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ALASKA HOUSING MARKET COUNCIL
Housing Policy Development Committee

Rural and Urban Housing Market
Subcommittee

MINUTES

February 24-25, 1989
Spenard Recreation Center
Anchorage, Alaska

FRIDAY, FEBRUARY 24, 1989

Members Present:

Bill Swain	-	Jack White Co.
Sam Helms	-	AHMC Board Member
Deborah Ingman	-	Appraisal Associates of Juneau
Mike Harper	-	DCRA
Kay Murphy	-	Alliance Bank

Public Present:

Don Sherwood	-	Mat Valley Federal Credit Union
Hank Hodge	-	DCRA - Housing Assistance

AHMC Staff:

Glenda Straube
Heather Arnett

Call to Order

Mr. Swain called the meeting to order at 10:05 a.m. He welcomed everyone to the meeting and announced that Sterling Gallagher, former Commissioner of Revenue, would be giving a presentation on the history of the Alaska Housing Finance Corporation.

Sterling Gallagher's Presentation

(The following is a synopsis of Mr. Gallagher's presentation):

Mr. Gallagher began his presentation by saying that Alaska can be characterized as "young and rural." Young people have very little savings and bank most of their funds in demand deposits. He also pointed out that Alaska is counter-cyclical; whatever the national institutions are doing -- Alaska is doing the opposite. The wealth of the state is in the government's hands. The State of Alaska's credit rating is AA. The only companies in the state with higher credit ratings are Exxon with a AAA rating and

possibly, BP Alaska with an AA or AAA. Mr. Gallagher pointed out that the State of Alaska, because of its credit rating, is the only institution in the state big enough and strong enough to have major financial clout.

The Alaska Housing Finance Corporation was created in 1971 as an adjunct to the Alaska State Housing Authority. For almost six years, the two had the same board of directors. But, in 1976, the board split. AHFC did its first bond issues and put together its first housing packages in the years 1971 - 1974. AHFC decided to put together their own bond issues because they felt captive of federal policies. Those first housing packages included a FHA and VA subdivision in Thunderbird Terrace in Anchorage.

Because AHFC and ASHA shared a board, AHFC was multi-family oriented in the early days. But, that changed in 1972-1973. In 1974, then-Governor Hammond won a pledge from AHFC to begin to provide a more conventional housing program. At the time, AHFC was reaching only a small portion of the state.

Private Mortgage Insurance was just beginning to be recognized and utilized in the country. Alaska was the second state, after Connecticut, to sell a bond issue backed by PMI insurance. In this issue, the state funded 10% of the reserve with the top 80% of the loans being covered by PMI insurance. The whole national insurance industry followed the example of Alaska and Connecticut.

In 1975, with the beginning of pipeline construction, the State accounted for about 35% of savings deposits in the state's banking system. The whole savings and loan industry had only \$100 million on deposit. The State used State pension funds to augment the market.

State government began to push housing in the state, opening up the State VA program. From 1974 - 1979, \$700 million in veterans loans were given out. (The State later used the assets from that program to expand the AHFC in 1981). The PMI program was very successful; with the program's backing, almost "1/2 of Anchorage was built during pipeline construction."

In 1981, the legislature wanted to expand the loan program to provide loans on homes of a higher value - the ceiling went from \$90,000 to \$160,000.

The State fashioned a security, which was 110 basis points over the government rate, with a 10-year call. The State of Alaska began doing graduated mortgages.

That year, the State sold \$1.2 billion in securities -- making it the 3rd largest borrower in the free world. The State was going

to the market with too many types of bond issues in those days. Each bond issue was a different type of security which caused a lot of market confusion.

The AHFC Balance Sheet Today

\$3.9 billion bonds outstanding
\$1.6 billion cash

AHFC is losing money on about 1/3 of its indentures. The corporation could make \$80 million a year if the economy was healthy.

With no subsidies from state government and with the right bond structure, AHFC can beat 'Ginnie Mae' securities by 15 - 20 basis points.

Mr. Gallagher commented that certain legislation has been "jammed down AHFC's throat" -- for instance, the mobile home program which has created a loss of some \$50 million for AHFC.

Mr. Hodge asked Mr. Gallagher if AHFC could become a revolving loan fund and get out of the bond market.

Mr. Gallagher responded that he would have to look at AHFC's cash flow to make that determination, but that he doubted it was possible. He said that there is no one to fill the role of AHFC in a recovering market.

He recommended that if the State is not already doing it, it should jettison all its foreclosed properties (REOs) in Juneau and all other REOS other than those in the Mat-Su Valley, Anchorage and 1/2 of the loans in Fairbanks.

He said that Juneau is a hot market right now and there is nothing wrong with the markets in Ketchikan, Southeast and Kodiak.

Mr. Gallagher said that Alaska will never have a large percentage of savings in the private sector. \$24 billion of assets in the state are from State and local governments. \$5 billion of assets are from the state's banking system.

He said that's why AHFC exists -- because there is no big private savings here.

Mr. Hodge asked in which area should AHFC key in on? He said that DCRA underwrote \$70 million in loans that AHFC wouldn't underwrite. Those were Anchorage and Fairbanks loans.

Mr. Harper commented that the Housing Policy Development Committee was formed to talk about housing; to question the role

of the AHFC and what it should do.

Mr. Gallagher said that the AHFC should serve the low to moderate income market. If it begins to run out of money, it should cut back on the high end.

Ms. Murphy asked if the State should revert back to being a lender for low and moderate-income homes.

Mr. Gallagher responded, "Should AHFC have loans identical to Fannie Mae and Freddie Mac? -- I think it is a matter of price and reserves. With \$300-400 million a year in loans they should tailor their program to financing needs."

Ms. Murphy said that the State can probably save 15 - 22 basis points over Fannie Mae. Ms. Murphy said that she would not like to see AHFC go back to only low and moderate-income loans -- that AHFC's interest rates are considerably less than other lenders.

Mr. Gallagher said AHFC's cash flow could roll at least \$200 million in loans and never sell a bond.

Mr. Swain asked if Mr. Gallagher was saying that even with a REO problem, AHFC was viable?

Mr. Gallagher responded that AHFC was upgraded last year to AA from AA-. He said that \$20 million was made last year.

Ms. Straube commented that the Permanent Fund Account keeps the State's bond rating up. Mr. Gallagher agreed that, regardless of the state's opinion that AHFC's bonds are not backed by the Permanent Fund and the State of Alaska, the bond market views the situation differently. He said that although the AHFC AA bond rating does stand on its own, the market understands that the \$10 million permanent fund is lurking in the background.

Mr. Helms said that Fairbanks is not doing as well as one might think. He said that 450 new units are needed in Fairbanks by this time next year, 150 of those to be multi-family. He commented that hundreds of GI's are presently renting. Mr. Helms asked Mr. Gallagher what he would do to clean up the AHFC?

Mr. Gallagher said he would get them out of certain markets and get their cash flow going. He questioned whether AHFC needed to be involved with federal programs since those programs are so restrictive. What AHFC cannot afford to do is lose PMI insurers.

Mr. Hodge commented that he understood that the further one gets from Anchorage, the less likely it is that PMI will want to insure a loan.

Mr. Gallagher responded that the State can "jawbone" PMI to go

out a little further and insure some rural areas. A lot of rural Alaskan towns are fairly stable, he said, and AHFC could expand their insurance program to include rural areas. He added that the market would buy it.

Ms. Murphy asked if AHFC could set aside 5% of bond issues for non-conforming loans? Mr. Gallagher commented that the bond market would certainly buy that but, AHFC must tell how the loans are non-conforming.

Mr. Hodge said that he wants DCRA's rural loans to be completely separate from AHFC. He remarked that there is currently legislation pending that would allow AHFC to take over DCRA's portfolio and that AHFC has made it clear that if this occurs DCRA loans would be in the "back 40."

Ms. Ingman said that she sees this as a real problem -- that if non-conforming loans are made through AHFC loans, then they wouldn't get underwritten.

Mr. Swain asked Mr. Hodge if the point was that DCRA doesn't have enough money for rural loans?

Mr. Hodge responded that it wasn't true at this point, but if they had any big push, they would be short of funds.

Mr. Swain asked Mr. Gallagher if he was saying that AHFC has enough financial muscle to serve DCRA's needs?

Mr. Gallagher responded that the issue is one of using more reserves.

Ms. Straube commented that we're concerned about policies and what's good for the state. She said that there have been many excuses made for not taking certain actions because of possible harm to the state's bond rating and that the State of Alaska needs to make decisions based on the real facts of our relationship with the bond market.

Ms. Murphy remarked that AHFC says that a lot of what it can and can't do is in the covenants of the existing bond issues.

Mr. Gallagher said that is valid of some bond issues. He said that the original, state guaranteed bonds do not have such covenants. He reiterated that it's a matter of price and that what we're talking about is using more reserves. The bond market will go along with more lenient or non-conforming programs if we are willing to pay the price - which would mean increasing the funds we keep for loss reserves.

Ms. Murphy said that she was told that the original bond issues went with Freddie Mac and Fannie Mae and that the State could

have gotten better rates for borrowers.

Mr. Gallagher responded that the State had a capacity problem then and that it no longer does.

Public Comment

Subcommittee Chair Bill Swain said that there would be a revision in the agenda and that Don Sherwood, from the Mat Valley Federal Credit Union, would give testimony at this time.

Mr. Sherwood said that the State of Alaska should have a group of corporate-minded officials. He pointed out that some projects are being done in Japan, that a Canadian corporation is mining in Juneau and that in Ketchikan there is a foreign-owned molybdenum mine. He added that the Point McKenzie port development is being done by a foreign corporation. The State of Alaska should look at ways of keeping people here.

Mr. Swain recessed the meeting of the subcommittee until 1:30 p.m.

Mr. Swain reconvened the meeting at 1:30 p.m.

Ms. Straube brought up whether the March meetings of the Housing Policy Development Committee should be in Juneau or Anchorage and if the meeting should be held on the 17th and 18th as scheduled or should be moved to March 30 and 31.

It was determined that AHMC staff would poll all members of the Housing Policy Development Committee to determine which March meeting dates were more convenient.

Since there were only five subcommittee members present, the subcommittee decided to cancel their Saturday, February 25 meeting.

Mr. Swain and Ms. Straube decided to write a memorandum to all Urban/Rural Subcommittee members to determine which members were able to make a commitment to attend the majority of subcommittee meetings.

It was brought to the attention of the Chair that John Guinn and Mike Shuler were attending critical meetings in Juneau and that Rick Barrier had informed us at the last meeting that he would be out of town for today's meeting.

Mr. Swain adjourned the meeting of the Urban/Rural Subcommittee at 2:15 p.m.

ALASKA HOUSING MARKET COUNCIL
Housing Policy Development Committee

Affordable, Low Income and Senior Housing Issues

AVAILABILITY:

1. "Affordable" housing is not just a low income issue; it should include renters.
2. How to increase participation of non-profit organizations and public-private partnerships in housing (i.e. housing cooperatives).
3. How can the existing stock of surplus housing be used to meet current housing needs. Need to identify housing that can be quickly converted to senior housing.
4. Identify groups whose needs can not be met by the existing stock of surplus housing.
5. Need for non-medical and assisted housing for seniors. Recognition of the various levels of housing needed.
6. Should the state encourage independent living for seniors where desired and practical.

QUALITY HOUSING:

1. Insure that housing designs maximize energy conservation and the use of local fuel resources. Energy importation and poor energy efficiency can increase housing costs.
2. Current building codes and standards may unnecessarily increase costs.
3. Should there be peer review of housing programs and their delivery system.

REGULATIONS:

1. Can existing loan programs be modified to encourage "affordable" housing.
2. What changes in state regulations, regarding AHFC and AIDEA financing guidelines, may be appropriate for low income and affordable housing. Federal and local guidelines also need to be addressed.
3. Should there be a state housing commission to oversee compliance of housing programs.

4. Regulations should be modified to allow boarding homes and residential level II housing to provide assistance to the "aged" without having to provide the full medical facilities required under law.
5. The state should adopt a case management system to allow agencies, serving the same people, to compete with each other and take advantage of funding available from the federal government for medicare/medicaid patients.

ACCESSIBILITY:

1. Agencies must educate the private sector and the public to improve access to current and future housing resources.
2. Full utilization of existing senior centers is needed.

MORTGAGE LOAN AVAILABILITY:

1. How to increase participation by local financial institutions.

Type of Structure

- One to Four Unit Complexes - Majority of occupants will be in various stages of (Single level preferred) slow mobility. Little or no climbing will be necessary. Split or Multi-level Can be utilized in cases where occupants are spry and very ambulatory, also occupants who may have occasional visitors (children, etc.)

- Entries Close to Ground - Stairs are most dangerous of all features to older people. Also ramps are easier to build and will have less run distance. Will creat less problems with snow and ice.

- Attached Garage - Ability to start cars in winter. Weather protection all (preferred) year and additional storage room.

- Well insulated - Comfort is of primary importance to older citizens. Uniform room temperatures especially at floor level are very important. Also cost savings are necessary.

- Low window level - One or more windows should have low sill heights, preferably living room windows. This premits easy viewing from sitting positions.

- Emergency Access - Ease of removal of patients in case of medical emergencies, i.e. ability to remove incapacitated patient from bathroom, etc.

- Storage - Ability to construct additional storage to provide for more than normal. Older people sometimes have a life time of possesions to store.

Exterior & Neighborhood

- Lot Size and topography- Prefer normal to small lot for ease of maintance. Lot should be high enough to promote good drainage to streets or other drainage receptors.

- Make-up of Neighborhood Residents - Neighborhood should have average to lower quanities of children. Some children are necessary. Area should be clean with no junk yards or other run down features- preferred make up is with maturing families, modest density i prefferred.

- Other Features - Streets should be well maintained. Street lighting is a must. City water and sewer is prefered.

- Concrete Foundations - No maintenance work for life of house - very stable

- Code Electrical System - Lessens danger of fire- special circuts for medical equip- ment can be easily added.

- Mechanical System - Must be in good condition and operating properly. Sanitaton is of primary concern. In addition it is important that the system can be expanded to accomidate special fixtures for handicapped or medical purposes. Heating sstsem should be multizone and of baseboard hot water.

- Well lighted areas - Lighting is important to help prevent accidents and to assist in reading and other activities.
- Kitchen Designs - Appliances in good condition with easy to reach controls. Standard cabinets and lower upper cabinets to lessen step stool requirements. Near access to dining room.
- Laundry Facilities - Laundry facilities including washer and dryer preferably within main house envelope.
- Adaptability - Ease of conversion of bath and electrical to accomidate handicapped or medical requirements.

for review

The following cost estimate is based on a 1,000 square foot residence conversion under uses of the following categories:

- I - No handicapped or medical assistance required
- II - Some handicapped or medical adaptation needed
- III - Intensive handicapped and medical requirements including wheel chair, oxygen etc.

	<u>I</u>	<u>II</u>	<u>III</u>
<u>Exterior</u>			
Lot, Roof, siding painting, grounds	\$500 to 1,500.	500 to 1,500	500 to 1,500
<u>Interior or Finish</u>			
floors	300 to 2,000	300 to 2,500	300 to 2,500
walls	500 to 1,000	700 to 1,200	700 to 1,200
ceilings	300 to 700	300 to 700	300 to 700
doors	200 to 800	1,200 to 2,000	1,500 to 3,000
windows	0 to 1,500	0 to 1,500	0 to 1,500
<u>Handicap & Medical Access</u>			
	-0-	500 to 1,000	700 to 1,500
<u>Handicap & Medical Bathroom</u>			
	-0-	700 to 3,500	1,200 to 5,000
<u>Handicap & Medical Kitchen</u>			
	-0-	1,000 to 3,500	1,500 to 4,500
<u>Bath & Kitchen Fixtures & Cabinets</u>		(These costs included in bathroom and kitchen categories under scenario II & III)	
	300 to 3,000		
<u>Mechanical Systems</u>			
Boiler & heating water supply & drainage pipe (fixtures included above)	150 to 500	150 to 500	150 to 500
	0 to 300	0 to 300	0 to 300
<u>Electrical</u>			
upgrade lighting	300 to 600	300 to 800	300 to 1,000
clean & repair	100 to 300	100 to 300	100 to 300
special circuits	-0-	500 to 1,500	1,000 to 2,500
<u>Emergency Access</u>			
	-0-	500 to 1,500	800 to 2,500
<u>Emergency & Special Systems</u>			
	-0-	150 to 600	150 to 600
<u>Add Laundry & Storage</u>			
	800 to 1,500	800 to 1,500	800 to 1,500
Totals	3,500 to 13,700	7,700 to 24,400	10,000 to 30,600.



State Housing Council

110 LABOR & INDUSTRIES BUILDING, SALEM, OREGON 97310-0161 PHONE (503) 378-4343

TO: Debbie Wood
Housing Policy Analyst

DATE: April 4, 1988

FROM: Krista Tyler
Student Intern

SUBJECT: OTHER STATES' HOUSING PROGRAMS

I have compiled a brief list of programs being carried on in other states, which may be of some interest to the Housing Council. I found lists of such programs in the handbooks published by the Council of State Community Affairs (COSCAA) and the Council of State Housing Agencies (CSHA). I then wrote to the director of each program requesting a program description and the enabling legislation. Upon receipt of this information, I summarized the features of these programs in outline form. On the following pages are condensed versions of these outlines. They have been divided into categories for easier reference. Following these brief descriptions are page-long outlines giving more detailed descriptions on these programs for future reference.

I. HOMEOWNERSHIP

1. Pilot Single-Family Construction Program (Connecticut)

- A. Loans to private developers to build low-cost housing
- B. Experimental program - operated only in 1986

2. Rural Homesteading Program (Virginia)

- A. VHDA purchases foreclosed properties, sells them for \$1.00 to eligible applicants
- B. Owners required to rehabilitate residences, live there five years
- C. Focus on state's rural areas

II. RENTAL

1. Rental Housing Production Program (Maryland)

- A. Funds may be used for nearly all aspects of construction

B. Work must be in eligible area:

1. blighted, deteriorating or slum
2. areas in danger of becoming so
3. areas which might so affect surrounding neighborhoods

C. Buildings must be vacant or under-utilized (less than 60 percent occupancy)

4. CORE Focus Program (Massachusetts)

- A. Local governments may receive up to \$10,000 per unit matching funds for rehabilitation
- B. Projects must be in downtown or key commercial areas
- C. Emphasis on mixed-use, housing/commercial purposes

5. Urban Renewal Program (Massachusetts)

- A. Money to communities, nonprofits for rehabilitation of blighted, sub-standard or decadent area
- B. Used in tandem with funding from HUD, Land Bank, MIFA, urban renewal and state funds

V. FARMWORKER/RURAL

1. Farmworker Housing Assistance Trust Fund (Florida)

- A. Loans with 3% interest and grants to:
 1. nonprofit organizations
 2. local governments or housing authorities
 3. federally recognized Indian tribes
- B. Money to be used for construction or purchase of housing for farmworkers or low-income rural residents
- C. Applications reviewed on a point scale

2. Farmworker Housing Grant Program (California)

- A. Matching funds for construction or rehabilitation of housing for farmworkers and low-income rural residents
- B. Rents may not exceed 25 percent of tenants' income

3. Rural Housing Program (Maine)

- A. In cooperation with FmHA for rehabilitation of low-income housing in rural areas of state

4. Community Contribution Tax Incentive Program (Florida)

- A. To encourage private contribution to construction and rehabilitation of target areas
- B. Private corporations donate to eligible sponsors
- C. Corporation receives 50 percent tax credit, up to \$200,000
- D. Financed through state tax credits

* NOTE: Financing is from state general funds, unless otherwise noted.

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MARYLAND

Rental Housing Production Program

I. Purpose

This program is designed to increase the supply of rental housing for low-income families.

II. Funding

For fiscal year 1987, \$9 million was appropriated from the state general fund.

III. Description

Funds from this program can be used for capital assistance, mortgage payment assistance, and advance of funds. Developments must include five or more units of rental housing and must be designated for residents earning less than 60 percent of the area median, with a goal of 50 percent of the households served earning 30 percent or less of the area median income. Any rent increases must be approved by the Agency.

IV. Target Group

Both nonprofit and for-profit corporations are eligible for assistance, provided the development serves residents in the low- and very-low-income range.

V. Contact Person

Nancy S. Rase, Director
Rental Housing Programs
45 Calvert Street
Annapolis MD 21401-1907
(301) 974-2122

MASSACHUSETTS

CORE Focus Program

I. Purpose

This program is to provide incentives to communities to create and retain affordable housing units for their citizens.

II. Funding

CORE receives \$1 million per year from Small Cities Program and rental assistance subsidies from state housing program.

III. Description

Units of local governments may receive matching funds to rehabilitate downtown or key commercial center buildings for mixed-use, housing/commercial purposes. Up to \$10,000 per unit may be received.

IV. Target Group

Communities wishing to rehabilitate downtown facilities.

V. Contact Person

Thomas R. Gleason, Director
Massachusetts Small Cities Program
Executive Office of Communities and Development
100 Cambridge Street
Boston MA 02202

WEST VIRGINIA

New Small Development Program

I. Purpose

This program is designed to assist private developers in the construction and rehabilitation of residential and commercial properties, especially in the downtown area. A goal of 50 percent level was established for low-income person occupancy.

II. Funding

Approximately \$5 million from the West Virginia State Board of Investments.

III. Description

This program is restricted to the development of multifamily rental housing and of commercial space. The major emphasis of the program is towards downtown revitalization by financing "Main Street" conversions of commercial properties to the above. Development proposals are evaluated as to ability to meet the 50 percent low-income residential goal.

IV. Target Group

Any nonprofit or for-profit individual or company is an eligible sponsor.

V. Contact Person

Norma L. Pritt, Information Officer
W. Virginia Housing Development Fund
814 Virginia Street East
Charleston WV 25301
(304) 345-6475

C O L O R A D O

Construction Loan Fund

I. Purpose

This program is designed to provide funds to assist in the construction, acquisition or rehabilitation of housing for low- to moderate-income families.

II. Funding

The financing is made available through State general funds.

III. Description

The loan may be for an amount to cover 90 percent of construction/rehabilitation costs, for a period of not more than two years. Nonprofit or government agency sponsors may apply for these funds to build housing facilities of five units or less.

IV. Target Group

Nonprofit or government agencies build properties for low- and moderate-income families.

V. Contact Person

Judy B. Schneider
Assistant Program Development Officer
Colorado Housing Finance Authority
777 Pearl Street
Denver CO 80203-3716
(303) 861-8962

M A R Y L A N D

Nonprofit Rehabilitation Program

I. Purpose

To provide for the rehabilitation of residential properties.

II. Funding

This program is funded through Maryland general funds.

III. Description

Many different properties including rentals, group homes, temporary shelters, single-family owner-occupied homes and mobile homes are eligible for assistance. Funds may be used to bring the properties to code compliance and make the building suitable for its proposed use. Projects must serve individuals or households with limited income.

IV. Target Group

Nonprofit organizations and local governments are eligible for these loans.

V. Contact Person

Nancy S. Rase, Director
Rental Housing Programs
45 Calvert Street
Annapolis MD 21401-1907
(301) 974-2122

FLORIDA

Farmworker Housing Assistance Trust Fund

I. Purpose

To aid in the site acquisition and in the construction, rehabilitation, maintenance or support of farmworker or low-income rural housing.

II. Funding

State general funds.

III. Description

This program provides loans and grants to groups for the construction and/or purchase of housing to be offered to the state's farmworkers and low-income rural residents. Available funds are allocated 40 percent for farmworker housing and 60 percent to low-income rural housing. Loans of up to \$400,000 carry an interest rate of three percent for three years, and grants for specific purposes are available to approved applicants, based on a point system.

IV. Target Group

A loan or grant may be awarded to:

- a. nonprofit organizations
- b. local public bodies (housing authority or local government)
- c. federally-recognized Indian tribes

V. Contact Person

Frances L. Kling
Planning Manager
Department of Community Affairs
2571 Executive Circle East
Tallahassee FL 32399
(904) 488-1536

M A I N E

Rural Housing Program

I. Purpose

To provide for rehabilitation and repair for low-income homes in the rural parts of the state.

II. Funding

Housing Opportunities for Maine (HOME) Trust Fund.

III. Description

This program is in cooperations with the Farmers Home Administration and is divided into two sections. The first, the Housing Preservation Grant Program, provides at least matching funds to the FmHA for repair of residences in rural areas. The second, the Multi-Family Rental Assistance Payments Program, supplements the FmHA waiting list for rent subsidies to low-income tenants in approved developments.

IV. Target Group

Only low- and very-low-income rural families are eligible for assistance, and these must meet FmHA requirements.

V. Contact Person

Robert O. Lenna
Deputy Director
Maine State Housing Authority
PO Box 2669
Augusta ME 04330
(207) 623-2981

MASSACHUSETTS

Support Services Program

I. Purpose

This program is designed to increase the economic self-sufficiency of public housing tenants through the provision of education, skills training, employment and support services.

II. Funding

A line item in the state budget appropriates approximately \$5.3 million.

III. Description

With a central theme of employability enhancement, the Executive Office of Communities and Development (EOCD) provides matching funds or an outright grant for support services for tenants of public housing. These services include job training, career counseling, remedial education, vocational and on-the-job training, youth services, and other such support as child care and transportation.

IV. Target Group

This program is targeted at persons who are already residents of the state projects.

V. Contact Person

Paul Kerrigan, Director
Bureau of Supportive Services
Executive Office of Communities and Development
100 Cambridge Street
Boston MA 02202

FLORIDA

Community Contribution Tax Incentive Program

I. Purpose

This program is designed to encourage private businesses to contribute to rehabilitation of housing units in the state.

II. Funding

Private businesses receive state income tax credits, up to \$200,000 per business, up to \$3 million for the state.

III. Description

Corporations must donate to an eligible sponsor, which include nonprofit organizations and state or local government. These sponsors must be conducting a project to construct or rehabilitate housing, commercial, industrial or public facilities or to promote entrepreneurial or job development opportunities. The corporation then receives a 50 percent tax credit for the contribution.

IV. Target Group

Private corporations willing to invest in construction and rehabilitation of distressed area.

V. Contact Person

Priscilla Howard
Florida Department of Community Affairs
Bureau of Community Assistance
2740 Centerview Drive, Rhyne Building
Tallahassee FL 32399
(904) 488-3581

M A R Y L A N D

Group Home Acquisition Program

I. Purpose.

To provide and modify group homes for such special need groups as the elderly, the handicapped, income-eligible people, and others.

II. Funding

This program is funded by state general funds.

III. Description

Low interest loans are available to non-profit organizations to acquire and modify homes to serve these special-needs groups. Only those organizations who are unable to secure private financing are eligible. Interest rates are based on a sliding scale between zero and 7.5 percent depending on the incomes of the residents and the organization's repayment ability. The rate may be adjusted during the term if either of these change.

IV. Target Group

Eligible applicants are those non-profit groups which propose to serve the "special needs" of the group home residents.

V. Contact Person

Nancy S. Rase, Director
Rental Housing Programs
45 Calvert Street
Annapolis, MD 21401-1907
(301) 974-2122

Alaska Housing Market Council

October 3, 1989

Dear Housing Policy Development Committee Member:

Enclosed find your agenda and packet for the HPDC meeting, October 13, in Anchorage. If you are coming to the meeting from another community, please make your own travel arrangements, and, as before, you will be reimbursed for plane fare and for the day spent in Anchorage (at the state per diem rate).

The meeting will be held at the Anchorage Legislative Information Office, 3111 'C' Street, in the main floor conference room, from 9:00 a.m. to 5:00 p.m. The meeting will also be teleconferenced statewide to all Legislative Information Offices, which are open during the legislative interim. If you are unable to travel to Anchorage for the meeting, please attend by teleconference.

At the meeting, we will hear presentations on current and proposed loan programs at AHFC and DCRA. Also, we'll hear about proposed programs at ASHA.

The committee will then review and finalize the mission statement, the policy statements and their action recommendations. Lunch will be catered.

Please take a minute to review the subcommittee input which hasn't been resolved by the full committee. These will be the issues the committee will discuss when finalizing recommendations.

Another Note: The 2nd Annual Rural Energy Conference will be held in Anchorage on October 12 and 13 at the Egan Convention Center. This conference, titled "Energy Costs and the Rural Economic Crisis," is sponsored by DCRA, Rural CAP, the Alaska Energy Authority and The Alaska Rural Electric Cooperative Association. A conference agenda is enclosed.

As before, please contact me as soon as possible if you are unable to attend the HPDC meeting.

See you on the 13th!

Sincerely,



Heather Arnett, HPDC Aide

Alaska Housing Market Council

ALASKA HOUSING MARKET COUNCIL Housing Policy Development Committee

Meeting of the Full Committee

AGENDA

October 13, 1989

9:00 a.m. to 5:00 p.m.

Anchorage Legislative Information Office
3111 'C' Street, Main Floor Conference Room
Anchorage, Alaska

And all other State Legislative Information Offices
(Open during Legislative Interim)

- I. Call to Order - Roll Call
- II. Approval of Agenda
- III. Approval of Minutes
 - a. Full Committee Minutes - 9/8/89 - 9/9/89
 - b. Subcommittee Minutes - 9/8/89 - 9/9/89
- IV. Presentations on AHFC, DCRA, and ASHA housing programs
- V. Finalize Mission Statement, Policy Statements #2 - 13 and action plans
- VI. 12:00 p.m. Lunch
- VII. 1:30 p.m. Public Testimony
- VIII. Finalize Policy Statement #1 and action plans
- IX. Adjournment

ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE

Full Committee
Minutes

September 8, 1989
Sheraton Anchorage Hotel
Anchorage, Alaska

CALL TO ORDER

The meeting was called to order at 9:15 a.m. by Chair Cynthia Parker.

The following members were present:

Fred Aii, Covenant House
Sharon Araji, University of Alaska, Anchorage
Representative Kay Brown
Jeri Swensen, Division of Mental Health & Developmental
Disabilities
Stan Hoofard, Housing Services, Municipality of Anchorage
Barbara Chmiel, Housing Services, Municipality of Anchorage
Nancy Adams, Juneau Alliance for the Mentally Ill
Senator Pat Pourchot
Rick Barrier, Malaspina Properties, Anchorage
Mike Harper, DCRA, Anchorage
Sam Helms, Public Member, Fairbanks
Caren Mathis, Dept. of Commerce, Anchorage
Representative Steve Rieger
Bill Swain, Jack White Co., Anchorage
Bob Arwezon, Real Estate Broker, Anchorage
Paul Carr, Carr-Gottstein Properties, Anchorage
Kelly Gunnels, Denali State Bank, Fairbanks
Leo Kaye, Wasilla Senior Citizens Advisory Board
Cynthia Parker, Anchorage Neighborhood Housing Services
Jesse Bartlett, ASHA, Anchorage

Staff Present:

Glenda Straube
Heather Arnett
Mark Romick
Brenda Glaze

Public Present:

Amos E. Heacock, Anchorage
Nancy Isabell Thompson Heacock, Anchorage
Don Foss, Baranof Island Housing Authority, Sitka
H. Prent Gazaway, Anchorage
Jean Smith, Realtor, Anchorage
Jacquelyn Canoose, Cook Inlet Tribal Council, Anchorage
John McCool, ICBO Code Committee, Anchorage
Charles E. Logsdon, Palmer Senior Citizens Advisory Committee
Bryon D. Coney, Panoramic View Apartments, Anchorage

APPROVAL OF AGENDA

The agenda was unanimously approved.

APPROVAL OF MINUTES

The minutes from the July 28, 1989 full committee meeting in Homer and the August 25, 1989 chair meeting in Bethel were both unanimously approved.

DRAFT POLICY RECOMMENDATIONS

The committee discussed the 13 draft policy recommendations. Rep. Rieger stated that he had a few language change suggestions for the recommendations, but otherwise approved of the statements.

The full committee approved all 13 statements.

POLICY STATEMENT #1

DISCUSSION OF PROPOSED HOUSING COMMISSION

Rep. Brown distributed a suggested structure for the proposed Housing Commission.

She was concerned that by establishing a Housing Commission, a new layer of bureaucracy would be created. This would be viewed unfavorably by the Legislature. A Commission that "streamlines" the way state housing programs are structured and delivered would be preferable.

Under Rep. Brown's proposed structure of a Commission, the boards of AHFC and ASHA would be eliminated and the Commission would become the board to administer and oversee all state agencies with housing responsibilities and all state housing programs.

Rural housing service delivery would still occur through DCRA.

She envisions a 10-member board with the executive directors of the various agencies serving at the pleasure of the board.

Mr. Kaye asked what type of legislative action would have to occur to create a Commission.

Rep. Brown responded that creation of a Commission would require modification of state statutes.

Mr. Barrier suggested that perhaps AHFC's board would handle day-to-day decisions and an Executive Board/Commission would decide policy issues.

Rep. Rieger stated that he is not opposed to the idea of a Commission, but remarked that we should explore improving the current situation first, i.e. how housing in the state is handled by the Governor's office.

Mr. Carr stated that he would feel more comfortable if there was one board that set policy, but did not have the responsibility of administering all housing programs.

Rep. Brown said that it's important that a Commission has the power to enforce policies.

Mr. Ali added that he doesn't think the state can afford a Commission without teeth - at this point.

Mr. Harper stated that, in concept, he agrees with the idea of a Commission, but he doesn't think it should run the day-to-day operations of the various agencies.

10:00 a.m. PUBLIC TESTIMONY

Amos E. Heacock, North American Brotherhood Foundation, Anchorage

Mr. Heacock stated that his organization has been approved by the IRS as a non-profit corporation. They use their expertise to reduce the cost of community economic development and housing. They have the ability to implement housing in "distressed areas."

They can possibly guarantee a 20% lower cost for lower-income persons. Development has to be from the "bottom-up." The Foundation would represent the buyers of condominiums and other housing.

(Mr. Heacock added in a later note that the primary problem in the state is filling housing with jobholders. With no provision in Alaska for accepting co-operative mortgages, he stated that it is premature for the Foundation to establish a definitive program).

Nancy Isabell Thompson Heacock, Anchorage

Ms. Heacock emphasized the importance of low-income persons becoming homeowners. She added that it is very important for a person's self-esteem to feel pride of ownership in their home.

H. Prent Gazaway, Anchorage

Mr. Gazaway commented that some of the policy statements seem a bit wordy. He recommended that in Policy Statement #2, the word regionalized be changed to localized. He disagreed with Policy Statement #4, which focuses on low-income housing. He felt that the statement should address improving the availability, accessibility, and affordability of housing for all Alaskans, with an emphasis on housing for persons with limited or low-incomes.

Jean Smith, Realtor, Anchorage

Ms. Smith represents Safe Haven Cooperative in Anchorage. She stated that there is no financing available in the state for co-operatives. She has approached every agency about this. She does think that AHFC has the authority, under statute, to finance co-operatives, but the agency does not issue such loans.

She urged the committee to "keep thinking co-operatives."

Jacquelyn Canoose, Cook Inlet Tribal Council, Anchorage

Ms. Canoose stated that the CITC is expecting a large influx of people into the Anchorage area this fall and winter. She said that there is an urgent need for low-income housing. There needs to be good coordination between ASHA and rental assistance programs and more education for the public. She added that there needs to be a better check on tenants when their income increases.

Mr. Hoofard asked if Ms. Canoose was aware of the HUD program which allows non-profits to lease HUD properties for \$1 a year.

Ms. Adams added that the non-profits cannot charge rent, however.

Ms. Straube stated that the non-profits have to pay insurance costs and other operating expenses.

John McCool, Architect, Anchorage

Mr. McCool has been a practicing architect in the state for over 20 years. He has been a member of the International Conference of Building Officials Code Committee in the state along with representatives from the Architects Institute of America, the

Department of Labor, the Municipality of Anchorage, the Department of Transportation and building contractors.

He said that the Federal Trade Commission has stated that 31 states have statewide codes. In this state, no private or public buildings have any seismic codes. Nine different state agencies regulate housing and are often at odds with each other. Some of these codes must be adopted and changed by statute, which is a very difficult process.

In 1987, the Code Committee's draft bill made it to the Senate Labor and Commerce Committee, but died because of disagreement as to which agency should do code enforcement.

Mr. McCool added that national codes are updated every three years. Federal accessibility standards are updated less frequently, but are still good building standards.

If a statewide building code (based on national codes) is adopted, public hearings could be held when code updates are issued and regional amendments could be instituted.

Also, a code appeals process should be implemented.

Mr. Helms stated that a Uniform Building Code is needed in the state, but such a code would not work well in rural areas.

Mr. Rieger asked if there should be a grandfather clause relating to buildings already constructed, if a statewide code is adopted.

Mr. McCool responded yes, that the Fire Code has that provision.

Mr. Hoofard stated that codes are a big issue, for instance, how would code inspectors get to Bethel or other rural parts of the state?

Mr. McCool said these issues would be addressed in phases; the first priority is to get a statewide code adopted.

Byron Coney, Panoramic View Apartments, Anchorage

Mr. Coney is the trustee for the Claire Reischling Testamentary Trust. He is presently in charge of the Panoramic View Apartments on Government Hill. They were built in 1949. There are 268 units in 14 buildings with basically sound construction. They have potential as low-income housing; but the project is struggling to survive.

Mr. Coney concluded that the logical solution was to transfer the project to a non-profit corporation.

By the end of September, 1989, the Anchorage Housing Trust will

be established. This corporation will have 501c3 tax-exempt status. The Trust will assume management and control of the Panoramic View Apartments. The Trust is a non-profit corporation and Mr. Coney will receive no benefit.

The managers of the property have received a rental rehabilitation loan from the Municipality of Anchorage to renovate some of the apartments. They are also participating in the Municipality's weatherization project. Some apartments will be available for Section 8 tenants. They have received Community Development Block Grant funds to create a rent subsidy program for low-income tenants.

They have also applied to ASHA for the federal Low Income Tax Credit.

The land under the project is owned by the Alaska Railroad. Mr. Coney stated that the Railroad has been unsympathetic to the attempts of management to pay a more reasonable rental rate on the land.

Management has discussed with the Railroad the possibility of trading the property with Municipal or Native Corporation land. The Municipality has not shown interest in pursuing this issue.

Ms. Parker stated that she believes this deal should be completed. There has already been, approximately, a \$1 million subsidy into the project. The adjacent municipal land (under the Hollywood Vista Apartments) should be traded to the Railroad.

Mr. Arwezon suggested that perhaps the Committee should draft a resolution to send to the Council and legislators, supporting such a trade.

STAFF PRESENTATIONS

Ms. Straube gave a presentation on the Housing Finance Task Force. She said the task force has commissioned a report on housing finance in the state. The report won't be completed until the legislative session in 1990. She added that the consultant could possibly examine the social implications of various financing programs, in addition to the financial aspects. She will keep the Committee informed of the progress of the task force.

Ms. Straube and Ms. Arnett discussed the subcommittee's drafting of action recommendations. They stated that they must meet the "SPAMO" test, meaning they should be: specific, pertinent, attainable, measurable and observable.

The subcommittees then met for a few moments and adjourned for lunch at 12:00 noon.

ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE

Low Income, Affordable, Senior Housing Subcommittee
Minutes

September 8 - 9, 1989
Sheraton Anchorage Hotel
Anchorage, Alaska

CALL TO ORDER

The meeting was called to order at 1:45 P.M. (Sept. 8) by Chair Paul Carr.

The following members were present:

Paul Carr, Carr-Gottstein Properties, Anchorage
Bob Arwezon, Real Estate Broker, Anchorage
Barbara Chmiel, Housing Services, Municipality of Anchorage
Kelly Gunnels, Denali State Bank, Fairbanks
Cynthia Parker, Anchorage Neighborhood Housing Services
Jesse Bartlett, ASHA, Anchorage
Leo Kaye, Wasilla Senior Citizens Advisory Board

Staff Present:

Mark Romick

APPROVAL OF MINUTES

The minutes for the July 14, 1989 subcommittee meeting were approved without objections. Mr. Carr made the motion which was seconded by Ms. Parker.

The focus of this meeting was to review and revise the action plans of the full HPDC. The changes suggested by this committee are summarized below.

POLICY STATEMENT #1

There were no changes suggested by the committee.

POLICY STATEMENT #2

Action Plan #1:

The committee suggested that the task force that was created in action plan #1., also be asked to address bldg. codes.

add "housing & construction" after "Department of Environmental Conservation's"

POLICY STATEMENT #3

Action Plan #3:

The committee voted to remove this action plan because it felt that most governments already have this ability under current municipal ordinances. It may be possible to include this in the policy statement.

POLICY STATEMENT #4

Action Plan #3:

Add an action plan:

"An educational program should be developed through state agencies and the secondary market to encourage funding of applications for qualified low income/affordable housing projects."

Action Plan #4:

Take out "directly" and add "through normal seller/servicer arrangements" at the end of the sentence.

POLICY STATEMENT #5

Action Plan #2:

Take out "also if needed". Move second sentence to policy statement #12, because it should apply to all HUD programs not just transitional housing.

Action Plan #3:

Remove

Action Plan #5:

Remove

Action Plan #7:

Not specific - not SPAMO.

Action Plans 8 - 18:

Make one action plan (#8) identifying the groups in 8, 10 - 17 has letters. For example, 8a, 8b, 8c, - 8j.

Action Plan #20:

Remove

Action Plan #21:

Remove

POLICY STATEMENT #6

Action Plan #1:

Make this a finding of the report, not an action plan.

Action Plan #2:

Make this #1, and add the word "annually" after "should identify".

POLICY STATEMENT #7

Action Plan #1:

Not specific enough. Change "should approve...." to "should develop/adopt accepted industry lending standards".

Action Plan #2:

Not specific enough.

Action Plan #4:

Discuss with full committee, #2 and #4 are in conflict.

Action Plan #5:

Ms. Gunnels suggested that this action plan should include some statement about the borrowers ability to refinance their loans, under state loan programs, with a servicer in Alaska.

POLICY STATEMENT #9

Action Plan #1:

Remove and add to AP #2.

Action Plan #2:

Make Action plan #1 and add "and secondary market mortgage investors" after "in Alaska,".

Action Plan #3:

Make action plan #2 and substitute "direct economic assistance" for "subsidize interest rates".

The committee adjourned at 5:25 p.m.

The committee reconvened at 10:00 a.m. on Saturday, September 9, 1989.

The following members were present:

Cynthia Parker, Anchorage Neighborhood Housing Services
Howard Bess, Alaska Housing Ministries, Anchorage
Bob Arwezon, Real Estate Broker, Anchorage
Jesse Bartlett, Alaska State Housing Authority, Anchorage

Staff Present:

Mark Romick

POLICY STATEMENT #10

Action Plan #1:

Add a sentence to include ASHA in the provision of affordable rental housing.

POLICY STATEMENT #11

Action Plan #3:

The committee felt that "guarantee loans" was not appropriate. The state should not "guarantee loans", but facilitate the financing.

POLICY STATEMENT #12

Add "and capital" after "sources of revenue" in the policy statement.

Action Plan #3:

Remove

Action Plan #4:

Remove

Action Plan #8:

Add "and non-profit" after "regional housing authorities".

Substitute "Resolution Trust Program" for "new national FSLIC program".

POLICY STATEMENT #13

Action Plan #1:

Add "and an appeals process" after "amendments".

Action Plan #2:

Add "and bonding" after "contractor licensing".

Action Plan #3:

Remove

Action Plan #4:

Add reference to state programs like the Alaska Craftsman Home Program.

Action Plan #5:

Reword so sentence is positive. However, it should retain the concept that the state will not finance new housing that does not meet current building and construction codes or regulations.

ALASKA HOUSING MARKET COUNCIL
Housing Policy Development Committee

Transitional and Long Term Housing for Special Needs Subcommittee

September 8, 1989

MEETING MINUTES
Suite 303, Anchorage Sheraton Hotel
Anchorage

CALL TO ORDER

The meeting was called to order by acting Chair Fred Ali at 1:30 p.m.

The following members were present:

Fred Ali, Covenant House
Stan Hoofard, Municipality of Anchorage
Sharon Araji, University of Alaska, Anchorage
Jeri Swenson, Division of Mental Health
Nancy Adams, Juneau Alliance for the Mentally Ill
Kay Brown, State Representative

Staff Present:

Brenda Glaze

APPROVAL OF AGENDA

Without objection, the agenda was unanimously approved.

APPROVAL OF MINUTES

The minutes from the June 24, 1989 subcommittee meeting were unanimously approved.

Acting Chair Fred Ali gave a short presentation to the subcommittee, explaining that they needed to review the "Draft Action Plans" and make changes as needed at this meeting.

REVIEW OF DRAFT ACTION PLANS

Policy Statement #1

The subcommittee adopted the Housing Commission structure recommended by Kay Brown. This Housing Commission would administer all agencies and programs.

The subcommittee added under "Action Plan #1": The board of ASHA

and AHFC would be eliminated and the executive directors of those agencies would serve as advisors and at the pleasure of the Housing Commission. The Commission would consist of 10 members. One commissioner from DCRA and the Dept. of Revenue, and 8 public members.

The subcommittee inserted a new #3 under "Action Plan #2": Staffing for the commission shall come from existing state agencies and funding from existing agencies' resources.

The subcommittee reworded "Action Plan #4": The Commission shall be the designated state agency to review housing needs and request funds for housing and designate recipients throughout the state.

The subcommittee reworded "Action Plan #5": The Commission shall be charged with state agency housing program review, coordination and oversight. All new or amended housing or mortgage loan regulations must be approved by the Commission to ensure that they conform to the intent of the state housing policy. The Commission shall direct the activities of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the housing programs within the Department of Community and Regional Affairs.

The subcommittee reworded "Action Plan #6": The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall advise the Housing Commission of housing needs within their area of responsibility.

The subcommittee reworded "Action Plan #8": The Commission shall review housing regulations of the agencies under its jurisdiction, and advise where appropriate to eliminate conflict and duplication.

The subcommittee reworded "Action Plan #9": The Commission shall review the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission may direct AHFC and encourage banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing where appropriate.

Policy Statement #2

The subcommittee did not understand Action Plan #1 and #2. They

decided to discuss these items with the full committee at the next meeting.

Policy Statement #3

The subcommittee reworded Policy Statement #3: It is the policy of the State of Alaska to encourage communities to take an active role in housing issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand.

The subcommittee reworded "Action Plan #1,2, and 3": Thru DCRA local government shall be encouraged to do the following.

- . include a housing plan as part of their comprehensive planning process.
- . revise zoning laws to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities.
- . review and revise zoning requirements to facilitate establishment of transitional group housing.

Policy Statement #4

The subcommittee's only comment was it wanted non-profits to be able to participate in any type of subsidy program.

Policy Statement #5

The subcommittee agreed to delete "Action Plans" # 3, 20 and 21.

The subcommittee reworded "Action Plan #4": State programs that provide temporary housing and services to Rural Alaskans who must come to regional centers for medical or other treatment should be adequately funded.

The subcommittee agreed to group together "Action Plans" # 1, 2, 5, 18 and 19. The Housing Commission should be given the responsibility to prioritize, review and seek funding for the above listed "Action Plans".

Policy Statement #11

The subcommittee reworded the policy statement: It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing.

Policy Statement #12

The subcommittee reworded "Action Plan #3": State regulations should be changed so that grant monies can be used to pay non-profits for mortgage loans.

The subcommittee reworded "Action Plan #4": State resources should be available to meet essential housing services, i.e. permanent fund, income tax, state sales tax.

Policy Statement #13

The subcommittee decided to delete "Action Plan #3".

The acting Chair adjourned the meeting at 4:30 p.m.

ALASKA HOUSING MARKET COUNCIL
Housing Policy Development Committee

Urban and Rural Housing Markets Subcommittee

September 8, 1989

MEETING MINUTES
Sheraton Anchorage Hotel, Room 301

CALL TO ORDER

The meeting was called to order at 1:00 p.m. by Chair Bill Swain.

The following members were present:

Bill Swain, Jack White Co.
Rick Barrier, Malaspina Properties
Mike Harper, DCRA
Sam Helms, Public Member
Rep. Steve Rieger, State Representative

Staff Present:

Heather Arnett

REVIEW OF DRAFT ACTION PLANS

Mr. Swain reviewed with subcommittee members what they needed to accomplish. He stated that they needed to make recommendations on new action plans and propose changes to existing plans.

The subcommittee reviewed the Mission Statement, Policy Statements, and Action Plans and proposed the following changes:

Amend Mission Statement to read:

SAFE, SANITARY, AND ENERGY EFFICIENT LIVING CONDITIONS SHOULD BE AVAILABLE TO ALL CITIZENS OF THE STATE.

(The subcommittee concluded that the issue of energy efficient housing was extremely important, particularly in Rural Alaska).

Policy Statement #2:

Change to Action Plan #1:

State agencies with regulations pertaining to housing standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented.

Policy Statement #7:

Action Plan #4:

Subcommittee does not support the state implementing a downpayment and closing cost program.

Action Plan #5:

Subcommittee was confused as to what this recommendation means (deals with AHFC pooling VA and FHA loans).

New Action Plan to read:

There should be greater disclosure to borrowers that mortgage loan servicing can be sold to another institution, unless specified otherwise in the loan servicing agreement.

Greater penalties and clearer recourse shall occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance).

Policy Statement #9

Change to read:

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs, which include, but aren't limited to, low to moderate-income housing, rural housing, and transitional housing.

New action plan to read:

Where state agencies can access materially lower cost capital from secondary market mortgage lenders, than funds available in the private sector, this may be done and the lower interest rates should be passed through to the public.

Policy Statement #12

Change to read:

It is the policy of the State of Alaska to develop and maintain stable sources of capital to support housing needs in the state.

Change to action plan #1 to read:

The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate to finance the state's housing needs, which include, but aren't limited to, low to moderate-income housing, rural housing and transitional housing.

Policy Statement #13

Change to action plan #1 to read:

The state shall adopt the entire Uniform Building Code, and allow for regional differences and amendments. Codes should include energy standards, which allow for regional differences. Strong protection should be afforded to owners of existing structures against arbitrary enforcement, when construction occurred before standards were implemented.

Action plan #3 was struck as the subcommittee determined this energy analysis had already been done.

Rep. Rieger had to leave the meeting early and stated that he was in disagreement with the following action plans:

Policy Statement #4, Action Plan #4:

Doesn't like the idea of AHFC lending directly to non-profit developers.

Policy Statement #11, Action Plan #3:

Doesn't like state guaranteeing loans for housing development. (Rep. Rieger disagrees with using state's "full faith and credit" to guarantee loans).

Policy Statement #12, Action Plan #3:

Doesn't like idea of non-profits "mortgaging the state."

Policy Statement #12, Action Plan #4:

Doesn't like idea of "slicing up the Permanent Fund earnings."

Mr. Barrier stated that he had no definite recommendation on the state's involvement with mobile homes, but he wanted mobile homes to be recognized as a type of housing in the final HPDC report.

The subcommittee adjourned at 3:15 p.m.

**ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE**

**Full Committee
Minutes**

**September 9, 1989
Sheraton Anchorage Hotel, Yukon Room
Anchorage, Alaska**

CALL TO ORDER

The meeting was called to order at 11:15 a.m. by Chair Cynthia Parker.

The following members were present:

Sharon Araji, University of Alaska, Anchorage
Representative Kay Brown, State Representative
Stan Hoofard, Housing Services, Municipality of Anchorage
Nancy Adams, Juneau Alliance for the Mentally Ill
Rick Barrier, Malaspina Properties
Sam Helms, Public Member, Fairbanks
Bill Swain, Jack White Company
Bob Arwezon, Real Estate Broker
Howard Bess, Alaska Housing Ministries
Cynthia Parker, Anchorage Neighborhood Housing Services
Jesse Bartlett, Alaska State Housing Authority

Staff Present:

Glenda Straube
Heather Arnett
Mark Romick
Brenda Glaze

Public Present:

H.P. "Prent" Gazaway, Anchorage
Lorena Showers, Anchorage

APPROVAL OF AGENDA

The agenda was unanimously approved by the full committee.

SUBCOMMITTEE PRESENTATIONS

A representative from each subcommittee presented each group's suggested changes to the mission statement, policy statements and action plans. (SEE SUBCOMMITTEE MINUTES FOR EXACT CHANGES).

THE FULL COMMITTEE AGREED ON OMITTING THE FOLLOWING SECTIONS OF THE POLICY STATEMENTS AND ACTION PLANS

Policy Statement #5

Action Plans #3, 5, 20 and 21

Action Plans #5, 20 and 20 were dropped from the policy statement related to transitional housing, because they focused on transportation and not clear housing issues. Action Plan #3 was dropped because service providers are restricted in their ability to institute "culturally appropriate activities."

Policy Statement #11

Action Plan #3

This statement, relating to the state guaranteeing loans for senior housing development was dropped, but it was decided to give clear direction to a Housing Commission to encourage and assist this type of development.

Policy Statement #13

Action Plan #3

This statement, referring to a task force developing energy policy, was dropped. It was determined that this project had already been completed.

THE FULL COMMITTEE AGREED ON CHANGING THE FOLLOWING SECTIONS OF THE POLICY STATEMENTS AND ACTION PLANS

Policy Statement #4

Action Plan #4

This statement was changed to read:

State law should be modified so that Alaska Housing Finance Corporation can lend to non-profit housing developers through normal seller-servicer arrangements.

(The words "directly" and "interest rate subsidy program" were removed).

Policy Statement #9

Action Plan #3

This statement was changed to read:

A report by the State Housing Finance Task Force, which examines the state's interest rate subsidies for mortgage loans, will be issued in February. This issue needs to be thoroughly examined, but at a minimum, the state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.

Policy Statement #9

New Action Plan

Where state agencies can access materially lower cost capital from secondary market lenders, than funds available in the private sector, this may be done and the lower interest rates should be passed through to the public.

New Action Plan

If the Alaska Housing Finance Corporation does achieve lower interest rates and offers the loans to the public; the first priority should be to meet the housing needs of rural and low-income residents.

Policy Statement #12

This statement was amended to read:

It is the policy of the State of Alaska to develop and maintain stable sources of capital and revenue to support housing needs in the state.

Action Plan #4

This statement was amended to read:

Other sources of funding should be considered to meet essential housing services, including the possibility of instituting a state sales tax.

Discussion on certain policy statements and action plans

Policy Statement #3

This policy statement, relating to land use, was discussed at length by the committee. Rep. Brown pointed out that the

statement refers to local government's involvement in land use issues. She stated that many parts of the state are not organized into local governments, i.e., the unorganized borough.

This statement was referred back to the Urban/Rural Subcommittee for more work.

Policy Statement #7

Action Plan #4

The issue of the state providing a downpayment and closing cost program was discussed at length. The Urban and Rural Housing Markets Subcommittee was opposed to such a program.

Mr. Hoofard suggested that, possibly, homeowners could be given a break with the downpayment to purchase a home, but they wouldn't receive a state subsidy after that point.

It was determined that staff would bring information on other state's downpayment programs to the next HPDC meeting.

Policy Statement #9

This statement refers to the State minimizing direct involvement in the secondary mortgage market. Rep. Brown asked why involvement should be minimized?

Ms. Parker answered that AHFC has taken a very large share of the secondary mortgage market.

The full committee debated the Urban/Rural Subcommittee's recommendation to amend Policy Statement #9 and Policy Statement #12, Action Plan #1 to read:

.....to provide the best market rate to finance the state's housing needs, which include, but aren't limited to low to moderate-income housing, rural housing, and transitional housing.

Mr. Swain stated that the subcommittee did not want to limit who the state money is available to.

No decision was made on this issue.

Policy Statement #11

The Transitional and Long Term Housing for Special Needs Subcommittee felt that this statement, referring to housing for the state's seniors, should be shortened and clarified.

The subcommittee suggested the statement read:

It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing.

Rep. Brown said that Action Plan #1, dealing with changing state regulations for senior housing, is unclear. She asked if senior housing in the state must be constructed a certain way in order to receive state and federal funding.

The committee believes the regulations pertain to state funding. Staff will check into this issue.

Policy Statement #12

Action Plan #3

This statement, relating to the possibility of state grant funds being used for mortgage loans, was referred to staff for further research. The State Attorney General's office is currently examining this issue.

2:00 P.M. PUBLIC TESTIMONY

Lorena Showers, Middle-Income Seniors Group, Anchorage

Ms. Showers is a 50-year resident of downtown Anchorage. She stated that middle-income seniors are not eligible for many of the low-income developments in the state. She added that Alaska has no facilities for mid-income seniors.

A group, in Anchorage, has been holding monthly meetings on this issue. They aren't asking for a subsidy, but would like to see a positive incentive go to developers, so that construction could occur at a lower interest rate.

She doesn't think that condominiums can be properly converted to senior housing developments.

Hyatt Hotels are now building housing for seniors across the country.

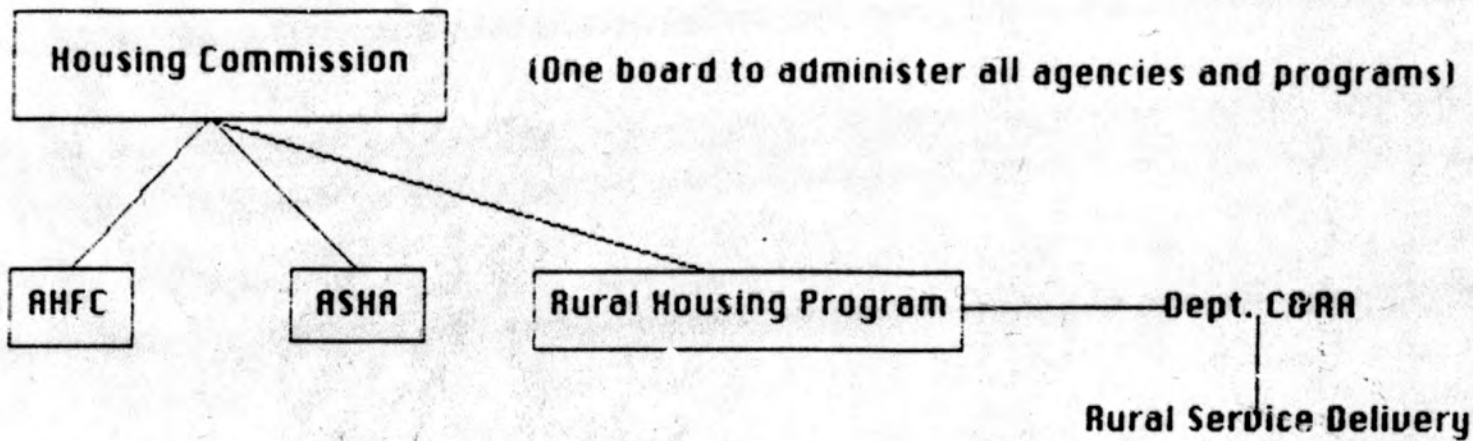
Mr. Swain stated that he's interested in why the private sector hasn't responded to this issue. It might be a perfect arrangement for profit/non-profit groups.

Mr. Hoofard said that, in Spokane, this type of development occurred with federal Section 312 funding. That source of funding is available in Anchorage, but is slated for housing rehabilitation. \$33,500 is available per unit.

UPCOMING MEETINGS

The committee decided that the last few HPDC meetings should be held for one day only. The schedule was amended and the last three meetings were scheduled for: October 6, November 3 and December 1. (Note: The October 6 meeting was later changed to October 13).

The full committee meeting was adjourned by Chair Cynthia Parker at 2:30 p.m.



PROPOSAL BY REP. KAY BROWN
SEPTEMBER 8, 1989
HOUSING POLICY DEVELOPMENT COMMITTEE
ALASKA HOUSING MARKET COUNCIL

Holy Cross, Alaska 99602

Phone (907) ~~XXXXXX~~ 476-7136, 476-7137, 476-7138

To: Board Members

Date: June 22, 1989

From: Marie Katcheak, F.S.S.

Re : Housing in Rural Alaska

Good morning. I am very interested in the progress you have accomplished within the field of rural housing.

Being a resident of a rural community of Holy Cross, Alaska my comments will be toward options of rural Alaska.

There have been two housing projects ASHA 1971 and HUD 1984-85 which has reported the housing situation here at Holy Cross.

The first housing project which was considered a pilot project did require less maintenance and the price range was economical for the needs of rural Alaska 20 years ago. Improvements have come along way with the price range of the 1984-85 HUD project. The walls were of dark walnut, which require having the lights on more during the day. We do have very short summer months and long cold winters.

I understand the need for plumbing in villages with running water. Where water tables are non-existing this presents a problem when shower fixtures, bath tubs, and plumbing are offered only as a package deal and will never be used, along with the hidden costs in these packages:

1. plumbing wages
2. additional cost of shipping unused materials
3. additional air openings which cause draft
4. additional wages for package handling

Also with the economy never having any changes other than the pipeline boom of the 1970's, employment remains unseen for the future to boast the village economy. I'm not implying in any way needed housing for rural Alaska should be sub standard. I am implying more affordable homes and a choice should be offered to rural residence. Although less expensive homes which are affordable for rural Alaska should consider the price of financing these homes are a far cry within the economy range of \$20,000 to \$25,000. The present homes are in the price range of \$85,000 to \$105,000 with a 30 year payment plan.

Box ~~102X~~ 190
Holy Cross, Alaska 99602
Phone (907) ~~484X488X~~ 476-7136, 476-7137, 476-7138

Any home buyer should be able to make a wise choice either by being offered a full complete home built by the contractors needs which is in the economical guide lines of the income according to the individual. There are different housing packages offered by United Limber Independent, and Spenard Builders who have packages which are affordable. For example and review let's look at the package from Spenard Builders Supply which has 9 departments throughout the State.

3 bedroom shell: \$16,995
shipping by barge: \$1,500
\$18,495

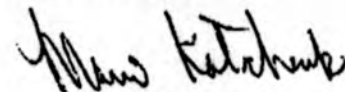
3 bedroom: \$16,995
with all(tub,plumbing): \$8,000
freight and complete package: \$24,995

Changes can be made by person building these homes to make the home more suitable to their living conditions in rural areas.

The amount spent on financing can be reduced and more homes can be built with money available. A policy can be enacted to insure the building inspectors and codes can be implimented.

Looking at the past and planning for the future with local residence input always makes sense to me. Thank you.

Sincerely,



Marie Katcheak
P.O. Box 74
Holy Cross, Alaska 99602

cc. Board members ->

Fax ed 6/23/89

PACKAGED HOMES

SBS HOMESTYLES

Specializing In Packaged Homes



DOUBLE CAR GARAGE

20'x24' 480 SQ. FT.

This roomy model is large enough to house two cars plus a workbench. Open the single garage door and there's no support post to maneuver around... which makes it an ideal design for the storage of large vehicles. This design also features a metal insulated door for added convenience.

SBS also offers a single car garage 12'x24' \$2,995

\$3995

Foundation not included

CONVENIENCE

With many locations throughout the state, it's easy and convenient to work with the SBS store nearest you...people you know and trust.

FLEXIBILITY

You can build at your own pace...purchase the shell now and complete the inside later, or you can purchase any number of interior options at the same time of the exterior shipment.



CABIN

16'x24' 420 SQ. FT.

Our recreational cabin design gives you efficient use of living space. The main level includes a bedroom, bath, living and kitchen area. The upstairs 12x16 loft offers additional room for sleeping or storage. This is the perfect cabin design for your favorite fishing and hunting site.

\$7,995*

EXPERIENCE

SBS has been helping Alaskans build their homes for over 30 years. Our qualified sales staff can give you the right answers.

QUALITY

These homes were designed for Alaskans with special consideration given to weather conditions. Quality and durability have been included in each design.



SUSITNA

20'x30' 600 SQ. FT.

The Susitna features a large open living, dining and kitchen area with new hardwood flooring and tile accents. Makes this design easy to build and easy to heat. If you please call for a starter home or recreational cabin, the Susitna is what you're looking for.

\$10,995*

OPTIONS

Interior completion of your packaged home is easy with help from SBS. We offer a number of additional options from cabinets to plumbing...just ask!

SERVICE

We'll work with you every step of the way...from freight schedule to the last coat of paint. Our goal is to make building in Alaska as easy as possible.

DESIGNED TO PROVIDE EFFICIENT HOUSING AT AFFORDABLE PRICES



WRANGELL

24'x36' 864 SQ. FT.

Especially designed with extra storage in mind the Wrangell features front entry cold storage and utility room. Growing families will appreciate the spacious room, brood entry, time-saving kitchen and 2 bedrooms. All this living space in a single to shoot package...one of our best values.



FORAKER

24'x40' 960 SQ. FT.

The Foraker was designed with the needs of a growing family in mind. You will certainly utilize three bedrooms with full closets, a well-planned kitchen, versatile utility room and a spacious living area. Designed for Alaska lifestyles, the Foraker also features an arotto entry and an attached cold storage area which accesses from the utility room.



DENALI

24'x50' 1200 SQ. FT.

The Denali is the ideal home investment, there's plenty of room for every member of your family. Features include a utility room and attached cold storage area. The spacious kitchen, dining and living area is open, maximizing heating efficiency.

\$14,995*

\$16,995*

\$19,995*

SPENARD BUILDERS SUPPLY HOMES

Every SBS packaged home shell price* includes: a post and pad foundation, interior and exterior wall framing, T1-11 plywood siding, engineered floor and roof systems, mineral surfaced roofing, fiberglass insulation, wood casement windows, insulated metal exterior doors plus much more! All package homes include a complete set of architectural plans and materials check-off list.

CLIP & SEND



Yes I would like more information on your packaged homes program.

NAME _____

ADDRESS _____

CITY _____

STATE _____ ZIP _____

PHONE _____

Please mail coupon to:

Spenard Builders Supply
Packaged Homes Department
4412 Lois Drive
Anchorage, Alaska 99517
(907) 563-3141 or
1-800-478-3141

Please send more information on:

- SINGLE CAR GARAGE
- DOUBLE CAR GARAGE
- RECREATIONAL CABIN
- SUSITNA
- WRANGELL
- FORAKER
- DENALI

*Shell price. All prices F.O.B. Anchorage

949 E. 36th Ave. #402
Anchorage, AK 99508
(907) 273-9442

RURAL DEVELOPMENT DIVISION

August 3, 1989

Ms. Cynthia Parker, Chair
Anchorage Neighborhood
Housing Service
3700 Woodland Park Drive
Anchorage, Alaska 99517

Dear Ms. Parker:

Attached are some comments provided by my Energy Conservation staff regarding the draft housing policy statements which accompanied Ms. Arnett's July 21, 1989 letter.

Hopefully, these comments can still be included in your final policy paper. I regret the delay in responding earlier.

Please let me know if you have any questions on our requested inclusions of building energy efficiency concerns. We feel strongly that any Alaskan housing policy must address techniques which will decrease the extreme cost of energy, particularly in rural areas.

Sincerely,

Michael C. Harper
Director

Attachment:

cc: Ms. Glenda Straube

JSB:ctf:1317P

REQUESTED LANGUAGE ADDITIONSHousing Policy Development Committee
Draft Policy Statements:

2) Action Plan Section. Add underlined language:

"Communities will be encouraged to take an active role in land use issues, energy conservation building standards,..."

3) Add: "...sanitary and energy efficient living conditions..."

4) Add Action Plan Section to include: "Addressing retrofit of existing housing to make it more comfortable, particularly in extreme climate and affordable to low to median income families by decreasing energy costs. Additionally, new housing should be built to address appropriate Alaskan climatic conditions for the area."

5) Add under Action Plan: "The state shall encourage building and purchase of energy efficient housing through special financing incentives."

7) Add under Action Plan: "...markets and providing information including how to decrease energy costs through educational programs."

Low Income, Affordable and Senior Housing Subcommittee
Policy Statements:

2) Add: "...senior housing, affordable and energy efficient housing."

5) Add: "...foster and develop affordable, energy efficient, low-income and senior housing in the state."

Urban and Rural Housing Markets Subcommittee
Policy Statements

3) Add: "...in housing needs, building and energy efficiency standards, and requirements, throughout the state."

5) Add: "...safe, sanitary, energy efficient living conditions are available to all citizens of the state."

Transitional and Long Term Housing for Special Needs Subcommittee
Policy Statements

2) Add: "... It is the policy of the State of Alaska to improve the quality, availability, accessibility, affordability and energy efficiency of ..."



Fairbanks North Star Borough

25th Silver Anniversary

September 1, 1989

Housing Policy Development Committee
Alaska Housing Market Council
624 W. International Airport Road, Suite E
P.O. Box 240048
Anchorage, Alaska 99524-0048

Dear Members of the Housing Policy Development Committee,

Notice of your meetings scheduled for September 8 and 9 was received at the Community Research Center on August 31. It was noted that the meetings will not be teleconferenced. Therefore, I am writing, requesting that this letter is made a part of the record.

I am deeply concerned by the sweeping powers that are potentially instituted by the policy recommendations which have been drafted. The policies themselves are such that they may be as palatable as apple pie, but I am concerned with how they will be implemented.

Specifically, with state revenues projected to decline sharply over the next decade, I am concerned with the costs associated with improving "the availability and affordability of transitional and long term housing for those with special needs," the State of Alaska promoting "the availability of quality, affordable rental housing," and a policy which states that "Senior Alaskans, of all income levels, should have access to affordable housing." What is meant by a policy "to develop and maintain stable sources of revenue to support housing needs in the state"?

The bottom line is that there must be some checks and balance written into these policies so that they are implemented within the constraints of what the financial conditions of the state can bear.

The establishment of clearly stated housing policies is to be applauded, but I urge you to use prudence and wisdom in what they promise, for our state's ability to meet the costs of the policy implementation will be severely reduced in the coming years.

Sincerely,

Leslye A. Korvola

Leslye A. Korvola
Manager, Community Research Center

BRYAN F. BORJESSON, P.E.

Consulting Civil Engineer
514 Steel Creek Road
Fairbanks, Alaska 99701
(907) 457-4482

JOB _____
 WORK DESCRIPTION _____

 CALCULATED BY _____ DATE _____
 CHECKED BY _____ DATE _____
 SCALE _____ SHEET _____ OF _____

To: Heather Arnett

enclosed are my comments on draft statement. On the whole it looks very good. My only overall concern is how the commission would be made up. I believe this should be clarified. Some but not all members

- Engineering & technical
- Banking
- AHFC or other Housing Deps
- Congressional Representative
- DOT
- ~~_____~~
- insurance
- medical
- legal
- law enforcement
- etc

PS. The committee has done a great job and the staff is its mainstay

Thanks for the opportunity to comment - sorry I can't be there but give away our very regards

Bryan Borjesson

BRYAN F. BORJESSON, P.E.

Consulting Civil Engineer
514 Steel Creek Road
Fairbanks, Alaska 99702
(907) 457-4482

JOB _____
 WORK DESCRIPTION _____
 CALCULATED BY _____ DATE _____
 CHECKED BY _____ DATE 9/2/09
 SCALE _____ SHEET _____ OF _____

Comments on ~~the~~ Draft Action Plans

P1
Action plan 2) The scientific community, specifically Architects, Engineers etc should also be represented

3) State agency info services should be named - see 5)

4) Add statement at end of sentence "based on these recommendations"

P2
9) Add statement in last sentence "or make available at Medical Costs"

P5
8) Add "or other contagious diseases"

13) 14) 15) 16) 17) these items could be combined into single statement

P9
policy statement # 10
1) include private Developers in last sentence

P9
policy statement # 13
3) DSC Commissioner not qualified

September 4, 1989

Alaska Housing Marketing Council
624 W. Int'l Airport Rd. Suite E
Anchorage, AK 99518

Dear Council Members:

I have reviewed your Draft Policy Recommendations with Amos J. (Joe) Alter, and we feel you have covered the many concerns we expressed regarding senior housing when we testified to your committee earlier this year.

We would like to offer the following comments about the individual recommendations:

1. Establishing an Alaska Housing Commission should help continue the work of your committee and also provide the necessary coordination between all segments of state government, which is currently lacking.
6. Who will determine, and how, the "most urgent housing needs"?
11. Good statement.
13. standards ---- add "appropriate to that community".

We would like to be advised if there will be public hearings held on these policies, and also would appreciate receiving a copy of your final report and action plan.

Sincerely,

Marie Darlin
Marie Darlin, Chair
Juneau Commission on Aging
Box 2-1283
Juneau, AK 99802
586-3637

ALASKA HOUSING MARKET COUNCIL
10/3/89
REVISED:
MISSION STATEMENT:

DRAFT

SAFE AND SANITARY LIVING CONDITIONS SHOULD BE AVAILABLE TO ALL
CITIZENS OF THE STATE.

FULL HOUSING POLICY DEVELOPMENT COMMITTEE

DRAFT ACTION PLANS

Policy Statement #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

Action Plan:

1. The Alaska Housing Commission shall report directly to the Governor.
2. The Commission's composition shall reflect regional representation and shall include public members and representatives from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.
3. The Commission shall provide information on housing opportunities to the public and shall oversee state agency information services.
4. The Commission shall be the designated agency to review and distribute federal funds for housing and shall designate recipients throughout the state.
5. The Commission shall be charged with state agency housing program review, coordination and oversight. All new or amended housing or mortgage loan regulations must be approved by the Commission to ensure that they conform to the intent of the state housing policy. The Commission shall clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.
6. The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing

Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall develop statewide service plans in conjunction with each other and the state housing plan to insure coordination and efficiency of service delivery. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs shall develop short and long-term business and regional strategic plans.

7. The Commission shall conduct periodic statewide housing needs assessments on housing and financing availability.
8. The Commission shall direct state agencies to review housing regulations under their jurisdiction, comparing them to other agency regulations, and revising where appropriate to eliminate conflict and duplication.
9. The Commission shall be charged with reviewing the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission shall encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing where appropriate.
10. The Commission shall actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.

Policy Statement #2

It is the policy of the State of Alaska to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible.

Action Plan:

1. The Department of Community and Regional Affairs' and the Department of Environmental Conservation's regulations should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented.
2. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should adjust their loan programs to be appropriate to market conditions in different regions of the state.

3. The Division of Family and Youth Services should revise foster care regulations to be realistic for bush areas, i.e., housing space requirements should realistically recognize the smaller homes available in the bush.

Policy Statement #3

It is the policy of the State of Alaska to encourage communities to take an active role in land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand.

Action Plan:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
2. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities should be encouraged.
3. Municipal governments should be encouraged to review and revise zoning requirements to facilitate establishment of transitional group housing.

Policy Statement #4

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited or low incomes.

Action Plan:

1. The State of Alaska should become actively involved in assisting private developers and non-profits in obtaining financing for development of units which are affordable to low-income Alaskans. The State should also make funding and/or financing available to developers and non-profits for planning and pre-development costs on qualified projects.
2. Existing state agency-owned foreclosed properties should be considered for conversion to low income housing units, if economically and structurally feasible.
3. Local financial institutions and the secondary market should be encouraged to participate in providing funding for non-profit, qualified low-income and affordable housing.

4. State law should be modified so that Alaska Housing Finance Corporation can lend to non-profit housing developers through normal seller-servicer arrangements.

Policy Statement #5

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of transitional and long term housing for those with special needs.

Action Plan:

1. The role of the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should be expanded to allow mortgage loans to non-profits for transitional and long term housing for those with special needs. This should be a cooperative effort with rural housing authorities.
2. The U.S. Department of Housing and Urban Development should be encouraged to change regulations so that transitional housing tenants can be charged a small amount to support operating expenses. Also, if needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
3. State programs that provide temporary housing and services to Rural Alaskans who must come to regional centers for medical or other treatment should be adequately funded. In particular, more low-cost transitional family units should be offered, on a sliding fee scale, for Rural Alaskans who move to regional centers for services.
4. Division of Family and Youth Services regulations should be changed so that housing services for non-State custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.
5. State legislation that funds independent living programs for youth should be supported.
6. Facilities for persons with AIDS, which offer continuing care, must be identified and funded. Also, a centralized agency must be identified to focus on the housing needs of AIDS patients.

The following transitional and long term housing for special needs areas have also been identified as needing funding:

7. Need for additional emergency shelter space for families with children, to include those with medical need.
8. Need for transitional housing for families leaving women's shelters.
9. Need for 150 additional beds, in halfway house settings, for substance abusers.
10. Need for housing and support services for pre-maternal teens and teens with infants. More child care programs that allow teens with children to attend school should be funded.
11. Need for structured housing environments for ex-offenders.
12. Need for group facilities for persons with handicap(s).
13. Need more programs for the neurologically impaired.
14. Long term (semi-independent) housing for the mentally disabled.
15. Short and long term facilities for those with head injuries and brain trauma.
16. The Capital Projects Land Fund in the Mental Health Lands Trust Account should be used to fund projects such as those listed below.
 - a. Transitional halfway houses for mentally ill after leaving Alaska Psychiatric Institute.
 - b. Long term "sleep off" centers for inebriates with problems so ingrained that treatment won't help.
 - c. Structured housing environment for mentally ill with criminal records.
 - d. Long term care facility for chronically mentally ill who refuse psychiatric treatment.
17. Buildings for people with special needs should be renovated or built in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation.

Policy Statement #6

It is the policy of the State of Alaska, in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs.

Action Plan:

1. Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be given funding priority.
2. A function of an Alaska Housing Commission should be to maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the commission should identify which areas of the state and which target populations are most in need of housing resources.

Policy Statement #7

It is the policy of the State of Alaska to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner.

Action Plan:

1. State agencies with mortgage lending programs should approve and follow prudent lending standards.
2. When state funds are at risk, realistic downpayments should be required.
3. The state shall execute and participate in a homeowner counseling and education program. This will work in partnership with new federal housing mandates, which direct states involved in low-income homeownership programs to offer homeowner counseling services.
4. The state should implement a downpayment and closing cost homeowner assistance program, executed through Alaska Housing Finance Corporation or another entity.
(Review by Full Committee)
Note: Often young families and single parents can afford a mortgage payment, but cannot afford the downpayment and closing costs, which can range from \$4,000 to over \$8,000.
5. AHFC should pool FHA and Federal VA loans under a little-used loan program called the "Conventional Refinance Program." This non-subsidized program would reduce or eliminate Alaskan loans being sold to outside investors and

would create a more stable environment for future mortgage financing.

(Review by Full Committee)

Note: Local lenders have, over the past three years, had difficulty placing FHA and Federal VA loans in the secondary marketplace due to the state's real estate conditions. At times, private investors have priced Alaskan loans at 3% higher than other areas of the nation. Often the loans are not accepted in the secondary marketplace.

Policy Statement #8

It is the policy of the State of Alaska to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state.

Action Plan:

1. Benevolent loan funds, consisting of private donations, private and public financing, should be encouraged.

Policy Statement #9

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to provide low to moderate-income housing and rural housing.

Action Plan:

1. The state should encourage other secondary mortgage companies to do business in the state in conjunction with AHFC.
2. In an effort to help solve the hesistance of private mortgage insurers to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers.
3. A report by the State Housing Finance Task Force, which examines the state's interest rate subsidies for mortgage loans, will be issued in February. This issue needs to be thoroughly examined but, at a minimum, the state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
4. Where state agencies can access materially lower cost capital from secondary market lenders, than funds available in the private sector, this may be done and the lower interest rates should be passed through to the public.

5. If the Alaska Housing Finance Corporation does achieve lower interest rates and offers the loans to the public; the first priority should be to meet the housing needs of rural and lower-income residents.

Policy Statement #10

It is the policy of the State of Alaska to promote the availability of quality, affordable rental housing.

Action Plan:

1. By encouraging the development of housing partnerships in the state and providing pre-development financing for certain projects, the state can assist in meeting the need for good quality, affordable rental housing. Also, the feasibility of converting appropriate foreclosed housing to rental units should be examined. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits so that those developers would have the means to create affordable rental housing.

Policy Statement #11

It is the policy of the State of Alaska to recognize that the state's seniors are a valuable asset to the state. Senior Alaskans, of all income levels, should have access to affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

Action Plan:

1. Current regulations in the state can make it difficult to cost-effectively construct senior housing. "Medical model" construction regulations require builders developing senior housing to construct them so that medical facilities can be installed. These requirements greatly increase the cost of construction. Because of restrictive regulations, the construction and/or operation of smaller group homes, congregate homes and adult foster homes can also be cost prohibitive. Present regulations must be reviewed and made more flexible where appropriate. State housing regulations should be changed so that two categories of housing are created; medical and non-medical models.
 - a. Medical models - requiring specialized medical assistance.
 - i. Intermediate care.
 - ii. Long term care.

- b. Non-medical/Supportive models - requiring assistance with daily living.
 - i. Nutrition needs.
 - ii. Housekeeping.
 - iii. Personal care.
 - iv. Transportation
 - v. Other non-medical needs unique to the individual.
2. The state should implement a "continuum of care" housing program for seniors and should adequately fund necessary supportive services, which allow seniors to remain independent for as long as possible.
- a. A case management system, which matches seniors with appropriate services, should be implemented by the state.
 - b. State funded supportive services, such as homemaker assistance, should be expanded to 7 days a week.
 - c. Financial assistance and training for home repair and maintenance should be increased.

Policy Statement #12

It is the policy of the State of Alaska to develop and maintain stable sources of capital and revenue to support housing needs in the state.

Action Plan:

1. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the creation of low to moderate-income housing.
2. The state should also encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing.
3. State regulations should be changed so that grant monies can be used to pay for mortgage loans.
4. Other sources of funding should be considered to meet essential housing services, including the possibility of instituting a state sales tax.
5. The state should encourage the development of Neighborhood Housing Services in communities across the state.
6. The state should consider the creation of a "Housing Trust

DRAFT

Fund" as a source of housing revenue.

7. The state should support the creation of a new "HOME" Corporation within the federal government, which will provide housing funds to states and local communities.
8. The state should review the new national FSLIC program for use as an additional source of housing funds. If a state does not have savings and loans institutions that qualify for the bond program, regional housing authorities can qualify for the bonds.

Policy Statement #13

It is the policy of the State of Alaska that housing in the state should meet specific quality standards.

Action Plan:

1. The state shall adopt the entire Uniform Building Code, and allow for regional differences and amendments.
2. The state shall adopt more stringent contractor licensing requirements.
3. The state should actively lobby for and support the financing of home improvements in rural areas under the federal Mutual Help program and Housing Improvement Program.
4. State agencies should not fund the financing of new construction of substandard housing, nor should they finance existing homes which meet the definition of substandard, with the exception of regional differences.

9/19/89

SUBCOMMITTEE INPUT ON HPDC RECOMMENDATIONS
UNRESOLVED BY FULL COMMITTEE

MISSION STATEMENT

Amend to read:
Safe, sanitary, and energy efficient living conditions
should be available to all citizens of the state.
(Urban/Rural)

POLICY STATEMENT #1

The Housing Commission structure (proposed by Rep. Kay
Brown) was adopted. (Transitional)

Action Plan #1

Add: the Boards of ASHA and AHFC would be eliminated and
the executive directors of those agencies would serve as
advisors and at the pleasure of the Housing Commission. The
Commission would consist of 10 members: one commissioner
from DCRA and the Department of Revenue, and eight public
members. (Transitional)

Action Plan #2

Add: Staffing for the commission shall come from existing
state agencies and funding from existing agencies'
resources. (Transitional)

Action Plan #4

Reword: The Commission shall be the designated state agency
to review housing needs and request funds for housing and
designate recipients throughout the state. (Transitional)

Action Plan #5

Reword: The Commission shall be charged with state agency
housing program review, coordination and oversight. All new
or amended housing or mortgage loan regulations must be
approved by the Commission to ensure that they conform to
the intent of the state housing policy. The Commission
shall direct the activities of the Alaska Housing Finance
Corporation, the Alaska State Housing Authority, and the
housing programs within the Department of Community and

Regional Affairs. (Transitional)

Action Plan #6

Reward: The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall advise the Housing Commission of housing needs within their area of responsibility. (Transitional)

Action Plan #8

Reward: The Commission shall review housing regulations of the agencies under its jurisdiction, and advise where appropriate to eliminate conflict and duplication. (Transitional)

Action Plan #9

Reward: The Commission shall review the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission may direct AHFC and encourage banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing, where appropriate. (Transitional)

POLICY STATEMENT #2

Action Plan #1

Subcommittee did not understand this action plan. Request clarification from full committee. (Transitional)

Reward: State agencies with regulations pertaining to housing standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented. (Urban/Rural)

Subcommittee recommends that task force created also address building codes. Add: "housing and construction" after "Department of Environmental Conservation's." (Low-Income/Affordable)

Action Plan #2

Subcommittee requests clarification on this action plan from full committee. (Transitional)

POLICY STATEMENT #3

Reword: It is the policy of the State of Alaska to encourage communities to take an active role in housing issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand. (Transitional)

Action Plans 1, 2, & 3

Reword: Through DCRA, local government shall be encouraged to do the following:

- 1) Include a housing plan as part of their comprehensive planning process.
- 2) Revise zoning laws to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities.
- 3) Review and revise zoning requirements to facilitate establishment of transitional group housing.
(Transitional)

Action Plan #3

The subcommittee voted to remove this action plan, because it felt that most governments already have this ability under current municipal ordinances. It may be possible to include this in the policy statement. (Low-Income/Affordable)

POLICY STATEMENT #4

Subcommittee wants non-profits to be able to participate in any type of subsidy program. (Transitional)

Action Plan #3

Add: An educational program should be developed through state agencies and the secondary market to encourage funding of applications for qualified low income/affordable housing projects. (Low Income/Affordable)

POLICY STATEMENT #5

Action Plans #1, 2, 5, 18, 19

Combine: The Housing Commission should be given the responsibility to prioritize, review and seek funding for the listed action plans. (Transitional)

Action Plan #2

Remove: "also if needed." Move second sentence to policy statement #12, because it should apply to all HUD programs, not just transitional housing. (Low Income/Affordable)

Action Plan #4

Reword: State programs that provide temporary housing and services to Rural Alaskans who must come to regional centers for medical or other treatment should be adequately funded. (Transitional)

Action Plan #5

Remove. (Low Income/Affordable)

Action Plan #7

Not specific - doesn't meet SPAMO. (Low Income/Affordable)

Action Plans #8 - 18

Combine: Into one action plans, for example, 8a, 8b, 8c, etc. (Low Income/Affordable)

POLICY STATEMENT #6

Action Plan #1

Make this a finding of the report, not an action plan. (Low Income/Affordable)

Action Plan #2

Make this #1, and add the word "annually" after "should identify." (Low Income/Affordable)

POLICY STATEMENT #7

Action Plan #1

Not specific enough. Change "should approve...." to "should develop/adopt accepted industry lending standards." (Low

Income/Affordable)

Action Plan #2

Not specific enough. (Low-Income/Affordable)

Action Plan #4

Discuss with full committee, #2 and #4 are in conflict.
(Low Income/Affordable)

Subcommittee did not support the state implementing a
downpayment and closing cost program. (Urban/Rural)

Action Plan #5

Subcommittee was confused as to what this recommendation
means. (Urban/Rural)

Ms. Gunnels suggested that this action plan should include
some statement about the borrower's ability to refinance
their loans, under state programs, with a servicer in
Alaska. (Low Income/Affordable)

New Action Plan

There should be greater disclosure to borrowers that
mortgage loan servicing can be sold to another institution,
unless specified otherwise in the loan servicing agreement.

Greater penalties and clearer recourse shall occur in the
case of faulty loan servicing (application or mortgage
proceeds, payment of taxes or insurance). (Urban/Rural)

POLICY STATEMENT #9

Amend to read:

It is the policy of the State of Alaska to minimize direct
involvement of state government in the secondary mortgage
market, with the primary exception of accessing capital
markets in order to finance the state's housing needs, which
include, but aren't limited to, low to moderate-income
housing, rural housing and transitional housing.
(Urban/Rural)

Action Plan #1

Remove: and add to action plan #2. (Low Income/Affordable)

Action Plan #2

Add: "and secondary market mortgage investors" after "in Alaska, ." (Low Income/Affordable)

POLICY STATEMENT #10

Action Plan #1

Add: A sentence to include ASHA in the provision of affordable rental housing. (Low Income/Affordable)

POLICY STATEMENT #11

Reword: It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing. (Transitional)

POLICY STATEMENT #12

Action Plan #1

Reword: The State should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate to finance the state's housing needs, which include, but aren't limited to, low to moderate-income housing, rural housing and transitional housing. (Urban/Rural)

Action Plan #3

Reword: State regulations should be changed so that grant monies can be used to pay non-profits for mortgage loans. (Transitional)

Remove: (Low Income/Affordable)

Subcommittee member didn't like idea of non-profits "mortgaging the state." (Urban/Rural)

Action Plan #8

Add: "and non-profit" after "regional housing authorities." (Low Income/Affordable)

Substitute: "Resolution Trust Program" for "new national FSLIC Program." (Low Income/Affordable)

POLICY STATEMENT #13

Action Plan #1

Add: "and an appeals process" after "amendments". (Low Income/Affordable)

Amend: The State shall adopt the entire Uniform Building Code, and allow for regional differences and amendments. Codes should include energy standards, which allow for regional differences. Strong protection should be afforded to owners of existing structures against arbitrary enforcement, when construction occurred before standards were implemented. (Urban/Rural)

Action Plan #2

Add: "and bonding" after contractor licensing. (Low Income/Affordable)

Action Plan #3

Add: Reference to state programs like the Alaska Craftsman Home Program. (Low Income/Affordable)

Action Plan #4

Reword: So sentence is positive. However, it should retain the concept that the state will not finance new housing that does not meet current building and construction codes or regulations. (Low Income/Affordable)

SECOND ANNUAL RURAL ENERGY CONFERENCE

DRAFT AGENDA

THURSDAY, OCTOBER 12

8:00 - 8:30AM Check-in and Registration. Continental Breakfast will be served.

8:30 - 8:45AM Welcome & Conference Preview

8:45 - 9:45AM Panel Discussion on the Energy Situation in Rural Alaska

Moderator: Henry Springer, Director, Weatherization Program, R-CAP

1. Mike Harper, Director, Rural Development Division, DCRA
2. John Lyons, Operations & Maintenance Manager, AVEC

9:45 - 10:15AM

KEYNOTE ADDRESS: "ENERGY COSTS AND THE RURAL ECONOMIC CRISIS"
George Irvin, Assistant Director, Alaska Federation of Natives

10:15 - 10:30AM Break

10:30 - NOON Panel Discussion of Efficiency Issues:

Moderator: Alan Mitchell, Analysis North

1. Saving Energy Equals Saving Dollars, Conrad Zipperian, Rural CAP
2. Rural Utility Efficiency Issues - Robert Martin, Chairman, Board of Directors, AEA
3. Housing Standards in Rural Alaska - Steve Baden, Director, Energy Programs, DCRA

NOON - 1PM Lunch - on your own.

1:00 - 1:45PM Concurrent Workshops

1. Insurance For Utilities and Villages - Nancy Keller, Coroon & Black
2. Lighting Efficiency - Phil Kaluza & Alan Mitchell
3. Battery Based Hybrid Systems - Gary Smith, Project Manager /Rural Construction, AEA

1:45 - 2:00PM Break

2:00 - 3:30PM Concurrent Sessions

1. Energy Efficient Home Construction & HUD/Golovin Project - Harvey Bowers, ACHP & Tony Azumbrado, HUD
2. Preventive Maintenance for Rural Utilities - Jerry Larson, Manager of Rural Projects, AEA
3. Saving Money by Using "Waste" Heat - Peter Hanson, Rural Systems Engineer, AEA

3:30 - 3:45PM Break

3:45 - 4:45PM Concurrent Sessions

1. Community Bldgs Efficiency/Retrofit Proj. - Pat Woodell, Development Specialist, AEA
2. Using Records To Make Management Decisions - Clarissa Quinlan, President, Kinetic Energy Systems
3. RELI Project - Dennis Arlt, General Manager, UIC Construction

FRIDAY, OCTOBER 13

8:00 - 8:15AM Check-in & Registration. Continental Breakfast will be served.

8:15 - 8:30AM Conference Preview & Schedule Updates

8:30 - 9:30AM Concurrent Sessions

- A. Panel Discussion of Regional Utility Cooperatives Proposal
Moderator: Paula Anderson, AVEC
1. George Matz, Senior Policy Analyst, AEA
 2. Clarissa Quinlan, President, Kinetic Energy Systems

B. Heating Efficiency, Conrad Z. R-CAP & Mike Jeffries, Northeat Woodstoves

9:30 - 10:15AM

ALASKA'S ECONOMY: WHAT'S AHEAD

Scott Goldsmith, Professor of Economics, Institute of Social & Economic Research, UAA

10:15 - 10:30AM Break

10:30 - NOON Concurrent Sessions

A. Panel Discussion of Available Financing:

Moderator: Alan Mitchell, Analysis North

1. AEA - Gloria Manni, Director/Accounting & Administration, AEA
2. DCRA & CDBG - Steve Baden, Director of Energy Programs, DCRA
3. Home Energy Loan Program - Barbara Collins, ERH/HELP
4. REA - Allen Yost, Regional Representative, REA

B. Bulk Fuel Tank Safety - Carl Hild, Executive Director, & Karen Wood, Research Analyst, AK Health Project

NOON - 1:00PM Lunch - on your own.

1:00 - 2:15PM Concurrent Sessions

- A. Energy Efficient Home Construction & HUD/Golovin Project - Harvey Bowers, Executive Director, ACHP & Tom Azumbrado, HUD
- B. Organizing Your Area's Bulk Fuel Purchasing Coop - Tim Troll / BIA Bulk Fuel Program - Jerry Taylor, Director/Seattle Support Office, BIA
- C. Preventive Utility Maintenance, Jerry Larson, Manager of Rural Projects, AEA

2:15 - 2:30PM Break

2:30 - 3:30PM Concurrent Sessions

A. RELI Project - Dennis Arlt,

B. Bulk Fuel Tank Safety - Carl Hild, Executive Director, &
Karen Wood, Research Analyst, AK Health Project

C. Heating Efficiency, Gary Neuman, Director of Energy & Housing
Services, TCC

3:30 - 3:45PM Break

3:45 - 5:00 Closing Remarks.

OPTIONAL: SATURDAY, OCTOBER 14 - TOUR OF AN ALASKA CRAFTSMAN HOME

ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE

Full Committee
Minutes

October 13, 1989
Anchorage Legislative Information Office
Anchorage, Alaska

CALL TO ORDER

The meeting was called to order at 9:15 a.m. by Chair Cynthia Parker.

The following members were present:

Sharon Araji, University of Alaska, Anchorage
Representative Kay Brown, State Representative, Anchorage
Gary Mandzik, Div. of Mental Health and Developmental
Disabilities, Anchorage
Jeri Swenson, Div. of Mental Health and Developmental
Disabilities, Anchorage
Stan Hoofard, Housing Services, Municipality of Anchorage
Barbara Chmiel, Housing Services, Municipality of Anchorage
Nancy Adams, Juneau Alliance for the Mentally Ill
Senator Pat Pourchot, State Representative, Anchorage
Rick Barrier, Malaspina Properties, Anchorage
Rob Gamel, Carr-Gottstein Properties, Anchorage
Mike Harper, Dept. of Community and Regional Affairs, Anchorage
Sam Helms, Public Member, AHMC, Fairbanks
Lee Huskey, University of Alaska, Anchorage
Deborah Ingman, Appraisal Associates of Juneau
Kay Murphy, Key Bank of Alaska, Anchorage
Representative Steve Rieger, State Representative, Anchorage
Bill Swain, Jack White Co., Anchorage
Bob Arwezon, Real Estate Broker, Anchorage
Howard Bess, Alaska Housing Ministries, Palmer
Bryan Borjesson, Consulting Engineer, Fairbanks
Paul Carr, Carr-Gottstein Properties, Anchorage
Linda Kingcade, Staff to Representative Johnny Ellis, Anchorage
Velma Ellyson, Homer Senior Citizens
Kelly Gunnels, Denali State Bank, Fairbanks
Carol Jackson, Alaska State Housing Authority, Anchorage
Leo Kaye, Senior Citizens Advisory Board, Wasilla
Kathy Keck, Alaska Legal Services Corporation, Fairbanks

Cynthia Parker, Anchorage Neighborhood Housing Services
Marge Arnold, representing JoAnn Goyne, Alaska State Housing
Authority, Anchorage

Staff Present:

Heather Arnett

Public Present:

Hal Kummerow, Sitka
Karen King, Kodiak Island Housing Association
Bob Shuttlesworth, Kodiak
Bonnie Shuttlesworth, Kodiak
Dena McIntyre, Staff to Rep. Koponen, Fairbanks
Calleen Patrick-Riley, Alaska Psychiatric Institute, Anchorage
Rose Munafo, Dept. of Corrections, Anchorage
Alise Peck, Alliance for the Mentally Ill, Anchorage
Terry Hoke, Div. of Mental Health & Developmental Disabilities,
Anchorage
Rosalee Walker, Juneau
Kit Ballentine, Department of Environmental Conservation,
Anchorage

APPROVAL OF AGENDA

The agenda was adopted with no objections.

APPROVAL OF MINUTES

The minutes from the September 8-9 subcommittee and full
committee meetings were unanimously approved.

**PRESENTATION BY MIKE HARPER, DIRECTOR, RURAL DEVELOPMENT
DIVISION, DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

Mr. Harper gave a short presentation on the Housing Assistance
Division of DCRA. The Housing Assistance Division was created in
the early 80's because of the need for a housing program in Rural
Alaska.

HAD currently has three loan programs, which basically serve non-
urban areas. They are:

1. Rural Owner-Occupied Loan Program - Provides financing to
qualified borrowers for the construction or purchase of a
single-family residence and duplex housing for owner-
occupancy. The maximum loan term is 30 years.
2. Rural Nonowner-Occupied Loan Program - Provides financing to
qualified borrowers for the construction, purchase or
rehabilitation of nonowner-occupied rental housing units.

The interest rate for this program is 10.5% with a maximum loan term of 30 years.

3. Housing Rehabilitation Program - Provides financing to qualified borrowers for the repair, remodeling or rehabilitation of existing single family and duplex housing. In addition, the Division may finance the rehabilitation with either a first or second deed of trust.

In addition, the Home Ownership Assistance Fund assists persons of low to moderate-incomes to purchase or construct single-family, owner-occupied dwellings financed with a loan purchased or originated by the Housing Assistance Division.

The legislature appropriates money to a revolving loan fund for these programs. DCRA does not bond. HAD's volume is \$20 - \$25 million per year.

DCRA also has a series of loan programs to develop energy-efficiency standards.

The committee discussed the possible sale of the HAD portfolio to AHFC, which was considered in the last legislative session.

Rep. Rieger stated that the sale of portions of the HAD portfolio to AHFC a few years ago was basically a forced sale.

Mr. Harper added that with the upswing in the economy in certain areas (for example, Dutch Harbor) there could be a time when HAD runs out of funds.

The delinquency rate on HAD loans is 7 - 8%.

Ms. Parker asked about the depreciation in market values in rural areas.

Mr. Harper responded that rural areas are experiencing a situation similar to Anchorage, although it is mixed. The Kodiak market is good and the Kotzebue market, with the development of the Red Dog Mine, is improving.

Mr. Harper stated that DCRA's experience with low income homeowners has not been bad. Many persons living in rural communities are committed to remaining in their community.

Ms. Ellyson said that in some communities affected by the oil spill, many people are still awaiting settlements from Exxon.

Mr. Harper responded that they haven't seen much of a problem yet with that issue. He said that they will do what they can to keep people in their homes. He added that it is important that distressed borrowers stay in contact with their lending

institutions.

**PRESENTATION BY MARGARET NELSON, PUBLIC INFORMATION OFFICER,
ALASKA HOUSING FINANCE CORPORATION**

Ms. Nelson stated that AHFC has 13 mortgage loan programs.

Conventional Mortgage Loan Program

This program is financed through taxable bonds. 50% of the loans have been in conjunction with a Federal Housing Administration program.

Tax-exempt Program for First Time Homebuyers

This program is currently offered at an 8% interest rate.

Homeownership Assistance Fund (HOF)

This program is for low-income homebuyers. The interest rate is subsidized by AHFC and is lower than the other homeownership programs.

Second Mortgage Program

This program offers a second mortgage for purchase of a home and, also, second mortgages for home improvements.

Homeowners Assistance Program

This is a re-financing program which should be re-instated later this year.

Other loan programs include a Mobile Home Loan Program, a Veterans Mortgage Program, and a Non-conforming Properties Loan Program.

AHFC is also looking at effecting more condominium market stabilization through a condo exchange program.

There are also various special financing programs for foreclosed properties.

Ms. Nelson stated that AHFC's delinquency rate is currently at 9.56%. In February, 1988, it reached a high of over 17%.

AHFC has now become a property management and financing institution. The decision is being made now as to what type of a corporation AHFC will be in the future.

Ms. Nelson also stated that AHFC will be releasing a lot of their figures next week. They have determined that it is costing more

to hold on to mobile homes than to sell them.

Mr. Swain asked about the status of the bulk sales of condominiums between AHFC and MGIC?

Ms. Nelson stated that they're concerned about those homeowners who remain in certain condo projects.

Mr. Hoofard asked if they have any numbers on the HOF program delinquency rate?

Ms. Nelson stated that the program has experienced a high rate of delinquency. They have found that if the homeowner hasn't contributed enough of a downpayment, the delinquency rate is higher. A longer loan term with a smaller downpayment equates with a higher delinquency rate.

She added that with this program there is an incentive problem; when the homeowner's income increases -- their subsidy decreases.

Ms. Ingman asked about the issue of mortgage insurance?

Ms. Nelson responded that it makes the most sense for AHFC to do a joint venture with mortgage insurers as an incentive for them to insure Alaskan loans.

Mr. Arwezon asked about the delinquency rate on the HAD portfolio.

Ms. Nelson responded that it is difficult to find financing for this portfolio. They are currently putting together a financing program.

Ms. Murphy asked where they are in their negotiations with MGIC?

Ms. Nelson responded that they have made some progress in the upcoming bulk sales. Both AHFC and MGIC are working on this program. They've been discussing it for 1 1/2 years.

**PRESENTATION BY CAROL JACKSON, RESOURCE DEVELOPMENT ANALYST,
ALASKA STATE HOUSING AUTHORITY**

Ms. Jackson is currently developing homeownership opportunities for persons in ASHA programs. This model program will begin in Anchorage. This program is part of Secretary Kemp's directives to public housing authorities.

11 of the Willow Park replacement units will be used as model units in a lease-purchase homeownership program. 6 will be zero-lot line, 5 single-family dwellings. The purchase price won't exceed \$50,000. 1 -2% of the sales price of each unit will be

set aside as a downpayment.

When a dwelling is purchased, a new property will be offered as part of the program.

ASHA is also considering developing an urban homesteading program and co-operative housing, similar to Anchorage Neighborhood Housing's Mutual Housing Program.

ASHA has received a \$61,000 technical assistance grant, which will go to those residing in Loussac Manor. That money will primarily go to tenant managers. \$11,000 will go to developing a housing counseling program.

Ms. Jackson added that there are 4 million homeless persons in the U.S. ASHA is trying to meet this goal in addition to their other goals.

Sen. Pourchot stated that, a few years ago, the Legislature appropriated \$2 million to purchase housing for the developmentally disabled. He asked, what happened to that money?

Mr. Mandzik, from the Div. of Mental Health, stated that most of the capital has gone to purchase housing. It is likely that they will also purchase a property in Seward and one building in Dillingham. 70 persons will be housed as a result of the appropriation. In Anchorage, 10 persons have been housed at ARCA, 14 at the Southcentral Counseling Center.

Mr. Mandzik asked Ms. Jackson if there will be an expansion of Section 8 programs.

Ms. Jackson responded that many of the new programs proposed by Secretary Kemp will have additional vouchers as incentives. She added that ASHA is often applying for additional certificates for Alaska.

ASHA is also hoping to expand their homeownership program into the Fairbanks area.

ASHA is looking at the possibility of issuing tax-exempt bonds for housing development.

Ms. Ingman asked Mr. Mandzik how a \$2.35 million appropriation translated into housing for 70 people.

Mr. Mandzik responded that funds were spent for advertising through RFP's. Also, housing purchased in rural areas was far more expensive than in urban areas. Administrative costs at the Div. of Mental Health & Developmental Disabilities and ASHA were expensive.

He added that if the Div. of Mental Health oversees another such project, they will try to do it entirely themselves and spread the program among mental health centers throughout the state.

REVIEW OF MISSION STATEMENT BY FULL COMMITTEE

The committee adopted a new mission statement which reads:

Safe, sound, sanitary and energy efficient living conditions should be available to all citizens of the state.

REVIEW OF POLICY STATEMENT #2

The committee discussed SB 300, currently pending in the Legislature, which relates to the State adopting a statewide building code.

Sen. Pourchot said he doesn't think the chances for passage for this bill are very high. He added that a more workable method may be for the Departments to adopt amended codes by regulation.

Action Plan #1 was amended by the full committee to read:

State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented.

Action Plan #2 was revised by the full committee to read:

The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should adjust their loan programs to be appropriate to regional housing conditions. It is recognized that secondary investors and/or insurers, for instance, the Federal Housing Administration, may be unwilling to participate in mortgage lending in certain areas of the state. The regionalization of AHFC and DCRA loan programs should be consistent with prudent lending standards.

Action Plan #3 was eliminated as staff had contacted DFYS and discovered no such housing space requirements exist for foster homes in the Bush.

REVIEW OF POLICY STATEMENT #3

This policy statement was approved with the following change:

It is the policy of the State of Alaska to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand.

Action Plan #1 was adopted by the full committee.

Action Plans #2 and #3 were amended, combined, and approved to read as follows:

Municipal governments should be encouraged to facilitate establishment of transitional group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities should be encouraged.

REVIEW OF POLICY STATEMENT #4

This statement was adopted as written.

Action Plan #1 was amended and adopted to read as follows:

The State of Alaska should become actively involved in assisting private developers and non-profits in obtaining financing for planning and development of units which are affordable to low-income Alaskans.

Action Plan #2 was adopted as written.

Action Plan #4 was amended and moved to #3 and reads as follows:

State law should be modified so that state agencies involved in housing finance can lend to non-profit housing developers. This may include statutory changes to AHFC and AIDEA and changes in policies and procedures to DCRA and ASHA.

A new #4 was created and adopted as follows:

The state recognizes the important niche which non-profit housing developers fill in the provision of housing. Local financial institutions, local governments and the secondary mortgage market should be encouraged to provide funding for that purpose.

REVIEW OF POLICY STATEMENT #5

Committee member Mr. Mandzik, from the Division of Mental Health & Developmental Disabilities, discussed some of his comments to the committee on the needs of the mentally ill. He said that there are tremendous mental health needs in the state. He recommended that Policy Statement #5 be amended to eliminate Action Plans #14 - 16 and DMHDD's suggestions #2 -9 (from their letter) be inserted instead. Or, a new policy statement should be created which deals only with the mentally ill and developmentally disabled.

A motion to substitute the DMHDD's recommendations (from their letter) failed.

Mr. Swain made a motion to remand these issues back to the Transitional Subcommittee for further work.

This was approved by the full committee.

Mr. Mandzik stated that it is unfair to single out seniors for their own policy statement and made a motion that the Transitional Subcommittee consider Policy Statement #11, too.

This was voted down by the full committee.

REVIEW OF POLICY STATEMENT #6

Mr. Swain read Rep. Rieger's comments to this policy statement. Rep. Rieger disagreed with Action Plan #1, which prioritizes who state funds should go to.

The committee voted on a motion to remove Action Plan #1. This was not approved.

PUBLIC TESTIMONY

Kit Ballentine, Department of Environmental Conservation

Ms. Ballentine stated that DEC is responsible for regulation of public facilities.

She spoke to Policy Statement #2, Action Plan #1. The Division is opposed to regionalization because they have accepted standards which should not be deviated from.

She stated that all sections of DEC's regulations can be waived with proper explanation. DEC is currently revising many of their regulations and would be happy to discuss the revisions with the committee.

Mr. Helms stated that regional housing directors have a problem with slow approval of water and sewer facilities by the Department.

Ms. Ballentine stated that she would take that concern back.

Mr. Borjesson asked about their appeals process.

Ms. Ballentine responded that a waiver application must be filled out. The party must explain why the regulation can't be met. The application is first reviewed at the district level - then goes to the regional level for consideration.

Mr. Borjesson asked if DEC would be supportive to having a board above them which would review concerns about regulations.

Ms. Ballentine stated that DEC regulations operate on public health principles. Those need to be followed.

Alise Peck, Alliance for the Mentally Ill

Ms. Peck stated that the Alliance is currently doing a study of Adult Residential Care Centers. The greatest need is for Anchorage's street people.

Also, there are few housing resources for children.

Rose Munafo, Dept. of Corrections

Ms. Munafo spoke briefly about the Dept. of Corrections' housing needs. She was informed that the Transitional subcommittee would be having a special meeting on these issues and she would be invited to attend.

Terry Hoke, Regional Program Specialist II, Div. of Mental Health & Developmental Disabilities

Mr. Hoke primarily works with the developmentally disabled in the Southcentral region. He stated that he has consumers with a variety of serious housing needs. There are children in acute care hospitals who could move into appropriate housing, but there is none available. Many of his consumers wish to move into less restrictive settings, but they are unable to find or purchase housing. That could be their own home, a group home or a supervised apartment setting. Many people are in nursing facilities because there is no handicapped housing to go to.

He asked the Legislature to look at the important needs of the developmentally disabled when considering appropriating funds for housing.

Rosalee Walker, Juneau

Ms. Walker stated that the State Government should be aware that some of their activities can cause problems for low-income persons. In Juneau, the State condemned the Marine View Apartment Building and helped residents to move out. The building stayed empty for three years. Later, it was bought by an outside developer and set up as an office building. There had been no structural changes to the building. Recently, the State let a contract to a developer to build a new DEC building on the site of the Channel Apartments. Those residents (mostly low-income) were told to leave in thirty days. Residents experienced hardship because many did not have the first and last month's rent for a new apartment. There are still homeless people

suffering as a result of that situation. The state should consider the impacts on low-income residents, when making development decisions.

Colleen Patrick-Riley, Mentally Ill Offender Task Force, Alaska Psychiatric Institute

Ms. Patrick-Riley spoke briefly on the crucial need for halfway houses for mentally ill offenders. She also was invited to attend the special Transitional meeting.

CONTINUED REVIEW OF POLICY STATEMENT #6

Rep. Rieger spoke against Action Plan #1.

A motion was made to add the word "annually" into Action Plan #2. This was not approved.

A motion was made to adopt Action Plans #1 and #2.

Rep. Rieger made a motion to vote on Action Plans #1 and #2 separately.

Ms. Parker stated that she would allow the motion to be divided.

Mr. Bess called the question.

Mr. Borjesson called a point of order. He stated that the original motion would supersede.

The motion to adopt both Action Plans #1 and #2 was not approved.

Rep. Rieger made a motion to adopt Action Plan #2. It was adopted.

Mr. Bess made a motion to adopt Action Plan #1 as written. This was seconded by Mr. Borjesson.

Ms. Ellyson made a motion to drop the words "low income." This was not approved.

Action Plan #1 ; then approved by the full committee.

REVIEW OF POLICY STATEMENT #7

Action Plan #1

Mr. Swain made a motion that Action Plans #1 and #2 be combined and reworded. This was approved.

The new Action Plan #1 reads:

1. State agencies with mortgage lending programs should approve and follow prudent industry lending standards and downpayments should be required.

A motion was made to adopt Action Plan #3, dealing with homeowner counseling.

Rep. Rieger stated that counseling should be offered, but should not be mandatory.

Ms. Murphy proposed the following amended Action Plan. It was approved by the committee:

2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates, which direct states involved in low-income homeownership programs to offer homeowner counseling services.

Action Plan #4

Rep. Rieger stated that the lending community has proved that "no downpayment" loan programs are unrealistic.

It was moved to strike this action plan. This was approved.

Action Plan #5

Ms. Gunnels explained this action plan.

This action plan was not approved by the full committee.

A new Action Plan, relating to disclosure to borrowers by mortgage loan servicers, was proposed by the Urban/Rural Subcommittee.

Ms. Murphy stated that the second part of the plan needed clarification. For instance, who will decide what faulty servicing is?

The new action plan was approved as follows:

There should be greater disclosure to borrowers that mortgage loan servicing can be sold to another institution, unless specified otherwise in the loan servicing agreement. The State of Alaska should adopt greater penalties and clearer recourse should occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance).

REVIEW OF POLICY STATEMENT #8

This policy statement and it's action plan were adopted as written.

The committee took a break at 2:50 p.m.
They re-convened at 3:05 p.m.

PRESENTATION BY PEGGY STEWART, ALASKA HOUSING MARKET COUNCIL

Ms. Stewart is researching the feasibility of creating an Alaska Housing Commission in the state.

She discussed that she is researching three alternatives: establishing an independent commission, the creation of a "SuperBoard," and the establishment of a Department of Housing.

She described the costs and staffing requirements of an independent commission. Those estimates are attached.

Ms. Stewart asked the committee if there were any specific areas they needed research on.

Mr. Borjesson stated that there is a need for regional boards to support a commission. He didn't think a 9-member board would meet all the public's housing needs.

Mr. Helms stated that he believes the board should be larger, that it should be voluntary and should be predominately made up of public members.

Ms. Stewart stated that the most effective boards have 7 - 11 members.

Rep. Brown commented that it is important that a commission have an effective mechanism to carry out it's work. She would be interested in how that would occur with an independent commission.

Mr. Bess asked the legislators what kind of commission the Legislature would support?

Rep. Rieger responded that, he believes:

1. The implementation of policy has to be in the lap of the Governor.
2. Regional representation and public input to the Commission is important.

3. Possibly the Commission should be temporary with specific functions and changing members.

Rep. Brown stated that proposals to create new Departments don't seem to go far in the Legislature. Legislators are very concerned about cost. She added that a well-reasoned proposal that streamlines state government has a better chance for approval in Juneau.

Rep. Brown added that she would be interested in what problems the different agencies would anticipate with merged boards?

Mr. Borjesson stated that he's interested in seeing research on the differences between geographic and regional representation on the board.

Mr. Barrier said that he's interested in which states have had effective commissions and how they have worked.

Mr. Kaye stated that he's interested in working committees that can feed input to a commission.

Ms. Stewart stated that she will also do additional research on housing needs in the state and federal housing funds coming into the state.

REVIEW OF POLICY STATEMENT #9

Mr. Barrier made a motion to adopt the Urban/Rural Subcommittee's amended policy statement. That was approved. The amended statement reads:

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs.

Action Plan #1 was dropped by the full committee and a new Action Plan #1 was created and adopted to read:

1. In an effort to help solve the hesitance of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors.

A new Action Plan #2 was proposed by Ms. Murphy. It was adopted to read:

2. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.

Action Plan #3 was adopted by the full committee.

REVIEW OF POLICY STATEMENT #10

It was moved to adopt this policy statement. It was adopted. Action Plan #1 was broken into three action plans and approved to read:

1. The state should encourage the development of housing partnerships in the state and should provide pre-development financing for certain rental projects.
2. The state should examine the feasibility of converting appropriate foreclosed housing to rental units.
3. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits so that those developers would have the means to create affordable rental housing.

REVIEW OF POLICY STATEMENT #11

Ms. Araji made a motion to accept the Transitional Subcommittee's revised version of the policy statement.

Rep. Brown seconded.

Ms. Ellyson recommended the "continuum of care" statement in the policy also be inserted in Policy Statement #5.

Policy Statement #1 was revised and approved to read as follows:

It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

Action Plan #1 was discussed at length. A revised action plan was proposed by Rep. Rieger. This was approved to read:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State housing regulations should be changed so that two categories of housing are created; medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.

Ms. Ellyson made a motion that the statement referring to "continuum of care" be pulled out as a separate policy statement. This was not approved.

Mr. Borjesson moved to adopt Action Plan #2. This was approved. It was also recommended that this plan be considered by the Transitional Subcommittee at their special meeting.

Next HPDC Meeting

The committee discussed the next HPDC meeting, which is scheduled for November 3, in Anchorage. Staff stated that the full committee would be brought to Anchorage for the meeting.

There will be a special reception at Rick and Thea Barrier's that evening.

The full committee was adjourned at 4:50 p.m.

MEMORANDUM

State of Alaska

TO: Heather Arnette
Alaska Housing
Market Council
Department of Commerce
and Economic Development

DATE: October 13, 1989

FILE: 1802

PHONE: 465-3170

SUBJECT: Comment AHMC
Mission Statement
and Action Plans

RW
FROM: Russ Webb, Director
Division of Family
and Youth Services
Department of Health
and Social Services

Pat O'Brien of the Division's Central Office has reviewed the AHMC Mission and Policy Statements and Action Plans. She has prepared the comments below on behalf of the Division. The comments are organized following the same format and numbering system used in your original document.

Policy Statement #1

Action Plan:

6. You may wish to consider focusing this activity statement more specifically on coordinated planning among the various agencies with regard to housing services. Coordination of planning among these agencies should occur for a variety of reasons but the specific issue being addressed in your action plan should be clearly stated. Additionally, you may wish to address coordination in planning with this division and the Older Alaskans Commission. Each of these agencies has housing-related responsibilities for particularly vulnerable populations.

8. Good. Coordinating interdepartmental regulations is an endeavor that is often not appreciated, but critically important for effective administration.

9. Donation of foreclosed properties for use as transitional and long-term special needs facilities and senior housing is appropriate. "Special needs" facilities are not defined. The

definition of such facilities should include those facilities the Division has identified as critically needed. These are family child care homes, adult foster homes and group homes, child day care, and dependent adult care (including the elderly). In both the child day care and the dependent adult care field, many providers are private for profit. For these facilities, low interest loans may be appropriate rather than donated property.

10. Housing partnerships should be defined.

Policy Statement #2

There should be no regionalization of minimum standards for life safety and sanitation. Minimum standards should be met regardless of location; however, differences may be accounted for in optional requirements. For example, larger, more developed communities such as Anchorage may adopt higher standards but none should fall below minimum standards.

Action Plan:

1. See the comment above regarding the policy statement. Environmental Health regulations are in the revision process now and will be available for comment by the users of facilities as well as industry. If a task force were formed, users and related agencies should also be involved. Current regulations contain a waiver provision and an appeal process regarding closure for public health reasons. You may wish to refine this recommendation.

3. This recommendation is unnecessary and reflects a misunderstanding of the requirements of foster care regulations. It presumes that current regulations contain housing standards which are unrealistically restrictive for application in rural Alaska. In fact, it perpetuates a myth. There are not now and never have been foster home housing space requirements except in keeping with community standards. Regulations provide as follows:

"A foster home must be large enough to provide sufficient space for both the family and the foster children, and be furnished and equipped to accommodate them comfortably in keeping with community standards."

Ms. Heather Arnotte

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October 13, 1989

These standards were specifically designed to recognize and accommodate for housing conditions in rural Alaska. Your report could be helpful in dispelling the common misperception regarding foster care housing requirements which impede our ability to recruit needed foster homes. At a minimum, it should not perpetuate the misunderstanding.

Policy Statement #3

Action Plan:

2. and 3. We support those recommendations but would prefer they not be limited to "transitional" housing. Group homes serve children for child day care, children and youth for residential care and treatment, adults experiencing a developmental disability, mental illness or other condition requiring supported living, and the frail elderly.

Policy Statement #4 and Action Plan

The Division supports the concept of this statement and plan.

Policy Statement #5

Action Plan:

4. The issue here is primarily one of providing housing services for runaway and homeless youth. Lack of a statutory basis and funding rather than regulations have been the factors limiting service to this population. This was addressed by the legislature in 1988 through passage of SB 79 which authorized the Department to grant funds to programs providing shelter and other services for runaway and homeless youth. No funds were appropriated for such grants, however. Regulations required to govern operation of such programs are under development.

5. DFYS strongly supports this recommendation. House Bill 177, sponsored by the HESS committee, would provide for such programs. Representative Johnny Ellis can provide information on this bill.

Policy Statement #6

Agreed.

DFYS - Russ Webb

Ms. Heather Arnette

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October 13, 1989

Policy Statement #11 and Plans

(a) While we have no problem with the concepts contained in this statement and plans, it should be noted that some non-medical supportive living models will require licensure. Current adult foster and residential care regulations are a basic description of the non-medical model where adults in care continuously require the immediate availability of care providers. These regulations were coordinated originally with medical licensing and are currently scheduled for review in March 1989. They apply to all care facilities for all dependent adults, including the elderly. Coordination needs also to occur with senior housing accommodations where elements of supported living have been incorporated and are increasing.

(b) While we do not disagree, the comment on homemakers is a funding issue. There are insufficient funds at this point to implement the recommendation.

Policy Statement 13

Action Plan:

1. As previously noted, we support accommodation of regional differences ~~except~~ for basic life and health safety considerations. Additionally, it is our understanding that strict adherence to the Uniform Building Code would block a multi-departmental effort to facilitate the expansion of group homes, particularly in the field of child day care. The fire marshal's office has completed national research on group homes and should be consulted in this area.

We are disappointed that the regulations are silent on group homes for the elderly and on group homes for child day care, as there has been a multi-department effort to develop coordinated regulations to ~~facilitate group home development~~. Pat O'Brien has estimated a need for up to 20 adult group homes over the next three years, and up to 75 group homes for child day care over the next five years. Perhaps your meeting with the interdepartmental committee will serve to formulate additional recommendations.

Ms. Heather Annette

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October 13, 1989

RW:POB:jr:rkh

cc: Karen Perdue, Deputy Commissioner
Department of Health and Social Services
Yvonne M. Chase, Deputy Commissioner
Department of Health and Social Services

October 19, 1989

COMMENTS ON HPDC RECOMMENDATIONS - STATE FIRE MARSHALL SAM NEAL
AND BILL DAVIS, DIV. OF FIRE PREVENTION

General Note:

The committee should make reference to the creation of a new category of group homes which can house to 16 persons. This new category in state regulation makes it more economical to develop these homes since they require less expensive fire prevention measures.

1. Policy Statement #11 - Senior Housing

Medical and non-medical needs should be clearly defined.

2. Policy Statement #13 - Quality Standards

It is important to note that funding is essential to enforce building codes. Without that, this is a moot point.

The issue of regional amendments to a building code is inappropriate because certain basic life safety requirements are essential. The requirements in the Uniform Building Code are so basic that regional amendments are inappropriate.

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ALASKA HOUSING MARKET COUNCIL

10/20/89

REVISED:

MISSION STATEMENT:

SAFE, SOUND, SANITARY AND ENERGY EFFICIENT LIVING CONDITIONS SHOULD BE AVAILABLE TO ALL CITIZENS OF THE STATE.

FULL HOUSING POLICY DEVELOPMENT COMMITTEE

DRAFT ACTION PLANS

Policy Statement #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

Action Plan:

1. The Alaska Housing Commission shall report directly to the Governor.
2. The Commission's composition shall reflect regional representation and shall include public members and representatives from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.
3. The Commission shall provide information on housing opportunities to the public and shall oversee state agency information services.
4. The Commission shall be the designated agency to review and distribute federal funds for housing and shall designate recipients throughout the state.
5. The Commission shall be charged with state agency housing program review, coordination and oversight. All new or amended housing or mortgage loan regulations must be approved by the Commission to ensure that they conform to the intent of the state housing policy. The Commission shall clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.
6. The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing

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Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall develop statewide service plans in conjunction with each other and the state housing plan to insure coordination and efficiency of service delivery. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs shall develop short and long-term business and regional strategic plans.

7. The Commission shall conduct periodic statewide housing needs assessments on housing and financing availability.
8. The Commission shall direct state agencies to review housing regulations under their jurisdiction, comparing them to other agency regulations, and revising where appropriate to eliminate conflict and duplication.
9. The Commission shall be charged with reviewing the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission shall encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing where appropriate.
10. The Commission shall actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.

Policy Statement #2

It is the policy of the State of Alaska to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible.

Action Plan:

1. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented.
2. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should adjust their loan programs to be appropriate to regional housing conditions. It is recognized the secondary investors and/or insurers, for instance, the Federal Housing Administration, may be

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unwilling to participate in mortgage lending in certain areas of the state. The regionalization of AHFC and DCRA loan programs should be consistent with prudent lending standards.

Policy Statement #3

It is the policy of the State of Alaska to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand.

Action Plan:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
2. Municipal governments should be encouraged to facilitate establishment of transitional group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities should be encouraged.

Policy Statement #4

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited or low incomes.

Action Plan:

1. The State of Alaska should become actively involved in assisting private developers and non-profits in obtaining financing for planning and development of units which are affordable to low-income Alaskans.
2. Existing state agency-owned foreclosed properties should be considered for conversion to low income housing units, if economically and structurally feasible.
3. State law should be modified so that state agencies involved in housing finance can lend to non-profit housing developers. This may include statutory changes to AHFC and AIDEA and changes in policies and procedures to DCRA and ASHA.
4. The state recognizes the important niche which non-profit housing developers fill in the provision of housing. Local

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financial institutions, local governments and the secondary mortgage market should be encouraged to provide funding for that purpose.

Policy Statement #5

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of transitional and long term housing for those with special needs.

Action Plan:

1. The role of the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should be expanded to allow mortgage loans to non-profits for transitional and long term housing for those with special needs. This should be a cooperative effort with rural housing authorities.
2. The U.S. Department of Housing and Urban Development should be encouraged to change regulations so that transitional housing tenants can be charged a small amount to support operating expenses. Also, if needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
3. State programs that provide temporary housing and services to Rural Alaskans who must come to regional centers for medical or other treatment should be adequately funded. In particular, more low-cost transitional family units should be offered, on a sliding fee scale, for Rural Alaskans who move to regional centers for services.
4. Division of Family and Youth Services regulations should be changed so that housing services for non-State custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.
5. State legislation that funds independent living programs for youth should be supported.
6. Facilities for persons with AIDS, which offer continuing care, must be identified and funded. Also, a centralized agency must be identified to focus on the housing needs of AIDS patients.

The following transitional and long term housing for special needs areas have also been identified as needing funding:

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7. Need for additional emergency shelter space for families with children, to include those with medical need.
8. Need for transitional housing for families leaving women's shelters.
9. Need for 150 additional beds, in halfway house settings, for substance abusers.
10. Need for housing and support services for pre-maternal teens and teens with infants. More child care programs that allow teens with children to attend school should be funded.
11. Need for structured housing environments for ex-offenders.
12. Need for group facilities for persons with handicap(s).
13. Need more programs for the neurologically impaired.
14. Long term (semi-independent) housing for the mentally disabled.
15. Short and long term facilities for those with head injuries and brain trauma.
16. The Capital Projects Land Fund in the Mental Health Lands Trust Account should be used to fund projects such as those listed below.
 - a. Transitional halfway houses for mentally ill after leaving Alaska Psychiatric Institute.
 - b. Long term "sleep off" centers for inebriates with problems so ingrained that treatment won't help.
 - c. Structured housing environment for mentally ill with criminal records.
 - d. Long term care facility for chronically mentally ill who refuse psychiatric treatment.
17. Buildings for people with special needs should be renovated or built in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation.

Policy Statement #6

It is the policy of the State of Alaska, in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs.

Action Plan:

1. Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be given funding priority.
2. A function of an Alaska Housing Commission should be to maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the commission should identify which areas of the state and which target populations are most in need of housing resources.

Policy Statement #7

It is the policy of the State of Alaska to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner.

Action Plan:

1. State agencies with mortgage lending programs should approve and follow prudent industry lending standards and downpayments should be required.
2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates, which direct states involved in low-income homeownership programs to offer homeowner counseling services.
3. There should be greater disclosure to borrowers that mortgage loan servicing can be sold to another institution, unless specified otherwise in the loan servicing agreement. The State of Alaska should adopt greater penalties and clearer recourse should occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance).

Policy Statement #8

It is the policy of the State of Alaska to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state.

Action Plan:

1. Benevolent loan funds, consisting of private donations, private and public financing, should be encouraged.

Policy Statement #9

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs.

Action Plan:

1. In an effort to help solve the hesistance of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors.
2. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
3. Where state agencies can access materially lower cost capital from secondary market lenders than funds available in the private sector, this may be done and the lower interest rates should be passed through to the public.

Policy Statement #10

It is the policy of the State of Alaska to promote the availability of quality, affordable rental housing.

Action Plan:

1. The state should encourage the development of housing partnerships in the state and provide pre-development financing for certain rental projects.
2. The state should examine the feasibility of converting appropriate foreclosed housing to rental units.
3. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits so that those developers would have the means to create affordable rental housing.

Policy Statement #11

It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing. The state should implement a housing program for seniors which emphasizes a

continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

Action Plan:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State housing regulations should be changed so that two categories of housing are created; medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.
2. The state should implement a "continuum of care" housing program for seniors and should adequately fund necessary supportive services, which allow seniors to remain independent for as long as possible.
 - a. A case management system, which matches seniors with appropriate services, should be implemented by the state.
 - b. State and other funded supportive services, such as homemaker assistance, should be expanded to 7 days a week.
 - c. Financial assistance and training for home repair and maintenance should be increased.

Policy Statement #12

It is the policy of the State of Alaska to develop and maintain stable sources of capital and revenue to support housing needs in the state.

Action Plan:

1. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the creation of low to moderate-income housing.
2. The state should also encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing.
3. State regulations should be changed so that grant monies can be used to pay for mortgage loans.

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4. Other sources of funding should be considered to meet essential housing services, including the possibility of instituting a state sales tax.
5. The state should encourage the development of Neighborhood Housing Services in communities across the state.
6. The state should consider the creation of a "Housing Trust Fund" as a source of housing revenue.
7. The state should support the creation of a new "HOME" Corporation within the federal government, which will provide housing funds to states and local communities.
8. The state should review the new national FSLIC program for use as an additional source of housing funds. If a state does not have savings and loans institutions that qualify for the bond program, regional housing authorities can qualify for the bonds.

Policy Statement #13

It is the policy of the State of Alaska that housing in the state should meet specific quality standards.

Action Plan:

1. The state shall adopt the entire Uniform Building Code, and allow for regional differences and amendments.
2. The state shall adopt more stringent contractor licensing requirements.
3. The state should actively lobby for and support the financing of home improvements in rural areas under the federal Mutual Help program and Housing Improvement Program.
4. State agencies should not fund the financing of new construction of substandard housing, nor should they finance existing homes which meet the definition of substandard, with the exception of regional differences.

10/23/89

SUBCOMMITTEE INPUT ON HPDC RECOMMENDATIONS
UNRESOLVED BY FULL COMMITTEE

MISSION STATEMENT

Amend to read:
Safe, sanitary, and energy efficient living conditions
should be available to all citizens of the state.
(Urban/Rural)

POLICY STATEMENT #1

The Housing Commission structure (proposed by Rep. Kay
Brown) was adopted. (Transitional)

Action Plan #1

Add: the Boards of ASHA and AHFC would be eliminated and
the executive directors of those agencies would serve as
advisors and at the pleasure of the Housing Commission. The
Commission would consist of 10 members: one commissioner
from DCRA and the Department of Revenue, and eight public
members. (Transitional)

Action Plan #2

Add: Staffing for the commission shall come from existing
state agencies and funding from existing agencies'
resources. (Transitional)

Action Plan #4

Reword: The Commission shall be the designated state agency
to review housing needs and request funds for housing and
designate recipients throughout the state. (Transitional)

Action Plan #5

Reword: The Commission shall be charged with state agency
housing program review, coordination and oversight. All new
or amended housing or mortgage loan regulations must be
approved by the Commission to ensure that they conform to
the intent of the state housing policy. The Commission
shall direct the activities of the Alaska Housing Finance
Corporation, the Alaska State Housing Authority, and the
housing programs within the Department of Community and

Regional Affairs. (Transitional)

Action Plan #6

Reword: The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall advise the Housing Commission of housing needs within their area of responsibility. (Transitional)

Action Plan #8

Reword: The Commission shall review housing regulations of the agencies under its jurisdiction, and advise where appropriate to eliminate conflict and duplication. (Transitional)

Action Plan #9

Reword: The Commission shall review the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission may direct AHFC and encourage banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing, where appropriate. (Transitional)

POLICY STATEMENT #2

Action Plan #1

Subcommittee did not understand this action plan. Request clarification from full committee. (Transitional)

Reword: State agencies with regulations pertaining to housing standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented. (Urban/Rural)

Subcommittee recommends that task force created also address building codes. Add: "housing and construction" after "Department of Environmental Conservation's." (Low-Income/Affordable)

Action Plan #2

Subcommittee requests clarification on this action plan from full committee. (Transitional)

POLICY STATEMENT #3

Reword: It is the policy of the State of Alaska to encourage communities to take an active role in housing issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand. (Transitional)

Action Plans 1, 2, & 3

Reword: Through DCRA, local government shall be encouraged to do the following:

- 1) Include a housing plan as part of their comprehensive planning process.
- 2) Revise zoning laws to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities.
- 3) Review and revise zoning requirements to facilitate establishment of transitional group housing.
(Transitional)

Action Plan #3

The subcommittee voted to remove this action plan, because it felt that most governments already have this ability under current municipal ordinances. It may be possible to include this in the policy statement. (Low-Income/Affordable)

POLICY STATEMENT #4

Subcommittee wants non-profits to be able to participate in any type of subsidy program. (Transitional)

Action Plan #3

Add: An educational program should be developed through state agencies and the secondary market to encourage funding of applications for qualified low income/affordable housing projects. (Low Income/Affordable)

POLICY STATEMENT #5

Action Plans #5 - 17

Combine: The Housing Commission should be given the responsibility to prioritize, review and seek funding for the listed action plans. (Transitional)

Action Plan #2

Remove: "also if needed." Move second sentence to policy statement #12, because it should apply to all HUD programs, not just transitional housing. (Low Income/Affordable)

Action Plan #4

Reword: State programs that provide temporary housing and services to Rural Alaskans who must come to regional centers for medical or other treatment should be adequately funded. (Transitional)

Action Plan #5

Remove. (Low Income/Affordable)

Action Plan #7

Not specific - doesn't meet SPAMO. (Low Income/Affordable)

Action Plans #8 - 17

Combine: Into one action plans, for example, 8a, 8b, 8c, etc. (Low Income/Affordable)

POLICY STATEMENT #6

Action Plan #1

Make this a finding of the report, not an action plan. (Low Income/Affordable)

Action Plan #2

Make this #1, and add the word "annually" after "should identify." (Low Income/Affordable)

POLICY STATEMENT #7

Action Plan #1

Not specific enough. Change "should approve...." to "should develop/adopt accepted industry lending standards." (Low Income/Affordable)

Action Plan #2

Not specific enough. (Low-Income/Affordable)

Action Plan #4

Discuss with full committee, #2 and #4 are in conflict.
(Low Income/Affordable)

Subcommittee did not support the state implementing a
downpayment and closing cost program. (Urban/Rural)

Action Plan #5

Subcommittee was confused as to what this recommendation
means. (Urban/Rural)

Ms. Gunnels suggested that this action plan should include
some statement about the borrower's ability to refinance
their loans, under state programs, with a servicer in
Alaska. (Low Income/Affordable)

New Action Plan

There should be greater disclosure to borrowers that
mortgage loan servicing can be sold to another institution,
unless specified otherwise in the loan servicing agreement.

Greater penalties and clearer recourse shall occur in the
case of faulty loan servicing (application or mortgage
proceeds, payment of taxes or insurance). (Urban/Rural)

POLICY STATEMENT #9

Amend to read:

It is the policy of the State of Alaska to minimize direct
involvement of state government in the secondary mortgage
market, with the primary exception of accessing capital
markets in order to finance the state's housing needs, which
include, but aren't limited to, low to moderate-income
housing, rural housing and transitional housing.
(Urban/Rural)

Action Plan #1

Remove: and add to action plan #2. (Low Income/Affordable)

Action Plan #2

Add: "and secondary market mortgage investors" after "in Alaska, ." (Low Income/Affordable)

POLICY STATEMENT #10

Action Plan #1

Add: A sentence to include ASHA in the provision of affordable rental housing. (Low Income/Affordable)

POLICY STATEMENT #11

Reword: It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing. (Transitional)

POLICY STATEMENT #12

Action Plan #1

Reword: The State should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate to finance the state's housing needs, which include, but aren't limited to, low to moderate-income housing, rural housing and transitional housing. (Urban/Rural)

Action Plan #3

Reword: State regulations should be changed so that grant monies can be used to pay non-profits for mortgage loans. (Transitional)

Remove: (Low Income/Affordable)

Subcommittee member didn't like idea of non-profits "mortgaging the state." (Urban, Rural)

Action Plan #8

Add: "and non-profit" after "regional housing authorities." (Low Income/Affordable)

Substitute: "Resolution Trust Program" for "new national FSLIC Program." (Low Income/Affordable)

POLICY STATEMENT #13

Action Plan #1

Add: "and an appeals process" after "amendments". (Low Income/Affordable)

Amend: The State shall adopt the entire Uniform Building Code, and allow for regional differences and amendments. Codes should include energy standards, which allow for regional differences. Strong protection should be afforded to owners of existing structures against arbitrary enforcement, when construction occurred before standards were implemented. (Urban/Rural)

Action Plan #2

Add: "and bonding" after contractor licensing. (Low Income/Affordable)

Action Plan #3

Add: Reference to state programs like the Alaska Craftsman Home Program. (Low Income/Affordable)

Action Plan #4

Reword: So sentence is positive. However, it should retain the concept that the state will not finance new housing that does not meet current building and construction codes or regulations. (Low Income/Affordable)

Alaska Housing Market Council

October 25, 1989

Dear Housing Policy Development Committee Member:

Enclosed find your agenda for the November 3, 1989 HPDC meeting. Please note that the meeting will begin at 8:30 a.m. and will be held at the Anchorage Legislative Information Office. Other State Legislative Information Offices (open during the legislative interim) will be connected via teleconference.

We will be discussing and finalizing policy statements #12, #13, #5, #1 and their action plans. (The revised policy statement #5 will be distributed at the meeting). Also, if there are any action plans that you believe still need to be added in - please propose them (along with copies of the drafted action plan) at this meeting.

Since we are finalizing recommendations at these last meetings, we urge you to speak up on issues that you feel strongly about. It's very important that all views are represented as we draft the final report.

We have determined that an additional meeting will probably need to be scheduled for either November 17 or 30 (teleconferenced) in order to make sure the recommendations meet the "SPAMO" test (are specific, pertinent, attainable, measurable and observable). Please check your calendars. We will poll you as to which date is preferable at the November 3 meeting.

Lunch will be catered for this meeting.

A reception will be held for all HPDC members on the evening of the 3rd at the home of Rick and Thea Barrier. Please come!

A final note: we have changed the December 1 meeting to December 8. We needed additional time to prepare the draft HPDC report for this meeting.

If you have any questions about this meeting or are unable to attend, please contact me.

Sincerely,



Heather Arnett
HPDC Aide

Alaska Housing Market Council

ALASKA HOUSING MARKET COUNCIL
Housing Policy Development Committee

Meeting of the Full Committee

AGENDA

November 3, 1989

8:30 a.m. to 5:00 p.m.

Anchorage Legislative Information Office
3111 'C' Street, Main Floor Conference Room
And all other State Legislative Information Offices
(Open during Legislative interim)

- I. Call to Order - Roll Call
- II. Approval of Agenda
- III. Approval of Minutes
October 13, 1989 HPDC meeting
- IV. Discuss and finalize Policy Statements #12, #13, #5 and their action plans.
- V. 10:30 a.m.
Presentation by Cushing Dolbeare, national low-income housing consultant
Presentation by Dr. Barton Smith, Professor of Economics, University of Houston
- VI. 12:00 p.m.
Lunch (Will be catered).
- VII. 12:30 p.m.
Presentation by Peggy Stewart, Alaska Housing Market Council
"Different scenarios for an Alaska Housing Commission"
- VIII. 1:30 p.m.
Public Testimony
- IX. Discuss and finalize Policy Statement #1 and it's action plans.
- X. 4:00 p.m.
Discuss final HPDC report and staff recommendations on making the action plans specific, pertinent, attainable, measurable and observable.
- XI. Adjournment.

DRAFT

ALASKA HOUSING MARKET COUNCIL HOUSING POLICY DEVELOPMENT COMMITTEE

POLICY STATEMENT #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

OPTIONS FOR IMPLEMENTATION

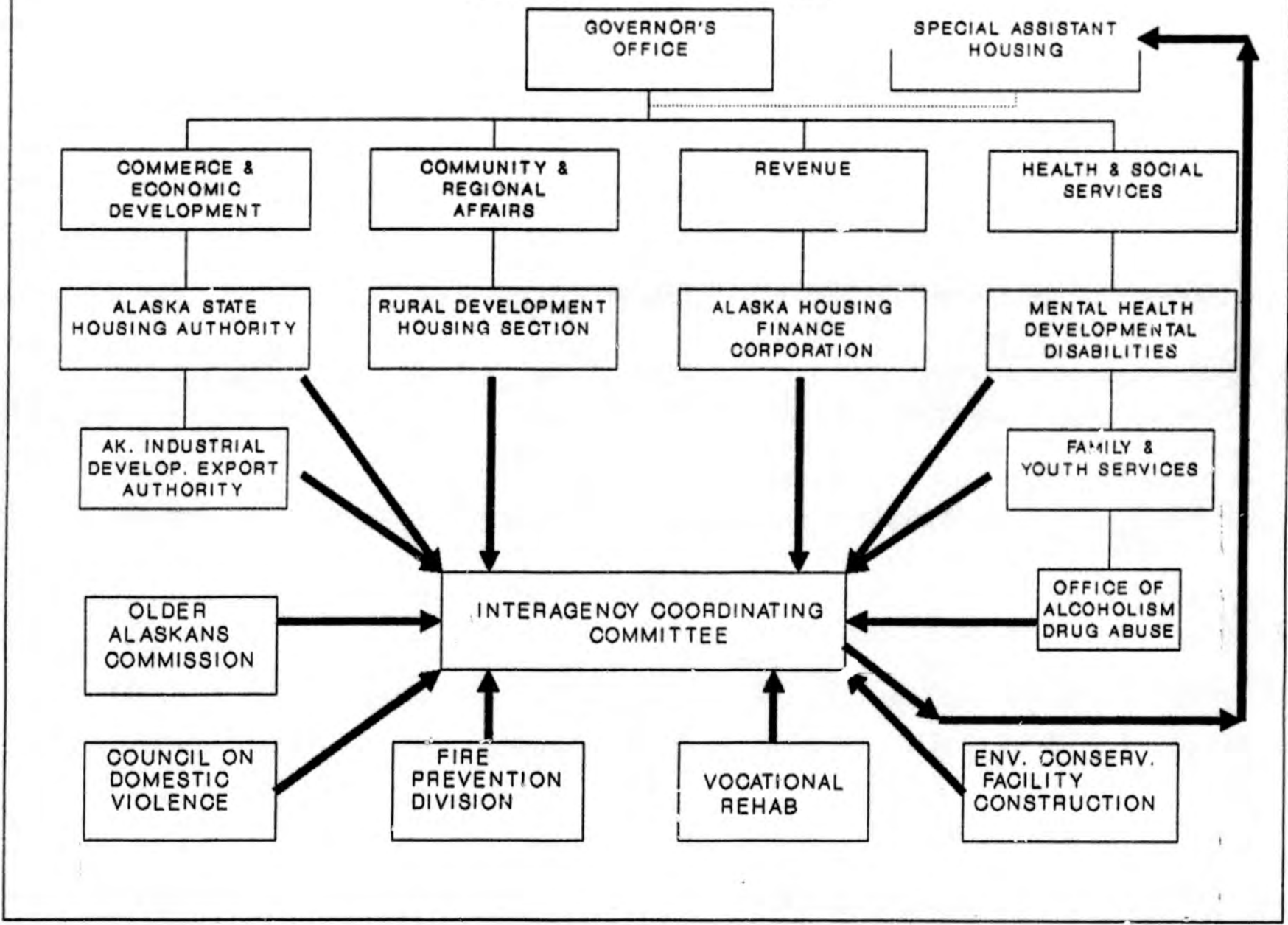
There is a national movement towards state centralization and authority in the development and execution of state housing policies and programs. The federal Housing and Urban Development legislation is up for re-authorization soon, and several bills addressing housing policy on the national level have been or will be introduced in Congress. Eric Ostrovsky of the Governor's Washington D.C. office thinks that it is very likely that housing policy directions will change by early 1990 with passage of either S. 565 or a House bill. Whether or not these bills include intent to mandate coordination and distribution of federal funds through the Governors' Offices of each state remains to be seen, but discussions on this subject are occurring.

Surveys of other states shows several of them moving in the direction of establishing centralization and coordination of housing issues. Fifteen states have an agency, either a department, division or council which is directly responsible for oversight of housing issues. Massachusetts, Washington and New Jersey are recognized as model states, and have very visible, progressive housing programs and development. They have centralized agencies/divisions within a Department of Community Affairs/Development, DCA Commissioner heads the various housing Boards, and they have a vehicle for interagency coordination.

OPTION 1 - SPECIAL ASSISTANT FOR HOUSING. Establish a Special Assistant for Housing position within the Office of the Governor. Position will be responsible for advising the Governor on housing policy.

The Special Assistant would direct an Interagency Coordinating Committee comprised of directors of the 12 housing agencies, offices, and divisions. The Committee would meet on a regular basis (monthly, bi-weekly) to discuss housing programs, problems, and policy.

STATE OF ALASKA
SPECIAL ASSISTANT - HOUSING



Responsibilities: Formulating statewide housing policy.
Coordinating housing programs consistent with a statewide housing policy.

Staffing: Special Assistant for Housing Secretary

Pros: This option would be a minimum level of commitment for a statewide housing policy and for coordination of state housing programs.

This option would probably have more political support from the state housing agencies.

Administrative costs would be minimal.

Cons: Many of the statewide action plans identified by the HPDC would not get addressed, ie a long-term housing plan, statewide housing needs assessments, creating of housing partnerships, etc.

Interagency Coordinating Committee too large and diversified. Consider reducing size of Committee to three main housing agencies and pulling in other agencies to address specific needs in their areas on an a specialized basis.

OPTION 2 - ALASKA HOUSING COMMISSION. Create an Alaska Housing Commission which reports directly to the Governor. Member composition shall reflect regional representation and shall include public members and representatives from housing and real estate industry, special needs groups, and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity. (9 members)

To further enhance this alternative, housing agencies could be placed under one department (Community & Regional Affairs or Commerce & Economic Development, as recommended under Alternative 3.

Number of members: 1 Regional representative from 4 judicial districts representing housing/mortgage loan industry
1 representative of special needs groups
1 representative for rural areas
1 Public members
Commissioner, Commerce & Economic Development
Commissioner, Community & Regional Affairs

Advisory members: Alaska State Housing Authority
Alaska Housing Finance Corporation
Department of Community and Regional Affairs

Staffing: Executive Director
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor
Grants Administrator*

Responsibilities: Develop statewide housing policy.
State agency housing program review, coordination, oversight.
Writing/updating long term housing plan.
Conduct periodic statewide housing needs assessments.
Reviewing use and disposition of state agency-owned foreclosed properties.
Facilitate the creation of housing partnerships, providing technical assistance.
Direct review of housing regulations between state agencies.
If Affordable Housing Act passes, review and allocate distribution of federal housing funds.

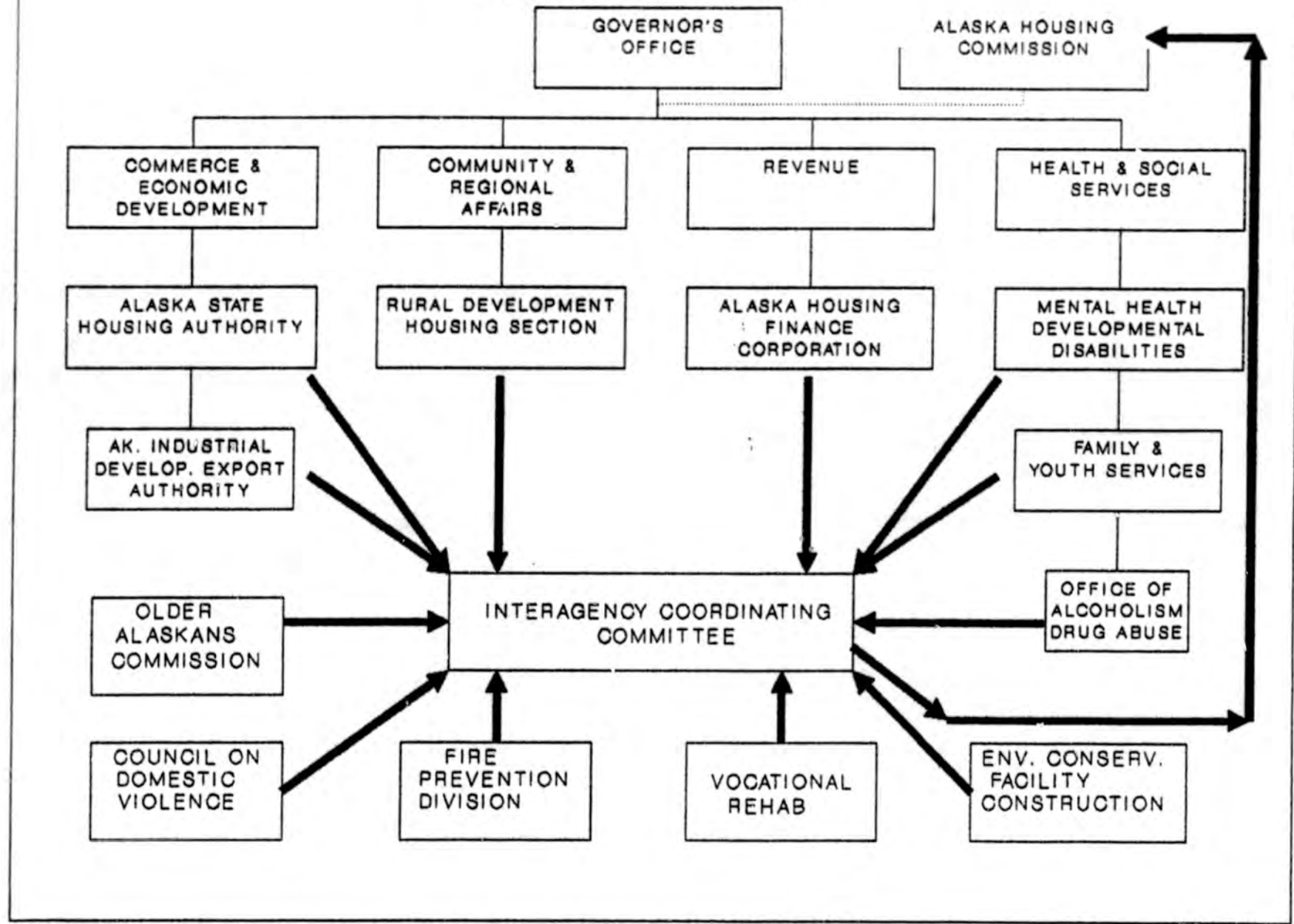
Pros: Housing resources and programs are scattered throughout 12 different state agencies, offices and divisions. A Housing Commission given the authority to cross departmental lines and bring housing groups together can formulate and coordinate a cohesive statewide housing policy that addresses a wide range of housing needs and problems.

Important to have Commission within Governor's Office rather than within a Department so it can function in an impartial role.

The concept of this option has been supported and encouraged by a wide variety of housing groups.

The proposed Housing Commission can provide clear, consistent, non-conflicting direction for the state's housing programs.

STATE OF ALASKA
ALASKA HOUSING COMMISSION



5

Pros (cont'd):

This option would satisfy the potential federal mandate for coordination and distribution of federal funds at the state level.

Cons:

The Commission would be working with a large number of agencies over which it would have no control. Two of those agencies have a separate, independent existence from the State. A legislative mandate which specifies the authority of the Commission over these agencies for follow-through on implementation will be complicated to put together and will require a thorough review of their existing legislation.

There is no precedent in Alaskan state government for a board or council that has the power or ability to approve or deny regulations set by other boards or departments. A partial answer to this may be moving the various housing agencies under one department, while retaining their separate status.

The Commission could be viewed as another unnecessary layer of bureaucracy and another complication in the tangle of housing programs.

OPTION 3 - STATE HOUSING BOARD.. Merge the Alaska State Housing Authority and Alaska Housing Finance Corporation Boards into a State Housing Board with the authority to administer all housing agencies and state housing programs. Housing agencies will be placed under one department, the Department of Community & Regional Affairs or Commerce & Economic Development. The State Housing Board will be responsible for statewide coordination of all state housing programs and for setting state housing policy.

ASHA and AHFC will maintain their independent status. The Executive Directors of both agencies will serve at the pleasure of the State Housing Board. AHFC and ASHA will each have a 5-member sub-board responsible for agency operations and policy setting. The Commissioner of Community & Regional Affairs will chair the State Housing Board and both of the sub-boards. Membership on AHFC and ASHA Boards will each consist of the Commissioner of Community & Regional Affairs, 2 different members of the State Housing Board, and 2 members appointed by the Governor.

An Interagency Coordinating Committee will be formed with membership from each of the 12 agencies, offices and divisions involved in housing.

Number of Members: 9-member Board of Director, appointed by Governor
Commissioner of Community & Regional Affairs serves as Chair.
1 regional representative from 4 judicial districts representing housing/mortgage loan industry.
1 representative of special needs groups
1 representative for rural areas
2 public members

Responsibilities: Statewide coordination of all housing programs.
Setting state housing policy.
Writing/updating long-term housing plan.
Same statewide responsibilities as listed above for Housing Commission.

Staffing: Executive Director, State Housing Board
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor

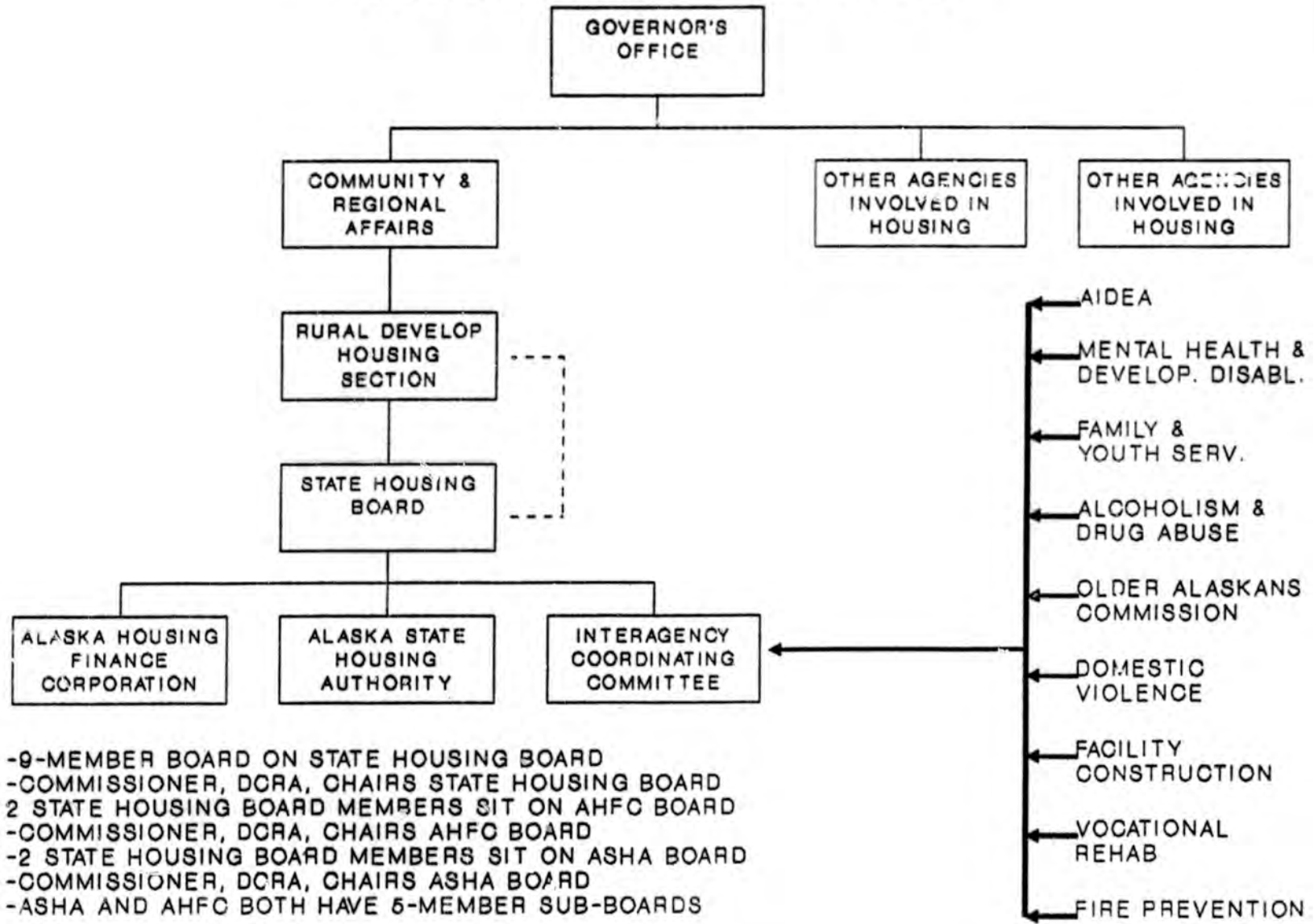
Pros: Model organizations in other states have their main housing agencies centralized under one department. This would be an effective way to ensure that policies and goals are implemented through consistent regulations and unduplicated programs.

Consolidating housing agencies within one department has greater likelihood of success in implementing statewide housing policies.

The proposed Housing Board can provide clear, consistent, non-conflicting direction for the state's housing programs.

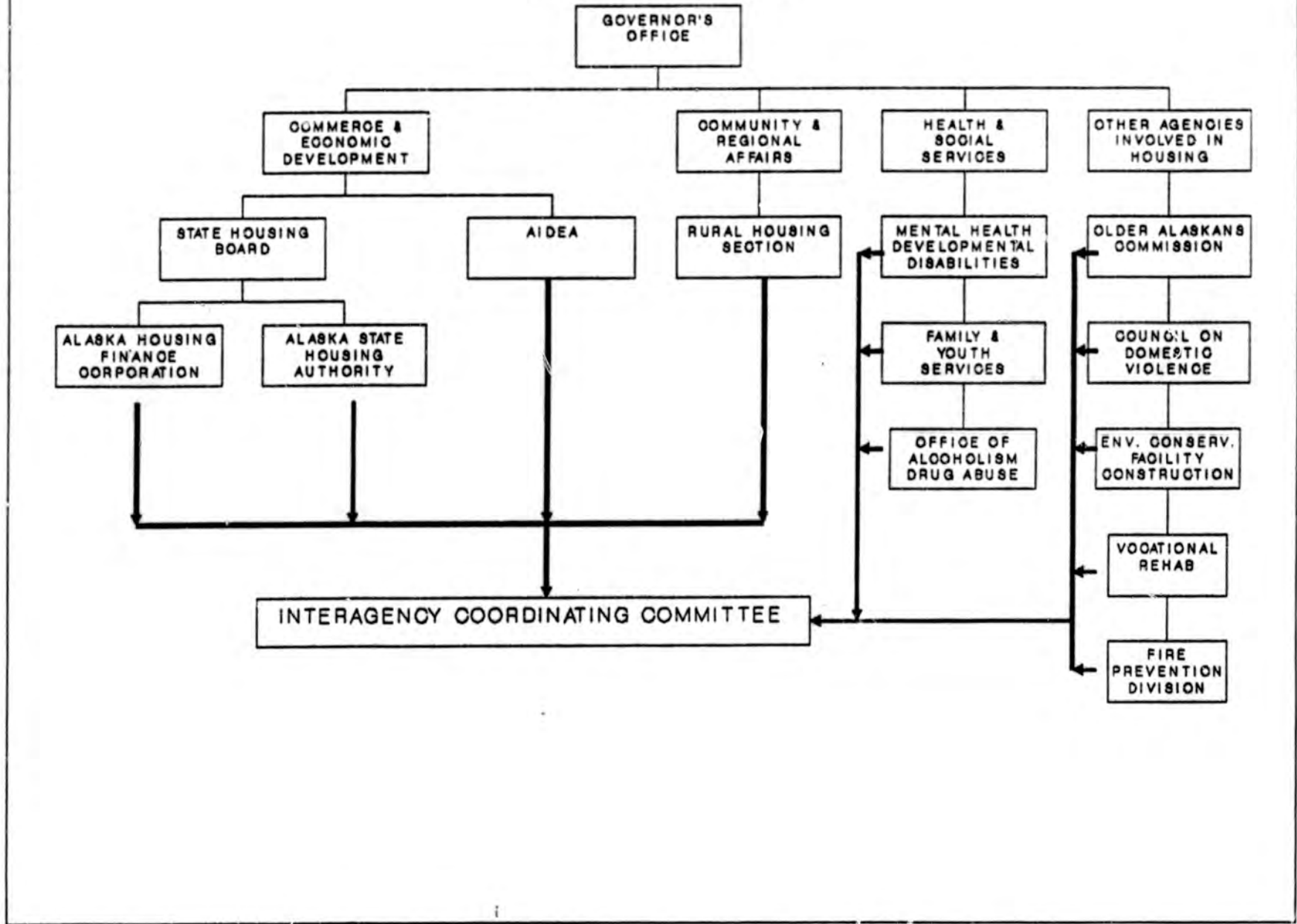
This option would satisfy the potential federal mandate for coordination and distribution of federal funds at the state level.

STATE OF ALASKA
STATE HOUSING BOARD/CONSOLIDATE AGENCIES



- 9-MEMBER BOARD ON STATE HOUSING BOARD
- COMMISSIONER, DCRA, CHAIRS STATE HOUSING BOARD
- 2 STATE HOUSING BOARD MEMBERS SIT ON AHFC BOARD
- COMMISSIONER, DCRA, CHAIRS AHFC BOARD
- 2 STATE HOUSING BOARD MEMBERS SIT ON ASHA BOARD
- COMMISSIONER, DCRA, CHAIRS ASHA BOARD
- ASHA AND AHFC BOTH HAVE 5-MEMBER SUB-BOARDS

STATE OF ALASKA
STATE HOUSING BOARD



Under this option ASHA and AHFC Boards retain their independent status within state government. Retaining this independent status is important due to concerns about the bond covenants of both agencies and ASHA's contractual arrangements with HUD.

Cons:

This is a more radical approach and may be more difficult to get existing agencies to support.

The mission and purpose of ASHA and AHFC are very different. The demands on their separate Boards of Directors are already significant. To combine the two Boards and add statewide responsibility in addition may be too much for Board members to handle.

Placement of Rural Housing, DCRA, into another department must be carefully considered. The service delivery of this program is combined with several other programs within the Division and is very effective in rural Alaska.

OPTION 4 - DEPARTMENT OF HOUSING. Create a Department of Housing with all housing agencies placed within that department. An interagency coordinating Committee would be formed with membership from each of the 12 agencies/programs involved in housing.

The Commissioner, Department of Housing would chair the Boards of Directors of ASHA and AHFC.

Staffing:

Commissioner, Department of Housing
Executive Secretary
Information Officer
Division of Administrative Services
Division of Rural Housing Services
Alaska Housing Finance Corporation staff
Alaska State Housing Authority staff

Responsibilities:

Direct all housing programs within the state.
Coordinate interagency housing activities.
Establish and implement statewide housing policy.
Same statewide responsibilities as listed for Housing Commission.

Pros:

This option provides the most visible commitment to state housing issues.

Housing concerns and policies would be represented at cabinet level with more political clout to effect a coordinated statewide housing policy.

Ability to better consolidate resources.

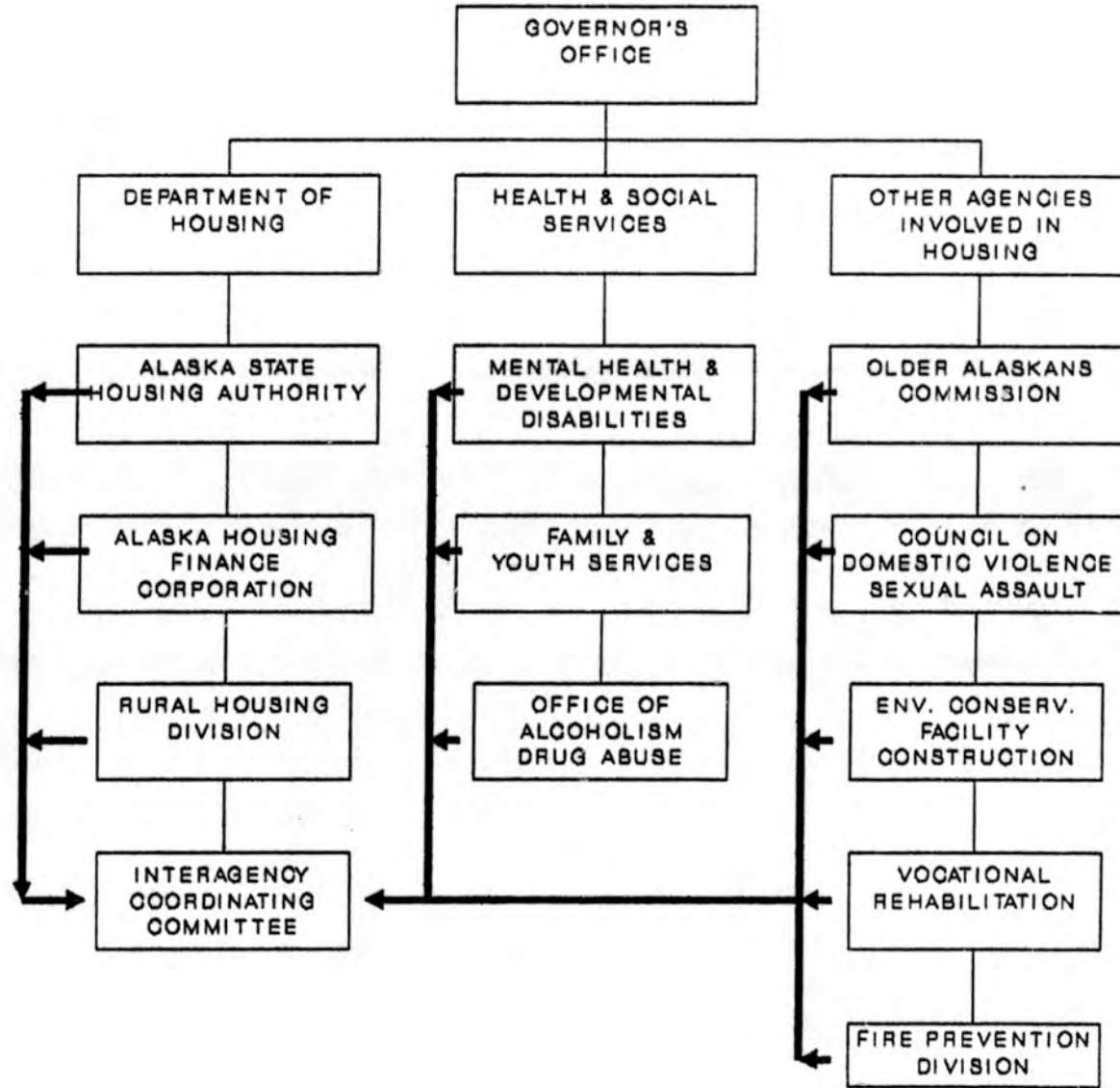
Cons:

Very difficult to get a new department created within state government.

Most expensive option because of staffing levels needed at a department level.

Does not appear to be a broad enough mission to warrant a separate department.

STATE OF ALASKA
DEPARTMENT OF HOUSING



CURRENT HOUSING BOARDS/COUNCILS

There are currently 12 agencies, offices and divisions within State government which are involved in providing or regulating housing services within Alaska.

ALASKA HOUSING MARKET COUNCIL--Advises the Governor and the Legislature on housing policies directed towards the stabilization of the housing market. It also provides direct services to the public in the form of the mortgage and housing information and referral hotline, provides a forum for public input regarding housing issues, coordinates interagency housing policies, and conducts research on issues affecting housing and mortgage loans.

Membership: Department of Community and Regional Affairs
Department of Commerce and Economic Development
Alaska Housing Finance Corporation
Alaska State Housing Authority
Alaska Permanent Fund
Alaska Industrial Development & Export Authority
Office of the Governor
Mortgage Guaranty Insurance Corp.
Public Members (4)

Committees: Housing Policy Development Committee (37 members)
HPDC divided into working task forces in 5 major areas to develop policy recommendations for full Committee review and adoption.

Staffing: Executive Director
4 staff members

Meetings: Council meets monthly. Meetings usually held in Anchorage and teleconferenced to Fairbanks, Juneau. Subcommittee meetings and Committee meetings held monthly and usually teleconferenced.

1 meeting held in Anchorage with all Committee members present; teleconferenced to Fairbanks, Juneau, Kodiak.

Members do not receive a stipend or per diem for attendance at meetings. Members are reimbursed for travel expenses at rates set by the state.

ALASKA STATE HOUSING AUTHORITY - Provides low to moderate income housing under state and federal housing programs. Issues bonds for housing and public facilities as requested.

ASHA has been in existence since before statehood. They are an independent agency within the state and contract directly with HUD for the housing funds they receive and the housing programs they provide. ASHA deals with low to moderate income housing needs in the urban areas. Thirteen regional housing authorities operate as Indian Housing Authorities and deal with low to moderate housing needs in the rural/village areas.

Membership: 4 public members appointed by Governor, currently from Anchorage. Current membership represents rural/native, business/real estate, minority, social services, and state government.
Commissioner of Commerce & Economic Development

Staffing: Executive Director
Division Directors
Clerical

Meetings: 4 times per year; 12 days maximum
In 1989, Board met on quarterly basis. 2 meetings in Anchorage, 1 in Sitka, 1 in Juneau.

Board members are paid \$80 per diem for each meeting they attend. Members are reimbursed for travel expenses at rates set by the state.

ALASKA HOUSING FINANCE CORPORATION. Board of Directors are responsible for the management of AHFC assets and the business of the corporation; adoption, amendment and repeal of bylaws and regulations governing the manner in which all AHFC powers are exercised; review of proposed legislation and participation in lobbying efforts during legislative session; review and approval of key policy decisions which will affect AHFC borrowers; prescription of duties and compensation of corporation personnel; review and approval of corporation budget.

Membership: Commissioner, Department of Revenue
Commissioner, Commerce & Economic Development
State Government Executive appointed by Governor,
currently Commissioner, Department of Labor
Public members (2), currently from Anchorage

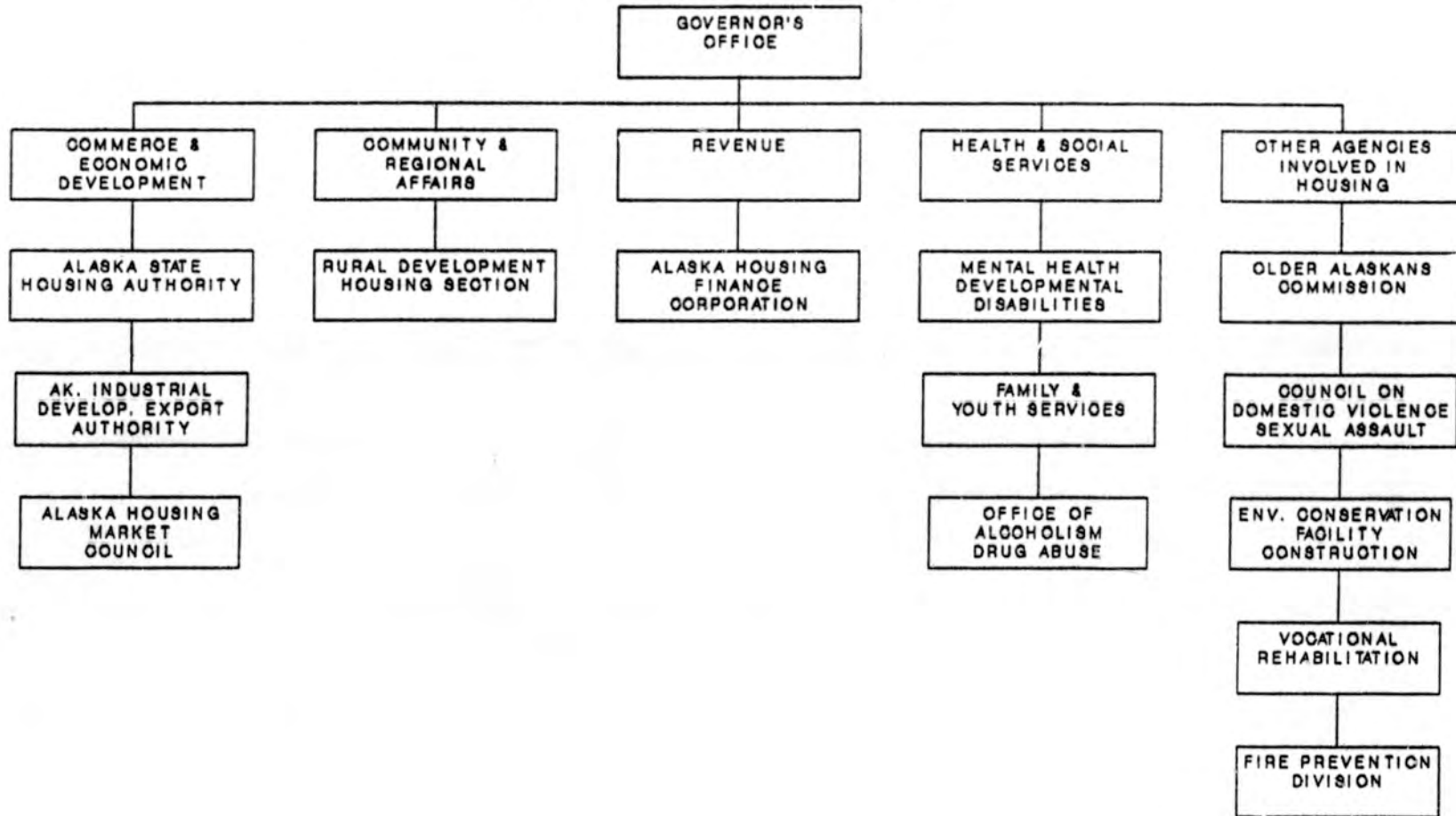
Committees: Special committees established as needed, ie
executive search.

Staffing: Executive Director
Executive Director's Secretary
Division Directors

Meetings: Not less than once every 3 months. Normally meet
12 times per year; 16 days maximum.
Usually transact meetings by teleconference with
Anchorage, Juneau and Fairbanks. Meetings last
from 3 to 6 hours.
Must give public notice, 24 hours or more in
advance.

Members are paid \$100 for each public member for
each day spent on official business. Travel
expenses are reimbursed at rate set by state.

STATE OF ALASKA
CURRENT HOUSING AGENCIES



ALASKA HOUSING MARKET COUNCIL
POLICY STATEMENT #1
CURRENT BOARDS/COUNCILS
COST ANALYSIS

BUDGET CATEGORY	CURRENT BOARDS		
	ASHA	AHFC	AHMC
OPERATING EXPENDITURES			
Personal Services	10.5	12.0	220.6
Travel			
Staff Travel	3.1		11.2
Board Travel/Stipend	6.1	7.6	24.4
Perdiem			15.3
Contractual			
Professional Services			21.3
Communication		2.7	17.5
Courier service			4.5
Advertising	0.4	1.0	13.2
Printing	0.1	0.3	6.7
Postage			3.7
Rent			17.8
Equipmmt			12.0
Supplies			
Office			9.0
Data Processing			1.0
TOTAL OPERATING EXP.	20.2	23.6	378.2
NON-OPERATING EXP.			1.2
TOTAL BOARD COST	20.2	23.6	379.4

ALASKA HOUSING MARKET COUNCIL
POLICY STATEMENT #1
ALTERNATIVES FOR IMPLEMENTATION
COST ANALYSIS

BUDGET CATEGORY	SPECIAL ASSISTANT		HOUSING COMISSION		STATE HOUSING BOARD		HOUSING DEPARTMENT
	TOTAL COST	ALTERNATIVE COST	TOTAL COST	ALTERNATIVE COST	TOTAL COST	ALTERNATIVE COST	
OPERATING EXPENDITURES							
Personal Services	110.7	0.0	239.4	104.3	262.6	169.6	400.9
Travel							
Staff Travel	6.0	6.0	14.5	6.9	14.5	10.3	28.0
Board Travel/Stipend			12.8	12.8	12.8	12.8	0.0
Perdiem							
Contractual							
Professional Services			8.7	3.9	8.7	3.9	
Communication	11.1	6.9	23.3	22.1	23.3	22.1	18.7
Courier service			4.5	4.5	4.5	4.5	4.5
Advertising	2.5	0.0	14.4	7.4	13.0	10.0	9.5
Printing	2.0	2.0	16.1	4.0	18.1	10.1	14.6
Postage	4.2	1.8	8.3	7.8	7.1	6.6	5.7
Rent	4.8	0.0	19.4	0.0	18.9	0.9	22.8
Equipment			7.3	0.0	7.3	0.0	7.3
Supplies							
Office	3.8	1.0	6.3	3.8	6.3	3.8	11.0
Data Processing			1.0	0.5	1.0	0.5	2.0
TOTAL OPERATING EXP.	145.1	17.7	376.0	178.0	398.1	255.1	525.0
NON-OPERATING EXP.			15.0	?	15.0	?	15.0
TOTAL BOARD COST	145.1	17.7	391.0	178.0	413.1	255.1	540.0

NOTE: IF THE AFFORDABLE HOUSING ACT PASSES, COSTS FOR EACH ALTERNATIVE WILL INCREASE BY \$58.3 WITH THE ADDITION OF A GRANTS ADMINISTRATOR POSITION AND NECESSARY SUPPORT COSTS TO REVIEW AND DISTRIBUTE FEDERAL HOUSING FUNDS.

ALTERNATIVE #1
SPECIAL ASSISTANT - HOUSING

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1. PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON-STAFF TO ANSWER PUBLIC INQUIRIES	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC/ASHA STAFF	0.0
	-PRODUCE NEWSLETTER/BROCHURE			AGENCIES PRODUCE	0.0
2. OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW PUBLISHED INFORMATION	NOT AVAILABLE UNDER THIS ALTERNATIVE		COMMISSION EX. DIR.	
3. PROVIDE INFORMATION TO INTERESTED PARTIES RE FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC STAFF	
	-CURRENT DATA BASE ON LINE FOR INQUIRY				
4. FACILITATE THE CREATION OF HOUSING PARTNERSHIPS; PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES	NOT AVAILABLE UNDER THIS ALTERNATIVE			
	-IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE				
	-DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES				
	-IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS				
	-DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES				
	-OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT				
	-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	NOT AVAILABLE UNDER THIS ALTERNATIVE		0.0	
-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS			0.0		0.0
-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS			0.0		0.0
5. WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	NOT AVAILABLE UNDER THIS ALTERNATIVE			0.0
	-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
	-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN				0.0
	-DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN				0.0

ALTERNATIVE #1
SPECIAL ASSISTANT - HOUSING

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
6. REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	<ul style="list-style-type: none"> -COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DIVN. OF ALCOHOLISM & DRUG ABUSE, DIVN. OF MENTAL HEALTH & DEVELOP. DISABILITIES, COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT. -COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA AND ASHA. 	NOT AVAILABLE UNDER THIS ALTERNATIVE		INTERAGENCY COORD COMMITTEE	
7. PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	<ul style="list-style-type: none"> -ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET 	NOT AVAILABLE UNDER THIS ALTERNATIVE			
8. REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	<ul style="list-style-type: none"> -REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF AHFC, ASHA, AND DCRA AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION 				
9. CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	<ul style="list-style-type: none"> -CREATE DATA BASE ON HOUSING NEEDS BY REGION. -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS 	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		0.0
10. MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS IN STATE	<ul style="list-style-type: none"> -ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES 	NOT AVAILABLE UNDER THIS ALTERNATIVE			
11. IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEEDS OF STATE HOUSING RESOURCES	<ul style="list-style-type: none"> -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS. -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING 			SPECIAL ASSISTANT/ INTERAGENCY COORD. COMMITTEE	
12. REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	<ul style="list-style-type: none"> -IDENTIFY INVENTORY OF ORBOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON ORBO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF ORBOS FOR URGENT HOUSING NEEDS 	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC STAFF	

ALTERNATIVE #1
SPECIAL ASSISTANT - HOUSING

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	-REVIEW AND DISCUSSION OF PUBLIC PURPOSE USE OF ORRO INVENTORY.	INTERAGENCY COORD. COMMITTEE			
13. IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS/ DESIGNATE RECIPIENTS THROUGHOUT STATE	-SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUND* -DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS -MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0	* COVERED BY GRANT FUNDS	0.0
14. ADMINISTRATIVE DUTIES	-MAINTAIN OFFICE SPACE, EQUIP, ETC. -DIRECT COMMITTEE ACTIVITIES -STAFF SUPPORT OF COORD. COMMITTEE MTGS. -TECHNICAL SUPPORT OF INTERAGENCY COMMITTEE -STAFF TRAVEL	SPECIAL ASSISTANT SECRETARY	21.2 78.5 32.1 7.3 5.9	SHARE AGENCY SPACE, EQUIP	4.4 0.0 0.0 7.3 5.9
		TOTAL COSTS	145.0		17.6

*FUNDING FOR THIS POSITION IS QUESTIONABLE UNDER AFFORDABLE HOUSING ACT; POSSIBILITY OF USING GRANT FUNDS TO COVER POSITION NEEDS TO BE EXPLORED.

15-Nov-89
COMMACT1

ALTERNATIVE #2
ALASKA HOUSING COMMISSION

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1. PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON-STAFF TO ANSWER PUBLIC INQUIRIES	INFORMATION OFFICER/ TECHNICAL ADVISER	47.7	AHFC/ASHA STAFF	0.0
	-PRODUCE NEWSLETTER/BROCHURE		3.6	AGENCIES PRODUCE	0.0
2. OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW INFORMATION PRIOR TO PUBLICATION	INFORMATION OFFICER/ TECHNICAL ADVISOR		COMMISSION EX. DIR. ASSUMES THIS ROLE	
3. PROVIDE INFORMATION TO INTERESTED PARTIES RE FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON LINE FOR INQUIRY	INFORMATION OFFICER RESEARCH ANALYST		AHFC STAFF	
4. FACILITATE THE CREATION OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES -IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS	INFORMATION OFFICER/ TECHNICAL ADVISER		NONE AVAILABLE UNDER THIS ALTERNATIVE	
	-DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES -OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT	EXECUTIVE DIRECTOR			
5. PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	INFORMATION OFFICER/ TECHNICAL ADVISER		NONE AVAILABLE UNDER THIS ALTERNATIVE	
	-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		3.4		0.0
	-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		5.9		0.0
			1.8		0.0
6. WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE -DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE/COMMISSION EXECUTIVE DIRECTOR	0.0
	-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN -DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN		47.7		0.0
			6.2		0.0

ALTERNATIVE #2
ALASKA HOUSING COMMISSION

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
7. REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DH&SS DIVISIONS, OTHER STATE AGENCIES AND OFFICES WITH HOUSING PROGRAMS/SERVICES. -COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA & ASHA.	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD COMMITTEE	
8. PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	EXECUTIVE DIRECTOR HOUSING COMMISSION		EXECUTIVE DIRECTOR/ INTERAGENCY COMM.	
9. REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF STATE HOUSING AGENCIES/OFFICES AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION			INTERAGENCY COORD. COMMITTEE	
10. CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION. -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS	RESEARCH ANALYST/ PLANNER	15.0	ISER OR UNIV. OF ALASKA	?
11. MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS IN STATE	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS.	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	
12. IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEEDS OF STATE HOUSING RESOURCES	-PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING	EXECUTIVE DIRECTOR/ HOUSING COMMISSION		ISER OR UNIV. OF ALASKA	
13. REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	-IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS	RESEARCH ANALYST/ PLANNER EXECUTIVE DIRECTOR/ HOUSING COMMISSION		AHFC STAFF	

ALTERNATIVE #2
ALASKA HOUSING COMMISSION

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
14. IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS/ DESIGNATE RECIPIENTS THROUGHOUT STATE	-SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUNDS -DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS -MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA	GRANTS ADMINISTRATOR	50.9 * COVERED BY GRANT FUNDS		0.0
15. ADMINISTRATIVE DUTIES	-MAINTAIN OFFICE SPACE, EQUIP, ETC. -DIRECT COMMISSION ACTIVITIES -STAFF SUPPORT OF HOUSING COMMISSION MEETINGS -ADMIN SUPPORT OF HOUSING COMMISSION -TECHNICAL SUPPORT OF HOUSING COMMISSION -TRAVEL FOR COMMISSION MEETINGS -PUBLICATION OF ANNUAL REPORT -BOOKKEEPING, ANNUAL AUDIT -STAFF TRAVEL	EXECUTIVE DIRECTOR SECRETARY ADMIN. OFFICER	55.6 73.6 30.6 39.7 25.3 12.8 2.1 8.7 11.1	SHARE AGENCY SPACE, EQUIP USE AGENCY CONF. SPACE	27.4 73.6 30.6 0 20.6 12.8 2.1 3.9 6.9
		TOTAL COSTS	390.8		177.9

*FUNDING FOR THIS POSITION IS QUESTIONABLE UNDER AFFORDABLE HOUSING ACT; POSSIBILITY OF USING GRANT FUNDS TO COVER POSITION NEEDS TO BE EXPLORED.

15-Nov-89
COMMACT2

ALTERNATIVE #3
STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST	
1. ADMINISTER ALL HOUSING AGENCIES AND STATE HOUSING PROGRAMS.	-STAFF STATE HOUSING BOARD -OVERALL ADMINISTRATIVE RESPONSIBILITY FOR AHFC, ASHA, RURAL HOUSING, INTERAGENCY COORDINATING COMMITTEE	EXECUTIVE DIRECTOR	86.5		86.5	
2. PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON-STAFF TO ANSWER PUBLIC INQUIRIES -PRODUCE NEWSLETTER/BROCHURE	INFORMATION OFFICER	50.9	AHFC/ASHA STAFF	50.9	
			3.6	AGENCIES PRODUCE	3.6	
3. OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW INFORMATION PRIOR TO PUBLICATION	INFORMATION OFFICER				
4. PROVIDE INFORMATION TO INTERESTED PARTIES RE FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON LINE FOR INQUIRY	INFORMATION OFFICER		AHFC STAFF		
		RESEARCH ANALYST				
5. FACILITATE THE CREATION OF HOUSING PARTNERSHIPS; PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES -IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS -DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES -OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT	INFORMATION OFFICER		MUST HAVE INFORMATION OFFICER/TECHNICAL ADVISOR POSITION TO ACCOMPLISH THIS ACTION PLAN.	50.9	
		EXECUTIVE DIRECTOR				
		INFORMATION OFFICER				
			3.4		3.4	
			5.9		5.9	
6. WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE -DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY -PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN -DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN	RESEARCH ANALYST/ PLANNER	50.9	HOUSING AGENCIES/DIVISION USE EXISTING STAFF TO WRITE PLANS CONSISTENT W/ STATE HOUSING POLICY	0.0	
			6.2		0.0	

ALTERNATIVE #3
STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
7. REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DHASS DIVISIONS, OTHER STATE AGENCIES AND OFFICES WITH HOUSING PROGRAMS/SERVICES.	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD COMMITTEE	
8. PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA AND ASHA. -ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	EXECUTIVE DIRECTOR HOUSING BOARD		EXECUTIVE DIRECTOR/ INTERAGENCY COMM.	
9. REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF AHFC, ASHA, AND DCRA AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION			INTERAGENCY COORD. COMMITTEE	
10. CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION. -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS	RESEARCH ANALYST/ PLANNER	15.0	ISEE OR UNIV. OF ALABAMA	?
11. MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS IN STATE	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE ISEE OR UNIV. OF ALABAMA	
12. IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEEDS OF STATE HOUSING RESOURCES	-REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS. -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING	EXECUTIVE DIRECTOR/ HOUSING COMMISSION			
13. REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	-IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS	RESEARCH ANALYST/ PLANNER EXECUTIVE DIRECTOR/ HOUSING COMMISSION		AHFC STAFF	

ALTERNATIVE #3
STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
14. IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS/ DESIGNATE RECIPIENTS THROUGHOUT STATE	-SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUNDS -DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS -MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA	GRANTS ADMINISTRATOR	50.9	* COVERED BY GRANT FUNDS	0.0
15. ADMINISTRATIVE DUTIES	-MAINTAIN OFFICE SPACE, EQUIP, ETC. -STAFF SUPPORT OF HOUSING BOARD MEETINGS -ADMIN SUPPORT OF HOUSING BOARD -TECHNICAL SUPPORT OF HOUSING BOARD -TRAVEL FOR BOARD MEETINGS -PUBLICATION OF ANNUAL REPORT -BOOKKEEPING, ANNUAL AUDIT -STAFF TRAVEL	SECRETARY ADMIN. OFFICER	54.9 32.1 42.1 24.9 12.6 2.1 8.7 11.1	SHARE AGENCY SPACE, EQUIP DUTIES ABSORBED AGENCY USE AGENCY CONF. SPACE AGENCY ACCTG. SERVICES REDUCED STAFF, LESS TRAVE	27.9 32.1 0 23.2 12.6 2.1 3.9 6.9
		TOTAL COSTS	412.9		257.4

*COVERED BY GRANT FUNDS, NOT INCLUDED IN OPERATING COST TOTAL.

15-Nov-89
CONTACT:

Alaska Housing Market Council

November 9, 1989

Dear Housing Policy Development Committee Member:

Enclosed please find your agenda, revised action plans, and "SPAMO" recommendations for the next HPDC meeting, scheduled for Friday, November 17, 1989, at the Clarion Hotel, Denali Room, 9:00 a.m. to 5:00 p.m.

As we discussed at the last HPDC meeting, we will be finalizing recommendations on Policy Statement #1 (relating to a commission or other body executing state housing policy). We'll also hear public recommendations on Policy Statement #5 (relating to Transitional and Special Needs housing).

After the public testimony section (scheduled for 1:30 p.m.), the committee will review recommendations on ensuring that the action plans are "SPAMO" (specific, pertinent, attainable, measurable and observable).

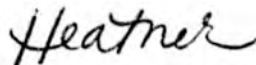
Please take a few minutes to review staff SPAMO suggestions. Also, bring your ideas as to how the action plans can be made more specific and attainable.

We are asking all committee members to come to Anchorage for this meeting.

The public testimony section of the meeting will be teleconferenced to Fairbanks (Attorney's Conference Room, City Hall Annex) and Juneau (Dept. of Commerce Conference Room, State Office Building). Other sites can be teleconferenced in by calling our office.

As before, please contact me if you won't be attending this meeting.

Sincerely,



Heather Arnett
HPDC Aide

Alaska Housing Market Council

ALASKA HOUSING MARKET COUNCIL Housing Policy Development Committee

Meeting of the Full Committee

AGENDA

November 17, 1989
9:00 a.m. to 5:00 p.m.
Clarion Hotel, Denali Room
4800 Spenard Road
Anchorage, Alaska

- I. Call to Order - Roll Call
- II. Approval of Agenda
- III. Policy Statement #1 and action plans
Presentation by Peggy Stewart, Alaska Housing Market Council
- IV. 11:00 a.m.
Further review of Policy Statement #5
- V. 12:00 p.m.
Lunch
- VI. 1:30 p.m.
Public Testimony
(Please note: This portion of the meeting will be teleconferenced to Fairbanks, Juneau and other requested sites).
- VII. Review "SPAMO" recommendations - Ensure that action plans meet SPAMO requirements.
- VIII. Adjournment.

ALASKA HOUSING MARKET COUNCIL

11/08/89

REVISED:

MISSION STATEMENT:

SAFE, SOUND, SANITARY AND ENERGY EFFICIENT LIVING CONDITIONS SHOULD BE AVAILABLE TO ALL CITIZENS OF THE STATE.

FULL HOUSING POLICY DEVELOPMENT COMMITTEE

DRAFT ACTION PLANS

Policy Statement #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services.

Action Plan:

1. The Alaska Housing Commission shall report directly to the Governor.
2. The Commission's composition shall reflect regional representation and shall include public members and representatives from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.
3. The Commission shall provide information on housing opportunities to the public and shall oversee state agency information services.
4. The Commission shall be the designated agency to review and distribute federal funds for housing and shall designate recipients throughout the state.
5. The Commission shall be charged with state agency housing program review, coordination and oversight. All new or amended housing or mortgage loan regulations must be approved by the Commission to ensure that they conform to the intent of the state housing policy. The Commission shall clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.
6. The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing

Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall develop statewide service plans in conjunction with each other and the state housing plan to insure coordination and efficiency of service delivery. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs shall develop short and long-term business and regional strategic plans.

7. The Commission shall conduct periodic statewide housing needs assessments on housing and financing availability.
8. The Commission shall direct state agencies to review housing regulations under their jurisdiction, comparing them to other agency regulations, and revising where appropriate to eliminate conflict and duplication.
9. The Commission shall be charged with reviewing the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission shall encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing where appropriate.
10. The Commission shall actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.

Policy Statement #2

It is the policy of the State of Alaska to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible.

Action Plan:

1. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented.
2. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should adjust their loan programs to be appropriate to regional housing conditions. It is recognized the secondary investors and/or insurers, for instance, the Federal Housing Administration, may be

unwilling to participate in mortgage lending in certain areas of the state. The regionalization of AHFC and DCRA loan programs should be consistent with prudent lending standards.

Policy Statement #3

It is the policy of the State of Alaska to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand.

Action Plan:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
2. Municipal governments should be encouraged to facilitate establishment of transitional group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities should be encouraged.

Policy Statement #4

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited or low incomes.

Action Plan:

1. The State of Alaska should become actively involved in assisting private developers and non-profits in obtaining financing for planning and development of units which are affordable to low-income Alaskans.
2. Existing state agency-owned foreclosed properties should be considered for conversion to low income housing units, if economically and structurally feasible.
3. State law should be modified so that state agencies involved in housing finance can lend to non-profit housing developers. This may include statutory changes to AHFC and AIDEA and changes in policies and procedures to DCRA and ASHA.
4. The state recognizes the important niche which non-profit housing developers fill in the provision of housing. Local

financial institutions, local governments and the secondary mortgage market should be encouraged to provide funding for that purpose.

Policy Statement #5

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of transitional and long term housing for those with special needs.

Action Plans:

1. Supportive Care Services

It is essential that a continuum of supportive care services be in place for transitional and special needs housing to be successful. Those services include, but aren't limited to, case management, and medical and rehabilitative assistance.

2. Accessible Housing

Buildings for persons with special needs should be renovated or built in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation.

3. The State of Alaska through the proposed Housing Commission or another agency, should review and prioritize the need for transitional and special need housing, so that available resources and funding can be allocated accordingly.

4. The need for this type of housing in the state is severe and urgent. Listed below are some, but not all, groups identified as needing additional housing:

- a. Housing for AIDS patients.
- b. Emergency shelters for families with children.
- c. Transitional housing for women leaving crisis shelters.
- d. Halfway houses for substance abusers.
- e. Pre-maternal housing for teens.
- f. Long-term housing for youth.
- g. Structured housing environments for ex-offenders.
- h. Housing for persons experiencing a physical disability.
- i. Need for supervised apartments and crisis respite housing for the mentally ill.
- j. Continued funding needed for the state's Institutional Discharge Project, which provides supportive housing programs for persons leaving the Alaska Psychiatric Institute, the Department of Corrections and Alaska Youth Initiative Graduates.
- k. Need for structured halfway houses for the mentally ill leaving the Corrections system, to include individuals

- with a history of violence and sexual assault.
- l. Need for a structured housing environment for the chronically mentally ill, who have a history of violence or inappropriate sexual behavior and are not in the custody of the Department of Corrections.
 - m. Housing for dually diagnosed persons.
 - n. Housing for the seriously mentally ill and developmentally disabled, who have been removed from nursing homes as a result of the federal OBRA legislation.
 - o. Need for specialized housing for the developmentally disabled.
 - p. Need for family treatment homes for emotionally disturbed children.
 - q. Low-cost housing for Rural Alaskans who come to regional centers for medical or other treatment.
 - r. Group housing facilities for the neurologically impaired and those with head injuries and brain trauma.
 - s. Group housing for child day care.

5. Funding Issues

- a. The role of the State of Alaska through (but not limited to), the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs, should be expanded to allow mortgage loans to non-profits for transitional and long term housing for those with special needs. This should be a cooperative effort with rural housing authorities.
- b. The U.S. Department of Housing and Urban Development should be encouraged to change the \$1 a year lease program regulations so that transitional housing tenants can be charged a small amount to support operating expenses. Also, if needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
- c. Division of Family and Youth Services regulations should be changed so that housing services for non-State custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.

Policy Statement #6

It is the policy of the State of Alaska, in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs.

Action Plan:

1. Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be given funding priority.
2. A function of an Alaska Housing Commission should be to maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the commission should identify which areas of the state and which target populations are most in need of housing resources.

Policy Statement #7

It is the policy of the State of Alaska to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner.

Action Plan:

1. State agencies with mortgage lending programs should approve and follow prudent industry lending standards and downpayments should be required.
2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates, which direct states involved in low-income homeownership programs to offer homeowner counseling services.
3. There should be greater disclosure to borrowers that mortgage loan servicing can be sold to another institution, unless specified otherwise in the loan servicing agreement. The State of Alaska should adopt greater penalties and clearer recourse should occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance).

Policy Statement #8

It is the policy of the State of Alaska to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state.

Action Plan:

1. Benevolent loan funds, consisting of private donations, private and public financing, should be encouraged.

Policy Statement #9

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs.

Action Plan:

1. In an effort to help solve the hesistance of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors.
2. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
3. Where state agencies can access materially lower cost capital from secondary market lenders than funds available in the private sector, this may be done and the lower interest rates should be passed through to the public.

Policy Statement #10

It is the policy of the State of Alaska to promote the availability of quality, affordable rental housing.

Action Plan:

1. The state should encourage the development of housing partnerships in the state and provide pre-development financing for certain rental projects.
2. The state should examine the feasibility of converting appropriate foreclosed housing to rental units.
3. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits so that those developers would have the means to create affordable rental housing.

Policy Statement #11

It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

Action Plan:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State housing regulations should be changed so that two categories of housing are created; medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.
2. The state should implement a "continuum of care" housing program for seniors and should adequately fund necessary supportive services, which allow seniors to remain independent for as long as possible.
 - a. A case management system, which matches seniors with appropriate services, should be implemented by the state.
 - b. State and other funded supportive services, such as homemaker assistance, should be expanded to 7 days a week.
 - c. Financial assistance and training for home repair and maintenance should be increased.

Policy Statement #12

It is the policy of the State of Alaska to develop and maintain stable sources of capital and revenue to support housing needs in the state.

Action Plan:

1. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the creation of low to moderate-income and senior housing.
2. The state should encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing.
3. The state should encourage the development of Neighborhood Housing Services in communities across the state.
4. The state should review the Resolution Trust Corporation (created by the federal savings and loan legislation) for use as an additional source of housing funds.

Policy Statement #13

It is the policy of the State of Alaska that housing in the state should meet specific quality standards.

Action Plan:

1. The state shall adopt building codes and allow for regional differences and amendments.
2. The state shall adopt contractor licensing requirements which have more stringent educational and experience requirements.
3. The state should actively lobby for and support the financing of housing in rural areas under the federal Housing and Urban Development's Mutual Help program and the Bureau of Indian Affairs' Housing Improvement Program.
4. State agencies should not fund the financing of existing substandard housing, with the following exception:

If the existing structure currently has a state financial mortgage and meets standards #1-4 of the definition of "substandard"; the size requirement will be waived.

11/09/89
SPAMO

**PROPOSED CHANGES TO HPDC RECOMMENDATIONS
(TO ENSURE THAT THEY ARE SPECIFIC, PERTINENT, ATTAINABLE,
MEASURABLE AND OBSERVABLE)**

Policy Statement #2

Action Plan #1:

Would this plan take the place of a review by an Alaska Housing Commission? Which regulations are being referred to?

Action Plan #2:

Change to read:

By January 1, 1991, AHFC & DCRA shall implement a program to provide non-insured or co-insured loans for areas of the state which are red-lined and not being served by private and public secondary investors and/or insurers.

Policy Statement #3

Action Plan #1:

Change to read:

By January of 1992, local governments shall include a housing plan as part of their comprehensive planning process. The housing plan, which should be bi-ennial, should enumerate housing needs and recommend how they can be met at the local and state level. The plans will be used by both the Legislature and an Alaska Housing Commission when allocating housing resources.

Action Plan #2:

Change to read:

Alaska Statutes should be amended so that organized local governments provide proof to the Alaska State Human Rights Commission that their planning and zoning regulations conform with state and federal anti-discriminatory statutes (including the amendments to the Fair Housing Act).

Policy Statement #4

Action Plan #1:

This should probably be listed as a function of the Alaska Housing Commission and amended to read:

The Alaska Housing Commission should assist private developers and non-profit corporations in the development of low-income housing units by identifying funding sources and encouraging financing of such projects.

Action Plan #2:

Change to read:

By January 1, 1991, the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should deed over to public or non-profit entities a minimum of 10% of their uninsured REO property portfolio. These properties should be for homeownership and rental opportunities for low-income, rural, and special needs housing.

Action Plan #4:

What can the state do to help?

Policy Statement #6

Action Plan #1:

Change to read:

Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be given funding priority.

- A. The Department of Community and Regional Affairs, the Alaska Housing Finance Corporation and the Alaska State Housing Authority shall provide a five-year plan for addressing the need for low-income and rural housing in Alaska. This plan shall include specific programs to be implemented no later than June 1, 1991. It is imperative that interagency cooperation occur during this process to eliminate duplication and ensure that programs complement each other and meet the needs of the state's low income and rural residents.**
- B. By January 1, 1991, the Alaska Housing Finance Corporation, the Department of Community and Regional Affairs, and the**

Alaska State Housing Authority shall develop and implement low-income homeownership programs designed to serve the income range of _____ with a subsidy floor of 5% (interest rate). These programs will address the inadequacies of the AHFC "HOF" program to insure:

The ability of borrowers to qualify for the subsidy as the need arises, during the life of the loan.

The program will be designed to insure that the value of the home will not be artificially inflated.

- C. AHFC shall package bond sales so that 5-10% of the portfolio includes rural/non-conforming loans. Those funds will flow to DCRA for their mortgage loan programs.

Policy Statement #7

Action Plan #1:

What are those standards?

Action Plan #3:

Change to read:

- a. There should be greater disclosure to borrowers that mortgage loan servicing be sold to another institution, unless specified otherwise in the loan servicing agreement. The State of Alaska should adopt greater penalties and clearer recourse should occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance). By July 1, 1990, Bill No. _____, which would approve seller/servicer standards, should be adopted by the Alaska State Legislature.
- b. Anyone obtaining a state financed mortgage loan after July 1, 1990, should be informed, by the seller/servicer at the time of the loan application, that servicing rights of their loan can be sold to another institution, including one that is out-of-state.

(NOTE: POSSIBLY SHOULD ADD IN POLICY STATEMENT #9 TO POLICY #7).

Policy Statement #8

Add new Action Plan #1 to read:

1. By May 15, 1990, AHFC, DCRA & ASHA's statutes should be expanded to allow subsidized mortgage loans for public or non-profit entities who provide affordable

homeownership programs or who create affordable rental housing, provided that any such loans or programs do not unfairly compete with the private sector.

Policy Statement #9

Action Plan #1:

Change to read:

In an effort to help solve the hesitance of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors. State agencies should enter into co-insurance agreements, when necessary, in order to provide mortgage insurance for state-financed mortgage loans.

Action Plan #3:

Change to read:

By July 1, 1990, the Alaska State Legislature will begin a graduated process to eliminate the mortgage loan subsidy of the Department of Community and Regional Affairs and the Alaska Housing Finance Corporation, except to meet rural and low-income housing needs. However, state agencies can obtain lower interest rates than the private sector via the bond market or through direct federal funds. Lower interest rates obtained in this manner should be passed through to the public.

Policy Statement #12

Action Plan #5:

Change to read:

By June 30, 1990, the Legislature and Governor should allocate \$100,000 for start-up and operational costs for Neighborhood Housing Services in Fairbanks and Juneau. Bill No. _____, appropriating these funds, is currently pending in the Alaska State Legislature.

Policy Statement #13

Action Plan #2:

Change to read:

The state shall adopt more stringent contractor licensing

requirements. By June 30, 1990, the Alaska State Legislature shall pass SB _____, to strengthen residential contractor licensing requirements.

Action Plan #4:

Change to read:

State agencies should not fund the financing of new construction of substandard housing, nor should they finance existing homes which meet the definition of substandard, with the exception of regional differences. By January 1, 1991, AHFC & DCRA will implement regulations requiring _____ inspections of all homes awaiting state financing. Said inspection will ensure that state mortgage loans are not made for substandard housing.

6-1671A
Chenoweth
10/26/89

1 IN THE HOUSE

BY SWACKHAMMER

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to residential housing assistance
7 provided by the Alaska Housing Finance Corporation."

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

9 * Section 1. AS 18.56.088(c) is amended to read:

0 (c) The board may adopt regulations to carry out the purposes of
1 this chapter, and shall adopt regulations necessary for the following
2 purposes:

3 (1) determination of borrower eligibility including, but
4 not limited to, income limitations and the determination of remote,
5 underdeveloped or blighted areas of the state;

6 (2) loan guidelines and terms including but not limited to
7 maximum loan amounts and required loan-to-value ratios, but excluding
8 mortgage loan interest rates;

9 (3) characteristics of housing eligible for loans or pur-
0 chase of loans, including compliance with the requirements of AS 18.-
1 56.300; [AND]

2 (4) the qualifications of loan originators and servicers and
3 the method of allocating amounts available for the purchase of loans;
4 and [.]

5 (5) establishment of a procedure, including a fee schedule,
6 for the commitment for one year or less of money for the purchase of
7 an individual mortgage loan at a specific interest rate.

8 * Sec. 2. AS 18.56 is amended by adding a new section to read:

9 Sec. 18.56.300. CONSTRUCTION STANDARDS FOR HOUSING ELIGIBLE FOR

1 LOANS OR PURCHASE OF LOANS. (a) The corporation may not make or
2 purchase a housing loan for residential housing constructed after the
3 effective date of this section unless the borrower complies with the
4 provisions of this section.

5 (b) The corporation may not make or approve purchase of a loan
6 for the construction of a new unit of residential housing or for the
7 purchase of an existing unit of residential housing constructed after
8 the effective date of this section unless

9 (1) the unit is in compliance with the construction codes
0 of the municipality, if the unit is located within a municipality that
1 has adopted and enforces construction codes and each of those codes
2 meets or exceeds the comparable standards for similar housing estab-
3 lished by the state building code; or

4 (2) the unit is in compliance with the comparable standards
5 for similar housing established by the state building code

6 (A) if the unit is located

7 (i) within a municipality whose construction
8 codes do not meet the standards for similar housing estab-
9 lished by the state building code;

0 (ii) within a municipality that does not enforce
1 construction codes; or

2 (iii) outside a municipality; or

3 (B) as to each specific code within the construction
4 codes of the municipality that has adopted and enforces con-
5 struction codes if the specific code does not meet or exceed the
6 comparable standard for similar housing established by the state
7 building code.

8 (c) As a condition of approval of a loan under this section, the
9 corporation shall require inspection of the unit of residential

1 housing that is the subject of the loan. The inspection must be
2 performed by a municipal building inspector or by a person who is
3 approved or certified to perform residential inspections by the Inter-
4 national Conference of Building Officials. The person who makes the
5 inspection shall determine whether the construction conforms to rele-
6 vant provisions of the construction codes of the municipality or of
7 the state building code, as applicable, at each of the following
8 stages of construction:

- 9 (1) plan approval;
- 0 (2) completion of footings and foundations;
- 1 (3) completion of electrical installation, plumbing, and
2 framing;
- 3 (4) completion of installation of insulation;
- 4 (5) final approval.

5 (d) An action for damages may not be maintained against a person
6 performing an inspection under (c) of this section if the claim is
7 based on the person's inspection or failure to inspect for a violation
8 of the construction codes of the municipality or the state building
9 code, as applicable, as a condition of approval of a housing loan
0 under this chapter.

1 (e) In this section,

2 (1) "construction codes" means, with reference to a munic-
3 ipality, the building, mechanical, plumbing, and electrical codes, or
4 any of them that have been adopted and are enforced by the municipal-
5 ity;

6 (2) "state building code" means

7 (A) for building and mechanical standards, the minimum
8 building and mechanical code provisions adopted by regulation by
9 the Department of Public Safety under AS 18.70.080;

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(B) for plumbing standards, the minimum plumbing code adopted by the Department of Labor under AS 18.60.705; and

(C) for electrical standards, the minimum electrical standards prescribed by AS 18.60.580.

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

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SECTIONAL ANALYSIS

Chenoweth draft, dated 10/26/89

"An Act relating to residential housing assistance provided by the Alaska Housing Finance Corporation."

SECTION ONE: Incorporates language that refers to new section (AS 18.56.300) that will be added to existing statutes.

SECTION TWO: New section added to AS 18.56.

(a) AHFC may not make or purchase a housing loan unless the borrower complies with the provisions of the new language (as defined under AS 18.56.300).

(b) Outlines the new conditions under which AHFC may make or approve purchase of a loan for the construction of a new unit of residential housing. These conditions include:

- (1) Compliance with the construction codes of a municipality, if the building is within a municipality that has adopted and enforces a construction code that meets or exceeds the standards established by the state building code; or
- (2) Compliance with the standards established by the state building code if the residential unit is located within a municipality whose construction code does not meet the standards of the state building code, within a municipality that does not enforce a building code, outside a municipality or if a municipal code does not meet the standards as described in state building codes, then the specific state code will take precedence over the code adopted by a municipality.

(c) Requires that the inspection be performed by a municipal building inspector or by a person who is approved or certified by the International Conference of Building Officials. The person who is conducting the inspections will make a determination whether the construction conforms to municipal construction or state building codes at each of these stages of construction:

- (1) Plan approval;
- (2) Completion of footings and foundations;
- (3) Completion of electrical, plumbing and framing;
- (4) Completion of installation of insulation; and
- (5) Final approval.

(d) A hold harmless clause that protects the person conducting the inspection from claims for damages if the claim is based on the person's inspection or failure to inspect for a violation of the municipal code or the U.B.C. as a condition of approval of a housing loan.

(e) Definitions:

- (1) Construction code refers to a municipality, the building, mechanical, plumbing and electrical codes or any of them that have been adopted and enforced by the municipality.
- (2) State building code refers to the minimum building and mechanical code adopted by regulation by the Department of Public Safety under A.S. 18.70.080; minimum plumbing code adopted by the Department of Labor under A.S. 18.60.705; and the minimum electrical standards prescribed by A.S. 18.60.580.

ALASKA HOUSING MARKET COUNCIL

11/28/89

REVISED WITH BOLDED SPAMO RECOMMENDATIONS:

MISSION STATEMENT:

SAFE, SOUND, SANITARY AND ENERGY EFFICIENT LIVING CONDITIONS SHOULD BE AVAILABLE TO ALL CITIZENS OF THE STATE.

FULL HOUSING POLICY DEVELOPMENT COMMITTEE

DRAFT ACTION PLANS

Policy Statement #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services.

Action Plan:

1. The Alaska Housing Commission shall report directly to the Governor.
2. The Commission's composition shall reflect regional representation and shall include public members and representatives from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.
3. The Commission shall provide information on housing opportunities to the public and shall oversee state agency information services.
4. The Commission shall be the designated agency to review and distribute federal funds for housing and shall designate recipients throughout the state.
5. The Commission shall be charged with state agency housing program review, coordination and oversight. All new or amended housing or mortgage loan regulations must be approved by the Commission to ensure that they conform to the intent of the state housing policy. The Commission shall clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.

New Action Plan

6. The Commission shall review and recommend revisions to state and federal housing policy and programs to ensure that Rural Alaska housing programs are culturally, environmentally and economically appropriate. (Proposed by Transitional and Long Term Housing for Special Needs Subcommittee).
7. The Commission shall be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, including the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Division of Mental Health & Developmental Disabilities, the Division of Alcoholism and Drug Abuse, and the Council on Domestic Violence & Sexual Assault, shall develop statewide service plans in conjunction with each other and the state housing plan to insure coordination and efficiency of service delivery. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs shall develop short and long-term business and regional strategic plans.
8. The Commission shall conduct periodic statewide housing needs assessments on housing and financing availability.
9. The Commission shall direct state agencies to review housing regulations under their jurisdiction, comparing them to other agency regulations, and revising where appropriate to eliminate conflict and duplication.
10. The Commission shall be charged with reviewing the use of and disposition of state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission shall encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities and senior housing where appropriate.
11. The Commission shall actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.

New Action Plan

12. If the option creating a State Housing Board is not approved, the boards of AHFC and ASHA will be expanded to include more public members.

13. New Action Plan

By June 30, 1990, the Alaska State Legislature shall create a standing committee on housing in both the State House and State Senate.

Policy Statement #2

It is the policy of the State of Alaska to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible.

Action Plan:

- 1. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility and an appeals process should be implemented.**
- 1. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility, and resulting recommendations should be forwarded to the body executing state housing policy. In addition, an agency appeals process should be implemented.**
- 2. The Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should adjust their loan programs to be appropriate to regional housing conditions. It is recognized the secondary investors and/or insurers, for instance, the Federal Housing Administration, may be unwilling to participate in mortgage lending in certain areas of the state. The regionalization of AHFC and DCRA loan programs should be consistent with prudent lending standards.**
- 2. By January 1, 1991, AHFC & DCRA shall implement programs adjusted to regional housing conditions, to include non-insured or co-insured loans for areas of the state which are red-lined and not being served by private and public secondary investors and/or insurers. These new loan programs should be consistent with prudent lending standards.**

Policy Statement #3

It is the policy of the State of Alaska to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control,

because local governments can best balance the needs of the public with the private determination of supply and demand.

Action Plan:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
1. By January of 1992, organized local governments shall include a housing plan as part of their comprehensive planning process. The housing plan, which should be bi-ennial, should enumerate housing needs and identify how they can be met with local resources and additional state resources. The plans will be used by both the Legislature and the approved body to execute state housing policy when allocating housing resources.
2. Municipal governments should be encouraged to facilitate establishment of transitional group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities should be encouraged.
2. By January of 1992, organized local governments should provide proof to the body executing state housing policy that their planning and zoning regulations conform with state and federal anti-discriminatory statutes (including the amendments to the Fair Housing Act). Local governments should be encouraged to facilitate establishment of group housing.

Policy Statement #4

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited or low incomes.

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited, low or no incomes. (Transitional and Long Term Housing for Special Needs Subcommittee)

Action Plan:

1. The State of Alaska should become actively involved in assisting private developers and non-profits in obtaining financing for planning and development of units which are affordable to low-income Alaskans.

1. The State of Alaska should become actively involved in providing technical assistance and/or programs to private developers and non-profits for planning and development of units which are affordable to low-income Alaskans. This should be through the body which will execute state housing policy or through programs established by AHFC, DCRA and ASHA by January, 1992.
2. Existing state agency-owned foreclosed properties should be considered for conversion to low income housing units, if economically and structurally feasible.
2. By January 1, 1991, the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs should implement a program which initially converts 5% of state agency-owned foreclosed property to public or non-profit entities. These properties should be for homeownership or rental opportunities for low-income, rural, and special needs housing. The body which will execute state housing policy or the Alaska State legislature shall set the short and long-term policy for disposition of these properties.
3. State law should be modified so that state agencies involved in housing finance can lend to non-profit housing developers. This may include statutory changes to AHFC and AIDEA and changes in policies and procedures to DCRA and ASHA.
3. By June 1, 1991, state law and agency policies and procedures should be modified so that state agencies involved in housing finance can lend to non-profit housing developers. This would include AHFC, AIDEA, DCRA and ASHA.

DELETE NO. 4 - THIS IS COVERED UNDER ACTION PLAN #1.

4. The state recognizes the important niche which non-profit housing developers fill in the provision of housing. Local financial institutions, local governments and the secondary mortgage market should be encouraged to provide funding for that purpose.

Policy Statement #5

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of transitional and long term housing for those with special needs.

Action Plans:

1. Supportive Care Services

It is essential that a continuum of supportive care services

be in place for transitional and special needs housing to be successful. Those services include, but aren't limited to, case management, and medical and rehabilitative assistance.

2. Accessible Housing

Buildings for persons with special needs should be renovated or built in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation.

3. The State of Alaska, through the proposed Housing Commission or another agency, should review and prioritize the need for transitional and special need housing, so that available resources and funding can be allocated accordingly.
4. The need for this type of housing in the state is severe and urgent. Listed below are some, but not all, groups identified as needing additional housing:
 - a. Housing for AIDS patients.
 - b. Emergency shelters for families with children.
 - c. Transitional housing for women leaving crisis shelters.
 - d. Halfway houses for substance abusers.
 - e. Pre-maternal housing for teens.
 - f. Long-term housing for youth.
 - g. Structured housing environments for ex-offenders.
 - h. Housing for persons experiencing a physical disability.
 - i. Need for supervised apartments and crisis respite housing for the mentally ill.
 - j. Continued funding needed for the state's Institutional Discharge Project, which provides supportive housing programs for persons leaving the Alaska Psychiatric Institute, the Department of Corrections and Alaska Youth Initiative Graduates.
 - k. Need for structured halfway houses for the mentally ill leaving the Corrections system, to include individuals with a history of violence and sexual assault.
 - l. Need for a structured housing environment for the chronically mentally ill, who have a history of violence or inappropriate sexual behavior and are not in the custody of the Department of Corrections.
 - m. Housing for dually diagnosed persons.
 - n. Housing for the seriously mentally ill and developmentally disabled, who have been removed from nursing homes as a result of the federal OBRA legislation.
 - o. Need for specialized housing for the developmentally disabled.
 - p. Need for family treatment homes for emotionally disturbed children.
 - q. Low-cost housing for Rural Alaskans who come to

- regional centers for medical or other treatment.
- r. Group housing facilities for the neurologically impaired and those with head injuries and brain trauma.
 - s. Group housing for child day care.

5. Funding Issues

- a. The role of the State of Alaska through (but not limited to), the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs, should be expanded to allow mortgage loans to non-profits for transitional and long term housing for those with special needs. This should be a cooperative effort with rural housing authorities.
- b. The U.S. Department of Housing and Urban Development should be encouraged to change the \$1 a year lease program regulations so that transitional housing tenants can be charged a small amount to support operating expenses. Also, if needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
- c. Division of Family and Youth Services regulations should be changed so that housing services for non-State custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.

REVISED POLICY STATEMENT #5 (Transitional and Long Term Housing for Special Needs Subcommittee)

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of emergency, transitional and long term housing for the homeless and others with special needs.

Action Plans:

1. **Accessible Housing**

Buildings for persons with special needs should be renovated or built in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation.

2. **Supportive Care Services**

It is essential that a continuum of supportive care services be in place for emergency, transitional and long term housing for the homeless and others with special needs to be

successful. Those services include, but aren't limited to, case management, and medical and rehabilitative assistance.

3. Housing Needs

The need for emergency, transitional and long term housing for the homeless and others with special needs is severe and urgent. This type of housing may be needed by the consumer at any given time, on an emergency basis, or as a transitional living situation prior to permanent housing; or long term housing with some supportive services may be needed. On the other hand, the housing consumer may move through the housing continuum and need all three types of housing. Listed below are some, but not all, of the groups identified as needing various types of special needs housing:

- a. AIDS patients.
- b. The chronically ill.
- c. Homeless men and women, with or without children.
- d. Victims of domestic violence and their children.
- e. Substance abusers.
- f. Pregnant youth and women.
- g. Homeless youth.
- h. Persons experiencing a physical disability.
- i. The mentally ill.
- j. Persons leaving the Alaska Psychiatric Institute, the Corrections system (particularly the mentally ill) and Alaska Youth Initiative graduates.
- k. Persons with more than one diagnosis, for example the mentally ill with a substance abuse problem.
- l. The developmentally disabled.
- m. Emotionally disturbed children.
- n. Rural Alaskans who come to regional centers for educational, medical or other reasons.
- o. Rural Alaskans, particularly youth, who move permanently to a larger community.
- p. The neurologically impaired and those with head injuries and brain trauma.

4. Rural Alaskans

The need for emergency, transitional and long term housing for special needs is especially critical in Rural Alaska. With Rural Alaska's extreme housing shortage, there is almost no housing available to be used for special needs. As a result, it is recommended that the state give priority to developing housing opportunities in Rural Alaska.

5. Building Code Revision

Municipalities should revise local building codes to be

consistent with certain proposed code changes by the State Fire Marshall and Department of Health and Social Services. The revised codes will allow for the creation of a new category of group homes, which can house up to 16 persons. This new category in state regulation makes it more economical to develop these larger group homes, since they require less expensive fire prevention measures.

6. Funding Issues

- a. The State of Alaska, through the proposed Housing Commission or another agency, should review and prioritize the need for emergency, transitional and long term housing for special needs, so that available resources and funding can be allocated accordingly.
- b. By June 1, 1991, the role of the State of Alaska, through (but not limited to), the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs, should be expanded to allow mortgage loans to non-profits for emergency, transitional and long term housing for those with special needs. This should be a cooperative effort with rural housing authorities.
- c. If needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
- d. Continued funding should be provided for the state's Institutional Discharge Project, which provides supportive housing programs for persons leaving the Alaska Psychiatric Institute, the Department of Corrections and Alaska Youth Initiative Graduates.
- e. The state should consider applying for federal Medicaid option waivers to obtain additional funding for programs such as home-based supportive services. By obtaining such a waiver, the state and federal government would each pay half of such programs.
- f. Division of Family and Youth Services regulations should be changed so that housing services for non-state custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.

Policy Statement #6

It is the policy of the State of Alaska, in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs.

Action Plan:

1. Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be given funding priority.
1. Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be given funding priority.
 - a. The state shall commit to increase the rural and low-income housing stock at a rate of at least 10% per year through 1996, and shall identify how the total need can be met. DCRA, AHFC and ASHA shall provide a five-year plan (due January 1, 1991) which identifies and addresses how low-income and rural housing needs can be met in the state. The five-year plan shall include specific programs to be implemented no later than June 1, 1991. It is imperative that interagency cooperation occur during this process to eliminate duplication and ensure that programs do not overlap and meet the needs of the state's low income and rural residents.
 - b. By January 1, 1991, AHFC, DCRA and ASHA shall develop and implement low-income homeownership programs designed to serve the income range of \$17,450 - \$32,950, (depending on family size), with a subsidy floor of 5% (interest rate). These programs should address the ability of borrowers to qualify for the subsidy as the need arises, during the life of the loan. The program will be designed to insure that the value of the home will not be artificially inflated.
 - c. AHFC and DCRA will work together to determine the percentage of rural/non-conforming loans that should be offered in AHFC bond sales. Those funds will flow to DCRA for their mortgage loan programs.
2. A function of an Alaska Housing Commission should be to maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the commission should identify which areas of the state and which target populations are most in need of housing resources.

Policy Statement #7

It is the policy of the State of Alaska to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner.

Action Plan:

1. State agencies with mortgage lending programs should approve and follow prudent industry lending standards and downpayments should be required.
2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates, which direct states involved in low-income homeownership programs to offer homeowner counseling services.
3. There should be greater disclosure to borrowers that mortgage loan servicing can be sold to another institution, unless specified otherwise in the loan servicing agreement. The State of Alaska should adopt greater penalties and clearer recourse should occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance).
3. There should be greater disclosure to borrowers concerning the sale of their mortgage loan servicing to another institution, unless specified otherwise in the loan servicing agreement. The State of Alaska should adopt greater penalties and clearer recourse should occur in the case of faulty loan servicing (application of mortgage proceeds, payment of taxes or insurance). By July 1, 1990, Bill No. _____, which would approve seller/servicer standards, should be adopted by the Alaska State Legislature.

Policy Statement #8

It is the policy of the State of Alaska to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state.

Action Plan:

1. Benevolent loan funds, consisting of private donations, private and public financing, should be encouraged.
1. A housing commission, or other approved body which would execute state housing policy, should encourage the development of housing partnerships in the state. The commission shall provide information, by publishing a document with a variety of partnership options, including the creation of benevolent loan funds (consisting of private donations, private and public financing). This shall occur by June 1, 1991.

Policy Statement #9

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs.

Action Plan:

1. In an effort to help solve the hesistance of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors.
1. In an effort to help solve the hesitancy of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors. State agencies should establish programs which allow them to enter into co-insurance agreements, when necessary, in order to provide mortgage insurance for state-financed mortgage loans.
2. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
3. Where state agencies can access materially lower cost capital from secondary market lenders than funds available in the private sector, this may be done and the lower interest rates should be passed through to the public.
3. By July 1, 1990, the Alaska State Legislature shall begin a graduated process to eliminate the mortgage loan subsidy of the Department of Community and Regional Affairs and the Alaska Housing Finance Corporation, except to meet rural and low-income housing needs. However, state agencies can obtain lower interest rates than the private sector via the bond market or through direct federal funds. Lower unsubsidized interest rates obtained in this manner should be passed through to the public.

Policy Statement #10

It is the policy of the State of Alaska to promote the availability of quality, affordable rental housing.

Action Plan:

1. The state should encourage the development of housing partnerships in the state and provide pre-development financing for certain rental projects.

1. Through an Alaska Housing Commission or other approved body, the state should encourage the development of housing partnerships in the state and authorize pre-development financing for certain rental projects.
2. The state should examine the feasibility of converting appropriate foreclosed housing to rental units.
2. The state should examine the feasibility of converting appropriate foreclosed housing to rental units. This could include changes to AHFC regulations to allow them to donate foreclosed properties to non-profits, to be improved and rehabilitated by the non-profit group.
3. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits so that those developers would have the means to create affordable rental housing.
3. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits, including housing authorities, so that those developers would have the means to create affordable rental housing.

Policy Statement #11

It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

Action Plan:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State agency housing regulations should be changed so that two categories of housing are created; medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.
2. The state should implement a "continuum of care" housing program for seniors, and should adequately fund necessary supportive services, which allow seniors to remain independent for as long as possible.
 - a. A case management system, which matches seniors with

appropriate services, should be implemented by the state.

- a. A case management system, which matches seniors with appropriate services, should be approved by the state and implemented by the Older Alaskans Commission.
- b. State and other funded supportive services, such as homemaker assistance, should be expanded to 7 days a week.
- b. State and other funded supportive services, such as homemaker assistance, home health care and home-delivered meals should be funded at the current state funding levels and expanded when needed. A mechanism should be in place so that seniors with the ability to pay, could be charged for supportive services.
- c. Financial assistance and training for home repair and maintenance should be increased.

New Action Plan

- d. The State should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services.

Policy Statement #12

It is the policy of the State of Alaska to develop and maintain stable sources of capital and revenue to support housing needs in the state.

Action Plan:

1. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the creation of low to moderate-income and senior housing.
2. The state should encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing.
2. The state should encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing. State agencies with the ability to issue tax-exempt bonds should establish a process which encourages the issuance of such bonds by non-profit corporations.

3. The state should encourage the development of Neighborhood Housing Services in communities across the state.
3. By June 30, 1990, the Alaska State Legislature and Governor Cowper should allocate \$100,000 for start-up and operational costs for Neighborhood Housing Services in Fairbanks and Juneau. House Bill No 161, which would appropriate these funds, is currently pending in the Alaska State Legislature.
4. The state should review the Resolution Trust Corporation (created by the federal savings and loan legislation) for use as an additional source of housing funds.

Policy Statement #13

It is the policy of the State of Alaska that housing in the state should meet specific quality standards.

Action Plan:

1. The state shall adopt building codes and allow for regional differences and amendments.
2. The state shall adopt contractor licensing requirements which have more stringent educational and experience requirements.
2. The state shall adopt more stringent contractor licensing requirements. By June 30, 1990, the Alaska State Legislature shall pass Senate Bill 72, to strengthen residential contractor licensing requirements.
3. The state should actively lobby for and support the financing of housing in rural areas under the federal Housing and Urban Development's Mutual Help program and the Bureau of Indian Affairs' Housing Improvement Program.
3. The state should actively lobby for and support the financing of housing in rural areas under federal programs such as HUD's Mutual Help program and the BIA's Housing Improvement Program. However, the structure and management of these programs should be closely reviewed by the federal government and appropriately revised or enforced.
4. State agencies should not fund the financing of existing substandard housing, with the following exception:

If the existing structure currently has a state financial mortgage and meets standards #1-4 of the definition of "substandard"; the size requirement will be waived.

5. New Action Plan

The state should continue to support the Home Weatherization program, which is primarily funded by the federal government (Transitional and Long Term Housing for Special Needs Subcommittee).

11/29/89

COMMENTS FROM INTERESTED PARTIES ON HPDC RECOMMENDATIONS

1. Bill Jones, Veterans Center, Anchorage
2. Nancy Groszek, Public Defender's Office, Anchorage
3. Celeste Benson, President, Fairview Community Council,
Anchorage
4. Melvin Kewan, Housing Specialist, Kodiak Area Native
Association
5. Barbara Bennett, Bean's Cafe, Anchorage
6. Keith Anderson, Director, Div. of Vocational Rehabilitation
7. Willam Bruu, Mat-Su Valley

11/29/89

INTERESTED PARTY COMMENTS ON HPDC RECOMMENDATIONS

Bill Jones, Veterans Center, Anchorage

There are approximately 150 homeless Veterans living in Anchorage, with many making use of the Brother Francis Shelter. There is a great need for transitional and long term housing for this group.

Nancy Groszek, Public Defender's Office, Anchorage

The Municipality of Anchorage has a Health Housing Code which states that rental properties must meet minimum health standards and properties should be kept at certain temperatures. Such a code could be important in other parts of the state.

Also, urban living skills are needed for many rural persons who move to larger communities.

Celeste Benson, President, Fairview Community Council, Anchorage

Ms. Benson addressed Policy Statement #3, Action Plan #2, which addresses local governments revising zoning laws to allow for the establishment of group housing. She stated that the Fairview community has grappled a great deal with this issue. Some transitional living situations are not well managed. It's important that this type of housing meet certain guidelines and regulations and be properly managed. Although, it's important that this type of housing be developed, it's also important that residents feel properly protected.

Often, this type of housing is concentrated in certain neighborhoods, rather than spread throughout the city.

**Kodiak
Area
Native
Association**



402 Center Avenue
Kodiak, Alaska 99615
Phone (907) 486-5725

Alaska Housing Market Council
P.O. Box 240048
Anchorage, Alaska 99524-0048

Nov. 16th, 1989

Dear Ms. Straube,

I have read your letter dated 11-09-89, and agree that the state needs better housing programs for the homeless and other areas as well.

I work in the BIA Housing Improvement Program and I see a lot of needs for improving the condition of many homes on the Kodiak Island area. The funding is not enough to meet the needs of most of the clients that apply for the program, it is difficult to receive the amount of funding that you have applied for.

Working in the Housing field I do see a great need for assistance in many areas, not just in the improvement of the homes. Any support from the Alaska Housing Market Council, like a letter to the BIA office in Anchorage, would be most supportive.

If you have any questions I would be more than glad to answer them for you. Call 486- 5725 ext. 219. Thanks.

Sincerely,
KODIAK AREA NATIVE ASSOC.
GARY ARENSON, PRESIDENT

Melvin Kewan, Housing Specialist

cc Gary Arenson, President
August Aga, Tribal Operations Coord.

To: The Alaska Housing Market Council

From: Barbara Bennett

Social Services Coordinator, Bean's Cafe
National Coalition for the Homeless, State

Representative

Alaska Coalition for the Homeless, Rural Alaska
Chairperson

Re: Housing Policy #5

I would like see the policy statement include emergency shelter with transitional and long-term housing.

The Action Plan section should begin by identifying those with special needs. Therefore #4 should become #1. The homeless and near or at risk for homelessness should be added and placed as #1 on the list for those needing additional housing.

Our state has a significant homeless population. The 1989 Alaska Comprehensive Homeless Assistance Plan (AKCHAP) has identified a minimum of 5000 people. We also have an unknown number of people at risk for homelessness, particularly in village Alaska where multi and cross generational families live in overcrowded conditions. Reference from AKCHAP.

Lastly, I would like to endorse the alternate #5 policy statement produce by Sheila Selkregg-O'Malley. Her draft recognizes that our state housing policy must name homelessness as the major special need category.

Barbara Bennett

274-9595

NOV 17 1989

4:30 pm

Trona Carter

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

CENTRAL OFFICE
P.O. BOX F
GOLDBELT PLACE
JUNEAU, ALASKA 99811-0081
PHONE: (907) 465-2814

November 23, 1989

Glenda J. Straube
Executive Director
Alaska Housing Market Council
P. O. Box 240048
Anchorage, Alaska 99524-0048

Dear Ms. Straube:

Thank you for the opportunity to respond to the proposed policy statements contained in your communication of November 9th.

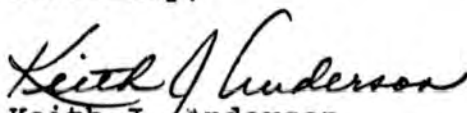
As you indicate, policy statement # 5 is of most interest to me. The Alaska Division of Vocational Rehabilitation is charged with providing services to those individuals who experience a handicapping condition which is a deterrent to employment. In attempting to carry out that charge we have found many individuals who have difficulty locating and/or maintaining suitable housing. We have many special need clients who are unable to locate housing which is adequately accessible. This includes those in wheel chairs, those who are blind, or others who because of their physical condition require modifications to their living environment.

We are now providing services to clients who are much more severely disabled. Your statement number 4-(h) seems to be a little restrictive for these individuals. I suggest that the statement be expanded to read, "Accessible and appropriate housing for persons experiencing a physical disability or disabilities." This would allow for those who experience multiple disabilities and would insure that the housing is both accessible and appropriate.

The rest of the statement seems very well written and adequately addresses my other concerns.

My compliments on a very effective statement which covers a broad range of difficult issues.

Sincerely,


Keith J. Anderson
Director

M&C

NOVEMBER 14, 1989

Mr. Leo Kaye

Dear Leo

You asked me to jot down some notes on the package of proposals on implementation of the Alaska Housing Commission. Well here goes.

Generally the proposals address the centralization of housing policy at or near the governor's office. Is this a ploy to control the possible funding coming from the federal government? The proposals don't really address the present state of affairs sufficiently to allow me to render an opinion. But I suspect and fear that another level of bureaucracy that will further dilute the bottom line for the true needs of the housing poor.

As I'm sure you know I'm not close to being qualified to render an opinion on the possible legal and financial ramifications of these proposals. But again it seems to me that both ASHA and AHFC/AHP have major hurdles before they could comply with this consolidation of authority. AHFC has private investor concerns whereas ASHA has contractual concerns with HUD. I'm not saying we shouldn't further explore these proposals, but let's make sure that the public has input and is provided information on which to make an informed decision.

Leo, thank you for the opportunity to review these proposals. I have taken the time to review them and have highlighted and noted my concerns in the margins as you suggested. Again thank you for your consideration.

William H. Bruu

ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE

POLICY STATEMENT #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

OPTIONS FOR IMPLEMENTATION

There is a national movement towards state centralization and authority in the development and execution of state housing policies and programs. The federal Housing and Urban Development legislation is up for re-authorization soon, and several bills addressing housing policy on the national level have been or will be introduced in Congress. Eric Ostrovsky of the Governor's Washington D.C. office thinks that it is very likely that housing policy directions will change by early 1990 with passage of either S. 565 or a House bill. Whether or not these bills include intent to mandate coordination and distribution of federal funds through the Governors' Offices of each state remains to be seen, but discussions on this subject are occurring.

Hand second

*are we premature?
Do we want to
lobby congress? and
which way?*

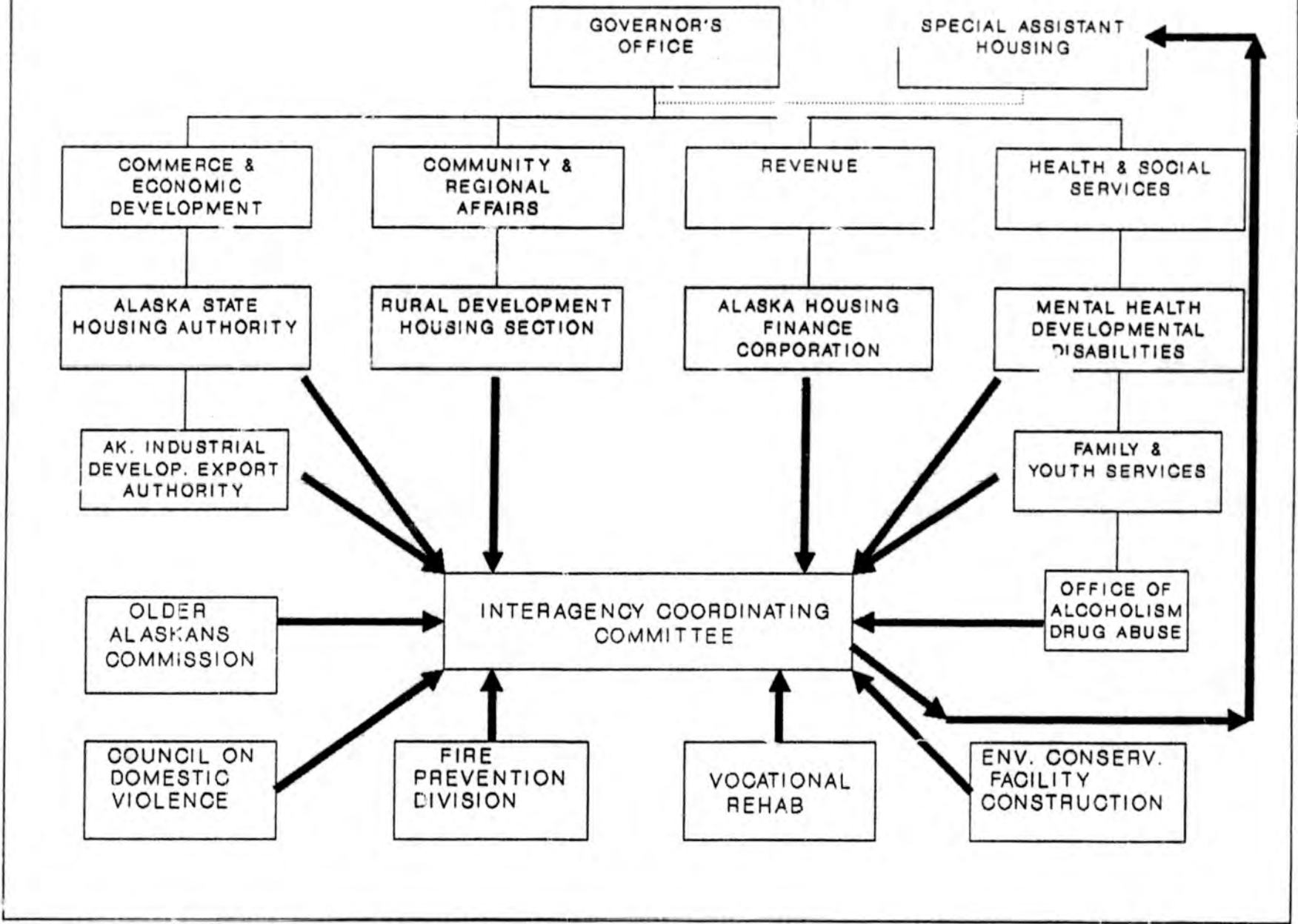
Surveys of other states shows several of them moving in the direction of establishing centralization and coordination of housing issues. Fifteen states have an agency, either a department, division or council which is directly responsible for oversight of housing issues. Massachusetts, Washington and New Jersey are recognized as model states, and have very visible progressive housing programs and development. They have centralized agencies/divisions within a Department of Community Affairs/Development, DCA Commissioner heads the various housing Boards, and they have a vehicle for interagency coordination.

*are any
of these available*

OPTION 1 - SPECIAL ASSISTANT FOR HOUSING. Establish a Special Assistant for Housing position within the Office of the Governor. Position will be responsible for advising the Governor on housing policy.

The Special Assistant would direct an Interagency Coordinating Committee comprised of directors of the 12 housing agencies, offices, and divisions. The Committee would meet on a regular basis (monthly, bi-weekly) to discuss housing programs, problems, and policy.

STATE OF ALASKA
SPECIAL ASSISTANT - HOUSING



Responsibilities: Formulating statewide housing policy.
Coordinating housing programs consistent with a statewide housing policy.

Staffing: Special Assistant for Housing Secretary

Pros: This option would be a minimum level of commitment for a statewide housing policy and for coordination of state housing programs.

This option would probably have more political support from the state housing agencies.

yes also very weak.

Administrative costs would be minimal.

Cons: Many of the statewide action plans identified by the HPDC would not get addressed, ie a long-term housing plan, statewide housing needs assessments, creating of housing partnerships, etc.

Least effective mechanism to implement centralized, coordinated statewide housing programs/policies.

OPTION 2 - ALASKA HOUSING COMMISSION. Create an Alaska Housing Commission which reports directly to the Governor. Member composition shall reflect regional representation and shall include public members and representatives from housing and real estate industry, special needs groups, and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity. (9 members)

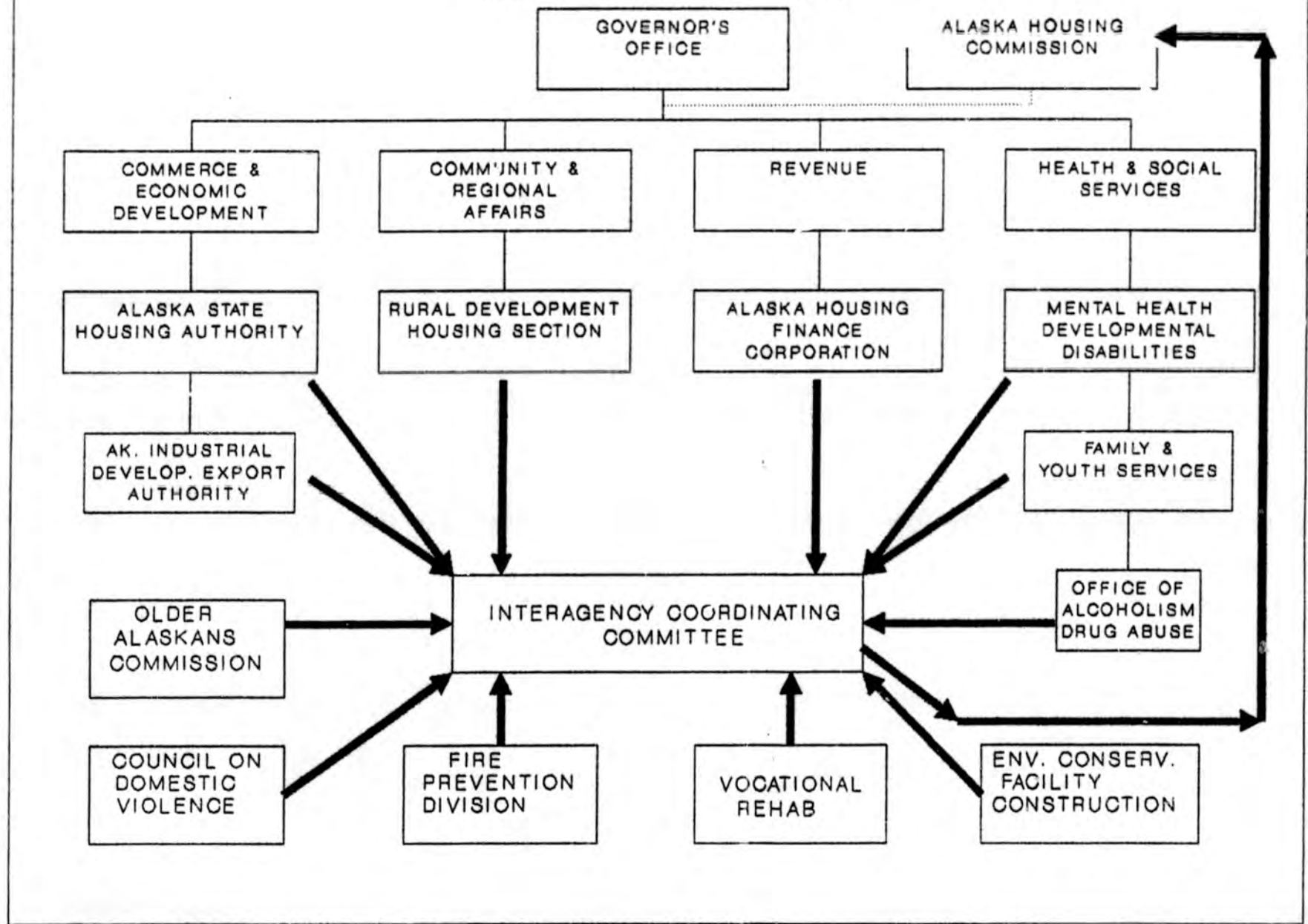
Number of members: 1 Regional representative from 4 judicial districts representing housing/mortgage loan industry
1 representative of special needs groups
1 representative for rural areas
1 Public members
Commissioner, Commerce & Economic Development
Commissioner, Community & Regional Affairs

Advisory members: Alaska State Housing Authority
Alaska Housing Finance Corporation
Department of Community and Regional Affairs

with the problem we have politically with the best, regional concerns will fractionalize this concept.

Would address regional differences.

STATE OF ALASKA
ALASKA HOUSING COMMISSION



Staffing:

Executive Director
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor
Grants Administrator*

Responsibilities:

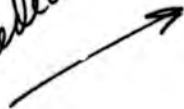
Develop statewide housing policy.
State agency housing program review, coordination, oversight.
Writing/updating long term housing plan.
Conduct periodic statewide housing needs assessments.
Reviewing use and disposition of state agency-owned foreclosed properties.
Facilitate the creation of housing partnerships, providing technical assistance.
Direct review of housing regulations between state agencies.
If Affordable Housing Act passes, review and allocate distribution of federal housing funds.

will require representation of non state corporations.

Pros:

Housing resources and programs are scattered throughout 12 different state agencies, offices and divisions. A Housing Commission, if given the authority to cross departmental lines and bring housing groups together, can formulate and coordinate a cohesive statewide housing policy that addresses a wide range of housing needs and problems.

Needed!



Important to have Commission within Governor's Office rather than within a Department so it can function in an impartial role.

Cons:

The Commission would be working with a large number of agencies over which it would have no control. Two of those agencies have a separate, independent existence from the State. Without a legislative mandate which specifies the authority of the Commission over these agencies for follow-through on implementation, its effectiveness will be limited.

AAFC + ASHA



Cons (Cont'd):

*Review +
Concise
Rather than*

There is no precedent in state government for a board or council that has the power or ability to approve or deny regulations set by other boards or departments.

The Commission could be viewed as another unnecessary layer of bureaucracy and another complication in the tangle of housing programs.

OPTION 3 - STATE HOUSING BOARD. Merge the Alaska State Housing Authority and Alaska Housing Finance Corporation Boards into a State Housing Board with the authority to administer all housing agencies and state housing programs. Housing agencies will be placed under one department, the Department of Community & Regional Affairs or Commerce & Economic Development. The State Housing Board will be responsible for statewide coordination of all state housing programs and for setting state housing policy.

*Not a Reality because
of Contractors' & legal restrictions*

ASHA and AHFC will maintain their independent status. The Executive Directors of both agencies will serve at the pleasure of the State Housing Board. AHFC and ASHA will each have a 5-member sub-board responsible for agency operations and policy setting. The Commissioner of Community & Regional Affairs will chair the State Housing Board and both of the sub-boards. Membership on AHFC and ASHA Boards will each consist of the Commissioner of Community & Regional Affairs, 2 different members of the State Housing Board, and 2 members appointed by the Governor.

An Interagency Coordinating Committee will be formed with membership from each of the 12 agencies, offices and divisions involved in housing.

Number of Members: 9-member Board of Director, appointed by Governor
Commissioner of Community & Regional Affairs serves as Chair.
1 regional representative from 4 judicial districts representing housing/mortgage loan industry.
1 representative of special needs groups
1 representative for rural areas
2 public members

Responsibilities: Statewide coordination of all housing programs.
Setting state housing policy.
Writing/updating long-term housing plan.
Same statewide responsibilities as listed above for Housing Commission.

Staffing: Executive Director, State Housing Board
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor

Pros: *OK!* This option is the most consistent with model housing organizations in other states. It would be an effective way to ensure that policies and goals are implemented through consistent regulations and unduplicated programs.

Consolidating housing agencies within one department has greater likelihood of success in implementing statewide housing policies. The proposed Superboard can provide clear, consistent, non-conflicting direction for the state's housing programs.

This option would satisfy the potential federal mandate for coordination and distribution of federal funds at the state level.

Under this option ASHA and AHFC Boards retain their independent status within state government. Retaining this independent status is important because concerns about the bond covenants of both agencies and ASHA's contractual arrangements with HUD.

Cons: This is a more radical approach and may be more difficult to get existing agencies to support.

The mission and purpose of ASHA and AHFC are very different. The demands on their separate Boards of Directors are already significant. To combine the two Boards and add statewide responsibility in addition may be too much for Board members to handle.

Alaska Housing Market Council

November 30, 1989

Dear Housing Policy Development Committee Member:

Enclosed is your final meeting packet for the HPDC meeting, scheduled December 8, 1989, from 9:00 a.m. to 5:00 p.m. at the Anchorage Legislative Information Office, 3111 'C' Street. We are asking all members to come to Anchorage for the meeting. However, you can attend by teleconference from your own community.

Please Note: There will not be a public comment period at this meeting, but a statewide public hearing on the HPDC recommendations is scheduled for Thursday, December 7 from 7:00 p.m. to 8:30 p.m. at the Anchorage Legislative Information Office and all other State Legislative Information Offices open during the Legislative interim. Staff will be there to take comments and will present a report to the committee the following day. Please attend if you can.

Enclosed find:

1. Meeting agenda.
2. Policy statements and action plans with bolded "SPAMO" changes and recommended revisions from the Transitional and Long Term Housing for Special Needs Subcommittee.
3. Policy Statement #1 - options for implementation.
4. Comments from interested parties.

At the meeting, the committee will approve a final recommendation for Policy Statement #1 (relating to a body to execute state housing policy) and Policy Statement #5 (special needs housing). The committee will also consider and approve recommendations to make the action plans more specific and attainable.

Please take some time to closely review the Policy Statements/Action Plans with SPAMO and Transitional Subcommittee revisions bolded. The SPAMO comments will be adopted by consent agenda, which means, that unless there are specific objections, all the SPAMO changes will be approved. If you do have concerns with a SPAMO recommendation, please contact me prior to the meeting.

Also, take a few minutes to review the comments we've received from the public and state agency representatives.

As this is our final meeting, it is essential that all HPDC members make every effort to attend. It is also important that committee members come prepared to finalize the recommendations. We cannot afford to spend a great deal of time on minor issues.

As always, please contact me if you won't be attending the December 8 meeting.

Sincerely,

A handwritten signature in cursive script that reads "Heather Arnett". The signature is written in dark ink and is positioned above the typed name.

Heather Arnett
HPDC Aide

Alaska Housing Market Council

ALASKA HOUSING MARKET COUNCIL Housing Policy Development Committee

Meeting of the Full Committee

AGENDA

December 8, 1989
9:00 a.m. to 5:00 p.m.
Legislative Information Office
Main Floor Conference Room
3111 'C' Street
Anchorage, Alaska

- I. Call to Order - Roll Call
- II. Approval of Agenda
- III. Approval of Minutes
- IV. Staff presentation on December 7 public hearing.
- V. Finalize Policy Statement #1 and Policy Statement #5.
- VI. Approve "SPAMO" recommendations.
- VII. Discuss structure of final report.
- VIII. Adjournment.

NOTE: Lunch will be at 12:00 p.m.

ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEEPOLICY STATEMENT #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

OPTIONS FOR IMPLEMENTATION

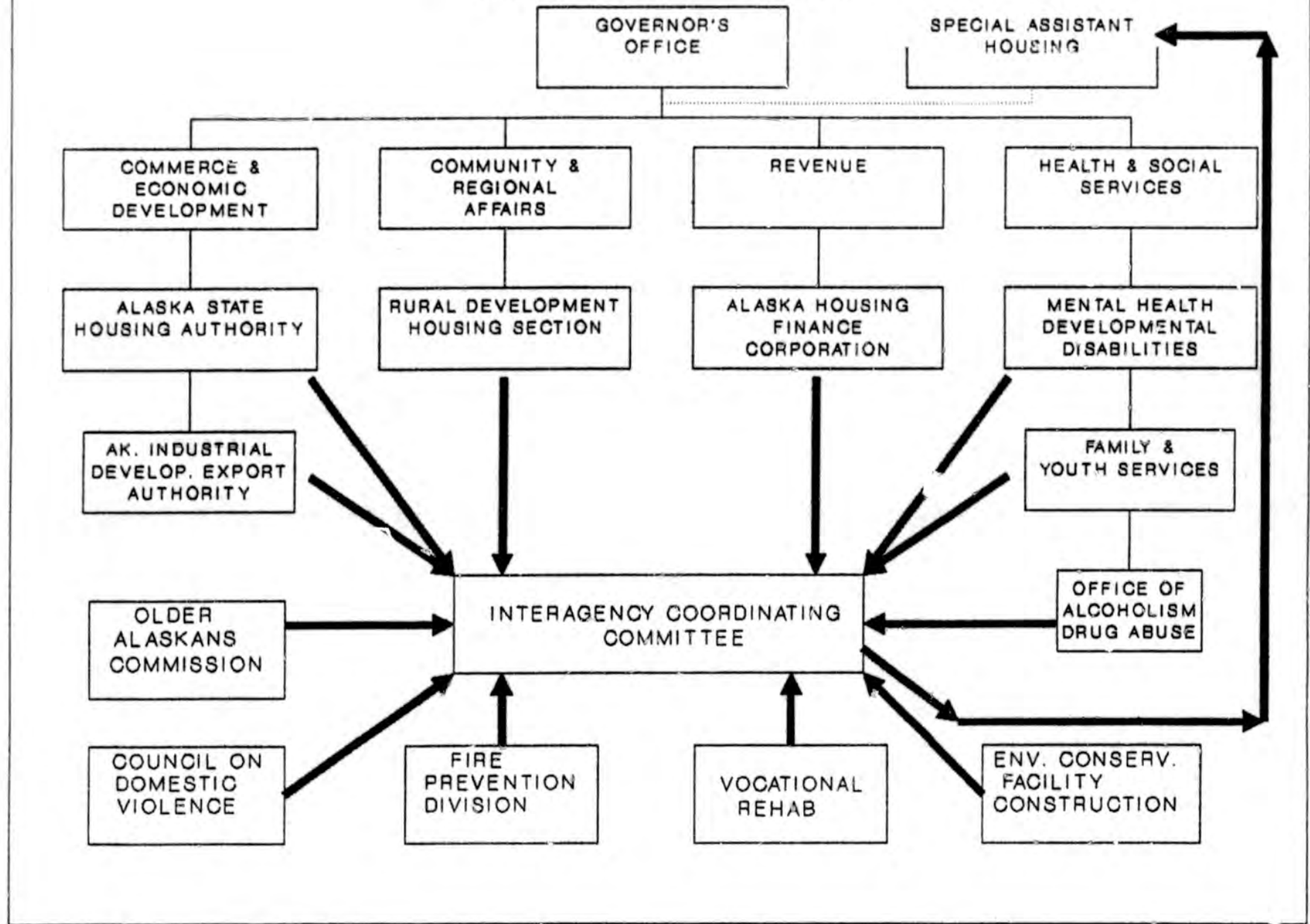
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STATE OF ALASKA
SPECIAL ASSISTANT - HOUSING



Responsibilities: Formulating statewide housing policy.
Coordinating housing programs consistent with a statewide housing policy.

Staffing: Special Assistant for Housing
Secretary

Pros: This option would be a minimum level of commitment for a statewide housing policy and for coordination of state housing programs.

This option would probably have more political support from the state housing agencies.

Administrative costs would be minimal.

Cons: Many of the statewide action plans identified by the HPDC would not get addressed, ie a long-term housing plan, statewide housing needs assessments, creating of housing partnerships, etc.

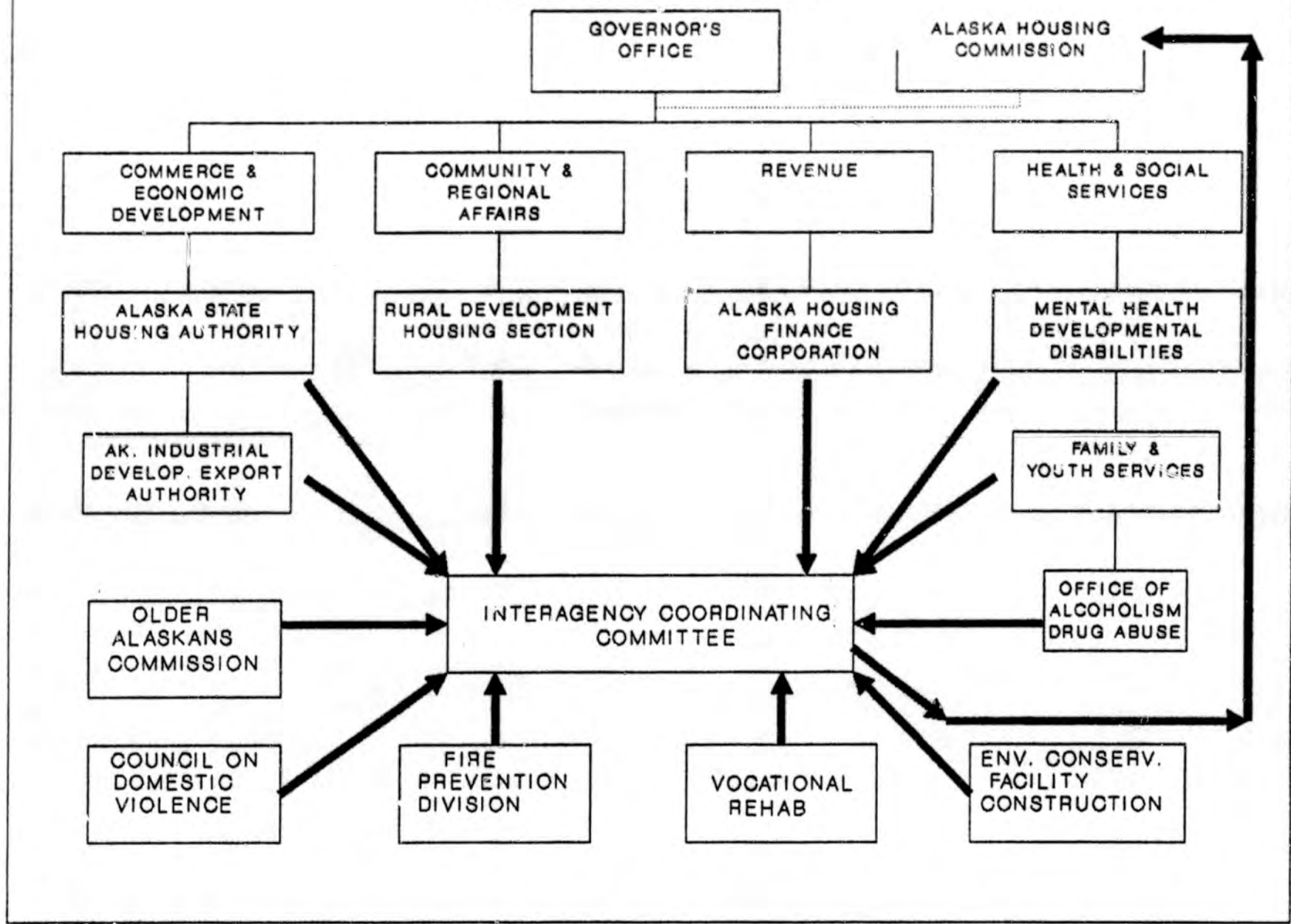
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1 representative of special needs groups
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Commissioner, Commerce & Economic Development
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Advisory members: Alaska State Housing Authority
Alaska Housing Finance Corporation
Department of Community and Regional Affairs

STATE OF ALASKA
ALASKA HOUSING COMMISSION



Staffing:

Executive Director
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor
Grants Administrator*

Responsibilities:

Develop statewide housing policy.
State agency housing program review, coordination, oversight.
Writing/updating long term housing plan.
Conduct periodic statewide housing needs assessments.
Reviewing use and disposition of state agency-owned foreclosed properties.
Facilitate the creation of housing partnerships, providing technical assistance.
Direct review of housing regulations between state agencies.
If Affordable Housing Act passes, review and allocate distribution of federal housing funds.

Pros:

Housing resources and programs are scattered throughout 12 different state agencies, offices and divisions. A Housing Commission, if given the authority to cross departmental lines and bring housing groups together, can formulate and coordinate a cohesive statewide housing policy that addresses a wide range of housing needs and problems.

Important to have Commission within Governor's Office rather than within a Department: so it can function in an impartial role.

Cons:

The Commission would be working with a large number of agencies over which it would have no control. Two of those agencies have a separate, independent existence from the State. Without a legislative mandate which specifies the authority of the Commission over these agencies for follow-through on implementation, its effectiveness will be limited.

Cons (Cont'd): There is no precedent in state government for a board or council that has the power or ability to approve or deny regulations set by other boards or departments.

The Commission could be viewed as another unnecessary layer of bureaucracy and another complication in the tangle of housing programs.

OPTION 3 - STATE HOUSING BOARD.. Merge the Alaska State Housing Authority and Alaska Housing Finance Corporation Boards into a State Housing Board with the authority to administer all housing agencies and state housing programs. Housing agencies will be placed under one department, the Department of Community & Regional Affairs or Commerce & Economic Development. The State Housing Board will be responsible for statewide coordination of all state housing programs and for setting state housing policy.

ASHA and AHFC will maintain their independent status. The Executive Directors of both agencies will serve at the pleasure of the State Housing Board. AHFC and ASHA will each have a 5-member sub-board responsible for agency operations and policy setting. The Commissioner of Community & Regional Affairs will chair the State Housing Board and both of the sub-boards. Membership on AHFC and ASHA Boards will each consist of the Commissioner of Community & Regional Affairs, 2 different members of the State Housing Board, and 2 members appointed by the Governor.

An Interagency Coordinating Committee will be formed with membership from each of the 12 agencies, offices and divisions involved in housing.

Number of Members: 9-member Board of Director, appointed by Governor
Commissioner of Community & Regional Affairs serves as Chair.
1 regional representative from 4 judicial districts representing housing/mortgage loan industry.
1 representative of special needs groups
1 representative for rural areas
2 public members

Responsibilities: Statewide coordination of all housing programs.
Setting state housing policy.
Writing/updating long-term housing plan.
Same statewide responsibilities as listed above for Housing Commission.

Staffing: Executive Director, State Housing Board
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor

Pros: This option is the most consistent with model housing organizations in other states. It would be an effective way to ensure that policies and goals are implemented through consistent regulations and unduplicated programs.

Consolidating housing agencies within one department has greater likelihood of success in implementing statewide housing policies. The proposed Superboard can provide clear, consistent, non-conflicting direction for the state's housing programs.

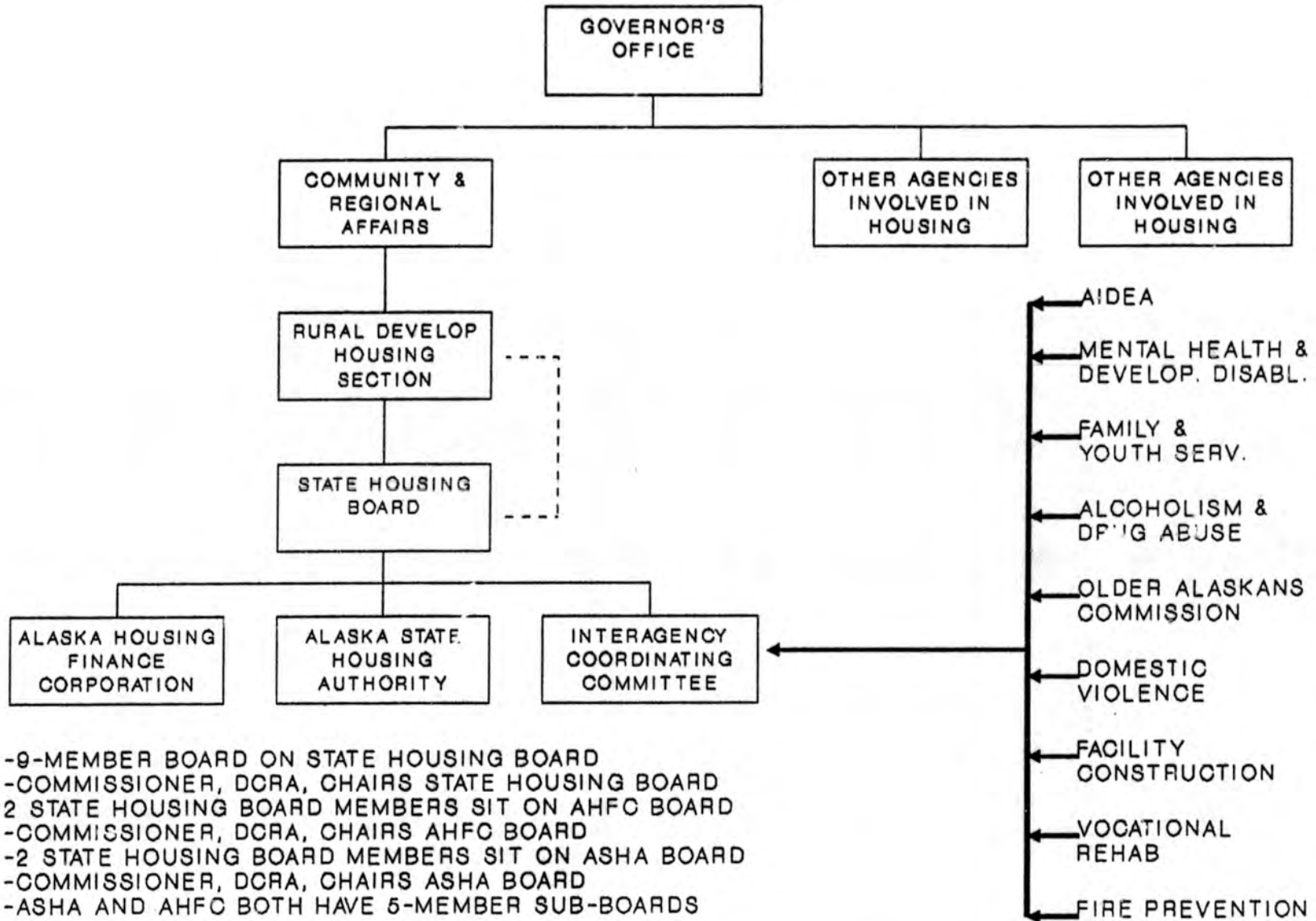
This option would satisfy the potential federal mandate for coordination and distribution of federal funds at the state level.

Under this option ASHA and AHFC Boards retain their independent status within state government. Retaining this independent status is important because concerns about the bond covenants of both agencies and ASHA's contractual arrangements with HUD.

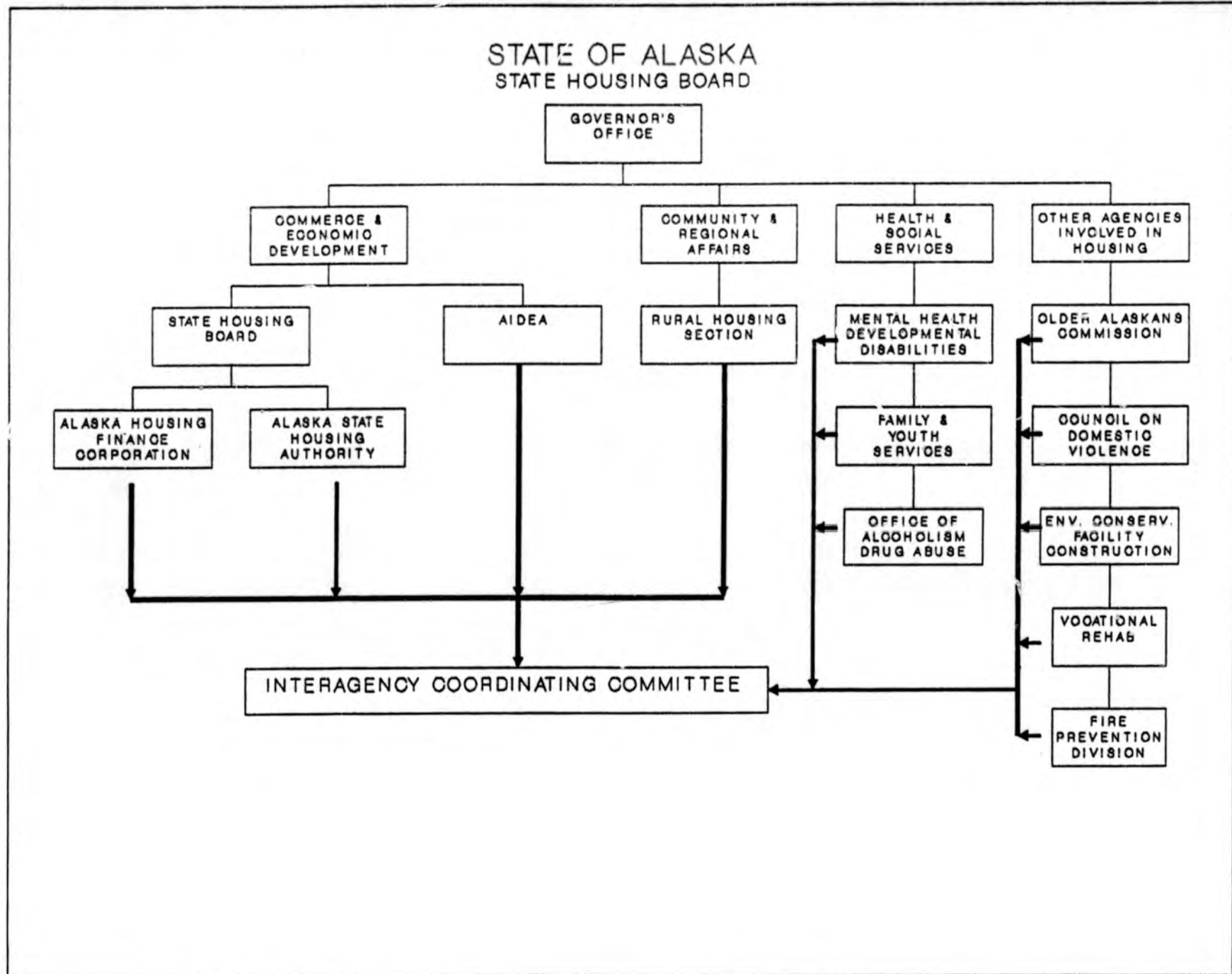
Cons: This is a more radical approach and may be more difficult to get existing agencies to support.

The mission and purpose of ASHA and AHFC are very different. The demands on their separate Boards of Directors are already significant. To combine the two Boards and add statewide responsibility in addition may be too much for Board members to handle.

STATE OF ALASKA
STATE HOUSING BOARD/CONSOLIDATE AGENCIES



STATE OF ALASKA
STATE HOUSING BOARD

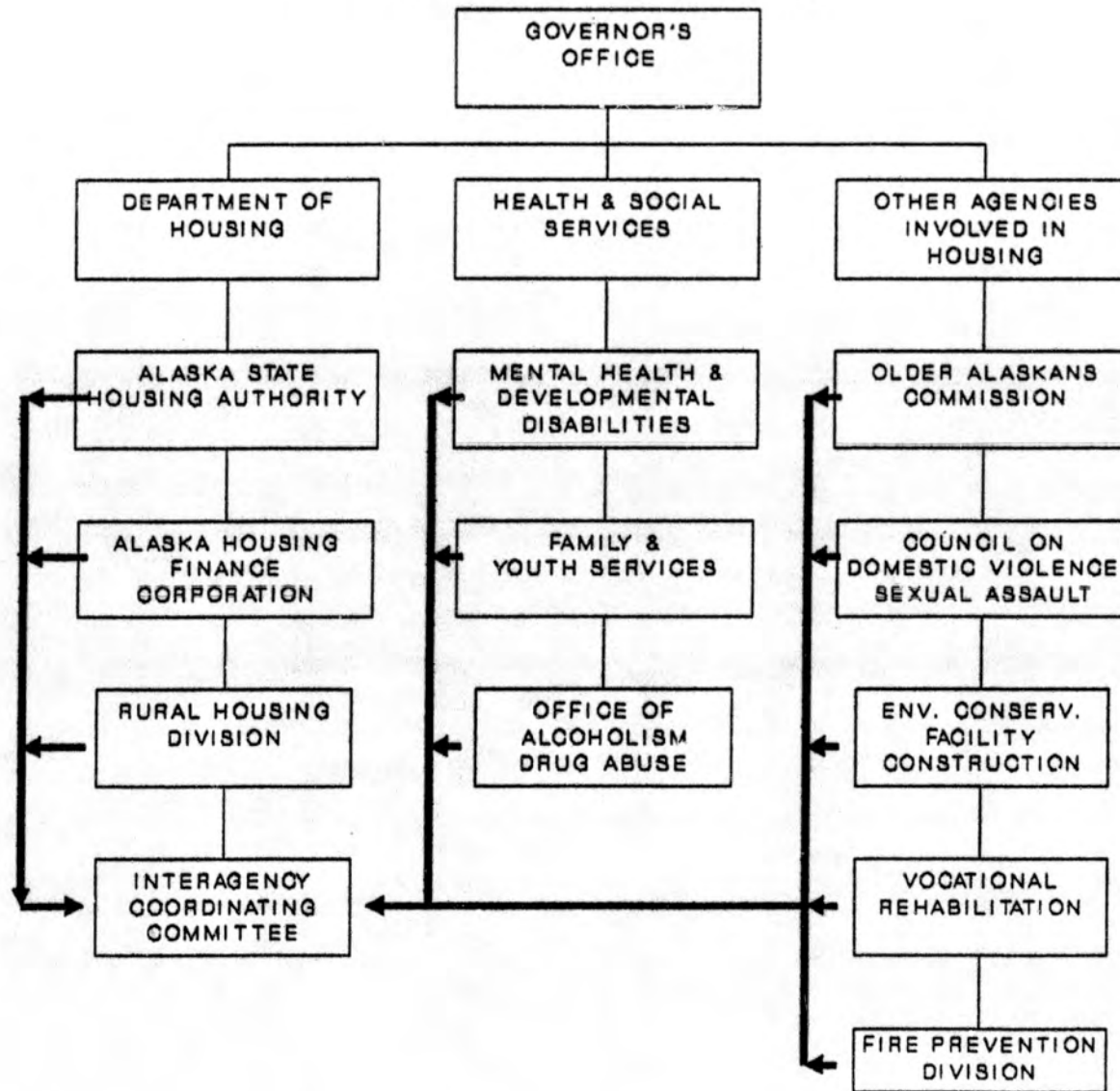


OPTION 4 - DEPARTMENT OF HOUSING. Create a Department of Housing with all housing agencies placed within that department. An interagency coordinating Committee would be formed with membership from each of the 12 agencies/programs involved in housing.

The Commissioner, Department of Housing would chair the Boards of Directors of ASHA and AHFC.

- Staffing:** Commissioner, Department of Housing
Executive Secretary
Information Officer
Division of Administrative Services
Division of Rural Housing Services
Alaska Housing Finance Corporation staff
Alaska State Housing Authority staff
- Responsibilities:** Direct all housing programs within the state.
Coordinate interagency housing activities.
Establish and implement statewide housing policy.
Same statewide responsibilities as listed for Housing Commission.
- Pros:** This option provides the most visible commitment to state housing issues.
- Housing concerns and policies would be represented at cabinet level with more political clout to effect a coordinated statewide housing policy.
- Ability to better consolidate resources.
- Cons:** Very difficult to get a new department created within state government.
- Most expensive option because of staffing levels needed at a department level.
- Does not appear to be a broad enough mission to warrant a separate department.

STATE OF ALASKA
DEPARTMENT OF HOUSING



CURRENT HOUSING BOARDS/COUNCILS

There are currently 12 agencies, offices and divisions within State government which are involved in providing or regulating housing services within Alaska.

ALASKA HOUSING MARKET COUNCIL--Advises the Governor and the Legislature on housing policies directed towards the stabilization of the housing market. It also provides direct services to the public in the form of the mortgage and housing information and referral hotline, provides a forum for public input regarding housing issues, coordinates interagency housing policies, and conducts research on issues affecting housing and mortgage loans.

- Membership:** Department of Community and Regional Affairs
Department of Commerce and Economic Development
Alaska Housing Finance Corporation
Alaska State Housing Authority
Alaska Permanent Fund
Alaska Industrial Development & Export Authority
Office of the Governor
Mortgage Guaranty Insurance Corp.
Public Members (4)
- Committees:** Housing Policy Development Committee (37 members)
HPDC divided into working task forces in 5 major areas to develop policy recommendations for full Committee review and adoption.
- Staffing:** Executive Director
4 staff members
- Meetings:** Council meets monthly. Meetings usually held in Anchorage and teleconferenced to Fairbanks, Juneau. Subcommittee meetings and Committee meetings held monthly and usually teleconferenced.

1 meeting held in Anchorage with all Committee members present; teleconferenced to Fairbanks, Juneau, Kodiak.

Members do not receive a stipend or per diem for attendance at meetings. Members are reimbursed for travel expenses at rates set by the state.

ALASKA STATE HOUSING AUTHORITY - Provides low to moderate income housing under state and federal housing programs. Issues bonds for housing and public facilities as requested.

ASHA has been in existence since before statehood. They are an independent agency within the state and contract directly with HUD for the housing funds they receive and the housing programs they provide. ASHA deals with low to moderate income housing needs in the urban areas. Thirteen regional housing authorities operate as Indian Housing Authorities and deal with low to moderate housing needs in the rural/village areas.

Membership: 4 public members appointed by Governor, currently from Anchorage. Current membership represents rural/native, business/real estate, minority, social services, and state government.
Commissioner of Commerce & Economic Development

Staffing: Executive Director
Division Directors
Clerical

Meetings: 4 times per year; 12 days maximum
In 1989, Board met on quarterly basis. 2 meetings in Anchorage, 1 in Sitka, 1 in Juneau.

Board members are paid \$80 per diem for each meeting they attend. Members are reimbursed for travel expenses at rates set by the state.

ALASKA HOUSING FINANCE CORPORATION. Board of Directors are responsible for the management of AHFC assets and the business of the corporation; adoption, amendment and repeal of bylaws and regulations governing the manner in which all AHFC powers are exercised; review of proposed legislation and participation in lobbying efforts during legislative session; review and approval of key policy decisions which will affect AHFC borrowers; prescription of duties and compensation of corporation personnel; review and approval of corporation budget.

Membership: Commissioner, Department of Revenue
Commissioner, Commerce & Economic Development
State Government Executive appointed by Governor,
currently Commissioner, Department of Labor
Public members (2), currently from Anchorage

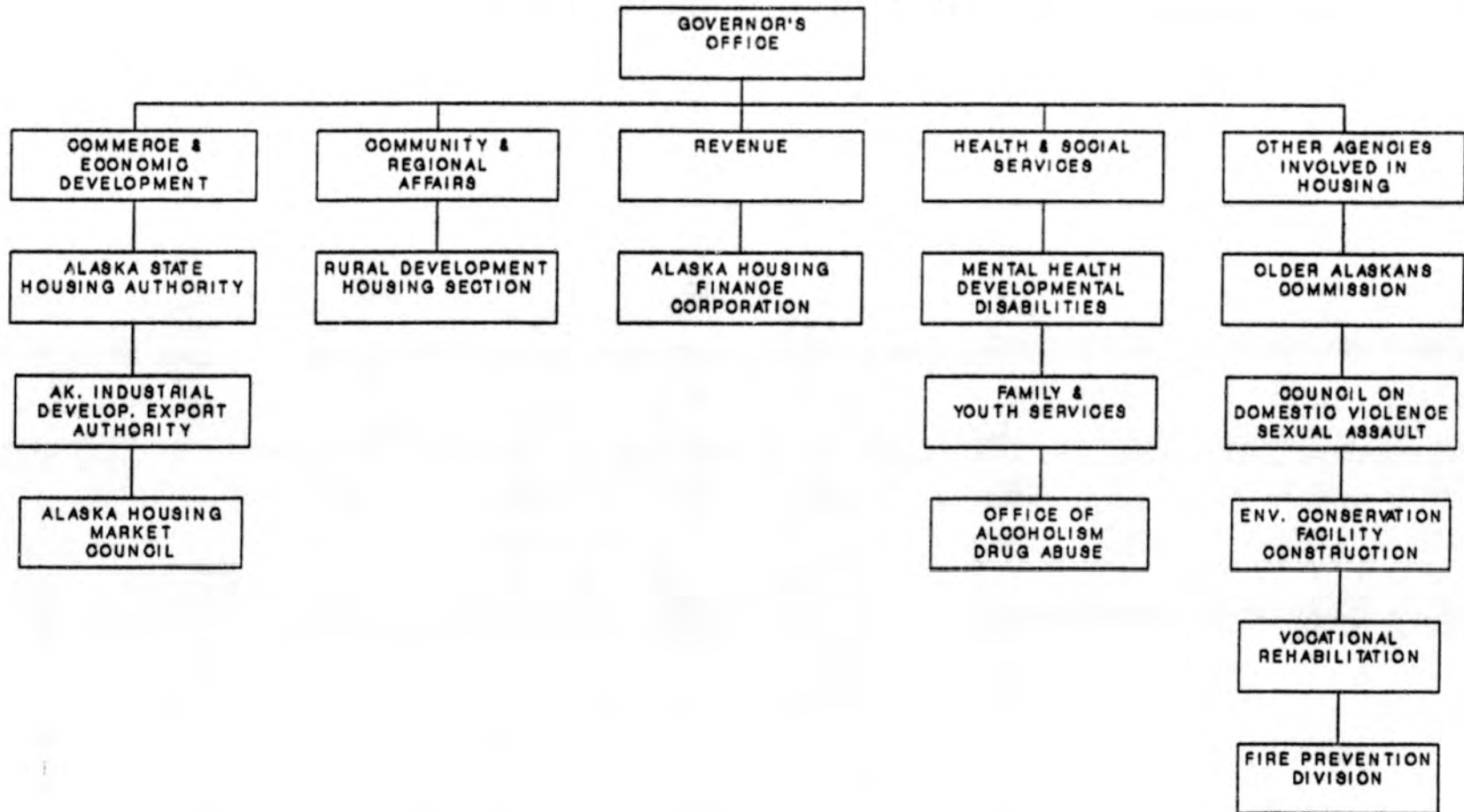
Committees: Special committees established as needed, ie
executive search.

Staffing: Executive Director
Executive Director's Secretary
Division Directors

Meetings: Not less than once every 3 months. Normally meet
12 times per year; 16 days maximum.
Usually transact meetings by teleconference with
Anchorage, Juneau and Fairbanks. Meetings last
from 3 to 6 hours.
Must give public notice, 24 hours or more in
advance.

Members are paid \$100 for each public member for
each day spent on official business. Travel
expenses are reimbursed at rate set by state.

STATE OF ALASKA
CURRENT HOUSING AGENCIES



Alaska Housing Market Council

December 20, 1989

Dear Housing Policy Development Committee Member:

Enclosed find a draft of the HPDC recommendations, which were approved at the December 8 meeting.

Please review the recommendations for errors or omissions and contact me by Friday, December 29 with any changes. This will be the final draft of the document.

Thank you very much and have a wonderful holiday.

Sincerely,


Heather Arnett
HPDC Aide

**ALASKA HOUSING MARKET COUNCIL
12/20/89**

MISSION STATEMENT:

**SAFE, SOUND, SANITARY AND ENERGY EFFICIENT LIVING CONDITIONS
SHOULD BE AVAILABLE TO ALL CITIZENS OF THE STATE.**

FULL HOUSING POLICY DEVELOPMENT COMMITTEE

DRAFT ACTION PLANS

Policy Statement #1

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services.

Action Plan:

1. The committee recognizes that a continued mechanism or centralized housing agency is needed to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues.
2. The committee recommends that a Housing Commission be established - with a plan to develop a Department of Housing in the state over the next several years. The Department will consolidate all of the state's housing functions.
3. A legislative mandate should be effected which specifies the relationship of the Housing Commission to the Alaska Housing Finance Corporation, the Alaska State Housing Authority and other state agencies with housing responsibilities, and provides the commission with the power to develop and implement state housing policy.
4. The Commission should report directly to the Governor.
5. The Commission's composition should reflect regional representation and should include public members and representative from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.
6. The Commission should provide information on housing opportunities to the public and oversee state agency information services.

7. The Commission should be charged with state agency housing program review, coordination and oversight. It should clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.
8. The Commission should review and recommend revisions to state and federal housing policy and programs to ensure that Rural Alaska housing programs are culturally, environmentally and economically appropriate.
9. The Commission should be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, to include the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Department of Health and Social Services, and the Department of Public Safety should develop statewide service plans, in conjunction with each other and the state housing plan, to insure coordination and efficiency of service delivery.
10. The Commission should conduct periodic statewide housing needs assessments on housing and financing availability.
11. The Commission should direct state agencies to review housing regulations under their jurisdiction, comparing them to other agency regulations and recommending revision, where appropriate, to eliminate conflict and duplication.
12. The Commission should be charged with reviewing the use of, and disposition of, state agency-owned foreclosed properties and should provide information to interested parties regarding available properties. The Commission should encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities, low-income housing and senior housing where appropriate.
13. The Commission should actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.
14. The boards of AHFC and ASHA should be expanded and include a majority of public members.
15. By June 30, 1990, the Alaska State Legislature should create a standing or special committee on housing in both the State House and State Senate.

Policy Statement #2

It is the policy of the State of Alaska to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible.

Action Plan:

1. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility, and resulting recommendations should be forwarded to the body executing state housing policy. In addition, an agency appeals process should be implemented.
2. By January 1, 1991, AHFC & DCRA should explore, develop, and implement programs adjusted to regional housing conditions, to include non-insured or co-insured loans for areas of the state which are not being served by private and public secondary investors and/or insurers. These new loan programs should be consistent with prudent lending standards.

Policy Statement #3

It is the policy of the State of Alaska to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand.

Action Plan:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
2. With community input and involvement, municipal governments should be encouraged to facilitate establishment of transitional group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act), and integration of transitional housing residents into communities should be encouraged.

Policy Statement #4

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited, low or no incomes.

Action Plan:

1. The State of Alaska should become actively involved in providing technical assistance and/or programs to private developers and non-profits for planning and development of units which are affordable to low-income Alaskans. This should be through the body which will execute state housing policy or through programs established by AHFC, DCRA and ACHA by January, 1992.
2. By January 1, 1991, state agencies should examine and evaluate their portfolios of non-insured REO properties (including mobile homes) to determine which properties are appropriate to provide housing opportunities for low-income, rural and special needs populations. Such evaluation shall include assessment of structural integrity, availability of necessary utilities, and economic feasibility factors. The agencies should present their short and long term policies for disposition of these properties to the commission for consideration.
3. By June 1, 1991, state agencies involved in housing finance should have the legal ability to provide financing to non-profit housing sponsors. DCRA, AIDEA, AHFC and ASHA should identify existing statutory, regulatory, policy and procedural barriers to such programs and initiate steps to eliminate these barriers through legislative, regulatory or internal processes as appropriate.

Policy Statement #5

It is the policy of the State of Alaska to improve the availability, accessibility and affordability of emergency, transitional and long term housing for the homeless and others with special needs.

Action Plans:

1. Accessible Housing

Buildings for persons with special needs should be renovated or built in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation.

2. Supportive Care Services

It is essential that a continuum of supportive care services be in place for emergency, transitional and long term housing for the homeless and others with special needs to be successful. Those services include, but aren't limited to, case management, and medical and rehabilitative assistance.

3. Housing Needs

The need for emergency, transitional and long term housing for the homeless and others with special needs is severe and urgent. This type of housing may be needed by the consumer at any given time, on an emergency basis, or as a transitional living situation prior to permanent housing; or long term housing with some supportive services may be needed. On the other hand, the housing consumer may move through the housing continuum and need all three types of housing. Listed below are some, but not all, of the groups identified as needing various types of special needs housing:

- a. AIDS patients.
- b. The chronically ill.
- c. Homeless men and women, with or without children.
- d. Victims of domestic violence and their children, victims of elder abuse and victims of sexual abuse.
- e. Substance abusers.
- f. Pregnant youth and women.
- g. Homeless youth.
- h. Persons experiencing a physical disability or disabilities.
- i. The mentally ill.
- j. Persons in transition from the Alaska Psychiatric Institute, the Corrections system (particularly the mentally ill) and Alaska Youth Initiative graduates.
- k. Persons with more than one diagnosis, for example the mentally ill with a substance abuse problem.
- l. The developmentally disabled.
- m. Emotionally disturbed children.
- n. Rural Alaskans who come to regional centers for educational, medical or other reasons.
- o. Rural Alaskans, particularly youth, who move permanently to a larger community.
- p. The neurologically impaired and those with head injuries and brain trauma.

4. Rural Alaskans

The need for emergency, transitional and long term housing for special needs is especially critical in Rural Alaska. With Rural Alaska's extreme housing shortage, there is

almost no housing available to be used for special needs. As a result, it is recommended that the state give priority to developing housing opportunities in Rural Alaska.

5. Funding Issues

- a. The State of Alaska, through the proposed Housing Commission or another agency, should review and prioritize the need for emergency, transitional and long term housing for special needs, so that available resources and funding can be allocated accordingly.
- b. By June 1, 1991, the role of the State of Alaska, through (but not limited to), the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs, should be expanded to allow mortgage loans to non-profits for emergency, transitional and long term housing for those with special needs. This should be a cooperative effort.
- c. If needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
- d. Continued funding should be provided for the state's Institutional Discharge Project, which provides supportive housing programs for persons leaving the Alaska Psychiatric Institute, the Department of Corrections and Alaska Youth Initiative Graduates.
- e. The state should consider applying for federal Medicaid option waivers to obtain additional funding for programs such as home-based supportive services. By obtaining such a waiver, the state and federal government would each pay half of the cost of such programs.
- f. Division of Family and Youth Services regulations should be changed so that housing services for non-state custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.

Policy Statement #6

It is the policy of the State of Alaska, in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs.

Action Plan:

1. Currently, the most urgent housing needs in the state are for rural and low income residents. Those needs should be

given funding priority.

- a. The state should commit to increase the rural and low-income housing stock at a rate of at least 10% per year through 1996, and should identify how the total need can be met. DCRA, AHFC and ASHA shall provide a five-year plan (due January 1, 1991) which identifies and addresses how low-income and rural housing needs can be met in the state. The five-year plan should include specific programs to be implemented no later than June 1, 1991. The Housing Commission should coordinate this effort.
 - b. By June 1, 1991, the state should examine the feasibility of developing a program for subsidizing rent or mortgage payments for rural, low-income Alaskans who lack adequate affordable housing but do not have enough income to participate in one of the existing rural housing assistance programs.
 - c. AHFC and DCRA should work together to determine the percentage of rural, non-conforming loans that should be offered in AHFC bond sales. Those funds will flow to DCRA for their mortgage loan programs.
2. A function of an Alaska Housing Commission should be to maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the commission should identify which areas of the state and which target populations are most in need of housing resources.

Policy Statement #7

It is the policy of the State of Alaska to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner.

Action Plan:

1. State agencies with mortgage lending programs should approve and follow prudent industry lending standards and reasonable downpayments should be required.
2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates, which direct states involved in low-income homeownership programs to offer homeowner counseling services.
3. There should be greater disclosure to borrowers concerning the sale of their mortgage loan servicing to another

institution. The State of Alaska should adopt greater servicer penalties and clearer consumer recourse should occur in the case of misapplication of mortgage payments, or failure of the servicer to pay taxes or insurance on a timely basis.

Policy Statement #8

It is the policy of the State of Alaska to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state.

Action Plan:

1. A housing commission should encourage the development of housing partnerships in the state. The commission shall provide information, by publishing a document with a variety of partnership options, including the creation of benevolent loan funds (consisting of private donations, private and public financing). This should occur by June 1, 1991.

Policy Statement #9

It is the policy of the State of Alaska to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs.

Action Plan:

1. In an effort to help solve the hesitancy of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors. State agencies should establish programs which allow them to enter into co-insurance agreements, when necessary, in order to provide mortgage insurance for state-financed mortgage loans.
2. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
3. By March 15, 1990, the Alaska State Legislature should eliminate the mortgage loan subsidy of the Department of Community and Regional Affairs and the Alaska Housing Finance Corporation, except to meet rural and low-income housing needs. However, state agencies can obtain lower interest rates than the private sector via the bond market or through direct federal funds. Lower unsubsidized interest rates obtained in this manner should be passed through to the public.

Policy Statement #10

It is the policy of the State of Alaska to promote the availability of quality, affordable rental housing.

Action Plan:

1. Through an Alaska Housing Commission, or other approved body, the state should encourage the development of housing partnerships in the state and authorize pre-development financing for certain rental projects.
2. The state should examine the feasibility of converting appropriate foreclosed housing to rental units. This could include changes to AHFC regulations to allow them to donate foreclosed properties to non-profits, to be improved and rehabilitated by the non-profit group.
3. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profits, including housing authorities, so that those developers would have the means to create affordable rental housing.

Policy Statement #11

It is the policy of the State of Alaska to recognize that Senior Alaskans should have access to appropriate and affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability.

Action Plan:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State agency housing regulations should be changed so that two categories of housing are created; medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.
2. The state should implement a "continuum of care" housing program for seniors, and should adequately fund necessary supportive services, which allow seniors to remain independent for as long as possible.
 - a. A case management system, which matches seniors with

appropriate services, should be approved by the state and implemented by the Older Alaskans Commission.

- b. State and other funded supportive services, such as homemaker assistance, home health care and home-delivered meals should be funded at the current state funding levels and expanded when needed. A mechanism should be in place so that seniors with the ability to pay, could be charged for supportive services.
- c. Financial assistance and training for home repair and maintenance should be increased.
- d. The State should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services.

Policy Statement #12

It is the policy of the State of Alaska to develop and maintain stable sources of capital and revenue to support housing needs in the state.

Action Plan:

1. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the creation of low to moderate-income and senior housing.
2. The state should encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing. State agencies with the ability to issue tax-exempt bonds should establish a process which encourages the issuance of such bonds for non-profit corporations.
3. By June 30, 1990, the Alaska State Legislature and the Governor should allocate funds for start-up and operational costs for Neighborhood Housing Services in the state. This fund should be matched by Neighborhood Housing Services of America and Neighborhood Reinvestment Corporation of America, on a four to one match.
4. The state should review the Resolution Trust Corporation (created by the federal savings and loan legislation) for use as an additional source of housing funds.

Policy Statement #13

It is the policy of the State of Alaska that housing in the state should meet specific quality standards.

Action Plan:

1. The state should adopt building codes and allow for regional differences and amendments.
2. The state should adopt more stringent contractor licensing requirements. By June 30, 1990, the Alaska State Legislature should pass Senate Bill 72, or other appropriate legislation, to strengthen residential contractor licensing requirements. Those requirements should include continuing education.
3. In accordance with federal guidelines, the state should establish a state licensing or certification program for real estate appraisers by January 1, 1991.
4. The state should actively lobby for and support the financing of affordable housing in rural areas under federal programs such as HUD's Mutual Help program, the BIA's Housing Improvement Program and the Department of Energy's Home Energy Program. However, the structure and management of these programs should be closely reviewed by the federal government and revised, where necessary.
5. State agencies should not fund the financing of existing substandard housing, with the following exception:

If the existing structure currently has a state financed mortgage and meets standards #1-4 of the definition of "substandard"; the size requirement will be waived.
6. The state should continue to support the Home Weatherization program, which is primarily funded by the federal government.
7. The Alaska State Legislature should enact legislation to restore clear legal authority for the implementation of appropriate minimum thermal standards, based on regional differences, for newly constructed state-financed housing.

Housing Task Force Report

**STABILIZATION OF THE
HOUSING MARKET**

**prepared for Governor Cowper and
the Alaska State Legislature
by the Housing Task Force of
the Alaska Housing Market Council**

March 1988

Executive Summary

Recommendations and suggested actions contained within this report have been grouped into the categories listed below. The order of categories does not necessarily reflect their order of importance. Within each category, there are recommendations which may be as equally important to stabilization as those contained within other categories.

A. REDUCE HOUSING SUPPLY.

Action: Direct AHFC to fund projects making use of institutionally owned housing for public purposes. These projects should be funded either from their reserve account or by use of their bonding ability.

Action: Identification of eligible properties statewide, for purposes of demolition, should be accomplished through cooperative efforts of the Alaska Housing Market Council and the largest investor in the market, the Alaska Housing Finance Corporation.

Action: Develop a mechanism to hold property off the market.

B. INCREASE DEMAND FOR HOUSING.

Action: All mortgage loan agencies should provide clear and consistent loan guidelines which are no more restrictive than those of the national, secondary investors and/or insurers.

Action: Where there is more than one institution involved in the approval process for offers and loan commitments, a system of delegation must be developed so that only one institution, such as AHFC, is authorized to make that approval.

Action: Investors should remove the down payment restrictions on assumptions through negotiations with bond holders and insurers, if necessary.

Action: The legislature should amend the statutes so that an Alaskan resident can obtain an additional mortgage loan while maintaining another loan financed through a state agency.

Action: AHFC should be directed to relax the current owner-occupancy ratios for condominiums.

Action: Trades of properties should be utilized, wherever feasible.

Action: The State of Alaska, through a public relations effort, should encourage other participants to enter the Alaska mortgage loan market.

Action: The legislature should amend the delinquency rate ceilings for state investors.

C. DECREASE DELINQUENCIES AND FORECLOSURES.

Action: Investors should provide more flexibility in, and the increased use of, modification, refinance, or forbearance plans.

Action: Legislation should be enacted requiring investors to provide an opportunity for borrowers to apply for assistance prior to the initiation of foreclosure proceedings, taking into

consideration the unique problems inherent in the effects of condominium foreclosures.

Action: Investors should set and enforce guidelines requiring seller/servicers to provide in-state personal contact for borrowers in distress.

Action: Funding should be provided to the Alaska Housing Market Council's Mortgage Information and Referral Hotline to provide a toll free number for residents outside of the Anchorage area.

Action: Investors and mortgage insurers should help fund for, and provide early referrals to, mortgage and credit counseling programs.

Action: Local and state government should encourage investors to maintain and repair abandoned and REO housing. They should also mitigate the impact of housing abandonments through community education and "neighborhood watch" type programs.

D. EDUCATE MARKET PLAYERS.

Action: The legislature should continue funding for the provision of information and education on housing and mortgage loan issues.

Action: The State of Alaska should provide complete and accurate information on the status of the state housing market through regular compilation and publication of relevant data.

Action: The public and private sector should prepare a public relations campaign to educate the public on housing issues.

The housing market in Alaska first showed signs of excess supply as early as the 1983 construction season when housing starts set an all time high. Construction in the low end of the market, for condominiums and zero lot lines (\$60,000 - \$90,000), led the market saturation.

There was little control exercised by lenders and investors on the type, number, or quality of units built. The inability or unwillingness to measure market demand disguised potential saturation, while a generally buoyant economy concealed the depth of the pending problem.

Home buyers, encouraged by annual appreciation on residential real estate in the 12-18% range, began to view homeownership as a high yield investment instead of a method for providing shelter. Alaska's traditionally high

wages and salaries gave comfort to both buyers and lenders that homeowners would always be able to make their monthly mortgage payments.

These attitudes and practices collided with the dramatic drop in the per barrel price of oil in early 1986. The immediate loss of one billion dollars by the State resulted in a dramatic decline in publicly funded construction, local government revenue sharing, mortgage loans, and a host of other mechanisms which had driven the Alaska economy for five years of record growth. Alaska entered an economic recession.

The housing market showed immediate signs of the recession. Delinquency rates mounted as homeowners struggled to keep up mortgage payments based on previous earnings. Lenders and investors tightened up the

	Number of Loans Outstanding	Unpaid Principal Balance [\$ in millions]	Number of Loans Delinquent or in Default	Unpaid Principal Balance [\$ in millions]	Delinquency Rate (a)	Number of REOs	Value of REOs [\$ in millions] (b)
AHFC (Active Loans)	45,859	\$3,905.5	6,981	\$597.1	15.2%	3,687	\$215.9
AHFC (Total Loans Owned)(c)	50,646	4,140.2	6,981	597.1	13.8%		
DCRA-HAD	1,376	140.1	82	12.4	6.0%	44	3.9
AK Permanent Fund	225	37.2	20	3.3	8.9%	24	2.8
AIDEA/Division of Invest.	1,518	64.9	116	5.9	7.6%	6	0.4
State Res. Energy Loans (d)	1,082	2.5	97	1.2	9.0%	n/a	n/a
AIDEA multi-family residential loans (e)	13	11.5	7	8.6	53.8%	0	0.0
Alaska Pension Funds (f)	NA	NA	NA	NA	NA	NA	NA
FNMA (g)	5,605	421.4	886	66.6	15.8%	498	43.4 (h)
FHLNC (i)	5,648	519.1	421	40.2 (j)	7.5%	79	25.1
FHA-Insured (k)	11,864	1,128.1	1,453	138.0 (l)	12.2%	948	90.0 (l)
VA-Guaranteed (m)	4,674	376.3	449 *	36.1 (n)	9.6%	391	23.4 (o)
Farmer's Home Admin.	1,270	75.1	104	7.8 (p)	8.2%	146	10.4 (q)
MGIC (r)	n/a	n/a	n/a	n/a	n/a	137	6.5 (s)
TOTALS	83,921	\$6,916.4	10,616	917.2	12.6%	5,960	\$421.8

* Alaska Housing Market Council estimate n/a - Not applicable NA - Not available

(a) - Determined by dividing "number of loans delinquent or in default" by "number of loans outstanding".

(b) - Most entities determine this value to be the unpaid principal balance of the loans on the properties foreclosed.

(c) - This figure reflects the total number of loans "owned". It includes active loans, REO loans, and loan insurance receivables.

(d) - State Residential Energy Loans are not mortgage loans but reflect second or third mortgages.

(e) - These loans are commercial loans, but affect residential markets. The delinquency rate is a better reflection of the commercial market than the residential market.

(f) - No reliable estimates available.

(g) - AHMC estimate of FNMA loans not held by AHFC on December 31, 1987 based on available information.

(h) - FNMA estimate of market value. Based on 61% of original property appraisal.

(i) - AHMC estimate of FHLNC loans not held by AHFC on December 31, 1987 based on available information.

(j) - Figures based on average loan balance of \$95,500.

(k) - AHMC estimate of FHA-insured loans not held by AHFC on December 31, 1987 based on available information.

(l) - Based on average loan balance of \$95,000.

(m) - AHFC estimate of VA-guaranteed loans not held by AHFC on December 31, 1987 based on available information. UPB is based on average outstanding loan balance.

(n) - Based on average loan balance of \$80,500.

(o) - VA estimate of market value. Based on average asking price of listed properties.

(p) - Based on Farmers' Home Administration estimated average balance of \$75,000.

(q) - Farmers' Home Administration estimate of market value.

(r) - MGIC is a mortgage insurance company, they do not purchase loans. However, they do acquire property in settling insurance claims.

(s) - MGIC estimate of market value. Based on 66% of acquisition value.

money supply and began to apply the most conservative interpretation to lending requirements.

The subsequent decline in population, combined with tighter lending policies, contributed to the reduction in housing demand. The level of prices fell as the surplus developed. Some homeowners saw the value of their homes drop by as much as 40% in just two years.

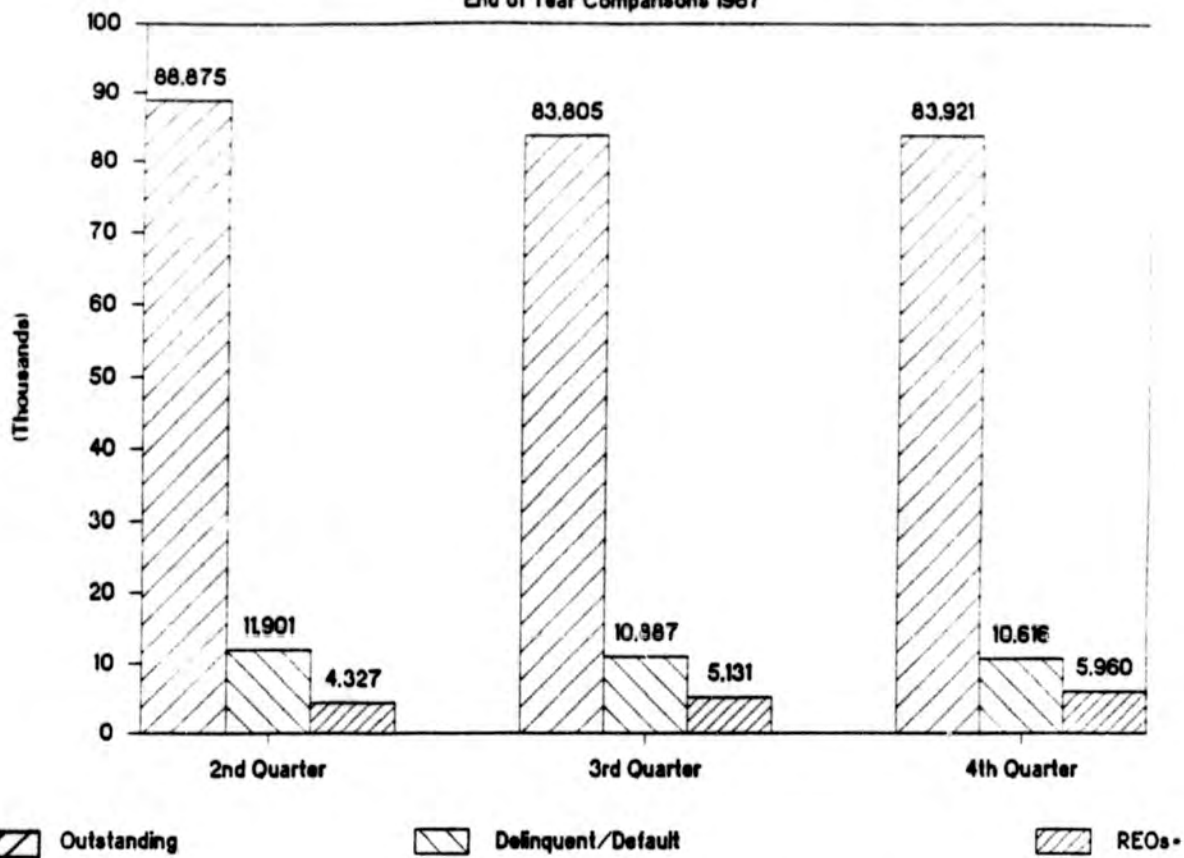
It is this series of events which led to the formation of the Alaska Housing Market Council by Governor Steve Cowper. In an effort to provide the public sector, private sector, and policy makers with direction in bringing positive change to the housing market, three regional task force groups were formed. These groups, representing Interior, Southeast, and Southcentral Alaska, consisted of knowledgeable individuals familiar with the housing market.

Recommendations contained within this report are oriented towards urban areas. The task forces recognized the differences between urban and rural areas; they felt that recommendations for rural areas would best be dealt with through the rural housing report funded by the 86-87 legislature. That report will be released by the Department of Community and Regional Affairs by the end of March, 1988.

The State of Alaska may need to approach these problems and solutions differently according to regions. There has been some discussion that a mistake of the past may have been the manner in which we treated all urban areas of the state the same. It makes no sense to establish a program for demolishing condominiums in areas of the state where there is no excess supply of condos. The criteria for consideration in diverse areas should center around the status of the market components in that region.

Residential Mortgage Loans in Alaska

End of Year Comparisons 1987



Source: Alaska Housing Market Council, Year End Residential Mortgage Loan Report, March 1988.

*Does not include private lending institutions.

It is essential to understand the interdependency of public and private interests in the housing market to be able to assimilate the recommendations contained in this report.

While some of the suggested actions may stand alone, these recommendations are presented as a package designed to achieve market stability.

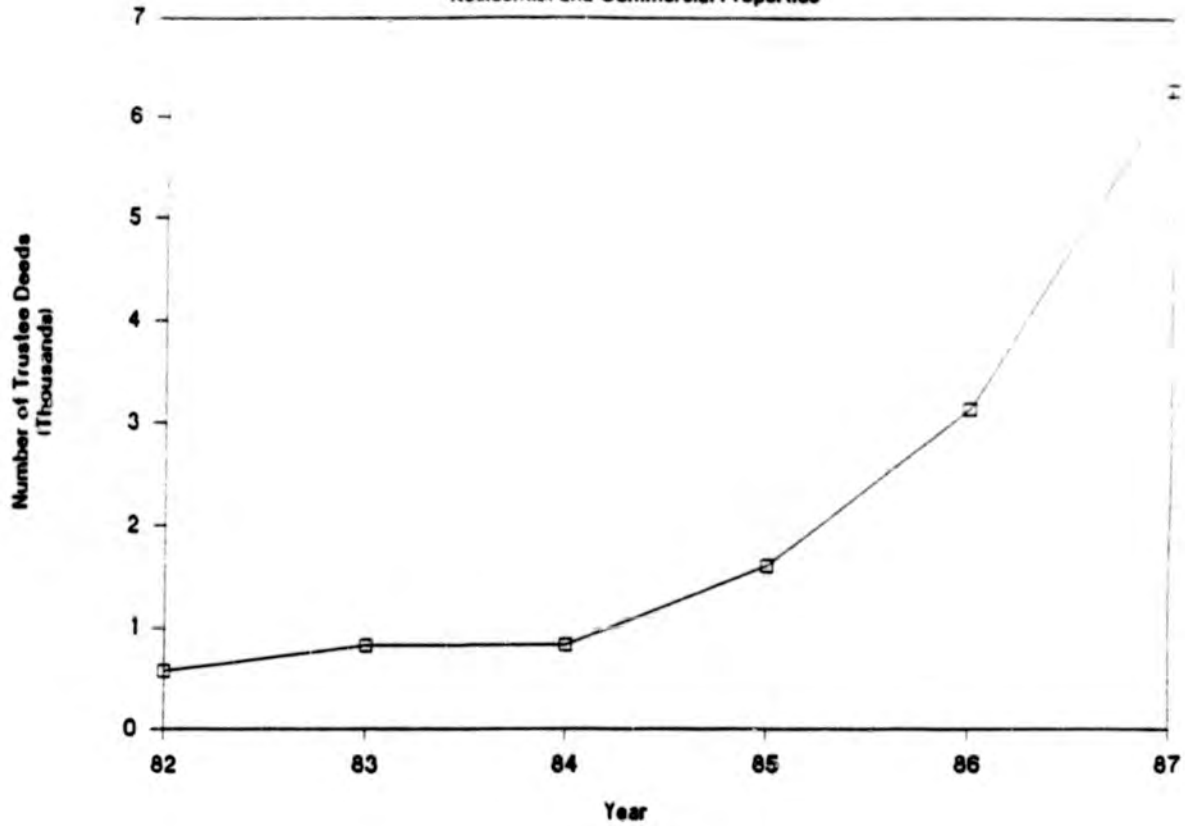
Many people who call for change may not be aware of the control outside interests may have upon the state's housing interests. Mortgage insurers from outside the state are an integral part of the mortgage industry in Alaska. It is these groups who are, at this time, taking the financial losses on residential real estate in Alaska. Oftentimes, bond holders and mortgage insurers must agree to changes in existing loans.

It's important, however, that a positive attitude prevail when considering recommendations and possible action plans. Oftentimes, when there are roadblocks such as contractual provisions which would make it difficult to achieve a solution, we find that negotiations and cooperation may be the keys to attaining that goal. The HOAP program, recently introduced by the Alaska Housing Finance Corporation (AHFC), is a good example of that. Many parties had to agree to changes: AHFC; the Federal National Mortgage Association (FNMA); the Mortgage Guaranty Insurance Corporation (MGIC); private mortgage insurers; and bond holders.

As there is no one cause for the current market condition, there is no one solution. All sectors of the Alaskan economy must share the responsibility for returning the housing market to a stable condition.

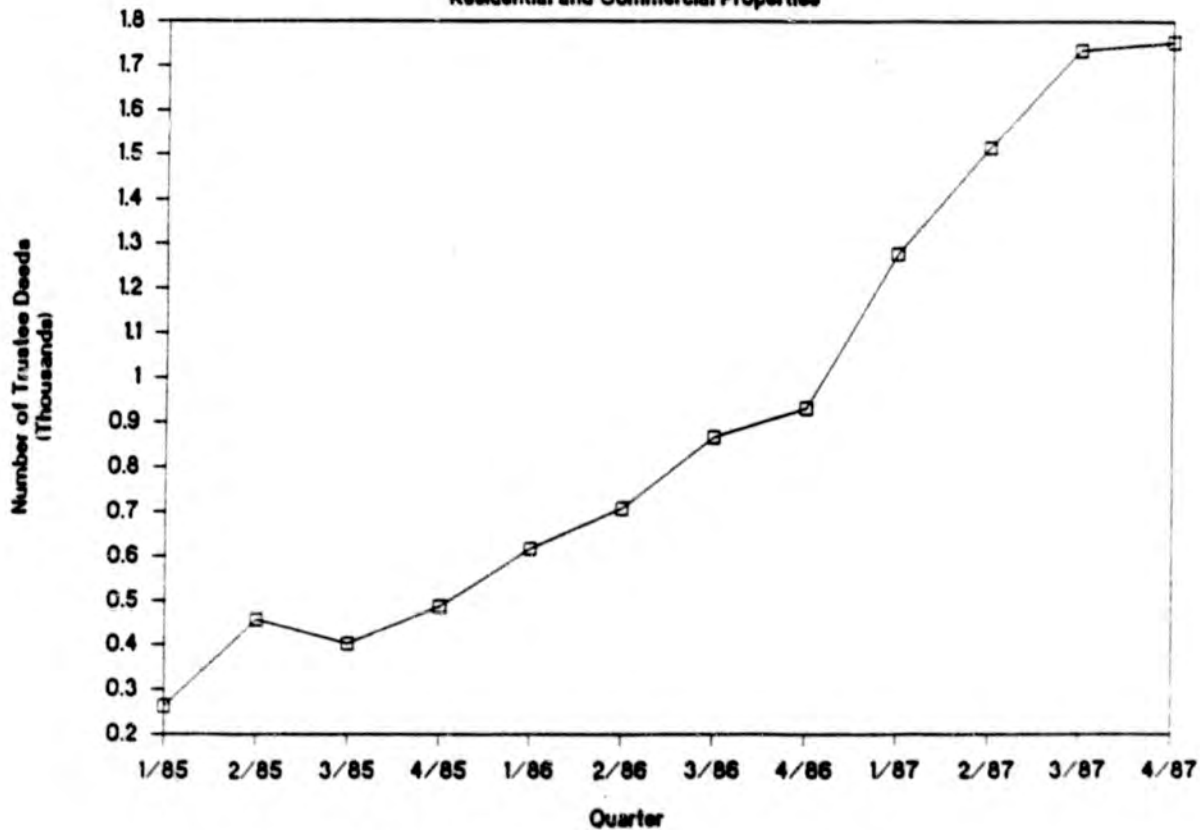
Foreclosures Statewide: 1982 - 1987

Residential and Commercial Properties



Foreclosures Statewide: 1985 - 1987

Residential and Commercial Properties



Source: Motznik Computer Services, Anchorage, Alaska.

Recommendations

A. REDUCE HOUSING SUPPLY

1. **Make institutionally owned housing available for public interest use, such as student, elderly, low-income, developmentally disabled, mental health and transitional housing.**

The housing most conducive to this use would be multi-family housing. Smaller projects could make use of tri-plexes and fourplexes, while condominiums might be converted for larger projects. Conversion, however, becomes a complex issue with the use of condominiums, as there are numerous private and institutional owners involved.

It should be stressed that the purpose behind this recommendation is to decrease supply on the private market for use in regards to the public good, while minimizing competition with private owners.

ACTION: Direct AHFC to fund these projects either from their reserve account or by use of their bonding ability.

2. Develop and initiate plans for the demolition of institutionally owned properties (REOs or OREOs) which are unsafe and/or substandard in quality.

Demolition of these REOs should be limited to types of housing in which an excess supply is predicted in the market for at least five years. The most likely buildings are particular condominium projects which are not presently in demand, where individual owners are anxious to vacate, and where the quality of construction does not meet present codes.

To accomplish this goal, it's incumbent upon the public and private sector to work with mortgage insurers in determining that financial losses taken today will be mitigated by future stabilization of the market.

.....
ACTION: Identification of eligible properties statewide should be accomplished through cooperative efforts of the Alaska Housing Market Council and the largest investor in the market, the Alaska Housing Finance Corporation.
.....

3. Develop a mechanism, where appropriate, to hold property off the market and reduce holding costs through the consolidation of properties into a consortium such as a "bridge bank" or Real Estate Investment Trust (REIT).

some of those solutions may benefit one sector of the market while adversely affecting other sectors.

ACTION: Prior to creating or modifying housing policies or mortgage loan programs, the State of Alaska should perform a cost/benefit analysis in regards to both the rental and the sales market.

B. INCREASE DEMAND FOR HOUSING

1. All mortgage loan agencies, particularly Alaska Housing Finance Corporation (AHFC), should provide clear and consistent loan guidelines which are no more restrictive than those of the national, secondary investors and/or insurers.

Task force members recognize the need for agencies to conform to national guidelines, yet there is concern that this is not the opportune time to create more restrictive regulations than those which have been used in the past. With tighter restrictions, the market may stagnate from lack of activity.

Consistency is crucial in this market so that lenders, real estate professionals, purchasers and sellers may be reasonably certain that they will know whether or not a loan will be approved by

investors, such as AHFC. If there is no way to predict eligibility, then many months have been wasted by all parties involved. The purchaser may become disillusioned by the system and the sale is cancelled. This is a scenario which is not uncommon.

ACTION: AHFC, where practical, should seek affiliations with secondary investors with guidelines which are no more restrictive than those in the past. The staff of state agencies involved with mortgage loans should be directed to be consistent and clear with their loan guidelines. Management should be held accountable for inconsistencies in their programs.

2. All mortgage loan agencies, particularly AHFC, should take whatever action is necessary to provide for a more timely response to all routine business matters.

The process whereby offers to purchase REOs are approved is often delayed for an extensive time while all parties involved must "sign off" on the approvals. This is also the case, sometimes, in the approval for the loans to purchase the REOs. Improvements in this cumbersome system are being initiated, but sometimes at a slow pace.

One may find that the investor, the private mortgage insurer, and the pool insurer must all agree on just one offer. The ball is sometimes thrown back and forth between each one's court

until all parties involved have hammered out a mutually agreeable settlement.

ACTION: Where there is more than one institution involved in the approval process for offers and loan commitments, a system of delegation must be developed so that only one institution, such as AHFC, is authorized to make that approval.

3. Lenders and investors should remove restrictions to the straight assumption regulations which require down payments from otherwise qualified borrowers, when possible under existing contractual provisions.

There are many people whose homes are for sale and who, due to their inability to pay, will most likely lose that home through foreclosure should the home not sell. Meanwhile, there are potential borrowers who are well qualified to assume the monthly mortgage payments, but who do not have the necessary 5% or 10% down payment required by regulation. The public might be better served by approving the "no money down" loan of this potential borrower. The seller then is not a victim of foreclosure, the investor will receive reliable payments, the mortgage insurer has incurred little or no loss, and there is one less house in the burdensome REO portfolio of the investor.

ACTION: Investors should remove the down payment restrictions on assumptions. If existing contractual agreements prevent this, then the investor should attempt negotiations with either bond holders and/or insurers to affect change.

4. The number of loans an individual can receive from AHFC should be increased for a three year trial period.

Recognizing that this recommendation may be relevant and advisable in today's market but not necessarily in the future, the task force has placed a definite time period on this solution. It is not the intent of the task force that AHFC should subsidize interest rates of people seeking investment properties.

This should be used in situations, for example, where a family has outgrown their home or where they find themselves moving to another Alaskan community in order to find work. Those people should be allowed to rent their homes, until they sell, and still be permitted to purchase a home either in a different community or upgrade within the same community. This would stimulate the market and not be punitive, particularly to those who are forced to leave their community to support themselves or their families.

ACTION: The legislature should amend the statutes so that an Alaskan resident can obtain an additional mortgage loan while maintaining another loan financed through a state agency.

5. Investors should relax current owner-occupancy ratios for condominium mortgage loans.

Condominium owners find themselves caught in the vicious cycle of condo foreclosures. With each foreclosure, the owner occupancy ratio decreases. There are few condominium groups which then qualify for FHA or AHFC approval because they can no longer meet the owner occupancy minimums. The cycle begins when this makes it impossible for a condo owner to sell; subsequently, they lose their unit to foreclosure - bringing the ratios down further.

ACTION: AHFC should be directed to relax the current owner-occupancy ratios for condominiums. If contractual agreements prevent this, then AHFC should initiate negotiations to accomplish this goal.

6. Trades of property should be utilized wherever feasible.

This is a difficult and complex issue which, if effective, will require that AHFC take some direct

losses. To merely allow someone to trade up and add the negative equity from the first home onto the mortgage balance on the second home is a noble approach, but it's not likely that anyone will pursue this option nor can they afford to do so.

A proposal has been presented to the legislature whereby all parties involved would agree to absorb a portion of the financial loss which would result from a trade.

ACTION: The legislature should approve enabling legislation and direct AHFC to provide for a trade program where the owner, AHFC, and the mortgage insurer all absorb a portion of the financial loss created by a trade.

7. The entry of new lenders, investors and mortgage insurers into Alaska should be encouraged to increase financing options.

Without alternatives, it will become more and more difficult for the public to obtain mortgage loan financing which is not heavily restrictive.

ACTION: The State of Alaska, through a public relations effort, should encourage other

participants to enter the Alaska mortgage loan market.

8. Delinquency rate ceilings should be increased for loans through the Alaska Industrial Development Authority (AIDEA), the Public Employees Retirement System (PERS), and the Teacher Employees Retirement Systems (TERS).

AIDEA's 2% ceiling mandates that lending institutions with a delinquency rate exceeding 2% may not participate in AIDEA's loan program. There are very few lenders in the state who now qualify to work with AIDEA; even the more conservative lenders have exceeded the low rate of 2%.

ACTION: The legislature should amend the delinquency rate ceilings for state investors.

C. DECREASE DELINQUENCIES AND FORECLOSURES

1. Investors should provide more flexibility in, and the increased use of, modification, refinance, or forbearance plans.

This recommendation addresses not only the need for improvements in these plans, but also the need for changes in attitudes. This is not

restricted only to investors; seller/servicers and mortgage insurers also need to make a concerted effort to encourage use of these plans so that the rising tide of foreclosures can be slowed.

ACTION: The state agencies providing mortgage loans should provide an example to the private sector through their attempts to keep people in their homes, if at all financially feasible.

2. Investors should be required to allow delinquent borrowers an opportunity to apply for a modification, refinance, or forbearance plan prior to any initiation of foreclosure proceeding, provided that the borrower has not abandoned his/her property.

It is crucial, at this time, that unnecessary foreclosures be halted. Some foreclosures need not occur if the homeowners involved have an opportunity to seek help before they are beyond any chance of being helped.

In the case of condominium owners, the investor should include delinquent association fees in any modification, refinance, or forbearance plan. Additionally, special timelines may need to be enforced on applications for condo owners, since other owners in the condo group are effected by prolonged foreclosure proceedings.

ACTION: Legislation should be enacted requiring investors to provide an opportunity for borrowers to apply for assistance prior to the initiation of foreclosure proceedings, taking into consideration the unique problems inherent in condominium foreclosures.

3. Seller/servicers should provide trained, consistent, and centralized staffing to assist borrowers in danger of default or delinquency. Said staff must be located within the state of Alaska.

All investors, including those out of state, should be encouraged to set clear guidelines regarding availability of personal contact for servicing agreements; they should enforce those guidelines.

Lack of consistency by seller/servicers creates a nightmare for borrowers. It's important that their staff be trained and constantly updated concerning changes in loan programs or modification/refinance/forbearance plans.

ACTION: Investors should set and enforce guidelines requiring seller/servicers to provide in-state personal contact for borrowers in distress.

4. The State of Alaska should expand the existing Mortgage and Information Referral Hotline, operated by the Alaska Housing Market Council (AHMC), outside of the Anchorage area-particularly to Juneau and Fairbanks.

Communities outside of Anchorage do not have equal access for help, considering the costs of an in-state long distance phone call. This recommendation would entail one of two approaches: either open small offices in these communities or provide funding for a Zenith line for the Hotline.

ACTION: Funding should be provided to AHMC to finance the costs of a Zenith number which can be accessed statewide.

5. Investors and mortgage insurers should encourage the development of statewide mortgage counseling programs and promote early referrals for borrower counseling.

Early counseling of borrowers can sometimes make the difference between foreclosure and someone staying in their home. Combining mortgage and credit counseling provides a holistic approach to a person's financial situation. It's important that counselors be permitted and encouraged to negotiate directly with investors on behalf of the borrowers.

ACTION: Investors and mortgage insurers should help fund, as well as provide early referrals to, mortgage and credit counseling programs.

6. The maintenance of abandoned and institutionally owned homes should be encouraged.

ACTION: Local and state government should encourage investors to maintain and repair abandoned and REO housing.

7. Local and state government should mitigate the impact of housing abandonments through community education and "neighborhood watch" type programs.

There are residual effects for neighborhoods when people abandon their homes. Deterioration of these abandoned homes can reduce the value of other homes in the area. The costs to the investor or mortgage insurer can be extensive for homes abandoned, particularly in the winter.

ACTION: See recommendation.

D. EDUCATE MARKET PLAYERS

1. The Alaska Housing Market Council (AHMC) should continue to provide information and education on housing and mortgage loan issues to the public and to state decision makers.

ACTION: The legislature should continue to fund Alaska Housing Market Council activities.

2. The State of Alaska should provide complete and accurate information on the status of the state housing market through regular compilation and publication of relevant data.

ACTION: See recommendation.

3. Lenders, investors and the State of Alaska should educate the public on the short and long-term effects of homeownership, particularly in regard to housing being viewed as a necessity rather than a "high yield" investment.

ACTION: The public and private sector should prepare a public relations campaign to educate the public on housing issues.

Task Force Meetings Summary

1987 Hearings

Dates	Location	Attendance	People Testifying
Nov. 17	Fairbanks	55	16
Dec. 10	Juneau	46	18

1987 Workshops

Alaskaland Civic Center
Fairbanks
November 21, 1987
(70 people attending)

Panelists:

William Beistline
President
Beistline Contruction

Audrey Foldoe
Associate Broker
ERA Meyeres Real Estate

Carrie Garner
Assistant Vice-President
Alaska State Bank

Myra Hollibough
Director
Consumer Credit Counseling

Taija Hoopes, Vice-President
Mortgage Loans
National Bank of Alaska

Barbara Johnson
Mortgage Loan Officer
Key Bank of Alaska

Centennial Hall
Juneau
December 12, 1987
(45 people attending)

Panelists:

Randy Crewse
Sales Associate
Century 21 Real Estate

Myra Hollibough
Director
Consumer Credit Counseling

Debra Ingman
President
Appraisal Assoc. of Juneau

Karen King, Vice President
Mortgage Loans
Alliance Bank

Amanda Richardson
Sales Associate
The Home Team

Frank Seiersen, Manager
Alaska USA Federal
Credit Union

Fairbanks (cont'd)

James Lentine
Vice President
Coldwell Banker Real Estate

Barbara Van Ness
Associate Broker
Remax Inc. of Fairbanks

Gary Roderick
Vice President
National Bank of Alaska

Peter Wielgos
Claims Specialist
Mortgage Guaranty Insurance
Corporation

Juneau (cont'd)

Joyce Tisch, Assist. Vice
President, Mortgage Loans
Alaska Federal Savings & Loan

Peter Wielgos
Claims Specialist
Mortgage Guaranty Insurance
Corporation

Task Force Meetings

Interior:	Southcentral:	Southeast:
1987		
October 22	November 12	October 26
November 5	November 24	November 5
November 19	December 7	November 19
December 3	December 22	December 8
December 17		
1988		
January 7	January 12	January 14
January 21		

Statewide Combined Task Force Meeting

On February 11, 1988, two members from each of the regional task forces met in Juneau, with the Executive Director of the Alaska Housing Market Council, to finalize recommendations.

Profiles of Task Force Members

Interior Housing Task Force

Joseph M. Beedle

Currently employed as Senior Vice President with Key Bank of Alaska with 14 years of banking experience; earned Bachelor's in Business Administration with honors from the University of Alaska-Fairbanks and post graduate work at University of Washington-School of Business; member of State Chamber of Commerce Board, Fairbanks Memorial Hospital Finance Committee, Fairbanks City Revenue Task Force, and the Alaska and American Bankers Assoc., and the American Institute of Banking; serves as advisory chair of Fairbanks Community Research Center, vice pres. of UA Alumni Board, and vice pres. of Tanana Valley United Way Board.

Erma Belz

Currently Fairbanks Project Coordinator for Foster Grandparent Program, Senior Companion Program, and retired Senior Volunteer Program; continues to serve as a senior advocate; resident since 1971; member of National Association of Foster Grandparents Program Directors, Borough Mayor's Council on Economic Policy, Arctic Alliance for People, Tanana Valley United Way Agency

Director Association, and Interior Alaska Elder Abuse Task Force; selected 1987 Member of the Year for the American Association of Retired Persons.

Lucy Carlo

Information unavailable.

Audrey Foldoe

Currently employed as Associate Broker and Sales Manager with ERA Meyeres Real Estate; 12 years experience in the real estate field; Alaskan resident for 32 years; previously partner in residential construction company; first female licensed carpenter in Alaska; president-elect of the Greater Fairbanks Board of Realtors, past chair and present board member of the Alaska Mechanical Contractors Ladies Auxiliary of Fairbanks; former chair and present member of the Fairbanks North Star Borough Planning Commission.

Nanci Jones

Employed with the Fairbanks North Star Borough as an Internal Auditor; previously with KMG Main Hurdman, a public accounting firm; graduate of the University of Alaska in Fairbanks with a Bachelor's Degree in Business

Administration; 15 year resident and homeowner for over 13 years; member of Internal Auditor Association, Alaska Society of Independent Accountants, Board of Foundation for Preschool Education; president-elect for Fairbanks Quota Club.

Dan Leland

Currently Vice-President at Alaska Title Guaranty Agency where he has been employed since 1979; seventeen years of title industry experience; holds an AA degree in Liberal Arts; charter member, current board member and past president of Interior Building Assoc.; past treasurer and vice president of Interior Mortgage Assoc.; member of Alaska Land Title Assoc., Education Committee of the Chamber of Commerce, Budget Committee of the United Way; currently Executive Board member with Council of Boy Scouts of America - Midnight Sun.

Brian Rogers

Currently employed as Vice President of Finance with the University of Alaska statewide system; 18 year resident and 15 years as a homeowner; Master's Degree in Public Administration from the Kennedy School of Government at Harvard University; former member of the Alaska House of Representatives for two terms; vice chair of Governor Cowper's budget transition team; has been active in numerous community organizations.

Josephine Violet

Presently the Project Office Manager for the Section 8 program with the Alaska State Building Authority (ASBA); helped facilitate the Birch Park renovation move; employed with ASBA for 5 years; experience with low-income housing and landlord-tenant issues; previously employed with the Fairbanks Daily News Miner in Classified Advertising where she dealt with real estate; 12 year resident.

Southcentral Housing Task Force

Bob Arwezon

Licensed Real Estate Salesperson and Associate Broker for 22 years; graduate of Bowdoin College, in Maine, with a Bachelor of Arts degree - major in Economics and minor in Education; resident of Alaska for 26 years; currently serves as the treasurer of the Alaska Association of Realtors; past president, director, and secretary of the Anchorage Board of Realtors; served many years on realtor legislative and political affair committees.

Rick Barrier

Currently the general partner in Malaspina Properties and a partner with them for seven years; President of Alaska Technology - business consultants and builders; active in real estate investments; holds a

Bachelor of Science Degree from Yale University and a Master's in Business Administration from Stanford University; 17 year resident of Alaska; president of the Alaska Trailer Court Association.

Fred Ferrara

Presently a Real Estate Appraiser and Consultant; has the largest firm statewide in appraisal and business consulting; independent appraiser for twenty-two years; active in Society of Real Estate Appraisers National Board of Governors; member of the Board of Directors Home Builders Association of Alaska; instructor with the University of Alaska for 13 years; lectures and instructs various seminars locally and nationally; holds a Bachelor of Arts Degree in Management from the University of Alaska.

Rob Gamel

Currently the Southport Project Director for Carr/Gottstein Properties; president of Alaska State Homebuilders Association; former president of Building Industry Association of Anchorage; chairman of Governor Sheffield's statewide task force on housing; active in home building industry for twelve years; holds a Bachelor of Science Degree from Alaska Methodist University in Economics; born and raised in Alaska.

Mike Hanley

Presently the Vice President of Corporate Banking with Rainier Bank Alaska; sixteen years of experience in banking; holds a Bachelor of Arts Degree from State University (New York) in Business Administration; member of Alaska Mortgage Bankers; member of Anchorage Neighborhood Housing Service and serves on their Lending Committee for Residential Housing and Commercial Loans.

Carol Jackson

Currently employed as President of First Alaska Management Services, Inc.- the first housing consumer counseling agency funded by HUD in the State of Alaska; a licensed real estate agent; previously a property manager for four years specializing in condo units; prior work as an Underwriter Project Review Specialist with Alaska Housing Finance Corporation; 27 year resident of Alaska Business Management Courses from Alaska Pacific University.

Ann Marie Lindboe

Presently a Loan Examiner for the Housing Assistance Division of the Department of Community and Regional Affairs; prior work in the mortgage area with a local lender for two years; holds a Bachelor of Science Degree in Business Administration, with a major in Business Management; member of Mortgage Bankers Association and Rotary Club serves on Education Committee.

Gil Lulay

Member and past president of Community Associations Institute, Alaska Chapter; first Alaskan candidate for the Professional Community Association Manager; licensed real estate agent; involved with managing 35 condo associations and advised on 65 condo associations; prior owner of a contracting business; prior work as a Federal Grants Manager, City of Portland; served on Advisory Committee for Downtown Plan; holds a Masters Degree and has a year of law school from Lewis and Clark Law School.

Ron Moore

Broker and Co-Owner of Freedom Realty with 10 years of real estate experience; past positions include president of Alaska Association of Realtors, member of National Association of Realtors, member of Kenai Builders Association and Real Estate Instructor for Alaska Association of Realtors; graduate of Kenai High School; cum laude graduate with a Bachelor of Arts Degree in Accounting from the University of Alaska; a Certified Commercial Investment Member; Alaska resident since 1952.

Kay Murphy

Presently Vice President of Real Estate Loan Administration in charge of Alaska Mortgage Production with Alliance Bank; 1987-88 President of Alaska Mortgage Bankers Association; member of Board of Directors

for AMBS since 1985; previously worked for 6 years as a Mortgage Department Supervisor with Alaska Housing Finance Corporation; 4 years as an Assistant Cashier in charge of Mortgage Loan Production with First National Bank of Anchorage; one year of college at Oregon College of Education; 1984 graduate of the School of Mortgage Banking through the Mortgage Bankers Association of America; numerous mortgage banking seminars and correspondence courses; Alaska resident for 18 years.

Cynthia Parker

Currently Executive Director for Anchorage Neighborhood Housing Services managing residential and commercial loans; an extensive background in housing and property management; previously manager for Housing Authority in Portland, Oregon; holds a Bachelor of Science Degree in Political Science & Planning post graduate studies in Business Administration; member of Anchorage Planning & Zoning Commission; past chairperson of Anchorage Platting Authority; resident of Alaska for 8 years.

Leslie Bogda

Fourteen year resident and homeowner for over eight years; past Director of Valley Women's Resource Center for 3 years; holds a Bachelor of Social Work Degree from the University of Alaska.

Southeastern Housing Task Force

Mary A. Cook

Presently Finance Director for the Finance Department, City of Juneau for four years; recruited for the above position from Olympia, Washington with 15 years of finance experience; holds a Bachelor of Science Degree from Washington State University in Business Administration and Accounting; past executive board member of Government Finance Officers Association of the United States and Canada; past president of Washington Finance Office Association; served as liaison between state and national Organization of Government Finance Offices; received appointment from Mayor of Juneau to serve on AD Hoc committee of school funding.

Chris Foster

Broker and owner of The Home Team Realtor for 6 years; holds GRI designation; studied in Political Science at the University of Utah; currently president elect of Alaska Association of Realtor; chairperson of the Task Force for Alaska Real Estate Commission to propose recommendations to statute and regulations for change in 1985.

Deborah Ingman

A licenced realtor and owner of the Appraisal Associates of

Juneau for 5 years; holds the designation Certified Review Appraisers; appraisal education obtained from American Institute of Real Estate Appraisers and Society of Real Estate Appraisers; appraisals done in 17 communities in Southeast Alaska; approved through all lending institutions, relocation companies, FNMA, FDIC, DCRA and AHFC; president of the Association of Professional Mortgage Women.

Karen King

Currently supervisor of Mortgage Loans at Alliance Bank; 12 years of mortgage banking experience; has a direct indorsement as underwriter for HUD loans; member of Juneau Association of Professional Mortgage Women and National Association of Review Mortgage Underwriters; an active member of National Home Builders; Alaska resident for 18 years.

Jerry Reinwand

Information unavailable.

Frank Seiersen

Currently Southeast Area Manager with Alaska USA Federal Credit Union; prior vice president, Juneau Regional Office for Alaska Federal Savings for 4 years; 14 years in Washington Mortgage Lending; 7 years with Savings and Loan in California; studied in the

executive program and completed the Mortgage Banking and Savings and Loan courses at Stanford University; studied Petroleum Technology in Executive Development for two years at University of Washington; active in Juneau Chamber of Commerce; director of Alaska State Chamber; past port commissioner for the Port of Douglas County Washington; member of Rotary Club; resident of Alaska since 1982.

Joyce Tisch

Employed with Alaska Federal Savings and Loan as Assistant Vice President; prior vice president Real Estate Loan Officer for B. M. Behrends bank in Juneau for over a year; chief of loan processing with Veterans Administration for 6 years; 15 years with Idaho First National Bank and was the first female real estate officer in the State of Idaho; previous experience as a Bank Real Estate Auditor; several courses in business school; president for two years Mortgage Women; affiliate member of Mortgage Women in Idaho; past member Bankers Association in Idaho; a resident of Alaska since 1981.

Ron Wendte

An appraiser with Wendte Services; fifteen years of appraisal experience in Southeast Alaska, previously mortgage banker with Alaska Federal Savings and Loan; holds a Bachelor of Arts Degree from the University of Montana; graduate studies at the University of Alaska Juneau; past member of House Special Committee on loans and Alaska Board of Regents; past president of Ketchikan Chamber of Commerce and Rotary Club.

Joe Wilson

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1988

CONFERENCE PAPERS

**GOVERNOR'S
HOUSING
CONFERENCE**

SEPTEMBER 23, 1988

ANCHORAGE, ALASKA



**ALASKA HOUSING
MARKET COUNCIL**

Governor's Housing Conference

September 23, 1988

Anchorage, Alaska

CONFERENCE PAPERS

These papers were prepared in response to a call for papers issued by the Alaska Housing Market Council, an advisory group to the Governor and Legislature. The opinions expressed in these papers are the authors' and do not necessarily reflect the positions of AHMC.

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Governor's Housing Conference
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CONFERENCE PAPERS

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**The Alaska Real Estate
Recession - 1984-1988
Lessons Learned**

**For
Alaska Housing Market Council
Written August 1988**

**by
G. Hayden Green
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THE ALASKA REAL ESTATE RECESSION: - 1984-1988
THE LESSONS LEARNED

by G. Hayden Green

Real estate text books have been around for over 100 years and many of the principles studied by contemporary students of real estate have survived the test of time. Students answer questions correctly about these principles on tests and professional real estate practitioners often respond with a condescending smile when queried about such concepts by amateur investors. Sometimes, however, the utter veracity of these concepts can only be firmly imbedded in the intellects by a swift and lethal blow to the wallet.

As in other fields of endeavor, it is a truism in real estate circles that experience is the best teacher. The higher the cost of the education, the greater the likelihood the student will remember it. This has been the philosophy of the Ivy League colleges for many years. Parents know that if they pay large sums sending their children to expensive schools, these children will have a greater opportunity for success, even if the children are only learning through osmosis. If this a priori assumption is correct, then many Alaskans are ready to sit for their doctoral exams.

The following text describes some of the principles and concepts that we Alaskans have a greater appreciation for in 1988 than we had in 1984. These principles have become so well understood by the present generation that the reader might question the necessity to restate them. Like the Ten Commandments these precepts are being recorded for our posterity. As Moses discovered, his generation and several generations to follow made the same mistakes many times over. Not even manna from heaven could enlighten the Israelites. It is, therefore, unreasonable to believe that oil from the ground will relieve the myopia of Alaskan real estate investors. We are destined to make some of the same mistakes again. Possibly, if we record these lessons enough times, future generations will profit from our painful and expensive experience induced education.

Probably the most classically erroneous statement uttered by an Anchorage real estate practitioner was in 1984 when a developer was quoted in the Anchorage Daily News as saying, " I believe the Alaska economy will continue to grow at this rate for the next 10 years and I am putting my money where my mouth is." One short year later this businessman filed for protection in the federal bankruptcy court. It has

been suggested that this statement should have been modified slightly. A more appropriate comment could have been, "I am putting my banker's money where my mouth is."

One of the most popular seminars offered in the last decade to the general public by real estate experts was titled, "How to Buy Real Estate for Nothing Down." Hundreds of individuals in Alaska took these courses at considerable expense and many of these students had the distinction of being some of the first to go broke when the economy turned down. We Alaskans now have a better understanding of the concept of leverage and have added to our vocabulary the term "reverse leverage." The same forces that can make you wealthy in an inflationary cycle can render you poor with equal acceleration in a deflationary market. If the reader has questions about this concept, direct them to the author of the "buying real estate for nothing down" concept, Dr. Lowary. He too has filed bankruptcy in the Florida Federal Court and is today much wiser than before.

Prior to the real estate crash, bank loan processors, real estate agents and mortgage insurance companies often explained to buyers of real estate that mortgage insurance premiums paid by the buyer was protection for the bank in the event the buyer defaulted on the loan, which somehow ultimately protected the buyer, giving the buyer a false sense of security that he/she was protected in the event of a foreclosure. We now know that the mortgage insurers will demand extensive financial information from the mortgagor to justify the foreclosure action. If the mortgagor fails to succeed to the mortgage insurer's demands for some restitution they are often forced into bankruptcy. Mortgage insurers have also scrutinized the underwriting standards and contractual agreements between themselves and the lenders. Where building quality has been substandard or in cases where mortgagors were approved for loans for which they did not qualify, banks have become the mortgage insurers.

Alaskans have learned a lot about the foreclosure laws in the past four years. Prior to 1987, most real estate professionals understood that lenders had the right to foreclose either judicially or non-judicially. Everyone also knew that banks almost never resorted to judicial foreclosure and the risk of owning real estate was the possible loss of equity invested (if any existed) in the event of a default. We now know that you can be sued on the note and/or foreclosed upon judicially or non-judicially and that banks will go after your property, garnish your income, try to seize your retirement accounts and file judgments against your children's educational funds. It seems that, under the facade of the "friendly banker," the big bad wolf has been lurking all along.

One of the most commonly heard phrases in Alaska in early 1985 was, "just send the keys to the bank." Then we learned that if you send enough keys to the banks soon there are no banks to which to send the keys. Alaskans have learned that, if you are going to default, it is best to default in the early stages of the recession. There are two types of real estate borrowers. (1) those who feel a strong moral obligation for their commitments and (2) those whose signatures mean nothing. The latter group quit making their payments to the banks at the first sign of trouble, milking rents from properties for as long as they could, and then giving the bank a deed-in-lieu of foreclosure while the experience of foreclosures was still a relatively new phenomenon. Individuals with a strong moral commitment for their obligations hung on long enough to see the banks change their policies and start suing mortgagors for every last drop of blood. Fortunately the latter class of mortgagors listed above now know or will soon know that debt relief is taxable income unless provided for through bankruptcy.

When times were good in the early 1980's, real estate agents often opted to take their commissions as partial assignments of deeds of trust to spread out their income and reduce their income tax obligations. When the market crashed, the brokerage community learned that a holder of a partial assignment of a deed of trust can not foreclose on their rights. Without a promissory note specifying to the contrary, the acceptance of the partial assignment in lieu of cash may relinquish the sellers obligation and brokers have learned that commissions can be lost long after they are earned.

"Where was the building inspector", is a question asked with considerable repetitiveness by members of the real estate industry in the past few years. Buyers of property, banks, and real estate agents have become the guarantors of substandard properties while the builders have moved on to apply their ineptness in other growth markets. We also now know that you can not hold the city responsible for incompetent building inspectors.

One of the many lessons learned in Anchorage during the last three years is that past prices do not always reflect future prices. Real estate is not always measured in linear dimensions. "Bvc I had an appraisal" is a frequently heard exclamation offered by real estate owners. To many an embittered investor, one of the most frustrating deficiencies of the appraisal for which he/she paid hundreds or even thousands of dollars in 1984, is why the appraisal did not mention the over built conditions in the market and the possible eventuality of a market crash. Even more perplexing is why the same appraisers that recommended the projects that led to a severely over built market are still

on the lenders' approved appraiser list and are now being paid hundreds or even thousands more dollars to reappraise the same properties to settle deficiency judgment disputes.

There is an old saying that once a government program is put into place it can never be deleted. This aphorism has been solidified by recent experiences. In spite of the disastrous effect that the AHFC's mobile home financing program has had on the mobile home market and the devastation inflicted on the condo market by the HOAF program, both are still offered by the Alaska Housing Finance Corporation. Though these programs are not needed in today's market, they will be left on the books to recycle the same mayhem for our progeny.

We are also now aware that if a secondary lender's programs lead to an over built housing market, the lender can always find some university economist, for a fee, to attest that the lender's programs had no effect on the market. For an additional fee, the lender can even find some economist who will recommend that he convert condo's and sell them as low priced apartments, particularly if the lender does not hold mortgages on apartments, thus destroying someone else's portfolio while improving his own. The declaration, "It's every man for himself" becomes the lender's creed in a real estate recession.

In the early 1980's there was a loud public outcry for the state to spend money and create jobs, which of course is a laudable goal. Except, we created many of the wrong kinds of jobs. Many people that came to Alaska were attracted here to build the homes that they purchased and to work on short-term projects. Professional real estate analysts know that communities anticipating a volatile business cycle have options other than building new homes or building apartments to house transit employees.

One of the major causes of the housing market in Anchorage was the easy availability of money. We now know that if a secondary lender sets an upper-limit of \$80,000 on a subsidized mortgage program, all condos in the area which were previously priced at a lower amount instantly gravitate to the upper-limit. If financing is attractive enough during short-term employment peaks, real estate agents will go door to door convincing apartment renters to become condo owners, builders will make the buyer's down payment, and under-writing standards are forgotten. At the first sign of a decline in employment these condo's become the property of the lenders and then the real estate community will spend hundreds of hours in conferences trying figure out what happened.

On several occasions the author has recommended that the current housing market could be helped by converting

multiple-housing projects to low rent project and to take advantage of the recession by instituting urban renew programs and studying the mistakes of the past to establish policies for the future. One of the lessons learned during the past two years is that once a housing recession starts the term "cooperation" disappears from many peoples vocabulary. It is next to impossible to get mortgage insurers, lenders, and government officials to coordinate to the extent necessary to affect positive change. One of the reasons for this lack of coordination is everyone wants to be the "knight who slayed the housing dragon".

In Alaska we have also learned that real estate markets do not just fall, they ratchet down. Each level of market rents and prices takes from six to eight months to adjust, and each time the market reaches one of these ratchet plateaus, someone declares that we have finally bottomed-out. Each price/rent plateau devastates the previous level, causing more foreclosures. Defaults and foreclosures on property previously purchased at foreclosure sales are not uncommon. Each time the lenders foreclose on property they put it back on the market at a reduced rate which results in another ratcheting of the market and more foreclosures. Each time the market ratchets down the mortgage portfolios of the lending institutions are appropriately discounted.

We also know that lenders will resort to predatory actions when they have their backs to the wall. When the market for commercial real estate has been sufficiently devastated to the point that no market exists, the lenders will ask the court to sell property upon which has been defaulted, and then submit the only bid, after which they ask the court to award a deficiency judgment against the bank's own minimal offer.

The question most frequently asked the faculty in the real estate department at the University of Alaska Anchorage is "Has any city ever experienced a more severe real estate depression than the one being experienced in Anchorage today?" The answer is yes. These cities are known as ghost towns.

Another question that we frequently answer at the university for consumers, real estate agents, bankers, and economists is, "How low can the value of property drop? We now know that real estate can have a negative value. Take the example of rental property. When rents start falling, the first consequence is that cash flow to cover the return on equity is wiped out and the owner loses his/her equity. The second consequence is that cash flow to cover debt service is reduced or wiped out. The third consequence is that cash flow to cover operating costs and taxes is wiped out. The value of improvements to real estate can become

negative and land can have a negative value. The greater the liability of real estate ownership, the greater the negative value.

Real estate markets impacted by over inflating the economy and then followed by the sudden drop in oil prices are good reminders of sound cyclical investment principles: i.e. (1), concentrating on developing or purchasing quality real estate projects for retention, (2) fostering relations with strong tenants, (3) developing enough equity in retained properties to withstand cyclical price and rent declines and/or protect cash flows with long term rental contracts with strong clients, and (4) keeping an adequate amount of operating reserves or sources of cash flow through diversification to weather market downturns. One or more prime properties with a low mortgage-to-value ratio and strong tenants in the investor's portfolio can provide considerable stability for the long-term strategist.

The results of studies conducted at the University of Alaska Anchorage by the author suggest three possible operating strategies for the real estate investor operating in a market subject to economic volatility: (1) a short term strategy in which the investor plays the market swings, getting in and out at just the right time; (2) a long-term strategy where the investor concentrates on quality properties and accumulating cash reserves or a strong cash flow position through diversification to provide for continuity; or (3) a strategy which would include a combination of these two approaches. The investor could take advantage of the market swings, selling off some properties at the peak of the market, and keeping the best properties for long-term stability. This assumes that when the investor sells, he/she doesn't carry back financing or he/she may still be a long-term investor, getting the property back when the market turns down. The best strategy for lenders to protect themselves against sudden market swings is to forget the term, "If I don't make the loan someone else will."

Last, but certainly not least, we have also learned that the most frequently used real estate term in a severely depressed real estate market is "negative equity."

It is a timeless truth, not only in real estate concerns but in every area of life, that the events of the past are portents of the future. It, therefore, behooves Alaskan real estate practitioners to pay attention to past mistakes in order to divert similar occurrences in the future. This wisdom is no where more evident than in Harry Truman's assertion that "The only thing we don't know about the future is the history we haven't read."

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The Anchorage Housing Market

Problems and Solutions

Prepared for

The Governor's Conference on Housing

September 23, 1988

By

**Connie Yoshimura
President**

FORTUNE PROPERTIES

The Road To Recovery

With the average AHFC loss on a repossessed property now pegged at close to \$50,000 and with suspected continued loss of population in the Anchorage bowl, the Anchorage real estate market remains in the eye of the hurricane. Those who have endured the precipitous decline of the real estate market have simply gotten used to the problem and so many think we have passed the brink of disaster. Nothing could be further from the truth. With AHFC delinquencies of 120 days at 7%, that figure alone would indicate another 2,800 properties must be recycled, or double what the AHFC REO inventory already is. Given that the present economic conditions are not going to change in the immediate future, the work of the real estate profession is not done in forging a recovery plan.

The road to recovery has many detours and one such detour is the glitzy marketing campaigns put on by institutional sellers who believe that if you talk about it enough, advertise it enough and pay enough, you can sell property. Nothing could be further from the truth in the Anchorage real estate market and the quicker outside institutional sellers learn their lessons the faster our market can begin its real recovery. Financing, added value and limiting supply are the real roads to recovery.

Refinancing a Necessary Ingredient

The AHFC HOAP program is not the great white hope of Alaska's residential recovery, although it may help stem the tide of future foreclosures to a limited extent. Unfortunately, the vast majority of foreclosures are due to job loss as opposed to diminished cash flow. However, refinancing loans so that they are sustainable on the basis of personal cash flow is probably the best way of keeping people in their homes which have a negative equity.

Those homeowners with negative equity are willing to absorb the loss as long as their cash flow is not terribly adversely affected. The HOAP program, with 700 closed deals through the end of June, will keep a certain percentage of homeowners in their homes and in Alaska. However, it is not the final solution.

The continued availability of AHFC mortgage money is a crucial, key element in our recycling efforts. Without AHFC mortgage money, there would be no opportunity to recycle our properties, regardless of the value placed on them. So far, the bond market has responded well to the steps AHFC has taken to control its problems. As a first priority, all efforts should be maintained to sustain Alaska and AHFC's good relationship with the bond market. That element is crucial to any recovery that Anchorage hopes to experience in its near future.

Restoration and Renovation = Recovery

The average institutional seller, except for VA and HUD, is now spending about \$5,000 per property to make it more attractive for purchase. Restoration and renovation is a key ingredient for Anchorage's recovery. Adding value to a property is one major way to stimulate buyer demand and to improve the overall quality of life for Anchorage neighborhoods. Putting the property in market ready condition adds value to a property which results in a faster sale at a better price. Any institutional seller who refuses to participate in a restoration and renovation program is only contributing to a further decline in the value of property for the Anchorage marketplace, which will ultimately result in more foreclosures.

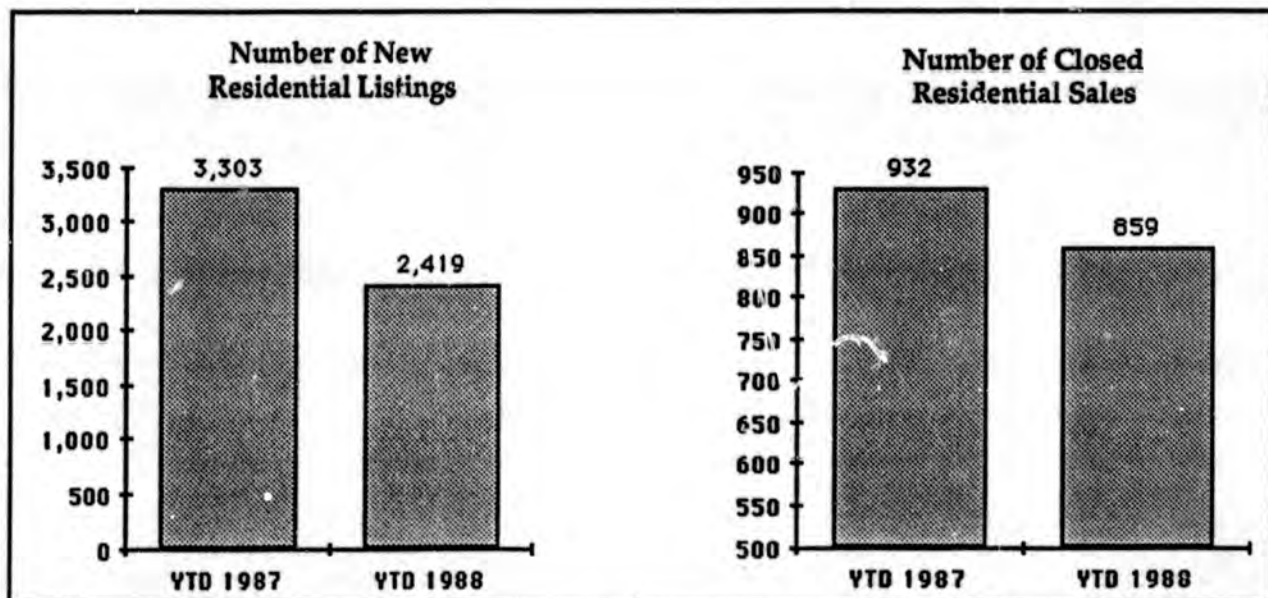
Limiting Supply

There are several ways to limit supply, or at least give the appearance of limiting supply. These ideas are discussed in greater detail in the condominium section of this report. Condos suffer the most from oversupply. Limiting supply includes the demolition of properties, the enactment of an apartment condominium conversion ban for 10 years and the requirement that all future condominiums have adequate car storage, be a minimum of 1,000 square feet and have increased landscaping.

Limiting supply also encompasses the renting of condominiums as apartments and the application of some condos for social service purposes.

A Look at the Market

The decline in residential inventory by almost 30% for single family and zero lot lines indicates that we have just begun to hit the bottom of this market. This 30% decline coupled with only an 8% decline in sales activity for the same time period indicates that the residential marketplace, with the exclusion of condos, is bounding along the bottom of the market.



Most real estate professionals are breathing a deep sigh of relief as the precipitous downward slide of values appears to be abating above \$100,000 as a result of continued sales activity and a growing lack of inventory.

As a result, it appears that the Anchorage residential market is going to experience a significant split based upon the availability of existing inventory. As is demonstrated by the accompanying chart, the vast majority of inventory lies below \$100,000. It is interesting to note in comparing inventory by price range from 1986, 1987 and 1988, that there has been a substantial downward price trend of inventory. In other words, the inventory has shifted from the mid-range to the low-range of under \$80,000.

The decline in inventory can be attributed in part to the lag time of a foreclosure, approximately six to nine months. AHFC reports a delinquency of 7% on their 120 day defaults. With 41,000 loans this is approximately 2,800 more properties which will eventually be placed on the market for recycling at a lower value. If you take that inventory which is in the pipeline and add it to the existing number of properties, you equal the inventory that we had of approximately 4,000 units going into this downward spiral. Coupled with a 10% loss of population, what the Anchorage marketplace is doing is recycling its better properties at a lower value, somewhere in the range of 20 to 40% less than what values were when this recycling began.

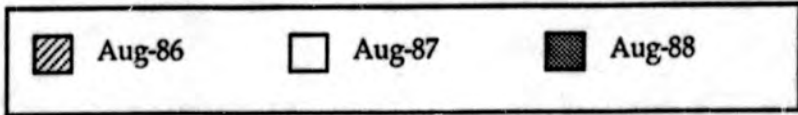
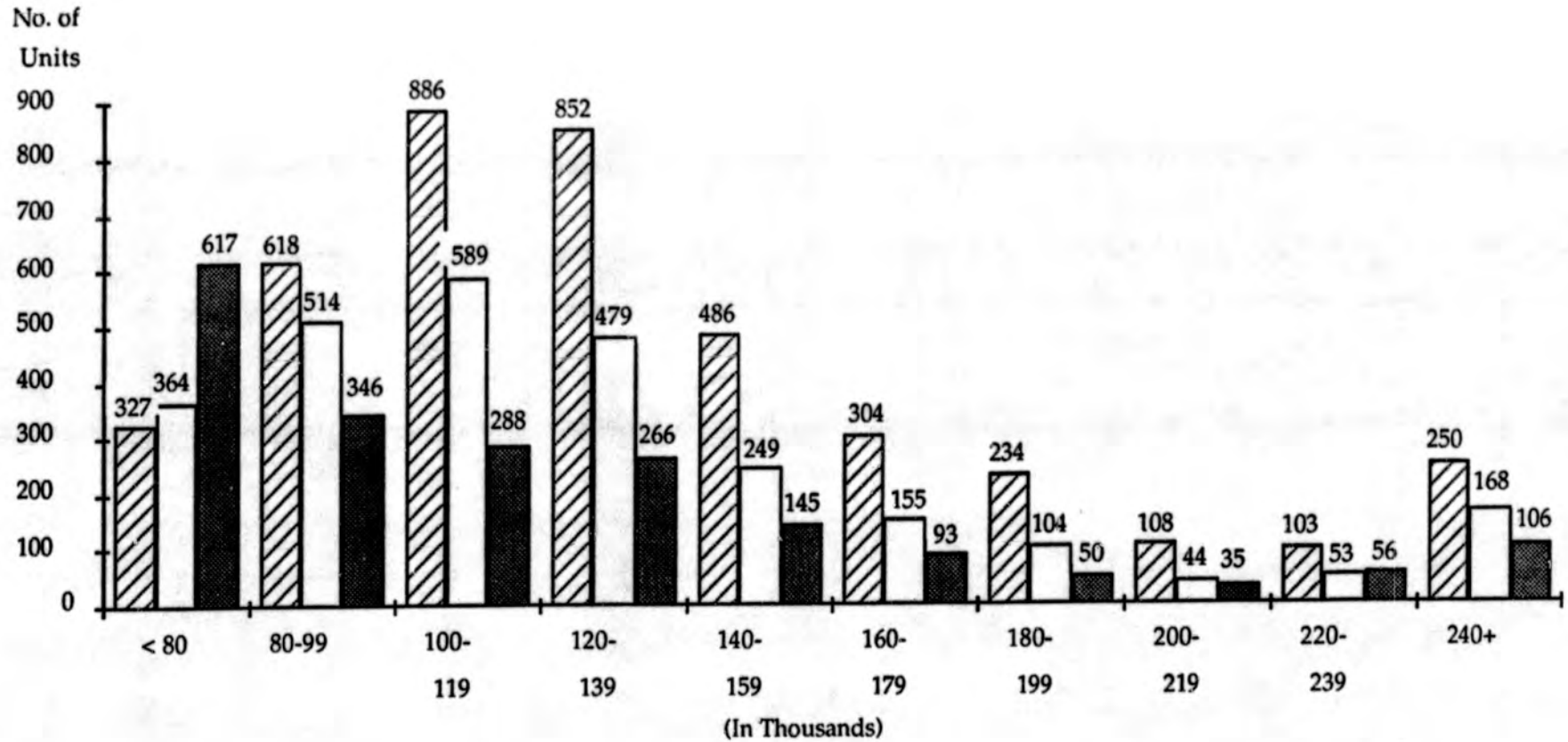
The market that has been created, through expensive marketing programs and lower interest rates, is one of first-time buyers who could not afford to purchase at the peak of the market and move-ups who see this as an opportunity to purchase a better home for less money. The move-up buyer requires the disposition of their existing home or the rental of it. Depending upon their financial situation, many move-up buyers are renting out their existing property at relatively high rates for single family residences.

The trend of the move-up buyer can be seen in the diminishing supply of inventory above the \$180,000 price range. In virtually all categories, inventory above \$180,000 has either stayed the same or diminished. It can be anticipated as a result of this move-up phenomenon that there will be some building activity in 1989 in this price range. The existing houses in this price range are much less subject to foreclosure and as the move-up demand increases, there should be an increase in prices.

This means that the market above \$150,000 will have completely different characteristics than the REO market, which will suffer from growing inventory and low prices. It is difficult for appraisers and marketing people to work in a market which has such separate characteristics. However, the upper end will have buyer demands on it long before any recovery can take place in the low end.

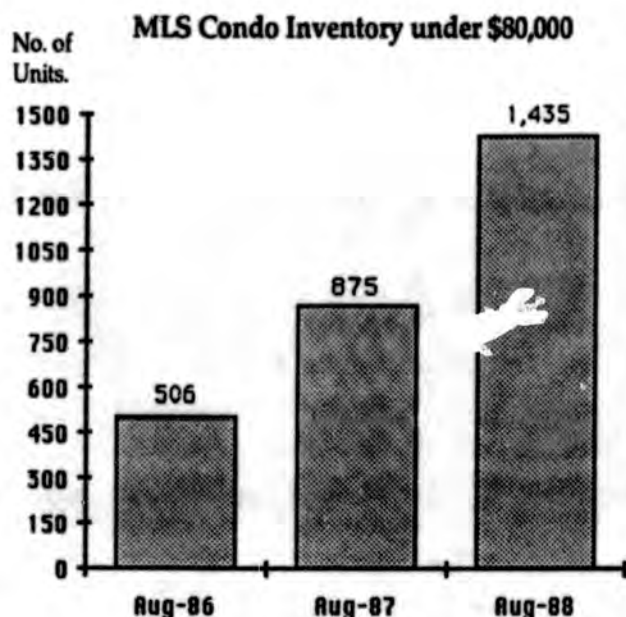
The low end is saturated with zero lot line properties which do not have adequate car storage. It is interesting to note that the zero lot line ordinance has sunsetted and no attempt was made to reactivate it. Hopefully that will remain the situation for at least five years.

Residential Active Units By Price Range



What's Happening With Condos

The number of condominiums priced under \$80,000 in the Anchorage real estate market has grown by 40% from August 1987 to August 1988. It is interesting to note that in August 1986, there were 1,099 condominiums on the market. The 1986 condominiums listed for sale had a much broader and higher range of value than today. In 1986 only 506 units were

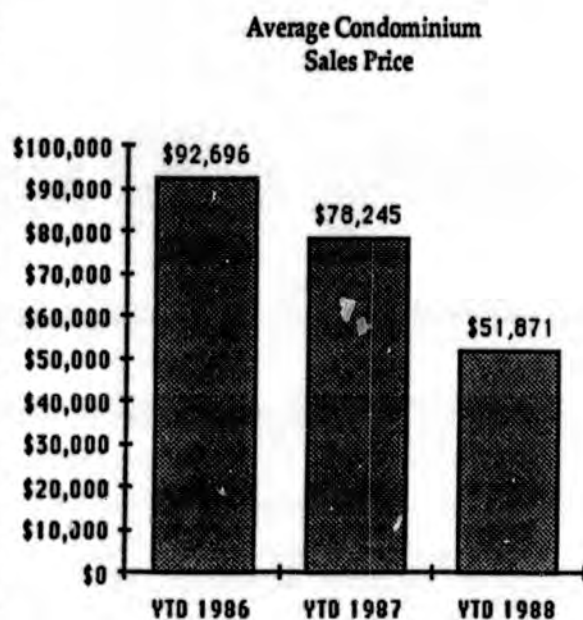


under \$80,000. In the \$80,000 to \$100,000 price range there were 293 units and between \$100,000 and \$120,000 there were 59 units listed for sale. The condominium inventory has dramatically shifted to the under \$80,000 category this year as the glut of inventory has created falling prices.

Today, the average price of a condominium is \$51,871. There is no reason to think that this price will not continue to decline unless collective steps are taken by institutional sellers to address the issues facing the condominium market. In 1986, the average price of a condominium was \$92,696. This equates to an approximately 20% annual price drop. There is no reason, with Anchorage's loss of population and supply

exceeding demand, to think that the price of a condo will not continue to drop until it reaches zero unless steps are taken to shore up the market by the institutional sellers. The dip in inventory in 1987 is undoubtedly the result of the foreclosure process, during which the property was not listed for sale. The foreclosure process creates a lag time of up to one year before the property is recycled into the marketplace. That is also the reason why the August 1988 figure does not reflect the high inventory of AHFC condominiums which have already been repossessed.

There is no reason not to suspect that the condominium market is going to become further saturated with inventory. As this occurs, prices will continue to fall unless substantial steps are taken on a collective basis by institutional sellers to put a floor in the marketplace. Those steps could include the demolition of designated condominium projects which do not meet municipal code standards, the rental of certain condominium projects, in particular those that were apartment conversions, the lifting of the



70% owner-occupancy requirement so that private owners other than institutions could sell their homes and the initiation of an aggressive 'presale' policy which allows sellers to sell their property with a negative equity through a negotiated process with the investor, the seller/servicer and the private mortgage insurance company, saving the expensive process of foreclosure.

Abolish the 70% Rule

The private condo owner who wants to sell his condo is in an economic time freeze which prevents him from selling, regardless of his financial condition or intention. A major contributor to that problem is the required 70% owner-occupancy ratio for an association before AHFC will approve the project. This is a direct conflict of interest for AHFC since they allow the sale and financing of their own institutional properties in the same projects.

It is possible that a few of the private sellers in the project would be willing to make restitution to the private mortgage insurance company or pay cash at closing in order to save their credit rating. However, AHFC's continued policy of 70% occupancy only forces the private seller to go to foreclosure, thus exacerbating AHFC's own problem of rising REO inventory.

The average AHFC loss on a property is now almost \$50,000. The goal should be over the next year to reduce that loss by 20%. That possibility exists if AHFC would begin waiving the 70% occupancy rule in some of the better condominium projects in Anchorage, thus putting the private sector more in charge of its own fate.

A better condominium project is defined as one which is built to condominium specifications with washer/dryer facilities within the unit as opposed to the common areas. A garage, fireplace and at least 800 square feet are also common characteristics of better condominium projects.

Even within the burgeoning condominium market, there seems to be a sales differential between those projects which have the above described features and those that don't. A study completed in 1988 by the Municipality of Anchorage demonstrated that the vast majority of condominiums in foreclosure are smaller units, under 1,000 square feet.

Ban Condo Conversions

Another way to tighten up the public's perception of the glut of condominiums in Anchorage is for the Municipality to adopt some stricter building codes for future development. This might include a ten year ban on all apartment conversions to condominiums. It might also require that all future condominiums have adequate covered car storage. In addition, a minimum square footage could be required for a two bedroom condo, such as 1,000 square feet. This might indeed have a positive effect on the condo market if buyers knew that the product that they were looking at would not be available in the future because of its lack of car storage or small square footage. Although this alone does not solve the condominium problem it closes the gate so that the problem has an end in the future. Right now, there seems to be no end in sight so there is no impetus for a buyer to enter the condo market.

Add Value Through Landscaping

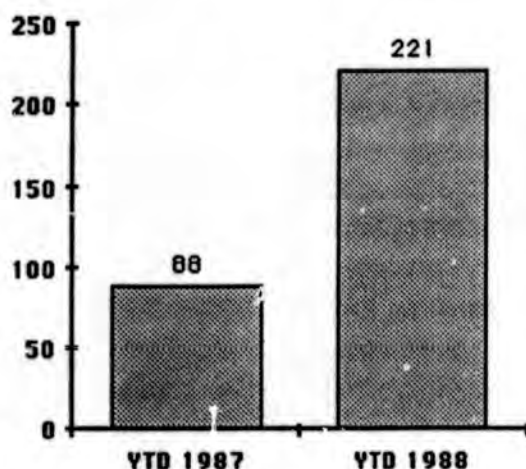
The Municipality of Anchorage could also impose stricter landscaping requirements for future condominium developments. Right now, landscaping requirements are based upon the type of zoning. In the future, condominium developments could have landscaping requirements based upon the number of units and their size, for example, four trees per unit. Landscaping goes a long way in creating perceived and added value. Added value is one of the main criterion for creating a resale market from REO inventory. It is difficult for the creation of added value in a condo project except in the interior of the unit where appliances, draperies, and upgraded carpeting can be added. However, creating added value in the common areas through landscaping would enhance the marketability of today's and tomorrow's projects.

Lopsided and Expensive Marketing

Through expensive and active marketing by the private mortgage insurance company, MGIC, condominium sales have taken a dramatic swing upward in 1988. In addition, Fannie Mae announced a lease/option program and increased sales commissions, 6% to the selling office, which also contributed to active sales increases. However, expensive marketing will not buy our way out of the Anchorage condominium market. Fur coats, cars, trips to the Caribbean and bonuses are not going to solve the condominium problem

in Anchorage. In fact, the rewards are short-lived and the cost of the promotion needs to be weighed against the declining value of the property itself.

Number of Condominium Sales



It would be a better strategy to set a minimum commission for the sale of all property which falls under \$60,000 which is where the market is most glutted both in single family, zero lot line, and condominiums. If all institutional sellers could agree upon this minimum commission to be divided equally between the listing agency and the selling agency, then a level playing field would be created for all institutions.

If this were to occur, then these same institutional sellers could direct their energy and funds to the real issues of the condominium market which is oversupply and undervaluing of property. The marketing mania which has accompanied Anchorage's growing REO inventory needs to be nipped in the bud so that the real issues can be addressed. Right now too much time and money is being spent on trying to outmarket the other institutional sellers.

At the same time, real estate brokers are not going to work to sell \$30,000 condominiums unless a minimum commission is established. Since values continue to decline and the vast majority of the inventory is in the low end, compensation needs to be substantive to the

agent in order to work that market. However, it should be consistent and industry wide, creating a level playing field for all.

Limiting Supply Through Demolition

It is estimated that there are approximately 200 to 300 units in Anchorage which presently do not meet municipal standards and which may pose a health or safety hazard to their occupants. Thus far to date, there has been no decision made to demolish these units. If these units were demolished, it would have a positive, psychological impact on the Anchorage real estate market. The obvious reason that the properties have not been demolished is that no one can agree who is responsible for the financial loss amongst the seller /servicer, the investor and the private mortgage insurance company. The financial entities which are involved in each one of the condo projects which have been targeted for demolition should be forced into negotiating a settlement as quickly as possible. Not enough emphasis has been placed upon this area of the condominium problem, but its speedy resolve would have a very positive impact on the Anchorage condo market.

Renting Creates Economic Life

Virtually all repossessed condos in Anchorage are sitting vacant at this time. How long institutional sellers are going to wait before wanting to create a cashflow for themselves by renting out their condos remains to be seen. However, the renting of the condos would have a beneficial impact in the marketplace and certain projects should be pulled off the FOR SALE market and placed in a rental pool. There are some projects today which will not sell at any price because they do not have the amenity package necessary to compete with other condos. Rather than leaving these condos on the market, which only further exacerbates the problem of oversupply and helps drive the market down to zero, these properties should become rentals. A two bedroom, one bath condo with a carport, small fireplace and 800 square feet may not make a great condo but it does make a great apartment, when compared to other rental property.

Most condos if they were rented would fall into the mid to high range of value for apartment rentals. Most of these same condos if left vacant and for sale only further deplete the value of other condos because they are non-competitive. A mediocre condo makes an excellent rental property when compared to what is available in the rental market. Why institutional sellers refuse to take this step and improve their cash position remains an unresolved issue. If they did nothing with the rents other than improve the common areas of the project they were renting, it would be a better addition to the market than leaving the condos vacant, without any economic life whatsoever.

Social Service Purposes

Finally, there are some limited number of social uses that unsold condominiums can fulfill. Low income housing needs exceed availability of federal coupons at this time. The State of Alaska or the Municipality should consider setting up their own coupon program which would enable some condos to be used for low-income housing. In addition, the University of Alaska-Anchorage should be encouraged to purchase more student housing units. The

precedent has already been set with the purchase of a limited number of units near the college campus. Other needs that could be met through the social service agencies are housing for the elderly and the retarded. These condos, when sold for social service purposes, to either the state or local agencies, should be done on a bulk sale basis, with discounts for cash. However, it is important that an established social service oriented sales program be fair and equitable to all organizations which might have a use for them. Therefore, a policy needs to be established which would include a social service discount based upon current, fair market value.

**WHY THE INCREASED MILITARY PRESENCE WILL NOT
SOLVE THE FAIRBANKS HOUSING MARKET GLUT**

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August 23, 1988

WHY THE INCREASED MILITARY PRESENCE WILL NOT SOLVE THE FAIRBANKS HOUSING MARKET GLUT

When oil prices dropped in 1985, changes in the civilian housing market were some of the more apparent consequences of the economic downturn that hit Alaska and the Fairbanks North Star Borough. Following principles of supply and demand, as employment decreased, residential construction, rentals and sales all went into a severe slump.

At the same time expansion of the military at Fort Wainwright, with the buildup of the 6th Infantry Division (Light) (LID), had a positive effect on the economy in general and the housing market in particular. For reasons to be explored in this article, however, LID deployment has reduced but did not solve problems in the civilian housing market.

MAGNITUDE OF THE HOUSING PROBLEM IN FAIRBANKS

During the days of high oil prices throughout the early 1980's the housing market experienced significant expansion. Factors that contributed to this expansion were the highest population growth in the nation and state support of home ownership through programs such as Alaska Housing Finance Corporation subsidies of interest rates. Changes in the housing market during that period were reflected in the amount and type of new construction, the prices of dwellings, and the levels of rents.

As shown by Table 1 the number of new housing units authorized nearly tripled between 1980 and 1984, when there were 949 units authorized. Not only were single family dwellings constructed in large numbers, but the increased demand for rental units was also addressed by construction of 1,422 multi-family units. Paralleling the number of new housing units authorized, the dollar value of building permits increased dramatically from \$15.7 million in 1980 to \$58.3 million in 1984.

Table 1
NEW HOUSING UNITS AUTHORIZED
Fairbanks North Star Borough, 1980-87

	Number			Dollar Value (\$000's)		
	Single Family	Multi Family	Total	Single Family	Multi Family	Total
1980	345	32	377	\$13,592	\$ 2,077	\$15,669
1981	538	162	700	29,453	6,813	36,356
1982	462	165	627	25,159	10,350	35,509
1983	315	473	788	27,586	17,624	45,210
1984	327	622	949	24,236	34,029	58,265
1985	227	467	694	18,044	23,677	41,721
1986	112	166	278	8,263	22,858	31,121
1987	65	116	181	4,652	17,204	21,856

Meanwhile, rents for both single family dwellings and apartments increased. Between 1980 and the end of 1983 average rents increased more than 75%. As supply increased due to construction of multi-family units, rents dropped slightly and then remained relatively constant throughout 1984 and 1985. Purchase prices of houses followed a similar pattern to rents, although the change was less and the price increases and peak levels occurred later. For example the average purchase price of a three bedroom house rose by 53% between 1980 and early 1985, when it reached its maximum.

Partially in response to the large number of units brought on line in the early 1980's, construction started to fall off in 1985. What might have been a mild slump became severe when oil prices dropped beginning in December 1985. As the economy contracted, the civilian population grew smaller, and the housing market reflected the decrease in demand. The number of new housing units authorized declined nearly 30% between 1984 and 1985. By 1987 it was less than one-fifth of its 1984 level. The dollar value of building permits showed a similar pattern, decreasing from \$583 million in 1984 to \$219 million in 1987. In 1986 and 1987 activation of the 6th LID had its first impacts on the Fairbanks housing construction. Of the 459 units authorized during those two years, 400 were for a housing project on Fort Wainwright.

The existing housing market also reflected the economic downturn. Between 1985 and 1987 the number of vacant rentals advertised nearly doubled, and rents dropped by 20%. The number of houses listed for sale roughly doubled in 1986, and during the two-year period 1986-1987 house purchase prices decreased by about 20%. Another indication of the change in the housing market was that notices of default went from 97 in 1984 to 764 in 1987, and foreclosures increased from 179 in 1986 to 690 in 1987.

Not reflected in these figures was the personal loss all home owners incurred due to decrease of home equity. Furthermore, the difficulty in selling houses and the slump in prices created an additional burden on home owners by restricting their mobility.

Thus at the beginning of 1988 the Fairbanks housing market was bad for landlords and property owners, but good for renters, home buyers, and, it would appear, the military.

ACTIVATION OF THE LID AND HOUSING CONCERNS

Since inception of the plan to activate the 6th LID, an important consideration in the rate of deployment and possibly even its continued existence was the availability of housing. The army announced that any housing shortfalls would have to be corrected before troops were deployed. The mere size of the buildup made it certain that some construction of new units would take place, and there was one vital requirement for this construction. Since chances were high that funds would be appropriated by the U.S. Congress only during the period of buildup, army planners considered it absolutely necessary that housing construction occur during activation. Otherwise, the division would not be fully deployed.

From the beginning the housing situation in the greater Fairbanks area held many uncertainties for military planners. One consistent conclusion of all army analyses of housing needs, however, was that the local market would be incapable of meeting all of the army housing needs at the time of full deployment. Several factors accounted for these findings. First, on post housing was preferred for military readiness requirements. As it stands, even if new construction of government owned Military Construction Army (MCA) on post housing were funded at levels requested by the army, over 1,000 soldiers would live off post. Second, army policy dictated that military personnel were not to use too great a

percent of local housing. Third, a certain number of MCA units were considered necessary by the army to provide affordable housing for lower ranked personnel with large families. Finally, and of great importance to military planners, the Fairbanks history of booms and busts made them hesitant to rely too heavily on the local market which had experienced previous cycles of low rental availability and prices beyond the range soldiers could pay. The era of pipeline construction created severe hardships for army personnel living in the community.

Over time, however, some factors have changed. For example, by 1987 the number of rental vacancies had increased and rental rates had decreased. Further, it was initially assumed that the LID would be fully in place by the end of 1989 and that deployment would be too rapid for the local market to react. In reality the schedule was relaxed and extended to 1992. Thus it appeared that not only could the Fairbanks housing market meet immediate demands but that it also would have time for local developers to adjust to additional needs.

As part of a program to analyze available resources better, the Department of Defense initiated a new standardized procedure for annual review of the housing situation. The Segmented Housing Market Analysis (SHMA) was used at Fort Wainwright for the first time in early 1987. Similar to previous LID studies, the SHMA concluded that there would be a family housing shortfall which could potentially preclude activation of the 6th Infantry Division.

Several factors played major parts in this conclusion. Of prime importance was the fact that, although rental housing in Fairbanks had a sufficient supply of efficiencies and one- and two-bedroom units, there was a severe shortage of the three-bedroom and larger units needed by the army. Another important factor was that in the analysis military personnel were allowed to use no more than 54% of the community's vacancies. This was done to provide a buffer against future shortages of rental housing and to allow a significant number of units to be available for the civilian population. Although this seemed unnecessarily restrictive to some, the military felt the need for the precaution due to Fairbanks' history and the severe housing problems that have arisen in the area surrounding Fort Drum, the site of the other new light infantry division.

An early step taken to resolve the shortfall was FY 1985 authorization for construction of 400 units on Fort Wainwright. These were done under the Build-to-Lease Program, whereby units were constructed by private developers with contracts to lease to the military for up to 20 years. Because the program first appeared as Section 801 of the Military Construction Authorization Act of 1983, this became known as 801 housing. These 400 units, of which 304 were three bedrooms, 68 were four bedroom, and 28 were five bedrooms or more, were completed and occupied during 1987. The army estimated additional requirements of about 1,600 units, of which 1,200 would be supplied through construction of new units or long term lease of existing structures.

CHANGES THROUGH 1987

As a result of federal government reaction to the October 1987 stock market crash, the army was faced with the need to reduce its budget by \$1 billion. There was serious talk for a while of disbanding the 6th LID entirely, but a series of compromises resulted in its continued deployment although at a slower rate and with a reduction in final strength.

Numerous cost cutting measures were implemented, and a slight shift away from construction of new units and long term leases to greater use of individual rentals occurred.

One important housing project on Fort Wainwright was reduced from the 150 units which had been requested to 59 units considered vital for key and essential personnel. Although this would provide sufficient housing to allow relocation of the 6th LID headquarters from Fort Richardson to Fort Wainwright in September 1990, it represented a setback in army plans to provide housing for LID personnel.

Other developments, however, combined to offset the housing shortage facing the LID at Fort Wainwright. Funds that were originally designated for 801 leasing in Hawaii were transferred to Fort Wainwright, enabling construction of an additional 200 units to be planned for the summer of 1989. Furthermore, in response to continued high numbers of vacancies in the civilian housing market, the army gradually permitted the number of its personnel using civilian housing through individual lease or ownership to increase from approximately 430 in January 1986 to 690 at the beginning of 1988. This 60% increase in military usage of greater Fairbanks area housing was noticed by many landlords and obviously was important. Nevertheless, the total number of vacancies remained fairly constant. Thus greater military utilization of civilian housing merely offset decreases resulting from civilian outmigration.

THE 1988 SEGMENTED HOUSING MARKET ANALYSIS

The 1988 SHMA of the Fairbanks area reported similar concerns as those expressed in previous studies. Among these were the possibility of future booms in the Fairbanks economy with resulting increases in housing costs, the limited availability of larger units in the community, and the effect of too much military penetration of civilian units. Additionally, concern was expressed regarding the amount of housing allowance that Fort Wainwright soldiers might receive in the future. The Variable Housing Allowance (VHA) is currently sufficient, given the relatively low rents, for even the most junior soldier to afford off base housing. But if a sharp upturn in the area's economy were to occur, rents might again be driven too high for soldiers to secure housing affordable with their VHA. Furthermore, funding of the entire VHA program at current levels could be cut.

The 1988 SHMA determined that the total rental market of units adequate for army standards was 1123 in early 1988. Adjusting these figures to account for a moderate 2% growth rate of new civilian units, for a reduction in the vacancy rate expected as the local economy recovers from the current recession, and for increased military occupancy as additional troops arrive, the SHMA projected that 910 adequate rental units would be available by 1993 when the LID is fully deployed. However, virtually no five bedroom or larger units were found currently available nor were any expected to be available in the future. The breakdown of available units projected for 1993 was as follows:

98	Efficiencies
377	One-bedroom units
360	Two-bedroom units
70	Three-bedroom units
<u>6</u>	Four-bedroom units
910	TOTAL

1993 ARMY HOUSING NEEDS AND STRATEGY

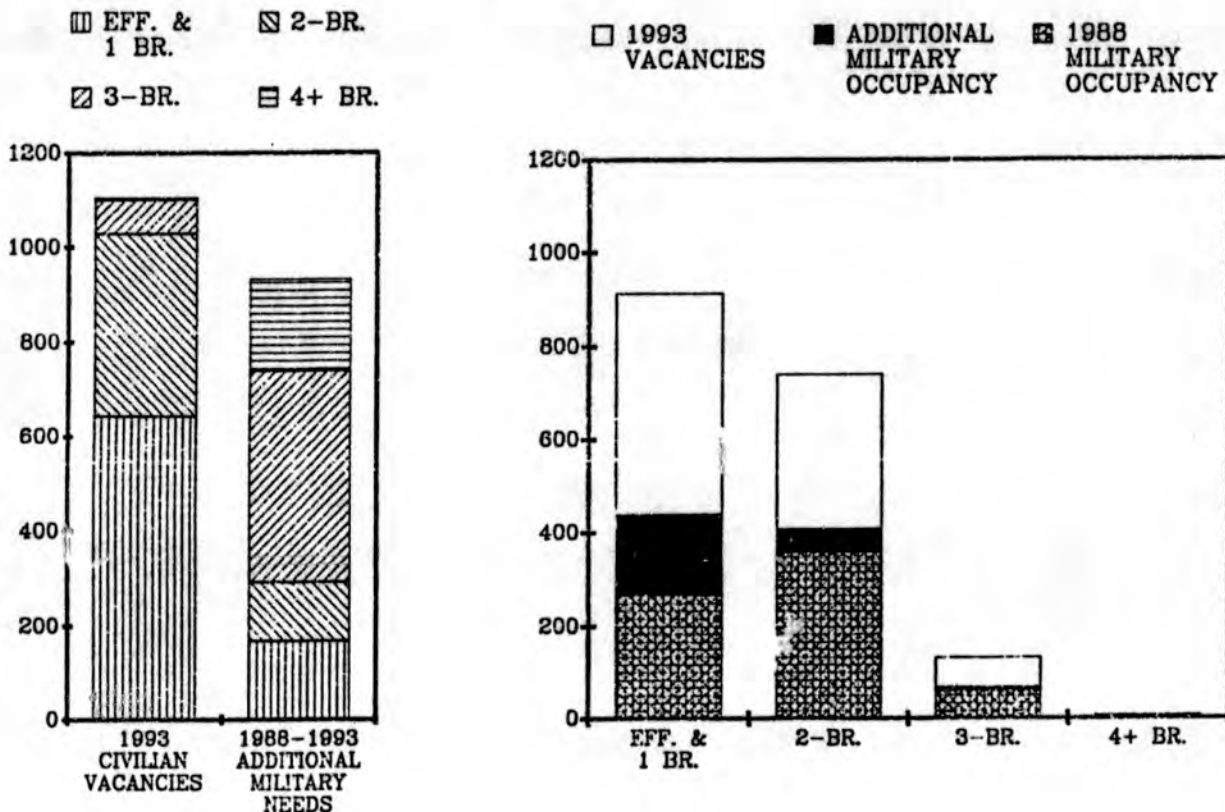
In developing its strategy for attaining adequate housing, the army estimated that an additional 170 efficiencies and one-bedroom units would be required to meet the needs of bachelors and voluntarily separated soldiers. Their penetration of these units would be so large that the army considered none of the remaining efficiencies or one-bedrooms to be

available for family use. Community assets of the larger sized units were projected not to be adequate to meet the needs of army families being stationed at Fort Wainwright by 1993.

Figure 1 compares the projected number of community rental vacancies in January 1993 with the increase in army housing needs between 1988 and 1993. The left graph shows that although the total number of expected vacancies would be more than the total increase in army housing needs, shortfalls exist in several types of units. Although the civilian housing market would be able to satisfy army needs for two-bedroom units if a high percentage of projected vacancies were occupied by military families, severe shortages would occur in units of three-bedrooms and larger.

The right graph depicts the projected number of vacancies in the community in 1993 plus units occupied by the military. Military occupancy is the sum of units currently being rented by LID households plus expected additional military use as the division attains full deployment. This graph shows the proportion of LID use of otherwise vacant civilian housing units. The extent of occupancy approximates the 54% maximum penetration of the vacant civilian housing market as called for by army policy.

Figure 1
FAIRBANKS NORTH STAR BOROUGH VACANCIES AND LID HOUSING NEEDS
1988-1993



The strategy for attaining the amount of housing needed combines individual leasing in the community with additional construction of 801 units and army controlled (MCA) units on post. Table 2 shows actions taken already and those projected for the future to meet the total housing needs.

Table 2
LID HOUSING ACTIONS AND STRATEGY
Fort Wainwright
1985-93

	Army Controlled On Post	Army Controlled Off Post	Individual Rentals in Community	Status
January 1986	1418		430	Existing housing
January 1988				
FY 85 801 Units	400			Completed in 1987
			<u>260</u>	Civilian units
SUBTOTAL	1818		690	
January 1993				Projections at time of full activation
FY 87 801 Units		150		Bid has been awarded
FY 87 801 Units		200		Land options being considered (Funding transferred from Hawaii)
FY 88 MCA	59			Bid to be awarded early FY 89 (Funding originally requested for 150 units but only 59 Key and Essential approved)
FY 88 801 Units		150		Bid release pending (May be long term lease)
FY 89 MCA	150			Appropriation pending
SUBTOTAL	<u>2027</u>	<u>500</u>	<u>225</u>	Civilian units
			915	
TOTAL OF ALL UNITS			3442	

All of the construction and long term lease is projected to be for two-bedroom and larger units. Construction of two-bedroom units is scheduled to account for only 10% of the total, three-bedroom units for slightly over 60% and four- and five-bedroom units for the remainder. Table 3 shows the planned construction program.

Table 3
LID FAMILY HOUSING CONSTRUCTION AND LONG TERM LEASE
Fairbanks North Star Borough, FY 1987-89

Type of Program	Number of Units	Number of Bedrooms			
		Two	Three	Four	Five
FY 87 801 Phase I	150	0	69	69	12
FY 87 801 Phase II	200	0	200	0	0
FY 88 MCA	59	0	23	36	0
FY 88 801 Long Term Lease	150	0	150	0	0
FY 89 MCA	<u>150</u>	<u>74</u>	<u>0</u>	<u>66</u>	<u>10</u>
TOTAL	709	74	442	171	22

Of course uncertainties remain in several areas. Primary is the fact that the total deployment number is not assured and may be lower than the army desires. Secondly, funding for the FY 89 projects is still in the congressional process and may not survive at the levels sought by the LID. And finally, although the army is lobbying for new construction to meet the final 150 units of 801 housing, this housing need might be met by long term leasing of existing structures.

CONCLUSION

The army will not absorb the entire Fairbanks housing glut for several reasons. Army requirements for types of housing, control of troops, affordability under long range uncertainties about possible repeats of large price increases, and policies that limit total allowable percentage use of vacancies by army personnel are all cited in the LID analysis as reasons that Fairbanks will not be able to satisfy the army's housing needs. Additional structural factors in the Fairbanks housing market limit its use by the army. Prime among these is the extreme shortage of larger rental units.

Although the Light Infantry Division at Fort Wainwright can not be expected to reduce the civilian housing glut completely, its benefit to the Fairbanks economy remains substantial. Current military construction allows some of the local construction industry to survive through an otherwise depressed time. In addition, the Division provides a necessary element of long term economic diversity and stability. In contributing to the general economic health of the region it adds to employment for people in Fairbanks, who will then help absorb some of the current housing glut.

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COUNSELING ASSISTANCE CAN REDUCE FORECLOSURE RATES IN
ALASKA

Sherry Hassan
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August 25, 1988

The average consumer, regardless of income or education level, lacks the information crucial to making decisions as irreversible and far-reaching as those facing homeowners in this economy. Coupled with the lack of information is the confusion generated by dealing with the array of entities involved in Alaskan mortgages and exacerbated by the spread of misconceptions. Providing free advice, by a disinterested third party, to individuals facing financial difficulties could reduce the number of foreclosures.

Most homeowners have a variety of financial commitments other than their mortgage. When faced with a reduction in income, the average family fails to set priorities and make choices to accommodate the loss. More common is the family who tries to juggle and struggle their way through the "temporary" situation only to find themselves jeopardizing those things they value most.

Mortgage loan collectors comment "the house must not be very important to this family because they are current on their credit card accounts and delinquent on their mortgage." Some times families receive shut-off notices on their utilities or eviction notices from trailer park owners before they realize that there is more to saving their home than just paying the mortgage.

Many of these families lack the ability to set priorities within their existing resources and to stick with their choices when facing the inevitable pressure from those at the bottom of the list. Most often, the "squeaky wheel gets the grease" because the family is unprepared for the consequences of the choices they make and unskilled in the nuances of dealing with secured versus non-secured creditors.

Offering advice to these families on the necessity of making choices, on options available with the various types of creditors, on the consequences of the choices they make and on the reaction to expect from the parties involved would supply them with the means to make sound decisions.

The array of entities involved in mortgages, including the servicer, the investor and the insurer, is confusing and often discouraging to many homeowners trying to save their house. It is possible for a homeowner to be told by his servicer that unless he makes a payment and a half toward his delinquency that his home will be foreclosed upon. He could then call Alaska Housing only to hear that he must deal directly with his servicer, or wait for a HOAP package from MGIC. If determined enough to hold on until he gets his HOAP package and returns it, he could conceivably receive a letter from his servicer informing him that foreclosure proceeding will begin in 10 days unless he brings the full amount of the delinquency current. Unable to do so and having been told that his HOAP package will take up to six weeks to process, he is likely to give up on his house and prepare to provide alternative housing for his family.

Acquainting families with the terminology and procedures involved with resolving delinquencies on their mortgage would eliminate those foreclosures that are the result of confusion and despair with the process.

Adding to the confusion of homeowners are the misconceptions spread by word-of mouth. A surprising number of mortgagees base decisions on information received from friends, relatives, co-workers etc. Remarks like "my neighbor let his house go back and he still has great credit" or "what can they do to me if I walk away" abound.

To be making the type of irreversible decisions these homeowners face, they need and deserve more accurate and thorough information. Furthermore, it should be provided at no cost to avoid the loss to those who feel they cannot afford another burden to an already strained budget.

The luke-warm reception of the HOAP I program by the general public was in part due to their naivete, confusion and frustration as discussed above. In order for any new plan or program designed to reduce foreclosures to be effective, information and guidance must be provided to the public. It must be done free of charge and by a party who has no stake in the results. Until such service is employed, unnecessary and unwanted foreclosures will continue.



Alaska Housing Finance Corporation's

Home Owners' Assistance Program:

New Hope for Alaskan Homeowners

By: Margaret Nelson

August 19, 1988

Prepared for Governor's Housing Conference

September 23, 1988

Thousands of Alaskan homeowners now have the opportunity to make their house payments more affordable, and in some instances avoid foreclosure of their homes, under a unique program developed by the Alaska Housing Finance Corporation (AHFC) with the cooperation of companies which insure or secure Alaskan mortgages.

The Home Owners' Assistance Program, known as HOAP (pronounced hope), offers Alaskan mortgagors the opportunity to refinance their loans to longer terms and lower interest rates as well as apply for short-term assistance, or loans, to meet temporary financial difficulties. All of this was an effort by AHFC to help mortgagors make their house payments more easily during Alaska's current recession.

Today, just eight months into the program, more than 4,000 Alaskans have been approved to receive refinances or mortgage assistance and another 1,000 are currently being reviewed for approval. Due to the response, it is possible that nearly 10,000 Alaskan homeowners will benefit from this program.

ALASKA'S BOOMING ECONOMY BEGINS TO DECLINE

In the first half of the 1980 decade, Alaska experienced tremendous growth in all sectors of the economy, particularly in the oil industry due to the development of the Prudhoe Bay oil fields in the 1970s.

Before development of oil fields on the North Slope, Alaska's economic base consisted of military and federal government spending and a few resource industries such as fishing, mining and logging.

But in the 1970s, Prudhoe Bay was developed and Alaska's oil pipeline was built resulting in a bonanza for the Alaska economy. In his report titled "Alaska's Economy: What's Ahead," prepared for the Alaska Institute of Social and Economic Research, Oliver Scott Goldsmith states that three things together contributed to Alaska's boom at that time: state government owned the oil fields and received tremendous royalties; the fields produced very large amounts of oil, and; the world price of oil tripled in 1979 to around \$30 a barrel and stayed high for several years.

"Taken together," Goldsmith said, "those circumstances meant that the state government came into billions of dollars in petroleum revenues in the early 1980s.

"But as a consequence, the state became extremely vulnerable to changes in the price of oil: Throughout the 1980s, petroleum revenues made up 80 percent or more of the state's unrestricted general fund revenues."

State spending, then, was responsible for most of the growth in the early 1980s in jobs, population and incomes in Alaska. The state spent that new found wealth on new roads, community centers, harbors and hundreds of other capital projects fueling a great construction boom and services to support it.

But in 1985, things began to slow. This year is considered the beginning of Alaska's current recession, said Edward Eboch in the Alaska Department of Labor's March 1987 publication, "Alaska Economic Trends," because it was then the economy as a whole began losing more jobs than it was creating, particularly in the areas of construction and air transportation.²

Big government spending had created the Alaska boom, Goldsmith said, by pumping billions of dollars into the economy in a short time. Construction in the state burgeoned overnight. Businesses overextended themselves, because they expected to keep growing and keep stimulating the economy.³

But the high oil prices that had propped up state spending in the early 1980s began to drift down and by early 1986 prices had dropped to \$10 per barrel bringing further declines in the economy. Alaskan businesses found that the level of economic activity they had anticipated wasn't there.⁴

EFFECT ON THE HOUSING MARKET

The Alaska Housing Finance Corporation was created in 1971 by the State of Alaska to provide all Alaskans with low-cost mortgage financing. AHFC, a self-supporting public corporation, is a secondary purchaser of mortgages. This means AHFC does not lend funds directly, rather it purchases mortgages made by private financial institutions or mortgage companies operating in Alaska. The majority of funds used to purchase the mortgages are generated through the issuance of taxable and tax-exempt bonds.

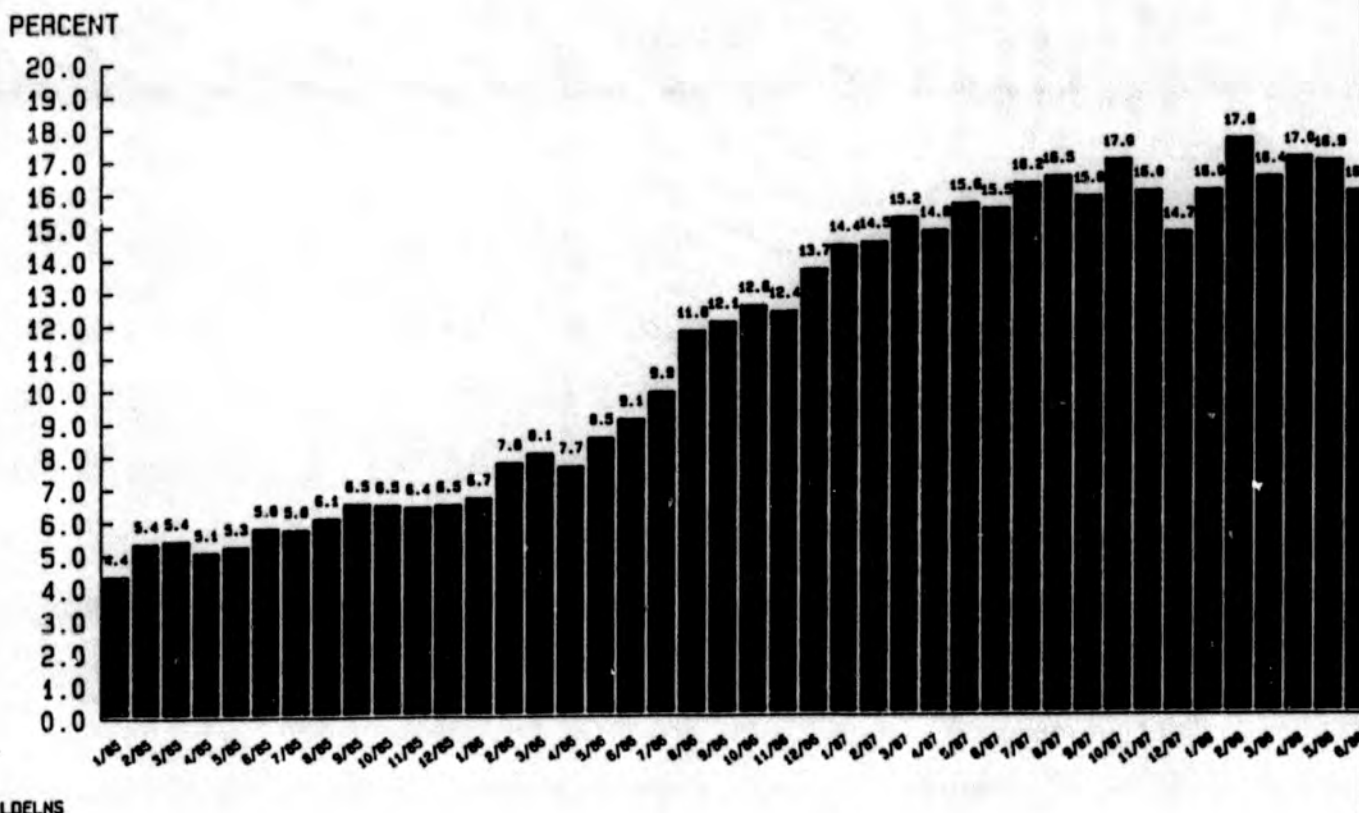
By the end of fiscal year 1985, AHFC owned more than 52,000 mortgages across the state totaling \$4.3 billion. This accounted for nearly 80 percent of the mortgages in Alaska. The majority of these loans were Alaska Building Equity or ABE-structured mortgages. Under the ABE structure, the mortgage was amortized on a 30-year basis, but five percent principal and interest increases were scheduled each year of the mortgage in years four through nine. This resulted in a loan

maturity of about 17 years. At the time, these loans were attractive to Alaskan mortgagors since incomes were going up and homes could be purchased quickly.

AHFC began to feel the effects of the decline in the economy in late 1985. See Table I. Delinquency rates on all loans went from below four percent in 1983 and 1984 to 6.7 percent in January of 1986. All economic indicators available at that time indicated that the delinquency was on the upswing.

ALASKA HOUSING FINANCE CORPORATION

TOTAL DELINQUENCIES TABLE I



And while delinquency rates were rising, house values were falling, as much as one to two percent per month. This caused many mortgagors to have negative equity, or mortgages which exceeded the value of their homes. It was not uncommon then or today to see loan-to-value ratios of 120 percent or more.

AHFC TAKES ACTION

By early 1986, it became evident to AHFC officials that something had to be done to ease the effect of the economy on Alaskan homeowners.

The first hint of what now is known as HOAP came out in mid-1986 when AHFC executive staff began brainstorming on the concept of a hardship loan assistance program. The proposed Hardship Loan Modification Program focused on the concept of providing help for those AHFC borrowers who had experienced an involuntary decrease in income such that their mortgage payments exceeded 28 percent of their total household income. Also, it was hoped that a program could be developed to help those homeowners who needed a refinance but could not afford one because they did not have enough money to buy down the loan to value ratios to 90 percent or less. (Mortgage insurance is not generally available on mortgages with loan-to-value ratios greater than 90 percent.)

By late summer 1986, AHFC proceeded with public hearings and program development. However, based upon comments from the public at three separate meetings held in Anchorage, Fairbanks and Juneau on the proposed hardship program, AHFC staff realized that any program offered must be expanded to allow for a simplified refinance for all AHFC homeowners, regardless of financial hardship.

Because of this, AHFC began to develop a simplified refinance program and sought legislative authorization to offer such a program. Under this program AHFC homeowners would be able to refinance their mortgages for lower interest rates and longer terms without having to worry about loan-to-value ratios or appraisals. In essence, the refinance process was simplified. In developing the Simplified Refinance Program, AHFC stated that before such a program can be offered, several events had to occur. The ten primary mortgage insurance companies insuring AHFC mortgages had to agree to continue insuring the new mortgages. The major pool insurer of loans from 1982 to 1984, the Mortgage Guaranty Insurance Corporation (MGIC), and the Federal National Mortgage Association (Fannie Mae) which secured loans from 1984 forward, also had to agree to continue insurance. The state legislature had to authorize such a refinance, and the appropriate financing had to be obtained.

Within a very short time--less than 2 months--these events were accomplished. MGIC and Fannie Mae fully embraced the program and agreed to dedicate all the resources necessary to make the program work. Subsequently all 10 mortgage insurance companies approved the program and streamlined their existing procedures so that loans could be modified or refinanced quickly. The response from all insuring companies was overwhelmingly favorable and unprecedented in mortgage lending history.

HOAP BECOMES A REALITY

With enough progress on the program complete, on November 13, 1987, Governor Steve Cowper held a press conference and announced that a conceptual agreement had been reached among AHFC, Fannie Mae and MGIC on the Home Owners' Assistance Program. The program would begin in December.

To allow all homeowners who were experiencing financial difficulties the opportunity to apply for the program, all the institutions agreed to postpone all foreclosure sales from that date until January 1, 1988.

"The state's current economic problems have left many Alaskans unable to meet their monthly financial obligations," the Governor said at that conference. "We're trying to do what we can to help and this housing program is a major step in the right direction.

"This program may eventually keep thousands of Alaskans in their homes," Cowper said, "prevent further foreclosures and steady the state's real estate industry."

In early December 1987, meetings with top AHFC and state officials were held with mortgage industry leaders to gain support for HOAP. Mortgage lenders agreed to support HOAP and said that this program could help the state's borrowers during this economic recession.

With all program details completed and final agreements signed with MGIC, Fannie Mae and many primary mortgage insurance companies, Governor Cowper on December 23, 1987 announced the start-up of HOAP. On December 24, the first HOAP packets were mailed to delinquent homeowners.

The original HOAP would:

- *Eliminate the ABE increases in mortgage payment by refinancing the loan to a 30-year fixed rate;
- *Lower the interest rate to 10 percent, if possible, or allow the mortgagor to keep a lower interest rate if the current rate was less than 10 percent;
- *Provide advances to bring the loan current; and,
- *Provide monthly payments for up to two years to eligible homeowners. Any assistance provided to the borrowers must be repaid.

These new HOAP loans were assumable and the property had to be owner-occupied.

At this time only those AHFC homeowners with financial hardships were eligible for the program. Hardship was defined as an involuntary decrease in income such as that the mortgage payment exceeded 28 percent of the total household income. Borrowers were expected to prove that a hardship existed as well as prove that they would be able to repay any assistance and resume making full monthly mortgage payments, including homeowners dues, if any, taxes, insurance and other such expenses, at the end of the assistance period. The maximum assistance period was for 24 months.

Considered as eligible hardships were a long-term layoff, involuntary loss of job, mandatory reduction in pay, disability or illness which resulted in a reduced income, death of a wage earner or reduction in self-employed earnings.

Situations not considered hardships were normal seasonal layoffs, voluntary job loss or reduction in hours, or loss of income to return to school.

The application process was purposely designed to be quick and easy for the borrower. The borrowers received HOAP packets in the mail. The packets contained detailed information on the program, applications and instructions. Borrowers simply followed the easy instructions, filled out the forms and provided any necessary back-up documentation.

If the loan was insured by MGIC, borrowers mailed the information to an Anchorage office. Workers there collected further information from the mortgage loan servicer before forwarding a complete packet to MGIC's central office in Milwaukee, Wis., for underwriting.

If the loan was secured by Fannie Mae, borrowers called Fannie Mae's local office for an interview and brought the completed packets in.

Once approved, borrowers would close the new loan at a title company designated by MGIC or Fannie Mae.

On January 7, 1988, AHFC closed the first bond issue to fund HOAP loans in the amount of \$100 million.

The expanded HOAP in operation today was adopted by the Board of Directors on April 14, 1988. While the initial focus of helping delinquent borrowers remained in place, HOAP was expanded to offer the simplified refinance to all AHFC borrowers.

Under the expanded HOAP, refinance of an existing AHFC loan is offered to all AHFC borrowers (except those few in the Rental Refinance Program), whether they are current or delinquent in meeting their monthly payments and without regard to whether they meet the hardship criteria established under the original program. Essentially this is offering a simple, streamlined refinance program designed to lower monthly payments by lowering the interest rate on the loan and/or

eliminating the graduated payment feature or ABE that is included in many existing AHFC loans. In addition to this simplified refinance program, a borrower also can receive additional assistance if he or she qualifies. To qualify for further assistance, the borrower would have to meet hardship criteria as outlined in the original program.

Or looking at it another way, there would be no advances under the simplified refinance aspect of the expanded HOAP, although eligible closing costs could be included in the loan amount. However, if the borrower demonstrated that he or she was in a hardship situation, then advances could be made under the same terms as the original HOAP.

Another major change in the expanded program is the elimination of the requirement that the properties be owner-occupied. The loans still remain assumable as defined under AHFC guidelines.

With the newly expanded program, AHFC in April issued a second bond for \$75 million to fund the new loans.

With the newly expanded criteria, several thousand packets were mailed to the remaining AHFC borrowers in April through June of 1988.

HOAP RECAPPED

To summarize, today HOAP offers a refinance to a longer loan term with a lower interest rate, if applicable. If the borrower is experiencing a temporary hardship, the program offers assistance, or advances, for a short period. Specifically:

*For Alaskan homeowners who have financed their homes through AHFC and who are not in a hardship, HOAP can eliminate the currently scheduled increases in monthly principal and interest payments. Also, depending on the homeowner's current interest rate, the rate on the future HOAP loan may be lower (it will never be higher), which may result in lower monthly payments.

*For AHFC homeowners experiencing a hardship as defined below, HOAP can eliminate the currently scheduled increases in monthly principal and interest payments. Also, it may decrease the interest rate depending on the current interest rate. In addition, financial assistance is available to homeowners experiencing a hardship.

*Hardship is defined as an involuntary decrease in income such that the mortgage payment exceeds 28 percent of the total gross household income. Hardships that qualify for assistance include: long-term layoff, involuntary loss of job, mandatory reduction in income, disability or illness which results in a reduced income, death of a borrower or co-borrower or a reduction in self-employed earnings.

Certain situations, while they may create financial problems, are not considered involuntary hardships and will not qualify for assistance. They are: normal seasonal layoffs, voluntary job loss or reduction in hours and/or income and loss of income to return to school.

*To qualify for assistance, the borrower must:

- a) Provide evidence that a hardship exists and that an involuntary decrease in income has occurred,
- b) Provide reasonable assurance that after the assistance period the borrower can make full monthly payments, including any assistance given;
- c) Provide reasonable assurance that the mortgagor can pay taxes, insurance, home owner's association dues and other such expenses due after the assistance agreement is signed.
If the borrower is eligible to receive assistance, AHFC may advance funds to bring the loan current and/or pay a portion of the monthly mortgage payment for up to two years. This type of assistance helps the borrower bring his or her loan current with no immediate out-of-pocket expenses and makes the mortgage payment more affordable until the borrower can resume full payments.

If advances are necessary, the total funds advanced is limited to 10 percent of the outstanding loan balance as of the date on which the homeowner applies to participate in the program. The funds advanced will be added to the outstanding loan balance and subsequently repaid, with interest, by the borrower.

*Homeowners are expected to pay at least 28 percent of their gross monthly income toward the mortgage.

*To apply, homeowners fill out the application following instructions as mailed to them by Fannie Mae or MGIC.

HOAP IS A SUCCESS

Now, eight months into the program, Alaskans can feel good about the results. This program may not have been as successful without the unprecedented cooperation and participation of all institutions involved, especially Fannie Mae and MGIC. The unprecedented cooperation has helped many Alaskans and thousands will see a savings each month when they make their mortgage payments. Furthermore, many Alaskans within days of foreclosure have been able to remain in their homes.

As of August 12, 1988, more than 46,000 HOAP packets had been mailed to AHFC borrowers. Nearly 3,800 of those borrowers have been approved to participate in the program and 658 loans have closed. Many more borrowers, hundreds each week, are applying for HOAP.

See Table II below for a complete description of activity to date.

ALASKA HOUSING FINANCE CORPORATION

Combined HOAP Programs
 Status Report
 AHFC Run Date 8/12/88
 Table II

	<u>FNMA*</u>	<u>MGIC**</u>	Non-Pool <u>MGIC**</u>	<u>TOTAL</u>
(M) Mailed, no response	6,926	9,798	17,173	33,897
(I) Pending	1,168			1,168
(A) Approved	1,175	1,797	826	3,798
(C) Closed	281	313	84	678
(D) Declined	227	388	221	836
(R) Rejected telephonically	422			422
(W) Withdrawn by client	263			263
(X) Returned, undeliverable	—	<u>1,784</u>	<u>2,571</u>	<u>4,355</u>
TOTAL	10,462	14,080	20,875	45,417

*FNMA Data Current as of 8/6/88

**MGIC Data Current as of 8/7/88

Code	FNMA	MGIC
M	Mailed, no response	Mailed, no response
I	Pending	Not tracking
A	Approved	Approved
C	Closed	Closed
D	Declined	Declined
R	Rejected telephonically	Returned, undeliverable
W	Withdrawn	Not tracking

Of the 658 loans closed to date:

- *Borrowers have saved an average of \$150 per month, some up to \$900 per month;
- *Lenders have collected more than \$20,000 per month in servicing fees on previous delinquent loans;
- *Fannie Mae and MGIC may save as much as \$32,900,000 in claims if these loans continue to perform (using their estimate of \$50,000 claim loss per loan), and;
- *AHFC is receiving \$600,000 per month in principal and interest on previously unperforming loans.

It is too early in the program to see complete results. However, in referring back to Table I, delinquency rates have declined somewhat and have stabilized.

Also, AHFC borrowers have been expressing their satisfaction with the program.

"This will be a great help to us in being able to afford to retain the home we built three years ago," one borrower said in a letter to Fannie Mae.

Another borrower, who received some assistance with her mortgage, was extremely happy with the program.

The program shouldn't be spelled h-o-a-p, she said. It should be spelled h-o-p-e.

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**THE SALE OF MORTGAGE LOAN SERVICING RIGHTS:
ALASKA TRENDS**

**By
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President
Alaska Mortgage Bankers Association
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Real Estate Lending
Alaska USA Federal Credit Union**

August 19, 1988

INTRODUCTION

The typical mortgage loan, when originated, is underwritten to the standards of the investor, insurer and/or guarantor, where applicable. Once the loan documents are signed and the loan closed, the loan is sold to an investor. The servicing rights to a loan may be sold to the same investor, to another servicer or retained by the servicing department of the originating lender.

The purpose of this paper is to explain the reasons why servicing rights are bought and sold, the trends that are occurring and suggest a change in strategy for some servicers. As Alaska Housing Finance Corporation loans dominate the Alaska market, the trends which are occurring with AHFC servicing will be used.

WHY BUY SERVICING RIGHTS?

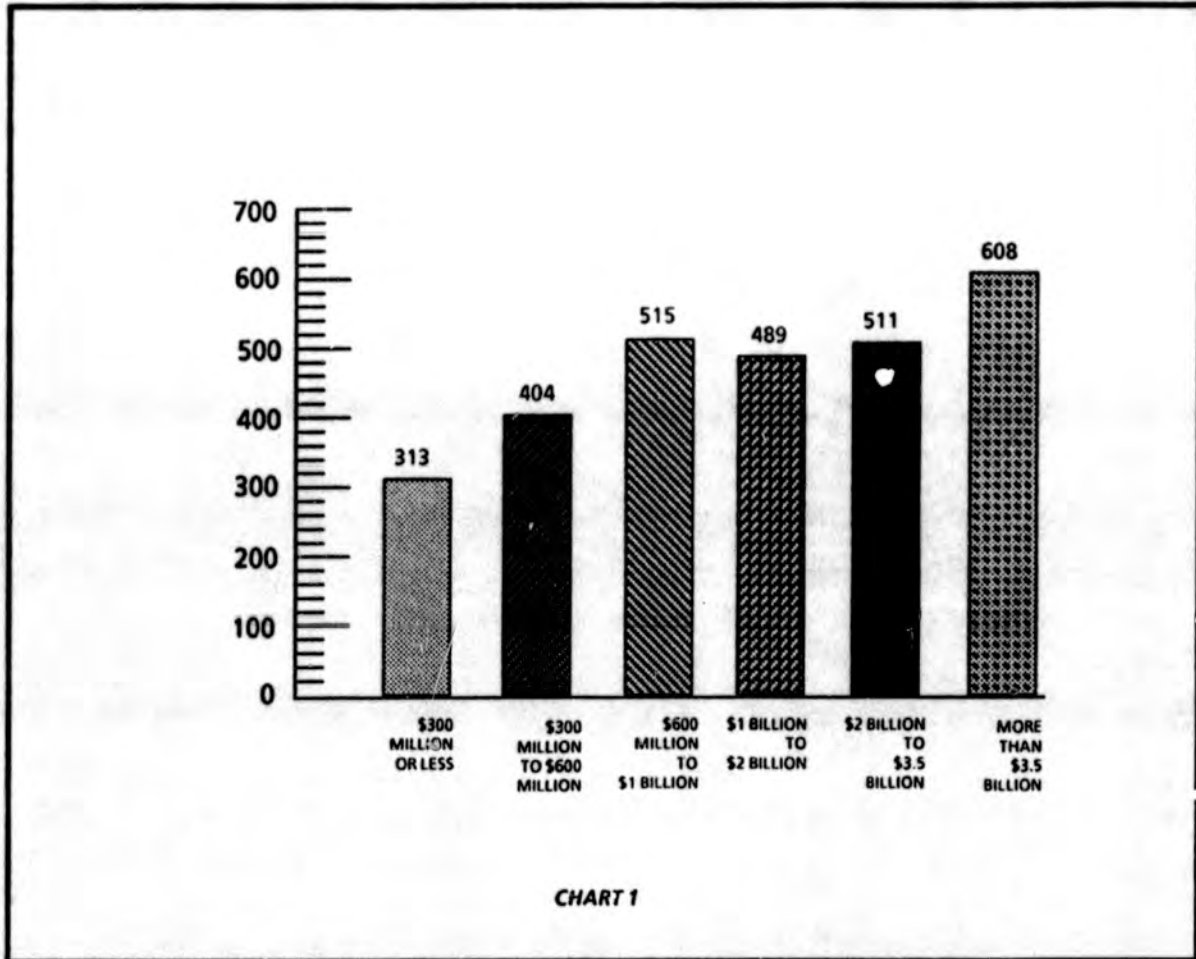
The investor allows the servicer to earn a fee for "managing" or servicing the loan, which includes collecting and accounting for each monthly payment, paying taxes and various insurance premiums and communication with the borrower. In return the servicer retains a portion of the interest part of the payment or servicing fee, which normally approximates three eighths of 1 percent or about \$380 per year per \$100,000 loan. This fee is a steady annuity-like income stream which continues over the life of the loan, even through periods when origination fee income dries up.

A second reason which motivates buyers to purchase servicing is the yield. A firm may use capital to buy servicing to maximize its rate of return on capital. While the value of servicing may go up or down as a function of supply and demand, the monthly servicing fee cash flow will continue so long as the borrower's monthly payment is made. Alaska has experienced a significant drop in demand for servicing, due in large part to the increase in servicer costs caused by increased delinquency and foreclosures in the state. As a result, the price a firm is willing to pay for servicing drops, which raises the yield, so long as costs associated with delinquency do not rise at a corresponding rate.

A third reason a firm would purchase servicing is to diversify -- either corporate assets or an existing servicing portfolio. A portfolio can be diversified, or the characteristics which make up the portfolio varied which lessens the risks pertaining to portfolio age, loan maturity, interest rate or geographic makeup. Servicers with loans spread across the state are less susceptible to a drop in economic activity in a particular geographic area. As another example, a portfolio dominated by high interest rates is more susceptible to a large run off if interest rates dropped quickly, which occurred in the spring, 1986.

A fourth reason to purchase servicing is due to economies of scale which can be recognized in an expanding portfolio. The economies are different for each servicer, whether on the same automated data system or a manual system. The loan acquisition cost, personnel expenses, operations and overhead all play a role in determining cost per loan. Further, each facet of servicing, such as payment of property taxes, hazard insurance renewal or customer service all have different levels where efficiencies can be achieved. Therefore, when making a purchase decision, the benefits from individual economies of scale are recognized and blended into one general average. While servicing expenses have not been studied among servicers as an Alaskan group, individual Alaskan servicers should calculate their particular cost of servicing annually. Nationally, the number of loans per servicing employee for 1986, the latest figures available, demonstrates the economies at work. Chart 1 shows a small servicing operation with less than \$300 million in loans carries the least number of loans per employee. A servicing operation that carries more than \$3.5 billion has a loans per employee ratio twice the rate of the smallest category. It should be noted that the changes in size are not necessarily perfectly lineal in

nature. The area within \$1 billion to \$2 billion are less efficient than the next smallest grouping, as an example.



A fifth reason for buying servicing, though not as important as the first four, recognizes the stable, relatively inexpensive deposit base that escrow accounts which accompany a mortgage loan generate. Typically averaging \$500 to \$1,000, these funds are collected monthly to fund tax and insurance payments. Servicers do not normally pay interest on these funds due to the administrative expenses involved in administering the payment of these bills. In addition, servicers frequently advance funds to keep taxes and insurance current if escrow funds are not sufficient.

A sixth reason to buy servicing is to gain the opportunity to cross sell other services available from the firm. A borrower is more likely to utilize a servicer's other primary services such as a checking, savings or loan service, if available, if the institution also processes the monthly mortgage payment.

WHY SELL SERVICING RIGHTS?

The most common reason for selling servicing during recent times in Alaska is due to the liquidation or merger of the servicing institution. Normally the servicing rights revert back to the individual investor if a liquidation has occurred. In this situation, the investor markets the servicing rights to those remaining in the area who have previously shown an interest in

purchasing servicing. If a merger of two or more institutions occurs, more than likely the servicing rights will flow to the surviving firm.

A second reason for selling servicing is to raise capital for reasons such as meeting regulatory requirements, covering anticipated loan losses or to fund an anticipated major expenditure such as a branch expansion or a computer system.

A third reason a seller would be motivated to sell are due to the inefficiencies involved in their particular servicing operation, whether it be size; a particularly expensive loan type, such as mobile homes; geographic location of property and its distance from the servicers nearest office; or an inefficient servicing data system. A servicer is faced with the choice of restructuring a portfolio by selling off loans which do not fit into its overall strategy -- or by buying loans which fit better.

The fourth reason why a servicer would choose to sell their servicing is because of the complexities involved in the profession. Each year new and varied loan products are designed to meet certain objectives of the borrower, investor or bond holder. The IRS requirements continually increase. As the complexity expands the only solution is further automation. A servicer reaches the point where a major investment must be made in conversion or upgrade to a more automated system. The servicer is faced with the choice of either investing funds to optimize efficiency or selling the servicing to avoid the expense, or some middle ground. A new servicing system can easily cost \$100,000 for an average size Alaskan servicer.

The fifth reason a servicer may wish to sell their servicing is due to a newly emerging problem in Alaska and the nation. Servicers are finding that investors and insurers are holding them liable for their errors which sometimes are very costly to resolve. Failure to obtain a certificate of adequacy for a septic system, failure to provide certain notices consistent with the terms of the insurance policy or permitting winter freeze up when a property is vacated have all cost servicers unanticipated expenses. The experienced personnel needed to avoid these types of mistakes are expensive to retain.

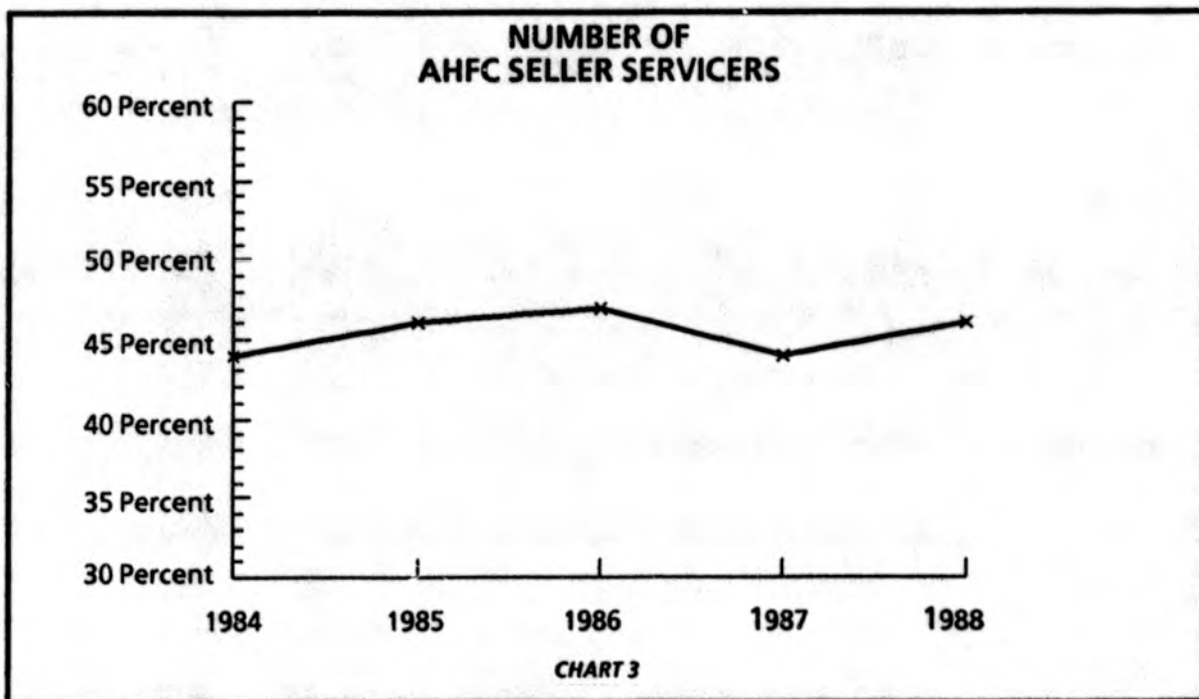
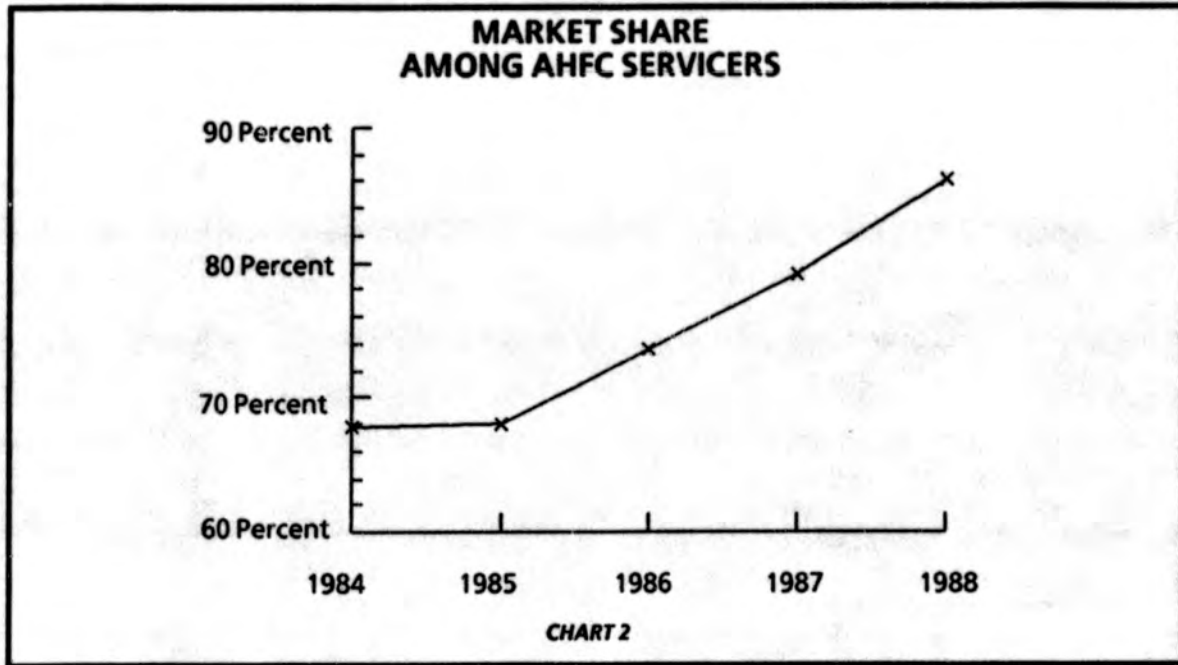
The last reason a servicer may sell is due to the loan product. An FHA insured loan not sold to AHFC must be sold to the investor creating the Ginnie Mae pool who will retain the servicing rights. This sale of servicing is normally on an individual loan basis and occurs within days after closing.

ALASKA TRENDS

Alaska servicers are currently experiencing change in a number of areas. Five years ago, outside lenders were acquiring or originating a large amount of AHFC servicing. Some Alaska mortgage lenders sold their entire existing AHFC portfolios to these national companies, then continued making additional loans for their own portfolio. Another practice was to sell the servicing rights on a continual or flow basis, as each individual loan was closed and sold to AHFC. These practices have slowed in recent years due in part to the higher than average delinquencies, by national standards, experienced by these same outside servicers dealing in Alaska servicing. Additionally, in March 1987, when AHFC restricted the movement of servicing by requiring that servicing facilities, other than data processing plants, be located within the state of Alaska, any remaining momentum in the flow to out of state services was stopped.

Individual AHFC servicing portfolios continue to be consolidated through mergers and liquidations, causing the market share held by the ten largest AHFC servicers to continually rise over the last three years, while AHFC maintains the same approximate number of approved servicers. Chart 2 shows that during the years 1984 and 1985 the top ten servicers maintained

approximately 67 percent of the AHFC servicing market. In 1986 a dramatic increase started, raising the share to 74 percent, then 79 percent in 1987 and 86 percent in June 1988. On the other hand, the number of AHFC servicers remained very stable between 44 and 47 as shown on Chart 3. As servicers leave the market, others enter. Additionally, if a portfolio is sold, frequently the terms are such that only the current loans change hands, leaving the selling servicer still in business to manage the remaining delinquent loans through foreclosure or back into current payment status.



Servicing expenses continue to rise, both nationally and in Alaska. These increased expenses in Alaska, as previously noted, are due in large part to our delinquency and foreclosure experience. Also, as property values drop and new sales occur, smaller loan balances are created with a corresponding decrease in the servicing fees and less income for the servicer.

The Federal Home Loan Mortgage Corporation, in its July 1988 issue of Freddie Mac Reports, noted that 78 percent of all Mortgage Bankers Association of America members now service no loans. That article went on to quote American Banker's most recent survey which noted that the nation's top 100 mortgage companies increased their servicing portfolios by 23 percent in 1987.

The trend nationally is one of consolidation. That trend has also been occurring in Alaska among mortgage lenders.

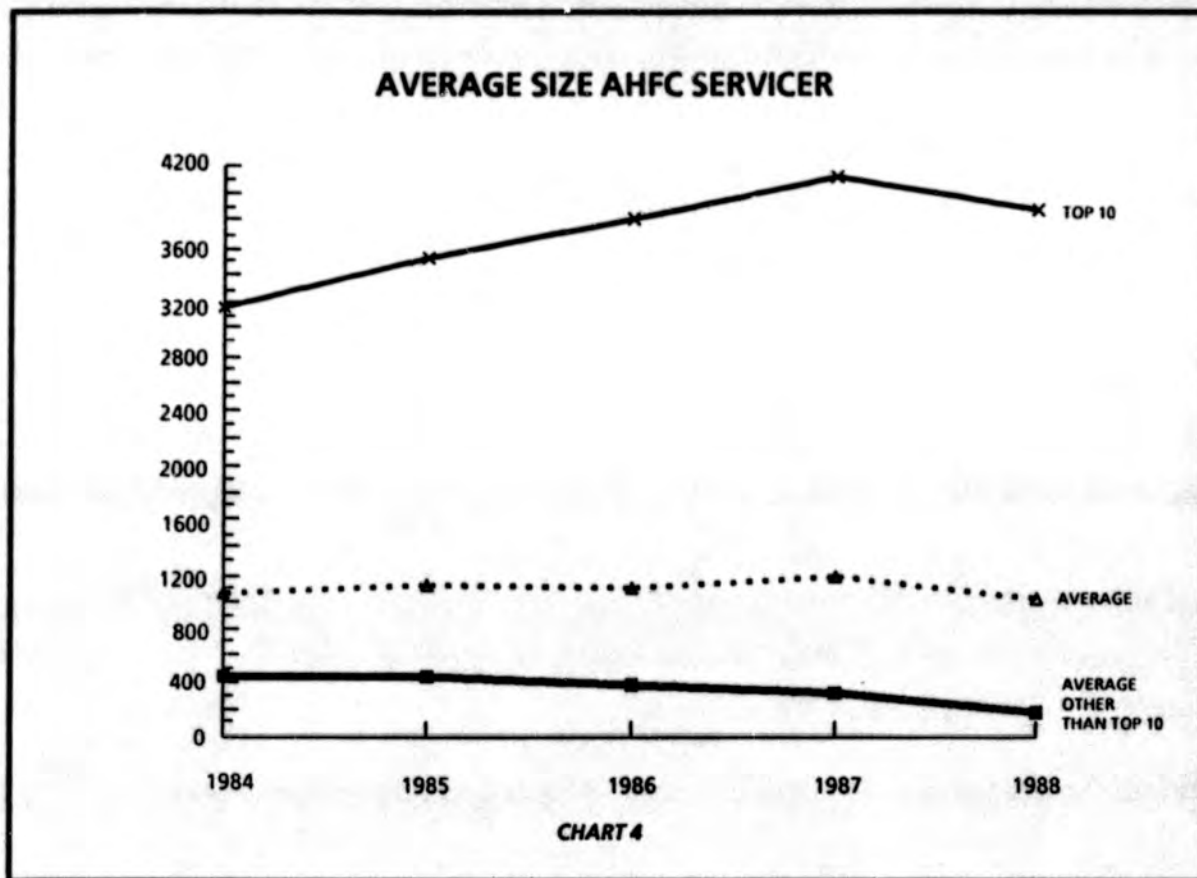
THE FUTURE FOR MORTGAGE BANKING IN ALASKA

The function of mortgage banking in Alaska for the vast majority of firms has included both origination of loans and their servicing. Generally a firm has been prepared or found it necessary to service whatever product they originated, unless the loan was eventually being sold to a Ginnie Mae pool on a servicing released basis.

Smaller firms are more likely to remain profitable in the short term by concentrating on just one facet of the origination/servicing process. The origination process can only be profitable standing alone if the rights to the servicing are sold on a servicing released basis. Originating on a servicing released basis allows a firm to recognize the present value of a future servicing fee cash flow, discounted to market conditions, without the investment in an expensive servicing system. Originations and servicing are two very different, specialist occupations. It is therefore uncommon for a company to employ an individual who is current and competent as both a servicer and an originator. This specialization then eliminates the need for a second set of unique employees who specialize in servicing tasks. On the other hand, if the firm is intent on originating and servicing, the servicing income must be recognized as a partial subsidy of the origination function.

If resources are limited, or if a firm cannot be efficient at both originations and servicing, a choice should be made. Should the firm continue to struggle with the servicing tasks at stagnant loan levels? Or should they originate for sale, realizing the servicing release income immediately, while leaving the actual servicing to a larger, and theoretically more efficient servicing firm.

Chart 4 illustrates the historically data as it is related to the average number of loans by AHFC servicers over the last five years. While the overall number of active AHFC loans has decreased by about 10,000 loans during that period, the average number of loans by the ten largest servicers has increased from 3,152 in 1984 to 3,865 in mid 1988 after peaking at 4,111 in 1987. On the other hand, the average number of loans per servicer not within the top ten has dropped steadily from 441 in 1984 to 172 in 1988. On average, the largest Alaska servicers continue to grow, while the smallest continue to shrink.



The exchange of servicing which has occurred in Alaska during the last five years has happened with some regulatory and statutory intervention. AHFC's restriction on the transfer of servicing outside the state was in response to some concerns regarding the service home owners were receiving from their outside servicers. Another was a bill passed during the last legislature which contained certain sale notice and response requirements, which for the majority of servicers were ongoing common sense business practices. Barring additional intervention by AHFC or the legislature, the sale of servicing will continue. The Alaska Mortgage Bankers Association supports the continued practice of buying and/or selling servicing rights to AHFC loans. The Mortgage Bankers Association of America has developed and published a set of recommended standards that the buyers and sellers of servicing should subscribe to in the interest of minimizing inconvenience to the home owner affected by a servicing sale. The standards, which have been followed by the vast majority of mortgage lenders in Alaska, are a model of normal, good business practices for our industry.

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**THE THRIFT INDUSTRY
AND MORTGAGE CREDIT IN ALASKA**

by

*Judith C. Chaney, Housing Director
Federal Home Loan Bank of Seattle*



**ALASKA COMMUNITIES SERVED BY
FEDERAL HOME LOAN BANK MEMBER BRANCHES**

August 1988

THE THRIFT INDUSTRY AND MORTGAGE CREDIT IN ALASKA

Judith C. Chaney

Federal Home Loan Bank of Seattle

The Thrift Industry in Alaska

As I write this paper during the summer of 1988 there is an intense debate in Alaska on the future of the state's housing industry. As part of this debate, a fundamental public policy question must be addressed: Does thrift industry still play a critical and necessary role as a provider of home mortgage credit in Alaska?

In Alaska the issue of survival of a community-based thrift industry is especially relevant since the number of all locally-owned financial institutions, both healthy and troubled, continues to decline. In the past four years, for example, KeyCorp of Albany, New York, purchased Alaska Pacific Bank and First National Bank of Fairbanks and Rainier Bank of Seattle bought Security National Bank, while Alliance Bank was created when the Hallwood Group, from New York, merged Alaska Mutual and Alaska Bancorporation with FDIC assistance. And, just this past month, First Interstate of California purchased Alaska Continental Bank.

Even though many economists believe that the state's recession has touched bottom, it is no secret that some banks and thrifts in Alaska are still facing problems of capital adequacy. In fact, less than five months ago, a Joint Resolution was introduced in the Alaska State Legislature "urging the Federal Home Loan Bank Board to consider extension of assistance to Alaska financial institutions similar to the Board's 'Southwest Plan'." The resolution focused on the need to infuse new capital into thrifts in states hard hit by local economic problems.

The mechanism used in the Southwest Plan, however, was the consolidation of financial institutions in a region where archaic unit banking laws created a large number of independent banks and thrifts, each serving a very limited market area.

The structure of the financial services industry in Alaska is quite different. Even though the number of Federal Home Loan Bank (FHLB) members is lower than it has been since 1975, the number of communities served and total assets held have grown steadily. As Table 1 shows, the five members of the Federal Home Loan Bank (FHLB) System have 29 branches in 12 communities. In the larger cities (Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, and Wasilla), consumers may choose among two or three competing thrift institutions.

Table 1:

FHLB Member Associations Serving Alaska*

<u>Year</u>	<u>Associations</u>	<u>Branches</u>	<u>Cities</u>	<u>Assets**</u>
1975	6	17	8	\$ 281.1
1976	6	19	10	\$ 367.2
1978	6	21	12	\$ 487.4
1979	6	22	12	\$ 506.9
1980	7	23	13	\$ 567.7
1981	7	21	12	\$ 700.3
1982	6	19	11	\$ 829.1
1983	7	22	12	\$ 1,029.8
1984	7	23	12	\$ 1,069.3
1985	7	27	12	\$ 1,266.8
1986	7	29	12	\$ 1,466.8
1987	6	24	12	\$ 1,372.8
1988	5	29	15	\$ 1,944.1

* Data as of beginning of the year.

** Millions of dollars.

Source: Federal Home Loan Bank of Seattle.

This paper discusses the role the thrift industry has played in Alaska's housing market and raises questions that must be faced in the next two years.

Structure of the Thrift Industry

Congress created the Federal Home Loan Bank System in 1932 to solve the liquidity problems faced by lenders and home owners alike during the Depression. Individual community-based savings associations simply did not have enough market presence to provide mortgage credit under all economic conditions.

The system has three parts: a presidentially-appointed, three-member Federal Home Loan Bank Board; 12 District Banks; and more than 3,000 member thrift associations. The District Banks are very successful financial institutions. The Federal Home Loan Bank of Seattle, whose district includes Alaska, is one of the smallest (in number of members) but most profitable in the system. With assets of over \$10.6 billion, it returned a 11.0% dividend to our 114 member stockholders last year.

Most of the financial associations that are members of the Federal Home Loan Bank System are Federal Savings and Loan Insurance Corporation (FSLIC) insured. Many savings banks insured by the Federal Deposit Insurance Corporation (FDIC) have chosen to join the system, however, because of the low-cost advances, member services, and excellent dividends. The following discussion of the Alaska thrift industry will include both FSLIC and FDIC members of the Federal Home Loan Bank of Seattle.

As Table 2 shows, there are five FHLB member associations in Alaska, two of which are FDIC insured. Together they have assets of almost \$2 billion.

Table 2:**Alaska Members, 1988**

<u>Institution</u>	<u>Headquarters</u>	<u>Insurance</u>	<u>Assets*</u>
Alliance Bank	Anchorage	FDIC	\$ 1,276.0
First Federal Bank of Alaska	Anchorage	FSLIC	\$ 351.9
Home Savings Bank	Anchorage	FSLIC	\$ 85.0
Mt. McKinley Mutual S.B.	Fairbanks	FDIC	\$ 97.0
Alaska Federal S&LA of Juneau	Juneau	FSLIC	\$ 134.2
Total Assets			\$ 1,944.1

* Millions of dollars as of the beginning of 1988.

Source: Federal Home Loan Bank of Seattle.

The FHLB System and Mortgage Credit

The District Banks' charter is to ensure the financial viability of local thrift institutions so that they may provide home mortgage financing to individual borrowers. To ensure member viability the Banks provide a wide array of complex services: advances to members, acceptance of deposits, correspondent banking services, and provision of services to assist examinations. The most direct role the Banks play in availability of mortgage credit is through member advances (loans).

Residential mortgage originations by thrifts are funded by deposits, FHLB advances, repayments, sales of loans into the secondary market, and a scattering of other capital-raising vehicles. Nationally, deposits as a percent of member assets dropped from 84 percent in 1977 to 74 percent in 1987. In Alaska deposits were 78 percent of total assets at year end 1987, down slightly from 79 percent the previous year. As deposits drop, thrifts must rely more heavily on other non-deposit sources of funds.

Until recently, the District Banks were the only reliable, cost-effective source of non-deposit fixed-rate funds for home mortgages. Today, qualifying thrifts can raise long-term funds (one-year plus) through such instruments as mortgage-backed bonds, collateralized mortgage obligations, medium-term notes, and senior and subordinated debt. While the use of these sources of funds has increased as the financial markets have evolved, specific member use varies widely depending on size, financial condition, and location.

The District Banks offer both fixed-rate and adjustable-rate advances to members with terms ranging to twenty years. Approximately 60% of outstanding advances consist of fixed-rate funds with remaining terms of one year or more. Compared to the least cost alternatives sources of term financing that are available to most thrifts, term advances provide the thrift industry an annual reduction in borrowing costs of approximately \$1.381 trillion, according to the FHLB of San Francisco (August 1988).

In Alaska, however, by offering below-market rates, the Alaska Housing Finance Corporation (AHFC) in recent years has been the major source of mortgage financing. According to the Institution of Social and Economic Research (ISER, October 1987), AHFC bought 80% of new mortgages originated between 1980 and 1985. With the drop in market interest rates since 1985, AHFC's market share has declined as home owners shop for mortgage terms and conditions. Thrifts, by offering both AHFC and conventional mortgage programs funded to varying degrees by FHLB advances, help home owners choose mortgages that best meet their individual needs.

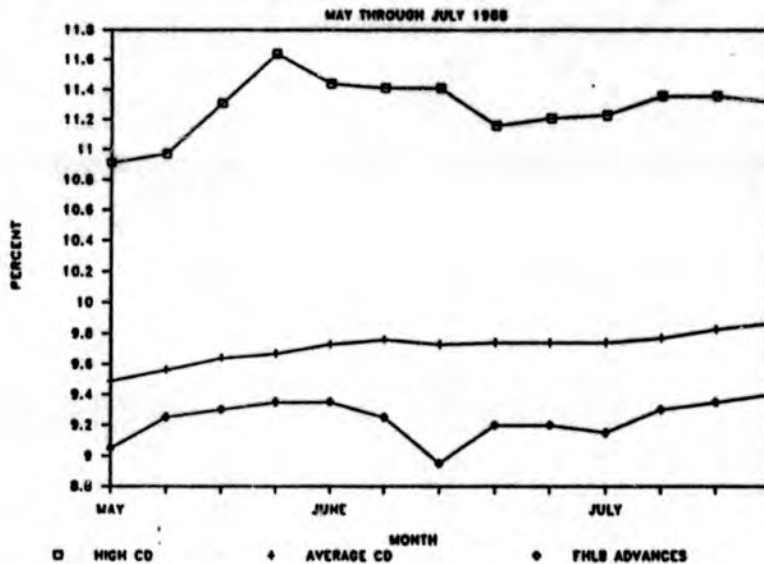
These Alaska home owners benefit directly from FHLB advances that lower thrifts' costs of funds, as the following comparison demonstrates. If FHLB advances were no longer available, given the size of

Alaska thrifts, certificates of deposits (CDs) would be the most likely alternative source of mortgage funds.

As a funding source, however, CDs have a number of drawbacks: limited availability of longer maturities, difficulty of gathering large sums in a short period of time, and interest rate risk because the funds can be withdrawn. Further, in the absence of advances, heavier reliance on term CDs could create price wars driving up the cost. Given these limitations, term CDs would be a costly and inefficient replacement for long-term advances.

In this District, ignoring the other costs of marketing retail CDs, between May and July 1988 the average yield on five-year CDs was 31 to 78 basis points higher than five-year fixed-rate advances from the FHLB of Seattle. For the 100 highest yield five-year CDs, the spread over advances was 186 to 246 basis points. As pointed out above, if thrifts relied more heavily on CDs for funds, the average yield would probably be above the highest yields found in the market today. Figure 1 shows these spreads for the past three months.

Figure 1: Sources of Long-Term Mortgage Funds



Sources: 100 Highest Yields, Federal Home Loan Bank Board.

A difference of 31 to 246 basis points in mortgage rates is significant to the consumer. With a 30-year fixed-rate mortgage of \$150,000, for example, a mortgage at 10.31% would cost the consumer \$413 more per year than one at 10.00%, while a mortgage at 12.46% costs the consumer \$3,346 more. When these amounts are multiplied by the total state loan origination volume (over \$760 million in 1987, a low year), the impact of even slightly lower cost of funds on Alaska home buyers can be substantial.

Total end of year advances to Alaska members from the Federal Home Loan Bank of Seattle are shown on Table 3. As of July 1988, the FHLB of Seattle has \$193.6 million invested in Alaska. Not every dollar has gone directly into residential lending, of course, but these advances, as well as AHFC programs, have helped to make affordable mortgage credit available in Alaska despite the volatile economy.

Table 3:

FHLB Advances to Alaska Members*

<u>Year</u>	<u>FHLB Advances</u>	<u>All Member Loans</u>	<u>Advances/Loans</u>
1987	\$ 197,570,000	\$ 451,431,000	43.8%
1986	\$ 199,390,000	\$1,268,864,000	15.7%
1985	\$ 208,450,000	\$1,039,929,000	20.0%
1984	\$ 133,944,000	\$ 786,774,000	17.0%
1983	\$ 125,279,000	\$ 889,783,000	14.1%

* End of year.

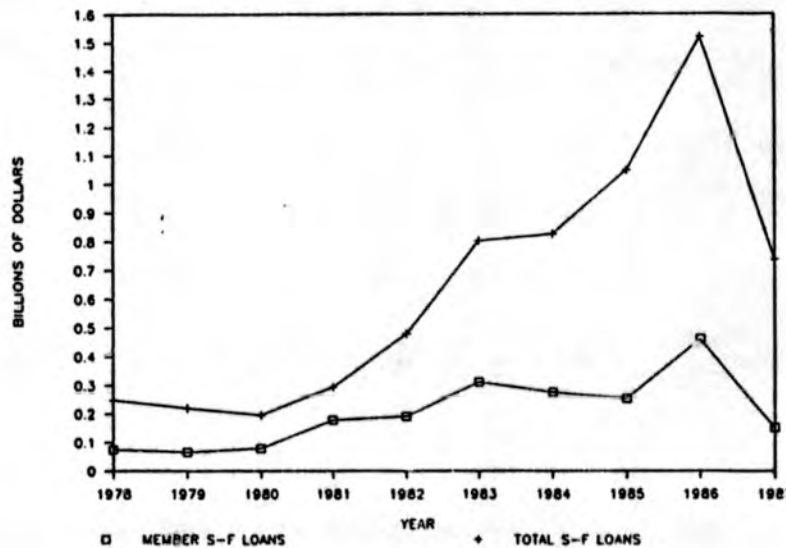
Source: Federal Home Loan Bank of Seattle.

The Thrift Industry and Mortgage Lending In Alaska

Figure 2 compares total single-family mortgage originations in Alaska (HUD, August 1988) with those made by thrift institutions. During the early years before the oil boom, local thrifts originated a third to a half of all residential loans. After 1983 the spread between thrift originations and total originations widened significantly. In 1986 some of the difference between total loan volume and member originations was due to refinancing which AHFC was newly authorized to undertake. Even without refinances, however, the thrift industry lost market share in Alaska as the housing market heated up attracting many Outside lenders.

Figure 2:

Residential Lending in Alaska

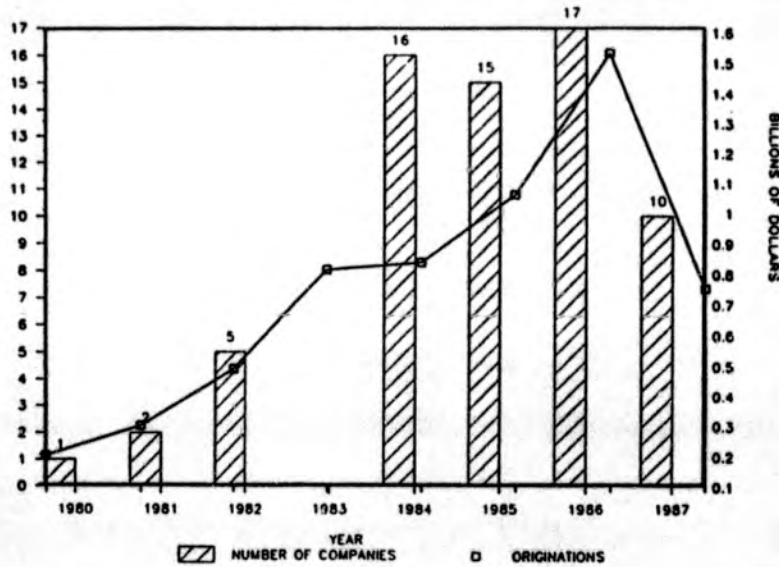


Sources: HUD, Federal Home Loan Bank of Seattle.

It is difficult to track mortgage lenders who are not depository institutions because they are not subject to federal regulation. As a proxy, Figure 3 compares the number of mortgage companies that advertised in the Anchorage Yellow Pages between 1980 and 1988 with billions of dollars of loan originations. It is clear, even from this unscientific analysis, that the number of non-depository lenders fluctuates rapidly with local economic conditions.

Figure 3:

Mortgage Bankers in Anchorage

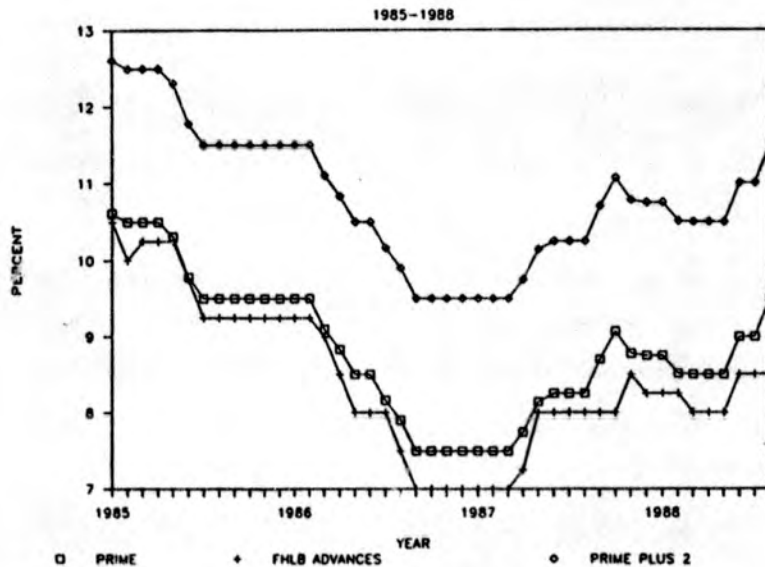


Source: GTE Yellow Pages.

Commercial banks were another group that entered the booming residential market in large numbers after 1983, functioning as mortgage bankers rather than as portfolio lenders. The current low level of mortgage lending has forced many of these bankers to withdraw from the residential market, too.

Mortgage lenders who do not have access to FHLB advances use other sources of funds including borrowings, forward sales into the secondary markets, and other capital market vehicles. Since they are not portfolio lenders, they tend to operate with short-term borrowings. According to industry sources, the best rate to approximate their cost of funds is the prime rate charged by New York banks. The spread over prime can vary from 1.5 to 2.0 points over prime to 1.0 points under, if the mortgage banker has substantial escrow accounts on deposit. All mortgage banking companies in Alaska would pay prime plus. Figure 4 compares this rate range with FHLB short-term advances.

Figure 4: **Prime Rate vs. FHLB of Seattle One-Year Variable Advances**



Sources: *The Wall Street Journal*, Federal Home Loan Bank of Seattle.

The spread between FHLB advance rates and the prime rate suggests why nonthrift mortgage bankers are more sensitive to changes in local mortgage markets. With their very narrow spread between their cost of funds and the mortgage rates consumers will accept, they may not be able to survive in a declining market.

This year mortgage originations in Alaska have plummeted--down even from last year's low levels. Mortgage lending among FHLB members dropped 40 percent during the first quarter of 1988. Lending in Anchorage in the first half of 1988, as measured by recorded deeds of trust, was 61 percent of the previous year's volume for that period. Table 4 gives some indication of the declines individual lenders have faced. Unfortunately these figures include both residential and commercial mortgages, so they indicate the trend rather than strictly residential mortgage volume.

Table 4: Mortgage Market Share, Anchorage Recorded Deeds of Trust

<u>Lender</u>	<u>1987</u> <u>Dollar Volume</u>	<u>1988*</u> <u>Dollar Volume</u>
Alliance Bank**	47,544,510	13,024,678
Key Bank of Alaska	46,142,787	8,500,723
Home Savings Bank	44,970,898	22,885,162
Centrust Mortgage	42,424,089	10,772,597
Nat'l. Bank of Alaska	39,429,937	20,782,746
First Interstate Bank	36,949,480	N/A
First National Bank	36,119,232	11,185,073
AK USA Federal CU	34,998,577	10,962,859
Rainier Bank of Alaska	30,609,999	8,670,748
GMAC Mortgage Co.	28,614,930	13,410,935
Commonwealth Mortgage	28,569,465	12,979,015
Key Pacific Mortgage	25,669,975	9,162,465
Northland Mortgage	24,835,914	8,022,320
City Mortgage	18,361,200	9,274,229
FNMA (Fannie Mae)	N/A	17,260,005
Total Recorded Deeds	\$763,695,970	\$260,134,803

* First 6 months only.

** Alaska Mutual Bank and United Bancorporation merged in 1987.

Source: Security Title & Trust Agency of Alaska, Inc.

The Future of the Thrift Industry in Alaska

At the beginning I mentioned the public policy debate on the importance of the thrift industry in Alaska. As the Appendix demonstrates, in the past three years the composition of the state's thrift industry has changed rapidly and the next several years will probably see more change. The guiding principle for the regulators in resolving troubled FDIC- and FSLIC-insured associations is to protect the insurance funds by finding the lowest-cost solution.

No matter what option is used, however, the FHLB of Seattle is committed to preserving a locally-owned, community-based thrift industry in Alaska.

What the Thrift Industry Offers Alaska

This paper has discussed in depth how the thrift industry has contributed to the availability of mortgage credit in Alaska. Although in this decade the Alaska Housing Finance Corporation has been the most significant source of credit for Alaska's families, the Federal Home Loan Bank System has played a part. Beyond the financial savings the FHLB System can offer home owners, there are some other, less tangible benefits.

- Preservation of a competitive environment for both mortgage and deposit products. Because they are not totally dependent on either state or federal agency programs to fund their mortgages, thrifts can give home owners a choice.
- Flexibility and stability in the face of significant market changes. Alaska's economy has changed enormously since Alaska Federal S&LA of Juneau was chartered in 1935 and thrift institutions have changed to keep pace.
- Long-term commitment to local communities. This commitment extends beyond offering loans and deposit products to supporting community-improvement programs as Anchorage Neighborhood Housing Services, Inc.

In testimony before the Congress this past month, Jay Janis emphasized that there is "an unwritten compact between the (federal) government and its people for decent, affordable housing for everyone." This compact recognizes that it would be impossible for the individual home buyer to compete directly for credit with other larger and more powerful entities. There is a need in American for a specialized system devoted solely to mortgage finance, and since 1935 the thrift industry in Alaska has help fill that need.

Appendix:

FHLB of Seattle Alaska Members 1976-1988

Alaska Federal S&LA of Juneau: FSLIC insured mutual association. State chartered 1935. Headquartered in Juneau. 1988 assets: \$134,194,000.

Alaska Mutual Savings Bank: FDIC insured stock association. Chartered 1961. Headquartered in Anchorage. Changed name to Alaska Mutual Bank in 1980. Merged with United Bancorporation to form Alliance Bank in 1987.

Alliance Bank: FDIC insured stock association. State chartered. Formed in 1987 from merger of Alaska Mutual Bank and United Bancorporation. Headquartered in Anchorage. 1988 assets: \$1,276,000,000.

Arctic First Federal S&LA: FSLIC insured. Headquartered in Fairbanks. \$41 million in assets when acquired by First Federal S&LA of Anchorage in 1981.

First Federal S&LA of Anchorage: FSLIC insured mutual association. Federally chartered 1955. Headquartered in Anchorage. Acquired Arctic First Federal S&LA in 1981. Changed name to First Federal Bank of Alaska, S.B. 1983. Acquired insured deposits from Peninsula S&LA in 1986 and from Frontier S&LA in 1987. 1988 assets: \$351,890,000.

Frontier S&LA: FSLIC insured stock association. Chartered 1982. Headquartered in Fairbanks. Liquidated in 1987 and insured deposits transferred to First Federal Bank of Alaska, S.B.

Home Federal S&LA: FSLIC insured stock association. Federally chartered 1973. Headquartered in Anchorage. 1982 converted to state charter and changed name to Home Savings and Loan Association. 1988 changed name to Home Savings Bank. 1988 assets: \$84,973,000.

Mt. McKinley Mutual Savings Bank: FDIC insured mutual association. State chartered 1965. Headquartered in Fairbanks. 1988 assets: \$97,047,000.

Peninsula S&LA: FSLIC insured stock association. State chartered 1979. Headquartered in Soldotna. Liquidated in 1986 and insured deposits transferred to First Federal Bank of Alaska, S.B.

Source: Federal Home Loan Bank of Seattle.

**ENERGY CONSERVATION STANDARD
FOR NEW RESIDENTIAL BUILDINGS**

by

Stuart D. Brooks

**Project Coordinator
Lighting and Thermal Efficiency Standards**

**Office of Energy Programs
Department of Community and Regional Affairs**

August 19, 1988

ENERGY CONSERVATION STANDARD FOR NEW RESIDENTIAL BUILDINGS

How The Standard Was Developed

The Alaska Legislature enacted a law, AS 46.11.040, in 1980 that mandated statewide lighting and thermal efficiency standards for all residential buildings which receive state financial assistance. The responsibility for developing this standard was transferred to the Department of Community and Regional Affairs (DCRA) in 1983.

In late 1983 a sixteen member advisory committee representing all facets of the building industry was established by DCRA to review and guide the development of the standard. Their first action was to reject a draft standard done by a consultant. This draft incorporated both commercial and residential standards into a single document. This made the standard difficult to understand for those persons only interested in the residential requirements.

In July 1984 DCRA staff began the process of developing a standard geared solely toward residential use. The state was divided into 15 regions and data was gathered specific to each. This data included: weather, construction costs, solar energy, fuel costs, insurance, taxes, maintenance, mortgage rates, discount rate, mortgage term, fuel and general inflation rates, and an appropriate time period of analysis. Additionally, construction costs were estimated for 2 door types, 2 window types, 3 ceiling types, 11 wall types, 3 floor over crawlspace types, 3 elevated floor (piling or post and pad foundations) types, and 2 heating system types.

A computer model to analyze all this data was developed by the University of Alaska's Institute of Social and Economic Research (ISER). The model used a life-cycle-cost technique and a period of analysis of 30 years. The model "constructed" houses by combining the various building assemblies in every possible combination. This technique allowed ISER to construct 330 houses in each of six regions for Southeast and Southcentral Alaska, and 198 houses in each of the remaining nine regions.

From this analysis the advisory committee chose two levels of thermal efficiency. The first was a mandatory minimum level and the second was a higher recommended level (which eventually became the Alaska Craftsman Home Program). It was found that many of the thermal efficiency levels chosen for the 15 regions matched or was nearly identical to levels for other nearby regions. Thus, the initial 15 regions could be consolidated down to only 5 regions for the entire state.

The minimum standard was then drafted incorporating the recommendations of the advisory committee. State staff next conducted nineteen community meetings across the state to explain how the standard was developed and to give the public an opportunity to respond to the draft standard. The standard was then revised and public hearings were held in fourteen communities around the state. The standard was finally adopted into law in 1987.

The Office of Energy Programs within DCRA conducted workshops in twenty-one communities around the state this past Spring to explain the specific requirements of the standard. The standard is slated to go into effect on October 1, 1988.

Scope of The Standard

The standard is required only for new residential construction and only if state financing will be involved in the mortgage process. Construction that begins before October 1 is not required to comply with the standard.

The standard applies to residential buildings measuring three stories or less in height. Additions need to comply only if habitable space 50% or greater in floor area than the existing dwelling is made - and then only the addition need comply.

The standard does not apply to transient housing such as hotels and motels etc.; manufactured homes; or lighting considerations.

If a local government develops an energy standard that meets or exceeds the state standard, the law allows the local government's standard to take precedent.

The Commissioner for DCRA has the authority to exempt an area of the state where the standard is not justified because of the high cost of implementation.

How To Comply

The standard provides for three methods of showing compliance: Prescriptive, Performance, and Building Budget. Builders may use any one of these three methods. Additionally, there are mandatory measures that must be met regardless of which of the above three compliance methods the builder chooses to follow.

Each of the state's financing agencies have developed a compliance process appropriate to their scope of business. Builders should contact the appropriate agency (AHFC or DCRA's Housing Assistance Section for example) for specifics.

Portions of the standard's requirements are shown on this and the next page. Readers should obtain a full copy of the standard to ensure a complete understanding of all requirements contained therein. Write to the Alaska Office of Energy Programs, 949 E. 36th Ave., Suite 403, Anchorage, AK 99508. Copies are \$4.00 each which includes postage and handling.

Mandatory Measures

These measures encompass insulation practices, vapor retarders, air infiltration control, ventilation requirements, window performance testing, conservation of hot water, plumbing, air ducts, and heating system testing.

Prescriptive Requirements

<u>Window Area</u>	<u>Minimum R-value Required</u>			
	<u>Regions 1&2</u>	<u>Region 3</u>	<u>Region 4</u>	<u>Region 5</u>
up to 8%	2.10	2.30	2.80	2.80
greater than 8% and up to 11%	2.80	2.80	2.80	2.80
greater than 11% and up to 15%	4.00	4.00	4.00	4.00

Window area greater than 15% not allowed in any region. If more than 15% window area is desired, the builder must use the Performance or Building Budget methods.

Five percent of the allowable window area is exempted from the above requirements to permit special architectural windows.

Skylights must be double glazed as a minimum and skylight area may not exceed one percent of the total insulated ceiling area.

PRESCRIPTIVE ENVELOPE R-VALUE REQUIREMENTS

This table lists minimum prescribed insulation requirements for the building envelope. The builder may use any method of constructing the building envelope provided clear compliance with the listed R-values can be shown and is acceptable to approving officials. The builder may exceed these minimums if so desired.

CAUTION: Permafrost areas require engineering analysis for proper application of insulation in contact with the ground.

Region Number Region Name Heating Fuel	Prescriptive Envelope R-Value Requirements							
	Ceiling ¹		Above-grade		Below-grade	Slab-on-grade		Door ²
	#1	#2	Wall	Floor	Wall	Floor	Floor	
Region 1								
Southeast								
All Fuels	38	48	21	30	15	15	2.5, 7	
Region 2								
Southcentral, Aleutian, Kodiak								
Natural Gas	38	45	18	19	10	10	2.5, 7	
All Other Fuels	38	48	25	30	15	15	2.5, 7	
Region 3								
Interior, Southwest								
All Fuels	38	48	25	38	19	15	7	
Region 4								
Northwest								
All Fuels		48	30	38	19	15	7	
Region 5								
Arctic Slope								
All Fuels	52	NA ³	35	43	--	--	7	

Notes:

1. Ceiling #1: R-values listed are for ceilings with no skylights.
Ceiling #2: R-values listed are for ceilings with skylights. See paragraph 3.7b.
2. One exterior door in Region 1 may have an R-value less than 7 but no less than 2.5.
3. Not allowed.

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ENERGY RATED HOMES OF ALASKA

by

**Geoff Feiler, President
Heat Loss Analysis, Inc.**

19 August 1988

prepared for the

**Alaska Housing Market Council
Governor's Conference on Housing
23 September 1988**

INTRODUCTION

Since the mid-1970's energy has been an increasingly important issue in the residential shelter industry. The increases in the cost of heating and providing power to homes that began with the Arab Oil Embargo of 1973 have spawned a multitude of innovative techniques designed to improve the efficiency of our housing stock.

As a result of these changes, the potential homebuyer has been faced with a multitude of energy related choices. The task has been made difficult because there was not a uniform method for evaluating combinations of features. In addition, the impetus to build or buy with energy wisdom has been alternatively supported and roadblocked by the fluctuating presence or absence of financial incentives beyond the promise of lower operating costs.

Enter Energy Rated Homes of Alaska, a voluntary shelter industry program designed to allow comparison of dissimilar homes on an energy basis and to provide the means by which the efficient homebuyer could be rewarded.

PURPOSE

The Energy Rated Homes program is designed to provide benefits to the full spectrum of the shelter industry. Its basic concept of a uniform system by which homes can be rated based on their energy using features is a primary key. Its intent to be voluntary and member oriented, rather than regulatory and government controlled, will also help it reach its goal. The benefits to some of the industry segments are as follows:

For the homebuyer it provides a uniform energy rating by which homes can be compared. The rating is based on a point system (1-100) that translates into a highly visible "Star Rating" (one to five stars). The homebuyer merely needs to compare the number of Stars to see how opposing homes stack up on energy. The greater the number of Stars, the more efficient the home.

In addition, choosing an energy efficient home can mean more flexibility in the mortgage lending process since the number of Stars can translate to a greater allowable debt to income ratio - a primary measure used by lenders in determining eligibility for a loan. For example, the Alaska Housing Finance Corporation will allow the following adjustments to the ratio based on the rating received in the program:

*	no increase (28%)
**	no increase (28%)
***	one additional point on ratio (29%)
****	one additional point on ratio (29%)
*****	two additional points on ratio (30%)

FannieMae, FreddieMac, and other secondary lenders working with the program may use different allowances both for the debt to income ratio and the energy rating allowances.

To carry the example further, consider a home with a purchase price of \$100,000 and 90% financing. Current interest rates might result in a payment of about \$870 per month and a required income over \$3100 per month. A five star rating would reduce the required income level to about \$2900 per month. Conversely, with an unrated home, a \$3000 per month salary would qualify a potential buyer for a \$95,000 home. If the home received a five star rating, that buyer's potential would increase to about \$105,000.

For the homeowner, the Energy Rating includes a list of improvements that are feasible for that particular home and that will, if performed, raise the energy point value. It also lets him know where he stands in the myriad of properties surrounding him. This can be valuable if energy related remodeling funds are available or if the homeowner is considering becoming a homeseller.

For the realtor or speculative builder, the energy rating of an efficient home is a selling tool. During periods of high energy costs, the operating costs of a home will become a consideration in the same class as size, appearance, and neighborhood. Other aspects being roughly equal, the smart homebuyer will certainly prefer the more energy efficient home. Realtors wanting to sell these homes will be able to use a good Star Rating to their advantage.

For the mortgage lender, the energy rating of the efficient home is the backup needed to adjust a potential buyer's debt to income ratio. Here the lender recognizes that energy efficiency means lower home operating costs and, therefore, more funds available for mortgage payments.

For the builder, an energy rating can be used to show compliance with the new State of Alaska Energy Conservation Standard for New Residential Buildings. It can also be used to show compliance with some of the requirements of the Alaska Craftsman Home Program.

PARTICIPANTS AND ORGANIZATION

As mentioned earlier, the Energy Rated Homes program is a shelter industry program. The participants include primary and secondary mortgage lenders, utilities, realtors, appraisers, builders, and public officials. Although funding and support for program startup has been primarily provided by the State of Alaska, the State Homebuilders Association, and railbelt utilities, program oversight is performed by a volunteer advisory committee made up of representatives from each of the industry segments. The committee also includes the program 'local operators' from the Southcentral and Interior regions of the State.

These local operators are responsible for the daily operation of the program. They supervise the performance of ratings, provide training to members, maintain records, and report back to both the advisory committee and the national organization - Energy Rated Homes of America.

The intent of the program is also to have a broad based, dues paying membership base including not only those industry members mentioned above but also entities such as building material suppliers. Participation and benefits would vary with the type of service provided.

PROCESS

Energy ratings are performed either by trained appraisers who are members of the Energy Rated Homes system or by trained energy raters under the direction of a local operator. A request for a rating can come from a builder, a realtor, a lender, a homebuyer, or a homeowner.

When a request is made by a lender it would usually go to an authorized appraiser who would complete the inspection as a part of his appraisal. Requests made by other parties would go directly to the local operator who have the rating performed by a contract rater.

The site visit consists of an inspection of the energy consuming aspects of the home including insulation levels, doors and windows, caulking and weatherstripping, and the heating system. An evaluation of solar access is also performed.

The data collected goes either directly onto an Energy Rating sheet or onto a temporary sheet from which the information is fed into the ERHS computer. The Energy Rating sheets are primarily used by appraisers who evaluate the points on site. The results are delivered directly to the lender or buyer along with the appraisal. A copy is also submitted to the local operator who is responsible for maintaining the records, for issuing the "Star Certificates", and for reporting back to the national organization.

Along with the final rating and 'Star Certificate' the homebuyer receives a voucher for an Improvements Worksheet. This is the process whereby an evaluation is made of energy saving home improvements and their effect on the current rating. There is no additional charge for the improvements worksheet over and above the \$165 cost of the energy rating. However, there is an additional charge for an upgraded rating once work has been performed.

HISTORY

The Energy Rated Homes program was started in the early 1980's by Western Resources, Inc. under the direction of Jay Luboff. Initial work was done under a grant provided by the University of Washington and was focused at developing a rating system for Washington State. This work include technical support, procedural systems, and marketing and training programs. A national board of directors was organized and included representatives from major national shelter industry organizations.

At the end of 1982, with the program active in Washington and Oregon, Energy Rated Homes was introduced to Alaska. An energy mortgage valuation process was already under consideration at that time, but Energy Rated Homes seemed to be the most advanced of the systems that were available.

With industry support, the State of Alaska granted funds to tailor the program for our unique conditions. A volunteer technical committee was put together to oversee that aspect of the work being done by Western Resources (now Energy Rated Homes of America). They reviewed data including demographics on existing housing stock, utility rate information, and aggregate residential energy use patterns. The work of Western Resources and the technical committee resulted in the forms, a computer program, and processes that are now used in urban Alaska.

Two other facets of the program were also funded by the State and by some of the larger utility companies. They included training workshops for realtors (developed by C.A.R.E - Conservation And Renewable Energy, a non-profit organization) and appraisers and a \$90,000 marketing effort (developed by The Aadland Group) designed to increase program recognition through television and print media.

During this period an advisory group chaired by Randy Boyd of Key Bank was organized. It included representatives from realtor associations, builder associations, utilities, lenders, program operators from Anchorage and Fairbanks, and the State. Their mission was to promote the program by soliciting memberships from their various groups and to oversee the local operators.

After several years of technical, organizational, procedural, educational, and promotional preparation, Energy Rated Homes of Alaska was ready to makes its debut in the spring of 1987. Unfortunately, this coincided with the severe changes in State's economy - changes which were drastically felt in the residential shelter industry. The energy efficiency of a potential home purchase - earlier a top priority of homebuyers - took a back seat to the wealth of bargain foreclosures coming on the market. The debut sparked interest among realtors, but failed to have a significant impact on the buying public.

CURRENT STATUS

Currently Energy Rated Homes of Alaska is waiting in the wings for an improvement in market conditions while it continues to streamline its organization and procedures and to also develop the tools needed for applications in rural Alaska. It is possible that operation of the program may come under the auspices of the Alaska Craftsman Home Program - an education and incentive program that promotes the construction of super efficient residential buildings. The association with the national organization is still incomplete due to funding shortages and the consideration that the relationship may not be essential to our operation.

Regardless of who runs it or whether or not it seeks national recognition, the Energy Rated Homes of Alaska program will be ready to act when energy again becomes a primary issue in the purchase of a home.

UNDERSTANDING YOUR HOME'S UNIFORM ENERGY RATING

The Uniform Energy Rating scores the major energy saving features of houses, and covers that score to a five level rating. The levels are shown as stars - from the lowest rating of 1 star to the highest rating of 5 stars. Houses at the high end of each category have a plus (+) added to their rating.

The rating takes into account the design of the house, it's airtightness, the amount and location of its insulation, the type of windows, and the efficiency of the heating system, among other factors.

RATING:

- ★ Generally built before 1962, when no insulation was required. One-Star houses have little insulation and little potential for gaining heat from the sun. Have original heating system without upgrades. It is unusual to find a home in Fairbanks without some insulation or weatherstripping added to bring it up to a 2 Star rating.
- ★★ Generally built before 1975, 2 Star homes have approximately R-19 ceilings and R-11 walls and floors. Typically have double pane windows and older heating system.
- ★★★ Houses built to code between 1975 and 1982 fall into this category. Typically, 3 Star houses have 9 inches of ceiling insulation, 6 inches of wall and floor insulation. Often have insulation-wrapped water heater and double pane windows. Houses built prior to 1975 will fall in this category if they have added insulation and double pane windows, or if they have upgraded the heating system with an especially efficient unit. The majority of houses in Fairbanks fall into the 3 Star category.
- ★★★★ Most houses of standard construction built after 1982 fall into this category. Typically have R-38 ceiling insulation and at least R-25 walls and floors. Have triple pane windows, efficient heating system, good weatherstripping and vapor barrier. Four Stars is the maximum rating a house of standard 2x6 stud wall construction would normally receive unless it has a heat pump or other unusually efficient heating system.
- ★★★★★ Five Stars indicates especially efficient construction found in highly insulated houses. Usually have R-60 ceilings and R-49 walls and floors.
- ★★★★★+ 5+ Stars indicate unusual and especially efficient construction as found in solar or super insulated houses. Have over 18 inches of ceiling insulation and 18 inches of wall and floor insulation. Generally requires double wall construction and a continuous vapor barrier.

Most houses which rate in the 1 to 3 Star category can be upgraded at least one level by uncomplicated measures such as insulating, caulking, wrapping the water heater or heating system renovations. The Uniform Energy Rating can be used, like a car mileage rating, to compare the relative energy efficiency of houses. Your energy bills will differ with your individual lifestyle, as well as your home's size.

RATING SHEET


FOR USE ONLY AS ENERGY ADDENDUM
TO STANDARD APPRAISAL REPORT
(EHLAC / ENMA)

The Uniform System of Evaluating and Rating Home Energy Efficiency.

© 1985 Western Resources Institute

The potential energy efficiency of this house is evaluated and rated as follows:

1 ONE STORY with HEATED BASEMENT
General Description: One story above ground Full, finished and heated basement Attached garage



Applicability: Western Washington

Year Built: _____ File No: _____

Local No: _____

Surveyor: _____

Address: _____

City: _____ State: _____ Zip: _____

Contract No: _____ Map Reference: _____

Tax parcel no: _____

Lot/Block: _____

Previous Serial Number: _____ Date: _____

Energy Rate: _____ Date: _____

Appraiser: _____ Date: _____

2 HEATED FLOOR AREA _____ SQUARE FEET
Includes basement when basement is heated and lived in.

3 ENVELOPE EFFICIENCY or how well the living space keeps heat in.

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
CEILING	8.0	17.5	19.5	21.0	21.5
WALLS, EXTD	8.0	6.0	7.0	9.5	10.0
WALLS, CLNC.	8.0	0.0	4.0	5.0	6.0
FLOOR	8.0	0.0	0.0	0.0	0.0
WINDOWS	8.0	1.5	4.0	5.0	6.5
AIR LEAKAGE	0.0	5.0	0.5	13.0	18.5

Use E in Step 4

TOTAL _____ ENVELOPE **E**

4 SOLAR GAIN or how well the living space is heated by sunlight

South Window Area	Mass For Heat Storage	23.	30.	43.	54.
50 sq. ft.	NO	3.0	2.5	2.5	2.5
100 sq. ft.	NO	6.0	5.0	4.5	4.0
200 sq. ft.	NO	11.5	8.5	7.5	6.5
50 sq. ft.	YES	8.0	3.0	3.0	3.0
100 sq. ft.	YES	0.0	5.5	5.5	5.0
200 sq. ft.	YES	0.0	10.0	9.5	8.0
300 sq. ft.	YES	0.0	13.5	12.0	10.0

SCORE is zero for no solar gain

Use E + S for Step 7 & 9 with Energy Use Table in Appendix D

_____ SOLAR **S**

5 COOLING ENERGY Not included in rating for this region

Prevention of Overheating
 Overheating not a problem
 Overheating possibly a problem
 Overheating is a problem

Prevention Measures
 Window shading or roof overhangs
 Ventilation through opening windows
 Mechanical ventilation or cooling device

N/A **C**

6 WATER HEATER

Location of water heater: inside unheated basement, crawl space or garage outside

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
8.0	1.5	6.0	7.0	13.0

Fuel Type: electric gas

_____ WATER **W**

7 SPACE HEATING/COOLING EFFICIENCY

Wood Fuel
 Primary fuel (no other heating system, see Appendix E)
 Secondary

Energy Efficient Devices
 Automatic setback thermostat
 Zoned thermostat control
 Other energy-saving devices

Gas utility (name): _____ Electric utility (name): _____

Select correct table by using E + S score from Step 4.

E + S less than 6.5			E + S greater than 6.5		
LOW	MID	HIGH	LOW	MID	HIGH
0.0	16.0	28.0	0.0	5.5	9.5
0.0	19.0	32.0	0.0	6.5	11.0
0.0	19.0	41.0	0.0	6.5	14.0
0.0	23.5	39.5	0.0	0.0	13.5
0.0	0.0	0.0	0.0	0.0	0.0

_____ SPACE HEATER/COOLER **H**

8 UNIFORM ENERGY RATING* This is an energy efficiency potential rating which rates the potential of this house to use energy efficiently assuming average size and typical energy use.

0-16	17-24	25-30	31-35	36-45	46-55	56-62	63-68	69-73	74-99
★	★★	★★★	★★★★	★★★★★	★★★★★★	★★★★★★★	★★★★★★★★	★★★★★★★★★	★★★★★★★★★★
BELOW AVERAGE	FAIR	GOOD	EFFICIENT	VERY EFFICIENT					

Appraisers: use word rating (e.g., EFFICIENT) on appraisal form.

TOTAL SCORE _____

(E + S + C + W + H)

_____ RATING

9 ENERGY PURCHASED* Energy Use (Use E + S from Step 4 and Appendix D) = Purchased Energy
Efficiency (see back of the page or Appendix E)

MBtu/yr - Efficiency	Gas	Electric	Oil
Space Heating () = () =			
Space Cooling () = () =			
Water Heating () = () =			
Light & Appliances (see back)			
Total Energy Purchased (MBtu/yr)*			

10 ENERGY COST* Purchased Energy X Cost (see Appendix F) = Energy Cost

Total gas	MBtu/yr =	\$/MBtu =	\$/yr
Total electricity	MBtu/yr =	\$/MBtu =	\$/yr
Total oil	MBtu/yr =	\$/MBtu =	\$/yr
TOTAL APPROX. ANNUAL ENERGY COST*			\$/yr

*The estimated energy cost for this house is to be used for comparison only. Actual use will be higher or lower from this estimate depending upon occupants' use, weather conditions and utility rates in effect at the time.

WRI 108 185 Disclaimer: Although every effort has been made to provide accurate information on this form, neither this form nor any entries made on it constitutes any warranty, express or implied, as to the presence or lack of energy features in the house, the heating fuel used in the house and its cost, or the actual annual energy consumption of the house. Appraiser: send White copy to lender for data bank, attach Yellow copy to appraisal.

Serial # _____

ENERGY RATED HOMES™

certifies that the home located at:

Address City State Zip

*has been rated using the Uniform Energy Rating System
and receives, on a scale of 1 Star to 5 Stars*



Director, Local Energy Rated Homes Operations

Date of Rating

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THE ALASKA CRAFTSMAN HOME PROGRAM

by

Donald R. Markle
Executive Director

and

Randall Lofstrom
Chairman

Alaska Craftsman Home Program

ECONOMIC MOTIVATION

In most Alaskan communities, the demand for energy is placing a serious strain on the local economy. This is particularly true in rural communities which are subsistence based. The cost of energy is a constant drain on the local economy with money being sent out to petroleum suppliers rather than being circulated within the community. In fact money circulates 3 times less frequently in Alaska than in communities in the lower 48 according to the Alaska Department of Labor.

The burden that energy cost places upon the family is illustrated by the fact that rural Alaskans (off the natural gas line) spend between 16% and 37% of their incomes on energy bills. This is after State subsidy of utility and energy delivery costs. In general terms it costs on average between \$1,200 to \$1,500 annually to heat a home in Alaska. It is clear that conservation, which can save up to 80% of energy costs to our citizens, has a key role to play in the State's economic development strategy as well as energy policy.

This last year the Department of Community and Regional Affairs contracted for a study on rural housing. The following is a quote from the executive summary of that report. "Although conditions vary widely, the inescapable conclusion apparent from the survey results is that housing in rural Alaska has dramatically poor housing conditions in terms of space per resident and state of repair." The report also indicates that 36% of all rural homes surveyed can not maintain 70 degrees during the heating season. This is a damning statement on the quality of housing in rural Alaska much of which is low income government housing. Foreclosed properties in urban areas suggests that a significant percentage of housing there also can be considered inadequate. Since most of the poor housing is inhabited by low income people, our housing policy is trapping people in poverty. The minimal quality approach to housing is committing the low income to an endless cycle of high fuel and maintenance costs, subsidy, and low self esteem and related social ills.

No sector of Alaska's economy has been devastated as severely as the home construction industry during the present recession. Housing starts have nearly ceased, dropping to a handful from the thousands built per year several years ago. The vast majority of homebuilders have left the state, leaving only a few dedicated quality builders. These people are the core of the Alaska Craftsman Home Program. The Alaska Craftsman Home Program is also the catalyst they are using to markedly change and rebuilt the home building industry in Alaska.

Health and Safety Motivation:

There is motivation for achieving the Alaska Craftsman Home Program standard other than economic. The motivation is health and safety. The Consumer Alliance estimates that poor indoor air pollution costs this country \$100 Billion dollars annually. The more conservative Bonneville Power Administration puts the estimate at \$30 Billion dollars.

Radon gas kills between 5,000 and 30,000 people a year with lung cancer according to Environmental experts, much of which is related to indoor air pollution. If we put 30,000 into perspective that is three times more than are murdered in this country and 3/4 as many as are killed in car accidents. Consider the efforts put into police protection and car safety attempting to reduce those deaths, then consider if prevention of radon deaths is a valuable product of our educational system. Indoor air contamination by radon and at least a 126 other identified toxic indoor air contaminants can be reduced through mechanical ventilation, which is a requirement of the voluntary Alaska Craftsman Home Standards.

Most Alaskans are de-sensitized to cancer risk and other factors, because it seems to be everywhere. Perhaps we should consider the Indoor Air Quality facts on a financial basis. Recent analysis indicates that 40% of the clinic visits in the Barrow area were upper respiratory related calls. Consider the fact that we Alaskan spend over 90% of our time indoors, and that indoor air quality is suspect in the majority of those calls. Now consider who pays for the calls? Who pays for the lost days at work? Who pays for the hospitals, doctors, and for the medicine? Who pays for the \$30 Billion to \$100 Billion loss related to indoor air quality and could it be spent better on something else?

Energy and Environmental Policy Motivation:

The Alaska Craftsman Home Program addresses energy planning from the demand side. From the perspective of energy planning, a barrel of oil saved is as good as finding a new barrel of oil. Finding a way to eliminate a recurring need for oil, gas or electricity without reducing comfort, or the standard of living of the user is as high a priority as finding new reserves of oil, gas or developing new methods of producing electricity. After all, energy producers are merely supplying a commodity that keeps people warm, provides light, moves people about and does work for them. If the tasks that require energy can be satisfactorily accomplished using less fuel and electricity, it benefits the consumer who pays for the commodity. Reducing consumption is what demand side planning is all about, and is obviously as valid as looking for new energy resources.

It is important to note that energy producers are spending more resources and time finding less and less conventional forms of energy. Conventional fossil fuel resources are finite and the need for warmth, transportation, light, and work are not. In the long term, conventional fossil fuel energy resources are running low. The United States domestic oil industry has not discovered a giant oil field since Prudhoe

Bay in 1968. Consumers have used 2/3 of those reserves since production began in the mid 1970's. It is interesting to note that the United States is now importing more oil than at the time of the 1973 Arab Oil embargo. The United States is also predicted to require imported oil equivalent to one Prudhoe Bay every three years by the turn of the century. It is also predicted that we will import nearly half of our oil by the mid-1990's and primarily from the Middle East. Recently the United States Geological Survey cut in half the estimate of domestic reserves. The conventional wisdom is that as consumers reduce the available world supply of fossil fuels, the cost will increase.

The reduced individual use of energy as the Alaska Craftsman Home does reaps environmental benefits. These benefits range from reduced extraction impacts to reduced atmospheric emissions. The ozone layer in the upper atmosphere that protects us from ultraviolet radiation is thinning. The very temperature of the earth appears to be rising, posing a threat of unknown dimensions to virtually all the life-support systems on which humanity depends.

The context in which we find ourselves is that Acid Rain, the Greenhouse Effect and other global environmental issues are becoming critical. The global warming is having devastating effects and they will increase in intensity for the foreseeable future with dramatic effects in all aspects of our lives. These issues will be the primary issues of the remainder of the 20th century. All human activities affect the earth's physical condition, but two are disproportionately important: energy use and population growth. Heavy dependence on fossil fuels has caused a buildup of carbon dioxide in the atmosphere that threatens to warm the earth. Pollutants from fossil fuel burning have also led to acidification and the death of lakes and forests. Superinsulation is part of the equation in mitigation of the destructive results of these byproducts of fuel consumption. With so much potential at such bargain prices, improving energy efficiency deserves to be the cornerstone of environmental policy.

Energy conservation in housing has the curious effect of bringing together consumer, business, and environmental interests because it is cost effective, makes money available for products other than energy and is environmentally better for the owner and his neighbor.

Implementing the Alaska Craftsman Home Program will achieve energy savings as significant as discovering an oil field. If, because of this program 2,500 homes save an average of 500 gallons of oil a year, then implementing this program would be equivalent to discovering 75,000,000 gallons of refined heating oil. This would be a conservative estimate to be sure. If all Alaskan builders start building Alaska Craftsman Homes as a standard practice, the savings would be truly monumental. Another energy crisis will be made or avoided by individual decisions made around the world, like whether to invest in an energy efficient home or not.

The significance of the Alaska Craftsman Home Program is that it provides a model of how strategic international planning can be accomplished with minimal government intervention, expense and disruption of the private enterprise system. In fact, the Alaska governmental contribution to energy conservation is being done with the cooperation of private enterprise in the housing market through the Alaska Craftsman Home Program. The state is influencing the individual decisions of home buyers through education and building science.

How Does The Alaska Craftsman Home Program Work?

Research and development around the world has changed the way homes are being built in northern climates. So many technical changes have taken place that an educational network is needed to keep the building industry informed of the advancements. With such a network, the building industry can stay abreast of advancements in other parts of the world, as well as other parts of the state. The Alaska Craftsman Home Program is that educational network in Alaska.

The energy savings that can be achieved is only one benefit of an education network allowing research and field application experience to be systematically exchanged within the Alaska housing industry. The program is designed to provide:

- . technical information for the industry
- . a forum for the building industry to help determine objectives for the State financial Institutions and University research community.
- . a non threatening environment where builders can discuss building science.

As a result of the Alaska Craftsman Home Program the shelter industry will build better homes. The information network will be in place to improve the shelter industry as new technologies are developed in the future. Alaskans will live in a more durable, comfortable and safer environment, and will benefit economically from the changes that have and will take place in the shelter industry as a result of the Alaska Craftsman Home Program.

Goals:

The immediate goal of the Alaska Craftsman Home Program is to build thermal efficiency into the shelter industry in Alaska through education. This will save nearly 80% of the energy consumed in a typical home.

The long range goal of the program is to assist the Alaska shelter industry in providing the best, most appropriate and affordable shelter available.

In order to achieve these goals and to make the Alaska Craftsman Home Program work the effort must be a continuing effort for the next several years to firmly establish the educational network.

The Alaska Craftsman Home Program is voluntary. To manage this educational effort a joint stewardship of government, the university and shelter industry associations has been established. An ad hoc Board of Directors composed of the Cooperative Extension Service, Alaska State Homebuilders Association, Energy Rated Homes Program and the State Office of Energy Programs has been formed. A protocol agreement has been signed between the organizations to establish the board of directors. This board will guide the program through the initial three years of formation. Policy decisions will be made by the Board of Directors and carried out by the staffs of various organizations as appropriate. The primary address and staff contact for the organization is the Anchorage office of the Cooperative Extension Service.

The Alaska Craftsman home program will have completed five phases by the time it reaches maturity.

Phase 1

The Cooperative Extension Service and State Office of Energy Programs jointly initiated the program in 1986. A pilot series of building seminars were held March of 1986 in Juneau, Anchorage, and Fairbanks. One hundred three shelter industry people were introduced to the "superinsulation" building techniques through the Super Energy Efficient Home Workshop Series taught by internationally acclaimed experts Oliver Drerup and Ned Nisson. The reviews from the industry were very favorable.

Phase 2

The second phase of the Alaska Craftsman Home Program began with the development of the first edition of the Alaska Craftsman Home Building Manual. The Cooperative Extension Service engaged 24 Alaskans to take part in the educational effort. These people have since become the backbone of the Alaska Craftsman Building Program and are the industry educators for Alaska. These 24 people represent all regions of the State and are divided into 12 training teams. They came to the program with a vast amount of expertise on building homes in Alaska. They left the training workshop and immediately put on 14 two day workshops. These people were volunteers.

Phase 3

Phase three activities have continued the educational effort through field workshops introducing the Alaska Craftsman techniques to the builders and interested people throughout Alaska. These workshops have been taught independently by the 12 Alaska training teams. Over

350 people have now attend the 22 workshops held around the State and several homes are now being registered into the program.

The program is new and as such has undergone extensive internal and external review in the first year. The program has been evaluated internationally by people from Canada, Japan, Norway the National Association of Homebuilders, National Center for Appropriate Technology, Minnesota Cold Weather Housing Institute, 6 National Laboratories, and the Department of Energy as well as 64 Alaskans.

A marketing campaign has been developed and initiated during the phase three activities. The marketing campaign will focus on six primary benefits:

- . significantly reduced energy bills
- . increased comfort
- . reduced noise from outside sources
- . improved indoor air quality
- . Improved durability
- . improved resale value

The goal is to establish the Alaska Craftsman Home as the recognized standard of excellence for home building in Alaska. This, in turn, will help establish a market for those homes for the homebuilders who have taken the training.

Phase 4

The future of the program is now being developed. The goal is to establish an educational network that feeds new technology and research information to the builders in Alaska. The network also feeds practical application experience and field needs to the research and product development community. Legislation was recently passed and signed into law to officially start the programs incentive plan.

This phase of the program consists of four prime elements.

- 1.) Education
- 2.) Incentives
- 3.) Promotion
- 4.) Research

Education

The first elements have already been initiated with the Alaska Craftsman Home Program workshops. A manual, audiovisuals, an achievable standard, and a series of workshops have been developed and implemented to allow Alaskans to build to what present technology will allow. New educational items that will be completed now are: A complete review of the existing manual and an update of audio visuals is scheduled every three years; The development of Alaskan specific energy budget computer program from existing international public domain program is planned; Support of existing education network and management will continue, this will include communication links and full time workshop coordinator.

Incentives:

The State has committed to making approximately 12 homes newly built or retrofit to Alaska Craftsman standards as demonstrations this year. That commitment would require approximately \$6,000 investment in each new house and nearly \$12,000 per house for a retrofit including radon mitigation. In return for the money the home owner must commit to a two-week open house and the ability for the program to monitor the home.

Promotion:

There will be two efforts in the promotion of the Alaska Craftsman Home Program. The first effort would be to educate and thereby convince Alaskans of the advantages of the Alaska Craftsman Home. The second promotional effort is to export the technology and Alaskan products developed through the program. The public education program would be at a level of sophistication and commitment to achieve a 50% new start market penetration of the technology in 3 years.

Research:

The research element will include the monitoring of the initial round of Alaska Craftsman Homes. This monitoring of the improved Alaska Craftsman Homes compared with control groups will help establish research objectives. Documentation of success will help sell the program here in Alaska.

Phase 5

Once the program has been well advertised and the market penetration of energy efficient homes achieved, then the mature phase of the program will occur. The educational network and cooperative research efforts will be institutionalized in some form.

The engine behind the change will be research and a major effort will be initiated in this field. This will include instrumentation and new product development. Research will also define the direction in which the housing industry will proceed. The Alaska Craftsman Home Program has initiated contacts with the Yukon Territory and the R-2000 program to establish joint research activities. Future ties are envisioned with all polar countries. This future effort will be closely tied to the new Science and Technology Foundation it is anticipated.

Alaska is one of the world's best natural torture chambers for product development. If a product survives in Alaska, it can survive anywhere. Because of Alaska's small market and remote location product failures are not catastrophic for manufacturers. The state of Alaska has made a commitment to new technology development and cooperation with private enterprise. In essence Alaska is a perfect test

bed for new products in the housing industry and the program will help develop this concept through research activities.

New objectives will then be pursued to suit Alaska's and the world's demands in housing. The technical committee has already developed chapters on independent power use and water and waste water systems.

The Alaska Craftsman Home:

The Alaska Craftsman Home Program sets a design and performance standard. Generally speaking the Alaska Craftsman Home has six elements:

1) The first element of the Alaska Craftsman Home is meeting a thermal requirement for the building envelope. These thermal standards vary for different regions of the state and are based on life cycle cost analysis. A budget approach is used to determine the overall efficiency of the home, so insulation levels may change depending on the configuration. However, the envelope R value will be about twice standard construction or in the R-40 range with R -3 or more windows.

2) A second requirement is providing for minimal natural air leakage. A blower door test is required to assure that the standard is met. The house must achieve 1.5 air changes at 50 pascals or better performance.

3) The third element of the Alaska Craftsman Home is an adequately controlled ventilation system to assure proper air quality. This system must be capable of producing 1/2 air change per hour of continuous ventilation.

4) The fourth element is to assure that builder supplied lighting and appliances are efficient.

5) The fifth element is that safety standards are met.

The program is designed to encourage builder innovation and creativity so the program remains flexible through the energy budget approach.

Alaska thermal standards:

The Alaska Craftsman Home Program educational effort is being initiated at the same time the State of Alaska enacts new minimum thermal efficiency building standards for homes that use State finance programs. These standards are the result of two years of intensive research and will be implemented in October of 1988.

The thermal standards are the prescriptive approach to the home building industry.

Energy Rated Homes of America:

The Alaska Craftsman Home Program is being coordinated with a new financing program offered through state sponsored loan programs such as Alaska Housing Finance Corporation. That program is the Energy Rated Homes Program. The Energy Rated Homes Program qualifies home buyers for a greater percentage of their income for mortgages on an energy efficient home.

The Energy Rated Home Program is a uniform system of evaluating and rating the energy efficiency of homes. The system was established so that homes everywhere can be rated according to the same energy standards or criteria. Thus, for the first time in Alaska, there's a common energy language that can be used by everyone to compare—on a uniform basis—the energy efficiency of one home with another.

The system was developed through the cooperative efforts of lending institutions, appraisers, Realtors, builders, utilities, and others in related industries. It can be used to great advantage by all, but most especially by, home buyer, sellers and builders.

Participation:

The Alaska Craftsman Home Program will be voluntary and will rely on prestige marketing as the main stimulus for acceptance by builders. As now envisioned, the Alaska Craftsman Home Program will instill the craftsman ideal into the builders who take the training. Marketing and financial incentives will make the program attractive to both builders and consumers. Alaska builders and contractors who complete the course will be able to use a registered trademark in their marketing efforts. Homes built to the Alaska Craftsman standard will be certified and registered as an Alaska Craftsman Home and with the Energy Rated Home Program if financial incentives are pursued. Certification that a home meets the Alaska Craftsman standards will be done by Alaska Craftsman certified inspectors.

Institutional roles:

The University of Alaska, Cooperative Extension Service will assume the role of keeping the manual and the training teams technically current and assume initial management of the program.

The Building Industry Association will coordinate the Alaska Craftsman Home Program Policy. They will issue certificates, pins, awards, and shape publicity. The national and state technical assistance networks available will be used to help find solutions to field problems. Eventually, more program management will be assumed by the building industry, once the capability exists.

The State Office of Energy Programs will be the primary funding agency to start up the program and will manage the incentive program. They will also provide staff time and monitoring of the project. They will coordinate the program with all the other state programs and assure that all Alaskans benefit from the Alaska Craftsman Home Program.

Energy Rated Home Program will help maintain the registry of homes built to the Alaska Craftsman Standard and assist in evaluation of homes.

Conclusion:

It is the expectation of the Board of Directors that within a relatively short three year period, the shelter industry of Alaska is going to be transformed into an industry that is state of the art and craftsman oriented because of the Alaska Craftsman Home Program. The independent builder is going to be able to tap into an easy to use, responsive, and technical information network. The builder will be able to remain independent while voluntarily participating in this program.

The Alaska Craftsman Home Program receives clear direction from the private sector aided by government and higher education. As such, innovation can come very rapidly and on a voluntary basis. The results of initiating the Alaska Craftsman Program will be to propel Alaska into a world leadership role in housing within the next three years and cooperatively achieve state and national energy efficiency and environmental goals.

All Alaskans will benefit from the improvement in the quality of homes because of the Alaska Craftsman Home Program. The improvement in home quality will ultimately be more important to the Citizens of this State than any of the short term concerns with supply and demand now the focus of so much debate. State policy should reflect this fact.

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A PAPER ON

IDENTIFICATION, ANALYSIS AND CURE OF PROBLEMS IN
EXISTING HOUSING

BY

BRYAN F. BORJESSON MCE PE

August 15th, 1988

IDENTIFICATION, ANALYSIS AND CURE OF PROBLEMS IN EXISTING HOUSING.

Recent increasing awareness of construction problems in housing has resulted in considerable inspection activity by the engineering community for the purpose of assuring that houses being sold are in good condition.

The requirements for these inspections have come from several sources. There is a growing awareness by buyers as well as sellers of the need for determining the quality of housing that is either being sold or purchased. There have been numerous cases in the recent past of house sales to unwary buyers, who then have to spend thousands of dollars to repair or save the structure. Both realtors and appraisers have been gaining knowledge of the housing they are selling or appraising and are recommending to buyers as well as sellers that they should be aware of potential problems of housing transactions. In addition, an increasing number of court cases dealing with defective housing is placing an emphasis on improving the quality of the construction as well as making sellers and realtors more aware of representing housing that is free of major defects to avoid later legal entanglements.

The increasing number of problems found in housing in the last several years would lead one to the conclusion that current construction problems in the housing market were due to unqualified contractors, low quality materials or lack of inspection.

When ample monies were available for new construction and the demand was great, an influx of out of state along with new local builders occurred. These contractors were to various extents, unfamiliar with Arctic construction problems. This can be seen by recent inspections of houses wherein it is uniformly seen that the same poor construction

techniques were utilized in every dwelling by the same contractor. With the downturn in the economy, these builders were the first to stop construction and in most cases are no longer in the area. Only the better contractors who were willing to stand behind their product have remained and are continuing to build a quality product.

Hand in hand with the growth of contractors without adequate knowledge of good construction techniques, went the lack of quality control and the available demand on the market wherein buyers were willing to purchase a product without caring about its quality because they could easily remarket it. Outside the city limits of Fairbanks, code enforcement is lacking. Along with this is the problems of a partially adopted code.

Along with the lack of code provisions and the enforcement of those adopted, was the lack of the requirement of professional services to do inspections. This allowed the builder to virtually do anything he wanted, as long as the finished product was attractive and saleable.

The current problems have led to a form of self policing activities by the construction industry. Realtors, appraisers, lending institutions, and the builders themselves are requiring professional services from the engineering community to assure that housing being constructed at least meets minimum requirements for quality.

SOILS AND FOUNDATIONS

The importance of the knowledge of soils and the foundations which can be constructed on them is of paramount concern to the builder. Unfortunately, most builders who otherwise perform quality construction do not have the availability of technical expertise to assure them of the types of soils upon which they are constructing or whether or not the foundation system which they desire to employ will function on the types of soils on which they are building.

The gap on this particular problem is now closing wherein most builders are using professional engineering services whenever they are in doubt as to the particular soils upon which they are constructing.

The foundation system of a house is the singular most important part of the structure. Without a good foundation all of the other excellent features of an otherwise well constructed house are meaningless.

All one has to do is to drive around the Fairbanks area and look at the housing which is settling, (several feet in some cases) and see them breaking up, knowing there is little to be done to save them.

Basic soil types in the Fairbanks area are schist, bedrock, gravels and sands, wind blown loese (on the upper hill sides), and organic silts (in the lower areas).

It is in the organic silts where permafrost is most likely to be found, although it can be found on the higher slopes especially on the north side of the ridges.

Gravels and sands usually provide a good foundation for structures. The gravels found in the Fairbanks area are usually well graded and when compacted provide a good bearing surface. Sands, unless they are silt infiltrated, likewise provide adequate bearing surfaces.

The bedrock in the Fairbanks area if solid and competent, provides an excellent bearing surface. If it is in a decomposed state it needs to be carefully examined prior to construction.

The silts, if dry, provide good bearing surfaces but if wet usually must be avoided. The organic silts, in particular, are bad for construction for several reasons. They are normally associated with permafrost (although not always). and they hold and retain large quantities of water. In addition, if the organic content is high enough they have a high compressability factor and will tend to settle with time.

There are two kinds of frozen grounds. One is seasonally frozen and the other is permanently frozen. Permafrost is generally described as a soil material which has been frozen continuously for a period of two years or more. Seasonal frost deals with grounds which freeze in the wintertime and thaw the following summer.

Frozen soils provide the most hazardous conditions for construction. The hazards are usually associated with the thawing of the soils once construction is completed. If one can keep the material frozen, then the house will remain stable. However this is difficult to do and requires special construction techniques. The problems with the thawing soils is not only the shrinkage of the soils due to loss of the ice matrix, but also the compaction of the soils due to a high liquid content. In many cases the frozen soils have free ice and settlement upon thawing can be massive. In addition if the house is built on any kind of a

slope, then there is a possibility of subsurface flowing which again causes settlement of the structure.

Seasonal frost which occurs in the Fairbanks area is generally accepted as being four feet deep although variations of depth can occur due to exposure, moisture content and type of soil.

The basic types of foundations include the continuous footing and foundation wall, post and pads, piling, and special foundations utilizing refrigerated devices to keep the ground permanently frozen. Both wood and concrete are utilized in foundations and have their own individual uses in different soils situations.

Concrete footings and walls have an excellent feature in that they will bridge minor soft spots beneath the footing and provide uniform support for structures. Therefore these types of foundations usually assist the contractor who otherwise may be somewhat careless in his compaction or selection of soils.

On the other hand wood foundations tend to yield where a soft spot occurs allowing a house to settle causing internal cracking and other unsightly features. However compared to concrete the wood foundation wall is much easier to work with if repairs must be made.

Post and pad foundations are normally utilized in permafrost areas and for smaller cabin type construction wherein the support requirements are not as great.

Pilings are likewise utilized in permafrost areas and sometimes are associated with the refrigerated systems which are designed to keep the ground permanently frozen.

Most often the foundation failures that we have witnessed have been involved either with super saturated soils with high organic content or with permafrost which is in the thawing stage.

Failing foundation systems present the greatest problems for engineers to solve. The most common system used is to underpin the existing foundation with large footings to reduce the load on the soil. In most cases this will arrest the settlement rate and provide the needed stability.

An additional process involves raising the structure in the air and installing a large gravel pad which again assists in the distribution of the weight over the soils.

In most cases this results in a more uniform settlement rate with little or no distress showing in the structure. Eventually, equilibrium is established between the weight on the soil and its ability to support it at which time no more settlement occurs. Another technique utilized is an adjustable foundation concept, wherein the existing foundation system is underpinned with a new foundation, consisting of large concrete pads and posts designed specifically for vertical adjustment. These types of systems will allow the house to be releveled on an annual basis if settlement occurs, which will provide for the longevity of the structure without its destruction.

Settlement which has occurred in otherwise competent soils is usually from a lack of compaction by the builder prior to construction of the house. This type of situation can be made stable by one of several techniques. Usually the house is temporarily supported and the soils are force consolidated by water injection, mechanical compaction, or high pressure grouting. Once the soils are compacted then the foundation is repaired.

Permafrost soils are the most difficult to deal with from an engineering perspective. Once thawing has started it is very difficult to arrest it or to arrest it in a uniform manner. The only technique for arresting the thawing of permafrost is to install a refrigerated system which extracts the heat from the ground and keeps the underlying permafrost from thawing. This type of technique has been utilized all over the State where ever permafrost is found. It requires special knowledge and special installation techniques. In addition, annual maintenance and monitoring must be performed to assure the system is functioning properly, therefore, it is a type of system which is only utilized in special cases for residential use. This is due to the lack of knowledge and expertise of the average home owner in monitoring the system.

There are other types of techniques to be used in permafrost which include the installation of deep piling into the perma frost layer, hopefully into underlying gravel layers to provide support during the thawing process. Another technique is to deeply force thaw the area to achieve the initial consolidation prior to construction.

If it turns out frozen soils are found after construction and it is in gravels and sands which have a low moisture content, then little or no work should have to be done to the structure, as these types of frozen soils will settle little or not at all during the thawing process. However, in the case of silts, where free ice may be

present, settlement can be rapid and massive during the thawing process.

The cost for any corrective measures in permafrost is usually very high and can in some cases exceed fifty per cent of the value of the structure. Therefore, repair work must be carefully considered as to not only effectiveness but as to total cost.

If it is determined that a refrigerated system is a viable alternative then it should be considered. However this system must be very carefully designed and requires extensive knowledge of the soils prior to installation. In addition the contractor performing the installation should be employed on a yearly basis to check the system to assure its proper functioning. In addition, a monitoring system should be installed so that ground temperatures can be measured on a seasonal basis and modifications to the system employed so that a stable freeze/thaw regime is achieved.

IDENTIFYING FOUNDATION PROBLEMS

The systems of foundation problems can take many forms. The most notable are cracks in walls and slabs along with unevenness of floors or preceptable tipping of the house. In addition sticking doors and windows can be signs of settlement. Site location can be very important by recognizing that the house is located in a known poor soil area. If potential problems exist then an engineer should be consulted. The engineer may order several tests, including soil borings, doing level shots on the house, and examining available records such as well logs, previous soil borings and information gleaned from the neighborhood to determine the nature and cause of the settlement.

A thorough examination of the foundation system then follows and the problem identified. Once identification of the problem is made then one or more remedies may be selected.

STRUCTURAL AND OTHER PROBLEMS ABOVE THE FOUNDATION LINE

Sometimes problems occur in structures which are not associated with the foundation system. In particular areas which can cause problems due to poor construction are the lack of adequate headers above openings such as doors and windows, beams and trusses which are too light to carry the

loads placed upon them, floor joists with too great a span and improper use of plywoods and other construction materials.

The usual signs of overloaded beams and joist is sagging and cracking of walls somewhere near the midspan of the element.

In addition headers over doors and windows allow sagging and compression into the window or doors. When these conditions are found, there are numerous techniques which can be utilized to remedy the situation. This usually results in the addition of supports, the building up of beams, and the installation of new and stronger headers above windows and doors. Some solutions can be inexpensive while other solutions which require tearing out of portions of the house can become rather expensive.

Underdesigned trusses, if they have not already reached a high level of failure, can be repaired in place. This is usually accomplished by providing temporary support, jacking them back into a level position and then installing additional struts, gusset plates or other supports as required to strengthen them.

CONCLUSION

The housing industry is going through an introspective period. Mistakes of the past are readily visible and measures are being taken by everyone involved to solve the current problems. It is hoped that history will not repeat itself.

Foundation and other types of structural failures are being dealt with in innovative ways. Even though it appears that problems are numerous and overwhelming in magnitude, both the engineers trying to solve the problems and the contractors performing the work have gained new knowledge. This knowledge will be invaluable in the future to keep from repeating the mistakes of the past and to improve construction techniques of the future.

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Energy Conservation and Renewable Energy Consultants

QUALITY OF CONSTRUCTION IN AHFC FINANCED PROPERTIES

BY TERRY DUSZYNSKI

AUGUST 15, 1988

QUALITY OF CONSTRUCTION IN AHFC FINANCED PROPERTIES

By Terry Duszynski

THE PROBLEM

In 1978, a young couple purchased their first home in the foothills above Fairbanks. It was not their dream house but for a start, they thought it was a good investment. Having paid close to \$80,000, thoughts of any major problems seemed remote.

Everything seemed fine as they entered their first winter, that is, until small annoyances began to happen. The furnace in the small closet in the hallway would not run with the door closed. The doors did not close as well as before, some got stuck after they were closed. They noticed that snow did not stay on the roof much. It was always dry. There were light switches that appeared to operate nothing and outlets that did not work. All these were small, as I said, and sort of expected by the new homeowners.

It was not until a friend came over to investigate the light switch to nowhere that the true condition of the house came out. The switch did actually go somewhere. It operated the smoke alarm so that one could turn off the noisy thing when it went off as it often did when the furnace backed up because of an improperly installed draft damper. A rather convenient switch, don't you think? The fellow who wired the switch decided that since it only ran the smoke alarm, he could use lamp cord for the wire, besides, it is so much easier to work with.

This was just the beginning of the nightmare. After a thorough inspection of the house, the following was discovered: The entire basement was wired with lampcord. Lights, switches, outlets, every bit of electrical in the basement was common two wire lampcord. On the top level, the lampcord was used to add outlets and power the exhaust fan. The main service into the house was spliced in the crawlspace using an unsafe method. The output of the furnace was too small for the house and the ducts for the forced air were in the attic, small wonder the roof stayed dry. The floor of the basement looked like a rolling ship at sea. The same level was not maintained for more than eight feet at a stretch. The reason for this was simple. The foundation was large roughcut timber resting on bolts attached to two posts in the ground. The bolts were carrying the weight of the house. The plumbing drains were taped and silicone caulked together at every joint. I hope you can get the picture from this description. Everywhere you turned, something was wrong.

You might imagine the family's surprise when they were told that the home was not safe for habitation and they should move immediately. This was a home appraised by a reputable appraiser, sold by a licensed realtor, handled by a reputable bank, and FINANCED BY ALASKA HOUSING FINANCE CORPORATION.

The couple eventually did move and the bank did take back the house, however, the couple lost their downpayment and all the payments they had made. They walked away safe, but poorer for the experience. **THAT WAS TEN YEARS AGO.** As of this writing, AHFC does not require that homes mortgaged by them meet any building code or minimum standard.

Homes are still being mortgaged that have been built by unlicensed builders and other persons who may know little or nothing about construction. The houses that AHFC mortgaged during the past ten years are now being repaired at great expense as the repossessions are upgraded for sale.

It is interesting to note that these repossessed homes were mortgageable with unsafe electrical wiring, improperly installed heating systems, questionable foundations and structural members, and no bedroom egress windows. These same homes, however, must be upgraded before AHFC sells them. I agree that the homes must be safe, sound and sanitary but who is paying for this? Because there were no standards in effect for an AHFC loan, the people of Alaska are now repairing homes that should never have been financed.

The easy part of this dissertation is over. Pointing out the wrong is always easy. Having solutions is the hard part. You and I can make a difference in the quality of housing that will be built in the future by making a few hard and fast rules about the type of house AHFC will finance.

When I came to Alaska 15 years ago, I was attracted by the freedom that residents enjoyed here compared to other states. One of those was the ability to build one's own home without having ten inspectors breathing down your neck and requiring a permit for everything from window awnings to a backyard patio. I am still attracted to and in favor of these freedoms. I believe we should be able to build our own home any way we choose without government interference. This freedom, however, should be exercised only if we build the home without state financing and never sell it.

Once the home goes up for sale or the builder/owner wants state financing, then we as the public should have some protections. Every home should meet minimum code at the time of sale or state financing. This would protect the homebuying public yet preserve our freedom to build as we wish.

This sounds simple but the real problem lies in the implementation. How do we determine if the homes meet code when no inspection is available outside the large cities and municipalities? Few people even realize that some building codes are in effect statewide.

THE SOLUTION

The implementation would take some legislation. The cost of inspection, however, could fall to those who use it and not to the citizenry at large as all state inspections do now.

I propose that **three steps** be taken to insure that all homes financed with state funds meet minimum standards of safety, soundness, and sanitation.

- 1) **Legislation must be passed to require all homes financed with state funds meet minimum building standards set forth in the National Electrical Code, the Uniform Plumbing Code, and the CABO One & Two Family Dwelling Code. The NEC and UPC are already law in the state and apply to residential housing. The One & Two Family Dwelling Code would have to be adopted by the State for residential housing.**
- 2) **A Board of Building Inspectors must be created to set standards of competency for licensing of persons working as home inspectors within the state. The Board would be three members, two home inspectors and one public member. The testing and certification could be taken care of by the International Conference of Building Officials. ICBO is the recognized expert in the U.S. on building codes and puts out the Uniform Building Code. They already have proven tests for competency and expertise in building inspection. Licensure by the State Board would occur after the person showed background knowledge in construction and certification from ICBO.**
- 3) **Alaska Housing Finance Corporation must change loan policies to require certification from a licensed home inspector prior to making a mortgage on a home. This policy would apply to old and new homes alike. The older homes would be required to meet the code that was in existence at the time of construction. The new homes would meet the current code. The cost of bringing the house up to code would fall on the owner or builder. The cost of inspection would fall on the buyer or seller, depending on the situation. The only cost to the state of Alaska for enforcement and implementation would be the cost of the Board, and much of this cost would be offset by license fees.**

The practice of having an home inspected before purchase is accepted among the homebuying public, however not everyone does it. You may argue that this only hurts the homeowner. That may be true, however, if that homeowner defaults on his or her loan, then we the Alaskan people must pay to bring the home up to code.

It will take qualified inspectors who are familiar with the building codes and their application to adequately determine if

the home is built to the minimum standards. An appraiser is not qualified to inspect a home for code and safety violations, and I doubt they would want to. They often point out glaring deficiencies and suggest an inspection report on the item. It takes someone who knows the systems within a home and how they relate to one another to properly inspect.

This plan would accomplish three things: 1) It would preserve our Alaskan freedoms to build our own homes as we choose yet protect AHFC, as well as the homebuying public, from unsafe building practices. 2) It would put the inspection in the hands of private industry, not a large state bureaucracy. 3) It would be paid for by the industry that uses it.

If something is not done soon, when the next group of loan defaults come along, you and I will be paying, through our state dollars, to upgrade substandard housing. Lets not wait for this to happen. Lets do something now!

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INDOOR AIR QUALITY
AND
REQUIREMENTS FOR RESIDENTIAL VENTILATION

By: Phil Loudon
Member, ACHP Technical Committee

BACKGROUND

The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) states in a 1986 Public Review Draft of Standard 62-1981R, Ventilation for Acceptable Indoor Air Quality,

"Indoor air should not contain contaminants that exceed concentrations known to impair health or cause discomfort to occupants. Such contaminants include various gases, vapors, micro-organisms, smoke, and other particulate matter. These may be present in makeup air or be introduced from indoor activities, furnishings, building materials, surface coatings, and air handling and air treatment components. Deleterious factors include toxicity, radioactivity, potential to induce infection or allergies, irritants, extreme thermal conditions and objectionable odors."

Thus we begin a semi-technical foray into issues surrounding Indoor Air Quality (IAQ) and ventilation requirements of residential dwellings. Indoor air quality problems are not implicit to new construction, however we have a greater opportunity to affect buildings not yet built, therefore much of the following discussion will focus on new construction.

The terms natural ventilation, and mechanical, or forced ventilation rate will be used throughout this article. In distinguishing the difference it is necessary to understand that the "natural" variety includes ventilation only through intentional (windows and doors) and unintentional openings (cracks and leaks to the outside). Forced, or mechanical ventilation is that amount of ventilating capacity attributable to fans, blowers, range hoods and similar mechanical devices.

EFFECTS OF IAQ

The wide variety of pollutants available to generate a residential IAQ problem is reason for concern. While we often speak of such minor pollutants as water vapor that can damage the physical building, or odors which may be uncomfortable, Volatile Organic Compounds (VOC) are usually carcinogens, exposure to radon gas can cause lung cancer and carbon monoxide (CO) exposure frequently results in death. The effects of poor

Indoor Air Quality fall into three areas: (1) comfort, (2) acute health effects, and (3) chronic health effects.

The most costly of the health effects are those that are chronic since their cause is often masked through sensitivity to other substances with the end result being a long term expense to society. Influenza, strep and similar upper respiratory illnesses rob millions of person hours from the United States work force each year, most of which are avoidable.

After the energy crisis of 1973, builders and homeowners spent a great amount of time, effort and money in building and retrofitting houses to make them more energy efficient. In doing so, and often without thinking of the ramifications of their acts, they caulked and sealed air leaks that had been costing them large amounts of money by leaking heat to the outside.

We now know that these air leaks were important because they supplied the replacement air that was necessary for comfort and health. Ventilation rates were often reduced to the point of causing IAQ complaints since the concentration of various pollutants produced indoors increased with the reduced natural ventilation rate. Mold and mildew have become problems even in our cold, dry Alaskan climate because our new buildings are constructed to be energy efficient and air-tight.

ALASKA'S EXPERIENCE

As stated during a meeting of the Canadian National Research Council in 1980:

"Although the importance of air-tightness has been stressed for the past 25 years in the technical literature dealing with the design of building enclosures, we still construct buildings that provide their owners with excisable energy costs, buildings that make the occupants uncomfortable because of drafts and infiltration of contaminated air and that suffer from problems of condensation and the deterioration of their components and materials, which require high costs for repair and maintenance. Air tightness accordingly should be the primary objective in the design and construction of walls, windows, floors, and roofs of buildings."

Though Alaska did not begin the above journey in 1980, this statement brings us to where we are presently surviving with our existing deteriorating and dilapidated housing stock. Many of our existing buildings would benefit from the application of mechanical ventilation. These buildings are those with the

severe mold and mildew problems. They are the ones where odors linger for days on end. They are also largely responsible for a good portion of the high incidence of upper respiratory illness experienced by the average Alaskan resident.

Because the winters are longer and more harsh than those of warmer climates, Alaskans spend more time indoors than do people residing at lower latitudes. In performing calculations on just how much time we Alaskans spend indoors on a life-time average, I often use the under-estimate of ninety percent. This represents all of the time we spend indoors whether it be at work, or at home. This 90% estimate encompasses the entire life experience, from cradle to grave. Were we to spend ninety percent of our lives indoors we would have to average two hours and twenty four minutes outside every day, seven days a week, from birth till death, summer and winter, rain or shine.

Few Alaskans can claim this degree of outside exposure for a life-time average. For a person forty years of age this is the equivalent to working outside for seventeen and a half years, forty hours per week. I am often surprised at our concern for the outside environment as we spend such a small amount of our lives in it. It is only recently that we have begun to focus on the micro-climate that we call "indoors".

In 1987 the Center for Disease Control (Arctic Investigations Laboratory) reported that Alaskan female Natives less than 1 year old have died 14.4 times more often from pneumonia and influenza than other U.S. residents. Alaskan, non-native females have died 1.5 times more often from lung cancer and other chronic lung diseases than other U.S. females. These are alarming statistics that we must deal with in our regulatory and policy making bodies if we wish Alaskan residents to receive full benefit of the current knowledge regarding poor Indoor Air Quality.

Alaska has little to be proud of in the way of well designed and constructed residential buildings. Alaska has no state building code and few, if any, of our local building codes reflect the true need which is for integrated designs specific to northern climate conditions. Evidence of Alaska's poor quality of housing can be seen in every city and every village. Several recent attempts to deliver housing products that could be considered advanced and appropriate for our climate have been completed without the two ingredients necessary for success. Air-tightness testing and mechanical ventilation.

EXAMPLE

The United States Army recently constructed 400 units for

families of servicemen on the Fort Wainwright Army Post, just outside of Fairbanks. The design was a sincere attempt to build to the needs of our climate with R-38 walls, R-60 ceiling insulation, triple pane windows and central heating plants. The contractor even tried to install the vapor barrier in a continuous manner and except for a few misunderstandings and missed approaches would have succeeded. Installing mechanical ventilation was felt to be unnecessary as no recognized code required it. Every building of this 40 million dollar project was inspected by the local building authority, and passed.

The real problem is that had these 400 units been assembled in an air-tight fashion, the absence of ventilation systems would have doomed them to a moldy and mildew ridden demise. With the buildings in their present configuration, the owner is now experiencing extreme difficulty keeping the gable end vents clear of frost and ice during the winter months. This is attributable to excessive upper envelope air leakage which allows moist, stale indoor air to leak into the attics and accumulate during the long heating season. The moist air condenses and wets the attic insulation, which of course greatly increases the expense of heating the structures. Unfortunately, the entire cost of heating this project is sustained by the taxpayers, you and I.

Another related concern is for high maintenance due to the frequent need for removing the frost, or the vents, each year, from now until these units are demolished. What is the true expense of this upkeep when the maintenance person falls or slips off the ladder and is injured or disabled? Loss of time from work, increased insurance costs, permanent disability and even death could be the end result.

The future holds more of the same according to the Army's designs for an upcoming housing project scheduled for construction in 1989. These next 150 units will use similar criteria as contained in the previous solicitation. Heavy wall and ceiling insulation levels, but no continuous vapor barriers and no ventilation systems.

JUSTIFICATION

Reasons for building housing air-tight are:

- a) To lower fuel bills. Improved air-vapor barriers and interior caulking reduce the risk of wet insulation from vapor condensing inside the building envelope (walls, roof, floor). With smaller individual fuel bills, residents retain more of their income to spend in local economies.
- b) Reduced maintenance costs. In leaky, poorly insulated

buildings the heating systems cycle more frequently and wear out more rapidly (pumps, fans, burners, valves, electric switch components, etc.). There are no moisture problems requiring frequent re-painting of mold or mildew stained surfaces. There is no need to remove frost and ice from attic vents, or remove the vents themselves.

- c) To conserve energy. Conscientious individuals save energy because they know it is their moral duty to make these finite resources last for future generations and for wiser, more durable uses.
- d) To improve comfort levels. Warmer, less drafty and quieter, are some of the ways that comfort is improved in air-tight construction. For seniors and infirm individuals with reduced circulatory systems the comfort level aspect is very important. Being comfortable in a climate that has a reputation for being uncomfortable, is a very big plus for all residents of Alaska.
- e) To reduce levels of air pollution. Fairbanks, Anchorage, Juneau-Douglas and other areas of Alaska have their own special conditions where outside air movement is greatly reduced during winter months. This often results in the formation of "inversion" periods where combustion by-products are able to accumulate to harmful levels in localized areas. We have recently experienced increases in airborne pollutant levels world wide. "Arctic Haze" is one example that Alaskans are familiar with, and the hole in the ozone and the greenhouse effect are others.
- f) To have total control over ventilation air and to minimize heat loss by recuperating energy from the exhaust air. Houses that provide adequate ventilation air during periods of mild weather, will always afford too much air during periods of extreme weather. This is known as uncontrolled, or out of control ventilation. The benefits are many and varied for housing that is tightly constructed, mechanically ventilated and well insulated.

REQUIREMENTS FOR MECHANICAL VENTILATION

When our indoor air becomes polluted the most popular way to clean it up is to add forced ventilation. In determining the need, type, and value of various forms of mechanical ventilation the following questions must first be answered.

- 1) What is the use of the building? Factory, office, residential etc.
(This analysis applies only to residential buildings)

- 2) What is the tightness level of the dwelling?
(The Alaska Energy Conservation Standard For New Residential Buildings requires that new houses be tighter than 4 Air Changes per Hour (ACH) @ 50 pa, when tested with depressurization equipment.)

- 3) What is the climate for the location?
(For this exercise the most mild Alaskan climate is considered. Extending from Ketchikan north to Yakutat defines that area of Alaska otherwise known as southeast. All of southeast Alaska is above the 7,000 Heating Degree Day (HDD) climate with a low at Annette/Ketchikan of 7053 HDD and a high at Homer of 10,364 HDD. Average annual wind speed is between 10.7 miles per hour (mph) at Annette, to a low of 6.5 mph at Homer. While not nearly as extreme as the interior of Alaska, southeast has a climate similar to northern maritime countries such as Denmark, Sweden and Norway.)

The answer to whether mechanical ventilation is needed for buildings meeting the above parameters is an obvious yes. Reasons for not permitting natural or uncontrolled (really out of control) ventilation is well documented and recognized throughout northern circumpolar nations. Canada, Norway, Sweden, and many southern countries all recognize the fact that buildings do not ventilate well naturally. When building houses tight to conserve heat energy the option of using mechanical ventilation becomes a necessity in order to eliminate excess odors, humidity and to provide a safe non-toxic environment and increase occupant comfort.

During a 1985 conference in Copenhagen titled "RESEARCH ON FRESH AIR CHANGE RATE DUE TO OCCUPANT EFFECTS", it was revealed that occupancy of a dwelling increases the "static" or unoccupied ventilation rate by 3-4 times. This is interesting when we consider how extremely leaky some of the older southeast and south central Alaskan housing stock is. A few of our existing structures may receive adequate natural ventilation much of the time, but most do not. Serious concern must be raised when we have buildings constructed which experience less than .3 natural air changes per hour.

The almost two million person research hours performed and documented within the International Energy Agency's, Air Infiltration and Ventilation Center, adequately answers the question of whether mechanical ventilation is necessary. This organization is made up of 22 participating nations and has already performed much of our work for us. The characteristics of air leakage in buildings is very complicated, but significant steps have been taken to define the geometry of air leakage in buildings and Alaska can ill afford to duplicate, or

ignore these research efforts. The recommendation from the Infiltration and Ventilation Center is to minimize and where possible eliminate natural ventilation completely.

However, requiring contractors to install mechanical ventilation can only be viable if the buildings are relatively air-tight. For this reason the importance of an air-tightness test cannot be ignored. If contractors are to be taken on their honor to be building air-tight construction, we can only expect a large percentage of failures for any program mandating mechanical ventilation, but not advocating at least a random spot check air-leakage test policy.

We should accept the research results of our northern neighbors which have mandatory mechanical ventilation requirements. At 4 ACH @ 50 pa, the level of tightness prescribed within the Minimum Thermal Standards, there should be little doubt that buildings in the most southern portion of Alaska should be designed and constructed with mechanical ventilation systems for reasons previously mentioned.

In fact, if we could slowly move a house from southeast Alaska to the North Slope and measure the buildings air leakage as we traveled, we would find that the natural ventilation rate would increase as the climate became colder. If any region should be considered for modification or lessening of ventilation requirements, it should be the North Slope which has a heating demand of over three times that of the Annette/Ketchikan region. It is common for warmer climates to demonstrate a greater need for mechanical ventilation due to their lower NATURAL driving forces. However, considerations of occupant comfort and the potential for heat recovery in Alaskan climates requires that mechanical ventilation always be used in place of natural ventilation.

VENTILATION STRATEGIES

Selection of the type of mechanical ventilation to use is a straightforward process of elimination. There are three basic types of mechanical ventilation strategies:

- 1) Negative pressure systems (exhaust only)
- 2) Positive pressure systems (supply only)
- 3) Balanced delivery/extract systems.

Problems associated with negative pressure systems (exhaust only) are high velocity drafts and combustion appliance back-drafting which can occur at quite small pressure differences. Another problem with using negative pressure systems is the introduction of soil gas pollutants such as radon, benzene, chlordane and moisture. Also, sewer gas entrainment may occur

when the water in a sewer line trap dries up allowing gas to flow back into the dwelling. This is a common problem in large houses with minimum occupancy where all of the available fixtures may not be utilized on a regular basis.

Positive pressure, or supply only ventilation is less common than exhaust only due to primarily one reason. Positive pressure forces moisture into the exterior building components and causes serious damage. In freezing climates the result is swift and severe. Saturated wood fiber and concrete mortar demonstrate extreme expansion when the temperatures dip below freezing. The result is saturated insulation and rapidly deteriorating structural components.

This brings us to balanced ventilation systems. The balanced, or combined exhaust/supply systems have the highest ventilation efficiency of all. Popular in most northern countries, balanced systems give good air circulation and allow for potential heat recovery. Balanced systems do not influence combustion appliances, and the moisture problems from positive pressure techniques are also absent.

HEAT RECOVERY ECONOMICS

When utilizing heat recovery, balanced systems have been found to lower ventilation related heating costs by more than 45% in Great Britain and 55% in Sweden. Other studies show heat recovery to be cost effective in climates colder than 6,000 HDD (Heating Degree Days). With Ketchikan at 7,000+ HDD it seems prudent to utilize continuously operating, balanced ventilation systems with strong recommendations for heat recovery.

The following is a simple analysis of the heat recovery potential for a 2,000 square foot house in Ketchikan, Alaska.

ASSUMPTIONS:

Volume of 2,000 sq. ft. with 8 ft. ceiling = 16,000 cubic ft.
Annual Temperature Difference = 23.4° F, $T_i - T_o$
Average Year = 8,760 hours
Specific Heat Capacity of Air = .018 Btu/FT³ * °F
One Gallon of Oil = 103,500 Btu, Burned 75% Efficient

USING:

$$Q = \frac{V * (T_i - T_o) * Cp * T}{103,500}$$

WHERE:

Q = Gallons Of Fuel Oil Used To Heat One Air Change per Hour
(ACH) Over A One Year Period
V = Volume Of The Interior Conditioned Space
Ti = Temperature inside = 70° F
To = Temperature outside = 46.6° F
Cp = Specific Heat Capacity of Dry Air 0.018 BTU/FT³ * °F
T = Time In Hours Analysis Is Considered (365 X 24 = 8,760)
103,500 = Btu In One Gallon Of No. 2 Oil, At 75% Efficient

FINDING:

$16,000 * (70-46.6) * .018 * 8,760 / 103,500 = \underline{570.39 \text{ gallons oil}}$

To calculate .5 natural air changes per hour (ASHRAE recommendation) we divide 570.39 by 2 and find the ventilation expense equivalent to 285.2 gallons annually. With heat recovery at 60% efficient, the energy saved is equal to 171.12 gallons annually.

Assuming a steady state economic analysis for a ten year period we find a simple payback of \$1,711.20 with oil averaging \$1.00 per gallon. This is quite adequate to justify heat recovery in Alaska's warmest climate. Should our energy costs increase beyond an average of one dollar per gallon over the next ten years, heat recovery ventilation will prove to be a prudent investment especially when the many associated health and comfort benefits are included.

CONCLUSIONS

At a minimum, balanced ventilation is necessary for new houses which meet or exceed the Thermal Standard air tightness requirement. Justification exists for heat recovery in the most mild Alaskan climate, though this option could reside with the designer/builder to provide maximum program flexibility.

Today we have more options and therefore more decisions to make regarding the methods, materials and design of housing that should last for the next 80 to 100 years, instead of the 40 to 60 years estimated for typical construction. Design requires a much more important role in the modern energy efficient structure as we must minimize our chance for errors by eliminating all known causative effects relating to previous building failures.

We must quit viewing buildings as stagnant entities and see them as the continuously changing structures that they are, moving and breathing throughout the seasons. Only then can we

learn to view the house as a compilation of dynamic systems where the interaction formed by one system with another will determine each systems viability.

Whether the impetus for change is in the form of the voluntary Alaska Craftsman Home Program, or the mandatory Alaskan Thermal Standards, the physics of building and living in Alaska will demand that these issues be addressed. In the interest of resident health, safety, comfort and economics, Alaska should join with our northern neighbors and develop a comprehensive thermal, ventilation, and air-tightness standard for all new residential buildings.

Phil Loudon, is a thirty year resident of Fairbanks with experience in diagnosing building and indoor air quality problems. He has been a member of the Alaska Craftsman Home Program's Review and Technical Committees since 1986 and instructs ACHP building workshops in the North Slope Borough.

August 25, 1988
PGL/slf

"RADON IN ALASKA HOUSING"

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For approximately two years now radon has been an increasing concern in Alaska. Much is unknown about this threat in our housing and in order to more clearly state the situation I would like to present this paper to the Housing Council with an overview of what we do know about it and what I think we should do about it for the Alaskan case.

First, what is Radon? Radon is a naturally occurring radioactive gas that comes from the natural radioactive decay of uranium in the soil. It can be found in high concentrations in soils and rocks which contain uranium: granite, shale, phosphate, or in the case of the Fairbanks problem, metamorphic Birch Creek schist. Radon may also be found in other soils contaminated with industrial wastes or phosphate mining. In outdoor air, Radon is diluted to such low concentrations that there is usually nothing to worry about. However, once it is in an enclosed space such as a home, it can accumulate. The indoor levels depend on the construction of a building, whether it has soil contact, (Does it have a basement?), and the concentration strength of the radon in the underlying soil.

Radon is a problem only because it is a noble gas. Because it is a gas it can be mobilized and transported in air. The problem detected in Fairbanks, and other locations in Alaska to a lesser degree, is due in part to our long heating season our soil conditions, and our type of housing construction. We have in Alaska a case in the extreme for radon concentration in homes. This is a concern because the known health effect associated with exposure to radon is an increased risk of developing lung cancer. Not everyone exposed to elevated levels of radon will develop lung cancer, but scientists estimate that from about 5,000 to about 20,000 lung cancer deaths a year in the United States may be attributable to radon. The American Cancer Society expects that 130,000 people died of lung cancer in 1987.

The risk of exposure to radon has also been reviewed recently by the National Academy of Science. The results were published in a major report and also in Science magazine, January 1988. The estimate of risk associated with radon was actually increased as a result of a thorough re-examination of the data that exists. Most of that data, by the way, comes from the experience of uranium miners in the 1940's and 50's.

These people were exposed to known levels of radon gas in underground uranium mines. They were monitored throughout their lives for their health, whether or not they smoked, what they got sick from, and particularly how they died. The risk associated with these known exposures to the radon levels is

very relevant to the case of radon exposure in homes, although in some cases the exposure levels must be extrapolated to include the range in homes.

The situation is of deep concern in Alaska because of the rate at which we have found high levels of interior radon, as opposed to what is considered to be, "an acceptable level". The EPA sets the remedial action level for radon at 4 pico-curies per liter (4 pCi/l). Although there is some risk contracting lung cancer at this level, it is often difficult to lower this concentration in any economically feasible way. In looking at the Fairbanks test population as a case study and as an indicator of the radon problem in Alaska, we find some very significant concerns. There are two major sets of data resulting from two different types of radon tests in homes available to us in Alaska. One of them has been assembled by The State Office of Radiological Health in the Department of Health and Social Services. Mr. Sid Heidersdorf is the State Radiological Physicist, who is mandated to keep an eye on radiation hazards to the population. This mandate includes keeping tabs on the radon problems. That survey has been ongoing for about two years in Alaska. The state survey employs a three month etch-track type radon detector which measures the alpha particle decay of radon in the home. In this study, data from all over the state has been included. The latest data from the Health and Social Services Department are shown in figure 1. You will note that Fairbanks is by far the problem area in the state. In fact more tests have been done in the Fairbanks area than anywhere else. A second data set (figure 2) is also from a statewide survey, but the results are posted only in terms of zip codes because this data set is accumulated by a private company from individuals who buy test kits. The information remains confidential but the locations are known. The data shown in figure 2, is data from "Air Chek", a company that sells a passive carbon-type test kit. Their data is extremely revealing and is the basis for concern. The data shown that the highest level found in Wasilla, for instance, was 196 pCi/l, and in Talkeetna a test indicated 183 pCi/l. Both were above the highest level ever detected in a ten state study by the EPA in the lower 48. Fairbanks is the site of the very highest rate with 989 pCi/l in one instance. Many others are in the range of 100 to 600. These ranges are 50 to 100 times the acceptable EPA remedial action level. Other communities with radon levels measuring above 4 pCi/l are Anchorage, Dillingham, Gakona, Homer, Ninilchik, Palmer, Valdez, Clear, North Pole, Ester, Delta Junction, Healy, Mckinley Park, and the Border Station near Tok.

Some caution needs to be exercised in making a case with this data because it is insufficient to provide an accurate statistical analysis. However, because so many elevated levels have been detected with such limited testing, it serves notice to members of the community, especially it should serve notice to the real estate community that this is an issue of considerable concern. In fact, figure 2 shows that 52 percent of the tests (totalling 353) were at or above the remedial action level as set by the EPA. More than 20 percent of the tests or 1 in 5 were above 20 pCi/l which is 5 times the EPA recommended remedial action level. Obviously, Fairbanks appears to be a case worthy of further research to determine how bad the problem is and what in fact we can do about it.

(Figure 1.)

Location	Number	Concentration of radon, picocuries per liter of air (pCi/l)			
		4 or less	5-8	9-20	20 +
1 Anchorage	92	90	1	1	
2 Anchor Point	1	1			
3 Anderson	1	1			
4 Arctic Circle H.S.	7	4	3		
5 Barrow	1	1			
6 Bethel	1	1			
7 Bettles	1	1			
8 Copper Center	1	1			
9 Craig	1	1			
10 Deadhorse	1	1			
11 Delta Junction	4	3	1		
12 Dillingham	1	1			
13 Douglas	3	3			
14 Eagle	1	1			
15 Eagle River	15	15			
16 Fairbanks	115	85	9	9	12
17 Fort Yukon	1	1			
18 Gakona	1	1			
19 Galena	1	1			
20 Glenallen	2	2			
21 Haines	5	5			
22 Healy	7	5	1	1	
23 Homer	4	3		1	
24 Hope	1	1			
25 Juneau	30	29	1		
26 Kasilof	1	1			
27 Kenai	1	1			
28 Ketchikan	4	4			
29 King Salmon	1	1			
30 Klawock	1	1			
31 Kodiak	13	12	1		
32 Kotzebue	2	2			
33 Manley Hot Springs	3	2		1	
34 McGrath	1	1			
35 McKinley Park	48	33	7	7	1
36 Moose Pass	1	1			
37 Nenana	1	1			
38 Nome	1	1			
39 North Pole	4	4			
40 Northway	3	2		1	
41 Palmer	7	6		1	
42 Pedro Bay	1	1			
43 St. Mary's	1	1			
44 Seward	1		1		
45 Sitka	2	2			
46 Skagway	1	1			
47 Soldotna	4	4			
48 Sterling	1	1			
49 Tanacross	1	1			
50 Tok	3	2		1	
51 Unakleet	1	1			
52 Valdez	2	2			
53 Wales	1	1			
54 Wasilla	6	6			
TOTALS	415	354	25	23	13
	=====	=====	=====	=====	=====

Zip Codes	No. At Each Zip Code	No. Of Occurrences Under 4 pCi/l	Percent of Occurrences <4 pCi/l	# In Range 4-10 pCi/l	Percent 4-10 pCi/l	# In Range 10-20 pCi/l	Percent 10-20 pCi/l	# In Range 10-50 pCi/l	Percent 20-50 pCi/l	# In Range 50-100 pCi/l	Percent 50-100 pCi/l	# In Range Over 100 pCi/l	Percent Over 100 pCi/l	Highest Level Each Location
99501	2	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.0
99504	2	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.6
99506	1	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	2.4
99507	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	2.5
99508	6	6	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1.8
99511	3	3	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1.6
99515	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.6
99516	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.8
99519	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.4
99576	2	0	0%	2	100%	0	0%	0	0%	0	0%	0	0%	8.9
99577	5	5	100%	0	0%	0	0%	0	0%	0	0%	0	0%	2.2
99586	3	2	66.7%	1	33.3%	0	0%	0	0%	0	0%	0	0%	7.1
99588	3	3	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1.3
99603	2	1	50%	1	50%	0	0%	0	0%	0	0%	0	0%	4.1
99615	3	3	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.8
99639	1	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	6.1
99645	6	4	66.7%	2	33.3%	0	0%	0	0%	0	0%	0	0%	4.9
99676	3	0	0%	1	33.3%	1	33.3%	0	0%	0	0%	1	33.3%	15.3
99686	3	1	33.3%	2	66.7%	0	0%	0	0%	0	0%	0	0%	5.7
99687	18	4	22.2%	5	27.8%	5	27.8%	3	16.7%	0	0%	1	5.6%	19.6
99701	25	16	64%	4	16%	5	20%	0	0%	0	0%	0	0%	16.8
99702	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1.5
99704	1	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	7
99705	7	6	85.7%	0	0%	0	0%	1	14.3%	0	0%	0	0%	35.5
99706	7	2	28.6%	2	28.6%	0	0%	0	0%	0	0%	3	42.9%	54.8
99707	31	14	45.2%	8	25.8%	2	6.5%	4	12.9%	0	0%	3	9.7%	145
99708	56	21	37.5%	8	14.3%	5	8.9%	8	14.3%	10	0%	4	7.1%	98.9
99709	70	37	52.9%	15	21.4%	1	1.4%	4	5.7%	5	0%	8	11.4%	53.2
99710	5	3	60%	1	20%	1	20%	0	0%	0	0%	0	0%	15
99712	56	17	30.4%	14	25%	10	17.9%	6	10.7%	7	0%	2	3.6%	43.2
99714	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	3.5
99725	9	2	22.2%	1	11.1%	2	22.2%	1	11.1%	2	0%	1	11.1%	10.5
99737	5	3	60%	2	40%	0	0%	0	0%	0	0%	0	0%	8.5
99743	1	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	9.5
99755	3	2	66.7%	1	33.3%	0	0%	0	0%	0	0%	0	0%	9.4
99775	2	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.8
99780	2	0	0%	2	100%	0	0%	0	0%	0	0%	0	0%	5.5
99801	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.9
99827	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1.5
99835	1	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	.7
ANSWERS UNDER FOUR				= 170 OR 48.5%										
ANSWERS FOUR TO TEN				= 76 OR 21.5%										
ANSWERS TEN TO TWENTY				= 32 OR 9.1%										
ANSWERS TWENTY TO FIFTY				= 27 OR 7.6%										
ANSWERS FIFTY TO HUNDRED				= 24 OR 6.8%										
ANSWERS OVER HUNDRED				= 23 OR 6.5%										
TOTAL NUMBER OF ANSWERS				= 353										

FIGURE 2. (COURTESY OF NORTECH AND AIR-CHEK, INC.)

These data show the results of 353 passive radon detectors exposed in locations in Alaska. The first column is the zip code of the location in Alaska. Other columns are labelled with the range of radon levels measured, and followed by the percentage of the total number of measurements in each range. The last column lists the highest level measured at each location.

Perhaps this is a good time to note radon's "Good - News" side. Radon is a solvable problem. The Cooperative Extension Service has available a set of publications with very detailed and successfully applied instructions on how to mitigate against radon in a basement. It may not always be cheap. In fact, in a particular case which I can cite from personal experience, mitigating radon levels in the range of 50 to 100 pCi/l, and getting down to a level of .7 pCi/l over a period of about fourteen months, resulted in a cost of about \$4,500 dollars. This total includes the tests that were done to see what the results of the mitigation steps were. This is an intimidating prospect for someone who may want to sell a house and finds radon or who has a house that has radon problems and needs to mitigate. For this reason I suggest that a state program to loan money for the purpose of radon mitigation would be in order. If it were at or above market rate, having the money available would be a major public service for which I foresee an increasing need.

Such a bill to provide radon mitigation funds was presented in the last legislature by Representative Mike Davis of Fairbanks. However, it was not successfully passed although \$83,000 dollars was attached to another bill to provide radon mitigation. Such mitigation could only be applied now with regard to other energy efficient retrofits of buildings. The Alaska Craftsman Home Program includes instructions on radon proofing new construction and a detailed appendix on how to mitigate against radon problems in construction. All of this is a result of what we have learned in the past two years about the Alaskan radon problem. These publications are all available from the Cooperative Extension Service of the University of Alaska in Fairbanks.

It should be noted also that one of the banks in Fairbanks, Key Bank, has instituted a loan program at 1/2 percent below market rate for radon mitigation. A bank vice-president invited myself, and Mr. Phil Loudon, a Building Consultant in Fairbanks, to give a presentation on radon in anticipation of this loan program earlier in 1988.

Because the radon problem in Fairbanks is widespread, we have learned a great deal about how to approach the problem from the experience there. There seem to be high risk areas in certain subdivisions and in certain geological locations in the area. For instance, a home located high on the breast of a hill, with soil depths of 8 feet or less, is a suspect home. Here's why: The hypothesis for how radon moves in the soil is based on a permeable layer above bedrock which allows the radon, and air carrying the radon, to move through it to cracks, fissures, or imperfections in basements, and into the living spaces of a house. Studies in the lower 48 have shown that radon rarely moves more than 60 meters laterally in the soil, so that most of the radon entering a home would have to come from a bulb below the house. Forces that drive radon and the air from the soil into the house are often generated by heating the house.

Not only is the long heating season in Fairbanks a factor in radon transport, but throughout the heating season you are operating a system which tends to move radon into the house and concentrate it. The heating system in a house tends to act as a pump sucking radon laden air in the bottom of the house, and driving exhaust out the top.

All of these factors relate to an understanding of the problem in a specific geological setting. This does not mean that radon can not be present in areas which are less suspect, such as flood plains, highly porous gravel in valleys or deep silts. Certainly we have found less of a problem at these sites, but there are always spurious and inexplicably high levels in various places where one would not expect them. One such area is the Aurora Subdivision in Fairbanks, which is right along the Noyes Slough. Another is Lakloey Hill on Badger Road in the North Pole Area. The Lakloey Hill situation is a model of the larger hills to the north of Fairbanks, so it is more explicable than the case for Aurora Subdivision. The lesson here is clear. No one should presume that because of where they live and because their neighbors do not have a radon problem, that they do not have a radon problem. The only way to be sure is to test.

A radon problem case study from Pennsylvania is worthy of note. The State of Pennsylvania is where the radon issue became well known first. It is now a legal requirement in any transaction in Pennsylvania conducted by a real estate agent, that a radon disclosure form must be signed as part of the transaction. This means that the seller must disclose whether or not he has tested for radon and if he has tested, what the radon level was in the house. Or he must say that he has not tested and does not know. In that case the prospective buyer has the right to request the test and to know what the radon level is. This is apparently working quite well, but it is yet another element of complication in the sale process.

There is no immediate necessity for this type of option in the Alaska situation. However, because of the ethical requirements of the real estate profession, it is necessary that people who may be at risk from radon be informed as such by the real estate agent. In several instances in the Fairbanks area a buyer required a radon test as part of his contract for the sale. In some cases the house did not sell because it had high radon levels. So this is not an insignificant issue, and it will continue to become a larger issue as more awareness of this problem develops.

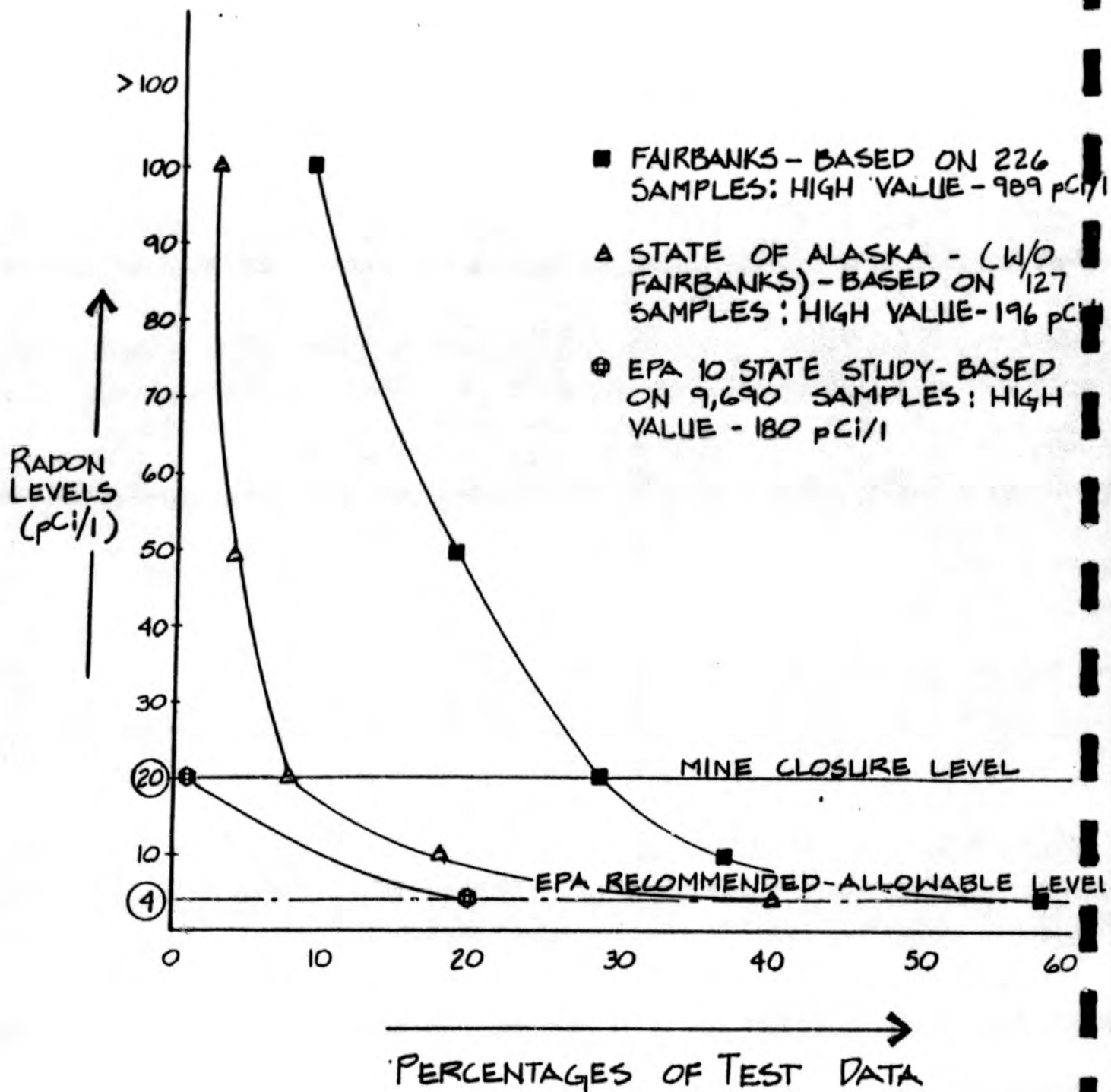
In summary, radon is an issue that the housing industry needs to become familiar with. The important matters to understand are how radon moves, and why it is a problem only in certain types of houses, i.e., those houses which have soil contact. Perhaps most important is the optimism that radon is a solvable problem even though it may require a capital investment of as much as a few thousand dollars to mitigate. There is no reason why anybody should hesitate to buy a home that has been mitigated against radon, because a very inexpensive (\$15 to \$30) test can be performed at any regular interval (one to three months, or one to three years) to assure the occupants that the radon levels continue to be acceptable for family living.

Another consolation is that the level of scientific expertise and technical capability to mitigate radon is very high in Alaska. This is the result of the first case studies and the fact that the state Division of Geological and Geophysical Surveys has equipment that it uses publicly to monitor and test areas of concern. The private sector has also responded very positively to the challenge of radon mitigation with a very high level of technical competence and expertise in dealing with this problem.

Each problem needs to be understood and evaluated as a unique circumstance, but there are certain physical processes in radon transport which are well understood and can be relied on in the mitigation scheme. So the process is learnable and the problem is manageable. Further research and education about awareness of the radon problem should be encouraged by the building community and within the building community. This is a technical problem which nature has provided for us, and whether you are subject to its effects or not is really a matter of chance. It is an economic reality in the system today because it can influence the purchase of homes and the sale of homes, but it is also a solvable problem and should be regarded as such.

Any information that we either develop, or receive from elsewhere about radon and its mitigation, the Cooperative Extension Service makes available to the public, free-of-charge, through our offices in Fairbanks and around the state. We welcome any opportunity to present radon seminars for educational purposes to the building community as well as to the banking and finance communities.

July 20, 1988



**ZONES, CODES, AND AFFORDABLE HOUSING:
EVALUATING THE IMPACT OF LOCAL
LAND DEVELOPMENT REGULATIONS**

by

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September, 1988

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INTRODUCTION

The relationship between local regulation and the cost of housing has been established for some time. According to a 1982 report of the President's Commission on Housing, regulations affecting land use, building codes and standards, development requirements, and permit processing account for 25% of the final sales cost of an average home.¹ In 1979, the U.S. Department of Housing and Urban Development sponsored a national conference on housing costs, which focused on methods of reducing costs at the local level by improving development standards, increasing the supply of developable land, providing for equitable distribution of public facilities costs, and improving permitting procedures. More recently, a 1985 National Association of Homebuilders conference on Low and Moderate Income Housing explored regulatory barriers to development of affordable housing.²

The legitimacy of local regulatory processes governing land development is not at issue. Local governments, through extension of the police power, exercise control over local land use and development to promote the general welfare and to protect the public from unnecessary hazards and nuisances. What is at issue is the way in which local governments exercise that authority, characterized by "(r)estrictive growth policies and excessive development standards (which) make it difficult to find reasonably priced land for development. Inefficient procedures and unduly elaborate regulations complicate public approvals for development proposals. Vague requirements and lengthy approval processes encumber the timely provision of public facilities".³

This paper focuses not on a prescriptive approach to solving already identified problems with local development regulation, but rather seeks to outline some of the most common problems experienced nationwide, to provide Alaskan communities with a framework within which to evaluate their own local development codes and regulations, and to assess their impact on the supply of affordable housing in Alaska.

Regulatory impacts can be grouped into three general categories: 1) Front-end costs, 2) Land and property taxation, and 3) Building, zoning and other governmental regulation.

FRONT-END COSTS

One of the primary factors contributing to escalating housing costs is the set of expenses commonly referred to as "front-end" costs. These include:

- * Plant investment fees such as sewer, water, electricity, storm drainage, and street oversizing

- * Land-related costs, such as land dedication for schools, parks, and other public facilities, as well as utility infrastructure requirements
- * Planning-related costs, such as the carrying costs incurred during the development approval process, land use policies, and setback requirements
- * Utility-related costs, including time delays, non-interest bearing deposits, and labor costs

According to the National Association of Homebuilders, these types of costs and fees have increased the price of a single-family home nearly 13 percent from 1949 to 1982⁴

Plant Investment Fees. Abuse of plant investment fees has been practiced by many communities in the Lower 48 in an attempt to discourage new growth, recoup overhead and administrative expenses not necessarily related to land development, and to preserve neighborhood or community "exclusivity" by specifically retarding the development of affordable housing.

Legitimate use of plant investment fees is possible, however, when governed by the following guidelines:

- * Fees should not be used as a growth management tool or mechanism to inhibit development
- * Development should be charged with only those costs directly related to the activity, not "overhead" costs
- * Fees should recognize and take into account special design features of the project (ie energy or water conserving) in establishing the fees charged
- * Local officials and staff who establish fees and fee structures, should be required to provide explicit documentation and justification of the basis of the fees

In addition, local governments should explore innovative ways to finance urban infrastructure that will reduce front-end loading costs. Conventional interest rates are typically twice as expensive as bonded rates. If, for example, special improvement district bond financing were employed, the lessened inflationary pressures would benefit the entire community.

Land-Related Costs. The practice of requiring developer dedication of land for schools, parks and other public facilities (often referred to as "impact fees") is frequently cited as a front-end cost that is easily abused. Impact fees are fees levied against the project to pay for required capital improvements.

As an example, schools traditionally have been financed by property taxes on a community- or district-wide basis. Under an impact fee structure, the new development which will benefit from the schools must bear the cost of providing the facilities, either through land dedication, or cash fees. Whether "set-aside" of land for schools is a cost that should be borne by the developer or by the school district is subject to debate.

Use of impact fees has spread to the financing of low-cost housing, day-care facilities, and other community interests. The sense of current case law indicates that communities will be required to prove a "rational nexus" in order to exact impact fees, that is, the fees or dedications must bear a direct relationship to the impact the proposed development will exert on the community infrastructure. Under this argument, impact fees charged to a housing developer to pay for street improvements providing access to the subdivision might be permissible, while fees to build low-cost housing in another part of the community probably would not.

The creation of artificial growth area boundaries has had a dramatic impact on land prices in communities in the Lower 48 where this practice exists. Cities have created these boundaries to enable infrastructure planners to predict what land will develop and what will be left fallow. The effect of such practices can be skyrocketing land prices within the boundary, directly translating into higher overall housing costs, at all levels. Development of a growth boundary policy needs to be carefully coordinated with taxation policies to avoid such adverse impacts.

Planning-Related Costs. Unnecessary delays in processing of approvals and permits add to the final cost of housing by increasing the carrying costs of the project. Delays of over 6 months are not uncommon, industry-wide.

Communities should examine the length of time required to approve a plan, once a complete package is submitted by the developer, and place limits on the process to assure prompt performance by the local government. Failure by the local government to act in accordance with its own policies could result in assessment of damage costs against the city. On the other side, developers should be allowed to post bond that they will meet all permitting requirements, allowing construction to commence without waiting for final approvals. Such a policy would enable developers to take optimal advantage of the short Alaskan construction season.

Utility-Related Costs. One of the major tasks of cities and developers in developing new housing is providing utility infrastructure to the project. It overlaps with the Plant Investment fee issue, in that cities should not abuse these fees and should seek alternative methods of financing these capital

improvements, which may develop additional service capacity and therefore benefit the community as a whole.

Another related issue concerns the deposits charged to developers by utility companies. This money, which must be deposited on the front end of the project, should be placed in escrow with interest accruing to the developer, not to the utility. Utilities should be required to start work by a certain agreed-upon date, or the developer should be able to hire other certified and available subcontractors to perform the work of the utility company.

Summary. High housing costs hurt everyone; no one really profits from them. Yet some communities may unknowingly allow practices and policies that directly increase housing costs. Each of the above categories should be carefully studied in the context of the local community setting, and action taken to reduce government-imposed front-end costs whenever possible.

LAND AND PROPERTY TAXATION

It has been convincingly argued that the property tax is one of the principal reasons why land speculation is rampant in growth communities. Good evidence suggests that proper adjustments to this tax can help suppress speculation, loosening its grip on tightly-held idle lands that now push development outward. Real estate taxes in most U.S. communities favor speculative land holders over developers or land users. Property taxes on vacant land are kept low, and then skyrocket when development takes place. Communities seek to improve the quality of inner-city housing, but continually raise property taxes when improvements are made.

The property tax is really two taxes combined as one. First, the property tax is a tax on land. Second, it is a levy on the improvements made to the land, such as homes, stores, and office buildings. Generally, the land tax tends to be very low; the improvement tax too high. The higher the tax on improvements, the greater the disincentive to maintain buildings or to construct new ones. In effect, deteriorated buildings receive greater tax advantages than well-maintained neighbors.

The land tax, on the other hand, tends to stimulate more appropriate investment on land as the tax increases. Since the tax does not alter the productivity of the site or the quantity of land available, the owner usually cannot shift the land tax to tenants or customers. If the land tax is too low, owners have little pressure to make the best possible use of their sites.

Property tax can be characterized as both the best and worst of taxes. The tax on land values is equitable, but the tax on improvements is ammunition for killing the goose that lays the

golden eggs. Many communities have the worst of both -- relatively low land taxes, combined with high improvement taxes.

To achieve optimum social results from the property tax, while retaining its revenue-generating function, communities should consider these options: 1) putting assessments in order; 2) providing temporary abatements to encourage rehabilitation or new construction in targeted areas; 3) taxing buildings less and land more, and 4) adopting tax base sharing. Communities should also consider enlisting the aid of taxation experts to evaluate their individual land taxation policies.⁵

BUILDING AND ZONING CODES, AND OTHER GOVERNMENTAL REGULATION

Building Codes. Many communities, in an effort to modernize their local codes, have adopted model building codes. These codes often create problems both for developers and for the communities that administer them.

Often, model codes are adopted without close scrutiny to determine whether the requirements they impose are really appropriate to the community. For example, one model ordinance dictates cul-de-sac length, minimum set backs, maximum fire hose length and other fire protection and planning requirements. Other model codes deal with specific unit size requirements and such details as triple-glazed windows and distance between joist and studs. Communities should bear in mind that a model code is just that, a code designed for a model city. In Alaska, where communities face unique topographic and climatic challenges, model codes should be subjected to careful review, and adapted to the needs of the community before adoption by the local governing body.

Administering model codes can also be burdensome for small units of local government, who may lack sufficient staff trained in all aspects of specialized code enforcement policies. The burden may exhibit itself in increased staff training costs, inefficient and costly delays in permitting and approvals, and housing that does not "work" in the Alaskan climate and topography. In addition, model codes often use specific, rather than performance-oriented standards, and fail to allow builders to employ innovative techniques and materials which may reduce building and/or operating costs of the project.

Zoning and Density Standards. A number of zoning trends nationwide has made it difficult for many communities to develop an adequate mix of affordable single family, townhouse, and moderate to high density residential uses, particularly near urban centers. Single family zoning, coupled with large minimum lot sizes, extensive setback requirements, and minimum unit sizes or values not only precludes multi-family development, but prices single family housing beyond the reach of prospective entry-level homebuyers. Large-lot zoning, combined with

excessive development constraints, usually results in an "exclusionary" effect by excluding development of higher-density, lower-cost housing.

One response to this dilemma has been the development of so-called "inclusionary zoning" policies. Inclusionary zoning ordinances either require or encourage developers to provide housing units to lower income households at prices below market levels, in exchange for certain financing or density incentives. Inclusionary zoning is highly controversial, and its long-term effectiveness has not been evaluated.⁶

Arguments against inclusionary zoning as a tool to facilitate development of affordable housing include: Is inclusionary zoning an unconstitutional "taking" without compensation?; If density bonuses are used as incentives with no harm, then why aren't higher densities the rule, rather than the exception?; and Is it equitable for higher-income households to, in effect, subsidize housing for lower-income households?

Alaska is currently experiencing a disequilibrium of the housing market, where supply outstrips demand. Ideally, this should create a "buyers market" for housing, where all households have a wide choice of housing types and tenures, whether single family, condominium, rental or ownership. In fact, however, the supply of standard housing affordable to poorer families continues to fall short of the need. As the economy has continued to decline, more and more households are falling into the lower-income category, and many are forced to occupy substandard or shared housing. Meanwhile, due to a general tightening of lending requirements, some middle-income households find it difficult to obtain financing to purchase existing vacant homes, despite steady employment in stable sectors of the economy.

The current condition of the Alaska housing market does not render the state immune from the issues of exclusionary zoning. Communities can anticipate future housing needs and replacement of substandard housing now by evaluating their existing zoning ordinances with a eye toward their effect in restricting or encouraging development of affordable housing.

Project Design Standards. At issue here is the retardation of development of affordable housing by imposition of development standards and procedures beyond that which is necessary for the minimum protection of health, safety and welfare. While minimum building size, pavement widths, off-street parking, landscaping and sidewalks may appear desirable, their net effect is to exclude all but higher-income households from entry into the community.

Local governments can take a progressive step toward lowering the cost of housing by reviewing their subdivision and building regulations, seeking changes that would permit and encourage

more compact, cost effective development. Some ways to accomplish this effect are:

- * Allow increased densities in sufficient amounts to meet present and future demand
- * Reduce requirements for lot and yard size, setbacks and street widths
- * Replace traditional quantitative standards for facility sizes with performance standards
- * Establish minimum density requirements for developing areas, as appropriate to local conditions, to promote efficient use and infill of vacant land
- * Employ performance standards in housing and building codes
- * Remove restrictions and prohibitions against manufactured and prefabricated housing and adopt in their place standards which can be applied to all housing in conformance with principles of effective planning and design

Environmental Regulations. In recent years, increased public attention and governmental regulation has been focused on the impact of development upon Alaska's fragile arctic landscape. However, local governments need to assess their local environmental regulations to ensure that unnecessary or duplicative reviews and approvals are eliminated, and that these regulations serve no purposes other than environmental protection.

In addition, local governments should examine applicable state regulations to determine the impact of these regulations on the development of affordable housing in their communities, and advocate through the legislative process for changes where necessary.

SUMMARY

Because of the temporary decline in the housing market, Alaskan communities have a unique opportunity right now to evaluate their local development regulations to assess their impact on the development of affordable housing, and to promulgate effective regulation that will result in a supply of housing to meet the present and future needs of Alaskan families.

We have briefly examined regulatory impacts, grouped into three general categories: 1) Front-end costs, 2) Land and property taxation, and 3) Building, zoning and other governmental regulation. Communities are encouraged to examine their local codes, ordinances and development regulations to determine if they are congruent with local housing needs and special topographic and climatic challenges and to make creative adaptations and modifications to ensure that regulations that are intended to serve the public welfare do not have the opposite effect of imposing barriers to the development of the wide range of housing opportunities necessary to achieve and sustain economic health and stability.

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HOMELESSNESS IN ANCHORAGE
"The Fine Gray Line"
August 1988

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I. INTRODUCTION

During my 21 months as a full-time homeless activist in Anchorage, I encountered a great obstacle in my efforts to polarize the homeless issues. The sociologist's dilemma: working within the fine gray line between opposing points of view was ever present and made more difficult by a tendency in most people to not speak out honestly when the homeless issues became sensitive. The homeless did not often speak to me of their anger and rage as outcasts of society and the people working to help them rarely spoke to me of their fear, distaste and frustration as they tried to assist a group of people, many of whom, were plagued with chemical addictions, mental illness and poor hygiene.

I no longer work one-on-one with the Anchorage homeless and it will be months before I can put together six month's of research on homelessness in the United States and 21 months of community activism into a clear pattern of analysis; nevertheless I feel this writing can offer a few brief but important facts regarding the homeless population in Anchorage that will be of interest and hopefully of some value to the Alaska Housing Market Council.

This presentation is an attempt to bring the reader a glimpse beneath the surface of homelessness: a look at the "nitty-gritty" problems and an opportunity to consider a few of the grass-roots solutions to the problems of homelessness in Anchorage as I found them to be. The reader however, must keep in mind that I worked alone. Although I did receive college credit for my work, I was not salaried; therefore my perspective of what it is like to be homeless in Anchorage may be biased from my living in poverty with these people, or it may be positively biased since I did not form my opinions from a "distance."

II THE PROBLEM

However much it may be true that the single most tragic cause of homelessness in America today is this nation's failure to "provide a decent home and suitable living environment for every family in the United States" as the 1949 federal housing policy demanded; it is also true that efforts to help the poor get bogged down in bureaucratic red-tape and fears that low-income projects will turn into slums if the behavior of a great many of the "street people" does not improve.

According to a January 22 article entitled: "1987 Shows Housing Problems Reflect Other Anchorage Troubles" written by Connie Yoshimura for the Anchorage Daily News, there are "14,000 vacant residential properties" in Anchorage. Comparing the availability of housing in Anchorage to the

Municipality of Anchorage's estimate of 4,000 homeless people in our community (see Comprehensive Homeless Assistance Plan) it would seem on the surface at least, that Anchorage has a rare opportunity to come up with some long-term solutions to homelessness and in my opinion this opportunity should not be ignored.

Anchorage though, has few places if any, to look for guidance for orchestrating a long-term approach. As Washington Post staff writer Jay Mathews put it, (see Homeless: First You Have to Count Them, Sept. 9, 1985): homelessness has become a metaphor for the "clash" that has occurred since 1981 between the Great Society and the Reagan revolution. And yet the "instinct" of government even under a President "distrustful of social engineering" acted; but today, the effort appears mired in "confusion over what forces have caused homelessness" and whether any of them are within the government's power.

Other city governments then like ours and the federal government, face the same obstacle: homelessness is not a singular problem that can be solved simply by counting heads and constructing affordable housing or making affordable housing available. Homelessness is as complex an issue as are the complex needs of today's population of two-million women, children and men themselves.

On a nation-wide level the problem of homelessness in America, taken as a whole, seems a near-impossible challenge. From the perspective of solving the problem on a community-by-community level however, I have found homelessness to be a less formidable task to solve. What is difficult and perhaps not solvable, is the task of putting aside questions regarding those forces or causes that put people out onto the streets in the first place.

It is my assertion however, that we should put these questions aside, not because looking for cause or causes is not a good approach; on the contrary, finding the causes will give some assurance that certain social signs will predict when problems are in danger of surfacing again, but I believe there is no time left for thesis, anti-thesis and synthesis. The number of homeless Americans will soon, in the year 2003-just 16 years from now-reach 18.7 million people, (see Snyder, Mitch, Community for Creative Non-Violence). Nor is there any time left to ignore the problem. The people are on the streets. Their numbers are growing. And they are not going away.

The need of the homeless to be free from the effects of homelessness or whatever brought them to the streets in the first place, cannot be separated from their need for housing. In the following paragraphs I will discuss a few of the problems of Anchorage's homeless as I found them to be. Some of these will be familiar to the reader and some will not, but it is important that the reader understand that I discuss homelessness in terms of a holistic approach versus what I call a "fragmented individual" approach. I will try to explain.

The fragmented individual approach is traditional and it is: "let-me-fix-you." Efforts to polarize the causes of homelessness and poverty in general in the United States have led us all astray. Instead of one national conceptual effort to sort out the entire milieu of sociological variables causing poverty, isolating them and then solving them; our nation has allowed instead, duplicated efforts which have not shared information in a link-up system. In turn, there has been confusion and frustration on the part of government on "how" to treat poverty. And in the end in our frustration, we have "blamed the victim," tried to fix each person according to what that person "did" to make themselves homeless and only dimly did we realize the extent to which the problems of poverty were social in nature and would effect us all.

A holistic approach is non-traditional. It is a new way of looking at poverty that asserts blame-casting is immature but deceptively close to looking for cause. The approach calls for: "let-us-help-each-other" for we are all victims: the homeless because they suffer from social stigma and neglect and the tax-payer because they suffer from the insanity of paying for top-heavy, impossible to administer, government social welfare bureaucracies that cannot put an end to poverty.

And yet as tax-weary as Americans are from funding social welfare programs, they are still willing to do more for the poor. In an April 1988 poll conducted by the National Housing Institute, a majority of Americans said they were willing to pay an additional \$10 to \$15 a month in taxes to pay for affordable housing for the poor! (see Anc. Daily News, April 7, 1988). What this means for a holistic approach will be discussed in part III THE SOLUTION.

A. ANCHORAGE'S HOMELESS. One of the most difficult problems for non-homeless Anchorage citizens comes up when they think about homelessness in our city, is watching Asian people come into our community and "make it," while our homeless appear to have stagnated: either unable or unwilling to "pull themselves up by their bootstraps."

This is logical thinking. The Work Ethic is very strong in our community as it is in the rest of the nation. Rags-to-riches stories are a reality and not just a figment of the imagination of Horatio Algier. The question then, is not so much "how" did people become homeless, but "why can't they get out of it?"

One answer is social isolation. This is an unfamiliar concept to an Asian and so is what we Americans call poverty. What is familiar to an Asian is a kind of poverty America has never seen. The kind of poverty that necessitates families drawing together if family members are to survive.

In America it would seem that affluence has driven us apart. The amount of leisure time Americans have enjoyed as the result of high wages and availability of time-consuming devices has made way for the concept:

"freedom of individual expression," which roughly translated can be interpreted to mean "if it feels good - do it." As members of social family units in America began expressing their individuality their "right" to do so often infringed upon the rights of others which in turn brought about more social change to America.

America has always been a nation of "rugged individualists," and even after the I'm okay-you're okay communal push of the 1960s, America continued to not only push forward the notion of individuality, but then along came minority rights. The results of this have been both good and bad: some minorities gained their rights but the loss of the nuclear family resulted in social isolation for many family members.

With the loss of family member encouragement and assistance, many Americans were unable to make the right decisions when it came to their own welfare. These were important decisions: whether to strive for higher education or whether to drop out, whether to marry young or whether to wait until a secure place in society could be achieved and of course, choices to do with alcohol, long an accepted practice in the United States for dealing with social tensions.

Homeless people in Anchorage do not make good decisions. In fact they make few decisions at all. The dependency upon others is in itself a mechanism that robs people of even limited skill in decision-making. People in shelters are told when to eat, when to sleep and in which line to stand. People accepting social welfare participate in the decision-making process only in terms of proving their poverty in what I call the "paper war" between the haves and the hav-nots.

A holistic approach to this stagnation would be one of involving people in choices that effect their immediate welfare and to reinforce this need, I offer the following from People of the Lie written by psychologist Dr. Scott Peck: "If the degree of freedom to choose the good is great, it needs less effort to choose the good. If it is small, it takes a great effort, help from others and favorable circumstances."

Asian people in our community are used to the "delayed gratification" that most Americans are not. They think nothing of living cramped together in small houses because they have lived close together and have learned to make certain personal sacrifices in order to get along. They have little need for the "control mechanisms" we Americans must place in our shelters if bedlam is not to break loose due to our invasion of one and another's social space.

Homeless people in our community are stagnated, but they are willing to get out of poverty if they just knew how. This problem however, leads to another question many Anchorage residents ask: are the homeless capable

both physically and mentally of helping themselves if a holistic approach is used. The answer to this question is like the fine gray line: some are and some are not.

From January 1988 to June of 1988, I attempted a congregate living project in Spenard as an effort to provide a substitute to the social isolation factor I discovered early on in my research. Without being descriptive due to the brevity and the demand of this presentation, I will try to comment on the effect congregate living had on several social problems related to homelessness.

Drugs and Alcohol. Homeless people drink a lot. Cheap wine is easy to get and it stops the mind from demanding decisions that most homeless people cannot come up with. However, going to AA meetings in a group as a sort of "family" social outing proved to be so popular amongst our group that often I felt "left-out."

About 12 alcoholics showed no ability to get into the "swing" of congregate living and either they were asked to leave and did, or we as a group of peers, put enough pressure on them that in the end they did leave. In retrospect I feel that these 12 people could have remained and made progress toward ending their alcohol abuse if there had been more than just myself on hand to lure them into cooperating with the rest of the group.

Hygiene. One of the most startling of my findings was the improvement in hygiene and how it came about. All the houses we rented were former "massage parlors." Our first was dark, dismal and ill furnished; but after we moved into our second home which was a house with many windows, hard-wood floors, a fireplace and a sauna downstairs; without exception the cleanliness and dress of every individual living there improved. I thought then as I do now that the people were saying: "I finally have something of which to be proud."

Skills. The most skilled amongst the homeless were the white, male veterans. This group of mostly men comprised the largest and most disproportionate numbers of homeless people. Between the ages of 35 and 55, these men were former licensed carpenters, electricians, plumbers, mechanics and heavy-equipment operators. However, what they also are, are a troubled lot. These men have been through the revolving doors of every agency that is supposed to help people with disabilities including the Veteran's Administration, so many times and with so little help, they are dizzy from their efforts.

I see these men as a tremendous resource. Not only could they, with a little help such as receiving borrowed or used tools, work to improve the properties of each other, or go into small businesses themselves; they could also teach many of the homeless some needed skills. But before this can occur, the rest of us Anchorage citizens must reach out to them and give them the respect they deserve.

The conflict of the Vietnam war as we all know, was not just between north and south Vietnam. The conflict was also between Americans: between those who thought we should be involved in that so-called "cold" war and those who didn't. And in the middle of this American conflict were those who served their country in that war. These are the men I believe suffer more in homelessness than any other.

Homeless vets in Anchorage feel they have been "thrown away" by their country, that they are no longer a valuable asset in terms of fighting wars, but they are a valuable asset in terms of their skills. And they are. But some are badly beat-up. These are the men who have hocked their tools to buy wine and drugs - to forget - and to die.

They are a loud and angry group who demand respect. Respect that rarely comes and when it does it comes in the form of "tribute" rather than anything tangible they can grasp to pull themselves out of poverty. They also had the audacity to call me, a middle-aged feminist, a "little do-gooder," but without them I would not have "toughened up" and been able to face much of the dirt and pain of the streets.

Mental Illness. I saw enough mental illness during my year of hanging out with "street people" to last me quite awhile. But it was not the numbers of mentally ill people that surprised me because as I expected, there were not that many, what surprised me was the severity of their illnesses.

The visible and audible assault of a person suffering from schizophrenia is not so much frightening as it is defeating: one has the feeling of running into a brick wall - there is nothing a non-trained person such as myself can do with this suffering. What did frighten me however, were the two cases of paranoid schizophrenia that I believed I spotted. From Psychology 101 at UAA I had learned that it is the paranoid schizophreniac that will kill at random, believing he or she is about to be killed themselves. The other form of schizophrenia I am told, is treatable with drugs and I did observe evidence of this. But the streets are not conducive to taking medicine on a regular basis. Drugs get lost - drugs get stolen - and some people believe they are "cured" and stop taking them. In my opinion, the supervision that already exists for these people should be increased.

I had expected most of the so-called mental illness amongst the homeless to be situational and it was. This form of mental suffering improved greatly when social isolation was removed. This is not to say that people who processed their thought systems slowly became bright articulate people in our congregate living environment; but I did notice a distinct change in what some call "acting out" behavior. Acting out is usually angry. It is the result of frustration from not being able to express thoughts and it is also a mechanism to gain attention. In congregate living, acting out at first became worse because most of the people suspected that they probably

would not be isolated in an environment of peers. However it was peer pressure that eventually convinced people to stop acting out.

Again, I recognize in retrospect the special needs of the situationally mentally ill and the recovering alcoholic or drug addict. I learned this the hard way, because had there been more volunteer help on the project, together we might have spotted the discrimination toward the mentally "different" from the recovering alcoholics! As it was this got by me and became the "straw" that toppled the project.

Fourth Avenue. Before concluding this brief description of the problems, or some of the problems, surrounding Anchorage's homeless, I would like to comment on "the avenue" as it is popularly called. Fourth Avenue is visible. It is a place where passers-by may view homeless people walking to and fro along the cement streets. But it is Fourth Avenue that has given many non-homeless people in Anchorage the impression that most of Anchorage's homeless are Alaskan Eskimos or Alaskan Indians.

This simply is not fact. As mentioned before in my discussion on "skills," it is the male veteran who comprise the largest segment of our homeless people. Without discussing this much further, I would like to comment that the "reality" of Fourth Avenue to Alaskan Natives is this: it is a network. A place to find each other. And it is also in close proximity to Alaskan Native Services Hospital.

III. SOLUTIONS TO HOMELESSNESS IN ANCHORAGE

The majority of Americans are still willing to shell out more taxes to help the poor, (see page 3). This information from the National Housing Institute's poll is both heart-warming and sad. Heart-warming because Americans are still showing the fine traits that built this nation: a willingness to work hard and share what this country has given them. But it is also sad because Americans have been paying through the nose to support social welfare programs for years; and never once have these tax-payers seen an end to poverty in sight.

The following suggestions toward solving the homeless problem in Anchorage are also directed at solving homelessness in our nation. What the suggestions are not however, are complete. The reader will find his or herself asking: "sure, but how would we pull this off?" To these people I can only say that this presentation is not a thesis which details the "how" of anything and I am not a person who has all the answers. What I am however is what I had the good fortune to learn about homelessness. There is not the slightest doubt in my mind that the homeless in our city will work with a little care and guidance from the rest of us, to come up with their own self-defined solutions which I might add is logical for after all, they know more about the problem. Remove the social isolation and help the homeless form the social structure of a group and you will have what we had: a large and unruly family!

The federal government of the United States should stop taxing American citizens for social welfare programs that do not work that in fact only serve to perpetuate poverty by creating masses of welfare-

dependent people who in turn only serve to support the bureaucrats working to help them.

Respecting the wishes of American tax-payers who want an end to poverty in the United States, the President should call for a "state of emergency" in the nation to end homelessness and call upon small communities for assistance. On a nation-wide scale the homeless problems would hence be divided up into small more manageable units.

Communities could fairly easily and speedily comprise grass-roots structures made up of professionals, the homeless and any concerned non-homeless citizen. In Anchorage, community councils could canvass their areas for available decent housing and for waste as well. In our self-help project we were able to furnish three houses in six months with items thrown away in dumpsters or abandoned along road-sides or from garage sales, the Salvation Army or Bishop's Attic.

Congregate living should be adopted in the interim as a means of getting people out of shelters and out of social isolation. There are plenty of rental units available in Anchorage to do this and by pooling the \$120 each individual could receive under General Relief Assistance for rent, a reasonable amount of rent could be paid.

As decent housing is made available, communities should enlist the aid of the homeless to refurbish the structures. In this regard, I particularly would remind the reader of our skilled male veterans. I particularly see a need for building renovation versus new construction because again, homeless people indeed all people, need to participate or work for what they believe they can achieve. If there are any readers (and I doubt there are) who doubt this, all one has to do is look at most low-income housing projects.

All information regarding the effects of homelessness should be shared with the homeless. This includes personalized therapy designed to meet cultural needs. It is my opinion that an intense personal effort is one of many or at least several volunteers working with each congregate housing unit, bringing help to the people but also keeping in mind that people need to make their own effort to go where the help is.

In each congregate living "home," I believe there should be at least two people from the community: one male and one female (for balance) that are capable of giving up the trappings of professionalism. By that I mean that not only do people used to living in poverty "distrust" professionals, they can also spot a "phony" in a heart-beat. Phony professionals are people with big egos who care more about controlling people to make their group effort look good to the rest of the community, than they do about helping people to help themselves through the painful process of struggle.

My discussion of solutions to end homelessness has been quite short but time and space will not permit me to elaborate further. So before I move on to my conclusion, I would like to mention a sensitive problem that has an easy solution. This problem is one some people refer to as the problem of "territorial turf."

I believe there is no end to the human desire to make a better world by helping those of us who are needy, but something goes wrong between our ideals concerning what we set out to do and what in the end we actually accomplish. An example of this is our social welfare system. Where once Americans believed in the creation of a federal structure to help the needy, Americans now realize that what we have actually created is a giant beast that we must feed daily if the poor are even able to enter its doors.

The same reality can occur to any organized effort no matter how small if the structure itself demands more than do the people the structure is designed to help. In other words, if a single community effort must compete with other community efforts to look good in the eyes of the greater whole: the community at large, then that single effort will work harder to protect its structure than it will to help the needy.

This is the problem of territorial turf: a jealousy on the part of a group with the same mission as other groups, a condition I observed several times as Anchorage groups worked to help the homeless. The solution to this turf problem is one of: openly admitting that it exists and taking actions to prevent it. And prevention is one of recognizing that all groups must work together for the common mission. After all, an organizational structure is not a giant beast with a life of its own. We create the beasts and we can kill the beasts.

IV. CONCLUSION

Anchorage has an opportunity few other cities in the United States have to provide already constructed housing for the city's homeless. And, there is another opportunity. Since Anchorage does have needed housing, the city could work to also develop a holistic program for the homeless that might possibly become a model for the rest of the nation.

In June 1987 the Senate gave final approval to the Homeless Assistance Act of 1987, a measure supporters call "the foundation for a national commitment to end homelessness in America." The Act defined government intention as a "clear responsibility and existing capacity" to fulfill an effective and responsible role to meet the basic human needs and to engender respect for the human dignity of the homeless.

Yet one month later police in Minneapolis, aided by the Public Works Department brought out front-end loaders, and targeted homeless shacks for demolition. Speaking to the press, Deputy Police Chief Bob Lutz said, "When they break the law, when they try to take money from other

people, when they urinate in public and are involved in disorderly conduct, there are no constitutional protections for that conduct and we will aggressively move against it." No constitutional protections for "some" Americans? What happened to the folks in Minneapolis? Have they never read the United States Constitution or heard of the 1949 federal housing policy?

No. What happened in Minneapolis could conceivably occur in any city in the nation and probably will, if homelessness is not stopped. The number of homeless in that city grew so large people became hysterical. The urinating of the homeless in public was appalling and non-homeless people were so revulsed they obviously did not care that with no homes there are also no toilets.

Many of us in Anchorage believe this could never happen here. But it could. During the same week the Municipality of Anchorage and the Brother Francis Shelter received an award in 1986 for their efforts to help the homeless, Eugene Tunuchuk died in a cardboard box at Ship Creek. When they found this man he had frozen vomit in his throat and some people commented: "Well he was a drunk, what can you expect?" But, no one said much, when four days later Don Rosenthal who did not drink, was found on the bluff behind Third Avenue near death with frozen feet and a frozen hand.

The fine gray line exists. On one side of this foggy barrier lie the needs of the homeless and on the other side lie the needs of the non-homeless. Both sides have understandable and logical conclusions regarding poverty, but human beings do not need a textbook or sociological analysis to act. Before the technology of our hard sciences and the technology of our human sciences, humans simply "did" what they were called upon to do. To those who will say "things are more complicated than that today," I would reply that things are not so complicated that we cannot stop treating poverty from a distance, from behind our desks and our spectacles and get out there and face the homeless and ask them what can be done.

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HOUSING FOR SERIOUSLY MENTALLY ILL CHILDREN AND ADULTS

by

**Chuck Gasta
Sylvia Condy
Lona Dayan**

August 19, 1988

HOUSING FOR SERIOUSLY MENTALLY ILL ADULTS AND CHILDREN

Southcentral Counseling Center
August 19, 1988

I. INTRODUCTION

Low cost housing for the seriously mentally ill is desperately needed in the state of Alaska. Housing for severely mentally adults and children in Alaska and specifically in Southcentral Alaska must be carefully developed to provide a continuum of care for these individuals. Different "levels" of "care homes" must be provided and a specialized environment for each level developed. Individuals must have the opportunity to advance through the system to the level at which they feel comfortable. Individuals should not feel like they failed only because they chose to remain in a group home or residential setting. Supportive services such as job skills, training and placement; supervised employment and job sharing opportunities; and ongoing case management services must be available to allow the individual to achieve his/her maximum potential. All services should be developed cooperatively in the community through a variety of State, local, and private funding sources securing input from consumers, providers, family members, and mental health professionals.

II. HOUSING FOR ADULTS

Group Home Environment: The first level of care for seriously mentally ill adults would be in an intensely supervised group home living setting. Housing requirements would require a large home (3-4 bedrooms minimum) with an attached apartment for houseparents. Staffing patterns would be such to provide extensive supervision of individuals. Clinical staff would be available at all times to teach basic living/socialization skills. Client/staff ratio would be 4:1, to provide individualized care to each individual in the home. Transportation to other day treatment programs in the community would be available. Medication monitoring would be available. Although it is anticipated that a few individuals would enter the group home from the Alaska Psychiatric Institute (API), remain at the facility a short time to learn daily living skills, and then move on to the next level, many individuals would never progress beyond this level.

Transitional Center (TC): This center provides a somewhat less structured level of care for seriously mentally ill individuals. This Center would provide daily living skills training as well as assist individuals in developing employment skills and opportunities. Typical residents would include individuals who had been admitted to the Alaska Psychiatric Institute for a psychotic episode but not requiring the intense supervision of a group home setting. Housing requirements would be a six to eight-plex with two to three bedrooms in each dwelling. Individuals would be required to cook their own meals, clean their apartments, and work with others in their particular apartment as roommates. Medication monitoring and clinical case management would be available. Transportation to other day treatment programs in the community would be available. Staff would be present 24-hours per day. A respite component

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would also be available for placement of individuals requiring short-term (1-21 days) observation/intervention. A typical placement at the transitional center would be from one to three months.

Transitional Housing for Offenders: Additionally, a specialized transitional half-way house for mentally ill offenders released from the corrections system should be developed. Ideally, this program would be a community effort utilizing the expertise of the Forensic Unit of API, the Department of Corrections, the Department of Health and Social Services, and mental health providers. This level of care would provide a more structured placement than the transitional center and would be targeted toward integrating the mentally ill offender back into the community. Strict medication monitoring and intense clinical case management would be available. Work therapy would be an important component of this program. Individuals who participated in a pre-trial diversion program (in lieu of sentencing through the correctional system) would also be eligible for placement in this program.

The Half-Way House: The half-way house would provide basically the same level of care as the TC but would be reserved for individuals who had advanced through the TC program and wanted a prolonged placement at the TC level. Housing requirements would replicate the requirements of the TC. All ancillary services offered at the TC would be available at the half-way house. A six to eight-plex with one to three bedrooms in each unit would meet the needs of this program.

Supervised Apartments: Supervised apartments would provide the most advanced placement in the continuum of care. The seriously mentally ill individual would rent the apartments at low costs which would be located in various locations throughout the Southcentral area. These individuals would be living in their own apartment but would still receive ongoing case management services. Employment placement/job sharing opportunities would be available. Minimal clinical intervention would be available. This level of care is designated for individuals who are able to adequately deal with the daily stressors of life with minimal assistance.

III. HOUSING FOR SERIOUSLY MENTALLY ILL CHILDREN (AGE 13-17)

There is a need for a continuum of care for seriously mentally ill children. Several facilities are available in the state for children with emotional disturbances but none are specifically targeted for children with a serious mental disability (i.e. bi-polar disorder, schizophrenia). Mental health professionals are seeing more and more children with these disabilities.

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Residential Care (Long-Term): Long-term residential care for these children is a need which is currently unmet within the city of Anchorage. Children with a serious mental disability are housed at the Alaska Psychiatric Institute during the acute portion of their illness and are either sent home or to an out of state residential treatment facility. The last option is extremely costly to the state.

Housing requirements would require a large home with an attached apartment for houseparents. A large commercial building could be used for the daytime portion of this program. Clinical staff would be available at all times to teach basic living/socialization skills. Medication monitoring would be available through a nurse assigned to the home. Individuals in the home would be closely supervised, with trained staff available 24 hours per day. A school program, specifically tailored for the residents of the home, affording an opportunity for a high school education would be a priority goal of the home. The school component could also be available for seriously mentally ill children in therapeutic foster homes and in respite care. Educational programs should be developed in concert with the Anchorage School District. Day-only (7:00 a.m.-6:00 p.m.) respite care could also be provided as a portion of this program to enable caregivers to work.

Respite Care: Respite care for seriously mentally ill children is an important piece of the continuum of care. Caregivers need a "respite" — a safe and therapeutic place where their children can stay so the parent can travel for work, take a vacation, or just to take some "time out." The respite is not intended to be "just a babysitter," but a place where these children can go and receive quality care and treatment. Programming would be similar to the residential care facility, but of short-term duration. It should be noted that these programs, although expensive, are much more cost effective than housing an individual at the Alaska Psychiatric Institute or in a residential treatment program outside the state of Alaska. Additionally, it is more therapeutic to have a child in their home state or partially in their home, rather than in an institution outside of Alaska. A residential home with three to four bedrooms would meet the needs of this program. Backup support services (day-only respite and school services) could be available through the residential care facility.

IV. SUMMARY

Low cost housing for the seriously mentally ill is desperately needed in Alaska. Presently, residential treatment programs use a portion of their funds to rent housing. If properties were purchased now at low cost, long-term savings would result for treatment programs. Purchase of facilities for programs would also help alleviate excess housing in Alaska.

*ask**

Marketing and Research Group

ALASKA RURAL HOUSING NEEDS

by

Mary P. Collins

Senior Partner
ASK* Marketing and Research Group

August 26, 1988

**RESPONSE TO CALL FOR PAPERS
ALASKA HOUSING MARKETING COUNCIL**

PREFATORY REMARKS

ASK* Marketing and Research Group is pleased to submit this paper on Alaska rural housing needs to the 1988 Governor's Housing Conference.

In 1987, the Alaska State Legislature passed Senate Concurrent Resolution 21 requesting the Department of Community and Regional Affairs to conduct a study of rural housing conditions and the need for rural housing. The Alaska Department of Community and Regional Affairs contracted with the Rural Alaska Community Action Program (RurAL CAP) to determine current conditions in rural housing and assess the need for additional rural housing. ASK* Marketing and Research Group (then ASK* Marketing/Information Search) was the principal consultant in the design, execution, and analysis of the research effort.

Areas excluded under contract specifications were: the Municipality of Anchorage, the City of Fairbanks, the City of Juneau, the City of Sitka, the City of Ketchikan and all military bases.

The study was conducted in two phases. In Phase I all the existing relevant information on housing conditions in Alaska was gathered and assessed. It was expected that a survey would need to be conducted to supplement and update existing data concerning rural housing.

In Phase II, a household-level survey was conducted. Housing authority directors, community planners and other key informants were also interviewed, and the information gathered was analyzed to accurately determine the current conditions of rural housing stock and to project future housing needs.

This paper contains the essential findings of current housing conditions and needs in remote communities in rural Alaska. A full copy of the report can be obtained from the Alaska Department of Community and Regional Affairs.

August 26, 1988 .

-Mary P. Collins, Senior Partner
ASK* Marketing and Research Group

INTRODUCTION

According to housing authority executive directors, experienced weatherization contractors, Alaska Dept. of Community and Regional Affairs (DCRA), and the Housing Advisory Committee, the evaluation of these four basic categories provides an accurate indication of the living conditions in rural Alaska. These categories were:

- o crowdedness within the home,*
- o ability to maintain a comfortable temperature in the home,*
- o home sanitation facilities*
- o safety of the home.*

There were several factors within each of these four categories that were used in evaluating overall living conditions within a community or region.

The first task was to determine the amount of new housing stock that is currently needed and the number of homes needing immediate repair. The second task involved projecting new housing stock and repairs required over the next ten years.

The number of households per region was estimated by dividing the total 1985 population provided by the Alaska State Demographer's office, by the average household size data acquired from the survey. The number of households per region is found in several of this report's summary tables.

In many of the tables, the quantity listed under TOTAL is a summary of this report's survey data. Additional statistical information on confidence levels, derivations, and other features too detailed for inclusion in this general audience report is available. This excludes the Municipality of Anchorage, the City of Fairbanks, the City of Juneau, the City of Sitka, the City of Ketchikan and all military bases. Additional statistical information on confidence levels, standard deviations, means and features too detailed for inclusion in this general audience report is available.



EXECUTIVE SUMMARY

The key findings of the 1988 Rural Housing Needs Assessment Study include:

● HOUSEHOLD SIZE AND OVERCROWDING

The average number of members per household in rural Alaska was 3.70. The average household size ranged from a low of 2.6 in Ahtna region to a high of 5.3 in NANA region. *In comparison, Anchorage households have an average size of 2.72.*

The Arctic Slope region had the highest percentage, (18.7%), of households with three or more generations per house. Calista region was second with 16.4% and Bering Straits region had 15.4%. Cook Inlet had only 0.9% of households with three or more generations.

Overcrowding conditions appeared to be the worst in the Calista and NANA regions. **29% of households in these regions had 100 or less square feet per resident..**

The average house size ranged from 650 sq. ft. in Bering Straits region to 1,996 sq. ft. in Chugach region while the average was 1,162 sq.ft. *In comparison, Anchorage households have an average of 1,635 square feet per house.*

Nearly 87% of the houses in NANA region had less than 300 square feet. 81% of the houses in Calista region and 72% of the houses in Doyon region were less than 300 sq ft.

The average square footage per resident ranged from 616 sq.ft. per resident in the Cook Inlet region to 137 sq.ft. per resident in the Bering Straits region. The survey average was 333 sq.ft. per resident. *In comparison, Anchorage had an average of 600 sq.ft. per resident based on an average household size of 2.72 and 1,635 average sq.ft. per residence.*

● PHYSICAL CONDITION OF DWELLINGS

43% of the house foundations needed major repair in Bristol Bay region. 57% of the houses in Bristol Bay region and 43% of houses in Ahtna region needed major repair.

The highest percentage of houses rated in need of replacement by region was Ahtna with 21%, followed by Doyon region, 17%, Aleut region, 10% and NANA region, 10%.

The total 6,740 new houses needed was determined by consolidating the total number of homes needing immediate replacement with the total number of households with three or more generations. **Doyon region alone accounted for 3,169 of the new houses needed.**

Comments and observations from field interviewers included several inches of glaciation on walls and windows, snow-filled attics, badly damaged roofs and siding from high winds, and seriously heaved foundations. Without correction, foundation heaving negates most benefits from weatherization activities since windows and doors become warped or separated from the house frame.

● SIGNIFICANCE OF FINDINGS AND ESTIMATED COST OF CORRECTIVE ACTION

Although conditions vary widely, the inescapable conclusion apparent from the survey results is that housing in rural Alaska has dramatically poor housing conditions in terms of space per resident and state of repair. **Crowded multi-generational families occupying dwellings in run-down condition is far too prevalent.**

Based on the current costs for rural housing of \$116,000 per new house as described in this report, **\$781,813,000 will be needed to build the estimated 6,740 houses.**

If 6,740 houses were built to provide new housing for homes needing immediate replacement and new houses for the displaced third or fourth generations, **overcrowded conditions in rural Alaska would still be a problem.**

In order to address crowded conditions not due to multi-generational households three enhancement levels were examined:

Replace/add to houses with 200 sq. ft. or less per resident
Replace/add to houses with 250 sq. ft. or less per resident
Replace/add to houses with 300 sq. ft. or less per resident

Two solutions were considered: a 320 sq.ft. addition at a cost of \$15,000 or, if the addition did not alleviate the conditions, a new house at a cost of \$116,000. This \$15,000 figure is based on the average cost of a BIA housing addition under the HIP program.

It was estimated that a total of approximately 19,188 houses had 200 sq. ft. or less per resident; 15,088 of these would require an addition while 4,100 need new houses. Based on current costs and excluding homes needing replacement, \$491,717,000 would be required to alleviate overcrowding at the 200 sq.ft. level. At the 250 sq level, \$692,243,000 would be required, and at the 300 sq.ft. lev. \$882,521,000 would be required.

The combined cost of providing new housing for homes needing replacement; third and fourth generations needing a home; and additions or new homes to alleviate overcrowding at 250 sq.ft. or less per resident was \$1,474,056,000.

● NEED FOR A COORDINATED, COMPUTERIZED HOUSING INFORMATION SYSTEM

In the course of acquiring data for this study, the foundation for an excellent statewide population and demographic computer database was laid. It was also determined that there is a definite need and interest to establish a central computer database with dial-in access for weatherization contractors.

Although the State of Alaska Weatherization Office collects summary data from all weatherization contractors, they do not maintain a computerized database. The result is that there is no way to analyze statewide data or to create reports as needed.

We are aware that there have been discussions with the Department of Energy to which the DCRA Weatherization program submits reports. *It is important that any planning for a coordinated, computerized data collection and reporting system include the capture of essential community demographic and housing data.* This information is valuable for planning and monitoring of key social and economic trends statewide. Coordination with the AK Department of Fish and Game's subsistence database must also be included.

Major benefits obtained from this will lower administration costs, improved reporting, forecasting support, improved coordination of information between agencies.

● POTENTIAL FOR SMALL-SCALE MANUFACTURING AND LOCAL JOBS

From the period of 1984 through to and including 1988, the Weatherization program represents a significant ongoing residential construction program in Alaska, estimated to include over \$9.1 million in materials alone. When we consider this plus the added economic contribution of a major rural housing program which can be valued at approximately \$1.2 billion to add to the existing housing stock and remedy deficient dwellings, the potential exists to aid the development of Alaskan-based wood products, thermal window and insulation manufacturing. With adequate market planning, local industries could leverage off the in-state market for export.

We suggest that an economic feasibility study be commissioned to examine the various aspects of this.

STATE WEATHERIZATION COSTS - APPROXIMATE VALUES (\$ 000's)

	1984	1985	1986	1987	1988
Total Budget	\$7,000.	\$8,000.	\$4,575.	\$3,984.	\$3,810.
Administration	820.	950.	526.	394.	449.
Program support	3,000.	3,800.	2,054.	1,878.	1,787.
Materials	2,500.	2,550.	1,453.	1,279.	1,191.
Insurance	125.	200.	175.	172.	130.
Transportation	555.	500.	367.	261.	253.
Homes Served	2,300	2,700	1,000	1,600	1,860

Source: AK Dept. Community Regional Affairs, Weatherization

**OTHER ASPECTS CONCERNING POTENTIAL ECONOMIC CONTRIBUTION OF
A MAJOR ALASKAN RURAL HOUSING PROGRAM**

What might be the economic contribution to the state of funding an ongoing housing construction program estimated at over \$1 billion, designed to improve rural housing conditions? (In other words, there could be created a major in-state market for construction materials, windows, doors, insulation, labor, etc.)

One possible scenario: A Fairbanks window company manufacturing thousands of thermopane windows; South-central firm manufacturing doors and cabinetry; yet another building wood-laminate furniture; etc. Construction labor is divided so that rural residents are engaged in building/rebuilding their own communities. Perhaps this could be leveraged to assist new export industries based on Alaskan wood and other products. Appropriate constraints could be placed on the sourcing of materials to favor in-state manufacture.

Given the cost and potential economic impact of fully meeting rural housing needs, a study should be performed to determine the potential economic implications of this in its fullest implications. An important secondary benefit of the study would be to determine not only a true picture of the role of the construction industry but could also uncover new opportunities for Alaskans. Such a study could be funded for approximately \$100,000 to \$150,000.

This could be a significant rural-urban joint economic venture. If begun in the second quarter of 1988, the study could be completed in time for full deliberation by the next Alaskan legislative session.

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"MOBILE HOMES"

By:

Robert H. Schenker
Mobile Home Bulk Sales Coordinator

Gay A. Jurgensen
Mobile Home Marketing Specialist

Alaska Housing Finance Corporation

August 15, 1988

AHFC Mobile Homes are Finding New Life

Mobile home sales for the Alaska Housing Finance Corporation have significantly increased this summer and have surpassed repossessions, leading the way to stabilization in that section of the housing market.

In June, AHFC sold 117 units statewide as opposed to repossessing 48. April and May show similar figures with 89 and 85 units being sold respectively in those months and only 52 and 28 being taken in.

"AHFC sees the depletion of the repossessed mobile home inventory in these areas as stabilization of that section of the housing market," said Gay Jurgensen, AHFC's mobile home marketing specialist.

At the housing market financing peak in the mid-1980s, AHFC financed approximately 4,200 mobile home purchases. So far, AHFC has repossessed nearly 25 percent of those units. As a result of these repossessions, AHFC in 1987 owned about 1,200 units. However, due to increased sales the inventory has been significantly reduced to just over 950. In Juneau, the inventory was reduced from a high of 82 to 6. In Fairbanks, an inventory of 120 was reduced to 30. Anchorage's inventory still remains the highest at more than 800 units.

The increased sales are due in part to AHFC's concentration on a marketing plan for mobile homes in 1987. A loose network of mobile home brokers haphazardly holding AHFC listings was overhauled into a system where all listings are pooled into a general inventory. More than 60 AHFC-approved agents sell from that inventory.

While individual unit sales make up a majority of the sales and contribute significantly to the overall reduction of the inventory, bulk sales are becoming more significant. AHFC this spring put into place regulations allowing for bulk sales outside of the traditional housing market.

AHFC's first two bulk sales took place in June with sales of 13 units which went to Kodiak and another sale of 19 units which went to Afognak. Twenty units were recently sold on a sealed-bid basis to four Anchorage mobile home park owners. Another seven were sold to another park owner.

Currently, AHFC is seeking bids on a 125-unit bulk sale. The units are being offered in 5-unit lots. One of the requirements of the invitation to bid is that the units must be removed from the Anchorage area to help stabilize the city's housing market.

The sale is being advertised in Alaskan and West Coast newspapers. Sealed bids will be accepted until Aug. 24 when they will be publicly opened in Anchorage.

In the area of individual sales, AHFC has been targeting the previously untapped area of using the units for recreational purposes. A model mobile home was set up in the Fred Meyer parking lot just off the Seward Highway for the summer to show prospective recreational users what could be done with a mobile home. The unit is staffed daily by AHFC-approved mobile home agents.

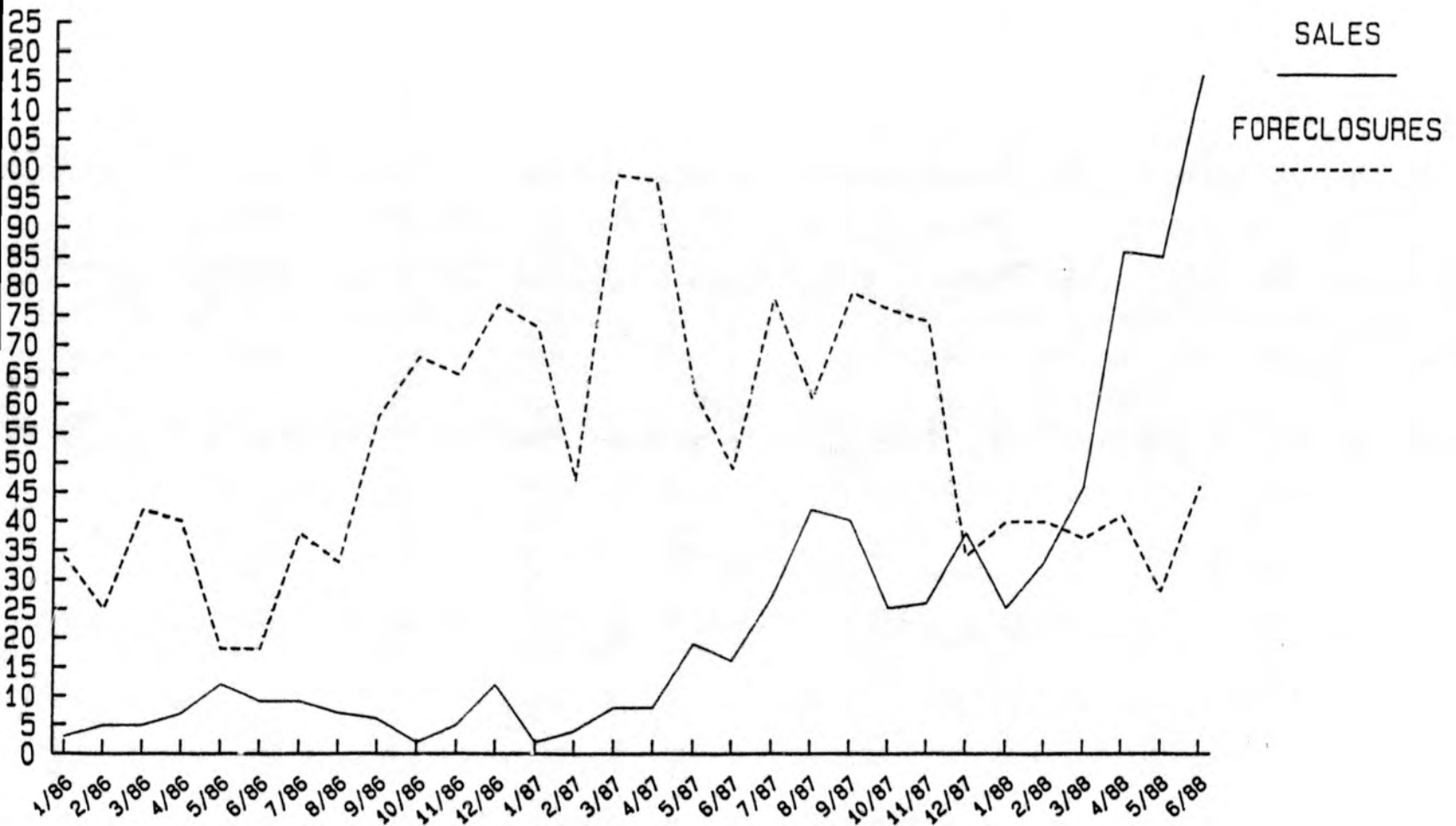
The Anchorage units range in price from \$5,000 to \$40,000 and are primarily single-wides. All types of make and model are available. Approximately 25 double-wides are available and a few are on land as opposed to being in a park. Approximately 75 percent of the sales so far have been for cash, however, financing is available through AHFC currently at 9-1/2 percent interest, 10-year loan term with a 10 percent downpayment.

In another area, to decrease holding costs of the large inventory of units, AHFC last summer opened a sales/storage lot at the corner of King Street and 104th Avenue which can be seen from the northbound traffic lane of the Minnesota Freeway from the Old Seward Highway. The lot now serves as a show area, and during June sales from the lot made it the second largest "selling park" and sales are expected to continue.

ALASKA HOUSING FINANCE CORPORATION

Mobile Home Sales and Foreclosures

NUMBER



THE MOBILE HOME REPOSSESSION PROBLEM:

ONE POSSIBLE SOLUTION

BY

RICHARD P. BARRIER
GENERAL PARTNER
MALASPINA PROPERTIES

AUGUST 9, 1988

THE MOBILE HOME REPOSSESSION PROBLEM:

ONE POSSIBLE SOLUTION

The mobile home industry in Alaska has been decimated by AHFC repossessions in the past three years. At least 1500 mobile homes have been repossessed by AHFC during this period. AHFC currently owns nearly 1,000 of these repossessed units. To date, AHFC has taken no major steps to help slow down the tide of repossessions.

In September, 1987, I submitted an analysis and possible solution to this problem to the staff and board of AHFC. This paper is a reproduction of most of that letter. The numbers are all nearly one year out of date, but the analysis still holds true today.

BACKGROUND

The major contributing factor to the unrealistic values and loan levels for mobile homes financed in the early 80's was the introduction of 20 year financing by AHFC. Prior to that time, and at all times in the rest of the country, the maximum term on these loans has been 10 to 12 years. The impact of drastically reducing monthly payments (from \$413 to \$310 for a 10 year versus 20 year \$30,000 loan at 11%) was to greatly (and artificially) increase the value of the units being sold.

The secondary result of the 20 year financing was the slow equity buildup or debt reduction, compared to shorter term financing. Therefore, sellers in 1987 who purchased mobile homes in 1982-84 are finding that the value is now considerably less than they paid, and that their loan balance has not declined appreciably. The net result is a loan balance that greatly exceeds current value, thereby making a sale of the unit impossible, without seller subsidy to the buyer or AHFC.

CURRENT PROBLEM

Owners currently have little motivation to keep paying on their mortgages, since the rate of reduction of principal balance is insufficient to bring their loan balance in line with current values. Therefore, with any "disturbance" of owners' life situation (loss of job, leaving the state, divorce, need for different type of housing, etc.), the owners are very likely to give their units back to AHFC. Even with a stronger overall market, it is doubtful that the value of many of the AHFC financed units will ever equal the loan balance.

POSSIBLE SOLUTIONS

To encourage owners to keep their units, AHFC could:

1. reduce payments
2. reduce interest rate
3. reduce loan balance
4. reduce amortization term

In any given case, one of these alternatives might cause an owner to stay with his loan, or allow him to sell it without personal subsidy. Of the solutions listed above, only one is unique to the mobile home program and can be directly linked to the owners' current plight - amortization term. All AHFC loan programs featured low interest rates and therefore low payments. But only the mobile home program introduced a longer than conventional loan term, which had the immediate effect of inflating the market.

RECOMMENDATION

Based on the points raised above, I recommend that AHFC seriously study the feasibility of adopting the following policy:

The loans for all AHFC-financed type II mobile homes shall be rewritten to reflect a 12 year amortization term from the date of issuance of the loan. Payments shall remain unchanged.

To adopt this policy, each outstanding loan would be rewritten to a term equal to 12 years minus the years since inception. The current loan balance would be the principal to be amortized, and the payment would remain the same. I will provide an example.

For purposes of this example, I will use one hypothetical loan: \$30,000 original loan balance, 11% interest, 20 year term. The payment on this loan is \$310 per month. Using the policy proposed above, all loans of this nature would end up with 12 years of payments at \$310 per month, regardless of the year that the loan was originated. The effective overall interest rate would be reduced to approximately 7%. Depending upon the age of the loan, the effective interest rate for the balance of the loan could range from 6.5% to -2%, but all loans would have a cumulative or overall rate of 7%. The following table summarizes the effect of this policy on loans originated in 3 different years, assuming that the policy is implemented in 1987.

	Year Loan Originated		
	1982	1984	1985
Loan balance in 1987:	\$27,244	\$28,529	\$29,074
Number of years left to amortize:	7	9	10
Total payments to date:	18,600	11,160	7,440
Total payments left:	26,040	33,480	37,200
Total payments over loan life:	44,640	44,640	44,640
Interest rate, overall:	7%	7%	7%
Interest rate, on remaining balance:	-1.3%	4.7%	5.1%
Loan balance in 1988	23,352	24,754	26,788
1989	19,460	22,144	24,382
1990	15,568	19,409	21,850
1991	11,676	16,543	19,186
Loan balance in 1991 if loans are not reamortized	23,651	25,644	26,487

COMMENTS

An owner in the above example who purchased a home in 1982 would find that in 1987, his \$31,500 mobile home may be worth only 60% of that, or \$18,900. If his loan balance is \$27,244, with fifteen years of payments left, it is unlikely that anyone would assume his loan. There is a good chance that the unit will be repossessed by AHFC. If the loan of this owner were rewritten as proposed, the balance would still be \$27,244 in 1987, but only 7 years of payments would be left. If a potential buyer computed the "true" value of the balance, he would find that \$310 payments for 7 years at 11% interest would equate to \$18,105 in principal, or \$800 less than the current value. The potential buyer would therefore be willing to assume the balance under the new terms.

Using this same example, if the owner wanted to sell his unit in 1991, the loan balance would be down to \$11,676. With three years of payments left, a potential buyer would in all likelihood assume this \$11,676 balance. Contrast this to a potential buyer walking away from a \$23,651 loan balance with eleven years of payments left (and AHFC repossessing the unit, marking down the price to \$10,000, and reselling it). Is an owner likely to hold onto his unit until 1991, if he knows that he will be unable to sell it then for the \$23,651 loan balance? Or is it better to reamortize the loan and give the owner hope that he may be able to sell it someday?

I believe that a program such as the one described above could go a long way toward slowing down and ultimately halting the repossession of mobile homes by AHFC. This program has obvious costs to AHFC, in terms of overall return on the capital dollars invested, (a loss of 3-4% in return on its investment). However, it appears that this program would cost the state less than continuing to repossess units, taking a capital loss upon repossession, and incurring holding and sales costs. If the state ultimately ends up owning, at one time or another, 50 to 75% of its total

portfolio of mobile home loans (which is highly possible), the loss to the state could easily be \$75 to \$100 million or more. Implementing this program would cost considerably less than this, certainly considering net present value.

Mobile home loans are different from other AHFC back programs and affect the buyers differently for the following reasons:

1. Mobile home loans are General Fund appropriations, not bond proceeds.
2. The AHFC loan program changed the very nature of mobile home loan practices in Alaska when it went to a 20 year amortization.
3. Values of mobile homes typically decline over time, except in highly inflationary periods. Therefore, it is unlikely that many mobile home values will ever reach the outstanding loan balance on a 20 year amortization. Stick-built properties, on the other hand, can appreciate over time, to the point that values exceed loan balances.

If AHFC is to avoid continuing disruption of the mobile home markets and piling on additional costs and losses, it needs to take an active step toward stemming the tide of repossessions. The proposal above is one alternative.

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Governor's Housing Conference
September 23, 1988
Anchorage, Alaska

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The background features a stylized city skyline with various building shapes. In the foreground, there are five black silhouettes of houses, each with a white tree in front of it. The text is centered over the skyline.

Alaska Housing Market Council

1988 Annual Report



GOVERNOR STEVE COWPER



STEVE COWPER
Governor

ALASKA HOUSING MARKET COUNCIL

Council Members

Cynthia Parker, Chair
Ron Clarke
Mike Harper
Ron Lehr
Ray Price
Pam Throop

Susan Taylor Buchanan
Carol George
Sam Helms
Larry Mercurieff
Dave Rose
Bert Wagnon

Council Staff

Glenda Straube
Mark Romick
Brenda Glaze
Michelle Hill
Michael Ser'gent

Executive Director
Staff Assistant
Hotline Coordinator
Hotline Specialist
Secretary

1988 EXECUTIVE DIRECTOR'S REPORT



Glenda Straube
Executive Director

Alaska's real estate market has been hard hit by economic recession; stories about plummeting home values and burgeoning inventories of repossessed homes are common occurrences in the media. Governor Cowper's commitment to solving these problems led to the establishment of the Alaska Housing Market Council. Since the Council began full operation in early Fiscal Year 1988, the State has come a long way in developing programs to speed recovery of the housing market.

With the initiation of the Mortgage Information and Referral Hotline, the Council has been able to provide troubled homeowners with objective information and an empathetic ear. Workshops and hearings throughout the state also offered information and allowed us to gather first hand knowledge about public concerns. If there is anything we have learned, it is that people want information, good news or bad news, so they can make necessary decisions in their lives. Our informational efforts have been amply rewarded by the many people who've thanked us for "just being there".

The Council has been the only centralized source of information on the statewide housing market. Our quarterly mortgage loan reports have provided both state and "outside" agencies with the first clear and consistent picture of Alaska's housing problems. A better understanding of these problems has led to a realization that we all have a common purpose and that working together benefits everyone.

The Council began studying policy options for market stabilization by establishing regional housing task forces. Many of the recommendations offered by the task forces have already been acted upon and have had a positive effect on the housing market.

Given the magnitude of Alaska's housing problems, solutions will not come over night. It will take continued cooperation between all the players to achieve a complete housing recovery. The Alaska Housing Market Council will continue to serve the public by facilitating that cooperation with every resource available.

COUNCIL MEMBERS



Chair. Cynthia Parker



Susan Taylor Buchanan
Public Member



Ron Clarke
Office of the Governor



Carol George
Mortgage Guaranty
Insurance Corp. (MGIC)



Mike Harper
Dept. of Community
& Regional Affairs



Sam Helms
Public Member



Ron Lehr
Alaska Housing
Finance Corp. (AHFC)



Larry Mercurieff
Commissioner, Commerce
& Economic Development



Ray Price
Alaska State
Building Authority



Dave Rose
Alaska Permanent Fund



Pam Throop
Public Member



Bert Wagnon
Alaska Industrial Dev.
& Export Authority (AIDEA)

HOUSING MARKET STABILIZATION TASK FORCE REPORT

The Council established three regional housing task forces to make recommendations on state policies which would help stabilize the housing market in Alaska. The recommendations were made in four areas: reducing the supply of housing, increasing the demand for housing, educating market players, and decreasing delinquencies and foreclosures.

A separate task force was formed to deal with the problems of the condominium market. Their report provided the first clear picture of the problems facing condo owners and the associations that manage condo projects.

Over 200 people had the opportunity to contribute to the work of the task forces through public hearings and workshops. Many of the concerns reflected the public's desire to stay in Alaska despite problems due to unemployment and/or reduced wages. A final report was presented to Governor Cowper and the Legislature in March. Since then, progress has been made on finding solutions to the issues and recommendations raised by the Task Forces report.

Reduce Housing Supply

- Direct AHFC to fund projects that make use of institutionally owned housing for public purposes.
- Identification of projects statewide, for purposes of

demolition, should be accomplished through a cooperative effort of all state investors and the Alaska Housing Market Council.

Increase Demand For Housing

- Mortgage Loan agencies should provide clear and consistent loan guidelines which are no more restrictive than those of national, secondary investors and/or insurers.
- Alaskan residents should be able to obtain additional mortgage loans while maintaining another loan financed through a state agency (for specific cases).
- AHFC should be directed to find ways to relax owner occupancy ratios for condominiums.
- Trades of properties should be utilized, wherever feasible.
- The State should encourage, as much as possible, other participants to enter the Alaska mortgage loan market.
- Delinquency rate ceilings for state investors should be amended.

Decrease Delinquencies and Foreclosures

- Investors should provide more flexibility in, and the increased use of, modification, refinance, or forbearance plans.

- Investors should be required to provide an opportunity for borrowers to get assistance prior to the initiation of foreclosure proceedings.

- Investors should set and enforce guidelines requiring seller/servicers to provide in-state personal contact for borrowers in distress.

- Investors and mortgage insurers should help fund for, and provide early referrals to, mortgage and credit counseling programs.

- Local and state governments should encourage investors to maintain the quality of repossessed homes to protect real estate values in neighborhoods.

Educate Market Players

- The Legislature should continue to fund for the provision of information and education on housing and mortgage loan issues.

- The State should provide complete and accurate information on the status of the state housing market through regular compilation and publication of relevant data.

- The public and private sector should cooperate on a public relations campaign to educate the public on housing issues.

REGIONAL HOUSING TASK FORCES

Interior

Joe Beedle
Erma Beltz
Lucy Carlo
Audrey Foldoe
Nancy Jones
Dan Leland
Brian Rogers
Josephine Violet

Southcentral

Bob Arwezon
Rick Barrier
Fred Ferrara
Rob Gamel
Mike Hanley
Carol Jackson
Ann Marie Lindboe
Gil Lulay
Ron Moore
Kay Murphy
Cynthia Parker
Leslie Wheeler

Southeastern

Mary A. Cook
Chris Foster
Deborah Ingman
Karen King
Jerry Reinwand
Frank Seiersen
Joyce Tisch
Ron Wendte
Joe Wilson

RESIDENTIAL MORTGAGE LOAN REPORTS

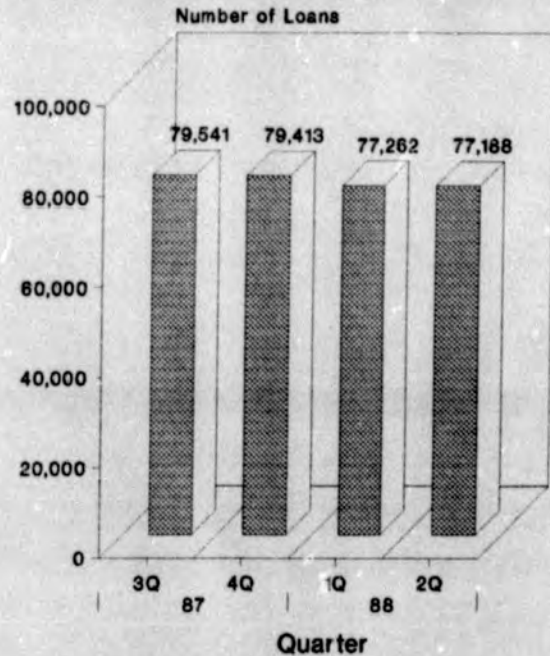
The Council's statewide survey of residential mortgage loans in Alaska was inaugurated at the beginning of the fiscal year with publication of its first quarterly report covering April-June 1987. The survey, analysis and regular publication of delinquencies or defaults, and the nature of properties held by institutions represents a unique service which did not previously exist.

With the cooperation of state agencies, federal agencies, and some private institutions, the Council has been able to collate information from diverse sources and make it accessible to lenders, servicers, insurers, realtors and policy makers.

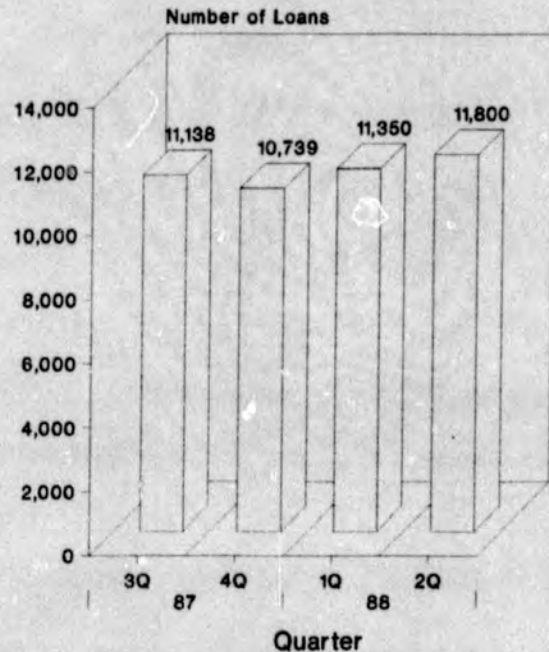
A unique feature of the survey is the analysis of the current quarter's statistics as well as the identification of significant trends. Once data has been collected, interviews with housing professionals add a significant dimension to the quarterly analysis.

As a result of the residential mortgage loan surveys, the Council staff is frequently asked to provide housing information to other state agencies, housing industry professionals, the public and the media. The Council has received numerous requests from agencies outside Alaska who have expressed surprise at the amount and detail of the data available. The Council's quarterly survey and report has become recognized as one of the best sources of information about the statewide housing market.

FY88 Outstanding Loans



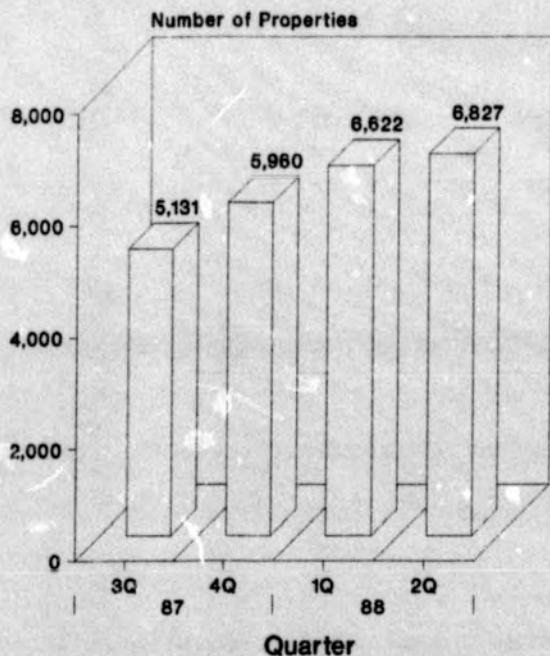
FY88 Loans in Delinquency or Default



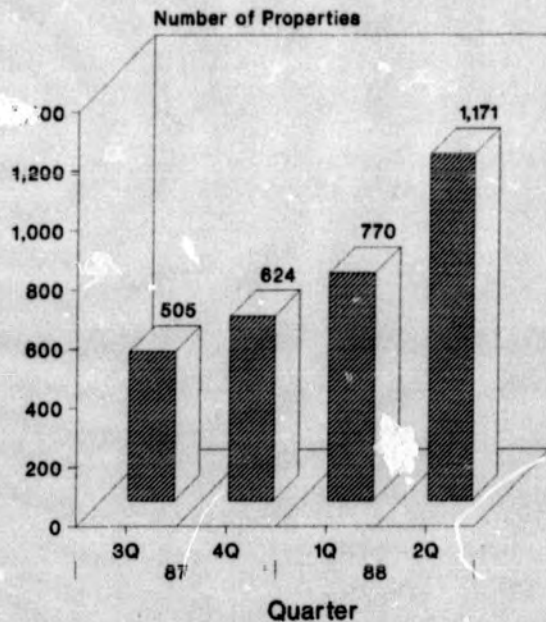
Note: The quarterly survey has continued into FY89 and copies of those reports are available from the Council.

MORTGAGE LOAN REPORTS — continued.

FY88 Other Real Estate Owned Held

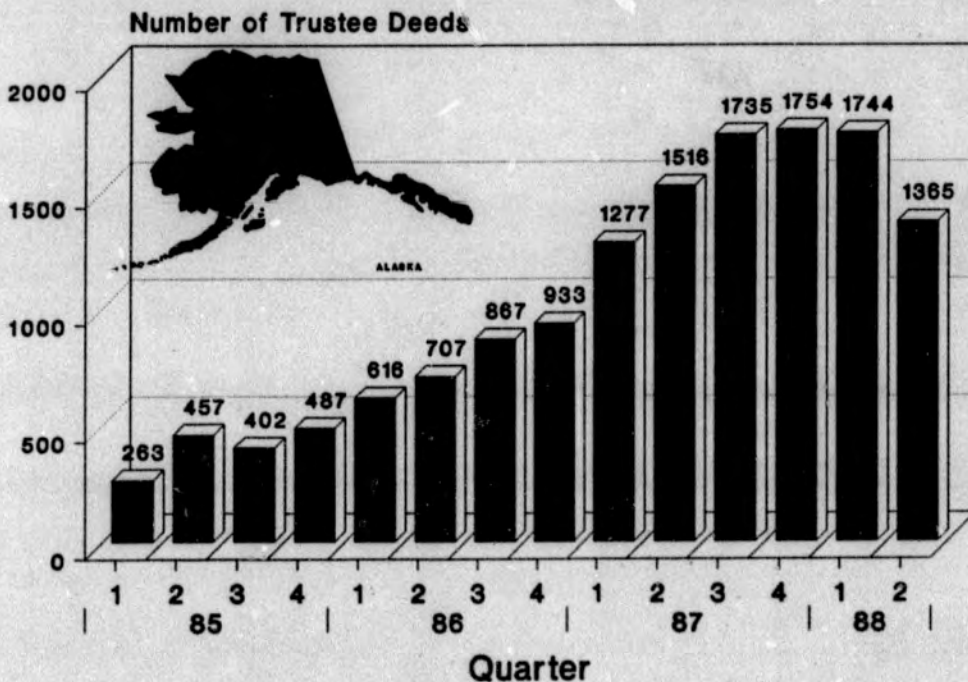


FY88 Other Real Estate Owned Sold*



*Does not include Freddie Mac Sales

Foreclosures Statewide: 1Q/85 - 2Q/88
Residential and Commercial Properties



Source: Motznik Computer Service

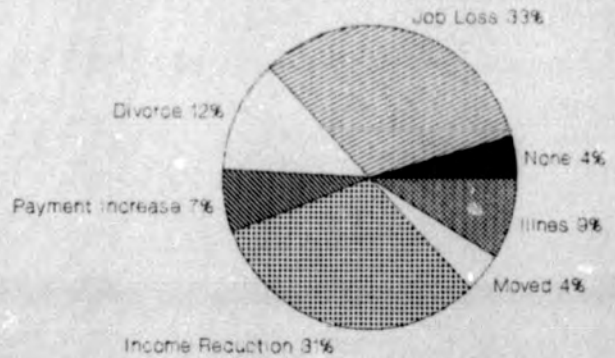
PUBLIC OUTREACH

Mortgage Information and Referral Hotline

The Alaska Housing Market Council established the "Mortgage Information and Referral Hotline", December 1987, to meet the information needs of mortgage holders.

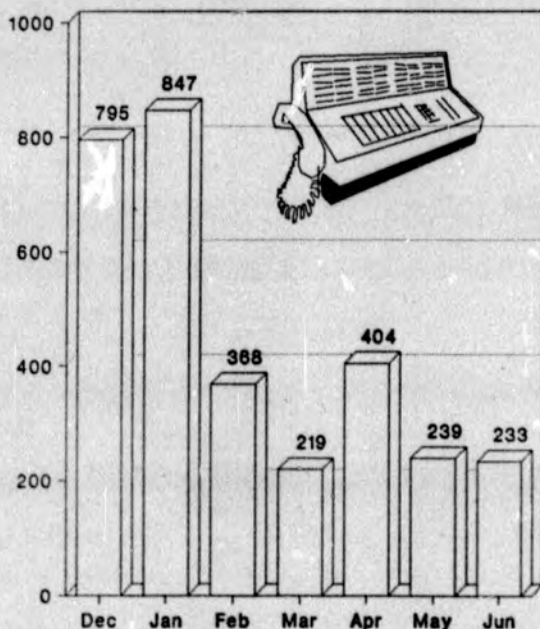
The hotline staff assists callers in understanding their rights, responsibilities, and options available to them when they are unable to meet their mortgage payments or face imminent foreclosure. The hotline has assisted 3,100 home owners throughout the state. Empowering callers with this knowledge allows them to make better decisions concerning their future as homeowners.

Reason for Financial Hardship

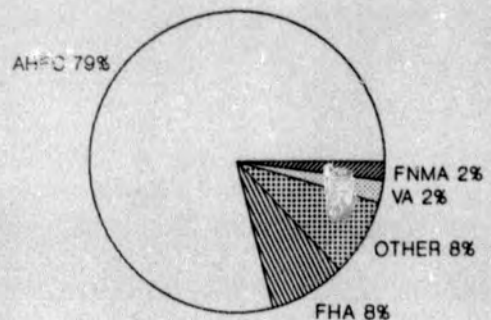


Statistical information shows that a reduction in salary and/or loss of job by the primary borrower is the main reason for most home owners having financial difficulties.

Total Hotline Calls
December 1987 through June 1988

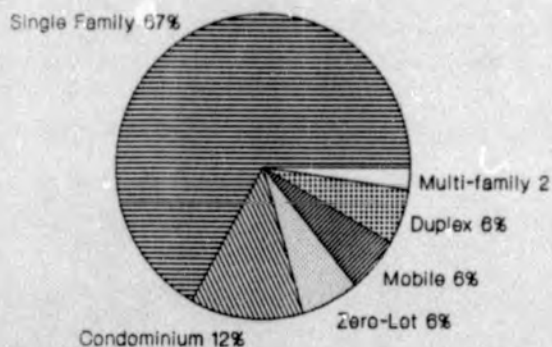


Number of Calls By Investor



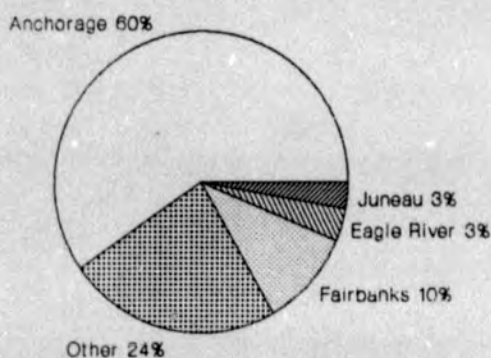
The largest percentage of callers have Alaska Housing Finance Corporation (AHFC) loans. Many home owners have benefited from AHFC's Homeowners Assistance Program (HOAP) by having their loan modified or refinanced. The unique status of AHFC and the HOAP program have made it inevitable that many of the hotline calls relate to them.

Number of Calls By House Type



Mobile home and condominium owners account for 18 percent of the callers that expressed deep frustration with the current housing market. Many have tried to sell their property and because of the negative equity are unable to compete with the sellers of foreclosed properties.

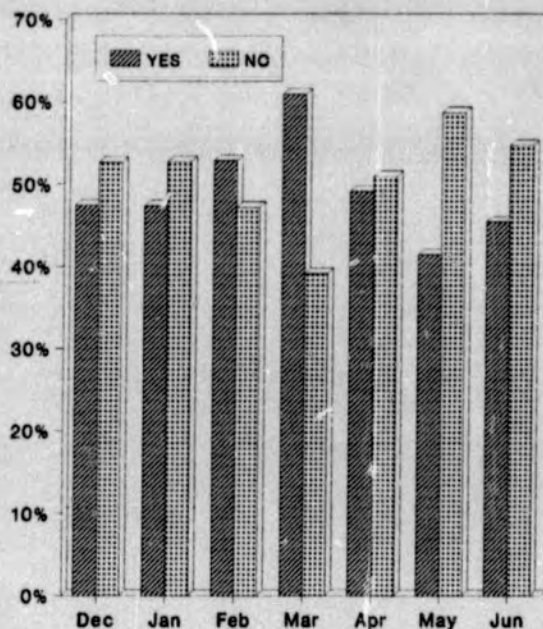
Number of Calls By Region



The information maintained by the hotline allows the Alaska Housing Market Council, the Governor, and the private sector to pinpoint problems and work on solutions for stabilizing the market.

Callers used the hotline because they were unaware of their options and felt more comfortable explaining their situation in confidence. Callers were referred to their servicer with more knowledge about the mortgage process, what they could expect from their servicer, and what they could reasonably ask for.

Did You Contact Your Lender Before You Called Us?



The Alaska Housing Market Council recognizes the unique and difficult problem faced by home owners and is working diligently on methods to stabilize this area of the housing market. AHMC's "hotline" has been successful in relieving borrowers' fears and helping them to hang on to the most important investment of their lives, thereby helping to reduce the number of foreclosures statewide.

Alaska Housing Market Council Newsletter

By fiscal year end, AHMC had published its first periodic newsletter. It was distributed to over 600 people statewide and included excerpts from the Council's quarterly mortgage loan analysis, preview information on the Governor's Housing Conference, summaries of housing legislation which had been signed into law, and statistics concerning use of the Mortgage Information and Referral Hotline.

The Council believes a frequent newsletter would be a cost efficient way of publicizing new informational reports and alerting interested parties to current activities. If you'd like to be on our mailing list, please contact the Council at P.O. Box 240048, Anchorage, Alaska 99524.



Mortgage Problems?

More than 100,000 copies of the Council's consumer pamphlet, providing basic mortgage information, have been distributed statewide. The brochure was mailed to everyone who appeared on the property tax rolls within the municipalities and organized boroughs in Alaska. They were also distributed by social service agencies and financial institutions.

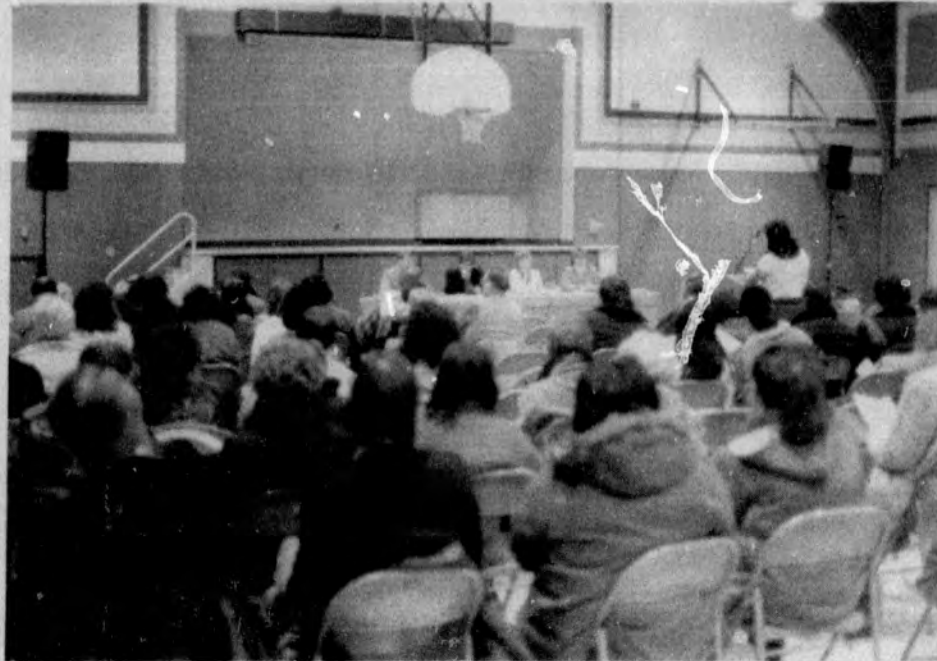
Emphasizing both the rights and responsibilities of lenders and borrowers, the brochure is written in easily understood language. It advises consumers on how to organize their information, communication, and resources if they anticipate trouble in making their mortgage payments.

INTERAGENCY COOPERATION

In the past ten years, Alaska has used its oil wealth in a variety of programs to provide affordable, adequate housing. As increased numbers of homeowners experienced mortgage problems, it became apparent that increased efforts to pool information and explore alternative solutions would be required. The Council has been active in several joint projects with both public and private agencies.

Anchorage Residential Foreclosure Analysis

During the first quarter of 1988, the Council worked with the Municipality of Anchorage on an analysis of residential foreclosures. The ability to profile the typical foreclosed property, and to identify the areas hardest hit by residential foreclosures, provides valuable community planning information.



Willow Park Model Relocation Housing Project - Public Hearing

This project was designed both to relocate residents of substandard public housing and to provide a model for such efforts. The Council staff researched the economic and sociological issues involved and produced the public comment portion of the federal application which was submitted by the Alaska State Building Authority.

Three public hearings within the neighborhood and a resident survey were conducted to document tenant concerns. The project serves as a test case for the demolition and replacement of substandard housing with surplus foreclosed property.

INTERAGENCY COOPERATION — continued

Low Income Housing Tax Credit Brochure

The 1987 Low Income Housing Tax Credit was designed to encourage building activity in the low income, multi-residential market. Working with the Alaska State Building Authority, the Council produced a public brochure explaining eligibility requirements, credit limits, program duration, and the method of calculating credit amounts.

Mutual Housing Association Market Survey

As a result of the information provided by the Council's market survey, Anchorage Neighborhood Housing Services, Inc. has embarked upon the development of mutual housing associations or cooperatives. Such projects seek new ways to market foreclosed property while providing housing for low to middle income families. The Council surveyed local residents of several condominium, zero lot, and rental projects on their preferences and demographic variables.

PLANNING FOR FY89

Housing Programs and Data Resources Information Guide

Early in FY89, AHMC will publish a reference guide to housing loan programs and resources throughout the state. Housing programs will be listed by agency and data sources will be listed by subject matter. The first of its kind, this information guide should find a wide audience.

Governor's Housing Conference

This statewide meeting will be the first opportunity for a large number of diverse groups to discuss the major issues/concerns facing Alaska's housing market. Government agencies, the legislature, real estate companies, banks appraisers, social service organizations, builders, developers, and the public will be invited. Eleven workshops on subjects ranging from rural housing to housing for senior citizens will be held. The Council will use the issues raised at

this conference as the framework for work on a state housing policy.

Housing Policy Development Committee

Issues identified through the Governor's Housing Conference will form the initial agenda for a Housing Policy Development Committee. The mission of the Committee will be to formulate the first comprehensive state housing policy. Three subcommittees will focus on specific areas of the housing market:

- urban and rural markets
- transitional and long term housing for groups with specialized needs; and
- low income, affordable and senior housing.

The results of this process will provide the state with legislative recommendations and a structure for addressing public policy questions concerning Alaska's housing.

ALASKA HOUSING MARKET COUNCIL

Statements of Support, Operating
Expenses and Changes in Fund Balance

Years ended June 30, 1988 and 1987

(See Accompanying Auditors' Report)

	<u>1988</u>	<u>1987</u> <u>unaudited</u>
Support:		
Subscriber fees	\$ 300,000	109,574
State of Alaska General Fund	100,000	-
Interest on investments	2,110	-
Donations and other	5,303	-
Total support	<u>507,413</u>	<u>109,574</u>
Operating expenses:		
Salaries	177,346	10,637
Benefits	54,337	2,297
Printing and advertising	40,101	785
Contractual services	33,647	11,948
Travel	31,431	2,003
Communications	30,983	400
Occupancy	21,499	-
Supplies and materials	19,468	1,959
Furniture and equipment depreciation	10,405	-
Equipment rentals	8,000	700
Office improvements	4,494	3,384
Repairs and maintenance	1,339	15
Accounting	-	300
Other	4,176	239
Total operating expenses	<u>437,226</u>	<u>34,667</u>
Excess (deficiency) of support over operating expenses	(29,813)	74,907
Fund balance at beginning of year	<u>74,907</u>	<u>-</u>
Fund balance at end of year	\$ <u>45,094</u>	<u>74,907</u>

See accompanying notes to financial statements.

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

Alaska Mutual Bank Building
601 West Fifth Avenue, Suite 700
Anchorage, AK 99501

Independent Auditors' Report

The Board of Directors
Alaska Housing Market Council:

We have audited the accompanying balance sheet of the Alaska Housing Market Council as of June 30, 1988, and the related statements of support, operating expenses and changes in fund balance and changes in financial position for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alaska Housing Market Council at June 30, 1988, and the results of its operations and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles.

The 1987 financial statements were reviewed by us and our report thereon dated August 20, 1987 stated that we were not aware of any material modifications that should be made to those statements for them to be in conformity with generally accepted accounting principles. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.

Peat Marwick Main & Co.

September 2, 1988

ALASKA HOUSING MARKET COUNCIL

GOALS

1. Recommend policies directed toward the stabilization of the housing market.
2. Recommend policies concerning the coordinated management and resale of all institutionally owned residential units.
3. To serve as a public forum for housing and housing market issues facing more than one state entity.
4. Create and maintain a housing information data bank.
5. Provide reports and accounting to AHMC members, the Governor, and the Legislature of AHMC activities and funds used to coordinate activities concerning Alaska's housing issues.

Alaska Housing Market Council

Hot Line:
(907) 563-HELP
563-4357

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Anchorage, Alaska 99524-0048

STATE HOUSING POLICY FOR THE 1990's

**Housing Policy Development Committee
Alaska Housing Market Council**

January

1990

Dear Governor Cowper and Members of the Legislature:

I am pleased to present policy recommendations on behalf of the Alaska Housing Market Council. These recommendations have been formulated over a year and a half period, through a committee process involving consumers, housing professionals, banking representatives, legislators and public housing officials. The committee was established by the Alaska Housing Market Council and was specifically designed to provide the broadest representation of individuals impacted by housing issues across our state.

We have found that nothing impacts individuals more than the requirement for basic shelter. We have also found that no industry other than the oil industry has had as dramatic, or such a roller coaster effect, on the Alaskan economy as real estate.

The committee endeavored to receive the broadest possible amount of public testimony in the process of developing these recommendations. The committee held public hearings on a regular basis, teleconferencing and meeting in both rural and urban locations.

We have heard and seen the enormous need for new housing construction in rural Alaska that meets acceptable standards for safety, decency, sanitation and energy efficiency. We have learned about the continuing need for affordable housing units to meet our low-income population's requirements. We have also looked at the needs of special housing populations for emergency, transitional and long term housing. The growing senior Alaskan population will require a variety of housing forms and related care facilities. We have also examined economic factors that limit our state and believe that those needs must be addressed in a realistic and prudent manner.

The committee spent much time discussing the Alaskan real estate market and inconsistencies in that market throughout various regions. As part of the market discussion, we thoroughly examined the role of our state housing institutions and duplicate services within those entities. Central to these policy recommendations is the need to provide coordinated housing functions within state government. Financial constraints could be most effectively overcome through efficient housing delivery. The recommendations of the AHMC provide models for that central coordination, and specific suggestions that address our housing needs for the next decade.

We welcome your review of these suggestions and the opportunity to provide additional assistance to you for formulating solutions to these issues.

Sincerely,

Cynthia Parker, Chair
Alaska Housing Market Council

HOUSING POLICY DEVELOPMENT SUBCOMMITTEE MEMBERS

LOW-INCOME, AFFORDABLE, AND SENIOR HOUSING

Chair Paul Carr, Real Estate Planner, Carr-Gottstein Properties
Vice-Chair Carol Jackson, Resource Development Analyst, Alaska State Housing Authority
Bob Arwezon, Licensed Real Estate Broker
Howard Bess, President, Alaska Housing Ministries
Bryan Borjesson, Owner, Borjesson Engineering
Representative Johnny Ellis, Legislator, District 12-B
Velma Ellyson, Project Director, Homer Seniors Inc.
Kelly Gunnels, Assistant Vice President, Denali State Bank
Leo Kaye, Member of Mat-Su Senior Citizens' Advisory Board
Kathy Keck, Staff Attorney, Alaska Legal Services Corporation
Cynthia Parker, Executive Director, Anchorage Neighborhood Housing Services
Ray Price/Jo Ann Goynes/Jessie Bartlett, Executive Director/Deputy Director/Case Manager
Supervisor, Alaska State Housing Authority
Representative C. E. Swackhammer, Legislator, District 5-B

RURAL AND URBAN HOUSING MARKETS

Chair William Swain, Co-Owner and Chair of the Board of Jack White Company
Vice-Chair Mike Shuler, Executive Director of Bristol Bay Housing Authority
Rick Barrier, General Partner, Malaspina Properties
Tom Behan/Mitzi Barker, Executive Director/Special Projects Assistant, Alaska Housing Finance Corporation
Senator John Binkley, Legislator, District M
Rob Gamel, Residential Projects Director, Carr-Gottstein Properties
John Guinn, Executive Director, Alaska Village Council Presidents' Regional Housing Authority
Mike Harper, Director, Rural Development Division, Department of Community and Regional Affairs
Sam Helms, Retired Fairbanks General Contractor
Lee Husky, Professor of Economics and Chair of the Department of Economics, University of Alaska, Anchorage
Deborah Ingman, Owner of Appraisal Associates of Juneau
Caren Mathis, Special Assistant, Department of Commerce and Economic Development
Kay Murphy, Vice President of Mortgage Production, Key Bank of Alaska
Representative Steve Rieger, Legislator, District 8-B

TRANSITIONAL AND LONG TERM HOUSING FOR SPECIAL NEEDS

Chair Barbara Miklos, Executive Director, Council on Domestic Violence and Sexual Assault
Vice-Chair Gale Cipra, Past Vice-President of Mortgage Production, Key Bank of Alaska
Nancy Adams, Executive Director, Juneau Alliance for the Mentally Ill
Fred Ali, Executive Director, Covenant House Alaska
Sharon Araj, Professor of Sociology, University of Alaska, Anchorage
Representative Kay Brown, Legislator, District 12-A
Stan Hoofard/Barbara Chmiel, Rehabilitation Coordinator /Rehabilitation Financial Analyst,
Municipality of Anchorage
Gary Mandzik, Residential Resource Coordinator, Division of Mental Health and Developmental Disabilities, Department of Health and Social Services
Senator Pat Pourchot, Legislator, District H-A
Mary Wolcuff, Former Executive Director, Association for Stranded Rural Alaskans

STATE HOUSING POLICY FOR THE 1990'S

The Housing Policy Development Committee
Alaska Housing Market Council
January, 1990

Glenda Straube, Executive Director
Heather Arnett, Staff to Committee
Peggy Stewart, Research Analyst
Kathleen Metcalfe, Researcher

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Executive Summary

One of the overriding goals of the Alaska Housing Market Council has been to develop a statewide housing policy. In December of 1988, the Alaska Housing Market Council appointed a thirty-seven member Housing Policy Development Committee. This committee has been comprised of housing professionals, consumers, banking representatives, legislators and public housing and housing finance officials.

During the 1989 legislative session, the Legislature confirmed their support for a housing policy by approving a resolution mandating that state agencies work together to draft a state housing policy. Governor Cowper approved the resolution, which became Legislative Resolve 55.

The Housing Policy Development Committee was divided into three subcommittees: Rural and Urban Housing Markets Subcommittee; Low-income, Affordable and Senior Housing Subcommittee; and the Transitional and Long Term Housing for Special Needs Subcommittee.

The subcommittees and the full Housing Policy Development Committee met monthly, often twice a month, in communities across the state. They heard hours of testimony from the public and private sector on every aspect of housing. They reviewed research on the present, and past, housing industry in Alaska, examined the federal housing picture, and looked at how other states have met their housing needs.

As a result of the committee's work and the accumulation of statistical housing data, the following major findings came to light:

- Housing programs in Alaska are not consolidated and are spread among 13 different state agencies, offices, and divisions. The result is that there is no coordinated state housing policy which would allow clear direction for housing programs. Housing regulations, from agency to agency, are sometimes in conflict. Statistical data on housing needs in the state is limited and, as a result, housing programs

are designed with little quantitative information regarding the real housing needs of Alaskans.

- Low-income and rural housing needs in the state are critical and have not been met with existing housing resources. Almost 33 percent of Alaskans are considered to be low-income residents.
- Federal housing money to the state is dwindling — over the past year by \$22 million.
- Many states are taking a much more active role in housing than Alaska. Those states have adopted an overall state housing policy and have coordinated housing programs. Some have set up "housing trust funds" to support housing needs. They have developed innovative housing "partnerships" with the private and public sector to fill in gaps unmet by federal housing programs.

As a result of these and other findings, the committee approved a mission statement and drafted a series of 13 policy statements:

MISSION STATEMENT

Safe, sound, sanitary and energy efficient living conditions should be available to all citizens of the state.

SUMMARY OF STATE HOUSING POLICY STATEMENTS

It is the policy of the State of Alaska. . .

- *to adopt and execute a state housing policy and facilitate coordination of housing services. (page 9)*
- *to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible. (page 9)*

- *to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand. (page 31)*
- *to improve the availability, accessibility and affordability of housing for people with limited, low or no incomes. (page 12)*
- *to improve the availability, accessibility and affordability of emergency, transitional and long term housing for the homeless and others with special needs. (page 18)*
- *in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs. (page 12)*
- *to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner. (page 24)*
- *to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state. (page 28)*
- *to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs. (page 24)*
- *to promote the availability of quality, affordable rental housing. (page 12)*
- *to recognize that Senior Alaskans should have access to appropriate and affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability. (page 22)*
- *to develop and maintain stable sources of capital and revenue to support housing needs in the state. (page 24)*
- *that housing in the state should meet specific quality standards. (page 29)*

Some of the recommended action plans which accompany the thirteen policy statements are listed below:

- **Establish a Housing Commission and, ultimately, a Department of Housing (page 9)**

To overcome the fragmentation of existing programs and to ensure continued involvement in housing issues, the committee recommends that a Housing Commission be established - with a plan to develop a Department of Housing in the state over the next several years. The Department will consolidate all of the state's housing functions.

- **Increase Low-income and Rural Housing 10% Per Year (page 16)**

The state should commit to increasing the rural and low-income housing stock at a rate of at least 10% per year through 1996, and the state should identify how the total need can be met.

- **Eliminate State Mortgage Loan Subsidies (page 26)**

The Legislature should eliminate the mortgage loan subsidies, except to meet rural and low-income housing needs.

- **Develop housing assistance program for rural, low-income residents (page 16)**

The state should examine the feasibility of developing a program for subsidizing rent or mortgage payments for rural, low-income Alaskans who do not have enough income to participate in one of the housing assistance programs.

- **Expand Membership of AHFC and ASHA Boards (page 15)**

The boards of AHFC and ASHA should be expanded and should include a majority of public members.

- **Loan to Non-profit Housing Providers (page 5)**

To better meet the state's housing needs, state agencies involved in housing finance should have the legal, regulatory and procedural ability to provide financing to non-profit housing sponsors.

- **Donate Foreclosed Properties for Low-income, Rural and Special Needs Housing (page 17)**

State agencies should examine and evaluate their portfolios of non-insured "REO" properties (including mobile homes) to determine which properties could be donated for low-income, rural, and special needs housing.

- **Provide Supportive Care Services When Providing Housing for Special Needs (page 20)**

It is essential that a continuum of supportive care services be in place so that emergency, transitional and long term housing, for the homeless and others with special needs, will be effective.

- **Implement a "Continuum of Care" Housing Program for Seniors (page 23)**

The State of Alaska should adequately fund necessary supportive services which allow seniors to remain independent for as long as possible.

- **Apply for Federal Medicaid Waiver to Fund Supportive Services (page 23)**

The State should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services

- **Adopt Building Codes (page 29)**

The state should adopt building codes, allowing for regional differences and amendments.

- **Adopt More Stringent Contractor Licensing Requirements (page 30)**

The Legislature should pass SB72, or other appropriate legislation, to strengthen residential contractor licensing requirements.

- **Establish a State Licensing or Certification Program for Real Estate Appraisers (page 30)**

In accordance with federal guidelines, the state should establish a state licensing or certification program for real estate appraisers.

The History of State Housing and Mortgage Loan Programs

Summary

The history of the state's involvement in providing housing and mortgage loan programs has been long and varied. The Territorial Legislature recognized the government's need to develop and manage housing; thus the Alaska Housing Authority (later known as ASHA) was created in 1945. Shortly thereafter, the Alaska World War II Veterans Board was created. One of its missions was to provide funds for veterans seeking residential mortgage loans.

It wasn't until the early 1970's that the State of Alaska expanded its role and entered the secondary mortgage market by creating the Alaska Housing Finance Corporation (AHFC). Its purpose was to purchase federally insured mortgage loans for low-to-moderate income borrowers.

The Department of Community and Regional Affairs (DCRA) entered the housing business, in 1980, when the Legislature created the Nonconforming Housing Loan Program; its funds were divided in a 80/20 split between rural and urban Alaska. It was the state's first real commitment to home ownership for rural Alaskans.

In the same year, the Legislature made significant changes in the operations of AHFC. The most major of those changes was to remove the income limits and provide an interest subsidy. This created a new constituency for AHFC to serve.

Meanwhile, in the early 80's, the Permanent Fund Corporation and the Alaska Industrial Development Authority began to play a small, but important, role in the state's residential mortgage loan market. And the Division of Investments, in the Department of Commerce and Economic Development, began its role as a mortgage loan servicer.

Throughout this time, ASHA continued to provide low-income and senior housing throughout the state. ASHA has recently set a new agenda to actively provide better opportunities for its low-income clients to improve their standard of living.

Despite the dramatic effects of Alaska's declining economy, both AHFC and DCRA have continued their commitment to providing affordable housing in Alaska. With decreasing revenues, however, Governor Cowper and the Legislature are seriously evaluating the future of both agencies and are trying to determine the best use of our financial resources. We may soon witness changes in the way the state faces housing issues and in how we determine: who we will serve with dwindling resources; what role state agencies will play in delivery of those services; and to what extent we are willing to commit to solving housing issues in Alaska.

1945-1949

The Territorial Legislature initiated Alaska's long history of involvement in housing by creating the Alaska Housing Authority in March of 1945. The Authority's primary function was to help alleviate the serious post-war housing shortage. The Authority was responsible for construction and management of veterans, low-income rental, and defense housing.

In 1946, the Territorial Legislature established a \$100,000 revolving fund to accommodate Veterans of World War II who were enrolled in educational institutions in Alaska. A fifty person dormitory, for veterans, was built at the University of Alaska in Fairbanks.

Since the economics of Alaska were different from most states, the Authority

submitted legislation to Congress which would address those differences. The legislation was approved in 1949 and included an initial appropriation of \$15,000,000 and was called the "Alaska Housing Act".

The initial concept of the Alaska Housing Act was to recognize the limited home financing available in Alaska, the high construction costs, and the absence of a construction industry. The purpose of the Act was to encourage the development of an adequate building industry and to meet the ever increasing need for home construction.

In April of 1946, the Territorial Legislature set up another source for housing funds: the Alaska World War II Veterans Board. The Commissioner of the Board was responsible for the Veterans Revolving Fund, which generated money for residential mortgage loans. After statehood, responsibility for the Fund was transferred to the Division of Veterans Affairs in the Alaska Department of Commerce.

1950-1959

A low-rent housing program was initiated, by the Alaska Housing Authority in 1950, and units were completed in Anchorage, Juneau, Ketchikan and Fairbanks by 1953. During the 1960's, construction of additional low-rent housing took place in Anchorage, Cordova, Juneau, Ketchikan, Sitka, Valdez, Wrangell, Petersburg, and Kodiak.

In 1957, funds were appropriated to approximately 40 villages, cities, and boroughs to assist in developing comprehensive plans. These plans analyzed existing conditions in each area and made predictions and recommendations for the future. As a result, a statewide housing study was completed which assisted the state in identifying housing needs and the methods for overcoming substandard housing. In 1959, the Alaska State Housing Authority (ASHA) was codified to continue its public housing work. Under new state laws, ASHA acted as a public authority in issuing bonds for the construction of public facilities. ASHA also supported

private developers and non-profit organizations through the issuance of multi-family bonds.

1960-1969

ASHA was granted \$180,000 by the Federal Government, in 1963, to conduct low-income housing demonstration projects in remote native villages. One project was the relocation of an entire village to a new site on the Yukon River. The Authority administered the grant and provided materials and technical assistance to the village for the construction of twenty-three new homes, using the federal Mutual-Help Program.

In early 1964, the Governor requested that ASHA conduct a survey of the needs of the State for office and service type buildings and employee housing. The report formed the basis for the introduction and passage of legislation in 1965, which empowered ASHA to issue bonds to finance the construction and acquisition of public buildings for lease to the State of Alaska. State Lease Revenue Bonds totaling \$106 million have been sold, during ASHA's tenure, and a substantial number of buildings were leased to the State. At the expiration of these leases, title to the buildings will be transferred to the State of Alaska.

The Remote and Village Housing Program was authorized in 1966 with state appropriations equal to 10% of the federal appropriation.

During 1967, ASHA was involved in several state building projects, including the construction of state employee housing in Valdez at a cost of \$5 million.

1970-1979

In the early 1970's, the Alaska Housing Finance Corporation (AHFC) was created, for the purpose of purchasing federally insured mortgage loans for low-to-moderate income borrowers. From its inception until the mid-1970's, AHFC was administered by the Executive Director of ASHA and both organizations shared a common Board of Directors.

In 1975, new legislation established a state Mortgage Insurance Fund, which allowed AHFC to purchase loans not federally insured; as a result, the Alaska Housing Finance Corporation increased their portfolio.

Meanwhile, between 1972 and 1974, ASHA was building twenty houses in Yakutat and eighty-one additional houses in Anaktuvik Pass, Kaktovik, Deering, Noatak, Shaktoolik, Koyuk, Tanacross, Galena, English Bay, Ouzinkie, King Cove, and Sand Point. These were all built under the Turnkey Construction Bond Program.

In 1974, ASHA entered into an agreement with the State of Alaska for construction of a 98 unit low-rent apartment building in Juneau, known as Marine View Apartments. In 1975, development and completion of 25 low-rent units took place in Douglas.

Between 1976 and 1980, elderly housing units were built by ASHA across the state: 96-unit Golden Towers in Fairbanks; 120-unit Chugach View in Anchorage; 42-unit Mountain View in Juneau; 50-unit Sea View in Ketchikan; 30-unit elderly housing in Seward; 17 units of family housing in Anchorage; and 22 units of elderly housing in Cordova.

1980-1989

The 1980's were marked by a dramatic increase in the state's involvement in providing subsidized, or low interest, mortgage loans to Alaskans.

The Housing Assistance Division, of the Department of Community and Regional Affairs (DCRA), was created by the 1980 Alaska State Legislature to administer the Nonconforming Housing Loan Program. Loan funds were to be distributed on a statewide basis with emphasis on rural Alaska. The initial mandate from the Legislature was twofold: (1) to form a central office and five regional offices and (2) to offer loans for nonconforming housing. First year loan funds were appropriated at \$10 million.

The 1981 Legislature continued funding the Nonconforming Housing Loan Program at a rate of \$40 million and directed the Division to divide such funds between rural and urban Alaska at an 80/20 split. Interest rates on DCRA's loans were established to be 1% lower than the interest rates received by AHFC on their taxable bonds.

In 1980, significant statutory changes were made in the operations of the Alaska Housing Finance Corporation: income limits were removed; loan limits were increased; mobile home and rural loan purchases were authorized; and a subsidy of 10% interest rates were established on the first \$90,000 of a mortgage loan (one percent less for veterans).

The legislature assisted AHFC in implementing these changes by authorizing more than \$500 million in appropriations. The net effect was that AHFC's volume surged and they began purchasing a large majority of all mortgage loans made in the state.

In 1981, the Permanent Fund Corporation was mandated by the Legislature to make investments in Alaska, where the risks and returns were the same or comparable with other investment opportunities. Residential mortgage loans fit this profile and so the corporation began their in-state mortgage loan program. These loans were made at market rates and included no subsidies.

The Permanent Fund Corporation bought new loans only during a two year period - due to lack of demand. The corporation presently holds only 192 Alaskan residential mortgage loans, \$30.3 million, in their portfolio.

During the early 1980's, there was little mortgage loan activity at the Department of Commerce and Economic Development (DCED). The Division of Veterans Affairs was consolidated with the Division of Business Loans and went through numerous other changes until it was transferred to the re-named Alaska State Department of Military and Veterans Affairs in 1984. No new veterans mortgage loans were issued since 1982.

However, the Division of Investments, at DCED, continues to service 23 loans originally purchased by the Veterans Mortgage Loan Fund and 1,342 Veterans Residential Mortgage Loans for the Alaska Industrial Development and Export Authority (AIDEA).

AIDEA's role in mortgage loans was expanded when it was given authority by the Legislature, in 1982, to participate in a residential mortgage loan program - in order to meet an increasing demand for multi-family dwellings. In 1985, the demand for these loans decreased and no new loans were issued after that time.

By 1987, the program itself was terminated. Currently, there are six multi-family residential mortgage loans in AIDEA's portfolio, totalling approximately \$3 million.

Earlier in the decade, major changes were taking place at the Department of Community and Regional Affairs. In 1982, the Housing Assistance Loan Fund (HALF) was created in the Housing Assistance Division. It combined the Nonconforming Loan Fund and AHFC's Rural Mortgage Purchase Programs. An FY82 appropriation, to the newly created HALF, was in the amount of \$45 million.

The 1983 Legislature gave HALF another \$45 million and a new program called the Homeownership Assistance Fund. The object of this program was to make home ownership a reality for low-income families, by subsidizing a portion of the interest payment on the loan.

The authority for making nonconforming loans in urban areas was transferred, in 1985, from the Housing Assistance Division of DCED to the Alaska Housing Finance Corporation.

Meanwhile, throughout the 1980's, the Alaska State Housing Authority continued to dedicate itself to providing housing for Alaskans. In 1983, ASHA completed 20 units of elderly housing in Juneau, as well as the Anchorage Senior Citizen Center, which was totally destroyed by fire in May of 1982 when

it was half way through its construction. In 1985, 20 units of senior citizen housing in Sitka and a 40-unit senior citizen housing facility in Fairbanks opened.

Changes continued at the Alaska Housing Finance Corporation. The voters of Alaska renewed their commitment to veterans housing, in 1983, when they adopted the Veterans Mortgage Program. This program allowed AHFC to purchase loans with tax-exempt bonds for qualifying veterans.

That same year, AHFC became the third largest issuer of taxable bonds in the U. S. corporate bond market.

In fiscal year 1984, an agreement was signed with the Federal National Mortgage Association (Fannie Mae) to swap Alaskan mortgages for Mortgage-Backed Securities. State Guaranteed Veterans Mortgage Bonds were restructured to extend the bond maturity to 30 or 35 years.

During 1985, the Corporation became an issuer of Government National Mortgage Association (GNMA) mortgage certificates, as a means of securing Veterans Administration guaranteed loans. In 1986, AHFC loans were approved by the Federal Housing Administration, qualifying AHFC loans for FHA insurance.

The Alaska State Building Authority (ASBA), formerly known as ASHA, renewed its role as a public finance vehicle for state operated facilities and expanded its services as a public housing authority operation throughout Alaska in 1986.

A 120 unit senior housing project, known as Chugach View, was completed and occupied by late 1987. During the same year, ASHA prepaid \$13.2 million in outstanding notes payable to the State of Alaska and reduced its outstanding indebtedness from \$18.5 million to \$5.3 million. ASBA also weathered the default of four FHA-insured multi-family projects originally bonded in 1983, allowing all bond holders to be paid at par value.

During FY87, ASBA committed time and resources to obtaining multi-million dollar grants, from both the federal and state governments, for asbestos removal and demolition of a substandard, low-income housing project in Anchorage known as Willow Park. Federal funds were authorized for the purchase of scattered housing - to relocate Willow Park renters. Asbestos removal followed the relocation process and demolition began in the summer of 1989.

Also this year, the name of the Alaska State Building Authority was changed back to its previous name, the Alaska State Housing Authority (ASHA), to better reflect its focus on providing low-income and senior housing in Alaska.

Looking for sources of revenue, the Legislature appropriated \$70 million from DCRA's Housing Assistance Loan Fund to the General Fund of the State Treasury in 1986. The 1987 Legislature appropriated \$2.5 million from the General Fund to the Revolving Loan Fund, enabling the Housing Assistance Division to maintain available funding for the housing loan demand in rural Alaska.

In March 1987, Governor Cowper signed an Administrative Order merging the Division of Community Development and the Housing Assistance Division into the Rural Development Division. This merger helped coordinate energy conservation programs by bringing the energy and housing sections together to work side by side.

Today, DCRA continues its policy of working, with rural Alaskans, to develop appropriate programs which can help people continue to live and work in their own communities. As of September 30, 1989, there were 1,566 residential mortgage loans (\$154.4 million) in their portfolio.

During the mid to late 1980's, it was clear that Alaska Housing Finance Corporation suddenly found itself in a new role, due to dramatic changes in the state's economy. With increasing foreclosures, AHFC became a major property holder.

In response to larger delinquency rates and foreclosures, the Home Owners' Assistance Program (HOAP) was created in 1988 to help thousands of Alaskan home owners. It gave them the opportunity to make their house payments more affordable and, in some instances, avoid foreclosure.

During fiscal year 1988, AHFC signed a new contract with the Federal Home Loan Mortgage Corporation (Freddie Mac) for \$200 million - which allowed them to continue to provide affordable loans to Alaskans. As of September 30, 1989, there were 42,793 residential mortgage loans (\$3.5 billion) in their portfolio.

The Alaska Housing Finance Corporation also focused its efforts on establishing programs for repossessed mobile homes and other foreclosed properties, making their loans assumable, and expanding their Refinance Program to include refinancing of non-AHFC loans.

The Legislature's Housing Finance Task Force has recently commissioned, with funding from AHFC, a report on the financial status of AHFC. This report, with a completion date of late January 1990, will analyze the effects of several future options for AHFC: keeping programs as they are; slowly removing the interest rate subsidy; and removing the full subsidy at one time. It seems inevitable that both Governor Cowper and the Legislature will be addressing program changes at the Alaska Housing Finance Corporation this session.

Policy Statements and Recommended Action Plans

COORDINATED AND REGIONALIZED POLICIES

- IT IS THE POLICY OF THE STATE OF ALASKA TO ADOPT AND EXECUTE A STATE HOUSING POLICY AND FACILITATE COORDINATION OF HOUSING SERVICES.

- IT IS THE POLICY OF THE STATE OF ALASKA TO RECOGNIZE THE SIGNIFICANT DIFFERENCES IN HOUSING NEEDS, STANDARDS AND REQUIREMENTS ACROSS THE STATE. AS A RESULT, STATE POLICIES, PROGRAMS, PROCEDURES AND REGULATIONS SHALL BE REGIONALIZED TO THE GREATEST EXTENT POSSIBLE.

BACKGROUND

Housing is a major economic reality in Alaska, and it is the most fragmented area of service delivery and policy in the state. Alaska's housing needs are very complex, and the delivery of services is very fractionalized. Demand for housing programs and service delivery are as wide and varied as the agencies that provide them. Resources to meet the demand are limited and the state can ill afford to waste them. A centralized, coordinated housing policy can bring housing groups together, and formulate and coordinate a cohesive housing policy that addresses a wide range of housing needs and problems. The Housing Policy Development Committee recognizes the problems in the delivery of housing services. The existing structure of scattered housing agencies throughout the state has not facilitated interagency dialogue, let alone coordination, about housing needs and resources. The Committee also recognizes the wide diversity between regions of the state and the importance of regionally appropriate housing programs.

They strongly believe that public input has been the catalyst that has moved housing issues to the forefront in the work the Alaska Housing Market Council has done. It is vital that a Commission that would keep housing issues at the forefront, and facilitate housing policy devel-

opment, be established - with the ultimate goal of the creation of a Department of Housing. A centralized agency to conduct housing policy is essential.

FINDINGS:

1. In all of the states which are recognized nationally as model housing states, there exists a department, division or council which is directly responsible for oversight of housing issues.
2. In Alaska, housing resources and programs are scattered throughout 13 different state agencies, offices and divisions. In addition, 13 regional Indian Housing Authorities address rural housing needs, and organized local governments administer a variety of housing programs.
3. There is no clear, consistent, non-conflicting direction for the state's housing programs nor is there an effective mechanism for avoiding conflicting regulations or duplicated programs.
4. The 1988 Rural Housing Needs Assessment Study, commissioned by the Department of Community and Regional Affairs, is one of the few examples, in Alaska's housing history, of a state housing agency or division methodically determining what needs have been left unmet. Most housing programs have been implemented in an information void.

RECOMMENDED ACTION PLANS

1. A continued mechanism, or centralized housing organization, is needed to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues. A Housing Commission should be established - with a plan to develop a Department of Housing in the state over the next several years. The De-

partment would consolidate all of the state's housing functions under one organization.

The Committee also considered the following options for a centralized housing agency. A detailed analysis of all options is presented in the Appendix.

- a. *Establish a Special Assistant in the Governor's Office with housing issues as the sole area of responsibility.*
- b. *Merge the Boards of Directors of ASHA and AHFC into a State Housing Board with the authority to administer all housing agencies and state housing programs.*

2. A legislative mandate should be effected which specifies the relationship of the Housing Commission to the Alaska Housing Finance Corporation, the Alaska State Housing Authority and other state agencies with housing responsibilities, and which provides the Commission with the power to develop and implement state housing policy.
3. The Commission's composition should reflect regional representation and should include public members and representatives from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.



*Split-level
home in
Anchorage.*



*Home in
Kwethluk,
Alaska*

4. The Commission should report directly to the Governor.
5. The Commission should provide information on housing opportunities to the public and oversee state agency information services.
6. The Commission should be charged with state agency housing program review, coordination and oversight. It should clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.
7. The Commission should review and recommend revisions to state and federal housing policy and programs to ensure that Rural Alaska housing programs are culturally, environmentally and economically appropriate.
8. The Commission should be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, to include the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Department of Health and Social Services, and the Department of Public Safety should develop statewide service plans in conjunction with each other and the state housing plan, to insure coordination and efficiency of service delivery.
9. The Commission should conduct periodic statewide housing needs assessments on housing and financing availability.
10. The Commission should direct state agencies to review housing regulations under their jurisdiction, compare them to other agency regulations and recommend revision, where appropriate, to eliminate conflict and duplication.
11. The Commission should be charged with reviewing the use of, and disposition of, state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission should encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities, low-income housing and senior housing where appropriate.
12. The Commission should actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.
13. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility, and resulting recommendations should be forwarded to the Housing Commission. In addition, an agency appeals process should be implemented.
14. By January 1, 1991, AHFC & DCRA should explore, develop, and implement programs responsive to regional housing conditions, to include non-insured or co-insured loans for areas of the state which are not being served by private and public secondary investors and/or insurers. These new loan programs should be consistent with prudent lending standards.
15. The boards of AHFC and ASHA should be expanded and should include a majority of public members.
16. By June 30, 1990, the Alaska State Legislature should create a standing or special committee on housing in both the State House and State Senate.

LOW-INCOME, RURAL AND AFFORDABLE HOUSING

- IT IS THE POLICY OF THE STATE OF ALASKA, IN THE ALLOCATION OF STATE HOUSING RESOURCES, TO GIVE FIRST FUNDING PRIORITY TO THE STATE'S MOST URGENT HOUSING NEEDS.

- IT IS THE POLICY OF THE STATE OF ALASKA TO IMPROVE THE AVAILABILITY, ACCESSIBILITY AND AFFORDABILITY OF HOUSING FOR PEOPLE WITH LIMITED OR LOW INCOMES.

- IT IS THE POLICY OF THE STATE OF ALASKA TO PROMOTE THE AVAILABILITY OF QUALITY, AFFORDABLE RENTAL HOUSING.

Rural Alaska has dramatically poor housing conditions in terms of space per resident and state of repair according to the 1988 Rural Housing Needs Assessment Study. Many of the areas are ineligible for rental subsidies under HUD regulations because they are not on a cash based economy. Home ownership opportunities are limited due to lack of housing supply and difficulty with obtaining financing.

Affordable rental housing is a problem for a large section of Alaska's population. Although the median family income in Alaska for all

**TABLE I
LOW-INCOME GUIDELINES**

Family Size	ASHA Very Low Inc.	Income 70% LLSIL*	Poverty Guidelines
1	\$17,450	\$ 7,480	\$ 7,480
2	\$19,650	\$10,950	\$10,030
3	\$22,450	\$15,030	\$12,580
4	\$24,950	\$18,560	\$15,130
5	\$26,950	\$21,900	\$17,680
6	\$28,950	\$25,610	\$20,230
7	\$30,950	\$29,320	\$22,780
8	\$32,950	\$33,030	\$25,330

*LLSIL - Lower Living Standard Income Level

Sources: Alaska State Housing Authority
Federal Register, Vol 54, No. 63, April 4, 1989
Federal Register, Vol 54, No. 31, Feb. 16, 1989

BACKGROUND:

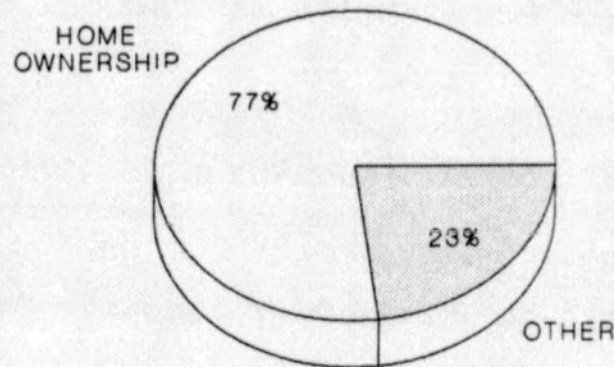
The state's most urgent housing needs have been identified as low-income and rural as of the time of this report.

There are a variety of programs within the State of Alaska which provide services to people with limited or low-income. The Alaska guidelines determining low-income are aligned with the national guidelines, with an additional 25% cost of living adjustment.

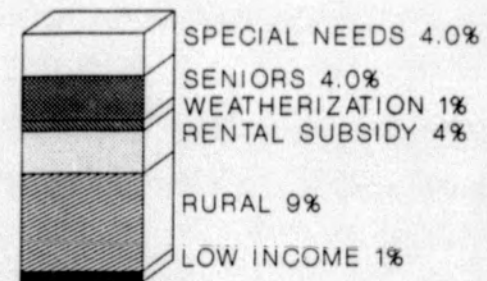
households is \$46,000, the median family income for rental families is only \$29,800. 34% of Alaskans are unable to afford rent on a 1-bedroom unit based on HUD fair market rents of \$489. 40% of Alaskans are unable to afford rent on 2-Bedroom units with a \$576 fair market rent, according to a study by Cushing N. Dolbeare, "Out of Reach—Why Everyday People Can't Find Affordable Housing."

WHERE HOUSING FUNDS ARE ALLOCATED

Fig. 1a. Years 1988/1989



TOTAL FUNDS
(State & Federal)



OTHER HOUSING FUNDS
(Excluding Home Ownership)

Alaska Housing Market Council
December, 1989

FINDINGS:

(Note: Whenever available, statewide and regional statistics are used in the findings. In some instances, Anchorage statistics were the only ones available and are included to add more description to the scope of the problem).

1. There are approximately 182,000 households statewide. 32.7%, or 59,412, of those households are low-income. An additional 20.8%, or 37,847, families are considered moderate income.

**TABLE II
FAMILY INCOMES**

Low-income Families in Alaska:

Statewide Population	536,800
Total Households	181,955
Median Family Income	\$46,000
Low-income (50% of Median Family Income)	\$23,000
Number of Low-income Families	59,412
Percentage of Low-income Families	32.7%

Moderate Income Families in Alaska:

Moderate Income (80% of Median Family Income)	\$36,800
Number of Families	37,847
Percentage of Moderate Income Families	20.8%

2. The incomes of families vary significantly between the urban and rural areas of the state. Median family incomes in urban areas range between \$41,600 and \$62,200. Median family incomes in rural areas are as low as \$22,210. 42% of the rural population live in areas with median family incomes ranging between \$22,200 and \$35,000.
3. Of the 59,412 low-income families statewide, we were able to identify only 11,691 or 19.6% , which were served by ASHA,

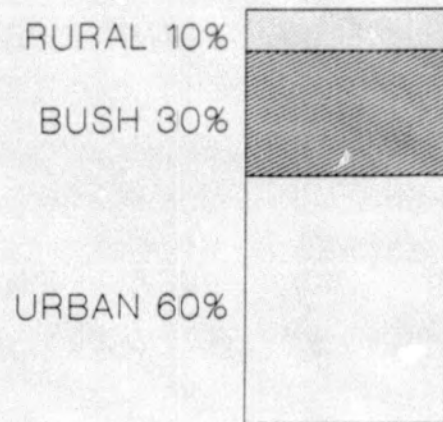
with rent subsidies or low rent units, or were served by the 13 regional housing authorities, the Rural Development Division of DCRA, or AHFC with home ownership opportunities.

**TABLE III
LOW-INCOME HOUSEHOLDS SERVED
Low-income Households**

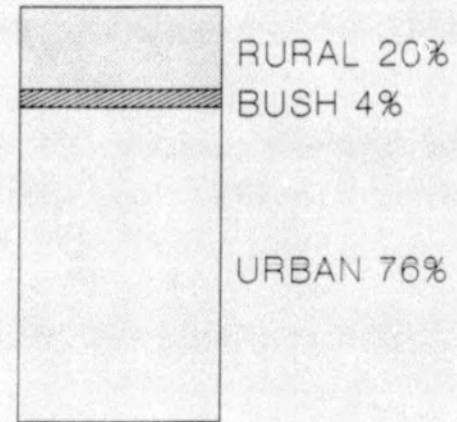
Statewide	59,412
Known Households Served Statewide	
ASHA Rent Subsidy	1,884
ASHA Low Rent Units	1,328
ASHA Section 8 Mgmt Units	285
Regional Housing Authority Home Ownership	3,586
Regional Housing Authority Low Rent	630
DCRA Loans to Incomes < \$20,000	32
AHFC Loans to Incomes < \$20,000	<u>3,946</u>
Total Households	11,691
Percentage of Low-income Households Served	19.6%

4. The 1988 Rural Housing Needs Assessment Study identified a need for 6,740 houses at a cost of \$781,813,000 to meet the need for immediate replacement and for displaced third/fourth generations. An additional 15,088 houses require construction of an addition to relieve overcrowding and 4,100 homes need replacement at a total cost of \$491,717,000.
5. AHFC's loan program was originally designed to help meet the housing needs of the low-income people in our state. As AHFC's role expanded, the State funded the Rural Development Division at DCRA and charged them with providing financial support for residential housing in rural Alaska. Even when the 99% of DCRA's \$158 million loan portfolio, in bush and rural areas, is combined with AHFC's total loan portfolio of \$3.5 Billion, only 27% of total (both AHFC and DCRA) loans went to rural and bush area

AREAS SERVED BY AHFC/HAD LOANS



Population
By Area of State



Loans Made By Area of State
(by dollar amount)

Areas served by mortgage loans
based on current 1989 agency portfolios.

Alaska Housing Market Council
December, 1989

NUMBER OF LOANS

URBAN LOANS	32,406 LOANS	73%
RURAL LOANS	9,960 LOANS	22%
BUSH LOANS	<u>1,948 LOANS</u>	<u>5%</u>
TOTAL LOANS	44,314 LOANS	100%

6. There is a lack of comprehensive information, on a statewide basis, on the extent of low-income and rural needs and how they are being met. Meanwhile state policy and programs are being developed and implemented in an information vacuum.

RECOMMENDED ACTION PLANS:

1. Currently, the most urgent housing needs in the state are for rural and low-income residents. Those needs should be given funding priority.
 - a. The state should commit to increasing the rural and low-income housing stock at a rate of at least 10% per year through 1996, and the state should identify how the total need can be met.

Rural - A community in the first, second or fourth judicial district which has a population between 1,000 and 4,500 and is connected by road or rail to Anchorage or Fairbanks

Bush - A community in the second, third or fourth judicial district which has a population which is less than 4,500 and is not connected by road or rail to Anchorage or Fairbanks; or a community in the first judicial district which has a population which is less than 1,000.

7. According to the "Municipality of Anchorage 1987 Population Survey," in the entire Anchorage population occupying multi-family housing, renters account for about 69.5% of the households. Altogether there were an estimated 34,583 occupied multi-family housing units in Anchorage in 1987.
8. According to the "Municipality of Anchorage 1987 Population Survey," the average income in renter-occupied housing in Anchorage is \$28,802; the average income in owner occupied housing in Anchorage is \$55,553. Low-income in the Anchorage area is defined in the range of \$22,450 to \$24,950 for a family of three.
9. In the 1980 census, there were 131,463 households statewide. 54,804 or 41% of those were renter households. The median family income for renter households was \$17,491 as compared to a median family income for owner occupied households of \$32,344. The same relationship is still seen in the "Municipality of Anchorage 1987 Population Survey."

- b. DCRA, AHFC, and ASHA should provide a five-year plan (due January 1, 1991) which identifies and addresses how low-income and rural housing needs can be met in the state. The five-year plan should include specific programs to be implemented no later than June 1, 1991. The Housing Commission should coordinate this effort.
- c. By June 1, 1991, the state should examine the feasibility of developing a program for subsidizing rent or mortgage payments for rural/low-income Alaskans who lack adequate affordable housing but do not have enough income to participate in one of the existing rural housing assistance programs.
- d. AHFC and DCRA should work together to determine the percentage of rural/non-conforming loans

that should be offered in AHFC bond sales. Those funds will flow to DCRA for their mortgage loan programs.

2. A function of the Alaska Housing Commission should be to collect and maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the Commission should identify which areas of the state and which target populations are most in need of housing resources.
 3. By January 1, 1992, the State of Alaska should become actively involved in providing technical assistance and/or programs to private developers and non-profits for the planning and development of units which are affordable to low-income Alaskans. This should be through the Housing Commission and/or through programs established by AHFC, DCRA and ASHA.
 4. By January 1, 1991, state agencies should examine and evaluate their portfolios of non-insured REO properties (including mobile homes) to determine which properties are appropriate to provide housing opportunities for low-income, rural and special needs populations. Such evaluation shall include assessment of structural integrity, availability of necessary utilities, and economic feasibility factors. The agencies should present their short and long term policies for disposition of these properties to the Commission for consideration.
- Note: As of November 1989, AHFC had 1287 units (including mobile homes) from its REO inventory on the market with a sales price of \$30,000 or less.
5. By June 1, 1991, state agencies involved in housing finance should have the legal ability to provide financing to non-profit housing sponsors. DCRA, AIDEA, AHFC and ASHA should identify existing statutory, regulatory, policy and procedural barriers to such programs and initiate steps to eliminate these barriers through legislative, regulatory or internal processes, as appropriate.
 6. Through the Alaska Housing Commission or other approved body, the state should encourage the development of housing partnerships in the state and authorize pre-development financing for certain rental projects (such as feasibility studies).
 7. The state should examine the feasibility of converting appropriate foreclosed housing to rental units. This includes changes to AHFC policy to allow them to donate foreclosed properties to non-profit organizations, to be improved and rehabilitated by the non-profit group.
 8. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profit organizations, including housing authorities, so that those developers have the means to create affordable rental housing.

SPECIAL NEEDS HOUSING

IT IS THE POLICY OF THE STATE OF ALASKA TO IMPROVE THE AVAILABILITY, ACCESSIBILITY AND AFFORDABILITY OF EMERGENCY, TRANSITIONAL AND LONG TERM HOUSING FOR THE HOMELESS AND OTHERS WITH SPECIAL NEEDS.

BACKGROUND:

Another severe, and urgent need, in the state is housing for the homeless and housing for Alaskans with special needs. There are three components of housing needed: emergency housing; transitional housing that includes some services for those in need, prior to them moving into an independent living situation; and long term housing for those with special needs.

Special needs housing is unique because an individual or family may utilize this type of housing at any time on the housing continuum: on an emergency basis, on a transitional basis, or over a long period of time; sometimes they may need all three types of housing.

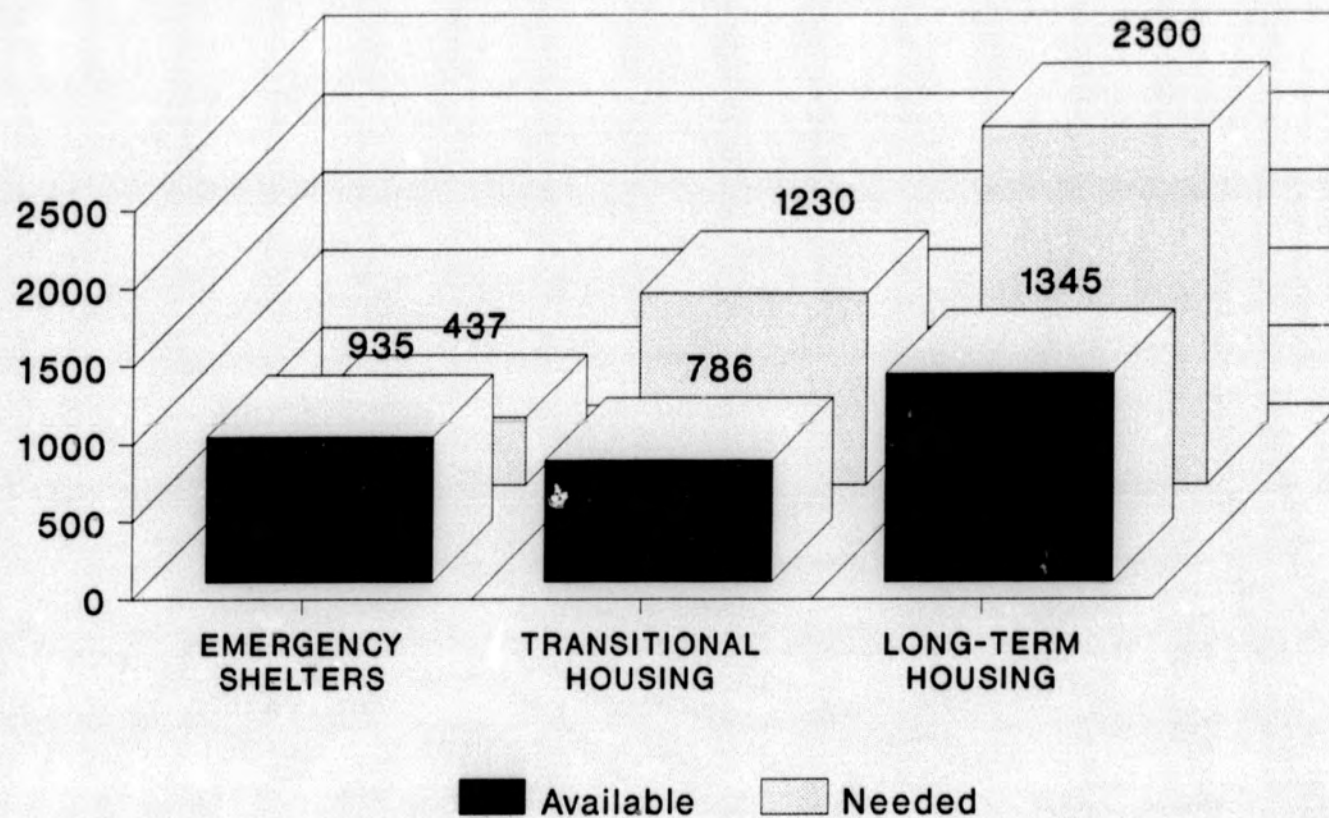
FINDINGS:

1. An established need for 6,808 beds for emergency housing, transitional housing and long-term housing, has been identified in the state. Public, private and state agencies are currently providing 3,066 beds. An unmet need for 3,967 additional beds has been established. The largest gaps are in transitional and long term housing.
2. According to the "1989 State Comprehensive Homeless Assistance Plan," 85% of the state's homeless population in need of long term shelter assistance are chronic substance abusers. 40% of those in need of long term housing are chronically mentally or physically disabled.
3. In 1988, during the highest-volume months of January and February, the Brother Francis Emergency Shelter in Anchorage provided beds for approximately 250 persons per night. In 1989, the shelter assisted that many people in November alone, and they believe it is likely those numbers will climb even higher in the months of January and February, 1990.



Maryette Kanabak and children at Clare House shelter in Anchorage.

HOUSING NEEDS SPECIAL NEEDS GROUPS



Alaska Housing Market Council
December 1989

4. Each year, the Department of Corrections releases 2,300 - 2,500 people. It is estimated that 10-15% of that population is mentally ill. With no structured halfway houses to go to, that population has no other place to go but the street.

RECOMMENDED ACTION PLANS

1. Accessible Housing

Buildings for persons with special needs should be handicapped accessible and should be renovated, or built, in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation and Public Facilities.

2. Supportive Care Services

It is essential that a continuum of supportive care services be in place for emergency, transitional and long term housing for the homeless and others with special needs in order for those housing programs to be successful. Those services include, but are not limited to, case management and medical and rehabilitative assistance.

3. Housing Needs

Listed below are some, but not all, of the groups identified in the state as needing various types of special needs housing:

- a. AIDS patients.
- b. The chronically ill.
- c. Homeless men and women, with or without children.
- d. Victims of domestic violence and their children, victims of elder abuse and victims of sexual abuse.
- e. Substance abusers.
- f. Pregnant youth and women.
- g. Homeless youth.
- h. Persons experiencing a physical disability or disabilities.
- i. The mentally ill.
- j. Persons in transition from the Alaska Psychiatric Institute, the Corrections system (particularly the mentally ill) and Alaska Youth Initiative graduates.
- k. Persons with more than one diagnosis. For example, the mentally ill person with a substance abuse problem.
- l. The developmentally disabled.
- m. Emotionally disturbed children.
- n. Rural Alaskans who come to regional centers for educational, medical or other reasons.
- o. Rural Alaskans, particularly youth, who move permanently to a larger community.
- p. The neurologically impaired and those with head injuries and brain trauma.

4. Rural Alaskans

The need for emergency, transitional and long term housing for special needs is critical in Rural Alaska. With Rural Alaska's severe housing shortage, there is almost no housing available to be used for special needs. As a result, it is recommended that the state give priority to developing special needs housing opportunities in Rural Alaska.

5. Funding Issues

- a. The State of Alaska, through the proposed Housing Commission, should review and prioritize the need for emergency, transitional and long term housing for special needs, so that available resources and funding can be allocated accordingly.
- b. By June 1, 1991, the role of the State of Alaska, through (but not limited to) the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs, should be expanded to allow mortgage loans to non-profits for emergency, transitional and long term housing for those with special needs. This should be a cooperative effort.
- c. If needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
- d. Continued funding should be provided for the state's Institutional Discharge Project, which provides supportive housing programs for persons leaving the Alaska Psychiatric Institute, the Department of Corrections and Alaska Youth Initiative graduates.
- e. The state should consider applying for federal Medicaid option waivers to obtain additional funding for programs such as home-based supportive services. By obtaining such a waiver, the state and federal government would each pay half of such programs.
- f. Division of Family and Youth Services regulations should be changed so that housing services for non-state custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.

SENIOR HOUSING

IT IS THE POLICY OF THE STATE OF ALASKA TO RECOGNIZE THAT SENIOR ALASKANS SHOULD HAVE ACCESS TO APPROPRIATE AND AFFORDABLE HOUSING. THE STATE SHOULD IMPLEMENT A HOUSING PROGRAM FOR SENIORS WHICH EMPHASIZES A CONTINUUM OF CARE SERVICES. SUPPORTIVE SERVICES SHOULD BE AVAILABLE WHICH ALLOW SENIORS TO LIVE INDEPENDENTLY AT THEIR LEVEL OF ABILITY.

BACKGROUND:

It is becoming more and more difficult for Senior Alaskans to obtain affordable and appropriate housing in the state. The State's Pioneer Homes are one option, but the waiting list, particularly for rooms in the nursing sections, is long.

Housing in one of Alaska's long-term care facilities can be extremely expensive and, as a result, many Alaskans who have been here for years, choose to leave the state to retire.

Supportive services, such as homemaker and nursing assistance, are in short supply. If available at a reasonable cost, those services would help many seniors remain in their homes for longer periods of time.

FINDINGS:

1. Housing costs at the state's six Pioneer Homes will rise by up to 52 percent by January 1, 1990; residential rates will rise from \$425 to \$525 per month. Nursing rates will rise from \$525 to \$800 per month.
2. Obtaining a room in the state's Pioneer Homes is not always easy. In November of 1989, 267 Alaskans were waiting for a place in the Pioneer Homes. 171 of those persons were waiting for a room in the nursing section.
3. Other options for nursing care in the state are limited. A 1989 Division of Medical Assistance report stated that, of 621 nursing beds statewide, 119 of those beds were vacant. Costs for those beds are extremely high. At one Anchorage long term care cen-



*Anchorage
Pioneer
Home*

ter, the cost for a nursing bed is \$7,000 per month.

4. Some state regulations regarding the construction of senior housing contain so many requirements, that it is cost-prohibitive to build this type of housing.

RECOMMENDED ACTION PLANS:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State agency housing regulations should be changed so that two categories of housing are created: medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.
 2. The state should implement a "continuum of care" housing program for seniors, and should adequately fund necessary supportive services, which
- allow seniors to remain independent for as long as possible.
- a. A case management system, which matches seniors with appropriate services, should be approved by the state and implemented by the Older Alaskans Commission.
 - b. State and other funded supportive services, such as homemaker assistance, home health care and home-delivered meals should be funded at the current state funding levels and expanded when needed. A mechanism should be in place so that seniors, with the ability to pay, could be charged for supportive services.
 - c. Financial assistance and training for home repair and maintenance should be increased.
 - d. The state should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services.

HOUSING FINANCE

IT IS THE POLICY OF THE STATE OF ALASKA TO ENCOURAGE AND ASSIST THE CITIZENS OF THE STATE IN HOME OWNERSHIP OPPORTUNITIES IN A FISCALLY RESPONSIBLE MANNER.

IT IS THE POLICY OF THE STATE OF ALASKA TO MINIMIZE DIRECT INVOLVEMENT OF STATE GOVERNMENT IN THE SECONDARY MORTGAGE MARKET, WITH THE PRIMARY EXCEPTION OF ACCESSING CAPITAL MARKET IN ORDER TO FINANCE THE STATE'S HOUSING NEEDS.

IT IS THE POLICY OF THE STATE OF ALASKA TO DEVELOP AND MAINTAIN STABLE SOURCES OF CAPITAL AND REVENUE TO SUPPORT HOUSING NEEDS IN THE STATE.

BACKGROUND:

During the early 1980's, the programs of the Alaska Housing Finance Corporation experienced fundamental changes: income limits were removed; loan limits were increased; mobile homes were financed; and the Home Ownership Assistance Program (HOF) was created. These changes precipitated AHFC's gain of the lion's share of the mortgage loan market.

Additionally, in 1980, the Housing Assistance Division (later named the Rural Development Division) of the Department of Community and Regional Affairs was created to administer the Nonconforming Housing Loan Program, with an emphasis on funding rural housing.

The state's loan portfolios have continued to show a higher rate of delinquency than non-state portfolios. There has been conjecture by some professionals that the state tried to be all things to all people and that we could have been more prudent in our lending standards; yet there has been no factual documentation to prove this point.

However, the Committee did determine that the State of Alaska can no longer afford to subsidize mortgage loan rates, without some income limitations, and that the state's participation in the mortgage loan market should carefully follow prudent lending standards. At the same time, they recognize that AHFC's access to

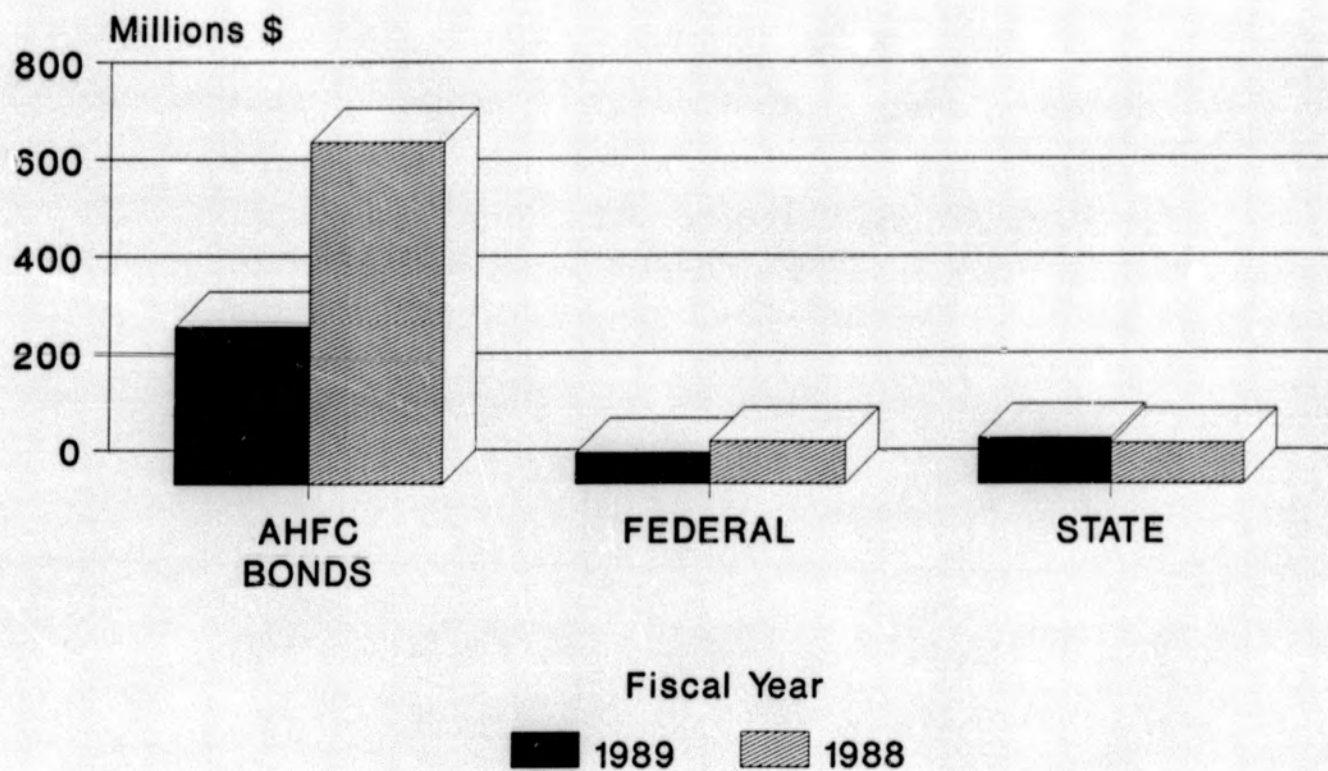
capital markets oftentimes allows AHFC to obtain reasonable rates, regardless of whether we decide to subsidize those rates.

It is hoped that, as the State of Alaska removes its competitive (subsidized) edge in the mortgage loan market, other outside sources of capital and revenue will become more of a force in the Alaskan market.

FINDINGS:

1. As of July 1989, the Alaska Housing Finance Corporation held a loan portfolio of \$3.5 Billion and a total of 42,774 outstanding loans. The Department of Community & Regional Affairs held a loan portfolio of \$152 Million and a total of 1,540 outstanding loans.
2. The state's share in the residential mortgage loan market has held steady, over the last three years, at 62-63% of the total market.
3. On June 30 of 1987, 58% of the statewide portfolio of foreclosed properties (REOs) belonged to agencies or departments of the State of Alaska. By the same month in 1989, that share of the REO market had increased to 71%.
4. From 1987 through 1989, the average delinquency rate for state financed, residential mortgage loans remained consistently higher than that of non-state financed loans.
5. Approximately 26% of total AHFC and DCRA outstanding loans are in the non-urban areas of the state. Of that 26%, approximately 4.5% of them are in the bush areas of the state.
6. Approximately 17.5% of total AHFC and DCRA current outstanding loans were made to people with incomes of less than \$30,000, at the time the initial loan was made. Data is not available on current incomes of borrowers.
7. According to a national study of loans, originated from 1975 to 1987 and insured by private mortgage insurance companies, a mortgage loan with only a 5% down payment is more than twice as likely to default

TOTAL STATE AND FEDERAL HOUSING FUNDS (With AHFC Bond Funds) FISCAL YEARS 1988/1989



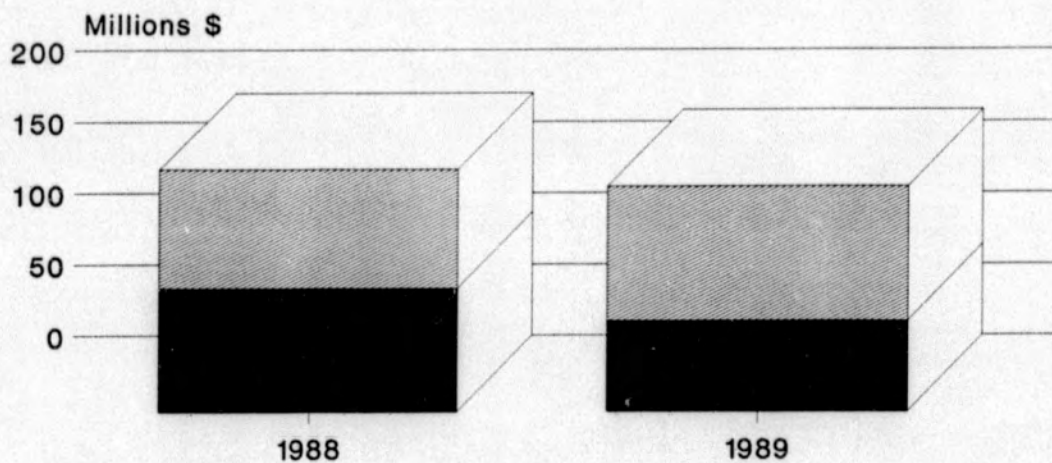
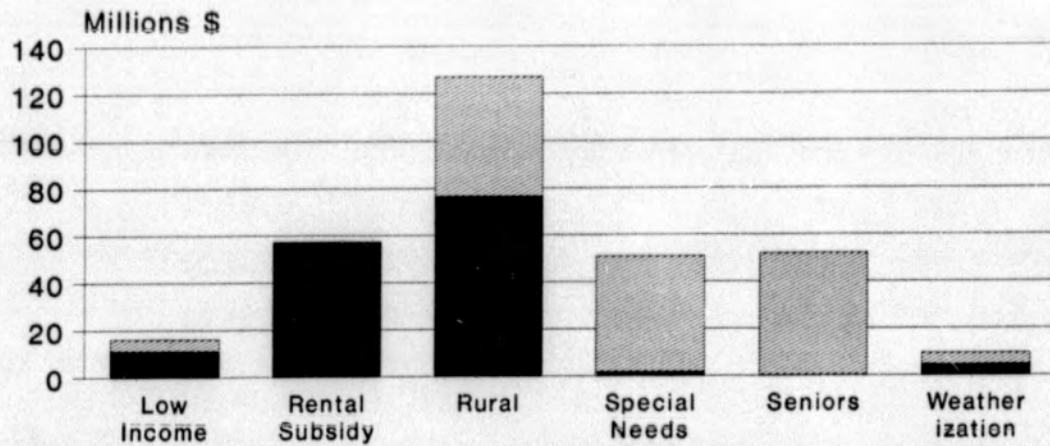
Alaska Housing Market Council
December 1989

as a mortgage loan with a 10% down payment. When the study looked at default experience by income level, they found little difference. The loan to value ratio is the primary indicator of default risk. Source: Mortgage Banking, August 1989, "Housing The Rank and File."

RECOMMENDED ACTION PLANS:

1. State agencies with mortgage lending programs should follow prudent industry lending standards and reasonable down payments should be required.
2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates - which direct states involved in low-income home ownership programs to offer homeowner counseling services.
3. There should be greater disclosure to borrowers concerning the sale of their mortgage loan servicing to another institution. The State of Alaska should adopt greater servicer penalties. Clearer recourse should occur in the case of misapplication of mortgage payments, or failure to pay taxes or insurance on a timely basis.
4. In an effort to help solve the hesitancy of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors. State agencies should establish programs which allow them to enter into co-insurance agreements, when necessary, to provide mortgage insurance for state-financed mortgage loans.
5. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
6. By March 15, 1990, the Alaska State Legislature should eliminate the mortgage loan subsidy of the Department of Community and Regional Affairs and the Alaska Housing Finance Corporation, except to meet rural and low-income housing needs. However, state agencies can obtain lower interest rates than the private sector via the bond market or through direct federal funds. Lower, unsubsidized interest rates obtained in this manner should be passed through to the public.
7. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the financing of low to moderate-income, rural and senior housing.
8. The state should encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing. State agencies with the ability to issue tax-exempt bonds should establish a process which encourages the issuance of such bonds for non-profit corporations.
9. By June 30, 1990, the Alaska State Legislature and the Governor should allocate funds for start-up and operational costs for Neighborhood Housing Services in the state. This fund should be matched by Neighborhood Housing Services of America and Neighborhood Reinvestment Corporation of America, on a four-to-one match.
10. The state should review the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Savings & Loan bailout bill) for use as an additional source of housing funds.

TOTAL STATE AND FEDERAL HOUSING FUNDS (State Bond Funds Not Included) Fiscal Years 1988/1989



Funding Source
 Federal
 State

Alaska Housing Market Council
December 1989

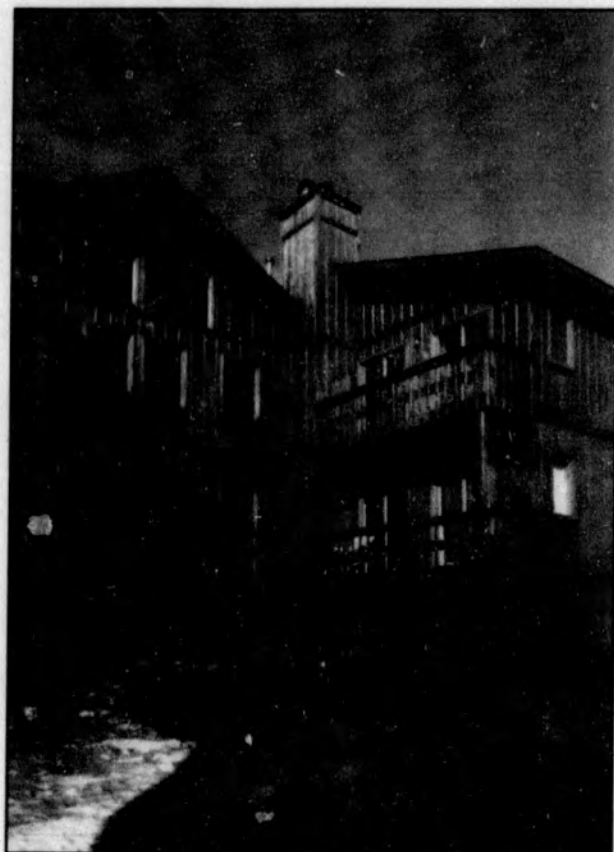
HOUSING PARTNERSHIPS

IT IS THE POLICY OF THE STATE OF ALASKA TO ENCOURAGE HOUSING PARTNERSHIPS WHICH INCLUDE PUBLIC, PRIVATE AND NON-PROFIT ENTITIES IN ORDER TO FOSTER AND DEVELOP LOW-INCOME AND AFFORDABLE HOUSING IN THE STATE.

BACKGROUND:

Federal funding for low-income, affordable housing in the state has been declining as the federal government exits from the affordable housing business. Across the country, communities are looking at innovative housing finance programs to provide housing for low-income people.

An important player in the financing and delivery of low-income and affordable housing are non-profit corporations. Widely accepted in many states, they often team up with other



critical players, such as private-sector developers. The non-profit organizations are often more skilled at obtaining neighborhood support and can better deal with issues like zoning permits.

FINDINGS:

1. Total federal funds appropriated for Alaska dropped from \$87.9 million in 1988 to \$64 million in 1989, with further decreases anticipated for 1990.
2. State appropriations for housing increased from \$83.4 million to \$93.7 million between 1988 and 1989. However, the increase still left an unmet gap of approximately \$13 million in declining federal housing funds.
3. Some jurisdictions in the country, such as Boston, New York City and Chicago, have active and sophisticated non-profit groups with experience in developing housing and in working out partnerships with the government and the private sector, according to a recent article published in *Governing*, November 1988.

RECOMMENDED ACTION PLANS

1. By June 1, 1991, the Housing Commission should encourage the development of housing partnerships in the state. The commission should provide information by publishing a document, with a variety of partnership options including the creation of benevolent loan funds (consisting of private donations, private and public financing).

*Turnagain Circle Project
Anchorage Neighborhood Housing Services*

HOUSING QUALITY STANDARDS

IT IS THE POLICY OF THE STATE OF ALASKA THAT HOUSING IN THE STATE SHOULD MEET SPECIFIC QUALITY STANDARDS.

BACKGROUND:

In Alaska, the state has adopted only those sections of the Uniform Building Code (UBC) that deal with life safety; neither the technical information or structural requirements have been adopted.

Some local communities, such as Anchorage, Fairbanks, Juneau, Dillingham, and Kenai have adopted the UBC in its entirety, along with the Uniform Plumbing and Mechanical Codes. In other parts of the state, particularly rural areas, there are no structural building codes in place.

In the Bush, the lack of standards is compounded by the fact that some of the housing provided by the federal government has been built to "Lower 48," not Alaskan housing standards.

FINDINGS:

1. The 1988 DCRA Rural Housing Needs Assessment states that 6,740 homes in the Bush are so substandard that they should be immediately replaced.
2. The same study points out that 36% of rural homes can not maintain an inside temperature of 70 degrees during the winter.
3. Rural families spend up to 37% of their income to heat and light their homes.
4. Recently passed federal legislation mandates that by July 1, 1991, commercial banks, savings and loans, and credit unions with federal insurance use only state certified real estate appraisers. Alaska has no such state licensing or certification program for real estate appraisers.

RECOMMENDED ACTION PLANS:

1. The state should adopt building codes and allow for regional differences and amendments.



*Home in
Kwethluk,
Alaska*

2. The state should adopt more stringent contractor licensing requirements. By June 30, 1990, the Alaska State Legislature should pass Senate Bill 72, or other appropriate legislation, to strengthen residential contractor licensing requirements. Those requirements should include continuing education.
3. In accordance with federal guidelines, the state should establish a state licensing or certification program for real estate appraisers by January 1, 1991.
5. State agencies should not fund the financing of existing substandard housing, with the following exception: If the existing structure currently has a state financed mortgage and meets standards #1-4 of the committee's definition of "substandard," the size requirement will be waived.
6. The state should continue to support the Home Weatherization program, which is primarily funded by the federal government.

Committee's Definition of Substandard:

1. Dilapidated: Where dilapidated means a housing unit that does not provide safe and adequate shelter and endangers the health, safety, or well being of its occupants.
2. A unit that has plumbing that does not conform to the typical community standards of the area it is located in.
3. A unit that does not have adequate or safe electrical service if electricity is available in the community and there is access to it.
4. A unit that cannot maintain an indoor air temperature of 70 degrees Fahrenheit.
5. A building that has less than 600 square feet of living space with 200 square feet per resident.

4. The state should actively lobby for, and support the financing of, affordable housing in rural areas under federal programs such as HUD's Mutual Help program, the BIA's Housing Improvement Program and the Department of Energy's Home Energy Program. However, the structure and management of these programs should be closely reviewed by the federal government and revised, where necessary.
7. The Alaska State Legislature should enact legislation to restore clear legal authority for the implementation of appropriate minimum thermal standards, based on regional differences, for newly constructed state-financed housing.

LOCAL HOUSING POLICY/LAND USE

IT IS THE POLICY OF THE STATE OF ALASKA TO ENCOURAGE COMMUNITIES TO TAKE AN ACTIVE ROLE IN HOUSING AND LAND USE ISSUES, RECOGNIZING THAT LOCAL CONTROL IS PREFERABLE TO CENTRAL CONTROL, BECAUSE LOCAL GOVERNMENTS CAN BEST BALANCE THE NEEDS OF THE PUBLIC WITH THE PRIVATE DETERMINATION OF SUPPLY AND DEMAND.

BACKGROUND:

Many of Alaska's villages and cities are separated not only by vast land areas, but also by geographic, economic and cultural differences as well. As a result, local governments in Alaska often have a more "independent" focus than in many other parts of the country.

With federal housing appropriations to states being reduced on an annual basis, local governments and states across the country are taking a more active role in housing.

Many local governments are using their bonding ability to support housing needs in their communities.

FINDINGS:

1. Local communities are the most knowledgeable on housing and land use issues in their area and local governments are the best qualified entity to accurately plan for how needs should be met.
2. Land use decisions in many Alaskan communities have become extremely complicated because these communities are dealing with private lands, regional Native corporation lands and Native village corporation lands.
3. In the past year, federal housing dollars to Alaska have been reduced by \$23.9 million dollars.

4. Very few Alaska communities do comprehensive housing plans as part of their long range planning process, often a result of limited resources for data collection and comprehensive housing planning. A sampling of 12 organized local governments in the state showed that only three included a housing plan as part of their comprehensive land use plan.
5. The U.S. Congress recently passed amendments to the federal Fair Housing Act. As a result of these amendments many local government-imposed restrictions, on the development of group homes or other housing for people with disabilities, will be a violation of federal law. These include restrictions contained in state and local laws, such as special use-permit requirements, dispersion rules and limitations on the number of residents in group homes.

RECOMMENDED ACTION PLANS:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
2. With community input and involvement, municipal governments should be encouraged to facilitate establishment of group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act). Integration of transitional housing residents into communities should be encouraged.

HOUSING POLICY DEVELOPMENT COMMITTEE MEETING SCHEDULE

Full Committee

December 7, 1988	Anchorage
April 21, 1989	Anchorage
June 23-24, 1989	Fairbanks
July 27, 1989	Homer (Teleconference)
September 8-9, 1989	Anchorage
October 13, 1989	Anchorage (Teleconference)
November 3, 1989	Anchorage (Teleconference)
November 17, 1989	Anchorage (Teleconference)
December 8, 1989	Anchorage (Teleconference)



Housing Policy Development Committee meeting in Fairbanks

Transitional and Long Term Housing for Special Needs Subcommittee

December 7, 1988	Anchorage
January 13-14, 1989	Anchorage
April 7-8, 1989	Juneau
April 20, 1989	Anchorage
June 23-24, 1989	Fairbanks
September 8-9, 1989	Anchorage
October 24, 1989	Anchorage
November 28, 1989	Anchorage

Low-income, Affordable and Senior Housing Subcommittee

December 7, 1988	Anchorage
January 13-14, 1989	Anchorage
February 23-24, 1989	Anchorage
March 30-31, 1989	Juneau
April 20, 1989	Anchorage
June 23-24, 1989	Fairbanks
July 14, 1989	Anchorage
September 8-9, 1989	Anchorage

Rural and Urban Housing Markets Subcommittee

December 7, 1988	Anchorage
January 20-21, 1989	Anchorage
February 24-25, 1989	Anchorage
March 30-31, 1989	Juneau
April 20, 1989	Anchorage
June 23-24, 1989	Fairbanks
September 8-9, 1989	Anchorage

Special Meeting of the Subcommittee Chairs

August 25, 1989	Bethel
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Public Hearings

Public testimony taken at all full committee meetings and at selected subcommittee meetings.

Statewide public testimony received at all teleconferenced meetings.

Additional teleconferenced public hearing held during the evening of December 7, 1989.

Public Participation

The following members of the public either attended or gave public testimony at the meetings (in person or via teleconference network):

Colleen Patrick-Riley
Rose Munafo
Marbeth Johns
Jerry Grover
Dr. Marilyn Scott
Jeanine Kennedy
Suzanne Goodrich
Sheila Selkregg O'Malley
Amos Heacock
Nancy Thompson Heacock
Velma Schaffner
Lorena Neece
Bill Heumann
Greg Pease
John Egan
Norman William
Roy Isturis
Judith Holden
Mary Matthews
Patricia Walsh
Hal Kummerow
Dottie Englund
Harvey Bowers
Nathan Wright
Karen King
Bob Shuttlesworth
Bonnie Shuttlesworth
Drena McIntyre
Alise Peck
Terry Hoke
Rosalee Walker
Kit Ballentine
Don Foss
H. Prent Gazaway
Jean Smith
Jacquelyn Canoose
John McCool
Bryon Coney
Lorena Showers
Linda Stanton
Bill Varner
Tim Meyers
Richard Kinney
Jetta Whittaker
Nita Greenwell-Madsen
Mary Collins

Pat Malone
Dennis Burns
Terry Baily
Dr. Chuck Logsdon
Judy Calhoun
Mary Raymond
Mary Guinn
Kaye Rogers
Hazel Heath
Margaret Pate
Evelyn Sprague
Florence Ross
Janet Wiltout
Clifford Jenson
Hayden Ellyson
Edna Kahn
John Stephan
Erid Jones
Marilyn Kirkhan
Karen Stephens
Susan Benedetti
Florence Orr
Catherine Davis
Theresa Maser
Marie MacKenzie
Mark Guy
Loree Wiltse
Virginia Carter
Charles McKee
Herbert Wilborg
James Fisher
Connie Sipe
Marie Darlin
Paul Fuhs
Pat McGee
Gary McGee
Jim Snyder
Christine Manion
Colleen Craig
Eldon Young
Gil Lulay
Dr. Dennis Scholl
Chuck Gasta
Don Sherwood
Hank Hodge
Kathleen Grahon

Appendix I

BIOGRAPHIES OF COMMITTEE MEMBERS

Nancy Adams

Executive Director of the Juneau Alliance for the Mentally Ill; past housing project coordinator for the Division of Mental Health, Department of Health and Social Services; Masters of Social Work from the University of California, Fresno. Has worked for the mentally ill in California, Montana, and Alaska since 1971.

Fred Ali

Executive Director of Covenant House Alaska since 1988; Bachelors of Arts in History and Political Science from Santa Clara University and a Masters in Education from the University of Michigan; past experience: founder and director of rural training program; deputy director of the State's Employment and Training Division; president of a community college; vice chancellor of Student Affairs at the University of Alaska, Anchorage; and seventeen year Alaskan resident.

Sharon Araj

Professor of Sociology, University of Alaska Anchorage; Ph.D. in Sociology from Washington State University in 1978; former faculty member at the University of Idaho, Washington State University and the University of Rhode Island; former recipient of several Institute of Mental Health (NIMH) Post Doctoral Fellowships; and currently involved in research that focuses on problems that families are experiencing as a result of the Exxon Valdez Oil Spill.

Bob Arwezon

Licensed Real Estate Broker and salesperson for 22 years; Bachelor of Arts in Economics, with a minor in Education from Bowdoin College in Maine; currently treasurer of the Alaska Association of Realtors; past president, director, and secretary of the Anchorage Board of Realtors; served for several years on real estate, legislative and government affairs committees; served on the Council's 1988

Housing Task Force; and resident of Alaska for 27 years.

Mitzi Barker (substitute for Tom Behan)

Special Projects Assistant to the executive director, Alaska Housing Finance Corporation; B. S. in Urban and Regional Government from Willamette University in Oregon and M. S. in Urban Planning from the University of Mississippi; prior experience: self-employed housing consultant; regional supervisor (Anchorage and Kenai) for the Alaska State Housing Authority; and fifteen years experience in research and policy analysis of housing issues.

Rick Barrier

General Partner in Malaspina Properties and a partner with them for eight years; Bachelor of Science from Yale University and a Master in Business Administration from Stanford University; president of Alaska Technology - business consultants and builders; active in real estate investments; president of the Alaska Trailer Court Association; and former member of the Council's Housing Task Force.

Jessie M. Bartlett (Substitute for Ray Price)

Case Manager Supervisor for the Alaska State Housing Authority; Bachelor of Arts in Sociology, with a minor in Business Education from Bethune-Cookman College, Daytona Beach, Florida; previously mortgage loan officer at Alaska Pacific Mortgage; past board member for Alaska Children's Services; member of the Alaska Professional Mortgage Women; participant in several campaign fund raising efforts. Works part-time at Hope Cottages as a program technician.

Tom Behan

Alaska Housing Finance Corporation's Executive Director since February 1989; Bachelor's Degree in Business Administration

from the University of Texas, El Paso and graduate of the Pacific Coast Banking School, University of Washington; extensive background in banking, mortgage real estate and lending; previously general partner and former manager of the Alaska Club; and active in Anchorage business and civic activities. Member of the Alaska Housing Market Council.

Howard Bess

Currently President of Alaska Housing Ministries; Masters in Divinity from Garret Theological Seminary; pastor of Church of the Covenant in Palmer; previously pastor of American Baptist Church for seven years and president of Gatela Ministries in California. Twenty years experience in housing.

Senator John Binkley

Elected to the State Senate in 1987 and is presently Co-Chair of the Senate Finance Committee; served on Governor's Interim Commission on Children and Youth, the Senate Special Committee on Suicide Prevention and the Senate Special Committee on School Performance; received degrees from University of Alaska, Fairbanks and Western Michigan University; past member of the State House of Representatives, the Bethel City Council, and the Alaska Municipal League Board of Directors.

Bryan Borjesson

Over 30 years of general and specialty construction experience in Alaska, including engineering design, construction management and company ownership; Bachelor of Arts in Civil Engineering and a Master in Civil Engineering, University of Alaska, Fairbanks; past president, Alaska Society of Professional Engineers; past vice president, International Conference of Building Officials; member, American Society of Civil Engineers; and Alaska resident for over 30 years.

Representative Kay Brown

Elected in 1986 to Alaska House of Representatives, member of House Finance

Committee; Bachelor's in Journalism from Baylor University; employed as analyst for PlanGraphics; named by *Savvy* Magazine as one of country's outstanding executives in 1985; former employee of state Department of Natural Resources: director of Division of Oil & Gas and deputy director of Division of Minerals & Energy Management; and worked as reporter for United Press Int'l., Anchorage Times, and The Charlotte Observer.

Paul A. Carr

Real Estate Planner with Carr Gottstein Properties; graduate of Montana State University in 1968 and Master in Public Administration applicant at the University of Alaska; past experience: planner for State of Alaska, platting officer for Anchorage Area Borough Planning Department, community development specialist with State of Montana, private consultant for Capital Site Planning Committee, and past member of Municipality of Anchorage Planning and Zoning Commission and Platting Board.

Barbara Chmiel

Currently a Rehabilitation Financial Specialist for the Municipality of Anchorage - staff ranked #1 in Region 10 under the rental rehab program; working towards BA in psychology/behavioral sciences; served as support staff for the Anchorage Handicapped Commission; board member of the Community Housing Resource Board; Iditarod Trail Committee volunteer from 1986 to 1988; member of the Anchorage Commission on the Handicapped; and a 35 year Alaskan resident.

Gale Cipra

Past Vice-President and Manager of Mortgage Production Department at Key Bank of Alaska; Associate of Arts from Indian River Community College and 1985 graduate of Mortgage Bankers Association, School of Mortgage Banking; senior loan officer, Alaska Housing Finance Corporation; mortgage branch coordinator, National Bank of Alaska; served on several Anchorage Neighborhood Housing Service committees; served on board

of directors and as vice-president (1988/89), Alaska Mortgage Bankers Association.

Representative Johnny Ellis

Elected in 1986 to AK. State House of Representatives, serves as Chair of the Health, Education and Social Services Committee and member of the Judiciary Committee; attended the University of Alaska, Anchorage and received a Bachelor of Science degree from Claremont College, California; past experience: legislative aide to the House Majority Leader in 1985 and 1986; researcher/writer for a marketing firm; has served on numerous state and local commissions and committees since coming to Alaska in 1975.

Velma Ellyson

Project Director for Homer Seriors Inc. since 1987; Bachelor of Science in Home Economics from West Virginia University and Masters in Administration from Bowie State College; course work at John Hopkins, University of Maryland. Past experience includes: twenty years in the field of education administration; owner-operator of seafood processing plant on the Homer Spit; currently serves on Homer Planning Commission and former president of Kachemak Bay Visitors Association.

Rob Gamel

Residential Projects Director for the Southport Company, a division of Carr-Gottstein Properties; Bachelor degree in Economics from Alaska Methodist University; active in the home building industry since 1973; former president of the Alaska State Home Builders Association, currently its legislative affairs chairman; former president of the Building Industry Association of Anchorage; past chair of Governor Sheffield's Statewide Task Force on Housing; born and raised in Alaska.

Jo Ann Goynes (Substitute for Ray Price)

Deputy Director of the Alaska State Housing Authority; twenty years in private sector property asset management; certified

property asset management consultant for state and federal governments; serves as Alaska representative on the National Committee of Severely Distressed Public Housing; past president and current member of the Alaska Chapter of the National Institute of Real Estate Management.

John Guinn

Executive Director for Alaska Village Council Presidents' (AVCP) Regional Housing Authority; past experience: deputy director of AVCP Regional Housing Authority; president of Guinn Lumber Company; past president of the Yukon-Kuskokwim Delta Mayors' Conference; mayor of Bethel, Alaska; served on Bethel City Council; carpenter with Carpenters' Local 1281; served in the United States Marine Corps; recipient of the Purple Heart Medal with honorable discharge in 1967; and commercial fisherman.

Kelly Gunnels

Assistant Vice President and Manager of the Mortgage Lending Division and Supervisor of Loan Production and Servicing Departments for Denali State Bank - since the bank was formed in 1976; three year member of Alaska State Board of Financial Women International; member of Advisory Board of Energy Rated Homes of Alaska. Fifteen year resident of Alaska.

Michael Harper

Director of Rural Development Division, Department of Community & Regional Affairs; Bachelor's of Business Administration from University of Georgia; serves on board of directors for Tundra Times Newspaper, Commonwealth North, and Doyon Ltd.; past vice president & loan officer for United Bank of Alaska; served as deputy commissioner of Department of Community & Regional Affairs and administrative assistant to the governor; planner & deputy director for RuralCAP.

Sam Helms

Retired Fairbanks general contractor and businessperson; active in state and local gov-

ernment affairs for over thirty years; public member of the Alaska Housing Market Council; Co-chair of the Alaska Laborers Retirees Association; member of the City of Fairbanks Public Utilities Board; and a thirty-six year Fairbanks resident.

Stan Hoofard

Rehabilitation Coordinator for the Municipality of Anchorage; previously a general contractor in the Anchorage Area; serves on the board of directors for Kid Corps; volunteer consultant on accessibility issues for the State of Alaska/Vocational Rehabilitation; and Alaska resident for twelve years.

Lee Huskey

Professor of Economics and Chair of the Department of Economics, University of Alaska Anchorage; Ph.d. and Master of Arts in Economics from Washington State University; past experience includes economist in the Planning Department, Municipality of Anchorage; member of American Economic Association, Western Economics Association; member, Anchorage Municipality, Economic Information Task Force; and member, Anchorage Community Development Block Grant Committee.

Deborah Ingman

Owner of Appraisal Associates of Juneau; designated as certified review appraiser - responsible for 13 Southeast Alaska communities; appraisal education obtained from American Institute of Real Estate Appraisers and Society of Real Estate Appraisers; past member of Southeastern Housing Task Force with the Alaska Housing Market Council, past president of Juneau Association of Professional Mortgage Women and on current board of directors; and resident of Juneau for the past 6 years.

Carol Jackson

Resource Development Analyst for Alaska State Housing Authority; business management courses from Alaska Pacific University; previously employed as president

of First Alaska Management Services, Inc. - the first housing consumer counseling agency funded by HUD in the State of Alaska; licensed real estate agent; past experiences include: property management and underwriter project review specialist with Alaska Housing Finance Corporation; and resident of Alaska for 27 years.

Leo Kaye

Litter Patrol Supervisor for Mat-Su Parks & Recreation; Bachelor of Science from Ithaca College and a Masters in Education from Oregon State College; serves on the Senior Citizens' Advisory Board; previously special assistant to Mat-Su Borough Manager; served as executive director of the Alaska Lung Association for 13 years; served as executive director to the TB & Lung Associations of Colorado, New York, and New Jersey for a combination of 21 years; served on many boards and councils.

Kathy Keck

Currently Staff Attorney for Alaska Legal Services Corporation (ALSC) in Fairbanks; Bachelor of Arts from the University of Washington, graduating Magna Cum Laude and Phi Beta Kappa; received Juris Doctorate from Yale Law School; previous staff attorney and supervising attorney in the Bethel office of ALSC; past experience: Environmental Litigation Program—Nuclear Waste Policy Project, Environmental Law Association; Yale Law Women's Association Restraining Order Project; and the Indian Law Forum.

Gary Mandzik

Residential Resource Coordinator with the Division of Mental Health and Developmental Disabilities, State of Alaska; Bachelor Degree from University of New York and Masters Degree in Counseling from the University of Southern Connecticut; member of the National Coalition for the Homeless; worked with the Division of Family & Youth Services in the Adult Services Unit; and supervised the Nome/Kotzebue Division of Family & Youth Services office. Nine year resident of Alaska.

Caren Mathis

Special Asst. to Commissioner of Dept. of Commerce & Economic Development; BA in Journalism from Colorado State U. and Master's in City Planning from MA. Institute of Technology; prior experience: project consultant to Cook Inlet Region, Inc.; mgr., Planning Services Division of Tryck, Nyman & Hayes; and past consultant to Municipality of Anchorage. Board member of AK. Council of Camp Fire and Alaska Planning Association; previously on MOA Platting Board, and Zoning Board of Examiners & Appeals.

Barbara Miklos

Executive Director of AK. Council on Domestic Violence and Sexual Assault; BS in Education from NE Missouri State U. and Masters in Health Admin. from University of Colorado; member of Governor's Task Force on Youth; chair, Mental Health Advisory Committee; member of Social Services Advisory Board for City & Borough of Juneau; past chair, Governor's Child Sexual Abuse Working Group; former health systems specialist, Mt. Edgecumbe Hospital; health planning coordinator, SE Alaska Health Systems Agency.

Kay Murphy

Vice President of Mortgage Production at Key Bank; employed in banking industry since 1974; completed the School of Mortgage Banking (Northwestern University) in 1984; served as mortgage operations supervisor at Alaska Housing Finance Corporation from 1978 to 1984; has been active in the Alaska Mortgage Bankers Association and served as its president in 1987; former member of the Council's Housing Task Force; and Alaska resident for 19 years.

Cynthia Parker

Executive Director for Anchorage Neighborhood Housing Services; Bachelor of Science in Political Science and Planning with post graduate studies in Business Administra-

tion; extensive background in housing and property management; presently the chair of the Alaska Housing Market Council and former member of the Council's Housing Task Force; previously the manager for the Portland Housing Authority; past chair of the Anchorage Platting Authority; and has been a resident of Alaska for 9 years.

Ray Price

Executive Director of the Alaska State Housing Authority; prior experience includes: special staff assistant to Governor Cowper, manager of Anchorage Heritage Land Bank, and deputy director of the Housing Assistance Division for the Department of Community & Regional Affairs; member of the Alaska Housing Market Council; past president of the Anchorage Chapter of Blacks in Government and a youth football coach since coming to Alaska 11 years ago.

Pat Pourchot

Elected to Alaska State Senate in 1988, Chair of Senate State Affairs; State Representative (1985-1988); BA from University of Wisconsin and Masters in Public Administration, Harvard University; fourteen years experience in resource management and policy making in such capacities as resource manager, NANA Development Corp; admin. asst., State Senate Resources Committee; land manager, Alaska Federation of Natives; and legal assistant for former U.S. Senator Mike Gravel.

Steven Rieger

Elected to House of Representative in 1984; Bachelor of Science from Harvard University and a Masters in Business Administration from Harvard Graduate School of Business; business consultant and financial manager; formerly worked for management consulting firm, investment bank, and major ocean shipping company; member of the Anchorage Chamber of Commerce, World Affairs Council and Iditarod Trail Committee; previously served on National Ski Patrol.

Mike Shuler

Executive Director of the Bristol Bay Housing Authority in Dillingham. (No additional information was received).

C.E. "Swack" Swackhammer

Elected to State House of Representatives in 1986; currently serves on House Finance Committee, Public Safety & Law Committee, House Fiscal Policy Subcommittee, House Ethics Committee and Housing Finance Task Force; Alaska State Trooper for 20 years; member of AK. Association of Chiefs of Police board of directors, Alaska Peace Officers Association, Rotary International-Soldotna, International Association of Chiefs of Police and past member of Governor's Advisory Board on Drug Abuse.

William Swain

Co-owner and Chair of the Board of Jack White Company; Bachelor of Arts degree

from the University of Minnesota; past experience: director of marketing and assistant to chairman at local bank; vice president of a television production firm located in Los Angeles, California; licensed real estate agent and formed real estate business with Bennett Williams, known as Swain - Williams Inc.; active in community affairs and charities; member of Board of Trustees for Humana Hospital. Resident of Alaska since 1969.

Mary Wolcuff

Former Executive Director of the Association for Stranded Rural Alaskans and adjunct faculty member at the University of Alaska, specializing in human services/cultural issues; volunteer experience: missionette state director, Alaska Native Education Council; Minority Education Concerns Committee; and Native Education Committee.

Appendix II

ANALYSIS OF COORDINATED HOUSING POLICY STATEMENT

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

OPTIONS FOR IMPLEMENTATION

There is a national movement towards state centralization and authority in the development and execution of state housing policies and programs. The federal Housing and Urban Development legislation is up for re-authorization soon, and several bills addressing housing policy on the national level have been, or will be, introduced in Congress. Eric Ostrovsky of the Governor's Washington D.C. office thinks that it is very likely that housing policy directions will change by early 1990 with passage of either S. 565 or a House bill. Whether or not these bills include intent to mandate coordination and distribution of federal funds through the Governors' Offices of each state remains to be seen, but discussions on this subject are occurring.

Surveys of other states show several of them moving in the direction of establishing centralization and coordination of housing issues. Fifteen states have an agency, either a department, division or council which is directly responsible for oversight of housing issues. Massachusetts, Washington and New Jersey are recognized as model states, and have very visible, progressive housing programs and development. They have centralized agencies/divisions within a Department of Community Affairs/Development with the DCA Commissioner heading the various housing Boards. They also have a vehicle for interagency coordination.

The Housing Policy Development Committee recognizes that a continued mechanism or centralized housing agency is needed to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues. The Committee weighed each of the options presented below and recommends that a Housing Commission be established, for now, with a plan to develop a Department of Housing in the state over the next several years. The Department will consolidate all of the state's housing functions.

OPTION 1 - ALASKA HOUSING COMMISSION.

Create an Alaska Housing Commission which reports directly to the Governor. Member composition shall reflect regional representation and shall include public members and representatives from housing and real estate industries, special needs groups, and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity. (9 members)

Number of members: 1 Regional representative from 4 judicial districts representing housing/
mortgage loan industries
1 representative of special needs groups
1 representative for rural areas
1 additional public member
Commissioner, Commerce & Economic Development
Commissioner, Community & Regional Affairs

Advisory members: Alaska State Housing Authority
Alaska Housing Finance Corporation
Department of Community and Regional Affairs

- Staffing: Executive Director
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor
- Responsibilities: Develop and implement statewide housing policy.
Plan and develop a Department of Housing.
State agency housing program review, coordination, oversight.
Writing/updating long term housing plan.
Conduct periodic statewide housing needs assessments.
Review use and disposition of state agency-owned foreclosed properties.
Facilitate the creation of housing partnerships, providing technical assistance.
Review of housing regulations between state agencies, recommending revision where appropriate.

A legislative mandate should be effected which specifies the authority of the Housing Commission in relationship to the Alaska Housing Finance Corporation, the Alaska State Housing Authority and other state agencies with housing responsibilities. The mandate should provide the Commission with the power to implement state housing policy.

- Pros: Housing resources and programs are scattered throughout 13 different state agencies, offices and divisions. A Housing Commission, given the authority to cross departmental lines and bring housing groups together, can formulate and coordinate a cohesive statewide housing policy that addresses a wide range of housing needs and problems.
- Important to have Commission within Governor's Office rather than within a Department so it can function in an impartial role.
- Cons: The Commission could be viewed as another unnecessary layer of bureaucracy and another complication in the tangle of housing programs.

OPTION 2 - DEPARTMENT OF HOUSING.

Create a Department of Housing with all housing agencies placed within that department. An interagency coordinating Committee could be formed with membership from each of the 12 agencies/programs involved in housing.

The Commissioner of the Department of Housing would chair the Boards of Directors of ASHA and AHFC.

- Staffing: Commissioner, Department of Housing
Executive Secretary
Information Officer
Division of Administrative Services
Division of Rural Housing Services
Alaska Housing Finance Corporation staff
Alaska State Housing Authority staff

- Responsibilities: Direct all housing programs within the state.
 Coordinate interagency housing activities.
 Establish and implement statewide housing policy.
 Same statewide responsibilities as listed for Housing Commission.
- Pros: This option provides the most visible commitment to state housing issues and the most effective entity to focus attention on the issues and problems. Housing concerns and policies would be represented at cabinet level, with more political clout to effect a coordinated statewide housing policy.
- Ability to better consolidate resources. Department could be created with stipulation of no increase in operating costs.
- Cons: Very difficult to get a new department created within state government.

OPTION 3 STATE HOUSING BOARD.

Merge the Boards of Directors of the Alaska State Housing Authority and Alaska Housing Finance Corporation into a State Housing Board with the authority to administer all housing agencies and state housing programs. Housing agencies will be placed under one department: either the Department of Community & Regional Affairs or the Department of Commerce & Economic Development. The State Housing Board will be responsible for statewide coordination of all state housing programs and for setting state housing policy.

- Number of Members: 9-member Board of Director, appointed by Governor
 Commissioner of Community & Regional Affairs serves as Chair
 1 regional representative from 4 judicial districts representing housing/
 mortgage loan industry
 1 representative of special needs groups
 1 representative for rural areas
 2 public members

ASHA and AHFC will maintain their independent status. The Executive Directors of both agencies will serve at the pleasure of the State Housing Board. AHFC and ASHA will each have a 5-member sub-board responsible for agency operations. The Commissioner of Community & Regional Affairs will chair the State Housing Board and both of the sub-boards. Membership on AHFC and ASHA Sub-Boards will each consist of the Commissioner of Community & Regional Affairs, 2 different members of the State Housing Board, and 2 members appointed by the Governor.

An Interagency Coordinating Committee could be formed with membership from each of the 12 agencies, offices and divisions involved in housing

- Responsibilities: Statewide coordination of all housing programs.
 Setting state housing policy.
 Writing/updating long-term housing plan.
 Same statewide responsibilities as listed above for Housing Commission.
- Staffing: Executive Director, State Housing Board
 Secretary/Receptionist
 Administrative Officer
 Research Analyst/Planner
 Information Officer/Technical Advisor

Pros: This option is the most consistent with model housing organizations in other states. It would be an effective way to ensure that policies and goals are implemented through consistent regulations and non-duplicated programs.

Consolidating housing agencies under one board has greater likelihood of success in implementing statewide housing policies. The proposed State Housing Board can provide clear, consistent, non-conflicting direction for the state's housing programs.

This option would satisfy the potential federal mandate for coordination and distribution of federal funds at the state level.

Under this option ASHA and AHFC Boards retain their independent status within state government. Retaining this independent status is important because of concerns about the bond covenants of both agencies and ASHA's contractual arrangements with HUD.

Cons: The mission and purpose of ASHA and AHFC are very different. The demands on their separate boards of directors are already significant. To combine the two boards and add statewide responsibility in addition may be too much for board members to handle.

OPTION 4 SPECIAL ASSISTANT FOR HOUSING.

Establish a Special Assistant for Housing position within the Office of the Governor. Position will be responsible for advising the Governor on housing policy.

The Special Assistant would direct an Interagency Coordinating Committee comprised of directors of the 12 housing agencies, offices, and divisions. The Committee would meet on a regular basis (monthly, bi-weekly) to discuss housing programs, problems, and policy.

Responsibilities: Formulating statewide housing policy.
Coordinating housing programs consistent with a statewide housing policy.

Staffing: Special Assistant for Housing
Secretary

Pros: This option would be a minimum level of commitment for a statewide housing policy and for coordination of state housing programs.
Administrative costs would be minimal.

Cons: Many of the statewide action plans identified by the HPDC would not get addressed, i.e. a long-term housing plan, statewide housing needs assessments, creating of housing partnerships, etc.

Least effective mechanism to implement centralized, coordinated statewide housing programs/policies.

There is no mechanism for public input under this option.

CURRENT HOUSING BOARDS/COUNCILS

There are currently 12 agencies, offices and divisions within State government which are involved in providing or regulating housing services within Alaska.

ALASKA HOUSING MARKET COUNCIL

Advises the Governor and the Legislature on housing policies directed towards the stabilization of the housing market. It also provides direct services to the public in the form of the mortgage and housing information and referral hotline, provides a forum for public input regarding housing issues, coordinates interagency housing policies, and conducts research on issues affecting housing and mortgage loans. (The Council will sunset on March 12, 1990.)

- Membership:** Department of Community and Regional Affairs
Department of Commerce and Economic Development
Alaska Housing Finance Corporation
Alaska State Housing Authority
Alaska Permanent Fund Corporation
Alaska Industrial Development & Export Authority
Office of the Governor
Public Members (5)
- Committees:** Housing Policy Development Committee (37 members)
HPDC divided into working task forces in 5 major areas to develop policy recommendations for full Committee review and adoption.
- Staffing:** Executive Director
4 staff members
- Meetings:** Council meets monthly. Meetings usually held in Anchorage and teleconferenced to Fairbanks, Juneau. Subcommittee meetings and Committee meetings held monthly and usually teleconferenced.
- Members do not receive a stipend for attendance at meetings. Members are reimbursed for travel expenses at rates set by the state.

ALASKA STATE HOUSING AUTHORITY

Provides low to moderate income housing under state and federal housing programs. Issues bonds for housing and public facilities as requested.

ASHA has been in existence since before statehood. They are an independent agency within the state and contract directly with HUD for the housing funds they receive and the housing programs they provide. ASHA deals with low to moderate income housing needs - primarily in the urban areas. Thirteen regional housing authorities operate as Indian Housing Authorities and deal with low to moderate housing needs in the rural/village areas; these authorities are independent and do not report to ASHA.

- Membership:** 4 public members appointed by Governor,
currently all members are from Anchorage and membership represents rural/native, business/real estate, minority, social services, and state government.
Commissioner of Commerce & Economic Development

Staffing: Executive Director
Division Directors
Clerical

Meetings: 4 times per year; 12 days maximum
In 1989, Board met on quarterly basis: 2 meetings in Anchorage, 1 in Sitka, 1 in Juneau.
Board members are paid \$80 per diem for each meeting they attend.
Members are reimbursed for travel expenses at rates set by the state.

ALASKA HOUSING FINANCE CORPORATION

Board of Directors is responsible for the management of AHFC assets and the business of the corporation; adoption, amendment and repeal of bylaws and regulations governing the manner in which all AHFC powers are exercised; review of proposed legislation and participation in lobbying efforts during legislative session; review and approval of key policy decisions which will affect AHFC borrowers; prescription of duties and compensation of corporation personnel; and review and approval of corporation budget.

Membership: Commissioner, Department of Revenue
Commissioner, Commerce & Economic Development
State Government Executive appointed by Governor, currently
Commissioner, Department of Labor
Public members (2), currently from Anchorage

Committees: Special committees established as needed.

Staffing: Executive Director
Executive Director's Secretary
Division Directors

Meetings: Not less than once every 3 months. Normally meet 12 times per year; 16 days maximum.
Usually transact meetings by teleconference with Anchorage, Juneau and Fairbanks. Meetings last from 3 to 6 hours.
Must give public notice, 24 hours or more in advance.
Members are paid \$100 for each public member, for each day spent on official business. Travel expenses are reimbursed at rate set by state.

ALTERNATIVES FOR IMPLEMENTATION OF HOUSING COORDINATION

COST ANALYSIS (in thousands)

BUDGET CATEGORY	SPECIAL ASSISTANT		HOUSING COMMISSION		STATE HOUSING BOARD		HOUSING DEPT.
	TOTAL COST	ALTERNATE COST ①	TOTAL COST	ALTERNATE COST ①	TOTAL COST	ALTERNATE COST ①	TOTAL COST
OPERATING EXPENDITURES	\$110.7	\$0.0	\$239.4	\$104.3	\$262.6	\$169.6	\$400.9
Personal Services							
Travel							
Staff Travel	6.0	6.0	14.5	6.9	14.5	10.3	28.0
Board Travel/Stipend Per Diem			12.8	12.8	12.8	12.8	0.0
Contractual							
Professional Services			8.7	3.9	8.7	3.9	
Communication	11.1	6.9	27.8	26.6	27.8	26.6	23.2
Advertising	2.5	0.0	14.4	7.4	13.0	10.0	9.5
Printing	2.0	2.0	16.1	4.0	18.1	10.1	14.6
Postage	4.2	1.8	8.3	7.8	7.1	6.6	5.7
Rent	4.8	0.0	19.4	0.0	18.9	0.9	22.8
Equipt. Rent, etc.			7.3	0.0	7.3	0.0	7.3
Supplies							
Office	3.8	1.0	6.3	3.8	6.3	3.8	11.0
Data Processing			1.0	1.0	1.0	0.5	2.0
TOTAL OPERATING EXP.	\$145.1	\$17.7	\$376.0	\$178.5	\$398.1	\$255.1	\$525.0
NON-OPERATING EXP.			15.0	②	15.0	②	15.0
TOTAL BOARD COST	\$145.1	\$17.7	\$391.0	\$178.5	\$413.1	\$255.1	\$540.0

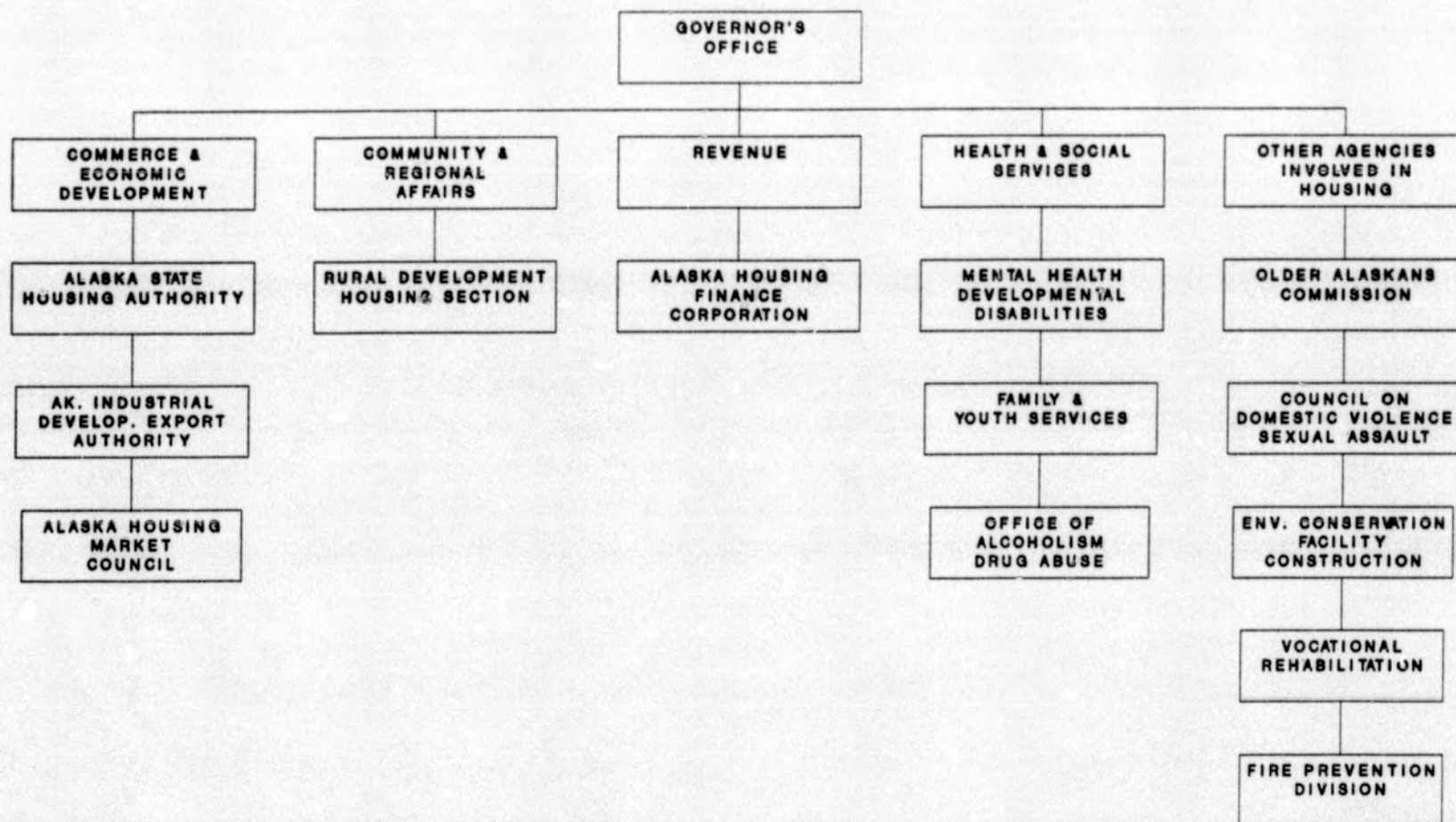
NOTE: IF THE FEDERAL, AFFORDABLE HOUSING ACT PASSES, COSTS FOR EACH ALTERNATIVE WILL INCREASE BY \$58.3 WITH THE ADDITION OF A GRANTS OFFICER TO REVIEW AND DISTRIBUTE FEDERAL FUNDS

① THESE ARE THE COSTS INCURRED WHEN EXISTING RESOURCES ARE USED. ALTERNATE COSTS FOR A DEPARTMENT OF HOUSING WERE NOT AVAILABLE AT TIME OF REPORT.

② THERE WOULD BE NO ADDITIONAL COST IF THE PRESENT INVENTORY OF THE AHMC WERE USED.

STATE OF ALASKA

AGENCIES WITH HOUSING RESPONSIBILITIES



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December 1989

 ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1.	PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON-STAFF TO ANSWER PUBLIC INQUIRIES	INFORMATION OFFICER/ TECHNICAL ADVISER	47.7	AHFC/ASHA STAFF	0.0
		-PRODUCE NEWSLETTER/BROCHURE		3.6	AGENCIES PRODUCE	0.0
2.	OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW INFORMATION PRIOR TO PUBLICATION	INFORMATION OFFICER/ TECHNICAL ADVISOR		COMMISSION EX. DIR. ASSUMES THIS ROLE	
3.	PROVIDE INFORMATION TO INTERESTED PARTIES, RE: FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON-LINE FOR INQUIRY	INFORMATION OFFICER RESEARCH ANALYST		AHFC STAFF	
4.	FACILITATE THE CREATION OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES -IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS -DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES -OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT	INFORMATION OFFICER/ TECHNICAL ADVISER EXECUTIVE DIRECTOR		NONE AVAILABLE UNDER THIS ALTERNATIVE	

 ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
5.	PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	INFORMATION OFFICER/ TECHNICAL ADVISER	3.4	NONE AVAILABLE UNDER THIS ALTERNATIVE	0.0
		-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		5.9		0.0
		-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		1.8		0.0
6.	WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	RESEARCH ANALYST/ PLANNER	47.7	INTERAGENCY COORD. COMMITTEE/COMMISSION EXECUTIVE DIRECTOR	0.0
		-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
		-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN		6.2		0.0
		-DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN				
7.	REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DH&SS DIVISIONS, OTHER STATE AGENCIES AND OFFICES WITH HOUSING PROGRAMS/SERVICES	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	

 ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA & ASHA				
8.	PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	EXECUTIVE DIRECTOR HOUSING COMMISSION		EXECUTIVE DIRECTOR/ INTERAGENCY COMM.	
9.	REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF STATE HOUSING AGENCIES/OFFICES AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION			INTERAGENCY COORD. COMMITTEE	
10.	CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS	RESEARCH ANALYST/ PLANNER	15.0	ISER OR UNIV. OF ALASKA	
11.	MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	

ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
12.	IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEED OF STATE HOUSING RESOURCES	<ul style="list-style-type: none"> -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING 	EXECUTIVE DIRECTOR/ HOUSING COMMISSION		ISER OR UNIV. OF ALASKA	
13.	REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	<ul style="list-style-type: none"> -IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS 	RESEARCH ANALYST/ PLANNER EXECUTIVE DIRECTOR/ HOUSING COMMISSION		AHFC STAFF	
14.	IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS AND DESIGNATE RECIPIENTS THROUGHOUT STATE	<ul style="list-style-type: none"> -SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUNDS 	GRANTS ADMINISTRATOR	50.9 * COVERED BY GRANT FUNDS		0.0

 ALASKA HOUSING COMMISSION

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	-DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS				
	-MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA				
15. ADMINISTRATIVE DUTIES					
	-MAINTAIN OFFICE SPACE, EQUIP, ETC.		52.4	SHARE AGENCY SPACE, EQUIP	27.4
	-DIRECT COMMISSION ACTIVITIES	EXECUTIVE DIRECTOR	73.6		73.6
	-STAFF SUPPORT OF HOUSING COMMISSION MEETINGS	SECRETARY	30.6		30.7
	-ADMIN SUPPORT OF HOUSING COMMISSION	ADMIN. OFFICER	39.7		0
	-TECHNICAL SUPPORT OF HOUSING COMMISSION		25.3	USE AGENCY CONF. SPACE	21.1
	-TRAVEL FOR COMMISSION MEETINGS		12.8		12.8
	-PUBLICATION OF ANNUAL REPORT		2.1		2.1
	-BOOKKEEPING, ANNUAL AUDIT		8.7	AGENCY ACCTG. SERVICES	3.9
	-STAFF TRAVEL		14.5	REDUCED STAFF, LESS TRAVE	6.9
			-----		-----
		TOTAL COSTS	391.0		178.5

*FUNDING FOR THIS POSITION IS QUESTIONABLE UNDER AFFORDABLE HOUSING ACT;
 POSSIBILITY OF USING GRANT FUNDS TO COVER POSITION NEEDS TO BE EXPLORED.

 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1. ADMINISTER ALL HOUSING AGENCIES AND STATE HOUSING PROGRAMS	-STAFF STATE HOUSING BOARD -OVERALL ADMINISTRATIVE RESPONSIBILITY FOR AHFC, ASHA, RURAL HOUSING, INTERAGENCY COORDINATING COMMITTEE	EXECUTIVE DIRECTOR	86.5		86.5
2. PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES	INFORMATION OFFICER	50.9	AHFC/ASHA STAFF	0.0
	-PRODUCE NEWSLETTER/BROCHURE		3.6	AGENCIES PRODUCE	0.0
3. OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW INFORMATION PRIOR TO PUBLICATION	INFORMATION OFFICER			
4. PROVIDE INFORMATION TO INTERESTED PARTIES, RE: FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON LINE FOR INQUIRY	INFORMATION OFFICER RESEARCH ANALYST		AHFC STAFF	
5. FACILITATE THE CREATION OF HOUSING PARTNERSHIPS; PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES	INFORMATION OFFICER		MUST HAVE INFORMATION OFFICER/TECHNICAL ADVISOR POSITION TO ACCOMPLISH THIS ACTION PLAN.	50.9

 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	-IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS	EXECUTIVE DIRECTOR			
	-DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES				
	-OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT				
	-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	INFORMATION OFFICER	3.4		3.4
	-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		5.9		5.9
	-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		1.8		1.8
6. WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	RESEARCH ANALYST/ PLANNER	50.9	HOUSING AGENCIES/DIVISION USE EXISTING STAFF TO WRITE PLANS CONSISTENT W/ STATE HOUSING POLICY	0.0
	-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
	-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN		6.2		0.0
	-DEVELOP PROCESS FOR ONGOING REVIEW AND ANNUAL UPDATE OF PLAN				

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 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
7. REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	<ul style="list-style-type: none"> -COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DHSS DIVISIONS, OTHER STATE AGENCIES AND OFFICES WITH HOUSING PROGRAMS/SERVICES -COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA AND ASHA 	RESEARCH ANALYST/ PLANNER	.	INTERAGENCY COORD COMMITTEE	
8. PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	<ul style="list-style-type: none"> -ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET 	EXECUTIVE DIRECTOR HOUSING BOARD		EXECUTIVE DIRECTOR/ INTERAGENCY COMM.	
9. REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	<ul style="list-style-type: none"> -REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF AHFC, ASHA, AND DCRA AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION 			INTERAGENCY COORD. COMMITTEE	
10. CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	<ul style="list-style-type: none"> -CREATE DATA BASE ON HOUSING NEEDS BY REGION -CREATE DATA BASE ON AVAILABLE STATE, FEDERAL AND LOCAL FINANCING PROGRAMS -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS 	RESEARCH ANALYST/ PLANNER	15.0	ISER OR UNIV. OF ALASKA	

 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	-UPDATE DATA BASE ON ONGOING BASIS				
11. MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	
12. IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEED OF STATE HOUSING RESOURCES	-APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING	EXECUTIVE DIRECTOR/ HOUSING COMMISSION		ISER OR UNIV. OF ALASKA	
13. REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	-IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON ORED INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS	RESEARCH ANALYST/ PLANNER EXECUTIVE DIRECTOR/ HOUSING COMMISSION		AHFC STAFF	

 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
14. IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS AND DESIGNATE RECIPIENTS	-SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUNDS -DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS -MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA	GRANTS ADMINISTRATOR	50.9	* COVERED BY GRANT FUNDS	0.0
15. ADMINISTRATIVE DUTIES	-MAINTAIN OFFICE SPACE, EQUIP., ETC. -STAFF SUPPORT OF HOUSING BOARD MEETINGS -ADMIN. SUPPORT OF HOUSING BOARD -TECHNICAL SUPPORT OF HOUSING BOARD -TRAVEL FOR BOARD MEETINGS -PUBLICATION OF ANNUAL REPORT -BOOKKEEPING, ANNUAL AUDIT -STAFF TRAVEL	SECRETARY ADMIN. OFFICER	55.1 32.1 42.1 24.9 12.8 2.1 8.7 11.1	SHARE AGENCY SPACE, EQUIP DUTIES ABSORBED AGENCY USE AGENCY CONF. SPACE AGENCY ACCTG. SERVICES REDUCED STAFF, LESS TRAVE	25.6 32.1 0 23.2 12.8 2.1 3.9 6.9
		TOTAL COSTS	413.1		255.1

*COVERED BY GRANT FUNDS, NOT INCLUDED IN OPERATING COST TOTAL.

 SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1.	PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON-STAFF TO ANSWER PUBLIC INQUIRIES -PRODUCE NEWSLETTER/BROCHURE	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC/ASHA STAFF AGENCIES PRODUCE	0.0 0.0
2.	OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW PUBLISHED INFORMATION	NOT AVAILABLE UNDER THIS ALTERNATIVE		COMMISSION EX. DIR.	
3.	PROVIDE INFORMATION TO INTERESTED PARTIES RE: FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON-LINE FOR INQUIRY	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC STAFF	
4.	FACILITATE THE CREATION OF HOUSING PARTNERSHIPS; PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES -IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS -DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES -OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT	NOT AVAILABLE UNDER THIS ALTERNATIVE			

 SPECIAL ASSISTANT - HOUSING

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NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		0.0
		-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		0.0		0.0
		-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		0.0		0.0
5.	WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		0.0
		-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
		-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN		0.0		0.0
		-DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN				
6.	REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DIV. OF ALCOHOLISM & DRUG ABUSE, DIV. OF MENTAL HEALTH & DEVELOP. DISABILITIES, COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT.	NOT AVAILABLE UNDER THIS ALTERNATIVE		INTERAGENCY COORD. COMMITTEE	

SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-COORDINATE DEVELOPMENT OF SHORT AND LONG- TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA AND ASHA.				
7.	PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	NOT AVAILABLE UNDER THIS ALTERNATIVE			
8.	REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF AHFC, ASHA, AND DCRA AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION				
9.	CONDUCT PERIOD STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION. -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		
10.	MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEED STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY	NOT AVAILABLE UNDER THIS ALTERNATIVE			

 SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
11.	IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEED OF STATE HOUSING RESOURCES	<ul style="list-style-type: none"> -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS. -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING 	SPECIAL ASSISTANT/ INTERAGENCY COORD. COMMITTEE			
12.	REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	<ul style="list-style-type: none"> -IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS -REVIEW AND DISCUSSION OF PUBLIC PURPOSE USE OF OREO INVENTORY. 	NOT AVAILABLE UNDER THIS ALTERNATIVE INTERAGENCY COORD. COMMITTEE		AHFC STAFF	
13.	IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS AND DESIGNATE RECIPIENTS THROUGHOUT STATE	<ul style="list-style-type: none"> -SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT 	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0	COVERED BY GRANT FUNDS	0.0

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 SPECIAL ASSISTANT - HOUSING

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	HOUSING NEEDS, AVAILABLE FUNDS				
	-DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS				
	-MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA				
63 14. ADMINISTRATIVE DUTIES	-MAINTAIN OFFICE SPACE, EQUIP., ETC.		21.2	SHARE AGENCY SPACE, EQUIP	4.4
	-DIRECT COMMITTEE ACTIVITIES	SPECIAL ASSISTANT	78.5		0.0
	-STAFF SUPPORT OF COORD. COMMITTEE MTGS.	SECRETARY	32.1		0.0
	-TECHNICAL SUPPORT OF INTERAGENCY COMMITTEE		7.3		7.3
	-STAFF TRAVEL		6.0		6.0
			-----		-----
		TOTAL COSTS	145.1		17.7

*FUNDING FOR THIS POSITION IS QUESTIONABLE UNDER AFFORDABLE HOUSING ACT;
 POSSIBILITY OF USING GRANT FUNDS TO COVER POSITION NEEDS TO BE EXPLORED.

TOTAL STATE AND FEDERAL FUNDS APPROPRIATED IN ALASKA
For Fiscal Years 1988 and 1989 (In Thousands)

PURPOSE	LOW INCOME	RURAL	RENTAL	HOME OWNERSHIP	SPECIAL NEEDS	SENIORS	WEATHERIZATION	TOTALS

Federal:								
MCKINNEY					\$1,217.6			
DEVELOP HOUSING		\$57,876.0						
EMERGENCY SHELTER					549.5			
# A OFFERATIONS	\$8,246.0	6,936.3						
HOMELESS YOUTH					50.0			
HOUSING REHAB	1,005.0	1,874.8						
REHAB PROJECTS	1,997.4	9,837.9						
RENT SUBSIDIES			\$36,659.7					
RENTAL UNITS			20,745.0					
RUNAWAY SHELTER					128.0			
SENIOR CENTER						348.5		
WEATHERIZATION							4,800.0	

TOTAL FEDERAL	11,248.4	76,525.0	57,404.7	0.0	1,945.1	348.5	4,800.0	\$152,271.7

State:								
MORTGAGE LOANS		47,874.0		1,042,978.6				
SUPPLEM. HOUSING		7,000.0						
PIONEER HOMES						51,854.0		
MENTAL HEALTH					19,684.4			
WEATHERIZATION							4,700.0	
RECIPIENT GRANTS					29,412.9			
WILLOW PARK GRAN	4,900.0							

TOTAL STATE	4,900.0	54,874.0	0.0	1,042,978.6	49,097.3	51,854.0	4,700.0	\$1,208,403.9
=====								
TOTAL COMBINED	\$16,148.4	\$131,399.0	\$57,404.7	\$1,042,978.6	\$51,042.4	\$52,202.5	\$9,500.0	\$1,360,675.6
=====								
% OF TOTAL	1.19%	9.66%	4.22%	76.65%	3.75%	3.84%	0.70%	100.00%
=====								

Alaska Housing Market Council
December 1989

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
				1988		
AHFC	GEN. FUND	\$5,924,100	OPR	88	LOAN ADMINISTRATION	
AHFC	BONDS	\$705,154,107	LOAN	88	LOANS ORIGINATED	-----
						\$711,078,207
RURAL LOAN FUND	GEN FUND	22,683,850	LOAN	88	RURAL HOUSING LOANS	
SUPPLEMENTAL HOUSING	GEN. FUND	3,500,000	CAP	88	RURAL HOUSING	
RURAL LOAN FUND	GEN FUND	2,134,716	OPR	88	RURAL HOUSING	-----
						\$28,318,566
PIONEER HOMES	GEN. FUND	900,000	CAP	88	SENIOR HOUSING	
PIONEER HOMES	GEN. FUND	22,983,000	OPR	88	SENIOR HOUSING	-----
						\$23,883,000
MENTAL HEALTH	GEN. FUND	700,000	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	432,000	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	197,700	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,303,050	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	641,000	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,784,850	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	23,820	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	886,100	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	401,625	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,872,000	OPR	88	SPECIAL NEEDS HOUSING	-----
						\$8,242,145

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
WEATHERIZATION	GEN. FUND	350,000	CAP	88	WEATHERIZATION PROJECTS	
WEATHERIZATION	OIL OVERCHARGE	2,000,000	CAP	88	WEATHERIZATION PROJECTS	-----
						\$2,350,000
NAMED RECIPIENT GRANTS	GEN. FUND	14,653,375		88	STATE GRANTS	-----
						\$14,653,375
TOTAL 1988 GENERAL FUNDS		\$83,371,186				-----
TOTAL 1988 BONDS		\$705,154,107			TOTAL 1988 FUNDS	\$788,525,293

				1989		
AHFC	GEN FUND	\$5,723,700	OPR	89	LOAN ADMINISTRATION	
AHFC	BONDS	\$326,176,703	LOAN	89	LOANS ORIGINATED	-----
						\$331,900,403
RURAL LOAN FUND	GEN FUND	20,165,700	LOAN	89	LOANS ORIGINATED	
RURAL LOAN FUND	GEN FUND	2,889,700	OPR	89	RURAL HOUSING	
SUPPLEMENTAL HOUSING	GEN. FUND	3,500,000	CAP	89	RURAL HOUSING	-----
						\$26,555,400
PIONEER HOMES	GEN. FUND	24,761,000	OPR	89	SENIOR HOUSING	
ASHA	GEN FUND	2,430,000	CAP	89	SENIOR HOUSING	
PIONEER HOMES	GEN. FUND	780,000	CAP	89	SENIOR HOUSING	-----
						\$27,971,000

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
MENTAL HEALTH	GEN. FUND	401,625	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	23,820	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	197,700	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,784,850	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,872,000	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,303,050	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,174,800	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	641,000	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	886,100	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	432,000	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,700,000	CAP	88-89	SPECIAL NEEDS HOUSING	
ASHA	GEN. FUND	1,025,271	CAP	89	SPECIAL NEEDS HOUSING	-----
						\$11,442,216
ASHA	AHFC & GEN. FUN	4,900,000		89	ASBESTOS ABATE. & REMOVAL	\$4,900,000
WEATHERIZATION	OIL OVERCHARGE	2,000,000	CAP	89	WEATHERIZATION PROJECTS	
WEATHERIZATION	GEN. FUND	350,000	CAP	89	WEATHERIZATION PROJECTS	-----
						\$2,350,000
NAMED RECIPIENT GRANTS		14,759,533		89	STATE GRANTS	\$14,759,533

TOTAL 1989 GENERAL FUNDS		\$93,701,849				
		=====				
TOTAL 1989 BONDS		\$ 20,176,703			TOTAL 1989 FUNDS	\$419,878,552
		=====				-----
TOTAL ALL FUNDS 1988/1989		\$1,208,403,845				\$1,208,403,845

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
				1990		
PIONEER HOMES	GEN. FUND	\$25,000,000	OPR	90	SENIOR HOUSING	
PIONEER HOMES	GEN. FUND	500,000	CAP	90	SENIOR HOUSING	\$25,500,000
AHFC	GEN. FUND	10,527,600	OPR	90	LOAN ADMINISTRATION	\$10,527,600
SUPPLEMENTAL HOUSING	GEN. FUND	3,500,000	CAP	90	RURAL HOUSING	\$3,500,000
WEATHERIZATION	OIL OVERCHARGE	0	CAP	90	WEATHERIZATION PROJECTS	
WEATHERIZATION	GEN. FUND	400,000	CAP	90	WEATHERIZATION PROJECTS	\$400,000

TOTAL 1990 APPROPRIATION		\$39,927,600				
KNOWN TO DATE		=====				

Alaska Housing Market Council
December, 1989

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
1988 APPROPRIATED						
HUD	HUD	ALEUTIAN H. A.		\$1,032,252	CAP	REHAB 5 PROJECTS
HUD	HUD	ARCTIC SLOPE REG. H. A.		137,500	CAP	REHAB 1 PROJECT
HUD	HUD	ASHA		508,279	CAP	REHAB 1 PROJECT
HUD	HUD	ASHA		13,830,000	CAP	REPLACE WILLOW PARK*
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		22,700	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		6,313,200	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		510,546	CAP	REHAB 22 PROJECTS
HUD	HUD	BARANOF ISLAND H A/C		922,000	CAP	DEVELOP NEW HOUSING
HUD	CDBG	BEAVER VILLAGE		350,000	CAP	HOUSING REHAB
HUD	HUD	BERING STRAITS REG. H.A.		5,961,600	CAP	DEVELOP NEW HOUSING
HUD	HUD	BERING STRAITS REG. H.A.		456,568	CAP	DEVELOPMENT FUNDS
HUD	HUD	BERING STRAITS REG. H.A.		849,212	CAP	REHAB 8 PROJECTS
HUD	HUD	BRISTOL BAY H.A.		7,172,159	CAP	DEVELOP NEW HOUSING
HUD	HUD	BRISTOL BAY H.A.		293,160	CAP	DEVELOPMENT FUNDS
HUD	HUD	COPPER RIVER H A		20,730	CAP	REHAB 1 PROJECT
HUD	HUD	COPPER RIVER H A		435,450	CAP	DEVELOPMENT FUNDS
HUD/ESG	CDBG	FAIRBANKS N.S.B.		15,634	CAP	EMERGENCY SHELTER
HUD	HUD	INTERIOR REGION H A		277,130	CAP	DEVELOPMENT FUNDS
HUD	HUD	INTERIOR REGION H A		311,478	CAP	REHAB 3 PROJECTS
HUD	HUD	INTERIOR REGION H A		3,627,000	CAP	DEVELOP NEW HOUSING
HUD/ESG	CDBG	JUNEAU		29,613	CAP	EMERGENCY SHELTER
HUD/ESG	CDBG	KENAI		4,770	CAP	EMERGENCY SHELTER
HUD	HUD	KODIAK ISLAND H A		680,446	CAP	REHAB 3 PROJECTS
HUD/ESG	CDBG	KOTZEBUE		11,023	CAP	EMERGENCY SHELTER
MCKINNEY ACT	HUD	MOA		4,000	CAP	EMERGENCY SHELTER GRANTS
HUD/ESG	CDBG	MOA		5,100	CAP	EMERGENCY SHELTER
HUD	ESGP	MUN OF ANCHORAGE		4,000	CAP	EMERGENCY SHELTER
HUD	RRP	MUN OF ANCHORAGE		156,700	CAP	RENTAL REHAB
HUD	HUD	MUN OF ANCHORAGE		729,950	CAP	HOUSING REHAB
HUD	CDBG	MUN OF ANCHORAGE		128,000	CAP	RUNAWAY SHELTER
HUD	HUD	NORTH PACIFIC RIM H A		19,384	CAP	DEVELOPMENT FUNDS
HUD	HUD	NORTH PACIFIC RIM H A		1,844,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	NORTHWEST INUPIAT H A		3,103,778	CAP	DEVELOPMENT FUNDS
HUD	HUD	NORTHWEST INUPIAT H A		2,344,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	NORTHWEST INUPIAT H A		319,575	CAP	REHAB 3 PROJECTS
HUD	CDBG	PETERSBURG		350,000	CAP	HOUSING REHAB
HUD	CDBG	RUBY		124,768	CAP	HOUSING REHAB
HUD	HUD	STATE OF ALASKA		81,000	CAP	RENTAL REHAB
HUD	ESPG	STATE OF ALASKA		5,000	CAP	EMERGENCY SHELTER
HUD/ESG		STATE OF ALASKA		2,500,000	CAP	WEATHERIZATION
MCKINNEY ACT	HUD	STATE OF ALASKA		5,000	CAP	EMERGENCY SHELTER GRANTS
HUD	CDBG	TCC/VENETIE		350,000	CAP	HOUSING REHAB

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
HUD	HUD	TLINGIT-HAIDA H A		75,000	CAP	DEVELOPMENT FUNDS
HUD	HUD	TLINGIT-HAIDA H A		3,739,800	CAP	DEVELOP NEW HOUSING
HUD	HUD	TLINGIT-HAIDA H A		1,185,525	CAP	REHAB 15 PROJECTS
SUBTOTAL 1988 CAPITAL APPROPRIATIONS				\$60,847,030		
HUD	HUD	ALEUTIAN H.A.		\$179,070	OPR	H A OPERATIONS
HUD	HUD	ARCTIC SLOPE REG. H. A.		304,080	OPR	H A OPERATIONS
HUD	HUD	ASHA		4,036,039	OPR	H A OPERATIONS
HUD	HUD	ASHA		8,526,654	OPR	RENT SUBSIDIES
HUD	HUD	ASHA		898,190	OPR	RENT SUBSIDIES
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		191,120	OPR	OPERATING SUBSIDY
HUD	HUD	BARANOF ISLAND H A/C		14,700	OPR	H A OPERATIONS
HUD	HUD	BERING STRAITS REG. H.A.		210,334	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	BETHEL		5,000	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	BRISTOL BAY	INDIAN ALLOCATION	2,265	OPR	ECS - HOMELESS
HUD	HUD	BRISTOL BAY H.A.		54,340	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	COOK INLET	INDIAN ALLOCATION	6,302	OPR	ECS - HOMELESS
HUD	HUD	COOK INLET H A		706,476	OPR	H A OPERATIONS
HUD	HUD	COPPER RIVER H A		286,994	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	FAIRBANKS	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS
MCKINNEY ACT	FEMA	FAIRBANKS N. S. B.		77,425	OPR	EMERG. FOOD & SHELTER
HUD	HUD	INTERIOR REGION H A		59,690	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	KENAI PENINSULA BOR.		49,565	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	KODIAK	INDIAN ALLOCATION	1,001	OPR	ECS - HOMELESS
HUD	HUD	KODIAK ISLAND H A		137,450	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	KODIAK ISL. BO.		4,907	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	LARSEN BAY	INDIAN ALLOCATION	500	OPR	ECS - HOMELESS
MCKINNEY ACT	FEMA	MAT-SU		48,039	OPR	EMERG. FOOD & SHELTER
HUD	HUD	METLAKATLA H A		127,814	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	MOA	CLITHEROE CENTER	1,046,589	OPR	ALCOHOL/DRUG ABUSE TREAT.
MCKINNEY ACT	FEMA	MOA		95,700	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	FEMA	NOME/KOTZEBUE		2,000	OPR	EMERG. FOOD & SHELTER
HUD	HUD	NORTH PACIFIC RIM H A		188,506	OPR	H A OPERATIONS
HUD	HUD	NORTHWEST INUPIAT H A		409,300	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	NO. PACIFIC RIM	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS
MCKINNEY ACT	EDUC	STATE OF ALASKA		75,000	OPR	ADULT ED. LITERACY
MCKINNEY ACT	HHS	STATE OF ALASKA		59,178	OPR	ECS - HOMELESS
MCKINNEY ACT	EDUC	STATE OF ALASKA	DEPT. OF EDUCATION	50,000	OPR	HOMELESS YOUTH EDUC.
MCKINNEY ACT	FEMA	S.E. ALASKA COUNTY		45,000	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	TANANA	INDIAN ALLOCATION	3,784	OPR	ECS - HOMELESS
MCKINNEY ACT	HHS	TLINGIT HAIDA	INDIAN ALLOCATION	5,711	OPR	ECS - HOMELESS
HUD	HUD	TLINGIT-HAIDA H A		638,598	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	VALDEZ-CORDOVA		6,000	OPR	EMERG. FOOD & SHELTER

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
HUD	HUD	VARIOUS PROJECTS		8,542,156	OPR	RENT SUBSIDIES
SUBTOTAL 1988 OPERATING APPROPRIATIONS				\$27,097,477		
TOTAL 88 APPROPRIATIONS				\$87,944,507		
1989 APPROPRIATIONS						
HUD	HUD	ALEUTIAN H A		\$1,170,889	CAP	DEVELOP NEW HOUSING
HUD	HUD	ALEUTIAN H A		1,228,175	CAP	REHAB 4 PROJECTS
HUD	HUD	ARCTIC SLOPE H A		2,212,800	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASHA		6,915,000	CAP	REPLACE BIRCH PARK*
HUD	HUD	ASHA		1,489,150	CAP	REHAB 2 PROJECTS
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		450,000	CAP	REHAB 2 PROJECTS
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		3,203,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		717,782	CAP	DEVELOPMENT FUNDS
HUD	HUD	BERING STRAITS H A		538,626	CAP	DEVELOPMENT FUNDS
HUD	HUD	BERING STRAITS H A		1,547,022	CAP	REHAB 9 PROJECTS
HUD	HUD	BERING STRAITS H A		5,540,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	BRISTOL BAY H A		261,063	CAP	DEVELOPMENT FUNDS
HUD	DBG	CIRCLE		124,000	CAP	ELECTRIFICATION
HUD	HUD	COOK INLET H A		1,659,852	CAP	DEVELOP NEW HOUSING
HUD	HUD	COOK INLET H A		170,634	CAP	REHAB 1 PROJECT
HUD	HUD	COOK INLET H A		73,509	CAP	DEVELOPMENT FUNDS
HUD	HUD	COOPER RIVER H A		71,500	CAP	REHAB 2 PROJECTS
HUD	DBG	GRAYLINE		350,000	CAP	HOUSING REHAB
HUD	HUD	INTERIOR REGION H A		447,577	CAP	REHAB 3 PROJECTS
HUD	DBG	KLAWOCK		350,000	CAP	HOUSING REHAB
HUD	HUD	KODIAK ISLAND H A		482,336	CAP	REHAB 2 PROJECTS
HUD	RRP	MUN. OF ANCH.		178,000	CAP	RENTAL REHAB
HUD	DBG	MUN. OF ANCH.		96,000	CAP	BR. FRANCIS SHELTER
HUD	ESGP	MUN. OF ANCH.		26,000	CAP	EMERGENCY SHELTER
HUD	DBG	MUN. OF ANCH.		275,000	CAP	HOUSING REHAB
HUD	HUD	NORTH PACIFIC RIM H A		60,921	CAP	REHAB 2 PROJECTS
HUD	HUD	NORTHWEST INUPIAT H A		1,052,425	CAP	DEVELOPMENT FUNDS
HUD	HUD	NORTHWEST INUPIAT H A		332,500	CAP	REHAB 1 PROJECT
HUD	HUD	NORTHWEST INUPIAT H A		4,524,000	CAP	DEVELOP NEW HOUSING
HUD	ESGP	STATE OF ALASKA		25,000	CAP	EMERGENCY SHELTER
HUD	HUD	STATE OF ALASKA		2,300,000	CAP	WEATHERIZATION
HUD	HUD	STATE OF ALASKA		60,000	CAP	RENTAL REHAB
HUD	DBG	TOGIAK		348,545	CAP	SENIOR CENTER
SUBTOTAL 1989 CAPITAL APPROPRIATIONS				\$38,281,306		

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
HUD	HUD	ALEUTIAN H A		\$165,531	OPR	H A OPERATIONS
HUD	HUD	ARCTIC SLOPE H A		333,918	OPR	H A OPERATIONS
HUD	HUD	ASHA		4,209,971	OPR	H A OPERATIONS
HUD	HUD	ASHA		8,642,951	OPR	RENT SUBSIDIES
HUD	HUD	ASHA		1,369,781	OPR	RENT SUBSIDIES
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		185,510	OPR	H A OPERATIONS
HUD	HUD	BARANOF ISLAND H A		30,755	OPR	H A OPERATIONS
HUD	HUD	BERING STRAITS H A		135,797	OPR	H A OPERATIONS
HUD	HUD	BRISTOL BAY H A		195,684	OPR	H A OPERATIONS
HUD	HUD	COOK INLET H A		630,996	OPR	H A OPERATIONS
HUD	HUD	COOPER RIVER H A		310,880	OPR	H A OPERATIONS
HUD	HUD	INTERIOR REGION H A		113,100	OPR	H A OPERATIONS
HUD	HUD	KODIAK ISLAND H A		238,019	OPR	H A OPERATIONS
HUD	HUD	METLAKATLA H A		214,231	OPR	H A OPERATIONS
HUD	HUD	NORTH PACIFIC RIM H A		167,352	OPR	H A OPERATIONS
HUD	HUD	NORTHWEST INUPIAT H A		290,265	OPR	H A OPERATIONS
HUD	HUD	TLINGIT-HAIDA H A		606,915	OPR	H A OPERATIONS
HUD	HUD	VARIOUS PROJECTS		8,204,268	OPR	RENT SUBSIDIES
SUBTOTAL 1989 OPERATING APPROPRIATIONS				\$26,045,924		
TOTAL 1989 APPROPRIATIONS				\$64,327,270		

LEGEND:

- FEMA - Federal Emergency Management Agency
- CDBG - Community Development Block Grant
- ESGP - Emergency Shelter Grants Program
- RRP - Rental Rehabilitation Program
- HHS - Department of Health and Human Services
- HUD - Department of Housing and Urban Development
- EDUC - Department of Education
- ECS - Emergency Community Services
- H A - Housing Authority
- * - Purchase of scattered site units to replace public housing units which will be demolished

Alaska Housing Market Council
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FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	ALEUTIAN H A		\$1,032,252	CAP	REHAB 5 PROJECTS		
HUD	HUD	ALEUTIAN H A		179,070	OPR	H A OPERATIONS	\$1,211,322	
HUD	HUD	ARCTIC SLOPE REG. H A		137,500	CAP	REHAB 1 PROJECT		
HUD	HUD	ARCTIC SLOPE REG. H A		304,080	OPR	H. A. OPERATIONS	441,580	
HUD	HUD	ASHA		898,190	OPR	RENT SUBSIDIES		
HUD	HUD	ASHA		8,526,654	OPR	RENT SUBSIDIES		
HUD	HUD	ASHA		508,279	CAP	REHAB 1 PROJECT		
HUD	HUD	ASHA		4,036,039	OPR	H A OPERATIONS		
HUD	HUD	ASHA		13,830,000	CAP	REPLACE. WILLOW PARK*		\$27,799,162
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		6,313,200	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		22,700	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		510,546	CAP	REHAB 22 PROJECTS		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		191,120	OPR	OPERATING SUBSIDY	7,037,566	
HUD	HUD	BARANOF ISLAND H A/C		14,700	OPR	H A OPERATIONS		
HUD	HUD	BARANOF ISLAND H A/C		922,000	CAP	DEVELOP NEW HOUSING	936,700	
HUD	CDBG	BEAVER VILLAGE		350,000	CAP	HOUSING REHAB	350,000	
HUD	HUD	BERING STRAITS REG. H A		5,961,600	CAP	DEVELOP NEW HOUSING		
HUD	HUD	BERING STRAITS REG. H A		456,568	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BERING STRAITS REG. H A		210,334	OPR	H A OPERATIONS		
HUD	HUD	BERING STRAITS REG. H A		849,212	CAP	REHAB 8 PROJECTS	7,477,714	
MCKINNEY	FEMA	BETHEL		5,000	OPR	EMERG FOOD & SHELTER	5,000	
MCKINNEY	HHS	BRISTOL BAY	INDIAN ALLOCATION	2,265	OPR	ECS - HOMELESS		
HUD	HUD	BRISTOL BAY H A		54,340	OPR	H A OPERATIONS		
HUD	HUD	BRISTOL BAY H A		293,160	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BRISTOL BAY H A		7,172,159	CAP	DEVELOP NEW HOUSING	7,521,924	
MCKINNEY	HHS	COOK INLET	INDIAN ALLOCATION	6,302	OPR	ECS - HOMELESS		
HUD	HUD	COOK INLET H A		706,476	OPR	H A OPERATIONS	712,778	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	COPPER RIVER H A		286,994	OPR	H A OPERATIONS		
HUD	HUD	COPPER RIVER H A		435,450	CAP	DEVELOPMENT FUNDS		
HUD	HUD	COPPER RIVER H A		20,730	CAP	REHAB 1 PROJECT	743,174	
MCKINNEY	HHS	FAIRBANKS	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS		
MCKINNEY	FEMA	FAIRBANKS N.S.B.		77,425	OPR	EMERGENCY FOOD AND SHELTER		78,425
HUD/ESG	ESG	FAIRBANKS N.S.B.	FAIRBANKS N.S.B.	15,634	CAP	EMERGENCY SHELTER		15,634
HUD	HUD	INTERIOR REGION H A		59,690	OPR	H A OPERATIONS		
HUD	HUD	INTERIOR REGION H A		311,478	CAP	REHAB 3 PROJECTS		
HUD	HUD	INTERIOR REGION H A		3,627,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	INTERIOR REGION H A		277,130	CAP	DEVELOPMENT FUNDS	4,275,298	
HUD/ESG	HUD	JUNEAU		29,613	CAP	EMERGENCY SHELTER		29,613
HUD/ESG	HUD	KENAI		4,770	CAP	EMERGENCY SHELTER	4,770	
MCKINNEY	FEMA	KENAI PENINSULA BOROUGH		49,565	OPR	EMERG. FOOD & SHELTER	49,565	
MCKINNEY	HHS	KODIAK	INDIAN ALLOCATION	1,001	OPR	ECS - HOMELESS		
HUD	HUD	KODIAK ISLAND H A		680,446	CAP	REHAB 3 PROJECTS		
HUD	HUD	KODIAK ISLAND H A		137,450	OPR	H A OPERATIONS		
MCKINNEY	FEMA	KODIAK ISLAND BOROUGH		4,907	OPR	EMERG. FOOD & SHELTER	823,804	
HUD/ESG	HUD	KOTZEBUE		11,023	CAP	EMERGENCY SHELTER	11,023	
MCKINNEY	HHS	LARSEN BAY	INDIAN ALLOCATION	500	OPR	ECS - HOMELESS	500	
MCKINNEY	FEMA	MAT-SU		48,039	OPR	EMERG. FOOD & SHELTER	48,039	
HUD	HUD	METLAKATLA H A		127,814	OPR	H A OPERATIONS	127,814	
HUD/ESG	HUD	MUNI. OF ANCHORAGE		5,100	CAP	EMERGENCY SHELTER		5,100
MCKINNEY	HUD	MUNI. OF ANCHORAGE		4,000	CAP	EMERGENCY SHELTER GRANTS		
MCKINNEY	HHS	MUNI. OF ANCHORAGE	CLITHEREO CENTER	1,046,589	OPR	ALCOHOL DRUG ABUSE TREATMENT		
MCKINNEY	FEMA	MUNI. OF ANCHORAGE		95,700	OPR	EMERGENCY FOOD AND SHELTER		
HUD	ESGP	MUNI. OF ANCHORAGE		4,000	CAP	EMERGENCY SHELTER		
HUD	RRP	MUNI. OF ANCHORAGE		156,700	CAP	RENTAL REHAB		
HUD	HUD	MUNI. OF ANCHORAGE		729,950	CAP	HOUSING REHAB		

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	CDBG	MUNI. OF ANCHORAGE		128,000	CAP	RUNAWAY SHELTER		2,164,939
MCKINNEY	FEMA	NOME/KOTZEBUE		2,000	OPR	EMERG. FOOD & SHELTER	2,000	
HUD	HUD	NORTH PACIFIC RIM H A		1,844,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	NORTH PACIFIC RIM H A		188,506	OPR	H A OPERATIONS		
HUD	HUD	NORTH PACIFIC RIM H A		19,384	CAP	DEVELOPMENT FUNDS	2,051,890	
HUD	HUD	NORTHWEST INUPIAT H A		3,103,778	CAP	DEVELOPMENT FUNDS		
HUD	HUD	NORTHWEST INUPIAT H A		409,300	OPR	H A OPERATIONS		
HUD	HUD	NORTHWEST INUPIAT H A		2,344,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	NORTHWEST INUPIAT H A		319,575	CAP	REHAB 3 PROJECTS	6,176,653	
MCKINNEY	HHS	NORTH PACIFIC RIM	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS	1,000	
HUD	CDEBG	PETERSBURG		350,000	CAP	HOUSING REHAB	350,000	
HUD	CDBG	RUBY		124,768	CAP	HOUSING REHAB	124,768	
		STATE OF ALASKA		2,500,000	CAP	WEATHERIZATION	2,500,000	
HUD	ESPG	STATE OF ALASKA		5,000	CAP	EMERGENCY SHELTER		
MCKINNEY	EDUC	STATE OF ALASKA	DEPT. OF EDUCATION	50,000	OPR	HOMELESS YOUTH ED.		
MCKINNEY	EDUC	STATE OF ALASKA		75,000	OPR	ADUL ED. LITERACY		
MCKINNEY	HHS	STATE OF ALASKA		59,178	OPR	ECS - HOMELESS		
MCKINNEY	HUD	STATE OF ALASKA		5,000	CAP	EMERG. SHELTER GRANTS		
HUD	HUD	STATE OF ALASKA		81,000	CAP	RENTAL REHAB		275,178
MCKINNEY	FEMA	S.E. ALASKA COUNTY		5,000	OPR	EMERG. FOOD & SHELTER	45,000	
MCKINNEY	HHS	TANANA	INDIAN ALLOCATION	3,784	OPR	ECS - HOMELESS	3,784	
HUD	CDBG	TCC/VENETIE		350,000	CAP	HOUSING REHAB	350,000	
MCKINNEY	HHS	TLINGIT HAIDA	INDIAN ALLOCATION	5,711	OPR	ECS - HOMELESS		
HUD	HUD	TLINGIT-HAIDA H A		1,185,525	CAP	REHAB 15 PROJECTS		
HUD	HUD	TLINGIT-HAIDA H A		3,739,800	CAP	DEVELOP NEW HOUSING		
HUD	HUD	TLINGIT-HAIDA H A		75,000	CAP	DEVELOPMENT FUNDS		
HUD	HUD	TLINGIT-HAIDA H A		638,598	OPR	H A OPERATIONS	5,644,634	
MCKINNEY	FEMA	VALDEZ-CORDOVA		6,000	OPR	EMERG. FOOD & SHELTER	6,000	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	VARIOUS PROJECTS		8,542,156	OPR	RENT SUBSIDIES		8,542,156
TOTAL 1988 APPROPRIATION				\$87,944,507			\$49,034,300	\$38,910,207
HUD	HUD	ALEUTIAN H A		\$165,531	OPR	H A OPERATIONS		
HUD	HUD	ALEUTIAN H A		1,170,889	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ALEUTIAN H A		1,228,175	CAP	REHAB 4 PROJECTS	\$2,564,595	
HUD	HUD	ARCTIC SLOPE H A		333,918	OPR	H A OPERATIONS		
HUD	HUD	ARCTIC SLOPE H A		2,212,800	CAP	DEVELOP NEW HOUSING	2,546,718	
HUD	HUD	ASHA		8,642,951	OPR	RENT SUBSIDIES		
HUD	HUD	ASHA		6,915,000	CAP	REPLACE BIRCH PARK*		
HUD	HUD	ASHA		1,489,150	CAP	REHAB 2 PROJECTS		
HUD	HUD	ASHA		4,209,971	OPR	H A OPERATIONS		
HUD	HUD	ASHA		1,369,781	OPR	RENT SUBSIDIES		\$22,626,853
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		450,000	CAP	REHAB 2 PROJECTS		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		185,510	OPR	H A OPERATIONS		
HUD	HUD	ASSOC VILLAGE COUNCIL H A		3,203,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		717,782	CAP	DEVELOPMENT FUNDS	4,556,292	
HUD	HUD	BARANOF ISLAND H A		30,755	OPR	H A OPERATIONS	30,755	
HUD	HUD	BERING STRAITS H A		135,797	OPR	H A OPERATIONS		
HUD	HUD	BERING STRAITS H A		5,540,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	BERING STRAITS H A		538,626	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BERING STRAITS H A		1,547,022	CAP	REHAB 9 PROJECTS	7,761,445	
HUD	HUD	BRISTOL BAY H A		261,063	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BRISTOL BAY H A		195,684	OPR	H A OPERATIONS	456,747	
HUD	COBG	CIRCLE		124,000	CAP	ELECTRIFICATION	124,000	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	COOK INLET H A		630,996	OPR	H A OPERATIONS		
HUD	HUD	COOK INLET H A		170,634	CAP	REHAB 1 PROJECT		
HUD	HUD	COOK INLET H A		73,509	CAP	DEVELOPMENT FUNDS		
HUD	HUD	COOK INLET H A		1,659,852	CAP	DEVELOP NEW HOUSING	2,534,991	
HUD	HUD	OPPER RIVER H A		310,880	OPR	H A OPERATIONS		
HUD	HUD	COPPER RIVER H A		71,500	CAP	REHAB 2 PROJECTS	382,380	
HUD	CDBG	GRAYLING		350,000	CAP	HOUSING REHAB	350,000	
HUD	HUD	INTERIOR REGION H A		447,577	CAP	REHAB 3 PROJECTS		
HUD	HUD	INTERIOR REGION H A		113,100	OPR	H A OPERATIONS	560,677	
HUD	CDBG	KLAWOCK		350,000	CAP	HOUSING REHAB	350,000	
HUD	HUD	KODIAK ISLAND H A		482,336	CAP	REHAB 2 PROJECTS		
HUD	HUD	KODIAK ISLAND H A		238,019	OPR	H A OPERATIONS	720,355	
HUD	HUD	METLAKATLA H A		214,231	OPR	H A OPERATIONS	214,231	
HUD	ESGP	MUN. OF ANCH.		26,000	CAP	EMERGENCY SHELTER		
HUD	CDBG	MUNI. OF ANCHORAGE		96,000	CAP	BR. FRANCIS SHELTER		
HUD	CDBG	MUNI. OF ANCHORAGE		275,000	CAP	HOUSING REHAB		
HUD	RRP	MUNI. OF ANCHORAGE		178,000	CAP	RENTAL REHAB		575,000
HUD	HUD	NORTH PACIFIC RIM H A		167,352	OPR	H A OPERATIONS		
HUD	HUD	NORTH PACIFIC RIM H A		60,921	CAP	REHAB 2 PROJECTS	228,273	
HUD	HUD	NORTHWEST INUPIAT H A		290,265	OPR	H A OPERATIONS		
HUD	HUD	NORTHWEST INUPIAT H A		1,052,425	CAP	DEVELOPMENT FUNDS		
HUD	HUD	NORTHWEST INUPIAT H A		4,524,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	NORTHWEST INUPIAT H A		332,500	CAP	REHAB 1 PROJECT	6,199,190	
		STATE OF ALASKA		2,300,000	CAP	WEATHERIZATION	2,300,000	
HUD	ESGP	STATE OF ALASKA		25,000	CAP	EMERGENCY SHELTER		
HUD	HUD	STATE OF ALASKA		60,000	CAP	RENTAL REHAB		85,000
HUD	HUD	TLINGIT-HAIDA H A		606,915	OPR	H A OPERATIONS	606,915	
HUD	CDBG	TOGIAK		348,545	CAP	SENIOR CENTER	348,545	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	VARIOUS PROJECTS		8,204,268	OPR	RENT SUBSIDIES		8,204,268
TOTAL 1989 APPROPRIATION				\$64,327,230			\$32,836,109	\$31,491,121

LEGEND:

- FEMA - Federal Emergency Management Agency
- CDBG - Community Development Block Grant
- ESGP - Emergency Shelter Grants Program
- RRP - Rental Rehabilitation Program
- HHS - Department of Health and Human Services
- HUD - Department of Housing and Urban Development
- EDUC - Department of Education
- ECS - Emergency Community Services
- H A - Housing Authority
- * - Purchase of scattered site units to replace public housing units which will be demolished.

Alaska Housing Market Council
December 1989

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Dear Governor Cowper and Members of the Legislature:

I am pleased to present policy recommendations on behalf of the Alaska Housing Market Council. These recommendations have been formulated over a year and a half period, through a committee process involving consumers, housing professionals, banking representatives, legislators and public housing officials. The committee was established by the Alaska Housing Market Council and was specifically designed to provide the broadest representation of individuals impacted by housing issues across our state.

We have found that nothing impacts individuals more than the requirement for basic shelter. We have also found that no industry other than the oil industry has had as dramatic, or such a roller coaster effect, on the Alaskan economy as real estate.

The committee endeavored to receive the broadest possible amount of public testimony in the process of developing these recommendations. The committee held public hearings on a regular basis, teleconferencing and meeting in both rural and urban locations.

We have heard and seen the enormous need for new housing construction in rural Alaska that meets acceptable standards for safety, decency, sanitation and energy efficiency. We have learned about the continuing need for affordable housing units to meet our low-income population's requirements. We have also looked at the needs of special housing populations for emergency, transitional and long term housing. The growing senior Alaskan population will require a variety of housing forms and related care facilities. We have also examined economic factors that limit our state and believe that those needs must be addressed in a realistic and prudent manner.

The committee spent much time discussing the Alaskan real estate market and inconsistencies in that market throughout various regions. As part of the market discussion, we thoroughly examined the role of our state housing institutions and duplicate services within those entities. Central to these policy recommendations is the need to provide coordinated housing functions within state government. Financial constraints could be most effectively overcome through efficient housing delivery. The recommendations of the AHMC provide models for that central coordination, and specific suggestions that address our housing needs for the next decade.

We welcome your review of these suggestions and the opportunity to provide additional assistance to you for formulating solutions to these issues.

Sincerely,

Cynthia Parker, Chair
Alaska Housing Market Council

HOUSING POLICY DEVELOPMENT SUBCOMMITTEE MEMBERS

LOW-INCOME, AFFORDABLE, AND SENIOR HOUSING

Chair Paul Carr, Real Estate Planner, Carr-Gottstein Properties
Vice-Chair Carol Jackson, Resource Development Analyst, Alaska State Housing Authority
Bob Arwezon, Licensed Real Estate Broker
Howard Bess, President, Alaska Housing Ministries
Bryan Borjesson, Owner, Borjesson Engineering
Representative Johnny Ellis, Legislator, District 12-B
Velma Ellyson, Project Director, Homer Seniors Inc.
Kelly Gunnels, Assistant Vice President, Denali State Bank
Leo Kaye, Member of Mat-Su Senior Citizens' Advisory Board
Kathy Keck, Staff Attorney, Alaska Legal Services Corporation
Cynthia Parker, Executive Director, Anchorage Neighborhood Housing Services
Ray Price/Jo Ann Goynes/Jessie Bartlett, Executive Director/Deputy Director/Case Manager
Supervisor, Alaska State Housing Authority
Representative C. E. Swackhammer, Legislator, District 5-B

RURAL AND URBAN HOUSING MARKETS

Chair William Swain, Co-Owner and Chair of the Board of Jack White Company
Vice-Chair Mike Shuler, Executive Director of Bristol Bay Housing Authority
Rick Barrier, General Partner, Malaspina Properties
Tom Behan/Mitzi Barker, Executive Director/Special Projects Assistant, Alaska Housing Finance Corporation
Senator John Binkley, Legislator, District M
Rob Gamel, Residential Projects Director, Carr-Gottstein Properties
John Guinn, Executive Director, Alaska Village Council Presidents' Regional Housing Authority
Mike Harper, Director, Rural Development Division, Department of Community and Regional Affairs
Sam Helms, Retired Fairbanks General Contractor
Lee Husky, Professor of Economics and Chair of the Department of Economics, University of Alaska, Anchorage
Deborah Ingman, Owner of Appraisal Associates of Juneau
Caren Mathis, Special Assistant, Department of Commerce and Economic Development
Kay Murphy, Vice President of Mortgage Production, Key Bank of Alaska
Representative Steve Rieger, Legislator, District 8-B

TRANSITIONAL AND LONG TERM HOUSING FOR SPECIAL NEEDS

Chair Barbara Miklos, Executive Director, Council on Domestic Violence and Sexual Assault
Vice-Chair Gale Cipra, Past Vice-President of Mortgage Production, Key Bank of Alaska
Nancy Adams, Executive Director, Juneau Alliance for the Mentally Ill
Fred Ali, Executive Director, Covenant House Alaska
Sharon Araj, Professor of Sociology, University of Alaska, Anchorage
Representative Kay Brown, Legislator, District 12-A
Stan Hoofard/Barbara Chmiel, Rehabilitation Coordinator /Rehabilitation Financial Analyst,
Municipality of Anchorage
Gary Mandzik, Residential Resource Coordinator, Division of Mental Health and Developmental Disabilities, Department of Health and Social Services
Senator Pat Pourchot, Legislator, District H-A
Mary Wolcott, Former Executive Director, Association for Stranded Rural Alaskans

STATE HOUSING POLICY FOR THE 1990'S

The Housing Policy Development Committee
Alaska Housing Market Council
January, 1990

Glenda Straube, Executive Director
Heather Arnett, Staff to Committee
Peggy Stewart, Research Analyst
Kathleen Metcalfe, Researcher

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Executive Summary

One of the overriding goals of the Alaska Housing Market Council has been to develop a statewide housing policy. In December of 1988, the Alaska Housing Market Council appointed a thirty-seven member Housing Policy Development Committee. This committee has been comprised of housing professionals, consumers, banking representatives, legislators and public housing and housing finance officials.

During the 1989 legislative session, the Legislature confirmed their support for a housing policy by approving a resolution mandating that state agencies work together to draft a state housing policy. Governor Cowper approved the resolution, which became Legislative Resolve 55.

The Housing Policy Development Committee was divided into three subcommittees: Rural and Urban Housing Markets Subcommittee; Low-income, Affordable and Senior Housing Subcommittee; and the Transitional and Long Term Housing for Special Needs Subcommittee.

The subcommittees and the full Housing Policy Development Committee met monthly, often twice a month, in communities across the state. They heard hours of testimony from the public and private sector on every aspect of housing. They reviewed research on the present, and past, housing industry in Alaska, examined the federal housing picture, and looked at how other states have met their housing needs.

As a result of the committee's work and the accumulation of statistical housing data, the following major findings came to light:

- Housing programs in Alaska are not consolidated and are spread among 13 different state agencies, offices, and divisions. The result is that there is no coordinated state housing policy which would allow clear direction for housing programs. Housing regulations, from agency to agency, are sometimes in conflict. Statistical data on housing needs in the state is limited and, as a result, housing programs

are designed with little quantitative information regarding the real housing needs of Alaskans.

- Low-income and rural housing needs in the state are critical and have not been met with existing housing resources. Almost 23 percent of Alaskans are considered to be low-income residents.
- Federal housing money to the state is dwindling — over the past year by \$22 million.
- Many states are taking a much more active role in housing than Alaska. Those states have adopted an overall state housing policy and have coordinated housing programs. Some have set up "housing trust funds" to support housing needs. They have developed innovative housing "partnerships" with the private and public sector to fill in gaps unmet by federal housing programs.

As a result of these and other findings, the committee approved a mission statement and drafted a series of 13 policy statements:

MISSION STATEMENT

Safe, sound, sanitary and energy efficient living conditions should be available to all citizens of the state.

SUMMARY OF STATE HOUSING POLICY STATEMENTS

It is the policy of the State of Alaska. . .

- *to adopt and execute a state housing policy and facilitate coordination of housing services. (page 9)*
- *to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible. (page 9)*

- *to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand. (page 31)*
- *to improve the availability, accessibility and affordability of housing for people with limited, low or no incomes. (page 12)*
- *to improve the availability, accessibility and affordability of emergency, transitional and long-term housing for the homeless and others with special needs. (page 18)*
- *in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs. (page 12)*
- *to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner. (page 24)*
- *to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state. (page 28)*
- *to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs. (page 24)*
- *to promote the availability of quality, affordable rental housing. (page 12)*
- *to recognize that Senior Alaskans should have access to appropriate and affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability. (page 22)*
- *to develop and maintain stable sources of capital and revenue to support housing needs in the state. (page 24)*
- *that housing in the state should meet specific quality standards. (page 29)*

Some of the recommended action plans which accompany the thirteen policy statements are listed below:

- **Establish a Housing Commission and, ultimately, a Department of Housing (page 9)**

To overcome the fragmentation of existing programs and to ensure continued involvement in housing issues, the committee recommends that a Housing Commission be established - with a plan to develop a Department of Housing in the state over the next several years. The Department will consolidate all of the state's housing functions.

- **Increase Low-income and Rural Housing 10% Per Year (page 16)**

The state should commit to increasing the rural and low-income housing stock at a rate of at least 10% per year through 1996, and the state should identify how the total need can be met.

- **Eliminate State Mortgage Loan Subsidies (page 26)**

The Legislature should eliminate the mortgage loan subsidies, except to meet rural and low-income housing needs.

- **Develop housing assistance program for rural, low-income residents (page 16)**

The state should examine the feasibility of developing a program for subsidizing rent or mortgage payments for rural, low-income Alaskans who do not have enough income to participate in one of the housing assistance programs.

- **Expand Membership of AHFC and ASHA Boards (page 15)**

The boards of AHFC and ASHA should be expanded and should include a majority of public members.

- **Loan to Non-profit Housing Providers (page 5)**

To better meet the state's housing needs, state agencies involved in housing finance should have the legal, regulatory and procedural ability to provide financing to non-profit housing sponsors.

- **Donate Foreclosed Properties for Low-income, Rural and Special Needs Housing (page 17)**

State agencies should examine and evaluate their portfolios of non-insured "REO" properties (including mobile homes) to determine which properties could be donated for low-income, rural, and special needs housing.

- **Provide Supportive Care Services When Providing Housing for Special Needs (page 20)**

It is essential that a continuum of supportive care services be in place so that emergency, transitional and long term housing, for the homeless and others with special needs, will be effective.

- **Implement a "Continuum of Care" Housing Program for Seniors (page 23)**

The State of Alaska should adequately fund necessary supportive services which allow seniors to remain independent for as long as possible.

- **Apply for Federal Medicaid Waiver to Fund Supportive Services (page 23)**

The State should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services

- **Adopt Building Codes (page 29)**

The state should adopt building codes, allowing for regional differences and amendments.

- **Adopt More Stringent Contractor Licensing Requirements (page 30)**

The Legislature should pass SB72, or other appropriate legislation, to strengthen residential contractor licensing requirements.

- **Establish a State Licensing or Certification Program for Real Estate Appraisers (page 30)**

In accordance with federal guidelines, the state should establish a state licensing or certification program for real estate appraisers.

The History of State Housing and Mortgage Loan Programs

Summary

The history of the state's involvement in providing housing and mortgage loan programs has been long and varied. The Territorial Legislature recognized the government's need to develop and manage housing; thus the Alaska Housing Authority (later known as ASHA) was created in 1945. Shortly thereafter, the Alaska World War II Veterans Board was created. One of its missions was to provide funds for veterans seeking residential mortgage loans.

It wasn't until the early 1970's that the State of Alaska expanded its role and entered the secondary mortgage market by creating the Alaska Housing Finance Corporation (AHFC). Its purpose was to purchase federally insured mortgage loans for low-to-moderate income borrowers.

The Department of Community and Regional Affairs (DCRA) entered the housing business, in 1980, when the Legislature created the Nonconforming Housing Loan Program; its funds were divided in a 80/20 split between rural and urban Alaska. It was the state's first real commitment to home ownership for rural Alaskans.

In the same year, the Legislature made significant changes in the operations of AHFC. The most major of those changes was to remove the income limits and provide an interest subsidy. This created a new constituency for AHFC to serve.

Meanwhile, in the early 80's, the Permanent Fund Corporation and the Alaska Industrial Development Authority began to play a small, but important, role in the state's residential mortgage loan market. And the Division of Investments, in the Department of Commerce and Economic Development, began its role as a mortgage loan servicer.

Throughout this time ASHA continued to provide low-income and senior housing throughout the state. ASHA has recently set a new agenda to actively provide better opportunities for its low-income clients to improve their standard of living.

Despite the dramatic effects of Alaska's declining economy, both AHFC and DCRA have continued their commitment to providing affordable housing in Alaska. With decreasing revenues, however, Governor Cowper and the Legislature are seriously evaluating the future of both agencies and are trying to determine the best use of our financial resources. We may soon witness changes in the way the state faces housing issues and in how we determine: who we will serve with dwindling resources; what role state agencies will play in delivery of those services; and to what extent we are willing to commit to solving housing issues in Alaska.

1945-1949

The Territorial Legislature initiated Alaska's long history of involvement in housing by creating the Alaska Housing Authority in March of 1945. The Authority's primary function was to help alleviate the serious post-war housing shortage. The Authority was responsible for construction and management of veterans, low-income rental, and defense housing.

In 1946, the Territorial Legislature established a \$100,000 revolving fund to accommodate Veterans of World War II who were enrolled in educational institutions in Alaska. A fifty person dormitory, for veterans, was built at the University of Alaska in Fairbanks.

Since the economics of Alaska were different from most states, the Authority

submitted legislation to Congress which would address those differences. The legislation was approved in 1949 and included an initial appropriation of \$15,000,000 and was called the "Alaska Housing Act".

The initial concept of the Alaska Housing Act was to recognize the limited home financing available in Alaska, the high construction costs, and the absence of a construction industry. The purpose of the Act was to encourage the development of an adequate building industry and to meet the ever increasing need for home construction.

In April of 1946, the Territorial Legislature set up another source for housing funds: the Alaska World War II Veterans Board. The Commissioner of the Board was responsible for the Veterans Revolving Fund, which generated money for residential mortgage loans. After statehood, responsibility for the Fund was transferred to the Division of Veterans Affairs in the Alaska Department of Commerce.

1950-1959

A low-rent housing program was initiated, by the Alaska Housing Authority in 1950, and units were completed in Anchorage, Juneau, Ketchikan and Fairbanks by 1953. During the 1960's, construction of additional low-rent housing took place in Anchorage, Cordova, Juneau, Ketchikan, Sitka, Valdez, Wrangell, Petersburg, and Kodiak.

In 1957, funds were appropriated to approximately 40 villages, cities, and boroughs to assist in developing comprehensive plans. These plans analyzed existing conditions in each area and made predictions and recommendations for the future. As a result, a statewide housing study was completed which assisted the state in identifying housing needs and the methods for overcoming substandard housing. In 1959, the Alaska State Housing Authority (ASHA) was codified to continue its public housing work. Under new state laws, ASHA acted as a public authority in issuing bonds for the construction of public facilities. ASHA also supported

private developers and non-profit organizations through the issuance of multi-family bonds.

1960-1969

ASHA was granted \$180,000 by the Federal Government, in 1963, to conduct low-income housing demonstration projects in remote native villages. One project was the relocation of an entire village to a new site on the Yukon River. The Authority administered the grant and provided materials and technical assistance to the village for the construction of twenty-three new homes, using the federal Mutual-Help Program.

In early 1964, the Governor requested that ASHA conduct a survey of the needs of the State for office and service type buildings and employee housing. The report formed the basis for the introduction and passage of legislation in 1965, which empowered ASHA to issue bonds to finance the construction and acquisition of public buildings for lease to the State of Alaska. State Lease Revenue Bonds totaling \$106 million have been sold, during ASHA's tenure, and a substantial number of buildings were leased to the State. At the expiration of these leases, title to the buildings will be transferred to the State of Alaska.

The Remote and Village Housing Program was authorized in 1966 with state appropriations equal to 10% of the federal appropriation.

During 1967, ASHA was involved in several state building projects, including the construction of state employee housing in Valdez at a cost of \$5 million.

1970-1979

In the early 1970's, the Alaska Housing Finance Corporation (AHFC) was created, for the purpose of purchasing federally insured mortgage loans for low-to-moderate income borrowers. From its inception until the mid-1970's, AHFC was administered by the Executive Director of ASHA and both organizations shared a common Board of Directors.

In 1975, new legislation established a state Mortgage Insurance Fund, which allowed AHFC to purchase loans not federally insured; as a result, the Alaska Housing Finance Corporation increased their portfolio.

Meanwhile, between 1972 and 1974, ASHA was building twenty houses in Yakutat and eighty-one additional houses in Anaktuvik Pass, Kaktovik, Deering, Noatak, Shaktoolik, Koyuk, Tanacross, Galena, English Bay, Ouzinkie, King Cove, and Sand Point. These were all built under the Turnkey Construction Bond Program.

In 1974, ASHA entered into an agreement with the State of Alaska for construction of a 98 unit low-rent apartment building in Juneau, known as Marine View Apartments. In 1975, development and completion of 25 low-rent units took place in Douglas.

Between 1976 and 1980, elderly housing units were built by ASHA across the state: 96-unit Golden Towers in Fairbanks; 120-unit Chugach View in Anchorage; 42-unit Mountain View in Juneau; 50-unit Sea View in Ketchikan; 30-unit elderly housing in Seward; 17 units of family housing in Anchorage; and 22 units of elderly housing in Cordova.

1980-1989

The 1980's were marked by a dramatic increase in the state's involvement in providing subsidized, or low interest, mortgage loans to Alaskans.

The Housing Assistance Division, of the Department of Community and Regional Affairs (DCRA), was created by the 1980 Alaska State Legislature to administer the Nonconforming Housing Loan Program. Loan funds were to be distributed on a statewide basis with emphasis on rural Alaska. The initial mandate from the Legislature was twofold: (1) to form a central office and five regional offices and (2) to offer loans for nonconforming housing. First year loan funds were appropriated at \$10 million.

The 1981 Legislature continued funding the Nonconforming Housing Loan Program at a rate of \$40 million and directed the Division to divide such funds between rural and urban Alaska at an 80/20 split. Interest rates on DCRA's loans were established to be 1% lower than the interest rates received by AHFC on their taxable bonds.

In 1980, significant statutory changes were made in the operations of the Alaska Housing Finance Corporation: income limits were removed; loan limits were increased; mobile home and rural loan purchases were authorized; and a subsidy of 10% interest rates were established on the first \$90,000 of a mortgage loan (one percent less for veterans).

The legislature assisted AHFC in implementing these changes by authorizing more than \$500 million in appropriations. The net effect was that AHFC's volume surged and they began purchasing a large majority of all mortgage loans made in the state.

In 1981, the Permanent Fund Corporation was mandated by the Legislature to make investments in Alaska, where the risks and returns were the same or comparable with other investment opportunities. Residential mortgage loans fit this profile and so the corporation began their in-state mortgage loan program. These loans were made at market rates and included no subsidies.

The Permanent Fund Corporation bought new loans only during a two year period - due to lack of demand. The corporation presently holds only 192 Alaskan residential mortgage loans, \$30.3 million, in their portfolio.

During the early 1980's, there was little mortgage loan activity at the Department of Commerce and Economic Development (DCED). The Division of Veterans Affairs was consolidated with the Division of Business Loans and went through numerous other changes until it was transferred to the re-named Alaska State Department of Military and Veterans Affairs in 1984. No new veterans mortgage loans were issued since 1982.

However, the Division of Investments, at DCED, continues to service 23 loans originally purchased by the Veterans Mortgage Loan Fund and 1,342 Veterans Residential Mortgage Loans for the Alaska Industrial Development and Export Authority (AIDEA).

AIDEA's role in mortgage loans was expanded when it was given authority by the Legislature, in 1982, to participate in a residential mortgage loan program - in order to meet an increasing demand for multi-family dwellings. In 1985, the demand for these loans decreased and no new loans were issued after that time.

By 1987, the program itself was terminated. Currently, there are six multi-family residential mortgage loans in AIDEA's portfolio, totalling approximately \$3 million.

Earlier in the decade, major changes were taking place at the Department of Community and Regional Affairs. In 1982, the Housing Assistance Loan Fund (HALF) was created in the Housing Assistance Division. It combined the Nonconforming Loan Fund and AHFC's Rural Mortgage Purchase Programs. An FY82 appropriation, to the newly created HALF, was in the amount of \$45 million.

The 1983 Legislature gave HALF another \$45 million and a new program called the Homeownership Assistance Fund. The object of this program was to make home ownership a reality for low-income families, by subsidizing a portion of the interest payment on the loan.

The authority for making nonconforming loans in urban areas was transferred, in 1985, from the Housing Assistance Division of DCED to the Alaska Housing Finance Corporation.

Meanwhile, throughout the 1980's, the Alaska State Housing Authority continued to dedicate itself to providing housing for Alaskans. In 1983, ASHA completed 20 units of elderly housing in Juneau, as well as the Anchorage Senior Citizen Center, which was totally destroyed by fire in May of 1982 when

it was half way through its construction. In 1985, 20 units of senior citizen housing in Sitka and a 40-unit senior citizen housing facility in Fairbanks opened.

Changes continued at the Alaska Housing Finance Corporation. The voters of Alaska renewed their commitment to veterans housing, in 1983, when they adopted the Veterans Mortgage Program. This program allowed AHFC to purchase loans with tax-exempt bonds for qualifying veterans.

That same year, AHFC became the third largest issuer of taxable bonds in the U. S. corporate bond market.

In fiscal year 1984, an agreement was signed with the Federal National Mortgage Association (Fannie Mae) to swap Alaskan mortgages for Mortgage-Backed Securities. State Guaranteed Veterans Mortgage Bonds were restructured to extend the bond maturity to 30 or 35 years.

During 1985, the Corporation became an issuer of Government National Mortgage Association (GNMA) mortgage certificates, as a means of securing Veterans Administration guaranteed loans. In 1986, AHFC loans were approved by the Federal Housing Administration, qualifying AHFC loans for FHA insurance.

The Alaska State Building Authority (ASBA), formerly known as ASHA, renewed its role as a public finance vehicle for state operated facilities and expanded its services as a public housing authority operation throughout Alaska in 1986.

A 120 unit senior housing project, known as Chugach View, was completed and occupied by late 1987. During the same year, ASHA prepaid \$13.2 million in outstanding notes payable to the State of Alaska and reduced its outstanding indebtedness from \$18.5 million to \$5.3 million. ASBA also weathered the default of four FHA-insured multi-family projects originally bonded in 1983, allowing all bond holders to be paid at par value.

During FY87, ASBA committed time and resources to obtaining multi-million dollar grants, from both the federal and state governments, for asbestos removal and demolition of a substandard, low-income housing project in Anchorage known as Willow Park. Federal funds were authorized for the purchase of scattered housing - to relocate Willow Park renters. Asbestos removal followed the relocation process and demolition began in the summer of 1989.

Also this year, the name of the Alaska State Building Authority was changed back to its previous name, the Alaska State Housing Authority (ASHA), to better reflect its focus on providing low-income and senior housing in Alaska.

Looking for sources of revenue, the Legislature appropriated \$70 million from DCRA's Housing Assistance Loan Fund to the General Fund of the State Treasury in 1986. The 1987 Legislature appropriated \$2.5 million from the General Fund to the Revolving Loan Fund, enabling the Housing Assistance Division to maintain available funding for the housing loan demand in rural Alaska.

In March 1987, Governor Cowper signed an Administrative Order merging the Division of Community Development and the Housing Assistance Division into the Rural Development Division. This merger helped coordinate energy conservation programs by bringing the energy and housing sections together to work side by side.

Today, DCRA continues its policy of working, with rural Alaskans, to develop appropriate programs which can help people continue to live and work in their own communities. As of September 30, 1989, there were 1,566 residential mortgage loans (\$154.4 million) in their portfolio.

During the mid to late 1980's, it was clear that Alaska Housing Finance Corporation suddenly found itself in a new role, due to dramatic changes in the state's economy. With increasing foreclosures, AHFC became a major property holder.

In response to larger delinquency rates and foreclosures, the Home Owners' Assistance Program (HOAP) was created in 1988 to help thousands of Alaskan home owners. It gave them the opportunity to make their house payments more affordable and, in some instances, avoid foreclosure.

During fiscal year 1988, AHFC signed a new contract with the Federal Home Loan Mortgage Corporation (Freddie Mac) for \$200 million - which allowed them to continue to provide affordable loans to Alaskans. As of September 30, 1989, there were 42,793 residential mortgage loans (\$3.5 billion) in their portfolio.

The Alaska Housing Finance Corporation also focused its efforts on establishing programs for repossessed mobile homes and other foreclosed properties, making their loans assumable, and expanding their Refinance Program to include refinancing of non-AHFC loans.

The Legislature's Housing Finance Task Force has recently commissioned, with funding from AHFC, a report on the financial status of AHFC. This report, with a completion date of late January 1990, will analyze the effects of several future options for AHFC: keeping programs as they are; slowly removing the interest rate subsidy; and removing the full subsidy at one time. It seems inevitable that both Governor Cowper and the Legislature will be addressing program changes at the Alaska Housing Finance Corporation this session.

Policy Statements and Recommended Action Plans

COORDINATED AND REGIONALIZED POLICIES

- IT IS THE POLICY OF THE STATE OF ALASKA TO ADOPT AND EXECUTE A STATE HOUSING POLICY AND FACILITATE COORDINATION OF HOUSING SERVICES.

- IT IS THE POLICY OF THE STATE OF ALASKA TO RECOGNIZE THE SIGNIFICANT DIFFERENCES IN HOUSING NEEDS, STANDARDS AND REQUIREMENTS ACROSS THE STATE. AS A RESULT, STATE POLICIES, PROGRAMS, PROCEDURES AND REGULATIONS SHALL BE REGIONALIZED TO THE GREATEST EXTENT POSSIBLE.

BACKGROUND

Housing is a major economic reality in Alaska, and it is the most fragmented area of service delivery and policy in the state. Alaska's housing needs are very complex, and the delivery of services is very fractionalized. Demand for housing programs and service delivery are as wide and varied as the agencies that provide them. Resources to meet the demand are limited and the state can ill afford to waste them. A centralized, coordinated housing policy can bring housing groups together, and formulate and coordinate a cohesive housing policy that addresses a wide range of housing needs and problems. The Housing Policy Development Committee recognizes the problems in the delivery of housing services. The existing structure of scattered housing agencies throughout the state has not facilitated interagency dialogue, let alone coordination, about housing needs and resources. The Committee also recognizes the wide diversity between regions of the state and the importance of regionally appropriate housing programs.

They strongly believe that public input has been the catalyst that has moved housing issues to the forefront in the work the Alaska Housing Market Council has done. It is vital that a Commission that would keep housing issues at the forefront, and facilitate housing policy devel-

opment, be established - with the ultimate goal of the creation of a Department of Housing. A centralized agency to conduct housing policy is essential.

FINDINGS:

1. In all of the states which are recognized nationally as model housing states, there exists a department, division or council which is directly responsible for oversight of housing issues.
2. In Alaska, housing resources and programs are scattered throughout 13 different state agencies, offices and divisions. In addition, 13 regional Indian Housing Authorities address rural housing needs, and organized local governments administer a variety of housing programs.
3. There is no clear, consistent, non-conflicting direction for the state's housing programs nor is there an effective mechanism for avoiding conflicting regulations or duplicated programs.
4. The 1988 Rural Housing Needs Assessment Study, commissioned by the Department of Community and Regional Affairs, is one of the few examples, in Alaska's housing history, of a state housing agency or division methodically determining what needs have been left unmet. Most housing programs have been implemented in an information void.

RECOMMENDED ACTION PLANS

1. A continued mechanism, or centralized housing organization, is needed to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues. A Housing Commission should be established - with a plan to develop a Department of Housing in the state over the next several years. The De-

partment would consolidate all of the state's housing functions under one organization.

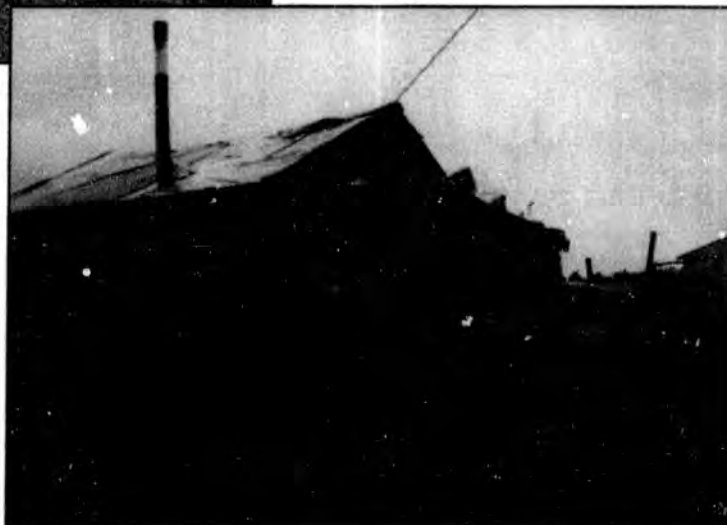
The Committee also considered the following options for a centralized housing agency. A detailed analysis of all options is presented in the Appendix.

- a. Establish a Special Assistant in the Governor's Office with housing issues as the sole area of responsibility.*
- b. Merge the Boards of Directors of ASHA and AHFC into a State Housing Board with the authority to administer all housing agencies and state housing programs.*

2. A legislative mandate should be effected which specifies the relationship of the Housing Commission to the Alaska Housing Finance Corporation, the Alaska State Housing Authority and other state agencies with housing responsibilities, and which provides the Commission with the power to develop and implement state housing policy.
3. The Commission's composition should reflect regional representation and should include public members and representatives from the following: the housing and real estate industry; special needs groups; and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity only.



*Split-level
home in
Anchorage.*



*Home in
Kwethluk,
Alaska*

LOW-INCOME, RURAL AND AFFORDABLE HOUSING

- IT IS THE POLICY OF THE STATE OF ALASKA, IN THE ALLOCATION OF STATE HOUSING RESOURCES, TO GIVE FIRST FUNDING PRIORITY TO THE STATE'S MOST URGENT HOUSING NEEDS.

- IT IS THE POLICY OF THE STATE OF ALASKA TO IMPROVE THE AVAILABILITY, ACCESSIBILITY AND AFFORDABILITY OF HOUSING FOR PEOPLE WITH LIMITED OR LOW INCOMES.

- IT IS THE POLICY OF THE STATE OF ALASKA TO PROMOTE THE AVAILABILITY OF QUALITY, AFFORDABLE RENTAL HOUSING.

Rural Alaska has dramatically poor housing conditions in terms of space per resident and state of repair according to the 1988 Rural Housing Needs Assessment Study. Many of the areas are ineligible for rental subsidies under HUD regulations because they are not on a cash based economy. Home ownership opportunities are limited due to lack of housing supply and difficulty with obtaining financing.

Affordable rental housing is a problem for a large section of Alaska's population. Although the median family income in Alaska for all

**TABLE I
LOW-INCOME GUIDELINES**

Family Size	ASHA Very Low Inc.	Income 70% LLSIL*	Poverty Guidelines
1	\$17,450	\$ 7,480	\$ 7,480
2	\$19,650	\$10,950	\$10,030
3	\$22,450	\$15,030	\$12,580
4	\$24,950	\$18,560	\$15,130
5	\$26,950	\$21,900	\$17,680
6	\$28,950	\$25,610	\$20,230
7	\$30,950	\$29,320	\$22,780
8	\$32,950	\$33,030	\$25,330

*LLSIL - Lower Living Standard Income Level

Sources: Alaska State Housing Authority
Federal Register, Vol 54, No. 63, April 4, 1989
Federal Register, Vol 54, No. 31, Feb. 16, 1989

BACKGROUND:

The state's most urgent housing needs have been identified as low-income and rural as of the time of this report.

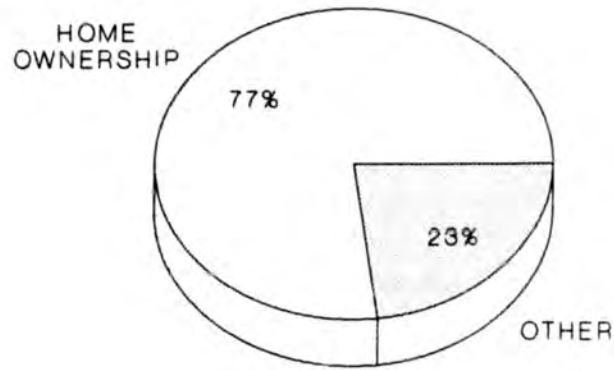
There are a variety of programs within the State of Alaska which provide services to people with limited or low-income. The Alaska guidelines determining low-income are aligned with the national guidelines, with an additional 25% cost of living adjustment.

households is \$46,000, the median family income for rental families is only \$29,800. 34% of Alaskans are unable to afford rent on a 1-bedroom unit based on HUD fair market rents of \$489. 40% of Alaskans are unable to afford rent on 2-Bedroom units with a \$576 fair market rent according to a study by Cushing N. Dalbeare, "Out of Reach—Why Everyday People Can't Find Affordable Housing."

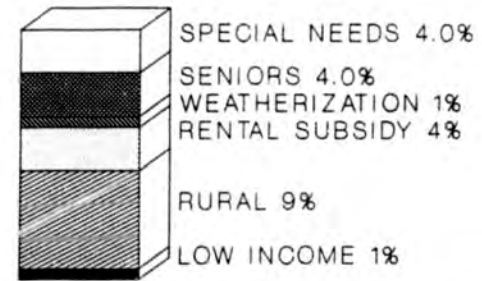
4. The Commission should report directly to the Governor.
5. The Commission should provide information on housing opportunities to the public and oversee state agency information services.
6. The Commission should be charged with state agency housing program review, coordination and oversight. It should clarify the roles of the Alaska Housing Finance Corporation, the Alaska State Housing Authority, and the Department of Community and Regional Affairs in the housing market.
7. The Commission should review and recommend revisions to state and federal housing policy and programs to ensure that Rural Alaska housing programs are culturally, environmentally and economically appropriate.
8. The Commission should be charged with writing a long term housing plan for the state and updating the plan periodically. State agencies, to include the Alaska Housing Finance Corporation, the Alaska State Housing Authority, the Department of Community and Regional Affairs, the Department of Health and Social Services, and the Department of Public Safety should develop statewide service plans in conjunction with each other and the state housing plan, to insure coordination and efficiency of service delivery.
9. The Commission should conduct periodic statewide housing needs assessments on housing and financing availability.
10. The Commission should direct state agencies to review housing regulations under their jurisdiction, compare them to other agency regulations and recommend revision, where appropriate, to eliminate conflict and duplication.
11. The Commission should be charged with reviewing the use of, and disposition of, state agency-owned foreclosed properties and shall provide information to interested parties regarding available properties. The Commission should encourage AHFC, banks and secondary institutions to donate foreclosed properties for use as transitional and long term special needs facilities, low-income housing and senior housing where appropriate.
12. The Commission should actively facilitate the creation of housing partnerships and provide advice and technical assistance on the development of those partnerships.
13. State agency regulations pertaining to housing and construction standards should be analyzed by a task force of industry and government for regional flexibility, and resulting recommendations should be forwarded to the Housing Commission. In addition, an agency appeals process should be implemented.
14. By January 1, 1991, AHFC & DCRA should explore, develop, and implement programs responsive to regional housing conditions, to include non-insured or co-insured loans for areas of the state which are not being served by private and public secondary investors and/or insurers. These new loan programs should be consistent with prudent lending standards.
15. The boards of AHFC and ASHA should be expanded and should include a majority of public members.
16. By June 30, 1990, the Alaska State Legislature should create a standing or special committee on housing in both the State House and State Senate.

WHERE HOUSING FUNDS ARE ALLOCATED

Fiscal Years 1988/1989



TOTAL FUNDS
(State & Federal)



OTHER HOUSING FUNDS
(Excluding Home Ownership)

FINDINGS:

(Note: Whenever available, statewide and regional statistics are used in the findings. In some instances, Anchorage statistics were the only ones available and are included to add more description to the scope of the problem).

1. There are approximately 182,000 households statewide. 32.7%, or 59,412, of those households are low-income. An additional 20.8%, or 37,847, families are considered moderate income.

**TABLE II
FAMILY INCOMES**

Low-income Families in Alaska:

Statewide Population	536,800
Total Households	181,955
Median Family Income	\$46,000
Low-income (50% of Median Family Income)	\$23,000
Number of Low-income Families	59,412
Percentage of Low-income Families	32.7%

Moderate Income Families in Alaska:

Moderate Income (80% of Median Family Income)	\$36,800
Number of Families	37,847
Percentage of Moderate Income Families	20.8%

2. The incomes of families vary significantly between the urban and rural areas of the state. Median family incomes in urban areas range between \$41,600 and \$62,200. Median family incomes in rural areas are as low as \$22,210. 42% of the rural population live in areas with median family incomes ranging between \$22,200 and \$35,000.
3. Of the 59,412 low-income families statewide, we were able to identify only 11,691 or 19.6%, which were served by ASHA,

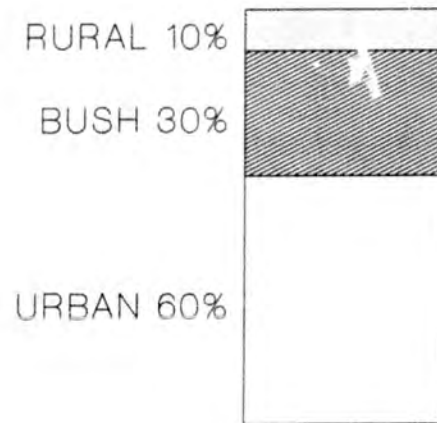
with rent subsidies or low rent units, or were served by the 13 regional housing authorities, the Rural Development Division of DCRA, or AHFC with home ownership opportunities.

**TABLE III
LOW-INCOME HOUSEHOLDS SERVED**

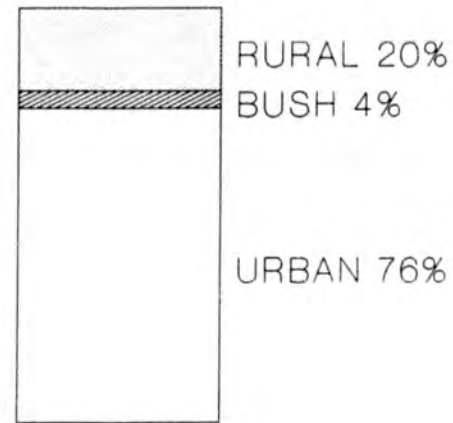
Low-income Households	
Statewide	59,412
Known Households Served Statewide	
ASHA Rent Subsidy	1,884
ASHA Low Rent Units	1,328
ASHA Section 8 Mgmt Units	285
Regional Housing Authority Home Ownership	3,586
Regional Housing Authority Low Rent	630
DCRA Loans to Incomes < \$20,000	32
AHFC Loans to Incomes < \$20,000	<u>3,946</u>
Total Households	11,691
Percentage of Low-income Households Served	19.6%

4. The 1988 Rural Housing Needs Assessment Study identified a need for 6,740 houses at a cost of \$781,813,000 to meet the need for immediate replacement and for displaced third/fourth generations. An additional 15,088 houses require construction of an addition to relieve overcrowding and 4,100 homes need replacement at a total cost of \$491,717,000.
5. AHFC's loan program was originally designed to help meet the housing needs of the low-income people in our state. As AHFC's role expanded, the State funded the Rural Development Division at DCRA and charged them with providing financial support for residential housing in rural Alaska. Even when the 99% of DCRA's \$158 million loan portfolio, in bush and rural areas, is combined with AHFC's total loan portfolio of \$3.5 Billion, only 27% of total (both AHFC and DCRA) loans went to rural and bush area

AREAS SERVED BY AHFC/HAD LOANS



Population
By Area of State



Loans Made By Area of State
(by dollar amount)

Areas served by mortgage loans
based on current 1989 agency portfolios.

Alaska Housing Market Council
December, 1989

NUMBER OF LOANS

URBAN LOANS	32,406 LOANS	73%
RURAL LOANS	9,960 LOANS	22%
BUSH LOANS	1,948 LOANS	5%
TOTAL LOANS	44,314 LOANS	100%

6. There is a lack of comprehensive information, on a statewide basis, on the extent of low-income and rural needs and how they are being met. Meanwhile state policy and programs are being developed and implemented in an information vacuum.

RECOMMENDED ACTION PLANS:

1. Currently, the most urgent housing needs in the state are for rural and low-income residents. Those needs should be given funding priority.
 - a. The state should commit to increasing the rural and low-income housing stock at a rate of at least 10% per year through 1996, and the state should identify how the total need can be met.

Rural - A community in the first, second or fourth judicial district which has a population between 1,000 and 4,500 and is connected by road or rail to Anchorage or Fairbanks

Bush - A community in the second, third or fourth judicial district which has a population which is less than 4,500 and is not connected by road or rail to Anchorage or Fairbanks; or a community in the first judicial district which has a population which is less than 1,000.

7. According to the "Municipality of Anchorage 1987 Population Survey," in the entire Anchorage population occupying multi-family housing, renters account for about 69.5% of the households. Altogether there were an estimated 34,583 occupied multi-family housing units in Anchorage in 1987.
8. According to the "Municipality of Anchorage 1987 Population Survey," the average income in renter-occupied housing in Anchorage is \$28,802; the average income in owner occupied housing in Anchorage is \$55,553. Low-income in the Anchorage area is defined in the range of \$22,450 to \$24,950 for a family of three.
9. In the 1980 census, there were 131,463 households statewide. 54,804 or 41% of those were renter households. The median family income for renter households was \$17,491 as compared to a median family income for owner occupied households of \$32,344. The same relationship is still seen in the "Municipality of Anchorage 1987 Population Survey."

- b. DCRA, AHFC, and ASHA should provide a five-year plan (due January 1, 1991) which identifies and addresses how low-income and rural housing needs can be met in the state. The five-year plan should include specific programs to be implemented no later than June 1, 1991. The Housing Commission should coordinate this effort.
- c. By June 1, 1991, the state should examine the feasibility of developing a program for subsidizing rent or mortgage payments for rural/low-income Alaskans who lack adequate affordable housing but do not have enough income to participate in one of the existing rural housing assistance programs.
- d. AHFC and DCRA should work together to determine the percentage of rural/non-conforming loans

SPECIAL NEEDS HOUSING

IT IS THE POLICY OF THE STATE OF ALASKA TO IMPROVE THE AVAILABILITY, ACCESSIBILITY AND AFFORDABILITY OF EMERGENCY, TRANSITIONAL AND LONG TERM HOUSING FOR THE HOMELESS AND OTHERS WITH SPECIAL NEEDS.

BACKGROUND:

Another severe, and urgent need, in the state is housing for the homeless and housing for Alaskans with special needs. There are three components of housing needed: emergency housing; transitional housing that includes some services for those in need, prior to them moving into an independent living situation; and long term housing for those with special needs.

Special needs housing is unique because an individual or family may utilize this type of housing at any time on the housing continuum: on an emergency basis, on a transitional basis, or over a long period of time; sometimes they may need all three types of housing.

FINDINGS:

1. An established need for 6,808 beds for emergency housing, transitional housing and long-term housing, has been identified in the state. Public, private and state agencies are currently providing 3,066 beds. An unmet need for 3,967 additional beds has been established. The largest gaps are in transitional and long term housing.
2. According to the "1989 State Comprehensive Homeless Assistance Plan," 85% of the state's homeless population in need of long term shelter assistance are chronic substance abusers. 40% of those in need of long term housing are chronically mentally or physically disabled.
3. In 1988, during the highest-volume months of January and February, the Brother Francis Emergency Shelter in Anchorage provided beds for approximately 250 persons per night. In 1989, the shelter assisted that many people in November alone, and they believe it is likely those numbers will climb even higher in the months of January and February, 1990.



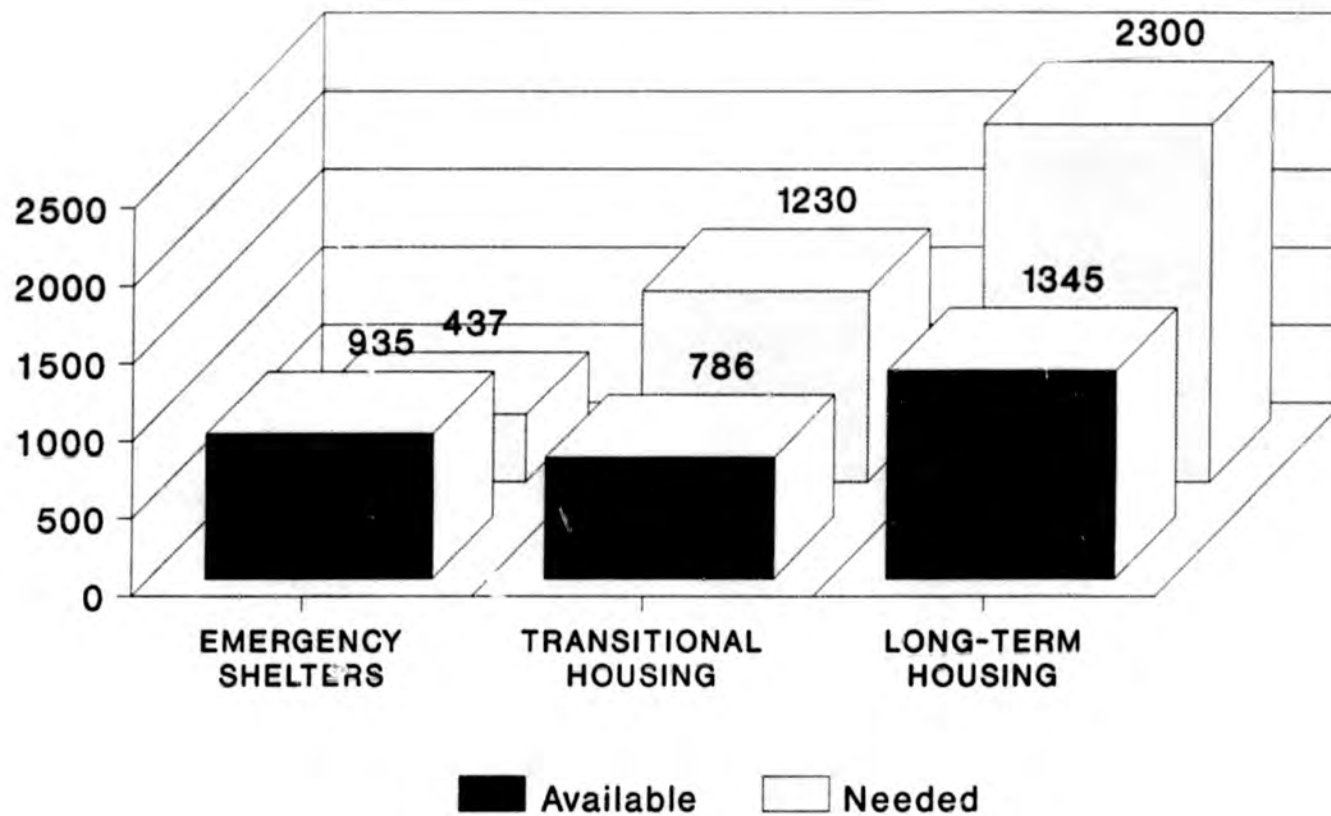
Maryette Kanabak and children at Clare House shelter in Anchorage.

that should be offered in AHFC bond sales. Those funds will flow to DCRA for their mortgage loan programs.

2. A function of the Alaska Housing Commission should be to collect and maintain comprehensive information on housing needs statewide and keep track of the most urgent housing needs in the state. When state funds are designated to meet housing needs, the Commission should identify which areas of the state and which target populations are most in need of housing resources.
3. By January 1, 1992, the State of Alaska should become actively involved in providing technical assistance and/or programs to private developers and non-profits for the planning and development of units which are affordable to low-income Alaskans. This should be through the Housing Commission and/or through programs established by AHFC, DCRA and ASHA.
4. By January 1, 1991, state agencies should examine and evaluate their portfolios of non-insured REO properties (including mobile homes) to determine which properties are appropriate to provide housing opportunities for low-income, rural and special needs populations. Such evaluation shall include assessment of structural integrity, availability of necessary utilities, and economic feasibility factors. The agencies should present their short and long term policies for disposition of these properties to the Commission for consideration.
5. By June 1, 1991, state agencies involved in housing finance should have the legal ability to provide financing to non-profit housing sponsors. DCRA, AIDEA, AHFC and ASHA should identify existing statutory, regulatory, policy and procedural barriers to such programs and initiate steps to eliminate these barriers through legislative, regulatory or internal processes, as appropriate.
6. Through the Alaska Housing Commission or other approved body, the state should encourage the development of housing partnerships in the state and authorize pre-development financing for certain rental projects (such as feasibility studies).
7. The state should examine the feasibility of converting appropriate foreclosed housing to rental units. This includes changes to AHFC policy to allow them to donate foreclosed properties to non-profit organizations, to be improved and rehabilitated by the non-profit group.
8. AHFC & DCRA lending practices should be expanded to allow mortgage loans for non-profit organizations, including housing authorities, so that those developers have the means to create affordable rental housing.

Note: As of November 1989, AHFC had 1287 units (including mobile homes) from its REO inventory on the market with a sales price of \$30,000 or less.

HOUSING NEEDS SPECIAL NEEDS GROUPS



Alaska Housing Market Council
December 1989

4. Each year, the Department of Corrections releases 2,300 - 2,500 people. It is estimated that 10-15% of that population is mentally ill. With no structured halfway houses to go to, that population has no other place to go but the street.

RECOMMENDED ACTION PLANS

1. Accessible Housing

Buildings for persons with special needs should be handicapped accessible and should be renovated, or built, in accordance with the "Uniform Federal Accessibility Standards," produced by the Department of Transportation and Public Facilities.

2. Supportive Care Services

It is essential that a continuum of supportive care services be in place for emergency, transitional and long term housing for the homeless and others with special needs in order for those housing programs to be successful. Those services include, but are not limited to, case management and medical and rehabilitative assistance.

3. Housing Needs

Listed below are some, but not all, of the groups identified in the state as needing various types of special needs housing:

- a. AIDS patients.
- b. The chronically ill.
- c. Homeless men and women, with or without children.
- d. Victims of domestic violence and their children, victims of elder abuse and victims of sexual abuse.
- e. Substance abusers.
- f. Pregnant youth and women.
- g. Homeless youth.
- h. Persons experiencing a physical disability or disabilities.
- i. The mentally ill.
- j. Persons in transition from the Alaska Psychiatric Institute, the Corrections system (particularly the mentally ill) and Alaska Youth Initiative graduates.
- k. Persons with more than one diagnosis. For example, the mentally ill person with a substance abuse problem.
 1. The developmentally disabled.
- m. Emotionally disturbed children.
- n. Rural Alaskans who come to regional centers for educational, medical or other reasons.
- o. Rural Alaskans, particularly youth, who move permanently to a larger community.
- p. The neurologically impaired and those with head injuries and brain trauma.

4. Rural Alaskans

The need for emergency, transitional and long term housing for special needs is critical in Rural Alaska. With Rural Alaska's severe housing shortage, there is almost no housing available to be used for special needs. As a result, it is recommended that the state give priority to developing special needs housing opportunities in Rural Alaska.

5. Funding Issues

- a. The State of Alaska, through the proposed Housing Commission, should review and prioritize the need for emergency, transitional and long term housing for special needs, so that available resources and funding can be allocated accordingly.
- b. By June 1, 1991, the role of the State of Alaska, through (but not limited to) the Alaska Housing Finance Corporation and the Department of Community and Regional Affairs, should be expanded to allow mortgage loans to non-profits for emergency, transitional and long term housing for those with special needs. This should be a cooperative effort.
- c. If needed, Alaska's congressional delegation should be contacted about the differences among HUD program requirements, which makes it difficult for housing providers to utilize HUD programs.
- d. Continued funding should be provided for the state's Institutional Discharge Project, which provides supportive housing programs for persons leaving the Alaska Psychiatric Institute, the Department of Corrections and Alaska Youth Initiative graduates.
- e. The state should consider applying for federal Medicaid option waivers to obtain additional funding for programs such as home-based supportive services. By obtaining such a waiver, the state and federal government would each pay half of such programs.
- f. Division of Family and Youth Services regulations should be changed so that housing services for non-state custodial teens can be funded or some form of financial assistance can be provided for programs assisting these teens.

SENIOR HOUSING

IT IS THE POLICY OF THE STATE OF ALASKA TO RECOGNIZE THAT SENIOR ALASKANS SHOULD HAVE ACCESS TO APPROPRIATE AND AFFORDABLE HOUSING. THE STATE SHOULD IMPLEMENT A HOUSING PROGRAM FOR SENIORS WHICH EMPHASIZES A CONTINUUM OF CARE SERVICES. SUPPORTIVE SERVICES SHOULD BE AVAILABLE WHICH ALLOW SENIORS TO LIVE INDEPENDENTLY AT THEIR LEVEL OF ABILITY.

BACKGROUND:

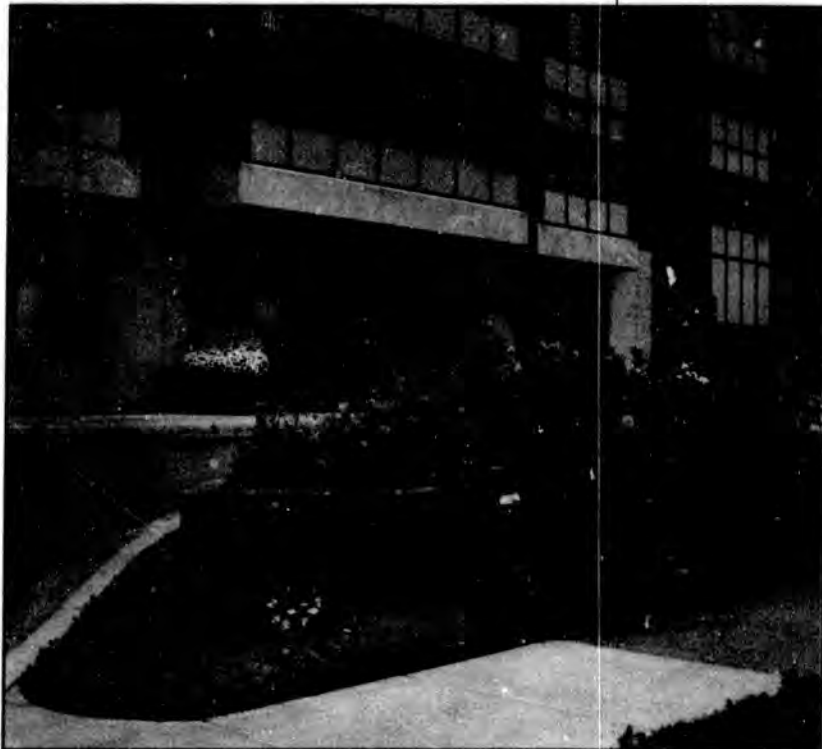
It is becoming more and more difficult for Senior Alaskans to obtain affordable and appropriate housing in the state. The State's Pioneer Homes are one option, but the waiting list, particularly for rooms in the nursing sections, is long.

Housing in one of Alaska's long-term care facilities can be extremely expensive and, as a result, many Alaskans who have been here for years, choose to leave the state to retire.

Supportive services, such as homemaker and nursing assistance, are in short supply. If available at a reasonable cost, those services would help many seniors remain in their homes for longer periods of time.

FINDINGS:

1. Housing costs at the state's six Pioneer Homes will rise by up to 52 percent by January 1, 1990. Residential rates will rise from \$425 to \$525 per month. Nursing rates will rise from \$525 to \$800 per month.
2. Obtaining a room in the state's Pioneer Homes is not always easy. In November of 1989, 267 Alaskans were waiting for a place in the Pioneer Homes. 171 of those persons were waiting for a room in the nursing section.
3. Other options for nursing care in the state are limited. A 1989 Division of Medical Assistance report stated that, of 621 nursing beds statewide, 119 of those beds were vacant. Costs for those beds are extremely high. At one Anchorage long term care cen-



*Anchorage
Pioneer
Home*

HOUSING FINANCE

IT IS THE POLICY OF THE STATE OF ALASKA TO ENCOURAGE AND ASSIST THE CITIZENS OF THE STATE IN HOME OWNERSHIP OPPORTUNITIES IN A FISCALLY RESPONSIBLE MANNER.

IT IS THE POLICY OF THE STATE OF ALASKA TO MINIMIZE DIRECT INVOLVEMENT OF STATE GOVERNMENT IN THE SECONDARY MORTGAGE MARKET, WITH THE PRIMARY EXCEPTION OF ACCESSING CAPITAL MARKETS IN ORDER TO FINANCE THE STATE'S HOUSING NEEDS.

IT IS THE POLICY OF THE STATE OF ALASKA TO DEVELOP AND MAINTAIN STABLE SOURCES OF CAPITAL AND REVENUE TO SUPPORT HOUSING NEEDS IN THE STATE.

BACKGROUND:

During the early 1980's, the programs of the Alaska Housing Finance Corporation experienced fundamental change: income limits were removed; loan limits were increased; mobile homes were financed; and the Home Ownership Assistance Program (HOF) was created. These changes precipitated AHFC's gain of the lion's share of the mortgage loan market.

Additionally, in 1980, the Housing Assistance Division (later named the Rural Development Division) of the Department of Community and Regional Affairs was created to administer the Nonconforming Housing Loan Program, with an emphasis on funding rural housing.

The state's loan portfolios have continued to show a higher rate of delinquency than non-state portfolios. There has been conjecture by some professionals that the state tried to be all things to all people and that we could have been more prudent in our lending standards; yet there has been no factual documentation to prove this point.

However, the Committee did determine that the State of Alaska can no longer afford to subsidize mortgage loan rates, without some income limitations, and that the state's participation in the mortgage loan market should carefully follow prudent lending standards. At the same time, they recognize that AHFC's access to

capital markets oftentimes allows AHFC to obtain reasonable rates, regardless of whether we decide to subsidize those rates.

It is hoped that, as the State of Alaska removes its competitive (subsidized) edge in the mortgage loan market, other outside sources of capital and revenue will become more of a force in the Alaskan market.

FINDINGS:

1. As of July 1989, the Alaska Housing Finance Corporation held a loan portfolio of \$3.5 Billion and a total of 42,774 outstanding loans. The Department of Community & Regional Affairs held a loan portfolio of \$152 Million and a total of 1,540 outstanding loans.
2. The state's share in the residential mortgage loan market has held steady, over the last three years, at 62-63% of the total market.
3. On June 30 of 1987, 58% of the statewide portfolio of foreclosed properties (REOs) belonged to agencies or departments of the State of Alaska. By the same month in 1989, that share of the REO market had increased to 71%.
4. From 1987 through 1989, the average delinquency rate for state financed, residential mortgage loans remained consistently higher than that of non-state financed loans.
5. Approximately 26% of total AHFC and DCRA outstanding loans are in the non-urban areas of the state. Of that 26%, approximately 4.5% of them are in the bush areas of the state.
6. Approximately 17.5% of total AHFC and DCRA current outstanding loans were made to people with incomes of less than \$30,000, at the time the initial loan was made. Data is not available on current incomes of borrowers.
7. According to a national study of loans, originated from 1975 to 1987 and insured by private mortgage insurance companies, a mortgage loan with only a 5% down payment is more than twice as likely to default

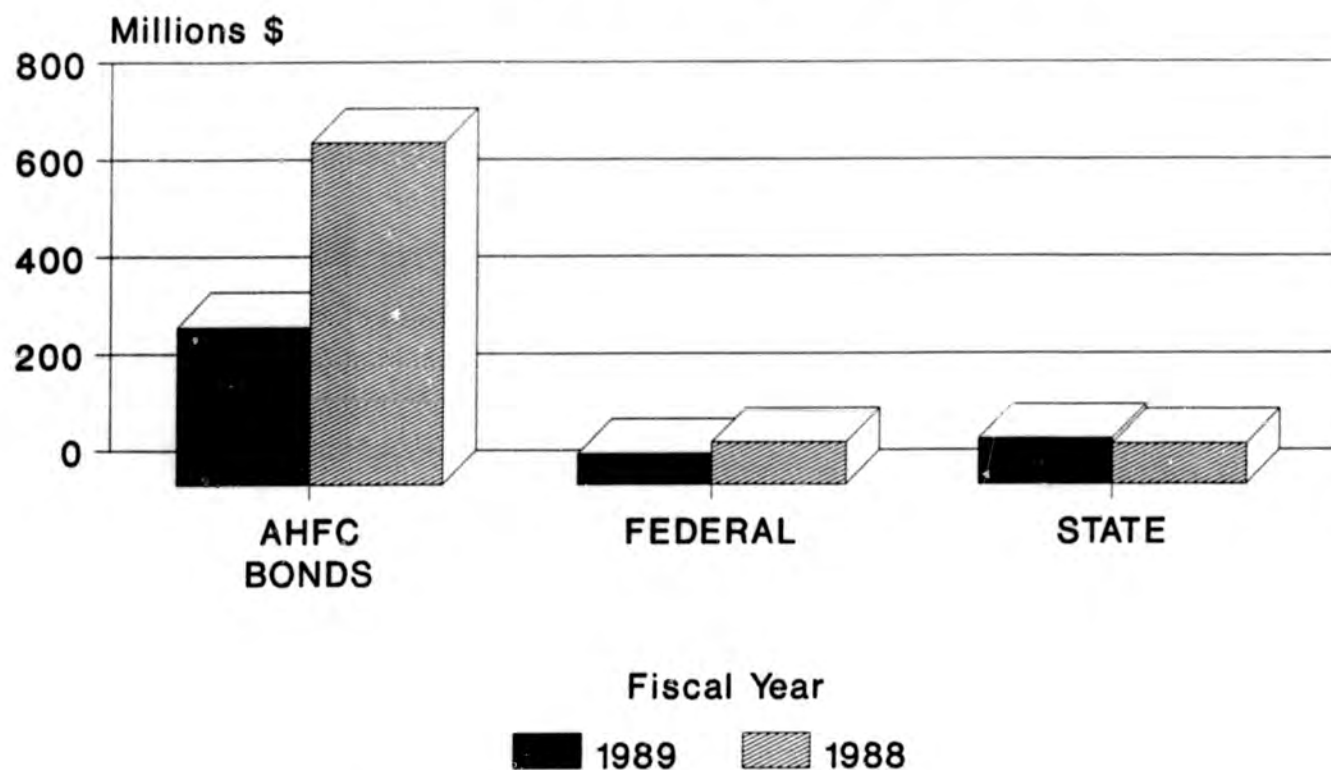
ter, the cost for a nursing bed is \$7,000 per month.

4. Some state regulations regarding the construction of senior housing contain so many requirements, that it is cost-prohibitive to build this type of housing.

RECOMMENDED ACTION PLANS:

1. Regulations governing the construction of senior housing must be reviewed and made more flexible where appropriate. State agency housing regulations should be changed so that two categories of housing are created: medical and assisted living models. Medical models should be further developed into "intermediate care" and "long term care." Assisted living models should be developed to include models which are distinguished by nutrition needs, housekeeping needs, personal care needs, transportation needs and other non-medical needs.
2. The state should implement a "continuum of care" housing program for seniors, and should adequately fund necessary supportive services, which allow seniors to remain independent for as long as possible.
 - a. A case management system, which matches seniors with appropriate services, should be approved by the state and implemented by the Older Alaskans Commission.
 - b. State and other funded supportive services, such as homemaker assistance, home health care and home-delivered meals should be funded at the current state funding levels and expanded when needed. A mechanism should be in place so that seniors, with the ability to pay, could be charged for supportive services.
 - c. Financial assistance and training for home repair and maintenance should be increased.
 - d. The state should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services.

TOTAL STATE AND FEDERAL HOUSING FUNDS (With AHFC Bond Funds) FISCAL YEARS 1988/1989



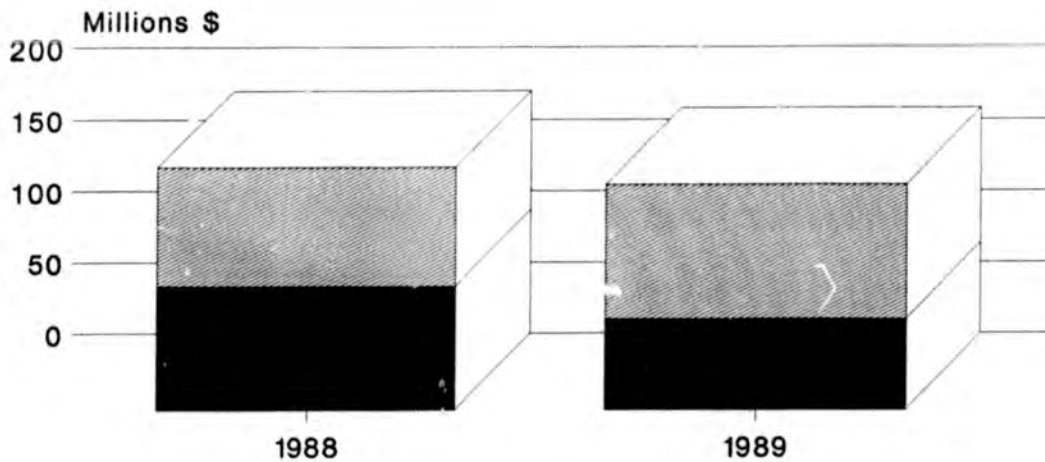
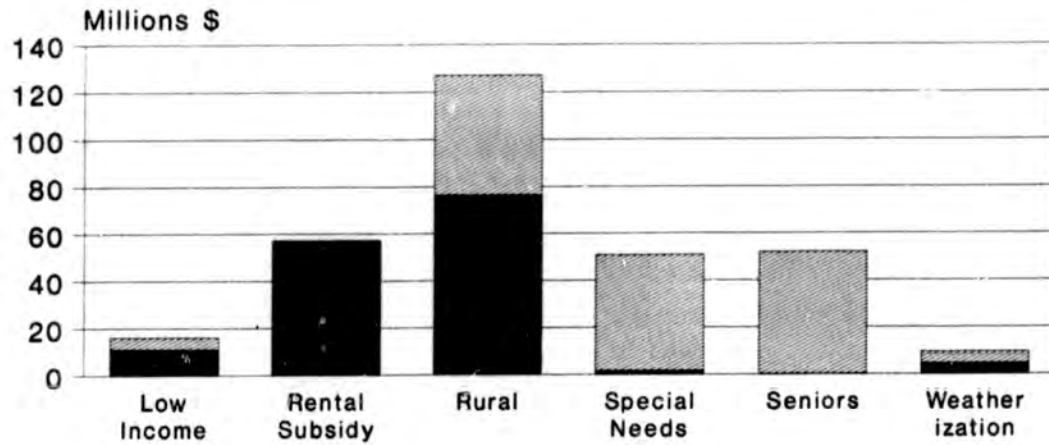
Alaska Housing Market Council
December 1989

as a mortgage loan with a 10% down payment. When the study looked at default experience by income level, they found little difference. The loan to value ratio is the primary indicator of default risk. Source: Mortgage Banking, August 1989, "Housing The Rank and File."

RECOMMENDED ACTION PLANS:

1. State agencies with mortgage lending programs should follow prudent industry lending standards and reasonable down payments should be required.
2. The state should encourage participation in a homeowner counseling and education program to work in partnership with new federal housing mandates - which direct states involved in low-income home ownership programs to offer homeowner counseling services.
3. There should be greater disclosure to borrowers concerning the sale of their mortgage loan servicing to another institution. The State of Alaska should adopt greater servicer penalties. Clearer recourse should occur in the case of misapplication of mortgage payments, or failure to pay taxes or insurance on a timely basis.
4. In an effort to help solve the hesitancy of private mortgage insurers and investors to underwrite mortgage loans in Alaska, the state should develop a plan for encouraging participation in the state by private insurers and investors. State agencies should establish programs which allow them to enter into co-insurance agreements, when necessary, to provide mortgage insurance for state-financed mortgage loans.
5. The state should continue to direct economic assistance for rural housing and low to moderate-income housing programs.
6. By March 15, 1990, the Alaska State Legislature should eliminate the mortgage loan subsidy of the Department of Community and Regional Affairs and the Alaska Housing Finance Corporation, except to meet rural and low-income housing needs. However, state agencies can obtain lower interest rates than the private sector via the bond market or through direct federal funds. Lower, unsubsidized interest rates obtained in this manner should be passed through to the public.
7. The state should participate in the issuance of tax-exempt bonds, as well as taxable forms of financing, to provide the best market rate for the financing of low to moderate-income, rural and senior housing.
8. The state should encourage the usage of 501c3 bonds by non-profit corporations as a means to create affordable and special needs housing. State agencies with the ability to issue tax-exempt bonds should establish a process which encourages the issuance of such bonds for non-profit corporations.
9. By June 30, 1990, the Alaska State Legislature and the Governor should allocate funds for start-up and operational costs for Neighborhood Housing Services in the state. This fund should be matched by Neighborhood Housing Services of America and Neighborhood Reinvestment Corporation of America, on a four-to-one match.
10. The state should review the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Savings & Loan bailout bill) for use as an additional source of housing funds.

TOTAL STATE AND FEDERAL HOUSING FUNDS (State Bond Funds Not Included) Fiscal Years 1988/1989



Funding Source
 Federal
 State

Alaska Housing Market Council
December 1989

HOUSING PARTNERSHIPS

IT IS THE POLICY OF THE STATE OF ALASKA TO ENCOURAGE HOUSING PARTNERSHIPS WHICH INCLUDE PUBLIC, PRIVATE AND NON-PROFIT ENTITIES IN ORDER TO FOSTER AND DEVELOP LOW-INCOME AND AFFORDABLE HOUSING IN THE STATE.

BACKGROUND:

Federal funding for low-income, affordable housing in the state has been declining as the federal government exits from the affordable housing business. Across the country, communities are looking at innovative housing finance programs to provide housing for low-income people.

An important player in the financing and delivery of low-income and affordable housing are non-profit corporations. Widely accepted in many states, they often team up with other



critical players, such as private-sector developers. The non-profit organizations are often more skilled at obtaining neighborhood support and can better deal with issues like zoning permits.

FINDINGS:

1. Total federal funds appropriated for Alaska dropped from \$87.9 million in 1988 to \$64 million in 1989, with further decreases anticipated for 1990.
2. State appropriations for housing increased from \$83.4 million to \$93.7 million between 1988 and 1989. However, the increase still left an unmet gap of approximately \$13 million in declining federal housing funds.
3. Some jurisdictions in the country, such as Boston, New York City and Chicago, have active and sophisticated non-profit groups with experience in developing housing and in working out partnerships with the government and the private sector, according to a recent article published in *Governing*, November 1988.

RECOMMENDED ACTION PLANS

1. By June 1, 1991, the Housing Commission should encourage the development of housing partnerships in the state. The commission should provide information by publishing a document, with a variety of partnership options including the creation of benevolent loan funds (consisting of private donations, private and public financing).

*Turnagain Circle Project
Anchorage Neighborhood Housing Services*

HOUSING QUALITY STANDARDS

IT IS THE POLICY OF THE STATE OF ALASKA THAT HOUSING IN THE STATE SHOULD MEET SPECIFIC QUALITY STANDARDS.

BACKGROUND:

In Alaska, the state has adopted only those sections of the Uniform Building Code (UBC) that deal with life safety; neither the technical information or structural requirements have been adopted.

Some local communities, such as Anchorage, Fairbanks, Juneau, Dillingham, and Kenai have adopted the UBC in its entirety, along with the Uniform Plumbing and Mechanical Codes. In other parts of the state, particularly rural areas, there are no structural building codes in place.

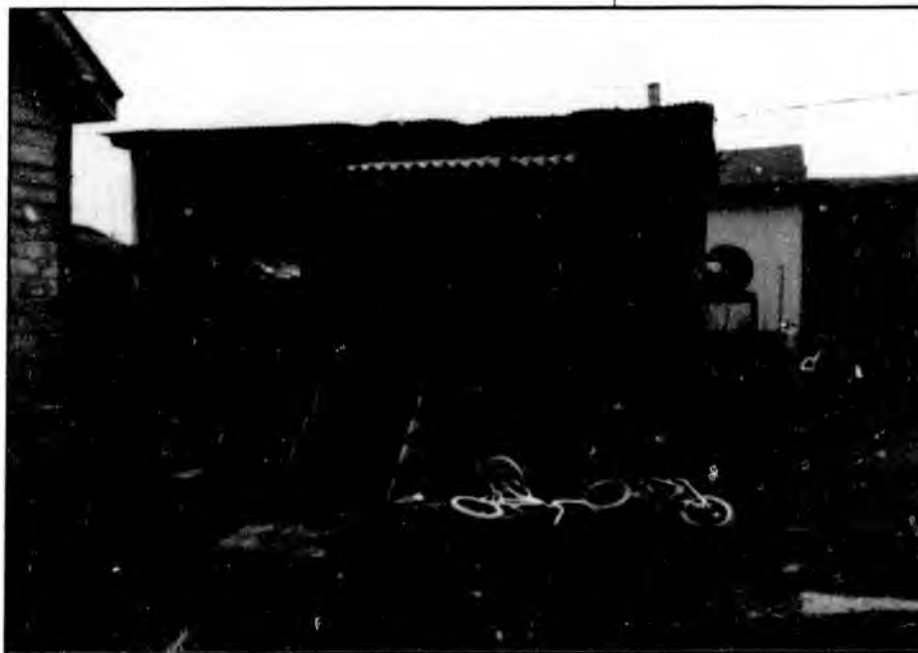
In the Bush, the lack of standards is compounded by the fact that some of the housing provided by the federal government has been built to "Lower 48," not Alaskan housing standards.

FINDINGS:

1. The 1988 DCRA Rural Housing Needs Assessment states that 6,740 homes in the Bush are so substandard that they should be immediately replaced.
2. The same study points out that 36% of rural homes can not maintain an inside temperature of 70 degrees during the winter.
3. Rural families spend up to 37% of their income to heat and light their homes.
4. Recently passed federal legislation mandates that by July 1, 1991, commercial banks, savings and loans, and credit unions with federal insurance use only state certified real estate appraisers. Alaska has no such state licensing or certification program for real estate appraisers.

RECOMMENDED ACTION PLANS:

1. The state should adopt building codes and allow for regional differences and amendments.



*Home in
Kwethluk,
Alaska*

2. The state should adopt more stringent contractor licensing requirements. By June 30, 1990, the Alaska State Legislature should pass Senate Bill 72, or other appropriate legislation, to strengthen residential contractor licensing requirements. Those requirements should include continuing education.
3. In accordance with federal guidelines, the state should establish a state licensing or certification program for real estate appraisers by January 1, 1991.
5. State agencies should not fund the financing of existing substandard housing, with the following exception: If the existing structure currently has a state financed mortgage and meets standards #1-4 of the committee's definition of "substandard," the size requirement will be waived.
6. The state should continue to support the Home Weatherization program, which is primarily funded by the federal government.

Committee's Definition of Substandard:

1. Dilapidated: Where dilapidated means a housing unit that does not provide safe and adequate shelter and endangers the health, safety, or well being of its occupants.
2. A unit that has plumbing that does not conform to the typical community standards of the area it is located in.
3. A unit that does not have adequate or safe electrical service if electricity is available in the community and there is access to it.
4. A unit that cannot maintain an indoor air temperature of 70 degrees Fahrenheit.
5. A building that has less than 600 square feet of living space with 200 square feet per resident.

4. The state should actively lobby for, and support the financing of, affordable housing in rural areas under federal programs such as HUD's Mutual Help program, the BIA's Housing Improvement Program and the Department of Energy's Home Energy Program. However, the structure and management of these programs should be closely reviewed by the federal government and revised, where necessary.
7. The Alaska State Legislature should enact legislation to restore clear legal authority for the implementation of appropriate minimum thermal standards, based on regional differences, for newly constructed state-financed housing.

LOCAL HOUSING POLICY/LAND USE

IT IS THE POLICY OF THE STATE OF ALASKA TO ENCOURAGE COMMUNITIES TO TAKE AN ACTIVE ROLE IN HOUSING AND LAND USE ISSUES, RECOGNIZING THAT LOCAL CONTROL IS PREFERABLE TO CENTRAL CONTROL, BECAUSE LOCAL GOVERNMENTS CAN BEST BALANCE THE NEEDS OF THE PUBLIC WITH THE PRIVATE DETERMINATION OF SUPPLY AND DEMAND.

BACKGROUND:

Many of Alaska's villages and cities are separated not only by vast land areas, but also by geographic, economic and cultural differences as well. As a result, local governments in Alaska often have a more "independent" focus than in many other parts of the country.

With federal housing appropriations to states being reduced on an annual basis, local governments and states across the country are taking a more active role in housing.

Many local governments are using their bonding ability to support housing needs in their communities.

FINDINGS:

1. Local communities are the most knowledgeable on housing and land use issues in their area and local governments are the best qualified entity to accurately plan for how needs should be met.
2. Land use decisions in many Alaskan communities have become extremely complicated because these communities are dealing with private lands, regional Native corporation lands and Native village corporation lands.
3. In the past year, federal housing dollars to Alaska have been reduced by \$23.9 million dollars.
4. Very few Alaska communities do comprehensive housing plans as part of their long range planning process, often a result of limited resources for data collection and comprehensive housing planning. A sampling of 12 organized local governments in the state showed that only three included a housing plan as part of their comprehensive land use plan.
5. The U.S. Congress recently passed amendments to the federal Fair Housing Act. As a result of these amendments many local government-imposed restrictions, on the development of group homes or other housing for people with disabilities, will be a violation of federal law. These include restrictions contained in state and local laws, such as special use-permit requirements, dispersion rules and limitations on the number of residents in group homes.

RECOMMENDED ACTION PLANS:

1. Local governments should include a housing plan, listing how housing needs can be met, as part of their comprehensive planning process.
2. With community input and involvement, municipal governments should be encouraged to facilitate establishment of group housing. Zoning laws which prohibit group homes should be revised to be consistent with anti-discriminatory statutes (including the amendments to the Fair Housing Act). Integration of transitional housing residents into communities should be encouraged.

HOUSING POLICY DEVELOPMENT COMMITTEE MEETING SCHEDULE

Full Committee

December 7, 1988	Anchorage
April 21, 1989	Anchorage
June 23-24, 1989	Fairbanks
July 27, 1989	Homer (Teleconference)
September 8-9, 1989	Anchorage
October 13, 1989	Anchorage (Teleconference)
November 3, 1989	Anchorage (Teleconference)
November 17, 1989	Anchorage (Teleconference)
December 8, 1989	Anchorage (Teleconference)



Housing Policy Development Committee meeting in Fairbanks

Transitional and Long Term Housing for Special Needs Subcommittee

December 7, 1988	Anchorage
January 13-14, 1989	Anchorage
April 7-8, 1989	Juneau
April 20, 1989	Anchorage
June 23-24, 1989	Fairbanks
September 8-9, 1989	Anchorage
October 24, 1989	Anchorage
November 28, 1989	Anchorage

Low-income, Affordable and Senior Housing Subcommittee

December 7, 1988	Anchorage
January 13-14, 1989	Anchorage
February 23-24, 1989	Anchorage
March 30-31, 1989	Juneau
April 20, 1989	Anchorage
June 23-24, 1989	Fairbanks
July 14, 1989	Anchorage
September 8-9, 1989	Anchorage

Rural and Urban Housing Markets Subcommittee

December 7, 1988	Anchorage
January 20-21, 1989	Anchorage
February 24-25, 1989	Anchorage
March 30-31, 1989	Juneau
April 20, 1989	Anchorage
June 23-24, 1989	Fairbanks
September 8-9, 1989	Anchorage

Special Meeting of the Subcommittee Chairs

August 25, 1989	Bethel
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Public Hearings

Public testimony taken at all full committee meetings and at selected subcommittee meetings.

Statewide public testimony received at all teleconferenced meetings.

Additional teleconferenced public hearing held during the evening of December 7, 1989.

Public Participation

The following members of the public either attended or gave public testimony at the meetings (in person or via teleconference network):

Colleen Patrick-Riley
Rose Munafo
Marbeth Johns
Jerry Grover
Dr. Marilyn Scott
Jeanine Kennedy
Suzanne Goodrich
Sheila Selkregg O'Malley
Amos Heacock
Nancy Thompson Heacock
Velma Schaffner
Lorena Neece
Bill Heumann
Greg Pease
John Egan
Norman William
Roy Isturis
Judith Holden
Mary Matthews
Patricia Walsh
Hal Kummerow
Dottie Englund
Harvey Bowers
Nathan Wright
Karen King
Bob Shuttlesworth
Bonnie Shuttlesworth
Drena McIntyre
Alise Peck
Terry Hoke
Rosalee Walker
Kit Ballentine
Don Foss
H. Prent Gazaway
Jean Smith
Jacquelyn Canoose
John McCool
Bryon Coney
Lorena Showers
Linda Stanton
Bill Varner
Tim Meyers
Richard Kinney
Jetta Whittaker
Nita Greenwell-Madsen
Mary Collins

Pat Malone
Dennis Burnis
Terry Baily
Dr. Chuck Logsdon
Judy Calhoun
Mary Raymond
Mary Guinn
Kaye Rogers
Hazel Heath
Margaret Pate
Evelyn Sprague
Florence Ross
Janet Wiltrout
Clifford Jenson
Hayden Ellyson
Edna Kahn
John Stephan
Enid Jones
Marilyn Kirkhan
Karen Stephens
Susan Benedetti
Florence Orr
Catherine Davis
Theresa Maser
Marie MacKenzie
Mark Guy
Loree Wiltse
Virginia Carter
Charles McKee
Herbert Wilborg
James Fisher
Connie Sipe
Marie Darlin
Paul Fuhs
Pat McGee
Gary McGee
Jim Snyder
Christine Manion
Colleen Craig
Eldon Young
Gil Lulay
Dr. Dennis Scholl
Chuck Gasta
Don Sherwood
Hank Hodge
Kathleen Gahan

Appendix I

BIOGRAPHIES OF COMMITTEE MEMBERS

Nancy Adams

Executive Director of the Juneau Alliance for the Mentally Ill; past housing project coordinator for the Division of Mental Health, Department of Health and Social Services; Masters of Social Work from the University of California, Fresno. Has worked for the mentally ill in California, Montana, and Alaska since 1971.

Fred Ali

Executive Director of Covenant House Alaska since 1988; Bachelors of Arts in History and Political Science from Santa Clara University and a Masters in Education from the University of Michigan; past experience: founder and director of rural training program; deputy director of the State's Employment and Training Division; president of a community college; vice chancellor of Student Affairs at the University of Alaska, Anchorage; and seventeen year Alaskan resident.

Sharon Araj

Professor of Sociology, University of Alaska Anchorage; Ph.D. in Sociology from Washington State University in 1978; former faculty member at the University of Idaho, Washington State University and the University of Rhode Island; former recipient of several Institute of Mental Health (NIMH) Post Doctoral Fellowships; and currently involved in research that focuses on problems that families are experiencing as a result of the Exxon Valdez Oil Spill.

Bob Arwezon

Licensed Real Estate Broker and salesperson for 22 years; Bachelor of Arts in Economics, with a minor in Education from Bowdoin College in Maine; currently treasurer of the Alaska Association of Realtors; past president, director, and secretary of the Anchorage Board of Realtors; served for several years on real estate, legislative and government affairs committees; served on the Council's 1988

Housing Task Force; and resident of Alaska for 27 years.

Mitzi Barker (substitute for Tom Behan)

Special Projects Assistant to the executive director, Alaska Housing Finance Corporation; B. S. in Urban and Regional Government from Willamette University in Oregon and M. S. in Urban Planning from the University of Mississippi; prior experience: self-employed housing consultant; regional supervisor (Anchorage and Kenai) for the Alaska State Housing Authority; and fifteen years experience in research and policy analysis of housing issues.

Rick Barrier

General Partner in Malaspina Properties and a partner with them for eight years; Bachelor of Science from Yale University and a Master in Business Administration from Stanford University; president of Alaska Technology - business consultants and builders; active in real estate investments; president of the Alaska Trailer Court Association; and former member of the Council's Housing Task Force.

Jessie M. Bartlett (Substitute for Ray Price)

Case Manager Supervisor for the Alaska State Housing Authority; Bachelor of Arts in Sociology, with a minor in Business Education from Bethune-Cookman College, Daytona Beach, Florida; previously mortgage loan officer at Alaska Pacific Mortgage; past board member for Alaska Children's Services; member of the Alaska Professional Mortgage Women; participant in several campaign fund raising efforts. Works part-time at Hope Cottages as a program technician.

Tom Behan

Alaska Housing Finance Corporation's Executive Director since February 1989; Bachelor's Degree in Business Administration

from the University of Texas, El Paso and graduate of the Pacific Coast Banking School, University of Washington; extensive background in banking, mortgage real estate and lending; previously general partner and former manager of the Alaska Club; and active in Anchorage business and civic activities. Member of the Alaska Housing Market Council.

Howard Bess

Currently President of Alaska Housing Ministries; Masters in Divinity from Garret Theological Seminary; pastor of Church of the Covenant in Palmer; previously pastor of American Baptist Church for seven years and president of Gatela Ministries in California. Twenty years experience in housing.

Senator John Binkley

Elected to the State Senate in 1987 and is presently Co-Chair of the Senate Finance Committee; served on Governor's Interim Commission on Children and Youth, the Senate Special Committee on Suicide Prevention and the Senate Special Committee on School Performance; received degrees from University of Alaska, Fairbanks and Western Michigan University; past member of the State House of Representatives, the Bethel City Council, and the Alaska Municipal League Board of Directors.

Bryan Borjesson

Over 30 years of general and specialty construction experience in Alaska, including engineering design, construction management and company ownership; Bachelor of Arts in Civil Engineering and a Master in Civil Engineering, University of Alaska, Fairbanks; past president, Alaska Society of Professional Engineers; past vice president, International Conference of Building Officials; member, American Society of Civil Engineers; and Alaska resident for over 30 years.

Representative Kay Brown

Elected in 1986 to Alaska House of Representatives, member of House Finance

Committee; Bachelor's in Journalism from Baylor University; employed as analyst for PlanGraphics; named by *Savvy Magazine* as one of country's outstanding executives in 1985; former employee of state Department of Natural Resources; director of Division of Oil & Gas and deputy director of Division of Minerals & Energy Management; and worked as reporter for *United Press Int'l.*, *Anchorage Times*, and *The Charlotte Observer*.

Paul A. Carr

Real Estate Planner with Carr Gottstein Properties; graduate of Montana State University in 1968 and Master in Public Administration applicant at the University of Alaska; past experience: planner for State of Alaska, platting officer for Anchorage Area Borough Planning Department, community development specialist with State of Montana, private consultant for Capital Site Planning Committee, and past member of Municipality of Anchorage Planning and Zoning Commission and Platting Board.

Barbara Chmiel

Currently a Rehabilitation Financial Specialist for the Municipality of Anchorage - staff ranked #1 in Region 10 under the rental rehab program; working towards BA in psychology/behavioral sciences; served as support staff for the Anchorage Handicapped Commission; board member of the Community Housing Resource Board; Iditarod Trail Committee volunteer from 1986 to 1988; member of the Anchorage Commission on the Handicapped; and a 35 year Alaskan resident.

Gale Cipra

Past Vice-President and Manager of Mortgage Production Department at Key Bank of Alaska; Associate of Arts from Indian River Community College and 1985 graduate of Mortgage Bankers Association, School of Mortgage Banking; senior loan officer, Alaska Housing Finance Corporation; mortgage branch coordinator, National Bank of Alaska; served on several Anchorage Neighborhood Housing Service committees; served on board

of directors and as vice-president (1988/89), Alaska Mortgage Bankers Association.

Representative Johnny Ellis

Elected in 1986 to AK. State House of Representatives, serves as Chair of the Health, Education and Social Services Committee and member of the Judiciary Committee; attended the University of Alaska, Anchorage and received a Bachelor of Science degree from Claremont College, California; past experience: legislative aide to the House Majority Leader in 1985 and 1986; researcher/writer for a marketing firm; has served on numerous state and local commissions and committees since coming to Alaska in 1975.

Velma Ellyson

Project Director for Homer Seniors Inc. since 1987; Bachelor of Science in Home Economics from West Virginia University and Masters in Administration from Bowie State College; course work at John Hopkins, University of Maryland. Past experience includes: twenty years in the field of education administration; owner-operator of seafood processing plant on the Homer Spit; currently serves on Homer Planning Commission and former president of Kachemak Bay Visitors Association.

Rob Gamel

Residential Projects Director for the Southport Company, a division of Carr-Gottstein Properties; Bachelor degree in Economics from Alaska Methodist University; active in the home building industry since 1973; former president of the Alaska State Home Builders Association, currently its legislative affairs chairman; former president of the Building Industry Association of Anchorage; past chair of Governor Sheffield's Statewide Task Force on Housing; born and raised in Alaska.

Jo Ann Goynes (Substitute for Ray Price)

Deputy Director of the Alaska State Housing Authority; twenty years in private sector property asset management; certified

property asset management consultant for state and federal governments; serves as Alaska representative on the National Committee of Severely Distressed Public Housing; past president and current member of the Alaska Chapter of the National Institute of Real Estate Management.

John Guinn

Executive Director for Alaska Village Council Presidents' (AVCP) Regional Housing Authority; past experience: deputy director of AVCP Regional Housing Authority; president of Guinn Lumber Company; past president of the Yukon-Kuskokwim Delta Mayors' Conference; mayor of Bethel, Alaska; served on Bethel City Council; carpenter with Carpenters' Local 1281; served in the United States Marine Corps; recipient of the Purple Heart Medal with honorable discharge in 1967; and commercial fisherman.

Kelly Gunnels

Assistant Vice President and Manager of the Mortgage Lending Division and Supervisor of Loan Production and Servicing Departments for Denali State Bank - since the bank was formed in 1976; three year member of Alaska State Board of Financial Women International; member of Advisory Board of Energy Rated Homes of Alaska. Fifteen year resident of Alaska.

Michael Harper

Director of Rural Development Division, Department of Community & Regional Affairs; Bachelor's of Business Administration from University of Georgia; serves on board of directors for Tundra Times Newspaper, Commonwealth North, and Doyon Ltd.; past vice president & loan officer for United Bank of Alaska; served as deputy commissioner of Department of Community & Regional Affairs and administrative assistant to the governor; planner & deputy director for RuralCAP.

Sam Helms

Retired Fairbanks general contractor and businessperson; active in state and local gov-

ernment affairs for over thirty years; public member of the Alaska Housing Market Council; Co-chair of the Alaska Laborers Retirees Association; member of the City of Fairbanks Public Utilities Board; and a thirty-six year Fairbanks resident.

Stan Hoofard

Rehabilitation Coordinator for the Municipality of Anchorage; previously a general contractor in the Anchorage Area; serves on the board of directors for Kid Corps; volunteer consultant on accessibility issues for the State of Alaska/Vocational Rehabilitation; and Alaska resident for twelve years.

Lee Huskey

Professor of Economics and Chair of the Department of Economics, University of Alaska Anchorage; Ph.d. and Master of Arts in Economics from Washington State University; past experience includes economist in the Planning Department, Municipality of Anchorage; member of American Economic Association, Western Economics Association; member, Anchorage Municipality, Economic Information Task Force; and member, Anchorage Community Development Block Grant Committee.

Deborah Ingman

Owner of Appraisal Associates of Juneau; designated as certified review appraiser - responsible for 13 Southeast Alaska communities; appraisal education obtained from American Institute of Real Estate Appraisers and Society of Real Estate Appraisers; past member of Southeastern Housing Task Force with the Alaska Housing Market Council, past president of Juneau Association of Professional Mortgage Women and on current board of directors; and resident of Juneau for the past 6 years.

Carol Jackson

Resource Development Analyst for Alaska State Housing Authority; business management courses from Alaska Pacific University; previously employed as president

of First Alaska Management Services, Inc. - the first housing consumer counseling agency funded by HUD in the State of Alaska; licensed real estate agent; past experiences include: property management and underwriter project review specialist with Alaska Housing Finance Corporation; and resident of Alaska for 27 years.

Leo Kaye

Litter Patrol Supervisor for Mat-Su Parks & Recreation; Bachelor of Science from Ithaca College and a Masters in Education from Oregon State College; serves on the Senior Citizens' Advisory Board; previously special assistant to Mat-Su Borough Manager; served as executive director of the Alaska Lung Association for 13 years; served as executive director to the TB & Lung Associations of Colorado, New York, and New Jersey for a combination of 21 years; served on many boards and councils.

Kathy Keck

Currently Staff Attorney for Alaska Legal Services Corporation (ALSC) in Fairbanks; Bachelor of Arts from the University of Washington, graduating Magna Cum Laude and Phi Beta Kappa; received Juris Doctorate from Yale Law School; previous staff attorney and supervising attorney in the Bethel office of ALSC; past experience: Environmental Litigation Program—Nuclear Waste Policy Project, Environmental Law Association; Yale Law Women's Association Restraining Order Project; and the Indian Law Forum.

Gary Mandzik

Residential Resource Coordinator with the Division of Mental Health and Developmental Disabilities, State of Alaska; Bachelor Degree from University of New York and Masters Degree in Counseling from the University of Southern Connecticut; member of the National Coalition for the Homeless; worked with the Division of Family & Youth Services in the Adult Services Unit; and supervised the Nome/Kotzebue Division of Family & Youth Services office. Nine year resident of Alaska.

Caren Mathis

Special Asst. to Commissioner of Dept. of Commerce & Economic Development; BA in Journalism from Colorado State U. and Master's in City Planning from MA. Institute of Technology; prior experience: project consultant to Cook Inlet Region, Inc.; mgr., Planning Services Division of Tryck, Nyman & Hayes; and past consultant to Municipality of Anchorage. Board member of AK. Council of Camp Fire and Alaska Planning Association; previously on MOA Platting Board, and Zoning Board of Examiners & Appeals.

Barbara Miklos

Executive Director of AK. Council on Domestic Violence and Sexual Assault; BS in Education from NE Missouri State U. and Masters in Health Admin. from University of Colorado; member of Governor's Task Force on Youth; chair, Mental Health Advisory Committee; member of Social Services Advisory Board for City & Borough of Juneau; past chair, Governor's Child Sexual Abuse Working Group; former health systems specialist, Mt. Edgumbe Hospital; health planning coordinator, SE Alaska Health Systems Agency.

Kay Murphy

Vice President of Mortgage Production at Key Bank; employed in banking industry since 1974; completed the School of Mortgage Banking (Northwestern University) in 1984; served as mortgage operations supervisor at Alaska Housing Finance Corporation from 1978 to 1984; has been active in the Alaska Mortgage Bankers Association and served as its president in 1987; former member of the Council's Housing Task Force; and Alaska resident for 19 years.

Cynthia Parker

Executive Director for Anchorage Neighborhood Housing Services; Bachelor of Science in Political Science and Planning with post graduate studies in Business Administra-

tion; extensive background in housing and property management; presently the chair of the Alaska Housing Market Council and former member of the Council's Housing Task Force; previously the manager for the Portland Housing Authority; past chair of the Anchorage Platting Authority; and has been a resident of Alaska for 9 years.

Ray Price

Executive Director of the Alaska State Housing Authority; prior experience includes: special staff assistant to Governor Cowper, manager of Anchorage Heritage Land Bank, and deputy director of the Housing Assistance Division for the Department of Community & Regional Affairs; member of the Alaska Housing Market Council; past president of the Anchorage Chapter of Blacks in Government and a youth football coach since coming to Alaska 11 years ago.

Pat Pourchot

Elected to Alaska State Senate in 1988, Chair of Senate State Affairs; State Representative (1985-1988); BA from University of Wisconsin and Masters in Public Administration, Harvard University; fourteen years experience in resource management and policy making in such capacities as resource manager, NANA Development Corp; admin. asst., State Senate Resources Committee; land manager, Alaska Federation of Native and legal assistant for former U.S. Senator Mike Gravel.

Steven Rieger

Elected to House of Representative in 1984; Bachelor of Science from Harvard University and a Masters in Business Administration from Harvard Graduate School of Business; business consultant and financial manager; formerly worked for management consulting firm, investment bank, and major ocean shipping company; member of the Anchorage Chamber of Commerce, World Affairs Council and Iditarod Trail Committee; previously served on National Ski Patrol.

Mike Shuler

Executive Director of the Bristol Bay Housing Authority in Dillingham. (No additional information was received).

C.E. "Swack" Swackhammer

Elected to State House of Representatives in 1986; currently serves on House Finance Committee, Public Safety & Law Committee, House Fiscal Policy Subcommittee, House Ethics Committee and Housing Finance Task Force; Alaska State Trooper for 20 years; member of AK. Association of Chiefs of Police board of directors, Alaska Peace Officers Association, Rotary International-Soldotna, International Association of Chiefs of Police and past member of Governor's Advisory Board on Drug Abuse.

William Swain

Co-owner and Chair of the Board of Jack White Company; Bachelor of Arts degree

from the University of Minnesota; past experience: director of marketing and assistant to chairman at local bank; vice president of a television production firm located in Los Angeles, California; licensed real estate agent and formed real estate business with Bennett Williams, known as Swain - Williams Inc.; active in community affairs and charities; member of Board of Trustees for Humana Hospital. Resident of Alaska since 1969.

Mary Wolcuff

Former Executive Director of the Association for Stranded Rural Alaskans and adjunct faculty member at the University of Alaska, specializing in human services/cultural issues; volunteer experience: missionette state director, Alaska Native Education Council; Minority Education Concerns Committee; and Native Education Committee.

Appendix II

ANALYSIS OF COORDINATED HOUSING POLICY STATEMENT

It is the policy of the State of Alaska to adopt and execute a state housing policy and facilitate coordination of housing services by establishing an Alaska Housing Commission.

OPTIONS FOR IMPLEMENTATION

There is a national movement towards state centralization and authority in the development and execution of state housing policies and programs. The federal Housing and Urban Development legislation is up for re-authorization soon, and several bills addressing housing policy on the national level have been, or will be, introduced in Congress. Eric Ostrovsky of the Governor's Washington D.C. office thinks that it is very likely that housing policy directions will change by early 1990 with passage of either S. 565 or a House bill. Whether or not these bills include intent to mandate coordination and distribution of federal funds through the Governors' Offices of each state remains to be seen, but discussions on this subject are occurring.

Surveys of other states show several of them moving in the direction of establishing centralization and coordination of housing issues. Fifteen states have an agency, either a department, division or council which is directly responsible for oversight of housing issues. Massachusetts, Washington and New Jersey are recognized as model states, and have very visible, progressive housing programs and development. They have centralized agencies/divisions within a Department of Community Affairs/Development with the DCA Commissioner heading the various housing Boards. They also have a vehicle for interagency coordination.

The Housing Policy Development Committee recognizes that a continued mechanism or centralized housing agency is needed to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues. The Committee weighed each of the options presented below and recommends that a Housing Commission be established, for now, with a plan to develop a Department of Housing in the state over the next several years. The Department will consolidate all of the state's housing functions.

OPTION 1 - ALASKA HOUSING COMMISSION.

Create an Alaska Housing Commission which reports directly to the Governor. Member composition shall reflect regional representation and shall include public members and representatives from housing and real estate industries, special needs groups, and rural areas. Representatives from state agencies with housing or mortgage loan programs will serve in an advisory capacity. (9 members)

Number of members: 1 Regional representative from 4 judicial districts representing housing/
mortgage loan industries
1 representative of special needs groups
1 representative for rural areas
1 additional public member
Commissioner, Commerce & Economic Development
Commissioner, Community & Regional Affairs

Advisory members: Alaska State Housing Authority
Alaska Housing Finance Corporation
Department of Community and Regional Affairs

- Staffing: Executive Director
Secretary/Receptionist
Administrative Officer
Research Analyst/Planner
Information Officer/Technical Advisor
- Responsibilities: Develop and implement statewide housing policy.
Plan and develop a Department of Housing.
State agency housing program review, coordination, oversight.
Writing/updating long term housing plan.
Conduct periodic statewide housing needs assessments.
Review use and disposition of state agency-owned foreclosed properties.
Facilitate the creation of housing partnerships, providing technical assistance.
Review of housing regulations between state agencies, recommending revision where appropriate.

A legislative mandate should be effected which specifies the authority of the Housing Commission in relationship to the Alaska Housing Finance Corporation, the Alaska State Housing Authority and other state agencies with housing responsibilities. The mandate should provide the Commission with the power to implement state housing policy.

- Pros: Housing resources and programs are scattered throughout 13 different state agencies, offices and divisions. A Housing Commission, given the authority to cross departmental lines and bring housing groups together, can formulate and coordinate a cohesive statewide housing policy that addresses a wide range of housing needs and problems.
- Important to have Commission within Governor's Office rather than within a Department so it can function in an impartial role.
- Cons: The Commission could be viewed as another unnecessary layer of bureaucracy and another complication in the tangle of housing programs.

OPTION 2 - DEPARTMENT OF HOUSING.

Create a Department of Housing with all housing agencies placed within that department. An interagency coordinating Committee could be formed with membership from each of the 12 agencies/programs involved in housing.

The Commissioner of the Department of Housing would chair the Boards of Directors of ASHA and AHFC.

- Staffing: Commissioner, Department of Housing
Executive Secretary
Information Officer
Division of Administrative Services
Division of Rural Housing Services
Alaska Housing Finance Corporation staff
Alaska State Housing Authority staff

- Responsibilities: Direct all housing programs within the state.
 Coordinate interagency housing activities.
 Establish and implement statewide housing policy.
 Same statewide responsibilities as listed for Housing Commission.
- Pros: This option provides the most visible commitment to state housing issues and the most effective entity to focus attention on the issues and problems. Housing concerns and policies would be represented at cabinet level, with more political clout to effect a coordinated statewide housing policy.
- Ability to better consolidate resources. Department could be created with stipulation of no increase in operating costs.
- Cons: Very difficult to get a new department created within state government.

OPTION 3 STATE HOUSING BOARD.

Merge the Boards of Directors of the Alaska State Housing Authority and Alaska Housing Finance Corporation into a State Housing Board with the authority to administer all housing agencies and state housing programs. Housing agencies will be placed under one department: either the Department of Community & Regional Affairs or the Department of Commerce & Economic Development. The State Housing Board will be responsible for statewide coordination of all state housing programs and for setting state housing policy.

- Number of Members: 9-member Board of Director, appointed by Governor
 Commissioner of Community & Regional Affairs serves as Chair
 1 regional representative from 4 judicial districts representing housing/
 mortgage loan industry
 1 representative of special needs groups
 1 representative for rural areas
 2 public members

ASHA and AHFC will maintain their independent status. The Executive Directors of both agencies will serve at the pleasure of the State Housing Board. AHFC and ASHA will each have a 5-member sub-board responsible for agency operations. The Commissioner of Community & Regional Affairs will chair the State Housing Board and both of the sub-boards. Membership on AHFC and ASHA Sub-Boards will each consist of the Commissioner of Community & Regional Affairs, 2 different members of the State Housing Board, and 2 members appointed by the Governor.

An Interagency Coordinating Committee could be formed with membership from each of the 12 agencies, offices and divisions involved in housing.

- Responsibilities: Statewide coordination of all housing programs.
 Setting state housing policy.
 Writing/updating long-term housing plan.
 Same statewide responsibilities as listed above for Housing Commission.
- Staffing: Executive Director, State Housing Board
 Secretary/Receptionist
 Administrative Officer
 Research Analyst/Planner
 Information Officer/Technical Advisor

Pros: This option is the most consistent with model housing organizations in other states. It would be an effective way to ensure that policies and goals are implemented through consistent regulations and non-complicated programs.

Consolidating housing agencies under one board has greater likelihood of success in implementing statewide housing policies. The proposed State Housing Board can provide clear, consistent, non-conflicting direction for the state's housing programs.

This option would satisfy the potential federal mandate for coordination and distribution of federal funds at the state level.

Under this option ASHA and AHFC Boards retain their independent status within state government. Retaining this independent status is important because of concerns about the bond covenants of both agencies and ASHA's contractual arrangements with HUD.

Cons: The mission and purpose of ASHA and AHFC are very different. The demands on their separate boards of directors are already significant. To combine the two boards and add statewide responsibility in addition may be too much for board members to handle.

OPTION 4 SPECIAL ASSISTANT FOR HOUSING.

Establish a Special Assistant for Housing position within the Office of the Governor. Position will be responsible for advising the Governor on housing policy.

The Special Assistant would direct an Interagency Coordinating Committee comprised of directors of the 12 housing agencies, offices, and divisions. The Committee would meet on a regular basis (monthly, bi-weekly) to discuss housing programs, problems, and policy.

Responsibilities: Formulating statewide housing policy.
Coordinating housing programs consistent with a statewide housing policy.

Staffing: Special Assistant for Housing
Secretary

Pros: This option would be a minimum level of commitment for a statewide housing policy and for coordination of state housing programs.
Administrative costs would be minimal.

Cons: Many of the statewide action plans identified by the HPDC would not get addressed, i.e. a long-term housing plan, statewide housing needs assessments, creating of housing partnerships, etc.

Least effective mechanism to implement centralized, coordinated statewide housing programs/policies.

There is no mechanism for public input under this option.

CURRENT HOUSING BOARDS/COUNCILS

There are currently 12 agencies, offices and divisions within State government which are involved in providing or regulating housing services within Alaska.

ALASKA HOUSING MARKET COUNCIL

Advises the Governor and the Legislature on housing policies directed towards the stabilization of the housing market. It also provides direct services to the public in the form of the mortgage and housing information and referral hotline, provides a forum for public input regarding housing issues, coordinates interagency housing policies, and conducts research on issues affecting housing and mortgage loans. (The Council will sunset on March 12, 1990.)

- Membership: Department of Community and Regional Affairs
Department of Commerce and Economic Development
Alaska Housing Finance Corporation
Alaska State Housing Authority
Alaska Permanent Fund Corporation
Alaska Industrial Development & Export Authority
Office of the Governor
Public Members (5)
- Committees: Housing Policy Development Committee (37 members)
HPDC divided into working task forces in 5 major areas to develop policy recommendations for full Committee review and adoption.
- Staffing: Executive Director
4 staff members
- Meetings: Council meets monthly. Meetings usually held in Anchorage and teleconferenced to Fairbanks, Juneau. Subcommittee meetings and Committee meetings held monthly and usually teleconferenced.
- Members do not receive a stipend for attendance at meetings. Members are reimbursed for travel expenses at rates set by the state.

ALASKA STATE HOUSING AUTHORITY

Provides low to moderate income housing under state and federal housing programs. Issues bonds for housing and public facilities as requested.

ASHA has been in existence since before statehood. They are an independent agency within the state and contract directly with HUD for the housing funds they receive and the housing programs they provide. ASHA deals with low to moderate income housing needs - primarily in the urban areas. Thirteen regional housing authorities operate as Indian Housing Authorities and deal with low to moderate housing needs in the rural/village areas; these authorities are independent and do not report to ASHA.

- Membership: 4 public members appointed by Governor,
currently all members are from Anchorage and membership represents rural/native, business/real estate, minority, social services, and state government.
Commissioner of Commerce & Economic Development

Staffing: Executive Director
Division Directors
Clerical

Meetings: 4 times per year; 12 days maximum
In 1989, Board met on quarterly basis: 2 meetings in Anchorage, 1 in Sitka, 1 in Juneau.
Board members are paid \$80 per diem for each meeting they attend.
Members are reimbursed for travel expenses at rates set by the state.

ALASKA HOUSING FINANCE CORPORATION

Board of Directors is responsible for the management of AHFC assets and the business of the corporation; adoption, amendment and repeal of bylaws and regulations governing the manner in which all AHFC powers are exercised; review of proposed legislation and participation in lobbying efforts during legislative session; review and approval of key policy decisions which will affect AHFC borrowers; prescription of duties and compensation of corporation personnel; and review and approval of corporation budget.

Membership: Commissioner, Department of Revenue
Commissioner, Commerce & Economic Development
State Government Executive appointed by Governor, currently
Commissioner, Department of Labor
Public members (2), currently from Anchorage

Committees: Special committees established as needed.

Staffing: Executive Director
Executive Director's Secretary
Division Directors

Meetings: Not less than once every 3 months. Normally meet 12 times per year; 16 days maximum.
Usually transact meetings by teleconference with Anchorage, Juneau and Fairbanks. Meetings last from 3 to 6 hours.
Must give public notice, 24 hours or more in advance.
Members are paid \$100 for each public member, for each day spent on official business. Travel expenses are reimbursed at rate set by state.

ALTERNATIVES FOR IMPLEMENTATION OF HOUSING COORDINATION

COST ANALYSIS (in thousands)

BUDGET CATEGORY	SPECIAL ASSISTANT		HOUSING COMMISSION		STATE HOUSING BOARD		HOUSING DEPT.
	TOTAL COST	ALTERNATE COST ①	TOTAL COST	ALTERNATE COST ①	TOTAL COST	ALTERNATE COST ①	TOTAL COST
OPERATING EXPENDITURES							
Personal Services	\$110.7	\$0.0	\$239.4	\$104.3	\$262.6	\$169.6	\$400.9
Travel							
Staff Travel	6.0	6.0	14.5	6.9	14.5	10.3	28.0
Board Travel/Stipend			12.8	12.8	12.8	12.8	0.0
Per Diem							
Contractual							
Professional Services			8.7	3.9	8.7	3.9	
Communication	11.1	6.9	27.8	26.6	27.8	26.6	23.2
Advertising	2.5	0.0	14.4	7.4	13.0	10.0	9.5
Printing	2.0	2.0	16.1	4.0	18.1	10.1	14.6
Postage	4.2	1.8	8.3	7.8	7.1	6.6	5.7
Rent	4.8	0.0	19.4	0.0	18.9	0.9	22.8
Equipt. Rent, etc.			7.3	0.0	7.3	0.0	7.3
Supplies							
Office	3.8	1.0	6.3	3.8	6.3	3.8	11.0
Data Processing			1.0	1.0	1.0	0.5	2.0
TOTAL OPERATING EXP.	\$145.1	\$17.7	\$376.0	\$178.5	\$398.1	\$255.1	\$525.0
NON-OPERATING EXP.			15.0	②	15.0	②	15.0
TOTAL BOARD COST	\$145.1	\$17.7	\$391.0	\$178.5	\$413.1	\$255.1	\$540.0

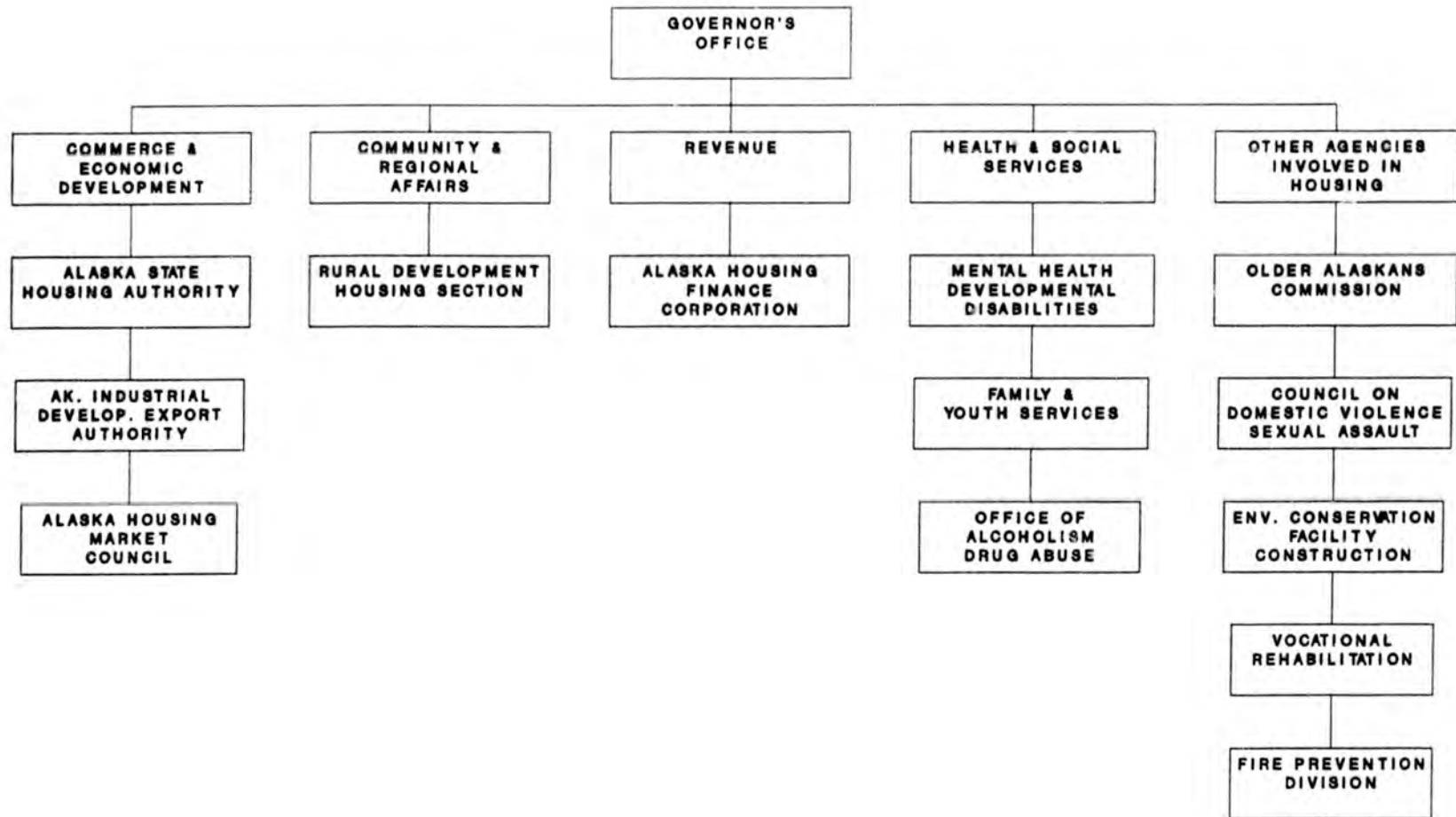
NOTE: IF THE FEDERAL, AFFORDABLE HOUSING ACT PASSES, COSTS FOR EACH ALTERNATIVE WILL INCREASE BY \$58.3 WITH THE ADDITION OF A GRANTS OFFICER TO REVIEW AND DISTRIBUTE FEDERAL FUNDS

① THESE ARE THE COSTS INCURRED WHEN EXISTING RESOURCES ARE USED. ALTERNATE COSTS FOR A DEPARTMENT OF HOUSING WERE NOT AVAILABLE AT TIME OF REPORT.

② THERE WOULD BE NO ADDITIONAL COST IF THE PRESENT INVENTORY OF THE AHMC WERE USED.

STATE OF ALASKA

AGENCIES WITH HOUSING RESPONSIBILITIES



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December 1989

ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
5.	PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	INFORMATION OFFICER/ TECHNICAL ADVISER	3.4	NONE AVAILABLE UNDER THIS ALTERNATIVE	0.0
		-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		5.9		0.0
		-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		1.8		0.0
6.	WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	RESEARCH ANALYST/ PLANNER	47.7	INTERAGENCY COORD. COMMITTEE/COMMISSION EXECUTIVE DIRECTOR	0.0
		-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
		-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN		6.2		0.0
		-DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN				
7.	REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DH&SS DIVISIONS, OTHER STATE AGENCIES AND OFFICES WITH HOUSING PROGRAMS/SERVICES	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	

ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA & ASHA				
8.	PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	EXECUTIVE DIRECTOR HOUSING COMMISSION		EXECUTIVE DIRECTOR/ INTERAGENCY COMM.	
9.	REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF STATE HOUSING AGENCIES/OFFICES AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION			INTERAGENCY COORD. COMMITTEE	
10.	CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS	RESEARCH ANALYST/ PLANNER	15.0	ISER OR UNIV. OF ALASKA	
11.	MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	

ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
12.	IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEED OF STATE HOUSING RESOURCES	<ul style="list-style-type: none"> -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING 	EXECUTIVE DIRECTOR/ HOUSING COMMISSION		ISER OR UNIV. OF ALASKA	
13.	REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	<ul style="list-style-type: none"> -IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS 	RESEARCH ANALYST/ PLANNER EXECUTIVE DIRECTOR/ HOUSING COMMISSION		AHFC STAFF	
14.	IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS AND DESIGNATE RECIPIENTS THROUGHOUT STATE	<ul style="list-style-type: none"> -SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUNDS 	GRANTS ADMINISTRATOR	50.9 * COVERED BY GRANT FUNDS		0.0

ALASKA HOUSING COMMISSION

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS				
		-MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA				
15.	ADMINISTRATIVE DUTIES					
		-MAINTAIN OFFICE SPACE, EQUIP, ETC.		52.4	SHARE AGENCY SPACE, EQUIP	27.4
		-DIRECT COMMISSION ACTIVITIES	EXECUTIVE DIRECTOR	73.6		73.6
		-STAFF SUPPORT OF HOUSING COMMISSION MEETINGS	SECRETARY	30.6		30.7
		-ADMIN SUPPORT OF HOUSING COMMISSION	ADMIN. OFFICER	39.7		0
		-TECHNICAL SUPPORT OF HOUSING COMMISSION		25.3	USE AGENCY CONF. SPACE	21.1
		-TRAVEL FOR COMMISSION MEETINGS		12.8		12.8
		-PUBLICATION OF ANNUAL REPORT		2.1		2.1
		-BOOKKEEPING, ANNUAL AUDIT		8.7	AGENCY ACCTG. SERVICES	3.9
		-STAFF TRAVEL		14.5	REDUCED STAFF, LESS TRAVE	6.9
				-----		-----
			TOTAL COSTS	391.0		178.5

*FUNDING FOR THIS POSITION IS QUESTIONABLE UNDER AFFORDABLE HOUSING ACT;
POSSIBILITY OF USING GRANT FUNDS TO COVER POSITION NEEDS TO BE EXPLORED.

STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1. ADMINISTER ALL HOUSING AGENCIES AND STATE HOUSING PROGRAMS	-STAFF STATE HOUSING BOARD -OVERALL ADMINISTRATIVE RESPONSIBILITY FOR AHFC, ASHA, RURAL HOUSING, INTERAGENCY COORDINATING COMMITTEE	EXECUTIVE DIRECTOR	86.5		86.5
2. PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -PRODUCE NEWSLETTER/BROCHURE	INFORMATION OFFICER	50.9	AHFC/ASHA STAFF	0.0
			3.6	AGENCIES PRODUCE	0.0
3. OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW INFORMATION PRIOR TO PUBLICATION	INFORMATION OFFICER			
4. PROVIDE INFORMATION TO INTERESTED PARTIES, RE: FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON LINE FOR INQUIRY	INFORMATION OFFICER RESEARCH ANALYST		AHFC STAFF	
5. FACILITATE THE CREATION OF HOUSING PARTNERSHIPS; PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES	INFORMATION OFFICER		MUST HAVE INFORMATION OFFICER/TECHNICAL ADVISOR POSITION TO ACCOMPLISH THIS ACTION PLAN.	50.9

STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	-IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS	EXECUTIVE DIRECTOR			
	-DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES				
	-OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT				
	-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	INFORMATION OFFICER	3.4		3.4
	-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		5.9		5.9
	-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		1.8		1.8
6. WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	RESEARCH ANALYST/ PLANNER	50.9	HOUSING AGENCIES/DIVISION USE EXISTING STAFF TO WRITE PLANS CONSISTENT W/ STATE HOUSING POLICY	0.0
	-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
	-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN		6.2		0.0
	-DEVELOP PROCESS FOR ONGOING REVIEW AND ANNUAL UPDATE OF PLAN				

 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
7. REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DHSS DIVISIONS, OTHER STATE AGENCIES AND OFFICES WITH HOUSING PROGRAMS/SERVICES	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD COMMITTEE	
	-COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA AND ASHA				
8. PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	EXECUTIVE DIRECTOR HOUSING BOARD		EXECUTIVE DIRECTOR/ INTERAGENCY COMM.	
9. REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF AHFC, ASHA, AND DCRA AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION			INTERAGENCY COORD. COMMITTEE	
10. CONDUCT PERIODIC STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION -CREATE DATA BASE ON AVAILABLE STATE, FEDERAL AND LOCAL FINANCING PROGRAMS -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS	RESEARCH ANALYST/ PLANNER	15.0	ISER OR UNIV. OF ALASKA	

 STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
	-UPDATE DATA BASE ON ONGOING BASIS				
11. MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEEDS STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY	RESEARCH ANALYST/ PLANNER		INTERAGENCY COORD. COMMITTEE	
12. IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEED OF STATE HOUSING RESOURCES	-APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING	EXECUTIVE DIRECTOR/ HOUSING COMMISSION		ISER OR UNIV. OF ALASKA	
13. REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	-IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS	RESEARCH ANALYST/ PLANNER		AHFC STAFF	
		EXECUTIVE DIRECTOR/ HOUSING COMMISSION			

STATE HOUSING BOARD

NO. RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
14. IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS AND DESIGNATE RECIPIENTS	-SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT HOUSING NEEDS, AVAILABLE FUNDS -DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS -MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA	GRANTS ADMINISTRATOR	50.9	* COVERED BY GRANT FUNDS	0.0
15. ADMINISTRATIVE DUTIES	-MAINTAIN OFFICE SPACE, EQUIP., ETC. -STAFF SUPPORT OF HOUSING BOARD MEETINGS -ADMIN. SUPPORT OF HOUSING BOARD -TECHNICAL SUPPORT OF HOUSING BOARD -TRAVEL FOR BOARD MEETINGS -PUBLICATION OF ANNUAL REPORT -BOOKKEEPING, ANNUAL AUDIT -STAFF TRAVEL	SECRETARY ADMIN. OFFICER	55.1 32.1 42.1 24.9 12.8 2.1 8.7 11.1	SHARE AGENCY SPACE, EQUIP DUTIES ABSORBED AGENCY USE AGENCY CONF. SPACE AGENCY ACCTG. SERVICES REDUCED STAFF, LESS TRAVE	25.6 32.1 0 23.2 12.8 2.1 3.6 6.9
		TOTAL COSTS	413.1		255.1

*COVERED BY GRANT FUNDS, NOT INCLUDED IN OPERATING COST TOTAL.

 SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
1.	PROVIDE PUBLIC INFORMATION ON HOUSING OPPORTUNITIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -PRODUCE NEWSLETTER/BROCHURE	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC/ASHA STAFF AGENCIES PRODUCT	0.0 0.0
2.	OVERSEE STATE AGENCY INFORMATION SERVICES	-REVIEW PUBLISHED INFORMATION	NOT AVAILABLE UNDER THIS ALTERNATIVE		COMMISSION EX. DIR.	
3.	PROVIDE INFORMATION TO INTERESTED PARTIES RE: FORECLOSED PROPERTIES	-RESOURCE PERSON ON STAFF TO ANSWER PUBLIC INQUIRIES -CURRENT DATA BASE ON-LINE FOR INQUIRY	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC STAFF	
4.	FACILITATE THE CREATION OF HOUSING PARTNERSHIPS; PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON DEVELOPMENT OF HOUSING PARTNERSHIPS	-RESEARCH CREATIVE HOUSING PARTNERSHIPS IN OTHER STATES -IDENTIFY COMMUNITIES WHERE CREATION OF HOUSING PARTNERSHIPS NEEDED/FEASIBLE -DOCUMENT HOUSING PARTNERSHIP POSSIBILITIES -IDENTIFY SOURCES OF PRE-DEVELOPMENT FINANCING AND ENCOURAGE/LOBBY FOR AGENCY MORTGAGE LOANS TO NON-PROFITS -DISTRIBUTE INFORMATION TO COMMUNITIES/AGENCIES -OFFER ASSISTANCE/CONSULTATION IN PARTNERSHIP DEVELOPMENT	NOT AVAILABLE UNDER THIS ALTERNATIVE			

SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-RESOURCE PERSON ON STAFF AVAILABLE TO CONSULT WITH COMMUNITIES/AGENCIES ON HOUSING PARTNERSHIP OPPORTUNITIES/STRUCTURE	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		0.0
		-DEVELOP AND CONDUCT COMMUNITY WORKSHOPS ON HOUSING PARTNERSHIPS		0.0		0.0
		-PRODUCE HANDBOOK ON HOUSING PARTNERSHIPS		0.0		0.0
5.	WRITE/UPDATE LONG-RANGE STATE HOUSING PLAN	-DOCUMENT EXISTING HOUSING CONDITIONS/ CONCERNS/PROBLEMS STATEWIDE	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		0.0
		-DEVELOP LONG-RANGE HOUSING STRATEGIES CONSISTENT WITH STATE HOUSING POLICY				
		-PREPARE DRAFT AND FINAL LONG-RANGE HOUSING PLAN		0.0		0.0
		-DEVELOP PROCESS FOR ON-GOING REVIEW AND ANNUAL UPDATE OF PLAN				
6.	REVIEW OTHER AGENCY PLANS FOR CONFORMANCE WITH STATE HOUSING PLAN	-COORDINATE THE DEVELOPMENT OF STATEWIDE SERVICE PLANS WITH AHFC, ASHA, DCRA, DIV. OF ALCOHOLISM & DRUG ABUSE, DIV. OF MENTAL HEALTH & DEVELOP. DISABILITIES, COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT.	NOT AVAILABLE UNDER THIS ALTERNATIVE		INTERAGENCY COORD. COMMITTEE	

 SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		-COORDINATE DEVELOPMENT OF SHORT AND LONG-TERM BUSINESS AND REGIONAL STRATEGIC PLANS WITH AHFC, DCRA AND ASHA.				
7.	PROVIDE STATE AGENCY HOUSING PROGRAM REVIEW, COORDINATION AND OVERSIGHT	-ESTABLISH PROCESS FOR REVIEW AND APPROVAL OF HOUSING OR MORTGAGE LOAN REGULATIONS -IDENTIFY AND CLARIFY ROLES OF AHFC, ASHA AND DCRA IN THE HOUSING MARKET	NOT AVAILABLE UNDER THIS ALTERNATIVE			
8.	REVIEW AND APPROVE ALL NEW OR AMENDED HOUSING AND MORTGAGE LOAN REGULATIONS	-REVIEW ALL PROPOSED AND EXISTING PROGRAMS OF AHFC, ASHA, AND DCRA AND IDENTIFY AREAS REQUIRING COORDINATION/COOPERATION				
9.	CONDUCT PERIOD STATEWIDE HOUSING NEEDS ASSESSMENT ON HOUSING AND FINANCING AVAILABILITY	-CREATE DATA BASE ON HOUSING NEEDS BY REGION. -CREATE DATA BASE ON STATE, FEDERAL AND LOCAL FINANCING PROGRAMS AVAILABLE -SOLICIT UPDATED INFORMATION ON A QUARTERLY OR SEMI-ANNUAL BASIS -UPDATE DATA BASE ON ON-GOING BASIS	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0		
10.	MAINTAIN COMPREHENSIVE INFORMATION ON HOUSING NEED STATEWIDE, TRACKING MOST URGENT HOUSING NEEDS	-ESTABLISH CRITERIA FOR DETERMINING MOST URGENT HOUSING NEEDS CONSISTENT WITH STATE HOUSING POLICY	NOT AVAILABLE UNDER THIS ALTERNATIVE			

SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
11.	IDENTIFY WHICH AREAS OF STATE AND WHICH TARGET POPULATIONS MOST IN NEED OF STATE HOUSING RESOURCES	<ul style="list-style-type: none"> -APPLY CRITERIA TO DATA BASE TO IDENTIFY MOST URGENT NEEDS AND TARGET POPULATIONS MOST IN NEED OF HOUSING RESOURCES -REVIEW STATE BUDGET REQUESTS FOR HOUSING FUNDS. -PREPARE RECOMMENDATIONS FOR GOVERNOR AND LEGISLATURE FOR PRIORITY FUNDING OF MOST URGENT HOUSING NEEDS -TESTIFY AT LEGISLATIVE HEARINGS ON FUNDING 	SPECIAL ASSISTANT/ INTERAGENCY COORD. COMMITTEE			
2	12. REVIEW USE AND DISPOSITION OF STATE AGENCY-OWNED FORECLOSED PROPERTIES	<ul style="list-style-type: none"> -IDENTIFY INVENTORY OF OREOS AND THEIR DISPOSITION -ESTABLISH REPORTING SYSTEM FOR UPDATED INFORMATION ON OREO INVENTORY -ESTABLISH POLICY WITH STATE AGENCIES ON DISPOSAL OF OREOS FOR URGENT HOUSING NEEDS -REVIEW AND DISCUSSION OF PUBLIC PURPOSE USE OF OREO INVENTORY. 	NOT AVAILABLE UNDER THIS ALTERNATIVE		AHFC STAFF	
13.	IF AFFORDABLE HOUSING ACT PASSES, REVIEW AND DISTRIBUTE FEDERAL FUNDS AND DESIGNATE RECIPIENTS THROUGHOUT STATE	<ul style="list-style-type: none"> -SET UP CLEARINGHOUSE FOR ALL GRANTS FOR FEDERAL HOUSING FUNDS -DEVELOP FUNDING PLAN/ALLOCATION OF FEDERAL FUNDS BASED ON STATE HOUSING POLICY, LONG-RANGE HOUSING PLAN, MOST URGENT 	NOT AVAILABLE UNDER THIS ALTERNATIVE	0.0	COVERED BY GRANT FUNDS	0.0

 SPECIAL ASSISTANT - HOUSING

NO.	RESPONSIBILITY	ACTIVITY/PRODUCT	STAFF/RESOURCES	COST	ALTERNATIVE RESOURCE	REVISED COST
		HOUSING NEEDS, AVAILABLE FUNDS				
		-DESIGNATE RECIPIENTS AND AGENCY TO ADMINISTER FUNDS				
		-MAINTAIN DATA BASE OF ALL FEDERAL HOUSING FUNDS AWARDED IN ALASKA				
63	14.	ADMINISTRATIVE DUTIES				
		-MAINTAIN OFFICE SPACE, EQUIP., ETC.		21.2	SHARE AGENCY SPACE, EQUIP	4.4
		-DIRECT COMMITTEE ACTIVITIES	SPECIAL ASSISTANT	78.5		0.0
		-STAFF SUPPORT OF COORD. COMMITTEE MTGS.	SECRETARY	32.1		0.0
		-TECHNICAL SUPPORT OF INTERAGENCY COMMITTEE		7.3		7.3
		-STAFF TRAVEL		6.0		6.0
				-----		-----
			TOTAL COSTS	145.1		17.7

*FUNDING FOR THIS POSITION IS QUESTIONABLE UNDER AFFORDABLE HOUSING ACT;
 POSSIBILITY OF USING GRANT FUNDS TO COVER POSITION NEEDS TO BE EXPLORED.

TOTAL STATE AND FEDERAL FUNDS APPROPRIATED IN ALASKA
For Fiscal Years 1988 and 1989 (In Thousands)

PURPOSE	LOW INCOME	RURAL	RENTAL	HOME OWNERSHIP	SPECIAL NEEDS	SENIORS	WEATHERIZATION	TOTALS

Federal:								
MCKINNEY					\$1,217.6			
DEVELOP HOUSING		\$57,876.0						
EMERGENCY SHELTER					549.5			
H A OPERATIONS	\$8,246.0	6,936.3						
HOMELESS YOUTH					50.0			
HOUSING REHAB	1,005.0	1,874.8						
REHAB PROJECTS	1,997.4	9,837.9						
RENT SUBSIDIES			\$36,659.7					
RENTAL UNITS			20,745.0					
RUNAWAY SHELTER					128.0			
SENIOR CENTER						348.5		
WEATHERIZATION							4,800.0	

TOTAL FEDERAL	11,248.4	76,525.0	57,404.7	0.0	1,945.1	348.5	4,800.0	\$152,271.7

State:								
MORTGAGE LOANS		47,874.7		1,042,978.6				
SUPPLEM. HOUSING		7,000.0						
PIONEER HOMES						51,854.0		
MENTAL HEALTH					19,684.4			
WEATHERIZATION							4,700.0	
RECIPIENT GRANTS					29,412.9			
WILLOW PARK GRAN	4,900.0							

TOTAL STATE	4,900.0	54,874.0	0.0	1,042,978.6	49,097.3	51,854.0	4,700.0	\$1,208,403.9
=====								
TOTAL COMBINED	\$16,148.4	\$131,399.0	\$57,404.7	\$1,042,978.6	\$51,042.4	\$52,202.5	\$9,500.0	\$1,360,675.6
=====								
% OF TOTAL	1.19%	9.66%	4.22%	76.65%	3.75%	3.84%	0.70%	100.00%

Alaska Housing Market Council
December 1989

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
				1988		
AHFC	GEN. FUND	\$5,924,100	OPR	88	LOAN ADMINISTRATION	
AHFC	BONDS	\$705,154,107	LOAN	88	LOANS ORIGINATED	-----
						\$711,078,207
RURAL LOAN FUND	GEN FUND	22,683,050	LOAN	88	RURAL HOUSING LOANS	
SUPPLEMENTAL HOUSING	GEN. FUND	3,500,000	CAP	88	RURAL HOUSING	
RURAL LOAN FUND	GEN FUND	2,134,716	OPR	88	RURAL HOUSING	-----
						\$28,318,566
PIONEER HOMES	GEN. FUND	900,000	CAP	88	SENIOR HOUSING	
PIONEER HOMES	GEN. FUND	22,983,000	OPR	88	SENIOR HOUSING	-----
						\$23,883,000
MENTAL HEALTH	GEN. FUND	700,000	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	432,000	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	197,700	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,303,050	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	641,000	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,784,850	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	23,820	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	886,100	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	401,625	OPR	88	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,872,000	OPR	88	SPECIAL NEEDS HOUSING	-----
						\$8,242,145

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
WEATHERIZATION	GEN. FUND	350,000	CAP	88	WEATHERIZATION PROJECTS	
WEATHERIZATION	OIL OVERCHARGE	2,000,000	CAP	88	WEATHERIZATION PROJECTS	
						\$2,350,000
NAMED RECIPIENT GRANTS	GEN. FUND	14,653,375		88	STATE GRANTS	\$14,653,375
	TOTAL 1988 GENERAL FUNDS	\$83,371,175				
	TOTAL 1988 BONDS	\$705,154,107			TOTAL 1988 FUNDS	\$788,525,293
				1989		
AHFC	GEN FUND	\$5,723,700	OPR	89	LOAN ADMINISTRATION	
AHFC	BONDS	\$326,176,703	LOAN	89	LOANS ORIGINATED	
						\$331,900,403
RURAL LOAN FUND	GEN FUND	20,165,700	LOAN	89	LOANS ORIGINATED	
RURAL LOAN FUND	GEN FUND	2,889,700	OPR	89	RURAL HOUSING	
SUPPLEMENTAL HOUSING	GEN. FUND	3,500,000	CAP	89	RURAL HOUSING	
						\$26,555,400
PIONEER HOMES	GEN. FUND	24,761,000	OPR	89	SENIOR HOUSING	
ASHA	GEN FUND	2,430,000	CAP	89	SENIOR HOUSING	
PIONEER HOMES	GEN. FUND	780,000	CAP	89	SENIOR HOUSING	
						\$27,971,000

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
MENTAL HEALTH	GEN. FUND	401,625	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	23,820	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	197,700	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,784,850	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,872,000	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,303,050	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,174,800	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	641,000	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	886,100	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	432,000	OPR	89	SPECIAL NEEDS HOUSING	
MENTAL HEALTH	GEN. FUND	1,700,000	CAP	88-89	SPECIAL NEEDS HOUSING	
ASHA	GEN. FUND	1,025,271	CAP	89	SPECIAL NEEDS HOUSING	-----
						\$11,442,216
ASHA	AHFC & GEN. FUN	4,900,000		89	ASBESTOS ABATE. & REMOVAL	\$4,900,000
WEATHERIZATION	OIL OVERCHARGE	2,000,000	CAP	89	WEATHERIZATION PROJECTS	
WEATHERIZATION	GEN. FUND	350,000	CAP	89	WEATHERIZATION PROJECTS	-----
						\$2,350,000
NAMED RECIPIENT GRANTS		14,759,533		89	STATE GRANTS	\$14,759,533

TOTAL 1989 GENERAL FUNDS		\$93,701,849				
		=====				
TOTAL 1989 BONDS		\$326,176,703			TOTAL 1989 FUNDS	\$419,878,552
		=====				=====
TOTAL ALL FUNDS 1988/1989		\$1,208,403,845				\$1,208,403,845

STATE FUNDS APPROPRIATED FOR HOUSING IN ALASKA
For Fiscal Years 1988, 1989 and 1990 To Date

AGENCY	SOURCE: GENERAL FUNDS OR BONDS	AMOUNT	TYPE OF FUNDS: CAP/OPR	YEAR	PURPOSE	SUBTOTALS
				1990		
PIONEER HOMES	GEN. FUND	\$25,000,000	OPR	90	SENIOR HOUSING	
PIONEER HOMES	GEN. FUND	500,000	CAP	90	SENIOR HOUSING	\$25,500,000
AHFC	GEN. FUND	10,527,600	OPR	90	LOAN ADMINISTRATION	\$10,527,600
SUPPLEMENTAL HOUSING	GEN. FUND	3,500,000	CAP	90	RURAL HOUSING	\$3,500,000
WEATHERIZATION	OIL OVERCHARGE	0	CAP	90	WEATHERIZATION PROJECTS	
WEATHERIZATION	GEN. FUND	400,000	CAP	90	WEATHERIZATION PROJECTS	\$400,000
TOTAL 1990 APPROPRIATION KNOWN TO DATE		\$39,927,600 =====				

Alaska Housing Market Council
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FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
1988 APPROPRIATION						
HUD	HUD	ALEUTIAN H. A.		\$1,032,252	CAP	REHAB 5 PROJECTS
HUD	HUD	ARCTIC SLOPE REG. H. A.		137,500	CAP	REHAB 1 PROJECT
HUD	HUD	ASHA		508,279	CAP	REHAB 1 PROJECT
HUD	HUD	ASHA		13,830,000	CAP	REPLACE WILLOW PARK*
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		22,700	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		6,313,200	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		510,546	CAP	REHAB 22 PROJECTS
HUD	HUD	BARANOF ISLAND H A/C		922,000	CAP	DEVELOP NEW HOUSING
HUD	EDBG	BEAVER VILLAGE		350,000	CAP	HOUSING REHAB
HUD	HUD	BERING STRAITS REG. H.A.		5,961,600	CAP	DEVELOP NEW HOUSING
HUD	HUD	BERING STRAITS REG. H.A.		156,568	CAP	DEVELOPMENT FUNDS
HUD	HUD	BERING STRAITS REG. H.A.		849,212	CAP	REHAB 8 PROJECTS
HUD	HUD	BRISTOL BAY H.A.		7,172,159	CAP	DEVELOP NEW HOUSING
HUD	HUD	BRISTOL BAY H.A.		293,160	CAP	DEVELOPMENT FUNDS
HUD	HUD	COPPER RIVER H A		20,730	CAP	REHAB 1 PROJECT
HUD	HUD	COPPER RIVER H A		435,450	CAP	DEVELOPMENT FUNDS
HUD/ESG	EDBG	FAIRBANKS N.S.B.		15,634	CAP	EMERGENCY SHELTER
HUD	HUD	INTERIOR REGION H A		277,130	CAP	DEVELOPMENT FUNDS
HUD	HUD	INTERIOR REGION H A		311,478	CAP	REHAB 3 PROJECTS
HUD	HUD	INTERIOR REGION H A		3,627,000	CAP	DEVELOP NEW HOUSING
HUD/ESG	EDBG	JUNEAU		29,613	CAP	EMERGENCY SHELTER
HUD/ESG	EDBG	KENAI		4,770	CAP	EMERGENCY SHELTER
HUD	HUD	KODIAK ISLAND H A		680,446	CAP	REHAB 3 PROJECTS
HUD/ESG	EDBG	KOTZEBUE		11,023	CAP	EMERGENCY SHELTER
MCKINNEY ACT	HUD	MOA		4,000	CAP	EMERGENCY SHELTER GRANTS
HUD/ESG	EDBG	MOA		5,100	CAP	EMERGENCY SHELTER
HUD	ESGP	MUN OF ANCHORAGE		4,000	CAP	EMERGENCY SHELTER
HUD	RRP	MUN OF ANCHORAGE		156,700	CAP	RENTAL REHAB
HUD	HUD	MUN OF ANCHORAGE		729,950	CAP	HOUSING REHAB
HUD	EDBG	MUN OF ANCHORAGE		128,000	CAP	RUNAWAY SHELTER
HUD	HUD	NORTH PACIFIC RIM H A		19,384	CAP	DEVELOPMENT FUNDS
HUD	HUD	NORTH PACIFIC RIM H A		1,844,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	NORTHWEST INUPIAT H A		3,103,778	CAP	DEVELOPMENT FUNDS
HUD	HUD	NORTHWEST INUPIAT H A		2,344,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	NORTHWEST INUPIAT H A		319,575	CAP	REHAB 3 PROJECTS
HUD	EDBG	PETERSBURG		350,000	CAP	HOUSING REHAB
HUD	EDBG	RUBY		124,768	CAP	HOUSING REHAB
HUD	HUD	STATE OF ALASKA		81,000	CAP	RENTAL REHAB
HUD	ESGP	STATE OF ALASKA		5,000	CAP	EMERGENCY SHELTER
HUD/ESG	HUD	STATE OF ALASKA		2,500,000	CAP	WEATHERIZATION
MCKINNEY ACT	HUD	STATE OF ALASKA		5,000	CAP	EMERGENCY SHELTER GRANTS
HUD	EDBG	TCC/VENETIE		350,000	CAP	HOUSING REHAB

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
HUD	HUD	TLINGIT-HAIDA H A		75,000	CAP	DEVELOPMENT FUNDS
HUD	HUD	TLINGIT-HAIDA H A		3,739,800	CAP	DEVELOP NEW HOUSING
HUD	HUD	TLINGIT-HAIDA H A		1,185,525	CAP	REHAB 15 PROJECTS
SUBTOTAL 1988 CAPITAL APPROPRIATIONS				\$60,847,030		
HUD	HUD	ALEUTIAN H.A.		\$179,070	OPR	H A OPERATIONS
HUD	HUD	ARCTIC SLOPE REG. H. A.		304,080	OPR	H A OPERATIONS
HUD	HUD	ASHA		4,036,039	OPR	H A OPERATIONS
HUD	HUD	ASHA		8,526,654	OPR	RENT SUBSIDIES
HUD	HUD	ASHA		898,190	OPR	RENT SUBSIDIES
HUD	HUD	ASSOC. VILLAGE COUNCIL H. A.		191,120	OPR	OPERATING SUBSIDY
HUD	HUD	BARANOF ISLAND H A/C		14,700	OPR	H A OPERATIONS
HUD	HUD	BERING STRAITS REG. H.A.		210,334	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	BETHEL		5,000	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	BRISTOL BAY	INDIAN ALLOCATION	2,265	OPR	ECS - HOMELESS
HUD	HUD	BRISTOL BAY H.A.		54,340	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	COOK INLET	INDIAN ALLOCATION	6,302	OPR	ECS - HOMELESS
HUD	HUD	COOK INLET H A		706,476	OPR	H A OPERATIONS
H' D	HUD	COPPER RIVER H A		286,994	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	FAIRBANKS	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS
MCKINNEY ACT	FEMA	FAIRBANKS N. S. B.		77,425	OPR	EMERG. FOOD & SHELTER
HUD	HUD	INTERIOR REGION H A		59,690	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	KENAI PENINSULA BOR.		49,565	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	KODIAK	INDIAN ALLOCATION	1,001	OPR	ECS - HOMELESS
HUD	HUD	KODIAK ISLAND H A		137,450	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	KODIAK ISL. BO.		4,907	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	LARSEN BAY	INDIAN ALLOCATION	500	OPR	ECS - HOMELESS
MCKINNEY ACT	FEMA	MAT-SU		48,039	OPR	EMERG. FOOD & SHELTER
HUD	HUD	METLAKATLA H A		127,814	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	MOA	CLITHEROE CENTER	1,046,589	OPR	ALCOHOL/DRUG ABUSE TREAT.
MCKINNEY ACT	FEMA	MOA		95,700	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	FEMA	NOME/KOTZEBUE		2,000	OPR	EMERG. FOOD & SHELTER
HUD	HUD	NORTH PACIFIC RIM H A		188,506	OPR	H A OPERATIONS
HUD	HUD	NORTHWEST INUPIAT H A		409,300	OPR	H A OPERATIONS
MCKINNEY ACT	HHS	NO. PACIFIC RIM	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS
MCKINNEY ACT	EDUC	STATE OF ALASKA		75,000	OPR	ADULT ED. LITERACY
MCKINNEY ACT	HHS	STATE OF ALASKA		59,178	OPR	ECS - HOMELESS
MCKINNEY ACT	EDUC	STATE OF ALASKA	DEPT. OF EDUCATION	50,000	OPR	HOMELESS YOUTH EDUC.
MCKINNEY ACT	FEMA	S.E. ALASKA COUNTY		45,000	OPR	EMERG. FOOD & SHELTER
MCKINNEY ACT	HHS	TANANA	INDIAN ALLOCATION	3,784	OPR	ECS - HOMELESS
MCKINNEY ACT	HHS	TLINGIT HAIDA	INDIAN ALLOCATION	5,711	OPR	ECS - HOMELESS
HUD	HUD	TLINGIT-HAIDA H A		638,598	OPR	H A OPERATIONS
MCKINNEY ACT	FEMA	VALDEZ-CORDOVA		6,000	OPR	EMERG. FOOD & SHELTER

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
HUD	HUD	VARIOUS PROJECTS		8,542,156	OPR	RENT SUBSIDIES
SUBTOTAL 1988 OPERATING APPROPRIATIONS				\$27,097,477		
TOTAL 88 APPROPRIATIONS				\$87,944,507		
1989 APPROPRIATED						
HUD	HUD	ALEUT AN H A		\$1,170,889	CAP	DEVELOP NEW HOUSING
HUD	HUD	ALEUTIAN H A		1,228,175	CAP	REHAB 4 PROJECTS
HUD	HUD	ARCTIC SLOPE H A		2,212,800	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASHA		6,915,000	CAP	REPLACE BIRCH PARK*
HUD	HUD	ASHA		1,489,150	CAP	REHAB 2 PROJECTS
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		450,000	CAP	REHAB 2 PROJECTS
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		3,203,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		717,782	CAP	DEVELOPMENT FUNDS
HUD	HUD	BERING STRAITS H A		538,626	CAP	DEVELOPMENT FUNDS
HUD	HUD	BERING STRAITS H A		1,547,022	CAP	REHAB 9 PROJECTS
HUD	HUD	BERING STRAITS H A		5,540,000	CAP	DEVELOP NEW HOUSING
HUD	HUD	BRISTOL BAY H A		261,063	CAP	DEVELOPMENT FUNDS
HUD	CDBG	CIRCLE		124,000	CAP	ELECTRIFICATION
HUD	HUD	COOK INLET H A		1,659,852	CAP	DEVELOP NEW HOUSING
HUD	HUD	COOK INLET H A		170,634	CAP	REHAB 1 PROJECT
HUD	HUD	COOK INLET H A		73,509	CAP	DEVELOPMENT FUNDS
HUD	HUD	COOPER RIVER H A		71,500	CAP	REHAB 2 PROJECTS
HUD	CDBG	GRAYLING		350,000	CAP	HOUSING REHAB
HUD	HUD	INTERIOR REGION H A		447,577	CAP	REHAB 3 PROJECTS
HUD	CDBG	KLAWOCK		350,000	CAP	HOUSING REHAB
HUD	HUD	KODIAK ISLAND H A		482,336	CAP	REHAB 2 PROJECTS
HUD	RRP	MUN. OF ANCH.		178,000	CAP	RENTAL REHAB
HUD	CDBG	MUN. OF ANCH.		96,000	CAP	BR. FRANCIS SHELTER
HUD	ESGP	MUN. OF ANCH.		26,000	CAP	EMERGENCY SHELTER
HUD	CDBG	MUN. OF ANCH.		275,000	CAP	HOUSING REHAB
HUD	HUD	NORTH PACIFIC RIM H A		60,921	CAP	REHAB 2 PROJECTS
HUD	HUD	NORTHWEST INUPIAT H A		1,052,425	CAP	DEVELOPMENT FUNDS
HUD	HUD	NORTHWEST INUPIAT H A		332,500	CAP	REHAB 1 PROJECT
HUD	HUD	NORTHWEST INUPIAT H A		4,524,000	CAP	DEVELOP NEW HOUSING
HUD	ESGP	STATE OF ALASKA		25,000	CAP	EMERGENCY SHELTER
		STATE OF ALASKA		2,300,000	CAP	WEATHERIZATION
HUD	HUD	STATE OF ALASKA		60,000	CAP	RENTAL REHAB
HUD	CDBG	TOGIAK		348,545	CAP	SENIOR CENTER
SUBTOTAL 1989 CAPITAL APPROPRIATIONS				\$38,281,306		

FEDERAL HOUSING FUNDS APPROPRIATED FOR ALASKA

SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	AWARD	OPERATING/ CAPITAL \$	PURPOSE
HUD	HUD	ALEUTIAN H A		\$165,531	OPR	H A OPERATIONS
HUD	HUD	ARCTIC SLOPE H A		333,918	OPR	H A OPERATIONS
HUD	HUD	ASHA		4,209,971	OPR	H A OPERATIONS
HUD	HUD	ASHA		8,642,951	OPR	RENT SUBSIDIES
HUD	HUD	ASHA		1,369,781	OPR	RENT SUBSIDIES
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		185,510	OPR	H A OPERATIONS
HUD	HUD	BARANOF ISLAND H A		30,755	OPR	H A OPERATIONS
HUD	HUD	BERING STRAITS H A		135,797	OPR	H A OPERATIONS
HUD	HUD	BRISTOL BAY H A		195,684	OPR	H A OPERATIONS
HUD	HUD	COOK INLET H A		630,996	OPR	H A OPERATIONS
HUD	HUD	COOPER RIVER H A		310,880	OPR	H A OPERATIONS
HUD	HUD	INTERIOR REGION H A		113,100	OPR	H A OPERATIONS
HUD	HUD	KODIAK ISLAND H A		238,019	OPR	H A OPERATIONS
HUD	HUD	METLAKATLA H A		214,231	OPR	H A OPERATIONS
HUD	HUD	NORTH PACIFIC RIM H A		167,352	OPR	H A OPERATIONS
HUD	HUD	NORTHWEST INUPIAT H A		290,265	OPR	H A OPERATIONS
HUD	HUD	TLINGIT-HAIDA H A		606,915	OPR	H A OPERATIONS
HUD	HUD	VARIOUS PROJECTS		8,204,268	OPR	RENT SUBSIDIES
SUBTOTAL 1989 OPERATING APPROPRIATIONS				\$26,045,924		
TOTAL 1989 APPROPRIATIONS				\$64,327,230		

LEGEND:

- FEMA - Federal Emergency Management Agency
- CDBG - Community Development Block Grant
- ESGP - Emergency Shelter Grants Program
- RRP - Rental Rehabilitation Program
- HHS - Department of Health and Human Services
- HUD - Department of Housing and Urban Development
- EDUC - Department of Education
- ECS - Emergency Community Services
- H A - Housing Authority
- * - Purchase of scattered site units to replace public housing units which will be demolished

Alaska Housing Market Council
December 1989

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	ALEUTIAN H A		\$1,032,252	CAP	REHAB 5 PROJECTS		
HUD	HUD	ALEUTIAN H A		179,070	OPR	H A OPERATIONS	\$1,211,322	
HUD	HUD	ARCTIC SLOPE REG. H A		137,500	CAP	REHAB 1 PROJECT		
HUD	HUD	ARCTIC SLOPE REG. H A		304,080	OPR	H. A. OPERATIONS	441,580	
HUD	HUD	ASHA		898,190	OPR	RENT SUBSIDIES		
HUD	HUD	ASHA		8,526,654	OPR	RENT SUBSIDIES		
HUD	HUD	ASHA		508,279	CAP	REHAB 1 PROJECT		
HUD	HUD	ASHA		4,036,039	OPR	H A OPERATIONS		
HUD	HUD	ASHA		13,830,000	CAP	REPLACE. WILLOW PARK*		\$27,799,162
73	HUD	ASSOC. VILLAGE COUNCIL H A		6,313,200	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		22,700	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		510,546	CAP	REHAB 22 PROJECTS		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		191,120	OPR	OPERATING SUBSIDY	7,037,566	
HUD	HUD	BARANOF ISLAND H A/C		14,700	OPR	H A OPERATIONS		
HUD	HUD	BARANOF ISLAND H A/C		922,000	CAP	DEVELOP NEW HOUSING	936,700	
HUD	COBG	BEAVER VILLAGE		350,000	CAP	HOUSING REHAB	350,000	
HUD	HUD	BERING STRAITS REG. H A		5,961,600	CAP	DEVELOP NEW HOUSING		
HUD	HUD	BERING STRAITS REG. H A		456,568	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BERING STRAITS REG. H A		210,334	OPR	H A OPERATIONS		
HUD	HUD	BERING STRAITS REG. H A		849,212	CAP	REHAB 8 PROJECTS	7,477,714	
MCKINNEY	FEMA	BETHEL		5,000	OPR	EMERG. FOOD & SHELTER	5,000	
MCKINNEY	HHS	BRISTOL BAY	INDIAN ALLOCATIO	2,265	OPR	ECS - HOMELESS		
HUD	HUD	BRISTOL BAY H A		54,340	OPR	H A OPERATIONS		
HUD	HUD	BRISTOL BAY H A		293,160	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BRISTOL BAY H A		7,172,159	CAP	DEVELOP NEW HOUSING	7,521,924	
MCKINNEY	HHS	COOK INLET	INDIAN ALLOCATION	6,302	OPR	ECS - HOMELESS		
HUD	HUD	COOK INLET H A		706,476	OPR	H A OPERATIONS	712,778	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	COPPER RIVER H A		286,994	OPR	H A OPERATIONS		
HUD	HUD	COPPER RIVER H A		435,450	CAP	DEVELOPMENT FUNDS		
HUD	HUD	COPPER RIVER H A		20,730	CAP	REHAB 1 PROJECT	743,174	
MCKINNEY	HHS	FAIRBANKS	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS		
MCKINNEY	FEMA	FAIRBANKS N.S.B.		77,425	OPR	EMERGENCY FOOD AND SHELTER		78,425
HUD/ESG	ESG	FAIRBANKS N.S.B.	FAIRBANKS N.S.B.	15,634	CAP	EMERGENCY SHELTER		15,634
HUD	HUD	INTERIOR REGION H A		59,690	OPR	H A OPERATIONS		
HUD	HUD	INTERIOR REGION H A		311,478	CAP	REHAB 3 PROJECTS		
HUD	HUD	INTERIOR REGION H A		3,627,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	INTERIOR REGION H A		277,130	CAP	DEVELOPMENT FUNDS	4,275,298	
HUD/ESG	HUD	JUNEAU		29,613	CAP	EMERGENCY SHELTER		29,613
HUD/ESG	HUD	KENAI		4,770	CAP	EMERGENCY SHELTER	4,770	
MCKINNEY	FEMA	KENAI PENINSULA BOROUGH		49,565	OPR	EMERG. FOOD & SHELTER	49,565	
MCKINNEY	HHS	KODIAK	INDIAN ALLOCATION	1,001	OPR	ECS - HOMELESS		
HUD	HUD	KODIAK ISLAND H A		680,446	CAP	REHAB 3 PROJECTS		
HUD	HUD	KODIAK ISLAND H A		137,450	OPR	H A OPERATIONS		
MCKINNEY	FEMA	KODIAK ISLAND BOROUGH		4,907	OPR	EMERG. FOOD & SHELTER	823,804	
HUD/ESG	HUD	KOTZEBUE		11,023	CAP	EMERGENCY SHELTER	11,023	
MCKINNEY	HHS	LARSEN BAY	INDIAN ALLOCATION	500	OPR	ECS - HOMELESS	500	
MCKINNEY	FEMA	MAT-SU		48,039	OPR	EMERG. FOOD & SHELTER	48,039	
HUD	HUD	METLAKATLA H A		127,814	OPR	H A OPERATIONS	127,814	
HUD/ESG	HUD	MUNI. OF ANCHORAGE		5,100	CAP	EMERGENCY SHELTER		5,100
MCKINNEY	HUD	MUNI. OF ANCHORAGE		4,000	CAP	EMERGENCY SHELTER GRANTS		
MCKINNEY	HHS	MUNI. OF ANCHORAGE	CLITHEROE CENTER	1,046,589	OPR	ALCOHOL DRUG ABUSE TREATMENT		
MCKINNEY	FEMA	MUNI. OF ANCHORAGE		95,700	OPR	EMERGENCY FOOD AND SHELTER		
HUD	ESGP	MUNI. OF ANCHORAGE		4,000	CAP	EMERGENCY SHELTER		
HUD	RRP	MUNI. OF ANCHORAGE		156,700	CAP	RENTAL REHAB		
HUD	HUD	MUNI. OF ANCHORAGE		729,950	CAP	HOUSING REHAB		

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	CDBG	MUNI. OF ANCHORAGE		128,000	CAP	RUNAWAY SHELTER		2,164,939
MCKINNEY	FEMA	NOME/KOTZEBUE		2,000	OPR	EMERG. FOOD & SHELTER	2,000	
HUD	HUD	NORTH PACIFIC RIM H A		1,844,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	NORTH PACIFIC RIM H A		188,506	OPR	H A OPERATIONS		
HUD	HUD	NORTH PACIFIC RIM H A		19,384	CAP	DEVELOPMENT FUNDS	2,051,890	
HUD	HUD	NORTHWEST INUPIAT H A		3,103,778	CAP	DEVELOPMENT FUNDS		
HUD	HUD	NORTHWEST INUPIAT H A		409,300	OPR	H A OPERATIONS		
HUD	HUD	NORTHWEST INUPIAT H A		2,344,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	NORTHWEST INUPIAT H A		319,575	CAP	REHAB 3 PROJECTS	6,176,653	
MCKINNEY	HHS	NORTH PACIFIC RIM	INDIAN ALLOCATION	1,000	OPR	ECS - HOMELESS	1,000	
HUD	CDBG	PETERSBURG		350,000	CAP	HOUSING REHAB	350,000	
HUD	CDBG	RUBY		124,768	CAP	HOUSING REHAB	124,768	
		STATE OF ALASKA		2,500,000	CAP	WEATHERIZATION	2,500,000	
HUD	ESPG	STATE OF ALASKA		5,000	CAP	EMERGENCY SHELTER		
MCKINNEY	EDUC	STATE OF ALASKA	DEPT. OF EDUCATION	50,000	OPR	HOMELESS YOUTH ED.		
MCKINNEY	EDJC	STATE OF ALASKA		75,000	OPR	ADULT ED. LITERACY		
MCKINNEY	HHS	STATE OF ALASKA		59,178	OPR	ECS - HOMELESS		
MCKINNEY	HUD	STATE OF ALASKA		5,000	CAP	EMERG. SHELTER GRANTS		
HUD	HUD	STATE OF ALASKA		81,000	CAP	RENTAL REHAB		275,178
MCKINNEY	FEMA	S.E. ALASKA COUNTY		45,000	OPR	EMERG. FOOD & SHELTER	45,000	
MCKINNEY	HHS	TANANA	INDIAN ALLOCATION	3,784	OPR	ECS - HOMELESS	3,784	
HUD	CDBG	TCC/VENETIE		350,000	CAP	HOUSING REHAB	350,000	
MCKINNEY	HHS	TLINGIT HAIDA	INDIAN ALLOCATION	5,711	OPR	ECS - HOMELESS		
HUD	HUD	TLINGIT-HAIDA H A		1,185,525	CAP	REHAB 15 PROJECTS		
HUD	HUD	TLINGIT-HAIDA H A		3,739,800	CAP	DEVELOP NEW HOUSING		
HUD	HUD	TLINGIT-HAIDA H A		75,000	CAP	DEVELOPMENT FUNDS		
HUD	HUD	TLINGIT-HAIDA H A		638,598	OPR	H A OPERATIONS	5,644,634	
MCKINNEY	FEMA	VALDEZ-CORDOVA		6,000	OPR	EMERG. FOOD & SHELTER	6,000	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	VARIOUS PROJECTS		8,542,156	OPR	RENT SUBSIDIES		8,542,156

TOTAL 1988 APPROPRIATION				\$87,944,507			\$49,034,300	\$38,910,207

HUD	HUD	ALEUTIAN H A		\$165,531	OPR	H A OPERATIONS		
HUD	HUD	ALEUTIAN H A		1,170,889	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ALEUTIAN H A		1,228,175	CAP	REHAB 4 PROJECTS	\$2,564,595	
HUD	HUD	ARCTIC SLOPE H A		333,918	OPR	H A OPERATIONS		
HUD	HUD	ARCTIC SLOPE H A		2,212,800	CAP	DEVELOP NEW HOUSING	2,546,718	
HUD	HUD	ASHA		8,642,951	OPR	RENT SUBSIDIES		
HUD	HUD	ASHA		6,915,000	CAP	REPLACE BIRCH PARK*		
HUD	HUD	ASHA		1,489,150	CAP	REHAB 2 PROJECTS		
HUD	HUD	ASHA		4,209,971	OPR	H A OPERATIONS		
HUD	HUD	ASHA		1,369,781	OPR	RENT SUBSIDIES		\$22,626,853
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		450,000	CAP	REHAB 2 PROJECTS		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		185,510	OPR	H A OPERATIONS		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		3,203,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	ASSOC. VILLAGE COUNCIL H A		717,782	CAP	DEVELOPMENT FUNDS	4,556,292	
HUD	HUD	BARANOF ISLAND H A		30,755	OPR	H A OPERATIONS	30,755	
HUD	HUD	BERING STRAITS H A		135,797	OPR	H A OPERATIONS		
HUD	HUD	BERING STRAITS H A		5,540,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	BERING STRAITS H A		538,626	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BERING STRAITS H A		1,547,022	CAP	REHAB 9 PROJECTS	7,761,445	
HUD	HUD	BRISTOL BAY H A		261,063	CAP	DEVELOPMENT FUNDS		
HUD	HUD	BRISTOL BAY H A		195,684	OPR	H A OPERATIONS	456,747	
HUD	CDBG	CIRCLE		124,000	CAP	ELECTRIFICATION	124,000	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	COOK INLET H A		630,996	OPR	H A OPERATIONS		
HUD	HUD	COOK INLET H A		170,634	CAP	REHAB 1 PROJECT		
HUD	HUD	COOK INLET H A		73,509	CAP	DEVELOPMENT FUNDS		
HUD	HUD	COOK INLET H A		1,659,852	CAP	DEVELOP NEW HOUSING	2,534,991	
HUD	HUD	COPPER RIVER H A		310,880	OPR	H A OPERATIONS		
HUD	HUD	COPPER RIVER H A		71,500	CAP	REHAB 2 PROJECTS	382,380	
HUD	CDBG	GRAYLING		350,000	CAP	HOUSING REHAB	350,000	
HUD	HUD	INTERIOR REGION H A		447,577	CAP	REHAB 3 PROJECTS		
HUD	HUD	INTERIOR REGION H A		113,100	OPR	H A OPERATIONS	560,677	
HUD	CDBG	KLAWOCK		350,000	CAP	HOUSING REHAB	350,000	
HUD	HUD	KODIAK ISLAND H A		482,336	CAP	REHAB 2 PROJECTS		
HUD	HUD	KODIAK ISLAND H A		238,019	OPR	H A OPERATIONS	720,355	
HUD	HUD	METLAKATLA H A		214,231	OPR	H A OPERATIONS	214,231	
HUD	ESGP	MUN. OF ANCH.		26,000	CAP	EMERGENCY SHELTER		
HUD	CDBG	MUNI. OF ANCHORAGE		96,000	CAP	DR. FRANCIS SHELTER		
HUD	CDBG	MUNI. OF ANCHORAGE		275,000	CAP	HOUSING REHAB		
HUD	RRP	MUNI. OF ANCHORAGE		178,000	CAP	RENTAL REHAB		575,000
HUD	HUD	NORTH PACIFIC RIM H A		167,352	OPR	H A OPERATIONS		
HUD	HUD	NORTH PACIFIC RIM H A		60,921	CAP	REHAB 2 PROJECTS	228,273	
HUD	HUD	NORTHWEST INUPIAT H A		290,265	OPR	H A OPERATIONS		
HUD	HUD	NORTHWEST INUPIAT H A		1,052,425	CAP	DEVELOPMENT FUNDS		
HUD	HUD	NORTHWEST INUPIAT H A		4,524,000	CAP	DEVELOP NEW HOUSING		
HUD	HUD	NORTHWEST INUPIAT H A		332,500	CAP	REHAB 1 PROJECT	6,199,190	
HUD	HUD	STATE OF ALASKA		2,300,000	CAP	WEATHERIZATION	2,300,000	
HUD	ESGP	STATE OF ALASKA		25,000	CAP	EMERGENCY SHELTER		
HUD	HUD	STATE OF ALASKA		60,000	CAP	RENTAL REHAB		85,000
HUD	HUD	TLINGIT-HAIDA H A		606,915	OPR	H A OPERATIONS	606,915	
HUD	CDBG	TOGIAK		348,545	CAP	SENIOR CENTER	348,545	

FEDERAL FUNDING IN ALASKA
RURAL/URBAN DISTRIBUTION BY FISCAL YEAR

FUNDING SOURCE	AGENCY	AWARDED TO	PASS THROUGH RECIPIENT	1988/1989 AWARD	OPERATING/ CAPITAL	PURPOSE	RURAL	URBAN
HUD	HUD	VARIOUS PROJECTS		8,204,268	OPR	RENT SUBSIDIES		8,204,268
TOTAL 1989 APPROPRIATION				\$64,327,230			\$32,836,109	\$31,491,121

LEGEND:

- FEMA - Federal Emergency Management Agency
- CDBG - Community Development Block Grant
- ESGP - Emergency Shelter Grants Program
- RRP - Rental Rehabilitation Program
- HHS - Department of Health and Human Services
- HUD - Department of Housing and Urban Development
- EDUC - Department of Education
- ECS - Emergency Community Services
- H A - Housing Authority
- * - Purchase of scattered site units to replace public housing units which will be demolished.

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LOW INCOME LEVELS BY AREA OF STATE

AREA	MEDIAN FAMILY INCOME	LOW INCOME	VERY LOW INCOME	HUD (3-Person Family)			
				ASHA VERY LOW INCOME	VERY LOW	POVERTY	
STATEWIDE	\$46,000	\$36,800	\$23,000		\$21,470	\$15,030	\$12,580
ANCHORAGE	49,900	39,920	24,950	\$22,450			
FAIRBANKS	41,600	33,280	20,800	19,400			
JUNEAU	62,200	49,760	31,100	28,000			
SITKA	57,200	45,760	28,600	25,750			
ETCHIKAN	54,000	43,200	27,000	24,300			
AHTNA	49,400 Valdez/Cordova	39,520	24,700				
ALEUT	34,900 Aleutians	27,920	17,450				
ARCTIC SLOPE	56,100 North Slope	44,880	28,050				
BERING STRAITS	28,700 Nome	22,960	14,350	19,950 Nome			
BRISTOL BAY	66,200 Bristol Bay	52,960	33,100				
	35,100 Dillingham	28,080	17,550				
CALISTA	25,500 Bethel	20,400	12,750	19,950 Bethel			
	22,200 Wade Hampton	17,760	11,100				
CHUGACH	49,400 Valdez-cordova	39,520	24,700	22,250 Valdez			
COOK INLET	42,300 Kenai	33,840	21,150	19,400 Kenai			
	40,100 Mat-Su	32,080	20,050	19,400 Mat-Su			
DOYON	23,900 S.E. Fairbanks	19,120	11,950				
	25,300 Yukon Koyukuk	20,240	12,650				
KONIAG	49,100 Kodiak Isl.	39,280	24,550	22,100 Kodiak			
NANA	30,800 N.W. Arctic	24,640	15,400				
SEALASKA	40,600 Haines	32,480	20,300	22,250 Cordova			
	40,700 Prince Wales	32,560	20,350	21,800 Petersburg			
	41,100 Skagway	32,880	20,550	21,800 Wrangell			
	48,500 Wrangell	38,800	24,250				

LOW INCOME: 80% of MEDIAN INCOME

VERY LOW INCOME: 50% OF MEDIAN INCOME

Source: Alaska State Housing Authority & Department of Labor

ESTIMATED LOW AND MODERATE INCOME
HOUSEHOLDS ON A STATEWIDE BASIS

LOCATION		POPULATION ESTIMATES **	POPULATION ESTIMATES *DOL/1987	NUMBER OF HOUSEHOLDS **	MEDIAN FAMILY INCOME *DOL/1989	% LOW INCOME HOUSEHOLDS	# LOW INCOME HOUSEHOLDS	% MODERATE INCOME HOUSEHOLDS	# MODERATE INCOME HOUSEHOLDS
ANCHORAGE		202744	231492	75393	\$49,900	29.8%	22,467	20.8%	15,682
FAIRBANKS		73540	73164	25813	41,600	29.8%	7,692	20.8%	5,369
JUNEAU		29946	25369	11091	62,200	29.8%	3,305	20.8%	2,307
SITKA		8102	8416	2440	57,200	29.8%	727	20.8%	508
KETCHIKAN		7601	12432	2815	54,000	29.8%	839	20.8%	586
VALDEZ/CORDOVA	AHTNA	3034	8831	1167	49,400	29.8%	348	20.8%	243
	CHUGACH	8916		2630	49,400	29.8%	784	20.8%	547
ALEUTIANS	ALEUT	3783	9420	1401	34,900	50.0%	701	20.8%	291
NORTH SLOPE	ARCTIC SLOPE	5389	5927	1225	56,100	29.8%	365	20.8%	255
NOME	BERING STRAITS	7770	7774	1646	28,700	50.0%	823	20.8%	342
BRISTOL BAY	BRISTOL BAY	7033	1402	420	66,200	29.8%	125	20.8%	87
DILLINGHAM			5836	1750	35,100	50.0%	875	20.8%	364
BETHEL	CALISTA	18473	13345	4078	25,500	50.0%	2,039	20.8%	848
WADE HAMPTON			5599		22,200	50.0%	0	20.8%	0
KENAI	COOK INLET	73142	39170	24060	42,300	29.8%	7,170	20.8%	5,004
MAT-SU			37027		40,100	29.8%	0	20.8%	0
S.E. FAIRBANKS	DOYON	47849	6423	15688	23,900	50.0%	7,844	20.8%	3,263
YUKON KOYUKUK			9384		25,300	50.0%	0	20.8%	0
KODIAK ISL.	KONIAG	11221	13658	3134	49,100	29.8%	934	20.8%	652
N.W. ARCTIC	NANA	5790	5962	1129	30,800	50.0%	565	20.8%	235
HAINES	SEALASKA	22479	1850	6075	40,600	29.8%	1,810	20.8%	1,264
PRINCE WALES			4964		40,700	29.8%	0	20.8%	0

ESTIMATED LOW AND MODERATE INCOME
HOUSEHOLDS ON A STATEWIDE BASIS

LOCATION	POPULATION ESTIMATES **	POPULATION ESTIMATES *DOL/1987	NUMBER OF HOUSEHOLDS **	MEDIAN FAMILY INCOME *DOL/1989	% LOW INCOME HOUSEHOLDS	# LOW INCOME HOUSEHOLDS	% MODERATE INCOME HOUSEHOLDS	# MODERATE INCOME HOUSEHOLDS
SKAGWAY		3684		41,100	29.8%	0	20.8%	0
WRANGELL		6671		48,500	29.8%	0	20.8%	0
TOTAL STATE OF ALASKA	536,812	537,800	181,955	\$46,000	32.7%	59,412		37,847

Moderate Income: 80% of Median Family Income
Low Income: 50% of Median Family Income

*DOL # Department of Labor

**Source: Population estimates and number of households for rural areas are from 1988 Rural Needs Assessment Study.
Population estimates and number of households for urban areas from community statistics.

Assumptions: Juneau and Ketchikan did not have household statistics available. Applied average number of residents per household of other urban communities of 2.7 to arrive at # of households.

To determine the percentage of low and moderate income households in urban and higher income areas, the same percentage breakout as found in Anchorage was applied. Anchorage is the only area of the state which had population distribution by income level.

For rural areas with median family income levels lower than \$35,000, we used a 50% figure for calculating number of low income households.

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LOW INCOME HOUSING RESOURCES IN ALASKA

AGENCY	TYPE OF RESOURCE	QUANTITY RENTAL	QUANTITY OWNERSHIP
ASHA	LOW RENT UNITS	1,328	
ASHA	SECTION 8 MGMT UNITS	285	
ASHA	SECTION 8 CERTIFICATES	1,884	
NORTH PACIFIC RIM	MUTUAL HELP LOW RENT	24	136
NW INUPIAT	MUTUAL HELP LOW RENT	43	298
COPPER RIVER	MUTUAL HELP LOW RENT	44	62
BARANOF ISLAND	MUTUAL HELP LOW RENT	10	40
METLAKATLA	MUTUAL HELP LOW RENT	40	44
AVCP	MUTUAL HELP LOW RENT	43	1,004
ALEUTIAN	MUTUAL HELP LOW RENT	14	238
INTERIOR	MUTUAL HELP		43
ARCTIC SLOPE	MUTUAL HELP LOW RENT	71	353
KODIAK ISLAND	MUTUAL HELP LOW RENT	48	
COOK INLET	MUTUAL HELP LOW RENT	172	213
BRISTOL BAY	MUTUAL HELP LOW RENT	34	300

LOW INCOME HOUSING RESOURCES IN ALASKA

AGENCY	TYPE OF RESOURCE	QUANTITY RENTAL	QUANTITY OWNERSHIP
TLINGIT-HAIDA	MUTUAL HELP		568
	LOW RENT	67	
BERINGS STRAITS	MUTUAL HELP		287
	LOW RENT	20	
NUMBER OF UNITS		4,127	3,586

Source: Staff of housing authorities

Alaska Housing Market Council
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HOUSING SPECIAL NEEDS ASSESSMENT*

SPECIAL NEEDS GROUP	NUMBER OF BEDS NEEDED/AVAILABLE STATEWIDE									COMMENTS/RESOURCE
	EMERGENCY SHELTER			TRANSITIONAL HOUSING			LONG-TERM HOUSING			
	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	
AIDS PATIENTS	Under-reported		Unknown	15	0	15	5	0	5	Need nursing homes, hospice beds, etc.
CHRONICALLY ILL										
DEVELOPMENT. DISABLED BARRIER FREE HOUSING				245	145	100	300		300	Div. Mental Health Letter Oct. 5, 1989. Updated w/info. from Governor's Council on
EMOTIONALLY DISTURBED CHILDREN	Acute Care 36	12	24	28	8	20	Family Treatment Home 55	12	43	Gifted/Handicapped. Booth Home/Div. Mental Health
EX-OFFENDERS				315	265	50				1989 CHAP, Additional inform. from Department of Corrections
EX-OFFENDERS/MENTALLY ILL**				200		200	High Need Unquantif.	0		personal interviews.

HOUSING SPECIAL NEEDS ASSESSMENT*

SPECIAL NEEDS GROUP	NUMBER OF BEDS NEEDED/AVAILABLE STATEWIDE									COMMENTS/RESOURCE
	EMERGENCY SHELTER			TRANSITIONAL HOUSING			LONG-TERM HOUSING			
	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	
HOMELESS										
FAMILIES W/CHILDREN	364	274	90	15	0	15				1989 CHAP
WOMEN W/CHILDREN	73	61	12	12	0	12				1989 ANCHORAGE CHAP
MEN W/CHILDREN	2	0	2							
ADULTS	347	347	0							
ELDERLY	12	12	0							
MENTALLY ILL (Severly)	60	56	4	530	43	487	1512	298	1214	Division Mental Health 1989 Anchorage CHAP
DUAL DIAGNOSIS	6	1	5	10	4	6	25	5	20	
MENTALLY DISABLED (Higher Functioning)	180		180				395	80	315	1989 CHAP Oct. 5 Mental Health Letter
NEUROLOGIC. IMPAIRED										
PHYSICALLY HANDICAP.	70	0	70				65		65	

HOUSING SPECIAL NEEDS ASSESSMENT*

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SPECIAL NEEDS GROUP	NUMBER OF BEDS NEEDED/AVAILABLE STATEWIDE									COMMENTS/RESOURCE
	EMERGENCY SHELTER			TRANSITIONAL HOUSING			LONG-TERM HOUSING			
	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	
PREGNANT WOMEN				12	5	7	4	0	4	Clare House
PREGNANT TEENS							8	2	6	Booth Home
RURAL ALASKANS FAMILIES ADULTS				95		95				
SENIORS	Homeless 50	15	35				Pioneer Home Waiting List 535	267	268	Senior Housing Report Jan/1989 1989 CHAP
SUBSTANCE ABUSERS	Large Need Unquantif.	22		150	85	65	Private 502	621	0	Office of Alcoholism 1989 CHAP
Deinstitutionaliz.				350	200	150				

HOUSING SPECIAL NEEDS ASSESSMENT*

SPECIAL NEEDS GROUP	NUMBER OF BEDS NEEDED/AVAILABLE STATEWIDE									COMMENTS/RESOURCE
	EMERGENCY SHELTER			TRANSITIONAL HOUSING			LONG-TERM HOUSING			
	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	NEEDED	AVAILABLE	UNMET NEED	
VICTIMS DOMESTIC VIOLENCE	78	63	15		12	0				1989 CHAP, Anchorage CHAP
YOUTH/RUNAWAYS	High Need Unquantif.	72		27	19	8	Unquantif.	0		1989 CHAP, Covenant House Governor's Interim Commission Children & Youth
TOTAL BEDS ALL SPECIAL NEEDS GROUPS	1,278	935	437	2,004	786	1,230	3,526	1,345	2,300	

*This is not a complete statistical analysis, but is a result of review of agency data and interviews with agency staff. Individual category data, and not the overall totals, should be especially noted. Data was not always available to determine overall housing needs, what is currently available is the unmet need.

**This applies to felons only.

CHAP - Comprehensive Homeless Assistance Plan

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STATE OF ALASKA DEMOGRAPHICS (BY URBAN AND BUSH/RURAL AREAS)

DESCRIPTION	ALASKA	URBAN PROFILES					COMPOSITE URBAN PROFILE	COMPOSITE BUSH/RURAL PROFILE	BUSH PROFILE	RURAL PROFILE
		ANCHORAGE	FAIRBANKS BOROUGH	JUNEAU	SITKA	KETCHIKAN				
1990 FORECAST POPULATION								220,617		
YEAR POPULATION	1987 537,800	1988 202,744	1988 73,540	1988 29,946	1988 8,102	1988 7,601	321,933	214,879	159,096	55,783
PERCENT POPULATION							59.86%	39.96%	29.58%	10.37%
AGE										
0-24	228,901	(0-17) 62,110		9,405	3,353	4,727				
25-34	123,434	(18-39) 87,288		5,655	1,812	2,558				
35-44	91,505	(40-64) 47,500		5,010	1,415	2,170				
45-64	74,767	(65+) 5,905		4,066	1,363	2,195				
65+	19,193									
MEDIAN AGE	28.3	28.6	27.6	31.1	29.9	31.0				
MEN	28.2	28	27.6	30.7	29.4	31.2				
WOMEN	28.4	29	27.6	31.4	30.4	30.8				
RACE										
NON-NATIVE	398,101	191,346	69,658	27,304	6,279	6,134	300,721	96,392		
PERCENTAGE	74.02%	94.4%	94.7%	91.2%	77.5%	80.7%	93.4%	44.9%		
NATIVE	139,699	11,398	3,882	2,642	1,823	1,467	21,212	118,487		
PERCENTAGE	25.98%	5.6%	5.3%	8.8%	22.5%	19.3%	6.6%	55.1%		

STATE OF ALASKA DEMOGRAPHICS (BY URBAN AND BUSH/RURAL AREAS)

DESCRIPTION	ALASKA	URBAN PROFILES					COMPOSITE URBAN PROFILE	COMPOSITE BUSH/RURAL PROFILE	BUSH PROFILE	RURAL PROFILE
		FAIRBANKS		JUNEAU	SITKA	KETCHIKAN				
		ANCHORAGE	BOROUGH							
SEX										
MALE	279,907	103,197				169,823	110,084			
PERCENTAGE	52.0%	50.9%	52.0%	49.0%	49.0%	52.8%	51.2%			
FEMALE	257,893	99,547				153,098	104,795			
PERCENTAGE	48.0%	49.1%	48.0%	51.0%	51.0%	47.6%	48.8%			
INCOME										
PER CAPITA PERSONAL INCOME	\$18,461	\$21,102	\$16,780	\$21,949	\$18,129	\$21,944				
FAMILY MEDIAN INCOME	\$46,000	\$49,900	\$41,600	\$62,200	\$57,200	\$54,000				
AVG. MONTHLY INCOME	\$2,310	\$2,382	\$2,236	\$2,339	\$2,045	\$2,178				
HOUSEHOLD INCOME										
Less than \$5,000		4.4%	3,335							
\$ 5,000- \$9,999		5.3%	4,025							
\$10,000-\$14,999		5.2%	3,917							
\$15,000-\$19,999		7.1%	5,378							
\$20,000-\$29,999		15.5%	11,688							
\$30,000-\$39,999		13.0%	9,815							
\$40,000-\$49,000		12.8%	9,632							
\$50,000-\$59,000		9.7%	7,333							
\$60,000-\$69,999		8.6%	6,468							
\$70,000-\$79,999		5.6%	4,211							

STATE OF ALASKA DEMOGRAPHICS (BY URBAN AND BUSH/RURAL AREAS)

DESCRIPTION	ALASKA	URBAN PROFILES					COMPOSITE URBAN PROFILE	COMPOSITE BUSH/RURAL PROFILE	BUSH PROFILE	RURAL PROFILE
		FAIRBANKS								
		ANCHORAGE	BOROUGH	JUNEAU	SITKA	KETCHIKAN				
\$80,000-\$89,999		3.5%	2,614							
\$90,000-\$99,999		2.8%	2,115							
\$100,000-\$109,999		2.4%	1,834							
\$110,000-\$119,999		1.0%	749							
\$120,000 or more		3.0%	2,272							
HOUSEHOLDS TOTAL	181,949	75,393	25,813	11,091	2,440	2,815	117,552	64,397		
AVG. SQ. FT. PER HOUSEHOLD		1,635	N/A	N/A	N/A	N/A		1,162		
AVG. # RESIDENTS PER HOUSEHOLD		2.72	2.7	2.7	2.8	2.7		3.7		
AVG. SQ. FT. PER RESIDENT		600	N/A	N/A	N/A	N/A		311		

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DATA WAS COLLECTED FROM THE FOLLOWING SOURCES: DEPARTMENT OF LABOR, DCRA'S 1988 RURAL NEEDS ASSESSMENT STUDY, AND FROM INDIVIDUAL COMMUNITIES. IN MOST CASES, THE NUMBERS FROM EACH SOURCE DID NOT MATCH THE OTHERS, BUT WERE CONSIDERED CLOSE ENOUGH TO BE RELIABLE FOR PURPOSES OF CREATING A COMPOSITE, DEMOGRAPHIC PICTURE OF ALASKA.

RURAL: A community in the first, second, third or fourth judicial district which has a population between 1000 and 4500 and is connected by road or rail to Anchorage or Fairbanks.

BUSH: A community in the second, third or fourth judicial district which has a population which is less than 4500 and is not connected by road or rail to Anchorage or Fairbanks;
or a community in the first judicial district which has a population which is less than 1000.

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DESCRIPTION	ALASKA	REGIONAL PROFILES												COMPOSITE BUSH/RURAL PROFILE	BUSH PROFILE	RURAL PROFILE
		AHTNA	ALEUT	ARCTIC SLOPE	BERING STRAITS	BRISTOL BAY	CALISTA	CHUGACH	COOK INLET	DOYON	KONIAG	NANA	SEALASKA			
1990 FORECAST POPULATION		3,121	3,458	5,543	7,992	7,234	19,000	9,170	75,229	49,214	11,541	5,995	23,120	220,617		
YEAR POPULATION	1987 537,800	1985 3,034	1985 3,783	1985 5,389	1985 7,770	1985 7,033	1985 18,473	1985 8,916	1985 73,142	1985 47,849	1985 11,221	1985 5,790	1985 22,479	214,879	159,096	55,783
PERCENT POPULATION		0.6%	0.7%	1.0%	1.4%	1.3%	3.4%	1.7%	13.6%	8.9%	2.1%	1.1%	4.2%	39.96%	29.58%	10.37%
AGE																
0-24	228,901															
25-34	123,434															
35-44	91,505															
45-64	74,767															
65+	19,193															
MEDIAN AGE	28.3															
MEN	28.2	17.9	24.0	20.7	20.1	26.2	21.0	29.1	20.6	28.9	20.1	22.1	25.3			
WOMEN	28.4	28.0	27.2	21.9	15.1	26.5	18.6	21.4	26.9	27.4	17.5	27.1	23.4			
RACE																
NON-NATIVE	398,101	300	1,892	593	124	781	259	4,387	66,852	8,039	2,850	921	9,396	96,392		
PERCENTAGE	74.02%	9.9%	50.0%	11.0%	1.6%	11.1%	1.4%	49.2%	91.4%	16.8%	25.4%	15.9%	41.8%	44.9%		
NATIVE	139,699	2,734	1,892	4,796	7,646	6,252	18,214	4,529	6,290	39,810	8,371	4,869	13,083	118,487		
PERCENTAGE	25.98%	90.1%	50.0%	89.0%	98.4%	88.9%	98.6%	50.8%	8.6%	83.2%	74.6%	84.1%	58.2%	55.1%		

DESCRIPTION	ALASKA	REGIONAL PROFILES												COMPOSITE BUSH/RURAL PROFILE	BUSH PROFILE	RURAL PROFILE
		AHTNA	ALEUT	ARCTIC SLOPE	BERING STRAITS	BRISTOL BAY	CALISTA	CHUGACH	COOK INLET	DOYON	KONIAG	NANA	SEALASKA			
SEX																
MALE	279,907	1,594	1,982	2,721	3,986	4,111	9,920	4,267	36,739	24,355	5,825	3,344	11,240	110,084		
PERCENTAGE	52.0%	52.5%	52.4%	50.5%	51.3%	58.5%	53.7%	47.9%	50.2%	50.9%	51.9%	57.8%	50.0%	51.2%		
FEMALE	257,893	1,440	1,801	2,668	3,784	2,922	8,553	4,649	36,403	23,494	5,396	2,446	11,240	104,795		
PERCENTAGE	48.0%	47.5%	47.6%	49.5%	48.7%	41.5%	46.3%	52.1%	49.8%	49.1%	48.1%	42.2%	50.0%	48.8%		
INCOME																
PER CAPITA PERSONAL INCOME	\$18,461	\$20,672	\$17,309	\$19,861	\$13,886	\$23,772	\$11,466	\$20,672	\$15,306	\$11,634	\$16,190	\$12,273	\$26,505			
						\$14,657	\$9,075		\$13,408	\$11,788			\$13,440			
FAMILY MEDIAN INCOME	\$46,000	\$49,400	\$34,900	\$56,100	\$28,700	\$66,200	\$25,500	\$49,400	\$42,300	\$23,900	\$49,100	\$30,800	\$40,600			
						\$35,100	\$22,200		\$40,100	\$25,300			\$40,700			
AVG. MONTHLY INCOME	\$2,310	\$2,417	\$2,310	\$4,053	\$2,024	\$1,970	\$1,727	\$2,417	\$2,245	\$1,890	\$1,807	\$2,122	\$2,373			
			\$2,140			\$1,850	\$1,452		\$1,902	\$2,082			\$2,089			
													\$1,807			
HOUSEHOLD INCOME																
Less than \$5,000																
\$ 5,000- \$9,999																
\$10,000-\$14,999																
\$15,000-\$19,999																
\$20,000-\$29,999																
\$30,000-\$39,999																
\$40,000-\$49,000																
\$50,000-\$59,000																
\$60,000-\$69,999																
\$70,000-\$79,999																

DESCRIPTION	REGIONAL PROFILES													COMPOSITE BUSH/RURAL PROFILE	BUSH PROFILE	RURAL PROFILE	
	ALASKA	AHTNA	ALEUT	ARCTIC SLOPE	BERING STRAITS	BRISTOL BAY	CALISTA	CHUGACH	COOK INLET	DOYON	KONIAG	NANA	SEALASKA				
\$80,000-\$89,999																	
\$90,000-\$99,999																	
\$100,000-\$109,999																	
\$110,000-\$119,999																	
\$120,000 or more																	
HOUSEHOLDS TOTAL	181,949	1,167	1,401	1,225	1,646	2,164	4,078	2,630	24,060	15,688	3,134	1,129	6,075	64,397			
AVG. SQ. FT. PER HOUSEHOLD		801	1,411	1,229	650	1,303	661	1,996	1,885	686	982	731	1,509	1,162			
AVG. # RESIDENTS PER HOUSEHOLD		2.6	2.7	4.4	4.7	3.3	4.5	3.4	3.1	3.1	3.6	5.3	3.7	3.7			
AVG. SQ. FT. PER RESIDENT		312	517	281	137	401	146	589	616	223	271	138	408	311			

DATA WAS COLLECTED FROM THE FOLLOWING SOURCES: DEPARTMENT OF LABOR, DCRA'S 1988 RURAL NEEDS ASSESSMENT STUDY, AND FROM INDIVIDUAL COMMUNITIES. IN MOST CASES, THE NUMBERS FROM EACH SOURCE DID NOT MATCH THE OTHERS, BUT WERE CONSIDERED CLOSE ENOUGH TO BE RELIABLE FOR PURPOSES OF CREATING A COMPOSITE, DEMOGRAPHIC PICTURE OF ALASKA.

- RURAL: A community in the first, second, third or fourth judicial district which has a population between 1000 and 4500 and is connected by road or rail to Anchorage or Fairbanks.
- BUSH: A community in the second, third or fourth judicial district which has a population which is less than 4500 and is not connected by road or rail to Anchorage or Fairbanks;
or a community in the first judicial district which has a population which is less than 1000.

HOUSEHOLD INCOME ANALYSIS STATEWIDE AND IN ANCHORAGE

ANCHORAGE 1987 POPULATION			STATEWIDE 1980 CENSUS						
			OWNER OCCUPIED			RENTER OCCUPIED		TOTAL HOUSEHOLDS	
INCOME LEVEL	PERCENT	HOUSEHOLDS	INCOME LEVEL	PERCENT	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT	HOUSEHOLDS
AVERAGE INCOME BY HOUSEHOLD TYPE:									
FAMILY	\$49,561								
OWNER-OCCUPIED	\$55,553								
RENTER-OCCUPIED	\$28,802								
TOTAL HOUSEHOLDS:									
<\$15,000 INCOME	14.96%	11,277	<\$15,000 INCOME	20.26%	15,529	41.74%	22,875	29.21%	38,404
<\$20,000 INCOME	22.09%	16,655	<\$20,000 INCOME	27.51%	21,086	56.84%	31,150	39.73%	52,236
<\$30,000 INCOME	37.60%	28,343	<\$25,000 INCOME	36%	27,707	68.08%	37,308	49.45%	65,015

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Source: Anchorage Indicators, A Socioeconomic Review
 Source: 1980 Census of Housing

Alaska Housing Market Council
 December 1989

ANALYSIS OF AGENCY MORTGAGE LOANS BY LOCATION

CITY	# LOANS	AVERAGE	PRINCIPAL	# LOANS	AVERAGE	PRINCIPAL	RURAL	BUSH	BUSH	URBAN
	AHFC	LOAN AMT.	BALANCES	DCRA	LOAN AMT.	BALANCES	#LOANS	\$ LOANS	# LOANS	\$ LOANS
AMBLER				1	\$19,321	\$19,321			1	\$19,321
ANCHOR POINT	44	\$62,011	\$2,728,480	2	76,537	153,074			46	2,881,554
ANCHORAGE	19,937	85,243	1,699,480,541	6	57,776	346,654				19,943 \$1,699,827,195
ANDERSON	2	104,006	208,012						2	208,012
ANGOON				1	106,250	106,250			1	106,250
ANIAK	3	79,780	239,341	18	84,184	1,515,310			21	1,754,651
AUKE BAY	31	68,619	2,127,182							31 \$2,127,182
BARROW	32	78,765	2,520,482	9	213,148	1,918,332			41	4,438,814
BELUGA RIVER				2	83,947	167,893			2	167,893
BETHEL	173	69,122	11,958,165	158	102,948	16,265,727			331	28,223,892
BETTLES FIELD	1	30,729	30,729						1	30,729
BIG LAKE	32	78,870	2,523,836						32	2,523,836
CANTWELL	2	57,668	115,335						2	115,335
CENTRAL	1	82,227	82,227	1	58,081	58,081			2	140,308
CHEVAK				2	25,096	50,192			2	50,192
CHINIAK				6	79,855	479,132			6	479,132
CHITNA	2	24,555	49,110						2	49,110
CHUGIAK	792	93,556	74,096,628							792 \$74,096,628
CLAM GULCH	4	81,797	327,186						4	327,186
COOPER LANDING	7	70,084	490,588						7	490,588
COPPER CENTER	18	45,886	825,951						18	825,951
CORDOVA	149	62,704	9,342,866	47	92,553	4,350,008	5	\$13,692,874		
CRAIG	9	48,335	435,019	43	83,356	3,584,315			52	4,019,334
DELTA JUNCTION	163	70,476	11,487,557	1	73,167	73,167	164	11,560,724		
DILLINGHAM	32	65,028	2,080,898	84	115,308	9,685,884			116	11,766,782
DOUGLAS	171	75,136	12,848,317							171 \$12,848,317

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ANALYSIS OF AGENCY MORTGAGE LOANS BY LOCATION

CITY	# LOANS	AVERAGE	PRINCIPAL	# LOANS	AVERAGE	PRINCIPAL	RURAL		BUSH	BUSH	URBAN	
	AHFC	LOAN AMT.	BALANCES	DCRA	LOAN AMT.	BALANCES	#LOANS	\$ LOANS	# LOANS	\$ LOANS	# LOANS	\$ LOANS
EAGLE				2	48,660	97,319	2	97,319				
EAGLE RIVER	2,552	100,693	256,967,547								2,552	\$256,967,547
ELFIN COVE	1	44,326	44,326	1	72,623	72,623			2	116,949		
ELIM				1	137,647	137,647			1	137,647		
EMMONAK				3	48,792	146,376			3	146,376		
ESTER	13	76,062	988,812						13	988,812		
FAIRBANKS	4,964	75,790	376,219,589	4	45,262	181,046					4,968	\$376,400,635
FORT YUKON	2	32,333	64,665	6	42,834	257,005			8	321,670		
FUNTER BAY				1	76,522	76,522			1	76,522		
GAKONA	3	100,935	302,805						3	302,805		
GALENA	6	42,806	256,837	19	68,933	1,309,729			25	1,566,566		
GIRDWOOD	103	86,495	8,908,983								103	\$8,908,983
GLENALLEN	39	62,952	2,455,109						39	2,455,109		
GUSTAVUS				3	54,155	162,466			3	162,466		
HAINES	86	54,504	4,687,366	31	85,917	2,663,436	117	7,350,802				
HALIBUT COVE				1	129,776	129,776			1	129,776		
HEALY	31	94,289	2,922,962						31	2,922,962		
HOLLIS				3	35,095	105,285			3	105,285		
HOMER	400	75,560	30,223,891				400	30,223,891				
HOONAH	10	40,040	400,395	10	54,767	547,673			20	948,068		
HOPE	1	56,233	56,233						1	56,233		
HOUSTON	18	63,630	1,145,340						18	1,145,340		
HYDABURG	1	18,402	18,402						1	18,402		
ILIAMNA				4	131,774	527,097			4	527,097		
INDIAN	9	86,537	778,835						9	778,835		
JUNEAU	2,891	81,223	234,814,328								2,891	\$234,814,328
KAKE	3	49,547	148,640	1	64,224	64,224			4	212,864		

ANALYSIS OF AGENCY MORTGAGE LOANS BY LOCATION

CITY	# LOANS	AVERAGE	PRINCIPAL	# LOANS	AVERAGE	PRINCIPAL	RURAL		BUSH	BUSH	URBAN	
	AHFC	LOAN AMT.	BALANCES	DCRA	LOAN AMT.	BALANCES	#LOANS	\$ LOANS	# LOANS	\$ LOANS	# LOANS	\$ LOANS
KASIGLUK				4	57,923	231,692			4	231,692		
KASILOF	50	78,705	3,935,227						50	3,935,227		
KENAI	925	72,045	66,641,396				925	66,641,396				
KETCHIKAN	1,069	76,970	82,281,260								1,069	\$82,281,260
KIANA				2	33,046	66,092			2	66,092		
KING COVE	2	50,787	101,574	1	88,436	88,436			3	190,010		
KING SALMON	5	89,648	448,238	16	172,825	2,765,201			21	3,213,439		
KLAWOK				8	129,486	1,035,885			8	1,035,885		
KODIAK D.G.	7	111,947	783,629	1	95,000	95,000	8	878,629				
KODIAK	617	73,534	45,370,564	282	112,085	31,607,969	899	76,978,533				
KOTZEBUE	47	80,452	3,781,265	102	139,158	14,194,098			149	17,975,363		
KUPREANOF				3	56,770	170,310			3	170,310		
LAKE MINCHUMINA				1	28,090	28,090			1	28,090		
LARSEN BAY				1	39,381	39,381			1	39,381		
LITTLE DIOMEDE				1	22,658	22,658			1	22,658		
MANLEY HOT SPR.	5	37,703	188,515	1	24,508	24,508			6	213,023		
MANOKOTAK	1	60,525	60,525	2	32,131	64,261			3	124,786		
MCGRATH	3	56,503	169,510	15	66,881	1,003,211			18	1,172,721		
MEKORYUK				5	71,442	357,212			5	357,212		
METLAKATLA	4	55,016	220,065	14	63,144	884,010			18	1,104,075		
MEYERS CHUK				1	22,533	22,533			1	22,533		
MOOSE PASS	5	73,671	368,354						5	368,354		
MOUNTAIN VILLAGE	1	52,156	52,156						1	52,156		
NAKNEK	3	54,837	164,512	13	102,528	1,332,863			16	1,497,375		
NENANA	38	55,107	2,094,080						38	2,094,080		
NEWHALEN				1	54,041	54,041			1	54,041		
NIKISKI	143	87,516	12,514,763				143	12,514,763				

ANALYSIS OF AGENCY MORTGAGE LOANS BY LOCATION

CITY	# LOANS	AVERAGE	PRINCIPAL	# LOANS	AVERAGE	PRINCIPAL	RURAL		BUSH	BUSH	URBAN	
	AHFC	LOAN AMT.	BALANCES	DCRA	LOAN AMT.	BALANCES	#LOANS	\$ LOANS	# LOANS	\$ LOANS	# LOANS	\$ LOANS
NINILCHIK	22	66,077	1,453,700						22	1,453,700		
NOME	52	93,178	4,845,279	233	104,206	24,279,979			285	29,125,258		
NORTH POLE	1,023	86,049	88,027,975	2	26,968	53,935	1025	88,081,910				
NUNAPITCHUK	1	31,602	31,602	1	68,465	68,465			2	100,067		
OZINKIE	2	30,859	61,717						2	61,717		
PALMER	1,022	75,109	76,761,155				1022	76,761,155				
PEDRO BAY				1	92,592	2,592			1	92,592		
PELICAN				14	54,960	769,444			14	769,444		
PETERSBURG	104	57,222	5,639,037	160	86,090	13,774,414	264	19,413,451				
PORT ALEXANDER				3	32,055	96,164			3	96,164		
PORT ARMSTRONG				1	24,109	24,109			1	24,109		
PORT LIONS				2	32,387	64,774			2	64,774		
RUBY				1	17,246	17,246			1	17,246		
RUSSIAN MISSION	1	86,476	86,476						1	86,476		
SAND POINT	15	57,577	863,648	4	210,123	840,491			19	1,704,139		
SAVOONGA				2	31,356	62,711			2	62,711		
SELAWICK				2	43,383	86,765			2	86,765		
SELDOVIA	7	32,762	229,337	15	69,310	1,039,653			22	1,268,990		
SEWARD	175	66,296	11,601,832				175	11,601,832				
SHISHMAREF				1	97,111	97,111			1	97,111		
SITKA	676	80,755	54,590,642								676	\$54,590,642
SKAGWAY	26	44,810	1,165,061	13	53,919	700,948			39	1,866,009		
SKWETNA	3	94,722	284,166	1	57,824	57,824			4	341,990		
SOLDOTNA	888	75,257	66,828,399				888	66,828,399				
ST. MARY'S	6	146,137	876,822	4	92,408	369,630			10	1,246,452		
ST. MICHAEL'S	1	37,417	37,417						1	37,417		
ST. PAUL IS.	1	17,711	17,711	1	17,475	17,475			2	35,186		

ANALYSIS OF AGENCY MORTGAGE LOANS BY LOCATION

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CITY	# LOANS	AVERAGE	PRINCIPAL	# LOANS	AVERAGE	PRINCIPAL	RURAL		BUSH	BUSH	URBAN	
	AHFC	LOAN AMT.	BALANCES	DCRA	LOAN AMT.	BALANCES	#LOANS	\$ LOANS	# LOANS	\$ LOANS	# LOANS	\$ LOANS
STEBBINS				2	121,101	242,202			2	242,202		
STERLING	129	73,557	9,488,807				129	9,488,807				
SUTTON	15	54,547	818,209						15	818,209		
TALKEETNA	15	44,075	661,132						15	661,132		
TANANA	2	44,880	89,760	3	40,083	120,248			5	210,008		
TATITLEK	4	86,082	344,327						4	344,327		
TENAKEE	1	31,177	31,177	2	51,693	103,386			3	134,563		
THORNE BAY				13	65,571	852,418			13	852,418		
TOGIAK				1	28,585	28,585			1	28,585		
TOK	24	51,571	1,237,696						24	1,237,696		
TRAPPER CREEK	5	56,878	284,392						5	284,392		
TUTKA BAY				1	122,354	122,354			1	122,354		
UNALAKLEET				7	128,693	900,850			7	900,850		
UNALASKA	10	98,545	985,453	23	105,394	2,424,065			33	3,409,518		
USIBELLI	5	71,062	355,312						5	355,312		
VALDEZ	353	73,729	26,026,480				353	26,026,480				
VOZNESENKA				1	57,586	57,586			1	57,586		
WARD COVE	4	58,622	234,489						4	234,489		
WASHINGTON D.C.	1	191,796	191,796								1	\$191,796
MASILLA	2,411	76,243	183,821,310	1	27,728	27,728	2412	183,849,038				
WILLOW	48	65,434	3,140,822						48	3,140,822		
WOODINVILLE WA	1	5,000	5,000								1	\$5,000
WRANGELL	41	49,439	2,027,001	76	72,962	5,545,082	117	7,572,083				
YAKUTAT	17	51,829	881,094	4	68,026	272,105			21	1,153,199		
Totals	42,774	\$82,260	3,518,605,381	1,540	\$99,058	\$152,549,354	9,239	\$709,562,086	1,877	\$158,533,136	33,198	\$2,803,059,513

ANALYSIS OF AGENCY MORTGAGE LOANS BY LOCATION

CITY	# LOANS AHFC	AVERAGE LOAN AMT.	PRINCIPAL BALANCES	# LOANS DCRA	AVERAGE LOAN AMT.	PRINCIPAL BALANCES	RURAL #LOANS	\$ LOANS	BUSH # LOANS	BUSH \$ LOANS	URBAN # LOANS	\$ LOANS
						PERCENTAGE OF TOTAL	20.85%	19.33%	4.24%	4.32%	74.92%	76.35

URBAN: Municipality of Anchorage, Fairbanks North Star Borough, City of Juneau, City of Sitka, City of Ketchikan

RURAL: A community in the first, second, third or fourth judicial district which has a population between 1000 and 4500 and is connected by road or rail to Anchorage or Fairbanks.

BUSH: A community in the second, third or fourth judicial district which has a population which is less than 4500 and is not connected by road or rail to Anchorage or Fairbanks; or a community in the first judicial district which has a population which is less than 1000.

Alaska Housing Market Council
January, 1990

STATE OF ALASKA
MORTGAGE FINANCE PROGRAMS

102

DESCRIPTION	DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS (As of June 30, 1989)	DESCRIPTION	ALASKA HOUSING FINANCE CORPORATION (As of July 31, 1989)			
LOANS OUTSTANDING:	\$158,414,062	LOANS OUTSTANDING:	\$3,523,896,965			
		NUMBER OF ACTIVE LOANS BY CURRENT PRINCIPAL:	Excluding Mobile Homes	Average Principal	Mobile Homes Only	Average Principal
		<\$30,000	1,606	\$21,308	1,839	\$18,163
		\$30,000-\$50,000	4,809	\$40,811		
		\$50,000-\$70,000	7,717	\$60,411	186	\$58,404
		>\$70,000	26,564	\$103,426		
AVG. LOAN AMOUNT:	\$112,866	FY89 AVG. LOAN AMOUNT	\$96,935			
		AVG. LOAN/VALUE RATIO	91.31%			
LOAN PORTFOLIO:		TOTAL LOAN PORTFOLIO	\$3,523,896,965			
TOTAL	\$158,414,062					
OWNERS	130,881,687					
NON-OWNERS	19,867,400					
RESOLD REO	748,150					
NON-CONFORMING	6,916,825					
NO. OF BORROWERS:		NO. OF BORROWERS:	42,785			
TOTAL	1,466					
OWNER OCCUPIED	1,358					

STATE OF ALASKA
MORTGAGE FINANCE PROGRAMS

103

DESCRIPTION	DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS (As of June 30, 1989)		DESCRIPTION	ALASKA HOUSING FINANCE CORPORATION (As of July 31, 1989)					
	Number of Loans	Avg. Loan Amount		Excluding Mobile Homes	Average* Principal	Avg. Income	Mobile Homes Only	Avg.** Principal	Avg. Income
NON OWNER OCC.	74								
RESOLD REO	13								
NONCONFORMING	95								
AVERAGE AGE OF BORROWERS:	36		AVERAGE AGE OF BORROWERS:	36					
AVERAGE AGE OF CO-BORROWER:	33								
INCOME:			INCOME:						
<\$10,000	2	\$16,548	<\$10,000	2,596	\$55,175	NA	523	\$14,943	NA
\$10,000-\$20,000	30	\$26,172	\$10,000-\$20,000	696	54,110	\$16,764	131	17,679	\$17,388
\$20,000-\$30,000	150	\$35,429	\$20,000-\$30,000	4,213	62,551	25,716	739	24,085	25,068
\$30,000-\$40,000	289	\$44,990	\$30,000-\$40,000	6,936	73,720	35,148	754	31,184	34,404
\$40,000-\$50,000	305	\$54,753	\$40,000-\$50,000	7,443	86,009	44,904	645	34,970	44,472
\$50,000-\$60,000	262	\$64,628	\$50,000-\$60,000	5,823	96,485	54,600	171	38,016	54,336
\$60,000-\$70,000	171	\$110,236	\$60,000+	12,322	102,668	124,176			
\$70,000+	257								
			AVG. MONTHLY INCOME:	\$4,501					

STATE OF ALASKA
MORTGAGE FINANCE PROGRAMS

DESCRIPTION	DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS (As of June 30, 1989)			DESCRIPTION	ALASKA HOUSING FINANCE CORPORATION (As of July 31, 1989)		
	Amount	% Total	% Type		Amount	% Type	
DELINQUENCIES BY NUMBERS:				DELINQUENCIES BY NUMBERS:			
TOTAL	101	6.6%		TOTAL	4,574	10.69%	
OWNER (1358)	78	5.1%	5.74%	MOBILE HOMES	589	20.62%	
NON-OWNER (74)	17	1.1%	22.97%	LESS MOB. HOM.	3,985	9.98%	
NONCONFORMING (95)	6	.4%	6.32%				
DELINQUENCY BY DOLLAR AMOUNT:	Principle:	Delinquent:		DELINQUENCIES BY DOLLAR AMOUNT:	Amount	% Type	
TOTAL	\$151,818,217	\$15,573,079		TOTAL	\$364,075,687	10.35%	
OWNER	126,323,380	8,110,307		MOBILE HOMES	\$15,835,277	20.28%	
NON-OWNER	19,291,525	7,086,137		LESS MOB. HOMES	\$348,240,410	10.12%	
NONCONFORMING	6,203,312	376,635					
				REO INVENTORY BY AREA:	Value	Number	Average Value
				ANCHORAGE	\$180,392,962	3,218	\$56,057
				MAT-SU	34,258,358	581	58,964
				KENAI PENINSULA	10,043,242	166	60,501
				OTHER S. CENTRAL	2,242,959	26	86,268
				FAIRBANKS	31,234,340	462	67,607
				OTHER NORTH	1,586,501	25	63,460
				JUNEAU	7,748,097	127	61,009

STATE OF ALASKA
MORTGAGE FINANCE PROGRAMS

105

DESCRIPTION	DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS (As of June 30, 1989)	DESCRIPTION	ALASKA HOUSING FINANCE CORPORATION (As of July 31, 1989)			
		SITKA	532,345	7	76,049	
		KETCHIKAN	522,588	8	65,324	
		OTHER S.E.	50,083	1	50,083	
		TOTAL	\$268,611,475	4,621		
		REO INVENTORY				
		BY STRUCTURE TYPE:	Value	Number	% Type	% of Total Value
		SINGLE FAMILY	\$228,002,646	2,541	9.01%	6.48%
		ZERO LOT LINE	32,602,739	359	14.13%	0.93%
		CONDOS	41,269,384	568	15.72%	1.17%
		DUPLEX	16,573,673	153	10.89%	0.47%
		PLANNED UNIT	18,979,407	192	12.63%	0.54%
		TRI-PLEX	621,617	3	7.75%	0.02%
		FOUR-PLEX	2,536,047	13	18.45%	0.07%
		FIVE-PLEX	951,971	2	33.80%	0.03%
		MOBILE HOME I	1,228,289	14	18.42%	0.03%
		MOBILE HOME II	15,835,277	589	20.28%	0.45%
		OTHER	5,474,634	140	6.56%	0.16%
		TOTAL	364,075,684	4,574		10.35%

* Current loan balances, rather than original loan amounts.

** Includes \$70 million DCRA loans sold to AHFC

Alaska Housing Market Council

December 1989

AHFC REO INVENTORY
SUMMARY OF ACTIVE REO LOANS UNDER \$30,000

TYPE	LIST PRICE RANGE	NO. OF UNITS	TOTAL VALUE
<hr/>			
CONDOMINIUM	\$10 TO \$9,999	277	\$4,603,400
	\$10,000 TO \$19,999	266	6,780,700
	\$20,000 TO \$29,999	275	9,825,650
CONDO 0-LOT LINE	\$10,000 TO \$19,999	1	26,000
DUPLEX	\$10,000 TO \$19,999	1	25,000
	\$20,000 TO \$29,999	2	62,000
MOBILE HOME-FIXED FOUNDATION	\$10 TO \$9,999	1	19,000
	\$10,000 TO \$19,000	4	101,450
MOBILE HOME-MOVABLE	\$10 TO \$9,999	391	4,141,650
	\$10,000 TO \$19,999	49	1,161,500
	\$20,000 TO \$29,999	20	669,300
<hr/>			
TOTAL ALL PROPERTIES		1287	\$27,415,650
TOTAL CONDOMINIUMS		819	\$21,235,750
TOTAL DUPLEX		3	\$87,000
TOTAL MOBILE HOMES		465	\$6,092,900

Alaska Housing Market Council
December 1989

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The following is a list of basic sources used in writing this report. A list of specific references for all facts cited is available on request.

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