

SJR

28

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/9/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: LABOR & COMMERCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/17/87 DATE TURNED INTO OFFICE _____
Mr. President:

C&RA _____ Committee considered _____ SJR 28

housing programs of the United States Department of Housing and
Urban Development.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tim Kelly

Mike Symonides

Tim Kelly Arvin Sturgulewski
Chairman signature and recommendation
Dobson

Committee Backup Attached

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

April 14, 1987

FROM: Senate C&RA Staff

A handwritten signature in dark ink, appearing to be "MSE".

RE: SCR 21 - Relating to the need for a rural housing assessment.

and

SJR 28 - Relating to housing programs of the United States Department of Housing and Urban Development.

These two resolutions both concern rural housing. The first, SCR 21 - left side of packet, calls for an assessment of rural housing conditions and the demand for rural housing, to be done by the Department of Community and Regional Affairs.

There is a memo from the sponsor, Senator Hensley, and a 91 thousand dollar fiscal note attached to the bill. Also attached is the summary from a report on rural housing need and revenue bond financing by the rural research agency.

On the right side of the packet is the material for SJR 28. This resolution calls on HUD to maintain its housing programs at or above current levels in Alaska. A memo from Senator Hensley and a zero fiscal note is attached.

The sponsor and representatives of DC&RA will be at the meeting to testify. The two resolutions deal with the same subject but are independent of each other.

Alaska State Senate

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



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

William L. Hensley

M E M O R A N D U M

DATE: April 13, 1987

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

FROM: Senator Willie Hensley *WJH*

SUBJ: SJR 28 - HUD Housing Programs

SJR 28 urges HUD not to cut its programs in Alaska. There are proposals in HUD to cut the total number of units that it funds in half during the next fiscal year. This would probably mean that the units allocated to Alaska would also be reduced by half.

A 1985 study by the BIA indicated that there was a statewide need for 4700 new housing units for Alaska Natives. The only programs that effectively address this need are HUD's rural programs. In 1986, HUD received applications for 642 units, but funded only 200 in Alaska. If the funded units were cut by half, there would be an even higher ratio of unfunded to funded units. This comes at a time when the sluggish economy is decreasing the incomes of residents, which will probably result in a growing need for housing assistance in both urban and rural areas.

An additional problem resulting from any future cuts by HUD is diseconomies of scale. If we continue to distribute HUD funding equitably among the regional housing authorities, each authority will have funding for only a few units. The low number of units in a particular village would make it difficult to find contractors who could provide design and construction services to rural villages within the cost ceilings of the current program. Constructing a larger number of units at one time in a village is much more cost effective. The current funding level represents the threshold necessary to maintain a cost-effective program.

WLH/mjs