

CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN FOR THE STATE OF ALASKA

FIVE YEAR PLAN: Fiscal Years 2006-2010

Executive Summary

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 Participating Jurisdictions (PJs) receive formula funding for the CDBG, HOME, and ESG programs. Anchorage and the State of Alaska are the two PJs receiving HUD funding for all three of these programs. As of 2004, the City of Fairbanks is recognized as a PJ for the CDBG program. The Municipality of Anchorage and the City of Fairbanks are responsible for the preparation and maintenance of their own Consolidated Housing and Community Development Plans (HCD Plans). The State of Alaska's HCD Plan covers all geographic areas of Alaska outside of the Municipality of Anchorage (except for the City of Fairbanks for the CDBG program).

The State of Alaska's HCD Plan is a cooperative effort of the Alaska Housing Finance Corporation (AHFC), the Alaska Department of Commerce, Community and Economic Development (DCCED), the Alaska Department of Health and Social Services (DHSS), the Alaska Mental Health Trust Authority (AMHTA), the Alaska State Commission for Human Rights (ASCHR), and the Alaska Workforce Investment Board (WIB). AHFC is the lead agency in the preparation and maintenance of the State's Consolidated Plan.

The State's five-year Consolidated Housing and Community Development Plan (2006-2010) 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 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 plan 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. 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 2006-2010 guiding principles are:**

- 1) **The use of federal housing and community development program funds should be used in the most effective manner possible to 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 and facilities.**
- 3) **Weatherization and rehabilitation activities should be increasingly emphasized to protect and improve existing housing supply.**
- 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 accessibility features and appropriate supportive services.**
- 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 Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs was implemented during SFY 2007 (FFY 2006). The State determined that performance measure additions did not constitute a significant amendment under its citizen participation plan. For the SFY 2008 Annual Action Plan, the state has incorporated performance measures for (Federal) Fiscal Year 2007 CDBG,

HOME and ESG funding. In addition to comparing quantifiable achievements (i.e. units built) versus what was projected as a goal to determine whether goals are being met or not, performance is based on what needs are being fulfilled as well. This includes the determination of an objective and selection of an outcome for each activity, based on the type of activity and its purpose.

The three objective categories are:

Suitable Living Environment—In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.

Decent Housing—The activities that typically would be found under this objective are designed to cover the wide range of housing possible under the HOME, CDBG or ESG programs. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.

Creating Economic Opportunities—This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

The three outcome categories are:

Availability/Accessibility. This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low and moderate income people, including people with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.

Affordability. This outcome category applies to activities that provide affordability in a variety of ways in the lives of low-and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

Sustainability: Promoting Livable or Viable Communities. This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefits to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

OUTCOME STATEMENT MATRIX			
	Outcome 1: Availability or Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objective 1: Suitable Living Environment	Enhance Suitable Living Environment through Improved Accessibility	Enhance Suitable Living Environment through Improved or New Affordability	Enhance Suitable Living Environment through Improved or New Sustainability
Objective 2: Decent Housing	Create Decent Housing with Improved or New Availability	Create Decent Housing with Improved or New Affordability	Create Decent Housing With Improved or New Sustainability
Objective 3: Economic Opportunities	Provide Economic Opportunity through Improved or New Accessibility	Provide Economic Opportunity through Improved or New Affordability	Provide Economic Opportunity through Improved or New Sustainability

Beginning with the SFY 2007 action plan and subsequent performance report, annual achievements will be measured against annual projections as well as the five year goals indicated in this plan.

II. Public Input Into the HCD Plan Development

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 residents of 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 implementation of 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 uses teleconferencing and the internet to overcome the barriers of distance. Citizens in even the most remote areas of the State are given the opportunity to participate in the HCD process. AHFC’s web-site (www.ahfc.state.ak.us) provides an overview of the HCD planning process, and offers an electronic means of providing HCD input. Other state, federal and non-profit agency web-sites are linked to AHFC’s web-site. Some of these links include the Alaska Mental Health Trust Authority; the Alaska Coalition on Housing and Homelessness; the Alaska Department of Commerce, Community and Economic Development; and the Alaska Department of Health and Social Services.

All of the public hearings held in conjunction with the development of the five-year plan have been extensively advertised in statewide and local newspapers. The hearings are conducted by teleconferencing to sites across Alaska. On October 13, 2004, a presentation was given to Alaska Housing Finance Corporation's Budget Housing Policy Committee. An overview was given of the five-year HCD planning process, and an anticipated timeline for completion was discussed. Housing and community issues foreseen for the FY 2006 through 2010 time period were also discussed. On November 16, 2004, a statewide teleconferenced hearing was held. A second statewide teleconferenced hearing prior to release of the draft plan was conducted on December 16, 2004. The draft plan was released on February 15, 2005, with public comments accepted until March 31, 2005. A statewide teleconferenced public hearing on the draft plan was held Thursday, March 3, 2005, from 4:00 to 6:00 p.m. at AHFC's Board Room, 4300 Boniface Parkway, in Anchorage. AHFC's Board of Directors approved the FY 2006-2010 HCD Plan on April 13, 2005, and directed AHFC staff to submit it to HUD. All public comments and the State's responses to the comments are in Appendix A.

III. Alaska Profile

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 France and Germany. Covering 656,424 square miles (including 86,041 square miles of lake and river 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 of the state contains the Yukon River, which flows for more than 1875 miles in Alaska, and an additional 400 miles in Canada. From east to west, Alaska stretches over 2,400 miles. If a map of Alaska were superimposed on 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 the highest in North America, Mt. McKinley. The summit of Denali (the Athabascan native name for the peak) is 20,230 feet above sea level. Alaska has more than 5,000 glaciers, covering five percent of the state's area. Alaska has more than 3,000 rivers and 3 million lakes. 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 most powerful 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 conditions between most communities. Aircraft, boats and snow machines 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 relatively young state, attaining statehood only in 1959. During the past forty-five years, Alaska's economy has dramatically changed. A brief review of Alaska's economic history will help identify the probable 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 on 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. Disaster aid helped create 900 construction jobs over a two-year period to repair the flood damage. In the shadow of these two 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 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. Alaska experienced tremendous economic growth in the 1970's. 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 land of opportunity, and its population growth reflected this attraction. During the 1970's, the state's population grew from 308,000 to 419,000. Of this increase, 58,000 came from in-migration. In 1975 alone, Alaska's population grew by more than 30,000 due to in-migration. By 1980, there were 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.

The 1980's represented a time of economic extremes for many Alaskans. As the decade began, oil was flowing through the Trans-Alaskan 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 a high level 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 homeowners 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 1980's.

By the end of 1985, the Alaska 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 1989 wreck of the Exxon Valdez oil tanker in Prince William Sound. Cleanup efforts provided many jobs and a welcome cash infusion into a weak state economy.

In the midst of this economic recession of the late eighties, 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 the opening of Greens Creek mine near Juneau. The timber industry 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 continued its expansion, with great growth in the tourism support sector. The services sector overall provided the greatest growth during the decade, adding 18,400 jobs. The health care industry was responsible for the largest percentage of this growth, although the influx of new national retailers added substantial numbers of jobs. Some key developments in the 1990's had a long-term impact on Alaska's economic conditions. Southeast Alaska's timber industry experienced a 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 were lost during the decade. Changes in the petroleum industry, particularly the decline in oil production levels, led to a reduction in the number of oil industry jobs. The merger of Atlantic Richfield Company and British petroleum coupled with an expanded Phillips Petroleum, created a new environment for the Alaskan oil industry. The continued reliance of the Alaska state government budget upon petroleum revenues underscored 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 1970's and 1980's, Alaska was far ahead of most states in terms of incomes and wages, primarily due to the high earnings from the oil fields, 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 income 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 is 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 1990's were an extended period of out-migration. This trend has continued during the 2000-2003 period, with 24 of the 26 boroughs and census areas covered by this Consolidated Plan experienced a net out-migration. Fourteen of these twenty-six boroughs and census areas experienced declines in total population between 2000 and 2003. Household income growth has been weak over the past fifteen years, with a significant portion of the growth between 1990 and

2000 attributed to an increase in the size of Alaska's permanent fund dividends (PFD) paid by the State government to its qualifying residents. PFDs declined in amount between 2000 and 2004.

IV. Needs Assessment

General Demographics

As of July 1, 2003, the Alaska resident population was estimated at 655,435. The geographic area covered by this Consolidated Plan is all areas of Alaska outside of the Municipality of Anchorage. The 2003 estimate for all areas of Alaska outside of Anchorage was 377,937. The population for non-metropolitan Alaska in 1990 was 323,705. Between the 1990 and 2000 census counts, Alaska outside of Anchorage grew at approximately 1.2 per cent per year. This growth rate has slowed to an estimated .7 per cent per year for the 2000-2003 period. This average rate of population growth does not accurately portray the widely varying demographic conditions across the state. In the Aleutians West Census area, the population declined from 9,478 in 1990, to 5,465 in 2000, and an estimated 5,420 in 2003. This decline in population was largely due to the closing of the Adak Naval Base and Eareckson Air Force Station. In contrast, the Matanuska-Susitna Borough experienced explosive population growth, increasing from 39,683 in 1990, to an estimated 67,473 in 2003. Excluding Anchorage and the Matanuska-Susitna Borough, Alaska experienced no net gain in population between 2000 and 2003. Table 4-1 below illustrates the population growth rates in the various areas of Alaska.

Table 4-1

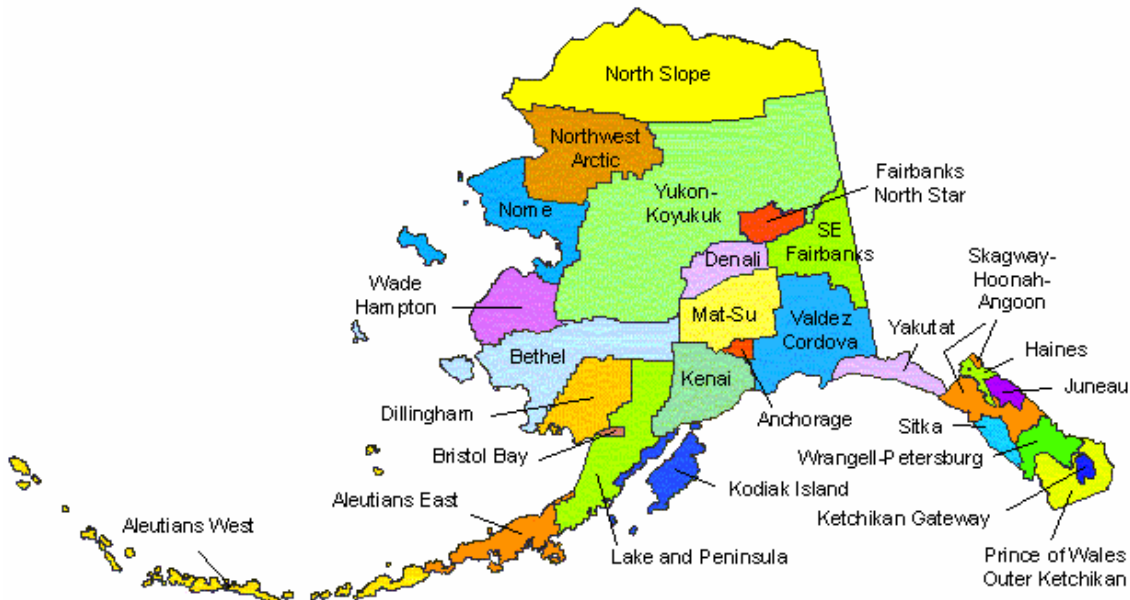
Population of Alaska By Labor Market Region, Borough and Census Area

1990 vs 2000-2008
Source: Alaska Dept. of Labor and Workforce Development, Research and Analysis

Area by Labor Market Region	April 1	April 1	July 1	July 1	July 1	July 1	"Low Range" Projection	Change			Percentage Change			Compsents of Change	
	1990 Census	2000 Census	2001 Revised Estimate	2002 Revised Estimate	2003 Revised Estimate	2004 Revised Estimate		1990- 2000	2000- 2004	2000- 2008	1990- 2000	2000- 2004	2000- 2008	Natural Birth 2000-2004	Net Migration 2000-2004
Alaska	550,043	626,931	632,389	640,841	648,243	655,435	663,502	76,888	28,504	36,571	14%	5%	6%	29,769	(1,265)
Anchorage Mat-Su Region	266,021	319,605	326,990	332,638	341,091	347,646	355,604	53,584	28,041	35,999	20%	9%	11%	15,357	12,684
Municipality of Anchorage	226,338	260,283	265,286	268,347	273,565	277,498	282,720	33,945	17,215	22,437	15%	7%	9%	12,955	4,260
Matanuska-Susitna Borough	39,683	59,322	61,704	64,291	67,526	70,148	72,884	19,639	10,826	13,562	49%	18%	23%	2,402	8,424
Gulf Coast Region	64,063	73,799	73,643	74,370	75,422	74,405	78,813	9,736	606	5,014	15%	1%	7%	2,459	(1,853)
Kenai Peninsula Borough	40,802	49,691	50,005	50,621	51,398	50,980	55,387	8,889	1,289	5,696	22%	3%	11%	1,399	(110)
Kodiak Island Borough	13,309	13,913	13,555	13,649	13,797	13,466	13,615	604	(447)	(298)	5%	-3%	-2%	715	(1,162)
Valdez-Cordova CA	9,952	10,195	10,083	10,100	10,227	9,959	9,811	243	(236)	(384)	2%	-2%	-4%	345	(581)
Interior Region	92,111	97,417	97,586	98,920	96,289	99,290	104,822	5,306	1,873	7,405	6%	2%	8%	5,534	(3,661)
Denali Borough	1,764	1,893	1,901	1,888	1,917	1,842	2,005	129	(51)	112	7%	-3%	6%	69	(120)
Fairbanks North Star Borough	77,720	82,840	83,284	84,748	82,131	84,979	91,215	5,120	2,139	8,375	7%	3%	10%	5,091	(2,952)
Southeast Fairbanks CA	5,913	6,174	5,915	5,927	5,911	6,192	6,355	261	18	181	4%	0%	3%	200	(182)
Yukon Koyukuk CA	6,714	6,510	6,486	6,357	6,330	6,277	5,246	(204)	(233)	(1,264)	-3%	-4%	-19%	174	(407)
Northern Region	20,380	23,789	23,626	23,807	23,879	23,813	24,977	3,409	24	1,188	17%	0%	5%	1,663	(1,639)
Nome CA	8,288	9,196	9,261	9,339	9,358	9,403	9,741	908	207	545	11%	2%	6%	610	(403)
North Slope Borough	5,979	7,385	7,228	7,236	7,228	7,104	8,521	1,406	(281)	1,136	24%	-4%	15%	541	(822)
Northwest Arctic Borough	6,113	7,208	7,137	7,232	7,293	7,306	6,715	1,095	98	(493)	18%	1%	-7%	512	(414)
Southeast Region	68,989	73,082	71,666	71,823	71,767	70,622	75,858	4,093	(2,460)	2,776	6%	-3%	4%	2,112	(4,572)
Haines Borough	2,117	2,392	2,368	2,357	2,319	2,245	2,573	275	(147)	181	13%	-6%	8%	10	(157)
Juneau City and Borough	26,751	30,711	30,371	30,899	31,246	30,966	31,914	3,960	255	1,203	15%	1%	4%	1,109	(854)
Ketchikan Gateway Borough	13,828	14,059	13,742	13,676	13,533	13,030	15,932	231	(1,029)	1,873	2%	-7%	13%	353	(1,382)
Prince of Wales-Outer Ketchikan CA	6,278	6,157	5,814	5,680	5,594	5,548	6,759	(121)	(609)	602	-2%	-10%	10%	176	(785)
Sitka City and Borough	8,588	8,835	8,724	8,799	8,897	8,805	7,969	247	(30)	(866)	3%	0%	-10%	304	(334)
Skagway-Hoonah-Angoon CA	3,680	3,436	3,371	3,241	3,167	3,101	3,211	(244)	(335)	(225)	-7%	-10%	-7%	51	(386)
Wrangell-Petersburg CA	7,042	6,684	6,581	6,452	6,321	6,247	6,495	(358)	(437)	(189)	-5%	-7%	-3%	97	(534)
Yakutat City and Borough	705	808	695	719	690	680	1,003	103	(128)	195	15%	-16%	24%	12	(140)
Southwest Region	38,479	39,239	38,878	39,283	39,795	39,659	41,921	760	420	2,682	2%	1%	7%	2,644	(2,224)
Aleutians East Borough	2,464	2,697	2,547	2,722	2,688	2,629	1,869	233	(68)	(828)	9%	-3%	-31%	45	(113)
Aleutians West CA	9,478	5,465	5,252	5,057	5,329	5,239	5,638	(4,013)	(226)	173	-42%	-4%	3%	101	(327)
Bethel CA	13,656	16,046	16,099	16,503	16,756	16,853	18,279	2,390	807	2,233	18%	5%	14%	1,424	(617)
Bristol Bay Borough	1,410	1,258	1,173	1,162	1,103	1,096	1,407	(152)	(162)	149	-11%	-13%	12%	40	(202)
Dillingham CA	4,012	4,922	4,888	4,913	4,906	4,845	4,878	910	(77)	(44)	23%	-2%	-1%	256	(333)
Lake and Peninsula Borough	1,668	1,823	1,732	1,639	1,627	1,603	1,715	155	(220)	(108)	9%	-12%	-6%	36	(256)
Wade Hampton CA	5,791	7,028	7,187	7,287	7,386	7,394	8,134	1,237	366	1,106	21%	5%	16%	742	(376)

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

Borough and Census Areas---State of Alaska



According to the 2000 Census, Alaska has a higher rate of migration than any state other than the District of Columbia. Approximately 38% of Alaskans were born in the state, but widely varying rates are seen in the state. In rural Alaska, approximately 75% of the residents were born in Alaska, while the urban communities had percentages ranging from 30% to 40%. In July 2004, the Alaska Department of Labor and Workforce Development published a report on migration that showed wide variation in the degree of stability and movement in communities across Alaska. In six areas, more than 50% of the population moved at least once during the 1995-2000 period. Aleutians West and Kodiak experience substantial transience associated with fish processing. Fairbanks North Star Borough, Kodiak, Sitka and Juneau all experience higher levels of population movement because of Army, Air Force, and Coast Guard rotation. The fewest movers are found in the Lake and Peninsula Borough and the Wade Hampton Census Area, and in the predominantly rural Alaska Native areas of the state. Long term Alaska migration patterns were described as follows:

“For the last two decades, place of residence migration data revealed periods of net loss of residents through migration from Alaska. The 1985-1995 oil bust caused major out-migration. The 1995-2000 period was one of exceptional prosperity in the rest of the country compared to Alaska, and this attracted migrants from the state to the Northwest and West. In the first case there was a push and in the second there was a pull.”

This July 2004 report on migration also identified another important trend:

“A key part of this internal migration is the movement of Alaska natives....Between 1995 and 2000, the data clearly documents the rural to urban movement of Alaska’s Native population. Anchorage and Mat-Su saw a 10-15% increase in their Native populations through in-migration from other parts of Alaska. Native populations of the Fairbanks North Star Borough, Kenai Peninsula Borough and Denali Borough increased between 5% and 9%, and Juneau, Yakutat, Bristol Bay, Dillingham, and Aleutians West had 1% to 4% increases. In all other parts of Alaska, native populations experienced out-migration.”

Population and growth patterns in Alaska raise questions and concerns about the allocation of scarce housing and community development resources over the next five years. Substantial unmet needs continue to exist in areas with declining populations, but such communities may be unable to afford the long-term operation and maintenance of programs and projects. Funding sources are increasingly requiring business and operating plans, as a part of determining the feasibility of a project or program. Many communities are financially unable to keep up with their existing programs and infrastructure. Declines in funding from the state government to local governments have added to this problem.

Racial Composition

In the late 1990s, the Federal Office of Management and Budget (OMB) redefined the way information on race is collected to allow individuals to define themselves as “multi-race”. With the 2000 census, people could check all of the races they thought defined them. As a result, race as reported in 2000 is no longer compatible with earlier data, and

statistics on race are far more complex. In recent decades, one had to choose from one of four races---White, Black or African American, American Indian or Alaska Native, or Asian and Pacific Islander. The new OMB guidelines establish a five race classification for federal race data on race and ethnicity. It also allows for identifying race in more than one race. Table 4-2 identifies the racial distributions for all areas of Alaska outside of Anchorage.

Table 4-2
Racial Composition of Alaska's Population
 State of Alaska (Excluding Anchorage)
 1990, 2000, 2003

Ethnic Group	1990 Census		2000 Census		2003 Estimate	
	Total	%	Total	%	Total	%
White	235,144	72.6%	251,934	68.7%	257,679	68.7%
Black	8,032	2.5%	6,867	1.9%	6,723	1.8%
Native American/Alaska Native	71,544	22.1%	79,473	21.7%	81,321	21.7%
Asian & Pacific Islander ¹	9,057	2.8%	11,801	3.2%	12,234	3.3%
Other Race	n/a		n/a		n/a	
Two or More Races	n/a		16,573	4.5%	16,858	4.5%
Total	323,705	100%	366,649	100%	374,815	100%
Hispanic (All Races)	8,535	2.6%	11,053	3.0%	11,181	3.0%
Non Hispanic (All Races)	315,170	97.4%	355,596	97.0%	363,634	97.0%

1. Under new OMB guidelines, Asian & Pacific Islander are two distinct race categories. They are combined here for purposes of comparison with 1990 Census

The largest minority population in Alaska is the Native American/Alaska Native population. According to the Alaska Department of Labor and Workforce Development (Alaska Population Overview: 2001-2002 Estimates and Census 2000), the following observation is made:

“The changes in the definition of race make 2000 race data incompatible with prior censuses. There is no longer a direct answer to “How many Alaska Natives live in Alaska” because of multi-race, the answer must be in the form of a range rather than a single number. The number of American Indians or Alaska Natives who declared one-race alone in 2000 was 98,043 or 15.5% of the population> The number of American Indians or Alaska natives who declared this race Alone or in Combination with one or more races was 119,241 or 18.1 % of the population. Alaska had the second highest portion of multi-race in the U.S. after Hawaii.”

Greg Williams, Demographer for the State of Alaska Department of Labor and Workforce Development noted (Alaska Economic Trends—October 2001):

“Changed definitions of race and inclusion of multi-race occur in a time of increasing racial and cultural diversity. A declining share of Alaska’s population is Non-Hispanic White. A noticeable proportion of all races other than white

consider themselves to be multi-race. Alaska Natives, Asians and Hispanics account for over half of the growth in the state's population during the last decade. Finally, it is clear that growth has occurred disproportionately in the more populated areas of the state."

Age Composition

Alaska's median age has been increasing over the past twenty years, and the gap between the national median age (35.6 in 2001) and Alaska's (32.7 in 2001) is narrowing. In 1980 Alaska's median age was 26.0, with it increasing to 29.3 in 1990. By race, the median ages of Alaskans are: White 35.3; Native American 26.0; African-American 26.6; Asian 35.2; Hawaiian and Pacific Islanders 23.6; and Two or More Races 15.6. The median age of Hispanics is 23.9. The Native American, Hawaiian and Pacific Islanders and Hispanic populations are much younger because of their higher fertility rates. The African-American population is young because it is largely military. The extremely young age of persons of Two or More Races is the result of an increasing proportion of multi-racial children and a greater tendency of younger Alaskans who may be multi-racial to identify themselves as such.

The Age Composition of Alaska's Population Table (4-3) that follows identifies population trends in eighteen age brackets for all areas of Alaska outside of Anchorage.

Table 4-3

Age Composition of Alaska's Population

State of Alaska (Excluding Anchorage)
1990, 2000, 2003

Age Group	1990		2000		2003		Change 2000 - 2003	
	Number	%	Number	%	Number	%	Number	%
Under 5	33,398	10%	28,492	8%	29,325	8%	833	2.9%
5-9	31,925	10%	31,955	9%	29,397	8%	(2,558)	-8.0%
10-14	26,783	8%	34,560	9%	34,127	9%	(433)	-1.3%
15-19	21,931	7%	30,047	8%	32,312	9%	2,265	7.5%
20-24	23,496	7%	22,198	6%	22,044	6%	(154)	-0.7%
25-29	29,944	9%	23,239	6%	22,189	6%	(1,050)	-4.5%
30-34	34,413	11%	26,121	7%	25,108	7%	(1,013)	-3.9%
35-39	33,567	10%	31,751	9%	27,794	7%	(3,957)	-12.5%
40-44	26,060	8%	34,088	9%	32,899	9%	(1,189)	-3.5%
45-49	18,277	6%	31,830	9%	33,431	9%	1,601	5.0%
50-54	12,405	4%	24,319	7%	28,498	8%	4,179	17.2%
55-59	9,640	3%	16,183	4%	19,961	5%	3,778	23.3%
60-64	7,755	2%	10,409	3%	13,291	4%	2,882	27.7%
65-69	5,797	2%	7,644	2%	8,624	2%	980	12.8%
70-74	3,743	1%	5,968	2%	6,414	2%	446	7.5%
75-79	2,411	1%	4,058	1%	4,603	1%	545	13.4%
80-84	1,283	0%	2,216	1%	2,799	1%	583	26.3%
85+	877	0%	1,571	0%	1,999	1%	428	27.2%
Total	323,705	100%	366,649	100%	374,815	100%	8,166	2.2%

The growth trends for various age groups often vary from those of the population as a whole. While the balance of state (areas outside Anchorage) grew from 323,705 in 1990 to 366,649 in 2000, the number of children under the age of five declined from 33,398 in 1990 to 28,492 in 2000. The Alaska Department of Labor estimates a slight rise in the number of children between 2000 and 2003. Cutbacks in military personnel in the mid-1990's and fewer young adults as a result of low birth rates nationwide in the 1970's and low in-migration have contributed to a reduction in the number of young children in the state. The population aged five to thirteen has been relatively stable as a percentage of the overall population between 1990 and 2002 (15.8% in 1990, 15.4% in 2002), while high school age children have increased from 5.5% of the total population in 1990 to 6.9% in 2002, the highest proportion since the 1970's. The Alaska Population Overview (2001-2002 Estimates) commented on a volatile population age bracket:

“The age group 18-24 is most subject to increases and declines in economic conditions. While nationwide this group was declining, in Alaska it reached a high of 70,175 in 1984. Since 1984, this group decreased to 56,198 by 1990, a loss of 20 percent in six years. In 1995, this age group a low point at 47,656. Cuts in the military population have influenced the downward trend in this age group. This group also represents the children born following the end of the baby boom in the early 1970s when fertility hit an all time low. In part, the small size of this segment of population can be credited with the relatively low unemployment rates currently being seen in Alaska as well as nationwide. This group has generally had better economic prospects than their predecessors. The increased demand for labor that attends this smaller generation should create a unique opportunity to increase the employability of persons not currently in the labor force or employed. However a continuation of current slow economic growth may reduce the job opportunities available to this group.”

The prime age for household formation is 25-34. In Alaska, this group peaked in 1986 at 128,401. By the 1990 Census, this group declined approximately 12% to 113,233, and continued to decline to 88,881 in 2002. Since 1980, faster than average growth occurred in population aged 35-44. This is now the core of the baby boom generation, and the in-migration of established families in the 1980's added to the numbers of this group. According to the Alaska Department of Labor, the numbers in this age group are beginning to fall as more baby boomers age into the 45-54 age group. From almost 20% in the mid-1990s, this age group has declined to 17.1% in 2002.

The ages 45-54 include the leading edge of the post World War II baby boom. This age group of the population grew in Alaska from 8.5% in 1980 to 15.6% in 2002. As of July 1, 2002, there were an estimated 100,157 persons 45-54. Since 1983, the number of Alaskans aged 55-64 has increased by 100%. This group should continue to grow rapidly as the older baby boomers enter their mid-fifties. The demographic factor will also, over time, impact Alaska's senior population. The Alaska Population Overview (2001-2002 Estimates) assesses Alaska's senior population demographics as follows:

“Persons aged 65 years old and older numbered 38,603 in 2002. Considering the size of the population currently 55-64, the number of senior Alaskans will continue to increase dramatically in coming years. Large numbers of persons

over age 40 are also reaching the point in the life cycle where they are beginning to have older parents to care for. Such care, in some cases, is more easily provided in Alaska than by long distance in other states. In-migration of older persons to Alaska, however, remains a very tiny part of either growth or migration. Since 1980, the segment of population in this age group has increased by 234 percent. The rate of growth between 1990-2002 by itself totaled 72 percent. The rate of Alaska's increase tops that of any other state. In spite of the rapid rate of increase, Alaska has by far the smallest proportion of persons 65 and over (6.0%) in the nation. The next smallest percentage is Utah (8.5% in 2000). The average percentage of the population over 65 for the U.S. in 2002 is 12.3%. According to Census 2000, Alaska has the third highest out-migration of its elder population after Washington D.C. and New York. Between 1995 and 2000, there was a net loss of almost 4 percent of persons 65+. Net loss of older Alaskans is somewhat less today than it was during the economic downturn of 1985-90, when the loss was about 5.5%."

Household Size and Composition

The U.S. Census counts all persons as living either in households or group quarters. A household occupied 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 inventory.

Alaska's household size declined from 2.80 in 1990 to 2.74 in 2000. Almost all the decline in household size occurred in non-metropolitan Alaska. Anchorage's household size in 1990 was 2.68, and in 2000 the household size was 2.67. For areas outside of Anchorage, the decline in household size was more dramatic. In 1990 the figure was 2.90, falling to 2.79 persons per household in 2000. This decline was not seen in all areas of Alaska. Wade Hampton's household size increased from 4.23 in 1990 to 4.38 in 2000. In 2000, non-metropolitan Alaska had 126,778 households. Family households comprised 88,206 of this total, with 38,372 non-family households identified. During the 1990's, the number of family households increased 16 percent, while non-family households increased 29 percent. The number of Alaskans outside of Anchorage living in group quarters declined from 15,627 in 1990 to 12,335 in 2000.

Other General Demographic Trends

The most significant demographic trend currently underway in Alaska is a decline in population in more than two thirds of Alaska 28 census areas/boroughs. From 2003-2004 according to provisional population figures released by the Alaska Department of Labor, nine-teen of the twenty-eight areas lost population. Only the Matanuska-Susitna

Borough has experienced significant growth of more than 4% per year. The greatest losses in population in the 2000-2004 period were in the Ketchikan Gateway Borough (1,029), Prince of Wales and Outer Ketchikan Census Area (609), Kodiak Island Borough (447), and the Wrangell-Petersburg Census Area (437). The net migration component of population change (in-migration minus out-migration) show an even more striking picture---only Anchorage and the Matanuska-Susitna Borough grew between 2000 and 2004 as a result of net migration increases. All other Census Areas/Boroughs growing in population were the result of natural births exceeding deaths in the area. Within many Census Areas, regional population centers are often growing due to persons leaving smaller communities in their area.

INCOME TRENDS

Different federal agencies use different approaches to income. Most commonly used are personal income, produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), and money income used by the U.S. Census Bureau. A third, less used measure of income is taxable income used by the Internal Revenue Service. The U. S. Department of Housing and Urban Development (HUD) releases on an annual basis estimated median family incomes for each metropolitan and non-metropolitan area using the Fair Market Rent (FMR) area definitions applied in the Section 8 Housing Choice Voucher Program. HUD employs a methodology using Census data and local Bureau of Labor Statistics wage data. The assumptions and methodologies used to generate these different income measures make it difficult to compare one to another.

The Alaska Department of Labor and Workforce Development (Alaska Population Overview—2001-2002 Estimates), offers the following descriptions and qualifications concerning income statistics:

1. Total personal income data are estimated quarterly and county level data are released annually. Total personal income is also divided by an estimate of population to produce per capita income estimates. The major components of total personal income and their approximate share in 2001 were: wages and salaries (51 percent); other labor income (8 percent); proprietor's income (8 percent); dividends, interest and rent (17 percent); and transfer payments (16 percent). About 95 percent of the wage and salary component (52 percent of all total personal income) is derived from employment covered by the State Employment Security system (ES202). The ES202 component of wage and salary income is what is normally published in the Alaska Department of Labor and Workforce Development's Employment and Earnings Report. The ES202 wages are reported by place of work. Total personal income is calculated for place of residence of the worker. This means that, for wage and salary data, BEA must make an adjustment in income for the place of work to place of residence. The user of such data should be aware that in some cases the adjustment may not be perfect.
2. Statistics on money income are also collected by the Census Bureau at the time of the decennial census and are used in many Census Bureau surveys to tabulate the

distribution of income and compute median household and family income statistics. They also allow computation of the number of persons in poverty. Census money income, unlike total personal income, does not include estimates of imputed income, lump sum payments, Medicaid, Medicare and food stamps, and employer contributions to private welfare and pension plans. Total personal income excludes, and money income excludes, personal contributions for social insurance, income from private pensions and annuities and child support.

3. In addition, census per capita income refers to income in 1999 divided by the population as of April 2000. Per capita total personal income refers to income for 1999 divided by the estimated population in July of 1999. In general, per capita income should be used with caution. Unusual conditions such as an exceptionally good fishing year, natural disaster or the presence of a large institutional population such as a college or prison may distort per capita income figures.

Total personal income for Alaska in 2002 was estimated at \$20.7 billion and has increased by \$8.1 billion since 1990. However, Alaska's total personal income has increased at an average annual rate of 4.0% since 1990 compared to 4.9% for the United States as a whole. Between 1990 and 2001, the areas where the greatest share of total personal income increased the greatest were the Municipality of Anchorage (2.1%) and the Matanuska-Susitna Borough (1.2%). These two areas increased the most in population as well as income during this period. Southeast had the greatest decline in its share of total personal income (-2.5%).

Per capita income for Alaska in 2002 was \$32,151. Income per person has increased about 2.8% annually between 1990 and 2002. The most notable increases have occurred since 2000. Nationally, the U.S. per capita income in 2002 was \$30,941. U.S. per capita income has increased by \$11,369, or about 3.8% annually since 1990. From first place in per capita income in the early 1980s, Alaska had fallen to 7th place by 1990, and 15th place by 2000 where we remain in 2002 according to the recently revised BEA numbers. Alaska's average annual rate of growth between 2001 and 2002 was 7th among states at 3.62% per year. During the 1990s, Alaska was 50th out of 51 states and the District of Columbia. Between the 1990s and 2002, Alaska had increased its rank by remaining relatively stable when the remainder of the U.S. had sharply declining growth rates.

Per capita income can fluctuate either because of change in income, population or both. Per capita income rose substantially between 2000 and 2001 in most regions of the State. Per capita income rose 4.5% statewide between 2000 and 2001. The highest growth rate was in the Northern Region (7.1%), Anchorage/Matanuska-Susitna (5.1%), Southwest Alaska (4.8%), and Interior (4.4%). Growth was slowest in Southeast (1.8%) and the Gulf Coast (2.9%). Declines in per capita income occurred in Valdez-Cordova Census Area, Nome Census Area, Prince of Wales-Outer Ketchikan Census Area and Lake and Peninsula Borough.

DEMAND FOR AFFORDABLE HOUSING

Alaska's current population and employment trends shape the current demand for affordable housing in Alaska. The broad statistical description of Alaska's current economic and demographic conditions points to the housing challenges faced by low and moderate income households in the state. This section on demand for affordable housing will evaluate the 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. Extremely low income households are those with an income of less than 30% of median family income (MFI). Very low income households are at less than 50% of MFI, and 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.

The following table identifies the total number of households, with a breakdown between renters and owners, and the type of household within these two categories. Then, by income level, the housing cost burden is estimated. The 2004 estimate of the total number of households in Alaska outside of Anchorage is approximately 136,750. Of this total, 33,983 households are estimated to have an income of less than 50% of median family income.

Housing Assistance Needs of Low and Other Income Households - 2004 Estimates with Poverty Adjustment

Rest of State

	Households (by Type, Income, & Housing Problem)	Renters					Owners					Total Households
		Elderly 1&2 Member Household	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	Small Related (2 to 4)	Large Related (5 or more)	All Other Owners	Total Owners	
1	Very Low Income (0 to 50% MFI)	1,968	5,610	1,758	5,845	15,182	4,391	6,093	3,372	4,945	18,801	33,983
2	Very Low Income (0 to 30% MFI)	1,176	2,869	807	3,762	8,614	1,930	2,853	1,441	3,078	9,302	17,916
	% with any Housing Problems	80%	84%	96%	85%	85%	91%	91%	96%	91%	92%	89%
	% Cost Burden > 30%	72%	69%	68%	72%	70%	82%	82%	75%	75%	78%	75%
	% Cost Burden > 50%	48%	60%	43%	58%	56%	55%	62%	48%	57%	57%	56%
3	Very Low Income (31 to 50% MFI)	1,065	3,486	1,179	2,912	8,642	2,327	3,065	1,826	1,776	8,995	17,637
	% with any Housing Problems	58%	64%	71%	77%	69%	65%	77%	88%	80%	77%	73%
	% Cost Burden > 30%	49%	51%	37%	63%	53%	54%	58%	40%	50%	52%	52%
	% Cost Burden > 50%	14%	14%	8%	15%	14%	23%	26%	13%	26%	23%	18%
4	Other Low-Income (51 to 80% MFI)	595	4,855	1,428	3,673	10,551	2,290	5,425	2,811	2,470	12,996	23,547
	% with any Housing Problems	41%	37%	59%	43%	42%	42%	58%	74%	56%	58%	51%
	% Cost Burden > 30%	36%	20%	17%	29%	23%	29%	40%	27%	35%	34%	29%
	% Cost Burden > 50%	4%	1%	1%	2%	2%	6%	10%	6%	12%	9%	6%
5	All Other Income (>80% MFI)	972	10,074	2,238	7,579	20,862	6,500	33,162	8,546	8,573	56,781	77,643
	% with any Housing Problems	12%	15%	53%	20%	20%	14%	18%	40%	28%	22%	22%
	% Cost Burden > 30%	4%	4%	3%	4%	4%	8%	9%	9%	14%	10%	8%
	% Cost Burden > 50%	1%	1%	1%	1%	1%	1%	1%	1%	2%	1%	1%
6	Total Households	3,762	21,279	5,648	17,831	48,521	13,033	44,704	14,655	15,830	88,222	136,743
	% with any Housing Problems	51%	37%	64%	48%	45%	39%	31%	58%	51%	40%	42%
	% Cost Burden > 30%	43%	24%	23%	33%	29%	31%	21%	23%	33%	25%	26%
	% Cost Burden > 50%	20%	11%	8%	16%	13%	14%	8%	8%	17%	10%	11%

Assumptions

- 136,743 households per DOL, 2004 Estimates
- Census Supplemental Surveys, 2003 and 2000 show an increase in Rest of State Poverty Households by approximately 1,570. 0-30 MFI group adjusted up with this figure.
- Distribution of household group numbers based on same percentages as 2000 Estimated Housing Needs.
- %'s trended as a portion of the Change from 1990 to 2000 in the Estimated Housing Needs Section.

Between 1999 and 2004, the following trends were seen in the number of households in the following incomes ranges:

Income Range	2000	2004	Change
0 to 30% MFI	16,346	17,916	9.6%
31 to 50% MFI	17,226	17,637	2.4%
51 to 80% MFI	22,998	23,547	2.4%
> 80% MFI	75,833	77,643	2.4%
Total Households	132,403	136,743	3.3%

The two categories of households identified as having the highest percentage of households paying more than 50% of their income for housing are small related renter households (60%) and small related owner households (60%). Of the 17,916 households in the 0-30% MFI category, 56% experience a housing cost burden of more than 50% of their income. The most dramatic change is housing cost burden over the past four years (2000-2004) has been for elderly homeowners at 0-30% of MFI. In 2000, 49% of these extremely low income elderly homeowners had a housing cost burden of more than 50%. This figure had increased to 55% by 2004.

The percentage of all renter households at 0-30% MFI paying more than half their income for housing increased from 54.6% in 2000 to 55.9% in 2004. The percentage of all homeowners at 0-30% MFI paying half their income for housing increased more dramatically, from 52.7% in 2000 to 56.7% in 2004. An estimated 13,100 households with an income of 0-80% pay more than half their income for housing.

Inadequate Housing

Alaska's housing stock varies greatly in quality. For one to three unit structures, there is no state code. Many local governments do impose and enforce residential building standards. For residential buildings of three units or greater, the State Fire Marshal adopts a statewide building code, fire code and mechanical code to all areas except where the Fire Marshal has deferred enforcement to local government agencies. Deferrals are currently in effect for Anchorage, Fairbanks, Juneau, Kenai, Kodiak, Seward, Sitka, and Soldotna. The State Fire Marshall does not adopt a residential (one and two family) building code. Some sources of financing impose a de facto building standard if their funds are used in a project. Many residences in Alaska are built "out of pocket" in non-deferred areas, with no construction standards applied

Census data is inadequate to make a complete assessment of the quality of Alaska's housing stock. Inferences can be made, however, given the backdrop of historically weak construction standards, Alaska's harsh environment, and a rapidly aging housing stock. Limited public resources have been targeted to housing rehabilitation activities, and the deferred and major rehabilitation housing needs continue to grow. The table below shows the aging of Alaska's housing stock between the 1990 Census and 2000 Census. For areas of the state outside of Anchorage, an increase of nearly 37,000 was seen for housing units aged 20 years or more. An estimated 80% of the housing units in the 2000 Census Rest of State category aged 11 to 20 years were built between 1980 and 1985. Using this assumption, approximately 116,000 housing units in Alaska (outside of Anchorage) have an age of more than 20 years.

Estimated Age of Housing Stock

1990-2000

	1990 Census			2000 Census		
	Anchorage	Rest of State	Total	Anchorage	Rest of State	Total
Total Units	94,153	138,455	232,608	100,368	160,610	260,978
<u>Age of Units In Years</u>						
1	411	3,114	3,525	2,019	4,774	6,793
2-5	8,354	19,282	27,636	5,694	16,573	22,267
6-10	23,630	33,665	57,295	4,968	13,011	17,979
11-20	33,322	42,802	76,124	28,307	49,783	78,090
20+	28,436	39,592	68,028	59,380	76,469	135,849
<u>Age of Units In Years</u>						
1	0.44%	2.25%	1.52%	2.01%	2.97%	2.60%
2-5	8.87%	13.93%	11.88%	5.67%	10.32%	8.53%
6-10	25.10%	24.31%	24.63%	4.95%	8.10%	6.89%
11-20	35.39%	30.91%	32.73%	28.20%	31.00%	29.92%
20+	30.20%	28.60%	29.25%	59.16%	47.61%	52.05%

Notes:

Source: 1990 and 2000 Census Data

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 funding 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 have become 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, leads the nation in the areas of substance abuse, Fetal Alcohol Syndrome, and domestic violence. These tragic indicators point to the need for special housing options and supportive services.

Older Alaskans

Alaska’s senior population has been growing at a more rapid rate than any other segment of the population. Between 1980 and 2000, the Alaska population aged 65 and over

increase from 2.9% to 5.7% of the overall population. According to the Alaska Commission on Aging 2004 Fact Sheet, Alaska's population aged 65 and older is expected to triple in just two decades, and Alaska face challenging economic circumstances:

- Half of senior households live below HUD low-income levels for Alaska;
- Seniors 85 and over are the poorest group, with approximately 40% living below HUD very-low income guidelines;
- Alaska seniors are twice as likely as seniors nationally to receive public assistance.

Over the 1999-2004 period, extremely low income seniors experienced a large increase in the percentage of households paying more than 50% of their income for housing expenses. The elimination of the Longevity Bonus Program, and declining Permanent Fund Dividends, coupled with increasing energy costs and property tax burdens have put the financial squeeze on Alaska's senior population.

Alaska Housing Finance Corporation's Senior Housing Office exists to help Alaska's senior citizens obtain adequate, accessible, secure and affordable housing. AHFC's Senior Housing Office maintains an up-to date inventory of senior housing available within Alaska, including both assisted and independent living. 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. For areas of Alaska outside of Anchorage, the January 2005 inventory identified 713 assisted living units and 1530 independent living units.

In 2000, AHFC's Senior Housing Office estimated an existing need for approximately 255 units, growing to 429 by 2005. The unmet demand for independent living senior housing units in 2000 was estimated at 537, projected to grow to 756 by 2005.

One of the most significant developments over the past five years concerning senior housing options has been the dramatic growth of the Personal Care Program of the State of Alaska Senior and Disabilities Services. Home care services are provided statewide through this program, enabling functionally disabled and handicapped Alaskans of all ages and frail elderly Alaskans to live in their own home or community, instead of being placed in a more costly and restrictive long-term care institution. The program provides services that help with difficulties in performing activities such as bathing, dressing and grooming, shopping and cleaning, and with other activities that require semi-skilled or skilled care. Personal Care Assistants (PCAs) typically provide these services in a person's home. The Personal Care Program now serves more than 4,000 Alaskans in 125 communities statewide. Services are provided through two different PCA agency models:

- Agency-Based PCA Program (ABPCA)---This model allows consumers to receive services through an agency that oversees, manages and supervises their care. This model has been operational for over 10 years.

- Consumer-Directed PCA Program (CDPCA)---This model allows each consumer to manage his or her own care by selecting, hiring , firing and supervising the own PCA. The agency provides administrative support to the consumer and the PCA. This model became operational on October 1, 2001.

Both Agency-Based PCA services and Consumer Directed PCA services are available in most communities in Alaska. The tremendous expansion of the Personal Care Program will have a huge impact on the nature of the demand for senior housing in Alaska over the next five years. Sponsors of senior housing projects, funding sources, and senior advocates must all pay careful attention to this marketplace development.

Persons With Disabilities

Alaskans who experience disabilities want to secure accessible, affordable, and integrated housing in their communities. The statewide 2004 Disability Policy Summit was held in Anchorage in November 2004, with representatives from a wide range of disability groups and agencies affirming this desire. Funding resources were seen as a critical need to make accessible, affordable and integrated housing for the disabled a reality.

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 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 of tasks and/or needs personal assistance. An estimated one in ten persons nationally experiences a sever disability according to Census Bureau estimates.

Disability rates vary by age. Within the overall Alaska disability rate of 14.9% for the population aged 5 and older, the range went from 6.9% for persons aged 5 to 20 years old, then increased to 15.6% for persons 21 to 64 years old. The rate nearly triples to 46.2% for persons 65 years and over. With Alaska's senior population projected to increase rapidly over the next five years, increasing numbers of Alaskans will experience some form of disability.

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 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 5th in this Alcohol Problem Index, it ranked only 32nd 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 December 2003, 565 Alaskans have been confirmed to have AIDS. Of these, 294 (52%) are known to have died. Of the 565 cases, 478 (84.6%) are male and 87 (15.4%) are female.

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 December 2003, a cumulative total of 844 cases of HIV infection reported among individuals in Alaska. Of the 844 cases of HIV infection, 565 individuals had AIDS, and 294 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.

Alaskan Mental Health Trust Beneficiaries

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.

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.

The Alaska Mental Health Trust Authority occupies a unique niche in state government. The Trust provides leadership in shaping a Comprehensive Integrated Mental Health Program to help the most vulnerable Alaskans. State statute AS 47.30.011 sets out the purpose of The Trust as assuring a comprehensive integrated mental health program. Elements of a comprehensive integrated mental health program are described in [AS 47.30.056](#). The Trust is additionally tasked with working with the Department of Health and Social Services to develop a mental health plan that sets direction and indicators to measure the outcomes of the comprehensive integrated mental health program. *In Step*, the comprehensive integrated mental health plan. The plan is printed in two parts. "The Plan" includes goals, indicators to measure progress and strategies. "The Discussion"

provides additional background information, examples of successful programs and more information about strategies.

In Step focuses on Alaskans with mental and cognitive disabilities and/or substance use disorders. The plan's purpose is to guide policy, programmatic and budget decisions to improve public services and personal circumstances of persons with disabilities. It brings together statewide planning processes and the planning work of the four advocacy boards and commission:

- Alaska Mental Health Board
- Governor's Council on Disabilities and Special Education
- Advisory Board on Alcoholism and Drug Abuse
- Alaska Commission on Aging.

The November 2001 release of *In Step—The Plan* identified the following housing needs for the disabled:

“There is not enough safe, comfortable, appropriate, and affordable housing to meet the needs of Alaskan residents. The impact of this scarcity is strongly felt by the vulnerable people with mental illness, developmental disabilities, substance use disorders, and Alzheimer’s disease or related disorders. Because they generally have low incomes and often face discrimination in the housing market, people who are the most disabled are the most vulnerable to homelessness. Misperceptions about people with these disabilities create stigmas that make it even harder for them to find housing. Nationally during the past two decades, homelessness has increased due to the combination of a shortage of rental housing and an increase in poverty. Housing absorbs a high proportion of income, and when a family reaches an economic crisis due to health issues or job loss, housing is easily lost. Other risk factors associated with homelessness include a lack of health care, domestic violence, mental illness, and substance use disorders. In short, “homelessness results from a complex set of circumstances which require people to choose between food, shelter, and other basic needs.” For people with psychiatric illness or chronic addiction disorders, homelessness can be symptomatic of their disability and unsatisfied treatment needs. A number of governmental programs provide housing assistance for people with low incomes and disabilities. In Alaska, the primary agencies addressing housing needs are the federal Department of Housing and Urban Development (HUD), the federal Department of Agriculture (USDA), regional housing authorities, the Alaska Housing Finance Corporation (AHFC), and Alaska’s Tribally Designated Housing Entities (TDHEs).”

The Alaska Mental Health Trust Authority has organized an Affordable Housing Workgroup that reports to the Trustees Program and Planning Committee. The priorities of this workgroup, and a February 2004 update, will be discussed in the Strategic Plan part of this Consolidated Plan.

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:

Estimated Numbers	Category---Source of Data
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 Infant Learning Program
189	Department of Education
3,168	SSI, SSDI and/or APA

4,041

Commission on Aging

25,103

Total

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

Alaska Housing Finance Corporation conducted its Summer 2004 homeless survey on July 28, 2004, or on another day of that week that provided the best representation of clients surveyed by the respondent agencies. This change was initiated because many agencies are open only one day of the week. In the past, these agencies were not able to participate in the survey. The historic homeless survey data may not compare directly with the current survey, but it is expected this change will provide a more accurate demographic profile of the homeless, because a larger number of homeless agencies will be able to provide data on the people they serve. The 2004 Summer Statewide Homeless Survey identified 3666 homeless persons, with 1157 surveyed in areas of the state outside of Anchorage. Of the 1157 individuals, 257 were in emergency shelters, 130 with families and friends, 297 in transitional housing, and 473 were unsheltered. It is important to recognize the "point-in-time" surveys conducted by AHFC only reflect those who encounter a homeless enumerator during the limited survey period. In areas where homeless shelters or surveys are not available, the homeless are not counted. A leading researcher on homelessness for the Urban Institute estimates that during a one year period, four or five times as many people experience homelessness as are homeless on any particular day. Using this assumption, an estimated 4600 Alaskans outside of the Municipality of Anchorage will experience homeless.

Within the overall homeless population are many subpopulations. Included are single men and women, single mothers with children, single fathers with children, two-parent or blended families with children, disabled persons, runaway and homeless youth, victims of domestic violence, and others. AHFC's Homeless Survey indicates that more than 50 percent of Alaska's homeless are families with children. Homelessness for many of these families is the result of a sudden economic downturn such as illness, divorce, or job loss. Approximately 20 to 25 percent are persons referred to as "chronic homeless". HUD

defines persons in this category as “an unaccompanied individual with a disabling condition who has been homeless for a year or more, or those who have experienced at least four episodes of homelessness within three years.” In many cases, the “disabling” condition is mental illness and/or substance abuse.

Though Alaska Natives make up approximately 16 percent of the overall population in Alaska, they represent nearly 40 percent of the homeless counted in the AHFC survey. The percentage of homeless African-Americans is also disproportionately high compared to the overall state demographic figures. Approximately 13 percent of those counted in the AHFC survey are veterans. According to homeless shelter providers around Alaska, some of the most difficult persons to house are those recently released from institutions with no resources and no where to go. In a survey of inmates conducted in July 2004 by the Alaska Department of Corrections, 250 (43%) of the 579 respondents state they either had no place identified to reside upon release, or they were certain they would enter a homeless shelter or live on the streets. This figure is consistent with other studies conducted across the United States that estimate from 11 to 50 percent of individuals leaving incarceration are homeless upon release. Reports from the Alaska Psychiatric Institute also indicate of 5 to 10 percent discharge rate each month to homelessness.

Recognizing the challenging issue of Alaska’s homeless problem, Governor Frank Murkowski appointed in April 2004 an interagency council on homelessness to develop an action plan for substantially reducing homelessness. The Alaska Council on the Homeless is comprised of eight state commissioners and representatives from the Governor’s Office, Lt. Governor’s Office, the Alaska Mental Health Trust Authority (AMHTA), and the U.S. Department of Housing and Urban Development (HUD). In recognition of the Alaska Housing Finance Corporation (AHFC) as the lead agency for housing in the state, Governor Murkowski appointed AHFC Executive Director/CEO Dan Fauske to chair the Council. Areas to be addressed by the Council will include:

- How does homelessness impact the state?
- What services are currently in place?
- How are homeless services currently funded?

The Executive Order creating the Alaska Council on the Homeless also established a submittal date for the action plan of June 30, 2005.

Appendix C at the end of this Five Year HCD Plan contains Alaska’s Continuum of Care Exhibit 1. Homeless resources and unmet needs are detailed by geographic area.

MARKET ANALYSIS OF HOUSING SUPPLY

Existing Housing Supply

The decade of the 1990's was a time of growth in Alaska's housing supply. The 1990 Census identified 138,455 housing units in all areas of Alaska outside of Anchorage. The 2000 Census counted 160,610 housing units in non-metropolitan Alaska. One major challenge in utilizing Census housing data concerns the general lack of housing quality information. Another limitation is the large number of housing units falling in the category of vacant housing units called "for seasonal, recreational or occasional use."

Some of these housing units "float" into and out of the occupied residential category, depending on local housing market conditions and the quality of the housing stock. At this time, no one has a clear, empirically substantiated picture of this component of the overall housing supply. Some limited inferences can be made from Census data. In 1990, a total of 32,242 housing units in non-metropolitan Alaska were vacant, representing 23.3% of the area's total number of housing units. Approximately one-half of the vacant housing units were for seasonal, recreational or occasional use. The 2000 Census showed a slight increase in vacant housing units, with 33,832 identified. The 2000 seasonal and occasional use units increased for 20,367, with the comparable 1990 figure being 15,982. Seasonal and occasional use housing units grew in total numbers by more than 27%, compared to the overall growth in housing stock of approximately 12% over the 1990-2000 period. A decline was seen in the number of vacant housing unit not in the occasional use category---the 1990 Census identified 16,260 such units, with the figure falling to 13,465 in 2000 Census. The following estimated elements of demand drove housing stock growth and utilization between 1990 and 2000:

- Population growth @ 2.79 persons per household 15,300 units
 - Decline in household size from 2.90 to 2.79 4,500 units
 - Increase in seasonal/occasional 4,400 units
- Total = 24,200 units

The increase in total housing units between 1990 and 2000 was 22,155. A "gap" exists between the "demand-driven" 24,200 units identified above and the Census identified increase of 22,155 additional housing units identified between the 1990 and 2000 Census counts. This gap was filled during the 1990s by approximately 2,045 vacant units (not in the seasonal/occasional/recreational use category) becoming occupied. Another estimated 750 housing units were demolished or destroyed.

Table---Population and Housing Units by Borough and Census Area

AREA	1990 Population	2000 Population	2003 Population	2004 Population	1990 Units	2000 Units	2003 Units	1990 HH Size	2000 HH Size	1990 HO %	2000 HO %	1990 Med Price	2000 Med Price
Alaska	550,043	626,931	648,243	655,435	232,608	260,978	267,987	2.80	2.74	56.1%	62.5%	\$94,400	\$144,200
Anchorage	226,338	260,283	273,565	277,498	94,153	100,368	105,336	2.68	2.67	52.8%	60.1%	\$109,700	\$160,700
Balance	323,705	366,648	374,678	377,937	138,455	160,610	162,651	2.90	2.79	58.7%	64.3%		
Aleutians East	2,464	2,697	2,688	2,629	693	724	724	2.97	2.69	61.4%	58.2%	\$85,700	\$99,500
Aleutians West	9,478	5,465	5,329	5,239	2,051	2,234	2,317	3.02	2.52	17.9%	27.8%	\$80,100	\$93,400
Bethel	13,656	16,046	16,756	16,853	4,362	5,188	5,306	3.72	3.73	58.8%	61.1%	\$51,900	\$74,900
Bristol Bay	1,410	1,258	1,103	1,096	596	979	968	2.81	2.57	48.6%	50.0%	\$102,000	\$139,000
Denali Borough	1,764	1,893	1,917	1,842		1,351	1,363		2.74		65.1%		\$103,400
Dillingham	4,012	4,922	4,906	4,845	1,691	2,332	2,364	3.30	3.20	63.2%	60.4%	\$63,300	\$105,300
Fairbanks NSB	77,720	82,840	82,131	84,979	31,823	33,291	33,606	2.76	2.68	49.0%	54.0%	\$87,300	\$132,700
Haines	2,117	2,392	2,319	2,245	1,112	1,419	1,446	2.59	2.41	65.0%	70.0%	\$81,000	\$133,100
Juneau	26,751	30,711	31,246	30,966	10,638	12,282	12,509	2.66	2.60	58.2%	63.7%	\$113,500	\$195,100
Kenai	40,802	49,691	51,398	50,980	19,364	24,871	24,999	2.79	2.62	67.9%	73.7%	\$85,100	\$118,000
Ketchikan	13,828	14,059	13,533	13,030	5,463	6,218	6,383	2.70	2.56	56.0%	60.7%	\$112,600	\$165,000
Kodiak	13,309	13,913	13,797	13,466	4,885	5,159	5,358	3.03	3.07	50.0%	54.8%	\$111,500	\$155,100
Lake & Peninsula	1,668	1,823	1,627	1,603	991	1,557	1,547	3.22	3.10	69.5%	68.2%	\$67,100	\$87,400
Matanuska-Susitna	39,683	59,322	67,526	70,148	20,953	27,329	27,616	2.92	2.84	73.3%	78.9%	\$71,500	\$125,800
Nome	8,288	9,196	9,358	9,403	3,684	3,649	3,630	3.41	3.33	56.8%	58.1%	\$56,700	\$77,100
North Slope	5,979	7,385	7,228	7,104	2,153	2,538	2,634	3.44	3.45	40.0%	48.9%	\$80,700	\$113,300
Northwest Arctic	6,113	7,208	7,293	7,306	1,998	2,540	2,540	3.96	3.87	57.9%	56.0%	\$62,800	\$89,200
Prince of Wales	6,278	6,157	5,594	5,548	2,543	3,055	3,116	2.92	2.68	60.5%	69.8%	\$63,300	\$121,800
Sitka	8,588	8,835	8,897	8,805	3,222	3,650	3,749	2.81	2.61	55.9%	58.1%	\$120,000	\$196,500
Skagway	3,680	3,436	3,167	3,101	2,102	2,108	2,208	2.94	2.50	54.2%	62.9%	\$65,200	\$120,900
Southeast Fairbanks	5,913	6,174	5,911	6,192	3,149	3,225	3,261	2.96	2.80	60.8%	68.5%	\$54,900	\$86,000
Valdez-Cordova	9,952	10,195	10,227	9,959	5,196	5,148	5,177	2.73	2.58	64.5%	67.9%	\$97,100	\$141,300
Wade Hampton	5,791	7,028	7,386	7,394	1,882	2,063	2,058	4.23	4.38	67.9%	66.7%	\$42,400	\$38,700
Wrangell-Petersburg	7,042	6,684	6,321	6,247	3,005	3,284	3,335	2.73	2.56	66.7%	70.4%	\$91,700	\$156,100
Yakutat	705	808	690	680		499	502		2.59		59.6%		\$100,700
Yukon-Koyukuk	6,714	6,510	6,330	6,277	4,899	3,917	3,935	2.88	2.81	71.1%	67.3%	\$31,800	\$59,900
TOTAL	323,705	366,648	374,678	377,937	138,455	160,610	162,651						

Notes: Units = Census defined housing units
 HH Size = Household Size
 HO % = Homeownership Rate
 Median Price = Census Median Price
 Population Figures---1990 & 2000 U.S. Census
 Population Figures---2003 & 2004 Alaska Depart. of Labor & Workforce Development Estimates
 Housing Units---U.S. Census Estimates

It should be noted in the table above the estimates for 2003 housing units should be used with caution because of limitations in the way the updates are derived. The most dramatic growth in housing stock in non-metropolitan Alaska between 2000 and 2003 has been in the Matanuska-Susitna Borough. Using an average household size of 2.84 identified in the 2000 Census, and a population increase of 8,204 between 2000 and 2003, approximately 2,900 new housing units would be needed to accommodate this population growth. The estimates above show an increase of 287 new housing units added between 2000 and 2003---this is obviously incorrect, and results from the lack of a comprehensive building permitting and information system in the Matanuska-Susitna Borough.

The State of Homeownership

Homeownership rates increased for Alaska as a whole from 56.1% in 1990 to 62.5% in the 2000 Census. In areas of the state outside of Anchorage, this increase was from 58.7% in 1990 to 64.3% in 2000. The highest rate of homeownership in 2000 was found in the Matanuska-Susitna Borough at 78.9%, with the homeownership rate in the Aleutians West Census Area at 27.8%. Of the twenty-four census areas for which Census homeownership data is available, eighteen had an increase in homeownership rates between 1990 and 2000. The table on the preceding page details homeownership rates by each of Alaska's census areas and/or boroughs.

Favorable long-term mortgage interest rates, and a variety of mortgage programs have helped expand homeownership opportunities. The housing affordability table below further illustrates this trend.

Alaska Affordability Index

2000 to 2004

Single-Family Residences for All Surveyed Areas

Single-Family Housing	2000				2001				2002				2003				2004			
	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	3Q04	4Q04
ANCHORAGE	1.45	1.57	1.52	1.48	1.47	1.55	1.57	1.55	1.56	1.56	1.53	1.52	1.43	1.48	1.62	1.53	1.42	1.52	n/a	n/a
MAT-SU	1.69	1.43	1.55	1.58	1.47	1.49	1.61	1.65	1.63	1.68	1.48	1.54	1.43	1.62	1.65	1.56	1.47	1.77	n/a	n/a
FAIRBANKS	1.38	1.41	1.40	1.42	1.28	1.30	1.22	1.23	1.35	0.84	1.15	1.20	1.30	1.11	1.26	1.20	1.14	1.26	n/a	n/a
KENAI	1.40	1.44	1.39	1.22	1.20	1.16	1.17	1.20	1.27	1.36	1.33	1.27	1.30	1.47	1.29	1.34	1.16	1.25	n/a	n/a
JUNEAU	1.86	1.84	1.85	1.72	1.64	1.68	1.62	1.65	1.74	1.69	1.73	1.60	1.55	1.66	1.75	1.58	1.62	1.73	n/a	n/a
KETCHIKAN	1.83	1.75	1.79	1.61	1.37	1.80	1.47	1.57	1.66	1.39	1.79	1.64	1.43	1.96	1.88	1.46	1.45	1.58	n/a	n/a
KODIAK	1.90	1.97	1.94	2.01	1.81	1.94	2.15	1.80	1.82	1.71	1.69	1.50	1.65	1.92	1.80	1.62	1.59	1.78	n/a	n/a
BETHEL	2.93	2.43	2.61	2.11	2.17	1.63	2.13	2.10	2.29	2.18	2.29	2.79	1.88	2.54	1.92	1.87	1.35	1.73	n/a	n/a
REST OF ALASKA	1.33	1.42	1.30	1.31	1.05	1.12	1.06	1.08	1.01	1.04	0.91	0.93	1.06	1.09	1.39	1.13	1.45	1.34	n/a	n/a
STATEWIDE	1.45	1.53	1.48	1.45	1.41	1.47	1.47	1.43	1.47	1.38	1.43	1.41	1.35	1.42	1.49	1.42	1.32	1.44	n/a	n/a
MATSU House w/ Anchorage pay	1.21	1.12	1.16	1.18	1.12	1.12	1.21	1.24	1.22	1.26	1.16	1.14	1.10	1.22	1.26	1.19	1.14	1.27	n/a	n/a

n/a - Data not available.

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

The Alaska Affordability Index is a measure of the number of wage earners necessary to afford an average home. The index value indicates the number of earners per residence receiving the average wage that are necessary to qualify for a 30-year single family mortgage at the prevailing interest rate with a 15% down payment. An increase in this index means that a family is less able to afford a home.

The State of the Rental Market

The Alaska Rental Market Survey is conducted for Alaska Housing Finance Corporation every March by the Alaska Department of Labor and Workforce Development. Residential rental information is collected on more than 22,000 single family, condominium, apartment and mobile-home rentals from over 2,900 landlords in ten areas of the state: Fairbanks North Star Borough, City and Borough of Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Matanuska-Susitna Borough, Municipality of Anchorage, City and Borough of Sitka, Valdez-Cordova, and Wrangell-Petersburg. These areas represent 87% of Alaska's rental market.

The table below gives a snapshot of Alaska's rental market in the years 1994-2004.

Alaska Rental Market

Includes Multifamily, Single Family and Mobile Home Units
1994 - 2004

<u>Vacancy Rate</u>	1994	2000	2001	2002	2003	2004	2004 vs 1994
Municipality of Anchorage	4.5%	4.3%	4.7%	6.2%	5.2%	5.2%	0.7%
Fairbanks North Star Boroug	5.7%	8.3%	8.7%	5.8%	6.0%	9.9%	4.2%
Juneau Borough	0.8%	5.0%	7.7%	3.8%	6.2%	4.2%	3.4%
Kenai Peninsula Borough	4.8%	12.3%	11.1%	5.1%	8.6%	13.0%	8.2%
Ketchikan Gateway Borough	3.0%	13.4%	21.4%	17.8%	13.5%	7.5%	4.5%
Kodiak Island Borough	5.4%	7.5%	10.4%	7.4%	10.4%	8.2%	2.8%
Matanuska-Susitna Borough	2.2%	6.2%	6.1%	3.3%	4.8%	6.9%	4.7%
Sitka Borough	3.8%	8.1%	9.6%	2.9%	5.3%	4.4%	0.6%
State of Alaska	4.3%	4.8%	7.6%	6.8%	6.5%	7.4%	3.1%
Valdez-Cordova CA	6.0%	17.5%	9.9%	8.3%	20.7%	26.2%	20.2%
Wrangell-Petersburg CA	4.1%	6.6%	17.5%	22.1%	18.7%	8.2%	4.1%

<u>Average Contract Rent</u>	1994	2000	2001	2002	2003	2004	2004 vs 1994
Municipality of Anchorage	\$ 656	\$ 702	\$ 742	\$ 763	\$ 802	\$ 831	\$ 174.89
Fairbanks North Star Boroug	\$ 648	\$ 643	\$ 662	\$ 692	\$ 710	\$ 738	\$ 90.50
Juneau Borough	\$ 779	\$ 838	\$ 856	\$ 890	\$ 893	\$ 921	\$ 141.65
Kenai Peninsula Borough	\$ 529	\$ 606	\$ 613	\$ 620	\$ 635	\$ 674	\$ 145.30
Ketchikan Gateway Borough	\$ 623	\$ 706	\$ 715	\$ 716	\$ 738	\$ 777	\$ 154.59
Kodiak Island Borough	\$ 821	\$ 849	\$ 848	\$ 758	\$ 857	\$ 847	\$ 26.02
Matanuska-Susitna Borough	\$ 578	\$ 684	\$ 695	\$ 694	\$ 737	\$ 759	\$ 181.34
Sitka Borough	\$ 650	\$ 689	\$ 739	\$ 717	\$ 722	\$ 730	\$ 79.91
State of Alaska	\$ 778	\$ 809	\$ 725	\$ 753	\$ 770	\$ 799	\$ 20.26
Valdez-Cordova CA	\$ 568	\$ 623	\$ 800	\$ 839	\$ 799	\$ 957	\$ 389.07
Wrangell-Petersburg CA	\$ 650	\$ 700	\$ 604	\$ 612	\$ 580	\$ 579	\$ (70.60)

Public Housing

Alaska Housing Finance Corporation (AHFC) is the public housing authority for the State of Alaska, including the Municipality of Anchorage. Within the area covered by this Consolidated Plan (all areas of Alaska outside of Anchorage), AHFC administers 937 units of public housing (including Section 8 Multi-Family New), and administers the contracts for 658 project-based Section 8 units. AHFC administers an additional 1,776 Section 8 Housing Choice Vouchers subsidizing rent in private sector housing in ten communities. Over the past decade, Congress has made no new additional funds available for expansion of public housing units.

On February 14, 2005, Alaska Housing Finance Corporation placed a moratorium on its rental assistance program. An 8 percent reduction in the level of federal funding for the Housing Choice Voucher program necessitated a temporary suspension of new vouchers, according to Dan Fauske, CEO/Executive Director, Alaska Housing Finance. In early 2005, HUD instituted a cap on total budgeted funds for the voucher program, reducing the amount allocated to Alaska. In order to accommodate the new federal-budget constraints long-term, AHFC evaluated a number of options to reduce the total housing-assistance payments distributed each month. A 45-day moratorium on the issuance of new vouchers took effect on February 14, 2005. Mr. Fauske said this moratorium does not affect anyone already receiving benefits under the program, or persons who have been issued a voucher and are currently shopping with private landlords for a rental agreement. AHFC's Public Housing Division will continue to accept and process new applications during the moratorium, Fauske said, adding that the corporation hopes to be able to make a determination with regard to reopening voucher issuance by the end of March. This moratorium continued through the summer of 2005, and was anticipated to end by the fall of 2005. On-going financial monitoring of this program will shape the final decisions concerning the moratorium.

Alaska Housing Finance Corporation's Five Year (FY 2006-2010) Public Housing Agency Plan draft was released for public comment in February 2005. Five strategic goals were identified:

1. Increase the availability of decent, safe and affordable housing.
2. Improve community quality of life and economic vitality.
3. Promote self-sufficiency and asset development of families and individuals.
4. Ensure equal opportunity in housing for all Alaskans.
5. Ensure the maximum number of eligible families are assisted under the public housing and Housing Choice Voucher programs.

The following two tables identify the public housing waiting list as of January 31, 2005, and a list by project and community of public housing planned physical improvements between FY 2006 and FY 2010.

Waiting List for Public Housing and Housing Choice Voucher (S8) Program State of Alaska (Excluding Anchorage)

January 31, 2005

Public Housing Programs

Bedroom Size	Number of Households	Percentage
0 Bedroom	252	44.8%
1 Bedroom	146	25.9%
2 Bedroom	155	27.5%
3 Bedroom	8	1.4%
4 or More Bedroom	2	0.4%
	563	100%

Housing Choice Voucher Programs

Bedroom Size	Number of Households	Percentage
0 Bedroom	582	38.6%
1 Bedroom	421	27.9%
2 Bedroom	400	26.5%
3 Bedroom	83	5.5%
4 or More Bedroom	21	1.4%
	1,507	100%

Public Housing Planned Physical Improvements

State of Alaska (Excluding Anchorage)
FY2006 - FY2010

Project Name	Community	Comments	Total
Beringvue	Nome	Energy Audit	\$ 7,500.00
Bethel Heights	Bethel	Community Room, Paving, Interior/Exterior Renovations, Construction Shop	5,261,508.00
Birch Park I,	Fairbanks	Boiler Replacement, Interior/Exterior Renovations	276,255.00
Birch Park II	Fairbanks	Interior/Exterior Renovations	201,571.00
Cedar Park Annex	Juneau	Energy Audit	6,000.00
Eyak Manor	Cordova	Energy Audit	10,000.00
Geneva Woods	Juneau	Energy Audit	6,000.00
Golden Ages	Fairbanks	Energy Audit	7,500.00
Mountain View Annex	Juneau	Energy Audit	6,000.00
Mountain View Annex	Juneau	Energy Audit	6,000.00
Swan Lake Terrace	Sitka	Energy Audit	6,000.00
Total:			\$5,794,334.00

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 renewals. 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 Programs (ONAP). Over the past twenty-five years, HUD's Indian Housing Programs have led to the production of 6207 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 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. Thus far, most of the new TDHE's have contracted with the existing regional housing authorities for any new housing development. 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

The greatest influence on Alaska's general housing market conditions over the past decade has been relatively stable, low long term interest rates for mortgages over the past fifteen years. A historic review of Fannie Mae net required yield for 30-year fixed rate mortgages shows a 1990 average of approximately 10.0%, ranging between 6.75% and 8.5% in the 1992-2000 period, further declining to 5.67% as of January 3, 2005.

Housing price trends have been greatly impacted by this positive interest rate environment. The 1990 Census identified a median house price of \$94,400 for all areas of Alaska. The state's median house price rose to \$144,200 by the 2000 Census, an increase of 52.8% over the decade. The Office of Federal Housing Enterprise Oversight showed a 32.2% increase in Alaska's housing prices for the five year period preceding the third quarter of 2004 (July 1 through September 30). An analysis of Alaska Housing Finance Corporation loan commitments for the 1990-2004 period, indicate that average total purchase price of all single family homes more than doubled, from \$78,410 in 1990 to \$165,424 in 2004. A 23.7% increase in purchase prices occurred between 2000 and 2004. AHFC single family loans on new construction also showed a corresponding increase. Over the 1995-2004 period, average total purchase prices on new homes increase from \$124,908 in 1995 to \$181,811 in non-metropolitan Alaska (outside of Anchorage), an increase of 45.6%.

AHFC's Alaska Rental Market Survey showed an increase in average contract rents over the 1995-2004 period in most areas of the state. During this period Fairbanks experienced a 19.4% increase in average contract rents over the period. Juneau had a 14.0% rise, the increase in Kenai was 17.0%, while Mat-Su experienced a 26.3% growth in average contract rents. In nine of the eleven areas participating in this rental market survey, nine experienced an increase in vacancy rates between 1995 and 2004.

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 between 1990 and 2000, 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 with AHFC. AHFC now plays a number of roles in the state's housing delivery system:

Outside of Anchorage, AHFC owns and manages 937 public housing (including Section 8 Multi-Family New) units in 13 communities. More than 1770 low-income households receive AHFC administered Housing Choice Voucher (Section 8) rental assistance, in eleven communities. As discussed earlier in this plan, a temporary moratorium was placed on issuing new vouchers in the spring of 2005 because of financial constraints placed on AHFC by the federal government. This issue was still being addressed as of the publication of this plan.

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 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 loans to be originated with reduced down-payments compared to conventional mortgages. FHA insurance has helped to expand 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 2005, Five CHDOs are currently certified in Alaska (outside of Anchorage):

Fairbanks Neighborhood Housing Services---Fairbanks
Juneau Land Trust---Juneau
Kenai Peninsula Housing Initiatives---Kenai Peninsula
Palmer Senior Citizens Inc.---Palmer
Valley Residential Services---Mat-Su Borough

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 raised 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 buildings 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 this data, an estimated 37,143 homes (+ or - 7% at a 95% confidence level) have levels of lead in paint above the Federal action level of 1.0 mg/cm². The conclusion of the study was:

“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 the 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 analyses 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. EPA enforcement activities began 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 or six recipients of an Emergency Shelter Grant, ranging from \$20,000 to \$25,000. Since 1993, AHFC has received legislative authorization to award funding each year through its Homeless Assistance Program to support homeless prevention, emergency shelters and transitional housing. Subject to appropriations from the Alaska Legislature each year, grants are awarded 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. 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. Future 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 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. The following section further details the inventory of special needs and supportive housing assets.

Appendix C---Alaska's Continuum of Care Exhibit 1 contains additional information on homeless resources in the areas of the State outside of Anchorage.

**Inventory of Homeless Facilities
State of Alaska (Excludes Anchorage)**

FY 2005

Provider	Program Name	Community	Facility Type	Family Individual	
				Beds	Beds
Arctic Women in Crisis	Shelter	Barrow	Emergency Shelter	6	2
Barrow CMH	Crisis Respite	Barrow	Emergency Shelter	0	8
Tundra Women's Coal.	Transitional	Bethel	Transitional Housing	2	7
Tundra Women's Coal.	Shelter	Bethel	Emergency Shelter	21	9
Y.K.H.C.	Morgan House	Bethel	Transitional Housing	0	5
Y.K.H.C.	Crisis Respite	Bethel	Emergency Shelter	0	5
Cordova Family Resrce Ctr	Safe Homes	Cordova	Emergency Shelter	0	2
Bristol Bay Area Health Ctr	Crisis Respite	Dillingham	Emergency Shelter	0	6
S.A.F.E. (Dillingham)	Shelter	Dillingham	Emergency Shelter	10	2
Emmonak Wmen's Shelter	Shelter	Emmonak	Emergency Shelter	7	2
Fairbanks CMH	AAL-3	Fairbanks	Transitional Housing	0	8
Fairbanks CMH	Crisis Respite	Fairbanks	Emergency Shelter	0	2
Fbks Native Ass.	Fam. Focus Shltr	Fairbanks	Emergency Shelter	0	7
Fbks Native Ass.	Family Focus TLC	Fairbanks	Transitional Housing	2	2
Fbks Native Ass.	New Hope	Fairbanks	Transitional Housing	0	10
Fbks Native Ass.	Wmn & Chil. Ctr	Fairbanks	Transitional Housing	36	0
Fbks Rescue Mission	Shelter	Fairbanks	Emergency Shelter	0	44
Int. Ctr f/Non-Violent Lvg	Carmen House	Fairbanks	Transitional Housing	15	2
Int. Ctr f/Non-Violent Lvg	Shelter	Fairbanks	Emergency Shelter	31	15
Presbyterian Church	Hospitality Hse	Fairbanks	Emergency Shelter	0	5
Tanana Chiefs Conf.	Crisis Respite	Fairbanks	Emergency Shelter	0	7
Yukon Flats Care Ctr	Crisis Respite	Fairbanks	Emergency Shelter	0	1
Homer CMH	Crisis Respite	Homer	Emergency Shelter	0	1
Homer CMH	Transitional	Homer	Transitional Housing	4	0
S. Pen. Wmn's Svcs	Safe Homes	Homer	Emergency Shelter	7	3
A.W.A.R.E. (Juneau)	Shelter	Juneau	Emergency Shelter	33	15
Gastineau Human Svcs	Taku Manor	Juneau	Transitional Housing	8	0
Jun. Coop. Christian Ministry	The Glory Hole	Juneau	Emergency Shelter	0	42
Juneau Alliance f/Mntl Hlth	Crisis Respite	Juneau	Emergency Shelter	0	10
Juneau Alliance f/Mntl Hlth	Transitional	Juneau	Transitional Housing	0	8
Juneau Youth Svcs	Shelter	Juneau	Emergency Shelter	0	6
St. Vincent DePaul	Family TLC	Juneau	Transitional Housing	20	40
Kenai Red Cross	Shelter	Kenai	Emergency Shelter	0	0
Salvation Army/LOVE Inc.	Shelter	Kenai	Emergency Shelter	0	0
Ken. Pen. Counsel. Svcs	Crisis Respite	Kenai/Soldotna	Emergency Shelter	0	6
Ken. Pen. Counsel. Svcs	Hillcrest House	Kenai/Soldotna	Transitional Housing	0	6
Kenai-Soldotna WRCC	Kenai TLC	Kenai/Soldotna	Transitional Housing	19	6
Kenai-Soldotna WRCC	Lee Shore Shltr	Kenai/Soldotna	Emergency Shelter	23	9
Ketchikan Com.f/Homeless	Park Ave. Shltr	Ketchikan	Emergency Shelter	6	30
Women in Safe Homes	Shelter	Ketchikan	Emergency Shelter	20	5
Catholic Soc Svcs	Bro. Francis Shltr	Kodiak	Emergency Shelter	0	40
Kodiak WRCC	Shelter	Kodiak	Emergency Shelter	8	2
Bering Sea Women's Svcs	Shelter	Nome	Emergency Shelter	10	2
Manilaq Counsel. Svcs	Shelter	Nome	Emergency Shelter	5	6
Kid's Are People	Transitional	Paler	Transitional Housing	0	5
AK Family Resource Ctr	Shelter	Palmer	Emergency Shelter	14	6
AK Family Resource Ctr	Transitional	Palmer	Transitional Housing	0	14
Kid's Are People.	Saxton Shelter	Palmer	Emergency Shelter	0	8
Seaview Com Svcs	Transitional	Seward	Transitional Housing	0	9
Sitka Prev. & Addict. Treat.	Aurora's Watch	Sitka	Transitional Housing	0	8
Sitkans Agnst Family Viol.	Shelter	Sitka	Emergency Shelter	16	2
Kenai Ind. Lvg Ctr	Crisis Respite	Soldotna	Emergency Shelter	0	1
Unalaskans S.A.F.V.	Shelter	Unalaska	Emergency Shelter	7	2
Advocts f/Vctms of Violence	Shelter	Valdez	Emergency Shelter	8	2
Behav. Hlth/ Mat-Su	Bev's Place	Wasilla	Transitional Housing	0	6
Behav. Hlth/ Mat-Su	New Directions	Wasilla	Transitional Housing	16	4
Total				354	455

Inventory of Special Needs Housing Resources

State of Alaska (Excluding Anchorage)

	Section 202/811 Units	Assisted Living & Group Home Facility Slots	Crisis and Emergency Respite Slots	Intermediate Drug Treatment Facilities	Permanent Housing	Public Housing and Section 8 Units For People With Disabilities	Transitional Housing Units
Anaktuvuk Pass	5	0	0	0	0	0	0
Angoon	0	0	0	0	6	0	0
Barrow	0	0	13	1	37	5	12
Bethel	23	26	7	1	48	9	6
Copper Center	0	0	0	0	12	0	0
Cordova	0	0	0	0	22	8	0
Craig	0	2	0	0	9	0	0
Dillingham	0	4	6	1	15	0	0
Fairbanks	42	0	5	5	96	224	16
Gulkana	0	0	0	0	8	0	0
Haines	0	0	0	0	12	0	0
Homer	0	0	0	0	9	53	0
Hoonah	0	0	0	0	12	0	0
Houston	10	3	0	0	0	0	0
Hydaburg	0	0	0	0	12	0	0
Juneau	40	1	5	1	41	186	140
Kake	0	0	0	0	12	0	0
Kaktovik	5	0	0	0	0	0	0
Kenai	24	0	2	0	24	141	0
Ketchikan	0	3	0	2	0	80	0
Klawock	0	0	0	0	10	0	0
Kodiak	55	4	0	1	15	1	0
Kodiak	0	0	0	0	0	35	0
Kotzebue	5	4	0	1	0	0	0
Metlakatla	0	0	0	0	25	0	0
Nenana	0	0	0	0	15	0	0
New Stuyahok	5	0	0	0	0	0	0
Ninilchik	0	0	0	0	10	0	0
Nome	0	0	0	1	19	3	0
North Pole	0	0	0	0	0	0	0
Nuiqsut	5	0	0	0	0	0	0
Palmer	31	9	0	0	0	0	0
Petersburg	24	0	0	0	0	9	0
Point Hope	5	0	0	0	0	0	0
Port Graham	0	0	0	0	7	0	0
Saxman	0	0	0	0	12	0	0
Seldovia	0	0	0	0	18	0	0
Seward	0	8	0	1	30	0	0
Sitka	30	0	6	3	4	21	6
Soldotna	5	4	0	0	22	0	0
St. Paul	0	0	0	0	14	0	0
Stebbins	5	0	0	0	0	0	0
Sutton	5	0	0	0	0	0	0
Unalaska	0	0	0	0	15	0	0
Valdez	0	8	0	0	0	20	0
Wainwright	5	0	0	0	0	0	0
Wasilla	19	14	5	1	0	172	42
Willow	0	4	0	0	0	0	0
Wrangell	0	0	1	0	0	20	0
Total	348	94	50	19	591	987	222

Affordable Housing Barriers

Conditions in Alaska offer challenges to developers and providers of affordable housing that exist no where 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.

- A recurring barrier to affordable housing is the gap in organizational capacity that exists between the larger regional centers and the smaller communities. A small 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. Program requirements and the various conditions attached to the funding sources are great challenges for many organizations.
- One of the continuing barriers to affordable housing concerns the availability of affordable building sites, with supporting infrastructure. This problem is more acute in some areas, than others, and over 2005-2010 period continues 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 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 governments 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. These property tax assessment policies may similarly impact the long-term viability of community land trust projects. Community land trusts have enforceable deed restrictions that impact the market value of homes developed through this model. Failure to consider these deed restrictions in the property tax assessment process will negatively impact community land trust affordable housing projects.

- The “gap” that exists between new construction costs and appraisal valuations is another barrier to affordable housing. The cost of construction is particularly high in rural areas of Alaska, making this development gap more pronounced. Escalating real estate markets are leaving some affordable housing proposals on the sidelines. Effective targeting and leveraging of affordable housing resources necessary to fill this “gap” (both for rental and homeownership developments) will be increasingly important. Construction costs have escalated by an estimated 40% between 1995 and 2004, and the HOME subsidy to “plug” the gap has been flat over the past decade. The Community Development Block Grant Program, used for some rehabilitation and emergency shelter/transitional housing project has been declining for the state of Alaska.
- On-going operating expenses (property taxes, insurance and utilities) and escalating maintenance and repair expenses are stretching many affordable housing sponsors to the limit. Many are operating on already thin margins, restricted reserves and cash flows are insufficient to meet the challenges. Business planning and strategic planning for organizational sustainability will be critical issues over the next five years.

Alaska’s Fair Housing Plan

The State of Alaska strongly supports efforts to promote fair housing choice, and will continue to work 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 Alaska State Commission on Human Rights is responsible for the enforcement of this law. In this 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.

Throughout FY 2004 (July 1, 2003 through June 30, 2004), the State of Alaska worked to update its Analysis of Impediments (AI) to Fair Housing Choice. Comments on the state’s Fair Housing Plan were received in conjunction with the development of the Fiscal Year 2004 Annual Action Plan of Alaska’s HCD Plan. Throughout 2003, Fair Housing planning activities reviewed the current impediments to fair housing, and assessed public and private housing conditions that impact fair housing choice. HMDA mortgage data, state and federal fair housing cases were reviewed. Various administrative policies, procedures and practices in the housing industry were also examined. In July and August of 2003, a statewide Fair Housing survey was conducted by Dittman Research for Alaska Housing Finance Corporation. A draft AI was released for a 60 day public comment period on November 5, 2003, for a sixty day public comment period. A public hearing was conducted on the draft AI on November 20, 2003. The State has identified the following impediments to fair housing choice:

1. Lack of understanding of what types of discrimination are covered by Fair Housing laws is an impediment to fair housing choice.

The results of AHFC's Summer 2003 Fair Housing Survey showed that majorities of respondents in all surveyed groups mentioned that discrimination based on ethnicity or national origin is illegal. The understanding of other types of discrimination covered by fair housing laws was lacking for many participating in AHFC's survey. This Fair Housing knowledge gap is a factor in several of the other identified impediments to fair housing choice. Fair housing education has not been available on a consistent and widespread basis. Some professional groups offer fair housing classes as part of the educational requirements for their licensing. Outside of HUD sponsored Fair Housing month events in April, very little on-going fair housing education has been available in Alaska.

2. Low awareness of available fair housing enforcement mechanisms, and the lack of fair housing advocacy organizations, are identified as impediments.

Until the fall of 2002, no federal fair housing staff was stationed in Alaska. All complaints and cases were filed with HUD's Seattle Fair Housing Office. From the results of AHFC's 2003 Fair Housing Survey, there is no universally recognized contact for fair housing complaints. No Alaska based fair housing advocacy organization has broad based activities covering all protected classes. To date, the lack of substantial equivalency between state and federal fair housing law has restricted the availability of federal fair housing funding for potential Alaska fair housing groups. Education and outreach efforts concerning local, state and federal fair housing enforcement is ad hoc and sporadic. A low level of awareness of fair housing enforcement mechanisms exists among many individuals involved in the day to day functions of the housing industry. Among members of the general public, this awareness is likely at an even lower level.

3. Disabled Alaskans have limited housing opportunities because of financial barriers and the lack of accessible and appropriate housing stock.

The lack of housing stock that is both affordable and accessible continues to be an impediment to fair housing choice. Some areas of the housing industry appear to be unaware that persons with a disability are a protected class under the fair housing laws. Disabled Alaskans generally have low income. A 1998 survey of Alaska Mental Health Beneficiaries revealed that only 30-35 percent of adults with mental illness or developmental disabilities were employed. Those who were employed usually worked in low paying or part-time jobs. Almost two-thirds of all respondents in this survey reported a household income below \$20,000, and only 19% reported an income over \$40,000. In April of 2003, a statewide Disability Summit was held in Juneau, Alaska, with representatives of the State Independent Living Council, state agencies and disability advocacy groups. This Summit strongly emphasized the need for additional affordable housing programs appropriate to the unique needs of people with disabilities including supportive housing, transitional housing and permanent housing. The need for additional resources and training for home accessibility

modifications was also stressed. A follow-up Disability Summit was held in November of 2004 in Anchorage, and the priorities above were reaffirmed.

4. Various administrative policies, procedures and practices are impediments to fair housing choice for members of protected classes.

Many individuals and organizations active in various aspects of the housing industry do not perceive fair housing discrimination to be a significant problem. AHFC's 2003 Fair Housing Survey showed that 5% or less of the realtors, mortgage lenders and builders surveyed believed that fair housing discrimination was a problem. Of the renters surveyed, 12% believed that fair discrimination was a problem, while 10% of the property managers surveyed thought so. Non-profit and agency providers reported the highest level of perceived fair housing discrimination, with 40% of those surveyed believing it to be a problem. Fair housing education has not been a high priority for many involved in the housing industry. Aside from technical compliance with the various requirements associated with federally funded housing (504 compliance, statements and certifications affirmatively furthering fair housing, fair housing logos and non-discrimination statements in advertising, etc.) fair housing issues are not at the forefront in the day to day operations of the housing industry. As a consequence, administrative policies, procedures and practices are rarely examined for potential impediments to fair housing choice.

The area of reasonable accommodation for persons with disabilities is one specific area negatively impacted by this organizational and institutional inertia. Some level of awareness exists in the area of reasonable accommodation for persons with observable physical disabilities. Ignorance, inconsistency and confusion characterize reasonable accommodations for persons with disabilities that are not easily observable.

The very active Alaska real estate market of the past ten years has been fast paced, and sometimes difficult to access for those who do not understand how the system works. Anecdotal information suggests that Native Alaskans moving from small rural areas into larger urban centers are at a disadvantage when competing with competing with other tenants and prospective homebuyers for limited, affordable housing stock. Tribally designated housing entities in some of the larger Alaskan communities have successfully designed and administered programs to help bridge this gap.

In general, low awareness of fair housing laws, lack of understanding of the fair enforcement mechanisms available, and a sense that fair housing discrimination is not a serious problem contribute to a passive acceptance of the status quo.

5. Members of protected classes continue to be disproportionately represented in Alaska's homeless population.

Point in time homeless surveys conducted by Alaska Housing Finance Corporation show that Alaska's homeless population continues have a high percentage of persons

who are in a protected class. In AHFC's January 2003 Homeless Service Provider's Survey, African-American individuals and families represented 9% of the homeless reported compared to 4% for Alaska's population. Alaska Native/American Indian individuals and families represent 39% of the homeless reported compared to 17% of Alaska's population. Thirty percent of the homeless reported having a disability. The most prevalent disability was mental illness, with 18% of the reported homeless having one.

6. The general lack of affordable and appropriate housing is an impediment to fair housing choice for members of protected classes.

One conclusion of AHFC's 2003 Fair Housing survey was that fair housing discrimination was not seen as a significant barrier to obtaining affordable housing. By a wide margin, the major barriers were reported to be the high costs and rents associated with existing housing and a general shortage of appropriate affordable housing stock. One specific example concerns larger households. A significant percentage of the individuals assisted by agency and non-profit service providers surveyed were members of protected classes. Forty-two percent of these agencies reported that large families were the hardest to place, with a shortage of appropriate housing stock with 3 or more bedrooms being the reason.

In 2001 and 2002, the Alaska State Commission for Human Rights, with the assistance of HUD grant funds, conducted Fair Housing workshops throughout Alaska. This "Fair Housing Education and Outreach in Alaska" project was the first statewide fair housing outreach in nearly a decade. In the smaller rural communities in which the workshops were delivered, a major theme was the fact that the general lack of affordable housing greatly overshadowed any specific fair housing issues.

Contributing to the lack of affordable and appropriate housing is an "information gap". This lack of information continues to hinder the ability of individuals in protected classes and organizations serving them to access available housing resources. Housing related resources are provided by a variety of entities, both private and public. A multitude of programs offer rental assistance, down-payment and closing cost assistance, mortgage lending products, and targeted rehabilitation (including accessibility modifications) and weatherization assistance. Individuals in protected classes and the organizations serving them are often overwhelmed by the array of options, and unsure as to which housing resources may be available and most appropriate to their particular situation.

The availability of developed building sites, with associated infrastructure, is a key precursor for the development of affordable housing. In Alaska, land use regulation has from time to time in the past raised fair housing issues as these decisions impacted members of protected classes. No current fair housing violations have been identified in the area of land use regulation and zoning. This, however, is an area that requires on-going monitoring. With the low level of awareness of fair housing law, and the perceived lack of fair housing problems in the state, a low priority has been given to this area. Local planning and zoning officials could out of ignorance make

decisions that have the effect of limiting the affordable housing options for members of protected classes.

Limited English Proficiency

As part of the process to develop the State of Alaska's new five-year Consolidated Housing and Community Development Plan, an assessment was done of limited English Proficiency (LEP) individuals and households in areas covered by this Plan. Persons who do not speak English as their primary language and who have a limited ability to read, write speak or understand English can be LEP. They are entitled to language assistance with respect to a particular type of service, benefit, or encounter. In the Federal Register dated December 19, 2003, HUD issued "Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons." This guidance gave examples of populations likely to include LEP persons who are encountered and/or served by HUD recipients and should be considered when planning language services. These populations include, but are not limited to:

- Persons who are seeking housing assistance from a public housing agency or assisted housing providers or are currently tenants in such housing;
- Persons seeking assistance from a state or local government for a rehabilitation grant for their home;
- Persons who are attempting to file a housing discrimination complaint with a local Fair Housing Assistance program grantee;
- Persons who are seeking supportive services to become first-time homebuyers;
- Persons seeking housing related social services, training, or any other assistance from HUD recipients; and
- Parents and family members of the above.

The four factors described in this December 2003 guidance were used to assess current LEP practices and procedures, and provide a foundation for better addressing LEP obligations. The four factors are:

1. The number or proportion of LEP persons served or encountered in the eligible service population.
2. The frequency with which LEP individuals come into contact with the program.
3. The nature and importance of the program, activity or service provided by the program.
4. The resources available to the recipient and cost.

A review was done of the Census 2000 Summary File 4 (SF-4)—PCT42—Household Language by Linguistic Isolation. This review looked at all areas of Alaska outside of Anchorage, and examined linguistic isolation by racial or ethnic grouping. Several areas were identified as requiring additional analysis, and improvements in data collection including the frequency with which LEP individuals coming into contact with the covered programs. During FY 2006, a survey will be done of non-profit organizations administering AHFC's HOME funded housing development, rehabilitation and homeownership down-payment assistance programs. After the completion of this survey,

updates will be made to LEP policies and procedures. Future Annual Action Plans will report on LEP progress.

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 providing financial resources to communities for:

- Key public facilities such as community centers, health clinics, shelters, senior centers, 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

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 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.

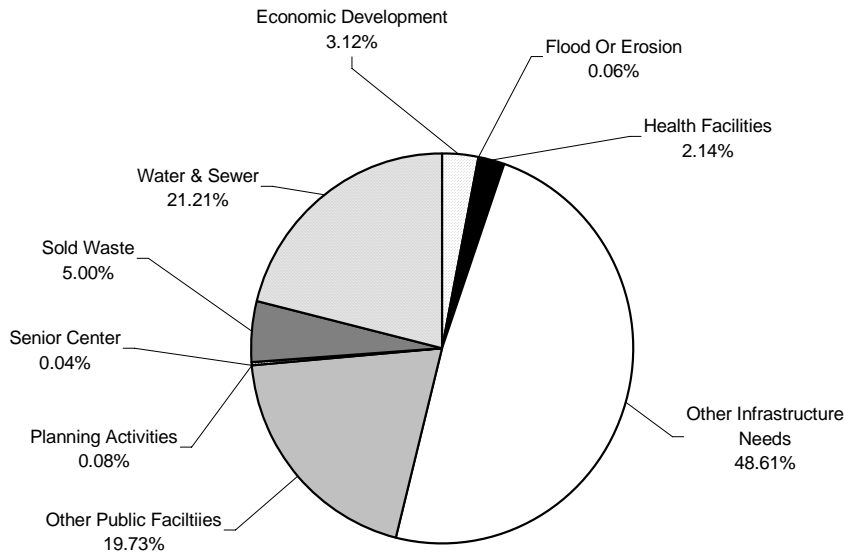
The following table and graph is based upon data from Alaska Department of Commerce Community and Economic Development. The Department maintains the Rural Alaska Project Identification and Delivery System (RAPIDS) database. Projects in **237 communities located in “rural” Alaska (essentially those communities not on the road system).**

RAPIDS Data Base - Non-Housing Community Development Needs

State of Alaska

January 2000

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
Sold Waste	120	\$59,291,894
Water & Sewer	327	\$251,363,899
Total	2634	\$1,184,986,351



The Five Year Strategic Plan

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 identified below direct program resources governed by the HCD Plan. The 2006-2010 HCD guiding principles are:

- 1) **The use of federal housing and community development program funds should be used in the most effective manner possible to 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 and facilities.**
- 3) **Weatherization and rehabilitation activities should be increasingly emphasized to protect and improve existing housing supply.**
- 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 accessibility features and appropriate supportive services.**
- 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 the Consolidated Plan. The allocation criteria of several competitive programs have a priority that awards points to projects located in small communities, as defined by AHFC. A small community is a community of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks. Or, a community of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, “connected by road” does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

Basis for Assigning Priorities

Alaska’s wide range of housing and community development conditions makes the use of guiding principles the most practical and effective approach of targeting scarce HCD resources. The eight guiding principles were developed from HCD public hearing over the past five years, and an analysis of the Annual Performance reports for state fiscal years 2001, 2002, 2003 and 2004. Data gathered in the development of this five year plan support the eight guiding principles 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, add 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 2006 Annual Action Plan is being developed concurrently with the development of this five-year Consolidated Plan (FY 2006-2010). The FY 2006 Annual Action Plan will cover the period July 1, 2005 through June 30, 2006. The specific formula program activities under the HOME Investment Partnership Program, the Community Development Block Grant Program, and 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 the Consolidated Plan will determine the specific priorities for the 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 funding levels remain comparable to the levels of the past five years, the following accomplishments are anticipated during the FY 2006-2010 period:

- Approximately 150 owner-occupied homes will be rehabilitated using HOME funds meeting the HUD objective of providing decent housing with improved availability. 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 Home Opportunity Program (HOP). This program meets the HUD objective of providing decent housing with improved affordability and availability.
- The Community Development Block Grant (CDBG) Program will fund an estimated 70 projects that will provide a substantial or direct benefit to low and moderate income Alaskans. This projection is subject to the CDBG annual funding of approximately \$3 million annually, and retaining its current program structure and regulations. The projects range in type but all serve low to moderate income persons and address the objectives of creating suitable living environments (enhancing availability and accessibility), creating decent housing (with improved or new sustainability) as well as enhancing a suitable living environment (with improved accessibility and improved or new sustainability).
- The Emergency Shelter Grant (ESG) program will, on an annual basis, fund four to six critically needed emergency shelter grant programs across the state. These programs address the HUD objective of creating or enhancing a suitable living environment through improved accessibility.
- HOME funding will be used to leverage other resources for affordable rental development. An anticipated 175 rental units in 10 projects will be funded

through the HOME program. An estimated 140 units will be set aside for households at or below 60% of median income. Of that set-aside total, an estimated 85 will benefit households at or below 50% of median income and will meet the objective of providing decent housing with improved affordability.

- Technical assistance will be provided to improve the housing delivery system in the state. Organizational sustainability and effectiveness will be the primary goals over the next five years. Business and strategic planning technical assistance will be provided to five of Alaska's currently certified CHDOs over the next five years. Ten housing training events will be delivered 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 400 units will be developed (non metropolitan Alaska) during the next five years. Seventy five per cent of these units will be set-aside for households at or below 60% of median family income and will meet the objective of providing decent housing with improved affordability.

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.

On page 18, a table details estimated housing assistance needs of low and moderate income households. More than 5800 renter households earning less than 50% of median family income experience a housing cost burden of more than 50% of their household income. More than 3700 homeowners earning less than 50% of median family income pay more than 50% of their household's income in housing expenses. The highest

percentage level of housing cost burden is experienced by small related homeowner households of very low income (0 to 30% MFI). Sixty- two percent of these households are paying more than 50% of their income for housing. The following Priority Needs Matrix for Housing and Priority Housing Needs Summary Table will help shape annual program funding allocations.

**Priority Needs Matrix For Housing
State of Alaska (Excluding Anchorage)
2005 - 2010**

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	3,125	\$309,375,000 (at \$99K/unit)
		Cost Burden > 50%	High	High	Medium		
		Substandard	High	High	Medium		
		Overcrowded	Medium	Medium	Low		
	Large Related	Cost Burden > 30%	High	Low	Low	1,180	\$142,719,500 (at \$121K/unit)
		Cost Burden > 50%	High	Medium	Low		
		Substandard	High	High	Medium		
		Overcrowded	Medium	Medium	Low		
	Elderly	Cost Burden > 30%	High	Medium	Low	885	\$116,754,000 (at \$132K/unit)
		Cost Burden > 50%	High	High	Medium		
		Substandard	High	High	Medium		
		Overcrowded	Medium	Medium	Low		
	All Other	Cost Burden > 30%	Medium	Medium	Low	2,936	\$322,905,000 (at \$110K/unit)
		Cost Burden > 50%	High	Medium	Low		
		Substandard	High	High	Medium		
		Overcrowded	Medium	Medium	Low		
Owner	Cost Burden > 30%	Medium	Medium	Low	2,834	\$730,038,400 See Notes*	
	Cost Burden > 50%	High	Medium	Medium			
	Substandard	High	High	Medium			
	Overcrowded	Medium	Medium	Low			

Notes:

1. Calculations took highest percentage need category and assumed half needed immediate repair/replacement
2. Units cost taken from 2000-2005 HCD Plan and adjusted upward 10% for inflation.
3. Estimate of owner cost, assumes 67% of units are average priced, 17% at \$220,000, 17% at \$280,000

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 2010. The existing housing cost burden table (page 18) detailed the situation in the year 2004. The Priority Housing Needs Matrix and the following Priority Housing Needs Summary Table were based upon all of these sources of input.

PRIORITY HOUSING NEEDS Summary Table (Households) Alaska (Excluding Anchorage) FY 2006-2010		Priority Need Level High, Medium, Low		Unmet Need	Goals
Renter	Small Related	0-30%	H	2410	49
		31-50%	M	2230	62
		51-80%	M	1795	74
	Large Related	0-30%	H	775	12
		31-50%	M	835	22
		51-80%	L	840	33
	Elderly	0-30%	H	940	91
		31-50%	H	615	60
		51-80%	M	240	27
	All Other	0-30%	H	3195	55
		31-50%	M	2240	51
		51-80%	L	1575	65
	Owner	0-30%	H	8555	988 80 (*)
		31-50%	H	6925	1020 90 (*)
		51-80%	M	7535	296 85 (*)

Special Needs	0-80%	H	2330	60
Total Goals				2965
				916 (*)
Total 215 Goals				2410
				572 (*)
Total 215 Renter Goals				402
Total 215 Owner Goals				2008
				170 (*)

(*) These figures reflect what Alaska Housing now feels is a more appropriate report of HOME or CDBG funded activities given the outcome performance measurement system. The original figures reflected corporate wide programs (including programs not HUD or HOME funded). While these programs may also serve low to moderate income persons, in the final analysis it is not an accurate representation of the progress being made solely due to the HUD funded programs.

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

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

Meeting the objectives of suitable living environment and decent housing with improved availability or accessibility, improved or new affordability and improved or new sustainability, the following accomplishments are anticipated under this five-year strategy:

- 175 new HOME funded affordable rental units developed, benefiting 140 households at or below 60% of median family income. This development lends itself to the HUD objective of decent housing with the outcomes of improved or new availability and affordability.
- 100 new lower income households will attain homeownership through HOME funded initiatives. This activity lends itself to the HUD objective of decent housing with the outcomes of availability and affordability.
- 150 housing existing units will benefit from HOME funded rehabilitation and weatherization activities. This activity lends itself to the objective of a suitable living environment or decent housing with the outcomes of improved accessibility and new or improved sustainability.
- 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 400 units will be developed (non metropolitan Alaska) during the next five years. Seventy five per cent of these units will be set-aside for households at or below 60% of median family income. These developments will address the HUD objectives of suitable living environments and decent housing with the outcomes of improved or new availability and affordability.

Homelessness

Homelessness---Priority Needs

Allocation of homeless resources covered by this Consolidated Plan should be consistent with community based strategies addressing homelessness. A critical priority need is to ensure there is a complete and appropriate delivery system available to homeless Alaskans in any part of the state. This delivery system must include both housing assistance and appropriate services. Another key priority is homeless prevention. The following 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 Homeless
 State of Alaska (excluding Anchorage)
 2006-2010

Priority Homeless Needs	Priority Need Level (High, Medium, Low, No Such Need)		
	Families	Individuals	Persons w/Special Needs
Assessment/Outreach	Medium	Medium	Medium
Emergency Shelter	High	High	Medium
Transitional Housing	High	Low	Low
Permanent Supportive Housing	Medium	Medium	High
Permanent Housing	High	High	High

Assessment and outreach is an important medium priority for families, individuals

Homelessness---Basis for Assigning Priorities

The public process leading to the development of this Consolidated Plan has provided the basis for assigning priorities. Input was received from the Alaska Coalition on Housing and Homelessness, and from the development of the Alaska Continuum of Care in 2001, 2003, 2003 and 2004, and the Alaska Interagency Council on the Homeless plan.

Homelessness---Obstacles to Meeting Under-served Needs

Within each of Alaska’s geographic areas, there remains missing at least one major component of a homeless continuum of care. For example, although the Mat-Su Borough is the fastest growing part of the state, only victims of domestic violence, runaway youth

or persons with mental illness are likely to find emergency or transitional housing. There are no shelters available for the general homeless.

By far, the greatest obstacle to reducing homelessness is the gap between income and housing costs. Without access to a project-based or tenant-based form of housing assistance, the prospects for overcoming a housing crisis remain bleak for those at or below 50% of median income. Since most all forms of housing subsidy currently come from Federal sources, any funding cuts enacted by Congress are certain to compromise the financial stability of the affordable housing resources already developed and exacerbate Alaska's homelessness problem.

Homelessness---Priorities and Specific Objectives

Affordable Housing

- Minimize community displacement due to lack of safe and affordable housing.
- Commitment to “housing first” – rapid placement into permanent housing with adequate support services to foster housing stability
- Maximize use of “mainstream” resources to reduce dependency on time-limited grants

Institutional Services Discharge

- Development of appropriate housing for persons transitioning from state custody.

Homeless Prevention/Housing Retention

- Commitment to prevention of homelessness through education, advocacy and short-term assistance
- Development of expanded economic activities sufficient to maintain permanent housing.
- Statewide expansion of the homeless data collection systems.

Homelessness---Anticipated Accomplishments

- Expanded interagency cooperation to address homelessness
- Conversion to a “live” automated system for tracking homelessness (HMIS)
- Increased number of interventions to prevent homelessness
- Fewer institutional discharges to homelessness
- An estimated four to six Emergency Shelter Grant (ESG) awards will be made each year to assist emergency shelter programs with operating assistance. The ESG program will continue to play a critical role in addressing the emergency shelter and transitional housing needs of homeless persons.

Other Special Needs

Other Special Needs---General Priorities

Affordable housing opportunities should be made 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 package can be structured to make homeownership affordable and sustainable over the long term.

The incorporation of appropriate supportive services and accessibility features 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 program. This is true on both the federal and state levels. A continuing priority over the next five years will be the use of “mainstream” assistance programs for both housing and supportive services. These programs include the Section 8 Housing Choice Vouchers, HOME Investment Partnerships, Low Income Housing Tax Credits, and the Medicaid program (including Medicaid Waivers and Personal Care Attendants). Other important funding sources for special needs housing over the next five years will include the Alaska Mental Health Trust Authority, the Denali Commission, and projects funded through Alaska Housing Finance Corporation’s capital budget. The allocation process governing the distribution of HOME and Low Income Housing Tax Credit 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 source 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 and Workforce Development, the U.S. Census, 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 the 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 action plans. Public input is sought and received at all stages of the HCD process. The data gathered in the development of this five year plan also examined projected population, household and income growth to the year 2010.

Other Special Needs---Obstacles to Meeting Under-Served Needs

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

- Funding resources to address the priorities of Alaskans with special needs continues to be fragmented and disjointed. Coordination between some of the funding sources has improved over the past five years. Sometimes, however, coordination is under-developed and at cross-purposes.
- Informational reporting systems on many of these populations continue to be inadequate and generally not accessible.
- Most service providers have inadequate capacity to plan and execute housing development projects.
- The cost of special needs housing projects is another obstacle, both in terms of the development costs and the long-term operational expenses. Integration of the service component with the housing development has been an obstacle in supportive housing programs.
- Financial pressures upon the Housing Choice Voucher program have created a large amount of uncertainty about the extent this resource may be relied upon to meet the housing needs of Alaskans with special needs.

Other Special Needs---Priorities and Specific Objectives

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

- The Housing Choice Voucher program is the single most important housing assistance program for persons with special needs. Maintaining access to the Voucher program for Alaskans with special needs is a high priority of this Consolidated Housing and Community Development Plan.
- 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.
- The allocation of HOME Investment Partnership and Low-Income Housing Tax credits 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 effective ways of providing affordable housing opportunities for Alaskans with special needs.
- The Alaska Mental Trust Authority (AMHTA) will support an initiative to develop a "rent subsidy bridge program" for people with a severe mental illness being discharged from corrections or the Alaska Psychiatric Institute.

- Other initiatives supported by the Alaska Mental Health Trust Authority will include housing retention support services, down payment assistance, emergency housing assistance, Oxford House, and home modification and design.

Other Special Needs---Anticipated Accomplishments

- Production of 30 units of housing for persons with mental illness (all funding sources---AMHTA, HUD 811, HOME Investment Partnerships, other).
- Subject to legislative appropriations, provide matching funds to leverage additional special needs housing resources.
- The state supports the expansion of the “Oxford House” model (a self-help group home for persons in recovery from drugs and alcohol) in three additional communities.

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 incomes 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 Commerce, 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 (2001-2005), 14 applications at an average of \$248,400 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.)---**8 per year.**
- **Health facilities**---**2 to 3 per year.**
- **Water and sewer improvements**---**1 per year.**
- **Other infrastructure needs** (including dock & harbor improvements, electrical upgrades, and road improvements)---**2 per year.**
- **Economic development activities**---**1 per year.**
- **Planning activities**---**1 per year.**
- **Parks and recreational facilities**---**0 per year.**
- **Solid waste disposal improvements**---**1 per year.**
- **Flood or erosion control**--**0 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. Generally these projects will address the objective of creating a suitable living environment and the outcome of enhancing availability and accessibility.

Barriers to Affordable Housing

Alaska's barriers to affordable housing are similar to those of other states, but are exaggerated by social, economic and geographic conditions. Increasing total development costs (TDCs) of affordable housing projects, coupled with flat or declining amounts of housing subsidy over the next five years, point to fewer units of affordable housing being developed, rehabilitated, or made available through rental subsidies. Increasing housing needs, and the lack of economic resources to address the "development gap" will result in a number of outcomes. In some cases, the housing "shock absorber" will be an increase in household size, and overcrowding situations.

Other households will be forced to stay in housing of a substandard quality. Some households and individuals will leave their communities to find better housing and economic opportunities. Demographic information for the 2000-2004 period indicate this last trend is underway.

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.

The on going operation, management and maintenance of affordable housing projects has been negatively impacted by a number of factors. Increasing energy costs, rising insurance premiums, and increasing property tax assessment threaten an already fragile bottom line for many affordable housing projects. Organizations responsible for the operation and management of these projects have their own "sustainability challenges". Many non-profit housing organizations have small staffs, small reserves and limited free cash flow. The State will provide technical assistance to assist these organizations in the areas of strategic planning, business planning, asset management, and energy efficient construction techniques to enhance long term project viability.

Lead-Based Paint Hazards

The 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 Department of Epidemiology to monitor the blood lead levels in tested Alaskan children.

All covered projects 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 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 homeowners 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 is an important step in reducing health related problems involving lead poisoning.

Anti-Poverty Strategy

According to U.S. Census data, during the 1990s, the number of Alaskans living in poverty increased from 9.0% to 9.4% of the total population. In areas of Alaska outside of Anchorage, the increase was even more dramatic, with the poverty rate increasing from 10.3% to 10.9% between 1990 and 2000. Seventeen of Alaska's 28 census areas experienced an increase in the poverty rate, with sixteen of these areas experiencing a decrease in labor force participation rates over the 1990-2000 period. Household income growth for the period for all Alaskans was weak, particularly considering the increase in Permanent Fund Dividends (PFDs) from \$952.62 in 1990 to \$1963.83 in 2000. The PFD has steadily declined over the past four years, with \$919.84 being paid in 2004. Over the past 23 years, permanent fund dividends have become an important component of Alaskan's total household income. Conclusive data is not available, but declining PFDs may have the impact of forcing more Alaskans into poverty in the 2000-2004 period.

Alaska's primary anti-poverty strategy is the expansion of economic opportunities and job creation, and providing workforce development programs that enable Alaskans to take advantage of those opportunities. In the February 2005 issue of Alaska Economic Trends, Governor Frank Murkowski stated:

“My administration has adopted the theme “Jobs Are Alaska's Future” to demonstrate our commitment to putting current and future Alaskans to work. The phrase encourages Alaska hire and it is more than a slogan. It reflects a direct link between the population growth forecasts in *Trends* and my administration's commitment to good jobs for Alaskans through resource, energy and economic development. Throughout my administration, we are encouraging out-of-the-box thinking to stimulate resource development which, in turn, will create job opportunities for Alaskans. There are many exciting and realistic developments on the horizon. First and foremost is a project dominating Alaska's news headlines: the natural gas pipeline connecting the North Slope with Alaska and U.S. consumers and markets. “

The Alaska Workforce Investment Board (AWIB) provides policy oversight of state and federally funded job training and vocational education programs. Board members, a majority of whom are business and industry leaders, look at employment trends and emerging occupations to ensure training is customized and Alaskans are prepared for high demand, good wage jobs. Because of their oversight, public and private educators and training providers connect with employers to ensure the right people are being trained for the right jobs. The vision for the (AWIB) is “building connections that put Alaskans into good jobs.” This comprehensive vision keeps the board focused on developing a workforce system that is useful, accessible and understandable to all of the system’s customers. Today’s customers include businesses looking for qualified workers, unemployed Alaskans looking for jobs and incumbent workers wanting to upgrade their skills in a changing work environment. Some of the key strategies the AWIB will use include:

- Focusing training resources on industry gaps;
- Increasing local business involvement in identifying local needs;
- Coordinate economic and workforce development through regional councils;
- Create a clearinghouse of workforce information;
- Develop strong partnerships with rural and native communities and;
- Improve workforce system performance.

The AWIB goal is to promote an economic future that will result in healthy communities, a strong workforce, and a growing economy.

Institutional Structure

Over the next five years, a variety of public and private agencies and organizations will be involved in activities that further the goals of the Consolidated Housing and Community Development (HCD) Plan. *Section V. Market Analysis of Housing Supply* describes Alaska’s housing delivery system. The non-housing community development plan relies upon local governments of non-metropolitan Alaska for its implementation. The financial stability of these local governments will impact their ability to effectively participate in HCD Plan activities. The Alaska Municipal League conducted a 2004 Survey of Municipal Fiscal Conditions. This survey was administered between February 22, 2004 and March 13, 2004, with 76 responses from municipalities. The following concerns were identified:

- Nearly half of the rural municipalities surveyed responded that they do not have the financial resources necessary to provide minimum public services or continue as a city or borough.
- Accelerating state budget cuts are overburdening both urban and rural local tax structures.
- State cuts on top of serious local economic downturns in 75% of the municipalities surveyed have a severe dampening effect on the local economic recovery.
- Rural problems hurt urban economies, with up to one third of Alaska’s urban economies fueled by commerce with rural Alaska.

Local governments have been cutting back in services and reducing workforces in many areas. Asking them to administer new programs and develop new projects (with the accompanying oversight responsibilities, rules, regulations and reporting requirements) will be a great challenge. Municipalities with inadequate staffing capacity and capability will be at an extreme disadvantage in accessing housing and community development resources.

Since the development of the last five year Consolidated Plan (FY 2001-2005), a new significant institutional player has become active in Alaska's housing and community development environment. The following section outlines the general purposes and priorities of the Denali Commission.

Denali Commission

The Denali Commission Act of 1998 states the purpose of the Denali Commission as follows:

- To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead cost.
- To provide job training and other economic development services in rural communities, particularly distressed communities.
- To promote rural development, provide power generation and transmission facilities, modern communications systems, bulk fuel storage tanks, water and sewer systems and other infrastructure needs.

With annual funding of approximately \$100 million per year, the Denali Commission has a significant impact on housing and community development activities in Alaska. The Federal Fiscal Year 2005 Omnibus Appropriation bill included two housing components for the Commission, including \$10 million to address the problem in remote villages where there is limited housing available for teachers. Another \$20 million was received to provide for facilities serving Native elders and seniors citizens as well as residential and supportive housing for elders.

In April 2004, the Denali Commission adopted an Investment Policy, after releasing a draft policy and receiving public input. The Commission will promote investment in infrastructure where the promise of sustainability (both for facilities and services) can reasonably be demonstrated both now and in the future. Proposed factors that will influence investment decisions include size of community and population trends; imminent environmental threats; proximity and access to existing services and/or facilities; per capita investment; units cost; good faith; priority to be placed on needs of existing communities; and the existence of borough and state-chartered local governments. Where existing facilities can be renovated or expanded to adequately meet community needs at significantly lower life cycle costs than new construction, that option will be favored. The Commission also recognizes that other regional organizations share both responsibility and capacity to contribute to sustainability. Consistency with a regionally approved plan will be a factor lending strength to investing in a particular project.

The Denali Commission has adopted a seven-year plan for the development of primary care clinics based on annual funding cycles of \$25 to \$30 million. With this sustained funding level,

the Commission should be able to build or renovate a primary care clinic in every community in Alaska that wants such a facility, and can demonstrate that the clinic and the services are sustainable for 30 years. The Commission's investment in rural health facilities is based on a needs assessment completed in October 2000. This assessment included a database of rural primary care facility needs statewide, as well as a project prioritization methodology. At the time of developing this Five Year Consolidated Housing and Community Development Plan (February 2005), the Denali Commission is in year three of this primary health care facility plan. The goal is to discontinue funding in FFY 2009 for primary care facilities, except for expansions due to medical equipment upgrades and some renovations.

More information on the Denali Commission and its programs can be found at www.denali.gov

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 HCD Plan periodically reviews its membership and takes steps, if appropriate, to amend its composition to improve and enhance coordination. A number of key elements of 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 functions, 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.

On January 28, 2005, Governor Frank Murkowski signed Administrative Order Number 224:

“The purpose of this Administrative Order is to provide a framework for cooperation that enhances collaboration between the State of Alaska and the Denali Commission by providing a common definition of sustainability. Infrastructure needs in Alaska, especially in rural areas, are enormous compared to available funding. As a result, it is imperative that every dollar investment be done in a way that will maximize the sustainable long-term benefits to Alaskans.”

The Denali Commission developed an Interagency Memorandum of Understanding (MOU) outlining points of understanding that will facilitate the collaboration and coordination necessary for the achievement of the purposes of the Denali Commission and related missions of agencies who are parties to the MOU. Under the umbrella of the Interagency MOU, four major working groups have been established in the following areas---Sustainable Utilities, Housing and Infrastructure, Planning, and Insurance.

Low-Income Housing Tax Credit Use

Alaska Housing Finance Corporation (AHFC) allocates the State of Alaska's Low Income Housing Tax credits (LIHTC) 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 housing for occupancy by lower income persons and families, and senior citizens.

The State of Alaska's 2005 Qualified Allocation Plan governing the use of Alaska's LIHTC prioritizes projects that:

1. Have only the amount of subsidy necessary, over and above the amount of debt that can be supported, to make the project financially feasible (from both a developmental and operational viewpoint);
2. Leverage GOAL program funds with other funding sources, including those that qualify as "match" under 24 CFR Part 92 of the HUD regulations;
3. Will be developed by applicants/sponsors who demonstrate the greatest capability to carry out the project;
4. Address the highest need for low-income housing in the local rental market;
5. 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 household size);
6. Include larger units (i.e., greater number of bedrooms) for families;
7. Are smaller in size (i.e., number of units);
8. Are located in "rural" communities, as defined by AHFC;
9. Are located in state declared disaster areas;
10. Provide meaningful training and employment opportunities for Alaskans.

AHFC will award points in the LIHTC rating process that address these priorities.

Public Housing Resident Initiatives

Family Self Sufficiency: AHFC is limited by administrative constraints to operating the HUD authorized Family Self-Sufficiency (FSS) program in only Anchorage and Juneau. AHFC has sought ways to expand the program and in 2003 entered into a cooperative agreement with Alaska Division of Public Assistance as part of Alaska's welfare reform effort. Regrettably, in 2004 HUD rescinded the rules governing the 652 Welfare to Work vouchers that Alaska was awarded in year 2000. Though the vouchers remain in AHFC's portfolio, they no longer are targeted toward families receiving TANF.

As an alternative, the collaboration has resulted in a new initiative to expand FSS. The single greatest asset to participants is the ability to establish an interest bearing escrow account based upon increases in earned income. The AHFC/DPA agreement targets participants who receive both voucher assistance and TANF benefits. DPA provides the case management; AHFC the quality control and supervision of the escrow accounts. The result is an increase in enrollment of 118 additional families, double the previous year. The collaboration has acquired national attention as a best practice.

In FY06 AHFC is proposing to expand the collaboration to areas outside Anchorage. Early discussions involve the Kenai/Soldotna area first, followed by Fairbanks.

Safety and Education Measures: Once again, the FFY2005 HUD/VA Appropriations Act did not contain funding for the Public Housing Drug Elimination Program (PHDEP) grants. Congress encourages PHAs to support anti-drug and crime programs by authorizing all activities permissible under the public housing operating budget and the HUD Capital Fund. AHFC uses those resources as well as corporate matching funds to maintain programs that have measurable affect on youth. Examples include a grant to the Camp Fire program in Fairbanks; two grants to the Boys and Girls Clubs – one in Fairbanks and one in Juneau; an arts program in Juneau; an after-school program in Anchorage sponsored by Nine Star Inc., and another in Juneau sponsored by Southeast Regional Resource Center.

AHFC continues to maintain its Gateway Learning Center in Anchorage in cooperation with the University of Alaska, Anchorage. The center also houses the Anchorage FSS staff. Other computer labs are located in Juneau (2) and at the Loussac Manor complex in Anchorage.

AHFC also funds a scholarship program on behalf of public housing and voucher participants. Ten \$500 awards are made annually based upon competitive applications.

Services to Elderly/Disabled Families: In the public housing program AHFC continues to support service coordination programs in Anchorage, Fairbanks and Juneau. Full time social service staff is employed through contractual arrangements with not-for-profit agencies. The goal is to help elderly and disabled families remain independent.

AHFC is also a recipient of two Resident Opportunities and Self Sufficiency grants (ROSS). These grants are through HUD and pay for heavy chore services provided through private vendor on behalf of frail elderly or disabled families.

In the Housing Choice Voucher program, AHFC set aside approximately 100 vouchers statewide for persons with disabilities. Twenty four additional vouchers are reserved for families whose head, spouse or co-head receives services under the state Medicaid waiver program. In Anchorage, additional vouchers (approximately 50 total) are set aside for referrals from Southcentral Counseling and Veterans Administration.

Per federal statute, AHFC is not required to appoint a public housing resident to its own Board of Directors. However, Alaska Housing Finance Corporation supports a nine member Resident Advisory Board, which is instrumental in development of the Agency Plan. Recommendations from the Resident Advisory Board will be available when the final version of the Plan is submitted to the Board of Directors.

APPENDIX A: PUBLIC COMMENTS

Public Hearing---November 16, 2004

A statewide teleconferenced public hearing was held on November 16, 2004, to provide public input into the development of the Consolidated Housing and Community Development Plan: 2006-2010, the FY 2006 Annual Action Plan, and the Public Housing Agency Plan. 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, North Pole, Palmer, Sitka and Wasilla.

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 (2006-2010) began in August of 2004, with data collection and public input continuing through the date of this hearing. It was announced at the hearing that a second teleconferenced public hearing would be conducted on December 16, 2004, with the scheduled release for the draft HCD Plan in February 2005, with a forty-five day public comment period. This hearing also accepted comments concerning the development of the new five year public housing agency plan and annual plan.

Comment 1. The first comment was from Gordon Howell, representing the Alaska Coalition on Housing and Homelessness. Gordon spoke about the shortage of affordable housing for low and middle income families statewide, and thanked AHFC for its efforts to address housing issues in the state of Alaska. Gordon also addressed the shortage of training opportunities for persons classified as chronically homeless, and contended that "the chronic homeless population would be alleviated if they had a viable training access statewide."

State Response---Comment 1. The commenter and the Alaska Coalition on Housing and Homelessness are encouraged to offer specific input and examples of ways to make the state's workforce development programs more accessible to the chronically homeless, and participate in planning processes governing Alaska's workforce development programs. The Alaska Workforce Investment Board (AWIB) vision is "building connections that put Alaskans into good jobs."

Comment 2. The next comment was offered by Mr. Jeff Weltzin, with Borealis Community Land Trust in Fairbanks. Mr. Weltzin observed that although the CDBG

Program (Community Development Land Trust) program was a good source of community development funding, the application process is a cumbersome process that dissuades applicants from applying to the CDBG Program. The State was encouraged to make this process more user friendly.

State Response---Comment 2. A number of the “cumbersome” aspects of the CDBG program are federally mandated and related to the statutory or regulatory requirements of the program. To the extent the State has the ability to make the program more “user-friendly”, it is open to specific suggestions and recommendations.

Comment 3. Jamie Dakis offered comments from the Anchorage host site, and shared her experience as a mental health consumer and as a formerly homeless person. Jamie stressed the importance of dealing with drug and alcohol addictions, and seeking therapy for mental illness. The critical importance of educating the chronic homeless on available assistance was also stressed. In 2003, Jamie’s daughter died as a homeless person on the streets of Anchorage because of her drug addiction. After her daughter died, Jamie was living in Fairbanks. Jamie thanked Alaska Housing Finance Corporation for its assistance in getting a roof over her head, getting clean, and getting educated. Jamie now has her own business and website, and is working as an artist.

State Response---Comment 3. The State appreciates the comments of Jamie, and thanks her for sharing her courageous story of hope and possibilities for other homeless persons.

Comment 4. David Jacobson, of Access Alaska-Fairbanks, encouraged the State to look at programs that assist seniors of middle income to have access to appropriate, accessible housing options. A number of seniors are unable to maintain their own individual homes as they age, and they should be able to remain in Fairbanks and other Alaskan communities if they so choose. David also stressed the importance of offering the Section 8 voucher program in rural underserved areas of the state. Mr. Jacobson also supported the continuation of resources to assist individuals make accessibility modifications to their homes.

State Response---Comment 4. The State will continue to support programs that offer a wide range of options to Alaska’s growing senior population, from affordable independent living rentals, assisted living homes, and services that allow seniors to remain in their current homes. Several successful market driven homeownership developments have targeted middle income senior households in the Mat-Su Valley and the Kenai Peninsula. A combination of grant and loan programs offered by the State will assist in offering these senior housing options. Concerning the second comment, the Section 8 voucher program depends entirely on federal funding. No new vouchers increments have occurred over the past several years. Mr. Jacobson’s third comment concerning accessibility modification resources is appreciated, and to the extent the Alaska Legislature appropriates funding these resources will be available.

Comment 5. From Juneau, Ricardo Worl, representing Tlingit-Haida Regional Housing Authority, also supported the expansion of the Section 8 voucher program into underserved rural areas. Mr. Worl also supported an increased allocation to the Home Opportunity Program (HOP), which provides down-payment and closing cost assistance for lower income households. The maximum sale price limitations under the HOP program are also seen as an impediment to the program in Southeast Alaska. A final comment concerned the statutory prohibition against Regional Housing Authorities doing AHFC loans in urban communities.

State Response---Comment 5. As discussed in the previous comment, the Section 8 Voucher Program has seen no new funding increments for new vouchers over the past several years. The FY 2006 HOME allocation for the HOP is approximately \$1 million. The overall federal HOME allocation to the state of Alaska has remained unchanged for the past twelve years, at \$3 million. This amount must fund the HOP, owner occupied housing rehabilitation, and rental development activities. An additional increase to HOP is not possible at this time. Tlingit-Haida is encouraged to work with the Association of Alaska Housing Authorities to address the above referenced statutory prohibition against Regional Housing Authorities doing AHFC loans in urban communities.

Comment 6. Mitzi Barker, Director of Planning and Development for the Rural Alaska Community Action Project (Rural CAP) offered comments supporting the U.S.D.A. self-help housing program. U.S.D.A. provides construction and permanent financing and technical assistance grants to sponsoring organizations, which oversee the construction process. This allows low income families become homeowners and contribute their own sweat equity. One of the barriers to the implementation of this program in Alaska is the high cost of acquiring and developing land. A request was made to AHFC to extend the homeownership component of the HOME program to allow non-profit self help organizations to be eligible grantees as CHDOs now are for homeownership development.

State Response---Comment 6. The State has considered this request and will allow non-profits participating in the U.S.D.A. 523 self help program to compete for HOME funds under the GOAL program, to be used for homeownership development site acquisition.

Comment 7. Nancy Karacand offered testimony from Juneau as a representative of the Alaska Commission on Aging, was concerned that we're not gaining ground in terms of increasing the supply of accessible, affordable housing. Concerned with the Housing Choice Voucher (HCV) homeownership program and the creation of opportunities for ten families to enter homeownership is reducing by an equal number the opportunities for affordable rental housing. "If we're promoting one thing are we taking it away from another?"

State Response---Comment 7. AHFC is proposing only a modest expansion of its HCV homeownership program to a maximum of 50 over five years. The program is being promoted by HUD at the national level; however neither the President nor the Congress has included additional funding for the voucher program to offset any loss of rental vouchers to homeownership.

Comment 8. Steve Sorensen with the Juneau Housing Trust, suggested there should be a greater equity in the funding of affordable housing programs—between the monies that go to build affordable rental units and that for homeownership units. Steve also believed that the community land trust model was the best strategy to maintain long term homeownership affordability.

State Response---Comment 8. The FY 2006 HOME allocation reflects approximately \$1 million to the Home Opportunity Program, and approximately \$1.38 to the Owner-Occupied Rehabilitation Program. Decreases were made to the rental and homeownership development component of the HOME program, which will be allocated \$1.284 million.

Comment 9. Greg Pease, Gastineau Human Services Corporation, commented on the need to expand the number of Housing Choice Vouchers, and emphasized to need to deal with post-release housing when persons leave an institutional setting, referring to a “community behavioral health integration project.” Greg also discussed the importance of jobs and job training for formerly homeless persons.

State Response---Comment 9. The voucher program depends entirely on federal funding. Funding for new voucher increments has not occurred over the past several years. Housing options for persons recently released from institutional settings is a serious program under review by the Governor’s Interagency Council on Homelessness.

Comment 10. Janet Levin, Anchorage School District, commented on the fact that every Alaska school district has a homeless liaison staff. Janet was concerned about the change in AHFC substandard housing preference and its impact upon families considered homeless under the school district definition. Additional concerns were expressed about many families who move from house to house who are not considered under AHFC preference definitions because they do not reside in “overcrowded” housing. Janet also commented that the HUD and U.S. Department of Education definitions used by the two agencies are not in agreement. Another concern stated addressed the new Housing Choice Voucher funding formula and its impact on homeless families finding housing, and criticisms were raised on the length and complexity of the application for assisted housing.

State Response---Comment 10. AHFC amended its homeless preference to better coincide with the HUD definition under the McKinney-Vento Act. It also revised the substandard housing preference using the HUD definition of “overcrowded” housing as one basis. Neither definition addressed the issue brought up by the commenter; however AHFC did provide a transition period of over six months before fully enforcing the new substandard housing definition. AHFC acknowledges that the application for assisted housing is complex. Part of that is due to the database AHFC uses to support its waiting list; partly it is due to the fact that one application is used for three different programs. Editing is currently underway to improve the document.

Comment 11. Karen Rubsamén, Kenai School District, reinforced and supported the comments of Janet Levine above.

State Response---Comment 11. See response to Janet Levine above.

Comment 12. Sister Barbee Baumgartner, North Pole, commented on her work with ex-offenders and the problems associated with stable housing. Sister Barbee suggested that even persons with a housing voucher have difficulty with security deposits, utility fees and first month rent, contributing to their homelessness.

State Response---Comment 12. AHFC acknowledges the problems associated with high costs for initial lease-up of rental units. The rental assistance payment may only be used to offset the actual monthly rent.

Comment 13. Maria Tagliavento, Cook Inlet Housing Authority, thanked AHFC for its work in partnering with Cook Inlet Housing Authority that helped bring affordable housing the CIRI region. Maria supported the comments of the Juneau Land Trust above, and is looking at the community land trust as a model as a viable solution to preserving affordability. Concerns were also raised about homelessness and the challenges of rural families moving into Anchorage, and the need for housing choice vouchers to address these issues.

State Response---Comment 13. AHFC thanks Maria for her comments, and encourages Cook Inlet Housing Authority to consider the community land trust as one potential tool in its affordable housing strategy. Financial pressures on the Housing Choice Voucher program, make it all the more important that all housing partners coordinate and maximize the use of scarce resources whenever possible.

Comment 14. Richard Tubbs, Palmer Senior Center, expressed concern over the Housing Choice Voucher funding formula and its impact upon clients served by state

social service agencies.

State Response---Comment 14. HUD's insistence on converting voucher funding to a block grant is a major concern. Presently, instead of supporting the maximum of 4,081 voucher households, the budget will support less than 3,800 households at present per month subsidy rates.

Comment 15. Pat Shiflea, Alaska Community Development Corporation, offered comments in three areas. First strong support was given to AHFC's weatherization, housing rehabilitation activities, and home accessibility modification programs. Support was also given for continued use of the Community Development Block Grant Program (CDBG) for housing rehabilitation activities. Second support was given to the Home Opportunity Program homebuyer assistance. Finally, support was given to RurAL CAP's request for the support of self help housing assistance.

State Response---Comment 15. Weatherization, rehabilitation and home accessibility modifications have been increasingly emphasized in the new five year HCD plan. In the FY 2006 Annual Action Plan, the HOME Owner Occupied Rehabilitation program will be allocated \$1.38 million, an increase of \$285,000 over the FY 2005 level. The HOP will be allocated approximately \$1 million in FY 2006, and the CDBG Program will continue to be available for funding housing rehabilitation activities. Under the GOAL program, non-profits participating in the U.S.D.A. 523 self help program will be allowed to compete for HOME funds to be used for homeownership development site acquisition.

Comment 16. Jerry Kainulainen, Southeast Alaska Independent Living Center, supported owner-occupied rehabilitation and accessibility modification programs.

State Response---Comment 16. See response to Pat Shiflea above.

Comment 17. Hazel Blackmore, Anchorage Mutual Housing Association, commented on the fact that there are few transitional housing opportunities in Anchorage to move families from homelessness through permanent housing. She also expressed concern about the lack of affordable housing and the length of time families remain on assisted living waiting lists. Hazel was also very concerned about families with children and the impact of unstable housing upon families with health issues.

State Response---Comment 17. The voucher waiting list contains over 4,000 families. Waiting times for families with few preference points can exceed two years. In an earlier public hearing, AHFC had proposed using an alternative mechanism to select families: for every ten families drawn from the waiting list, two would be selected solely based upon date and time of application.

Comment 18. Carma Reed, Municipality of Anchorage Community Development, discussed the Anchorage 10 year plan on homelessness, inviting AHFC to partner with the Municipality. She provided an overview of key, year one objectives like ‘high impact camp outreach.’ Another was collaboration in conducting a housing barrier assessment to determine services necessary to help families into the rental marketplace. Regarding HCV and public housing funding, the Municipality asks that there be no net loss of assisted housing in Anchorage. She expressed concern over disposal of public housing units without a plan for replacement with vouchers or assurance that units are sold to developers interested in preserving affordable housing. She offered to convene a meeting of interested parties to discuss the future of public housing in Anchorage and recommended a similar forum for an examination of preferences used to rank the waiting list. She recommended that project based vouchers be used as a means of improving housing options for special needs populations. She also recommended that AHFC partner with the Municipality and others to improve tenancy education among families with checkered rental history.

State Response---Comment 18. AHFC appreciates the concerns raised by the Municipality and is committed to work in collaboration with the Municipality and other organizations on the issue of homelessness. Before AHFC may dispose or demolish public housing, it must include details in the Agency Plan; make separate application to HUD with acknowledgement from the local government and approval by the AHFC Board of Directors. Among its goals, AHFC continues to support project basing of up to 100 vouchers for special needs housing.

Comment 19. Katsumi Kenaston, Peer Housing, expressed a concern about limited transportation options for low income families and its impact upon housing availability. She also discussed the absence of affordable, permanent housing in Anchorage. Katsumi recommended a consumer focus group to learn consumer’s needs first hand, and congratulated AHFC on the quality of its public housing.

State Response---Comment 19. Among its assisted living clientele, transportation is an acknowledged problem. AHFC will make reasonable accommodations for persons with disabilities, but outside that arena the Public Housing Division has little influence.

Public Hearing---December 16, 2004

A statewide teleconferenced public hearing was held on December 16, 2004, to provide public input into the development of the draft Consolidated Housing and Community Development (HCD) Plan 2006-2010, the draft FY 2006 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 Fairbanks, Juneau, Palmer, Point Hope, Sitka, 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, the FY 2006 Annual Action Plan, and the Public Housing Agency Plan.

Comment 1. Deborah Davis, Housing Director for United States Department of Agriculture Rural Development in Alaska offered comments from the Anchorage host teleconference site. Deborah discussed an initiative to enhance the construction and substantial rehabilitation of housing in rural Alaska. Partners in this initiative include USDA Rural Development, Alaska Housing Finance Corporation, HUD VA, Alaska Mental Health Trust Authority, Alaska Association of Housing Authorities, Denali Commission and Village Safe Water. This initiative will use a “model community” approach to coordinate the various funding streams and programs.

State Response---Comment 1. The State supports the Housing Rural Alaska Initiative, and will work to focus resources and policies to enhance construction of new affordable housing units, substantial rehabilitation of existing units and financing of good quality affordable housing stock to meet the needs of rural Alaskans.

Comment 2. LaVada Napier, representing Minority Education and Entrepreneurial Training (MEET), gave an overview of MEET’s work to assist minority contractors and businesses, particularly in the construction trades field. Homebuilding is an area of interest for MEET towards its goal of expanding minority employment and business interests.

State Response---Comment 2. The State thanks the commenter on her overview of the work of MEET, and encourage follow-up to participate in the program covered by this Consolidated Plan.

Comment 3. Angela Ketzler offered comments on behalf of Interior Weatherization in Fairbanks. Strong support was given to the weatherization program and the HOME funded owner-occupied rehabilitation program (ORP), and the state was encouraged to continue funding of these critical programs.

State Response---Comment 3. Weatherization, rehabilitation and home accessibility modifications have been increasingly emphasized in the new five year HCD plan. In the FY 2006 Annual Action Plan, the HOME Owner Occupied Rehabilitation program will be allocated \$1.38 million, an increase of \$285,000 over the FY 2005 level.

Comment 4. Poulava Ianu, Section 8 Program participant, asked whether there is a grant program to assist low income homebuyers similar to the Housing Choice Voucher rental program. He also discussed his difficulties being on a fixed income due to a disability.

State Response---Comment 4. Staff directed the commenter to appropriate homeownership resources.

Comment 5. Patricia Atkinson, representing Southeast Alaska Regional Health Consortium (SEARCH), made two requests of AHFC. The first was to investigate the need for short term housing for patients and families receiving health services in the Southeast region and across the state. Second, AHFC was asked to work with other funding agencies to make resources available for the construction of affordable, sustainable, temporary housing facilities.

State Response---Comment 5. No grant funding source is known to be available at this time to fund short-term housing for patients and families receiving health services. AHFC mortgage programs are not intended to be used for motels or hotels. Daily and weekly apartment rentals are discouraged from applying for AHFC mortgages. The eligibility of other short-term residential housing projects will be subject to AHFC regulations. Potential applicants are encouraged to contact AHFC Mortgage for further information.

Comment 6. Laura Walden, AHFC housing assistance client and representative of non-profit organization expressed concerns about customer relations between housing participants and AHFC staff. She expressed an opinion that policies are adopted without input from the families affected, and spoke to a specific issue of a family needing to move to accommodate a disability. Frustration was expressed over a perceived lack of communication about policies and procedures and access to them.

State Response---Comment 6. The Public Housing Division annual staff training contained a day long session on customer service. Posting of policies and procedures on AHFC's web page is now a goal in the Annual Agency Plan.

Comment 7. Bertha Shimoe, representing Access Alaska Anchorage, discussed the Anchorage Homeless Task Force and the goal that within three months a homeless family will locate some type of housing. She asked that AHFC partner with the task force to meet this goal. She discussed her own history of eviction and homelessness and expressed concern with an impression that AHFC sides with landlords over tenant evictions and the difficulty of re-instatement once evicted. Discussed the need to shelter for homeless, including AHFC funded units or use of vacant properties like the McKay building.

State Response---Comment 7. AHFC is actively involved in both statewide and local plans to address the issue of homelessness. AHFC does not involve itself with landlord/tenant disputes unless it would involve a potential violation of Housing Quality Standards or a participant violation of AHFC or HUD program rules. AHFC is not a party to the landlord/tenant lease.

Comment 8. Charles Fagerstrum, from the Alaska Native Health Consortium, supported the comments and request made in a previous comment by Patricia Atkinson of Southeast Alaska Regional Health Consortium (SEARCH).

State Response---Comment 8. See response to Patricia Atkinson (Comment # 5) above.

Public Hearing---March 3, 2005

A statewide teleconferenced public hearing was held on March 3, 2005, to offer the public an opportunity to offer comments on the draft Consolidated Housing and Community Development (HCD) Plan 2006-2010, the draft FY 2006 Annual Action Plan, and the Public Housing Agency Plan. This hearing originated from the Alaska Housing Finance Corporation Board Room in Anchorage. Teleconference sites on-line included Dillingham, Fairbanks, Juneau, Kodiak, Palmer, Sitka, Soldotna, 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 2006 Annual Action Plan, with public comments to be received on these plans until March 31, 2005.

Jim Gurke, representing Alaska Housing Finance Corporation Public Housing Division gave additional information on the Public Housing Agency plans, with comments to be accepted until the close of business on March 18, 2005. Mr. Gurke stressed the financial pressures upon AHFC and the Section 8 program, with a current waiting list of over 4,000 families. At this time, AHFC is not issuing any new Section 8 vouchers. This policy will be re-evaluated at the end of March 2005. Another change suggested is an expansion of the Voucher Homeownership Program, up to a maximum of 50 vouchers, and opening the program to more than solely persons with disabilities. AHFC will also be looking at several of its senior disabled properties in the upcoming year, and see if there is any merit to designating any of these properties as senior only.

Comment 1. Dave McClure, Executive Director of the Bristol Bay Regional Housing Authority, offered comments on both the Five Year HCD Plan and the FY 2006 Action Plan. AHFC was thanked for the baseline information in the plans, and appreciated the

discussion of reductions in the Section 8 program. A request was made to include a similar discussion in proposed reduction to the NAHASDA formula allocations.

State Response---Comment 1. The State appreciates Mr. McClure’s comments, and to the extent possible, will address his request. Prior to submission of the Plans to HUD, the latest funding information and additional discussion on the impact to housing authorities and other TDHEs (Tribally Designated Housing Authorities) will be included. The proposed rule to the Native American Housing and Self-Determination Act (NAHASDA), and revisions to the Indian Housing Block Grant Formula Program was released on February 25, 2005, with comments due by April 26, 2005. The deadline for submission of the Plans to HUD is May 15, 2005, so the additional NAHASDA will be general in nature.

Comment 2. James Lee, Executive Director of Interior Weatherization, made statements concerning the need for single family rehab work and continued support from Alaska Housing Finance Corporation. “Due to limited income, cold climate and fuel prices that we’re seeing, low-income families frequently have to choose between paying utility bills or making needed repairs on their homes thus they go years paying the bills while the home deteriorates around them.”

State Response---Comment 2. Weatherization, rehabilitation and home accessibility modifications have been increasingly emphasized in the new five year HCD plan. In the FY 2006 Annual Action Plan, the HOME Owner Occupied Rehabilitation program will be allocated \$1.38 million, an increase of \$285,000 over the FY 2005 level. The HOP will be allocated approximately \$1 million in FY 2006, and the CDBG Program will continue to be available for funding housing rehabilitation activities.

Comment 3. Steve Rouse, Executive Director of Kenai Peninsula Housing Initiatives commented on State support of the Oxford House model, and asked the State actually contract with Oxford House worldwide to provide service to administer this program. Mr. Rouse also commented on the need to target vouchers towards special needs families.

State Response---Comment 3. The State of Alaska DHSS Office of Integrated Housing will continue to work with the Oxford House model during FY 2006. The Alaska Mental Health Trust Authority will provide \$100,000 in FY 2006 towards support of Oxford Houses that benefit Trust beneficiaries. Concerning Mr. Rouse’s housing choice voucher comments, AHFC is proposing to project up to 100 vouchers subject to HUD issuing a final rule, and subject to the availability of vouchers within the current budget formula.

Comment 4. LaVada Napier, Minority Education and Entrepreneurial Training (MEET), stated she is volunteering as a program director for a minority education and entrepreneur

training. MEET has been forced to provide housing to its clients, because their clients are really part of the hidden homeless, living on the streets or in overcrowded housing situations. MEET is also developing a training project that would help do low income homeownership. LaVada stated she would send a brochure and information on this program to Mr. Bob Pickett.

State Response---Comment 4. The State thanks LaVada Napier for her comments and update, and looks forward to receiving the information on MEET's new training program.

Comment 5. Erin Cruz, Gastineau Human Services, asked about Faith Based Oxford House models.

State Response---Comment 5. The Oxford House is one of many self help models assisting individuals attain sobriety. Other Faith Based approaches are encouraged to contact the Office of Integrated Housing, Alaska Department of Health and Social Services, to explore the availability of potential resources.

Comment 6. Dan Austin, St. Vincent DePaul, in Juneau, commented on the fact that block grant funding for the Housing Choice Voucher is not likely to keep up with inflation and will result in a net loss of assisted housing units. He expressed a concern about designating senior/disabled housing as 'senior only' due the limited number of accessible housing units in the private sector.

State Response---Comment 6. The commenter is correct regarding funding. The HOME program is block grant funded and Alaska's grant has remained the same since inception. Regarding 'senior only' designations, should AHFC recommend the designation at any development, it must account for the availability of accessible units within the community. At this point, it's undetermined how many disabled residents actually require an accessible unit.

Comment 7. Mitzi Barker, Director of Rural Housing and Planning for the Rural Alaska Community Action Program, thanked the State for the information presented in the Plans, but disagreed with the analysis and conclusions. "We certainly agree that the preservation of existing stock is absolutely critical, but find that the allocation of funding for that purpose barely nibbles at the problem." Another comment stated "I find it most puzzling that the state proposes to put most of its HOME funding into rental development....We don't quite understand why the state continues to be reticent about funding homeownership development when it takes a whole lot less capacity than rental development. Disappointment was also expressed that the State did not include in the draft plan prioritization of HOME money into site acquisition and infrastructure development for homeownership, specifically under the 523 program of USDA.

State Response---Comment 7. Weatherization, rehabilitation and home accessibility modifications have been increasingly emphasized in the new five year HCD plan. In the FY 2006 Annual Action Plan, the HOME Owner Occupied Rehabilitation program will be allocated \$1.38 million, an increase of \$285,000 over the FY 2005 level. The HOP will be allocated approximately \$1 million in FY 2006, and the CDBG Program will continue to be available for funding housing rehabilitation activities. In the final FY 2006 Annual Action Plan, under the GOAL program, non-profits participating in the U.S.D.A. 523 self help program will be allowed to compete for HOME funds to be used for homeownership development site acquisition.

Comment 8. Pat Shiflea, Alaska Community Development Corporation, expressed strong support for the HOME funded HOP and owner-rehabilitation programs. Support was also given for the use of CDBG funds for housing rehabilitation for families falling through the cracks for eligibility under other housing assistance programs.

State Response---Comment 8. Refer to State Response to RurAL CAP comments above (State Response---Comment 7).

Comment 9. Gus Adams, Baranof Island Housing Authority, addressed the issue of barriers to affordable housing, specifically the participation of local governments in providing infrastructure. Mr. Adams also referred to Administrative Order 224 released in January 2005 by Governor Murkowski. Provisions of this order encouraged local community plans and more coordination among the funding agencies.

State Response---Comment 9. The State appreciates the comments of Mr. Adams, and supports his efforts to promote local community planning and an increased role in providing critical infrastructure, and improved coordination among the various agencies. Administrative Order 224 will promote progress towards this end.

Comment 10. Lacy Evans, AHFC Resident Advisory Board member from Wrangell, commented on the AHFC scholarship program, and recommended a change in how the program is marketed to ensure that scholarships are used in other qualified training programs besides colleges and universities.

State Response---Comment 10. AHFC amended the application to account for the comment.

Comment 11. Loretta Hamilton, Fairbanks South Hall Manor resident, commented on a petition from the Southall Manor asking that the building be designated “no smoking.”

State Response---Comment 11. Smoking is prohibited in all common areas of a building.

Comment 12. Laura Waldon, HCV participant, criticized the fact that individual notices were not mailed to participants for this hearing, but instead posted notices in the legal section of the newspapers. She is concerned about poor customer service toward program participants. She is also concerned that policies and procedures are not available on-line for public review and recommended that AHFC use other new media to advertise the plan such a PSA radio notices.

State Response---Comment 12-: The Public Housing notice for the public hearing was mistakenly advertised in the legal section of three newspapers of general circulation. The intent was that they be prominent display ads within the body of the papers. The recommendation to use other means of advertising is a good one that AHFC will use in future public notices.

Written Comments Received

November 16, 2004 Letter from David Hardenbergh, Executive Director, Rural Alaska Community Action Program (Rural CAP)

The letter from David Hardenbergh, RurAL CAP Executive Director, gave an overview of his organization’s entry into the USDA Rural Development self-help program. The USDA Mutual Self-Help program allows low-income families, under the supervision of qualified construction supervisors, to build their own homes. Their sweat-equity investment in the program results in a smaller mortgage, and affordable monthly payments. USDA provides construction and permanent financing, as well as a technical assistance grant to the sponsoring non-profit Self-Help organization to cover the cost of group organizing and construction supervision. RurAL CAP requested that “AHFC extend the homeownership component of its home program to include non-profit Self-Help organizations in addition to Community Housing Development Organizations (CHDOs) as eligible grantees, under the same terms.”

State Response to November 16, 2004, Letter from Rural CAP

In the draft FY 2006 Annual Action Plan, non-CHDO Self-Help homeownership organizations were not allowed to compete under GOAL for funding. After review of public comments, in the final FY 2006 Annual Action Plan, under the GOAL program, non-profits participating in the U.S.D.A. 523 self help program will be allowed to compete for HOME funds to be used for homeownership development site acquisition and on-site infrastructure development. There will not be a set aside for this Self Help component, and all other GOAL program criteria and HOME program regulations will apply.

November 16, 2004 Letter from Carma Reed, Manager, Community Development Division of the Municipality of Anchorage

Carma Reed, Manager, Community Development Division, Municipality of Anchorage, comments were delivered after testimony at November 2004 public hearing. Her letter is primarily devoted to the Mayor's Task Force on Homelessness and the role of AHFC assisted housing programs in that plan. The letter discussion eleven plan objectives where AHFC participation is viewed as important: a housing barrier assessment; design of an emergency housing fund; encouragement to apply for any new vouchers and reiteration of the "no net lose" request should AHFC demolish or dispose of public housing units; partnership in the a 'Housing Point' or similar software system to inventory real-time rental unit availability; discussion with service providers about strategies to address the hard to house; encouragement that AHFC project base rental vouchers to special needs developments; participation in tenant education and eviction prevention strategies; promotion of landlord education to increase participation in the voucher program; continued assistance in the effort to tract homelessness and measure prevention outcomes.

Carma's comments covered a wide range of concern. (1) She recommended that AHFC keep the Municipality informed of developments regarding the budgets for the HCV and public housing programs so that Municipality can assist in making its voice heard with HUD. (2) Expressed concern over the disproportionate impact on Anchorage of the voucher moratorium that began in February. With over 60% of housing assistance in the Municipality and an already low lease up rate, she asked for consideration of a method that takes these factors into consideration. (3) Concern was again expressed about the condition of the Anchorage public housing stock and the city's desire to see no net loss in assisted housing if demolition or disposal is considered. Support was expressed for consideration of a HOPE VI grant application to replace public housing units. (4) Regarding HCV homeownership, the letter recommends against expansion, but that AHFC consider marketing approaches to attract assisted household to other sources of assistance like the AnCHOR down payment assistance so that vouchers are not lost to households in need of rental assistance. Recommended AHFC match the AnCHOR program to expand housing opportunities. (5) Regarding housing preferences, the Municipality offered to host a forum to discuss homeless and substandard definitions and their impact on waiting list selection. (6) Lastly, the letter invites AHFC to participate in the Municipality's review of impediments to fair housing.

AHFC Response: AHFC is grateful for the Municipality's interest in funding and its willingness to support issues affecting low income families in Anchorage. The temporary moratorium on the issuance of vouchers is statewide; however, as it plans for re-issuance of vouchers, AHFC is considering the impact on Anchorage and relative lease-up rates throughout the state. The only demolition presently considered in Anchorage is in the Central Terrace development. Twelve units are being proposed for demolition and replacement. Any changes in demolition or disposition require a change in the Agency Plan and further public comment. The expansion in the voucher homeownership program is a modest one, with the maximum goal 50 closings throughout the Five-Year Plan. There is no time limit to rental assistance; the expansion of homeownership to non-disabled families does include time limits of ten to 15 years of assistance. AHFC is currently conducting its own Section 504 assessment is more than willing to assist with a review of impediments to fair housing as part of its mission.

December 14, 2004 Letter from Woody Koning, Project Director, Kodiak Island Housing Authority

Kodiak Island Housing Authority stated:

“The remote villages on Kodiak Island are inhabited by native families. However, a considerable number of low-income non-native families live in these villages and are not eligible for assistance under NAHASDA. These non-native families typically face the same economic, health, and housing challenges as the native neighbors. As KIHA works with NAHASDA funded programs to assist the native families, we must turn away non-native families with similar needs.”

This issue was identified as a concern in the Comprehensive/Community Plans developed recently by Larsen Bay and Old Harbor.

State Response to Kodiak Island Housing Authority Letter dated December 14, 2004

The issue raised by Mr. Koning of Kodiak Island Housing Authority exists in other areas of the state, and is related to the presence of organizational capacity and the desire and/or ability to serve the populations referred to above. In some areas, the Regional Housing Authorities have successfully competed for non-NAHASDA funding to build affordable rental projects and homeownership programs open to all populations. Funding for such projects includes HOME rental development funds and Low Income Housing Tax Credits, and senior development funds. Other examples include HOME funded down-payments assistance programs, senior accessibility modification programs, and a wide range of other mortgage and grant funds. Some non-profit housing organizations operate on a statewide basis, and local housing authorities could work with such groups cooperatively to address the unmet housing needs outlined above.

March 30, 2005 Letter from David Hardenbergh, Executive Director, Rural Alaska Community Action Program

Refer to David Hardenbergh letter dated November 16, 2004 for general overview. The specific request in the letter dated March 30, 2005, is:

“We request that AHFC amend the draft plan to permit non-profit USDA 523 program sponsors to apply for HOME funds to underwrite the cost of site acquisition and associated infrastructure development for self-help homesites. We further request that the terms of the HOME funding provided to these non-profits be comparable to those offered to Community Housing Development Organizations (CHDOs), that is, specifically allowing any program income realized by the grantee through the sales of sites to self-help program owner builders to be re-invested in further homeownership development, subject to the regulations of 24 CFR 92.300.”

State Response to Rural Alaska Community Action Program Letter dated March 30, 2005

In the draft FY 2006 Annual Action Plan, non-CHDO Self-Help homeownership organizations were not allowed to compete under GOAL for funding. After review of public comments, in the final FY 2006 Annual Action Plan, under the GOAL program, non-profits participating in the U.S.D.A. 523 self help program will be allowed to compete for HOME funds to be used for homeownership development site acquisition and on-site infrastructure development. There will not be a set aside for this Self Help component, and all other GOAL program criteria and HOME program regulations will apply. No program income will be allowed to be retained by the eligible non-profit receiving HOME homeownership development award under GOAL.

Letter Dated March 31, 2005, from Bill Allen, State Director, United States Department of Agriculture Rural Development

Mr. Allen’s letter dated March 31, 2005, supported the comments and request made in the RurAL CAP letter above dated March 30, 2005. Mr. Allen stated:

“As we both know, there is a great need for housing in Alaska. This additional partnership of funding could help reach the low and very low income families, as well as reach our joint goal of the Housing Initiative set forth by Senator Murkowski. In addition, it would reduce the cost per unit and increase the leveraging of all agencies.

State Response to Letter Dated March 31, from Bill Allen, USDA Rural Development State Director

In the draft FY 2006 Annual Action Plan, non-CHDO Self-Help homeownership organizations were not allowed to compete under GOAL for funding. After review of public comments, in the final FY 2006 Annual Action Plan, under the GOAL program, non-profits participating in the U.S.D.A. 523 self help program will be allowed to compete for HOME funds to be used for homeownership development site acquisition and on-site infrastructure development. There will not be a set aside for this Self Help component, and all other GOAL program criteria and HOME program regulations will apply. No program income will be allowed to be retained by the eligible non-profit receiving HOME homeownership development award under GOAL.

E-Mail dated March 3, 2005, from Dan Austin, St. Vincent DePaul, Juneau

Thanks for the opportunity to comment. Funny how being on both sides of the affordable housing fence increases one's perspective. Whether it is vouchers, project based or public housing, a budget freeze means fewer families housed and more in shelter. We do not want to build more shelters. We do not want to build more prisons.

State Response to Dan Austin, St. Vincent de Paul

Mr. Austin is thanked for his comments.

E-mail dated March 7, 2005, from Erin Cruz, Gastineau Human Services, Juneau

Several technical corrections were offered concerning Gastineau Human Service's Corporation's two transitional housing programs, Juno House and Taku House.

State Response to Erin Cruz

The State thanks Erin for the corrections, and the applicable table will be corrected.
