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FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99707

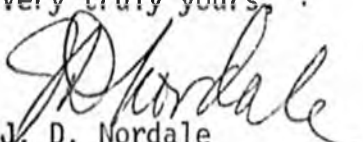
April 3, 1975

Langhorne A. Motley
Commissioner
Department of Commerce
Pouch D
Juneau, Alaska 99801

Dear Commissioner Motley:

With further reference to my letter of February 24th, and yours of March 5th, concerning rent control regulations, I am enclosing a letter received from Mrs. Marie White for your information and records.

Very truly yours,


J. D. Nordale
Borough Attorney

JDN:ds
Enclosure

March 18, 1975

James D. Nordale
Borough Attorney
Fairbanks North Star Borough
P. O. Box 1267
Fairbanks, Alaska 99701

Dear Mr. Nordale:

Re: The Outrageous Prices of Rent in this Town and No
Controls on Rent to Protect the Renter

I believe that Fairbanks ought to have some sort of controls over landlords in this town. We have boards that review applications for rate increases, etc. for utilities, so how about one for landlords and rent? I realize that the suggestion "smacks of governmental control", but we desperately need control for the protection of the tenant.

For those of us who are in no way affiliated with the pipeline, our salaries have not increased significantly and proportionately with those that do work for Alyeska. There are plenty of us who cannot afford the price tag of \$500.00 a month for a two bedroom apartment and other outrageous rates put on us by greedy landlords.

Granted the housing situation is very critical here in Fairbanks, but is that any reason for the landlords to "take the tenant to the cleaners"? (The cost of living is higher here, but financially it still seems to balance out to a degree compared with the lower "43".) So after paying rent, food and utility bills (which the apartment rent does not include), there is little left over for a person to feel even a little financially secure. Now with the increased rent hikes, it's that much more difficult. Please note the article titled "For Rent: One Room, No Plumbing for \$500.00" and the clipping from the classified section under Mobile Homes for Rent. People will rent and pay anything for a roof over their head. This is a very unfair advantage.

We received a notice as of April 1, our rent will be increased 50% for the apartment which we occupy. This increase will make our rent \$500.00 a month and somehow we must find another \$175.00 to pay out on top of what we were paying. (I figured I would have to work for one full month and what I clear after taxes would just pay the rent with approximately \$30.00 left over)

Mr. James D. Nordale

-2-

March 19, 1975

My husband and I both work and he has taken on another job in order that we may meet the higher cost of living (rent). This is a pretty sad state of affairs, I'd say. (Neither of us are unskilled)

If enough tenants complain long and loud enough, are the landlords going to evict all of us? Then what will the city or borough do? - Build refugee camps for evicted tenants because they can't afford rent for the greedy landlords? It just isn't fair that people are suffering because they have to have someplace to live and are at the mercy of a money-grubbing landlord. Therefore they must pay his grossly inflated price of what the place should reasonably rent for.

My husband and I are not newcomers to Fairbanks. We have lived here quite a number of years and intend to make this our permanent home. We must be able to financially withstand the higher cost of living, and the increased rent has the wolves creeping closer to the door.

I had heard that Klondike Inn evicted their tenants in favor of a contract with Alyeska for a reported \$55,000.00 a month. I cannot comprehend the fact that landlords are becoming so greedy just for the almighty dollar, this includes the Fairbanks merchants. The pipeline people knew the housing situation and the number of personnel they had to hire, so why didn't they make arrangements prior to all of this? When I asked the manager of Klondike Inn if he had any vacancies, the answer was no. I then asked if they were rented to Alyeska and Bechtel, to which there was a long pause and then the reply was a meek yes. Where did the previous tenants go? Were they lucky enough to find another place or were they forced to leave Fairbanks because of the pipeline and the inflated rent?

Sincerely,

Marie White

P. O. Box 91166
College, Alaska 99701

Reply dictated 1/7/75 by Bm for LAM sig.

March 27, 1975

The Honorable Jay S. Hammond
Governor, State of Alaska
Third Floor
State Capitol Building
Pouch A
Juneau, Alaska 99801

RECEIVED
APR - 1 1975

GOVERNOR'S OFFICE

Dear Sir:

*Roll back
pencil* → You have asked for response from the public concerning rent control and its implications. Before responding to the question at issue, I have personally contacted several tenants from various parts of Fairbanks in several brackets of income. Upon questioning these residents of Alaska, I have received diversified answers. The general consensus among the tenants is favorable toward rent control, although they fear that when the landlords feel the rent control is about to be adopted, they will immediately raise the rent for compensation. Nearly 75% of the questioned tenants have had their rent raised 20% - 50% in the last year. While admitting that costs for upkeep and repairs have been increased, the majority of tenants pay their own utilities. These utilities, along with raised rent, have put a double burden upon them. Since February, 1975, rentals have virtually disappeared from the market in Fairbanks, thereby allowing landlords to choose at their discretion whom they accept to be tenants, providing there is an opening, and to charge almost any price for an apartment or house. If a landlord charges a fair price and a tenant leaves, there is the temptation to then charge a higher price, of which he would surely get. Since the rental shortage has been in effect, the population has not decreased but increased, with more on the way anticipating the pipeline and construction boom this summer; but, in fact, the construction people I've talked to are leery about new construction, not knowing how long the pipeline influx of people will last. Many families have been forced to take whatever is available, often substandard housing for exorbitant prices. The so-called oil rush has brought many people to Alaska and many jobs as well, and Alaskans are in some of these jobs; but many more are working the same occupation that they have worked for years, as in the city, borough, state university, local educational, etc. Since receiving virtually little increase in pay compared to the high cost of living that has sky-rocketed, such as gasoline, utilities, heating fuel, food and rent, the resident worker has not the financial means to combat the high cost of living. Granted, the jobs will always be filled, but if qualified personnel can't afford to stay and are forced to leave and qualified personnel can't enter because of housing shortage and high cost of living, the vacant job openings will possibly be filled with people that aren't qualified for particular positions. If this is to happen, the competence and quality of Fairbanks will be lowered, with

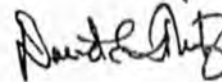
the resident to suffer most. Getting quality or even qualified teachers may pose a problem, as teachers presently are either accepting pipeline positions or leaving Alaska. Where are the new teachers going to reside?

Sir, I do not envy your job at all. If Alaska is to maintain the quality of people and the independent ideas that reflect the ideals of the state, Alaska must adopt a position of helping the economy of Alaska. One last item for thought: while I have conferred with tenants about the rental situation concerning rent controls, I have also talked to several landlords; and while the majority of them have expressed concern for the tenant, they have also cited that so many costs have increased that the 20% - 50% increase is warranted. These landlords are also against rent control and anticipate that if they feel rent control is being adopted, landlords, not necessarily these landlords, will raise rents to compensate for future costs.

I realize that these thoughts possibly pose more questions, but sometimes more and pointed questions can direct toward more valid conclusions.

Sir, you are governor of the state with possibly the most potential in growth concerning natural resources and population. Your immediate future decisions will affect future generations toward which direction the state is to move. These thoughts have led me to ask one consideration. Although the state will progress with the oil boom, let the resident Alaskan progress with it and not stagnate or suffer any negative consequences.

Sincerely,



David Fritz

Brx 00476, 99701

GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

PLANNING DEPARTMENT



*Bill min.
rent control
file.*

March 25, 1975

Langhorne A. Motley,
Commissioner of Commerce
State of Alaska
Pouch D
Juneau, Alaska 99811

Dear Commissioner Motley:

Anchorage already has begun to experience a housing shortage, perhaps not as severely yet as in Fairbanks but the vacancy rate seems less than 1%.

We want to assist your office to explore the possible use of the state "rent control" law. The law is only a few paragraphs in the statute book but is laden with many questions such as the legal definition of housing vacancy and the mode of control enforcement. We are available to help with research of local technical matters.

Respectfully,

Darrell van Ness
Darrell vanNess
Planner

DvN:jh

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February 3, 1975

The Honorable John Sackett
Pouch V
State Capitcl
Juneau, AK 99801

Dear Senator Sackett:

I apologize for the delay in my response to your inquiries about rent control regulations. I was suddenly called out of town for a few days.

A cursory study of the files on rent control regulations yields the following:

There are two pertinent statutes concerning rent control: the Uniform Residential Landlord and Tenant Act and the Emergency Rent Regulation and Control Act. To date, regulations have not been formulated relating to either law.

The Uniform Residential Landlord and Tenant Act provides guidelines for rental property with specific regard to remedies and procedures. However, it does not appear to provide powers of enforcement. No public hearings have been held as yet.

Public hearings have been held relating to the Emergency Rent Regulation and Control Act. No regulations have been prepared.

Two major problem areas appeared from the public hearings in Fairbanks and Valdez. First, the rents are rising sharply; secondly, there is a dire shortage of adequate housing.

I'm afraid that is all the information I can give you at the moment. Be assured that the Department of Commerce plans to hold hearings and prepare regulations in compliance with the statutes.

Thank you for your interest in this matter. If I can be of future help to you, please let me know.

Personal regards,

L.A. Motley / by Bill Niles
Langhorne A. Motley
Commissioner

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMERCE

TO: Langhorne A. Motley
Commissioner
Department of Commerce

DATE: January 31, 1975

FILE NO:

TELEPHONE NO:

FROM: *BM*
Bill Miles, demon memo writer

SUBJECT: Rent Control

The file history on rent control includes the following:

1. Pertinent statutes (Uniform Residential Landlord and Tenant Act; Emergency Rent Regulation and Control Act).
2. Correspondence from complaintants and responses from the previous Administration.
3. Minutes from public hearings held in Valdez and Fairbanks. Two overall problems appear:
 - a. sharply rising rents
 - b. shortage of adequate housing.

Briefly, the Landlord-Tenant Act provides guidelines for rental property with regard to remedies and procedures. However, this Act, upon cursory glance, and upon checking correspondence does NOT provide powers of enforcement.

The public hearings that were held (and, probably, regulations which might be forthcoming) will be pursuant to the Emergency Rent Regulation and Control Act...unless new hearings are conducted, an idea that should be discussed.

MEMORANDUM

State of Alaska

TO: *Bill*
 ~~Bob~~ Miles
Department of Commerce

DEPT. Law
DIV. _____
SEC. Consumer Protection

DATE : February 21, 1975

FROM: *to*
Terry O'Connell
Consumer Protection Section

SUBJECT: Rent Control

Attached is the memo received by me from Stan Howitt in our Consumer Protection Office in Anchorage regarding the need for rent controls. In addition, attached to his memo are two pieces of correspondence dealing with rent increases in the Valdez and Anchorage areas.

MEMORANDUM

State of Alaska

TO: Terry O'Connell
Assistant Attorney General
Consumer Protection Section
Juneau AGO

DATE: February 19, 1975

FILE NO:

TELEPHONE NO:

FROM: Stanley Howitt
Assistant Attorney General
Consumer Protection Section
Anchorage AGO

SUBJECT: Rent control hearings -
Anchorage, Fairbanks & Valdez

Again, I would like to report to you that we are having quite a large number of telephone calls concerning rent increases. In many cases it is not always one large rental increase but quite a number of smaller increases over a period of a few months. This seems to be causing many of the difficulties.

Therefore, I would recommend that we do hold rent hearings in Anchorage and Fairbanks as well. Insofar as Valdez is concerned, attached hereto is a letter from Herbert W. Lehfeldt, City Manager, concerning a rent increase. As you will note, he actually has examples of true rent gouging. You will note that he is mentioning that a two bedroom apartment which is borderline substandard is renting for \$520.00. Attached thereto you will find the apartment that he is referring to.

Please let me know if rent control hearings will be held for the purposes of gauging consumer commentaries and for the purposes of getting information for regulations. Also, I would like to have any drafted rent control regulations for my comments and would be glad to assist in any way possible.

SH:cs

cc: Avrum M. Gross

RECEIVED
Department of Law

FEB 21 1975

AM PM
7,8,9,10,11,12,1,2,3,4,5,6



CITY OF VALDEZ

P O BOX 506
PHONE: 835-4313

January 31, 1975

State of Alaska
Consumer Protection Section
360 K Street, Suite 250
Anchorage, Alaska 99501

Att: Stanley Howett

Subject: Valdez Rent Increases

Dear Mr. Howett:

Attached is a copy of a rent increase notice sent to a Valdez resident. In the past, I have been sending this information to the Governor's office. However, with the new administration I am at a loss as to how to route it.

Valdez has been subject to a good deal of this type of rent gouging. Something is going to have to be done. \$520.00 for a two bedroom apartment which is borderline substandard is completely inexcusable.

Valdez has had a high demand for housing that many land owners are exploiting.

We will appreciate any help that your section can give.

Very truly yours,

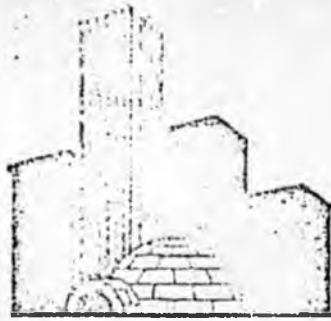
Herbert W. Lehfeldt
City Manager

HWL/my

RECEIVED
Department of Law

FEB 3 1975

Office of the Attorney General
Anchorage, Alaska



INCOME INVESTED FUNDS, INCORPORATED

BOX 2103 ANCHORAGE, ALASKA 99510

Phone 907-277-3116

January 15, 1975

David Oehler

Dear Mr. Oehler:

As you are probably well aware, inflation has really gone wild here in Alaska.

We have tried to avoid raising the rent on your apartment, but have been fighting a losing battle.

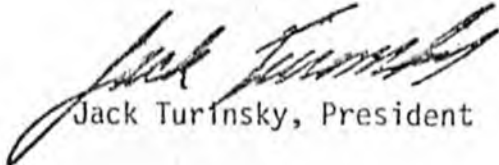
The income from the four-plex is not enough to cover the current expenses, maintenance, taxes, insurance, ect.

We are sure that you are well aware that there is a lot of maintenance and repair work that needs to be done on the buildings but hasn't been, because there just wasn't enough money to pay for it.

In order for us to be able to do these things, and also set aside enough to cover the anticipated tax increase that will be coming in the near future, we have no alternative but to increase the rent on your apartment.

As of March 1, 1975, the rent on apartment # 2 will be \$520.00, plus tax.

Board of Directors
Income Invested Funds


Jack Turinsky, President

cc Leonard Everman

Current \$358.00

April 7, 1975

RC-Valdez

To: Herb Lehfeldt
City Manager
Valdez

Reports on rent, not necessarily factual.

Walker's Village Motel - units rented at \$900.00 per month;

Walker's house - 2nd from Meals Avenue on south side of Dadina St.
reported rented at \$4,000 per month;

Walker's house - north side of end of cul-de-sac on Dadina St., reported
by one of occupants - usually 8 men at \$900 per month each;

Simmons Trailer Court - \$140 per month per space, was \$90 per month;

Kennedy, et al - by the airport - \$600 per month per unit and up.

Teeters Apts. reported to be in the process of raising rents again.
On the 1st of March 1975, was raised to \$350 for a one bedroom apt.

Apartments at 101 Alafna - rents being raised to \$1600 per month per
apartment on May 1, 1975.

343 Nabesna - Joe Zaremba - \$1000 per month.

Rainbow Trailer Park - rent was raised from \$98 to \$134 a month per space;

George Kolitis Apartments - Rent has raised from \$225 to \$375 during the
past few months and is reported to be raised again.

APR 08 1975

4-7-75

High Rent Comment:

We rented a one bedroom trailer at Rainbow Trailer Court, the toilet did not work, the bedroom ceiling leaked over the entire room, the living room ceiling leaked in five places, the front door to the trailer was off the hinges, and the back door exit blocked by snow as high as the trailer itself.

This we paid \$400.00 a month, all utilities were extra.

When the lanlord wanted to sell the trailer we looked for a place to rent, we found a house on the corner of Nabesna and Hazelette for \$1,000.00 a month, the utilies were not included.

April 3, 1975

To whom it may concern:

We, Allison L. Pike and I, Katherine E. Reid, currently live in the Atlatna Apartments, Apt. 4 at 101 Atlatna Street, Valdez, Alaska. Apt. 4 is an unfurnished two bedroom apartment.

As of January 1, 1975, our rent was \$286.00 including tax. On January 30, 1975 we received a letter from Income Invested Funds, Inc. that beginning March 1, 1975 our rent would be \$488.00 including tax. However, when the manager, Leonard Everman, came to collect the rent, he informed us that we had a 'month's reprieve.' Thus we paid the original rate of \$286.00. On March 30, 1975, we were informed the building had been sold to Valdez Industries. We also received an eviction notice as of May 1, 1975. We and two other tenants, Carlene Moberg and Jean Salinas, conferred with the authorized agent for the owner, Marty Barbero to see if we could remain in the building until June 1, 1975. Mr. Barbero informed us that the four of us could live in Apt. 4 for the month of May, however, the rent would be increased to \$1,600.00. Since we could not afford it, we verbally accepted the eviction notice. The other tenants in the other three apartments received mandatory evictions.

On April 2, 1975, we were informed by Leonard Everman and Jim Lindsey, who had conferred with Mr. Barbero, that the four of us, could live in Apt. 4 until June 1, 1975 at the rate of \$940.00. This still is too expensive for us so we verbally accepted the eviction notice.

Ms. Katherine E. Reid

Katherine E. Reid

101 Apt. 4, Atlatna St.
Valdez, Alaska 99686

NOTICE TO VACATE

TO: of Apt #4
101-0018

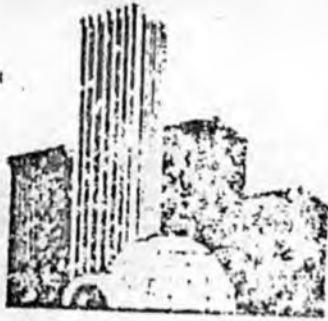
The undersigned, authorized agent for the owner of the following described property, does hereby notify you that you are to vacate these premises on or before 30 days from the due date of your next rent payment, which is the 1 day of April, 1975.

Therefore, you must vacate on or before the 1 day of May, 1975.

ADDRESS: 101 Alaina Street
Valdez, Alaska
Apartment No. 4

DATED _____

Marty E. Baker
Authorized Agent for Owner.



INCOME INVESTED FUNDS, INCORPORATED

BOX 203 ANCHORAGE, ALASKA 99501

PHONE 587-2273

Allison Pike
P. O. Box
Valdez, Alaska

Dear Ms. Pike:

As per our phone conversation January 28, 1975, please be advised that as of March 1, 1975, the rent on apartment number 4 will be \$470.00 plus tax, since your apartment is unfurnished.

Sincerely,

Board of Directors
Income Invested funds
Jack Turinsky, President

cc Leonard Everman



INCOME INVESTED FUNDS, INCORPORATED

BOX 203 ANCHORAGE, ALASKA 99510

Phone 907-277-3116

Allison Pike

Dear Ms. Pike:

As you are probably well aware, inflation has really gone wild here in Alaska.

We have tried to avoid raising the rent on your apartment, but have been fighting a losing battle.


The income from the four-plex is not enough to cover the current expenses, maintenance, taxes, insurance, ect.

We are sure that you are well aware that there is a lot of maintenance and repair work that needs to be done on the buildings but hasn't been, because there just wasn't enough money to pay for it.

In order for us to be able to do these things, and also set aside enough to cover the anticipated tax increase that will be coming in the near future, we have no alternative but to increase the rent on your apartment.

As of March 1, 1975, the rent on apartment # 4 will be \$520.00, plus tax.

Board of Directors
Income Invested Funds


Jack T. Minsky, President

cc Leonard Everman

Dorothea Doty

Senior Citizens Survey

Question 11: Do you favor some type of rent control this summer?

<u>Income of Respondent</u>	<u>Total Sample</u>				<u>Homeowners</u>				<u>Non-Homeowners</u>			
	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Total</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Total</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Total</u>
under \$300	<u>30</u>	<u>13</u>	12	55	<u>6</u>	<u>9</u>	6	21	<u>24</u>	<u>4</u>	6	34
\$300-\$500	25	4	10	39	11	4	8	23	14	0	2	16
\$501-\$700	13	2	7	22	9	1	6	16	4	1	1	6
\$701-\$900	7	2	2	11	5	2	2	9	2	0	0	2
\$901-\$1100	7	5	3	15	5	3	3	11	2	2	0	4
more than \$1100	4	4	0	8	1	3	0	4	3	1	0	4
unknown	<u>10</u>	<u>11</u>	<u>4</u>	<u>25</u>	<u>9</u>	<u>2</u>	<u>3</u>	<u>14</u>	<u>1</u>	<u>9</u>	<u>1</u>	<u>11</u>
TOTAL	96	41	38	175	46	24	28	98	50	17	10	77

Survey taken in March 1975 by
North Star Council on Aging and
Fairbanks North Star Borough's
Impact Information Center

John F. Carlson

April 1, 1975

The Honorable Senator Mike Gravel
P. O. Box 2283
Anchorage, Alaska 99510

Your Honor:

Yesterday my ex-husband called from Fairbanks to tell me his rent had been increased from \$225.00 a month to \$400.00. Having been born and raised in Alaska I believe myself to be somewhat of an authority on its assets as well as its liabilities. One such liability being that there is NO LAW to protect the rentee but many to protect the rentor. The apartment in question is not worth \$225.00 much less \$400.00. It is a basement apartment with two extremely small bedrooms, one of which fits a twin, the other a double bed, and neither have room for anything else. There is not one item NEW or anywhere near excellent condition. The kitchen and living room are combined. Hardly ones idea of 'home'.

Since 1969 I have watched our reactions to the coming of the pipeline. I have yet to feel any pride in those reactions nor have our actions been anything to be proud of.

While recent statistics show us we have progressed a considerable amount economically and even socially, our attitudes and 'help thy neighbor' philosophy seems only to have REgressed an even more amount.

Also since 1969 there has been a rush to make ones garages, basements and whatever else is available into supposedly livable quarters for those unsuspecting naive "lower 48er's" and even worse to their own friends and neighbors. Since we do not have the availability of apartments (which in itself is odd to me, as we have had over five years to prepare) people either pack up and leave or give in and pay the high rental cost. I have heard some say 'what will happen to the apartment buildings once the pipeline rush is over'. That too makes sense, but anyone in their right mind would not WANT to stay under present circumstances.

We are not only going through a recession, (depression?), inflation AND high unemployment (of which Alaska has the highest at over 10%) but we are forced to act like dogs forging together scraping and pushing to reach that 'precious' bone (not caring if its old and dirty with no meat on it). Of course in our case its PEOPLE forging together scraping and pushing etc. etc.

I'am well aware the landlords have their own obligations and they too are affected by the economic situation, but the fact remains that they have no real laws to control them, and they are well AWARE of this.

Believe it or not, there once WAS a time when landlords worked very hard to sell us on his available apartment. How? Well, now we say yes BEFORE we have even seen the darn thing.

Does it have to be a disaster, as in the flood and earthquake, that once again brings us together, really together? Alaska was supposed to be different, remember?

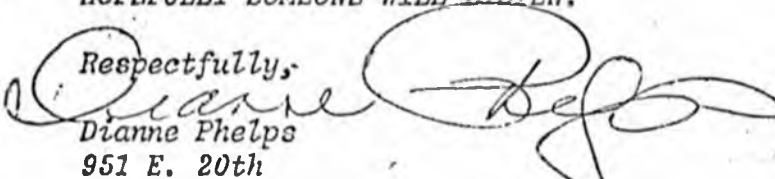
I myself recently had a rent increase in the amount of \$9.00 a month. I was given a letter of explanation and two months with which to prepare. This I considered FAIR. And FAIRNESS is all that we ask for, all that we EXPECT and EVENTUALLY what we will DEMAND.

I have no intentions of having my letter ignored and/or shoved aside, therefore I'am mailing copies to the following:

Govenor J. Hammond
Mayor John Carlson
Mayor Harold Gilliam
Representative Mike Bradner
Representative Fred Brown
President G. Ford
Senator Terry Miller
Senator John Huber
Senator John Butrovich
Representative Don Young
Anchorage Daily Times
Daily News Miner

HOPEFULLY SOMEONE WILL LISTEN!

Respectfully,


Dianne Phelps

951 E. 20th
Anchorage, Alaska 99501
279-1989

March 17, 1975

Mr. John Carlson
Borough Mayor
Fairbanks North Star Borough
P. O. Box 1267
Fairbanks, Alaska 99707

Dear Mayor Carlson:

Re: The Outrageous Prices of Rent in this Town and No
Controls on Rent to Protect the Renters.

I believe that Fairbanks ought to have some sort of controls over the landlords in this town. We have boards that review applications for rate increases, etc. for utilities, so how about one for landlords and rent? I realize that the suggestion "smacks of governmental control", but we desperately need control for the protection of the tenant. For those of us who are in no way affiliated with the pipeline, our salaries have not increased significantly and proportionately with those that do work for Alyeska. There are plenty of us who cannot afford the prices of \$500.00 a month for a two bedroom apartment and other outrageous rates put on us by greedy landlords.

Granted the housing situation is very critical here in Fairbanks, but is that any reason for the landlords to "take the tenants to the cleaners"? (The cost of living is higher here, but financially it still seems to balance out to a degree as compared with the lower "42".) So after paying rent, food and utility bills (which the apartment does not include), there is little left over for a person to feel even a little financially secure. Now with the increased rent hikes, it's that much more difficult. Please note the article titled "For Rent: One Room, No Plumbing for \$500.00" and the clipping from the classified section under Mobile Homes for Rent. People will rent and pay anything for a roof over their head. This is a very unfair advantage.

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March 17, 1975

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If enough tenants complain long and loud enough, are the landlords going to evict all of us? Then what will the city or borough do? - Build refugee camps for evicted tenants because they can't afford rent for the greedy landlords? It just isn't fair that people are suffering because they have to have someplace to live and are at the mercy of a money-grubbing landlord. Therefore they must pay his grossly inflated price of what the place should reasonably rent for.

My husband and I are not newcomers to Fairbanks. We have lived here quite a number of years and intend to make this our permanent home. We must be able to financially withstand the higher cost of living, and increased rent has got the wolves creeping closer to the door.

I had heard that Klondike Inn evicted their tenants in favor of a contract with Alyeska for a reported \$55,000.00 a month. I cannot comprehend the fact that landlords and merchants are becoming so greedy just for the almighty dollar. The pipeline people knew the housing situation and the number of personnel they had to hire, so why didn't they make arrangements prior to all of this. When I asked the manager of Klondike Inn if he had any vacancies, the answer was no. I then asked if they were rented to Alyeska and Bechtel, to which there was a long pause and then the reply was a meek yes. Where did the previous tenants go? Were they lucky enough to find another place or were they forced to leave Fairbanks because of the pipeline and inflated rent?

Sincerely,

Marie White

P. O. Box 91166
College, Alaska 99701

RECEIVED
APR - 2 1975

Grassi
3.7 Mile Fairbanks Loop Road
Fairbanks, Alaska 99711

GOVERNOR'S OFFICE

March 27, 1975

Jay S. Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99801

Dear Sir:

We wish to advise you of some of the reasons why we are opposed to Rent Controls. We really want you to take serious measures to prevent Rent Controls.

First of all, they are unconstitutional, they are against free enterprise, they are discriminatory to one group of people, they reduce the building of new apartments, they cause higher local revenue taxes by holding down prices on apartment houses, they cause a rise in assessments to other commercial buildings and private homes. At this time, in Fairbanks, Rent Control plays favoritism to seasonal and/or pipeline workers from other states instead of the year-round Fairbanksan (us, included) who was here before the oil discovery and who will be here after the pipeline is built. We will also be here to vote after the transients are gone. Anyone who votes for Rent Control will have lost our support permanently. It is quite evident how the long-time Alaskan resident feels if one looks at the fate of the last two officials who pressed for rent control (I'm referring, of course, to Mr. Egan and Mr. Parsons)

It is nauseating, indeed, to realize that we have voted into office some politicians who are more concerned with winning votes than in fairness and justice for all the people, especially the ones who labor hard to get a little ahead of the masses. Those politicians are prejudiced because if they want to impose controls they should also be considering controls on labor (i.e. plumbing, heating, electrical, appliance, carpentry labor); controls on the rising costs of materials (i.e. windows, roofing, carpet, beds, lumber, etc.); controls on utilities (water and electricity); on fuel, taxes and assessments; controls on all kinds of business, hospitals and on other housing. Yes, on other housing... We haven't heard a word on controlling hotels, motels and rooming houses. Why not? Do they have too much political influence? If you are going to impose Rent Controls on apartments, then you must also impose controls on the rest.

What about the lean years, when 25% to 50% of the apartments in Fairbanks were empty? What did all the political do-gooders do for the apartment owners then? What will you do when all the Pipeline workers go back home to the Lower 48 with their savings? Just what will you do for the lean years to come? I know...you will increase the taxes to clear up the mess that will be left. Right? I hope you realize what we think of that idea.

We know first-hand what rent controls can do. It started in New York City for the war years. 30 years later, it is still there, but the City Government is now the largest landlord in town; who got that way by having to repossess the buildings that weren't bringing in enough rent to pay the increased bills and taxes. So, they had to tax business to counteract the loss of tax revenue from the former apartment owners. Now, business has left in droves and the city is in chaos. They built the Twin Towers, but they are half empty. The Stock Market threatened to move out to the Virginia, Maryland, Washington D.C. area in 1965 until they were exempt from some taxes. The last we heard was that someone had suggested foreign aid.

We started in the apartment business before the oil discovery and we own twelve apartments. We managed to barely stay in the black for a number of years and we looked forward to a little relief in the construction of the pipeline. But, between the excessive high rise in costs and the possibility of Rent Control, we are beginning to feel it was not worth the effort or investment. If you think it is such a good business, please try it. We are so disgusted between the rent control crisis and the excessive costs (particularly in labor) that, although we had planned to build some apartments near Airport Road and Cushman Street, we have cancelled all plans until this rent control situation is settled once and for all.

For your information, the following is a percent cost increase within the past year. We arrived at these figures by comparing our own bills and/or by contacting the businesses in Fairbanks that we deal with and checking with them. If you feel you wish to check on our credibility, just go talk to the business people.

- ...assessment increase over last year range from 20% on some property to 100% on others
- ...taxes: unknown at present, but estimated possibility of 50% increase
- ...Fuel Oil (per 1,000 gal. tank price): increase of 9%
price Aug. '74...43.9¢; Feb '75...47.7¢
plus a 5¢ per gal. Federal increase is expected
- ...Plumbing maintenance & repairservice: increase of 50 to 100%
went from \$20 to \$30 per hour, with a possibility
of going to \$40 per hour by end of summer
- ...Burner service: increase of 33.3% to 66.6%
went from \$18 to \$24 per hour, with a possibility
of going to \$30 per hour by summer
- ...Garage door repairs: increase of 25%
went from \$24 to \$30 per hour
- ...Business & Snow Removal Vehicle (Jeep) increase of 70%
labor repair costs went from \$14 to \$24 per hr.
- ...Carpenter labor went from \$16 to \$20 per hour increase of 50%
with possibility of going to \$24 by summer
- ...Garbage pick-up went from \$25 to \$33.33 increase of 55%
- ...Miscellaneous furniture items often needing replacement
in furnished apartments:
 - mattresses went from \$87.75 to \$120 increase of 73%
 - couch (July '73) from \$207.85 to \$359.90 increase of 75%
 - couch reupholstery from \$125 to \$185 increase of 50%
 - carpet from \$11 per sq.yd. to \$15 increase of 33.3%
- ...Water...Electricity...Insurance: increases are unknown presently
- ...last, but not least, let us mention the increase as of April first in
the newspaper subscription rates from \$4 to \$4.50

3.
The average six hours per month, per apartment for maintenance, repair, supervision and management. I need an increase per hour, too.

What about our investment of cash for down payments, totalling \$48,000.00? Which otherwise could be drawing interest at the bank.

We feel that we need an increase this year of 25%. Our apartments range from our best two-bedroom (1200 sq.ft., carpeted, expensively panelled, modern kitchen/built-in appliances, table-top stove, breakfast bar, heat & water, completely furnished, near the center of town) that rents for \$375; our smallest two-bedroom that rents for \$325; our largest (as plush as mentioned above) one-bedroom that rents for \$300; to our smallest one-bedroom that rents for \$250. Major repairs are beginning to be needed in two of our duplexes (in Arctic Park) as they are approximately 20 to 25 years old. Items needed such as:

new kitchen...estimated cost of	\$2,000.00
new burner, furnace & air blowers	1,000.00
aluminum siding	2,700.00
peaked roof	2,500.00

total cost est. \$8,200.00

If a substantial rent increase is not allowed, these improvements cannot be made and the original investment will be lost as we stated in the example of New York City. We feel we are in need of a minimum of 25% increase over our present rents, provided the City and Borough taxes do not become excessive. Some apartment owners need to charge higher rents than others due to their having paid higher purchase prices to start with. So, how can a blanket rent control be set up fairly?

We were impressed with the Governor's recent statement in which he wanted Alaskans to be hired first to work on the pipeline. If this came to pass, the housing problem would be minimal because the Alaskan from Ketchikan or Juneau or Barrow is not bringing his family to Fairbanks. He is not the one who is screaming for rent control. Rather, the newcomer, who will also return to his home when the bonanza is over, is the one who is making himself heard. Unfortunately, we Alaskans will still be here to pay the taxes, suffer the consequences, and vote.

I suggest a guide-line for both renter and rentee as to what is fair, because most people simply do not know. They can easily be influenced by second-hand stories and by inflammatory statements published in the newspaper. As for the landlord who is excessive in his rents, we feel the Consumer Protection Agency should be able to take care of the problem.

Thank you.

Yours truly,

Mario & Vilma H. Grassi
Mario & Vilma H. Grassi



REGION X
Arcade Plaza Building
1321 Second Avenue
Seattle, Washington 98101

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
ANCHORAGE INSURING OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

April 7, 1975

R.C. - Coenl

IN REPLY REFER TO:
10.35

Honorable Tony Motley
Commissioner
Department of Commerce
State of Alaska
Pouch D
Juneau, Alaska 99801

Dear Tony:

The following statement was prepared in case of public hearings here in Anchorage on rent control.

If such hearings are held, you already know that only renters who want control will show up in volume.

In addition to the approximate 2,500 rental units wherein HUD controls the rent, we have about 500 trailer spaces under rent control here in Anchorage; in Fairbanks we control approximately 1,000 rental units, and in Juneau 208 trailer spaces and approximately 270 units of rental.

So, in effect we do control the rent of many of the low-income people. I cannot over-emphasize the danger of any further control on rental units.

If I can be of further assistance please advise.

Sincerely,

Roger A. Riddell
Director

Enclosure

cc: Chamber of Commerce

April 7, 1975

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rent Control Public Hearings

My name is Roger A. Riddell, I am Director of the HUD-FHA office for Alaska. Our office is at 334 W. Fifth Avenue in Anchorage. I appear here to speak in opposition to rent control.

What incentive was not killed to construct new apartments by the Alaska State Landlord Act would certainly be killed by the establishment of any type of rent control. There is no way the Federal or State Government can force a person to invest his money in the construction of rental property. There are no Federal programs which can construct rental units.

An analysis of the market here in Anchorage indicates that it has been a renter's market rather than an owner's market. Ownership has been enhanced by the idea of an unearned increment gain but such a gain is based upon a regular inflationary rate over a period of time. Any lessening of this rate would eliminate this gain in home ownership. The old rule of thumb is still fairly true, that 1/100 of the cost of a unit of housing is equal to its monthly rental. In other words, if a unit costs \$50,000 it would have to rent for at least \$500 to be a break even investment. This rule of economics was developed during a period of time when there was 4 and 5 percent money. A market which is based upon 10 to 12 percent for construction money and 8 to 8 1/2 percent in long term money demands that the return to the owner must be greater.

At the present date here in Anchorage, there are approximately 200 rental units under construction and 300 in construction planning. Those under

construction planning would not be feasible if a rental freeze was imposed. There are about 2500 units in this area wherein the rent is under the control of our office. These units do have rental control. Any increase in rent must be approved by my office and any increase would be based upon factual increase in costs. For example, the recent increase in sewer rate is allowed to be passed on to the renter. Increases in real property taxes, out of necessity must be passed on to the occupant through the owner.

Rent control is an unfair restriction which cannot be effectively policed. It invites undercover payment, black marketing tactics, and the many subterfuges that can be initiated to require a tenant to pay more than the base amount allowed.

Rent control has the opposite result of that which is intended. It actually works against those whom can least afford to pay unusual charges.

Rent control is an unfair charge against the property owner whom pays the greater amount of taxes. Why should this investor be penalized from making a fair return on his capital while the grocer, the car dealer, the druggist, the merchant, the doctor or dentists be allowed to raise their prices without great capital risk or real contribution to the growth of a community?

There are many better ways to gain control rather than by an autocratic dictate by Government. One method would be publicizing unrealistic or unfair rent increases. The best method to correct the problem is to encourage rental unit construction. Give the owner of rental units a property tax break. To encourage construction of new rental units there must be a desire and a profit motivation for the investor to invest in this type of property.

A Mayor's Housing Advisory Committee acting as an information point for people who are looking for rental property could be an effective tool to prevent rent gouging. The Committee could keep a record of units of rental available at a fair market price. The prospective renter could find from this Committee if the unit being offered was within the reasonable price range. This Committee could act as a damper on the rental market, along with the restrictive control exercised on FHA controlled units.

Rent controls have never successfully been imposed during any peacetime period in any government. During the wartime when the materials were not available for any type of construction, and housing was in critical shortage, there was a possible justified use of rent control. However, at the present time any restriction on rental property growth would be to court disaster. The way we are going to lick our housing and rental units shortage is by production. Curtailing production by control can have no beneficial end result.

At the present time in the City of Anchorage, there is planned the first luxury unit apartment house the city has known. The market is sufficient to bear the cost of a luxury type apartment house. There is a demand by people to become the occupants of such a structure. The establishment of rent control would make this project unfeasible from a financial investment standpoint.

I lived through and saw the economic blight caused by World War II rent control. Many of our great cities still carry the scars of this unfortunate time. I urge you to reject rent control and adopt a positive program of

encouragement to the builder and investor in rental property. Let our community grow in economic health and not die in sickness from the application of socialistic governmental control.



CITY OF ANCHORAGE



ALASKA

R.C. - Arch

International

Polar air crossroads of the world

GEORGE M. SULLIVAN, MAYOR

Office of The Mayor

April 3, 1975

The Honorable Langhorne A. Motley
Commissioner of Commerce
State of Alaska
Pouch D
Juneau, Alaska 99801

Dear ^{Tony} Commissioner ~~Motley~~:

Since receiving your letter in regards to possible hearings on rent controls, I have discussed this matter with a good many people here in Anchorage. I have also asked the Chamber of Commerce Manager to bring it to the attention of his board and membership for consideration.

There seems to be a consensus at the present time that, at least in Anchorage, new construction for apartment houses at the present rental rates now being derived are not financially feasible. There has been a substantial increase in land valuation, labor, and other items that have increased costs for this type of construction substantially.

I think possibly what we need to look at is some way of getting more housing available rather than putting rent controls on the present housing. I would assume it would be a further deterrent to any new construction, especially apartments in this area.

I am also told that many out of state brokerage or loaning firms will not loan funds into a state where rent controls are applicable. This, unfortunately, could also curtail more units being built in the Anchorage area.


There does seem to be, presently, financing available for apartment units. Unfortunately, as I am told, the present rent figure now being charged does not, again, make it feasible for people to get into this market.

Do you plan to have hearings in Anchorage? In our discussion the other day on the phone, I understood you to say that you planned hearings in Fairbanks and Valdez. Today, I heard on the radio this also included Anchorage. If

The Honorable Langhorne A. Motley
Juneau, Alaska
Page 2
April 3, 1975

so, I would appreciate the dates and location of same. Thank you.

Most sincerely,


George M. Sullivan
Mayor

GMS:kt

P.S. Needless to say, I am also a landlord and not a renter.

Greater Anchorage
CHAMBER of COMMERCE

April 7, 1975

RC - Anch
Crossroads of the Air World

Mr. Langhorne A. Motley, Commissioner
Alaska State Department of Commerce
Office of the Governor
Pouch D
Juneau, Alaska 99801

Dear Commissioner Tony:

Immediately prior to his departure for sunny Hawaii, President Ken Hume and his Impact Committee met with our two Mayors (Sullivan and Roderic) plus a representative group of eight local businessmen. On the agenda was your letter to Mayor Sullivan requesting our opinion on "rent control".

Unanimously, the answer was quick, loud and clear! Rent control will unquestionably play havoc with the housing market in Anchorage. The entire committee cited the basic premise of "why would anyone build new housing units if the market return is controlled and there is reason to believe the builder cannot come out financially on his or her investment?"

While Anchorage is not in the tight position as that of Fairbanks and we can understand the concern of other markets, please do not consider rent control in this market as we sincerely believe it would have a disastrous effect.

Sincerely,

Claire
Claire O. Banks
Executive Vice President

COB:t1b

TESTIMONY PRESENTED BY
C. W. Baer, General Manager
Greater Fairbanks Chamber of Commerce
at the
Rent Control Hearings
April 8, 1975

Fairbanks has a critical housing shortage -- both family units and transient rooms. There is a reason for this. Fairbanks is the construction headquarters for the trans-Alaska oil pipeline, an eight billion dollar effort and the world's largest private construction project.

As an indication of the impact this construction project has had upon our city it should be noted that the population of Fairbanks on April 1, 1973 was 18,640. On April 1, 1975 that figure is 32,989 -- a gain of 57% in two years. A similar expansion has occurred throughout the Fairbanks North Star Borough.

Recognizing the problems created by this influx of people, particularly in the matter of housing, the Greater Fairbanks Chamber of Commerce initiated action early this year to determine the best course of action to be followed in attacking both phases of the housing problem -- permanent family housing and transient facilities.

With regard to transient rooms, our research revealed that as early as last January all existing hotel-motel facilities were operating at or near capacity. It was readily apparent that with the influx of tourist traffic during the summer months we would have an acute shortage of accommodations for the overnight visitor.

It was at this point that the Chamber began working with the Administration at the University of Alaska to determine whether or not University dormitory beds might be available to help meet this shortage. We are now in the process of concluding an arrangement whereby the local hotel-motel industry will operate a clearing house for all transient housing. Under this arrangement, when all privately operated hotel-motel facilities are full, up to 200 dormitory beds will be available at the University. This cooperative agreement will be a major help in solving the transient housing problem.

With regard to the shortage of permanent family type housing, and in particular the shortage of rental housing, the Chamber has, for the past three weeks, been conducting a study of both the availability of rental housing and the rental rates for such facilities. Through announcements in the news media, we asked both tenants and landlords to advise us of their problems and their opinions as to the advisability of imposing rent controls.

For the purpose of this hearing, we will omit any reference to the need for permanent family type housing in the private sector and address our remarks only to those facilities available for rent.

Based upon the information we have received, we make the following observations. That there is a critical shortage of rental units cannot be questioned. That there has been a widespread increase in rental charges over the past year is also apparent. That

there has been widespread "gouging" in the rental markets is not a substantiated fact. There have been a few landlords who could not resist temptation and have indeed "ripped off" their tenants but they have been the exception and not the rule. By and large, rent increases throughout the area have pretty well reflected increased costs to the landlord.

In the most flagrant instance of "gouging" reported to the Chamber we have written the landlord requesting his voluntary compliance in adjusting his rent schedule to a more justifiable level and are in hopes that he will do so.

It is apparent from the information we have received that operational expenses have indeed risen sharply for most landlords and that if they are to continue to realize a fair return on their investments then rents must be increased. So long as such increases are made in direct ratio to increased costs there can be little honest objection.

We are also aware, from the information we have received, of the very serious problem of the tenant on a low, fixed income who is simply not in a position to pay substantially increased costs for housing. How this matter is to be resolved with fairness to both landlord and tenant is the crux of the problem.

For your information and assistance in your deliberations, we submit the attached exhibits. These include a recent series of articles published in the Fairbanks Daily News-Miner, a list of apartment rental facilities in Fairbanks which indicates the size of the unit and the current rental charge and a summary of the information received by the Chamber in response to our requests through the news media.

In conclusion, it is the opinion of the Greater Fairbanks Chamber of Commerce, based upon the information we have been able to gather from landlords and tenants as well as the expert opinion of Fairbanks leaders in the housing, banking, real estate and other allied industries, that the imposition of rent controls is not the answer to the critical housing shortage facing our community at this time. Rather, it is our feeling that prompt and effective governmental action to insure the immediate construction of sufficient additional rental housing units would be the most effective means of stabilizing the rental market and making housing available at a fair price to all concerned.

OUTLER BUILDER

SANDERS CONSTRUCTION CO.

565 UNIVERSITY AVENUE

FAIRBANKS, ALASKA 99701

PHONE: 907-479-6931

2 April 1975

Marc Langland
National Bank of Alaska
Fairbanks, Alaska 99707

Dear Marc,

You had ask if I would prepare a resume of operational costs with regard to a 6-plex we own and the rent we charge on these units. So will attempt to set forth some of these facts.

The apartment house was built during 1967 and completed in 1968. In June of 68, we leased the entire unit to Alyeska at the rate of \$325.00 for the 3 upper units, and \$300.00 for the daylight basement units. This was unfurnished and each tenant paying their own electrical costs. We furnished the heat, garbage services and electricty for the common elements of the building--hallways, entryways, laundry rooms.

The above named units are all 2 bedroom units, all walls paneled except in the bath and kitchen areas and they have marlite. All floors are carpeted, even the kitchens and baths in the lower apartments. Kitchen & baths in the upper units have flooring that never requires waxing. All units are complete with self-cleaning refrigerators (16 cu. ft.) and stoves with self-cleaning ovens.

Costs incurred in the operation during 1968 were as follows:

Fuel costs-----	Averaged between \$150.00 --\$195.00 per month
Water, electricity-----	\$59.00-----\$70.00 per month
Garbage Service-----	\$20.00 per month
Insurance-----	\$840.00 per year
Taxes-----	\$1,250.00 per year
Bank Payment-----	\$1,225.00 per month

When the pipeline failed to materialize and apartments were difficult to keep filled, we dropped our rent to \$295.00 for the upper units, and \$250.00 for the lower units. Accordingly the bank dropped our payments to \$925.00 per month.



BUTLER BUILDER

SANDERS CONSTRUCTION CO.

565 UNIVERSITY AVENUE

FAIRBANKS, ALASKA 99701

PHONE: 907-479-6931

Since 1971, we have held the rents on these units at those costs. But our operational costs, with the exception of the bank payment have increased.

In 1973 and 1974, we furnished all of the apartments completely with all new furniture from Nerland's and did not raise the rent, until in March of 1974 we raised the rent to \$300.00 and \$260.00

In April of this year, we have now been forced because of increase in operational costs to raise the rent to \$350.00 and \$325.00 for these rental units.

Operational costs are now averaging the following:

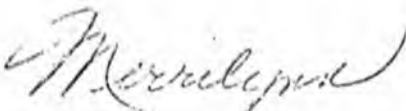
Fuel-----\$220.00 to \$250.00 per month
Water, electricity----\$85.00 to 120.00 per month
Garbage service-----\$37.50 to \$42.50
Taxes-----\$1,850.00 per year
Insurance----- \$1,491.00 per year
Bank Payment (because we refinanced the unit)-----\$1,198.00

included in bank payment

In neither of the comparative costs have I mentioned the incidental expenses which are incurred in operating a rental unit, e.g. snow removal from parking lot, repair and maintenance on heating elements, electrical appliances; landscaping and other such type incidentals.

As you can see, we have never intended to make this our chief source of livelihood, nor have we charged rents that would allow us to pay off the indebtedness in a 5 year period. But it does not take a mathematician to see that costs for its operation have risen considerably, as it has for everyone else who owns rental units or homes. I know that Fairbanks is experiencing a terrible housing situation at this moment and some of our fellow citizens have seen fit to take full advantage of the problem, but I do not think that governmental controls will answer the need to stem the rental hikes being felt.

Sincerely,



Merrilyn Sanders

Merrilyn Sanders



Since 1904
FAIRBANKS PLUMBING & HEATING
SAMSON HARDWARE

P. O. Box 1270
FAIRBANKS, ALASKA 99707
PHONE 452-3110

Anchors & Fasteners

March 22, 1975

Bolts & Screws

"C" Clamps

Cap Screws

C. W. Baer, General Manager
Chamber of Commerce

Janitorial Supplies

550 First Avenue
Fairbanks, Alaska 99701

Concrete Tools

Re: Inquiry on Rent Controls

Taps & Dies

Torches

Dear Mr. Baer:

Wheelbarrows

It would seem to me that rent controls would be a very difficult thing to enforce. I understand building costs are now roughly \$60.00/per sq. ft. and that interest rates are running 13%.

Lawn Mowers

Hand Trucks

Our apartment house, with the exception of the penthouse, are all efficiencies. Our rents on the efficiencies average out at about \$160.00 per month with the tenants paying the telephone and lights. The penthouse, which is quite luxurious, rents for \$400.00 per month plus lights and telephone.

Wire Products

Solder & Flux

Mailboxes

Our building was built for \$30.00 per sq. ft. We have established long-time residents that have never had a rent raise. We do, however, when and if we get a vacancy raise the rent \$15.00 per month. Our fuel costs have doubled and we have the 25% surcharge on water and yard and hall lights. We have very few vacancies so very few tenants are paying the extra \$15.00 a month.

Water Coolers

Sprayers

Electrical Supplies

Weed Burners

I have been fortunate that my taxes haven't increased drastically; however, if I get insurance increases, utility increases, and tax increases I certainly do not want anybody telling me what I can charge for rent.

Hard Hats

Safety Goggles

Sincerely,

Tie Wire

Plumbing Supplies

FAIRBANKS PLUMBING AND HEATING
SAMSON HARDWARE

Plumbing Fixtures

E. S. Albright

Building Hardware

E. S. Albright, President

Stoves — Grills —

Heavy Hardware

GOLDEN NUGGET MOTEL, INC.

900 NODLE STREET
FAIRBANKS, ALASKA 99701

March 27, 1975

Mr. C. W. Baer
General Manager
Greater Fairbanks Chamber of Commerce
550 First Ave.
Fairbanks, Alaska 99701

Dear Mr. Baer:

We are pleased to see the Chamber take an active role in seeking out the housing situation as it really exists, rather than relying on the heresay of such an emotion packed subject. The following is a summary of the major cost increases that we have endured during this last year:

The oil surcharge effected by GVEA last August has recently increased our monthly GVEA bill between 35 and 45%. In real dollars, it added to our bill last month approximately \$4000, half of which we have had to absorb. We have been advised by GVEA that next months bill, on a percentage basis, will be even greater.

We have our own water treatment system that services approximately 161 of our units. During the last 12 months, the cost of producing approximately the same quantity of water has increased 80%. In real dollars, that amounts to \$800 per month increase. This has resulted from an increase in the cost of chemicals and an increase in the cost of freight to bring those chemicals to Fairbanks.

We are serviced by Far North Sanitation Service. Our cost of refuse collection has increased during the last 12 months more than 60%. That is approximately \$300 per month.

Maintenance costs have also risen substantially. Materials appear to be rising at an annual rate of 20% and our maintenance wages have increased nearly 30%. Together, these amount to nearly \$500 per month increase during the last month.

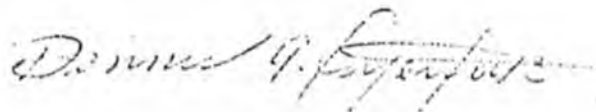
When totaled, the above increases have significantly advanced the costs of our operations, yet we have regained only a portion of those increases in the form of higher rents. An arbitrary rent control during these inflationary times would only serve to

(Cont'd)

Golden Nugget Motel
March 27, 1975
(Cont'd)

cripple the entire Fairbanks housing industry. Establishing the bureaucratic machinery necessary to effectuate equitable rent controls which would enable the landlord to pass on his increased costs of operations while providing for a reasonable profit would take too long to be helpful. We are in a period of high inflation brought on by a feverish economy and controls of any kind will do nothing but cost the taxpayer additional dollars.

Very truly yours,



Dennis A. Osterdock
Vice President

Tanana Trailer Village
Tanana Village Apartments
Geist Apartments
Nanook Niches Apartments

DAO:pt
file



DOWNTOWN OFFICE
500 SECOND AVENUE
CUSHMAN-GAFFNEY OFFICE
570 GAFFNEY ROAD

MAIL: P.O. BOX 709
FAIRBANKS, ALASKA 99707

PHONE 452-4471

March 25, 1975

The Honorable Jay S. Hammond
Governor, State of Alaska
Pouch A
Juneau, Alaska 99801

Re: Rent controls

Dear Governor Hammond:

The Daily News-Miner in two or three recent articles indicates that you are surveying the housing situation with the possibility of invoking rent controls. (Clipping from March 19, 1975, enclosed.)

This Association, its Directors and officers, feel that rent controls would be detrimental to the housing market in our community, and not in the ultimate public interest, for the following reasons:

(1) Developers discouraged. Developers involved in housing, both residential and multiple, would be discouraged from entering the local rental market by rent control laws. At present, and the immediate future the City of Fairbanks and the State should be encouraging such developments, and not raising impediments, because of the great rental housing demand. Developers must seek adequate rents to justify the risks, and to cover skyrocketing construction costs, high interest rates, and continually climbing taxes, utility rates, insurance rates and cost of labor.

Apparently at a recent hearing reported in the Daily News-Miner on March 24, 1975 (clipping enclosed), held by State Senator Pat Rody and Charles Parr, Representative from Fairbanks, it appeared from the summary of that hearing that rent controls were not the answer. Mr. Mario Grassi from Fairbanks testified that he was thinking of building additional housing, but would not do so now in view of the possibility of rent controls.

This Association has contracted to sell a tract of approximately five acres in Hamilton Acres, which it acquired through foreclosure, where a builder went into bankruptcy last year apparently because of the rising construction costs and the low rentals. The new buyers have already questioned whether they should go through with their proposed purchase because of the prospect of rent controls. They were planning to rush completion of 24 units of housing (2-bedroom apartments) by June



"Christ Makes Men Independent"

on existing foundations. They further planned to build approximately 150 more units by October. There are other projects under consideration or planned, which may stop because the fear of rent controls may discourage lending institutions from proceeding with loans, because of the income uncertainties which would follow, or because the builders are discouraged by such uncertainties. It is difficult to encourage builders to construct housing when rent controls are threatened, when such builders can find ample work on commercial projects, the Alyeska pipeline project, and various City, State and Federal projects, involving no such controls on income.

(2) Mortgage investors discouraged. Such discouragement would affect also mortgage investment funds. These would seek areas, which have fewer restrictions, and a more positive basis for a return as good as is available in other markets, and commensurate with risks involved. We have already been confronted by reluctance of investors to consider the Fairbanks market because of the low rentals, which had prevailed since the partial closing of Ft. Wainwright. It is only since approximately last spring that housing has become tight in the Fairbanks area, and that apartment owners have been able to secure a reasonable rental commensurate with their costs of operation and meeting mortgage payment requirements, insurance, and taxes. It is our opinion that any rental gouging is not by the recognized, stable rental projects, but by scattered cases of individuals with one or two, or a handful of units to rent.

(3) Property values lowered. Such rental controls would lower property values of existing multiple apartment projects, affect their maintenance and upkeep, and ultimately reduce the tax base. Examples can be found in New York state, where core areas of cities deteriorated, and ghettos were created, because of rent controls.

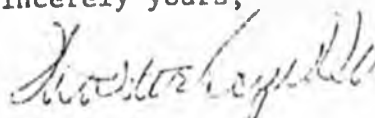
(4) Encourage bad building practices. It would encourage low-cost housing building practices, and proliferate cheap trailer courts, which would remain as a scar in this community. Builders of this type of low-cost homes are quickly in and out of the building market. As a result of rent controls, our reputable builders could not enter the housing market, because of the limitations as to income to be realized from their investment, but no limitations on their costs.

(5) Sound rental controls. Supply and demand has long been recognized as the stimulus for economic growth. It is also the sound basis in a free enterprise system on which to control rental rates. Encouraging more housing so that a vacancy factor of 3% to 6% is achieved will control rental rates more efficiently. Rental gouging has no place when there are vacant units into which a tenant can move. Vacant units are offered at reasonable market rates.

The Honorable Jay S. Hammond
March 25, 1975
Page Three

When taxes, interest rates, insurance, utilities and the cost of repairs are so high, and continue to climb annually, who is to say what the rental rate should be on a particular type of apartment? Obviously the market, the law of supply and demand must control it. The recent Federal price and wage controls have been generally recognized as failing to achieve their purpose. There is no war or disaster, which inhibits the supply, and which would justify rental control. Rental control may inhibit supply. If additional housing is desired, and more adequate and acceptable housing, then rent controls are not the answer.

Sincerely yours,



Walter Sczudlo
President

WS/eb

Enclosures

cc: ✓ Fairbanks Chamber of Commerce
Dr. William R. Wood, Executive Vice President
Fairbanks Industrial Development Corporation
Mr. Don Dennis, City Editor
Daily News-Miner
Senator John Butrovich
Senator John Huber
Senator Terry Miller
Representative Mike Bradner
Representative Fred Brown
Representative Steve Cowper
Representative Glenn Hackney
Representative Charles Parr
Mr. Roger A. Riddell, Director
Federal Housing Administration
Mr. Ray Hartlieb, President
Alaska League of Savings Associations

More views on the housing problem

Don't believe all landlords getting fat on rental gouge

Despite previously published reports of rent gouging in Fairbanks discovered in a Daily News-Miner survey, most landlords here are facing rising costs of doing business with minor increases and in some cases no increases.

This coupled with a pending decision facing Gov. Jay Hammond on whether to establish rent controls adds up to challenge for Fairbanksians to solve its housing problems as best it can.

Chamber of Commerce Manager Wally Baer said today the chamber is starting a survey among renters and landlords alike to determine the need for rent controls and to discover exactly what problems both tenants and landlords are having.

A spokesman for the governor said today that some form of rent control is being considered but, said Hammond representative here, Larry Holmstrom, the governor wants comments from Fairbanksians to determine how he will proceed on the matter if at all.

The Daily News-Miner today contacted several apartment complex managers who indicated they are leary of rent controls because, as one put it, "what's fair for one owner is not fair for another."

Holmstrom said the governor wants to know if residents think rent controls are justified, what specific examples persons have to justify them, and what form they want the controls to take.

The chamber began a survey of existing rental rates last week and discovered that rents in most large complexes have risen slightly to not at all.

A comparison of reported rental rates between March of this year and April of last year, showed increases from as little as 4 per cent to as much as 10 per cent.

Grandeur Apartments, reportedly up for sale, reported increased rents 10 per cent for its two-bedroom, unfurnished apartments which will cost existing tenants \$302 and new tenants about \$160 a month.

Although increases were not necessarily uniform, it appears that landlords are raising their rents to cope with rising costs for heat and utilities and maintenance and taxes.

Notable exceptions where no increases occurred during the year included Blevins apartments, Crown Court, Dixon apartments, Northward

Building, Palfy Aello, Pleasant Manor, Smith apartments, and some units at Tanana Village.

A sampling showed increases for two-bedroom furnished apartments at Ambassador, 33 per cent; Ballaine Lake, 16 per cent; E P Rentals, 15 per cent for unfurnished; Fairview Manor, 12 per cent; Goldner, 8 per cent; Glenwood Manor, 10 per cent; and Midtown, 38 per cent.

The manager of the Ambassador, who asked not to be identified said, "I don't think rent controls are necessary in our case. I don't understand how they could make it a fair deal all around.

I don't think other owners are charging outrageous prices, especially for new apartments. They've got to charge high prices to come out on them due to high cost of building and furnishing.

"Your newspaper went from 10 to 15 cents in 15 years. That's a bigger increase than we've had," the manager said.

The manager said since 1958 Ambassador rents have been raised from \$185 to \$250 for a one-bedroom unfurnished apartment, and from \$225 to \$360 for a one-bedroom furnished.

The Ambassador property is assessed at \$700,000, "so we pay a pretty good hunk in taxes," the manager said.

Zelma Traeton, who owns Ballaine Lake apartments and is business office manager for the Daily News-Miner, said she agrees there is some price gouging going on but, "prices for everything are going up. Maybe rent controls are necessary, but I can't really say I favor any type of controls. You have to keep in mind the high building costs now as well as interest rates."

(See LANDLORDS, page 3)

LANDLORDS...

(Continued from page 1)

The manager at Moose Creek apartments reported a rent increase of \$20 in the past year. Two-bedroom apartments there including utilities cost \$293 monthly. The manager said there are 80 persons on the waiting list to move in.

A tenant at Midtown apartments, where rents increased more than 20 per cent in a year, said the rent was too high for the apartments offered.

Alvin Braker, manager for Sparhawk and McLean's complex at Gust Road said the complex is still below the market rate for increases while heating costs have gone up as much as 60 per cent over last year.

"I think it would be a wonderful idea (rent control)," she said. I can see now some people recognize that with no vacancies

in town they can charge what they want. I'd rather keep our tenants than run them off by raising the rent."

Barbara Donathan of Sprucewood Manor reported their rents had gone up \$20 in the last year because the bank "raised its interest rate on us so we were forced to that. I imagine there will be another rent increase this summer because the manager is going to make some repairs."

Barbara Morris of Tanana Village said, "rent is getting out of control but not here because we're not that way. Compared to what I see in the paper people do need some sort of protection."

"There is such demand and no availability, they're asking high prices and jacking them. I'm leaving at the end of the month."

Housing dominates impact hearings

By SUZANNE BUSHONG
Family Editor

Although testimony wandered through topics ranging from child care to the State Office on Aging, impact hearings in Fairbanks Saturday turned out to be a forum on the housing crunch.

And though a few solutions to Fairbanks' housing shortage were offered, the two legislators conducting the hearings will take more complaints than suggestions back to Juneau.

State Sen. Pat Rody of Anchorage summed up the feelings of many of those testifying: "This impact is coming from the oil companies, not the pipeline workers. They have brought us inflation on top of inflation and they should bear that cost as part of the cost of doing business. We must reduce the burden on the average Alaskan who is paying

the way for Standard Oil and BP."

Rody and Charles Parr, representative from Fairbanks, were conducting the hearing to gather information for the legislature on the impact of pipeline construction on low and fixed income persons. They also were looking for residents' opinions on rent control.

The three solutions suggested were installation of railroad sleeping cars in the town, erection of several small units for seniors at the 33 Mile Senior Citizen Center and development of parks for mobile and modular homes.

Doris Southall, who has been instrumental in getting the senior citizen high rise project started, suggested that the city look into stationing railroad cars around town for temporary housing this summer. She said the Canadian

railroad has several cars to lease or sell to the state, which could be used in Fairbanks the way railroad cars are used for housing at McKinley Park. Borough Mayor John Carlson said it would be difficult to find a place to put the cars, however, since the Alaska Railroad has plans to develop the railroad area for industry in the near future.

Joe Steinar, a member of the Senior Citizens of Interior Alaska, said the organization has land at the 33 Mile Center and about 1,000 logs which could be used to construct housing. He suggested the group look for assistance in the way of federal and state matching funds to put up several small units on the property. The units would be only for sleeping, with a utility building for laundry and showers

and meals provided at the main center.

Perry Stoop told the legislators mobile and modular units were the only answer for a temporary increase in housing. But he said utilities would have to be provided by the city before any sites could be developed for the units.

Older persons were one of the main concerns of the hearing, and many testified individually and as members of senior citizen groups.

Marjorie Lockwood said she was finding it impossible to locate a place to live. She is moving out of her large home, which she no longer can maintain, she said, and is looking for an apartment. She said she saw one place for \$250 a month, "but you would have to pay me \$250 a month to live in it." She noted

that several nice apartment complexes in town have kept their rates reasonable. "If one can do it, I can't understand why the others get such awful prices."

Sue Ohata, director of the North Star Council on Aging, testified that there are 40 elderly in the Golden Age Apartments on Ninth Avenue. That complex has 20 units. She also noted that there are many persons in Careage North who don't need nursing care, but can't be released because there is no place for them to go. "It costs the state \$900 a month to keep them there and I don't think that's a good way for our tax money to be spent," she said.

There are persons taking up residence at the Salvation Army and Rescue Mission as well, Ohata said, preventing these agencies from providing the emergency relief services they are designed to provide.

But retired persons aren't the only ones on fixed income who are suffering from the housing crunch. Testimony also was received from many young people, including a teacher, a borough employe and a federal employe.

Pat Johnson, a federal government employe, said she has lived in Alaska all her life and in Fairbanks the last five years and doesn't want to move. She is, however, faced with finding an apartment because the building

in which she resides is being demolished to make way for the Steese Bypass. She said she had been trying to save money to buy her own home, "but I can't save anymore, I just can't afford to." She said although inflation on food and other items is causing problems, rent is the biggest cause. Johnson said she has been looking for housing since notification from the Highway Department, and hasn't had any luck yet.

Rody questioned her about trailers, and she said she would live in one if she had to, but preferred apartments to trailer parks. Parr pointed out that many banks have been reluctant to loan money for construction of trailer courts, and Carlson said there are not enough trailers coming into town to meet the demand anyway. "If someone could get 400 mobile homes in here tomorrow he would sell them all," the mayor said.

Pat Rutledge, a borough employe, said she may have to leave Fairbanks if she receives another rent increase. "I have lived here 15 years, I have worked in this area and spent my money here. I resent this situation. I consider Fairbanks my home and I am being driven out."

Rutledge said she does not think her landlord is gouging, and said the increases have been reasonable and over a reasonable period of time, but her salary has

not gone up accordingly. She said half of her pay goes toward rent and utilities. "There is a lot of money in town and I don't blame the people who own apartments. They could make a lot more. Everyone says if you can't make it in Fairbanks go work on the pipeline, but I don't think that's an answer," she said.

Rutledge, like many of those testifying, felt the permanent residents of Fairbanks with stable jobs were the ones suffering most from the impact of pipeline construction, and the ones who are being forced to move out, but she didn't know what the state could do.

One suggestion has been rent controls, but Mario Grassi, a landlord here, told the legislators that would be a mistake. He said if rent controls were instituted, landlords would raise rents to the maximum in order to insure income for the duration of the controls. Other problems landlords face, he said, are increased costs and the risks in any new construction here. "I was thinking of building but I won't now with the possibility of rent controls," he said.

Other testimony included statements about lack of child care facilities, increase in juvenile delinquency, high food prices, high fuel costs, and hiring of out-of-state persons over Alaskan residents for pipeline jobs.

Grassi
3.7 Mile Parkers Loop Road
Fairbanks, Alaska 99701

March 27, 1975

Mr. John Carlson
Borough Mayor
Box 1267
Fairbanks, Alaska 99701

Dear Sir:

We wish to advise you of some of the reasons why we are opposed to Rent Controls. We really want you to take serious measures to prevent Rent Controls.

First of all, they are unconstitutional, they are against free enterprise, they are discriminatory to one group of people, they reduce the building of new apartments, they cause higher local revenue taxes by holding down prices on apartment houses, they cause a rise in assessments to other commercial buildings and private homes. At this time, in Fairbanks, Rent Control plays favoritism to seasonal and/or pipeline workers from other states instead of the year-round Fairbanksan (us, included) who was here before the oil discovery and who will be here after the pipeline is built. We will also be here to vote after the transients are gone. Anyone who votes for Rent Control will have lost our support permanently. It is quite evident how the long-time Alaskan resident feels if one looks at the fate of the last two officials who pressed for rent control (I'm referring, of course, to Mr. Egan and Mr. Parsons)

It is nauseating, indeed, to realize that we have voted into office some politicians who are more concerned with winning votes than in fairness and justice for all the people, especially the ones who labor hard to get a little ahead of the masses. Those politicians are prejudiced because if they want to impose controls they should also be considering controls on labor (i.e. plumbing, heating, electrical, appliance, carpentry labor); controls on the rising costs of materials (i.e. windows, roofing, carpet, beds, lumber, etc.); controls on utilities (water and electricity); on fuel, taxes and assessments; controls on all kinds of business, hospitals and on other housing. Yes, on other housing...We haven't heard a word on controlling hotels, motels and rooming houses. Why not? Do they have too much political influence? If you are going to impose Rent Controls on apartments, then you must also impose controls on the rest.

What about the lean years, when 25% to 50% of the apartments in Fairbanks were empty? What did all the political co-gooders do for the apartment owners then? What will you do when all the Pipeline workers go back home to the Lower 48 with their savings? Just what will you do for the lean years to come? I know...you will increase the taxes to clear up the mess that will be left. Right? I hope you realize what we think of that idea.

We know first-hand what rent controls can do. It started in New York City for the war years. 34 years later, it is still there, but the City Government is now the largest landlord in town; who got that way by having to repossess the buildings that weren't bringing in enough rent to pay the increased bills and taxes. So, they had to tax business to counteract the loss of tax revenue from the former apartment owners. Now, business has left in droves and the city is in chaos. They built the Twin Towers, but they are half empty. The Stock Market threatened to move out to the Virginia, Maryland, Washington D.C. area in 1965 until they were exempt from some taxes. The last we heard was that someone had suggested foreign aid.

We started in the apartment business before the oil discovery and we own twelve apartments. We managed to barely stay in the black for a number of years and we looked forward to a little relief in the construction of the pipeline. But, between the excessive high rise in costs and the possibility of Rent Control, we are beginning to feel it was not worth the effort or investment. If you think it is such a good business, please try it. We are so disgusted between the rent control crisis and the excessive costs (particularly in labor) that, although we had planned to build some apartments near Airport Road and Cushman Street, we have cancelled all plans until this rent control situation is settled once and for all.

For your information, the following is a percent cost increase within the past year. We arrived at these figures by comparing our own bills and/or by contacting the businesses in Fairbanks that we deal with and checking with them. If you feel you wish to check on our credibility, just go talk to the business people.

- ...assessment increase over last year range from 20% on some property to 100% on others
- ...taxes: unknown at present, but estimated possibility of 5% increase
- ...Fuel Oil (per 1,000 gal. tank price): increase of 9%
price Aug. '74...43.9¢; Feb '75...47.7¢
plus a 5¢ per gal. Federal increase is expected
- ...Plumbing maintenance & repairservice: increase of 50 to 100%
went from \$20 to \$30 per hour, with a possibility
of going to \$40 per hour by end of summer
- ...Burner service: increase of 33.3% to 66.6%
went from \$18 to \$24 per hour, with a possibility
of going to \$30 per hour by summer
- ...Garage door repairs: increase of 25%
went from \$24 to \$30 per hour.
- ...Business & Snow Removal Vehicle (Jeep) increase of 70%
labor repair costs went from \$14 to \$24 per hr.
- ...Carpenter labor went from \$16 to \$20 per hour increase of 50%
- ...Garbage pick-up went from \$25 to \$33.33 increase of 55%
- ...Miscellaneous furniture items often needing replacement
in furnished apartments:
 - mattresses went from \$87.75 to \$120 increase of 73%
 - couch (July '73) from \$201.85 to \$369.90 increase of 75%
 - couch reupholstery from \$125 to \$185 increase of 50%
 - carpet from \$11 per sq.yd. to \$15 increase of 33.3%
- ...Water...Electricity...Insurance: increases are unknown presently
- ...last, but not least, let us mention the increase as of April first in
the newspaper subscription rates from \$4 to \$4.50.

We average six hours per month, per apartment for maintenance, repair, supervision and management. I need an increase per hour, too.

What about our investment of cash for down payments, totalling \$48,000.00?; which otherwise could be drawing interest at the bank.

We feel that we need an increase this year of 25%. Our apartments range from our best two-bedroom (1200 sq.ft., carpeted, expensively panelled, modern kitchen/built-in appliances, table-top stove, breakfast bar, heat & water, completely furnished, near the center of town) that rents for \$375; our smallest two-bedroom that rents for \$325; our largest (as plush as mentioned above) one-bedroom that rents for \$300; to our smallest one-bedroom that rents for \$250. Major repairs are beginning to be needed in two of our duplexes (in Arctic Park) as they are approximately 20 to 25 years old. Items

needed such as: new kitchen...	estimated cost of	\$2,000.00
	new burner, furnace & air blowers	1,000.00
	aluminum siding	2,700.00
	peaked roof	2,500.00
	total cost est.	<u>\$8,200.00</u>

If a substantial rent increase is not allowed, these improvements cannot be made and the original investment will be lost as we stated in the example of New York City. We feel we are in need of a minimum of 25% increase over our present rents, provided the City and Borough taxes do not become excessive. Some apartment owners need to charge higher rents than others due to their having paid higher purchase prices to start with. So, how can a blanket rent control be set up fairly?

We were impressed with the Governor's recent statement in which he wanted Alaskans to be hired first to work on the pipeline. If this came to pass, the housing problem would be minimal because the Alaskan from Ketchikan or Juneau or Barrow is not bringing his family to Fairbanks. He is not the one who is screaming for rent control. Rather, the newcomer, who will also return to his home when the bonanza is over, is the one who is making himself heard. Unfortunately, we Alaskans will still be here to pay the taxes, suffer the consequences, and vote.

I suggest a guide-line for both renter and rentee as to what is fair, because most people simply do not know. They can easily be influenced by second-hand stories and by inflammatory statements published in the newspaper. As for the landlord who is excessive in his rents, we feel the Consumer Protection Agency should be able to take care of the problem.

Thank you.

Yours truly,

Mario & Vilma M. Grassi

CONFERENCE COMMITTEE
REPORT

_____ Date

Mr. President
Mr. Speaker

The Conference Committee [with powers of free conference]

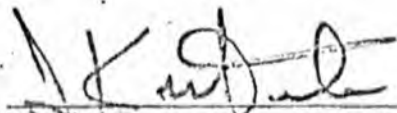
which has had SENATE BILL NO. 290 and HOUSE COMMITTEE

SUBSTITUTE FOR SENATE BILL NO. 290 (rent control)

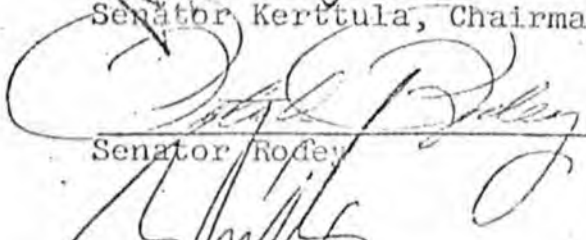
under consideration, recommends that

Senate members

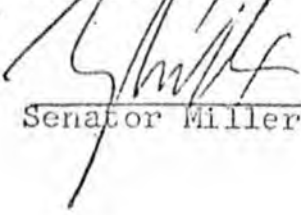
House members




Senator Kerttula, Chairman



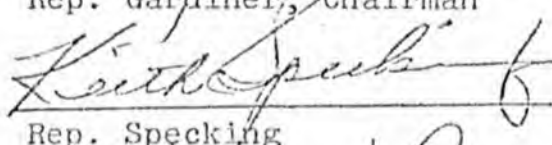
Senator Rodey



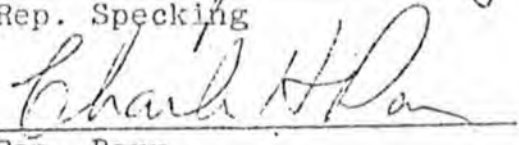
Senator Miller



Rep. Gardiner, Chairman



Rep. Specking

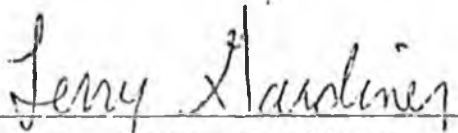


Rep. Parr

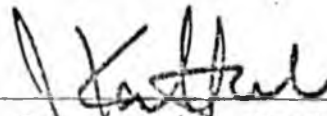
May 15, 1975

Statement of Intent
Free Conference Committee on
SB 290 and House CS SB 290 (Rent Control)

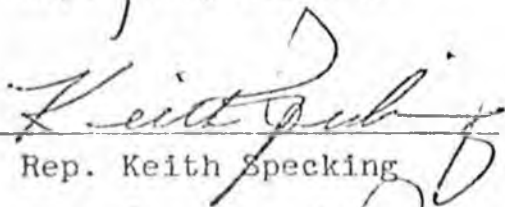
Emergency rent control is new to Alaska and therefore the committee has sought to avoid the problem of having all the enforcement provisions necessary to carry out the intent of the act contained in statutes which could not be modified between legislative sessions to meet unexpected or changing circumstances in the months ahead. Basic enforcement provisions are set out in regulations promulgated by the commissioner of the Department of Commerce, and are already in effect. The commissioner has the authority to change the regulations should the need arise as he administers the program. However, the bill does not limit the aggrieved person to administrative remedies and litigation sponsored on his behalf by the Department of Commerce; the person may take his cause of action into court, after having exhausted administrative remedies provided in the regulations, and seek either injunctive relief or monetary damages, or both.



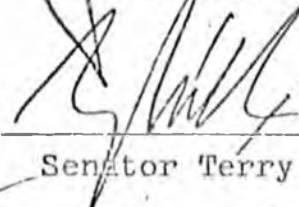
Rep. Terry Gardiner



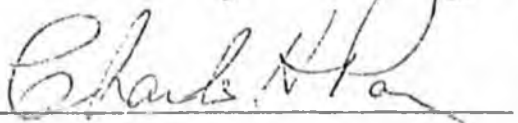
Senator Jay Kerttula



Rep. Keith Specking



Senator Terry Miller



Rep. Charles Parr



Senator Pat Rodey

**CONFERENCE COMMITTEE
REPORT**

Date

Mr. President
Mr. Speaker

The Conference Committee [with powers of free conference]

which has had SENATE BILL NO. 290 and HOUSE COMMITTEE

SUBSTITUTE FOR SENATE BILL NO. 290 (rent control)

under consideration, recommends that

Senate members

House members

Senator Kerttula, Chairman

Serry Gardiner
Rep. Gardiner, Chairman

Senator Rodey

Keith Specking
Rep. Specking

Senator Miller

Charles Parr
Rep. Parr

letter of intent

*Act left broad so Dept
can attempt other reg's*

AMENDMENTS TO HCSSB 290

PAGE 1, LINE 27:

Delete "After the governor issues [ON ISSUING]" and insert in its place "On issuing."

PAGE 1, LINE 28:

Delete "attorney general [GOVERNOR]" and insert in its place "governor."

PAGE 2, LINES 4 and 5:

Delete "attorney general [COMMISSIONER OF COMMERCE]" and insert in its place "commissioner of commerce."

PAGE 2, LINES 7 and 8:

Delete "including but not limited to provision for the establishment and adjustment of maximum rents."

PAGE 2, LINE 12

Delete "attorney general" and insert in its place "commissioner of commerce."

PAGE 2, LINE 15:

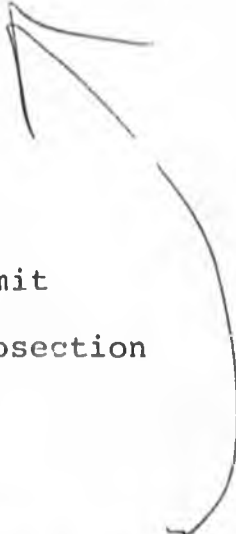
Delete "attorney general" and insert in its place
"commissioner of commerce."

PAGE 2, LINES 18 and 19:

Delete "attorney general" and insert in its place
"commissioner of commerce."

PAGE 2, LINES 27 and 28:

Delete "in excess of the maximum rent established for
the accomodation by the attorney general by regulation,"
and insert in its place "without justification for an
increase in accordance with regulations adopted under this
chapter,"



PAGE 3, LINES 1-3:

Delete "the attorney general may by regulation permit
increases in the maximum rent established under this subsection
to allow for increases in" and insert in its place "the
commissioner of commerce may permit rent increases in
accordance with regulations adopted under this chapter for a
reasonable rate of return on investment," *+ increased costs*

PAGE 3, LINE 23 -- PAGE 4, LINE 5:

Delete all material. Renumber following sections accordingly.

PAGE 4, LINE 11 -- PAGE 6, LINE 4:

Delete all material. Renumber following sections accordingly.

PAGE 6, LINE 5:

Delete all material. Renumber following sections accordingly.

PAGE 6, LINES 6 and 7:

Delete all material. Renumber following sections accordingly.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 29, 1975

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Gardiner:

As you probably know, my administration has endeavored to develop a workable solution to the residential-rent problem in various areas of the State. This month alone, we have studied a dozen different "rent-control" plans, held hearings in Fairbanks and Valdez, issued a statement of findings, declared that an emergency housing crisis exists in the two areas and created what appears to be a completely workable solution to the problem including the drafting of a set of regulations.

After advising the Valdez City Council and the Fairbanks Borough Assembly on the details of the plan, each body unanimously approved the plan.

In essence, the Emergency Rent Review Program is composed of four points:

1. A local advisory board of adjustment is created in each area wherein an emergency exists;
2. Landlords are required to give 30-day notice of rent increases. Upon complaint, the board of adjustment advises the Commissioner of Commerce on the validity of the rent increase within 15 days of submission;
3. An appeal to the Commissioner of Commerce or to the courts is provided;
4. Reasonable expense and profit increases are allowed.

Members of my administration have, in the past, testified at many committee hearings on four rent-control bills. Regularly, they have supported my theory of opposition to a broad-brushed approach: such an approach is cumbersome, costly and inappropriate for the problems facing Alaska today.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 29, 1975

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Gardiner:

As you probably know, my administration has endeavored to develop a workable solution to the residential-rent problem in various areas of the State. This month alone, we have studied a dozen different "rent-control" plans, held hearings in Fairbanks and Valdez, issued a statement of findings, declared that an emergency housing crisis exists in the two areas and created what appears to be a completely workable solution to the problem including the drafting of a set of regulations.

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The Honorable
Terry Gardiner

-2-

April 29, 1975

Hence, I feel obliged to strongly urge you to introduce the amendments below deleting reference to "maximum rent established in H.C.S.S.B. 290:

AMENDMENT 1. Page 2, lines 7-8: delete "including but not limited to provision for the establishment of maximum rents"

AMENDMENT 2. Page 2, lines 27-28: replace "in excess of the maximum rent established for the accomodation by the Attorney General by regulation," with "without justification for an increase as set out in regulations pursuant to this chapter,"

AMENDMENT 3. Page 3. lines 2-3: Replace "increases in the maximum rent established under this subsection to allow for increases in" with "rent increases under this subsection to allow for increases in reasonable rate of return,"

Furthermore, in that the Department of Commerce has had substantial input into this program, I would prefer that the statutory authority for implementation of any such program remain with that department.

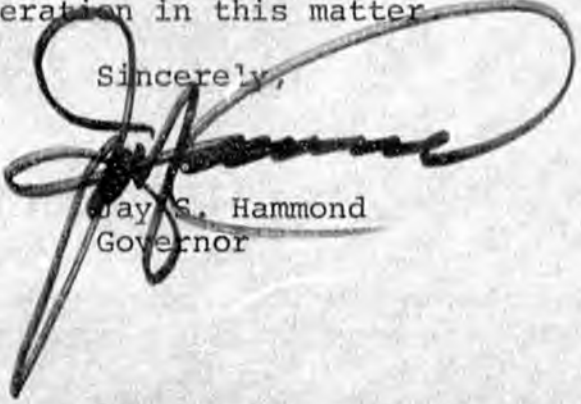
And finally, I feel that the following sections of H.C.S.S.B. 290 will be covered in the regulations now being prepared by the Attorney General in conjunction with the Department of Commerce and, therefore, should be deleted from the bill:

1. Sec. 34.06.042. Injunctive Relief;
2. Sec 34.06.044. Action for Damages;
3. Sec. 34.06.045. Certificate of Eviction.

It is unfortunate that the timing of completion, presentation and subsequent approval of the rent-review program by the most affected areas (any many members of the legislature) coincided with the diligent work you have performed and as such we did not have the opportunity to formally present the program to your committee. Nevertheless, I feel that an unamended H.C.S.S.B. 290 could detract from the program as understood and approved by local communities, that it is (unamended) a broad control program vice and individual case-by-case approach that we found acceptable and desirable through public hearings.

Thank you for your consideration in this matter

Sincerely,



Jay S. Hammond
Governor

*file under
Rent control*

RONALD G. NELSON

Professional Civil Engineer

1500 AIRPORT WAY P.O. BOX 888

FAIRBANKS, ALASKA 99701

(907) 456-4854

April 29, 1975

Alaska House of Representatives

Pouch V

Juneau, Alaska 99801

Dear Representative:

REF: House Bills No. 448, No. 449 & House Concurrent Resolution No. 52
(All introduced 4/22/75)

I'm strongly opposed to all of the referenced legislation in its present form and request that you do not support its passage.

I'm currently midway in development of a 179 unit mobile home park near Fairbanks at 3/4 mile McGrath Road. I will begin accepting units in June 1975 with completion scheduled this construction season.

The referenced legislation will place me and other private developers of mobile home parks in competition with state government, a situation which I'm sure you'll agree is contrary to the basic free enterprise system.

If the legislature sees fit to single out the mobile home industry as its vehicle for alleviating the current housing shortage in the Fairbanks area I strongly recommend a method be employed that will accomplish the objective of making available mobile homes to individuals of lower, fixed or moderate income in a manner that will not adversely affect any segment of the mobile home industry as the referenced legislation certainly would do.

Contrary to wording in HCR # 52 which states "...Whereas there is no indication that private industry can or will supply the low-cost housing necessary to meet this crisis..." I submit for your information the following list of mobile home parks which have been approved by the Alaska Dept. of Environmental Conservation, The Fairbanks North Star Borough and further are under construction:

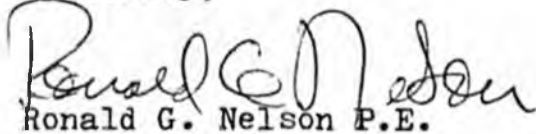
Greenwood Village	179 Units
Tanana Mobile Home Park	182 Units
Town & Country Mobile Home Park	<u>40 Units</u>
TOTAL	401 Units

Verbal contact with the two above mentioned agencies revealed also that a 500 unit mobile home park is presently in the final stages of planning and approval for the North Pole area to be constructed by Columbia Developers this season. Additionally, Mr. Jeff Cook of Cook Real Estate, estimated that there are approximately 200 private subdivision lots

presently available in the Fairbanks area on which placement of mobile homes are approved. Considering the above, I believe it is evident that the private sector can and is supplying the necessary spaces for mobile homes in the Fairbanks community.

I recommend that the legislature direct its efforts in this area towards establishment of a form of state guaranteed/ and or subsidized loans to individuals for purchase of the mobile home units from the various established dealers for placement of said units in the various parks or on private lots which are available and are continuing to be made available by private industry. I believe such an approach would make lower cost housing available to the desired segment of the population, greatly alleviate the housing emergency in the Fairbanks area and accomplish it in a manner acceptable to all portions of the mobile home industry.

Sincerely,


Ronald G. Nelson P.E.

RGN/bd

cc: Governor Hammond
Fairbanks Borough Mayor, John Carlson

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXX~~ 6425

By: Donald E. Clocksin

May 12, 1975

PROPOSED AMENDMENTS TO HCS for SB 290

1. On P. 3, line 24, strike all of section 34.06.042 and insert:

"Sec. 34.06.042. [INJUNCTIVE RELIEF]. An aggrieved person or the department may apply to the Superior Court for an order enjoining any act which is or may be a violation of this chapter or a regulation or order issued under it. The order shall be granted without bond.

2. On P. 4, line 11, strike all of section 34.06.044 and insert:

Sec. 34.06.044. [ACTION FOR DAMAGES.] For any violation of this chapter or a regulation or order issued under it, an aggrieved person may bring an action for damages within one year from the date of the violation or from the effective date of a declaration of a housing emergency, whichever is greater. In such an action, the prevailing party may recover attorney fees and costs and damages, as determined by the court.

3. On P. 5, line 20, strike section 34.06.045 and insert:

Sec. 34.06.045. [CERTIFICATE OF EVICTION.] During a housing emergency the department shall adopt regulations which allow evictions upon a finding that the reasons for the eviction are fair and consistent with the purposes of this chapter.

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXXX~~ 6425

MEMORANDUM

TO: Representative Terry Gardiner
FROM: Donald E. Clocksin
RE: HCSSB 290 - Rent Control
DATE: April 29, 1975

The following are proposed amendments to the rent control bill to satisfy some of the concerns of the governor in his April 29 letter to you, and to eliminate unnecessary confusion and inconsistencies between the governor's plan and the bill.

1. On p. 2, line 8, after "rents" insert "or rent increases"

Explanation: This clarifies that the program implemented by the governor could adopt either of the two alternative systems of rent control - across-the-board rent maximums or individually authorized rent increases. The governor's plan adopts the second alternative, but the situation may require more flexibility in the future.

2. On p. 2, line 27, after "rent" insert "or rent increases"

On p. 2, line 28, after "general" strike "by regulation"

Explanation: Same as above. In addition, the deleted language would not allow the attorney-general to forbid a rent increase in an order, as opposed to an across-the-board regulation.

3. On p. 3, line 2, after "permit" insert "rent" and ^{after} "increases" delete "in the maximum rent established"

Explanation: Same as #1 above.

4. On p. 3, line 3, after "allow for" delete the remainder of the sentence and insert "certain justifiable cost increases in accordance with regulations adopted by the attorney general."

Explanation: The proposed regulations allow the pass-along of costs and have identified other justifiable costs not included in the bill. The change would allow the regulations to specify what costs could be passed along.

5. On p. 3, line 26, strike "a tenant" and insert "an aggrieved person"

Explanation: This achieves balance by recognizing that either party can be injured.

6. On p. 4, line 1, strike "landlcrd" and insert "responsible person"

Explanation: same

7. On p. 4, line 11
On p. 4, line 14
On p. 4, line 15
On p. 4, line 20, after "landlord" insert "or tenant"

Explanation: Either landlord or tenant could hypothetically violate this chapter.

8. On p. 4, line 13
On p. 4, line 21
On p. 4, line 26
On p. 4, line 29, strike "tenant" and insert "person"

Explanation: same

9. On p. 5, line 4, strike "landlord" and insert "person"

Explanation: same

DEC:mjb

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER / POUCH: D — JUNEAU 99801

May 7, 1975

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Representative Gardiner:

The attached amendments to HCSSB 290 are offered for your consideration. They reflect the feeling and program outlined by the Governor to local governments affected by the declaration of the housing emergency.

Essentially, the amendments intend to accomplish the following:

- 1) The elimination of a statutory provision requiring the establishment of maximum rents prior to implementation of any rent regulation plan. (Reason: The Emergency Rent Review program calls for a one-on-one approach, not broad maximum rent ceilings.)
- 2) The transfer of the rent regulation program to the Department of Commerce. (Reason: The Department of Commerce has geared up for this emergency. Transfer to another agency at this time will incur delay in solving emergency problems.)
- 3) The deletion of the sections dealing with Injunctive Relief, Action for Damages and Certificate of Eviction. (Reason: They are either covered in existant regulations or not consistent with the primary target of the regulations. "Teeth" are provided in the ~~regulations~~ through the retention of the criminal penalties.)

Optional

yes

I would be more than happy to meet with the members of the Free Conference Committee and discuss these amendments - or any of the information attached - at any time.

The Honorable
Terry Gardiner

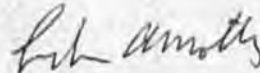
-2-

May 7, 1975

Hopefully, the committee will also discuss methods of financing a rent regulation program. Should the committee decide to transfer the program to the Department of Commerce, suggested appropriation bills, with supportive data, are attached.

Thank you for your consideration.

Sincerely yours,



Langhorne A. Motley
Commissioner

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER / POUCH D — JUNEAU 99801

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Alaska State House of Representatives
Pouch "V"
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*Must have
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*Delete:
042
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-2-

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Sincerely yours,



Langhorne A. Motley
Commissioner

CHAPTER 90. EMERGENCY RENT REVIEW.

Section

- 10 Application of chapter
- 20 Procedure for Increase in Rent
- 30 Complaints by Tenants
- 40 Notice of Filing a Complaint
- 50 Retroactivity
- 60 Emergency Rent Review Board
- 70 Operation of the Board
- 80 Hearings
- 90 Objections to Adverse Board Recommendations
- 100 Commissioner of Commerce
- 110 Standard for Review of Proposed Increase
- 120 Evictions and Vacations
- 130 Retaliatory Conduct Prohibited
- 140 No Waiver of Rights
- 150 Definitions

3 AAC 90.010. APPLICATION OF CHAPTER. This chapter applies to all residential housing accommodations, as defined in sec. 150 of this chapter, if the property is located in an area declared by the governor to be in a state of housing emergency, pursuant to AS 34.06.020. Except as provided in sec. 120 of this chapter, nothing in this chapter affects application of the Uniform Residential Landlord and Tenant Act (AS 34.03). The following are exempt from the provisions of this chapter:

- (1) the first rent assessed and collected upon the initial occupancy of a residential housing accommodation;
- (2) rent charged for transient occupancy in hotels, motels, and motor inns, as defined in sec. 150 of this chapter;
- (3) rent in federal or state-owned residential housing accommodations where the amount of rent charged is regulated by a public authority. (Eff. / / , Register)

Authority: AS 34.06.020
AS 34.06.030

3 AAC 90.020. PROCEDURE FOR INCREASE IN RENT. Before imposing any rental increase for a unit, a landlord shall deliver to a current tenant notice in writing of the proposed increase at least 30 days before the effective date of the increase. A landlord shall deliver such a notice in writing to a prospective tenant before the landlord-tenant relationship is created. The notice shall state:

- (1) the amount of the proposed increase and its effective date;
- (2) the specific reasons for the increase; and

Register ,

1975

COMMERCE

3 AAC 90.030

3 AAC 90.050

(3) the tenant's right to present the matter to the board within ten days. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.030. COMPLAINTS BY TENANTS. (a) Upon receipt of the notice required in sec. 20 of this chapter, a tenant, or a person who has reached an agreement with his or her prospective landlord, who believes that the proposed rent increase for the rental unit occupied or about to be occupied is unjustified may file a complaint with the Emergency Rent Review Board for his or her area. A complaint must be filed within 10 days after the receipt of a notice of intent to increase the rent; however, complaints as to rent increases which become effective after December 31, 1974 and before the effective date of this chapter must be filed within 30 days after the effective date of this chapter.

(b) Complaints may be on forms provided by the board, but any written statement which clearly delineates the complaint of the tenant shall be accepted as a properly filed complaint.

(c) A person who is unable to prepare a written complaint may make an oral statement to the board which clearly delineates his or her complaint, and this complaint shall be accepted by the board. The board shall prepare a memorandum of an oral complaint which shall be signed by the complaining party. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.040. NOTICE OF FILING A COMPLAINT. Within five days after a tenant has filed a complaint with the board under sec. 30 of this chapter, the board shall notify the landlord by sending to the landlord, or the landlord's agent who collects rent on the property, a copy of the complaint. Upon receipt of the complaint, the landlord may not implement the proposed rent increase until he is issued a rent order approving the increase by the commissioner of commerce or his designee, as set out in this chapter. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.050. RETROACTIVITY. When applicable, an approved increase is retroactive to the effective date specified in the notice of increase. A tenant who, after the effective date of this chapter, mistakenly pays a rental increase which is later denied in whole or in part, is entitled to a refund of the denied amount of that increase which he paid. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.060. EMERGENCY RENT REVIEW BOARD. (a) Appointments. A three-member Emergency Rent Review Board is created in each area in which a housing emergency is declared by the governor to exist. Within 20 days after the housing emergency is declared or after this chapter takes effect, whichever occurs last, members will be appointed by the governor in the following manner, assuring insofar as possible an equal representation of the interests of landlords and tenants:

(1) one member will be appointed from a list of three names submitted by the borough assembly;

(2) one member will be appointed from a list of three names submitted by the city council;

(3) one member will be appointed at-large by the governor.

(b) Failure to nominate. If the governing body of a municipality fails to provide the governor with its list of candidates within 10 days after the housing emergency is declared or after this chapter takes effect, whichever occurs last, the governor will appoint another at-large member.

(c) Single government areas. If only a single municipal government exists in the emergency area, two members of the board will be appointed by the governor from a list of five names submitted by that municipal government within 10 days after the housing emergency is declared or after this chapter takes effect, whichever occurs last.

(d) Vacancies. A board member who misses three consecutive meetings is considered to have resigned from his or her board. If a vacancy occurs, the original recommending authority shall, within 10 days, submit a list of three names to the governor for appointment. If the vacancy is in the position of the at-large member, the governor will appoint a person to fill the vacancy within 10 days. (Eff. / / , Register)

Authority: AS 34.06.020
AS 34.06.030

3 AAC 90.070. OPERATION OF THE BOARD. (a) Compensation and residence. All members serve without pay at the pleasure of the governor and must reside within the area declared to be under a housing emergency.

(b) Quorum. Two members of each board constitute a quorum for the transaction of business.

(c) Meetings. Each board shall meet at least once every 15 days. The first meeting of the board shall be held within 10 days after the official appointment date of the second member appointed.

(d) Duties. Each board shall review all complaints submitted to it within 15 days of submission. It shall recommend to the commissioner whether or not a proposed rent increase should be allowed to go into effect. If the board determines that a rent increase is not justified, it shall recommend to the commissioner that the increase be denied. If the board determines that the increase is justified, in whole or in part, it shall recommend to the commissioner the increase that should be allowed. The board shall notify the parties of its recommendation and notify them of their right to object to the commissioner as set out in sec. 90 of this chapter.

(e) Jurisdiction. Each board is authorized to review complaints involving any rent increases for residential housing accommodations which have or are proposed to become effective after December 31, 1974, in its area which has been declared by the governor to be in a state of housing emergency.

(f) Publication of Board Activities. Each board shall publish once a month during the period of housing emergency, in a newspaper of general circulation within its area, the names of its members, the dates of its meetings, the precise address to which all correspondence, complaints and reports should be directed, and a statement of the availability of a monthly journal. Each board shall publish a monthly journal which lists the increases requested and the commissioner's final disposition of complaints disposed of during the previous month. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.080. HEARINGS. (a) Hearing Procedure. Each board shall hold a hearing if it is requested by either party. Parties may be represented by counsel or by any other individual or agency if they desire representation. Any person designated by the commissioner may appear before the board. The board need not follow strict rules of evidence at a hearing but may consider any evidence it considers relevant in the interest of justice. Testimony shall be taken on oath or affirmation. The time of the hearings shall be set with regard to the convenience of the board and the parties.

(b) Record of hearing. Each board shall make a tape recording of each hearing. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040

3 AAC 90.090. OBJECTIONS TO ADVERSE BOARD RECOMMENDATIONS. (a) Procedure for objecting to a board recommendation. A party aggrieved by an adverse recommendation of the board may object to the commissioner within 10 days from the notification of an adverse board recommendation. The objections shall be in writing and shall state in a brief and informal manner the

reasons for the objection. Upon receipt of the objection, the commissioner shall review the record and issue a final determination concerning the proposed rental increase.

(b) Record. The record for purpose of reviewing objections or for purposes of judicial review consists of all written statements, evidence, and reports submitted to the board, and the recording of the hearing. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040

3 AAC 90.100. ORDERS OF COMMISSIONER OF COMMERCE. (a) Review of Objections to Board Recommendations. All recommendations of Emergency Rent Review Boards shall be forwarded to the commissioner for final action. The commissioner or his authorized designee will review on the record each recommendation of the board and issue a rent order approving or denying, in whole or in part, the proposed rental increase. A copy of the commissioner's order will be sent by certified mail to the landlord and the tenant. A rent order is considered a final order for purposes of judicial review and will include a statement of the parties' right to have the order reviewed in court, if a notice of appeal is filed in the superior court within 30 days after the issuance of the rent order.

(b) Effect of orders in actions for eviction. An order by the commissioner prohibiting an increase in rent is a defense in an action for eviction of a tenant for failure to pay that rent increase. An order by the commissioner allowing an increase in rent may be pleaded by the landlord in support of an action for eviction for failure to pay that rent increase.

(c) Prospective effect of orders affecting rents raised between December 31, 1974 and the effective date of this chapter. Any order of the commissioner requiring roll-back of a rent increase which became effective after December 31, 1974 and before the effective date of this chapter has the effect of invalidating the increase, but the tenant does not have an action to recover the amount of rent paid under the increase before the order of the commissioner is issued. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040

3 AAC 90.110. STANDARD FOR REVIEW OF PROPOSED INCREASES IN RENT. (a) It is the intent of this chapter to allow landlords in housing emergency areas to implement only those rent increases sufficient to enable them to recover increased costs for items reasonably and actually related to the operation of their properties and to permit them a reasonable profit on their investment.

(b) A rent increase will be approved by the commissioner if it does not exceed increased costs for the property or would not result in a profit on investment which is higher than that required to attract capital to the rental market in the housing emergency area. In determining what profit on investment would attract capital to the rental market in a particular emergency area, a board may take evidence on that subject before hearing particular cases, or it may consider evidence of that kind in particular cases. The burden of proof to establish, by a preponderance of the evidence, the profit on investment which would attract capital to that rental market is on the party alleging the appropriateness of a particular level of profit. If the evidence is inadequate, the allowable profit on investment is 15 per cent.

(c) In this section, "increased costs" means:

- (1) increases in taxes assessed;
- (2) municipal property assessments imposed since the last rent increase;
- (3) increase in utility costs;
- (4) increases in maintenance and repair costs;
- (5) increases in profit for a sole proprietorship or a partnership other than a limited partnership which are comparable to increases in the cost of living for the area;
- (6) the cost of capital improvements made after December 31, 1974 on residential housing accommodations existing on January 1, 1975, amortized over the useful life of the structure;
- (7) the cost of fixtures and furnishings provided after December 31, 1974 for residential housing accommodations existing on January 1, 1975, amortized over the useful life of the item;
- (8) increases in premiums for insurance on the property involved;
- (9) increases in credit losses occurring since the last rent increases;
- (10) increases in personnel or other management costs.

(d) In considering the items set out in (c)(1)--(10) of this section, allowable increases include but are not limited to the tenant's pro rata share of that cost item. In this subsection, "pro rata share" means the portion of the increase paid or assessed which bears the same ratio to the total increase as the rent set for the complaining tenant's unit bears to the total rent set for all units covered by that cost increase.

(e) A recommendation of the board either to approve or disapprove a requested increase shall set out in writing those findings of the board which, in the opinion of the board, were relevant to a determination of the validity of the increase.
(Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.120. EVICTIONS AND VACATIONS. (a) Notice of eviction. A landlord shall deliver a written notice of eviction to a tenant at least 30 days before the effective date of the eviction. In an area declared by the governor to be in a state of housing emergency, the notice of eviction shall clearly state reasons for the eviction.

(b) Notice of intent to vacate. A tenant shall deliver to a landlord a notification in writing that the tenant intends to vacate the premises. The notice shall be delivered to the landlord at least 30 days before the tenant vacates the premises.
(Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.130. RETALIATORY CONDUCT PROHIBITED. A landlord may not retaliate by increasing rent or decreasing services or by bringing or threatening to bring an action for possession after the tenant has exercised his rights under this chapter or AS 34.06. (Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.140. NO WAIVER OF RIGHTS. No landlord or tenant may waive his or her rights under this chapter or AS 34.06.
(Eff. / / , Register)

Authority: AS 34.06.030

3 AAC 90.150. DEFINITIONS. Unless the context indicates otherwise, in this chapter,

(1) "board" means an Emergency Rent Review Board established under sec. 60 of this chapter;

(2) "commissioner" means the commissioner of commerce or his designee;

(3) "transient occupancy in hotels, motels, and motor inns" means the customary short-term presence of guests in those facilities and does not mean arrangements which substantially compete with other residential housing accommodations;

(4) "residential housing accommodation" means a single or multiple unit private dwelling, including mobile homes, or a

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3 AAC 90.150

structure on the land that may be leased for any term of one week or longer, or other condition of tenancy, that is used for dwelling purposes. (Eff. / / , Register)

Authority: AS 34.06.030
AS 34.06.040
AS 34.06.050

House Judiciary Committee
April 15, 1975

The meeting was called to order at 1:20 p.m. by Chairman Gardiner. All members were present except Mr. Cotton.

SB 290 Rent Control

Bill Miles of the Department of Commerce, testified that approximately 200 persons attended the April 8 hearing in Fairbanks on rent control. He felt that the testimony at the hearing was about evenly divided. Two written statements were submitted which Mr. Miles will forward to the committee. He felt that the majority opinion was that if anything was to be done, now was the time to do it.

Regarding SB 290, the Department of Commerce requests that the committee delay action. The Department hopes to work out a less broad solution to the present situation than presented in the bill. He felt that the bill would slow down planned emergency action because the stipulations of the bill require normal judicial procedures. He felt that the governor would make a decision within two weeks as to whether an emergency situation exists. Mr. Specking suggested that the committee check with the governor on Friday, to allow him time to get the results of the Valdez hearing. Mr. Bradley and Mr. Brown suggested that the committee prepare the bill and get it to Rules, just in case it was determined needed.

Mr. Miles stated that the broad base approach will probably not work. He suggested a case by case approach.

Mr. Parr raised the question of whether the bill required blanket controls or could the controls be selective?

Don Clocksin testified in favor of the bill. He stated that the two objections raised at the Fairbanks hearing were that rent control would discourage new construction and prevent landlords from passing on reasonable increased costs. He stated that the bill was concerned with rent control, not a freeze. He stated that a freeze definitely would not work. He testified that the bill provided, in effect, the regulations with which to work. This is the first step in a series of requirements (regulations, hearings on regs, emergency proclaimed) before the Governor may declare an emergency. He said that the bill basically provides a stronger enforcement mechanism. He felt that the long term answer to the present problem was construction, but that rent control as a short term solution was needed immediately.

Mr. Parr moved on page 2, line 5, after "taxes" add "actual maintenance costs." The amendment passed.

Mr. Bradley moved on page 3, line 18, change \$1,000 to \$2,500. Mr. Specking objected. The amendment passed.

House Judiciary Committee
April 15, 1975
page 2

page 5, sections (1) and (2) were determined to be confusing and the committee requested that . . . language be drafted.
line 9 - delete "or the amount directed to be refunded"
add "or not less than" "three times the amount the department directed by refunded" line 12 should be part of (d)

page 4, lines 10 - 19 Does the department have a vested interest in the suit. If the department sues, this bars the tenant from suit.

The committee requested that the new language be drawn up and that after further consideration, SB 290 would be attached to HB 321.

House Judiciary Committee
April 17, 1975

The meeting was called to order at 7:10 p.m. by Chairman Gardiner. All members were present except Mr. Specking.

SB 290 Rent Control

The committee met in work session and adopted the following amendments:

page 3, line 6 after "costs" insert ,

page 4, lines 21 and 22 delete "who receives rent from a tenant"
lines 23, 24, 25, 26, 27, 28: Delete all beginning
with "that prescribes . . . to . . . account of the overcharge"
and insert: an aggrieved tenant within one year from the date of
the occurrence of the violation, may bring an action against the
landlord for his damages, as provided in this section."

page 5, lines 2 and 3 delete "The amount of the overcharge" and
insert "the damages"

page 5, line 6 delete "who receives rent from a tenant"
page 5, line 7 after "department" insert , and delete "prescribing
maximum rent with respect to the residential housing
accommodations for which rent is received from the tenant,"
page 5, line 9 insert "aggrieved" before "tenant"
page 5, line 10 change 30 days to 90 days
page 5, line 15 insert , unless the action brought by the
department has been dismissed without prejudice."

page 5, line 16 change "and" to "or"
page 5, line 17 delete "the" before "recovery and delete "either by the
tenant or the department under this section of damages"
page 5, line 18 insert after "action "under this section"
page 5, line 19 delete "overcharge," before "the bringing of the
action in which the judgment was rendered." and insert "violation."

page 5, line 15 insert "when judgment is rendered in favor of
the department, there shall be paid to the tenant from the sum
recovered one-third of the recovery, exclusive of costs
and other disbursements." Delete this language from lines 20 - 24.

page 5, line 24 delete "who receives rent from a tenant"
line 25 delete "containing a directive" and insert "directing"

page 6, line 5 delete "or the amount directed to be refunded"
page 6, line 7 insert "When judgement is rendered in favor of the
department in the action, there shall be paid to the tenant from
the sum recovered one-third of the recovery, exclusive of the
costs and other disbursements." and delete this language from
lines 19-23.

page 6, line 7 delete "paying the rent also may" and insert "may also"
line 8 after "section" insert "and recover the same damages"