

SJR

28

Alaska State Senate

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Senate 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.

WJH/mjs

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: SJR 28
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: Relating to housing programs of the US Dept HUD,
Sponsor: Senator Hensley
Requestor: Senate C&RA

Agency Affected: Community & Regional Affairs
BRU: Housing Assistance
Components: Housing Construction Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS :

Prepared by: *Michael Harper* Michael Harper, Director Phone: 561-0900
Division: Housing Assistance Division Date: 4/13/87
Approved by Commissioner: *Paul C. Hoffman* Date: 4-13-87
Agency: Community & Regional Affairs

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

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CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
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