

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

6822 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. H.B. 151

Revision Date: _____ Department Affected: Corrections
 Title: "An Act relating to parole." BRU: Statewide Programs
 Component: All Institutions, Statewide Programs
 Sponsor: Rep. Koponen
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	50.0	50.0				
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	50.0	50.0				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	50.0	50.0				
FEDERAL FUNDS						
OTHER						
TOTAL	50.0	50.0				

POSITIONS:

FULL-TIME	0	0				
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

The \$50.0 in personal services relates to overtime costs of institution employees. After two years the program impact would diminish, therefore, little fiscal impact.

Prepared By: Tom Sutton, Director Phone: 465-3376
 Division: Administrative Services Date: 04/01/91
 Approved by Commissioner: *[Signature]*
 Agency: Department of Corrections Date: 04/01/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Time In: _____
Time Out: _____

SIGNED _____

§ 12.55.010

ALASKA STATUTES

§ 12.55.015

Sec. 12.55.010. Imprisonment on judgment for payment of fine. [Repealed, § 21 ch 166 SLA 1978. For present provisions, see AS 12.55.035(a).]

Sec. 12.55.015. Authorized sentences. (a) Except as limited by AS 12.55.125 — 12.55.175, the court, in imposing sentence on a defendant convicted of an offense, may singly or in combination

(1) impose a fine when authorized by law and as provided in AS 12.55.035;

(2) order the defendant to be placed on probation under conditions specified by the court that may include provision for active supervision;

(3) impose a definite term of periodic imprisonment;

(4) impose a definite term of continuous imprisonment;

(5) order the defendant to make restitution under AS 12.55.045;

(6) order the defendant to carry out a continuous or periodic program of community work under AS 12.55.055;

(7) suspend execution of all or a portion of the sentence imposed under AS 12.55.080;

(8) suspend imposition of sentence under AS 12.55.085;

(9) order the forfeiture to the commissioner of public safety of a deadly weapon that was in the actual possession of or used by the defendant during the commission of an offense described in AS 11.41, AS 11.46, AS 11.56, or AS 11.61;

(10) order the defendant, while incarcerated, to participate in or comply with the treatment plan of a rehabilitation program that is related to the defendant's offense or to the defendant's rehabilitation, if the program is made available to the defendant by the Department of Corrections.

(b) The court, in exercising sentencing discretion as provided in this chapter, shall impose a sentence involving imprisonment when

(1) the defendant deserves to be imprisoned, considering the seriousness of the present offense and the defendant's prior criminal history, and imprisonment is equitable considering sentences imposed for other offenses and other defendants under similar circumstances;

(2) imprisonment is necessary to protect the public from further harm by the defendant; or

(3) sentences of lesser severity have been repeatedly imposed for substantially similar offenses in the past and have proven ineffective in deterring the defendant from further criminal conduct.

(c) In addition to the penalties authorized by this section, the court may invoke any authority conferred by law to order a forfeiture of property, suspend or revoke a license, remove a person from office, or impose any other civil penalty.

(d) *[Repealed, § 1 ch 188 SLA 1990.]*

§ 33.16.120

Gely v. State, 739 P.2d App. 1987).
v. State, 752 P.2d 475 (1988).
v. State, 772 P.2d 559 (1989); *Charles v. State*,aska Ct. App. 1989); App. Op. No. 1043 (File 2d (1990).

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AS 33.16.130(a).
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§ 33.16.150 PROBATION, PRISONS, AND PRISONERS § 33.16.150

parole that may affect the victim. (§ 2 ch 88 SLA 1985; am §§ 12 — 15 ch 59 SLA 1989)

Effect of amendments. — The 1989 amendment, effective August 28, 1989, re-wrote subsections (a), (b), and (e); and in subsection (c), substituted the language beginning "to attend meetings" and ending "in writing or in person" for "to comment in writing" in the first sentence and "any written" for "the" in the second sentence.

Sec. 33.16.150. Conditions of parole. (a) As a condition of parole, a prisoner released on discretionary or mandatory parole shall refrain from conduct punishable by imprisonment under state or federal law or municipal ordinance.

(b) The board may require as a condition of discretionary or mandatory parole that a prisoner released on parole

- (1) meet family obligations;
- (2) pursue employment, education, counseling, or training;
- (3) remain within stated geographic limits unless written permission to depart from the stated limits is granted the parolee;
- (4) report upon release to the parole officer assigned to the parolee;
- (5) report as required to the parole officer assigned to the parolee;
- (6) reside at a stated place and notify the board of any change in place of residence;
- (7) not possess or control firearms or other dangerous weapons;
- (8) refrain from possessing or consuming alcoholic beverages;
- (9) submit to reasonable searches and seizures by a parole officer, or a peace officer acting under the direction of a parole officer;
- (10) submit to appropriate medical, mental health, or controlled substance or alcohol examination, treatment, or counseling;
- (11) submit to periodic examinations designed to detect the use of alcohol or controlled substances;
- (12) make restitution ordered by the court according to a schedule established by the board;
- (13) refrain from opening, maintaining, or using a checking account or charge account;
- (14) refrain from entering into a contract other than a prenuptial contract or a marriage contract;
- (15) refrain from operating a motor vehicle;
- (16) refrain from entering an establishment where alcoholic beverages are served, sold, or otherwise dispensed;
- (17) refrain from participating in any other activity or associating with any other person that the board determines is reasonably likely to diminish the rehabilitative goals of parole, or that may endanger the public.

(c) Except for a condition imposed under (b)(4), (7), (9), (11) or (12) of this section, the board may generally delegate imposition of special

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* DELIVER TO: LHSCHES
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*
* ORIGINAL
* SENT: 04/04/91 TIME: 10:16
* FROM: LTCCKTN
* SUBJECT: 91-04-011;FS;CORR/HEALTH;4-4
* PRINT DATE: 04/04/91 TIME: 10:16
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T/C NO: 91-04-011
DATE: APRIL 4, 1991
SPONSOR: HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES
SUBJECT: HB 151: PAROLE ELIGIBILITY/REHABILITATION PROGRAM
          HB 174: ALTERNATIVE INCARCERATION PROGRAM
          HB 230: HEPATITIS B TESTING AND VACCINATIONS
          HB 214: STATE AID FOR NONPROFIT HEALTH FACILITIES
          HCR 20: SUDDEN INFANT DEATH SYNDROME AWARENESS
MODERATOR: JUNE ROBBINS
SITE: KETCHIKAN

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FINAL STATS

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TESTIFIED

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NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. ED MAHN, KETCHIKAN GENERAL HOSPITAL	3100 TONGASS AVE. KETCHIKAN 99901	225-5171	HB 214

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*****
OBSERVED

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NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. CONSTANCE GRIFFITH	2509 4TH AVE. KETCHIKAN 99901	225-5069	HB151 AND HB174

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TESTIFIED: 1
UNABLE: 0
OBSERVED: 1
TOTAL: 2

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 * DELIVER TO: LHSCHES
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 * ORIGINAL
 * SENT: 04/04/91 TIME: 10:52
 * FROM: LIOCMIL
 * SUBJECT: 91-04-011;FS;(H)HESS;4/4
 * PRINT DATE: 04/04/91 TIME: 10:53
 *

SUBJECT LINE TO READ: TC NO.; FL FS;SHORT SUBJECT;DATE

T/C NO: 91-04-011
 DATE: 4/4
 SPONSOR: (H)HESS
 SUBJECT: HB 151 ETC.
 MODERATOR: JUDY
 SITE: ANCHORAGE

FINAL STATISTICS

 TO TESTIFY

NAMES/REPRESENTING	ADDRESS	PHONE	BILL NO.
X. SHARON ANDERSON	POB 143889	276-1131 x1330	HB 214 -Humana
Q. ANTONIA HARTMAN	2300 D #301		HB 151
X. NORMA SIMPSON	BOX 91733 99509		HB 151

 TO OBSERVE:
 NAME/ REPRESENTING ADDRESS PHONE BILL NO.

TESTIFIED: 1
 UNABLE: 2
 OBSERVED: 0
 TOTAL: 3

START TIME: 8:00 END TIME: 10:10

THE FOLLOWING DOCUMENT MAY NOT FILM
LEGIBLY BECAUSE OF THE POOR QUALITY OF THE
ORIGINAL

JOSEPH P. O'LONE, M.D.
WEST VALLEY PLAZA
4001 GEIST ROAD, SUITE 6
FAIRBANKS, ALASKA 99709

psychiatrist

U suggests HB 544 + 545

JOSEPH P. O'LONE, M.D.
PSYCHIATRIST

3-14-90

Representative Niilo Koponen

PO Box ~~94811~~ V

Junction, AK 99811

Re: HB 544 + 545

Dear Representative Koponen,

I would appreciate your affirmative vote on

HB's 544 + 545.

My interest is as an M.D. Psychiatrist who
does some court work and who feels that, in worthy
cases, more mitigating factors + alternative sentencing
should be considered.

Sincerely yours,
Joseph P. O'Loone, M.D.

Joseph P. O'Loone, M.D.

 *
 * DELIVER TO: LHSCHES *
 * *
 * *
 * ORIGINAL *
 * SENT: 04/04/91 TIME: 10:52 *
 * FROM: LTCCFBX *
 * SUBJECT: 91-04-011;FS;HHES;4-4 *
 * PRINT DATE: 04/04/91 TIME: 10:52 *
 * *

SUBJECT LINE TO READ: TC NO.;PL/FS,SHORT SUBJECT,DATE

T/C NO: 91-04-011
 DATE: APRIL 4, 1991
 SPONSOR: HOUSE HESS
 SUBJECT: HB 151: HB 174: HB 230: HB 214: HCR 20
 MODERATOR: FRAN
 SITE: FAIRBANKS

FINAL STATS

 TO TESTIFY

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. RON MURRAY , 174	315 BARNETTE,	FBX,99701	451-7762
2. GLENN HACKNEY,	1136 SUNSET DR.,	FBX,99709	474-0610
3. JOAN KOPONEN,	710 CHENA RIDGE,	FBX,99709	479-6782

 OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. LEW REECE, 174	315 BARNETTE, FBX,99701	451-7762	Dept. of Connect.
2.			

TESTIFIED: 3

UNABLE:

OBSERVED: 1

TOTAL: 4

START TIME: 8:00 A.M.

END TIME: 10:10 A.M.



Alaska State Legislature
House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 4/4/91

PLACE: Capitol Room 106

SUBJECT OF MEETING:
~~HR 151 PAROLE ELIGIBILITY/REHABILITATION~~
~~PROGRAM~~

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
San Trivette	Dist. Comm.	Box T			5-3384	<input checked="" type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
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HB

152

2/14/91
Rep. Kay Brown

Sectional Analysis

CSHB 152 (L&C) — Alaska Housing Commission & Trust Fund

Section 1

Findings.

Section 2

The Alaska State Housing Commission is established within the Department of Community and Regional Affairs consisting of 11 members, including:

- Commissioner of the Department of Community and Regional Affairs;
- Commissioner of the Department of Commerce and Economic Development;
- Commissioner of the Department of Revenue;
- a person employed by the mortgage banking industry;
- two persons representing those who have special housing needs;
- two individuals representing the interests of regional housing authorities;
- one real estate broker; and
- two public members.

The Commission serves as the governing board of both the Alaska Housing Finance Corporation (AHFC) and the Alaska State Housing Authority (ASHA). The Commission shall coordinate all state housing programs and policy, including budget requests to the legislature. The Commission shall prepare a Five Year Housing Plan with full public participation, shall serve as the designated state agency responsible for the receipt and distribution of federal housing grant awards on behalf of the state, and shall administer the Alaska Housing Trust Fund.

Section 3

Amends current statute to provide that the Alaska State Housing Commission is the governing body of the Alaska State Housing Authority (ASHA).

Section 4

Amends current law to require that the Alaska State Housing Authority (ASHA) file reports with the Department of Community and Regional Affairs rather than the Department of Commerce and Economic Development.

Sectional CSHB 152 (L&C)

Section 5

Amends current law to require that the Alaska State Housing Authority (ASHA) file reports with the Department of Community and Regional Affairs rather than the Department of Commerce and Economic Development.

Section 6

Amends current law to require that the Alaska State Housing Authority (ASHA) file reports with the Department of Community and Regional Affairs rather than the Department of Commerce and Economic Development.

Section 8

Amends current statute to provide that the Alaska State Housing Commission is the governing body of the Alaska Housing Finance Corporation (AHFC).

Section 9

Amends current law to provide that the Alaska State Housing Commission is the governing body of the Alaska Housing Finance Corporation (AHFC).

Section 10

Amends current statute to provide that the Alaska State Housing Commission is the governing body of the Alaska Housing Finance Corporation (AHFC).

Section 11

Adds a new provision to the statutes of the Alaska Housing Finance Corporation (AHFC) to require that a resolution of the corporation that authorizes the issuance of bonds or bond anticipation notes must reference the reappropriation of funds as provided for by in AS 18 56.400 (see Section 13).

Section 12

Conforming amendment to provide that Alaska State Housing Commission is the governing body of the Alaska Housing Finance Corporation (AHFC).

Section 13

Establishes the Alaska Housing Trust Fund within the Alaska Housing Finance Corporation (AHFC). The Alaska Housing Trust Fund consists of money appropriated to the fund by the legislature.

Each year the Commission shall determine if any portion of the funds administered by the Alaska Housing Finance Corporation (AHFC) is unrestricted, not necessary to meet the financial obligations of the corporation and could be utilized as a part of the Alaska Housing Trust Fund. The amount shall be reported to the legislature. Subject to legislative appropriation, the amount reported shall be deposited into the Alaska Housing Trust Fund. Once the Alaska Housing Trust Fund is fully capitalized at \$100 million, the amount identified annually shall, subject to appropriation by the legislature, be deposited into the general fund.

The Commission shall utilize the Trust Fund to provide housing assistance funding for public agencies (including municipalities and regional housing authorities) and private nonprofit organizations, to finance the design, construction, development, rehabilitation or improvement of low and moderate income housing, including special needs housing. Funding may take the form of grants, loans interest rate subsidies, building subsidies, matching funds and other forms of assistance under regulations adopted by the Commission.

Section 14

Conforming amendment to provide that Alaska State Housing Commission is the governing body of the Alaska Housing Finance Corporation (AHFC).

Section 15

Provides that the principal executive officer of the Alaska State Housing Commission is partially exempt.

Section 16

Establishes the Alaska State Housing Commission as subject to the state conflict of interest disclosure laws.

Section 17

Conforming amendment to provide that Alaska State Housing Commission is the governing body of the Alaska State Housing Authority (ASHA).

Section 18

Provides for the Alaska State Housing Commission to serve as the governing body of both the Alaska Housing Finance Corporation (AHFC) and the Alaska State Housing Authority (ASHA) as an exception to the general prohibition against interlocking directorates that could tend to create a monopoly.

Section 19

Provides that nothing in this Act is intended to interfere with or impair a contract, right, liability, bond, note or other obligation of the Alaska State Housing Authority (ASHA) or the Alaska Housing Finance Corporation (AHFC) that exists on the effective date of the Act.

ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Jacqueline L. Johnson, President
P.O. Box 32237
Juneau, Alaska 99803
(907) 789-3800

TESTIMONY OF JACQUELINE L. JOHNSON, PRESIDENT
ASSOCIATION OF ALASKA HOUSING AUTHORITIES
H.B. 152 and H.B. 153
March 7, 1991



I am Jacqueline Johnson and I represent the Association of Alaska Housing Authorities which consists of one state-wide public and 14 Regional Indian Housing Authorities.

In Alaska Market Council's State Housing Policy for the 1990's, it states it is the policy of the State of Alaska in the allocation of state housing resources to give first funding priority to the state's most urgent housing needs. It is the policy of the State of Alaska to improve the availability, accessibility and affordability of housing for people with limited or low incomes.

The State's most urgent housing needs at the time of the report, one year ago, were identified as rural and low income. That need was identified in the 1988 Rural Housing Needs Assessment Study which stated findings of 6,740 new houses needed and another 15,088 homes requiring additions to relieve overcrowding. At the time of the development of the Alaska Housing Market Council's report, AHFC and DCRA's total portfolio showed that only 27% of the mortgage loans went to bush communities.

The Regional Housing Authorities are the major providers of housing in rural Alaska and have been using federal funding with a 20% supplemental from the State. These funding sources have steadily declined in the previous eight years. Last year, Congress appropriated funding for 3,000 units of which the State of Alaska received approximately 10% which recognized to the State about \$41 Million Dollars which is a direct funding line to Regional Housing Authorities. One of the major reasons for the increase of federal dollars in Indian Housing Programs for the 1991 appropriation was because of the critical, recognized need for housing in Rural Alaska. The State cannot continue to rely solely on Federal money to provide housing in Rural Alaska. Once again HUD has submitted in its 1992 budget, zero (0) construction dollars which, of course, means zero (0) construction dollars for Alaska. HUD's administration is promoting the HOME and HOPE Programs which virtually do nothing to ease Alaska's housing crisis. The HOME Program will require matching funds from the State. This will not bring in new additional dollars to the State but reappropriate some of the former construction dollars but at a much lower funding level. If the Federal Programs are not to be consistent in their funding to this State and if the State

ASSN. OF AK HOUSING AUTH. SUPPORT

Testimony of Jacqueline L. Johnson
H.B. 152 and HB 153
March 7, 1991
Page 2

itself does not supply funding for this recognized essential housing need, what happens to rural housing?

We, the Association, feel it is imperative that this State develop a commission or recognized body to coordinate the efforts of various housing agencies to provide policies to meet the needs of Alaskans. We are in support of the concept of H.B. 152. We, however, feel the feasibility of such a large board would inhibit the various agencies from being effective and efficient. We recognize the regular tasks of housing authority boards and it is essential that the board be able to respond quickly to business especially other sources of funding availability. If the commission could be a mechanism with representation from various existing housing boards and hold the authority to appropriate State housing funding resources thereby creating not another level of bureaucracy but better fulfilling equitable housing resources to Alaskans.

We, the Association, have passed a resolution supporting our position and are requesting two seats on this proposed commission representing rural housing authorities because we are a major provider of housing to this State and have the knowledge of development, construction and management of housing in Rural Alaska.

We are in support of H.B. 153 as we believe the use of a trust fund will enable us to provide more resources to fulfill our housing needs.

Once again, we are requesting the State of Alaska to become a major player of coordinating housing programs within the State ensuring all areas within the State are afforded desperately needed housing funds for one of life's most important necessities, a home.

ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Association of Alaska Housing Authorities
Resolution 91-02
February 20, 1991

Entitled: Resolution requesting that the Alaska
Legislature Support the Concept of a
State Housing Commission



WHEREAS: There is a need for a state housing policy to ensure all Alaskans have safe and affordable housing, and

WHEREAS: The dispersion of housing programs in a number of state agencies hinders the development and execution of coherent policy; and

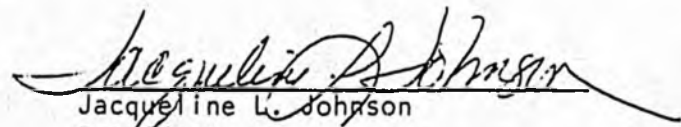
WHEREAS: There is a need for a State Housing Commission to coordinate the State of Alaska's effort to foster affordable housing; and

WHEREAS: The Department of Community and Regional Affairs is responsible for a number of programs addressing such housing needs as energy efficiency, senior housing, providing housing for the State's homeless and rural housing; and

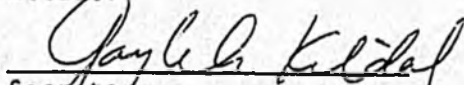
WHEREAS: As we support the concept of a Statewide Housing Oversight Commission, we do not support the commission serving as a governing body for an Alaska Housing Authority.

NOW, THEREFORE, BE IT RESOLVED: That the Alaska Association of Housing Authorities urge that a State Housing Commission be formed; that the state's housing program be consolidated within the Department of Community and Regional Affairs; and that a trust fund be established to address the needs for affordable and safe housing.

BE IT FURTHER RESOLVED: That since the Alaskan Housing Authorities are among the greatest delivery of housing units in the State of Alaska, that a minimum of two seats on the State Housing Commission be represented by Housing Authorities.


Jacqueline L. Johnson
President

Attest.


Secretary

3/17/91

Sponsor Statement

prepared by
Representative Kay Brown

CSHB 152 (L&C)/HB 153 — Alaska Housing Commission & Trust Fund

Summary

CSHB 152 (L&C) would establish an Alaska Housing Commission and Alaska Housing Trust Fund. House Bill 153, a companion funding measure, would appropriate \$100 million to the Alaska Housing Trust Fund from the unrestricted revenues available to the Alaska Housing Finance Corporation.

Background

During 1989-1990, the Alaska Housing Market Council undertook an extensive and comprehensive review of the state's disparate housing programs. As a member of the Council's Housing Policy Development Committee, I had the opportunity to become familiar with the state's severely fragmented housing policy programs and initiatives. CSHB 152 (L&C)/HB 153 is a direct outgrowth of the Council's work and recommendations. This legislation would:

- provide for the consolidation of state housing policy-making within a new Alaska Housing Commission; and
- establish a new Alaska Housing Trust Fund to address unmet low-income and special housing needs.

Alaska Housing Commission — Consolidation of Housing Programs

There is broad recognition of the need for consolidation of housing related policy-making to improve the delivery of housing services. In its final report to the Governor and the Legislature, the Alaska Housing Market Council noted that "central to [the Council's] policy recommendations is the need to provide coordinated housing functions within state government." More specifically, the Council's report recommended the creation of an Alaska Housing Commission "to overcome the fragmentation of existing programs and to ensure continuing public involvement in housing issues."

Housing programs in Alaska are spread among numerous different state agencies, offices and divisions. As noted in the Council report, housing programs are designed with little quantitative information regarding real needs. As a result, there is no cohesive state policy to provide clear direction

SPONSOR STMT

to meet critical housing needs. At the same time, the recently enacted federal Affordable Housing Act requires that future state and local participation in federal housing programs is contingent upon the development of a comprehensive state housing strategy.

Alaska Housing Trust Fund — Financing for Affordable Housing

Apart from the need to consolidate housing policy-making, there is also widespread recognition that the state's existing housing initiatives have not succeeded in meeting critical housing needs. Even while nearly a third of all Alaskans are considered to be low-income, these housing needs have not been adequately addressed through existing housing programs. The Alaska Housing Trust Fund would provide a financing mechanism to help meet the need for affordable housing.

The Alaska Housing Trust Fund would be capitalized with surplus, unrestricted revenues available to the Alaska Housing Finance Corporation (ie, corporation revenues beyond those needed to meet the corporation's debt obligations). Once the Alaska Housing Trust Fund was capitalized in the amount of \$100 million, AHFC's unrestricted funds would be diverted to the general fund.

The Alaska Housing Commission would use earnings of the Alaska Housing Trust Fund to finance housing assistance by public agencies (including municipalities and regional housing authorities) and private non-profit organizations, and provide a means to finance the design, construction, development, rehabilitation or improvement of low- and moderate-income housing, including special needs housing.

Under the terms of the proposed legislation, financial assistance would take the form of grants, loans interest rate subsidies, building subsidies, matching funds and other forms of assistance as identified under regulations adopted by the Commission.



Alaska State Legislature
House of Representatives
COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

OFFICIAL BUSINESS

POUCH V
JUNEAU, AK 99811
465-3759

TO: REP. GEORGIANNA LINCOLN, CO-CHAIR
REP. PATRICK CARNEY, CO-CHAIR
REP. BETTYE DAVIS, VICE-CHAIR
REP. CHERI DAVIS
REP. JOHN GONZALES
REP. MARK HANLEY
REP. MARY MILLER
PAT JACKSON
CAROLINE LOMBARD
✓ LIBRARY FILE
REFERRAL FILE
HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

FR: PATTI, HESS COMMITTEE SECRETARY *Patti*

DT: APRIL 3, 1991

RE: HB 152/153 -- A.H.F.C. POSITION PAPER

JUST RECEIVED.....THE A.H.F.C. POSITION PAPER AS MENTIONED IN
THE APRIL 3, 1991, HEARING OF HB 152/153 IN OUR HESS
COMMITTEE. IF YOU WILL RECALL, MS. BARKER TESTIFIED VIA
TELECONFERENCE FROM ANCHORAGE.

HB 152/153 WAS HELD IN COMMITTEE AND WILL BE RESCHEDULED.

FOR YOUR FILES.



520 East 34th St.
Anchorage, AK 99503
(907) 561-1900
P.O. Box 101020
Anchorage, AK 99510

FAX COVER SHEET

Rep. Lincoln/Rep. Carnen
TO: House HESS Committee

FAX: 465-2652

FROM: Mitzi C. Barker
AHFC Office of Planning and Research

DATE: 4/3/91

We are transmitting 2 pages, plus this cover sheet. If any part of this transmission is illegible or incomplete, please call me at 907-564-9323.

message:

testimony re HB 152/153



520 East 34th Avenue
 Anchorage, AK 99503
 (907) 561-1900
 P.O. Box 101020
 Anchorage, AK 99510

POSITION PAPER
HB 152/153 - Alaska State Housing Commission
 April 3, 1991

We agree with Rep. Brown that critical housing needs exist in Alaska, particularly in rural Alaska; we further agree that there is a need for a comprehensive approach to statewide housing policy planning. We applaud Rep. Brown's motivation in desiring to see improved housing delivery for lower-income Alaskans. However, we differ with her with respect to the mechanics of how it ought to be accomplished. We disagree also, with several key aspects of the Findings.

There are not, in fact, thirteen state entities directly delivering housing services today. AHFC was an active member of the Alaska Housing Market Council and its Housing Policy Development Committee, who published the report from which Rep. Brown draws this assertion.

Much has changed since the report was published in January, 1990. The Market Council itself has been dissolved. Another entity cited in the report, AIDEA, no longer makes housing loans. Several of the other entities named are not directly involved in housing services for broad band of lower-income Alaskans, but serve only those special groups which fall within their jurisdictions. At least one entity was included solely because it provided on-site housing for its rural Alaskan employees.

Four entities remain: AHFC, ASHA, DCRA and the Div. of Mental Health and Developmental Disabilities. Each of these has a separate and distinct mission and identity. Further, recent history demonstrates that these entities do, indeed support and work with each other:

For example, in 1989, AHFC provided funds to ASHA to demolish the Willow Park housing project in Anchorage. Later, ASHA purchased several of AHFC's foreclosed REO properties for use as low-rent public housing to replace the Willow Park units. In 1988, ASHA and DMHDD entered into a joint supervised independent living project for the chronically mentally ill, using ASHA Section 8 program funds. And since 1985, AHFC and DCRA have cooperated in the HAD program, providing financing for rural Alaskan homeowners. Today, AHFC and ASHA are cooperating in the implementation of a congregate housing program (created by HB 218 last legislative session). ASHA and AHFC have also joined forces to explore alternative development and financing strategies for redevelopment of the Hollywood Vista property on Government Hill in Anchorage. AHFC and DCRA are jointly developing the senior housing program established in statute last year by SB 150. AHFC also maintains a high profile in the non-profit community; the corporation has sold over 100 units of surplus housing to Anchorage Neighborhood Housing Services at prices advantageous to ANHS, and is working today with ANHS to broker a multi-partner deal to develop 200 units of new multi-family housing for lower-income households.

Cooperation has been occurring among housing entities with regard to the new National Affordable Housing Act. For over a year, AHFC has been providing current information from Washington, D.C. on the status of this landmark legislation, channeling comments from all four entities back to congress through the Office of the Governor. Since passage of the bill, AHFC has coordinated Alaska's comments on regulations implementing the bill.

We disagree also with the finding that limited housing market and needs data exist. AHFC anticipated the data requirements of the Comprehensive Housing Affordability Strategy the state must prepare to participate in the new national housing programs. In 1990, AHFC contracted with the Alaska Department of Labor to develop a new, comprehensive housing information data base. The first data products, including a regional housing affordability index will be published later this month.

We further disagree that the formation of yet another layer of government, in the form of a state housing commission is the most cost-effective approach to coordination of housing initiatives in the state, and propose an alternative that comes from the second part of the bill, the Alaska Housing Trust Fund.

The concept for creating and capitalizing an Alaska Housing Trust Fund originated with AHFC. As conceived by AHFC, a new department would be established and staffed within the corporation to administer the activities of the fund; management of the fund's assets would be handled by the AHFC finance department. The Trust Fund would be governed by an advisory commission, made up of representatives of each of the major housing entities and public members. It would be the job of the Trust Fund advisory commission to establish the priorities for the use of the fund's earnings and to evaluate competing applications. Eligible applicants would include public and private for-profit and non-profit concerns desiring to provide housing for lower-income Alaskans. ASHA, DCRA, and DMHDD would all be eligible grantees. AHFC alone would not have an interest in receiving Trust Fund support. Regulations governing the Trust Fund would be developed by the Advisory Commission, and codified with AHFC's regulations. Cost of administering the Trust Fund would be borne by AHFC, not the General Fund.

We believe that the Trust Fund advisory commission has the potential to serve effectively as the mechanism which brings together government, the non-profit community, the private sector, and the public to develop and monitor statewide housing policy, beginning with the Comprehensive Housing Affordability Strategy, which must be complete by October 31, 1991.

The AHMC anticipated this federal requirement accurately. What was not accurate was the assumption that this requirement could only be met through creation of a new mechanism to develop the strategy. Four alternatives were outlined in the Market Council report; each of the alternatives has a price tag attached to it ranging from \$145,000 to \$540,000. These costs would be borne by the General Fund. There is a possibility that the costs could be taken off the top of any new housing funds coming to the state as a result of the National Affordable Housing Act, however this would substantially reduce the funds available for direct benefit to lower-income Alaskans.

AHFC has the desire, the resources and the ability to coordinate statewide housing policy, through the mechanism of an Alaska Housing Trust Fund, housed as a department of AHFC, *at no cost to the General Fund.*

TESTIMONY OF JOHN P. GUINN, EXECUTIVE DIRECTOR
FOR AVCP REGIONAL HOUSING AUTHORITY ON
H. B. 152 AND H. B. 153
APRIL 10, 1991

Mr. Chairman,

MY NAME IS JOHN GUINN AND I AM THE EXECUTIVE DIRECTOR FOR AVCP REGIONAL HOUSING AUTHORITY, BASED OUT OF BETHEL, ALASKA. AVCP REGIONAL HOUSING AUTHORITY REPRESENTS OVER 1000 UNITS OF HOUSING IN RURAL ALASKA, AND WE PHYSICALLY COVER AN AREA SLIGHTLY LARGER THAN THE STATE OF WISCONSIN. BESIDES BEING DIRECTOR OF AVCP REGIONAL HOUSING AUTHORITY, I WOULD LIKE TO SAY THAT I WAS ON THE CITY COUNCIL OF BETHEL FOR 14 YEARS, BEING MAYOR OF BETHEL FOR 8 OF THOSE YEARS. I AM PRESENTLY THE VFW COMMANDER FOR THE STATE OF ALASKA, A POSITION I AM PARTICULARLY PROUD OF. FIRST OF ALL, I WANT TO THANK YOU FOR THIS OPPORTUNITY TO GIVE TESTIMONY, AND I WANT TO SAY THAT I AM IN SUPPORT OF H. B. 152, AND 153.

~~THE STATE OF ALASKA'S HOUSING NEEDS COMMITTEE~~ *BY REP. BROWN,*

I SPENT A LITTLE OVER A YEAR ON THE GOVERNOR'S ALASKA HOUSING MARKETING COUNCIL'S SUBCOMMITTEE ON URBAN AND RURAL HOUSING. BESIDES BEING ABLE TO PARTICIPATE, I FEEL MY POSITION HELPED ME EDUCATE SOME OF THE PEOPLE ON THE COMMITTEES AS TO THE URGENT HOUSING NEEDS THAT ARE STILL UNMET IN RURAL ALASKA. THE MOST URGENT HOUSING NEEDS THAT WERE IDENTIFIED COMING OUT OF OUR REPORT WERE RURAL AND LOW INCOME. THE 1988 RURAL HOUSING NEEDS ASSESSMENT STUDY POINTED OUT THAT 6,740 NEW HOUSES WERE NEEDED URGENTLY WITH 15,088 ADDITIONAL HOMES REQUIRING ENLARGEMENT AND ADDITIONS TO RELIEVE UNBELIEVABLE OVERCROWDED CONDITIONS, WITH 3 AND 4 GENERATIONS OF FAMILIES LIVING IN SMALL 500 & 600 SQ. FOOT HOMES. WE ARE IN THE PROCESS OF DOING AN UPDATE TO THAT STUDY NOW.

WORKING TOWARDS A STATE-WIDE HOUSING POLICY,

DURING THE COURSE OF OUR MEETINGS, AND OTHER SUB-COMMITTEES, THERE WERE SEVERAL ALTERNATIVES PRESENTED AS POSSIBLE MEASURES TO OVER-SEE THE DEVELOPMENT OF HOUSING IN ALASKA AND TO ASSURE THAT ADEQUATE, SAFE AND AFFORDABLE HOUSING IS BEING PLANNED IN A METHOD THAT IS FAIR, AGREEABLE AND DONE IN A MANNER TO MAXIMIZE AVAILABLE DOLLARS. GREATER STATE PARTICIPATION WAS IDENTIFIED AS AN OVER-WELMING NECESSITY. THERE WERE MANY PUBLIC HEARINGS WHICH GAVE OPPORTUNITIES FOR ANY AND ALL WHO WERE INTERESTED TO TESTIFY AND TO GIVE THEIR VIEWS.

ONE OF THE RESULTS ALL THESE HEARINGS AND MEETINGS WAS TO RECOMMEND A HOUSING COMMISSION THAT COULD COORDINATE THE EFFORTS OF VARIOUS DIFFERENT HOUSING AGENCIES TO BETTER MEET THE NEEDS OF ALASKANS. IN SOME OF OUR EARLIER MEETINGS, THERE WERE SUGGESTIONS LIKE-- ONE PERSON BEING APPOINTED IN THE GOVERNOR'S OFFICE THAT WOULD BE IN CHARGE OF HOUSING--BUT IT WAS POINTED OUT ALSO THAT THIS HAS BEEN TRIED BEFORE AND DIDN'T DO MUCH GOOD AT ALL. THERE WERE SUGGESTIONS CONCERNING THE POSSIBILITY OF A MINI-CABINET--WHICH WAS EVALUATED IN HEARINGS BUT WAS FINALLY PUT ASIDE IN FAVOR OF A HOUSING COMMISSION.

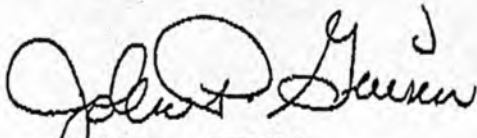
IT SEEMS A SHAME TO ME THAT AFTER MORE THAN A YEAR'S WORK OF

MEETINGS, HEARINGS, TESTIMONY AND INVESTIGATION---THAT HERE WE ARE AGAIN, BACK AT THE BEGINNING WONDERING WHAT TO DO, WITH SOME OF THE SAME PLAYERS HOLLERING AGAIN---BECAUSE THEY WEREN'T AGREED OR DIDN'T GET THEIR WAY ON THE ORIGINAL HEARING LEVEL. WE HAVE ALREADY GONE THROUGH THE HEARINGS AND THE TESTIMONY AND HAVE COME TO A CONCLUSION AND DIRECTION THAT WE FEEL IS BEST FOR ALASKA. IT CERTAINLY WOULD BE A SLAP IN THE FACE OF ALL THOSE WHO SERVED ON THE VARIOUS SUBCOMMITTEES, INCLUDING MYSELF, TO SEE OUR RECOMMENDATIONS THROWN ASIDE AT THE TWILIGHT HOUR BY THE CONTRADICTORY TESTIMONY AND DISAGREEMENT OF A FEW SELF-SERVING AGENCIES AND/OR PEOPLE WHOSE MAIN JOB IS TO SWAY THE LEGISLATURE IN DIFFERENCE TO OUR REPORTS, EVEN THOUGH THEY HAD THE AMPLE OPPURTUNITY TO TESTIFY BEFORE. WD17#

YOUR KNOW, I FEEL IT IS TIME FOR AHFC TO GO BACK TO WHAT IT WAS STARTED FOR IN THE FIRST PLACE---AN ALTERNATIVE TO THE TIMES WHEN THE INTEREST RATES ARE HIGH, WHEN THERE IS NO BANK FINANCING AVAILABLE, A MECHANISM TO MAKE LOW INTEREST NON-COMFORMING LOANS AVAILABLE TO THE NEEDY---BUT NOT TO THE RICH CONSTRUCTION ORGANIZATIONS AS A LOOPHOLE TO REAP HUGE PROFITS. AHFC WAS ORIGINALLY DEVELOPED TO ALMOST SERVE AS A TIMING MECHANISM TO GO OFF WHEN THE ECONOMY WAS SCREAMING FOR RELEASE.

I DON'T WANT TO GO ON FOR TOO LONG, BUT I WOULD LIKE TO GO ON RECORD AS FULLY SUPPORTING H.B. 152, WITH AMENDMENTS, AND H.B. 153. THEY ARE A RESULT OF A YEAR-LONG STUDY AND WILL SERVE FOR THE BETTERMENT OF ALASKAN HOUSING, IF IMPLEMENTED PROPERLY. THE STATE OF ALASKA NEEDS TO BECOME INVOLVED IN BETTER COORDINATING HOUSING PROGRAMS WITHIN OUR GREAT STATE TO INSURE THAT IT IS DONE FAIRLY AND MAXIMIZES AVAILABLE DOLLARS. ALASKA NEEDS TO GET INVOLVED. THE ESTABLISHMENT OF A HOUSING COMMISSION AS OUTLINED IN H.B. 152 AND 153 WOULD DO JUST THAT. THE ASSOCIATION OF ALASKAN HOUSING AUTHORITIES HAVE GONE ON RECORD OF SUPPORTING THE CONCEPT, AS DO I. *ENCOURAGES THAT THEY MOVE OUT OF COMMITTEE.*

WADING MR. CHAIRMAN
THANK YOU FOR YOUR TIME TO ALLOW ME TO SPEAK.



JOHN P. GUINN
EXECUTIVE DIRECTOR
AVCP REGIONAL HOUSING AUTHORITY
P.O. BOX 767
BETHEL, ALASKA 99559
(907) 543-3121

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 20, 1991

FURTHER REFERRALS:

HES
Finance

Date of Committee Action: 3-7-91

The LABOR AND COMMERCE Committee considered:

HB 152

HOUSE BILL NO. 152

ESTAB. ALASKA STATE HOUSING COMMISSION

"An Act relating to housing; creating the Alaska State Housing Commission and setting out duties; providing that the Alaska State Housing Commission is the governing body of the Alaska State Housing Authority and the Alaska Housing Finance Corporation; repealing the boards of directors of the Alaska State Housing Authority and the Alaska Housing Finance Corporation; and establishing the Alaska housing trust fund within the Alaska Housing Finance Corporation."

RECOMMENDATIONS:

be replaced with CS HB 152 (L+C) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Commerce + Econ Dev

fiscal note(s) _____

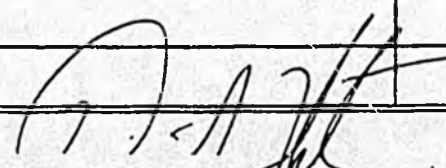
zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
Rep P. J. Parnell → Rep Parnell				✓
Rep G. Breen			✓	
Rep M. L. Loran				
Rep D. J. [Signature]	Rep L. Taylor		✓	


 Labor + Commerce Comm. Rpt. _____
 Signature

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 8, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-10-91

The HEALTH, EDUCATION & SOCIAL SERVICES Committee considered:

HB 152

HOUSE BILL NO. 152

ESTAB. ALASKA STATE HOUSING COMMISSION

"An Act relating to housing; creating the Alaska State Housing Commission and setting out duties; providing that the Alaska State Housing Commission is the governing body of the Alaska State Housing Authority and the Alaska Housing Finance Corporation; repealing the boards of directors of the Alaska State Housing Authority and the Alaska Housing Finance Corporation; and establishing the Alaska housing trust fund within the Alaska Housing Finance Corporation."

RECOMMENDATIONS:

be replaced with CS HB 152 (HES) the same title;

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact COMMUNITY + REGIONAL AFFAIRS fiscal note(s) COMMERCE + EC DEV.

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	✓	(LINCOLN)			
<i>Cheri Davis</i>	✓				
		<i>Mark Stanley (HANLEY)</i>		X	
		<i>Mary Miller</i>		X	
<i>Patricia [Signature]</i>	✓	(CARNEY)			
<i>J. E. [Signature]</i>	✓	(GONZALES)			

[Signature]
CO-CHAIRMAN'S SIGNATURE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1
Bill Version: CSHB 152(L&C)
(H) Publish Date: 3/8/91

Revision Date: _____ Department Affected: Alaska State Housing Authority
Title: An Act relating to housing, creating the Alaska State Housing Commission BRU: _____
Component: _____

Sponsor: Brown
Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	30.2	31.7	33.3	35.0	36.8	38.6
TRAVEL	37.4	39.3	41.2	43.3	45.5	47.7
CONTRACTUAL	1.0	1.1	1.2	1.3	1.4	1.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	68.6	72.1	75.7	79.6	83.7	87.8

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	68.6	72.1	75.7	79.6	83.7	87.8
FEDERAL FUNDS						
OTHER						
TOTAL	68.6	72.1	75.7	79.6	83.7	87.8

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
See attached: Assumptions 1) Board members would be appointed from Juneau, Anchorage, Fairbanks, Nome and Bethel. 2) Six (6) meetings would be held annually in Juneau, Fairbanks, Bethel and three (3) in Anchorage. 3) 5% inflation per year. 4) Clerk Typist would support Board activities and distribution of Board materials.

Prepared By: _____ Phone: _____

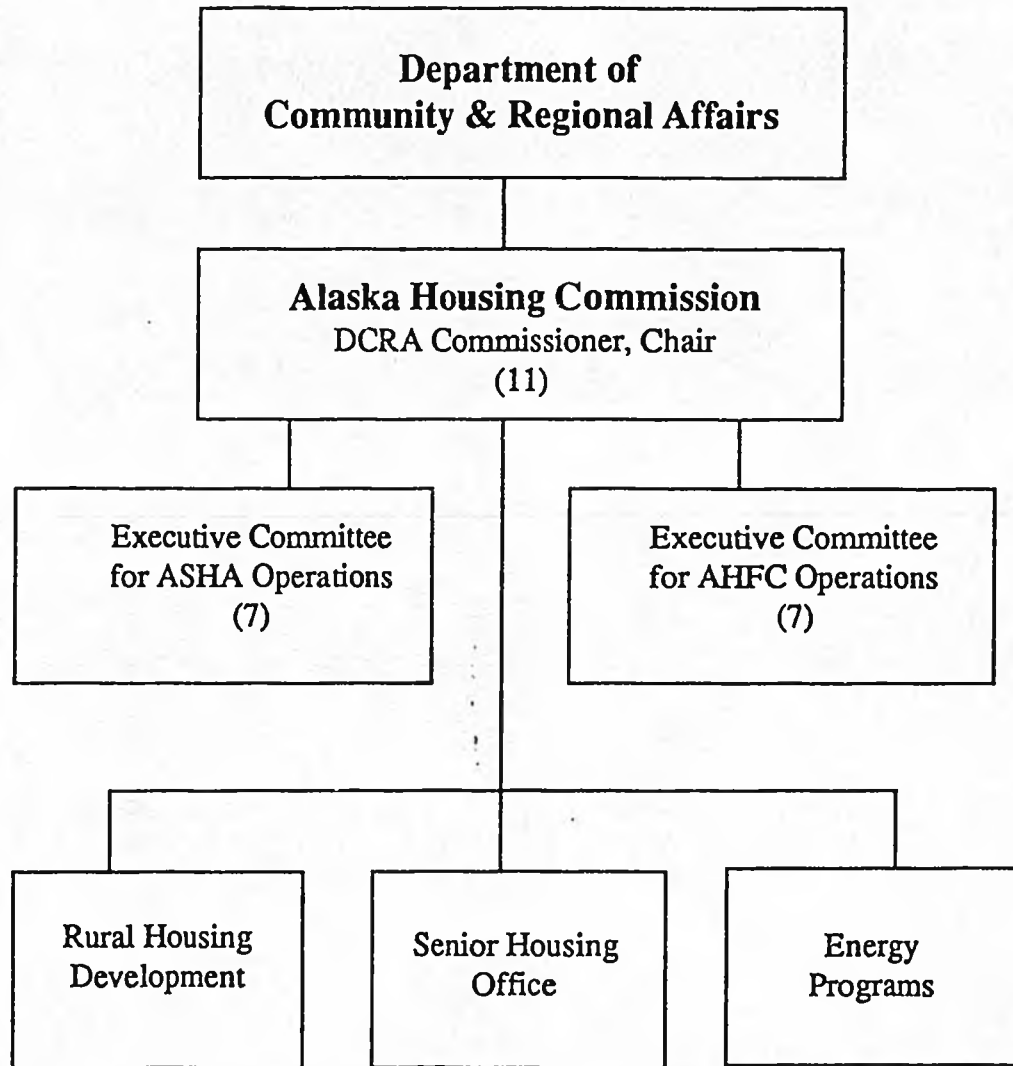
Division: Alaska State Housing Authority Date: March 4, 1991

Approved by Commissioner: CLEW COOS [Signature] Spec. Asst. - EC

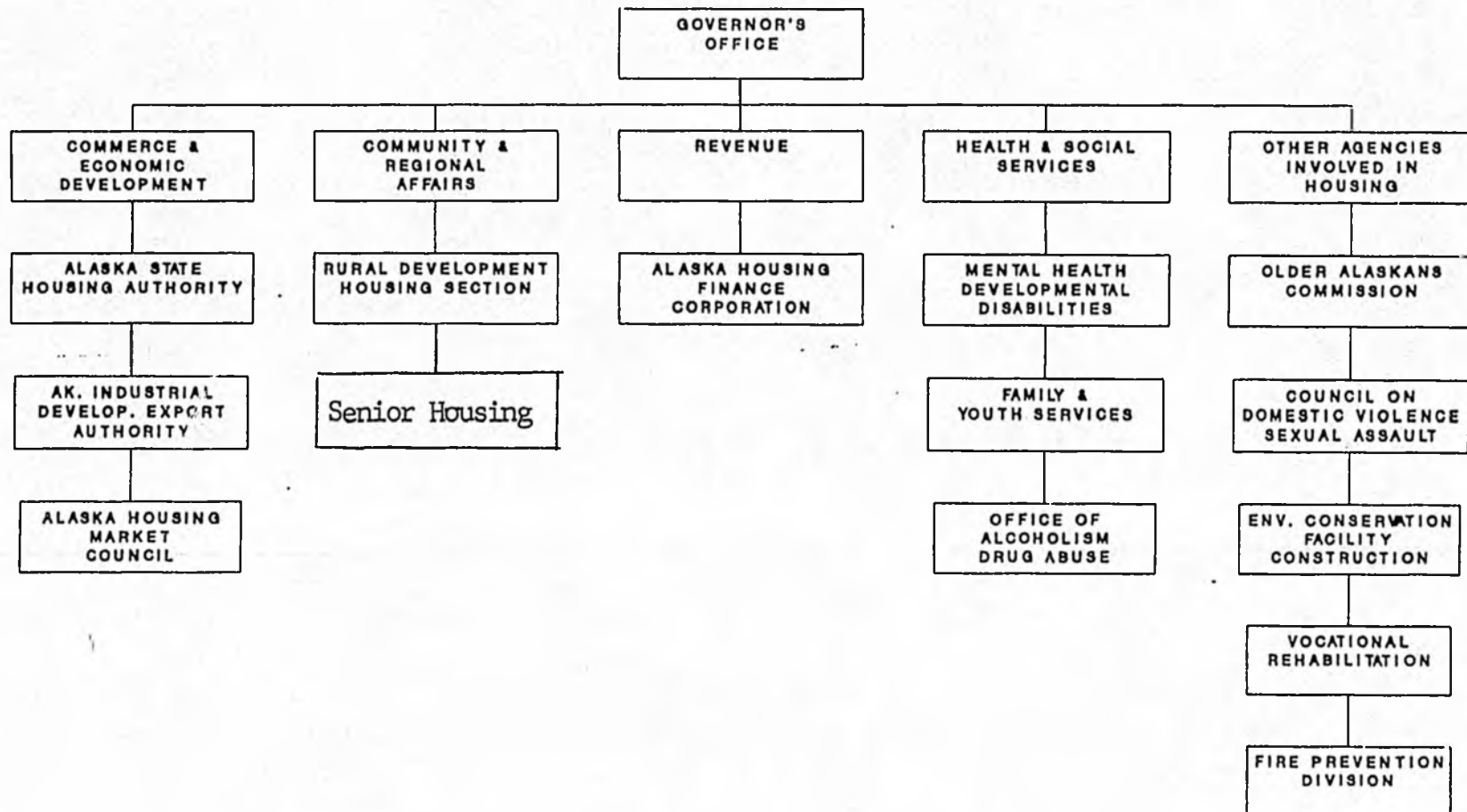
Agency: _____ Date: _____

Distribution (by preparer): Legis: FN 68.6 A.S.H.A., OMB, & Impacted Agency(ies).

CS HB 152 (L&C) — Alaska Housing Commission Organizational Chart



STATE OF ALASKA AGENCIES WITH HOUSING RESPONSIBILITIES



48

December 1989

3/28/91

AMENDMENT

by BROWN

IN THE HOUSE
TO: CS HB 152 (L&C)

Page 3, line 22: after "all"

delete "state housing programs"
insert "housing programs administered by state agencies"

Page 8, line 21: after "housing"

insert ", including emergency shelters,"

A M E N D M E N T

OFFERED IN THE HOUSE
TO: CSHB 152 (L&C)

BY REPRESENTATIVE BROWN

Page 2, following line 27:

Insert new subsections to read:

"(d) The executive committee for Alaska State Housing Authority operations is created within the commission. The executive committee for Alaska State Housing Authority operations consists of the following members of the commission:

(1) the members of the commission identified in (b)(1), (2), (3), and (4) of this section;

(2) one member of the commission identified in (b)(5) of this section selected by the commission to serve on the executive committee;

(3) one member of the commission identified in (b)(6) of this section selected by the commission to serve on the executive committee;

(4) one member of the commission identified in (b)(8) of this section selected by the commission to serve on the executive committee.

(e) The executive committee for Alaska State Housing Authority operations shall have the duties and powers of the commission and may act for the commission as the governing body of the Alaska State Housing Authority in all matters pertaining to the operations of the Alaska State Housing Authority. The actions of the executive committee regarding the operations of the Alaska State Housing Authority shall be considered the actions of the commission. Five members of the executive committee for Alaska State Housing Authority operations shall represent a quorum for transaction of business.

(f) The executive committee for Alaska Housing Finance Corporation operations is created within the commission. The executive committee for Alaska Housing Finance Corporation operations consists of the following members of the commission:

(1) the members of the commission identified in (b)(1), (2), (3), and (7) of this section;

(2) one member of the commission identified in (b)(5) of this section selected by the commission to serve on the executive committee;

(3) one member of the commission identified in (b)(6) of this section selected by the commission to serve on the executive committee.

(4) one member of the commission identified in (b)(8) of this section selected by the commission to serve on the executive committee.

(g) The executive committee for Alaska Housing Finance Corporation operations shall have the duties and powers of the commission and may act for the commission as the governing body of the Alaska Housing Finance Corporation in all matters pertaining to the operations of the Alaska Housing Finance Corporation. The actions of the executive committee regarding the operations of the Alaska Housing Finance Corporation shall be considered the actions of the commission. Five members of the executive committee for Alaska Housing Finance Corporation operations shall constitute a quorum for transaction of business.

(h) All members of the commission shall be notified of meetings of an executive committee under (d) and (f) of this section. A member of the commission may participate in a meeting of an executive committee and may vote on any matter before an executive committee at a meeting attended personally or by teleconference by the commission member. The attendance of a commission member at a meeting of an executive committee under (d) or (f) of this section does not affect the determination of a quorum.

(i) The authorization of an executive committee under (d) and (f) of this section to act for the commission does not affect the authority or ability of the commission to act in any matter or to perform the duties and powers granted the commission."



FEB 05 1991

**SURVEY OF STATE AND LOCAL
HOUSING TRUST FUND PROGRAMS**

January, 1991

**by Anne E. Hoskins
Claudia Jadrljevic
Amy Haught
Sandra Green
1990**

2000 Florida Ave., N.W.
Washington, D.C. 20009
(202) 387-6030 • FAX (202) 387-8529

Other States' Programs

SURVEY OF STATE AND LOCAL HOUSING TRUST FUND PROGRAMS

Housing trust funds have evolved as the state and local response to a diminished federal involvement in housing. They are designed to provide financing for affordable housing to people who are not fully served by the private capital market, such as low-income families, the homeless and the handicapped.

To be most effective, states should incorporate the following principles into their housing trust fund programs:

- Trust funds should target public capital to low-income communities and residents who lack full access to private capital.
- Trust funds should not replicate the functions that could be undertaken by private lenders, but rather should induce private lending through risk reduction and targeting.
- Trust funds should incorporate participation from community organizations which can represent the financing needs of low-income residents and provide public outreach to ensure that funds are accessible. Trust funds can provide community-based developers with technical assistance, grants for pre-development costs such as feasibility studies, and short-term loans for construction.

Revenue Sources

Many trust funds are capitalized by initial government appropriations. Most receive additional revenue from special earmarked sources, which can replenish trust funds annually. Primary sources of trust fund revenues include:

- Revenue from real estate or development activity, including real estate transfer taxes or fees, property taxes and hotel/motel taxes.
- Revenue from development ordinances, such as linkage and preservation programs.

- Revenue generated from government programs, including loan repayments (UDAG), bond programs, unclaimed property and general revenues.
- Interest from real estate escrow accounts.
- Miscellaneous revenue sources such as extraction revenue and oil overcharge fees.

Uses of Funds

Trust funds serve many purposes, ranging from construction and rehabilitation of low-income housing to housing for specialized groups, such as the homeless and handicapped. Uses of funds should be flexible enough to accommodate the technical assistance and capacity-building costs that are necessary to finance very low-income housing. Community-based groups are among the most effective developers of low-income housing. These organizations need financial assistance and training to support sustained housing development in their communities.

According to the Housing Trust Fund Project, trust funds can support community-based developers in a number of ways:

- provide technical assistance in preparing financing applications, financing staff and creating housing management programs;
- allow for a developer's fee as part of the development budget;
- provide grants for operating budgets;
- provide grants or recoverable grants for pre-development costs such as market studies, legal services financial consulting, and feasibility studies; and
- provide short term loans for construction, site control and architectural services that can be recovered from permanent project financing.

Trust fund resources are most effectively used when they open avenues to additional private and public funding. Under federal and state community reinvestment laws, private financial institutions are required to meet community credit needs, which include low- and very low-income housing. Trust funds can encourage private reinvestment by offering guarantees, deferred payment financing, second position loans, and risk management (through pooling and technical assistance).

The Center for Policy Alternatives has compiled the following survey of state and local housing trust funds. While this survey is not comprehensive, it represents some of the most innovative and successful trust funds. For additional information, contact POLICY ALTERNATIVES or the Housing Trust Fund Project (Mary Brooks) at 213-833-4249.

STATE OF ARIZONA

STATUS: Enacted in 1988.

ADMINISTRATION: Office of Housing Development, Department of Commerce
3800 North Central
Phoenix, AZ 85012

CONTACT: Terry Kinney or Debby Smith, (602)280-1300

ADVISORY COMMITTEE: The program advisory committee consists of six members (appointed by the Director) representing the rural and urban communities, nonprofit and for-profit organizations.

REVENUE SOURCE: Proceeds from the sale of abandoned property and 35% of the deposits and interest on unclaimed property deposits.

ESTIMATED REVENUE: \$2 million annually.

USES: Funds are used to support housing for low-income households, with priority given to projects that serve families with children.

PROGRAMS: Fund money may be used for construction, operation, or renovation of low-income facilities, but never for acquisition of buildings or land.

TARGETING REQUIREMENTS: The funds are targeted at low-income households, especially families with children. There are no geographic specifications for targeting.

PARTICIPATION: Community-based organizations participate actively with the Fund, and their programs are encouraged. No special requirements of citizen participation were established for the program.

OTHER INFORMATION: The program began in July, 1989.

BOSTON, MASSACHUSETTS

STATUS: Enacted in 1983. Revised in 1986.

ADMINISTRATION: The Neighborhood Housing Trust,
c/o Boston Community Schools Program
26 West Street
Boston, MA 02111

CONTACT: Larry Dwyer, (617)725-4920

ADVISORY COMMITTEE: The Board of Trustees is the advisory committee of the Fund.

REVENUE SOURCE: Office Housing Linkage Program. The Development Impact Projects Ordinance applies to retail business, service, institutional and educational developments. It also applies to rehabilitated, enlarged, or extended developments. The ordinance is operative whenever a variance, conditional use permit, exception or zoning map change is required.

ESTIMATED REVENUE: As of the end of 1987, \$1.24 million in linkage funds had been collected. The program has identified some 32 projects with linkage agreements that total over \$45 million in housing payments due within the next twelve years.

USES: The funds will be used to promote public health, safety, convenience and welfare by mitigating the extent to which Boston's low-income households are unable to afford decent, safe and sanitary housing within the City. Trust funds must be used to create or preserve affordable housing and to support it for a minimum of 15 years.

PROGRAMS: The Housing Creation Program, in which developers may directly develop the housing, and the Housing Payment Program.

TARGETING REQUIREMENTS: The funds are targeted to low-income households. 30% is reserved for neighborhoods adjacent to the linked development project.

PARTICIPATION: Community-based organizations have lobbied actively for the trust fund. Public hearings are required.

OTHER INFORMATION: At the end of 1987, The Neighborhood Housing Trust had collected \$1.24 million in linkage funds. The Trust has awarded \$1.7 million in grants and loans to six applicants whose projects produced 200 units of housing. As of the beginning of 1988, a total of \$45,814,885 had been committed by developers of 32 different projects. These developments will produce 1,870 units.

BURLINGTON, VERMONT

STATUS: Enacted in 1987. Revised in 1988.

ADMINISTRATION: Community and Economic Development Office
City Hall, Room 32
Burlington, VT 05401

CONTACT: John Davis, (802) 658-9300

ADVISORY COMMITTEE: A Committee of the City Council, with representation designated by the City Council.

REVENUE SOURCE: Impact fee on the conversion of rental housing to condominium cooperative ownership.

ESTIMATED REVENUE: Not available.

USES: The funds are to be distributed to nonprofit corporations, municipal corporations, for-profit corporations, partnerships or individuals. In addition, the funds must be used in acquiring, constructing, rehabilitating or financing housing units. Part of each year's distribution is to be in the form of "capacity grants" to support staffing, training, planning, fundraising, or on-going operations of a nonprofit corporation, thereby increasing that corporation's capacity to create or preserve housing for very low-, low-, and moderate-income households.

PROGRAMS: Not yet established.

TARGETING REQUIREMENTS: Very low income is defined as not exceeding 50% of the area median income; low income as not exceeding 80% of the area median income; and moderate income as not exceeding 100% of the area median income.

PARTICIPATION: Community-based organizations receive capacity grants. No special citizen participation requirements.

OTHER INFORMATION: Program has not yet been implemented.

STATE OF CALIFORNIA

STATUS: Enacted in 1985.

ADMINISTRATION: Department of Housing and Community Development
921 Tenth Street
Sacramento, CA 95818

CONTACT: Leslye Corsiglia, (916)322-1560

ADVISORY COMMITTEE: None established. The State Legislature and the Governor oversee the program.

REVENUE SOURCE: Annual appropriation from tidelands oil revenue. Three year sunset provision; extended in 1988 for an additional year.

ESTIMATED REVENUE: \$10 million annually for the first three years.

USES: The Fund may be expended for housing programs which serve low- and very low-income households. The Fund will also be used for emergency shelters, housing for the elderly and farmworker housing rehabilitation.

PROGRAMS: The Fund is in charge of six programs.

TARGETING REQUIREMENTS: The Fund benefits low- and very low-income households (no specific definition). No less than 20% of the funds are to be spent in rural areas and no less and 25% of the above 20% is to be committed to farm labor rehabilitation programs.

PARTICIPATION: Community-based organizations lobbied actively for the Trust Fund, and receive higher priority in some programs. Meetings are open to the public.

OTHER INFORMATION: The first allocation of funds was for 1986-87; virtually all of these funds have been committed. The second allocation was received in November of 1987. The Department does not distinguish between expenditures for the different programs supported by the Trust Fund.

CAMBRIDGE, MASSACHUSETTS

STATUS: Enacted in 1988.

ADMINISTRATION: Community Development Department
57 Inman Street
Cambridge, MA 02139

CONTACT: Susan Sehlensinger, (617)498-9034

ADVISORY COMMITTEE: There is a Board of Trustees which represents different groups concerned with housing policy, including City boards and agencies, nonprofit housing organizations and the community.

REVENUE SOURCE: Linkage programs, such as profit sharing programs from schools, and incentive zoning contributions.

ESTIMATED REVENUE: The annual revenue will vary each year. In 1989 the Fund collected \$27 million in contributions.

USES: The Fund may be used to finance affordable housing units and multi-family rehabilitation projects and to acquire or rehabilitate potential limited equity cooperatives. Trust fund money cannot be used for operating costs. Most work is done voluntarily by nonprofit organizations.

PROGRAMS: None established.

TARGETING REQUIREMENTS: Eligible households are limited to those whose incomes do not exceed 80% of the median income. Multi-family housing owned by nonprofit entities that ensure maximum long-term affordability are to receive priority funding consideration.

PARTICIPATION: Community-based organizations, as well as other nonprofit and for-profit agencies, participate actively.

OTHER INFORMATION: The Department does not distinguish between expenditures for programs supported by the Trust Fund monies.

CHICAGO, ILLINOIS

STATUS: Enacted in 1983. Trust Fund created in 1989.

ADMINISTRATION: Illinois Housing Development Authority
220 South State Street, Suite 800
Chicago, IL 60604

CONTACT: Larry Pusateri, (312)540-1631

ADVISORY COMMITTEE: An advisory committee of 15 members will be appointed by the Governor, with the advice and consent of the Senate.

REVENUE SOURCE: Increase in the real estate transfer tax.

ESTIMATED REVENUE: \$13 million annually from the transfer tax, \$12 million in government dollars and up to \$75 million from private sources.

USES: The Fund may be used to make grants, mortgages or loans to acquire, construct, rehabilitate, develop, operate, insure and retain affordable single-family and multi-family housing (including rental assistance and security deposit subsidies and housing for special needs populations) for very low- and low-income households. The majority of the monies appropriated by the Fund in any given year is to be used to assist very low-income households.

PROGRAMS: The Fund supports two programs that have not yet been implemented: the real estate licensing act, a first time homebuyers saving program, and an open lands program funded by current real estate transfer tax revenues.

TARGETING REQUIREMENTS: The Fund is targeted to low-income individuals and families.

PARTICIPATION: Community-based organizations lobbied for the Trust Fund and will receive higher priority in some programs. There is no special requirement for citizen participation.

OTHER INFORMATION: The strong downtown real estate market is the basis for successful financing through the real estate transfer tax.

DADE COUNTY, FLORIDA

STATUS: Enacted in 1983.

ADMINISTRATION: Metropolitan Dade County
1401 N.W. 7th Street
Miami, FL 33125

CONTACT: Patricia Braynon, (305)547-7211

ADVISORY COMMITTEE: Documentary Surtax Advisory Council.

REVENUE SOURCE: Documentary Stamp Surtax, which is applied to all documents on the sale of land and commercial and residential property (except single-family residential, condominium, and cooperative units).

ESTIMATED REVENUE: \$12 million annually.

USES: The funds are used finance second mortgages and provide loans for construction, rehabilitation and leasing.

PROGRAMS: The Fund has established five programs to finance second mortgages, construction, lease-option, maintenance and rehabilitation.

TARGETING REQUIREMENTS: No less than 50% of the funds must benefit low-income families (80% of the county median income). Participating homeowners must occupy their homes for a minimum of two years.

PARTICIPATION: No special requirements were established for the program. Role is set aside for community-based organizations.

STATE OF DELAWARE

STATUS: Enacted in 1986.

ADMINISTRATION: Delaware State Housing Authority
18 The Green, P.O. Box 1401
Dover, DE 19903

CONTACT: Katherine M. Gregory, (302)736-4263

ADVISORY COMMITTEE: None established. The State Council on Housing (appointed by the governor) has oversight authority.

REVENUE SOURCE: General revenues and deed recording fees.

ESTIMATED REVENUE: \$450,000 annually in deed recording fees. Annual appropriations of \$3-6 million.

USES: The Fund is used to make low-interest and interest-free loans to nonprofit and limited-profit housing sponsors for the development of housing for low- and moderate-income persons. The Fund is also used to make grants by removing a restriction on the amortization period of loans, by permitting the Fund to retain interest, and by appropriating an initial \$2,500,000 to the Fund. The grants and loans are available for rental or sale projects that involve acquisition and/or rehabilitation, reuse of nonresidential buildings, or new construction.

PROGRAMS: The Fund is designed to provide funding of last resort to developers and homeowners through sponsoring agencies. Grants and loans are available for rental or sale projects that involve construction, rehabilitation, etc.

TARGETING REQUIREMENTS: The Fund targets families earning up to 100% of median income.

PARTICIPATION: Seed money loans are set aside for community-based organizations. No special requirements of citizen participation.

OTHER INFORMATION: Eight loans were awarded in 1988 for a total of \$6 million, which provided 345 units of low-income housing.

STATE OF GEORGIA

STATUS: Enacted in 1988.

ADMINISTRATION: The Georgia Residential Finance Authority
1190 West Druid Hills Drive, Suite 270
Atlanta, GA 30329

CONTACT: Tim Connell, (404)894-3334

ADVISORY COMMITTEE: Housing Trust Fund for the Homeless
Commission.

REVENUE SOURCE: General revenues. At the present time, the
administration is searching for a dedicated source of
revenue.

ESTIMATED REVENUE: In fiscal year 1990, the fund received
\$1.25 million in supplemental funds. The Fund has been
appropriated \$5 million for FY 1991.

USES: Funds may be used for residential housing projects by
qualified sponsors. Residential housing projects include
financing for acquisition, rehabilitation, improvement, or
construction of residential rental housing and interest rate
or downpayment assistance programs designed to enhance
homeownership opportunities.

PROGRAMS: There are five programs which focus primarily on
the homeless, rental housing for low-income households,
housing preservation and rehabilitation. A pool of money is
also available for nonprofit organizations.

TARGETING REQUIREMENTS: Low-income persons - those who lack
the income necessary, as determined solely by the Commission,
to enable them, without financial assistance, to secure safe,
sanitary, decent and affordable housing. Qualified sponsors
include nonprofit, for-profit and governmental sponsors of a
residential housing project.

PARTICIPATION: Community-based organization involvement is
encouraged.

OTHER INFORMATION: The Fund does not have a permanent source
of revenue primarily because each proposal is turned down by
the legislature. In 1989 the administration tried to pass a
revenue source, an increase in the real estate transfer tax,
which would generate \$5 million per year. It was rejected
due to opposition from the real estate industry.

HARTFORD, CONNECTICUT

STATUS: Enacted in 1986.

ADMINISTRATION: Department of Housing and Community Development
942 Main Street
Hartford, CT 06103

CONTACT: Rayman Grasso, (203) 722-6400

ADVISORY COMMITTEE: None established. All appropriations are authorized by the Hartford Common Council.

REVENUE SOURCE: In-Lieu fees charged to the demolition or conversion of housing.

ESTIMATED REVENUE: Since enactment of the ordinance the City has collected over \$150,000, with additional letters of credit for \$50,000-100,000.

USES: The Fund is to be used only for costs related to the production of low-income housing. The City issues a Request for Proposals to distribute the available funds. They anticipate using the funds to leverage additional resources for housing projects. The funds can be distributed as loans or grants and may include the direct funding of a City project or program or the funding of a privately-sponsored project.

PROGRAMS: Not yet determined.

TARGETING REQUIREMENTS: The funds are targeted at those earning 70% or less than average income.

PARTICIPATION: No special role for community-based organizations or special citizen participation requirements.

OTHER INFORMATION: The Fund is established in the city treasurer's office and is to receive all housing replacement contributions or bond forfeitures. All appropriations from the funds must be authorized by the Hartford Common Council. The relevant local real estate market conditions include the high rates of residential conversion and demolition.

HOWARD COUNTY, MARYLAND.

STATUS: Enacted in 1970. Revised in 1989.

ADMINISTRATION: Housing and Community Development Office
3450 Courthouse Drive, Carroll Building
Ellicott City, MD 21043

CONTACT: Rochelle Brown, (301)992-2000, 313-6120

ADVISORY COMMITTEE: None established. The Housing and Community Development Office has an advisory committee of seven citizen members who are appointed by the County Executive and confirmed by the County Council. Members are informed of programs, but have no regular oversight responsibilities.

REVENUE SOURCE: Real Estate Transfer Tax. The base tax is 1% of the sale of all property transferred in the County. The revenue is divided among several funds, including open space, agricultural preservation, storm drainage and fire stations.

ESTIMATED REVENUE: The County has contributed between \$600,000 and \$1 million of the tax each year to the Community Renewal Fund.

USES: The Community Renewal Fund has been used to support the County's housing programs. Proposed legislation redefines the program from urban renewal procedures to housing and economic development. The majority of the Fund is used to cover debt-service shortages on two county housing projects. It is also used for emergency shelter facilities, special studies and staff costs.

PROGRAMS: At the present time there are two programs in the county that cover debt-service shortages. There are also several smaller programs.

TARGETING REQUIREMENTS: Funds are to be used for low- and moderate-income housing, defined as affordable to households with incomes at or below 120% of the median income.

PARTICIPATION: No special role for community-based organizations or special requirements of citizen participation.

OTHER INFORMATION: Currently, there is approximately \$1.5 million in the Fund. The Fund has also provided loans for acquisition and rehabilitation projects, including group homes.

JERSEY CITY, NEW JERSEY

STATUS: Enacted in 1985.

ADMINISTRATION: Department of Housing and Economic Development
26 Journal Square
Jersey City, NJ 07306

CONTACT: Paul Hamilton, (201)547-5071

ADVISORY COMMITTEE: None established.

REVENUE SOURCE: Informal Linkage Policy. The program is voluntary, with project-by-project negotiations between the City and the developer. Developers of market-rate office, retail commercial mall and residential developments are asked to choose among options for contributing to the City's affordable housing trust fund. Residential developments are expected to commit 10% of the units to low- and moderate-income households. The City supplements its linkage funds with UDAG repayment of the units' CDBG float loan interest proceeds.

ESTIMATED REVENUE: As of April, 1988, the City had \$9,033,500 in funds.

USES: The Fund is dedicated to subsidizing low- and moderate-income housing in New Jersey. Some of the uses include loans, grants, projects and financing assistance to nonprofit, community-controlled housing developers.

PROGRAMS: The City prefers that developers provide the affordable housing themselves and offers a package of municipal actions to assist them. When Trust Fund monies are released through an application process, they are available as loans or grants.

TARGETING REQUIREMENTS: The Fund is targeted to households earning 80% or less of the normal income.

PARTICIPATION: Any project assisted by the Fund would receive approval of the City Council. Meetings are open to the public.

OTHER INFORMATION: As of April, 1988, Fund monies had helped construct 704 affordable on- and off-site units. However, since the revenue source is informal, it is difficult to predict how much money will be raised each year. The funds that are received are directly linked to nonprofit organizations for the provision of housing.

STATE OF KENTUCKY

STATUS: Enacted in 1985.

ADMINISTRATION: Kentucky Housing Corporation.
1231 Louisville Road
Frankfort, KY 40061

CONTACT: John Martines, (502)564-7630

ADVISORY COMMITTEE: Housing Trust Fund Committee. Members include the Corporation's Executive Director (Chairman), three individuals from the Board of Directors and four staff persons.

REVENUE SOURCE: Excess Annual Income from bond surplus funds. The Trust was initially capitalized with a commitment of \$8.9 million from the Surplus Fund. The Corporation's General Bond Resolution in its largest indenture was changed to apply all future excess annual income (after debt service) to the Fund. Funds are transferred in July of each year.

ESTIMATED REVENUE: In 1986 the Fund received \$4.5 million from excess monies in the Debt Service Reserve Fund. In 1987 the Fund received \$5 million.

USES: The Fund is to be used for making or purchasing mortgage loans to finance single-family dwellings for low- and moderate-income households.

PROGRAMS: Single-family mortgage loans for households whose incomes do not exceed \$16,650 per year. The mortgage amount is floored and capped, with interest rates between 1% and 7%.

TARGETING REQUIREMENTS: Households earning 70% or less of the median income.

PARTICIPATION: No special citizen participation requirements were established for this program.

OTHER INFORMATION: As of 1987, the Fund contained \$8,100,000 in mortgage loans and \$10,400,000 in Treasury obligations.

STATE OF MAINE

STATUS: Enacted in 1985.

ADMINISTRATION: The Maine State Housing Authority
295 Water Street, P.O. Box 2669
Augusta, ME 04330

CONTACT: Dick Davis, (207) 626-4600

ADVISORY COMMITTEE: None established. The Maine State Housing Authority's Board of Commissioners and another advisory board oversee the fund, but neither exists specifically for this purpose.

REVENUE SOURCE: Real estate transfer tax. The Fund receives 45% of the taxes collected. This tax was chosen as the on-going source of revenue due to the highly active and profitable real estate market in Maine.

ESTIMATED REVENUE: The estimated revenue ranges from \$5 to \$7 million per year. The largest annual revenue (\$7.8 million) was collected in 1987. The real estate activity has declined since 1989, resulting in \$5 million in revenues in 1989.

USES: The Fund is to be applied to reduce the interest rate on mortgage loans; to reduce payments by low-income people for single-family or multi-unit residential housing rental; to otherwise make the costs of single-family or multi-unit residential housing affordable to low-income persons; or to secure or facilitate the sale of state authority bonds.

PROGRAMS: There are at least 13 programs operating in the fund.

TARGETING REQUIREMENTS: Funds are to be targeted to low-income households. However, specific income definitions differ for different programs.

PARTICIPATION: Technical assistance and project funds are given to community-based organizations (in cooperation with the Enterprise Foundation). No specific citizen participation is required by the program.

OTHER INFORMATION: The rate of growth in the real estate market has been declining since 1989.

STATE OF MARYLAND

STATUS: Enacted in 1985. Revised in 1987.

ADMINISTRATION: The Maryland Housing Resources Corporation
330 North Charles Street, Suite 504
Baltimore, MD 21201

CONTACT: Marc Burford, (301) 974-2338

ADVISORY COMMITTEE: Board of directors.

REVENUE SOURCE: Interest on real estate and homebuilder escrow accounts.

ESTIMATED REVENUE: Estimates suggest approximately \$1.6 million annually if 50% of realtors participate (based on 91,000 real estate sales).

USES: The purpose of the program is to stimulate the construction and rehabilitation of rental housing in the state for low-income households.

PROGRAMS: The funds may be used to make grants, loans, or deferred payment loans subordinate to other financing or to ensure deferred payment loans or guarantees from other sources to approved applicants for construction or rehabilitation of low-income rental housing. Two financial pools have been established: The Local Initiatives Fund and The State Housing Fund. The Corporation will initially adopt a foundation-type award-making process, making awards only to organizations providing housing to low-income families.

TARGETING REQUIREMENTS: Allocations of funds must be made to each subdivision. All awards are to be used for low-income rental housing projects, with low-income defined as 50% of local family median income.

PARTICIPATION: All meetings of the Board are open to the public.

OTHER INFORMATION: The program has not yet been implemented.

MIAMI, FLORIDA

STATUS: Enacted in 1984.

ADMINISTRATION: The City Planning Department
275 N.W. 2nd Street, P.O. Box 330708
Miami, FL 33128

CONTACT: Jack Luft, (305)579-3366

ADVISORY COMMITTEE: None established. A Planning Commission has oversight for all activities of the Planning Department.

REVENUE SOURCE: Voluntary linkage programs.

ESTIMATED REVENUE: Approximately \$1 million has been collected since inception of regulation.

USES: The Fund is to provide affordable housing in the downtown area. Loans are issued for rehabilitation of single- and multi-family units.

PROGRAMS: Program guidelines will be developed when sufficient funds have been collected for gap financing for affordable housing projects.

TARGETING REQUIREMENTS: All funds must be spent within defined zoning districts. Affordable housing is defined as affordable to households with incomes of 80% or less of the city's median income.

PARTICIPATION: The program has not yet been implemented.

OTHER INFORMATION: The costs of the Fund have thus far been absorbed by the Department.

STATE OF MICHIGAN

STATUS: Enacted in 1985. The Fund was incorporated as a private nonprofit institution.

ADMINISTRATION: Michigan State Housing Development Authority
122 South Grand Avenue, Suite 206
Lansing, MI 48933

CONTACT: Vickie Gillette, (517)485-8801

ADVISORY COMMITTEE: None established.

REVENUE SOURCE: Socially responsible investors such as corporations, banks and individuals grants.

ESTIMATED REVENUE: \$700,000 to date.

USES: The Fund helps to finance single-family homeowner programs, rental housing development and community-based housing developers throughout the state.

PROGRAMS: The Fund does not operate through programs.

TARGETING REQUIREMENTS: The Fund is targeted to households with incomes below poverty level.

PARTICIPATION: No special requirements for citizen participation.

OTHER INFORMATION: In 1985, the Michigan State Housing Development Authority was incorporated as a private nonprofit institution. The Fund has received more than \$430,000 in alternative investments from religious institutions. By the end of 1988, it had made a total of 10 loans supporting the development of 88 units.

MONTGOMERY COUNTY, MARYLAND

STATUS: Enacted in 1981. Revised in 1988.

ADMINISTRATION: Department of Housing and Community Development
51 Monroe Street, Suite 909
Rockville, MD 20850

CONTACT: Scott Reilly, (301)217-3660

ADVISORY COMMITTEE: None established.

REVENUE SOURCE: Transfer tax on the conversion of rental residential units to condominium or cooperative ownership and county-owned land.

ESTIMATED REVENUE: A total of \$20 million has been collected since the program was enacted. In 1988, the County also committed the county-owned site and \$1.5 million from the General Fund to the Fund. The County has committed itself to \$5 million a year in funds to the Housing Initiative.

USES: The Fund is to be used to construct or acquire affordable housing units, buy and rehabilitate existing rental units and participate in housing or mixed-use developments that include affordable housing.

PROGRAMS: Funds have been used to assist several different projects through loans and grants.

TARGETING REQUIREMENTS: Although the legislation contains no specific targeting language, the Fund attempts to focus on groups most in need of housing assistance: the elderly, single parents with children and families living in substandard housing.

PARTICIPATION: No special citizen participation requirements. If a project requires land use procedures, citizens could be involved in a public hearing.

OTHER INFORMATION: As of 1988, all of the nearly \$20 million collected had been committed to different programs.

STATE OF NEW JERSEY

STATUS: Enacted in 1985.

ADMINISTRATION: Bureau of Housing and Community Development
New Jersey Department of Community Affairs, CB 804
Trenton, NJ 08625-0804

CONTACT: Carla L. Lerman, (609)633-6303

ADVISORY COMMITTEE: None established.

REVENUE SOURCE: Realty transfer tax.

ESTIMATED REVENUE: It was estimated that \$8 million will be received annually and that revenues could grow up to \$35 million in one year.

USES: The funds may be used for construction, rehabilitation, conversion, infrastructure, technical assistance, etc.

PROGRAMS: Through grants and loans, the Balanced Housing program provides funds to municipalities to develop affordable housing for low- and moderate-income households.

TARGETING REQUIREMENTS: At least 50% of the low- and moderate-income units to be funded with Balanced Housing funds must be affordable to low-income households (those earning 50% or less of the regional median income). Moderate-income households are those earning between 50% and 80% of the appropriate median income.

PARTICIPATION: No special requirements of participation by citizens or community-based organizations.

NEW YORK, NEW YORK

STATUS: Enacted in 1986.

ADMINISTRATION: Housing New York Corporation
75 Maiden Lane, 8th floor
New York, NY 10038

CONTACT: Charles Brass, (212)344-8080

ADVISORY COMMITTEE: The Subsidiary Corporation.

REVENUE SOURCE: Surplus revenues from Battery Park City;
bond revenues.

ESTIMATED REVENUE: \$400 million has been made available and another \$600 million committed to the Housing New York Corporation. It is expected that the arrangement is an on-going commitment and total revenues may be as high as \$4-7 billion.

USES: The Housing New York Program enables certain agencies and instrumentalities of New York City to acquire, rehabilitate, construct, enlarge, improve and renovate dwelling accommodations. Most often, nonprofit organizations acquire the rehabilitated properties.

PROGRAMS: Housing program funds can be used in city programs and activities for the provision of dwelling accommodations. Programs include preservation, construction, restoration, acquisition, and disposition of dwelling accommodations and specified infrastructure improvements (only 10% of the funds may be used for infrastructure improvements). Proceeds from the first bond issue enabled the Corporation to provide funds for the Construction Management Program, a program administered by the City's Department of Housing Preservation and Development that finances the rehabilitation of apartments for low-income households.

TARGETING REQUIREMENTS: At least 40% of the bond proceeds must be used for housing for households earning less than 55% of the area median income. No more than 25% of the funds can be used for housing for households earning 90-175% of the state median income.

PARTICIPATION: Community-based organizations usually receive at least one-third of the funds. They participate actively in the reconstruction and rehabilitation of buildings.

STATE OF NORTH CAROLINA

STATUS: Enacted in 1987.

ADMINISTRATION: The Housing Partnership, North Carolina Finance Agency
P.O. Box 28066
Raleigh, NC 27611

CONTACT: Bill Dowse, (919)781-6115

ADVISORY COMMITTEE: North Carolina Housing Partnership.

REVENUE SOURCE: State appropriations and oil overcharge funds.

ESTIMATED REVENUE: Initial capitalization of \$20 million from oil overcharge funds. \$2 million state appropriation in 1989.

USES: The funds are to provide loans and grants to increase the supply of energy-efficient housing units for low-, very low-, and moderate-income residents.

PROGRAMS: Funds may be used to rehabilitate homeless shelters, defray the costs of necessary studies, surveys, plans and permits, assist in the development of manufactured housing sites, etc.

TARGETING REQUIREMENTS: Funds are to benefit directly low-, very low- and moderate-income persons and families. At least 30% of the funds are made available to persons and families whose incomes do not exceed 30% of area median family income; up to 30% to households with incomes not exceeding 50% of the median income; and no more than 40% to households whose incomes do not exceed 80% of the median income.

PARTICIPATION: The Partnership is to establish rules and regulations with full public input, including at least one public hearing.

OTHER INFORMATION: Funds are allocated from the Special Reserve for Oil Overcharge Funds. The state treasurer serves as trustee for the Fund.

PALO ALTO, CALIFORNIA

STATUS: Enacted in 1974 and 1976. Revised in 1976 and 1984.

ADMINISTRATION: Palo Alto Planning Department
250 Hamilton Ave., P.O.Box 10250
Palo Alto, CA 94303

CONTACT: Toby Kramer, (415)329-2170

ADVISORY COMMITTEE: None established. The Palo Alto City Council has administrative authority over the Housing Reserve.

REVENUE SOURCE: Linkage programs such as the Industrial-Commercial Mitigation Ordinance and the Below-Market Housing Program.

ESTIMATED REVENUE: As of 1987, the Housing Reserve had accumulated \$2,963,560 plus \$334,316 in interest. Of this amount, \$1,980,639 came from 32 industrial commercial developments and \$982,921 came from 10 residential developments.

USES: The Housing Reserve is for assisting in the development of affordable housing for low-, moderate- and middle-income families.

PROGRAMS: Housing Reserve Funds are available through loans and grants and can be used for new or existing low- or moderate-income housing development.

TARGETING REQUIREMENTS: The Below-Market Rate Housing Program targets households whose incomes are no higher than 120% of the median income (80% for moderate income), as established by HUD for Santa Clara County.

PARTICIPATION: Meetings of the City Council are open to the public.

OTHER INFORMATION: In 1988, the Reserve Fund appropriated \$2,577,595, while \$595,709 was repaid, leaving a balance of \$1,315,989. Since 1987, the Reserve Fund has been used to assist projects or programs with a projected total of 280-285 units, of which 198-204 are or will be low- and moderate-income units.

PHOENIX, ARIZONA

STATUS: Enacted in 1985.

ADMINISTRATION: Neighborhood Improvement and Housing Department
920 East Madison, Suite D
Phoenix, AZ 85034

CONTACT: Janice Gauving or David Hicks, (602)262-6793

ADVISORY COMMITTEE: None established. The Industrial Development Authority Board oversees all activities related to tax-exempt mortgage revenue bonds.

REVENUE SOURCE: Contributions required from developers of rental housing, and tax-exempt mortgage revenue bonds.

ESTIMATED REVENUE: 22 development projects have contributed to the Fund for a total of \$1,796,156. Because of changes in the tax law, few additional projects are expected to participate.

USES: To make a portion of bond-financed projects affordable to families whose incomes are too low to afford to live in the units.

PROGRAMS: The Trust Fund and interest earnings are used to provide rental subsidies to make a minimum of 5% of the units in each bond financed project affordable to households earning no more than 80% of the area median income.

TARGETING REQUIREMENTS: The program is targeted to households with incomes at or below 80% of the area median income.

PARTICIPATION: No special citizen or community-based organization participation requirements were established for this program.

OTHER INFORMATION: Phoenix has an active multi-family real estate market.

PITTSBURGH, PENNSYLVANIA

STATUS: Enacted in 1985.

ADMINISTRATION: The Urban Redevelopment Authority of Pittsburgh
200 Ross Street
Pittsburgh, PA 15219

CONTACT: Gale Handy, (412)255-6553

ADVISORY COMMITTEE: Community Development Investment Fund proposals are jointly received by the Local Initiative Support Corporation (LISC) and the Economic Development Department. The LISC Advisory Committee makes recommendations to the URA, and together they are responsible for final approval of grant awards.

REVENUE SOURCE: Loan repayments. The Community Development Investment Fund Program was initially funded with a grant of Community Development Block Grant Funds. The City now allocates \$400,000 annually for this program from Urban Development Action Grant repayment funds.

ESTIMATED REVENUE: \$400,000 annually.

USES: The Fund is to assist nonprofit, community-based organizations in developing their capacity to participate in real estate projects (residential, commercial and industrial) that benefit low- and moderate-income persons. The Fund aims to support development of real estate that is idle or underutilized, providing needed housing and employment opportunities in Pittsburgh neighborhoods.

PROGRAMS: The Community Development Investment Fund Program makes grants of \$75,000 per commercial, industrial or residential real estate development project.

TARGETING REQUIREMENTS: At least 20% of newly constructed multi-family, non-elderly units must be reserved for low/moderate-income occupants. Assistance is limited to these units unless 51% or more of the units are for low/moderate-income families. All other newly constructed units must be for at least 51% low/moderate-income occupants.

PARTICIPATION: Community-based organizations actively lobbied for the trust fund. There are no special citizen participation requirements. However, because of the extensive involvement of neighborhood residents in developing the programs, the Authority has encouraged community planning processes as a part of every project.

OTHER INFORMATION: Today there are a large number of Urban Development Action Grants.

SAN FRANCISCO, CALIFORNIA

STATUS: Implemented in 1981. Ordinance in 1985.

ADMINISTRATION: The Department of City Planning,
Mayor's Office of Housing and Economic Development
100 Larkin Street
San Francisco, CA 94102

CONTACT: Bill Rumpf, (414)558-2881

ADVISORY COMMITTEE: None established.

REVENUE SOURCE: Office Linkage Program.

ESTIMATED REVENUE: Of the 35 office developers subject to the regulations since 1981, ten chose to fulfill their housing requirement by producing the housing themselves and the remaining developers contributed funds to other housing ventures, resulting in over \$26 million in commitments. Since January, 1987, another six office projects have been subject to the requirements, with a total requirement of 831.3 units.

USES: The Fund is to be used solely to increase the supply of low- and moderate-income housing.

PROGRAMS: For developers that choose to make a contribution to a housing development project, the administering agency provides a list of housing projects expected to need contributions. The list contains low- and moderate-income housing projects that are likely to go forward but have equity or financing shortfalls.

TARGETING REQUIREMENTS: Developers choosing to provide the housing themselves must have 62% of the units affordable to low- and moderate-income households for 20 years. All monies placed in the City Wide Affordable Housing Fund must be used to increase the supply of housing affordable to low- and moderate-income households, defined as less than 120% of the median income.

PARTICIPATION: Meetings of the Planning Commission are open to the public. There is no special role for community-based organizations.

OTHER INFORMATION: The relevant local conditions in the real estate market are active, but with a declining commercial market.

SAN FRANCISCO, CALIFORNIA

STATUS: Enacted in 1987.

ADMINISTRATION: Chief Administrative Office, City of San Francisco
City Hall, Room 271
San Francisco, CA 94102

CONTACT: Germaine Wong, (415)554-6001

ADVISORY COMMITTEE: None established.

REVENUE SOURCE: Hotel Room Tax. In 1987, a 1.25% surcharge was added to the tax on hotel rooms in the City and County of San Francisco.

ESTIMATED REVENUE: Approximately \$500,000 is now available for distribution. Estimated revenue is \$2.5 million.

USES: To facilitate the construction of low-income housing.

PROGRAMS: A number of alternative uses of the funds were identified: to facilitate the development of low-cost housing in the Project Area, to finance the construction of low-cost housing, and to reduce rentals for housing constructed in rent level categories equivalent to those in public housing.

TARGETING REQUIREMENTS: Low income is defined as 80% of the area median income.

PARTICIPATION: No special citizen participation requirements.

OTHER INFORMATION: The revised ordinance took effect in 1987. The first disbursement of funds equalled \$500,000.

SANTA MONICA, CALIFORNIA

STATUS: Enacted in 1986.

ADMINISTRATION: Department of Community and Economic Development,
Housing Division
1685 Main Street
Santa Monica, CA 90401

CONTACT: Candida Rupp, (213) 458-8701

ADVISORY COMMITTEE: None established. A seven-member Housing Commission is appointed by the City Council as an advisory body. The Commission would see drafts and review materials, but is not mandated to do so.

REVENUE SOURCE: There are two primary revenue sources, both of which are linkage programs: Project Mitigation for Housing and Program 12-In-Lieu Fee Option Ordinance.

ESTIMATED REVENUE: It is anticipated that approximately \$1 million will be collected each year for the next four years from the Office Mitigation Measure. There is no estimate of how much will be collected from the projected in-lieu fees.

USES: Both programs specify that the funds are to be used for the development of low- and moderate-income housing.

PROGRAMS: Program guidelines are currently being drafted by the staff.

TARGETING REQUIREMENTS: The Fund money is targeted to low- and moderate-income households.

PARTICIPATION: City Council meetings are open to the public. The State of California requires public review of the City's Housing Element.

OTHER INFORMATION: No programs have been implemented with fees collected since the adoption of the two ordinances.

SEATTLE, WASHINGTON

STATUS: Enacted in 1986.

ADMINISTRATION: Department of Community Development.
400 Yesler Way
Seattle, WA 08104

CONTACT: Marcia Guthrie, (206) 684-0343

ADVISORY COMMITTEE: The Downtown Housing Advisory Task Force acts as the advisory committee of the Fund. The Task Force has sixteen members, with representatives from private developers, nonprofit development corporations, and low-income housing advocates.

REVENUE SOURCE: Cash contribution to earn a housing bonus. All contributions are to fulfill certain conditions established by the board.

ESTIMATED REVENUE: Not available.

USES: The Downtown Housing Trust Fund is primarily intended to support the production of moderate-income housing.

PROGRAMS: Eligible housing projects include new construction, rehabilitation of buildings vacant for five years and conversions to residential use. All projects must be located in the downtown area.

TARGETING REQUIREMENTS: Projects must serve households with incomes under 150% of the median income. Maximum rents may not exceed those developed on a rent level schedule (approximately 30% of income). Twenty-five percent of the units in a rehabilitation project must serve households with incomes below 50% of median income. Projects must be committed to providing affordable housing for 20 years.

PARTICIPATION: No special citizen participation requirements were established.

OTHER INFORMATION: As of the end of 1987, no developers had selected the cash option. The performance option, whereby developers can produce the housing themselves rather than make a cash contribution, has resulted in commitments of \$2,516,620 to construct 120 units of moderate-income housing.

STATE OF TENNESSEE

STATUS: Enacted in 1988.

ADMINISTRATION: Tennessee Housing Development Agency
700 Landmark Center, 401 Church Street
Nashville, TN 37219

CONTACT: Stan Houle, (615)741-4934

ADVISORY COMMITTEE: No advisory committee was established specifically for this program; however, the Board of the Housing Development Agency was increased from 16 to 18 members, adding representation from local governments and nonprofit organizations.

REVENUE SOURCE: The Tennessee Housing Trust Fund has four main sources of revenue: the real estate transfer tax, mortgage transfer tax, the interest earned on state housing finance agency reserves and the income from the Housing Program Reserve Fund. The Housing Program Fund may also receive available federal funds.

ESTIMATED REVENUE: An estimated \$10 million annually will be available for the Housing Program Fund.

USES: The Fund will be used to promote the production of more affordable housing units for low-income individuals and families. The funds will also be used to promote the preservation and rehabilitation of existing housing units, and to bring greater stability to the residential construction industry to assure a steady flow of production of new units.

PROGRAMS: The funds are to be used to make grants to eligible political subdivisions and fund housing demonstration and other related housing programs.

TARGETING REQUIREMENTS: Funds, including local matches, must benefit low-income households (incomes not exceeding 80% of the median income).

PARTICIPATION: No special citizen participation requirements were established.

OTHER INFORMATION: The legislation established three separate funds as part of the program: the Assets Fund, the Housing Program Reserve Fund and the Housing Program Fund.

STATE OF UTAH

STATUS: The Housing Trust Fund was passed in 1986.

ADMINISTRATION: Department of Community and Economic Development
1385 Indiana Avenue
Salt Lake City, UT 84104

CONTACT: Mark Lundgren, (801)539-1590

ADVISORY COMMITTEE: The advisory committee members are appointed by the governor.

REVENUE SOURCE: The Utah Housing Coalition has encouraged the exploration of dedicated revenue sources: mineral lease monies, finance agency funds and title transfer fees (\$1.00 fee per \$1,000 of assessed value would provide about \$600,000). They have also encouraged the Department to pursue all possible housing resources available to it as an originator endowment, including: Utah Housing Finance Agency payback monies, rental rehab "bonus" monies and discretionary grant funds.

ESTIMATED REVENUE: Not available.

USES: Funds may be used for rehabilitation of low-income housing units, matching funds for social services projects directly related to providing housing for special-needs renters in assisted projects, shelters and transitional housing for the homeless and other activities to improve the availability of quality low-income housing.

PROGRAMS: No programs have been established.

TARGETING REQUIREMENTS: No less than 30% of the funds are to be distributed to rural areas of the state and at least 50% of the funds are to be distributed as loans to be repaid. At least half of the funds are to be distributed to persons whose annual income is at or below 50% of the state median family income.

PARTICIPATION: No special requirements of citizen participation.

OTHER INFORMATION: The administrative office of the Fund is still looking for an on-going source of revenue.

STATE OF VERMONT

STATUS: Enacted in 1987. Revised in 1988.

ADMINISTRATION: Vermont Housing and Conservation Board
49 State Street
Montpelier, VT 05602

CONTACT: Gus Seelig, (802) 828-3250

ADVISORY COMMITTEE: The Vermont Housing and Conservation Board is the advisory committee for the trust fund.

REVENUE SOURCE: Property transfer tax.

ESTIMATED REVENUE: The revenue generated from the increased property transfer tax is anticipated at \$3.2 million annually.

USES: The purpose of the Fund is to create affordable housing and to preserve and protect Vermont's agricultural land, historic buildings, important natural areas and recreation lands.

PROGRAMS: Priority is to be given to projects which combine the dual goals of creation of affordable housing and conservation and protection of Vermont's agricultural land, historic buildings, etc. Other considerations include: the need for a timely response to unpredictable circumstances or special opportunities; the level of funding participation by private or public sources; what resources will be required in the future to manage or maintain the activities; the need to pursue the goals of the Fund without displacing lower-income residents; and the long-term effects of the proposed activity and the likelihood that the activity will prevent the loss of subsidized housing units and will be of perpetual duration.

TARGETING REQUIREMENTS: The money in the Trust Fund is targeted to persons of low income (persons with income at or below the median income). Eligible applicants include: municipalities, departments of state government, nonprofit organizations, and cooperative housing organizations.

PARTICIPATION: No special citizen participation requirements were established for this program.

OTHER INFORMATION: As of June, 1988, \$2,992,968 had been committed or reserved for 23 projects. Approximately 42% of the funds are committed to housing projects, involving over 300 units.

STATE OF VIRGINIA

STATUS: Enacted in 1986.

ADMINISTRATION: Virginia Housing Development Authority
601 South Belvedere St.
Richmond, VA 23220

CONTACT: Gordon Wargo, (804)782-1986

ADVISORY COMMITTEE: None established. The Fund is administered by VHDA staff and overseen by commissioners.

REVENUE SOURCE: Tax-exempt revenue bonds. The Fund was originally capitalized with \$45 million in excess interest on debt service reserves.

ESTIMATED REVENUE: \$5 million per year. No specific commitment has been made to apply future interest earnings from the debt service reserve fund to the Fund.

USES: The Fund monies are loaned for the purpose of constructing or rehabilitating single- or multi-family housing. In first round funding, monies were also used to finance group home and shelter projects. Loans are made for a maximum of ten years, with interest rates generally not lower than the rate for U.S. Government securities with equivalent terms.

PROGRAMS: None established.

TARGETING REQUIREMENTS: Low-income families receive priority for housing.

PARTICIPATION: No specific requirements of citizen participation.

OTHER INFORMATION: The Virginia Housing Development Authority, created in 1972, was very active in the 1980s and accumulated substantial excess reserves. Today, one of the goals of the Fund is to leverage public or private monies, tax incentives and in-kind contributions. Of the total monies so far committed, \$2.1 million have been assigned to specific projects. These funds have leveraged over \$5 million in other public and private development funds.

STATE OF WASHINGTON

STATUS: Enacted in 1987. Revised in 1988.

ADMINISTRATION: Department of Community Development
MS-GH-51
Olympia, WA 98504

CONTACT: Jeff Robinson, (206)753-6652

ADVISORY COMMITTEE: The Trust Fund's advisory committee consists of two committees: The Low-Income Housing Assistance Advisory Committee and The Broker's Trust Account Board.

REVENUE SOURCE: The revenue sources for the Fund include interest earnings on real estate escrow funds, penalties against failure to pay real estate transfer tax and appropriations from the General Fund.

ESTIMATED REVENUE: \$8.5 million in fiscal year 1990.

USES: The Fund is to finance projects that will provide housing for persons and families with special housing needs and with incomes at or below 50% of the area median family income.

PROGRAMS: The Funds may be used for: new construction, rehabilitation or acquisition of low- and very low-income housing units; rent subsidies for new construction or rehabilitation of multi-family units; matching funds for social services directly related to providing housing for special-needs tenants in assisted projects; technical assistance; design and finance services and consultation; administrative costs for eligible nonprofit community- or neighborhood-based organizations; shelters and related services for the homeless. A portion of the recent state appropriation will be used to provide rental subsidies to families with needy children and to offer interest-free loans to people on the brink of eviction (homelessness prevention).

TARGETING REQUIREMENTS: All funds are to be used to benefit persons and families with special housing needs and with incomes at or below 50% of the area median income.

PARTICIPATION: Community-based organizations lobbied actively for the Trust Fund. Their projects are encouraged.

OTHER INFORMATION: The recent \$10 million state commitment will leverage an additional \$53 million from federal, local and private money for low-income housing.

STATE OF MINNESOTA

STATUS: Enacted in 1988.

ADMINISTRATION: The Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, MN 55101

CONTACT: Murray Casserly, (612)296-9846

ADVISORY COMMITTEE: There is an established advisory committee consisting of eight members which represents the interests of realtors, lenders, nonprofit developers, apartment owners, low-income persons, housing advocates and single- or multi-family unit builders.

REVENUE SOURCE: Interest on real estate escrow accounts and interest accruing on application deposits.

ESTIMATED REVENUE: Approximately \$1.2 million annually.

USES: The funds are to support very low-income rental and limited equity cooperative housing units.

PROGRAMS: Funds may be used to provide loans or grants for development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units. Funds may also be used to match federal, local or private money. Up to 20% of available funds may be used for homeownership for families whose income does not exceed 30% of the area median income.

TARGETING REQUIREMENTS: At least 75% of the units must be rented to or cooperatively owned by persons whose income is at or below 30% of the median family income. There are also specific geographic targets.

PARTICIPATION: No special citizen participation requirements.

OTHER INFORMATION: The Fund is in its second funding round. So far the monies have been used not only for the construction of low-income housing, but also for the expenses of the Advisory Committee and the Agency which developed and implements the program.

STATE HOUSING POLICY FOR THE 1990's

**Housing Policy Development Committee
Alaska Housing Market Council**

January

1990

Alaska Housing Market Council Recomm.

Dear Governor Cowper and Members of the Legislature:

I am pleased to present policy recommendations on behalf of the Alaska Housing Market Council. These recommendations have been formulated over a year and a half period, through a committee process involving consumers, housing professionals, banking representatives, legislators and public housing officials. The committee was established by the Alaska Housing Market Council and was specifically designed to provide the broadest representation of individuals impacted by housing issues across our state.

We have found that nothing impacts individuals more than the requirement for basic shelter. We have also found that no industry other than the oil industry has had as dramatic, or such a roller coaster effect, on the Alaskan economy as real estate.

The committee endeavored to receive the broadest possible amount of public testimony in the process of developing these recommendations. The committee held public hearings on a regular basis, teleconferencing and meeting in both rural and urban locations.

We have heard and seen the enormous need for new housing construction in rural Alaska that meets acceptable standards for safety, decency, sanitation and energy efficiency. We have learned about the continuing need for affordable housing units to meet our low-income population's requirements. We have also looked at the needs of special housing populations for emergency, transitional and long term housing. The growing senior Alaskan population will require a variety of housing forms and related care facilities. We have also examined economic factors that limit our state and believe that those needs must be addressed in a realistic and prudent manner.

The committee spent much time discussing the Alaskan real estate market and inconsistencies in that market throughout various regions. As part of the market discussion, we thoroughly examined the role of our state housing institutions and duplicate services within those entities. Central to these policy recommendations is the need to provide coordinated housing functions within state government. Financial constraints could be most effectively overcome through efficient housing delivery. The recommendations of the AHMC provide models for that central coordination, and specific suggestions that address our housing needs for the next decade.

We welcome your review of these suggestions and the opportunity to provide additional assistance to you for formulating solutions to these issues.

Sincerely,

Cynthia Parker, Chair
Alaska Housing Market Council

HOUSING POLICY DEVELOPMENT SUBCOMMITTEE MEMBERS

LOW-INCOME, AFFORDABLE, AND SENIOR HOUSING

Chair Paul Carr, Real Estate Planner, Carr-Gottstein Properties
Vice-Chair Carol Jackson, Resource Development Analyst, Alaska State Housing Authority
Bob Arwezon, Licensed Real Estate Broker
Howard Bess, President, Alaska Housing Ministries
Bryan Borjesson, Owner, Borjesson Engineering
Representative Johnny Ellis, Legislator, District 12-B
Velma Ellyson, Project Director, Homer Seniors Inc.
Kelly Gunnels, Assistant Vice President, Denali State Bank
Leo Kaye, Member of Mat-Su Senior Citizens' Advisory Board
Kathy Keck, Staff Attorney, Alaska Legal Services Corporation
Cynthia Parker, Executive Director, Anchorage Neighborhood Housing Services
Ray Price/Jo Ann Goyne/Jessie Bartlett, Executive Director/Deputy Director/Case Manager
Supervisor, Alaska State Housing Authority
Representative C. E. Swackhammer, Legislator, District 5-B

RURAL AND URBAN HOUSING MARKETS

Chair William Swain, Co-Owner and Chair of the Board of Jack White Company
Vice-Chair Mike Shuler, Executive Director of Bristol Bay Housing Authority
Rick Barrier, General Partner, Malaspina Properties
Tom Behan/Mitzi Barker, Executive Director/Special Projects Assistant, Alaska Housing Finance Corporation
Senator John Binkley, Legislator, District M
Rob Gamel, Residential Projects Director, Carr-Gottstein Properties
John Guinn, Executive Director, Alaska Village Council Presidents' Regional Housing Authority
Mike Harper, Director, Rural Development Division, Department of Community and Regional Affairs
Sam Helms, Retired Fairbanks General Contractor
Lee Husky, Professor of Economics and Chair of the Department of Economics, University of Alaska, Anchorage
Deborah Ingman, Owner of Appraisal Associates of Juneau
Caren Mathis, Special Assistant, Department of Commerce and Economic Development
Kay Murphy, Vice President of Mortgage Production, Key Bank of Alaska
Representative Steve Rieger, Legislator, District 8-B

TRANSITIONAL AND LONG TERM HOUSING FOR SPECIAL NEEDS

Chair Barbara Miklos, Executive Director, Council on Domestic Violence and Sexual Assault
Vice-Chair Gale Cipra, Past Vice-President of Mortgage Production, Key Bank of Alaska
Nancy Adams, Executive Director, Juneau Alliance for the Mentally Ill
Fred Ali, Executive Director, Covenant House Alaska
Sharon Araji, Professor of Sociology, University of Alaska, Anchorage
Representative Kay Brown, Legislator, District 12-A
Stan Hoofard/Barbara Chmiel, Rehabilitation Coordinator /Rehabilitation Financial Analyst,
Municipality of Anchorage
Gary Mandzik, Residential Resource Coordinator, Division of Mental Health and Developmental Disabilities, Department of Health and Social Services
Senator Pat Pourchot, Legislator, District H-A
Mary Wolcoff, Former Executive Director, Association for Stranded Rural Alaskans

STATE HOUSING POLICY FOR THE 1990'S

The Housing Policy Development Committee

Alaska Housing Market Council

January, 1990

Glenda Straube, Executive Director
Heather Arnett, Staff to Committee
Peggy Stewart, Research Analyst
Kathleen Metcalfe, Researcher

TABLE OF CONTENTS

	Page
I. Executive Summary	1
II. History of State Housing and Mortgage Loan Programs	4
III. Policy Statements and Recommended Action Plans	9
A. Coordinated and Regionalized Policies	9
B. Low-income, Rural and Affordable Housing	18
C. Special Needs Housing	22
D. Senior Housing	24
E. Housing Finance	28
F. Housing Partnerships	28
G. Housing Quality Standards	29
H. Local Housing Policy/Land Use	31
IV. Committee Schedule	32
V. Public Participation	34
VI. Appendix I: Biographies of Committee Members	35
VII. Appendix II: Analysis of Coordinated Housing Policy Statement	41
VIII. Appendix III: Housing Needs, Programs, and Funding Tables	64
Funding Data	64
Low/Moderate Income Data	79
Needs Assessment	84
State Demographics	88
Agency Data	96
IX. Bibliography	107

Executive Summary

One of the overriding goals of the Alaska Housing Market Council has been to develop a statewide housing policy. In December of 1988, the Alaska Housing Market Council appointed a thirty-seven member Housing Policy Development Committee. This committee has been comprised of housing professionals, consumers, banking representatives, legislators and public housing and housing finance officials.

During the 1989 legislative session, the Legislature confirmed their support for a housing policy by approving a resolution mandating that state agencies work together to draft a state housing policy. Governor Cowper approved the resolution, which became Legislative Resolve 55.

The Housing Policy Development Committee was divided into three subcommittees: Rural and Urban Housing Markets Subcommittee; Low-income, Affordable and Senior Housing Subcommittee; and the Transitional and Long Term Housing for Special Needs Subcommittee.

The subcommittees and the full Housing Policy Development Committee met monthly, often twice a month, in communities across the state. They heard hours of testimony from the public and private sector on every aspect of housing. They reviewed research on the present, and past, housing industry in Alaska, examined the federal housing picture, and looked at how other states have met their housing needs.

As a result of the committee's work and the accumulation of statistical housing data, the following major findings came to light:

- Housing programs in Alaska are not consolidated and are spread among 13 different state agencies, offices, and divisions. The result is that there is no coordinated state housing policy which would allow clear direction for housing programs. Housing regulations, from agency to agency, are sometimes in conflict. Statistical data on housing needs in the state is limited and, as a result, housing programs

are designed with little quantitative information regarding the real housing needs of Alaskans.

- Low-income and rural housing needs in the state are critical and have not been met with existing housing resources. Almost 33 percent of Alaskans are considered to be low-income residents.
- Federal housing money to the state is dwindling — over the past year by \$22 million.
- Many states are taking a much more active role in housing than Alaska. Those states have adopted an overall state housing policy and have coordinated housing programs. Some have set up "housing trust funds" to support housing needs. They have developed innovative housing "partnerships" with the private and public sector to fill in gaps unmet by federal housing programs.

As a result of these and other findings, the committee approved a mission statement and drafted a series of 13 policy statements:

MISSION STATEMENT

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

SUMMARY OF STATE HOUSING POLICY STATEMENTS

It is the policy of the State of Alaska. . .

- *to adopt and execute a state housing policy and facilitate coordination of housing services. (page 9)*
- *to recognize the significant differences in housing needs, standards and requirements across the state. As a result, state policies, programs, procedures, and regulations shall be regionalized to the greatest extent possible. (page 9)*

- *to encourage communities to take an active role in housing and land use issues, recognizing that local control is preferable to central control, because local governments can best balance the needs of the public with the private determination of supply and demand. (page 31)*
- *to improve the availability, accessibility and affordability of housing for people with limited, low or no incomes. (page 12)*
- *to improve the availability, accessibility and affordability of emergency, transitional and long term housing for the homeless and others with special needs. (page 18)*
- *in the allocation of state housing resources, to give first funding priority to the state's most urgent housing needs. (page 12)*
- *to encourage and assist the citizens of the state in homeownership opportunities in a fiscally responsible manner. (page 24)*
- *to encourage housing partnerships which include public, private and non-profit entities, in order to foster and develop low-income and affordable housing in the state. (page 28)*
- *to minimize direct involvement of state government in the secondary mortgage market, with the primary exception of accessing capital markets in order to finance the state's housing needs. (page 24)*
- *to promote the availability of quality, affordable rental housing. (page 12)*
- *to recognize that Senior Alaskans should have access to appropriate and affordable housing. The state should implement a housing program for seniors which emphasizes a continuum of care services. Supportive services should be available which allow seniors to live independently at their level of ability. (page 22)*
- *to develop and maintain stable sources of capital and revenue to support housing needs in the state. (page 24)*
- *that housing in the state should meet specific quality standards. (page 29)*

Some of the recommended action plans which accompany the thirteen policy statements are listed below:

- **Establish a Housing Commission and, ultimately, a Department of Housing (page 9)**

To overcome the fragmentation of existing programs and to ensure continued involvement in housing issues, the committee recommends that a Housing Commission be established - with a plan to develop a Department of Housing in the state over the next several years. The Department will consolidate all of the state's housing functions.

- **Increase Low-income and Rural Housing 10% Per Year (page 16)**

The state should commit to increasing the rural and low-income housing stock at a rate of at least 10% per year through 1996, and the state should identify how the total need can be met.

- **Eliminate State Mortgage Loan Subsidies (page 26)**

The Legislature should eliminate the mortgage loan subsidies, except to meet rural and low-income housing needs.

- **Develop housing assistance program for rural, low-income residents (page 16)**

The state should examine the feasibility of developing a program for subsidizing rent or mortgage payments for rural, low-income Alaskans who do not have enough income to participate in one of the housing assistance programs.

- **Expand Membership of AHFC and ASHA Boards (page 15)**

The boards of AHFC and ASHA should be expanded and should include a majority of public members.

- **Loan to Non-profit Housing Providers (page 5)**

To better meet the state's housing needs, state agencies involved in housing finance should have the legal, regulatory and procedural ability to provide financing to non-profit housing sponsors.

- **Donate Foreclosed Properties for Low-income, Rural and Special Needs Housing (page 17)**

State agencies should examine and evaluate their portfolios of non-insured "REO" properties (including mobile homes) to determine which properties could be donated for low-income, rural, and special needs housing.

- **Provide Supportive Care Services When Providing Housing for Special Needs (page 20)**

It is essential that a continuum of supportive care services be in place so that emergency, transitional and long term housing, for the homeless and others with special needs, will be effective.

- **Implement a "Continuum of Care" Housing Program for Seniors (page 23)**

The State of Alaska should adequately fund necessary supportive services which allow seniors to remain independent for as long as possible.

- **Apply for Federal Medicaid Waiver to Fund Supportive Services (page 23)**

The State should consider applying for federal Medicaid waivers for home-based supportive services. If approved, the waiver would require the federal government to match the state's contribution to supportive services

- **Adopt Building Codes (page 29)**

The state should adopt building codes, allowing for regional differences and amendments.

- **Adopt More Stringent Contractor Licensing Requirements (page 30)**

The Legislature should pass SB72, or other appropriate legislation, to strengthen residential contractor licensing requirements.

- **Establish a State Licensing or Certification Program for Real Estate Appraisers (page 30)**

In accordance with federal guidelines, the state should establish a state licensing or certification program for real estate appraisers.