

SCOMM

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November 17, 1977

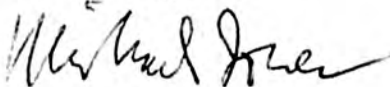
Representative Clark Gruening
Chairman, House Permanent Fund Committee
Anchorage, Alaska

Dear Representative Gruening:

In response to your request, we herewith submit a scope of services and fee schedule for preparation of an analysis of state involvement in housing finance as relates to the information needs of the Permanent Fund Committee as you have outlined them to me. The scope of services is of course amendable, and if you have suggestions for additions or deletions we would be pleased to make them.

The information and analyses you're seeking represent issues that I've been dealing with in Alaska for some time, and I look forward to doing a good report for you.

Sincerely.



Michael B. Jones
Principal

ATTACHMENT A
SCOPE OF SERVICES

The Contractor will prepare a report for the House Permanent Fund Committee, suitable for publication, containing information and analyses which will enable the Committee to make informed judgements regarding potential uses of the State Permanent Fund to assist Alaskans in satisfying their housing needs. The report will address the following issues:

1. Several state agencies are involved in one way or another in financing and other assistance leading to housing development. The Contractor will chart those activities by agency and type of activity for calendar years 1976 and 1977, and will interview agency decision makers to project planned activity for 1978.

Agencies scheduled for this review are:

- a. Alaska State Housing Authority
- b. Regional housing authorities
- c. Alaska Housing Finance Corporation
- d. State Department of Revenue (pension and investment funds)
- e. State Department of Commerce (if any)
- f. Department of Community and Regional Affairs (planning, technical assistance, and Senior Citizens Housing Development Fund)
- g. Division of Policy Development and Planning (HUD 701 planning grants for housing)

Financial, planning and technical assistance activity will be delineated as tables, graphs and narrative which portray the following:

- a. Funding amounts and sources
 - b. Dates available
 - c. Dates committed
 - d. Indirect costs charged
 - e. Numbers, types and locations of units produced
 - f. Other housing related products (eg. planning, technical assistance)
2. The Contractor will prepare an analysis for each agency listed above which outlines their statutory authorities (legislative mandates) and indicates agency activity or nonactivity for each specific authority. This analysis will also demonstrate the overall pattern of agency authorities and activities, indicating points to good program fit, overlapping authorities and activities, and areas of nonactivity.

3. The Contractor will prepare a rough analysis characterizing Alaska's housing needs for rental and home ownership for the following types of communities:

- a. Urban centers (Anchorage and Fairbanks)
- b. Small towns
- c. Villages

Rough estimates will be drawn from existing data and the Contractor's familiarity with many Alaskan communities, and will be outlined as the following types of mortgage requirements:

- a. Deep subsidy (nominal repayment ability)
- b. Moderate subsidy (partial repayment ability)
- c. Market interest (total repayment ability)

4. The Contractor will prepare a chart of the various available federal, state and private housing finance programs, demonstrating their relationships to the categories outlined above. This chart will also indicate the types of sponsors entitled to develop under each program, and obstacles found within program regulations and Alaskan communities which impede program utilization (eg. land title problems, restrictive income and mortgage limits, high cost of fire and extended coverage).
5. The pattern of involvement of private lending institutions with state programs for housing finance will be explored and outlined in the report. Geographical areas of the state without the benefit of active lending programs by private institutions will be shown.
6. The report will contain a summary which includes recommendations for:
 - a. Efficient overall organization of statutory authorities and agency responsibilities.
 - b. State actions to resolve obstacles for use of existing programs in Alaskan Communities.
 - c. Potential uses of the State Permanent Fund for housing assistance in Alaskan communities, including the description of several possible models combining agency roles and financing mechanisms.

ATTACHMENT B

FEE SCHEDULE

The Contractor will prepare an original report, suitable for publication, developing all of the items in the Scope of Services in a manner which is cohesive, clear and valuable to the Committee for its purposes. The Contractor will perform the work for a lump sum fee of \$10,500, including all travel and expenses, payable as follows:

a. Retainer, 1/3 of contract amount.	\$3,500
b. Progress payment, 1/3 upon submittal of rough draft report for Committee review	3,500
c. Final payment upon presentation of the final report.	<u>3,500</u>
Total	10,500

MIKE —
IF THIS IS ACCEPTABLE,
LET'S JUST APPEND IT
TO A STANDARD STATE
CONTRACT FORM, AND
INDICATE DEC. 15 AS
FINAL REPORT DATE.

— MIKE JONES



Michael Jones &
John F. Sevy, Principals

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\$10,000 - \$15,000

ALASKA FUNDING AND AGENCY INVOLVEMENT IN HOUSING DEVELOPMENT
FOR ALASKANS, AN ANALYSIS FOR THE HOUSE PERMANENT FUND COMMITTEE.

Proposed Scope of Services (for discussion only)

The general purpose is to assess the utilization of state resources and involvement of state agencies in the development of housing for Alaskans, by any mechanisms. The assessment will evaluate such activity during the past 3 years.

Specific elements of the proposed scope of services include the following:

(1) For each of the following agencies, trace the lending and grant activities related in any way to housing development.

AHFC
ASHA
State Dept. Revenue
State Dept. Commerce
DCRA
DPDP
(Regional Housing Authorities?)

Financial activity will be delineated as tables, graphs and narrative statements which portray the following:

Funding amounts
Funding origins
Dates available
Dates committed
Indirect costs charged
numbers of units generated, types of units and locations

(2) Explore and delineate the participation of private lending institutions in state assisted housing developments, by institution, geography, type of lending, dollars and units.

(3) Analyze the state statutes for each agency listed in (1) above to determine legislative authorizations and mandates with respect to housing financing activity. Make analyses of

agency activities in light of such authorizations and mandates to determine the extent of use of each specific authority.

(4) Identify major obstacles to housing development in urban communities, small towns and villages, and indicate possible solutions within ability of the state to act.

(5) Chart the modes of housing financing related activities of each of the agencies listed in (1), indicating areas of overlapping responsibility and activity, points of collaborative use of resources, and nonfunctioning statutory authorities.