



Hensley targets rural housing aid

by Sen. Willie Hensley

for the *Juneau Times*

The tremendous growth in housing in areas such as Anchorage and Juneau during the 1980's created the illusion that there is an adequate supply of housing in Alaska. Those of us from rural Alaska are well aware of the housing needs that still exist in our communities.

The differences between rural and urban Alaska in the area of housing are hardly surprising, given that the state last year disbursed approximately \$1,500 per capita in housing loans in Anchorage, compared to \$500 per capita in Western Alaska.

To address this inequity, I introduced two resolutions this legislative session. The first resolution asks the governor to undertake an assessment of the housing conditions and demand for housing in rural Alaska.

The second resolution urges the U.S. Department of Housing and Urban Development not to reduce its housing assistance to Alaska, most of which benefits rural Alaskans.

One of the biggest obstacles to designing workable housing programs for rural Alaska is our lack of information about current housing conditions. The last comprehensive survey was the 1980 U.S. Census. Since the 1990 Census is still several years away, we do not have adequate information about what changes in housing have occurred in the last seven years.

We do know from a limited 1985 Bureau of Indian Affairs survey targeted at Alaska Natives that substandard and overcrowded housing is still widespread among rural Natives, despite significant amounts of new construction statewide. The study concluded that the Native population is in need of 4,800 new units and at least 34 percent of the existing houses require substantial repair.

If we are to develop responsive housing programs, we need to understand how the significant population growth in villages and regional centers is affecting this demand for housing and how much housing has been added or lost to the housing market since the 1980 Census.

We also need to know who the people are who are most in need of housing so that our programs are geared to both their housing needs and ability to pay for housing. For example, if the people most in need are those with seasonal incomes, we may be able to design a workable financing method to enable them to qualify for housing loans.

The second resolution grows out of my concern that if HUD cuts its programs in rural Alaska, as it has proposed, we will lose one of our primary sources of money for new housing. Since state housing programs do not seem to be designed to provide substantial benefits to rural residents with incomes less than \$30,000 a year, any cutback by HUD will make it that much harder to build new homes to satisfy the growing demand for housing.

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In 1986, HUD received applications for 642 units in Alaska, but was able to fund only 200 of these. If the funded units were cut by half, there will be an even higher ratio of unfunded to funded units. This comes at a time when the incomes of Alaskans are likely to be decreasing due to a slow economy, resulting in additional need for housing assistance.

An additional problem resulting from any future cuts by HUD is diseconomies of scale. If we continue to distribute HUD funding equitably among the regional housing authorities, each authority will have funding for only a few units.

The low number of units funded for any given village would make it difficult to find contractors who could provide design and construction services to rural villages within the cost ceilings of the current program. Constructing a larger number of units at one time in a village is much more cost effective.

While we seek out ways to make our state housing programs more effective in rural areas, I hope that the federal government will continue to assist us in making sure that all rural Alaskans have access to decent housing.