

**HB**

**230**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 4, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/28/98

The FINANCE Committee considered:

HB 230

HOUSE BILL NO. 230

AHFC HOUSING FUNDS & PROGRAMS

"An Act relating to housing assistance provided by the Alaska Housing Finance Corporation and to its rural housing programs, to the corporation's supplemental housing development grants to regional housing authorities, and to housing programs of regional housing authorities; permitting regional housing authorities to make, originate, and service loans for the purchase and development of residential housing; and amending definitions relating to various housing programs; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 230 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committer.  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) Revenue  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault			X	
<i>Mark Hanley</i>	Hanley			X	
<i>Leon Mulden</i>	Mulden	✓			
<i>Terry Martin</i>	Martin			X	
<i>Vick Kohring</i>	Kohring				X
<i>Jim Davis</i>	J. Davis			X	
<i>Ben Grissendot</i>	Grissendot	X			
<i>Carol E. Moses</i>	Moses	X			
<i>John G. Davis</i>	G. Davis	X			
<i>John Kelly</i>	Kelly				✓
<i>John Foster</i>	Foster	X			

CO-CHAIR'S SIGNATURE

*Gene Therriault*  
 Therriault  
*Mark Hanley*  
 Hanley

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue \_\_\_\_\_  
 Title: AHFC Housing Funds & Programs BRU: Alaska Housing, Operations \_\_\_\_\_  
 Component: Alaska Housing, Operations \_\_\_\_\_  
 Sponsor: Representative Ivan \_\_\_\_\_  
 Requestor: (H) FIN COMPONENT SERIAL NO. 110 \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
1048 University of AK receipts						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation keeps the status quo for all the communities that currently qualify for this program. The population caps are being increased to continue to allow the communities of Bethel and Haines to qualify for the rural mortgage program. This will have no addition fiscal impact on the Alaska Housing Finance Corporation.

Prepared by: John Bitney  
 Division: Alaska Housing Finance Corporation  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 330-8445  
 Date: April 28, 1998  
 Date: April 28, 1998

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4/28/98

0-LS0871/E.1  
Cook  
4/28/98

Withdrawn  
AMENDMENT #1 change pg 2  
2iv 5

OFFERED IN THE HOUSE

BY REPRESENTATIVE MULDER

TO: CSHB 230( ), Draft Version "E"

1 Page 1, line 2, following "Corporation":

2 Insert "; relating to University of Alaska student housing and approving  
3 participation in certain student housing projects by the Alaska Housing Finance  
4 Corporation; and providing for an effective date"

5 Page 1, following line 9:

6 Insert new bill sections to read:

7 \*\* Sec. 2. UNIVERSITY OF ALASKA STUDENT HOUSING PROJECT APPROVAL.

8 (a) The Twentieth Alaska State Legislature approves the plans of the Board of Regents of  
9 the University of Alaska to enter into obligations to borrow \$43,000,000 from the Alaska  
10 Housing Finance Corporation for the following:

11 (1) \$20,000,000 for acquisition and construction of student housing on the  
12 University of Alaska Anchorage campus;

13 (2) \$10,000,000 for acquisition and construction of student housing on the  
14 University of Alaska Fairbanks campus;

15 (3) \$6,000,000 for renovation of the Lola Tilly Commons student housing  
16 eating facility on the University of Alaska Fairbanks campus; and

17 (4) \$7,000,000 for deferred maintenance of student housing at University of  
18 Alaska campuses.

19 (b) For acquisition, construction, and renovation of facilities described in (a) of this  
20 section, the anticipated

21 (1) total construction and other costs of the facilities are \$47,945,000, of  
22 which \$43,000,000 is for construction to be through the Alaska Housing Finance Corporation  
23 under a subsidized bond authorization;

24 (2) annual debt service is \$3,655,000 a year for 25 years, of which

0-LS0871VE.1

1 (A) the University of Alaska Anchorage will pay an amount not to  
2 exceed \$700,000 a year for acquisition and construction of student housing on the  
3 University of Alaska Anchorage campus; and

4 (B) the University of Alaska Fairbanks will pay an amount not to  
5 exceed \$350,000<sup>a year</sup> for the acquisition and construction of student housing on the  
6 University of Alaska Fairbanks campus;

7 (3) total debt service for the full term of the bond is \$96,857,500.

8 (c) Subsection (a) of this section provides the project approval required by  
9 AS 14.40.253 for obligations of the University of Alaska having an annual payment by the  
10 university anticipated to exceed \$1,000,000.

11 \* Sec. 3. ALASKA HOUSING FINANCE CORPORATION AUTHORIZED TO ISSUE  
12 OBLIGATIONS IN ORDER TO MAKE LOANS. (a) The Alaska Housing Finance  
13 Corporation may

14 (1) issue bonds or other obligations of the corporation with respect to the  
15 loans to be financed for acquisition, construction, or renovation of student housing and  
16 student housing eating facilities described in sec. 2 of this Act; and

17 (2) loan to the University of Alaska the amounts set out in sec. 2 of this Act  
18 to finance the acquisition, construction, and renovation of the facilities.

19 (b) Subsection (a) of this section provides the approval required by AS 18.55.100(d)  
20 for the Alaska Housing Finance Corporation to arrange for or contract for the financing,  
21 design, construction, renovation, and acquisition of a public building project under  
22 AS 18.55.100(a)(7).

23 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c)."

Alaska State House of Representatives  
House District 39



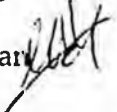
Session  
Alaska State Capitol  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942  
1-800-323-4942  
Fax: (907) 465-4589  
[www.akrepublicans.org/Ivan.htm](http://www.akrepublicans.org/Ivan.htm)

Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

MEMORANDUM

TO: Representative Gene Therriault, Co-Chair  
Representative Mark Hanley, Co-Chair  
House Finance Committee

FROM: Representative Ivan M. Ivan 

DATE: March 31, 1998

RE: Request for Hearing - House Bill 230

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Please consider this request to hear House Bill 230: *"An Act relating to housing assistance provided by the Alaska Housing Finance Corporation and to its rural programs, to the corporation's supplemental housing development grants to regional housing authorities; permitting regional housing authorities to make, originate and service loans for the purchase and development of residential housing; and amending definitions relating to various housing programs; and providing for an effective date"* before the House Finance Committee at your convenience.

Attached is a blank committee substitute which amends the population caps in the rural loan program within AHFC. There are communities that are approaching the cap or have exceeded the cap, most notably Bethel and Haines. Haines has exceeded the 1,400 cap while Bethel is rapidly approaching the current statutory population cap of 5,500. By amending the population caps, these two communities will be able to continue their participation in AHFC's rural loan program.

Thank you for your consideration of my request. Please do not hesitate to contact me if I can provide further information or answer any questions.

IMI:tw

Attachment

**Alaska State House of Representatives**  
**House District 39**

Session

Alaska State Capitol  
Juneau, Alaska 99801-1182  
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**Representative Ivan M. Ivan**

**SPONSOR STATEMENT - HOUSE BILL 230**

House Bill 230 modifies the rural loan programs of the Alaska Housing Finance Corporation and regional housing authorities to substantially improve the delivery of housing services. It recognizes that there are unique circumstances in Alaska's rural areas that must be taken into account to ensure that the housing programs are administered practically and fairly for all Alaskans. It also recognizes and relies on the role that regional housing authorities play in the implementation of housing programs.

Among the changes contained in House Bill 230 are:

- An expansion of permitted uses of supplemental housing development grants to regional housing authorities to allow funds to be expended on improvements to a community's water and sewer infrastructure necessitated by the development of a housing project;
- Modifying the Building Material Loan Program to meet rural housing conditions;
- Permitting of refinancing of housing loans in small communities similar to that now offered borrowers in urban areas;
- Allowing loans to pay for the installation of building materials by third party contractors to ensure installation by qualified professionals.

Enactment of this bill will greatly improve the quality of life for numerous Alaskans living in the small communities of Alaska.

# Alaska State House of Representatives

## House District 39

### Session

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### **Representative Ivan M. Ivan**

#### **SECTIONAL ANALYSIS - HOUSE BILL 230**

**Section 1:** Amends AS 18.55.997, Residential Loans. Allows regional housing authorities to originate and service loans in small communities of the state for the purpose of the purchase or development of residential housing.

Also in areas not meeting the definition of a small community, a regional housing authority may borrow funds from AHFC and make those funds available to borrowers who cannot obtain financing through traditional mortgage sources. These borrowers would generally be persons of low income whose financing needs are not currently met through existing conventional loan programs.

**Section 2:** Amends AS 18.55.998(a), Supplemental Housing Development Grants. Under the allowable uses of the supplemental housing development grant fund, infrastructure development for water and sewer could include both on-site and off-site facilities. For example, if a regional housing authority is constructing a water or sewer line to the site of a project, the cost of providing hook ups for other homes located along the line could be included as part of the project cost paid by these grant funds.

**Section 3:** Amends AS 18.55.998(c), Supplemental Housing Development Grants. The amended language attempts to clarify existing statute. It does not make substantive change.

**Section 4:** Amends AS 18.55.998(d), Supplemental Housing Development Grants. This section requires AHFC to establish a priority system for the allocation of supplemental housing development grant funds used to pay for off-site water and sewer facilities established under Section 2.

**Section 5:** Adds a new subsection to AS 18.56.096, Limitation On Power To Make or Purchase Mortgage Loans. Projects under the Building Material Loan Program are exempted from energy standards provided under AS 18.56.096(c).

While AHFC will support and encourage all projects to adhere to energy standards, the costs of the inspections and energy ratings for these standards can represent an extraordinary percentage of the small loans under this program. These loans are

Akiachak • Akiak • Aleknagik • Atmautluak • Bethel • Chefornak • Clark's Point • Dillingham • Eek • Ekuk • Ekwok • Goodnews Bay • Kasigluk • Kipnuk • Koliganek • Kongiganak • Kwethluk • Kwigillingok • Manokotak • Napakiak • Napaskiak • New Stuyahok • Nunapitchuk • Oscarville • Platinum • Portage Creek • Quinhagak • Togiak • Tuntutullak • Twin Hills

intended and designed to help people in rural Alaska finish or improve their homes, use local materials in the construction of homes or install wells or septic systems.

**Section 6:** Amends AS 18.56.300(d), Construction Standards for Housing Eligible for Purchase of Loans. Projects constructed under the Building Material Loan Program are exempted from construction standards provided under AS 18.56.300.

Again, as stated in the Section 5 analysis, AHFC will support and encourage all projects to adhere to good building standards. However, the inspections that would be required to insure these standards are met would represent an extraordinary percentage of the amount of the small loans under this program.

**Section 7:** Amends AS 18.56.420(a), Housing Assistance Loan Fund. Allows for the refinancing of rural mortgages in the same manner as AHFC's mortgage programs allow for the refinancing of urban loans. Current statute simply does not provide for refinancing as an option under rural loans. Rural residents have not had the opportunity to benefit from the lower interest rates by refinancing their loans as have most other individuals in Alaska and elsewhere in the United States. Under the Housing Assistance Loan Fund, a borrower would be required to do substantial improvements to their home as the only way to receive a new loan at a lower interest rate. This provision would allow for a refinance in which the borrower would not have to increase the loan amount to benefit from current low interest rates provided the borrower's refinance loan meets established eligibility criteria.

Additionally, this section allows a rural assistance loan to be used to pay for the cost of third party labor for a building materials loan. In other words, the loan could be taken out to not only cover the cost of the material for the improvements but could also be used to cover the labor costs for the improvements. To restrict loan proceeds to materials only may serve to promote unqualified borrower's installation of materials, equipment, utilities or appliances rather than installation by qualified professionals.

**Section 8:** Amends AS 18.56.440, Limitations on Use of Housing Assistance Loan Fund. Allows AHFC to make loans for rural non-owner occupied housing, to the extent feasible, to someone who already has an AHFC loan for an existing owner occupied loan.

The language in this section would not change any current practice since AHFC already interprets this statute to allow a qualified borrower to have more than one

non-owner occupied loan. This section clarifies the statute to more clearly make this type of loan available.

**Section 9:** Adds a new subsection to AS 18.56.460, Security for Loans. Expands the Building Material Loan Program to allow for small (\$20,000 or less) unsecured loans for borrowers who have either restrictive deed lands or have no title to their HUD Mutual Help home. These borrowers have financing needs for repairs and/or improvements to their homes but are unable to pledge their home as collateral or have native restricted deed land that is cost prohibitive in obtaining required BLA approval for encumbering the property.

**Section 10:** Amends AS 18.56.580(a), Loans for Nonowner Occupied Housing. Conforming change to coordinate this statute with the change made in Section 12.

**Section 11:** Amends AS 18.56.580(c), Loans for Nonowner Occupied Housing. Conforming change to coordinate this statute with the change made in Section 12.

**Section 12:** Amends AS 18.56.580(d), Loans for Nonowner Occupied Housing. Clarifies the definition of non-owner occupied housing as rental housing. The definition of a multi-family rental house is changed from an eight to a sixteen dwelling unit. Existing statute allows AHFC to modify this definition if AHFC determines there is special need and qualified tenants that shows going beyond an eight unit project is warranted. Borrowers can save costs on projects with up to the sixteen units by avoiding having to do a special demonstration as required by current statute.

**Section 13:** Amends AS 18.56.600, Definitions. Current statute limits the term "housing" to either single family and owner occupied duplexes. This section brings this term into compliance with industry standards that view the term "housing" as owner occupied housing with up to four units. This is the standard that is used by the VA, FHA, Fannie Mae and AHFC conventional urban loans.

This section would also increase the population base for communities eligible to participate in the rural loan program from 5,500 to 6,500 for communities not connected to Anchorage or Fairbanks by road or rail or from 1,400 to 1,600 for communities on the road system. Currently, the population of Bethel is approaching 5,300 with a continuing pattern of growth. By increasing the population allowance, communities such as Bethel will remain eligible to participate in the rural loan program. Alternative financing is generally not available from national secondary market sources.

Page Four  
Sectional Analysis  
HB 230

**Section 14:** Allows AHFC to implement any necessary changes in regulation as a result of this legislation.

**Section 15:** Immediate effective date.

**1997 MUNICIPAL POPULATION CERTIFICATION  
FOR FY 99 STATE REVENUE SHARING AND SAFE COMMUNITIES PROGRAMS  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

<b>Municipality</b>	<b>Incorporation Type</b>	<b>1997 Population</b>
Akhiok (8)	Second Class City	101
Akiak	Second Class City	327
Akutan (1)	Second Class City	420
Alakanuk	Second Class City	651
Aleknagik	Second Class City	226
<b>Aleutians East Borough</b>	Second Class Borough	2,355
Allakaket	Second Class City	182
Ambler (12)	Second Class City	333
Anaktuvuk Pass (11)	Second Class City	301
<b>Municipality of Anchorage</b>	Unified Home Rule Muni.	254,849
Anderson (3)	Second Class City	565
Angoon	Second Class City	616
Aniak	Second Class City	578
Anvik	Second Class City	83
Atka	Second Class City	111
Atkasuk (11)	Second Class City	235
Barrow (11)	First Class City	4,380
Bethel	Second Class City	5,277
Bettles	Second Class City	32
Brevig Mission	Second Class City	265
<b>Bristol Bay Borough</b>	Second Class Borough	1,270
Buckland (12)	Second Class City	412
Chefornak	Second Class City	405
Chevak	Second Class City	721
Chignik (9)	Second Class City	125
Chuathbaluk	Second Class City	115
Clark's Point	Second Class City	66
Coffman Cove	Second Class City	246
Cold Bay (1)	Second Class City	120
Cordova	Home Rule City	2,437
Craig	First Class City	2,043
Deering (12)	Second Class City	158
Delta Junction	Second Class City	855
<b>Denali Borough</b>	Home Rule Borough	1,899
Dillingham	First Class City	2,252
Diomedes	Second Class City	174
Eagle	Second Class City	165
Eek	Second Class City	277
Egegik (9)	Second Class City	127
Ekwok	Second Class City	124
Elim	Second Class City	301
Emmonak	Second Class City	820
Fairbanks (4)	Home Rule City	31,850
<b>Fairbanks North Star Borough</b>	Second Class Borough	82,278
False Pass (1)	Second Class City	64

**1997 MUNICIPAL POPULATION CERTIFICATION  
FOR FY 99 STATE REVENUE SHARING AND SAFE COMMUNITIES PROGRAMS  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

<b>Municipality</b>	<b>Incorporation Type</b>	<b>1997 Population</b>
Fort Yukon	Second Class City	575
Galena	First Class City	543
Gambell	Second Class City	653
Golovin	Second Class City	152
Goodnews Bay	Second Class City	263
Grayling	Second Class City	186
Haines (5)	First Class City	1,429
<b>Haines Borough</b>	Third Class Borough	2,421
Holy Cross	Second Class City	260
Homer (6)	First Class City	4,126
Hoonah	First Class City	906
Hooper Bay	Second Class City	1,012
Houston (10)	Second Class City	994
Hughes	Second Class City	69
Huslia	Second Class City	245
Hydaburg	First Class City	425
<b>City &amp; Borough of Juneau</b>	Unified Home Rule Muni.	30,396
Kachemak (6)	Second Class City	398
Kake	First Class City	767
Kaktovik (11)	Second Class City	222
Kaltag	Second Class City	245
Kasaan	Second Class City	42
Kenai (6)	Home Rule City	6,971
<b>Kenai Peninsula Borough</b>	Second Class Borough	48,098
Ketchikan (7)	Home Rule City	8,552
<b>Ketchikan Gateway Borough</b>	Second Class Borough	14,599
Kiana (12)	Second Class City	415
King Cove (1)	First Class City	773
Kivalina (12)	Second Class City	357
Klawock	First Class City	704
Kobuk (12)	Second Class City	89
Kodiak (8)	Home Rule City	6,749
<b>Kodiak Island Borough</b>	Second Class Borough	14,181
Kotlik	Second Class City	543
Kotzebue (12)	Second Class City	3,232
Keyuk	Second Class City	272
Koyukuk	Second Class City	126
Kupreanof	Second Class City	24
Kwethluk	Second Class City	672
<b>Lake &amp; Peninsula Borough</b>	Home Rule Borough	1,816
Larsen Bay (8)	Second Class City	120
Lower Kalskag	Second Class City	278
Manokotak	Second Class City	387
Marshall	Second Class City	318
<b>Matanuska-Susitna Borough</b>	Second Class Borough	52,669

**1997 MUNICIPAL POPULATION CERTIFICATION  
FOR FY 99 STATE REVENUE SHARING AND SAFE COMMUNITIES PROGRAMS  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

<b>Municipality</b>	<b>Incorporation Type</b>	<b>1997 Population</b>
McGrath	Second Class City	456
Mekoryuk	Second Class City	192
Metlakatla	Federal Law	1,595
Mountain Village	Second Class City	738
Napakiak	Second Class City	354
Napaskiak	Second Class City	399
Nenana	Home Rule City	440
New Stuyahok	Second Class City	452
Newhalen (9)	Second Class City	177
Nightmute	Second Class City	217
Nikolai	Second Class City	108
Nome	First Class City	3,656
Nondalton (9)	Second Class City	221
Noorvik (12)	Second Class City	631
North Pole (4)	Home Rule City	1,631
<b>North Slope Borough</b>	Home Rule Borough	9,189
<b>Northwest Arctic Borough</b>	First Class Borough	7,108
Nuiqsut (11)	Second Class City	435
Nulato	Second Class City	365
Nunapitchuk	Second Class City	489
Old Harbor (8)	Second Class City	301
Ouzinkie (8)	Second Class City	246
Palmer (10)	Home Rule City	4,167
Pelican	First Class City	187
Petersburg	Home Rule City	3,432
Pilot Point (9)	Second Class City	115
Pilot Station	Second Class City	547
Platinum	Second Class City	41
Point Hope (11)	Second Class City	749
Port Alexander	Second Class City	94
Port Heiden (9)	Second Class City	116
Port Lions (8)	Second Class City	239
Quinhagak	Second Class City	567
Ruby	Second Class City	217
Russian Mission	Second Class City	295
Saint George	Second Class City	184
Saint Mary's	First Class City	504
Saint Michael	Second Class City	341
Saint Paul	Second Class City	764
Sand Point (1)	First Class City	870
Savoonga	Second Class City	622
Saxman (7)	Second Class City	381
Scammon Bay	Second Class City	479
Selawik (12)	Second Class City	696
Seldovia (6)	First Class City	285

**1997 MUNICIPAL POPULATION CERTIFICATION  
FOR FY 99 STATE REVENUE SHARING AND SAFE COMMUNITIES PROGRAMS  
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

<b>Municipality</b>	<b>Incorporation Type</b>	<b>1997 Population</b>
Seward (6)	Home Rule City	2,999
Shageluk	Second Class City	145
Shaktolik	Second Class City	226
Sheldon Point	Second Class City	177
Shishmaref	Second Class City	542
Shungnak (12)	Second Class City	252
<b>City &amp; Borough of Sitka</b>	Unified Home Rule Muni.	8,733
Skagway	First Class City	816
Soldotna (6)	First Class City	4,092
Stebbins	Second Class City	513
Tanana	First Class City	299
Teller	Second Class City	265
Tenakee Springs	Second Class City	116
Thorne Bay	Second Class City	625
Togiak	Second Class City	762
Toksook Bay	Second Class City	496
Unalakleet	Second Class City	803
Unalaska	First Class City	4,251
Upper Kalskag	Second Class City	198
Valdez	Home Rule City	4,486
Wainwright (11)	Second Class City	550
Wales	Second Class City	162
Wasilla (10)	First Class City	4,917
White Mountain	Second Class City	193
Whittier	Second Class City	289
Wrangell	Home Rule City	2,543
<b>City &amp; Borough of Yakutat</b>	Home Rule Borough	833

- 1 = City located within the Aleutians East Borough
- 2 = City located within the Bristol Bay Borough (none)
- 3 = City located within the Denali Borough
- 4 = City located within the Fairbanks North Star Borough
- 5 = City located within the Haines Borough
- 6 = City located within the Kenai Peninsula Borough
- 7 = City located within the Ketchikan Gateway Borough
- 8 = City located within the Kodiak Island Borough
- 9 = City located within the Lake & Peninsula Borough
- 10 = City located within the Matanuska-Susitna Borough
- 11 = City located within the North Slope Borough
- 12 = City located within the Northwest Arctic Borough

***The Association of Alaska Housing Authorities Supports:***

**• *Full Funding in the Amount of \$53 million for the Alaska Housing Finance Corporation's Capital Budget***

-To include full funding in the amount of \$8 million for the Supplemental Housing Development Program - The program matches \$40 million in HUD funding and will construct 225 new housing units throughout the State of Alaska

**• *House Bill 230 - Sponsored By Representative Ivan Ivan***

-This bill will allow all regional housing authorities to use their housing delivery systems to provide AHFC mortgage loans in Alaska's small communities. In urban areas, regional housing authorities would be able to receive a loan from AHFC to develop homeownership programs which meet the needs of individual communities.

**• *Full Funding for the Department of Environmental Conservation's Village Safe Water Program***

-FY 98 funding will provide for the planning, construction or renovation of water and sewer systems in 57 Alaskan communities. The total program funding of \$23.19 million is provided from the AHFC capital budget and the state general fund.

# ASSOCIATION OF ALASKA HOUSING AUTHORITIES

520 East 34th • Anchorage, AK 99503  
Phone (907) 562-7119 • Fax (907) 562-7123

## POSITION STATEMENT ON HOUSE BILL 230

Alaska Housing  
Finance Corporation

Alutian  
Housing Authority

Association of Village  
Council Presidents Regional  
Housing Authority

Baranof Island  
Housing Authority

Bering Straits Regional  
Housing Authority

Bristol Bay  
Housing Authority

Cook Inlet  
Housing Authority

Copper River Basin  
Regional Housing Authority

Interior Regional  
Housing Authority

Kodiak Island  
Housing Authority

Metlakatla  
Housing Authority

North Pacific Rim  
Housing Authority

Northwest Inupiat  
Housing Authority

Taglitgmullu  
Nunamutllu (TNHA)

Tlingit-Haida Regional  
Housing Authority

The Association of Alaska Housing Authorities issues its strong support for House Bill 230, introduced in the Twentieth Alaska State Legislature.

The legislation provides for increased housing construction and housing purchase opportunities in rural Alaska by amending statutory language. Current Alaska statute indicates that regional housing authorities may, "...make (Alaska Housing Finance Corporation) loans for the purchase or development of residential housing in rural areas of the state, other than in an area where the corporation has a loan office." This precludes regional housing authorities serving the Bethel, Dillingham and Nome regions from using their rural housing delivery systems to provide mortgage loans in Alaska's small communities.

We believe that it is very important for all the state's regional housing authorities to have the ability to provide mortgage loans in rural parts of the state because housing needs in remote Alaska continue to vastly outpace the need for new construction in urban parts of the state.

The 1991 State of Alaska Housing Needs Assessment Study indicated a need for over 12,000 new affordable housing units in rural Alaska as compared to a need for just over 5,000 new units in urban parts of the state. Since the time of the study, building permits for 7,000 new housing units have been issued in urban Alaska as compared to 5,900 in areas outside of Anchorage, Fairbanks and Juneau (Statistics: Through 2<sup>nd</sup> Quarter, 1996, AHFC/Alaska Housing Market Indicators).

*Association of Alaska Housing Authorities  
Position Paper on House Bill 230*

House Bill 230 also amends state statute so that regional housing authorities can borrow funds from AHFC to develop homeownership programs, thus providing a means to increase new affordable housing construction and housing opportunities in more populated parts of the state.

The legislation also would allow AHFC's Supplemental grant program to be used to upgrade community sanitation systems in addition to supporting the installation of water and sewer systems in homes and on housing sites.

In addition, the bill makes amendments to AHFC's rural loan programs so that programs are more workable and more accessible to rural Alaskan residents, thus further increasing new housing construction in rural parts of the state.

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION							
SFY 98 CAPITAL BUDGET							
VILLAGE SAFE WATER CIP PRIORITY LIST							
Municipality	Project Title	Federal RDA**	Federal EPA***	State Funds G.F.	State Funds A.H.F.C.	Cumulative Avail. Res.	Score
Statewide	CIP Project Administration			1,139,200		1,139,200	
Statewide	Operation & Maintenance Capacity Development			500,000		1,639,200	
Statewide	Engineering Feasibility Studies in 23 locations						
Municipality	Project Title						
Hughes, City of	Sanitation Feasibility Study		30,000	30,000		1,669,200	0
Thomas Bay, City of	Water Proj., Ph. I Feas. Study/Design		28,000	28,000		1,697,200	0
Port Protection Com. Assn.	Watershed Area Delineation Study		6,800	6,800		1,704,000	0
Saaman, City of	Revalidation of Wtr & Wastewtr. Studies		60,000	60,000		1,764,000	0
Kotiganez (New) Va. Cnd.	Water & Sewer System Study		62,500	62,500		1,826,500	0
Pelican, City of	Sanitation/Wastewater Management Plan		25,000	25,000		1,851,500	0
Sierimute Trad. Cnd.	Sanitation Master Plan		87,500	87,500		1,939,000	0
Kipnuk, Village of	Sanitation Facil. Master Plan		75,000	75,000		2,014,000	0
Kipnuk, Village of	Aquifer Stor. & Recovery Demo. Study		65,000	65,000		2,079,000	0
Anchor Pt. Safe Water Corp	Wtr Syst. Expan. Feas. Study		50,000	50,000		2,129,000	0
Red Devil Vil. Non-Profit Co	Sanitation Master Plan		87,500	87,500		2,216,500	0
Shageluk, City of	Comprehensive Utility Master Plan		65,000	65,000		2,281,500	0
Stana Community Corp.	Sanitation Feasibility Study		25,000	25,000		2,306,500	0
Kaktac, City of	Upgr. Exist. Water/Sewer Fac. Plan		23,000	23,000		2,329,500	0
Kotzebue, City of	Water Improvement Study		42,500	42,500		2,372,000	0
L. K. Sch. Dist. - Nuytmute	Sch. Sewage Lagoon Feas. Study/Design		32,000	32,000		2,404,000	0
L. K. Sch. Dist. - Tunbutek	Sch. Sewage Disp. Feas. Study/Design		57,500	57,500		2,461,500	0
New Stuvahok, City of	Lead Corrosion Study		10,000	10,000		2,471,500	0
Pilot Point, City of	Sanitation Facilities Study		50,000	50,000		2,521,500	0
Talroon Tribal Cnd.	Safe Water Study		61,300	61,300		2,582,800	0
Chilkat Indian VL - Kluwan	Water Sub., Trmt. & Dist. Upgrade Study		42,500	42,500		2,625,300	0
Hydaburg, City of	Solid Waste Master Plan		25,000	25,000		2,650,300	0
Shungnak, City of	Feas. Studies on Water/Sewer Upgr.		37,500	37,500		2,687,800	0
Municipality	Project Title						
Deering, City of *	Water & Sewer		1,200,000	1,200,000		3,887,800	1375
Iditarod Ar Sch. Dis. - Lina Vill	Sewer		11,000	11,000		3,898,800	1375
Savoonga, City of *	Piped Water & Sewer		900,000	900,000		4,798,800	1350
Too'gha, Inc. (Tanana) *	Water Improvements		275,000	275,000		5,073,800	1325
Nunapichuk, City of *	Sewer & Water Imp.	1,150,000		1,150,000		6,223,800	1275
Allakaket, City of	Landfill relocation	235,800		235,800		6,459,600	1250
Denali Borough	Regional Landfill Project			1,004,000		7,463,600	1225
Togiak, City of	Water & Sewer Sys. Upgr. & Rep.		200,000	200,000		7,663,600	1225
Whitler, City of	Sewer System Imp.		617,000	617,000		8,280,600	1225
Kotik, City of *	Vacuum Sewer and Water Utility	533,000		312,000	221,000	8,811,600	1225
Kotzebue, City of *	Dump Closure/Baler/Balefill & Loan Reps	950,000			950,000	9,761,600	1200
Alakanuk, City of	Piped Water Project			1,100,000	1,100,000	10,861,600	1175
Goodnews Bay, City of *	Sanitation Facilities	610,000			610,000	11,471,600	1175
Koyuk, City of *	Water & Sewer Project		375,000		375,000	11,846,600	1175
Wainwright, City of *	Water & Sewer Project	440,000			440,000	12,286,600	1150
Russian Mission, City of *	Sewer Lagoon Expansion		175,000		175,000	12,461,600	1150
Tunbutek Village *	Water & Sewer Project	750,000			750,000	13,211,600	1150
Makoryuk, City of *	Water & Sewer, Ph. IV	750,000			750,000	13,961,600	1150
Saint Mary's, City of *	Sewer Sys. Renovation Ph. II		450,000		450,000	14,411,600	1150
Armoatuk, Village of *	Wastewtr. & Connecting Sewer System	221,000			221,000	14,632,600	1125
Brevig Mission, City of *	Water & Sewer Project		1,250,000		1,250,000	15,882,600	1125
Saint Michael, City of *	Piped Water & Sewer Project		1,120,000		1,120,000	17,002,600	1125

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION							
SFY 98 CAPITAL BUDGET							
VILLAGE SAFE WATER CIP PRIORITY LIST							
CIP Ranking							
Municipality	Project Title	Federal RDA	Federal EPA	State Funds G.F.	State Funds A.H.F.C.	Cumulative Avail. Req.	Score
Rampart Village Council	Wastewater Water Trmt. Prt.		354,500		354,500	17,387,100	1125
Anaktuvuk Pass. City of	Water/Sewer Project		1,000,000		1,000,000	18,367,100	1100
Marshall, City of	Heavy Equipment for Landfill	60,000			60,000	18,427,100	1100
Koyukuk, City of	Solid Waste Project	90,000			90,000	18,517,100	1100
Coffman Cove, City of	Water and Sewer		680,000		680,000	19,197,100	1100
Quinhagak, City of	Wastewater Ph. III	275,000			275,000	19,472,100	1100
Evansville Village	Phase II Solid Waste Landfill	185,000			185,000	19,657,100	1075
Napakiat, City of	Fl. Tk & Hl Sys. Comol. & Wash. Upgr.	425,000			425,000	20,082,100	1075
Chetoniak, City of	Water & Sewer Imp. Proj.	280,000			280,000	20,362,100	1050
Chignik Lagoon, Village of	Water & Sewer Project		750,000		750,000	21,112,100	1050
Stevens Village	Landfill Heavy Equipment	55,000			55,000	21,167,100	1050
Tedin Village Council	Piped Wtr & Pres. Sewer Ph II & VI		925,000		925,000	22,092,100	1050
Stebbins, City of	Water & Sewer System		603,000		603,000	22,695,100	1050
Sheldon Point, City of	Water Distribution Utilidors	90,000			90,000	22,785,100	1025
Akrak Native Community	Water System Ph III	405,500			405,500	23,190,600	1025
		TOTAL	7,505,300	13,042,100	8,590,600	14,600,000	23,190,600
Projects Beyond Anticipated Funding							
Community	Project			Response Amount	Cumulative Total		Score
Bethel, City of	Water & Sewer Facilities Imp. - Ph. I			5,500,000	5,500,000		1025
Hooper Bay, City of	Water/Wastewater Utility Bldg.			1,500,000	7,000,000		1025
Shishmaref, City of	Wtr. & San. Fac. Imp. Proj.			900,000	7,900,000		1025
Atkasuk, City of	Sewer Project			2,000,000	9,900,000		1000
Ketchikan Gwry Bor.-Shoup	Serv. Area Sewer & Water Imp.			1,100,000	11,000,000		1000
Arctic Tribal Council	Wtr. Trmt. Prt. Upgr. & Wash.			1,190,000	12,270,000		1000
Buckland, City of	Flush & Haul/Alaskan Project			2,280,000	14,550,000		1000
Grayling, City of	Solid Waste Site Improvement			372,000	14,922,000		1000
Crooked Creek	Village Safe Water Building			3,000,000	17,922,000		975
Mountain Village	Water, Sewer, Solid Waste Imp.			848,000	18,771,000		950
Kaktovik, City of - NSB	Water/Sewer Project			1,500,000	20,271,000		950
Enk, City of	Water & Sewer			515,000	20,786,000		950
City of Chignik	Water Trmt. Tank & Assoc. Imp.			1,082,000	21,868,000		950
Iditarod Area Sch. Dis.-Taktol	School Sewer & Water			80,000	21,948,000		950
Northway Traditional Cnd.	Water/Sewer Haul System			1,448,000	23,396,000		950
Unalakleet, City of	Water Supply Renovation			616,000	24,012,000		950
Taddei IRA Village Cnd.	Water System Upgrades			463,700	24,475,700		925
Kobuk, City of	Piped Water/Sewer for new subdivision			1,110,000	25,585,700		900
Pilot Station, Trad. Cnd.	Water & Sewer Project			1,256,700	26,841,400		900
Galena, City of	Sewer Lagoon Improvements			300,000	27,141,400		900
Galena, City of	Landfill			500,000	27,641,400		900
Iditarod Area Sch. Dis.-Armi	Water & Sewer Project			90,000	27,731,400		900
Siana Community Corp.	Well & Septic for Comm. Ctr/Clinic/Watermg Pt			50,000	27,781,400		900
Minto Tribal Council	Water, Sewer & Solid Waste Upgrade			375,000	28,156,400		900
Tuluksak (Tulkisammua Nat.	Water Storage Tank			185,000	28,321,400		900
Saint George, City of	Village Water Tank Replacement			367,000	28,688,400		875
Point Lay Native Village (NS)	Water/Sewer Project			2,000,000	30,688,400		875
Kana, City of	Water/Sewer Repairs			53,000	30,741,400		875
Point Hope, City of (NSB)	Water & Sewer Project			2,000,000	32,741,400		860
Aleknagik, City of	Wastewater Disposal Site Const.			200,200	32,941,600		850
Armi, City of	Dump Fencing			42,000	32,983,600		850
Aniak, City of	Sewer Extension			2,084,000	35,047,600		825
Chukchoakuk, City of	Water System Repair & Master Plan			318,000	35,365,600		825
Nuqsut, City of (NSB)	Water/Sewer Project			2,000,000	37,365,600		800
Teller, City of	Piped Water & Sewer - Ph. I			3,019,000	40,384,600		800

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION			
SFY 98 CAPITAL BUDGET			
VILLAGE SAFE WATER CIP PRIORITY LIST			
Projects Beyond Anticipated Funding			
Community	Project	Requested Amount	Current Total Score
Noorvik, City of	Water & Sewer Project	338,000	40,720,600   800
Noatak, Native Village of	Interior House Plumbing Upgrade	600,000	41,320,600   775
Karevliuk, City of	Phase I per Water & Sewer Master Plan	1,000,000	42,320,600   775
Emmonak, City of	Westside Water/Sewer Extension	1,500,000	43,820,600   775
Tanacross, Village of	Water & Sewer Repair & Renovation	500,000	44,320,600   775
Nikolai, City of	Public Landfill Permitting & Upgrade	50,000	44,370,600   775
Napastuak Tribal Council	Sanitation Fac. Imp. Proj.	300,000	44,670,600   750
Gambel, City of	Water & Sewer for Old Village Site Area	975,000	45,645,600   725
Evansville Village	Water & Sewer	200,000	45,845,600   725
Fort Yukon, City of	Sanitation Upgrade, Phase I	1,200,000	47,045,600   725
Mattakalta Indian Community	Water System Upgrade	841,000	47,886,600   700
Alutian, City of	Surface Water Trtmt. Upgrade	1,390,000	49,276,600   700
Murika, City of	Water Upgrade (Washetena)	555,000	49,831,600   700
Arctic Village Tribal Govt	Wtr. & Wastewtr Upgr.	284,000	50,115,600   675
Katlaq, City of	Imp. & Extension along 6th Ave.	458,300	50,573,900   650
Platinum, City of	Platinum Sanitation Facilities	790,000	51,363,900   650
Ambler, City of	Water/Sewer Plumbing & Lift Sta.	356,000	51,719,900   650
Diomedes, City of	Solid Waste	290,000	51,989,900   650
Lower Kalskag, City of	Water, Sewer & Waste Heat	150,000	52,139,900   650
McGrath, City of	Sewer Project - Phase II	525,000	52,664,900   625
Old Harbor, City of	Solid Waste Disposal	120,000	52,784,900   625
Pelican Seafoods	Community Water System Upgrade	654,000	53,438,900   625
Karpitunqok, Native Vil. of	Water Storage Tank/ WTP upgrades	2,081,000	55,499,900   625
Kivalina, City of	Tractor & Sewer Equipment	282,000	55,781,900   600
Port Graham, Native Vil.	Surface Water Treatment Upgrades	545,000	56,326,900   600
Voznesenka Vil. Hmown As	Safe Water Imp. Proj.	1,500,000	57,826,900   600
Ellis, City of	Phase II Water Plant System	160,000	57,986,900   600
Aniak, City of	Across Slough Sewer	1,200,000	59,186,900   575
L. K. Sch. Dist. - Kasigluk A	Sch. Water Trtmt. Sys. Upgrade Design	739,800	59,926,700   575
Elorok, City of	Water Treatment	150,000	60,076,700   575
Port Lions, City of	Water Dam Replacement	750,000	60,826,700   550
Egegik, City of	Freshwater Stor. Tank & Trmt. Plant Exp.	190,000	61,016,700   550
Karluk - Kodiak Island Bor.	Landfill/sanitation project	400,000	61,416,700   550
Anderson, City of	Phase II Sewer/Waste Oil Project	132,000	61,548,700   525
Lima Village, Council of	Watershed Pond Renovation	50,000	61,598,700   500
Golovin, City of	New Water Storage Tank	600,000	62,198,700   500
Beaver Village Council	Washetena Renovation	100,000	62,298,700   500
Kuspuk Sch. Dis. - Aniak	2ndry. & Reg. Voc. Ctr. Sewer Con.	630,000	62,928,700   475
L. K. Sch. Dis. - District 10	Water Trtmt. Subsurf. Source - 8 sch.	4,985,600	67,914,300   475
L. K. Sch. Dis. - Kipruk	Sch. Sewerage Trtmt. Plan Const.	135,000	68,049,300   475
Mentasta Lake Vil., Trad. C	Ind. Well/Com. Sewer Sys.	561,000	68,610,300   475
Chenequa Bay IRA Council	Surf. Wtr. Trtmt. Syst. Upgr.	499,800	69,110,100   450
L. K. Sch. Dis. - Napakuk	Sch. Water Trtmt. Sys. Upgrade Design	731,700	69,841,800   425
Chistochina	Laundromat Construction	94,700	69,936,500   400
Gulkana Village Council	Water System Improvements	800,000	70,736,500   375
Kuspuk Sch. Dis. - Kalskag	George Morgan Sr. H.S. Sewer Line	980,000	71,716,500   375
Kuspuk Sch. Dis. - Ch. Washba	Crow Village Sam Sch.	290,000	71,986,500   375
Tazlina Village Council	Copper Center Safe Water	28,000	71,994,500   375
Hyder Community Assn.	System Engineering	400,000	72,394,500   250

\*Project has other Federal funding that is not received or expended by the State.

\*\*RDA (Rural Development Administration) monies are received by the community, but administered by VSW. Authority to

\*\*\*Authority to receive and expend EPA funds is required.

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ASK\* Marketing and Research  
1991 Housing Needs Assessment  
Study

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# 1991 HOUSING NEEDS ASSESSMENT STUDY

## Part One



State of Alaska  
Walter J. Hickel, Governor



Department of Community  
and Regional Affairs  
Edgar Blatchford, Commissioner

Conducted by  
ASK\* Marketing and Research Group  
June 1991

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## HIGHLIGHTS OF FINDINGS

- o An update of 1988 survey data with U.S. Census and 1991 study results of housing need statewide found that at least 16,867 new housing units are required in order to replace units in poor condition and to alleviate overcrowding based on three or more generations living in one household.

- o Estimated cost for constructing 16,867 units is \$2.2 billion.

- o Over and above new homes needed, construction of additions to another 18,000 existing, overcrowded houses mainly for rural, Native households would cost an estimated \$280 million.

- o A primary reason for the housing demand is population growth: Alaska experienced the nation's second highest growth rate (after Nevada) at 36.9% over the last ten years. Rural areas of the state grew the fastest with a 46% increase and the Native Alaskan population, statewide, expanded at a 37% rate, increasing their numbers by 21,595.

- o Relatively few housing units have been constructed since the 1988 study, 1,444 urban housing permits were authorized and 874 predominantly rural units were constructed under public programs. Housing construction, in general, and multi-family housing construction, in particular, declined in the late 80's. Vacancy rates of less than 1% are common for urban areas.

- o Housing need for Native households remains serious -- up to 24% of Native respondents reported needing housing for one or more members. Very little progress in resolving housing problems for Native Alaskans has been made since the 1988 report as only 704 units have been built by HUD Indian Housing and the Bureau of Indian Affairs Housing programs.

- o Based on the 1991 statewide survey data, of those households reporting needing housing for at least one person, 50% had incomes of less than \$25,000 and 68% had incomes less than \$35,000.

- o In a special examination of village sanitation needs where most systems do not offer piped water and sewer services, costs for upgrades total \$1.108 billion. Only about 60 villages out of all 220 rural, remote communities have conventional, piped water and sewer systems.

- o More than 35% of Alaska Native respondents in the 1991 survey did not have piped water and sewer for flush toilets or working flush toilets. In the 1988 study which focused exclusively on rural areas, 39% of respondents did not have running water and 44% did not have (piped) sewer systems.

- o The survey found that the upper limit rural residents were willing to pay for piped water and sewer was \$55 per month; average cost per household to pay for operational and maintenance ranges between \$100 and \$125 per month for villages. Currently, many sanitation systems have inadequate operational and maintenance programs due to underfunding and most are bankrupt.

o Only 24% of the state's 514 Community Water Systems can boast of having no violations or regulatory orders for corrective action in the past year. Alaska's ranks last in its bacterial water test reporting compliance with the Federal Safe Water Act.

o Weatherization programs for low income households have improved 19,882 units since program initiation, but substantial numbers of eligible households remain --perhaps as many as 33,000 statewide.

o Housing condition, especially for rural areas and Native homes, remains poor with 50.9% of the rural respondents reporting wind coming in around doors and windows, one-third of rural and Native households with interior ice build-up, and 44% of Native households with foundation heaving. Urban housing conditions, by contrast, are dramatically better.

o Expenditures for home heating, particularly during the winter, remain high with the average expenditures for non-Native households at \$146 per month and for Native households \$192 per month, or roughly \$1,500 per year. Substantial portions of Native and rural respondents had difficulty maintaining a comfortably warm temperature of 68 to 70 degrees during winter.

o The DCRA-sponsored Golovin housing project, where 13 HUD homes will be built to Alaska Home Craftsman Program energy standards, is planned to demonstrate that up to 70% of home heating costs can be saved through properly insulated and sealed homes.

o Both the housing and sanitation program funding levels in Alaska fall far short of the mark for meeting existing needs. Despite significant spending in some areas --notably one billion dollars for sanitation since 1980-- there remain serious and sometimes critical requirements to adequately house people and provide safe sources of drinking water and sanitary sewage disposal.

## STATEWIDE HOUSING NEEDS ASSESSMENT OVERVIEW

### New Housing Required

This study, conducted for the Alaska Department of Community and Regional Affairs (DCRA) of housing needs in Alaska estimates that at least 16,867 new housing units are required to meet demand created by population growth and to alleviate overcrowding and deteriorated housing condition. Due to a combination of poor economic conditions and the lack of financial support from the public sector, there has been very little housing constructed in Alaska since 1988.

The estimate of 16,867 new housing units is a grand total of several separate calculations. The base is formed by a 1988 Rural Housing Needs Assessment estimate of 6,740 housing units needed, and updated with 1990 Census information, produces a new total of 8,006. Add to that 2,086 units required for Native housing in urban areas and another 3,076 units for non-Native 'urban' households with incomes under \$25,000 needing housing, produces a total of 13,168 units.

A further increment of at least 4,573 housing units which were determined by the 1988 survey to be in poor condition or containing crowded households (with three and four generations present or having less than 200 square feet per person) is added to the total and updated with 1990 Census information.

Housing construction under state and federal programs for Native Alaskan and low income families, totalling 574 units since 1988, is subtracted from the total to give the actual statewide need figure of 16,867 units. A high range estimate of 27,864 is suggested by including 14,032 crowded households, identified in the 1988 study, instead of the more congested 4,573 households utilized in the low range calculation.

A detailed explanation of housing needed is discussed in the next section of this report "New Housing Stock Needed".

### Cost Calculated At \$2.2 Billion

The estimated cost of constructing the required new housing is \$2.192 billion, based upon average cost of \$130,000 for 1,200 square foot unit, an amount identified by the U.S. Department of Housing and Urban Development based on their Indian Housing Program experience. The cost elements are further broken down to allocate \$110,000 as the federal contribution, matched with state funds of about \$20,000 from the supplemental housing program in the Department of Community and Regional Affairs.

To construct 320 square feet additions for another 18,000 units, structurally eligible for improvements, it is estimated that another \$280 million would be required. These units are presently overcrowded and represent square footage per person levels below 200 square feet. A more detailed explanation is provided in the section on overcrowding.

#### **Most Need Is Low Income and Native Alaskan**

The obligation for providing most of the \$2.2 billion will likely fall on public resources as the total represents mainly low-income (non-Native) and Native Alaskan housing requirements. Nearly one third of all respondents in the 1991 study earned \$25,000 or less annual household income; 39% of rural respondents and 65% of Native respondents were reported in that category as well.

Solving housing need for low income and Native households through private sector sources does not often occur in Alaska because of higher construction costs, remoteness of Alaska Native villages, and fluctuating local economies which involve considerable risk for developers and landlords.

Low income housing need has frequently been met through a combination of federal and state programs, under the Department of Housing and Urban Development (HUD) public housing and the Alaska State Housing Authority (ASHA) which supplies and manages low-income family and elderly housing throughout the state. Native Alaska housing has traditionally been provided by the federal government under its trust responsibility for Native Americans through both the HUD Indian Housing Program, through the regional housing authorities, and the Bureau of Indian Affairs. Housing can be either rental or owner-occupied.

#### **Survey Measured Reported Need**

The 1991 housing survey, conducted in February-March, 1991, consisted of in-depth telephone interviews conducted in over 200 communities. The questionnaire appears in Part Two under "General Findings on Housing Status, The 1991 Statewide Survey."

Of 1,200 households interviewed, 11.6% reported at least one person and more required other housing; about half of that number indicated that two or more

## STATEWIDE HOUSING NEEDS ASSESSMENT OVERVIEW

### New Housing Required

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Housing construction under state and federal programs for Native Alaskan and low income families, totalling 874 units since 1988, is subtracted from the total to give the actual statewide need figure of 16,867 units. A high range estimate of 27,864 is suggested by including 14,032 crowded households, identified in the 1988 study, instead of the more congested 4,573 households utilized in the low range calculation.

A detailed explanation of housing needed is discussed in the next section of this report "New Housing Stock Needed".

### Cost Calculated At \$2.2 Billion

The estimated cost of constructing the required new housing is \$2.192 billion, based upon average cost of \$130,000 for 1,200 square foot unit, an amount identified by the U.S. Department of Housing and Urban Development based on their Indian Housing Program experience. The cost elements are further broken down to allocate \$110,000 as the federal contribution, matched with state funds of about \$20,000 from the supplemental housing program in the Department of Community and Regional Affairs.

To construct 320 square feet additions for another 18,000 units, structurally eligible for improvements, it is estimated that another \$280 million would be required. These units are presently overcrowded and represent square footage per person levels below 200 square feet. A more detailed explanation is provided in the section on overcrowding.

#### **Most Need Is Low Income and Native Alaskan**

The obligation for providing most of the \$2.2 billion will likely fall on public resources as the total represents mainly low-income (non-Native) and Native Alaskan housing requirements. Nearly one third of all respondents in the 1991 study earned \$25,000 or less annual household income; 39% of rural respondents and 65% of Native respondents were reported in that category as well.

Solving housing need for low income and Native households through private sector sources does not often occur in Alaska because of higher construction costs, remoteness of Alaska Native villages, and fluctuating local economies which involve considerable risk for developers and landlords.

Low income housing need has frequently been met through a combination of federal and state programs, under the Department of Housing and Urban Development (HUD) public housing and the Alaska State Housing Authority (ASHA) which supplies and manages low-income family and elderly housing throughout the state. Native Alaska housing has traditionally been provided by the federal government under its trust responsibility for Native Americans through both the HUD Indian Housing Program, through the regional housing authorities, and the Bureau of Indian Affairs. Housing can be either rental or owner-occupied.

#### **Survey Measured Reported Need**

The 1991 housing survey, conducted in February-March, 1991, consisted of in-depth telephone interviews conducted in over 200 communities. The questionnaire appears in Part Two under "General Findings on Housing Status, The 1991 Statewide Survey."

Of 1,200 households interviewed, 11.6% reported at least one person and more required other housing; about half of that number indicated that two or more

persons were in need. Proportionally, housing need is greater in rural Alaska with close to 15% of respondents reporting need and Native households registering an even higher requirement at 24%. The table below, based on a question in the 1991 survey, demonstrate the distribution of need.

91 STUDY QUESTION: How many people in your household need other housing?

	ALL	URBAN	RURAL	NATIVE	NON-NATIVE
INDICATING NO ONE IN NEED:	38.4%	92.9	85.4	76.1	92.7
INDICATING ONE PERSON:	5.7	3.0	7.5	11.4	3.8
INDICATING TWO OR MORE:	5.9	4.1	7.1	12.5	3.5
TOTAL HH INDICATING NEED:	11.6	7.1	14.6	23.9	7.3

Source: ASK\* Marketing and Research Group

In response to the question "Do any adults in your household have an interest in building or having a home built?" 35% of all respondents replied that there were. More than half of the rural respondents indicated an interest in building, while only one-third of the urban respondents did. And, of those who were interested in building, nearly half reported they had land on which a new home could be built.

#### New Housing and Additions to Address Overcrowding

Adjusted for 1990 population changes, the 1988 survey provided the basis for estimating at least 4,573 crowded units should be built (with as many as 14,032 new homes, depending on square footage allowances) were needed to remedy overcrowding. This is discussed further in the section on overcrowding.

Costs for 320 square foot expansions of 18,000 units was estimated to be approximately \$200 million. This is based upon an average cost per unit of \$15,000 which is the typical cost of a Bureau of Indian Affairs addition under its Housing Improvement Program (HIP).

Results from the 1991 survey indicated that approximately three times as many Native households reported needing housing for one or more persons than did non-Native respondents. Much of the need relates to the fact that household size for Native Alaskans, generally, is larger than for non-Native. And, Native Alaskans comprise the majority of population in rural remote areas where housing financing and construction is difficult to obtain.

Household size is a major determinant of housing need for rural Alaska, where it is not uncommon to find third and fourth generations living in the same dwelling. Often, larger families are living in homes of lower square footage. The 1988 rural survey recorded square footage for each household and found that average size was 1,162 square feet, compared with 1,635 square foot average for Anchorage.

The 1991 statewide survey found that average household size was 3.2 persons for the state, while rural households had 3.4 persons and Native households had 3.9 persons. The variation in household size for rural residents is dramatic in a regional breakdown: Household size in the interior region (Ahtna) was 2.6, while Northwest Alaska was 5.3 average persons. About one-tenth of the respondents in the statewide survey had five or more persons; one-fifth of Native respondents said that six or more persons lived in the house during the winter.

### Why Need Exists

The need for 16,867 housing units may be attributed to a number of factors, especially to a relatively high population growth rate for many communities and for the state as a whole. In addition, the supply of housing through governmentally-assisted sources has not been significant, at least, not when compared with the high degree of need.

Federal funding levels for construction of homes for Native Americans have rarely been able to match the need. A persistent and wide gap between housing supply and housing demand for Native Alaskans has existed since the 1960's when federal housing construction programs began in earnest. That gap by 1991 showed Native need to be about 8,000 units, yet only 704 homes have been built for this group since 1988.

State housing policies have tended to benefit housing construction in urban, rather rural areas, and for moderate and upper income groups. Private financing of housing in smaller, more remote communities is rare. Other constraints exist, such as shipment of construction materials to off-road locations is expensive and usually must be coordinated with summer barge traffic. There is a often lack of availability of housing developers and skilled craftsmen in rural areas. Additionally, the variability in Alaska's economic conditions tends to discourage housing investment, especially in multi-family, rental housing.

### Alaska Housing Expanded During 1980's

The total number of housing units (vacant and occupied) counted in the 1990 U.S. Census for Alaska was 232,608 as compared to 154,165 total units enumerated in 1980. This increase amounted to 78,445 total units, or a 51% gain. A sizeable chunk of that new housing was built in Anchorage which found 24,769 more housing units in 1990 than in 1980. Other urban areas added approximately 19,462 housing units, while remainder of 34,214 was scattered throughout rural Alaska.

The vast majority of new housing supplied has been through private sector construction activity which experienced a boom in many parts of the state during the early 1980's. Construction levels dropped dramatically in most regions when an economic recession began in 1985-86, with housing permit authorizations from 1985 to 1990 only a fraction of those in the earlier part of the decade.

## Population Growth a Significant Feature

Population growth is one of the more important factors in creating housing demand. This growth has continued at a high pace with 148,192 more persons in Alaska in 1990 (550,043) than in 1980, according to the U.S. Census. The 36.9% growth was second highest in the nation, ranking after Nevada. Anchorage with 41.15% of the population had an increase of 29.8%, or 51,907 persons added. Rural areas grew at a rate more than double that of urban areas, with a 46.1% increase in the total from 1980 to 1990.

### POPULATION GROWTH FOR URBAN-RURAL AREAS, 1980-1990

	1980	1990	% Change
Municipality of Anchorage	174,431	226,338	29.8
Fairbanks North Star Borough	53,983	77,720	44.1
City and Borough of Juneau	19,528	26,751	37.0
City and Borough of Sitka	7,803	8,588	9.9
Ketchikan Gateway Borough	11,316	13,828	22.2
Urban Total	267,061	353,225	21.7
Rural Areas	134,790	196,818	46.1
Alaska Total	401,851	550,043	36.9

Source: ASK\* Marketing and Research Group, from 1980 & 1990 U.S. Census.

The state's population growth rate, and this is especially true for rural Alaska, is related to both high birth rates and rates of in-migration. The overall population growth in a given area is dependent to a large degree on net migration and net migration appears to be directly linked to local economic conditions.

Non-white racial and ethnic groups constituted a third of the population increase with 42,428 Black, Native Alaska or American Indian, Asian or Pacific Islanders, and Hispanic persons -- an average growth rate (67%) twice that of Whites. Native Alaskans increased their numbers by 21,595 from a base of 64,103 in 1980 to 85,698 in 1990.

POPULATION DISTRIBUTION BY RACE AND HISPANIC ORIGIN, 1990-1980

Alaska	1990		1980		Number Change	Percent Change
	Number	Percent	Number	Percent		
Total Population	550,043	100.0	401,851	100.0	148,192	36.9
White.....	415,492	75.5	309,728	77.1	105,764	34.1
Black.....	22,451	4.1	13,643	3.4	8,808	64.6
American Indian, Eskimo, or Aleut	85,698	15.6	64,103	16.0	21,595	33.7
Asian or Pacific Islander.....	19,728	3.6	8,054	2.0	11,674	149.9
Other Race	6,674	1.2	6,323	1.6	351	5.6
Hispanic Origin*	17,803	3.2	9,507	2.4	8,296	87.3

\*Persons of Hispanic Origin can be of any race.

Source: U.S. Census 1990 count, March 1991

Alaska Native population in urban locations is a significant feature. The Municipality of Anchorage can rightfully claim having the state's largest Native Alaskan community with over 14,000 persons in that group. Although numerically, Alaska Natives form much smaller populations in other cities, their proportionate representation is significant. Overall, 28% of Native Alaskans are urban residents. (Note that all totals, except those for Anchorage, represent city and not borough boundaries, therefore the urban Native population may appear to be understated.)

NATIVE POPULATION IN ALASKAN URBAN AREAS, 1990

COMMUNITY	TOT POP	%NATIVE	%NON-NAT	WHITE	NATIVE
Anchorage Municipality	226,338	6.4%	93.6%	182,736	14,569
Juneau city	26,751	12.9%	87.1%	21,570	3,462
Ketchikan city	8,263	15.7%	84.3%	6,471	1,296
Sitka city	8,588	20.9%	79.1%	6,359	1,797
Fairbanks city	30,843	9.2%	90.8%	22,316	2,830

Source: U.S. Census 1990 count, March 1991

### Lower Income Population Important Component

According to 1988 and 1991 survey data, the proportion of low income households (earning \$25,000 and under annual household income) can be significant depending upon location and Native/non-Native status. Nearly twice as many rural respondents earn \$25,000 or less annual household income than do urban respondents and three times as many Native households are placed in that category than are non-Native households.

#### LOWER INCOME POPULATION SURVEY COMPONENTS

	Households Under \$25,000 Annually	Est. No. of HH's	Households Under \$35,000 Annually	Est. No. of HH's
Anchorage (estimated from 1990 population and survey data)	30%	24,000	45%	37,000
1988 Study: (predominately rural, Native households)	85%		90%	
1991 Study:				
All Resp.	32%		48%	
Rural	39%		55%	
Urban	22%		38%	
Native	62%		75%	
Non-Native	21%		38%	

Source: ASK\* Marketing and Research Group

The preceding table illustrates the basis for the urbanized lower-income factors used in this study's calculations of housing need. For comparison, 1988 survey data on the percent of households with incomes under \$25,000 and \$35,000 are included.

From the 1991 survey data, 44% of those households in urbanized areas reporting housing needed for at least one person, had incomes under \$25,000 with 56% reporting incomes under \$35,000. For those in the rural areas reporting housing needed, 52% had incomes under \$25,000 with 72% reporting incomes under \$35,000. Overall, 50% of those households reporting needing housing for one or more person had incomes under \$25,000 and 68% had incomes under \$35,000.

#### Income and Housing Expenditure Contrasts

Median household income, as reported in the statewide survey, was \$36,700 for all groups, meaning that half of the sample earned less than that and half earned more. However, urban respondents earned a median income of \$43,500 as opposed to a \$31,900 median income for rural residents. Native Alaskan respondents earned a median income considerably less than any other group at \$20,400. In contrast, median household income for non-Natives was \$43,100 annually.

Respondents reported paying an average of \$625 per month as a housing payment (this excludes those with no monthly payment which represented 30.4% of the total). Urban housing payments were the higher at an average of \$733 compared to rural payments at \$518. Non-Natives paid twice as much (\$694) in monthly housing payments as Native respondents at \$331 average monthly expenditure. Those who owned their homes paid more, \$675 than did those who were renting: \$553 per month. The figure covers rental payments or mortgage payments as well as taxes.

These amounts should be compared to those reported in a special Anchorage survey, summarized at the end of Part One in this report, which found an average monthly payment of \$775 and \$527 for those earning \$35,000 and less household income annually. Housing costs in the state's largest city are somewhat higher than the average urban cost figure.

Housing costs are higher in urban areas as opposed to rural areas by about 30%, but utility costs were reported to be somewhat lower than those found in rural areas. Higher income levels for urban residents would more than make up for more expensive housing costs and which, again, would be somewhat compensated for by lower utility costs.

#### Energy Costs and Weatherization Program Status

The mean expenditure on a monthly basis for winter home heating, according to the 1991 survey, was reported at \$167 (excluding those with no costs). For Native householders, the monthly home heating expenditure was higher than for all other groups at \$192. Rural Alaskans paid about \$20 more per month (\$166) for home heating than did urban residents (\$157). Summer home heating costs dropped to \$69 monthly, excluding those with no costs. Native households reported higher summer home heating bills at \$63 per month as compared to non-Native households at \$49 monthly. Translating Native Alaskan home heating costs to an annual amount makes it roughly \$1,500 per year -- a substantial expenditure for households existing on \$20,400 (and often less) income.

The 1991 survey found 11.6% of all respondents who were not able to maintain an interior warm temperature of 68 to 70 degrees during the coldest months. Fully nineteen percent of Native respondents could not maintain the warm temperature. Two-thirds of Native respondents said that they had to burn a lot more fuel or run their heating system constantly. These figures should be compared to findings from the 1988 rural survey where 35% of respondents could not maintain a 70 degree interior temperature.

Housing condition, particularly for Native households, was comparatively poorer according to respondent reports. Twice as many Native households compared to non-Native household reported foundation movement due to ground thawing and freezing. Serious heat leakage and the entry of wind around doors and windows was a problem for half of all rural respondents and 64% of Native respondents. Roughly one-third of Native and rural households experienced ice build-up inside the house. Nearly one-fourth of Native respondents had rain or water coming through their roof or ceiling; mold or mildew around windows is more common for Native and rural households.

A special look was made at the impact of low income weatherization programs wherein 19,882 homes have received assistance since program initiation in the late 1970's. Homes which have been assisted in this manner have received additional insulation, sealing around doors and windows, and other energy conservation improvements. In 1985, the Alaska Regional Energy Association estimated that 52,481 homes, statewide, would qualify under the weatherization program. The 1988 DCRA Rural Housing Needs Assessment found that 18,345 homes could not maintain a 70 degree temperature, with another 40,000 to 49,000 with insufficient insulation. A rough estimate of remaining need would place the total at around 40,000 homes for rural areas and an unknown number for urban areas.

#### Sanitation Systems Require \$1.1 Billion

About \$1 billion has been expended since 1980 to improve Alaska Native village sanitation conditions; about that much again remains to be spent to bring piped water and sewer to all the state's communities. Of 140 villages surveyed in 1990, only sixty villages had piped water systems. About half of the 140 were served only by washeterias, 11 more by simplistic watering points, and the rest have individual wells and septic tanks. The basic problem for numerous remote, rural villages is an inadequate source of fresh water and poor water quality.

In many locations, sewage is disposed of by the "honey bucket" method, where human waste is collected in a five gallon bucket, taken to the edge of town and dumped. The lack of adequate sanitation facilities poses a significant health hazard. Additionally, sanitation systems are plagued with maintenance and operational problems due to underfunding. Reportedly, the vast majority of rural, remote village sanitation systems are either financially troubled or bankrupt.

Respondents to the 1991 survey overwhelmingly (83.5%) expressed the desire to have working, piped water, flush toilets in their homes. But willingness to pay the required monthly fees which can run as high as \$100 to \$125 for smaller villages presents a problem. One in five rural respondents are not willing to pay anything for this service as were one quarter of Native respondents. Of those willing to pay, the upper limit average was about \$52 for rural and Native respondents --an insufficient amount to support rural sanitation system costs.

A more detailed examination, with recommendations, appears later in this section.

### Public and Indian Housing Impacts

A total of 1,902 housing units have been constructed since 1985 under various state and federal programs, serving low income, elderly, and Native Alaskans/Native Americans. Federal assistance through the Department of Housing and Urban Development's public housing and Indian housing programs and the Bureau of Indian Affairs' Housing Assistance Program have constructed 1,730 units. These figures can be compared to a total of 5,750 homes which were built throughout Alaska under all federal aid programs from 1963 to 1984. Alaska State Housing Authority (ASHA) built only 132 new units during that time.

For the period under study, 1988 through 1990, a total of 874 units were built. This number has been subtracted from the total statewide need, as estimated from 1988 and 1991 surveys, to produce a more accurate update.

#### HOUSING CONSTRUCTED UNDER STATE AND FEDERAL PROGRAMS, 1985-1990

	1985	1986	1987	1988	1989	1990
HUD Indian Housing	257	192	271	302	157	211
HUD Public Housing	--	--	120	20	150	--
BIA Alaska New Units	--	--	16	12	7	15
ASHA	20	152	--	--	--	--

6-YEAR TOTAL - 1,902

Source: ASK\* Marketing and Research Group, U.S Dept. of Housing and Urban Development, Bureau of Indian Affairs, and Alaska State Housing Authority.

In addition, the Alaska Department of Community and Regional Affairs, Housing Assistance Section, provided funding through its Supplemental Housing Development Fund, up to \$20,000 per unit to assist in the construction of 740 HUD units, from 1988 to the present. DCRA supplemental funds to assist in the construction of 175 HUD units are projected for the construction year 1991.

### Conclusions

The single most important observation that can be made as a result of this statewide housing assessment is that a continuing, serious deficit exists with regard to low income, rural, and Native Alaskan housing availability and condition. Even though housing stock expanded greatly in Alaska during the past decade when population increased significantly, the supply of housing for those particular groups was lacking. Private sector or market mechanisms for housing do not function properly in rural Alaska where construction costs are high, transportation of materials difficult, and availability of skilled builders and developers scarce. Additionally, fluctuating local and regional economies discourage housing investment, even in urban areas which have better access to construction materials, skilled builders, and financing sources.

Nearly every urban area of the state is currently experiencing severe housing shortages. The housing need for low income households is significantly higher, and construction of units for this group has been particularly lacking in urban areas. Rents would have to rise 20% to 30% to stimulate new construction, but at the same time, place housing out of the reach of many families. Single family housing construction in some urban areas is mainly for upper income households, with median prices pegged at above \$160,000.

Housing of low income and Native Alaskans has typically been assisted through several state and federal programs, which help with financial and technical requirements. Yet the funding levels in these programs have resulted in supplying only a fraction of the need for new or improved housing, especially for Native Alaskans. Houses which are uninhabitable during the winter in the Arctic climate, houses which are small and cramped, households which have three and four generations present for lack of available housing in the community ---these are all common features of rural Alaska housing. The dramatically poorer condition of Native Alaskan housing has been frequently described and documented over the past 30 years.

A large proportion of rural communities do not enjoy modern and hygienic sanitation systems. Sources of good quality fresh water are a problem for remote villages and too many of them continue to dispose of human sewage through the "honey bucket" system. The lack of fresh water, sanitation systems, and sound hygienic practices has led to higher communicable disease rates for Alaskan Native villages. More than \$1 billion has been expended since 1980 to build modern systems and another \$1 billion is estimated to be required to upgrade all systems to conventional standards. In addition, many existing systems are underfunded and experience continual problems in financing operations and maintenance; only a handful are estimated to be operating "in the black." Even if modern systems were constructed in all remote villages, there is serious question --based on survey findings-- that residents are willing to pay the monthly fees required to support the systems.

Costs to resolve both the sanitation problem and the most serious aspects of housing need have been calculated. The overall total is nearly \$3.6 billion. Much of this cost will fall on the public sector. Creative solutions to meet these basic needs will have to be found by government policy-makers and should form a central focus as the State of Alaska prepares its long range housing strategy (as required by the federal government by 1992) and anticipates a potentially serious decline in state revenues in the mid-1990's.

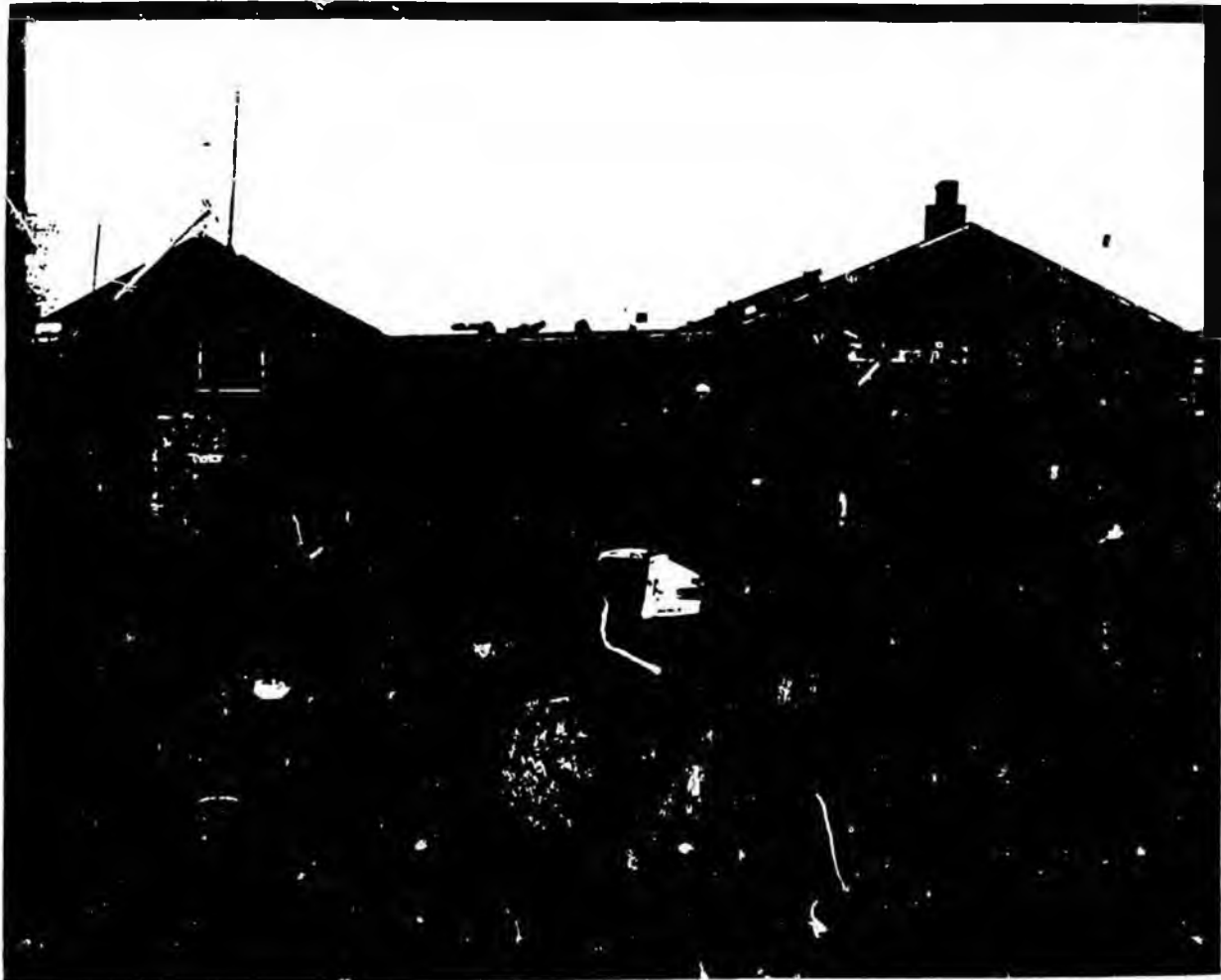
# 1988 Rural Housing Needs Assessment Study

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Rural Alaska Community Action  
1988 Rural Housing Needs  
Assessment Study

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DOYON Region -- Photo by Rob Stapleton, Jr.

State of Alaska  
Steve Cowper, Governor.



Department of Community  
Regional Affairs  
and G. Hoffman, Commissioner

Submitted in fulfillment under contract 88-0137 to the  
Alaska Department of Community and Regional Affairs

by

Rural Alaska Community Action Program (RurAL CAP)  
ASK\* Marketing/Information Search  
Alaska Public Interest Research Group (AKPIRG)

March 1988

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## PREFACE

The 1987 Alaska State Legislature passed Senate Concurrent Resolution 21 requesting the Department of Community and Regional Affairs to conduct an assessment of rural housing conditions and of the need for rural housing. The Alaska Department of Community and Regional Affairs contracted with the Rural Alaska Community Action Program (Rural CAP) to conduct a study of current conditions in rural housing and the need for additional rural housing.

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 analysed to accurately assess the current conditions of rural housing stock and to project future housing needs.

This report contains the findings of the current housing conditions and needs in the rural Alaska.

March 14, 1988

-Rural Alaska Community Action Program (Rural CAP)  
-Alaska Public Interest Research Group (AKPIRG)  
-ASK\* Marketing/Information Search

## 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.ft. level, \$692,243,000 would be required, and at the 300 sq.ft. level, \$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.

## RESULTS AND SUMMARIES TABLES

The following table shows a profile of housing regions addressed by this study. Specifically excluded 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. Population was divided by survey household size data to estimate the total number of households per region. The number of households is used in several of the following tables.

### REGIONAL PROFILES

	1985 Population	Percent of Population	Number of Communities	Number of Households
Ahtna	3,034	1.4%	18	1,167
Aleut	3,783	1.8%	13	1,401
Arctic Slope	5,389	2.5%	9	1,225
Bering Sts	7,770	3.6%	19	1,646
Bristol Bay	7,033	3.3%	30	2,164
Calista	18,473	8.6%	49	4,078
Chugach	8,916	4.1%	8	2,630
Cook Inlet	73,142	34.0%	36	24,060
Doyon	47,849	22.3%	61	15,688
Koniag	11,221	5.2%	7	3,134
NANA	5,790	2.7%	11	1,129
Sealaska	22,479	10.5%	53	6,075
<b>TOTAL</b>	<b>214,879</b>	<b>100.0%</b>	<b>314</b>	<b>64,397</b>

The three most heavily populated regions are Cook Inlet, Doyon, and Sealaska. The three regions with the most communities, excluding the five above-mentioned cities, are Doyon, Sealaska, and Calista. Bristol Bay, Calista, and Sealaska regions have large numbers of communities with small percentages of the total population. This suggests a wider distribution of fewer homes per community which may have implications on fixed costs such as transportation.

## LIVING SPACE

The following table illustrates the average amount of living space per resident. It was derived from the survey results. This information should be contrasted with Anchorage which has an average square footage of approximately 1,635 square feet for family residences. With an average household size of 2.72, Anchorage households have an average of 600 square feet per resident. (Source: MOA Property Appraisal Office)

### AVERAGE SQUARE FEET PER RESIDENT

Region	Avg SqFt Per House	Avg # Res/HH	Average SqFt/Res
Bering Sts	650	4.7	137
NANA	731	5.3	138
Calista	661	4.5	146
Doyon	686	3.1	223
Koniag	982	3.6	271
Arctic Slope	1,229	4.4	281
Ahtna	808	2.6	312
Bristol Bay	1,303	3.3	401
Sealaska	1,509	3.7	408
Aleut	1,411	2.7	517
Chugach	1,996	3.4	589
Cook Inlet	1,885	3.1	616
TOTAL	1,162	3.7	333
Anchorage	1,635	2.72	600

The average square footage per resident was smallest for the Bering Straits, NANA, and Calista regions. In the Bering Straits region, the average resident lived in 137 square feet of space; in Calista, the average resident lived in 138 square feet of space; and in NANA, the average person lived in 146 square feet of space. Six regions of the twelve (Bering Straits, NANA, Calista, Doyon, Koniag, and Arctic Slope) have an average square footage per resident less than 300. Only Cook Inlet region had an average greater than Anchorage.

## GENERATIONS PER HOUSEHOLD

The following table shows the estimated number of family generations per household by region. An example of a three generation family would be grandmother, mother, daughter. A household with mother, mother's sister, and daughter would be considered a two-generation and **not** a three-generation family. This is another important way of considering the available living space and housing needs and may have an effect on housing programs in terms of whether three or four generation households prefer new homes or additions to their homes. This report presents housing needs based on an assumption that 100% of these three and four generation households require additional housing for each added generation. This may or may not be the real world case. Any alternative proportion of need in this category can be readily calculated as the reader may require.

### NUMBER OF GENERATIONS PER HOUSEHOLD

	Avg # Res/HH	Avg # Gener/HH	% HH with 3 or more Generations	# HH with * 3 or more Generations
Arctic Slope	4.4	2.1	18.7%	229
Calista	4.5	1.9	16.4%	669
NANA	5.3	1.9	15.4%	174
Bering Sts	4.7	1.9	10.6%	174
Ahtna	2.6	1.5	8.4%	98
Koniag	3.6	1.8	7.5%	235
Sealaska	3.7	1.8	6.5%	395
Bristol Bay	3.3	1.7	6.3%	136
Chugach	3.4	1.7	5.3%	139
Aleut	2.7	1.5	3.4%	48
Doyon	3.1	1.7	3.2%	502
Cook Inlet	3.1	1.7	.9%	217
TOTAL	3.7	1.8		3,016

The average number of generations per household was highest in Arctic Slope, Berings Straits, Calista, and NANA. Arctic Slope had the highest percent of households with three or more generations at 18.7%. Over 16% of Calista households had three or more generations followed by NANA at 15.4% and Bering Straits at 10.6%. The total number of households with three or more generations was over 3,000 or 5% of the total households.

\*See Regional Profile for total number of households per region.

## NEW HOUSING STOCK REQUIRED BASED ON OVERCROWDING

One key indication of housing need is the amount of living space available per household resident. The following table summarizes the average or mean square footage per house. This was calculated using community-level population data from the Alaska state demographer's office and survey data acquired for this study. Population was divided by survey household size data to estimate the total number of households per region. Likewise, survey square footage data was applied to estimate average square feet per house by each region.

Living space would have been preferred over total square footage, but square footage was the only obtainable number.

### Household Size:

Region	1985 Total Population	Number of Households	Average Sq. Feet Per House	#Res/HH Rank 1-highest	Avg. No. Residents per Household
Bering Sts	7,770	1,646	650	2	4.73
Calista	18,473	4,078	661	3	4.53
Doyon	47,849	15,688	686	9	3.07
NANA	5,790	1,129	731	1	5.30
Ahtna	3,034	1,167	808	12	2.59
Koniag	11,221	3,134	982	6	3.62
Arctic Slope	5,389	1,225	1,229	4	4.37
Bristol Bay	7,033	2,164	1,303	8	3.25
Aleut	3,783	1,401	1,411	11	2.73
Sealaska	22,479	6,075	1,509	5	3.70
Cook Inlet	73,142	24,060	1,885	10	3.06
Chugach	8,916	2,630	1,996	7	3.39
<b>TOTAL</b>	<b>214,879</b>	<b>64,397</b>	<b>1,162</b>		<b>3.73</b>

In the areas covered by this study, the average square footage per house ranged from 650 to 1,996, and the average number of household residents ranged from 2.59 to 5.30. However, the regions differed in rank for average number of household residents and average square footage per house.

The Doyon region had the smallest square footage per house, yet ranked third in residents per household. Bering Straits, Calista, Doyon and NANA ranked the lowest four in average square footage per house, but Bering Straits, Calista, and NANA were the regions with the three highest residents per household. This would imply that Calista, Bering Straits, and NANA have large households living in small houses. For example, in NANA, the average house had 5.3 people occupying 731 square feet of space.

## COMPARISON OF LIVING SPACE

The following tables provide a breakdown by square footage per resident in percent of households. In the table below, for example, Ahtna has an estimated 1,167 households; 11% of Ahtna households have less than 100 square feet per resident; 22% of Ahtna households have less than 150 square feet; etc.

### SQUARE FOOTAGE PER RESIDENT COMPARISONS (Percent of Households)

Region	Estimated Total # House- holds	% HH less than -100 sf/res	% HH less than -150 sf/res	% HH less than -200 sf/res	% HH less than -250 sf/res	% HH less than -300 sf/res	% HH greater than -300 sf/res
		Ahtna	1,167	11%	22%	36%	36%
Aleut	1,401	5%	7%	14%	20%	26%	74%
Arctic Slope	1,225	8%	18%	38%	48%	58%	43%
Bering Sts	1,646	0%	67%	67%	67%	67%	33%
Bristol Bay	2,164	0%	5%	21%	39%	47%	53%
Calista	4,078	28%	49%	68%	80%	81%	20%
Chugach	2,630	0%	10%	23%	30%	45%	55%
Cook Inlet	24,060	1%	2%	5%	10%	12%	88%
Doyon	15,688	13%	32%	51%	60%	72%	28%
Koniag	3,134	2%	14%	34%	44%	59%	41%
NANA	1,129	29%	52%	75%	83%	87%	14%
Sealaska	6,075	5%	13%	26%	35%	41%	59%
TOTAL	64,397						

In Calista and NANA, about 30% of the households had 100 or fewer square feet per resident which is equivalent to a 10 x 10 foot room. More than one-third of the residents in seven regions (Ahtna, Arctic Slope, Bering Straits, Calista, Doyon, Koniag, and NANA) were living in 200 square feet or less, which is equivalent to a 10 x 20 foot room. 48% or more of the residents in five regions (Arctic Slope, Bering Straits, Calista, Doyon, and NANA) were living in 250 square feet or less, which is equivalent to a 10 x 25 foot room. 80% of the residents in the Calista and NANA regions, were living in 250 square feet or less.

## NUMBER OF HOUSEHOLDS

This next table provides the same information as the previous one reported by the estimated number of households rather than percentages.

### SQUARE FOOTAGE PER RESIDENT COMPARISONS (Number of Households)

Region	Estimated Total # House- holds	# HH	# HH	# HH	# HH	# HH	# HH
		less than -100 sf/res	less than -150 sf/res	less than -200 sf/res	less than -250 sf/res	less than -300 sf/res	greater than -300 sf/res
Ahtna	1,167	127	254	425	425	573	594
Aleut	1,401	67	94	189	283	364	1,037
Arctic Slope	1,225	100	218	470	587	704	521
Bering Sts	1,646	0	1,098	1,098	1,098	1,098	548
Bristol Bay	2,164	115	457	835	1,026	1,026	1,138
Calista	4,078	1,146	2,006	2,773	3,250	3,283	795
Chugach	2,630	5	263	605	789	1,184	1,447
Cook Inlet	24,060	192	553	1,275	2,358	2,887	21,173
Doyon	15,688	2,024	5,083	8,017	9,366	11,280	4,408
Koniag	3,134	53	426	1,062	1,382	1,858	1,276
NANA	1,129	330	589	847	940	977	152
Sealaska	6,075	298	796	1,592	2,138	2,491	3,584
<b>TOTAL</b>	<b>64,397</b>	<b>4,458</b>	<b>11,838</b>	<b>19,188</b>	<b>23,642</b>	<b>27,724</b>	<b>36,673</b>

The total number of households with 200 sq.ft. per resident or less was 19,188. Doyon alone accounted for over 8,000 of those households or 42%. Over 23,000 households had 250 sq.ft. per resident or less, which represents an increase of about 4,500 homes from 200 sq.ft. or less.

## HOUSING PHYSICAL CONDITION BASED ON INSULATION

In the following table, percentages of houses with attics and walls of different R-values are listed by region. R-values refer to the level of insulation. One inch of batt insulation is approximately equal to R-3. For example, R-38 is equivalent to 12 inches of batt, and R-19 is equivalent to 6 inches of batting.

### Insulation Levels in Percentages:

	-----Attic-----					---Walls---		Can't Maint 70 deg F
	R<R11	R<R19	R<R22	R<R30	R<R38	R<R11	R<R19	
Ahtna	15%	51%	78%	80%	96%	22%	69%	56%
Aleut	23%	36%	50%	65%	76%	23%	45%	16%
Arctic Slope	0%	6%	19%	36%	56%	1%	18%	37%
Bering Sts	14%	29%	89%	94%	97%	11%	41%	67%
Bristol Bay	14%	39%	76%	78%	90%	19%	52%	22%
Calista	3%	34%	68%	77%	77%	11%	78%	41%
Chugach	16%	26%	47%	56%	71%	20%	52%	15%
Cook Inlet	7%	22%	52%	71%	77%	10%	62%	12%
Doyon	4%	18%	47%	74%	79%	11%	65%	40%
Koniag	2%	11%	17%	18%	20%	3%	63%	27%
NANA	25%	25%	50%	50%	50%	1%	26%	72%
Sealaska	12%	55%	93%	95%	97%	15%	81%	41%
TOTAL	9%	29%	58%	69%	76%	12%	57%	36%

According to the 1986 Energy Conservation Standard For New Residential Buildings published by the State DCRA Office of Energy Programs, the minimum prescribed insulation requirement for ceilings is R-38, except in Arctic Slope where the ceiling requirement is R-52. The minimum prescribed insulation requirements for walls are R-21 in Sealaska; R-18 in Aleut, Chugach, Cook Inlet, and Koniag; R-25 in Ahtna, Bristol Bay, Calista, and Doyon; R-30 in Bering Straits and NANA; and R-35 in Arctic Slope.

Houses with attic R-values less than R-38 range from 71% to 97% in nine of the regions, and more than half of the houses in two more regions. Houses with wall R-values less than R-19 range from 41% to 81% in all but two region.

(The heating sources per region do not sum to 100% because many households used more than one heating source.)

Heating Sources in Percents:

	Wood Stove	Oil Pct	Oil Furnace	Propane	Natural Gas	Electric	Other
Ahtna	77%	17%	41%	1%	0%	1%	1%
Aleut	33%	8%	59%	2%	0%	15%	26%
Arctic Slope	27%	12%	55%	1%	0%*	0%	33%
Bering Sts	83%	40%	19%	50%	0%	12%	2%
Bristol Bay	21%	54%	41%	10%	0%	8%	11%
Calista	56%	72%	15%	13%	0%	9%	1%
Chugach	69%	26%	43%	0%	0%	5%	1%
Cook Inlet	54%	0%	16%	5%	25%	32%	3%
Doyon	92%	8%	10%	0%	0%	0%	0%
Koniag	66%	36%	42%	1%	0%	0%	15%
NANA	70%	30%	32%	0%	0%	0%	22%
Sealaska	65%	23%	47%	1%	0%	1%	1%

\* Note: Arctic Slope region includes Barrow/Browerville which primarily uses natural gas as a heating source. This is not reflected in the table because Barrow was not surveyed.

The primary heating source in Ahtna, Chugach, Cook Inlet, Doyon, Koniag, NANA, and Sealaska was wood stoves. The primary heating source in Aleut and Arctic Slope was oil furnaces, and oil pot burners in Bristol Bay and Calista regions.

The following table indicates condition based on current survey assessment. For example, in Ahtna, 65% of the windows were like new; 12% of the plumbing required major repairs; and 35% of the windows required replacement.

Physical Condition of Housing Structures in Percentages:

	Like New/Minor Repair					Major Repair			Replace				
	Win	Dor	Plb	Fnd	Hm	Plb	Fnd	Hm	Win	Dor	Plb	Fnd	Hm
Ahtna	65%	62%	32%	57%	37%	12%	10%	43%	35%	38%	57%	33%	21%
Aleut	72%	72%	79%	79%	76%	12%	14%	14%	28%	28%	9%	7%	10%
Arctic Slope	53%	58%	78%	66%	59%	6%	20%	36%	47%	42%	16%	14%	5%
Bering Sts	45%	59%	28%	90%	100%	0%	0%	0%	55%	42%	72%	10%	0%
Bristol Bay	54%	56%	54%	51%	37%	22%	43%	57%	46%	44%	24%	7%	7%
Calista	67%	74%	5%	59%	71%	0%	27%	26%	33%	26%	95%	15%	3%
Chugach	80%	84%	89%	89%	79%	9%	9%	16%	20%	16%	3%	2%	5%
Cook Inlet	91%	94%	95%	99%	94%	1%	1%	6%	9%	6%	3%	0%	0%
Doyon	54%	58%	29%	60%	54%	3%	13%	30%	46%	42%	69%	27%	17%
Koniag	85%	87%	90%	93%	91%	8%	5%	8%	15%	13%	3%	2%	1%
NANA	53%	53%	52%	53%	53%	37%	37%	37%	47%	47%	12%	10%	10%
Sealaska	91%	88%	91%	84%	75%	8%	16%	24%	9%	12%	1%	1%	1%
TOTAL	70%	74%	61%	77%	73%	7%	14%	21%	30%	26%	32%	10%	6%

Trained interviewers rated the windows (Win), doors (Dor), plumbing (Plb), foundation (Fnd), and overall home condition (Hm) for every house as needing minor repair, major repair, or replacement.

Since weatherization contractors normally repair windows first, the window conditions of houses was an important factor. 33% to 55% of the windows in Ahtna, Arctic Slope, Berings Straits, Bristol Bay, Calista, Doyon, and NANA needed to be replaced. 38% to 47% of the doors needed to be replaced in Ahtna, Arctic Slope, Bering Straits, Bristol Bay, Doyon, and NANA. 95% of the plumbing in houses in Calista needed to be replaced. 72% in Bering Straits. 69% in Doyon, and 57% in Ahtna. 40% to 50% of the foundations needed major repair or replacement in Ahtna, Bristol Bay, Calista, Doyon, and NANA. 21% of Ahtna's houses were rated as needing replacement and 17% of Doyon's houses. 57% of houses in Bristol Bay needed major repair, 43% in Ahtna, 37% in NANA, and 36% in Arctic Slope.

## HEALTH AND SAFETY RESULTS FROM STUDY SURVEY

### Homes Meeting Selected Fire Codes:

	% Without Egress Window	% Without Smoke Detector
Ahtna	62%	64%
Aleut	53%	9%
Arctic Slope	35%	18%
Bering Sts	52%	28%
Bristol Bay	38%	10%
Calista	41%	51%
Chugach	14%	18%
Cook Inlet	31%	19%
Doyon	53%	32%
Koniag	6%	20%
NANA	49%	25%
Sealaska	26%	31%
 SURVEY-WIDE TOTAL	 38%	 28%

(An egress window is defined as a sufficiently large enough window for residents to crawl through in case of fire or other emergencies according the Uniform Fire Code.)

50% or more of the homes in Ahtna, Aleut, Bering Straits, Doyon, and NANA (49%) did **not** have an egress window. A common problem with egress windows was that they freeze shut during the winter months.

Smoke detectors were **not** present in half of the homes in Calista and 54% of the homes in Ahtna. One-third or fewer of the homes in other regions did **not** have smoke detectors. Although a home may have a smoke detector, it is common practice for residents to remove the batteries to operate other equipment.

Utility Status:

	Without Running Water	Without Sewer System
Ahtna	61%	56%
Aleut	4%	5%
Arctic Slope	22%	98%
Bering Sts	78%	78%
Bristol Bay	30%	25%
Calista	98%	97%
Chugach	3%	3%
Cook Inlet	6%	6%
Doyon	70%	70%
Koniag	4%	3%
NANA	72%	73%
Sealaska	3%	4%
SURVEY-WIDE TOTAL	39%	44%

For the purposes of this study, "sewer system" was defined as flushable toilets, and "running water" was defined as suitable drinking water piped, hauled or pumped into the house. It is important to note that some communities have sewer systems, and no running water because the water is not drinkable.

## REGIONAL HOUSING STOCK SUMMARY

### Home Owner:

	% Self	% Relative	% Other
Ahtna	97%	3%	0%
Aleut	42%	4%	54%
Arctic Slope	77%	13%	10%
Bering Sts	77%	5%	18%
Bristol Bay	86%	7%	8%
Calista	87%	6%	6%
Chugach	82%	2%	17%
Cook Inlet	83%	1%	16%
Doyon	87%	1%	12%
Koniag	63%	36%	1%
NANA	80%	16%	4%
Sealaska	76%	5%	19%
<b>TOTAL</b>	<b>78%</b>	<b>5%</b>	<b>17%</b>

Other home owners include HUD, various state agencies, etc. 54% of the houses in Aleut were not owned by the resident or a relative. 63% to 97% of the houses in all regions were built by the resident. A relative of the resident built 36% of the houses in Koniag, 16% in NANA, and 13% in Arctic Slope.

### Home Builder:

	% Self	% HUD	% BIA	% Contractor	% Other
Ahtna	39%	14%	19%	0%	29%
Aleut	26%	23%	0%	3%	47%
Arctic Slope	10%	3%	1%	7%	79%
Bering Sts	27%	10%	23%	0%	39%
Bristol Bay	32%	32%	0%	13%	22%
Calista	45%	9%	4%	1%	41%
Chugach	12%	30%	9%	8%	41%
Cook Inlet	32%	1%	0%	37%	30%
Doyon	46%	15%	17%	2%	20%
Koniag	25%	56%	13%	0%	5%
NANA	15%	49%	1%	11%	21%
Sealaska	29%	13%	6%	1%	51%
<b>TOTAL</b>	<b>30%</b>	<b>19%</b>	<b>8%</b>	<b>8%</b>	<b>36%</b>

Other possible builders are different state agencies and contractors outside of Alaska. 25% to 46% of the houses were built by the home owner in nine of the regions (Ahtna, Aleut, Bering Straits, Bristol Bay, Calista, Cook Inlet, Doyon, Koniag, and Sealaska). About 45% of the houses in Calista and Doyon were built by the home owner.

Power Source in Percent of Households:

	Electric Utility	Home Generator	Other	None
Ahtna	80%	3%	3%	14%
Aleut	96%	4%	0%	0%
Arctic Slope	100%	0%	0%	0%
Bering Sts	97%	2%	1%	1%
Bristol Bay	75%	24%	2%	0%
Calista	99%	1%	0%	1%
Chugach	100%	0%	0%	0%
Cook Inlet	98%	2%	0%	1%
Doyon	93%	1%	1%	6%
Koniag	99%	0%	0%	1%
NANA	100%	0%	0%	0%
Sealaska	95%	5%	0%	0%

14% of households in Ahtna and 6% in Doyon do not have a power source. 100% of the homes surveyed in Arctic Slope, Chugach, and NANA had an electric utility hookup. Almost one-fourth of the homes in Bristol Bay region used a home generator.

### NEED BASED ON HOUSING STOCK CONDITION AND AGE

The following table shows the approximate age of existing housing stock based on project survey data broken down by region. For example, in the Ahtna region, approximately 16.9% of the houses were under 6 years old, while 41.5% were 11 to 20 years.

#### Age of Housing Stock:

	% Houses 0-5 Yrs	% Houses 6-10 Yrs	% Houses 11-20 Yrs	% Houses 21-30 Yrs	% Houses 31 or More
Ahtna	16.9%	4.6%	41.5%	6.2%	30.8%
Aleut	12.9%	38.8%	23.5%	15.3%	9.4%
Arctic Slope	23.9%	54.4%	14.1%	5.4%	1.1%
Bering Sts	9.2%	19.2%	53.3%	9.2%	9.2%
Bristol Bay	13.6%	18.6%	30.5%	10.2%	27.1%
Calista	19.4%	18.9%	38.3%	17.9%	5.6%
Chugach	19.8%	30.6%	20.7%	15.3%	13.5%
Cook Inlet	25.7%	22.8%	21.4%	19.4%	10.7%
Doyon	19.5%	20.8%	34.9%	8.7%	16.1%
Koniag	14.7%	23.2%	41.1%	16.8%	4.2%
NANA	10.1%	33.7%	42.7%	6.7%	6.7%
Sealaska	8.7%	12.7%	31.0%	14.3%	33.3%

The older houses tended to be found in Ahtna, Bristol Bay, and Sealaska: 27% to 33% of the houses were 31 years old or more. 47.6% of the houses in Sealaska were 21 years or older. More than half of the houses in the Aleut, Arctic Slope, and Chugach regions were newer houses, only 10 years old or less.

The following table shows the size of houses by square footage category and broken down by region. For example, 11% of Ahnta houses are 300 square feet or less and 68% (11+13+44=68%) are 750 square feet or less.

Square Footage of Houses in Percentages:

	300 or less	301 to 500	501 to 750	751 to 1000	1001 to 2000	2001 or more
Ahtna	11%	13%	44%	7%	18%	7%
Aleut	5%	14%	4%	14%	42%	21%
Arctic Slope	1%	10%	8%	26%	45%	10%
Bering Sts	0%	0%	0%	33%	33%	33%
Bristol Bay	2%	7%	14%	35%	23%	19%
Calista	9%	32%	27%	16%	15%	2%
Chugach	2%	6%	16%	27%	24%	26%
Cook Inlet	1%	4%	2%	8%	40%	45%
Doyon	13%	32%	17%	27%	7%	4%
Koniag	0%	3%	5%	56%	31%	5%
NANA	3%	17%	15%	63%	2%	1%
Sealaska	3%	6%	8%	21%	41%	21%
TOTAL	5%	14%	14%	26%	26%	16%

Ahtna and Doyon have the highest percent of houses only 300 sq.ft. or less. Almost half of Ahtna houses are 501 to 750 sq.ft., and over half of Koniag houses are 751 to 1000 square feet. 40% to 45% of Aleut, Arctic Slope, Cook Inlet, and Sealaska houses are 1001 to 2000 sq.ft.

## NEW HOUSING STOCK NEEDED - SUMMARY

The following table consolidates major study findings by number of houses needing replacement, number with 3 or more generations per households, total estimated new housing needed, and approximate cost based on an average of \$116,000 to build a new house in non-urban Alaska.

### NEW HOUSING STOCK NEEDED TO REPLACE HOMES IN POOR CONDITION AND TO PROVIDE HOMES FOR THIRD AND FOURTH GENERATIONS

	Estimated Total # HH	# HH Rated Replace	# HH w/ 3+ Gener	TOTAL NEW HOUSING NEEDED	COST @ \$116k per New House (000's)
Ahtna	1,167	245	98	343	\$39,799
Aleut	1,401	140	48	188	\$21,777
Arctic Slope	1,225	61	229	290	\$33,678
Bering Sts	1,646	0	174	174	\$20,239
Bristol Bay	2,164	151	136	288	\$33,386
Calista	4,078	122	669	791	\$91,771
Chugach	2,630	132	139	271	\$31,423
Cook Inlet	24,060	0	217	217	\$25,119
Doyon	15,688	2,667	502	3,169	\$367,601
Koniag	3,134	31	235	266	\$30,901
NANA	1,129	113	174	287	\$33,265
Sealaska	6,075	61	395	456	\$52,853
<b>TOTAL</b>	<b>64,397</b>	<b>3,724</b>	<b>3,016</b>	<b>6,740</b>	<b>\$781,813</b>

The column headed "# HH Rated Replace" refers to the number of houses that were rated on the survey as needing replacement. "# HH w/3+ Gener" refers to the number of households with three or more generations. And "Total New Housing Needed" represents the sum of the previous two columns.

The 6,740 total new houses needed represents all of those existing houses which must be replaced plus the number of houses needed to provide a third (or fourth) generation with their own house.

The total cost to build the 6,740 houses would be \$781,813,000. The \$116,000 cost per house was derived from the current average cost to build the average 1200 sq.ft. new house in rural Alaska:

\$92,200	HUD current contribution
\$18,440	State of Alaska current contribution
\$ 5,000	Cost to achieve new Thermal and Lighting Standards
-----	
\$115,640	Total Cost under current practices *

\* Note: Additional costs can be incurred for water and sewer system hookups. PHS will currently cover these costs up to \$25,000 (within and up to certain amounts authorized by Congress for Alaska).

These costs were based on a project of new homes being built, not a single house built in a single community.

There were households who had a home but were not living in it during the winter either because the home was not in suitable living condition or they could not afford to heat it. In the forty-four communities surveyed, there were 88 people (or 49 households) who were living with other households for these reasons. This represents 3.2% of the total households surveyed.

## INTRODUCTION TO OVERCROWDING CONDITIONS AND ISSUES

According to the 1985 edition of Dwelling Construction Under The Uniform Building Code.

*The UBC model codes for residential occupancies states a minimum residential room size of 120 sq.ft. per living room, 150 sq.ft. per living and sleeping room, 90 sq. ft. per bedroom, and 220 sq.ft. (plus 100 sq.ft. for each occupant over 2) per efficiency or bachelor apartment.*

*The codes states for room dimensions that "...one room shall have not less than 120 square feet of floor area. Other inhabitable rooms...shall have an area of not less than 70 square feet."*

For the purposes of comparison, no assumptions were made about any one standard square footage per resident. Instead, three scenarios are presented to most accurately describe the current housing situation: 200 sq. ft. or less per resident; 250 sq. ft. or less per resident; and 300 sq. ft. or less per resident. Each of the following three tables portray one of these scenarios.

**NEW HOUSING STOCK NEEDED TO REMEDY OVERCROWDING  
FOR HOUSEHOLDS WITH 200 OR FEWER SQ. FT. PER RESIDENT**

	1	2	3	4	5	6	7
	Estimated Total # HH	# HH <200 sf/res	# HH add-on 320sf	COST @ \$15k per Household (000'S)	# HH New Hm Needed	COST @ \$116k per New House (000'S)	TOTAL COST (000'S)
Ahtna	1,167	425	376	\$5,636	49	\$5,719	\$11,354
Aleut	1,401	189	182	\$2,730	7	\$811	\$3,541
Arctic Slope	1,225	470	407	\$6,098	63	\$7,360	\$13,458
Bering Sts	1,646	1,098	553	\$8,301	545	\$63,175	\$71,475
Bristol Bay	2,164	835	808	\$12,124	27	\$3,100	\$15,224
Calista	4,078	2,773	1,570	\$23,543	1,203	\$139,604	\$163,147
Chugach	2,630	605	553	\$8,295	52	\$6,035	\$14,330
Cook Inlet	24,060	1,275	1,215	\$18,226	60	\$6,951	\$25,177
Doyon	15,688	8,017	6,606	\$99,090	1,411	\$163,675	\$262,765
Koniag	3,134	1,062	957	\$14,353	105	\$12,196	\$26,549
NANA	1,129	847	440	\$6,594	407	\$47,259	\$53,853
Sealaska	6,075	1,592	1,422	\$21,325	170	\$19,760	\$41,085
<b>TOTAL</b>	<b>64,397</b>	<b>19,188</b>	<b>15,088</b>	<b>\$226,314</b>	<b>4,100</b>	<b>\$475,645</b>	<b>\$701,959</b>
							(LESS HOMES ALREADY REPLACED).... \$210,243
							<b>TOTAL COST TO REMEDY OVERCROWDING.... \$491,717</b>

Column 1 shows the same housing estimates used in all tables. Column 2 represents the number of households with 200 sq.ft. or less per resident. Column 3 shows the number of households that would no longer have less than 200 sq.ft. per resident if a 320 sq.ft. addition were built onto the existing house. Column 4 is the total cost of building the additions at \$15,000 per addition. The \$15,000 cost is the current cost to build a 320 sq.ft. addition in rural Alaska based on the BIA Housing Improvement Program. Column 5 shows the number of houses that would still have less than 200 sq.ft. per resident if 320 square feet were added. Since, in this case, the addition would not resolve the overcrowding for these households, a new house would be required.

Column 6 shows what the cost would be based on \$116,000 per new house to accommodate the households identified in column 5. Column 7 shows the total cost to remedy overcrowding in the 200 or less square footage per resident scenario: total cost combines the cost of additions (column 4) and the cost of new houses needed (column 6).

The table shows a total cost for all regions equals \$701,959,000.

New houses already accounted for by virtue of being rated "replace" were subtracted, leaving a net cost of \$491,717,000.

Building a new house for the third (or fourth) generation may alleviate overcrowded conditions, depending on the number of people in a generation. In the best case scenario, 3,016 homes (from the generation table) would no longer have overcrowded conditions if one generation moved out, and the total cost would decrease by \$349,856,000. This would have the greatest impact on the Arctic Slope, Calista, NANA, and Bering Straits regions.

The assumption was made that if adding 320 square feet to a house did not solve the overcrowded conditions, building a new and larger home for the household would solve the problem. Again, there is a possibility that large families will still have 200 sq.ft. or less per resident even if part of the family stays in the original house and part of the family moves into the new house. This overlap may cause the total cost to be understated.

**NEW HOUSING STOCK NEEDED TO REMEDY OVERCROWDING  
FOR HOUSEHOLDS WITH 250 OR FEWER SQFT PER RESIDENT**

	Estimated Total # HH	# HH <250 sf/res	# HH add-on 320sf	COST @ \$15k per Household (000'S)	# HH New Hm Needed	COST @ \$116k per New House (000'S)
Ahtna	1,167	425	333	\$4,992	92	\$10,698
Aleut	1,401	283	265	\$3,969	18	\$2,134
Arctic Slope	1,225	587	397	\$5,952	190	\$22,062
Bering Sts	1,646	1,098	422	\$6,324	676	\$78,459
Bristol Bay	2,164	1,026	943	\$14,143	83	\$9,640
Calista	4,078	3,250	1,300	\$19,500	1,950	\$226,200
Chugach	2,630	789	661	\$9,918	128	\$14,827
Cook Inlet	24,060	2,358	2,193	\$32,894	165	\$19,147
Doyon	15,688	9,366	6,425	\$96,376	2,941	\$341,147
Koniag	3,134	1,382	1,078	\$16,169	304	\$35,269
NANA	1,129	940	310	\$4,653	630	\$73,057
Sealaska	6,075	2,138	1,747	\$26,201	391	\$45,385
<b>TOTAL</b>	<b>64,397</b>	<b>23,642</b>	<b>16,073</b>	<b>\$241,092</b>	<b>7,569</b>	<b>\$878,025</b>
						<b>\$1,119,117</b>
						(LESS HOMES ALREADY REPLACED)...
						\$426,874
						-----
						<b>TOTAL COST TO REMEDY OVERCROWDING</b>
						<b>\$692,243</b>

**NEW HOUSING STOCK NEEDED TO REMEDY OVERCROWDING  
FOR HOUSEHOLDS WITH 300 OR FEWER SQFT PER RESIDENT**

	Estimated Total # HH	# HH <300 sf/res	# HH add-on 320sf	COST @ \$15k per Household (000'S)	" HH New Hm Needed	COST @ \$116k per New House (000'S)	
Ahtna	1,167	573	415	\$6,231	158	\$18,279	\$24,510
Aleut	1,401	364	327	\$4,903	37	\$4,307	\$9,210
Arctic Slope	1,225	704	390	\$5,850	314	\$36,422	\$42,272
Bering Sts	1,646	1,098	307	\$4,612	791	\$91,705	\$96,317
Bristol Bay	2,164	1,026	844	\$12,666	182	\$21,066	\$33,732
Calista	4,078	3,283	1,008	\$15,118	2,275	\$263,914	\$279,032
Chugach	2,630	1,184	868	\$13,018	316	\$36,671	\$49,689
Cook Inlet	24,060	2,887	2,520	\$37,805	367	\$42,531	\$80,337
Doyon	15,688	11,280	5,674	\$85,108	5,606	\$650,315	\$735,422
Koniag	3,134	1,858	1,163	\$17,447	695	\$80,607	\$98,054
NANA	1,129	977	231	\$3,459	746	\$86,586	\$90,044
Sealaska	6,075	2,491	1,731	\$25,969	760	\$88,132	\$114,100
<b>TOTAL</b>	<b>64,397</b>	<b>27,725</b>	<b>15,479</b>	<b>\$232,185</b>	<b>12,246</b>	<b>\$1,420,534</b>	<b>\$1,652,719</b>
						(LESS HOMES ALREADY REPLACED)...	\$770,198
						<b>TOTAL COST TO REMEDY OVERCROWDING</b>	<b>\$882,521</b>

## MAJOR REPAIRS NEEDED

In addition to the need for new housing, there are houses in rural Alaska which require major repair. The following discussion describes the rehabilitation standards and costs involved for major repairs on a home in rural Alaska. The discussion is followed by a table which described the general need for major housing repairs.

## REHABILITATION STANDARDS

### MAJOR REPAIRS NOT INCLUDING FOUNDATION WORK \$15,000\*:

Replace all exterior doors with Metal Insulated R-16 pre-hung doors.

Insulate attic spaces, when possible, to a minimum of R-38.

Replace all windows with Alaska Window Vinyl Cased double pane Heat Mirror or Low e windows.

Insulate all exterior wall to a minimum of R-19.

Insulate all floors to a minimum of R-38 whenever possible.

Replace existing heating system with a high-efficiency outside air source, thermostatically controlled oil stove, or a high efficiency wood stove where appropriate.

Conduct a before and after computerized blower door test and an infrared thermography test.

Upgrade all interior wiring to National Electrical Code standards.

Insure the integrity of the ceiling and wall vapor barriers by installing new interior vapor barriers and ceiling and wall material.

Cover exterior of the house with Tyvek wrap and reside with appropriate siding to reduce wind driven air and moisture infiltration.

Repair flooring and recover with tile or carpet as necessary.

Replace all appliances with high energy efficient appliances.

Repair all interior doors, window sills, cabinets, and plumbing, as appropriate.

Repair and replace roof as necessary.

MAJOR REPAIRS INCLUDING FOUNDATION WORK \$25,000\*:

All of the above plus foundation work.

Raise the house off the existing pad and rebuild the foundation pad with gravel and insulation to cure permafrost problems.

Repair and/or replace existing deck framing to cure center sag and edge sag of floor joists.

Install new longitudinal beams for house support.

Install new foundation pads and new vertical foundation support posts.

Level house and brace foundation.

\* These are all inclusive costs based upon current material bid costs, current barge and air freight rates, and the known costs associated with the Alaska Legal Services v. HUD rehabilitation settlement cost of the "HUD 500" homes presently being rehabilitated.

HOUSES NEEDING MAJOR REPAIR

	Estimated Number of Households	# HH • Rated Maj Rep	# HH w/ attic R<R38	# HH w/ walls R<R19	# HH Can't Maintain 70 deg F
Ahtna	1,167	502	1,125	799	657
Aleut	1,401	196	1,062	626	226
Arctic Slope	1,225	441	690	224	453
Bering Sts	1,646	0	1,588	667	1.101
Bristol Bay	2,174	1,233	1,943	1,123	480
Calista	4,078	1,060	3,136	3,177	1,680
Chugach	2,630	421	1,875	1,375	402
Cook Inlet	24,060	1,444	18,454	14,941	2,887
Doyon	15,688	4,706	12,409	10,150	6,322
Koniag	3,134	251	627	1,962	831
NANA	1,129	418	565	288	814
Sealaska	6,075	1,458	5,887	4,890	2,491
TOTAL	64,397	12,130	49,361	40,223	18,345

The second column shows the number of households rated as needing major repair; the third column indicates the number of households with an attic R-value less than R-38, which is equivalent to 12 inches of fiberglass insulation; the fourth column indicates the number of households with less than R-19 walls, which is equivalent to 3.5 inches of fiberglass insulation; and the fifth column shows the number of households that indicated inability to maintain 70 degrees Fahrenheit in the coldest weather.

Since the households in each column could overlap with one another, the columns can not be totaled. The total number of households that are listed in one or more of these columns represent 66.4% of the total number of households, or 42,737 houses. The average cost to complete major repairs on a house is \$25,000 (as described under rehabilitation standards). which would make the total cost of repairing houses, \$1,068,433,000.

## POPULATION AND HOUSING PROJECTIONS

The population projections over the next five years are included in the following table. However, housing needs can not simply be determined from population projection totals. For example, the percentage of people in different age groups play an important role. Since the population was relatively young in the areas included in this study, it is likely that their population will increase at a rapid rate.

Other important factors are the housing characteristics and economies of the communities included in the study. Although major population centers were excluded from the study, the Kenai Peninsula and Matanuska-Susitna Borough were included. It is important to note however, these two areas are atypical of the remainder of rural Alaska. This is due to recent high out-migration cause by the current economic recession. Inclusion of the Kenai Peninsula Borough and the Matanuska-Susitna Borough make it appear that out-migration is the rule in rural Alaska when, in fact, it may be confined to the two above areas.

Although a detailed analysis of changes among age component groups could not be included in this study, it is recommended that such an examination be conducted to determine better which communities and areas have new generations growing up and those which may have teenagers, for example, who will be needing new housing soon.

POPULATION FORECASTS FOR ALASKA BY REGION

Population Forecasts by Region:

	POP80	POP85	POP86	POP87	POP88	POP89	POP90	POP91	POP92	POP93
Ahtna	3,211	3,034	2,980	3,093	3,141	3,127	3,121	3,137	3,160	3,206
Aleut	3,853	3,783	3,715	3,857	3,916	3,899	3,891	3,912	3,940	3,997
Arctic Slope	4,149	5,389	5,293	5,494	5,578	5,555	5,543	5,573	5,613	5,694
Bering Sts	6,504	7,770	7,631	7,922	8,043	8,009	7,992	8,035	8,093	8,209
Bristol Bay	5,710	7,033	6,907	7,170	7,280	7,249	7,234	7,272	7,326	7,431
Calista	15,638	18,473	18,143	18,834	19,122	19,041	19,000	19,102	19,242	19,518
Chugach	7,454	8,916	8,757	9,090	9,229	9,190	9,170	9,220	9,287	9,420
Cook Inlet	40,870	73,142	71,836	74,570	75,712	75,390	75,229	75,633	76,165	77,278
Doyon	33,888	47,849	46,995	48,783	49,530	49,320	49,214	49,478	49,840	50,555
Koniag	9,939	11,221	11,021	11,440	11,615	11,566	11,541	11,603	11,688	11,856
YANA	4,831	5,790	5,687	5,903	5,993	5,968	5,955	5,987	6,031	6,117
Sealaska	17,895	22,479	22,078	22,918	23,269	23,170	23,120	23,244	23,414	23,750
TOTAL	153,942	214,879	211,043	219,073	222,429	221,484	221,010	222,196	223,820	227,031
SURVEY TOTAL										
INCLUDED	153,942	214,879	211,043	219,073	222,429	221,484	221,010	222,196	223,820	227,031
EXCLUDED	247,909	324,721	336,557	318,727	312,571	315,516	318,490	322,804	327,130	332,969
STATEWIDE	401,851	539,600	547,600	537,800	535,000	537,000	539,500	545,000	551,000	560,000

## DEMOGRAPHIC SUMMARY FROM STUDY SURVEY

### Population by Age and Sex:

	1985 Popul	% Women	% Men	Total Women	Total Men	Med Age Women	Med Age Men
Ahtna	3,034	47%	53%	1,440	1,594	28.0	17.9
Aleut	3,783	48%	52%	1,801	1,982	27.2	24.0
Arctic Slope	5,389	50%	50%	2,668	2,721	21.9	20.7
Bering Sts	7,770	49%	51%	3,784	3,986	15.1	20.1
Bristol Bay	7,033	42%	58%	2,922	4,111	26.5	26.2
Calista	18,473	46%	54%	8,553	9,920	18.6	21.0
Chugach	8,916	52%	48%	4,649	4,267	21.4	29.1
Cook Inlet	73,142	50%	50%	36,403	36,739	26.9	28.6
Doyon	47,849	49%	51%	23,494	24,355	27.4	28.9
Koniag	11,221	48%	52%	5,396	5,825	17.5	20.1
NANA	5,790	42%	58%	2,446	3,344	27.1	22.1
Sealaska	22,479	50%	50%	11,240	11,240	23.4	25.3
TOTAL	214,879			104,795	110,084		

The total 1985 population was provided by the Alaska State Demographer's Office. The other data in this table was obtained through this survey. Columns 2 and 3 show the breakdown in percent of women and men. Columns 4 and 5 show the total women and men per region. And columns 6 and 7 show the median age for women and men in the region.

The percent of women and men per region was fairly evenly split. The largest difference was found in Bristol Bay and NANA regions where women constituted 42% of the population and men 58%. There were about 5,300 more men than women in the included population.

The median age for women ranged between 15 and 28 years. The lowest three median ages for women were 15.1, 17.5 and 18.6 years in the Bering Straits, Koniag, and Calista regions, respectively. The median age for men ranged from 18 to 29 years. The lowest four median ages for men were 17.9 in Ahtna, 20.1 in Bering Straits and Koniag, and 20.7 in Arctic Slope.

Demographic summary (cont'd.)

Alaska Native Population:

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Calista	98.6%
Bering Sts	98.4%
Ahtna	90.1%
Arctic Slope	89.0%
Bristol Bay	88.9%
NANA	84.1%
Doyon	83.2%
Koniag	74.6%
Sealaska	58.2%
Chugach	50.8%
Aleut	50.0%
Cook Inlet	18.6%
TOTAL	70.4%

The two regions with the highest percent of Alaska Native population were Calista and Bering Straits with over 98%. Seven regions (Calista, Bering Straits, Ahtna, Arctic Slope, Bristol Bay, NANA, and Doyon) all had over 83% Alaska Native populations. Koniag was nearly three-quarters Alaska Native. Cook Inlet had the lowest percent of Alaska Natives with 18.6%.

**Sec. 18.55.600.** Bonds as legal investment.

(a) The following persons may legally invest sinking funds, money, and other funds belonging to them or within their control in the investments listed in (b) of this section:

(1) all public officers, municipal corporations, political subdivisions, and public bodies;

(2) all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business;

(3) all insurance companies, insurance associations, and other persons carrying on an insurance business; and

(4) all executors, administrators, curators, trustees, and other fiduciaries.

(b) The following investments are proper investments under (a) of this section: any bonds or other obligations issued by the corporation under AS 18.55.480 - 18.55.960 or by any public housing or redevelopment authority or commission, or agency or any other public body in the United States for redevelopment purposes, when the bonds and other obligations are secured by an agreement between the issuing agency and the federal government in which the issuing agency agrees to borrow from the federal government and the federal government agrees to lend to the issuing agency, before the maturity of the bonds or other obligations, money in an amount that, together with any other money irrevocably committed to the payment of interest on the bonds or other obligations, is sufficient to pay the principal of the bonds or other obligations with interest to maturity, if, under the terms of the agreement, the money is required to be used for the purpose of paying the principal and interest on the bonds or other obligations at their maturity. The bonds and other obligations shall be authorized security for all public deposits.

(c) It is the purpose of this section to authorize any persons, political subdivisions, and officers, public or private, to use any funds owned or controlled by them for the purchase of any of the bonds or other obligations. However, nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

History -

(sec. 13 ch 105 SLA 1951; am sec. 65 ch 4 FSSLA 1992)

Amendment Notes -

The 1992 amendment, effective July 1, 1992, in subsection (b), substituted "corporation" for "authority" and made stylistic changes.

Sec. 18.55.996. Creation of authorities.

(a) The following associations are given the authority specified in (b) of this section:

- (1) Arctic Slope Native Association (Barrow and Point Hope);
- (2) Bering Straits Association (Seward Peninsula, Unalakleet, St. Lawrence Island);
- (3) Northwest Alaska Native Association (Kotzebue);
- (4) Association of Village Council Presidents (southwest coast of Alaska including all villages in the Bethel area and all villages on the Lower Yukon River and Lower Kuskokwim River);
- (5) Tanana Chiefs Conference (Koyukuk, the middle and upper Yukon River villages and the upper Kuskokwim and Tanana River villages);
- (6) Cook Inlet Tribal Council (Kenai, Tyonek, Eklutna and Seldovia);
- (7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula);
- (8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula that is in the Aleut League);
- (9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port Graham, English Bay, Valdez, Seward, Eyak and Chenega);
- (10) Tlingit-Haida Central Council or Alaska Native Brotherhood (Southeastern Alaska);
- (11) Kodiak Area Native Association (all villages on and around Kodiak Island);
- (12) Copper River Native Association (Copper Center, Glennallen, Chitina and Mentasta);
- (13) Alaska Federation of Natives, Inc.;
- (14) Sitka Community Association (Baranof and Japonski Island);
- (15) Metlakatla Indian Community (Metlakatla).

(b) There is created with respect to each of the associations named in (a) of this section a public body corporate and politic to function in the operating area of the individual associations to be known as the regional housing authority of the associations possessing all powers, rights, and functions now or subsequently specified under AS 18.55.100 - 18.55.290, except those specified with respect to the construction and acquisition of public buildings for lease to the state or any authority that is inconsistent with AS 18.55.995. A regional housing authority may enter into agreements with local government, other political subdivisions of the state, the state or the federal government for the exercise of a function or power relating to construction, operation, and maintenance of public facilities or public utilities. Upon execution of an agreement and for the period of the agreement the regional housing authority shall have the same powers and functions relating to the subject matter of the agreement as those that may legally be exercised by the governmental unit with whom the agreement is made including the authority to separately or together with the other unit borrow money and issue notes, bonds, or other evidence of indebtedness to finance a project within the scope of the agreement subject to the express limitations, if any, contained in the agreement. All obligations or liabilities of the regional housing authority shall remain their own and are not obligations or liabilities of the state.

(c) A housing authority created by this section may not transact business or exercise powers granted to it until the governing body of the named association has, by proper resolution, declared that there is a need for the authority to function, gives it the authority to function and has named its commissioners as provided under (d) of this section.

(d) The governing body of the association in question shall, after determining that it

wishes to have a regional native housing authority, appoint five persons to serve as the board of commissioners of the authority. The term of office of each member is for three years except that, of the commissioners first appointed, one shall serve for a term of one year and two shall serve for a term of two years. Vacancies shall be filled by the governing body of the association in question.

(e) Questions arising as to jurisdiction and boundary disputes as a result of the jurisdictional lines set out by (a) of this section shall be resolved by the governing board of the Alaska Federation of Natives.

(f) The authority shall have the power to acquire, construct, operate, and maintain group homes, multipurpose community centers, child care centers, and other community facilities.

(g) If an activity associated with the planning, financing, construction, or operation of a project by a regional housing authority established in this section and authorized under AS 18.55.100 - 18.55.290 conflicts with an activity of the Alaska Housing Finance Corporation, the governing body of the municipality in which the project is located shall resolve the conflict.

(h) Before a contract for the construction, alteration, or repair of a housing unit constructed under a federal or state funded housing program is awarded, the regional housing authority shall require the contractors to comply with the bond provisions specified in AS 36.25.010 (a) and (b).

(i) A housing authority created under this section shall have its financial records audited annually by an independent certified public accountant. The legislative auditor may prescribe the form and content of the financial records of the housing authority and shall have access to these records at any time.

#### History -

(sec. 1 ch 123 SLA 1971; am sec. 3, 6 ch 151 SLA 1975; am sec. 1 ch 274 SLA 1976; am sec. 1 ch 12 SLA 1977; sec. 6 ch 86 SLA 1981; am sec. 1 ch 102 SLA 1983; am sec. 1 ch 128 SLA 1984; am sec. 1 ch 100 SLA 1985; am sec. 1 ch 51 SLA 1986; am sec. 75, 76 ch 4 FSSLA 1992)  
Amendment Notes -

The 1992 amendment, effective July 1, 1992, in subsection (b), rewrote the first sentence and, in the second and third sentences, inserted "regional housing"; and, in subsection (g), inserted "and authorized under AS 18.55.100 - 18.55.290" and substituted "Alaska Housing Finance Corporation" for "Alaska State Housing Authority."

#### AG Opinions -

Regional housing authorities created under this section are neither political subdivisions of the state nor state agencies. June 8, 1982 Op. Att'y Gen.

While various specified Native associations are given authority to establish regional housing authorities under this section, and may receive donations of land from municipalities, the programs administered by those associations must be racially neutral. May 6, 1981 Op. Att'y Gen.

It seems clear that the Department of Community and Regional Affairs is not charged with enforcing the audit requirement of subsection (i); and it is not clear who, if anyone, is so charged. August 2, 1982 Op. Att'y Gen.

The Department of Community and Regional Affairs can, under AS 18.55.998, condition its grants to the regional authorities on the authorities' compliance with subsection (i). August 2, 1982 Op. Att'y Gen.

It is quite clear that the annual audits of regional housing authorities mandated by subsection (i) cannot be funded by the Department of Community and Regional Affairs with the

housing supplemental development fund moneys; and it must be concluded that department fund should not be used for post-project cost certification. August 2, 1982 Op. Att'y Gen.

The Pacific Rim Housing Authority appropriately may be considered a political subdivision of the state or other "related public entity" for purposes of Subpart F (15 CFR sec. 930.90) for the limited purpose of its receipt of federal grants for housing projects; and, thus, Pacific Rim is subject to the coastal management consistency review required by Subpart F for federal assistance programs to the extent that grants are used to fund housing and related programs which affect the coastal zone. April 30, 1981 Op. Att'y Gen.

Sec. 18.55.997. Residential loans.

(a) In addition to the powers authorized to a regional housing authority under AS 18.55.996, a regional housing authority may, in accordance with procedures and policies adopted and approved by the Alaska Housing Finance Corporation, make loans for the purchase or development of residential housing in rural areas of the state, other than in an area where the corporation has a loan office. A loan shall be secured by collateral in an amount acceptable to the corporation. The rate of interest on a loan authorized by this section may not exceed the interest rate on a loan originated or purchased under AS 18.56.400 - 18.56.600.

(b) In this section,

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation, or expansion of an existing home;

(2) "rural" has the meaning given the term "small community" in AS 18.56.600.

History -

(sec. 11 ch 167 SLA 1978; am sec. 14 ch 113 SLA 1982; am E.O. No. 69 sec. 2 (1988); am sec. 77, 78 ch 4 FSSLA 1992)

Amendment Notes -

The 1992 amendment, effective July 1, 1992, rewrote subsection (a) and paragraph (b)(2).

**Sec. 18.55.998.** Supplemental housing development grants.

(a) There is created in the Alaska Housing Finance Corporation a supplemental housing development grant fund. Using corporate earnings or other available funds, the corporation shall make grants to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and water facilities, road construction to project sites, energy efficient design features in homes, and extension of electrical distribution facilities to individual residences.

(b) A grant may be made only for residential housing for which federal loan or grant approval has been obtained from the United States Department of Housing and Urban Development and which will be made available to the public on a nondiscriminatory basis. A grant may not be used to retire or repay obligations or debts of the grant recipient. A grant may only be for the difference between the maximum amount available under federal law or regulation for construction of the residential housing for which the grant is made and the actual costs of the construction. A grant may not exceed 20 percent of the United States Department of Housing and Urban Development total development cost per unit in effect at the time the grant is made.

(c) Grant money may be used only for the purposes specified in (a) of this section. No part of the grant money may be used for administrative or other costs of a regional housing authority whether the costs are directly associated with the construction or general costs of the authority.

(d) The Alaska Housing Finance Corporation shall adopt regulations to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) apply to regulations adopted under this section.

(e) In order to make grants authorized by (a) of this section in its administration of the supplemental housing development grant fund established by this section, the board of directors of the corporation shall identify in the corporation's proposed operating budget the money available to the corporation, including the corporation's own assets, to supplement available federal development money.

**History -**

(sec. 7 ch 86 SLA 1981; am sec. 2 ch 97 SLA 1988; am sec. 79 - 81 ch 4 FSSLA 1992)

**Cross References -**

For legislative findings and policy in connection with the 1988 amendment to (a) of this section, see sec. 1, ch. 97, SLA 1988 in the Temporary and Special Acts.

For further limitations on the use of corporate earnings or other available funds of the Alaska Housing Finance Corporation to make supplemental housing development grants, see AS 18.56.089.

**Amendment Notes -**

The 1992 amendment, effective July 1, 1992, substituted references to the Alaska Housing Finance Corporation for references to the department in subsections (a) and (d); substituted "Using corporate earnings or other available funds" for "Subject to the availability of appropriations for the purpose" at the beginning of the second sentence in subsection (a); made a section reference substitution in subsection (d); and added subsection (e).

**History Reports -**

For House letter of intent in connection with ch. 97, SLA 1988 (CSSB 308(C&RA)), see 1988 House Journal 3601.

**AG Opinions -**

It seems clear that the Department of Community and Regional Affairs is not charged with enforcing the audit requirement of AS 18.55.996(i); and it is not clear who, if anyone, is so

charged. August 2, 1982 Op. Att'y Gen.

It is quite clear that the annual audits of regional housing authorities mandated by AS 18.55.996(i) cannot be funded by the Department of Community and Regional Affairs with housing supplemental development fund moneys; and it must be concluded that department fund should not be used for post-project cost certification. August 2, 1982 Op. Att'y Gen.

The Department of Community and Regional Affairs can, under this section, condition its grants to the regional authorities on the authorities' compliance with AS 18.55.996(i). August 2, 1982 Op. Att'y Gen.

The Department of Community and Regional Affairs is not compelled to limit its grants to those regional housing authorities showing compliance with the auditing requirement of AS 18.55.996(i), though the department may in its discretion, and probably should as a matter of policy, so limit its grants. It follows that the department may and should refuse to make grants to authorities whose audits reveal problems. August 2, 1982 Op. Att'y Gen.

Grant administrators may authorize the use of grant proceeds to reimburse a grant recipient for allowable expenses incurred before grant approval. March 24, 1986, Op. Att'y Gen.

Expenses incurred before the enactment of an appropriation to fund the grant program may be authorized if, in the grant administrator's discretion, expenditure approval substantially promotes the fundamental program objectives. March 24, 1986, Op. Att'y Gen.

The limitations stated in subsections (b) and (c) on use of grant proceeds do not reflect a specific legislative intent to prohibit the use of grant funds for the reimbursement of eligible, pre-award costs. March 24, 1986, Op. Att'y Gen.

**Sec. 18.56.088.** Administrative procedure.

(a) Except for AS 44.62.310 and 44.62.312, regarding public meetings, and AS 44.62.320(a) regarding legislative review of regulations, AS 44.62 (Administrative Procedure Act) does not apply to this chapter. The corporation shall make available to members of the public copies of the regulations adopted under (b) - (e) of this section. Within 45 days after adoption, the chairman of the board shall submit a regulation adopted under (b) - (e) of this section to the chairman of the Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460. The provisions of AS 44.62.320(a) apply to regulations adopted under (b) - (e) of this section.

(b) The board may adopt regulations by motion or by resolution or in any other manner permitted by its bylaws.

(c) The board may adopt regulations to carry out the purposes of this chapter, and shall adopt regulations necessary for the following purposes:

(1) determination of borrower eligibility including, but not limited to, income limitations and the determination of remote, underdeveloped, or blighted areas of the state;

(2) loan guidelines and terms including but not limited to maximum loan amounts and required loan-to-value ratios, but excluding mortgage loan interest rates;

(3) characteristics of housing eligible for loans or purchase of loans, including compliance with the requirements of AS 18.56.300;

(4) the qualifications of loan originators and servicers and the method of allocating amounts available for the purchase of loans;

(5) establishment of a procedure, including a fee schedule, for the commitment for one year or less of money for the purchase of an individual mortgage loan at a specific interest rate; and

(6) establishment of the program of housing assistance authorized by AS 18.56.090(b) including program regulations that, at minimum,

(A) establish priorities and criteria for providing money and other forms of authorized assistance in response to housing assistance proposals;

(B) define the forms of housing assistance authorized under AS 18.56.090(b);

(C) set out procedures to evaluate housing assistance proposals;

(D) set out procedures to approve the award of housing assistance; and

(E) prescribe methods of monitoring the use of money paid out under AS 18.56.090(b) and the progress of activity under the approved housing assistance program.

(d) Except as provided in (e) of this section, at least 15 days before the adoption, amendment, or repeal of a regulation on a subject specified in (c) (1) - (4) of this section, the board shall give public notice of the proposed action by publishing the notice in at least three newspapers of general circulation in the state and by mailing a copy of the notice to every person who has filed a request for notice of proposed regulations with the board or the corporation. The public notice must include a statement of the time, place, and nature of the proceedings for the adoption, amendment, or repeal of the regulation and must include an informative summary of the proposed subject of the regulation. On the date and at the time and place designated in the notice, the board shall give each interested person or an authorized representative, or both, the opportunity to present statements, arguments, or contentions in writing, and shall give members of the public an opportunity to present oral statements, arguments, or contentions for a total period of at least one hour. The board shall consider all relevant matter presented to it before adopting, amending, or repealing a regulation. At a hearing under this subsection, the board may

continue or postpone the hearing to a time and place that it determines. A regulation that is adopted, or its amendment or repeal, may vary in content from the informative summary specified in this subsection if the subject matter of the regulation, or its amendment or repeal, remains the same and the original notice was written so as to assure that members of the public are reasonably notified of the proposed subject of the board's action in order for them to determine whether their interests could be affected by the board's action on that subject.

(e) A regulation or order of repeal on a subject specified in (c) of this section may be adopted as an emergency regulation or order of repeal if the board makes a finding in its order of adoption or repeal, including a statement of the facts that constitute the emergency, that the adoption of the regulation or order of repeal is necessary for the immediate preservation of the orderly operation of the corporation's loan and bonding programs. The requirements of (d) of this section do not apply to the initial adoption of an emergency regulation covering a subject specified in (c) (1) - (4) of this section; however, upon adoption of an emergency regulation, the board shall, within 10 days after adoption, give notice of the adoption in accordance with (d) of this section. An emergency regulation adopted under this subsection does not remain in effect more than 120 days unless the board complies with (d) of this section during the 120-day period.

(f) A regulation adopted under (b) - (e) of this section becomes effective immediately upon its adoption by the board, unless otherwise specifically provided by the order of adoption.

(g) The provisions of (b) - (e) of this section do not apply to regulations governing interest rates on the corporation's mortgage loan programs.

(h) The board shall adopt regulations in accordance with (a) - (f) of this section that establish a procedure by which a seller of mortgage loans may appeal a decision of the corporation not to purchase mortgage loans offered by the seller.

(i) The board may adopt regulations under (a) - (f) of this section that establish conditions and terms for mobile home loans that are not in accordance with the provisions of this chapter, including conditions and terms relating to owner-occupancy, the number of loans that may be made to a single borrower, and borrower eligibility requirements, if the board first determines that the regulations are necessary to ensure the continued security of the mobile home loan portfolio.

#### History -

(sec. 5 ch 167 SLA 1978; am sec. 19 ch 106 SLA 1980; am sec. 17 ch 113 SLA 1982; am sec. 2 ch 128 SLA 1984; am sec. 1 ch 85 SLA 1990; am sec. 88 ch 4 FSSLA 1992)

#### Amendment Notes -

The 1990 amendment added "including compliance with the requirements of AS 18.56.300" at the end of paragraph (c)(3) and made two minor stylistic changes in paragraphs (3) and (4).

The 1992 amendment, effective July 1, 1992, added paragraph (c)(6) and made related stylistic changes.

#### History Reports -

For legislative letter of intent as to mobile home financing, see 1984 Senate Journal at p. 3357.

#### Decisions -

Applied in *Horowitz v. Alaska Bar Ass'n*, 609 P.2d 39 (Alaska 1980).

Sec. 18.56.096. Limitation on power to make or purchase mortgage loans.

(a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(1) a first mortgage loan under this chapter for a duplex, triplex, or four-plex that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount and loan-to-value ratio;

(2) a second mortgage loan for a duplex, triplex, or four-plex the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitation on the amount set out in (1) of this subsection or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area;

(4) a first mortgage loan for a single-family residence that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio that exceeds 95 percent, or a second mortgage loan for a single-family residence, the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitations on loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(5) a first or second mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective tenants because of sex, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, national origin, or status as a student;

(6) a first mortgage loan if the borrower has an outstanding first mortgage housing loan under this chapter or an outstanding first mortgage loan for owner-occupied housing under former provisions of AS 44.47; or

(7) a loan to a person who has a past due child support obligation established by court order or by the child support enforcement division under AS 25.27.160 - 25.27.220 at the time of application.

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a mortgage loan that is federally insured or guaranteed. The loan-to-value limitations established in (a)(1) and (4) of this section do not apply to a mortgage loan that is a refinancing mortgage loan under AS 18.56.108.

(c) The corporation may not make, participate in the making of, purchase, or participate in the purchase of a loan for a residential building if construction of the building began after

December 31, 1991, unless the building complies with the thermal and lighting energy standards required by AS 46.11.040. The corporation

(1) may adopt regulations to implement this subsection; and

(2) shall, by regulation, establish

(A) procedures by which the person responsible for the construction of the building may demonstrate that the building complies with the thermal and lighting energy standards, including

(i) self-certification, if the contractor responsible for the building construction provides satisfactory evidence that the contractor has completed a training program of the Alaska Craftsman Home Program or equivalent training program and the training program is satisfactory to the corporation;

(ii) submission of the certificate of a registered architect, registered engineer, or a building inspector, and the architect, engineer, or building inspector has completed a training program of the Alaska Craftsman Home Program or equivalent training program and the training program is satisfactory to the corporation;

(iii) submission of the certificate of occupancy issued by the municipality in which the building is located, if the certificate is issued by a municipality in which the municipal building code meets or exceeds the thermal and lighting energy standards, as determined by the corporation;

(iv) another method approved by the corporation in regulations adopted by the corporation; and

(B) criteria by which the energy conservation standards may be met; for purposes of this subparagraph, the residential building complies with the energy standards if the residence has received a rating under the rating system developed by Energy Rated Homes of Alaska if, in the judgment of the corporation, the rating meets or exceeds the thermal energy standards required by AS 46.11.040.

History -

(sec. 27 ch 106 SLA 1980; am sec. 3 ch 115 SLA 1981; am sec. 18 ch 113 SLA 1982; am sec. 4 - 6 ch 112 SLA 1983; am sec. 4 ch 128 SLA 1984; am sec. 5 ch 116 SLA 1986; am sec. 2 ch 41 SLA 1987; am sec. 1 ch 106 SLA 1989; am sec. 2 ch 94 SLA 1990; am sec. 93 ch 4 FSSLA 1992; am sec. 31 ch 30 SLA 1996)

Amendment Notes -

The 1990 amendment added subsection (c).

The 1992 amendment, effective July 1, 1992, in subsection (c), substituted "corporation" for "commissioner of community and regional affairs" throughout subparagraph (2)(A) and deleted "commissioner after consultation with the executive director of the" following "adopted by the" in item (2)(A)(iv).

The 1996 amendment, effective May 16, 1996, inserted "former provisions of" near the end of paragraph (a)(6).

**Sec. 18.56.300.** Construction standards for housing eligible for purchase of loans.

(a) The corporation may not make or purchase a housing loan for residential housing the construction of which begins after June 30, 1992, unless the seller of the mortgage loan complies with the provisions of this section and unless

(1) the unit is in compliance with the construction codes of the municipality, if the unit is located within a municipality that has adopted and enforces construction codes and each of those codes meets or exceeds the comparable standards for similar housing established by the state building code; or

(2) the unit is in compliance with the comparable standards for similar housing established by the state building code

(A) if the unit is located

(i) within a municipality whose construction codes do not meet the standards for similar housing established by the state building code;

(ii) within a municipality that does not enforce construction codes;

or

(iii) outside a municipality; or

(B) as to each specific code within the construction codes of the municipality that has adopted and enforces construction codes if the specific code does not meet or exceed the comparable standard for similar housing established by the state building code.

(b) As a condition of a commitment to purchase or approve a loan under this section for residential housing the construction of which begins after June 30, 1992, the corporation shall require inspection of the unit of residential housing that is the subject of the loan. The inspection must be performed by a municipal building inspector, by a person who is approved or certified to perform residential inspections by the International Conference of Building Officials or the International Association of Electrical Inspectors, or, when the unit of residential housing is located in a rural area, by an architect licensed under AS 08.48, by an engineer licensed under AS 08.48, or by another person approved by the corporation. When the unit of residential housing is located in a rural area, the person who makes the inspection may use methods other than a personal physical inspection to make the inspection if the method is approved by the corporation, and variations from the applicable code may be accepted at the corporation's discretion, if the person authorized to inspect the unit under this subsection satisfies the corporation that the variation does not adversely affect the structural integrity of the unit or the health and safety of the residents. The person who makes the inspection shall determine whether the construction conforms to relevant provisions of the construction codes of the municipality or of the state building code, as applicable, at each of the following stages of construction:

(1) plan approval;

(2) completion of footings and foundations;

(3) completion of electrical installation, plumbing, and framing;

(4) completion of installation of insulation;

(5) final approval.

(c) A person may not bring an action for damages based on a duty imposed by (b) of this section to inspect a residential unit unless the action is for damages caused by gross negligence or intentional misconduct.

(d) This section does not apply to a nonconforming housing loan made or purchased by the corporation.

(e) In this section,

(1) "construction codes" means, with reference to a municipality, the building, mechanical, plumbing, and electrical codes, or any of them that have been adopted and are enforced by the municipality;

(2) "rural area" means a community with a population of 5,500 or less that is not connected by road or rail to Anchorage or Fairbanks;

(3) "state building code" means

(A) for building standards, the standards set out in the version of the Uniform Building Code adopted by the Department of Public Safety under AS 18.70.080, including the provisions of that code applicable to buildings used for residential purposes containing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

(B) for mechanical standards, the standards set out in the version of the Uniform Mechanical Code adopted by the Department of Public Safety under AS 18.70.080, including the provisions of that code applicable to buildings used for residential purposes containing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

(C) for plumbing standards, the minimum plumbing code adopted for the state under AS 18.60.705; and

(D) for electrical standards, the minimum electrical standards prescribed by AS 18.60.580.

**History -**

(sec. 2 ch 85 SLA 1990; am sec. 1 ch 29 SLA 1991; am sec. 1, 2 ch 52 SLA 1991; am sec. 99 ch 4 FSSLA 1992; am sec. 1, 2 ch 81 SLA 1994; am sec. 1 ch 2 SLA 1996)

**Revisors Notes -**

Paragraph (e)(2) was enacted as (e)(3). Renumbered in 1994, at which time former (e)(2) was renumbered as (e)(3).

**Amendment Notes -**

The first 1991 amendment, effective June 12, 1991, in former subparagraph (e)(2)(C) (now (e)(3)(C)), substituted "the publications identified as the minimum plumbing code" for "the minimum plumbing code adopted by the Department of Labor."

The second 1991 amendment, effective June 16, 1991, in the first sentences of subsections (a) and (b), substituted "June 30, 1992" for "June 30, 1991."

The 1992 amendment, effective July 1, 1992, in subsection (d), inserted "nonconforming" and "or purchased" and deleted "under AS 18.56.106" from the end.

The 1994 amendment, effective September 4, 1994, rewrote the second sentence in subsection (b) and added present paragraph (e)(2).

The 1996 amendment, effective May 30, 1996, in subparagraph (e)(3)(C), deleted "publications identified as the" following "plumbing standards, the" and inserted "adopted for the state."

**Editors Notes -**

Section 3, ch. 85, SLA 1990, as amended by sec. 4, ch. 52, SLA 1991, provides that former AS 18.56.300(e)(2)(A) and (B) (now (e)(3)(A) and (B)) "are intended to assure that, for purposes of determining whether housing the construction of which begins after June 30, 1992,

meets the building and mechanical standards under AS 18.56.300(a) and (b), enacted by sec. 2 of this Act, the standards set out in each of the following fully apply to residences containing fewer than four dwelling units, even though those residences are excepted from regulation by AS 18.70.080(a)(2):

- "(1) the Uniform Building Code, adopted for the state by 13 AAC 50.020(a);
- "(2) the Uniform Mechanical Code, adopted for the state by 13 AAC 50.020(b)."

**Sec. 18.56.400.** Powers of corporation related to housing assistance.

The board may

- (1) adopt regulations in accordance with AS 18.56.088 to implement AS 18.56.400 - 18.56.600;
- (2) make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions granted under AS 18.56.400 - 18.56.600;
- (3) purchase or participate in the purchase of small community housing mortgage loans under AS 18.56.400 - 18.56.600;
- (4) purchase or participate in the purchase of loans for building materials for small community housing under AS 18.56.400 - 18.56.600;
- (5) procure insurance against loss in connection with the corporation's functions under AS 18.56.400 - 18.56.600;
- (6) acquire real or personal property, or an interest in real or personal property, by purchase, transfer, or foreclosure, when the acquisition is necessary or appropriate to protect a loan in which the corporation has an interest; sell, transfer and convey that property to a buyer; and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;
- (7) do all acts necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in AS 18.56.400 - 18.56.600;
- (8) originate and service direct loans made to qualified buyers under AS 18.56.400 - 18.56.600.

History -

(sec. 100 ch 4 FSSLA 1992)

Article Notes -

Revisors Notes. The provisions of AS 18.56.400 - 18.56.600 are derived in part from former AS 44.47.370 - 44.47.560. Under sec. 1-14, ch. 36, SLA 1992, effective May 27, 1992, and retroactive to January 1, 1992, references to "rural" in former AS 44.47.370 - 44.47.560 were changed to "small community", AS 44.47.410(a) was repealed, and some of the definitions in AS 44.47.560 were amended. The same changes were made in sec. 120-132 and sec. 139, ch. 4, FSSLA 1992, effective June 26, 1992, and retroactive to January 1, 1992. AS 44.47.370 - 44.47.560 were then repealed under sec. 140, ch. 4, FSSLA 1992, effective July 1, 1992. For the law in effect from January 1, 1992 through June 30, 1992, see ch. 36, SLA 1992, in the Temporary and Special Acts.

Cross References. For transitional provisions relating to the transfer of the former housing programs of the Department of Community and Regional Affairs to the Alaska Housing Finance Corporation, see sec. 142, ch. 4, FSSLA 1992 in the Temporary and Special Acts.

**Sec. 18.56.420. Housing assistance loan fund.**

(a) There is created in the corporation, as a revolving loan fund, the housing assistance loan fund consisting of money appropriated to it by the legislature and deposited in it by the corporation, and repayments of principal and interest on loans made or purchased from the assets of the fund. The corporation shall

(1) adopt regulations to administer the housing assistance loan fund under AS 18.56.400 - 18.56.600; and

(2) subject to appropriation, provide money for a rural assistance loan program to originate, purchase, or participate in the purchase of

(A) small community housing mortgage loans;

(B) loans made for building materials for small community housing;

(C) loans made for renovations or improvements to small community

housing;

(D) loans made for the construction of owner-occupied small community housing other than loans to builders or contractors or loans that compensate an owner for the owner's labor or services in constructing the owner's own housing.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering the housing assistance program.

History -

(sec. 100 ch 4 FSSLA 1992)

**Sec. 18.56.440. Limitations on use of housing assistance loan fund.**

The corporation may not use the money in the housing assistance loan fund to

- (1) originate a direct loan or purchase or participate in the purchase of a small community housing mortgage loan that exceeds the limitations on mortgage loans purchased by the Federal National Mortgage Association as to principal amount or loan-to-value ratio;
- (2) originate a direct loan or purchase or participate in the purchase of a loan made for building materials for small community housing
  - (A) that exceeds \$45,000 or exceeds
    - (i) 80 percent of the appraised value of the work completed on the small community housing for which the loan is made if the small community housing is pledged as collateral for the loan; or
    - (ii) 90 percent of the value of other property that is pledged as security for the loan and that is satisfactory to the corporation as collateral;
  - (B) unless the terms of the loan agreement require inspections and certifications, as required by regulations of the corporation, at the expense of the borrower; and
  - (C) unless the period of time allowed for repayment of the loan is equal to or less than 15 years;
- (3) originate direct loans or purchase or participate in the purchase of a small community housing mortgage loan that is secured by real property the marketable title to which is shown under AS 18.56.480(b)(2) if the total amount of outstanding small community housing mortgage loans held by the corporation exceeds 10 times the amount of money in the restricted title loss reserve account established by AS 18.56.490;
- (4) originate a direct loan for small community housing or purchase or participate in the purchase of a small community housing mortgage loan, other than a loan for the repair, remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower has an outstanding housing loan made under a state loan program, other than a loan for nonowner-occupied housing under AS 18.56.580 or under former AS 44.47.520, that bears interest at a rate that was less than the prevailing market interest rate for similar housing loans at the time the loan was made;
- (5) originate a direct mortgage loan or purchase or participate in the purchase of a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective tenants because of sex, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, national origin, or status as a student;
- (6) originate, purchase, or participate in a loan to a person who has a past due child support obligation established by court order or by the child support enforcement division under AS 25.27.160 - 25.27.220 at the time of application.

History -

(sec. 100 ch 4 FSSLA 1992)

**Sec. 18.56.460.** Security for loans.

(a) The corporation shall adopt regulations in accordance with AS 18.56.088 establishing acceptable security for loans originated or purchased in whole or in part under AS 18.56.420.

(b) A person may pledge as security for the repayment of a loan originated or purchased in whole or in part under AS 18.56.420 a preference right that person holds to receive title to land the person occupies as a primary place of residence, primary place of business, subsistence campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to the person by the Native corporation to which the land was granted under 43 U.S.C. 1613 (Alaska Native Claims Settlement Act) before it may be pledged as security under this subsection. The corporation shall prescribe procedures and standard forms for establishing, pledging, and appraising the value of a preference right held by a person to secure the repayment of a loan originated or purchased in whole or in part under AS 18.56.420.

History -

Sec. 18.56.480. Title.

(a) Before the corporation originates or purchases a small community housing mortgage loan in whole or in part, the corporation may require a borrower to show marketable title to real property offered as security for the loan to be purchased.

(b) A borrower may show marketable title to real property for the purposes of (a) of this section

(1) by purchasing title insurance from a title insurance company authorized to do business in the state; or

(2) by delivering to the corporation a copy of a letter of intent signed by an authorized representative of the United States Department of the Interior that shows the transfer of title to the property from the United States government to the borrower if

(A) the borrower is an Alaska Native; and

(B) title to the property was originally transferred from the United States government, directly or indirectly, to the borrower under federal law.

(c) For the purposes of this section, a deed which federal law prohibits or limits the power to transfer or encumber and which would otherwise constitute marketable title to real property is considered marketable title to real property if the United States Bureau of Indian Affairs or another appropriate federal agency waives immunity under the federal law from foreclosure or other alienation of the real property.

History -

(sec. 100 ch 4 FSSLA 1992)

**Sec. 18.56.580.** Loans for nonowner occupied housing.

(a) In addition to the powers authorized by AS 18.56.400, the corporation may adopt regulations under AS 18.56.088 allowing the use of money in the housing assistance loan fund to make loans for the purchase or development of nonowner occupied housing in small communities.

(b) The rate of interest on a loan authorized by this section may not exceed 10-1/2 percent a year.

(c) The principal amount of loans made for nonowner occupied housing under this section may not exceed 20 percent of the total principal amount of loans made for small community housing under AS 18.56.400 - 18.56.600.

(d) In this section

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation, or expansion of an existing residence;

(2) "nonowner occupied housing" means a single-family residence or a multi-family residence having up to eight dwelling units and that is not occupied by the owner; the corporation may modify this definition if it determines that there is a special need for nonowner occupied housing and that a change in the definition is necessary to enable the corporation to meet that need.

History -

(sec. 100 ch 4 FSSLA 1992)

**Sec. 18.56.600.** Definitions.

In AS 18.56.400 - 18.56.600,

(1) "housing" means owner-occupied, single-family housing and owner-occupied duplexes in which not more than 25 percent of the gross floor area is or will be devoted to commercial use;

(2) "small community" means a community with a population of 5,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 1,400 or less that is connected by road or rail to Anchorage or Fairbanks; in this paragraph, "connected by road" does not include a connection by the Alaska marine highway system.

History -

(sec. 100 ch 4 FSSLA 1992)