

SCR

21-4

HOUSE COMMITTEE REPORT

(11)

Date referred: 5/6/87

FURTHER REFERRALS:

5/15
Paul

DATE:

5-15-87

The Finance Committee has considered SCR 21

Relating to the need for a rural housing assessment.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Lee Adams
Pat Kauder
Ronald L. Jarm
C. Russell
Mark Bayne
Steve King
Peter Roe
Rich Wallis
Jay Brown
Mike Deane
Alto Bond

SIGNING OTHER RECOMMENDATIONS:

Lee Adams
 Chairman's signature

Introduced: 3/16/87
Referred: Community & Regional
Affairs & Finance

5-0830A

1 IN THE SENATE

BY HENSLEY, KERTTULA, BINKLEY,
DUNCAN, ELIASON AND ZHAROFF

2

SENATE CONCURRENT RESOLUTION NO. 21

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

Relating to the need for a rural housing

6

assessment.

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

8 WHEREAS there is little current knowledge of housing conditions and
9 housing demand in the rural areas of the state; and

10 WHEREAS there has been no comprehensive housing data collected since
11 the 1980 United States census and the housing need and the demographics of
12 the rural areas of the state have changed considerably in the last seven
13 years; and

14 WHEREAS information on housing conditions and the demand for housing
15 is necessary if the state is to develop responsive rural housing programs;

16 BE IT RESOLVED by the Alaska State Legislature that the Governor is
17 respectfully requested to direct the commissioner of community and regional
18 affairs to conduct an assessment of rural housing conditions and the demand
19 for rural housing.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SCR 21
Publish Date: _____

REQUEST: _____
Revision Date: April 13, 1987
Title: An Act Relating to the need for rural housing assessment
Sponsor: Willie Hensley
Requestor: HCRA Committee

Agency Affected: DCRA
BRU: Housing Assistance
Components: Housing Construction Dev.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		55.8				
TRAVEL		30.2				
CONTRACTUAL		4.8				
SUPPLIES		.2				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		91.0				
CAPITAL		-0-				
REVENUE		-0-				

FUNDING: (Thousands of Dollars)

GENERAL FUND		91.0				
FEDERAL FUNDS						
OTHER						
TOTAL		91.0				

POSITIONS:

FULL-TIME		1				
PART-TIME						
TEMPORARY						

ANALYSIS :

One full-time position travelling to 12 regions. Approximately One month in each region.

Prepared by: Kathleen Graham Phone: 561-0900
Division: Housing Assistance Date: 4/13/87

Approved by Commissioner: [Signature] Date: 4-13-87
Agency: Community and Regional Affairs

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Position Title Public Facilities Planner I		No. of Positions 1	Range/Step 20A	Barg. Unit GGU
Time Status FT	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	42,768			
Benefits				
Premium Pay				
Other				
Total Personal Services		55,796		
Travel		30,240		
Contractual		4,800		
Commodities		200		
Equipment				
Other				
Total Cost		91,036		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	91,036		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

Justification
A high level position is needed to conduct this type of demanding, in-depth analysis. The position would be needed for one year and would involve extensive travel to do on-site visits and conduct needed surveys and assessments of housing conditions and demand for rural housing. Clerical support would be provided by existing staff.

Travel
Travel 1,500 per month x 12 = 18,000
Per Diem 12 days per month x \$85 per day x 12 = 12,240
30,240

Contractual
Long distance telephone, postage, development of survey, etc. 400 per month x 12 = 4,800

Commodities
Office Supplies = 200

**Request For
New Position**

Agency Community & Regional Affairs
 RRU Housing Assistance
 Component _____

Page _____ of _____
 Revised Date _____

FY 88

Alaska State Senate

P.O. Box V
Juneau, AK 99811
Phone: (907) 465-2444
465-3862/465-4923



Senate Finance Committee
State Affairs Committee
Vice-Chair, Rules Committee
Chair, Administrative Regulation Review

William L. Hensley

MEMORANDUM

DATE: April 13, 1987

TO: Senator Arliss Sturgulewski, Chair
Senate Community and Regional Affairs Committee

FROM: Senator Willie Hensley *W H*

SUBJ: SCR 21 - Rural Housing Assessment

SCR 21 urges the Governor to direct the Department of Community and Regional Affairs to assess rural housing conditions and the demand for rural housing.

A report by the Rural Research Agency commissioned during the interim concluded that there was limited current data on housing stock in rural Alaska. The last comprehensive survey was the 1980 Census. We do not have adequate information on the housing stock that has been added since 1980.

The BIA gathered limited information in 1985 that indicates that there is still widespread overcrowding and substandard housing in rural Alaska. We suspect that construction has not kept pace with population growth.

Despite the gains in housing in urban Alaska, there is a pressing need for better housing in rural Alaska. In order to design responsive programs, we need to know what existing conditions are and the characteristics of the housing demand that exists. If we learn, for example, that the demand for housing is most acute among persons with seasonal incomes, we can design financing schemes based on their ability to pay.

Attached is the summary of findings on rural housing by the Rural Research Agency.

WLH/mjs



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

Memorandum

To: Senator W. Hensley

From: Sheila F. Helgath *JAL*
Legislative Analyst

Date: February 2, 1987

Re: Rural Housing Need and Revenue Bond Financing

The Rural Research Agency has been requested to examine (1) the need for single family housing or small apartment units for lower income rural families and (2) the feasibility of using revenue bonds to finance rural housing construction.

SUMMARY

1) Limited current data exists on the condition of housing stock in rural Alaska and on the amount of housing stock being added annually. An estimated 200 new single family units and 120 (with carryover from 1985 projects) multiple family units were added to rural Alaska housing stock during 1986 from federal programs. The funding of most federal programs has been stable or decreasing. Estimates of the increase in rural housing stock resulting from loan programs and private credit loans were not made but are suspected to be quite low (see Table 3).

2) The U. S. Census in 1980 found 80% of rural Alaskan houses were substandard, an update and revision by ISER and CHM Hill estimated 60% in 1982 (ISER used less stringent criteria on the same Census data). The most recent inventory conducted in 1985 by the BIA used criteria similar to the 1980 U. S. Census. The BIA found that approximately one third of the Native homes were substandard and that there was an additional need in 1986 for 4,710 new homes for Alaska Native families. These families are now living with other families in overcrowded conditions or in houses needing total replacement. The majority of these homes are in rural Alaska (see Table 1). Overall Native housing conditions in rural Alaska are similar to the conditions reflected in the 1980 Census.

Senator W. Hensley

February 2, 1987

Page 2

3) Population is the most important factor causing changes in the need for housing. Need for rural housing has grown and will probably continue to grow in the next two decades since a large proportion of rural residents are now between 5 and 18 years of age. Another factor which influences the need for additional housing units is the age of housing. Rural housing shows a significant proportion of housing stock being either relatively new or over 40 years in age (see Table 4).

4) State of Alaska housing programs have primarily benefited urban Alaskans and rural Alaskans who have year round incomes of \$30,000 or greater. The majority of the AHFC loans have been in urban Alaska, approximately 18% of the Housing Assistance Division loan amounts during FY 86 have gone to urban areas or areas with road access such as the Kenai Peninsula, and since 1970 the Alaska State Building Authority has also been an urban program. Rural regions where unfulfilled Native housing need is the greatest had the lowest per capita utilization of Alaska housing loan programs in fiscal years (FY) 1984-1986 (see Table 2).

5) Revenue bonds are currently used to finance Alaska's housing mortgage programs. Revenue bonds are effective ways to finance projects in which the user fees can pay the debt service and loan. Mortgage loan programs financed by revenue bonds will not resolve the housing shortage in rural Alaska because people surviving on a mixed subsistence-cash economy do not have the income to repay bonds. Many residents have been unable to maintain administrative payments of \$75 to \$150 in HUD programs and pay home heating costs.

6) Mixed monetary-subsistence incomes are too erratic and low for most rural people to be involved in any form of home loan mortgage program. State programs directed towards this group of people should take into account variability in income from year to year and throughout the year (see Tables 5 & 6).

Eight recommendations for legislative action which build upon the policy guidelines presented in the 1982 Housing Study by the Institute of Social and Economic Research and CH₂M Hill are made. They are:

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