



ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

Global Pandemic Further Stresses Alaska's Precarious Housing Conditions

Anyone who has been to rural Alaska has seen that rural communities are suffering from overcrowding, substandard conditions and lack of affordable housing ([click here for an overview of Alaska's housing shortage](#)). The conditions are confirmed by studies and statistics. The Regional Housing Authorities (RHAs) have been increasing the supply of safe, sanitary and affordable housing in Alaska for decades. They are the boots on the ground and intimately involved with their communities and families. As the sole practitioners that deliver affordable housing at a rate comparable to none other in the state, the RHAs have the capacity to plan and build housing and deliver housing services in remote areas with scarce resources. Although COVID-19 pandemic has caused immense challenges for housing development, RHA's have continued to persevere and operate under extremely abnormal conditions.

When COVID-19 impacted our communities in 2020 and the need to quarantine when infected and the lack of housing for quarantining became a high concern and exacerbated our housing needs. With our current housing conditions, there is no way for families to abide by basic infection mitigation guidelines. Simple CDC Guidance is for people to wash their hands regularly, social distance, and quarantine to reduce the spread of the infectious virus. This is impossible when the homes are overcrowded and there is lack of running water to wash your hands thoroughly. During the peak of the pandemic, Alaska had one of the highest transmission rates per-capita, in the nation. Entire households were impacted and caused a ripple effect on the family's ability to go to work, school or tend to their basic needs. The overwhelming lack of these basic necessities created critical situations across communities in Alaska. RHA's are instrumental in developing access to housing, a vital indicator of a healthy, thriving community.

Housing is Foundational for Sustainable and Resilient Communities

Safe, sanitary and affordable housing is the nucleus of all communities and contributes to positive educational, health and economic outcomes, especially when they're recovering from a pandemic. Some Alaskan communities suffer from 40% of homes being overcrowded. The Center for Housing Policy's 2011 article: The Impacts of Affordable Housing on Education: A Research Summary,¹ states that children in overcrowded homes

¹ https://nchh.org/resource-library/cfhp_insights_impacts-of-affordable-housing-on-education.pdf



have lower math and reading scores and lower overall educational attainment. When homes are overcrowded, children's educational outcomes suffer as they may not have dedicated sleeping space, an area to complete homework or have housing-related health issues that lead to students missing school. Housing conditions not only affect the educational opportunities for children, they also impact the physical and mental health of all family members.

The Cook Inlet Housing Authority commissioned a literature review on the links between housing and health. Among the findings: The physical condition of homes greatly impacts health and wellbeing; housing instability harms health; and affordable, quality housing reduces health care costs. Affordable housing can improve outcomes that are not typically considered "housing outcomes" such as: Physical, mental, and behavioral health; health care utilization and costs; and, other outcomes, including education, income, utilization of public services, and economic outcomes.

Childhood respiratory illness is a high concern in Alaska, **particularly in our rural communities where respiratory illnesses are responsible for two-thirds of all child hospitalizations**. According to the CDC, adults and children might be at an increased risk of severe illness from COVID-19 if they suffer from asthma or other chronic lung disease, among other medical conditions. The Alaska Native Tribal Health Consortium conducted a study of home ventilation improvements and found that Southwest Alaska had the highest ever documented child respiratory illness *worldwide*. One year after home modifications were completed to 68 homes, the results were astounding: a decrease in hospitalization went from 10 cases to 0; clinic visits decreased from 36 to 12; and, school absences decreased from 18 to 3. These numbers are a testament to how the quality of housing directly affects the health quality of our children, elders and community members. Healthy families equate to a striving community.

Housing is a primary contributor to the economic stability of a community. Many of our families migrate to hub or urban communities in search of safe, sanitary and affordable housing. Younger generations leave for school and do not return because of lack of housing. Decrepit housing or a simple lack of any housing is also a barrier to attracting and retaining professionals that protect, educate, and provide health care to our communities. Some local village governments are expected to provide housing and utilities for safety officers and other public service professionals such as health care providers and teachers. In one region, there were 84 open health care positions between the private and Tribal health organizations. Safe, sanitary and affordable housing sustains communities and provides resilience when faced with unimaginable challenges.

Developing Housing During a Pandemic

Nationwide, there have been significant construction, manufacturing and shipping delays, skilled labor shortages and substantial cost increases. Like other economic influences, the effects are amplified in Alaska, as our communities are at the end of the supply chain. During the height of the pandemic, entire communities were shut down during the short construction season, limiting the amount of work that could be completed and delaying



projects indefinitely. The labor force was also impacted when COVID was prevalent within organizations or among construction crews. Some communities did not have sleeping quarters available for construction crews to be onsite to build housing - a classic spiral effect of housing need. Manufacturing and shipping delays caused additional time constraints for development. The availability of items such as appliances, cabinets and other necessary construction material continue to be in short supply.

Fully staffing a skilled workforce has been a massive challenge for RHAs before COVID, compound that with the labor shortage in urban centers. One RHA had to contact 12 individuals to get 2 responses to a Request for Proposal and the proposals required a very short turn around for acceptance, some only 24-48 hours. The backlog that COVID has caused has doubled the work for plumbers, electricians and other skilled laborers. This labor shortage has also caused overall costs to increase, especially for the RHAs that are developing in remote communities.

The most notable impact that COVID has had on housing development is the cost of construction has skyrocketed. In 2018 the expense for piling installation was \$36,000 per home. Today, it is now \$103,000 per home; this is down from \$108,000 during the height of the pandemic. In another region, the cost for a housing package increased \$70,000 per house. For a project with 7 homes, this equates to nearly a ½ million-dollar increase.

Throughout the two years that COVID has wreaked havoc in all aspects of our daily lives, the Regional Housing Authorities have been on the ground, providing essential housing services. In most regions they were pivotal in the overall health and safety of their communities. They provided cleaning supplies and PPE to residents in their units, ensured that families had food security, and took advantage of federal funding to expand services such as providing Emergency Rental Assistance for families that were impacted by COVID.

Federal Investments to Prepare for, Prevent and Respond to COVID

In an effort to prevent, prepare for and respond to COVID, Congress passed two relief packages that included funding for the Native American Housing Block Grant (NAHBG). As noted above, RHAs were already providing extensive support to their communities to prepare for, prevent and respond to COVID. The CARES Act and ARP Act brought much needed resources to address the COVID impacts in their communities. In addition to the activities that were implemented such as supplying PPE to families and adjusting to a remote workplace, RHAs have utilized the additional resources to develop units to reduce overcrowding and convert structures/buildings to provide quarantine units for communities.

The CARES Act also provided RHA's funding for the Emergency Rental Assistance Program (ERAP). Working with partners such as the Alaska Housing Finance Corporation, \$30.6M in Tribal ERA assistance has been deployed and helped 5,790 families that have been impacted by COVID. These statistics do not represent RHAs that administer their own program outside of AHFC. The ARPA provided funding for RHAs to establish a Homeowner Assistance Fund (HAF). The HAF program has been slower for the Treasury to implement



and Tribal HAF plans haven't been approved to deploy in an efficient way. This program is still pending across the state.

Although there were Federal Investments in NAHBG to address COVID through the CARES Act and ARP Act, the annual appropriation for the NAHBG has been flat funded (since inception) and inflation has deteriorated the funding level by 37% (*this does not take into consideration the 2021 inflation rate of 4.9%- the highest inflation in over 30 years*).² The CARES Act and ARPA influx of funding brought the NAHBG up to a level that accounts for inflation, for one year, prior to 2021. With the increased cost of development today, it is not a reflection of stable funding and not a sustained appropriation by Congress.

It's important to note that while there was a bump in NAHBG funding to respond to COVID; a historic, once in a generation, Bipartisan Infrastructure Law was passed by Congress. What Congress missed in the "BIL": HOUSING. There is a direct correlation between housing and infrastructure. Water, sewer, transportation and broadband are essential infrastructure needed in communities but they connect to HOMES and FAMILIES- another essential piece of a community's infrastructure.

² <https://labor.alaska.gov/trends/feb22.pdf>