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Alaska 2001

CONSOLIDATED  
HOUSING & COMMUNITY  
DEVELOPMENT PLAN  
FOR THE STATE OF ALASKA



Fiscal Years 2001 - 2005  
Five Year Plan



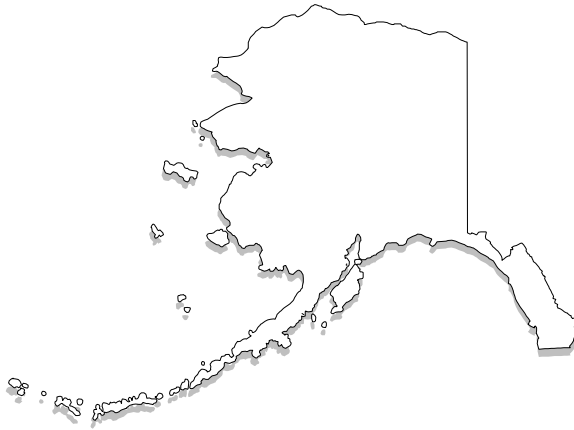
Tony Knowles, Governor

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A l a s k a



# CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA

## Fiscal Years 2001 - 2005 Five Year Plan

October, 2000

As approved by  
the U.S. Department of  
Housing and Urban Development



A l a s k a

# CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA

## Fiscal Years 2001-2005 Five Year Plan

September, 2000

Tony Knowles  
Governor

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Cover:  
Lil' Alaska Town  
by Miguel Barragan  
1995

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DEVELOPMENT PLAN  
FOR THE STATE OF ALASKA 2000 - 2005



# Fiscal Year 2000 - 2005 Five Year Plan

## I. Executive Summary

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The Consolidated Housing and Community Development Plan is a federally mandated planning process that serves as an application for several programs of the U.S. Department of Housing and Urban Development (HUD). The formula grant programs include the Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME), and Emergency Shelter Grant (ESG). A number of other HUD programs are required to be certified as being consistent with the Consolidated Plan of the jurisdiction in which the activity is proposed to take place.

In Alaska, two entitlement jurisdictions receive formula funding for the CDBG, HOME, and ESG programs. The Municipality of Anchorage is an entitlement jurisdiction, and is responsible for the preparation and maintenance of its own Consolidated Housing and Community Development Plan (HCD Plan). The State of Alaska's HCD Plan covers all geographic areas of Alaska outside of the Municipality of Anchorage.

The State's Plan is a cooperative effort of the Alaska Housing Finance Corporation (AHFC), the Alaska Department of Community and Economic Development (DCED), the Alaska Department of Health and Social Services (DHSS), the Alaska State Commission for Human Rights (ASCHR), and the Alaska Human Resource Investment Council (AHRIC). The Governor of Alaska has designated AHFC as the lead agency in the preparation and maintenance of the Plan.

The State's five-year Consolidated Housing and Development Plan (2000-2005) profiles housing and community development (HCD) conditions in Alaska, outlines an assessment of HCD needs, and provides a market analysis of the environment in which these needs exist. This five-year plan includes a strategy to be followed in carrying out HUD programs, and other resources leveraged in conjunction with these programs. Implementation of the five-year plan will be done through a series of one-year action plans, based on the State of Alaska's fiscal year. The one-year plan identifies anticipated housing and community development resources expected to be available during the year, and details the State's plans for the use of HOME CDBG and ESG funds. The annual plan includes a description of how funds will be allocated, the program activities to be undertaken, and the amount of funds to be distributed for each program activity. Also included in the annual action plan is an overview of homelessness needs and actions to be undertaken to address homelessness, special needs housing, lead based paint hazards, collaboration with the public housing agency, and non-housing community development concerns. The annual action plans will provide a basis for assessing effectiveness through annual performance reports.

The statutory goal of the HCD Plan is:

**Provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans at or below 80% of median income.**

A set of eight guiding principles direct the use of program resources covered by this consolidated Plan. These principles were adopted after an examination of the guiding principles used in the first HCD Plan 1995-2000, and a review of the Annual Performance Reports for Fiscal Years 1996, 1997, 1998, and 1999. The wide range of housing and community development conditions across Alaska makes the use of guiding principles the most practical and effective means of targeting scarce HCD resources. **The 2000-2005 guiding principles are:**

- 1) The use of federal housing and community development program funds should emphasize benefit to low income Alaskans.**
- 2) Federal community development funds should support local efforts addressing obstacles to economic growth by constructing , upgrading and reducing operating costs of essential community services.**
- 3) Existing housing supply, both owner-occupied and rentals, should be protected and improved through weatherization and rehabilitation activities.**
- 4) Allocation of homeless resources covered by this Consolidated Plan should be consistent with community based strategies addressing homelessness.**
- 5) State matching funds should be provided to leverage other resources for housing, services related to housing, and community development.**

- 6) The supply of affordable housing should be expanded for Alaskans with special needs, incorporating appropriate supportive services and accessibility.**
- 7) Housing and community development projects should incorporate appropriate arctic design and engineering, energy efficient construction techniques and innovative technologies.**
- 8) Through relevant and appropriate training and technical assistance, the state-wide housing delivery system should be improved.**

During the development of Annual Performance Reports under this Five Year HCD Plan, accomplishments relating to each of the eight guiding principles will be assessed.





# Fiscal Year 2000 - 2005 Five Year Plan

## II. Public Input Into the HCD Plan Development

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The development of the HCD Plan is a result of input from a number of different sources. Those providing input include individuals, state agencies and local governments, non-profit organizations, regional housing authorities and tribally designated housing entities, and the private sector. The HCD Plan also encourages the involvement of private citizens, particularly those with low incomes or residing in areas in which community development activities are likely to take place. Federal regulations require the State adopt a Citizen Participation Plan, encouraging the public to participate in the development of the HCD Plan, and outlining the steps the State will take to solicit public input.

Alaska's expansive geography and widely varying conditions offer challenges for the State's Citizen Participation Plan. A number of different approaches are used to maximize public input, including:

- Interactive workshops
- Public hearings
- Working groups
- Linkages with other planning efforts

The State makes extensive use of teleconferencing, and internet technology to overcome barriers of distance, and to offer the opportunity for citizens in even the most remote areas of the State to participate in the HCD process. AHFC's web-site ([www.ahfc.state.ak.us](http://www.ahfc.state.ak.us)) provided an overview of the five-year planning process, and offered an electronic means of providing HCD input. Other state, federal and non-profit agency web-sites were linked to the AHFC's HCD Planning web-site. Some of these links include the Alaska Mental Health Trust Authority, the Alaska Coalition on Housing and Homelessness, the Alaska Department of Community and Economic Development, and the Alaska Department of Health and Social Services. Nineteen agencies recently brought on line through the Rural Internet Connection for the Homeless project have been linked to the State's HCD Planning process.

All of the public hearings held in conjunction with the development of the five year plan were extensively advertised in statewide and local newspapers, and the hearings were conducted by teleconferencing to sites across the Alaska. The first statewide teleconferenced hearing was held on October 19, 1999. Alaska Housing Finance Corporation's (AHFC) Budget Housing Policy conducted a public meeting on November 4, 1999, that provided additional input into this Consolidated Planning process. On December 7, 1999, AHFC's Board of Directors conducted a public work session on this five-year Consolidated Plan. The draft Plan was released on January 24, 2000. A statewide teleconferenced public hearing on the draft was held on February 9, 2000. Public comments were received on the draft until March 8, 2000

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# Fiscal Year 2000 - 2005 Five Year Plan

## III. Alaska Profile

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### Geography and Climate

Alaska is a unique state, encompassing a wide range of geographic, environmental, social and economic conditions. Housing and community development needs reflect these widely varying circumstances. The challenges are immense when developing strategies to effectively mobilize, target and apply resources towards Alaska's affordable housing and community development needs. This profile on Alaska will provide background information to better understand these challenges.

The geography of Alaska is a factor that cannot be ignored. With more than a fifth of the total land mass of the United States, Alaska is larger than the combined areas of Germany and France. Covering 656,424 square miles (including 86,041 square miles of water surface), Alaska stretches from the temperate rain forests of Southeast Alaska to the polar environment of the treeless North Slope. The eastern border Alaska shares with Canada stretches over more than 1500 miles of rugged mountain ranges and ocean. The Aleutian chain contains 14 large islands, and 55 smaller ones extending 1100 miles into the North Pacific towards Japan. Alaska's total shoreline, including islands, is estimated at more than 33,000 miles. The vast interior area of the state contains the Yukon River, which flows for 1875 miles in Alaska, and an additional 400 miles in Canada. From east to west, Alaska stretches over 2,400 miles. From north to south, more than 1,400 miles is encompassed by the state. If a map of Alaska were superimposed upon the continental United States,

Ketchikan would be near Atlanta, Georgia, Barrow would be in northern Minnesota, and the tip of the Aleutians would be in southern California.

Alaska is a land of extremes. Seventeen of the highest mountain peaks in the United States are in the state, including Mt. McKinley. The summit of Denali (the Indian name for the peak) is 20,230 feet above sea level. Alaska has more than 5,000 glaciers covering five percent of the state. There are more than 3 million lakes and 3,000 rivers in Alaska. Geologically, Alaska is a very active area. More than seventy potentially active volcanoes are present in the state, with several eruptions occurring in the past decade. Each year, Alaska has approximately 5000 earthquakes, with more than 1000 measuring above 3.5 on the Richter scale. Of the ten strongest earthquakes ever recorded in the world, three occurred in Alaska.

Located on the northwest extremity of the North American continent, Alaska's various climatic regions reflect the influence of the North Pacific Ocean and the Polar region. Areas closest to the Gulf of Alaska have a relatively temperate climate, but are exposed to storms originating in the North Pacific, frequently bringing precipitation and wind. Western Alaska experiences cool summers, and winters with high winds and snows. The Interior of Alaska has great temperature variations from summer to winter, with only moderate amounts of precipitation. The northern areas, Arctic Alaska, have permanently frozen ground, limited snowfall, cool summers, and high winds. Alaska's northern latitude is also responsible for the extreme variation in daylight hours throughout the year. In Barrow, on the North Slope, the sun is not seen from late November through the end of January. Barrow's daylight is continuous from early May until early August.

Geographic conditions divide Alaska into a number of isolated regions, with no surface road connections between most communities. Aircraft and boats provide the only means of transportation to these communities. The magnitude of Alaska's size, and its variable weather conditions, add a dimension to travel within the state that is not faced elsewhere in the United States. The logistics and cost of developing and implementing projects are greatly influenced by this reality.

## **Economic Conditions**

Alaska is a young state, attaining statehood only in 1959. During the past forty years, Alaska's economy has dramatically changed. A review of some of the major economic influences during that time will help clarify the conditions that will be faced during the next five years. The late 1950's were a time of economic challenges for the state. The World War II and Cold War military buildups had peaked and were in decline. Fishing stocks were being over-harvested, and the long-term prospects for this resource appeared grim. Gold mining was at a very low level of production. Not all was gloomy, however. Japan made substantial investments in the timber industry in Southeast Alaska, and two pulp mills broadened the area's economic base. The most significant long term development of the late 1950's was the discovery of oil and gas on the Kenai Peninsula. The foundation was being laid for the petroleum industry's huge impact upon Alaska's economy over the next four decades.



One recurring theme in Alaska's history is the impact of unanticipated events upon the state's economy. During the 1960's, this was particularly true. The 1964 Good Friday earthquake devastated infrastructure in several coastal communities, including Anchorage, Valdez, Seward, Kodiak and Seldovia. Federal disaster aid of approximately \$400 million helped provide more than 2000 construction jobs over a two-year period to repair the damage. In 1967, the Chena River flooded in Fairbanks with extensive damage resulting. Again, disaster aid helped create 900 construction jobs over a two-year period. In the shadow of these two major disaster recovery efforts, Alaska's economy was developing in other areas. The petroleum industry developed two refineries and a fertilizer plant on the Kenai Peninsula. Oil and gas exploration continued in the Cook Inlet region, and the giant Prudhoe Bay oil field was discovered on the North Slope.

In the trade, service providing and finance industries, employment doubled during the 1960's. Incomes also soared during the decade, with the average monthly wage rising by 50%, and per capita income increasing by an impressive 80%. These Alaskan growth rates were greatly outpacing the national figures for the same period. Alaska's high wage levels acted as a magnet for job seekers from other areas.

The 1970's were a time of tremendous economic growth in the state. With the construction of the 800-mile Trans Alaska Pipeline system, the "boom" was on. During the decade, Alaska's employment grew three times faster than the rest of the nation. The gross state product tripled, and personal income more than doubled. Alaska was seen as a land of opportunity, and its population growth reflected this attraction. During the 1970's, the state's population grew from 308,000 to 419,800. Of this increase, 58,000 came from immigration. In 1975 alone, Alaska's population grew by more than 30,000 people due to immigration. By 1980, there were more than 78,700 more jobs in Alaska's economy than there had been in 1970. This increase is all the more impressive considering the completion of the Pipeline in 1977 and the resulting severe reduction in its peak construction workforce of 28,000.

It was the best of times and the worst of times. The 1980's represented a time of economic extremes for many Alaskans. As the decade began, oil was flowing through the Trans-Alaska Pipeline at 1.5 million barrels per day. International market conditions caused the price of oil to triple, rising from \$10 per barrel to more than \$30 per barrel. Between 1980 and 1981, per capita state government spending doubled, and continued at this pace through the mid-1980's. State services of all kinds were expanded, and a wide range of capital projects all over Alaska fueled the construction industry at a feverish pace. At a time of high interest rates nationally, state owned corporations such as Alaska Housing Finance Corporation and the Alaska Industrial Development Authority offered below market rates to individual and business borrowers. These huge spending outlays propelled the Alaskan economy to new heights, and resulted in a population increase of more than 124,000 people in the first five years of the 1980's.

By the end of 1985, the Alaskan economy was beginning to implode. The price of oil had collapsed to less than \$10 per barrel, and state government responded by cutting more than a billion dollars from its budget. In 1986 and 1987, Alaska lost more than 20,000 jobs. Between July of 1985 and July of 1989, 44,000 more people left Alaska than arrived.

This exodus fed a downward economic spiral. The state's real estate market collapsed, with thousands of foreclosures resulting, and numerous financial institutions going out of business. The heady optimism of the early 1980's had turned into an economic nightmare for many by the end of the decade.

A sad irony was the positive short-term economic growth resulting from the wreck of the Exxon Valdez in 1989. Cleanup efforts providing many jobs and a welcome cash infusion into a weak state economy.

In the midst of this economic recession, some positive developments would lay the foundation for the economic recovery and stability of the 1990's. The Magnuson Act, giving the United States jurisdiction over the lucrative Bering Sea bottom fishery, led to substantial investment in this area. Investments in hard rock mining led to the development of the Red Dog lead/zinc mine near Kotzebue, and opening Greens Creek mine near Juneau. The timber industry in Southeast Alaska also experienced strong growth in the late 1980's. Other stabilizing influences in the economy at this time were the growth in tourism, and the increasing military presence in Fairbanks.

During the 1990's, Alaska's boom and bust economy appeared to attain a level of stability, and slow growth. The tourism industry has continued its expansion, with great growth in the tourism support sector. The services sector provided the fastest employment growth during the decade, adding 18,400 jobs. The health care industry was responsible for the largest percentage of this growth, though the influx of new national retailers added jobs. Some key developments during the 1990's, however, will greatly impact the future economic conditions in Alaska. Southeast Alaska's timber industry has experienced great contraction, with the closure of pulp mills in Sitka and Ketchikan, and sawmills closing in Seward, Haines and Klawock. More than 2500 timber related jobs have lost during the decade. Changes in the petroleum industry, particularly the decline in oil production levels, have led to a reduction in the number of jobs. The merger of Atlantic Richfield Company and British Petroleum coupled with the new expanded role of Phillips Petroleum, has created a new environment for the Alaskan oil industry. . The heavy reliance of the Alaska state government budget upon petroleum revenues underscores the continuing importance of Alaska's North Slope oil production to the state's overall economy.

In the December 1999 Alaska Economic Trends, published by the Alaska Department of Labor and Workforce Development, the following assessment of Alaska's economy in the 1990's was given:

"Although Alaska's economy experienced stable employment growth during the decade, the 1990's have been a time of significantly slower growth in terms of wages and incomes relative to the rest of the nation. In the 1970s and 1980s, Alaska was far ahead of most states in terms of incomes and wages, primarily due to high earnings from oil field, fishing and timber jobs. In 1990, Alaska was ninth in the nation in per capita income. Although per capita income continued to grow, it increased at a smaller rate than the national average, and Alaska's per capita in-

come dropped below the national average in 1997. In 1998, Alaska was ranked twentieth on the list and was among five states with the slowest growth in per capita income. It appears that the income differential between Alaska and other states in becoming smaller as high paying oil and timber jobs are lost."

Alaska no longer has the same attraction for job seekers it once had. Population growth and in-migration figures point to this fact. The 1990s have been an extended period of out-migration. Since 1993, more people have left Alaska than moved into the state for every year except 1997. The booming national economy of the late 1990's, coupled with the Alaska's job growth primarily being on the low end of the wage scale, contribute to this development. If this trend continues, it will greatly influence the housing and labor markets of the next decade.



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# Fiscal Year 2000 - 2005 Five Year Plan

## IV. Needs Assessment

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### General Demographics

As of July 1, 1998, the Alaska resident population was estimated at 621,400. The geographic area covered by this Consolidated Housing and Community Development Plan is all areas of Alaska outside of the Municipality of Anchorage. The 1998 estimated population for all areas of Alaska outside of Anchorage was 362,618. The population for non-metropolitan Alaska in 1990 was 323,705. In the 1990-98 period, this area's population has increased at a rate of approximately 1.5% per year. This average rate of population increase does not accurately portray the widely varying conditions across the state. In the Aleutians West Census area, population declined from 9,478 in 1990 to 5,389 in 1998, largely due to the closing of the Adak Naval Base and Eareckson Air Force Station. By contrast, the Matanuska-Susitna Borough grew from 39,683 in 1990 to an estimated 54,526 in 1998. Table 4-1 illustrates the population growth rates in the various areas of Alaska.

Alaskans are very mobile in terms of their place of residence. Drawing from U.S. Internal Revenue Service statistics, Alaska tends to have among the highest rates of migration to and from the state, and gross migration of any state in the country.

At the time of the 1990 census, the majority of all persons living in the state were migrants to Alaska. Only 34% were born in the state, ranging from a low of 14.1% in the Aleutians West Census area, to a high of 93.6% in the Wade Hampton Census area.

# Population By Labor Market Region, Borough, and Census Area

## State of Alaska

1998 vs. 1990

Table 4-1

Area by Labor Market Region	July 1 1998 Provis- ional	July 1 1997 Revised	July 1 1996 Revised	July 1 1995 Revised	July 1 1994 Revised	July 1 1993 Revised	July 1 1992 Revised	July 1 1991 Revised	April 1 1990 Census	Change	
										1997- 1998	1990- 1998
Alaska	621,400	609,311	604,966	601,646	600,765	596,808	586,684	569,063	550,043	12,089	71,357
Anchorage Mat-Su Region	313,308	306,709	303,680	301,814	301,208	296,047	288,461	277,451	266,021	6,599	47,287
Municipality of Anchorage	258,782	254,542	253,234	252,876	253,560	249,398	244,093	235,631	226,338	4,240	32,444
Matanuska-Susitna Borough	54,526	52,167	50,446	48,938	47,648	46,649	44,368	41,820	39,683	2,359	14,843
Gulf Coast Region	73,028	71,566	71,089	70,930	70,560	68,799	68,367	65,179	64,063	1,462	8,965
Kenai Peninsula Borough	48,815	47,664	46,658	45,936	45,072	43,807	43,456	42,132	40,802	1,151	8,013
Kodiak Island Borough	13,848	13,552	13,967	14,571	15,063	14,591	14,634	13,019	13,309	296	539
Valdez-Cordova Census Area	10,365	10,350	10,464	10,423	10,425	10,401	10,277	10,028	9,952	15	413
Interior Region	98,647	96,584	96,363	96,234	96,455	96,234	94,966	95,123	92,111	2,063	6,536
Fairbanks North Star Borough	83,928	82,110	81,889	81,594	81,838	81,459	80,256	80,656	77,720	1,818	6,208
Southeast Fairbanks Census Area	6,402	6,230	6,200	6,410	6,317	6,279	6,120	6,009	5,913	172	489
Yukon-Koyukuk Census Area	8,317	8,244	8,274	8,230	8,300	8,496	8,590	8,458	8,478	73	-161
Denali Borough /1	1,864	1,892	1,906	1,837	1,833	1,793	1,766	1,781	1,764	-28	100
Yukon-Koyukuk Census Area /1	6,453	6,352	6,368	6,393	6,467	6,703	6,824	6,677	6,714	101	-261
Northern Region	23,649	23,159	22,736	22,414	22,344	22,056	21,882	20,895	20,380	490	3,269
Nome Census Area	9,402	9,115	9,080	8,897	8,896	8,864	8,847	8,522	8,288	287	1,114
North Slope Borough	7,403	7,247	7,111	6,924	6,838	6,647	6,499	6,182	5,979	156	1,424
Northwest Arctic Borough	6,844	6,797	6,545	6,593	6,610	6,545	6,536	6,191	6,113	47	731
Southeast Region	74,285	73,712	73,645	73,111	73,075	73,176	72,609	71,078	68,989	573	5,296
Haines Borough	2,476	2,402	2,352	2,282	2,332	2,292	2,230	2,242	2,117	74	359
Juneau Borough	30,236	29,625	29,166	28,719	28,462	28,443	28,252	27,580	26,751	611	3,485
Ketchikan Gateway Borough	14,231	14,490	14,655	14,775	14,756	14,714	14,635	14,255	13,828	-259	403
Prince of Wales-Outer Ketchikan C.A.	6,884	6,868	6,996	6,740	6,776	6,796	6,608	6,551	6,278	16	606
Sitka Borough	8,779	8,702	8,651	8,873	8,943	9,082	9,058	8,878	8,588	77	191
Skagway-Yakutat-Angoon C.A.	4,474	4,487	4,622	4,520	4,556	4,560	4,481	4,401	4,385	-13	89
Skagway-Hoonah-Angoon C.A. /2	3,664	3,666	3,823	3,750	3,829	3,853	3,801	3,679	3,680	-2	-16
Yakutat Borough /2	810	821	799	770	727	707	680	722	705	-11	105
Wrangell-Petersburg Census Area	7,205	7,138	7,203	7,202	7,250	7,289	7,345	7,171	7,042	67	163
Southwest Region	38,483	37,581	37,453	37,143	37,123	40,496	40,399	39,337	38,479	902	4
Aleutians East Borough	2,177	2,211	2,205	2,235	2,306	2,317	2,315	2,283	2,464	-34	-287
Aleutians West Census Area	5,389	5,328	5,711	5,654	5,905	9,421	9,830	9,643	9,478	61	-4,089
Bethel Census Area	15,997	15,590	15,312	15,223	14,935	14,555	14,339	13,974	13,656	407	2,341
Bristol Bay Borough	1,297	1,250	1,231	1,189	1,285	1,572	1,569	1,468	1,410	47	-113
Dillingham Census Area	4,708	4,516	4,476	4,391	4,303	4,360	4,247	4,169	4,012	192	696
Lake & Peninsula Borough	1,852	1,791	1,810	1,817	1,807	1,807	1,805	1,737	1,668	61	184
Wade Hampton Census Area	7,063	6,895	6,708	6,634	6,582	6,464	6,294	6,063	5,791	168	1,272

Note: Revisions for the years 1991-1997 result from Revisions in U.S. and Alaska's state total by the U.S. Bureau of the Census.

1/ Denali Borough was incorporated December 7, 1990.

2/ Yakutat Borough was incorporated September 22, 1992.

C.A. = Census Area.

In the 1990-1998 period, a total of 350,293 persons moved into Alaska, and 348,675 moved out of the state, for a net gain of 1618 migrants. During four of the last five years for which figures are available (1993-1998), out migration exceeded in migration by more than 14,000. Most of the migration fluctuation is due to non-Native migration to and from the state. Historically, there has been a relatively balanced flow of Alaska Natives to and from the state.

Much of the migration activity described above is driven by economic conditions, both in Alaska and in the national economy. In particular, the economies of the Pacific and Mountain states greatly impact migration to and from Alaska. When Alaska's economy is strong, and the employment opportunities are weak in these areas, Alaska benefits from in migration. When the situation is reversed, Alaska loses population as a result of job seekers drawn to opportunities outside of the state.

Migration patterns within Alaska shows a great deal of variation between the various regions of the state. During 1997-98, the areas that gained population due to net migration were the Matanuska-Susitna Borough (1,861), Municipality of Anchorage (1,160), Fairbanks North Star Borough (745), Kenai Peninsula Borough (716), and the City and Borough of Juneau (331). Net out-migration occurred in 10 of the 27 borough and census

# Boroughs and Census Areas State of Alaska 1999

Figure 4-1

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999.



areas in 1997-98. Four boroughs accounted for approximately 80 percent of this net out migration. These areas included the Ketchikan Gateway Borough (-306), Northwest Arctic Borough (-96), Valdez-Cordova Census Area (-59), and the Denali Borough (-50).

Since 1980, the population of a number of areas has displayed predominant patterns of out-migration. These mostly rural areas include the Lake and Peninsula Borough, Denali Borough, Prince of Wales-Outer Ketchikan, Valdez-Cordova, Nome, Yukon-Koyukuk, Skagway-Hoonah-Angoon, Bethel, Wrangell-Petersburg, Dillingham, Southeast Fairbanks, and the Wade Hampton Census Area.

Information from the 1990 Census points to a high level of transience among about a quarter of the state's population. In 1990, only 40.6 % of the state's residents lived in the same house they lived in during 1985. Another 27.7% were local movers who lived in a different house, but in the same borough or census area where they lived in 1985. Another 8.3% lived in a different borough or census area within Alaska in 1985. The remaining 23.4% moved to Alaska from a different state or country between 1985 and 1990. Most of the highest levels of this transience are found in the state's more urbanized areas. In looking at the 1990 residents of the Wade Hampton Census Area, 92.1% were living in that same census area in 1985. In contrast, only 60.3% of the population of Fairbanks, 68.8% of Anchorage, 72.2% of Juneau, 72.3% of Kenai, and 72.9% of Matanuska-Susitna lived in the same census area in 1990 where they were in 1985.

# Racial Composition of Alaska's Population

State of Alaska (Excluding Anchorage)

1980, 1990, 1998

Table 4-2

<b>Ethnic Group</b>	<b>1980 Census</b>	<b>1990 Census</b>	<b>1998 Estimate</b>	<b>Change 1990-1998</b>	Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999
<b>White</b>	159,832	235,144	257,908	8.8%	
<b>Black</b>	4,300	8,032	8,931	10.1%	
<b>Hispanic (All Races)</b>	4,000	8,535	12,030	29.1%	
<b>Native American/Alaska Native</b>	55,017	71,544	83,554	14.4%	
<b>Asian &amp; Pacific Islander</b>	3,778	9,057	12,225	25.9%	
<b>Total</b>	<b>227,420</b>	<b>323,705</b>	<b>362,618</b>	<b>10.7%</b>	

The migration of Alaska natives from rural to more urban areas is a trend contributing to the net growth totaling 4,573 of four census areas between 1980 and 1990. Areas with increased Native population due to in migration include Anchorage (1830), Fairbanks North Star Borough (1,146), Matanuska-Susitna Borough (934), and the Kenai Peninsula Borough (663). Almost all remaining areas of Alaska outside of Southeast Alaska lost 4,592 in Native population through migration. Three boroughs (Northwest Arctic, Lake and Peninsula, and North Slope) and four census areas (Wade Hampton, Bethel, Nome and Dillingham) have a Native population that ranges from 70 to 94% of their total population. The four census areas accounted for 4,088 Native Americans, or 89% of the total out-migration. Data also suggests that migration of Natives from rural areas to Anchorage may occur in multiple steps.

## Racial Composition

The total population of Alaska as of July 1, 1998, was estimated at 621,400. The largest minority population in the state is the Native American population of more than 104,000, or nearly 17% of the total. For all areas of Alaska outside of Anchorage, the Native American population comprises 23% of the total. Anchorage has the largest concentration of Native Americans of any Alaskan area, with more than 20,000. The second largest concentration of Native Americans is in the Bethel Census Area, with nearly 14,000. The largest numeric increases in Native population between 1990 and 1998 occurred in the Municipality of Anchorage (5,751), Bethel Census Area (2,515), Nome Census Area (1,437), Wade Hampton Census Area (1,129), and the Matanuska-Susitna Borough (1,129). Figure 4-2 shows the 1998 concentration of Native American populations by census tracts.

Between 1990 and 1998, Alaska's Native American population has shown only a slight change in geographic redistribution in most regions. Several areas, however, have seen significant changes. In the Aleutians West Census Area, the Aleutians East Borough, and the Bristol Bay Borough, the proportion of Alaska Native populations nearly doubled. This was largely due to out-migration of military and fishing populations. Another notable change was the decreasing share of Native American population in the North Slope Borough. During this eight-year period, the proportion of Native Americans decreased 22.7%. The changing demographics were a result of activities surrounding oil exploration, drilling and crude oil production occurring in the borough. Table 4-2 shows trends in racial composition for Alaska's population outside of Anchorage.



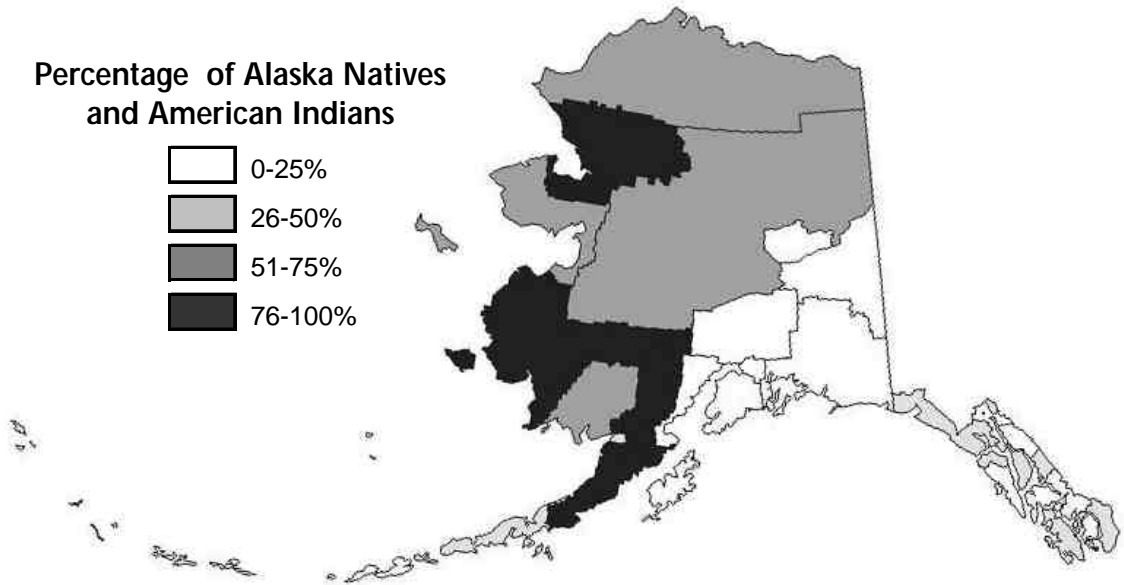
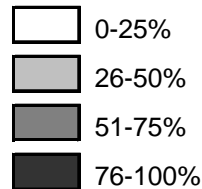
# Native American & Alaska Native Concentration By Census Area

State of Alaska  
1999

Figure 3-2

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999.

## Percentage of Alaska Natives and American Indians



The greatest percentage change in population for the 1990 through 1998 period is for Hispanics of all races with a 41% increase, and then for Asian and Pacific Islanders with a 35% increase. The 16% increase in Native American population exceeded the total population growth of 10%. This helped increase the proportion of Alaska Natives in the overall non-metropolitan population from 22.2% in 1990 to 23.0% in 1998, reversing a trend dating back to 1910.

The most current data detailing the income of households by race comes from the 1990 Census. The following table provides household income information broken out by racial and Hispanic origin. Tables 4-3 and 4-4 provide regional, borough and census tract population estimates (1998 estimates), detailing race and ethnicity.

## Households By Race

State of Alaska (Excluding Anchorage)  
1990 Census

Table 4-3

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999.

Households	Total Households 1990	Total Households	Very Low Income <50%MFI	Other Low Income 51-80% MFI	Moderate Income 81-95% MFI	Above 95% MFI
White	82,743	77.6%	18%	13%	8%	61%
Black	2,187	2.1%	30%	27%	7%	35%
Hispanic (All Races)	2,027	1.9%	29%	17%	8%	45%
Native American/Alaskan Native	17,888	16.8%	47%	15%	7%	30%
Asian and Pacific Islander	1,770	1.7%	25%	15%	11%	49%
<b>All Households</b>	<b>106,615</b>	<b>100%</b>	<b>24%</b>	<b>14%</b>	<b>8%</b>	<b>55%</b>

# Race and Ethnicity By Labor Market Region and Census Area

## State of Alaska

### 1990 Census

Table 4-4

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999.

Area	Total Persons	White	Native	Black	Asian	Hispanic
<u>State of Alaska</u>	621,400	73. 9%	16. 8%	4. 4%	4. 9%	4. 6%
<u>Anchorage</u>	258,782	77. 9%	7. 9%	7. 2%	6. 9%	6. 5%
<u>Balance of State</u>	362,618	71. 1%	23. 0%	2. 5%	3. 4%	3. 3%
Anchorage/Mat-Su Region	313,308	80. 5%	7. 5%	6. 1%	5. 9%	5. 9%
Gulf Coast Region	73,028	83. 5%	10. 2%	. 9%	5. 4%	3. 5%
Interior Region	98,647	78. 8%	11. 8%	6. 9%	2. 5%	4. 1%
Northern Region	23,649	20. 1%	74. 9%	. 8%	4. 2%	1. 1%
Southeast Region	74,285	75. 1%	19. 7%	. 8%	4. 3%	3. 3%
Southwest Region	38,483	21 .1%	75. 5%	. 4%	3. 0%	3. 2%
Location	Total Persons	White	Native	Black	Asian	Hispanic
Aleutians East Borough	2,177	29. 2%	56. 5%	. 6%	13. 7%	15. 9%
Aleutians West Census Area	5,389	55. 6%	31. 1%	. 9%	13. 0%	7. 3%
Bethel Census Area	15,997	11. 9%	86. 9%	. 5%	. 7%	. 3%
Bristol Bay Borough	1,297	54. 7%	41. 7%	2. 6%	1. 0%	19. 6%
Denali Borough	1,864	94. 5%	3. 4%	1. 4%	. 7%	3. 0%
Dillingham Census Area	4,708	21. 7%	78. 1%	. 04%	. 2%	3. 0%
Fairbanks North Star Borough	83,928	82. 0%	7. 2%	7. 9%	2. 9%	4. 5%
Haines Borough	2,476	84. 3%	15. 3%	. 1%	. 3%	. 2%
Juneau Borough	30,236	79. 6%	13. 1%	1. 3%	6. 0%	3. 4%
Kenai Peninsula Borough	48,815	90. 4%	7. 5%	. 6%	1. 5%	2. 7%
Ketchikan Gateway Borough	14,231	80. 1%	13. 6%	. 9%	5. 3%	3. 2%
Kodiak Island Borough	13,848	60. 8%	16. 9%	1. 9%	20. 4%	7. 7%
Lake and Peninsula Borough	1,852	18. 0%	81. 3%	. 1%	. 6%	1. 7%
Matanuska-Susitna Borough	54,526	92. 7%	5. 6%	. 9%	. 8%	2. 7%
Nome Census Area	9,402	18. 0%	80. 8%	. 6%	. 7%	1. 2%
North Slope Borough	7,403	30. 7%	56. 2%	1. 7%	11. 4%	1. 6%
Northwest Arctic Borough	6,844	11. 6%	87. 1%	. 2%	1. 1%	. 5%
Prince of Wales-Outer Ketchikan	6,884	55. 7%	43. 8%	. 1%	. 4%	. 9%
Sitka Borough	8,779	71. 0%	23. 0%	. 7%	5. 3%	5. 4%
Skagway-Hoonah-Angoon C.A.	3,664	58. 2%	41. 4%	.03%	. 3%	. 7%
Southeast Fairbanks C. A.	6,402	82. 7%	13. 8%	2. 6%	1. 0%	2. 2%
Valdez-Cordova Census Area	10,365	81. 3%	14. 4%	. 8%	3. 5%	2. 0%
Wade Hampton Census Area	7,063	7. 3%	92. 5%	. 1%	.03%	. 1%
Wrangell-Petersburg C.A.	7,205	79. 9%	17. 9%	. 3%	1. 9%	5. 1%
Yakutat Borough	810	36. 9%	61. 5%	. 1%	1. 5%	3. 3%
Yukon-Koyukuk Census Area	6,453	28. 2%	71. 3%	. 1%	. 3%	. 7%

## Age Composition

The median age of Alaska's population has been increasing over the past twenty years. In 1998, the median age was 32.4 years. This compares with a median age of 29.3 in 1990 and 26.0 in 1980. The areas of Alaska with the oldest population in 1998 were in the Haines Borough (39.1 years median age), Denali Borough (37.7), Skagway-Hoonah-Angoon Census Area (37.1), Wrangell-Petersburg Census Area (36.7), Valdez-Cordova Census Area (36.6), Ketchikan Gateway Borough (36.3), Juneau Borough (36.2), Sitka Borough (36.1), and the Kenai Peninsula Borough (35.4).

Several areas of the state have a significantly higher proportion of their population with an age of less than five years. The youngest median ages were found in the Northern and Southwest regions of Alaska. These areas included the Wade Hampton Census Area (19.1 years of age), Northwest Arctic Census Area (22.9), Bethel Census Area (25.1), Nome Census Area (26.7), and the North Slope Borough (27.0).

Alaska's total population increased 13.0% between July 1, 1990 and July 1, 1998. Within this overall population increase, the growth rates of various age groups differed greatly. For the state as a whole (including Anchorage), the number of children under the age of five declined 7.0% from 55,977 in 1990 to 52,032 in 1998. Outside of Anchorage, this trend is even more pronounced. The number of children under the age of five declined 12.0% from 33,988 to 29,922.

In the population aged five to fourteen, growth was seen between 1990 to 1998. In the entire state, growth of more than 20% was seen for this age group. For areas outside of Anchorage, growth was still nearly 18% for the number of children in this age group. Growth in the number of young persons aged fifteen to twenty four was more modest. Statewide, this age group grew by 5.1%, with a slightly higher growth rate of 6.7% for all areas outside of Anchorage.

Persons between the ages of 25 and 39 are in the prime years for family and household formation. Statewide, the number of persons in this age bracket declined by 12.9% between 1990 and 1998. In the non-metropolitan areas of the state, the decline was even greater at 16.2%. Some of this decline can be attributed to military cutbacks. Another reason for this decline is the aging of the "baby boomers", as reflected in the strong growth in the population aged 40 to 54. This age group grew by 52.7% statewide in the eight-year period, and by 57.2% for the non-metro areas of the state. Strong growth for the same period occurred in the number of Alaskans aged 55 to 64. Statewide, the increase for this age group was 40.1%, and outside of Anchorage the increase was 41.7%.

Seniors aged 65 and over continued to show a strong rate of growth, with a rate of 48.1% between 1990 and 1998 statewide. Non-metropolitan areas showed a senior growth rate of 43.6%

## **Household Size and Composition**

The U.S. Census considers all persons to be living in either households or group quarters. A household occupies a housing unit. The census currently defines a housing unit as a house, an apartment, a group of rooms or a single room intended as separate living quarters. Boats, tents, vans, and caves are included if they are occupied as a usual place of residence. Mobile homes are included provided they are intended for occupancy on the site where they stand. Seasonal residences, forest service cabins, or vacant cabins that are habitable are included in the overall census inventory of housing. In the 1990 Census counted a total of 232,608 housing units in Alaska, with 188,915 occupied and 43,693 vacant. Of the vacant units, 16,991 or 39%, were for seasonal, recreational or occasional use. For all areas outside of Anchorage, the 1990 Census counted 138,455 total housing units, with 106,213 occupied, and 15,982 used for recreational or occasional use. The most current information available from the Alaska Department of Labor reports that in July 1998, a total of 223,150 housing units were occupied for the entire state. For all areas outside of Anchorage, an estimated total of 127,289 housing units were occupied. This represents an increase of more than 21,000 households from 1990 to 1998.

All other persons not living in households are considered to be living in group quarters. Two general categories of group quarters are identified:

- 1) Institutionalized persons such as those in prisons, nursing homes, psychiatric hospitals, and residential treatment facilities; and
- 2) Other persons in group quarters such as those in group homes, college dorms, military barracks, fish processing and logging camps bunkhouses, and emergency shelters.

In the 1990 Census, a total of 20,701 persons lived in group quarters throughout Alaska. Of that total, 5074 were in Anchorage, and 15,627 were living in group quarters in the balance of the state. The 1998 Alaska Department of labor estimate showed a total of 17,538 living in group quarters—5,845 in Anchorage, and 11,613 in the balance of the state. This decrease in the number living in group quarters is largely due to the military move away from barracks style housing and cutbacks in military personnel.

Households are categorized into family households and non-family households. A family household consists of a householder and one or more persons related by birth or marriage. A household composed of two or more unrelated individuals, or an individual living alone, is considered to be a non-family household. In 1990, 70.3% of all households were family households, and 29.7% were non-family households. The 1998 estimate showed that 68.6% were family households, and 31.4% were non-family households.

Several other general statements can be made concerning Alaska's household composition. Alaska's households are about as likely to contain married couple families and slightly more likely to contain a male-headed household with no spouse present than the nation as a whole. Traditional households containing a husband, wife, and related children make up 32.4% of all households in Alaska, which is noticeably higher than the national average of 24.6% in 1998.

The number of persons per household includes all individuals who occupy a housing unit, which can be a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters. Areas associated with larger households are predominantly Native American areas in northern and western Alaska. In 1998, these areas included the Wade Hampton Census Area with an average of 4.16 persons per household, followed by Northwest Arctic Borough (3.73), Bethel Census Area (3.62), North Slope Borough (3.38), and the Nome Census Area (3.33). The smallest households were found in Prince of Wales-Outer Ketchikan Census Area, with 2.22 persons per household, followed by Haines Borough (2.43), Ketchikan-Gateway Borough (2.52), Juneau Borough (2.53), Wrangell-Petersburg Census Area (2.56), Sitka Borough (2.57), and the Valdez-Cordova Census Area (2.61). In Southeast Alaska, the median age tends to be older, and there is a higher incidence of households that no longer contain children.

### **Other General Demographic Trends**

Alaska has long been seen as area with a very low percentage of females in the overall population. This popular stereotype is somewhat exaggerated. In 1990, females represented 47.3% of the total population. By 1998, it is estimated that females have increased

to 48.0% (The corresponding national figure is 51.0%). Most of this increase has been in areas outside of Anchorage. The Anchorage figures show the percentage of women in the overall population has been relatively constant, with 48.6% share in 1990, and 48.7% in 1998. For all areas of Alaska outside of Anchorage, this percentage increased from 46.4% in 1990, to 47.5% in 1998. With the exception of communities dependent upon military and resource extraction activities, most Alaskan communities have a male-female ratio that is similar to other areas of the country.

Another general demographic consideration is Alaska's dependency ratio. Dependency ratios show how large a burden of support is placed upon the working age population by the young and the old. In 1998, every 100 Alaskans of working age supported 50.2 children under 18 years of age and 8.4 persons over 65. By comparison during the same year, every 100 persons of working age in the United States as a whole supported 35.7 children and 19.7 persons over 65. The dependency burden is much higher for Alaska's Native Americans. Every 100 Alaska native persons of working age must support 87.5 additional persons, compared to 53.3 for White Alaskans. This high dependency ratio is further complicated by the limited economic opportunities and lower labor force participation in rural Alaska.

## **Income Trends**

Total personal income in Alaska has been increasing at an average annual rate that is significantly slower than the nation as a whole. Per capita income in Alaska was the highest in the United States of any other state in 1980. Alaska fell to 20<sup>th</sup> place by 1997, and its annual rate of growth was the poorest of any other state. Per capita income has increased by \$3,792 between 1990 and 1997, or 2.3% annually. Nationally, per capita income increased by \$6,142, or approximately 4.0% annually.

Several areas saw an actual decline in per capita income between 1990 and 1997. The Prince of Wales-Outer Ketchikan Census Area experienced a decrease of \$292 in annual per capita income, and the Wrangell-Petersburg Census Area had a decline of \$79 annually. The extensive shrinkage of Southeast Alaska's timber industry is largely responsible for these declines. The largest increase in per capita income between 1990 and 1997 were in the Bristol Bay (\$7,412), Yukon-Koyukuk Census Area (\$5,764) and the Aleutians East Borough (\$5,456).

On a regional basis, the strongest annual growth in Total Personal Income between 1990 and 1997 was seen in the Northern Region (4.2%), Anchorage/Matanuska-Susitna Region (4.3%), and the Interior Region (4.0%). The weakest regional growth was seen in the Southwest (2.1%), the Southeast (2.7%) and the Gulf Coast Region (2.9%). Total Personal Income figures vary somewhat from the Census per capita income figures due to the methodology of what is included and what is excluded in the income calculations.

Alaska's employment picture has been in a transition during the 1990's. In 1990, the number of jobs in the high paying mining and petroleum industries were at 4.83 % of the total number of Alaskan jobs. By 2000, it is estimated the number of jobs related to these extractive industries will be at slightly more than 3%. Retail and wholesale trade jobs

# Median Household Income

## State of Alaska

FY 2000

Table 4-5

<b>Median Family Income (MEI)</b>	<b>FY 1995</b>	<b>FY 2000</b>
State Metropolitan Areas	55,600	59,300
State Nonmetropolitan Areas	48,500	50,100
State Total	51,300	53,900
National Total	40,200	50,200

Source: Department of Housing and Urban Development 1999

# Distribution of Employment By Industry

## State of Alaska

1990 , 1980, 1990, 1998

Table 4-6

<b>Industries</b>	<b>Percent Distribution of Alaska's Jobs</b>					<b>1998 Average Monthly Wage Earning Estimate</b>			<b>Raking of Average Monthly Wage</b>
	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>Min.</b>	<b>Average</b>	<b>Max.</b>	
<b>Goods-Producing</b>									
Mining	3.3%	3.9%	4.8%	3.8%	3.1%	\$3,080	\$6,636	\$9,440	1
Construction	7.5%	6.2%	4.4%	4.9%	4.7%	2,107	3,814	5,410	2
Manufacturing	8.5%	8.2%	7.2%	6.5%	5.2%	1,331	2,603	7,561	7
<b>Service Producing</b>									
Transportation/Comm/Utilities	9.9%	10.1%	8.7%	8.7%	9.7%	916	3,440	8,579	3
Trade									
Wholesale Trade	3.5%	3.2%	3.4%	3.3%	3.2%	2,350	3,034	4,349	5
Retail Trade	13.1%	13.9%	15.9%	17.4%	17.8%	577	1,587	3,158	9
Finance, Insurance Real Estate	3.4%	4.7%	4.3%	4.5%	4.5%	1,730	2,837	6,567	6
Services and Misc.	12.4%	17.7%	21.4%	26.0%	25.8%	598	2,196	4,058	8
Government	38.6%	32.1%	29.8%	27.8%	25.9%	2,909	3,178	3,814	4
Federal	18.5%	10.3%	7.9%	6.7%	6.1%				
State	11.3%	9.0%	9.0%	8.2%	7.4%				
Local	8.8%	12.7%	12.9%	12.9%	12.5%				

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999.

accounted for 15.92% of the total number of Alaskan jobs in 1990. By 2000, these jobs will provide employment for an estimated 21% of all workers in the state. The percent of government jobs at all levels has been decreasing during the 1990's. At the beginning of the decade federal, state and local government employed nearly 30% of the total labor force in Alaska. By the year 2000, this percentage has declined to less than 26%. Table 4-6 illustrates several important trends in Alaska's employment picture.

The highest paying sector (mining) has experienced a significant decline in its percentage share of the total number of jobs. Two of the lowest paying sectors (retail trade and services/misc.) have seen the greatest growth between 1990 and 2000.

## Demand for Affordable Housing

The population and employment trends of the 1990's shape the current demand for affordable housing in Alaska. The broad statistical description of Alaska's current demographic and economic conditions point to the housing challenges faced by low and moderate income households in the state. This section on the demand for affordable housing, will evaluate housing cost burden of low and moderate income households, and will examine inadequate housing conditions.

## Housing Cost Burden

Federal regulations covering the development of the consolidated plan require that the description of housing needs include a discussion of the cost burden and severe cost burden, overcrowding (especially for large families), and substandard housing conditions being experienced by extremely low-income, low-income, moderate-income, and middle income renters and owners compared to the State as a whole. Very low income households are those with an income of less than 50% of median family income. Low income households are those with an income of less than 80% of median family income.

Households paying more than 30% of their income towards housing are considered to experience a housing cost burden. Households paying more than 50% of their household income are considered to experience a severe housing cost burden.

Table 4-7 breaks down the total number of households by renters and owners, and the type of household within these two categories. The, by income level, the housing cost burden is estimated. The 1999 estimate of households in all areas of Alaska outside of Anchorage is nearly 133,000. Of this total, 31,296 households are estimated to have an income of less than 50% of median family income.

## Estimated Housing Assistance Needs of Low and Moderate Income Households State of Alaska (Excluding Anchorage)

FY 2000

Table 4-7

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Alaska Housing Finance Corporation; 1999.

Households (by Type, Income, & Housing Problem)	Renters					Owners			Total Households
	Elderly 1&2 Member	Small-Related (2-4 )	Large-Related (5 or more)	All Other Households	Total Renter Households	Elderly	All Others	Total Owners	
<b>1 Very Low Income (0 to 50% MFI)</b>	<b>1,656</b>	<b>6,275</b>	<b>1,744</b>	<b>4,370</b>	<b>14,044</b>	<b>7,599</b>	<b>15,772</b>	<b>16,176</b>	<b>31,296</b>
<b>2 Extremely Low Income (0 to 30% MFI)</b>	<b>877</b>	<b>2,789</b>	<b>739</b>	<b>2,399</b>	<b>6,804</b>	<b>5,903</b>	<b>9,919</b>	<b>8,627</b>	<b>15,822</b>
% with any Housing Problems	79%	85%	92%	82%	84%	74%	91%	87%	85%
% Cost Burden > 30%	74%	75%	54%	65%	69%	57%	63%	62%	65%
% Cost Burden > 50%	40%	55%	40%	56%	52%	33%	45%	42%	47%
<b>3 Very Low Income (31 to 50% MFI)</b>	<b>779</b>	<b>3,486</b>	<b>1,005</b>	<b>1,970</b>	<b>7,240</b>	<b>1,697</b>	<b>5,852</b>	<b>7,549</b>	<b>15,474</b>
% with any Housing Problems	60%	57%	67%	75%	64%	50%	75%	69%	66%
% Cost Burden > 30%	56%	46%	37%	60%	50%	31%	33%	33%	42%
% Cost Burden > 50%	19%	19%	15%	22%	19%	13%	17%	16%	18%
<b>4 Other Low-Income (51 to 80% MFI)</b>	<b>344</b>	<b>4,031</b>	<b>1,276</b>	<b>2,252</b>	<b>7,903</b>	<b>1,737</b>	<b>7,757</b>	<b>9,494</b>	<b>18,015</b>
% with any Housing Problems	25%	36%	58%	45%	42%	27%	59%	53%	47%
% Cost Burden > 30%	19%	28%	26%	29%	28%	21%	26%	25%	26%
% Cost Burden > 50%	2%	3%	4%	5%	4%	9%	6%	6%	5%
<b>5 Moderate Income (81-95% MFI)</b>	<b>110</b>	<b>2,095</b>	<b>668</b>	<b>1,291</b>	<b>4,163</b>	<b>916</b>	<b>5,109</b>	<b>6,025</b>	<b>10,407</b>
% with any Housing Problems	8%	26%	46%	31%	30%	17%	46%	42%	37%
% Cost Burden > 30%	0%	15%	14%	19%	16%	10%	23%	22%	19%
% Cost Burden > 50%	0%	1%	0%	2%	1%	5%	3%	4%	2%
<b>6 Total Households</b>	<b>2,545</b>	<b>22,221</b>	<b>5,882</b>	<b>14,425</b>	<b>45,073</b>	<b>10,526</b>	<b>77,360</b>	<b>87,886</b>	<b>132,959</b>
% with any Housing Problems	50%	34%	54%	40%	40%	32%	32%	34%	36%

Extremely low-income renters (0 to 30% median family income—MFI) in large related households (5 or more) experience the greatest housing cost burden of any group. Virtually all households in this category pay more than 50% of their income towards housing. All other categories of renters falling in the extremely low income category (0 to 30% of MFI) experience a housing cost burden ranging from 56% to 81% of their household income. Housing cost burden, and the percentage with any housing problems, is detailed for renters and owners of very low income (0 to 30% MFI), very low income (31 to 50% MFI), other low income (51 to 80% MFI), and moderate income (81 to 95% MFI).

## Inadequate Housing

The quality of housing stock in Alaska varies greatly across the state. No statewide building code or inspection process exists, although many local governments impose and enforce residential building standards. Some sources of financing impose a de facto building standard if their funds are used in a project. Many residences in Alaska, however are built “out of pocket”, with no construction standards applicable.

Table 4-8 estimates the age of housing stock in Alaska. The 1990 figures are from Census data, with the 1999 estimate derived from combining all available indicators of housing stock additions since 1990. An estimated 82,000 housing units in non-metropolitan Alaska have an age of 20 years or more. A study was done in 1990 by the Alaska Department of Community and Regional Affairs (which has since been merged into the Alaska Department of Community and Economic Development) that estimated more than 18,000 mostly rural housing units were substandard and of an inadequate size for the household. Overcrowding conditions are common in predominantly Native American communities of northern and western Alaska. (Refer to page 17)

## Estimated Age of Housing Stock

### State of Alaska

1990, 1999

Table 4-8

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, 1999.

	1990 Census			1999 Estimates*		
	Anchorage	Rest of State	Total	Anchorage	Rest of State	Total
Total Units	94,153	138,455	232,608	103,046	151,804	254,850
<u>Age of Units In Years</u>						
1	411	3,114	3,525	1,586	1,948	3,534
2-5	8,354	19,282	27,636	4,409	7,832	12,241
6-10	23,630	33,665	57,295	3,308	6,683	9,992
11-20	33,322	42,802	76,124	31,984	52,947	84,931
20+	28,436	39,592	68,028	61,758	82,394	144,152
<u>Age of Units In Years</u>						
1	0.44%	2.25%	1.52%	1.54%	1.28%	1.39%
2-5	8.87%	13.93%	11.88%	4.28%	5.16%	4.80%
6-10	25.10%	24.31%	24.63%	3.21%	4.40%	3.92%
11-20	35.39%	30.91%	32.73%	31.04%	34.88%	33.33%
20+	30.20%	28.60%	29.25%	59.93%	54.28%	56.56%



The State considers housing to be in a “standard condition” that is of a typical construction and quality for its area, is capable of providing a suitable living environment throughout the year, and is free of conditions that are hazardous to the health and safety of its occupants. Housing is considered to be in a “substandard condition but suitable for rehabilitation” if it fails to meet the criteria of a “standard condition”, and rehabilitation activities can bring it to a “standard condition” within the cost effectiveness and regulatory constraints of the applicable program.

## **Demand for Special Needs Housing**

A number of Alaskans have special housing concerns. Alaska’s senior population has been growing rapidly, and is projected to continue growing at a fast pace. As the state’s population ages, accessibility features and availability of appropriate supportive services become more important considerations for many Alaskans. Other special needs populations have important housing issues that need to be addressed. Persons with all types of disabilities are looking for affordable and accessible housing options. Individuals with mental illness and developmental disabilities are now seeking independent living options in normal residential settings, with appropriate supportive services. Alaska, unfortunately, has the distinction of having one of the highest rates of substance abuse in the country. The incidence of Fetal Alcohol Syndrome is tragically the highest in the nation. This section will identify the current and projected demand for special needs housing in non-metropolitan Alaska.

### **Older Alaskans**

Alaskans over 65 years of age represent the fastest growing segment of the state’s population. Since 1980, the number of persons in this age group has increased by more than 183%. The rate of growth between 1990 and 1998 totaled 48%. Alaska’s rate of increase in its senior population tops that of any other state. Considering the size of the population currently aged 55 to 64, the number of senior Alaskans will continue to grow.

Alaska Housing Finance Corporation’s Senior Housing Office exists to help Alaska’s senior citizens obtain adequate, secure, and affordable housing. The Senior Housing Office maintains an up to date inventory of senior housing available within Alaska. This includes the various types of housing, from independent housing, to housing that provides supportive assistance to senior residents. The Senior Office also provides demographic information on seniors, and their projected housing needs. The following section details the current resources (Table 4-9), and projected demand for senior assisted living and independent living units. An assisted living unit is one in which the senior resident requires assistance with activities of daily living, including meals. By definition, one assisted living unit serves one individual. An independent living unit may serve one or more individuals.

## Current Resources For Senior Facilities

State of Alaska

1995, 2000

Table 4-9

Source: Alaska Housing Finance Corporation, Senior Housing Division, 1999

Facility Type	2000 Total Statewide	2000 Anchorage	2000 All Other Areas	1995 All Other Areas	Percent Change
Assisted Living	126 Facilities 1024 Units	54 Facilities 477 Units	72 Facilities 547 Units	11 Facilities 200 Units	554.5% 173.5%
Independent Living	76 Facilities 2300 Units	11 Facilities 829 Units	65 Facilities 1471 Units	56 Facilities 1316 Units	16.1% 10.5%
Shared Housing	None	None	1 Facility 3 Units	1 Facility 17 Units*	N/A N/A
Totals	202 Facilities 3324 Units	65 Units 1306 Units	138 Facilities 2021 Units	68 Facilities 1533 Units	102.9% 31.8%

I. Converted 14 Units to Assisted Living.

### Senior Assisted Living Facilities

Under a recent ruling by the Internal Revenue Service, an assisted living facility can be considered residential rental property under Section 142 of the IRS Code. In Alaska, any such facility must be licensed if it serves three or more adults who are not related to the owner and provide housing and food service for the resident and also provides (or obtains on behalf of the resident), assistance with activities of daily living or personal assistance. An assisted living facility is not considered a "healthcare facility" as it does not provide continual or frequent nursing, medical, or psychiatric services to its residents.

Over the past five years, the number of assisted living units has almost tripled. There are four primary reasons for this rapid growth in the assisted living market that were not present five years ago. First, the State of Alaska was granted the ability to offer a Medicaid waiver program called Project Choice. A "Choice" waiver now allows senior citizens the choice of where they would like to receive non-medically related services. Many seniors have elected to receive these supportive services in an assisted living setting. The second reason for this industry expansion is due to strong outreach efforts by the State Division of Senior Services and AHFC's Senior Housing Office. Third, the State Pioneers' Home System has licensed all of their units as assisted living with a specialization for caring for persons with Alzheimer's disease and related disorders. Finally, AHFC developed a new loan program for the financing of small assisted living facilities.

There are currently 72 licensed assisted living facilities in Alaska (excluding Anchorage) for a total of 547 units. In 1995, there were only 11 facilities outside of Anchorage for a total of 200 units. New assisted living facilities have been financed in Dillingham, Homer, Fairbanks, Kasilof, Seward, Palmer, Wasilla and Wrangell.

While there has been an expansion of senior housing stock in rural areas of the state, there still remains a lack of assisted living facilities which can provide the types of supportive services needed for seniors and elders to remain in their communities. In many commu-

# Need for Senior Assisted Living Facilities

State of Alaska

2000, 2005

Table 4-10

Source: Alaska Housing Finance Corporation, Senior Housing Division, 1999

Labor Region	# Income Qualified		Less Existing Units		Remaining Est. Demand		# Unable To Afford	
	2000	2005	2000	2005	2000	2005	2000	2005
Interior	181	221	150	150	31	71	70	91
Northwest	70	86	26	26	44	60	40	49
Southcentral	220	267	219	219	1	48	126	153
Southeast	223	271	151	151	72	120	130	158
Southwest	108	131	1	1	107	130	58	71
<b>Total</b>	<b>802</b>	<b>976</b>	<b>574</b>	<b>547</b>	<b>255</b>	<b>429</b>	<b>424</b>	<b>522</b>

nities, this has resulted in the senior or elder having to leave their community, family, friends, traditions and cultural foods for placement in skilled nursing facilities in large communities such as Juneau, Fairbanks or Anchorage. This dislocation from their community is not only difficult for the senior or elder but it is extremely costly to the state and federal government. The cost of care in a skilled nursing facility averages about \$100,000 a year. On the other hand, with the introduction of Project Choice Medicaid Waivers, this cost can average \$35,000 or even less. Table 4-10 identifies the number of assisted living units needed in the various census regions of Alaska.

There is an existing need for approximately 255 units of assisted living throughout Alaska. This need will grow to 429 units by the year 2005. Estimated cost for the development of these facilities is estimated at approximately \$32 million, growing to close to \$55 million by the year 2005. It is also important to note that there are an estimated 424 seniors or elders which do not have the funds to pay for assisted living. This is because there are two ways in which one can pay for assisted living; those eligible for Project Choice Medicaid Waivers and those who can pay for the housing and supportive services from their personal funds. The estimated 424 seniors which are not able to afford this housing arrangement are within the \$15,000 to \$35,000 income range.

The estimates for both assisted living and independent living are based upon several basic assumptions, all of which should be investigated further if one were to desire to develop an assisted living facility. These assumptions are:

- Frailty levels are based upon information provided by the 1990 U.S. Census (mobility status), the 1984 National Health Interview, estimated impairment levels provided by the Alaska Commission on Aging and data conducted by AHFC's Senior Housing Office. Income qualifications were those seniors/elders 65+ years or older with incomes between \$0 to \$15,000 (Project Choice eligible) and those seniors/elders with incomes of more than \$35,000. Secondary sources of payment were not considered.
- A 25% penetration rate was applied to the number of senior/elders meeting the income qualifications. Effectively, it was assumed that any new assisted living facility might be able to capture one of every four seniors/elders with health impairments. Accordingly, the actual number of seniors/elders with difficulties in activities of daily living (those which are income qualified) is substantially understated.

- The competitive nature (amenities, location, size, etc.) of one facility over another was not analyzed and could have an effect any new assisted living development. Many existing assisted living facilities provide housing and supportive services for residents under the age of 65.
- Demand was estimated based upon census areas. The need of any particular community was not thoroughly analyzed.

## **Independent Living Facilities**

Since 1995, AHFC has been extremely successful in helping to develop independent senior housing in many rural communities throughout Alaska. A total of nine new independent living facilities, totaling 155 units, have been developed in Haines, Bethel, Nome, Dillingham, Houston, Angoon, Fairbanks, North Pole and the Mat-Su Valley. These new developments primarily house senior citizens with incomes below 60% of area median income (113 units) while only 42 units are providing housing for senior citizens of moderate income. The development of these 155 new units over the past five years is in large due to the heavy outreach efforts by AHFC's Senior Housing Office and the special financial programs administered by the AHFC's Mortgage and Planning Departments. As shown on Table 4-11, there is still a substantial shortage of affordable housing opportunities to senior citizens in numerous other areas of Alaska.

There is a current estimated demand for 537 independent living senior housing units in Alaska (excluding Anchorage), growing to 765 units by the year 2005. Estimated costs to develop this new housing stock is \$55 million growing to more than \$80 million in the year 2005. The assumptions used to estimate demand for independent senior housing are:

- Income qualifications were senior citizens/elders 65+ within three income brackets. Very low income, \$15,000 or less; low income, \$15,000 to \$25,000, and; moderate income, over \$25,000.
- A five percent penetration rate was used for those seniors/elders under the age of 75. A 15% penetration rate was used for seniors 75 or older.

## **Senior Need for Independent Living Facilities**

State of Alaska

2000, 2005

Table 4-11

Labor Region	Moderate Income		Low Income		Very Low Income		Total Est. Demand	
	2000	2005	2000	2005	2000	2005	2000	2005
Interior	85	110	10	23	45	95	140	228
Northwest	36	45	9	13	14	21	59	79
Southcentral	96	130	19	25	21	34	136	189
Southeast	111	151	0	1	0	0	111	152
Southwest	55	70	15	21	21	26	91	117
<b>Total</b>	<b>383</b>	<b>506</b>	<b>53</b>	<b>83</b>	<b>101</b>	<b>176</b>	<b>537</b>	<b>765</b>

Source: Alaska Housing Finance Corporation, Senior Housing Division, 1999

- The competitive nature (amenities, location, size, etc.) of one facility over another was not analyzed and could have an effect any new independent living development.
- Some facilities may house both senior citizens 62 years of age or older and persons of any age with a disability.
- Demand was estimated based upon census areas. The need of any particular community was not thoroughly analyzed.

## **Persons With Disabilities**

For Alaskans with physical disabilities, the availability of accessible housing that is affordable is an issue of vital importance. In 1998, the Alaska State Plan for Independent Living was developed by the State Independent Living Council, the Centers for Independent Living and Specialized Service Providers. This Plan identified housing as a critical issue:

“There is a need for more accessible, affordable and safe housing opportunities for Alaskans with disabilities. This includes moving Alaskans with disabilities into more independent living situations where appropriate. Many communities in Alaska do not have enough accessible housing available. In addition, few landlords and developers are aware of the federal Fair Housing Act, and there is little enforcement of the Fair Housing Act in Alaska.”

U.S. Census Bureau data shows a strong correlation between the presence of a disability and lower levels of income. A large proportion of persons receiving public assistance benefits have disabilities. Economic and income constraints of the disabled limit their housing options in general. The lack of adequate accessible housing stock throughout the state further impedes the ability of the disabled to find appropriate housing.

Several sources of information were drawn upon to estimate the demand for accessible housing in Alaska. The U.S. Census Bureau provides disability data based on three primary sources: the Survey of Income and Program Participation, the decennial census of population, and the Current Population Survey. Nationwide, the overall disability rate is estimated at approximately 20%. The Census Bureau defines a disability as difficulty in performing functional activities (seeing, hearing, talking, walking, climbing stairs and lifting and carrying a bag of groceries) or activities of daily living (getting into and out of bed or a chair, bathing, getting around inside the home, dressing, using the toilet, and eating), or other activities relating to every day tasks or socially defined roles. A person with a severe disability is completely unable to perform one of these activities or tasks and/or needs personal assistance. An estimated one in ten persons nationally experiences a severe disability according to Census Bureau estimates.

Disability rates vary by age, sex, race and ethnicity. Within the overall disability rate of 19.4%, the range went from 5.8% for children under 18 years old, then increased to 13.6% for persons 18 to 44 years old. The rate more than doubles to 29.2% for persons 45 to 64 years old, and increase again to 53.9% for persons 65 years and older. Among persons of all ages, the average rate was 18.7% for males, and 20.2% for females. Differences by gender are affected by differing age patterns. The longer life expectancy of

women means that women make up a relatively large share of older persons with a disability (64.2 percent of persons 65 years old and over with a severe disability are women). Within the age category of 15 to 64 years, the prevalence of disability was low for Asians and Pacific Islanders (9.6 percent) and high for American Indians, Eskimos and Aleuts (26.9 percent). The rate was 17.7 percent among Whites, 20.8 percent among Blacks, and 16.9 percent among persons of Hispanic origin.

### **Persons With Alcohol and Substance Abuse**

Alaska has one of the highest rates of alcohol and substance abuse of any state in the nation. Alaskans consume 30% more alcohol per capita than the national average. Alaska also has the highest rate of alcohol related hospitalization in the country. Another unfortunate list that Alaska leads is the prevalence of binge drinking among women of reproductive age. This has contributed to the growing problem of Fetal Alcohol Syndrome (FAS) in the state. The impact of prenatal exposure to alcohol affects a wide range of social, educational and health services across the state. The greatest impacts are within Alaska's health care systems, educational systems, mental health and developmental disabilities systems, child protective services, job training, employment, public safety and corrections systems. It is estimated that 65% of children with FAS are either in state custody and living in foster care, or have been in state custody and are now with adoptive parents. The Alaska Department of Health and Social Services estimates that the lifetime cost for one individual diagnosed with fetal alcohol syndrome is \$1.4 million. Currently, the true number of fetal alcohol syndrome (FAS) and other alcohol- impacted births are not known. The reasons for this include the lack of early diagnosis, limited ability to track affected births, isolation, and inadequate prenatal care by many women. In 1996, FAS became a reportable condition in Alaska through the state's Birth Defect Registry.

In 1998, a telephone survey was conducted by the Gallup Corporation for the Alaska Division of Alcoholism and Drug Abuse. The purpose of the survey was to provide information on substance abuse dependence, substance abuse prevalence, and the extent of unmet need and the demand for substance abuse treatment services for adults in Alaska at the statewide and regional planning levels. Analysis of the survey of 8,167 Alaskans produced the following estimates for dependence and abuse:

- Approximately 41,108 adult Alaskan residents (9.7% of total population) were dependent on alcohol, and another 17,294 (4.1% of total population) were alcohol abusers.
- The total number of Alaskans with alcohol dependence or abuse is 58,402.
- The proportion of alcohol dependence varied across all regions, ranging from 11.9% in the Bush, 10.5% in Southeast, 8.5% on the Gulf Coast, and 9.4% in urban areas.
- The rate of alcohol dependency and abuse in Alaska is nearly twice the national rate.

One study placed Alaska in fifth place among all states with regard to the rates of alcohol related deaths, drunk-driving arrests and alcoholism clients in treatment. While Alaska rated 5<sup>th</sup> in this Alcohol Problem Index, it ranked only 32<sup>nd</sup> in the number of persons in treatment for alcohol problems.

The Advisory Board on Alcoholism and Drug Abuse developed a strategic plan called Results Within Our Reach: Alaska State Plan for Alcohol and Drug Abuse Services, 1999-2002. Eighteen strategies were identified to address the problems of alcoholism and alcohol abuse. Housing options for those recovering from substance abuse treatment is very limited in most areas of the state. The Advisory Board has identified transitional housing for families, women and children, and anyone requiring safe and sober housing following treatment completion to be an unmet priority. This priority is especially important in rural and hub communities. Some progress has been made in smaller communities, where collaboration with domestic violence shelters has expanded the capacity for women with children.

### **Persons With HIV/AIDS**

AIDS became a reportable condition in Alaska in 1985. Data on AIDS in Alaska reflect the number of individuals first diagnosed with AIDS while Alaska residents. Because of the long incubation period between the time of first infection with HIV and the onset of conditions that meet the AIDS case definition, AIDS case data do not necessarily reflect HIV infection data. Through June 30, 1999, 448 Alaskans have been confirmed to have AIDS. Of these, 223 (50%) are known to have died. Of the 448 cases, 389 (87%) are male and 59 (13%) are female. Anchorage reported 296 of the AIDS cases, with the remaining 152 located in all other areas of the state.

HIV infection did not become reportable in Alaska until February 1999. HIV data reflects all of the reported cases of persons who have been diagnosed with or received health care for HIV infection in Alaska. This includes persons both with and without an AIDS diagnosis, regardless of the state of residence at the time of diagnosis with HIV infection. Through August 31, 1999, a cumulative total of 692 cases of HIV infection reported among individuals in Alaska. Of the 692 cases of HIV infection, 500 individuals had AIDS, and 238 are known to have died.

The relatively low number of persons in Alaska with AIDS does not show the complete picture of the problem. Until HIV became reportable in 1999, only data on those who were tested through the State Laboratory or the Department of Defense was available. Since neither of the two major hospitals in Alaska uses the State Laboratory, the actual number of persons living with HIV/AIDS has been under-reported. The three major HIV/AIDS service providers in Alaska continue to report that their clients generally face precarious housing situations, rather than homelessness. With fragile health and limited resources, even the smallest of events, such as a higher heating bill in January, can trigger a major financial crisis within these households. Without financial assistance, many persons in Alaska with HIV/AIDS are forced to choose between basic needs such as life-saving medications, food, or housing. The State of Alaska Division of Public Health, Section of

Epidemiology, issued the 1998 Statewide Coordinated Statement of Need. From this report, the following concerns were outlined:

- The cost of travel is high, yet travel may be necessary for clients to access services outside of their home communities, or may require providers to visit the clients in their home communities to deliver services.
- Clients with mental illness and/or substance abuse problems present special challenges for HIV health care such as lack of available, suitable services, inability to maintain housing and difficulty complying with HIV care regimens.
- Recent medical breakthroughs have increased the longevity odds for clients, but most Alaskans with HIV/AIDS are low income and cannot bear the financial burden while still meeting basic living expenses. Increased demand for services may soon force providers to limit services due to lack of available funds. (In other words, the good news is clients don't have to face certain short-term death, but the bad news is they must figure out how to pay to stay alive.)
- Clients experiencing improved health face interruptions in or possible loss of HIV care due to a loss of medical benefits if they decide to return to work.

An increasing number of Alaskans with HIV/AIDS face difficult situations concerning health care. Often, clients with HIV are not meeting the disability criteria to qualify for Medicaid. A growing number of clients reside in more rural areas, making it difficult for providers to deliver services.

### **Alaskans With Mental Illness and Developmental Disabilities**

Several major on-going developments are greatly impacting the way Alaskans with mental illness and developmental disabilities are served. Over the past decade, state hospitals have been reorganized, downsized, or even eliminated. In 1991 the bed capacity of the Alaska Psychiatric Institute (API), Alaska's only state mental health hospital, was 160. In 1997, the bed capacity was 79. This facility is scheduled to be replaced with a 54 bed facility by the spring of 2000. Harborview Development Center in Valdez served the developmentally disabled, providing 24-hour institutional care for 44 residents. By the end of the 1990's, this facility had closed, with residents being relocated to the community of their choice. The driving force behind the Harborview closure was a major shift to a consumer empowered service delivery system. Alaska has encouraged the involvement of consumers (and their families) of mental health and developmentally disabled services to become more involved. This involvement is not only with their own personal service delivery plan, but also encouragement to participate at all levels of policy development. New and valuable perspectives have been brought to the "policy table" as a result of this change. Throughout the next five years, it is anticipated this trend will continue to grow.

The settlement of the Alaska Mental Health Trust Lands litigation in 1994 led to the emergence of the Alaska Mental Health Trust Authority (AHMTA or the Trust) as an important player in policy development and funding for mental health trust beneficiaries. These



beneficiaries include people with mental illness, the developmentally disabled, chronic alcoholics with psychosis, and people with Alzheimer's disease and related dementia. As part of the settlement of the Trust Land litigation settlement, AHMTA received 1 million acres of land and \$200 million dollars. The Trust has a fiduciary responsibility to protect Trust assets in perpetuity. The income earned from the financial assets and management of Trust land is used on behalf of the beneficiaries. The Trust also provides leadership in advocacy, planning, implementing and funding of a comprehensive integrated mental health program to improve the lives and circumstances of its beneficiaries in shaping the Comprehensive Integrated Mental Health Program. The Trust reviews the budget recommendations developed by three boards appointed by the Governor of Alaska and a commission that advocate for Trust beneficiaries. These boards and commission include:

- Governor's Advisory Board on Alcoholism and Drug Abuse (ABADA)
- Alaska Commission on Aging (AcoA)
- Alaska Mental Health Board (AMHB)
- Governor's Council on Disabilities and Special Education (Governor's Council)

With the emergence of the consumer movement as a driving force, and the corresponding move away from institutionalization towards community based supported living options, affordable housing is of critical importance to Trust beneficiaries. In a 1997 report prepared for the Trust, a number of specific recommendations were given to make housing more accessible, more affordable and more appropriate for Trust beneficiaries. One key theme of this report is the strong desire of beneficiaries to separate housing programs from service programs. Beneficiaries were concerned that they could become captives of the service providers, who can decide whether they stay in housing or are evicted.

Housing has been identified as an important concern of the Alaska Mental Health Board (AMHB). In its strategic plan, A Shared Vision II, The Alaska Mental Health Strategic Plan 1999-2003, stressed the need for a range of affordable housing options for Alaskans with psychiatric illnesses:

"Mental health consumers need a place to live for recovery to begin. Some mentally ill people live in shelters and on the streets. Young people with mental illness are in transition from their parents' residences to their own. Others experience late onset of a mental illness and need assisted living care; those with medical complications require skilled nursing care. Whenever a person enters the system, regular, safe, decent, sanitary housing is necessary to begin a rehabilitation program."

AMHB estimates that over 1,000 Trust beneficiaries occupy supportive housing in 17 Alaskan communities. The supportive housing occupied ranged from homes owned by the client, supported apartments, and board and care facilities. AMHB, in Shared Vision I, estimated that 2,100 severely mentally ill persons will need supportive housing. The Governor's Council On Disabilities and Special Education plans, evaluates and advocates on behalf of Alaska's developmentally disabled. A developmental disability is a severe, disabling condition that occurs before the age of 22, persists indefinitely and causes substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency. The Council uses a national

prevalence rate of 1.8% in estimating that approximately 11,000 Alaskan have developmental disabilities. An estimated 25% of this population will require intensive, lifelong supportive services. Approximately 68% of Alaskans with developmental disabilities have a personal income of less than \$10,000 per year. The majority of Alaskans with developmental disabilities live in private homes or mobile homes in the community with family and/or friends. As of June 30, 1999, the wait list for developmentally disabled services was 628, with nearly 90 requesting housing related services. The Governor's Council has estimated a total of 88,771 Alaskans have some sort of a disability according to the definition used in the Americans with Disabilities Act. In estimating the number of Alaskans with severe disabilities, the Council used the following sources, and made adjustments to arrive at an unduplicated count.

<b><u>Estimated Numbers</u></b>	<b><u>Category—Source of Data</u></b>
11,000	People with developmental disabilities (all ages) Governor's Council using a national prevalence rate of 1.8% of the state population
6,000	Adults with chronic mental illness—Alaska Mental Health Board
705	Infant Learning Program
189	Department of Education
3,168	SSI, SSDI and/or APA
4,04	Commission on Aging
<b>25,103</b>	<b>Total</b>

Progress has been made over the past five years in expanding affordable housing opportunities for the various populations discussed in this section. A great demand remains however, and is projected for the next five years, for more affordable housing for Alaskans with special needs. Such housing must incorporate appropriate supportive services and accessibility. One sobering reality concerns the housing situation of a significant number of Alaska Mental Health Trust beneficiaries. Unfortunately, the largest single provider of housing for beneficiaries is the Alaska Department of Corrections (DOC). On any given day, as many as 900 beneficiaries may be incarcerated, with another 600 in community residential facilities or on probation. Depending upon the nature of the offense leading to incarceration, beneficiaries coming out of DOC facilities may find themselves barred from a wide range of conventional housing assistance. This situation many times leads to a revolving door leading back to incarceration, with a temporary stop as part of Alaska's homeless population.

## **Alaska's Continuum of Care for the Homeless**

The State of Alaska Continuum of Care is the product of an extensive, collaborative effort aimed at addressing homelessness for all areas of the state outside of Anchorage. Coordination and support for the Continuum has been provided by Alaska Housing Finance Corporation (AHFC) and the Alaska Coalition on Housing and Homelessness. AHFC is the organization charged by the Governor and Alaska Legislature with oversight of the State's housing services, including public housing. Organized in 1988, the Alaska Homeless Coalition is comprised of non-profit service providers, public agencies, and commu-

nity volunteers. In the early stages of collaboration (1994-1996), Coalition activities focused on collecting information on service needs and expanding its network of contacts. With a shared vision to reduce the tragedy of homelessness, AHFC and the Coalition worked over a three year period (1997-1999) to build local capacity and cooperation in non-metropolitan areas of the state. In 1999, this on-going effort culminated in a coordinated statewide approach, built upon local strategies, to address Alaska's homeless issues. The development of a statewide Continuum of Care is an outgrowth of Alaska's long term movement towards a comprehensive approach to housing. In 1992, the Alaska Legislature merged Alaska's only state public housing authority (Alaska State Housing Authority—ASHA) with the Alaska Housing Finance Corporation (AHFC), and designated AHFC as the lead housing agency for the state. AHFC is responsible for the coordination of the Consolidated Planning process for non-metro Alaska, and in this role works with a wide range of housing and service providers. AHFC also coordinates its activities with a number of other public agencies. Other key participants in this statewide continuum of care plan include the Alaska Mental Health Trust Authority, the Alaska Department of Health and Social Services, and the Alaska Council on Domestic Violence and Sexual Assault. These agencies have all worked to mitigate the problem of homelessness among their target service populations.

In Alaska, geographic isolation and high travel costs pose a tremendous challenge to agencies that want to communicate and collaborate with their counterparts in other areas of the state. AHFC supports the use of a variety of telecommunications technologies to overcome these barriers. AHFC sponsors the monthly statewide teleconferenced meetings of the Alaska Coalition on Housing and Homelessness. Another tool that has been used is the University of Alaska Distance Learning facilities. In 1996 and 1997, AHFC used these facilities to sponsor HUD funded interactive training workshops on supportive housing. Participants across the state could watch the presentations via satellite downlinks in their local community, and use a toll free telephone number to call in questions to the presenters. In 1998, AHFC, in collaboration with the Coalition, submitted and was awarded a telecommunications grant to the U.S. Department of Commerce for Project RICH (Rural Internet Connections for the Homeless). This project will equip 19 homeless service providers in rural Alaska with the computers and services necessary to effectively access internet resources. AHFC will offer an "on-line" option for its homeless survey in the year 2000.

Throughout early 1998, AHFC and the Coalition supported the development of local Continuums of Care. AHFC sponsored technical assistance workshops (with HUD funding) and a statewide competition for matching grant funds. Between Federal Fiscal Years (FFY) 1994 and 1997, five non-metropolitan Alaskan communities developed continuums that led to homeless funding awards from HUD. Three other communities began a collaborative process to develop a local strategy addressing homelessness, with the use of a "gaps analysis" to measure existing services and housing. These three communities elected not to complete the process after learning how small their HUD funding "pro-rata" share would be, and considering the demands that writing a formal plan would place upon their limited staff resources.

The results of the FFY 1998 Continuum of Care competition for HUD homeless funding

were extremely disappointing. No Alaskan applicant outside of Anchorage received their requested funding. The existing homeless strategy was not effective in securing the maximum available resources. The Coalition began a dialogue with AHFC to consider a change in strategy from a sole emphasis upon local planning and support, to a more coordinated statewide approach. In mid-February 1999, AHFC and the local HUD field office arranged for a technical assistance presentation by a member of HUD Washington D.C. staff. Coalition members from around the state participated in this session by teleconference. Following this presentation, the Coalition decided to move forward with the development of a "balance of state" Continuum of Care plan for the homeless. Several of the key components of a statewide continuum were already in place (a data collection system and a statewide organization with a mission to reduce homelessness). In addition a successful Continuum application was developed for the FFY 1999 competition. Three projects located in Juneau, Fairbanks and Kenai received nearly \$600,000 in funding. In contrast, less than \$80,000 was received for non-metro Alaska in the FFY 1998 competition.

Outside of Anchorage, with the exception of the two larger communities of Fairbanks and Juneau, homeless services tend to operate in relative isolation and are often directed toward just one or two target groups. Due to extreme climatic conditions, and the absence of alternative shelter, many homeless families in remote parts of Alaska are forced to rely upon friends and relatives to take them in. After wearing out their welcome, many of these homeless persons move to a larger community in search of shelter. The challenge for Alaska's Continuum of Care is making sure there is a complete and appropriate service system available to any homeless Alaskan in any part of the state.

Since 1995, AHFC has conducted a survey of homeless providers around the state each January and July. Participants in this survey include homeless shelters, food banks, emergency service agencies and soup kitchens throughout Alaska. After data from this "point-in-time-survey" is compiled, the results are presented to the Coalition at its next scheduled meeting. This presentation offers a "reality check" and further analysis of the data. This homeless survey has enabled AHFC and its partners to monitor demographic changes in the homeless population over time, and provided the opportunity to communicate with service providers across the state.

Over the last five years, providers have reported an increase in the representation of homeless clients with complex problems. See Table 4-12. From 1995 through 1999, providers report that an increasing percentage of clients had physical and/or developmental disabilities. Over the last three years the percentage of clients with substance abuse problems has begun to rise, climbing to almost levels in excess of 30% in 1999. Over the next five years, AHFC will continue to administer the homeless survey. Efforts are being directed toward developing a database that providers can use to enter their homeless data.

# Homeless Service Providers Survey Summary

## State of Alaska (Excluding Anchorage)

1995 - 1999

Table 4-12

Source: Alaska Housing Finance Corporation, Senior Housing Division; 1999

	1995		1996		1997		1998		1999		Change 95-99	
	Average	%	Average	%	Average	%	Average	%	Average	%	Average	%
<b>Homeless Count</b>												
Total Cases Reported By Agencies	368	100.0%	413	100.0%	477	100.0%	345	100.0%	378	100.0%	10	0.0%
Total Homeless Individuals	276	75.0%	272	65.9%	328	68.8%	302	87.5%	290	76.7%	14	1.7%
Total Homeless Families	92	25.0%	141	34.1%	149	31.2%	43	12.5%	81	21.3%	-12	-3.7%
<b>Homeless Gender and Age</b>												
Total Male	217	58.9%	227	55.0%	260	54.5%	174	50.5%	208	55.1%	-9	-3.8%
Total Female	151	41.1%	186	45.0%	212	44.5%	148	43.0%	160	42.3%	9	1.2%
Total Male 18 years or younger	32	8.6%	55	13.2%	52	10.9%	17	4.8%	8	2.0%	-24	-6.6%
Total Female 18 years or younger	41	11.2%	58	13.9%	56	11.6%	8	2.3%	7	1.9%	-34	-9.3%
Total Homeless 60 years or older	10	2.7%	6	1.3%	14	2.8%	11	3.0%	15	4.0%	5	1.3%
Average Homeless Age	30	8.2%	28	6.7%	31	6.4%	37	10.7%	37	9.7%	7	1.5%
<b>Homeless Marital Status</b>												
Total Homeless Single	247	67.2%	304	73.6%	326	68.4%	190	55.2%	265	70.1%	18	2.9%
Total Homeless Married	45	12.1%	44	10.7%	56	11.8%	47	13.5%	35	9.3%	-10	-2.8%
Total Homeless Divorced	58	15.8%	46	11.1%	68	14.2%	53	15.4%	42	11.0%	-17	-4.8%
Total Homeless Separated	18	4.9%	16	3.8%	16	3.4%	24	6.8%	14	3.7%	-4	-1.2%
Total Homeless Widower	0	0.0%	4	0.8%	2	0.3%	3	0.9%	5	1.2%	5	1.2%
Total Homeless Undisclosed Marital Status	0	0.0%	0	0.0%	10	2.6%	29	7.7%	18	4.9%	18	4.9%
Total Homeless Veteran	39	10.6%	40	10.9%	44	12.0%	32	8.6%	42	11.3%	3	0.7%
<b>Homeless Ethnic/Race Characteristics</b>												
Total Homeless Hispanic (all races)	26	7.1%	13	3.1%	17	3.6%	5	1.3%	7	1.7%	-20	-5.4%
Total Homeless White	166	45.0%	215	52.1%	197	41.2%	178	51.5%	162	42.9%	-4	-2.1%
Total Homeless African-American	8	2.0%	32	7.7%	29	6.0%	11	3.0%	4	1.1%	-4	-1.0%
Total Homeless American Indian/Alaska Native	162	44.1%	142	34.3%	181	37.9%	115	33.4%	172	45.4%	10	1.3%
Total Homeless Asian/P. Islander	5	1.2%	8	1.8%	8	1.6%	6	1.6%	9	2.4%	5	1.2%
Total Homeless Other race/ethnic origin	0	0.0%	3	0.7%	46	9.5%	6	1.7%	8	2.0%	8	2.0%
Total Homeless Did Not Disclose	2	0.5%	1	0.2%	1	0.2%	26	7.4%	17	4.5%	15	4.0%
<b>Disability Features</b>												
Percentage With Mentally Ill	86	23.4%	87	20.9%	79	16.5%	76	21.9%	65	17.2%	-21	-6.2%
Percentage With Substance Abuse Problems	125	34.0%	121	29.3%	120	25.2%	130	37.7%	127	33.5%	2	-0.5%
Percentage Victims of Violence	96	26.0%	146	35.4%	141	29.5%	77	22.2%	86	22.6%	-10	-3.3%
Percentage With Developmental Disability	17	4.5%	24	5.8%	41	8.5%	17	4.8%	34	8.9%	17	4.4%
Percentage Physical Disability	24	6.4%	25	6.1%	41	8.6%	39	11.3%	59	15.5%	35	9.1%
Percentage With Disability	117	31.7%	119	28.7%	123	25.7%	107	31.1%	113	29.8%	-4	-1.9%
Percentage With Disability & Substance Abuse	54	14.6%	47	11.4%	51	10.6%	39	11.2%	46	12.1%	-8	-2.5%





# Fiscal Year 2000 - 2005 Five Year Plan

## V. Market Analysis of Housing Supply

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### Existing Housing Supply

The decade of the 1990's has seen strong growth in housing supply across the state. At the time of the 1990 Census, Alaska had 232,608 housing units, with 188,915 of the total units occupied at the time of census enumeration. Outside of Anchorage, a total of 138,455 total housing units were counted. Of this housing stock identified in non-metropolitan Alaska, 106,213 housing units were occupied at the time of the 1990 Census. Of the 32,242 vacant units identified in 1990 outside of Anchorage, nearly 16,000 were for seasonal or recreational use. The dramatic real estate decline of the late 1980's accounted for a significant portion of the remaining units. By 1990, the statewide real estate market was in the early stages of recovery. Foreclosed housing was being aggressively marketed and ownership was shifting from institutional owners back to private owners. Home sale prices were increasing, and the residential construction market was coming back to life, after more than five years of depression. By the end of 1999, for all areas of the state outside of Anchorage, more than 13,000 housing units were added to the number of housing units present in 1990. In non-metropolitan Alaska, housing stock increased by nearly 10% during the decade. See Table 5-1.

# Multifamily, Single Family, and Mobile Home Units

State of Alaska (Excludes Anchorage)

1990 vs. 1999

Table 5-1

	1990 Census	1999 Estimate	1990-1999 Stock Added	% of Total Stock Added
Aleutians East Borough	693	727	34	0.3%
Aleutians West Census Area	2,051	2,199	148	1.1%
Bethel Census Area	4,362	4,830	468	3.5%
Bristol Bay Borough	596	690	94	0.7%
Dillingham Census Area	1,691	1,922	231	1.7%
Fairbanks North Star Borough	31,823	33,187	1,364	10.2%
Haines Borough	1,112	1,304	192	1.4%
Juneau Borough	10,638	12,210	1,572	11.8%
Kenai Peninsula Borough	19,364	20,145	781	5.9%
Ketchikan Gateway Borough	5,463	6,041	578	4.3%
Kodiak Island Borough	4,885	5,356	471	3.5%
Lake & Peninsula Borough	991	1,013	22	0.2%
Matanuska-Susitna Borough	20,953	25,583	4,630	34.7%
Nome Census Area	3,684	3,894	210	1.6%
North Slope Borough	2,153	2,735	582	4.4%
Northwest Arctic Borough	1,998	2,155	157	1.2%
Prince of Wales-Outer Ketchikan	2,543	2,812	269	2.0%
Sitka Borough	3,222	3,655	433	3.2%
Skagway-Yakutat-Angoon Census Area	2,102	2,306	204	1.5%
Southeast Fairbanks Census	3,149	3,163	14	0.1%
Valdez-Cordova Census Area	5,196	5,482	286	2.1%
Wade Hampton Census Area	1,882	1,986	104	0.8%
Wrangell-Petersburg Census Area	3,005	3,309	304	2.3%
Yukon-Koyukuk Census Area	4,899	5,098	199	1.5%
<b>Total:</b>	<b>138,455</b>	<b>151,804</b>	<b>13,349</b>	<b>100.0%</b>

Source: Labor and Workforce Development, Research and Analysis Section; Alaska Housing Finance Corporation; 1999

## Housing Affordability for Single Family Residence and Condos.

State of Alaska

1992, 1995, 1999

Table 5-2

Census Area	1992		1995		1999		1992-1999	
	Average Sales Price	Affordability Index	Average Sales Price	Affordability Index	Average Sales Price	Affordability Index	Change In Average Sales Price	Change In Affordability Index
Anchorage	141,871	1.6	150,951	1.4	160,205	1.2	18,334	-0.39
MatSu Borough	100,279	1.7	116,876	1.7	140,201	1.8	39,923	0.05
Fairbanks North Star	118,564	1.7	124,365	1.5	146,910	1.5	28,346	-0.23
Kenai Peninsula Borough	105,302	1.3	118,300	1.3	140,314	1.3	35,012	0.00
Juneau	127,380	1.3	159,282	1.4	180,056	1.3	52,677	0.01
Ketchikan	140,273	1.4	164,891	1.5	177,796	1.3	37,523	-0.10
Kodiak	-	-	-	-	173,906	1.7	-	-
Rest of State	129,777	1.9	152,320	2.0	171,402	1.7	41,625	-0.23
Statewide Total	132,902	1.6	144,275	1.5	157,069	1.4	24,167	-0.25
State Exc Anchorage	119,599	1.6	134,420	1.6	160,696	1.6	41,097	0.04

Note: Unlike other affordability indexes, this one is calculated using per-capita income. The index is calculated using the average sales price of a home in the census area, the prevailing interest rate, and a 90% mortgage.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Housing Finance Corporation; 1999

## The State of Homeownership

In 1998, the Census estimated that 66.3% of all Alaskan households owned their home. Historically, Alaska's rate of homeownership has lagged behind that of the rest of the country, but in recent years this gap has disappeared. In 1970, the state's homeownership rate was 50.3%, compared to the national rate of 62.9%. By 1980, Alaskan homeowners represented 58.3% of all households, while the corresponding national percentage was 64.4%. The 1990 Census showed a drop in Alaska's homeownership percentage to 56.1%, while the national figure was flat at 64.2%. By 1998, the state and national rates were identical at approximately 67%.



# Rental Market Vacancy for Single Family and Condos

## State of Alaska

1995 - 1999

Table 5-3

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Housing Finance Corporation; 1999

Census Area	1995		1996		1997		1998		1999		4 Year Average	
	Vacancy	Contract Rent	Vacancy	Contract Rent	Vacancy	Contract Rent	Vacancy	Contract Rent	Vacancy	Contract Rent	Vacancy	Contract Rent
Fairbanks North Star Borough	3.3	678.0	10.4	634.0	7.1	636.0	7.5	646.0	4.2	665	6.5	651.8
Juneau Borough	5.4	618.0	3.0	805.0	3.1	814.0	5.2	835.0	8.2	640	5.0	742.4
Kenai Peninsula	1.4	808.0	5.5	585.0	4.4	594.0	5.4	609.0	5.3	587	4.4	636.6
Ketchikan Gateway	3.3	575.0	5.0	679.0	7.7	681.0	7.1	675.0	10.4	845	6.7	691.0
Kodiak Island Borough	5.0	680.0	5.8	831.0	6.4	833.0	5.9	824.0	8.6	853	6.3	804.2
Mat-Su Borough	3.3	824.0	3.2	615.0	2.3	620.0	2.2	632.0	8.9	663	4.0	670.8
Municipality of Anchorage	2.2	601.0	7.8	670.0	6.6	657.0	4.2	662.0	3.9	665	4.9	651.0
Sitka Borough	6.1	673.0	5.1	890.0	7.8	717.0	6.3	720.0	4.4	703	5.9	740.6
Valdez-Cordova	19.6	914.0	-	-	-	-	-	-	25.9	806	22.8	860.0
Wrangell-Petersburg	6.1	622.0	7.9	597.0	7.1	612.0	11.5	608.0	10.4	621	8.6	612.0

This increase in homeownership in Alaska is primarily due to several factors. The overall stability of the economy, coupled with a low interest rate environment over a number of years, created strong incentives for homeownership. The vast majority of all of the new residential construction outside of Anchorage during the 1990s was targeted towards homeowners. The growth of secondary mortgage markets in Alaska led to a wide array of new home financing options that were previously unavailable. Alaska Housing Finance Corporation, Fannie Mae, and HUD's Federal Housing Administration strongly promoted homeownership through a number of initiatives. Homeownership education programs were developed, and are offered throughout the state. Non-traditional borrowers from under-served populations are now targeted by mortgage lenders as a source of new business.

Alaska Housing Finance Corporation has developed a Housing Affordability Index which tracks the relative cost burden faced by homebuyers in various areas of Alaska. The Affordability Index refers to the average number of wage earners required to qualify for a 90% mortgage on an average sales price home for the area. Table 5-2 shows trends from 1992 through 1999:

### The State of the Rental Market

As reported in Table 5-3, Alaska's rental market experienced an increase in vacancy rates in all areas of the state from 1995 to 1999. In eleven census areas for which data is available, the vacancy rate increased in ten areas, with the Sitka Borough being the exception. Vacancy rates ranged from 4.2% in Fairbanks to 10.4% in Wrangell-Petersburg and Ketchikan. In several areas, affordable rental development projects helped increase the supply of housing stock and helped to alleviate very tight market conditions. In areas with the highest vacancy rates, a decline of key economic sectors contributed to a softening rental market.

Some of the positive developments in Alaska's homeownership opportunities also contributed to some of the increase in the rental vacancy rate. Tenants previously unable to attain homeownership took advantage of a favorable interest rate environment in the late 1990's, and the availability of many mortgage programs designed to encourage homeownership.

Current rental market conditions vary greatly from one community to another in Alaska. Some general observations can be made, however, based upon available information. A number of smaller, more rural communities, still have a need for well conceived and well executed, affordable rental development projects. Many Alaskans with special needs continue to demonstrate need for affordable and accessible rental opportunities. The housing cost burden upon these individuals and their families, and the lack of housing options in many areas of Alaska, points to an on-going demand for financially viable rental projects.

## Public Housing

AHFCs Waiting list for public housing programs is found in Table 5-4. As of May, 2000, there were over 2,000 households on the wait list. The largest number of households waiting for housing assistance were single individuals seeking efficiencies.

In October of 1998, the federal Quality Housing and Work Responsibility Act of 1998 (QHWRA) became law. Congress directed public housing agencies across the nation to change the way public housing and rental assistance payments are planned for, managed and implemented. Some of the key congressional goals in QWHRA include:

- Reducing the concentration of poverty in public housing;
- Protecting the access to housing assistance for the poorest families;
- Supporting families making the transition from welfare to work;
- Raising performance standards for public housing agencies, and rewarding high performance;
- Transforming public housing stock through new policies and procedures for demolition and replacement and mixed-finance projects, and through the HOPE VI revitalization program;
- Merging and reforming the Section 8 certificate and voucher program, allowing public housing agencies to implement a Section 8 homeownership program; and
- Supporting HUD management reform efficiencies through deregulation and streamlining program consolidation.

Table 5-5 details AHFC Public Housing Divisions planned physical improvements during this five year plan. Fifteen different housing projects in ten different communities are anticipated (subject to funding approval) to be undertaken. An estimated \$8.6 million in physical improvements is projected.

One of the requirements of this recently enacted public housing reform act is the introduction of the public housing agency plan—both a five-year plan and an annual plan. The five-year plan must describe the mission of the public housing agency and its long range goals and objectives for achieving its goals over this five-year period. The annual plan will provide details about the public housing agency's immediate operations, program participants, programs and services. Also included is the agency's strategy for handling operational concerns, programs and services for the upcoming fiscal year.

## Waiting List for Public Housing Programs

### State of Alaska (Excluding Anchorage)

Table 5-4

May 1, 2000

Source: Alaska Housing Finance Corporation, Public Housing Division; 1999

Bedroom Size	Number of Households	Percent
0 Bedroom	843	39.2%
1 Bedroom	545	25.3%
2 Bedroom	608	28.3%
3 Bedroom	130	6.0%
4 Bedroom	19	0.9%
5 Bedroom	6	0.3%

## Public Housing Planned Physical Improvements

### State of Alaska (Excluding Anchorage)

Table 5-5

FY 2000 - FY 2005

Source: Alaska Housing Finance Corporation, Public Housing Division; 1999

Project Name	Comments	Community	Total
Beringvue	Energy-Efficiency Testing and Physical Improvements	Nome	164,792
Bethel Heights	Multipurpose Building	Bethel	300,000
Birch Park I	Energy-Efficiency Testing and Physical Improvements	Fairbanks	130,670
Birch Park II	Energy-Efficiency Testing and Physical Improvements	Fairbanks	504,398
Cedar Park	Energy Improvements	Juneau	7,500
Etolin Heights	Multipurpose Room	Wrangell	300,000
Geneva Woods	Energy-Efficiency Testing and Physical Improvements	Juneau	1,480,120
Mt. View Annex	Covered Parking	Juneau	280,130
Pacific Terrace	Energy Improvements	Kodiak	7,500
Paxton Manor	Unit Replacement and Multipurpose Room	Sitka	3,949,855
Riverbend	Energy Improvements	Juneau	7,500
Sea View Terrace	Energy Improvements	Ketchikan	15,000
Spruce Park	Physical and Energy Improvements	Fairbanks	23,588
Swan Lake Terrace	Physical Improvement	Sitka	31,000
Vista View	Physical Improvement	Petersburg	1,438,686
<b>Total:</b>			<b>\$ 8,640,739</b>

The public housing agency plan, both the five year plan and the annual plan must be consistent with the Consolidated Housing and Community Development Plans of all participating jurisdictions in which the agency is operating.

Alaska Housing Finance Corporation (AHFC) is the public housing agency for the state of Alaska. AHFC is public corporation and instrumentality of the State of Alaska. Created in 1971, AHFC later merged with the Alaska State Housing Authority (ASHA) in 1992. In addition to its role as a public housing agency, AHFC is a key player in promoting affordable housing opportunities across the state. AHFC provides a secondary market for home mortgages originated in Alaska, and offers programs for multifamily, special needs and senior projects.

For all areas of Alaska outside of Anchorage, AHFC administers 742 units of public housing, 180 units of Section 8 project based housing units, and 1,247 Section 8 Certificates or Vouchers subsidizing family rent in private sector housing. At the time of the release of this five- year Consolidated Housing and Community Development Plan, AHFC has released its draft Public Housing Agency Plan for the State of Alaska consisting of two parts. The first part is the Five Year Agency Plan consisting of the goals, objectives and measures for the five year period covered by the plan (July 1, 2000 to June 30, 2005). The seven goals under the Public Housing Agency Plan are:

1. Provide programs and services that are responsive to the diverse housing needs statewide.
2. Increase home-ownership
3. Increase special needs housing
4. Expand partnerships to strengthen program and service delivery
5. Strengthen commitments to AHFC housing programs, functions and benefits
6. Promote operational excellence
7. Manage assets to generate sufficient profit to meet AHFC's financial commitments.

The second part of the Public Housing Agency Plan consists of the Annual Agency Plan which presents the expected financial resources, selected aspects of policies and procedures related to public housing, and proposed activities for a one-year period. The first Annual Agency Plan is for state fiscal year 2001, covering the period July 1, 2000 through June 30, 2001. The FY 2001 Annual Agency Plan, released in January of 2000 (public comments were accepted until February 23, 2000), identified the greatest need to be in housing affordability and quality. In the Section 8 program, AHFC requested a waiver from HUD to reduce HUD's extremely low-income family quotas. The housing needs data does not show sufficient demand for the program in this income strata to constitute a full 70 percent of all new admissions. AHFC will, in its marketing plan, make efforts to increase participation in the Section 8 program, especially among the homeless and the special needs populations. Efforts will also be made to increase landlord participation in the Section 8 program, especially those renting outside areas of poverty.

The Annual Agency Plan also outlines policies governing eligibility, selection and admissions. For both public housing and section 8 programs, individuals with violent criminal acts will not be housed until 36 months after that person has been released from any period of incarceration. If the offense was sexual in nature, the exclusion from assistance will be extended to 60 months after that individual has been taken off the sex offender list. Admissions preferences maintained in both public housing and Section 8 admissions include:

- Displacement due to domestic violence, natural disaster, family reunification (20 pts)
- Substandard housing to include homelessness (16 pts)
- Rent burden greater than 50% of income (14 pts)
- Terminally ill (4 pts)
- Working families, and disabled receiving SSI because of inability to work (2 pts)
- Veteran (2 pts)

Applicants whose verified circumstances correspond to two or more of the local preference categories will receive the combined value of the preference points for which they are eligible. In order to promote income-mixing in public housing, the Agency Plan proposes a new deconcentration policy for family housing. Steps that will be considered reduce the concentration of higher or lower income residents in any public housing development include “skipping”, marketing, renovations, and other steps. “Skipping” will only be considered when a development has been determined to have a concentration of higher income residents. AHFC will not employ skipping to house a higher income household before lower income households that are higher on the waiting list.

## **Other Publicly Assisted Housing**

Alaska Housing Finance Corporation is not the only source of publicly assisted housing in the state. A number of project based Section 8 rental developments are located in fifteen Alaskan communities. Thirty-four of these projects provide a total of 1279 rental units, with 1002 units receiving rental assistance to make them affordable to lower income households. One key issue concerns the expiration of the existing project based Section 8 contracts. The contracts from the U.S. Department of Housing and Urban Development (HUD) provide the funding to private sector landlords, enabling below market rents to be paid by lower income tenants. In the past, the project based Section 8 contracts had a term of 20 to 30 years. Contract periods have been typically decreased to one-year for the renewals. Eight contracts expired in 1999, and another nine will expire in 2000. Thus far, the participating landlords are opting to renew. As more of the Section 8 properties move into an annual renewal cycle, the potential exists for disruptions in the availability of this affordable housing resource.

The largest single source of publicly assisted housing in Alaska is funded through HUD’s Office of Native American Program (ONAP). HUD’s Indian Housing Programs have led to the production of 6,207 housing units across Alaska (including Anchorage), with another 402 units currently in some phase of development. Of this total, 5180 are mutual help units (a type of homeownership), and 1027 are low rent units. Nearly 2000 new housing units were developed during the 1990’s as a result of Indian Housing funding. This production represents approximately 15% of all of the housing stock added in non-metropolitan Alaska during the decade.

One key development in the Indian Housing Programs occurred in the fall of 1996 with the passage of the Native American Housing and Self Determination Act (NAHASDA). This federal legislation dramatically changed the way Indian Housing Programs were delivered, with Alaska being impacted the greatest of any state. In the past, fourteen regional housing authorities (RHAs) established by state statute, were the designated entities responsible for the for the administration and delivery of Indian Housing programs in their respective areas. With the passage of NAHASDA, any one of the 228 designated tribes in Alaska was given the opportunity to become a Tribally Designated Housing Entity, with a formula based annual funding allocation. As of late fall 1999, nearly 90 tribally designated housing entities (TDHEs) have been recognized by HUD. Thus far, most of the new TDHE’s have contracted with the existing regional housing authorities for any new housing devel-

opment. Some of the smaller TDHEs have elected to focus upon small scale rehabilitation projects. A number of the TDHE's are still resolving their priorities, and determining what their long term role will be. NAHASDA is still a work in process. Its ultimate impact upon the maintenance and expansion of affordable housing opportunities remains to be seen.

## **General Market Conditions**

Alaska's housing market ended the 1990's in a much better condition than at the beginning of the decade. Ten years ago, a significant amount of vacant housing stock was present in the market. This included both rentals and housing units formerly occupied by homeowners. A stable economy and favorable interest rate environment contributed to the elimination of this vacant housing inventory, and led to new residential construction adding to Alaska's overall supply of housing. Throughout the 1990's, steady employment growth provided a foundation for this growth, although the change in the nature of jobs and wage levels prevented a repeat of an unsustainable real estate boom.

Growth in housing stock has proceeded at widely varying rates across the state. The fastest growing area, by far, has been the Matanuska-Susitna Borough, with 4,630 housing units added since 1990, and increase of nearly 35%. The slowest growth in new housing was in the Aleutians East Borough with 34 units added (growth rate of 0.25%), the Lake and Peninsula Borough added 22 housing units (0.17% increase), and the Southeast Fairbanks Census Area added 14 new housing units (0.11%) for the slowest growth rate in the state. Table 4-5 details, by area, estimates of additions to housing inventory between 1990 and 1999. This information was compiled using all available data sources, but does not reflect construction in remote areas that is unreported to local governments or funding sources.

## **Alaska's Housing Delivery System**

A number of different organizations and individuals are involved in the production, maintenance and management of housing stock in Alaska. These various entities include private sector participants, non-profit organizations, and public sector organizations. Partnerships between the private and public sectors are common in affordable housing developments. The private sector is the dominant player in the production of most housing in the state. Of the 13,000 new housing units produced in non-metropolitan Alaska during the 1990's, more than 10,000 of those units were planned and built by private sector developers and owners.

Several public sector organizations play a key role in Alaska's housing delivery system. Alaska Housing Finance Corporation (AHFC) is a public corporation created by the State of Alaska in 1971. In 1992, the Alaska Legislature consolidated all of the housing and energy programs of the Alaska State Housing Authority (ASHA—the state public housing agency) and the Alaska Department of Community and Regional Affairs. AHFC plays a number of roles in the state's housing delivery system:

- AHFC owns and manages 1695 public housing units in 14 communities.
- More than 2800 low-income households receive AHFC administered Section 8

rental assistance, paid to more than 1000 Alaskan landlords.

- AHFC is a critical funding resource, purchasing more than \$500 million in residential mortgages annually, benefiting more than 4000 households.
- Other AHFC administered programs expand and preserve, affordable housing opportunities, including the Low Income Housing Tax Credit Program, HOME Investment Partnerships, Senior Housing Development Fund, Low Income Weatherization, Supplemental Housing Development Program, Homeless Assistance Program, and the Grant Match Program for Federal and Other Competitive Grants.

AHFC programs promote private-public partnerships that expand housing opportunities in a creative and effective manner. AHFC's is a housing organization in Alaska with a bona fide statewide presence, and a wide range of housing programs to offer.

Another very important public sector player in Alaska's housing delivery system is the U.S. Department of Housing and Urban Development (HUD). HUD is the major funding source for AHFC's public housing programs. HUD also provides funding for the HOME Investment Partnerships program, Housing Opportunity for Persons with AIDS, McKinney Homeless Assistance programs, and key technical assistance programs designed to expand the capacity and competence of the housing delivery system.

The most significant amount of HUD funding, more than \$90 million per year, goes to its Indian Housing Programs. HUD's Federal Housing Administration (FHA) is another critically important component in Alaska's affordable housing picture. FHA mortgage insurance allows home loan to be originated with reduced down-payments compared to conventional mortgages. FHA insurance has helped to expanded the rate of homeownership in the state.

Non-profit housing development organizations have emerged as an important part of the housing delivery system as it relates to expanding affordable housing opportunities. Community Housing Development Organizations (CHDOs) are a special form of non-profit housing organization that is recognized by, and given special consideration under the HOME Investment Partnerships Act. Fifteen percent of the state's annual HOME funding is set-aside for qualified activities by CHDOs. As of January 2000, four CHDOs have been certified in Alaska (outside of Anchorage):

- Alaska Housing Development Corporation—Juneau
- Fairbanks Neighborhood Housing Services—Fairbanks
- Housing First—Juneau
- Tlingit-Haida Regional Housing Authority—Juneau

Another five organizations have applied to Alaska Housing Finance Corporation for certification as a CHDO. It is anticipated that CHDOs will continue to offer a variety of affordable housing opportunities across Alaska over the next five years.

As discussed in the previous section, Other Public Housing, the Tribally Designated Housing Entities (TDHEs) created by the Native American Housing and Self-Determination Act of 1996 (NAHASDA) will continue to play an important role in the delivery of housing in many areas of the state. The dramatic expansion from 14 regional housing authorities

before NAHASDA to the approximate 90 TDHEs in the year 2000 raises a number of opportunities and concerns. Continuing technical assistance will be an important component in promoting effective planning and execution of housing programs. This is true not just for the TDHEs, but for all involved in the wide range of affordable housing programs. Many affordable housing projects involve multiple funding sources, each with their own rules, regulations and compliance issues.

## **Lead Based Paint Hazards**

The State of Alaska Survey of Lead-Based Paint was conducted for the Environmental Protection Agency (EPA) to provide a statewide survey of privately-owned homes, day care facilities, elementary schools, and community building that were built prior to 1978. According to 1990 census data, 62% of Alaska's housing stock was built prior to 1980. This survey focused upon lead hazards originating from lead in paint, and gathered information from residents of privately-owned homes, child care facilities, elementary schools, and other building where young children recreate and dwell to assess if any other sources warrant investigation. The survey was conducted between April and June 1996. All of the tested homes were built prior to 1978, with the sample designed to represent the age distribution of homes existing in the state. The final sample contained 163 private homes, 29 child care facilities, 15 elementary schools, and 17 other buildings. A total of 224 structures were sampled during the survey, using an x-ray fluorescence lead detector.

During this State of Alaska lead based paint survey, a total of 42 privately owned homes (26 %) of the total 163 homes tested contained lead-based paint concentrations above the action level (1.0 milligram per centimeter squared) somewhere in the home. From U.S. Census Bureau data, approximately 82,400 residential units were built prior to 1980 in all areas of Alaska outside of Anchorage. Using the State of Alaska lead based paint survey incidence rate (25.8%), approximately 21,260 residences contain potential lead based paint hazards. An estimated 6,900 of those residences containing a potential lead based paint hazard are occupied by low-income households (0-80% MFI). An estimated 1,460 moderate income households (81-95% MFI) occupy residences that may contain a lead based paint hazard. The conclusion of the State of Alaska lead based paint study was that:

"Although this estimated 26% compared with the national estimate of 83 percent appears to be a significantly smaller amount of affected homes, this data show that Alaska has a notable potential source for lead poisoning from paint in privately owned homes. Increased education about the potential health risks from exposure to lead based paint is one-step in reducing health-related problems involving lead poisoning."

Alaska Housing Finance Corporation's Public Housing Division tested the low-income rental properties it owns across the state. Fourteen projects outside of Anchorage, with a total of 404 rental units, were inspected for lead based paint. In eight of the projects, no lead based paint over the HUD threshold was detected. Lead was abated in four of the projects at an estimated cost of \$466,000. The remaining two projects will receive lead abatement activities upon receipt of funding. Risk assessments determined that the surfaces tested in the unabated projects posed no immediate hazard to exiting tenants. Interior dust concentrations were well below HUD recommended permissible levels. The soils adjacent to the units, play areas, parking lots, and roadways were also below the



threshold levels for lead in soils. Housing Quality Inspections (HQS) will monitor the lead-based painted surfaces until funding is available for abatement.

The Section of Epidemiology (Division of Public Health, Alaska Department of Health and Social Services) monitors elevated blood lead levels through periodic data collection. Between September 1993 and March 1994, the Lead-Based Paint Task Force conducted blood lead testing of 967 Medicaid eligible children in 25 villages and 9 cities across Alaska. Results of this testing showed very low levels of lead in the children's blood. A statewide blood surveillance system was established in 1997 and receives data from laboratories that perform lead analysis on blood samples received from Alaska. Over 8,000 individual blood level analysis have been entered into this system, with a less than 3% prevalence of elevated blood lead levels in children. To date, a very small number of children have been reported to have blood lead levels above 10 micrograms per deciliter (the required reporting level by state regulation).

The Section of Epidemiology received a grant from the U.S. Environmental Protection Agency in 1997 to develop a "Lead-Based Paint Training and Certification Program." Based upon data received from blood lead-level monitoring, the State decided to not continue developing this program. The Environmental Protection Agency (EPA) allowed the State to use of portion of the allocated funds to conduct a Periodic Focus Survey"" to monitor blood-lead levels in children from 19 villages. The results of the testing done under this program continue to show very low levels of lead in the blood of children tested. In determining that a lead based paint certification program was not a priority, the State allowed this authority to revert to the federal EPA. Enforcement activities were scheduled to begin by the EPA in March 2000.

## **Inventory of Housing and Services for the Homeless**

The most common emergency shelter response in Alaska is the private home. Any attempt to live in a car, the streets or in the woods is a life-threatening proposition during nine months of the year. Within the Alaska Continuum (all areas outside of Anchorage), there are only 26 emergency shelters with a capacity for approximately 550 persons. Of these, 14 are for domestic violence victims, 9 are for the general population including veterans, and 3 serve runaway youth. In addition, the Alaska Department of Mental Health and Developmental Disabilities (DMHDD) has developed 46 crisis respite facilities around the state that serve as emergency shelter for persons experiencing mental illness. In smaller communities such as Kake, Homer and Wrangell where no shelters exist, service providers rely on the use of emergency motel vouchers for short-term stays. Safe home systems are also utilized for victims of domestic violence in Homer, Cordova, Seward and other areas.

Many coastal communities such as Dillingham, Kodiak, and Ketchikan experience a seasonal influx of transient workers seeking employment in the fishing industry. For years, churches would open their basements for use as overnight "hostels", or canneries would be surrounded by "tent cities". As a result of considerable pressure from city officials, local canneries now offer dormitories with sanitary facilities. These facilities have helped

to mitigate the problem among those lucky enough to be hired, but the transient problem remains. Sometimes a community's response has been a one-way plane ticket back to the transient's home. The "one-way ticket solution" is also an approach used by small villages to rid themselves of troublesome citizens, ultimately leading to homelessness in a regional hub community. From there, the homeless individual may be "dumped" into a shelter in Anchorage, Fairbanks or Juneau.

Funding to develop and support emergency shelters for the general population is extremely limited. Alaska only receives an annual average of \$120,000 in federal formula Emergency Shelter Grant (ESG) funding. Each year, dozens of homeless service providers must compete to become one of the five lucky recipients of an Emergency Shelter Grant, ranging from \$20,000 to \$25,000. Since 1993, AHFC has received legislative authorization to award \$250,000 each year through its Homeless Assistance Program to support homeless prevention, emergency shelters and transitional housing. Between 1998 and 1999, eight of the fourteen grants awarded were for projects involving upgrades or operation of emergency shelters. Additional operating support is awarded each spring to the domestic violence shelters through the Alaska Council on Domestic Violence and Sexual Assault. Some Medicaid funds are used to support services for the disabled.

Funding to develop and support emergency services for the general population is extremely limited. Alaska Emergency Shelter Grant annual allocation has ranged between \$84,000 and \$124,000. At a funding level of approximately \$20,000 per successful applicant, only four to six shelters receive support in any one year. Within the State's operating budget, the only specific support of emergency shelters is directed towards domestic violence shelters. Shelters that serve the general population rely upon funding from private donations and municipal funding sources. The future prospects of support from municipal governments appears precarious in the view of shrinking state revenue sharing and limited ability (or desire) to raise new tax revenues.

With stays generally limited to 30-60 days, emergency shelter supportive services tend to be limited to the basics. Such services include food, childcare, help with accessing income supports through public assistance or social security, and housing placement services. Public transportation is virtually non-existent in most Alaskan communities outside of Fairbanks and Juneau, most caseworkers reportedly use their own autos to transport clients to appointments.

Homelessness is often more of a "people" problem than a housing supply problem. Persons with extensive histories of institutional living (mental health hospitalizations, criminal incarcerations or a transient/shelter lifestyle) often have trouble achieving stability when immediately placed in permanent housing. A homeless person making this transition needs sufficient time and on-going assistance to develop skills in independent living, financial and family management, and problem solving. A transitional housing program provides the necessary time to continue the supports started in the shelter, and a firmer foundation for successful placement in permanent housing. Approximately thirteen transitional housing facilities are now operating in Bethel, Fairbanks, Juneau, Kenai, Palmer, Sitka and Wasilla. These facilities include four for persons with mental illness, four for chronic substance abusers, three for victims of domestic violence, one for persons with developmental disabilities, and one for youth. Four of these facilities were developed using federal McKinney Supportive Housing Program (SHP) funds. All of these facilities

# Inventory of Homeless Facilities

## State of Alaska (Excludes Anchorage)

FY 2000

Table 5-6

Source: Homeless Service Providers Survey, Alaska Housing Finance Corporation; 1999

City	Agency Name	Facility Type	Services Provided							Capacity for Families/Individuals		
			Emergency	Transitional Housing	Food	Meals	Medical	Referrals	Transitional	Emergency	Total	
Barrow	Arctic Women in Crisis	Domestic Violence Shelter	Yes	No	Yes	Yes	No	Yes	0	8	8	
Barrow	Community Counseling Center	Emergency Shelter	Yes	No	Yes	Yes	Yes	Yes	0	10	10	
Barrow	Tagiugiullu Nunamiullu Housing Auth.	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Bethel	Bethel Community Services	Transitional Housing	No	Yes	Yes	No	No	No	8	12	20	
Bethel	Tundra Women's Coalition	Domestic Violence Shelter	Yes	No	Yes	Yes	No	No	0	4	4	
Bethel	Yukon-Kuskokwin Health Corporation	Transitional Housing	No	Yes	No	No	No	No	5	0	5	
Copper Ctr	Copper River Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Cordova	Cordova Family Resource Center	Emergency Shelter	Yes	No	Yes	Yes	No	Yes	0	2	2	
Cordova	The Salvation Army	Referrals	No	No	No	No	No	Yes	0	0	0	
Dillingham	Bristol Bay Area Health Corporation	Referrals	No	No	No	Yes	Yes	Yes	0	0	0	
Dillingham	Bristol Bay Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Dillingham	Bristol Bay Native Association	Referrals	No	No	No	No	No	Yes	0	0	0	
Dillingham	City of Dillingham Senior Center	Senior Facility	No	No	No	No	No	Yes	0	0	0	
Dillingham	Dillingham Native Village Council	Referrals	No	No	No	No	No	Yes	0	0	0	
Dillingham	Safe and Fear Free Environment	Domestic Violence Shelter	Yes	No	No	No	Yes	No	0	3	3	
Emmonak	Emmonak Women's Shelter	Domestic Violence Shelter	Yes	No	No	Yes	No	No	0	2	2	
Fairbanks	Breadline Inc.	Food Provider	No	No	Yes	Yes	No	Yes	0	0	0	
Fairbanks	Fairbanks Community Mental Health Ctr	Transitional Housing	No	Yes	Yes	Yes	No	No	10	0	10	
Fairbanks	Fairbanks Native Association	Transitional Housing	Yes	Yes	No	No	No	Yes	87	15	102	
Fairbanks	Fairbanks Rescue Mission	Emergency Shelter	Yes	No	Yes	Yes	No	No	0	24	24	
Fairbanks	Family Focus	Emergency Shelter	Yes	No	Yes	Yes	No	No	0	6	6	
Fairbanks	Immaculate Conception	Food Provider	No	No	Yes	Yes	No	No	0	0	0	
Fairbanks	Interior Aids Association	Transitional Housing	No	Yes	No	No	No	Yes	0	0	0	
Fairbanks	Interior Regional Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Fairbanks	The Salvation Army	Emergency Shelter	Yes	No	Yes	Yes	No	Yes	0	10	10	
Fairbanks	Women in Crisis (WICCA)	Domestic Violence Shelter	Yes	No	No	Yes	No	No	0	4	4	
Homer	Homer Community Food Pantry	Food Provider	No	No	Yes	Yes	No	Yes	0	0	0	
Homer	Share the Spirit	Referrals	No	No	No	No	No	Yes	0	0	0	
Homer	South Peninsula Women's Services Inc.	Referrals	No	No	No	No	No	Yes	0	0	0	
Hoonah	The Salvation Army	Food Provider	No	No	Yes	No	No	No	0	0	0	
Juneau	AWARE	Domestic Violence Shelter	Yes	No	Yes	Yes	Yes	No	0	6	6	
Juneau	BMH M/H	Emergency Shelter	Yes	No	No	Yes	No	Yes	0	0	0	
Juneau	Childcare and Family Resource Center	Referrals	No	No	No	No	No	Yes	0	0	0	
Juneau	Gastineau Human Services	Transitional Housing	No	Yes	Yes	Yes	Yes	Yes	8	0	8	
Juneau	JCCM DBA "The Glory Hole"	Emergency Shelter	Yes	No	Yes	Yes	Yes	Yes	0	38	38	
Juneau	Juneau Youth Services	Transitional Housing	Yes	Yes	No	No	No	Yes	9	6	15	
Juneau	REACH	Transitional Housing	No	Yes	No	No	No	Yes	0	4	4	
Juneau	St. Vincent De Paul	Transitional Housing	No	Yes	Yes	Yes	Yes	Yes	34	0	34	
Juneau	Tlingit-Haida Regional Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Juneau	Juneau Alliance for the Mentally Ill	Transitional Housing	Yes	Yes	Yes	Yes	Yes	Yes	10	10	20	
Kake	The Salvation Army	Food Provider	No	No	Yes	No	No	Yes	0	0	0	
Kenai	Love Inc.	Referrals	No	No	No	No	No	Yes	0	0	0	
Kenai	The Salvation Army	Emergency Shelter	Yes	No	No	No	Yes	Yes	0	0	0	
Kenai	Women Resource and Crisis Center	Domestic Violence Shelter	Yes	Yes	Yes	Yes	Yes	Yes	0	5	5	
Ketchikan	Ketchikan Committee for The Homeless	Emergency Shelter	Yes	No	Yes	Yes	No	Yes	0	30	30	
Ketchikan	Ketchikan Seamans Center	Emergency Shelter	Yes	No	Yes	Yes	No	Yes	0	50	50	
Ketchikan	Ketchikan Youth Hostel	Emergency Shelter	Yes	No	No	No	No	No	0	0	0	
Ketchikan	The Salvation Army	Food Provider	No	No	Yes	No	No	Yes	0	0	0	
Ketchikan	Women in Safe Homes	Domestic Violence Shelter	Yes	No	Yes	Yes	No	Yes	0	4	4	
Kodiak	Brother Francis Shelter	Emergency Shelter	Yes	No	No	Yes	No	No	0	40	40	
Kodiak	Kodiak Island Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Kodiak	Kodiak Island Mental Health Center	Referrals	No	No	Yes	No	Yes	Yes	0	5	5	
Kodiak	The Salvation Army	Food Provider	No	No	Yes	No	No	No	0	0	0	
Kodiak	Kodiak Women's Resource & Crisis Ctr.	Domestic Violence Shelter	Yes	No	Yes	Yes	Yes	Yes	0	10	10	
Kotzebue	Northwest Inupiat Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Metlakatla	Metlakatla Housing Authority	Housing Authority	No	No	No	No	No	Yes	0	0	0	
Nome	Bering Sea Women Group	Domestic Violence Shelter	Yes	No	No	Yes	No	Yes	0	2	2	
Palmer	Daybreak Senior Center	Senior Facility	No	Yes	No	No	No	Yes	0	0	0	
Palmer	Kids Are People/Operation Run-Away	Transitional Housing	Yes	Yes	No	No	No	No	0	5	5	
Palmer	Palmer Senior Citizens Center	Senior Facility	No	No	No	Yes	No	Yes	0	0	0	
Palmer	Valley Women's Resource Center	Domestic Violence Shelter	Yes	Yes	No	Yes	No	Yes	0	3	3	
Petersburg	The Salvation Army	Emergency Shelter	Yes	No	Yes	Yes	No	No	0	7	7	
Seward	Seward Life Action Council	Referrals	No	No	Yes	No	No	Yes	0	10	10	
Sitka	Aurora's Watch	Transitional Housing	No	Yes	Yes	Yes	No	No	0	14	14	
Sitka	Sitka Tribe of Alaska	Referrals	No	No	No	No	No	Yes	0	0	0	
Sitka	The Salvation Army	Emergency Shelter	Yes	No	No	No	No	No	0	0	0	
Sitka	Sitkans Against Family Violence	Domestic Violence Shelter	Yes	No	Yes	Yes	Yes	Yes	0	3	3	
Soldotna	Central Peninsula Counseling Services	Transitional Housing	No	Yes	Yes	Yes	Yes	Yes	4	1	5	
Unalaska	Unalaskans Against Sexual Assault & P.V.	Domestic Violence Shelter	Yes	No	No	No	No	No	0	2	2	
Valdez	Advocates For Victims of Dom. Violence	Domestic Violence Shelter	Yes	No	Yes	Yes	No	Yes	0	2	2	
Wasilla	Life Quest Mental Health Center	Transitional Housing	No	Yes	Yes	Yes	Yes	Yes	13	0	13	
Wrangell	The Salvation Army	Emergency Shelter	Yes	No	Yes	No	No	Yes	0	0	0	
									188	357	545	

provide case management services and use a combination of "in-house" and mainstream resources to assist with financial guidance, counseling, transportation, child care, and development of skills necessary to live independently. Table 5-6 details the inventory of homeless facilities and the services provided in 26 Alaskan communities.

# Inventory of Special Needs and Supported Housing

State of Alaska (Excluding Anchorage)

FY 2000

Table 5-7

Community	Public Housing and Section 8 Units For People With Disabilities	Section 202/811 Units	Transitional Housing Units	Permanent Housing	Crisis and Emergency Respite Slots	Assisted Living & Group Home Facility Slots	Intermediate Drug Treatment Facilities
Barrow	0	0	12	47	13	0	1
Bethel	5	0	6	28	7	26	1
Cordova	6	0	0	0	0	0	0
Craig	0	0	0	0	0	2	0
Dillingham	0	0	0	0	6	4	1
Fairbanks	79	24	16	52	5	0	5
Haines	1	0	0	0	0	0	0
Homer	16	0	0	0	0	0	0
Houston	0	5	0	0	0	3	0
Juneau	67	40	140	0	5	1	1
Kenai	26	0	0	0	2	0	0
Ketchikan	24	0	0	1	0	3	2
Kodiak	12	0	0	0	0	4	1
Kotzebue	0	0	0	0	0	4	1
Nome	6	0	0	0	0	0	1
Palmer	5	19	0	19	0	9	0
Petersburg	5	0	0	0	0	0	0
Seward	18	0	0	0	0	8	1
Sitka	5	0	6	5	6	0	3
Soldotna	52	0	0	0	0	4	0
Valdez	10	0	0	0	0	8	0
Wasilla	17	19	42	0	5	14	1
Willow	0	0	0	0	0	4	0
Wrangell	0	0	0	0	1	0	0
<b>Total:</b>	<b>354</b>	<b>107</b>	<b>210</b>	<b>105</b>	<b>37</b>	<b>94</b>	<b>18</b>

Source: Alaska Housing Finance Corporation, State of Alaska Division of Health and Social Services; 1999

An inventory of special needs and supportive housing resources identified 567 permanent housing units, 210 transitional housing units, 94 assisted living and group home facility slots, 37 crisis and emergency respite slots, and 18 facilities serving as intermediate drug treatment facilities. Table 5-7 breaks out these resources by community.

## Affordable Housing Barriers

Conditions in Alaska offer challenges to developers and providers of affordable housing that exist nowhere else in the nation. Alaska's extreme climate offers a relatively tight window of opportunity to develop affordable housing projects. A vast geography contributes to many relatively isolated communities, with no road connections. In these areas, shipping is done via waterways or by air, and such transportation charges lead to increased construction costs.

The high cost of development in Alaska is an affordable housing barrier. A "development gap" generally exists because the cost of construction is greater than the value of affordable housing projects.

A recurring barrier to affordable housing is the gap in organizational capacity that exists between the larger regional centers and the smaller communities. A community may have few organizations that have the ability to plan, develop and operate affordable housing projects. This "capacity gap" prevents many communities from accessing affordable housing programs.

One of the developing barriers to affordable housing concerns the availability of building sites, with supporting infrastructure. This problem is more acute in some areas, than others, and over the next five years will continue to be a factor. A significant amount of the

building sites absorbed during the 1990's were actually developed during the 1980's. The real estate crash of the late 1980's depressed prices for developed building sites, and helped provide a lower cost basis for many affordable housing projects. The steady residential construction activity of the 1990's has eliminated the supply of "cheap" building sites. Present day construction costs, land acquisition prices, and the current regulatory environment surrounding development, will contribute to increasing the cost of providing building sites for affordable housing projects. In rural areas, much land is held by the federal, state and local governments, and is not generally available for housing development. The residential development of much native owned land has been similarly restricted.

Property tax assessment policies of local government are an issue that may impact the viability of affordable rental development projects. Most subsidies provided to affordable rental projects carry some restrictions on the amount of rent that may be charged to the targeted lower income households. A specified percentage of the total number of units will be "set-aside", to be rented only to households with lower incomes (as defined by a percentage of the area's median income, adjusted for household size). These rent restrictions limit the amount of income that an affordable rental project can generate. Some local property assessors ignore the impact of these legally binding rent restrictions, and assume they have no impact upon value. Artificially high tax assessments negatively impact the long-term sustainability of such affordable rental projects.

## **Alaska's Fair Housing Plan**

The State of Alaska strongly supports efforts to promote fair housing choice, and will continue to work to affirmatively further fair housing. Passed in 1963, the Alaska Human Rights Law protects persons from discrimination on the basis of race, sex, color, national origin, religion, age, pregnancy, marital status, changes in marital status, and physical and mental disability. The Human Rights Commission is responsible for the enforcement of this law. In the Consolidated Housing and Community Development Plan (HCD Plan), equal and fair access to housing is central to Alaska's overall housing and community development goals. The State's Fair Housing Plan is maintained and updated through the Consolidated Planning process.

The State of Alaska's Analysis of Impediments has identified the following impediments to fair housing:

- 1) Housing options for the disabled have been very limited, due to lack of housing stock and because of financial barriers.
- 2) In several Alaskan communities, negative reactions to proposed group homes have presented challenges to project sponsors.
- 3) Lack of information hinders the ability of individuals in protected classes and organizations serving them to access housing resources.
- 4) Lack of information of Fair Housing laws, and all applicable accessibility standards, is another impediment.
- 5) Individuals who receive Section 8 certificates or vouchers have experienced difficulties in leasing units because of tight market conditions, and because of the reluctance of landlords to participate in the program.
- 6) Members of protected classes under the Fair Housing laws are disproportionately represented in Alaska's homeless population.

In late fall of 1999, the Alaska State Commission for Human Rights was awarded \$59,246 from the U.S Department of Housing and Urban Development to undertake a project entitled Fair Housing Education and Outreach in Alaska. The project is designed to inform housing recipients, their advocates, and the agencies that serve them, as well as housing providers including realtors, landlords, and property managers of their respective rights and obligations under the Federal Fair Housing Act, and State and local fair housing laws. Through workshops and the distribution of materials in several languages regarding the Fair Housing Act, State and local fair housing laws, this project will increase public awareness of the rights afforded Alaskans under the fair housing laws. As a result of these efforts, this project is anticipated to result in a significant increase in the number of housing complaints referred to HUD and the Commission, thereby reducing housing discrimination on Alaska. The Commission last received funding to conduct fair housing education and outreach in Alaska in 1991. Since that time Alaska's population has increased significantly, including higher numbers of homeless Alaskans, Alaskans with disabilities, and new immigrants who do not speak English. Education and outreach are greatly needed to increase public awareness, and to further Alaska's Fair Housing Plan. The input resulting from this Fair Housing Education and Outreach project will be evaluated and used to update Alaska's Analysis of Impediments to fair housing and the State's Fair Housing Plan.

## **Non-Housing Community Development Needs**

The State of Alaska is faced with a staggering number of non-housing community development needs. A critical long-term need is for financial resources to communities for:

- Key public facilities such as community centers, health clinic, shelters, fire stations, tank farms and landfills
- Infrastructure developments such as docks, harbors, road improvements, and electrical upgrades
- Planning for community development projects which reduce or eliminate conditions detrimental to the health and safety of local residents and which encourage community efforts to combine public and private sources of funding
- Planning for potential economic development projects which encourage community self-sufficiency and create or retain jobs
- Reduction of the costs of essential community services.

There are several hundred small towns and villages in Alaska. Estimates vary, but 270 is the most common estimate of both Native and non-Native communities. Most are not on a road system and are small, isolated and usually based upon a subsistence economy. Populations vary from 25 to about 1,000 people, with the average being about 350-400. In the 193 native communities, the total number of homes is 16,100. Of this number, homes with piped or enclosed haul systems totaled 10,360 in 1997. Based upon a continuation of current funding levels, it is estimated that the number of homes with pipes or enclosed haul will total 13,539 in 2001. The goal of the State and Federal governments is to eliminate the honey bucket/privy by the year 2005. Projects are currently underway in 102 communities.

In 1998, the Alaska State Legislature created a special task force to examine the deferred maintenance needs of Alaska. More than 14 days of hearings were held in Kenai, Kotzebue, Nome, Kodiak, Wasilla, Ketchikan, Fairbanks and Anchorage. Deferred maintenance needs exceeding \$1.4 billion were identified by this task force.

Long term sustainability and affordability of community infrastructure and services will be one of the most daunting challenges over the next five years. One key example will be in the area of providing affordable power to rural Alaska in an environment of state revenue constraints. The Power Cost Equalization (PCE) fund was established in 1993 to subsidize the cost of electrical power in rural areas of the state. An estimated 76,000 people in 190 communities benefit from this program. Toward the end of state fiscal year 1999 (June 30, 1999), the PCE fund was depleted, and the legislature funded a partial one year reprieve. If PCE is eliminated, rural residents will see their electrical power bills double or even triple. State and federally funded rural sanitation projects are dependent upon reliable and affordable electrical power. Affordable electricity is an important component in the promotion of economic self-sufficiency in rural Alaska. How the State deals with the Power Cost Equalization issue will have a huge impact upon the future of rural Alaska.

Table 5-8 is based upon data from Alaska Department of Community and Economic Development. This Department maintains the Rural Alaska Project Identification and Delivery System (RAPIDS) database. Projects in 237 communities located in "rural" Alaska (essentially those communities not on the road system).

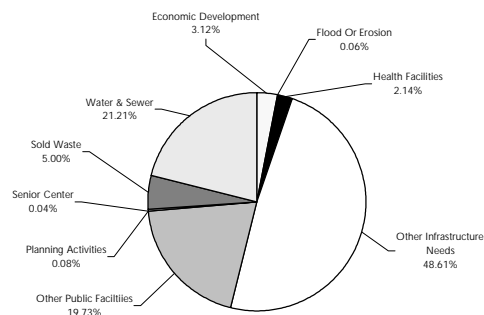
## RAPIDS Database: Non-housing Development Needs

State of Alaska  
FY 1999

Table 5-8

Source: State of Alaska  
Department of Community and  
Economic Development, 1999

Type of Project	Number of Projects	Total Cost
Economic Development	303	\$36,970,913
Flood Or Erosion	7	\$700,000
Health Facilities	80	\$25,401,243
Other Infrastructure Needs	897	\$576,026,446
Other Public Facilities	813	\$233,844,606
Planning Activities	80	\$957,700
Senior Center	7	\$429,650
Solid Waste	120	\$59,291,894
Water & Sewer	327	\$251,363,899
Total	2634	\$1,184,986,351









# Fiscal Year 2000 - 2005 Five Year Plan

## VI. The Five Year Strategic Plan

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### General

#### General Priorities

The statutory goal of the Consolidated Housing and Community Development (HCD) Plan is to "Provide decent housing, create suitable living environments, and expand economic opportunities for Alaskans at or below 80% of median income." Eight guiding principles to direct program resources governed by the HCD Plan. The 2000-2005 HCD guiding principles are:

- 1) The use of federal housing and community development program funds should emphasize benefit to low income Alaskans.
- 2) Federal community development funds should support local efforts addressing obstacles to economic growth by constructing, upgrading and reducing operating costs of essential community services.
- 3) Existing housing supply, both owner-occupied and rentals, should be protected and improved through weatherization and rehabilitation activities.
- 4) Allocation of homeless resources covered by this Consolidated Plan should be consistent with community based strategies addressing homelessness.

- 5) State matching funds should be provided to leverage other resources for housing, services related to housing, and community development.
- 6) The supply of affordable housing should be expanded for Alaskans with special needs, incorporating appropriate supportive services and accessibility.
- 7) Housing and community development projects should incorporate appropriate arctic design and engineering, energy efficient construction techniques and innovative technologies.
- 8) Through relevant and appropriate training and technical assistance, the statewide housing delivery system should be improved.

The State does not target specific geographic areas in this Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in "rural" communities as defined by AHFC. The HOME Rental and Homeownership Housing Development program has a "rural" priority. Communities receiving this priority are those with a population of 6,500 or less that are not connected by road or rail to Anchorage or Fairbanks. Other eligible communities are those with a population of 1,600 or less that are connected by road or rail to Anchorage or Fairbanks and are at least 25 statute miles outside of Anchorage or Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway System.

### **Basis for Assigning Priorities**

The wide range of housing and community development environments across Alaska makes the use of guiding principles the most practical and effective way of targeting scarce HCD resources. The eight principles above were developed from input from HCD public hearings over the past five years, and an analysis of the Annual Performance Reports for state fiscal years 1996, 1997, 1998, and 1999. Data gathered in the development of this five year plan strongly supported the eight guiding principles described above.

### **Obstacles to Meeting Under-served Needs**

The Alaska Profile part of this Consolidated Plan describe a state covering a huge geographic area, with an extreme range of climatic, economic, cultural, and physical conditions. Alaska's isolated regions, with many communities not linked by road transportation, adds to the difficulty of developing and implementing projects addressing under-served needs across the state. The logistics and costs associated with such projects are much greater than those faced elsewhere in the United States. Organizational capacity is another critical issue in the effective delivery of housing and community development (HCD) programs. Many organizations involved in HCD programs are small, with limited staff resources. Organizational capacity is unevenly distributed across Alaska, with some areas demonstrating very limited capacity.

## Priorities and Specific Objectives

The specific objectives under this Consolidated Plan will be defined through the development of the Annual Action Plans. The state Fiscal Year 2001 Annual Action Plan is being developed concurrently with the development of the five-year Consolidated Plan (2000-2005). The FY 2001 Annual Action Plan will cover the period July 1, 2000 through June 30, 2001. The specific formula program activities under the HOME, Community Development Block Grant Program, Emergency Shelter Grant Program will be described in detail, as will the specific funding allocation criteria and priorities of the three programs. The specific objectives of other activities covered by the Consolidated Plan will also be outlined. A description will be given on the linkages between the proposed activities and any of the eight guiding principles that are applicable. When the Annual Performance Report is completed (within 90 days of the close of the fiscal year), an evaluation will be done on the program accomplishments and success in meeting the objectives outlined in the Annual Action Plan. All available quantitative data will be used to measure progress under the eight guiding principles. The Annual Performance Report also helps shape the development of Annual Action Plans that follow.

## Anticipated Accomplishments

Over the next five years, quantifiable progress will be made under each of the eight guiding principles. Specific accomplishments will be dependent upon funding levels from the state and federal governments for the programs covered. The Annual Action Plans under this Consolidated Plan will determine the specific priorities for allocation of HOME, CDBG, and ESG funds. Based upon on going public input from the Consolidated Planning process, and the annual review of program performance in the Annual Performance Report, the specific program activities (and the funding levels allocated to those activities) may change. Another variable will be the interest rate levels that will be available for long term financing of affordable housing projects. Assuming that funding levels remain comparable to the levels of the past five years, the following accomplishments are anticipated during the next five years:

- More than 200 owner-occupied homes will be rehabilitated using HOME funds. All of these households will be at or below 60% of median income, with more than 75% of those households anticipated to be below 50% of median.
- More than 100 lower income households will become homeowners through the HOME funded Homeownership Program.
- The Community Development Block Grant Program will fund more than 100 projects that will provide a substantial or direct benefit to low and moderate income Alaskans.
- The Emergency Shelter Grant Program will on an annual basis fund four to six critically needed emergency shelter programs across the state.

- HOME funding be used to leverage other resources for affordable rental development. An anticipated 250 rental units in 14 projects will be funded through the HOME program. Two hundred units will be set aside for households below 60 % of median income. Of that set-aside total, an estimated 125 will benefit households at or below 50% of median income.
- Technical assistance will be provided, to improve the housing delivery system in the state. An estimated three or four new Community Development Organizations will be certified in the next five years. Existing housing providers will receive more than 3000 “student hours” of structured training to improve their planning, delivery and operation of affordable housing programs. An additional 2000 hours of “one-on one” individualized technical assistance will provided over the next five years.
- The Greater Opportunities for Affordable Living Program (GOAL) will continue to fund rental development projects benefiting low and moderate income Alaskans. GOAL uses funding from the HOME program, Low Income Housing Tax Credits, and the Senior Citizens Housing Development Fund to expand affordable rental housing opportunities across Alaska. An estimated 500 units will be developed during the next five years. Seventy five percent of these units will be set-aside for households at or below 60% of median family income.

## Affordable Housing

### Affordable Housing—Priority Needs

Affordable housing needs vary greatly across the state, depending upon local community conditions. In order to address these needs, and effectively target scarce affordable housing resources, a high priority is given to the leverage of other resources, both public and private, in affordable housing development. The development and maintenance of a flexible array of funding tools are a key component of the state’s five-year affordable housing strategy.

The use of federal housing and community development funds should emphasize benefit to low income Alaskans. Existing housing supply, both owner-occupied and rentals, should be protected and improved through weatherization and rehabilitation activities. Housing and community development projects should incorporate appropriate arctic design and engineering, energy efficient construction techniques and innovative technologies.

Table 4-7 lists the estimated housing assistance needs of low and moderate income households. An estimated 31,296 households earn less than 50% of median family income. Of these households, an estimated 4,830 owner-households and 4,913 renter-households have housing cost burdens greater than 50% of their household income. Table 6-1: Priority Needs Matrix for Housing will help shape annual program funding allocations.

# Priority Needs Matrix for Housing

## State of Alaska (Excluding Anchorage)

FY 2001 - FY 2005

Table 6-1

Source: Alaska Housing Finance Corporation, State of Alaska Department of Labor and Workforce Development, Research and Analysis Section; 1999

Priority Housing Needs (Households)			Priority Need Level (High, Medium, Low, No Such Need)			Estimated Units (5 years)	Estimated Dollars to Address
			0-30%	31-50%	51-80%		
Renter	Small Related	Cost Burden > 30%	High	Medium	Low	2,222	\$199,980,000 (at \$90K/unit)
		Cost Burden > 50%	High	Medium	Low		
		Substandard	Medium	Medium	Medium		
		Overcrowded	High	Medium	Medium		
	Large Related	Cost Burden > 30%	High	High	Low	1,442	\$158,620,000 (at \$110K/unit)
		Cost Burden > 50%	High	High	Low		
		Substandard	Medium	Medium	Medium		
		Overcrowded	High	Medium	Medium		
	Elderly	Cost Burden > 30%	High	Medium	Low	634	\$76,080,000 (at \$120K/unit)
		Cost Burden > 50%	High	Medium	Low		
		Substandard	Medium	Medium	Medium		
		Overcrowded	High	Medium	Medium		
	All Other	Cost Burden > 30%	High	Medium	Low	3,108	\$310,800,000 (at \$100K/unit)
		Cost Burden > 50%	High	Medium	Low		
		Substandard	High	Medium	Low		
		Overcrowded	High	Medium	Low		
Owner		Cost Burden > 30%	Medium	Medium	Low	5,452	\$581,550,000 See Appendix B
		Cost Burden > 50%	Medium	High	Low		
		Substandard	High	Medium	Medium		
		Overcrowded	High	Medium	Medium		

### Affordable Housing—Basis for Assigning Priorities

The basis for assigning priorities comes from several sources. The state's Consolidated Planning (HCD) process collects data on affordable housing from a wide range of sources on an on-going basis. These sources include AHFC Public Housing waiting lists, rental vacancy surveys in ten communities, AHFC mortgage data, Alaska Department of Labor, the Alaska Coalition on Housing and Homelessness, Community Housing Development Organizations (CHDOs), local community planning information, Indian Housing Plans, and input from other affordable housing developers. When the state develops its annual action plans to implement this five year strategy, a specific allocation plan is outlined for the upcoming state fiscal year covering resources governed by the HCD Plan. Activities using other anticipated affordable housing resources are also described in the annual action plan. After the conclusion of the fiscal year, an Annual Performance Report is completed, evaluating program performance, and making recommendations for future Annual Action Plans. Public input is sought and received at all stages of the HCD process. The data gathering in this development of this five year Plan also examined projected population, household and income growth to the year 2005. Table: Housing Assistance Needs of Low and Moderate Income Households detailed the situation in the year 2000. The Priority Housing Needs Matrix was based upon all of these sources of input.

### Affordable Housing—Obstacles to Meeting Under-served Needs

Again, the geographic, climatic and physical conditions existing in Alaska provide obstacles in meeting under-served affordable housing needs. These conditions are a given in the state's affordable housing development environment. Project development costs, project timelines and logistics are all affected by Alaska's challenging environment. Affordable housing programs must be realistic and responsive in order to be effective. Appropriate design and construction techniques must be used in the arctic environment to ensure the long-term sustainability of affordable housing projects.

Another obstacle to meeting under-served affordable housing needs is the uneven distribution of organizational capacity across the state. This condition serves as a barrier to some areas accessing affordable housing resources.

### **Affordable Housing—Priorities and Specific Objectives**

During the next five years, the following priorities and objectives are outlined:

- The use of HOME funds should be leveraged with other funding sources to maximize the expansion of affordable housing opportunities, both for homeowners and renters.
- Affordable housing projects using HOME funds will be evaluated in the context of what the greatest affordable housing needs are in the project's local market.
- The organizational capacity of project sponsors will be strongly considered in evaluating HOME funded affordable housing projects.
- HOME funded projects must be financially viable both in the short term (development) and long term (management and operation).
- HOME funds should be used to expand the supply of affordable housing for Alaskans with special needs, incorporating appropriate accessibility features.
- HOME funds should be used to encourage activities that protect and improve existing housing supply, both owner-occupied and rentals, through weatherization and rehabilitation activities.

### **Affordable Housing—Anticipated Accomplishments**

The following accomplishments are anticipated under this five-year strategy:

- 250 new HOME funded affordable rental units developed, benefiting 200 households at or below 60% of median family income.
- 100 new lower income households will attain homeownership through HOME funded initiatives.
- 100 housing existing units will benefit from HOME funded rehabilitation and weatherization activities.

## **Homelessness**

## Homelessness—Priority Needs

Allocation of homeless resources covered by this Consolidated Plan should be consistent with community based strategies addressing homelessness. The supply of affordable housing should be expanded for Alaskans with special needs, incorporating appropriate supportive services and accessibility. A critical priority need is to insure there is a complete and appropriate service system available to homeless Alaskans in any part of the state. Another key priority need is homeless prevention. Table 6-2: Priority Needs Matrix for the Homeless assigns a priority need level for families, individuals and persons with special needs in five categories of need.

### Priority Needs Matrix for Homelessness

State of Alaska (Excluding Anchorage)

FY 2001 - FY 2005

Table 6-2

Source: Alaska Housing Finance Corporation, State of Alaska Department of Labor and Workforce Development, Research and Analysis Section; 1999

	Individuals	Estimated Need	Current Inventory	Unmet Need/ Gap	Relative Priority
Beds/Units	Emergency Shelter	616	366	250	L
	Transitional Housing	767	250	517	H
	Permanent Supportive Housing	752	278	474	M
	Total	2135	894	1241	
Supportive Services Slots	Job Training	516	196	320	M
	Case Management	1020	506	514	M
	Substance Abuse Treatment	644	224	420	H
	Mental Health Care	774	423	351	M
	Housing Placement	351	130	221	H
	Life Skills Training	670	217	453	H
	Other - Adult Basic Education	42	30	12	L
	Other - Transportation	50	25	25	L
	Other - Food/Nutrition	37	12	25	L
	Other - Developmentally Disabled	122	56	66	H
Sub-populations	Chronic Substance Abusers	596	86	510	H
	Seriously Mentally Ill	623	325	298	M
	Dually Diagnosed	253	31	222	H
	Veterans	124	43	81	L
	Persons with HIV/AIDS	33	14	19	M
	Victims of Domestic Violence	310	155	155	M
	Youth	476	118	358	H
	Other - Develop. Disabled	122	56	66	H
<b>Persons in Families with Children</b>					
Beds/Units	Emergency Shelter	437	221	216	L
	Transitional Housing	412	65	347	H
	Permanent Supportive Housing	379	29	350	H
	Total	1228	315	913	
Supportive Services Slots	Job Training	388	85	278	H
	Case Management	808	313	495	H
	Child Care	447	222	225	L
	Substance Abuse Treatment	356	149	207	M
	Mental Health Care	513	203	310	M
	Housing Placement	291	92	199	H
	Life Skills Training	368	87	281	H
	Other - Transportation	43	21	22	L
	Other - Food/Nutrition	10	10	0	L
	Other - Developmentally Disabled	11	0	11	L
Sub-populations	Chronic Substance Abusers	399	83	316	H
	Seriously Mentally Ill	386	125	261	M
	Dually Diagnosed	127	9	118	H
	Veterans	42	12	30	L
	Persons with HIV/AIDS	27	1	26	M
	Victims of Domestic Violence	432	224	208	H
	Other - Develop. Disabled	11	0	11	L
	Other - Youth	N/A	N/A	N/A	-

## **Homelessness—Basis for Assigning Priorities**

The public process leading to the development of this Consolidated Plan has provided the basis for assigning priorities. Two specific components of this input came from the goals of the annual meetings of the Alaska Coalition on Housing and Homelessness in 1998 and 1999, and from the development of the Alaska Continuum of Care in 1999. A Homeless Issues Working Group was convened in June 1999 to offer additional input into the new five year Consolidated Plan.

## **Homelessness—Obstacles to Meeting Under-served Needs**

One important obstacle to meeting under-served needs are the gaps and dead ends that currently prevent the successful transition from homelessness to housing in many parts of the state. Within each of Alaska's geographic areas, there still exists at least one major gap in terms of a facility type or a service available to a particular population. Another obstacle is widely varying levels of knowledge concerning homeless resources, programs and issues in different areas of the state. This knowledge and information gap is a problem that impedes progress in many communities. Alaska's geography, climate, and high cost structure are other obstacles to meeting under-served needs.

## **Homelessness—Priorities and Specific Objectives**

The Alaska Continuum of Care priorities and specific objectives are:

- Minimize community displacement
- No net loss of any existing homeless facilities!
- Improve the coordination and utilization of "mainstream" assistance programs to reduce dependency on short-term grants
- Development of a "menu" of transitional housing with holistic supportive services
- Development of integrated supportive services that concurrently address the complex issues facing homeless individuals and families
- Commitment to prevention of homelessness through education, advocacy and systemic change
- Development of expanded economic opportunities sufficient to maintain a permanent home
- Statewide expansion of the homeless services network, including development of more locally based strategies addressing homelessness.

## **Homelessness—Anticipated Accomplishments**

Anticipated accomplishment during the next five years include:

- The Alaska Continuum of Care process will expand the homeless services network statewide, using telecommunications technology. At least fifteen rural homeless service providers will be linked via the internet to Alaska Coalition on Housing and Homelessness activities, and participation in the Continuum process will be expanded.
- The Alaska Continuum will submit competitive HUD McKinney Homeless applica-



- tions in each of the next five years, and secure at least the balance of state pro rata share of funding in each of those years.
- Existing homeless facilities will be retained with no net loss.
- “Mainstream” assistance resources, both for housing and for supportive services, will be increasing utilized to serve the homeless of Alaska, and move total from reliance upon short term funding sources.

## **Other Special Needs**

### **Other Special Needs—General Priorities**

Affordable housing opportunities should be available for Alaskans with special needs. In some communities, these affordable housing options may require the development of a rental project. When existing housing supply is adequate, rental assistance for Alaskans with special needs may be the most effective approach. The homeownership option will make sense for some, if the financing terms can be structured to make homeownership affordable and sustainable over the long term.

The incorporation of appropriate supportive services and accessibility must be an integral component of expanding affordable housing for special needs Alaskans. The level of supportive services required will depend upon the circumstances of the individual served. A relatively small amount of funding is specifically targeted towards special needs and supportive housing programs. This is true on both the federal and state levels. A key priority over the next five years will be the increasing use of “mainstream” assistance programs for both housing and supportive services. The allocation process governing the distribution of HOME funds will include a “preference” for targeting special needs populations.

### **Other Special Needs—Basis for Assigning Priorities**

The basis for assigning priorities comes from several sources. The state’s Consolidated Planning (HCD) process collects data on affordable housing from a wide range of sources on an on-going basis. These sources include AHFC Public Housing waiting lists, rental vacancy surveys in ten communities, AHFC mortgage data, Alaska Department of Labor, the Alaska Coalition on Housing and Homelessness, Community Housing Development Organizations (CHDOs), local community planning information, Indian Housing Plans, and input from other affordable housing developers. When the state develops its annual action plans to implement this five year strategy, a specific allocation plan is outlined for the upcoming state fiscal year covering resources governed by the HCD Plan. Activities using other anticipated affordable housing resources are also described in the annual action plan. After the conclusion of the fiscal year, an Annual Performance Report is completed, evaluating program performance, and making recommendations for future Annual Action Plans. Public input is sought and received at all stages of the HCD process. The data gathering in this development of this five year Plan also examined projected population, household and income growth to the year 2005.

## **Other Special Needs—Obstacles to Meeting Under-Served Needs**

A number of obstacles exist to meeting under-served needs of Alaska's special needs populations.

- Funding resources to address the priorities of Alaskans with special needs are very fragmented and disjointed. Coordination between funding sources is under-developed, and sometimes at cross-purposes.
- Informational reporting systems on many of these populations are inadequate and generally not accessible.
- Lack of capacity among service providers exists to plan and execute housing development projects.
- Some of the federal supportive housing programs (HUD 811) provide an extremely valuable resource, but are very cumbersome and difficult to access and implement.
- The cost of special needs housing projects is another obstacle, both in terms of the development and long term operational expenses. Integration of the service component with the housing development has been an obstacle in supportive housing programs.

## **Other Special Needs—Priorities and Specific Objectives**

Priorities and specific objectives over the next five years for Alaska's special needs populations will expand affordable housing opportunities, incorporating appropriate supportive services and accessibility.

- Available technical assistance resources will be used to improve the ability of housing and service providers to plan, implement and operate programs that serve the housing needs of special needs populations.
- One key priority will be activities to leverage Alaska Mental Health Trust Authority (AMHTA) funds with other capital funds through joint Department of Health and Social Services (DHSS)/AHFC/AMHTA demonstration projects targeting special needs populations.
- The allocation of HOME funds will include a preference for activities targeting special needs populations.
- Another priority will be to leverage other funding resources for special needs housing projects, and to develop more efficient ways of providing more affordable housing opportunities for Alaskans with special needs.

## **Other Special Needs—Anticipated Accomplishments**

- Production of 10 units of housing for persons with mental illness.
- Development of a joint Request for Proposal (RFP) with Corrections/AHFC/DHSS/AMHTA for housing persons as a diversion process from Alaska Psychiatric Institute (API) and the Department of Corrections.
- Subject to annual legislative appropriations, provide matching funds to leverage additional special needs housing resources.

## **Non-Housing Community Development Plan**

### **Non-Housing Community Development Plan—General Priorities**

The overall mission of the Community Development Block Grant (CDBG) Program is to enhance the quality of life for low and moderate income persons by ensuring that the State's CDBG funds will be used to primarily benefit low and moderate income persons. Financial resources will be provided to communities for public facilities, planning, and special economic development activities which encourage community self-sufficiency. CDBG activities will give a priority to those activities which reduce or eliminate conditions detrimental to the health and safety of local residents; reduce the costs of essential community services; and provide capital to assist in the creation or retention of jobs for low and moderate income persons.

### **Non-Housing Community Development Plan—Basis for Assigning Priorities**

Funding priorities are based on need as reflected in the requests for CDBG funds received over the past five-year period. The Alaska Department of Community and Economic Development maintains the Rural Alaska Project Identification and Delivery System (RAPIDS) database. The RAPIDS database contains descriptions, funding levels and status for capital projects in 237 communities located in "rural" Alaska (essentially those communities not on the road system). The RAPIDS database clearly demonstrates a huge need for public facilities and a variety of local infrastructure needs across the state. Another basis for assigning priorities comes from input received from local government officials and local residents at public hearings and CDBG technical assistance workshops.

### **Non-Housing Community Development Plan—Obstacles to Meeting Under-Served Needs**

Over one hundred cities in Alaska have populations only numbering in the hundreds. The majority of these communities are not accessible by road. For many of these cities, it is a constant struggle to maintain basic services. This situation threatens the State's investment in essential community facilities and poses a threat to the health and safety of Alaska's rural residents. Obstacles to meeting these non-housing community development needs include frequent staff turnover, limited financial management expertise and local government skills. A significant decline in state financial resources to communities, coupled with a limited local tax base or economy all contribute to the ability of many rural Alaskan communities to successfully apply for and implement a community or economic development project. A lack of local building codes and a lack of local expertise in building sciences can influence the quality of construction that takes place in some communities. This must be taken into consideration when evaluating potential future operation and maintenance cost for proposed facilities. Commitments from public and private sources to adequately fund the high cost of construction in rural Alaska can also be an obstacle the Community Development Block Grant Program faces in meeting local unmet needs. The feasibility of proposed economic development projects is impacted by high transportation and marketing costs for exported goods. Cultural differences can, in some instances, impact the delicate balance between supply and demand for goods and services.

## Non-Housing Community Development Plan—Priorities and Specific Objectives

The following priorities and objectives guide the distribution and use of Community Development Block Grant (CDBG) funds:

- To support activities which provide a substantial or direct benefit to low and moderate income persons;
- To support activities which eliminate clear and imminent threats to public health and safety;
- To support local efforts towards solving public facility problems by constructing, upgrading, or reducing operational costs of essential services;
- To support activities which demonstrate potential for positive impact;
- To support activities which encourage local community efforts to combine and coordinate CDBG funds with other public and private resources;
- To support economic development activities which will result in business development and job creation or retention which will principally benefit low and moderate income persons.

## Non-Housing Community Development Plan—Anticipated Accomplishments

It is anticipated that during the next five years, requests for CDBG funding will be similar to those made in the last five-year period. The focus of the CDBG program on eliminating threats to health and safety and on supporting local efforts to solve public facility problems will continue. It is anticipated that approximately 8200 persons per year will benefit from CDBG funded projects and approximately 77% of those persons will be of low to moderate income. Given an allocation of approximately \$3 million, CDBG has funded annually, during the last five years (1995-2000), 22 to 25 applications at an average of \$120,000 each. A typical year will see the following types and numbers of projects funded:

- **Other public facilities** (includes fire stations, fire protection equipment, shelters for victims of domestic violence, bulk fuel tank farm consolidation, teen centers, community centers, etc.)—**9 per year.**
- **Health facilities**—**3 to 4 per year.**
- **Water and sewer improvements**—**2 per year.**
- **Other infrastructure needs** (including dock & harbor improvements, electrical upgrades, and road improvements)—**2 per year**
- **Economic development activities**—**2 per year.**
- **Planning activities**—**2 per year.**
- **Parks and recreational facilities**—**1 per year.**
- **Solid waste disposal improvements**—**1 per year.**
- **Flood or erosion control**—**1 per year.**
- **Senior centers**—**1 per year.**

These anticipated accomplishments under the CDBG program are based upon an analysis of identified non-housing community development needs, and an analysis of CDBG projects funded during the past five years. The particular “mix” of projects in any one year will depend upon a number of factors that are not possible to forecast, including project and sponsor readiness, and the availability of other funding sources needed to complete the project.

## Barriers to Affordable Housing

The high cost of development in Alaska is a persistent barrier to affordable housing, and a difficult one to address. The State is relatively powerless to change many of the underlying causes of Alaska's high construction costs. Short construction seasons, high transportation costs, Davis-Bacon wage requirements, and a strong overall construction economy have contributed to high construction costs. Improving the capacity and ability of affordable housing developers to initiate and implement projects is one means of mitigating high construction costs. Through technical assistance, the State will work to address this barrier.

Several previous sections have discussed the lack of housing capacity in many areas of the state as a barrier to affordable housing. Available HUD technical assistance (TA) funding will be used to address this problem over the next five years. Other technical assistance resources will be identified and coordinated with the HUD TA. The delivery of technical assistance will be targeted towards the most pressing needs, with on-going input and evaluation from the recipients of the TA. The use of telecommunications technology, including teleconferencing, video satellite down-links, and internet usage, will all be further explored as vehicles for the delivery of technical assistance in remote and rural areas of Alaska.

Another developing barrier to affordable housing is the availability of building sites with supporting infrastructure. A significant amount of the building sites absorbed during the 1990's were actually developed during the 1980's. The real estate crash of the late 1980's depressed the prices for developed building sites, and helped provide a lower cost basis for affordable housing projects. Present day construction costs, land acquisition prices, and the current regulatory environment surrounding development, will contribute to increasing the cost of providing developed building sites for affordable housing projects. In most of the more populated areas of Alaska, local real estate market forces will determine the prices and availability of developed building sites. The state has little ability to influence developments in these areas. In more rural locations, the policies and funding decisions of state and federal agencies can greatly impact the prospects for the development of building sites. Coordination and sharing information between the involved funding agencies offers the best avenue in addressing this barrier.

Property tax assessment policies of local government are another issue that will impact the viability of affordable rental development projects. Most subsidies provided to affordable rental projects carry some restrictions on the amount of rent that may be charged to the targeted lower income households. A specified percentage of the total units will be "set-aside", to be rented only to households with lower incomes (as defined by a percentage of the area's median income, adjusted for household size). These rent restrictions lower the amount of cash flow that an affordable rental project can generate. Some local property tax assessors ignore the impact of these legally binding rent restrictions, and pretend they have no impact on value. Education, development of local ordinances addressing this issue, and perhaps legislation changing state law regarding assessments, will be the most effective approach to this affordable housing barrier.

## Lead-Based Paint Hazards

This Consolidated Housing and Community Development Plan supports actions to evaluate and reduce lead based paint hazards. The Interagency Steering Committee for the Consolidated Plan will continue to work with the Alaska Division of Epidemiology to monitor the blood lead levels in tested Alaskan children. Lead abatement activities by AHFC's Public Housing in the two remaining unabated projects will be concluded upon receipt of funding, in coordination with construction and project replacement activities.

All covered projects and activities under the HOME, CDBG, HOPWA, Public Housing and Section 8 programs will be administered to conform to the applicable lead based paint regulations. Rehabilitation of pre-1978 housing using HUD housing assistance programs covered by the lead based paint rule (Subpart of the Rule Within 24 CFR Part 35), will follow the applicable HUD procedures, reporting and record keeping standards outlined.

Section 1018 of the of the Residential Lead-Based Paint Hazard Reduction Act of 1992 requires that sellers, landlords and agents warn homebuyers and tenants of lead-based paint and lead-based paint hazards in pre-1978 housing. A prospective home purchaser or prospective tenant must receive the following information prior to becoming obligated under any contract to lease or purchase a property covered by this Act:

- An EPA approved information pamphlet on identifying and controlling lead based paint hazards.
- Any known information concerning lead-based paint or lead-based paint hazards.
- Any records or reports on lead-based paint which are available to the seller or landlord.
- An attachment to the contract or lease which includes a Lead Warning Statement and confirms that the seller or landlord has complied with all of the notification requirements.

Sellers must provide homebuyers a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection. Sellers are not required by law to allow homebuyers to void their contract based on the results of the lead based paint evaluation. Although the testing done so far does not point to a great lead-based paint hazard in Alaska, an estimated 15% to 20% of all of the housing stock in the state does have a potential source of lead poisoning from paint. The State concurs with the U.S. Environmental Protection Agency that increased education about the potential health risks from exposure to lead based paint is an important step in reducing health related problems involving lead poisoning. Policies, procedures, and initiatives will be developed to promote compliance with the lead based paint disclosure requirements detailed above.

## Anti-Poverty Strategy

One of the key initiatives of the state's Anti-Poverty Strategy will be a national demonstration project to test the effects of housing assistance on families moving from welfare to

work. Alaska Housing Finance Corporation (AHFC) received \$4,000,000 in housing vouchers to assist 650 Alaskan families moving from welfare to work. The 652 vouchers became available January 18, 2000, and will be allocated to the following communities:

- Anchorage: 340
- Fairbanks: 100
- Mat-Su: 100
- Juneau: 50
- Kenai: 40
- Ketchikan: 12
- Homer: 10

This program will focus upon the working poor and those looking for work. The goal is to use the housing assistance to take the participating families “over the hump” of job instability and into permanent participation in the work force. Statistics demonstrate that the newly employed welfare family is highly vulnerable to employment problems. Welfare families who acquire a job have a 50% chance of being unemployed within a year of entry into the job market. This welfare to work demonstration program will seek to eliminate housing as a potential barrier to successful employment. The goal is to decrease the number of welfare families who become unemployed in the first year of entry into the job market. By linking with AHFC’s welfare to work voucher program, the Alaska Division of Public Assistance will better serve recipients with limited or no work histories, who are likely to enter the work force at minimum-wage jobs. Those who find employment will be rewarded.

The design of this welfare to work voucher program is to help stabilize the housing situation for families so they can concentrate upon becoming self-sufficient. This program will, in most cases, reduce the families percentage of income spent on housing expenses, increase their disposable income to help address other barriers to employment and increase the choice of locations for housing. All of these items will help support job retention, and aid the movement toward self-sufficiency. The benefits of this program will be measured by:

- 1) The difference in time spent on the Section 8 housing assistance waiting list between program clients and non-participating clients.
- 2) The change in household income from entrance into the program and comparison against TANF (Temporary Assistance for Needy Families) clients not participating in the program.
- 3) The number of welfare to work clients who decreased their TANF benefits and the number that voluntarily leave the TANF program.
- 4) The number of families that participate in welfare to work activities.
- 5) The number of clients that participate in the program who experience a disability.

The effectiveness of this program will be measured by improvement in the qualitative aspects of client’s lives (surveys) and the quantitative measures outlined above. AHFC intends to send out questionnaires to participating clients as part of the evaluation process.

Another element of the State's anti-poverty strategy concerns the workforce development area. Implementation of the Federal Workforce Investment Act holds the promise of improved job training and other employment services for both job seekers and employers. The Alaska Human Resource Investment Council (AHRIC) is responsible for the implementation of this act, which consolidates job training and vocational education programs, provides more local control of the State's job training delivery system, and is designed to meet both the needs of employers and job seekers. AHRIC is coordinating a public planning process to create a five year strategy for workforce development, involving local elected officials, partner agencies, community based organizations, and individuals. The AHRIC will continue to support welfare reform through the planning process. The deadline for the Workforce Investment Act implementation is July 1, 2000.

## **Institutional Structure**

During the next five years, the State will carry out its housing and community development plan through a wide range public and private agencies and organizations. Section V. Market Analysis of Housing Supply describes the state's housing delivery system. The non-housing community development plan relies upon the local governments of non-metropolitan Alaska for its implementation. The discussion on the previous pages addresses some of the challenges in this part of the institutional structure. Subject to available resources, these gaps will be targeted through appropriate technical assistance activities. Throughout the five year strategy, specific activities and priorities are outlined to improve the institutional structure for effective implementation of the State's housing and community development plan.

## **Coordination**

The Consolidated Housing and Community Development Plan (HCD Plan) will be used as a vehicle to promote coordination between public and assisted housing providers, and the wide range of service providers involved in special needs housing. The Interagency Steering Committee responsible for the oversight of the State's Plan will during 2000 review its membership, and take steps, if appropriate, to amend its composition to improve and enhance coordination. A number of key elements of effective coordination are already in place. Alaska Housing Finance Corporation plays a key role as a coordinator for a wide range of activities including public housing activities, funding activities, technical assistance delivery, and information dissemination. Other key elements in the State's coordination strategy include the Alaska Coalition on Housing and Homelessness, and the Alaska Affordable Housing Partnership.

## **Low-Income Housing Tax Credit Use**

Alaska Housing Finance Corporation allocates the State of Alaska's Low Income Housing Tax (LIHTC) credits through a competitive process called the GOAL program (Greater Opportunities for Affordable Living). The purpose of the GOAL program is to expand the supply of decent, safe and sanitary, and affordable rental housing for occupancy by lower-



income persons and families, and senior citizens. Assistance provided by AHFC through the GOAL program is in the form of federal tax credits (LIHTC) which are generally sold by the recipient to derive project equity capital, conditional grants (HOME Investment Partnerships Program), zero interest rate loans (HOME), and the Senior Citizens Housing Development Fund.

State of Alaska priorities include projects that:

- Are financially feasible (both from a developmental and operational viewpoint);
- Leverage GOAL funds with other funding sources;
- Will be developed by applicants/sponsors who demonstrate the greatest capacity to carry out the project;
- Address the highest need for low-income housing in the local rental market;
- Target “special needs populations” (i.e. senior citizens, persons who experience mental or physical disabilities, homeless persons, and families whose income does not exceed 30% of the area median income, adjusted for family size);
- Include larger units (i.e. greater number of bedrooms) for families.
- Are smaller in size (i.e. number of units);
- Are located in “rural” communities, as defined by AHFC;
- Provide meaningful training and employment opportunities for Alaskans.

In the competitive rating process of the GOAL program, AHFC awards points that address these priorities.

## **Public Housing Resident Initiatives**

Alaska Housing Finance Corporation’s Public Housing Division, in its draft Five Year Agency Plan, identified several objectives that promote public housing resident initiatives:

- Promote community-based policing activities in collaboration with local organizations.
- Increase public housing resident access to programs and resources throughout the state to promote self-sufficiency
- Assess resident attitudes on crime, fear of crime, victimization, trust, and cooperation with AHFC regarding safety and crime prevention through Annual Resident Survey.

In the Annual Plans to implement the five year strategy, AHFC anticipates using the Public Housing Drug Elimination Program, and the Family Self Sufficiency Program to work towards the objectives above.



CONSOLIDATED  
HOUSING & COMMUNITY  
DEVELOPMENT PLAN  
FOR THE STATE OF ALASKA 2000 - 2005



# Fiscal Year 2000 - 2005 Five Year Plan

## **Appendix A: Public Comments Received**

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### **Public Hearing—October 19, 1999**

A statewide teleconferenced public hearing was held on October 19, 1999, to provide public input into the development of the Consolidated Housing and Community Development Plan: 2000-2005. This hearing originated from Alaska Housing Finance Corporation's Headquarters Board Room in Anchorage. Teleconference sites participating in this hearing included Bethel, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, and Palmer.

An overview was given of the Consolidated Planning process, the programs covered, and the timeline for the development of the new five-year plan. The development of the new five-year plan (2000-2005) began in April of 1999, with data collection and public input continuing through the date of this hearing. It was announced at the hearing that the scheduled release for the draft HCD Plan was January 2000, with a forty-five day public comment period.

**Comment 1.** Paul Woodman of Interior Weatherization in Fairbanks stressed the importance of Alaska Housing Finance Corporation's Low Income Weatherization Program. Paul stated that the weatherization program has assisted 750 households annually to upgrade and preserve existing housing stock. Approximately 80% of those served by the weatherization program have a household income less than 50% of median income. Interior Weatherization alone will complete over 160 homes in 1999. Another benefit of weatherization activities is the improvement of the interior living environment, eliminating health hazards such as mold, excessive moisture, improperly ventilated combustion appliances, and other health risks. Interior Weatherization currently has over 75 persons on their waiting list. Paul also emphasized the importance of the HOME funded Owner Occupied Rehabilitation Program (ORP) in preserving and revitalizing the existing housing stock. The combination of the weatherization and homeowner rehabilitation programs under the same agency was seen as a positive move, reducing duplicative administrative tasks, and allowing a whole house approach to the rehabilitation process. In closing, Paul stated that the harsh winter conditions that exist in the Interior Region make it imperative that weatherization and housing rehabilitation activities be undertaken. Paul expressed a strong desire to have AHFC continue the support for these necessary programs in the Consolidated Plan.

**State Response—Comment 1.** Housing needs data collected in conjunction with the development of the new Five Year Consolidated Housing and Community Development Plan supports a continued priority for housing rehabilitation and weatherization activities. Two of the eight guiding principles adopted after an AHFC Board of Directors Work Session on December 7, 1999, support the preservation and improvement of housing stock, and emphasize the importance of activities specifically targeted to improve the energy efficiency of Alaska's housing stock.

**Comment 2.** Mary Matthews is the Fairbanks Area Coordinator for Alaska Housing Finance Corporation's Public Housing, with responsibility for managing AHFC's public housing and Section 8 program in the Fairbanks area. Mary offered comments supporting the efforts to improve the communication and cooperation of the many the organizations involved in affordable housing issues and programs. Mary was hopeful that the Consolidated Planning process would help to bring people together in the Fairbanks area.

**State Response—Comment 2.** The State agrees with these comments, and will encourage local activities to improve cooperative efforts towards expanding affordable and special needs housing opportunities in the Fairbanks area. Subject to available technical assistance funding, resources will be targeted towards improving linkages between local planning efforts and the State's Consolidated Plan, including the Continuum of Care.

**Comment 3.** Millie Ryan, a Planner with the Governors Council on Disabilities and Special Education, expressed a strong concern about accessible and affordable housing for people with disabilities. Millie encouraged the State to incorporate some more of the recommendations of the Alaska Mental Health Trust study on some of the barriers for people with disabilities. Another comment concerned the difficulty that people have in figuring out what resources are actually available for home accessibility modifications.

Access to public housing resources for persons with disabilities was seen as another key issue. Millie stated that the Governor's Council is in the midst of a five-year planning process, and will provide information to be considered in the development of the Consolidated Plan draft.

**State Response—Comment 3.** In this new five year HCD Plan, the importance of affordable housing for special needs populations is recognized. Appropriate supportive services and accessibility features must also be included in special needs housing. The Public Housing Agency Plan also gives an admission preference (2 points) for the disabled receiving SSI because of inability to work. The need to improve information dissemination on home accessibility modification resources is acknowledged, and activities have been identified in the FY 2001 Action Plan to address this need. Additional written input from the Governor's Council has been incorporated in this Plan in the needs assessment section. The State is continuing work with the Alaska Mental Health Trust on addressing barriers to affordable housing for Trust beneficiaries.

**Comment 4.** Margo Waring, a Planner with the Alaska Mental Health Board in Juneau, thanked Alaska Housing Finance Corporation for its efforts over the past years to expand housing opportunities for persons with mental illness. One particular concern Margo had was the barriers to public housing some mentally ill persons have because of prior criminal offenses. A number of felons and misdemeanants are cycling between the mental health and correctional system. An appropriate continuum of housing options was seen as the best means of breaking this cycle, and preventing homelessness among this population. Another problem identified by Margo related to the fact that some persons with mental illness are required to leave their homes for periods of time while undergoing treatment for their illness. During this period, they may lose their housing, or find it damaged upon their return because of lack of attention and care. The downsizing of the Alaska Psychiatric Institute from its level of 110 beds five years ago to 54 beds in 2000, is another issue of great concern to the Alaska Mental Health Board. Supportive housing in the community for individuals with mental illness must be provided to prevent this downsizing from contributing to more criminalization and homelessness. In closing, Margo stated that attention should be given in the next five years to let people know their rights under the Fair Housing Act.

**State Response—Comment 4.** Concerning the comment on barriers to public housing some mentally ill persons have because of previous criminal offenses, AHFC offers every applicant the opportunity to grieve and appeal the decision in order to consider special circumstance on a case-by-case basis. The Balance of State Continuum of Care is an appropriate forum to systematically address issues of homelessness and the continuum of housing options. The Alaska Mental Health Board is encouraged to participate in this Continuum on an on-going basis. No response is given to the comment on problems resulting from mentally ill persons leaving their homes for periods of time for treatment. Concerning the downsizing of the Alaska Psychiatric Institute (API), this HCD Plan anticipates the development of a joint Request for Proposal (RFP) with Alaska Housing Finance Corporation, Department of Health and Social Services, Alaska Mental Health Trust, and the Department of Corrections, for housing persons as a diversion from Corrections and API. Concerning the Fair Housing comments, this Plan identifies Fair Housing outreach

and education activities to be undertaken during the next five years.

**Comment 5.** Lisa Scarborough, chairman of the Park Avenue Temporary Homeless Shelter in Ketchikan, stated that Ketchikan has many different needs, from food banks, transitional housing, to affordable low income housing in general. Lisa was participating to learn what other areas of the state are doing to address these issues.

**State Response—Comment 5.** The State recognizes that long-term solutions to homelessness require community based strategies, linked a broader statewide plan. The Balance of State Continuum of Care, linked to the Consolidated Plan, will provide the mechanism for the State's response to homelessness.

**Comment 6.** Mitzi Barker, Director of Planning and Development for the Rural Alaska Community Action Project (Rural CAP) offered comments. First, Mitzi urged the State to view the Community Housing Development Organizations (CHDOS) as key players, not just in housing development, but also in housing policy and program development. Second, an on-going issue is the lack of a current rural housing needs assessment. The most current one is more than 10 years old, and an updated information is needed to create a valid baseline. The State was encouraged to use information from the Indian Housing Plans as part of this updating process. In comments on specific program related issues, Mitzi encouraged the expansion of the use of HOME funds to include a developer subsidy for CHDOS. Homeownership has been one of the primary means of delivering housing in rural Alaska, and the addition of a HOME developer subsidy would expand the ability of rural communities and the organizations that serve them to increase the affordable housing stock there. Housing rehabilitation and weatherization activities were also strongly supported by Rural CAP. These activities not only improve and preserve housing stock, but contribute to rural employment and education in building technologies. A final comment concerned the need for small scale homeless shelters in rural communities. The Community Development Block Grant Program (CDBG) was mentioned as a potential funding source for these very small shelters.

**State Response—Comment 6.** Community Housing Development Organizations (CHDOS) are seen as key players in providing affordable housing opportunities in Alaska. Their input into the development of housing programs and policy is strongly encouraged through all stages of the Consolidated Planning process. The State is working with the Office of Native American Programs, Tribally Designated Housing Authorities, and the Association of Alaska Housing Authorities, to use information from the Indian Housing Plans as a means of updating rural housing information. The State has decided to include the option of a developer subsidy for CHDOS in the FY 2001 Annual Action Plan. The HOME Owner Occupied Rehabilitation Program will also be continued in the FY 2001 Annual Action Plan. Rural communities with small scale homeless shelter projects may make application under the State's competitive CDBG program.

**Comment 7.** Winnie Crosby offered testimony from Kenai as a representative of two organizations—Kenai Peninsula Housing Initiatives and Frontier Community Services. Kenai Peninsula Housing Initiatives did a survey of all of the local non-profits to determine priority housing needs. Emergency shelter for persons impacted by domestic violence, for

persons with mental illness, are in short supply. Another need was seen for a residential treatment facility for youths. Youth who are dually diagnosed, with a disability plus some mental issues, many times become involved with the correctional system which is an appropriate place for them. Other housing needs identified included housing for young teen mothers, a crisis respite environment for adults, housing rehabilitation for low and very low income homeowners, and handicapped accessible housing with three or more bedrooms. Speaking on behalf of Frontier Community Services, Winnie commented on a grant they recently received to do modifications for housing accessibility. Funding for this grant was restricted to Alaska Mental Health Trust Beneficiaries. Those not qualifying as a Trust Beneficiary don't have any option for home accessibility modifications. Another impediment identified concerned the lack of apartments that have a supportive environment for the disabled. Landlords "get nervous" when they find out potential tenants have a disability.

**State Response—Comment 7.** The State recognizes the variety of unmet housing needs on the Kenai Peninsula, and commends Kenai Peninsula Housing Initiatives (KPHI) for surveying the local non-profits. Through involvement in local Continuum of Care activities and the Consolidated Planning process, specific projects to address these needs should be developed. Project sponsors are encouraged to submit applications in response to notices of funding availability. The lack of resources for home accessibility modifications for those not qualifying as Trust Beneficiaries is acknowledged. The Consolidated Plan has identified this problem as an impediment. Concerning the comment on "nervous landlords" who are less than supportive when renting to those with a disability, potential fair housing concerns may exist. The State's Fair Housing Plan has identified such issues as impediments to fair housing, and have identified activities to address it.

**Comment 8.** Howard Bess offered teleconferenced comments from the Matanuska-Susitna Borough on behalf of two organizations—Valley Residential Services and Daybreak Apartments. Valley Residential Services is a new non-profit organization that is seeking approval as a CHDO. For the past three years, the Mat-Su United Way has facilitated meetings of the Mat Su Homeless Coalition. This Coalition met regularly and made assessments of housing needs in the Valley, and urged the formation of Valley Residential Services. The number one need identified is for low income, rental, family housing. Howard also offered comments on behalf of Daybreak Apartments. Daybreak is a 20 unit apartment complex serving adults who suffer from long term mental illness. Almost without exception, people that live at Daybreak have a history of being homeless, and now have successfully been stabilized. With a large waiting list at Daybreak, additional housing is needed for people who suffer from long term mental illness.

**State Response—Comment 8.** The State encourages Valley Residential Services to complete its CHDO certification process, and to take advantage of available technical assistance resources to build organizational capacity. Specific projects should be conceived to address the identified housing needs. A feasibility analysis should be conducted to determine project viability and potential funding sources.

**Comment 9.** Carl Berger offered teleconferenced comments from Bethel. Carl is with the Lower Kuskokwim Economic Development Council, which is one of thirteen Alaska regional development organizations, referred to as ARDORS. Carl wanted to know more about the Consolidated Plan, and wanted to know how it could be made more widely available in rural Alaska. Carl suggested involving the Tribally Designated Housing Entities in the process. The ARDORS have a statewide meeting on November 18 and 19, 1999, in Anchorage, and suggested a presentation on the HCD Plan be given there.

**State Response—Comment 9.** The State appreciates the comments on ways of better involving rural Alaskans in the Consolidated Planning process. Linkages with other planning processes, and use of telecommunications technology (teleconferencing, the internet) are key component of the State's Citizen Participation Plan that offer the most effective means of expanding rural participation in the Consolidated Plan. At Mr. Berger's suggestion, a presentation on the Consolidated Plan was given at the statewide meeting of ARDORS on November 19, 1999 in Anchorage.

**Comment 10.** David Jacobson offered comments from Fairbanks. David is a member of the State Independent Living Council (SILC) which includes ten regional programs providing independent living services to persons with disabilities. David is also the Statewide Director of Access Alaska, one of the programs under the SILC. Supporting comments made earlier in the public hearing, David identified the need for more home accessibility modification resources for persons with disabilities who are not beneficiaries of the Alaska Mental Health Trust Authority. Funds currently available for retrofitting homes don't cover additions onto a home. In rural areas and for households with low incomes, the homes are very small. To make a bathroom accessible, for example, you are in fact adding a new structure. In addition to home accessibility modification concerns, David encouraged Alaska Housing Finance Corporation to "lead the charge" in finding ways to make homeownership a reality for low-income persons in the state, particularly for individuals with disabilities. Another key need for persons with disabilities, in addition to housing needs, are their transportation needs. These two needs must be considered together. David congratulated the Alaska Department of Transportation (DOT) under Bruce Wells for trying to come up with community designs for increased accessible transportation. AHFC was encouraged to work with DOT to link low-income housing projects, particularly for people with disabilities, into current transportation services, or into plans to expand transportation services to areas not currently served.

**State Response—Comment 10.** The State recognizes the need for more home accessibility modification resources for persons with disabilities who are not beneficiaries of the Alaska Mental Health Trust Authority. In the HOME funded Owner-Occupied Rehabilitation Program, the subrecipient must have a written targeting policy that gives preference to families in which at least one of the occupants has a disability. This includes those with disabilities who are not Trust beneficiaries, but qualify under 24 CFR part 92.2. In addition, subrecipients must prioritize the rehabilitation needs of each project, with accessibility improvements the second priority, after meeting required property standards. AHFC will research other means of using the owner-Occupied Rehabilitation Program to encourage accessibility modifications, subject to funding constraints and federal regulations. Concerning the comments on expansion of homeownership, AHFC has developed a num-



ber of programs to expand homeownership, including the HOME CHOICE homebuyer education, the HOME funded Homeownership Opportunity Program, and a variety of AHFC mortgage programs. AHFC will work with the State Independent Living Council to encourage Alaskans with disabilities to access these programs. The comments on transportation are appreciated, and means of improving linkages with the Department of Transportation planning processes will be explored.

## **Public Hearing—February 9, 2000**

A statewide teleconferenced public hearing was held on February 9, 2000, to provide public comments on the draft Consolidated Housing and Community Development (HCD) Plan 2000-2005, the draft FY 2001 Annual Action Plan, and the Public Housing Agency Plan. This hearing originated from the Alaska Housing Finance Corporation's headquarters Board Room in Anchorage. Teleconference sites on line during the hearing included Bethel, Cordova, Fairbanks, Homer, Juneau, Ketchikan, Kodiak, Kotzebue, Nome Petersburg, Seward, Sitka, Soldotna, Valdez, Wasilla, and Wrangell.

A description was given of the Consolidated Planning process, the programs covered, and the process used to develop the new five year HCD Plan, and the FY 2001 Annual Action Plan. The draft HCD Plan: 2000-2005 and the draft FY 2001 Action Plan were both released on January 24, 2000, for a 45-day public comment period that closed on March 8, 2000. An overview was also given of Alaska Housing Finance Corporation's draft Public Housing Agency Plan, which was released on January 7, 2000 for a public comment period extending to February 25, 2000. The relationship between the Consolidated Plan and the Public Housing Agency Plan was described.

**Comment 1.** David Jacobson offered comments from Fairbanks on home accessibility modifications. David is the statewide director of Access Alaska, and serves on the Independent Living Council. This State appointed council has been given the responsibility of providing a statewide plan to increase independent living opportunities for persons with disabilities. As Chair of the Council's Housing Committee, David stated that one of their key goals is to help persons with disabilities find accessible and affordable housing in the communities of their choice. Alaska Housing Finance Corporation and the Alaska Mental Health Trust were commended for their on-going efforts to make homes and apartments accessible for beneficiaries of the Trust. More resources are needed for this program, but this successful program should be expanded to those persons with disabilities who aren't beneficiaries of the Trust.

**State Response—Comment 1.** Guiding Principle 8 of this new five-year Consolidated Plan states "The supply of affordable housing should be expanded for Alaskans with special needs, incorporating appropriate supportive services and accessibility. AHFC will continue to work with the Governors Council on Disabilities and Special Education, the State Independent Living Council, and the Alaska Mental Health Trust Authority to identify and access resources, and develop strategies to help persons with disabilities secure adequate housing.

**Comment 2.** Margo Waring with the Alaska Mental Health Board, offered comments from the Juneau teleconference site. The Board is continuously made aware of the difficulty experienced by persons with psychiatric disorders in finding affordable housing. Consumers of mental health services face discrimination from private sector providers of housing. Another problem cited is a decrease in the amount of available public housing because of the constraints of federal laws and regulations. A specific request was made to revise the Five Year Consolidated Housing and Community Development Plan to include more aggressive goals for housing for the mentally ill, and a more aggressive approach to both identifying the need and finding solutions to housing problems.

**State Response—Comment 2.** Refer to State Response (Appendix A, Pages 13-17) to Letter dated February 7, 2000, from Walter Majoris, Executive Director, Alaska Mental Health Board

**Comment 3.** Anne Schultz, Research Analyst for the Advisory Board on Alcoholism and Drug Abuse, also offered comments from the Juneau teleconference site. The Advisory Board created a subcommittee on housing, to look for more opportunities for transitional housing for people coming out of treatment and looking for safe and sober housing. This is a high priority for the Board, and they intend to offer some written comments on the HCD Plan prior to the public comment deadline.

**State Response—Comment 3.** The State encourages the Advisory Committee's subcommittee on housing to participate in the Consolidated Planning process, and offer any needs assessment data, priorities and program recommendations. No written comments were received on the HCD Plan prior to the public comment deadline of March 8, 2000. The State will include the Advisory Board in HCD notifications for future input and participation.

**Comment 4.** Ken Dean, of Southeast Alaska Independent Living Center (SAIL) in Juneau, supported the comments made earlier by David Jacobson to make sure that persons other than Alaska Mental Health Trust beneficiaries have access to resources for home accessibility modifications.

**State Response—Comment 4.** Refer to State Response—Comment 1.

**Comment 5.** Elana Rath, of the Southeast Alaska Independent Living Center (SAIL) in Ketchikan, commented that AHFC works and collaborates well with other agencies. She also commented that she would like to see AHFC require all units it helps finance be universally designed so that they do not need to be retrofitted at a later date. Elana also commented that she prefers the term "Alaskans With Disabilities" to "special needs" because it identifies the population as real people.

**State Response—Comment 5.** AHFC administers the Low Income Housing Tax Credit Program (LIHTC), the Home Investment Partnerships (HOME), and the Senior Citizens Housing Development Fund (SCHDF) programs, which require compliance to the following standards:

- Americans with Disabilities Act
- U.S. Fair Housing Amendments of 1989
- Alaska Statute AS 18.80.240
- Local Government Ordinances
- Section 504 of the Rehabilitation Act of 1973 (HOME Program only)

Concerning the comment on “special needs”, this terminology is used to conform to federal regulations covering the Consolidated Plan.

**Comment 6.** Roger Wright of Arctic Access, an independent living service provider, offered comments from Kotzebue. Roger commented that more attention should be paid to the more remote areas of Alaska regarding public housing and home modification programs, including how to fill out the applications for various types of assistance.

**State Response—Comment 6.** Public Housing is available in 13 communities statewide, and Section 8 rental assistance is available in 11 communities across Alaska. The infrastructure required to sustain these programs, both in terms of housing stock and staff support, restricts the ability of public housing or Section 8 to be offered in all areas of the state. Congress has not appropriated any “Fair Share” increments in Section 8 vouchers to enable expansion of the program to additional communities. The comment on home accessibility modification programs in the more remote areas of the state points to difficult and long-term issues requiring attention. Organizational capacity varies greatly in the rural areas of Alaska, and limited funding resources are currently stretched thin. The special concerns in the more remote areas of the state will be considered in the collaboration referred to in the State Response to Comment 1.

**Comment 7.** Sylvia Sullivan, a Valdez resident of Public Housing and a representative of Alaska for a Deaf Society (sic—teleconference connection was poor, notes show the hearing transcript should have shown Alaskans for a Just Society as the organization) offered comments on the Section 8 program. She commented that there is an extreme need for housing and housing assistance throughout the state. She also suggested that AHFC should not seek a waiver in its Section 8 program because the need for housing statewide is too great.

**State Response—Comment 7.** The waiver proposed in the Public Housing Agency Plan in no way seeks to reduce housing assistance available to Alaskans through the Section 8 program. Rather, it responds to HUD’s new requirement that 70 percent of all new admissions be at 30 percent or below of the median income. Current waiting list data show that while there are ample households on the waitlist that qualify for Section 8, those households that fall below 30% MFI do not make up 70% of those who will likely be new admissions. Without a waiver from this rule, AHFC may actually have to reduce the number of Section 8 certificates it distributes in order to assure the 70% threshold is met. The waiver is intended to allow full operation of the Section 8 program to continue to provide the maximum support possible to low-income households in Alaska. No changes in the Public Housing Agency Plan were made as a result of this comment.

**Comment 8.** This comment was also made by Sylvia Sullivan, identifies in Comment 7. A concern was raised that Alaska Housing Finance Corporation should not count the Permanent Fund Dividend in its calculation of income for public housing and Section 8.

**State Response—Comment 8.** Alaska Housing Finance Corporation is required by the U.S. Department of Housing and Urban Development to count the Permanent Fund Dividend as unearned income for both admission and rent determination policies. The comment in forwarded to HUD through the Agency Plan. No changes were made in the Plan as a result of this comment.

**Comment 9.** This comment was made by David Jacobson, previously identified in Comment 1. David cited the lack of construction background and training in many rural communities as an impediment to rehabilitation and accessibility modification projects. People in remote areas need to be trained on how to develop a scope of work, scope of work, and other components of a home modification program. David suggested that AHFC include in its technical assistance program components of this type of training for rural housing providers or individuals working in a village corporation.

**State Response—Comment 9.** The State concurs with Mr. Jacobson's comments. The improvement of housing capacity is a priority of the Consolidated Plan. Subject to the constraints of available technical assistance resources, AHFC will continue to develop and implement activities that improve the state's housing delivery system statewide.

**Comment 10.** Barbara Gentis, a Section 8 certificate/voucher recipient from Anchorage, commented that she is very concerned that if the Permanent Fund Dividend is distributed in a lump sum \$25,000 payment, that 1) it will be counted as income in the Section 8 program and 2) the funds will not be available over the long term to help support her as they now are.

**State Response—Comment 10.** Alaska Housing Finance Corporation has preliminary guidance from HUD that if the permanent Fund Dividend is distributed in a \$25,000 lump sum payment it will be counted as income. If the \$25,000 lump sum payment becomes a reality, AHFC will discuss the ramifications with HUD and attempt to reach an agreement that will not result in dire consequences for public housing residents or Section 8 certificate/voucher holders.

**Comment 11.** Sylvia Sullivan, previously identified in Comment 7, commented that better outreach should have occurred to inform Section 8 certificate/voucher holders of the Resident Advisory Board and opportunities to serve on the Board.

**State Response—Comment 11.** Two Section 8 certificate/voucher holders currently serve on the Resident Advisory Board. These individuals were recommended by area office staff who have regular contact with Section 8 residents. The current Resident Advisory Board will be consulted to identify additional outreach strategies or the selection of next year's Resident Advisory Board.

**Comment 12.** Barbara Gentis, previously identified in Comment 10, stated that she thought some of the public housing residents did not understand the postcard that was distributed noticing availability of the Agency Plan.

**State Response—Comment 12.** The postcard distributed to all Section 8 certificate/voucher holders and Public Housing Residents advised persons who wanted to comment on the plan to request a copy or to go to their local office to review a copy on site. It also stated that comments would be accepted at the public hearing. Many residents did request copies of the plan in response to the postcard. Outreach strategies for next year's plan will be discussed with the Resident Advisory Board.

**Comment 13.** Sylvia Sullivan, previously identified in Comment 7, stated she thought it was inappropriate for Alaska Housing Finance Corporation to serve as the public housing authority for Alaska.

**State Response—Comment 13.** Alaska Housing Finance Corporation is identified by state statute to serve as the public housing authority for the State of Alaska. Its mission "to provide Alaskans access to safe , quality, affordable housing" is consistent with that purpose. No changes are made to either the HCD plan or the Agency Plan as a result of this comment.

**Comment 14.** Audrey Aanes, with Arctic Access, offered comments from the Anchorage hearing site. Arctic Access is an independent living program based in Kotzebue, and serving the villages in the Kotzebue and Nome regions. One comment described creative responses to local conditions of one home modification project, and another project that fell short of providing the assistance that was needed. A second comment described a situation of an individual needing extensive behavioral assistance due to a multiple mental diagnosis. Needed services were not available in the community in which he resides, and great hardships were place upon his family. Audrey also discussed the slow process of working with Indian Housing Authorities and Tribal Councils as they adjust to new housing plans and programs. Finally, she pointed out that the paperwork required for some home modification programs is difficult for people to fill out, and that some people have a fear of signing paperwork due to past experience.

**State Response—Comment 14.** The State recognizes the difficulties and challenges of carrying out accessibility modification projects, and housing projects in general in rural Alaska. Subject to funding and regulatory constraints, limited technical assistance will address some of the issues raised.



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## Appendix B: Written Comments Received

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**October 19, 1999 Letter from Mitzi Barker, Director of Planning and Development,  
Rural Alaska Community Action Program (Rural CAP)**

The following areas were addressed in this 10/19/99 letter:

- 1) Formalized participation by Community Housing Development Organizations (CHDOS) and other non-profit housing organizations in policy development as well as program development.
- 2) Homeownership development by non-profits under the HOME program.
- 3) Rural housing conditions evaluation.
- 4) Indian Housing Plans.
- 5) Performance evaluation.
- 6) Housing rehabilitation and weatherization.
- 7) CDBG funding for rural emergency shelters.
- 8) CDBG funding for housing related infrastructure, increase maximum state CDBG grant amount provided that matching funds are involved.

## **State Response to October 19, 1999, Letter from Rural CAP**

The State response to items # 1 through # 7 may be found on page 4 of Appendix A, State Response to Comment 6, Public hearing dated October 19, 1999. Concerning the use of CDBG funding for housing related infrastructure, this is already an eligible activity under the state program, and a variety of housing related infrastructure projects have been funded. Concerning the request to increase the maximum grant amount for the CDBG program, the State in the FY 2001 Action Plan will continue to impose a \$200,000 maximum CDBG grant amount per project. Concerning comment number 5, the State agrees that performance evaluation measures are very important. Outcome measures must be defined that are useful in terms of assessing HCD program performance, and practical to implement given the time and resource constraints associated with the HCD Annual Performance Reports.

## **October 20, 1999 Letter from Betsy Longenbaugh, Housing First**

The following areas were emphasized in the above referenced letter:

- 1) Funding for homeownership initiatives, especially the HOME funded Home Opportunity Program (HOP)
- 2) Continued support for community land trusts is important
- 3) Affordable housing planning is important in all communities, even in the smaller communities that have limited staff resources.

## **State Response to October 20, 1999 Letter from Housing First**

In this five-year plan and in the FY 2001 Action Plan support for homeownership initiatives. The allocation plan for HOME funds reflects this on-going support in both the Home Opportunity program and in the Homeownership Development component for CHDOS. Community land trusts that become certified as CHDOS will be eligible for this homeownership development subsidy. Technical assistance, subject to resources constraints will also be available for community land trusts. The state concurs that affordable housing planning is important in all communities, and will work to integrate these efforts into the State's Consolidated Planning process. Subject to limited technical assistance resources, targeted assistance will be available for affordable housing planning activities.

## **February 7, 2000 Letter From Walter Majoris, Executive Director, Alaska Mental Health Board (AMHB)**

Mr. Majoris had a number of specific comments on the draft five-year Consolidated Housing and Community Development Plan. These comments are summarized as follows:

- 1) "We recognize that there is considerable cross-over among the special needs groups you discuss. Having said that, we believe that separate discussions of the mentally ill and developmentally disabled populations is more appropriate."



- 2) "The mental health system has not yet been able to quantify the number of persons using supportive housing and the number in need of such housing. The number cited on page 31 dates to 1995. AMHB staff provided information which could provide an updated estimate."
- 3) "On page 32, the estimated numbers contain overlap and double counting; for example for people with developmental disabilities includes those in the ILP program and those listed by DOE. Similarly, the adults receiving public assistance include adults with mental illness, developmental disabilities, and dementia."
- 4) "On page 33, regarding the homeless, it is appropriate to note that fully one-third of the homeless population nationwide consists of individuals experiencing mental illness....For several years, the Alaska Mental Health Board has requested that AHFC work with the Homeless Coalition to quantify the number of homeless youth (not in families)."
- 5) "On page 39, regarding the Annual Agency Plan for public housing's exclusion of individuals with violent acts, is there any effort to separate those individuals whose acts were symptoms of mental illness now under control from individuals whose acts were purely criminal in nature?"
- 6) "The priorities which have been developed by AHFC for public housing are specified on page 40. The greatest number of points go to victims of domestic violence (and natural disasters). Although we do not want to deny the need for housing among this group, the Plan offers no justification for placing so much emphasis on the needs of this one group."
- 7) "Regarding the number of shelters, please recalculate, as there appears to be 16, not three domestic violence shelters."
- 8) "There appears to be no discussion of the table on page 49. In a discussion, or on the chart itself, we need to note the total number of people with disabilities and senior citizens in need of housing for whom these resources are intended."
- 9) "On page 56, please consider specifying numeric targets for HOME and GOAL that relate specifically to housing for the mentally ill."
- 10) "Further, on page 58, Affordable Housing—Basis for Assigning Priority, there is a list of sources used in the development of the Priority Housing Needs Matrix. Please note that the work of the Alaska Mental Health Board and the public testimony of dozens of people in support of the housing needs of people with mental illness need to be included in this determination of need."
- 11) "As noted previously, approximately one-third of the homeless population is mentally ill. The matrix doesn't provide a way to show the needs for the homeless mentally ill. On page 61, anticipated accomplishments should relate more closely with specific objectives. It appears that the first objective has no anticipated accomplishment."
- 12) "Could you explain your concept of increasing the use of mainstream assistance programs?"
- 13) "We strongly believe that when AHFC looks at the numbers of Alaskans experiencing chronic mental illness, the limited supply of all housing types for this group, their income limitations, and the regulatory barriers they face in housing, that you must revise your Anticipated Accomplishments to expand housing for persons with mental illness up from the 10 you suggest for the next five years."

## State Response to Alaska Mental Health Board Letter dated February 7, 2000

- 1) The state agrees that there is considerable cross-over among the special needs groups discussed. The lack of detailed and valid data on the housing needs of the mentally ill makes a separate discussion difficult to accomplish. No change is made to the HCD Plan as a result of this comment.
- 2) According to the Alaska Mental Health Board, there are no firm numbers on the total number of Alaskans with mental illness. A staff person with the Board estimated that as a rough estimate, the number of people with mental illness increased at a rate proportional to the rate of Alaska's population growth since 1995—about 3.5%. When queried for information on updated need for supported housing, the Alaska Mental Health Board did not have this information. Using the Board's assumption that the need for supportive housing grew at the same rate as the population between 1995 and 2000, a revised estimate of 2175 severely mentally ill persons will need supportive housing is included in the HCD Plan as a result of this comment.
- 3) According to the Governor's Council on Disabilities and Special Education efforts were undertaken to control for duplication of cases. Individuals with a severe and persistent developmental disability were classified under "People with Developmental Disabilities. Adults with mental illness were classified under "Adults with Chronic Mental Illness" regardless of whether or not they were reported in other categories. No change is made to the Plan as a result of this comment.
- 4) National studies generally estimate the homeless population with self-disclosed mental illness to be about 39% of the total homeless population. It is important to note that many of these studies are national averages and don't include data from Alaska. AHFC's Homeless Service provider's Survey is regarded as the most current and reliable source of data on the demographic characteristics of the homeless. In the most recent survey, January 2000, service providers reported that 23% of their clients disclosed a mental illness. In Anchorage the rate is 21% and outside of Anchorage, 26%. Historically, this incidence rate has varied by a maximum of 5%. In this January 2000 survey, providers reported serving 184 homeless youth without family, with 154 of these youth in Anchorage. It is important to note, however, that detailed information on this sub-population is difficult to collect due to confidentiality issues.
- 5) As with other denials for public housing or Section 8, AHFC offers every applicant the opportunity to grieve and appeal the decision in order to consider special circumstances on a case-by-case basis. No change has been made to the Agency Plan as a result of this comment.
- 6) The Quality Housing and Work Responsibility Act of 1998 eliminated all mandated federal preferences, but also encouraged Public Housing Agencies to retain a preference for victims of domestic violence. While the preference has been retained in Alaska, AHFC has taken steps to formalize the documentation related to this preference to be more in line with that required for other preference types. AHFC is presently considering testimony on the sole use of a court protected order or mandatory arrest as documentation for the domestic violence preference. Until AHFC resolves to amend the policy and procedure, no change is proposed to the plan as a result of this comment.

- 7) Please note that there were 14, not 16 domestic violence shelters. Also note that many of the 72 agencies in the Inventory of Homeless Facilities provide more than one type of service. The facility type is based on the primary service the agency provides—14 agencies were classified as domestic violence shelters, 15 agencies provide emergency shelter, 7 agencies are food providers, 8 agencies are housing authorities, 11 agencies provide referrals, 3 agencies are senior facilities, and 14 agencies provide transitional housing.
- 8) The “Inventory of Special Needs Resources” is an inventory of housing units and group facilities available for seniors and people with special needs. Housing units may house more than one person. A comparison of people to housing units may overstate the need of seniors and People with Disabilities. Estimates of housing need for people with disabilities and seniors are often incomplete and are derived from data systems that document service rather than need. Many of these systems do not control for duplication within and across agencies. Use of these figures may inaccurately portray the housing needs of people with disabilities and senior citizens.
- 9) Numeric targets or “set-asides” for specific sub-populations are not employed in either the HOME or GOAL programs. The priorities for these programs do give a point preference in the funding allocation process for projects that target special needs housing, including persons with a physical disability or mental illness. No changes are made to the HCD Plan as a result of this comment.
- 10) The priority needs matrix is a projection of future housing needs for all Alaskans outside of Anchorage. Data sources were used to estimate the primary determinants of housing affordability, which include the rate of homeownership, income growth, cost of housing, and age of housing. The matrix establishes housing priorities based on income level of all households and includes all people with disabilities not living in group quarters. The matrix does not establish housing need for people living in group quarters because it is unknown how many of these individuals will leave group quarters and further, as stated in earlier comments, what the housing needs of this population will be in the next five years.
- 11) The chart referred to on page 60 is a HUD-prescribed matrix. It is designed to illustrate “relative” rather than “specific” need and to provide a framework for the development of subsequent HCD Action Plans and strategies under the Continuum of Care. These documents more appropriately address targeted programs for specific sub-populations, many of whom come under more than one category. While AHFC believes that minimizing community displacement is an important objective, the prospects for full achievement of this objective within the next five years is doubtful, given the shortage of resource this plan has identified. Improved coordination and utilization of “mainstream” resources such as the Section 8 and Medicaid programs show the greatest promise for expanding and maintaining the supply of supportive housing over the long-term.
- 12) The move away from institutionalization towards community based, supportive

living options for the mentally ill will succeed only if “mainstream” affordable housing resources are increasingly accessed. Specialized, narrowly focused grant driven programs for housing the mentally ill typically do not offer long term sustainable and predictable funding streams. Mainstream resources include public housing and Section 8 assistance, targeted projects that use HOME and GOAL funding, and mortgage financing from AHFC and other investors. Mainstream resources for supportive services to support the mentally ill in community based settings will be a critical component for the long-term success of supportive housing.

- 13) This Plan recognizes the difficulties faces by Alaskans experiencing chronic mental in finding suitable housing. Limited supply of housing, income limitations, the reluctance of landlords to rent to the mentally ill, and the special problems of those who cycle into and out of the correctional systems are acknowledged barriers. Over the next five years, it is anticipated that 250 new HOME funded affordable rental units will be developed, benefiting 200 households at or below 60% of median family income. If project sponsors of housing benefiting the chronically mentally ill respond (with viable and competitive project applications) to HOME funding opportunities during the next five fiscal years, the targeted production of 10 new units (outside of Anchorage) for the mentally ill could be greatly exceeded. Given the history of HOME funded projects over the past five years, the target of producing ten new units to house the chronically mentally ill is a realistic anticipated accomplishment. By the end of summer of 2000, the first of these funding cycles will be underway. No known new construction projects are being prepared at this time to specifically benefit this sub-population outside of Anchorage. No potential project sponsors have approached AHFC for technical assistance on supportive housing projects benefiting the mentally ill. No changes are made to the Plan as a result of this comment.

**FAX Memorandum Dated March 8, 2000, from D.S. Pensley, Borealis Community Land Trust. D.S. Pensley offered four comments:**

- 1) First, a concern was expressed that the table on page 40 may paint an overly optimistic picture of the supply of affordable housing in the Fairbanks area. This should not overshadow the need for small and thoughtful affordable homeownership development projects that fulfill still unmet housing needs in the community.
- 2) One of the greatest barriers to affordable housing production in the greater Fairbanks area is the present gap between new construction costs (averaging for the Borealis single family detached project \$103.81 per square foot) and appraised value (averaging for the Borealis project \$92.50 per square foot). This financial barrier affects both for profit and not for profit developers.
- 3) It is important to realize that the tax assessment policies affect not only subsidized (with rent restricted units) affordable rental projects, but will also affect community land trust homes.
- 4) A more formalized Technical Plan of Assistance was suggested for young not for profit housing corporations. One model to explore may be that employed by the Institute for Community Economics.

**State Response to FAX Memorandum Dated March 8, 2000, from D.S. Pensley, Borealis**

## Community Land Trust

- 1) Though many positive trends and conditions are reported in the Housing Affordability Table, the Priority Needs Matrix for Housing (Page 58) shows many unmet needs and substantial housing costs burdens still exist in the state. Well conceived, affordable housing projects addressing specific markets are still needed in the Fairbanks area
- 2) The State concurs that the gap between new construction costs and appraisal valuations is a barrier to affordable housing. As noted in the comments, this fact has been inferred in the draft HCD Plan. The final HCD Plan will specifically identify this factor as a barrier to affordable housing.
- 3) The final HCD Plan will note that tax assessment policies of local governments affect not only affordable rental development projects with rent restricted units, but will also impact community land trust projects.
- 4) Technical assistance for Community Housing Development Organizations requires a more formalized and structured approach than for other non-profit housing providers. Under the existing AHFC's technical assistance delivery plan, an assessment of organizational capacity, linked to specific technical assistance activities, will be developed for Borealis.

### **Letter Dated March 8, 2000, from Susan White representing the Northwest Arctic Community Care Task Force**

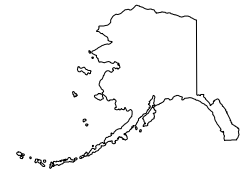
The newly formed Northwest Arctic Community Care Task Force has been formed to deal with the issues of homelessness and transitional living in Kotzebue since there is no longer a homeless shelter in operation. Minutes were attached to this letter for meetings dated February 28, 29, and March 3, 2000, with a request that they be included or attached to the Five Year (2000-2005) Consolidated Housing and Community Development Plan. This Task Force has determined that there is a homeless problem in Kotzebue, and a need for transitional housing in Kotzebue and the surrounding villages. The Task Force intends to participate in the Consolidated Planning process and the Continuum of Care for the Balance of State. A commitment of \$150,000 in local resources has been secured for this effort.

### **State Response to Letter Dated March 8, from Susan White representing the Northwest Arctic Community Care Task Force**

The State welcomes input from the newly formed Northwest Arctic Community Care Task Force into the Consolidated Planning process, and the Balance of State Continuum of Care. The attached minutes have been considered in the review of public comments, but will not be included as an attachment to the Five Year HCD Plan. The Task Force is encouraged to participate in the Balance of State Continuum of Care, and in on-going Consolidated Planning activities. Participation in the Alaska Coalition on Housing and Homelessness monthly teleconferences would be an effective means of furthering the aims of the Task Force. No specific changes have been made to the draft HCD Plan as a result of these comments.



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## Appendix B: Notes for Tables and Graphs

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### Section IV: Needs Assessment

Narrative: General Demographics

1. Population estimation data in narrative, reflect most-currently available data, provided by Department of Labor and Workforce Development, Research and Analysis Section

Table 4-1: Population by Labor Market Region, Borough and Census Area

1. Revisions for the years 1991-1997 result from Revisions in U.S. and Alaska's state total by the U.S. Bureau of the Census.
2. Denali Borough was incorporated December 7, 1990.
3. Yakutat Borough was incorporated September 22, 1992.
4. C.A. = Census Area

Table 4-6: Distribution of Employment Among Industries

1. "Ranking of Average Monthly Wage" refers to the ranking of industry earnings by average estimated earnings.

Table 4-7: Estimated Housing Assistance Needs of Low and Moderate Income Households

1. Total households for rest of state calculating through the following process:

Calculate "Rest of State" population from 2000 State Population Estimate and 1990-1998 "Rest of State" population growth and annual percentage change for Anchorage and the State of Alaska.

Calculate average household size for Alaska by dividing preliminary 1999 State of Alaska Population by preliminary 1999 State of Alaska Households

Divide calculated 1999 "Rest of State" population by average household size to get a rough estimate of households for 1999 "Rest of state."

Adjust household average upward by 1% and divide into calculated "2000 Rest of State" population to get 2000 Estimated Households.

2. Distributions across Household Income, Renters, and Owners calculated using the same distribution percentages from the 1990 Census
3. Cost Burden for Homeowners same as provided in 1990 Census
4. Cost Burden for Renters same as provided in 1990 Census

Table 4-8: Estimated Age of Housing Stock

1. Estimates are based on permitting activity from 1990-1998 and a standard Census Bureau adjustment of .96 to correct for permits that do not become housing units.
2. These estimates assume that there is no loss in housing stock which may not be correct. However, no data are available that document housing loss in Alaska.
3. Does not include housing production outside permitting areas.



## Section V - Market Analysis of Housing Supply

Table 5-1: Housing Affordability for Single Family Residences and Condominiums

1. The Affordability Index generally refers to the average number of wage earners required to qualify for a 90% mortgage on an average sales price home. This Affordability index is calculated from per-capita income, rather than wage earners to include transfer payments like the PFD. Per-capita, unlike average earners, is calculated by place of residence, not place of work.

Table 5-5: Multifamily, Single Family, and Mobile Home Units

1. Estimates are based on permitting activity from 1990-1998 and a standard Census Bureau adjustment of .96 to correct for permits that do not become housing units.
2. Includes seasonal dwellings, unoccupied units, and units in production.

Table 5-6: Inventory of Homeless Facilities

1. Where agencies did not provide updated information, data from the 1995 HCD Homeless Inventory Was Used.
2. Does not include agencies that closed or reported that they no longer serve homeless.
3. Includes all agencies that have historically participated in Homeless Survey, regardless of current participation status.

Table 5-7: Inventory of Special Needs and Supported Housing Assets

1. Sources include DMHDD Personal Correspondence, DMHDD Service Providers Survey, HUD Expiring Section 8 Contracts, AHFC Public Housing Data and AHFC's GOAL Program.
2. Assisted Living and Group Home Facilities - Data based on 'slots' or number of clients served.
3. Intermediate Drug Treatment Facilities reported by number of facilities, rather than "slots" or "units."
4. Crisis Respite reported by client capacity.

## Section VI - The Five Year Strategic Plan

Table 6-1: Priority Needs Matrix for Housing

1. Owner "Estimated Dollars To Address" estimates 250,000 per unit for addressing the needs of 1,000 households in high cost areas, 150,000 per unit for 1,762 households in remaining areas at 150,000 per unit, and 25,000 per remaining 2,690 household for rehabilitation.
2. Important note – the table reflects relative priority through the State of Alaska excluding Anchorage and may not accurately reflect the individual need of specific Alaskan communities.

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## **Appendix C: Note on Certifications and SF424**

The SFR424 and all certifications pertaining to the Fiscal Years: 2001 - 2005 Five Year Plan will be included in an appendix to each of the Annual Action Plans implementing the five-year Consolidated Housing and Community Development Plan.

In accordance with applicable statutes and regulations governing the Consolidated Housing and Community Development Plan, State Certifications include:

- Affirmatively Further Fair Housing
- Anti-Displacement and Relocation Plan
- Drug Free Workplace
- Anti-Lobbying
- Authority of State
- Consistency with Plan
- Section 3

Specific CDBG Certifications include:

- Citizen Participation
- Consultation with Local Government
- Local Needs Identification
- Community Development Plan
- Use of Funds
- Excessive Force
- Compliance with Anti-Discrimination Laws
- Compliance with Laws

Specific HOME certifications include:

- Tenant-Based Rental Assistance
- Eligible Activities and Costs
- Appropriate Financial Assistance

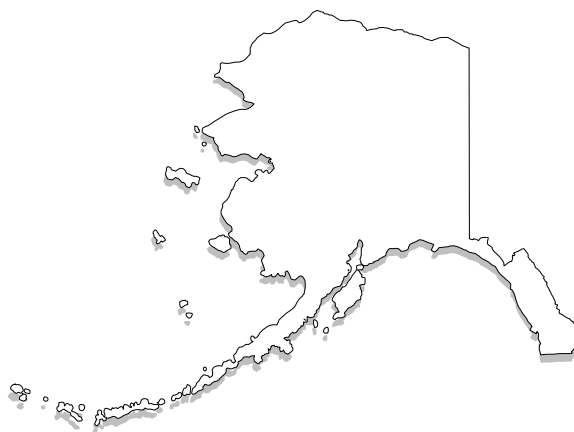
ESG Certifications include:

- Major Rehabilitation/Conversion
- Essential Services
- Renovation
- Supportive Services
- Matching Funds
- Confidentiality
- Homeless Persons Involvement
- Consolidated Plan

HOPWA Certifications include:

- Activities
- Building





Alaska State  
Commission  
for  
Human Rights