the cost of doing business. We must reduce the burden on the average Alaskan who is paying

the way for Standard Oil and P."

Rody and Charles Parr, representative from Fairbanks, were conducting the hearing to gather information for the legislature on the impact of pipeline construction, on low and fixed income persons. They also were looking for residents' opinions on rent control.

Three solutions suggested were installation of railroad sleeping cars in the town, erection of several small units for seniors at the 33 Mile Senior Citizen Center and development of parks for mobile and modular homes.

Doris Southall, who has been instrumental in getting the senior citizen high rise project started, suggested that the city look into stationing railroad cars around town for temporary housing this summer. She said the Canadian

railroad has several cars to lease or sell to the state, which could be used in Fairbanks the way railroad cars are used for housing at McKinley Park. Borough Mayor John Carlson said it would be difficult to find a place to put the cars, however, since the Alaska Railroad has plans to develop the railroad area for industry in the near future.

Joe Steinfeld, a member of the Senior Citizens of Interior Alaska, said the organization has land at the 33 Mile Center and about 1,000 logs which could be used to construct housing. He suggested the group look for assistance in the way of federal and state matching funds to put up several small units on the property. The units would be only for sleeping, with a utility building for laundry and showers

and meals provided at the main center.

Perry Stoop told the legislators mobile and modular units were the only answer for a temporary increase in housing. But he said utilities would have to be provided by the city before any sites could be developed for the units.

Older persons were one of the main concerns of the hearing, and many testified individually and as members of senior citizen groups.

Marjorie Lockwood said she was finding it impossible to locate a place to live. She is moving out of her large home, which she no longer can maintain, she said, and is looking for an apartment. She said she saw one place for \$250 a month, "but you would have to pay me \$250 a month to live in it." She noted

Daily News Miner, Fairbanks Alaska, Monday, March 24, 1975-3

Impact hearings

that several nice apartment complexes in town have kept their rates reasonable. "If one can do it, I can't understand why the others get such awful prices."

Sue Ohata, director of the North Star Council on Aging, testified that there are 40 elderly in the Golden Age Apartments on Ninth Avenue. That complex has 20 units. She also noted that there are many persons in Carriage North who don't need nursing care, but can't be released because there is no place for them to go. "It costs the state \$900 a month to keep them there and I don't think that's a good way for our tax money to be spent," she said.

There are persons taking up residence at the Salvation Army and Rescue Mission as well, Ohata said, preventing these agencies from providing the emergency relief services they are designed to provide.

But retired persons aren't the only ones on fixed income who are suffering from the housing crunch. Testimony also was received from many young people, including a teacher, a borough employee and a federal employee.

Pat Johnson, a federal government employee, said she has lived in Alaska all her life and in Fairbanks the last five years and doesn't want to move. She is, however, faced with finding an apartment because the building

in which she resides is being demolished to make way for the Steese Bypass. She said she had been trying to save money to buy her own home, "but I can't save anymore, I just can't afford to." She said although inflation on food and other items is causing problems, rent is the biggest cause. Johnson said she has been looking for housing since notification from the Highway Department, and hasn't had any luck yet.

Rody questioned her about trailers, and she said she would live in one if she had to, but preferred apartments to trailer parks. Parr pointed out that many banks have been reluctant to loan money for construction of trailer courts, and Carlson said there are not enough trailers coming into town to meet the demand anyway. "If someone could get 400 mobile homes in here tomorrow he would sell them all," the mayor said.

Pat Rutledge, a borough employee, said she may have to leave Fairbanks if she receives another rent increase. "I have lived here 15 years, I have worked in this area and spent my money here. I resent this situation. I consider Fairbanks my home and I am being driven out."

Rutledge said she does not think her landlord is gouging, and said the increases have been reasonable and over a reasonable period of time, but her salary has

not gone up accordingly. She said half of her pay goes toward rent and utilities. "There is a lot of money in town and I don't blame the people who own apartments. They could make a lot more. Everyone says if you can't make it in Fairbanks go work on the pipeline, but I don't think that's an answer," she said.

Rutledge, like many of those testifying, felt the permanent residents of Fairbanks with stable jobs were the ones suffering most from the impact of pipeline construction, and the ones who are being forced to move out, but she didn't know what the state could do.

One suggestion has been rent controls, but Mario Grassi, a landlord here, told the legislators that would be a mistake. He said if rent controls were instituted, landlords would raise rents to the maximum in order to insure income for the duration of the controls. Other problems landlords face, he said, are increased costs and the risks in any new construction here. "I was thinking of building, but I won't now with the possibility of rent controls," he said.

Other testimony included statements about lack of child care facilities, increase in juvenile delinquency, high food prices, high fuel costs, and hiring of out-of-state persons over Alaskan residents for pipeline jobs.

POLITICAL SCENE

Housing Hearings Slated Here

Governor Jay Hammond indicated this week that he had ordered that public hearings be held in Fairbanks, Anchorage, and Valdez to determine whether residents feel there is a need for imposition of rent controls.

Commissioner of Commerce Tony Motley will chair the meetings which are to be held in the next two weeks.

"I am concerned about the problems facing residents of communities impacted by pipeline construction activities. I want to do what is possible to help but at the same time I do not want to force state decisions on local residents where they are not desired."

"To date I've received no request for consideration of rent controls from the local governmental leaders of those cities.

"I am, therefore, sending letters to them asking they respond with their comments and recommendations. Requests for state action have already come from some local residents, from Fairbanks legislators, and I am aware of news reports on the rental situation.

"Commissioner Motley is organizing the public meetings at this time. He will seek public input to determine whether rent controls should be imposed."

The pipeline activity continues to escalate each week as does pipeline impact. And the housing crunch which began last year and provided the pressure for the passage of the rent control measure is the dying days of the last legislature continues to intensify.

The advertisements seeking housing are getting more and more desperate, with some making pleas for housing for the sake of children remaining in school, et cetera.

Local governmental leaders have not made it a point to call for rent control. One reason is that there are two groups of constituents, the landlords and the tenants. The landlords want to increase rents to cover climbing costs.

Some Chamber of Commerce people are concerned that rent control might put a damper on construction of more housing this summer. The Chamber has asked input from both tenants and landlords and for a while the chamber indicated it was getting very little response. This week, a spokesman indicated that the situation had changed and that quite a number of persons had contacted the chamber on the subject.

Most local leaders are receptive at least on the idea of having hearings to find out the wishes of the people.

Stampede Coming?

Many Fairbanksans are worried that Fairbanks will be overrun this summer by a stampede of jobseekers from the lower states and that to take care of the influx some kind of public campground or tent city will have to be devised so that there will be some place where those with little funds can at least have access to water and sanitary facilities.

Already the jobseekers are flooding into the city and even the public parking lots are beginning to fill up with campers, old buses being utilized as mobile homes, and even panel trucks, station wagons and old hearses fixed up for batching.

Some city councilmen Monday night pointed out that these

Nuggeleer ...

-Continued from page 1

clamping down on security as they did prior to the big 1969 lease sale.

THE RUMOR IS TRAVELING, however, of a significant strike by Mobil Oil Co. on the slope and the announcement is expected soon.

The strike reportedly is at the Gwydyr Bay South No. 1 exploratory well. Unofficially, reports indicate the strike was made in the Sadlerochit formation, the main producing zone in the Prudhoe Bay Field.

The Gwydyr Bay South No. 1 is located about 6 miles north of a B² development well.

MUS General Manager Wally Droz confirmed recently that the MUS System was still selling lists of its customers but only to organizations soliciting charitable contributions.

A Fairbanks woman had a non-list phone installed under her maiden name which name was known to only members of her immediate family and one other person. While her phone number may not have been divulged, the name and address was. She received a letter from the Easter Seal campaign which had purchased the list of telephone customers from MUS for about \$500.

Worshippers at the Easter Sunday will dow donated by Geo Preston was 1900 to mine gold a out, and he became became its manage Descendants' community.

IF YOU CAN
A CAR YOU

All-Alaska Weekly, Apr. 11, 1975 (76ms)

Mobile Homes a Solution?

With existing housing overpriced and over-crowded, it isn't long before people in need of a place to live start thinking about a mobile home, that modern-day answer to the tent.

At first some people might be put off by the price. ("\$4,500 down for a trailer?" exclaims a young mother. "Outside you can GET one for \$4,500.")

But nevermind. You'll have two months to find the money since it will take at least that long, according to one mobile home salesman, to get delivery.

And you needn't waste time wishing you could get it sooner — there isn't anyplace to put it anyway.

"Right now there are no spaces," said a woman at a sales yard, an amazing admission for someone who was hoping to sell mobile homes.

"Nothing," said the woman at the Lakeview Court. "No, we aren't expanding."

But another mobile home salesman was more optimistic. "There will be parks sprouting up all around," he said hopefully. "There should be spaces around the first of July." And he mentioned a 300 space development which he understands is going in somewhere on Badger Road.

But is it?

"Lots of people are coming in with the idea of building trailer courts," says John Jansen of the State Department of Environmental Conservation.

The department is still waiting, in most cases, for the necessary data to be supplied.

But, Jansen says, it appears that much of the land being purchased for this purpose has either a high water table or permafrost. Either condition makes it almost impossible to dispose of waste. If the waste water can not percolate down, says Jansen, there is no place for it to go but to the surface.

Even if they put in treatment facilities, he says, they still can't pump it into the ground if its going to come back up.

Of the larger courts which are proposed, Jansen says only one court looks like it will be

the state but also with borough zoning ordinances. "We get 25 to 30 calls a day," says borough Planning Director Donald Gilmer, "from people wanting to know what they can do."

Every case, Gilmer says, has to be studied on its merits. The

zone and the size of the parcel must be considered.

"But," he says, "we are remembering that what we put in we're going to have to live with after the boom is over. We have good examples from World War II of what not to do. People rented out spots in their back yard, side yard. We still have some of that junk left."

Any mobile home park — defined as any land parcel which is

occupied by more than two mobile homes — must get a borough permit. And in general the borough requires 3,000 square feet per trailer. The trailers must be at least 15 feet apart.

Anyone found operating a mobile home park in violation

of borough or state ordinances can be charged with a misdemeanor and if found guilty fined \$300 for every day the park continues to operate.

Illicit trailers are usually discovered, Gilmer says. Besides two employees whose duty it is to enforce the ordinances, the neighbors usually supply a tip.

"Then we take them to court," Gilmer says, "and we are currently winning our cases."

trols were justified only if housing was limited by a disaster like war. The solution, he said, was to build more housing and he warned that funds for housing could dry up if rent controls were instituted.

Landlord Dennis Osterdock, who has four rental installations, detailed the price increases landlords must face. Taxes are up 50-110 per cent, he said. Maintenance materials are up 20 per cent; general labor, 35 per cent; cost of water and heat, 85 per cent; garbage service, 60 per cent. Even with full occupancy, Osterdock said, two of his four operations were run at a loss in February.

And Jim Price, who said he was both a landlord and a tenant, suggested that if the state was going to control rents it should guarantee that landlords were able to cover their costs during times when their rental units were vacant.

The next step, according to the governor's office, will be for Motley to review the evidence given at the hearing with his staff and the governor's staff and come up with a recommendation for the governor. The recommendation is expected within two or three weeks.

Hearings on the housing situation are also planned for Valdez and possibly Anchorage.

Rent Hearing

—Continued from page 1

stant al impairment of free choice in residential rental housing, or when the average vacancies fall below 3 per cent in the area and remain there for at least 90 days."

At the hearing Motley heard all sides. Nobody, though, told him that housing wasn't tight in Fairbanks.

There was general agreement that there isn't enough rental housing to go around and that the rental costs are making life difficult for many people, especially those on non-pipeline incomes. But there were clearly two opposing views of what should be done.

Those speaking for and against rental controls appeared to be out in equal force. Landlords and tenants followed one another to the podium to explain their positions.

Typical of the renters' positions was that of Ron Tracy who said his rent had been raised from \$395 in June to \$455 in November to \$525 this month.

"They cite heating, maintenance, taxing, insurance," said Tracy.

"As far as maintenance goes they haven't done anything. And I know fuel has gone up but they could save on the bill if they did something about the heat loss."

Tenant Rodney Blakestead

testified that the rent at his quadriplex had gone up from \$475 in October to \$750 this month.

Blakestead, a geologist, said he plans to move out and added that two of his neighbors in the quadriplex, a doctor and a computer technician, were moving away from Fairbanks because of the high rents. Only the construction worker, the fourth tenant, could afford to stay.

And tenant Ted Switz drew applause when he said that the rent increases imposed in his apartment complex added up to \$100,000 a year.

"That," said Switz, "is a hell of a lot of fuel."

On the other side Walter Sczudlo, president of Arctic

All-27-28 Weekly
Apr. 71
(Fairbanks)

Over 200 Attend Hearings

Is there a housing emergency in Fairbanks?

Does the situation justify the extreme measure of rent control?

More than 200 people came to the Alaskaland theatre Tuesday night to hear Fairbanksans give their views on what is happening and what should be done about housing in Fairbanks.

One of the 200 was Commerce Commissioner Tony Motley. On the basis of the testimony given, Motley will advise the governor on the necessity of imposing rent controls. A 1974 law gave the governor the power to "promulgate regulations concerning the control of resident rent."

An emergency, as defined by that law, exists when "the rate of vacancies in residential housing is so low that there is a sub-

—Continued on page 15



Hoffman

55

ALL-ALASKA WEEKLY

Vol. 5, No. 39

All-Alaska Weekly, April 11, 1975

Page 1

All Alaska Weekly, April 11 (Fairbanks)

HOUSING CRUNCH INTENSIFIES

★ ★ ★ Homeless Describe Their Dilemmas ★ ★ ★

Some Leave, Some Live in Hotels, Good Tent Business Seen



In a Housing Office sweat shirt, Rusty Myers, in a crunch lifting 250 lb. weight. — Jo K. Brown Photo

All-Alaska Weekly, April 11, 1975 (cont)

Rent Control - Pro and Con

In an attempt to clarify the arguments for and against rent controls, the All-Alaska Weekly interviewed Alaska Legal Services Supervising Attorney Ed Noonan, who favors some form of rental control, and Sam Barnes, Fairbanks realtor who opposes rent control.

Tenants aren't denying landlords the right to make a reasonable profit, says Noonan. Rent control is not a price freeze. It would allow increases. That point hasn't been brought out well.

Rent control is just control. It is just trying to control the gougers — as the landlord who

increases the rent from \$300 to \$850. There's no justification for that. It's usually clear who the gougers are.

With rent controls, says Noonan, landlords would be able to raise rents but they would have to give justification. They wouldn't be able to make unlimited increases in their profits. People shouldn't get fat with windfall profits when they are hurting other people. And they are. They are hurting all the people with fixed incomes, especially elderly people and people on welfare. We are having to ship some people out of the state, because they can't afford the rent.

What is gouging exactly? Going for the windfall profits, says Noonan. Going well beyond actual increases in cost.

There's a word, he says, used in law: unconscionability. It has to do with the relative bargaining power. If the tenant has no alternatives he has no bargaining power. This is what we are seeing in our office. We've had more people come in than we actually have represented. Most people don't dare to make waves because they have no place else to go.

We can go to court in landlord-tenant cases using the charge of unconscionability. We can get the rent back. But we can't secure the individuals' right

to stay in the apartment at the old rate.

Most rent control systems, says Noonan, exempt new housing from the controls. The purpose of this is to allow the long time residents to keep their apartments.

Will there be rent controls? There is enough momentum, Noonan says. I think there will be some sort of control. People are actually willing to listen to the problems of consumers, even though the consumers don't think they are. If people write

—Continued on page 3

"There's lots of rooms but they're all took."

The husky man in the brand-new parka was explaining why he had spent the night at the Salvation Army but he could have been telling the story of housing in Fairbanks.

"The tent business is gonna be good," said the man at Alaska Tent and Tarp. "We're building 'em as fast as we can." And indeed, a wall tent from Tent and Tarp was one of two offerings in the Unfurnished Apartment section of the daily newspaper one day last week.

No one has yet offered a prize for the best housing crunch story but everyone seems to have a candidate.

There are stories about apartment vacancies being auctioned off, about rents of \$1000 per month, of old-time residents being kicked out to make room for renters who can afford exorbitant rents.

But there are always stories. Is it really so bad?

"Yes," says Linda Resh. "This is the last straw." She has lived in Fairbanks all of her life and is now being forced not only to leave her log house on 2nd street but to leave Fairbanks entirely.

For a while it seemed that she was one of the luckier ones. Her landlord, who was living in Montana, was offered \$600 a month and more for the two-bedroom log house. But he only raised the rent to \$400.

Then the landlord decided to return to Fairbanks and sent word that he would want to move into his house. Resh doesn't blame him: "He's up the creek too."

"We checked everything," says Resh, who, with her daughter Jenny, shares the house with another woman and her two children. "We called all the realtors; we were willing to take a lease with an option to buy. But nothing."

"We put the word out to all of our friends. It seems that the only way you might find a place is through word of mouth. Somebody knows somebody who's leaving."

But nothing came of the efforts and so the two women, their three children, along with Grandma the parrot, the kids' pet rabbit and the baby plants which are just getting a start, will be moving out of the log house at the end of the month.

They will move, all five of them, into the spare bedroom of some married friends, where they will get along until they

make the move to Juneau. They are confident that the housing situation there, even when bad, is much better than the situation in Fairbanks.

"There are a lot of people — old-timers — who are leaving," says Resh, "either going to Southeast or to the bush."

Will the Fairbanksans who leave be coming back someday? "I don't know if this will ever be over," she says. "There are more pipelines to be built. It may be 20 years. And naturally people come; this is the only

—Continued on page 2



Ed Noonan



Sam Barnes

Rent Controls Pro and Con

—Continued from page 1

to the governor, if they speak out, public opinion will be felt. People have to give the governor an idea of what the public opinion really is.

Rent controls, says Fairbanks realtor Sam Barnes, are not going to do anything for the availability of housing at this point. And it is unlikely that they would have a large effect on price. It is conceivable that there could be a price roll back — what a mess that would create.

In considering controls we must be concerned about the bundle of rights the property owner has, Barnes says. I don't think Alaskans are extremists.

We would like to see the state moving toward helping with the problem. There is legislation now which would insure that money will continue to be available for low interest veteran loans. These loans can help people build single family housing and also small apartment units. We would like to see that money continue to be available in spite

of the problems with the general fund.

The state can help by moving quickly with its low income housing program. The state has already acquired land on Noble street and we hope that they get that building off the ground as soon as possible. With luck that building should be ready by this time next year.

The toughest problem is the low-income people. Those who come for a job can either afford the high rents or they leave.

But we don't think the rent controls are the answer at this time. The hearings and the input is important. But I hope the commission will hold this in abeyance. There may come a time when realtors favor rent controls. Opinion is not totally one-sided among realtors now.

And controls might even harm some tenants. If the Department of Commerce said a landlord couldn't charge more than X dollars a month, some landlords might be encouraged to take the maximum.

Also any time you institute controls, there is an expense involved. If the landlord has to fill out forms, comply with regulations, that's going to be a burden and cause additional overhead expense. In the end the tenants will end up paying.

Rent controls too will make it harder to get money to build new housing.

If the new housing is not affected by the rent controls, will money for new construction be hard to find? To exclude new construction, Barnes says, would be grossly unfair to the guy who has had rental units for years and who has suffered through vacancies. And besides, people in financing shy away from rent control areas.

How would landlords react to controls which did not freeze prices, but which asked land-

lords to justify rent increases?

Alaskans are individualistic. I think it would not set well with the landlords in the community to have to justify their actions to a review board. For one thing a lot of people don't

keep those kinds of records. If they had records of what their expenses were they would probably raise the rent more than they do.

What can be done in cases

of gouging? The community should try some jawboning. When a tenant is treated unfairly, he should discuss it with somebody who is knowledgeable. If he is truly being gouged he should go to the public.

Some landlords have gotten bad publicity in the past and there will be a stigma on those establishments for a long time. Public pressure.

What is the future for hous-

ing in Fairbanks? In the long terms, says Barnes, the future looks somewhere between good and wonderful. But we do have a legitimate concern: what happens during the lulls. A one year lull between the oil pipeline and the gas pipeline could really push a landlord out of shape. If anybody has an obligation to the landlord to see that he makes it through the "bust" periods it's the current "boomers."

Martial law in Da Nang

SAIGON, South Vietnam (AP) — Da Nang's military commander declared martial law in the refugee-clogged city Friday, imposed a 24-hour curfew and ordered his men to shoot to kill anyone causing disturbances.

Viet Cong gunners shelled the Da Nang area and some officials said the military situation was deteriorating and the city might fall to the enemy.

The United States began its emergency airlift of military equipment and medical supplies to South Vietnam Saturday, a U.S. Embassy spokesman said.

He said one plane already had landed in Saigon and although he was not certain he believed the airlift was being staged from bases in Thailand.

America also is financing an airlift of fuel, food and ammunition into the Cambodian capital of Phnom Penh and another plane shuttle to remove refugees from Da Nang in the crumbling

northern section of South Vietnam.

The Saigon command described the situation at Da Nang as "critical" Saturday as thousands sought to flee the city under North Vietnamese artillery attack.

Small North Vietnamese and Viet Cong probes were reported on the outer defense perimeter and radio contact was reported lost with Hoi An, the provincial capital of Quang Nam province 15 miles to the south. Da Nang is included inside Quang Nam province but is an autonomous city.

It was not clear whether Hoi An was attacked or whether the garrison simply fled in panic.

Officials said radio contact was lost before dawn with Da Nang command headquarters but later said contact was being maintained through other radio channels. There was no elaboration.

...in terms of military economy while avoiding military entanglement — and that includes Cambodia," Woodcock said.

...natural factors such as climate and geology. They include the Tanana area near Fairbanks; the selection. Cook Inlet area near Anchorage and the Kenai

Where the legislature stands

By ANDY WILLIAMS
Our Juneau Bureau Chief

JUNEAU — The legislature is gearing up for a push for adjournment in early May, but legislative leaders say they may go home without passing what they consider their top priority — a tax on oil and gas reserves.

Senate President Chancy Croft, D-Anchorage, and House Speaker Mike Bradner, D-Fairbanks, both mentioned the reserves tax first when asked what their priorities were. And both indicated there might not be enough votes to pass it.

Croft said a reserves tax would be a major ingredient in the state's plan to raise revenue to bridge the deficit after the general fund runs dry and before oil from the North Slope begins to flow.

"But there are still a considerable number of senators who don't favor that approach," he said.

Bradner said the House intended "to put taxation of oil and gas in place in some sort of viable form."

"That doesn't mean it has to pass, but it means a substantial piece of homework should be done, expertise brought to bear, and that the bill should



Fink

Croft

reach its substantially finished form this session so that if it is held over, the critics can have something to shoot at during the interim," he said.

House Minority Leader Tom Fink, R-Dist. 7, predicted flatly the tax would not pass.

"The tax on oil and gas in ground is dead. The Natives have absolutely killed it," he said.

Fink said the nine-member Republican caucus would oppose it, as would Native legislators. He predicted enough conservative Democrats and others sympathetic to the Natives' arguments would split off from the

30-member Democratic caucus to kill the bill.

Representatives from five Native regional corporations opposed the bill at a recent Senate Resources Committee hearing. They said the tax could cost the Arctic Slope Regional Corporation \$2 million a year and harm other oil and gas development programs. Oil and gas companies also oppose the bill, which could bring to the state up to \$250 million a year.

Bradner and Croft said they hoped to get priority bills into the other house by the middle of April, allowing two weeks to a month to push for adjournment.

"I would call an early estimated departure date out of here as being the first week in May," said Bradner.

"I'm notoriously bad at predicting length of sessions, but I'd still say somewhere around the first of May," said Croft.

House Finance Chairman Hugh Malone, D-Kenai, said the budget would be ready for presentation by the middle of April and that it would reflect total state spending of about \$600 million. That figure, Malone said, is what the

(Continued on Page 2)

Feeling the pain of a housing crunch

By STEVE KLINE
Daily News Staff Writer
(c) 1975 Anchorage Daily News

Anchorage faces a summer housing shortage of crisis proportions, and the reaction of public officials ranges from unconcerned to unimpaired, tempered with political buck-passing.

Already the vacancy factor throughout the metropolitan area is about 1 per cent — but that figure includes homes, and the rental market is practically nil.

When asked about the anticipated problems, projections and possible solutions for the housing shortage,

News analysis

public officials said:

"We're not doing anything on it."

— George Sullivan, Anchorage mayor

"It's a statewide problem. The state should do something about it."

— Harry Donahue, staff director,

Greater Anchorage Area Borough

"I think probably these things can best be addressed at the local level."

— Jay Hammond, governor

"We can't get into it, even if the need is there."

— Robert Wilson, director of housing

management, Alaska State Housing Authority (ASHA)

"We know so little about it, we're going to wait and see."

— William Satchek, director,

Alaska Division of Parks

Everywhere the statistical signs point to a major influx of newcomers to Alaska by summer, with pie-in-the-sky pipeline jobs looming as the major attraction for unemployed Outsiders.

Border crossings have nearly doubled. Out-of-state unemployment claims and motor vehicle registrations are up dramatically. The population has soared to about 170,000 in the Anchorage

area, up from 126,389 logged in the 1970 census.

Ben Marsh, who represents mobile home court and dealer associations, predicts the area will run out of mobile home spaces by October. Landlords renting apartments report 50 to 100 responses per ad.

Demand for beds at the Armed Services YMCA is up 160 per cent over last year at this time. Monthly private housing costs are up 40 per cent. A man overhears a story of a woman who rents out seven beds in her suburban home.

The Marston Rental Office does not bother to advertise any more, and still

receives five calls an hour from persons seeking rentals.

"I was looking for an apartment about four months ago," said Patty Kelley, of the Marston office, "and I had trouble, too."

Cindy Thaxton, at the borough planning department, has been studying — and living — pipeline impact. She shares a duplex with four other women. And in her research, she has seen buck-passing assume absurd proportions.

"Once I made five calls to get the answer to one question," she said, "and

(Continued on Page 2)