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1 IN THE SENATE

BY THE C&RA COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 150 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a senior housing office and loan
7 program in the Department of Community and Regional
8 Affairs; directing the Older Alaskans Commission to
9 assist the senior housing office; and authorizing the
10 issuance of bonds for senior housing."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. AS 18.56 is amended by adding a new section to read:

13 Sec. 18.56.083. BONDS FOR SENIOR HOUSING. (a) Under the proce-
14 dures of this chapter, the corporation may issue bonds in a total
15 amount not exceeding \$30,000,000 to fund senior housing loans made by
16 the Department of Community and Regional Affairs under AS 44.47.585 -
17 44.47.609 that are approved by the corporation under (b) of this
18 section.

19 (b) Before requesting the corporation to issue bonds under this
20 section, the Department of Community and Regional Affairs shall com-
21 pile a list of senior housing projects that the department has deter-
22 mined are financially feasible and meet housing needs for senior
23 citizens as required under AS 44.47.587(b). Upon the department's
24 submission to the corporation of appropriate documentation of project
25 feasibility and desirability, the corporation shall approve or disap-
26 prove the projects proposed.

27 (c) The proceeds of bonds issued under this section for approved
28 projects shall be deposited in the senior housing revolving fund
29 administered by the senior housing office under AS 44.47.585 -

1 44.47.609 on a schedule determined by the corporation.

2 (d) There is established in the corporation a senior housing
3 bond account. The account consists of proceeds of bonds issued under
4 this section, money appropriated to the account, repayments of princi-
5 pal transferred to the corporation under AS 44.47.593(a), and assign-
6 ments made under AS 44.47.593(b). The corporation may pledge assets
7 in the account and in the senior housing revolving fund for the pay-
8 ment of bonds issued under this section and may use money in the
9 account for payment of the bonds.

10 * Sec. 2. AS 44.21.230(a) is amended to read:

11 (a) The commission shall

12 (1) formulate a comprehensive statewide plan that identi-
13 fies the concerns and needs of older Alaskans and, with reference to
14 the plan adopted, prepare and submit to the governor and legislature
15 an annual analysis and evaluation of the services that are provided to
16 older Alaskans;

17 (2) make recommendations directly to the governor and
18 legislature with respect to legislation, regulations, and appropria-
19 tions for programs or services that benefit older Alaskans;

20 (3) encourage and aid the development of municipal commis-
21 sions serving older Alaskans and community-oriented programs and
22 services for the benefit of older Alaskans;

23 (4) employ an executive director who serves at the pleasure
24 of the commission;

25 (5) help older Alaskans lead dignified, independent, and
26 useful lives;

27 (6) request and receive reports and audits from state
28 agencies and local institutions concerned with the conditions and
29 needs of older Alaskans;

1 (7) administer, with the approval of the commissioner of
2 administration, federal programs as provided under 42 U.S.C. 3001 -
3 3045i (Older Americans Act), as amended; [AND]

4 (8) administer, with the approval of the commissioner of
5 administration, state programs as provided under AS 47.65; and

6 (9) give assistance, on request, to the senior housing
7 office in the Department of Community and Regional Affairs in adminis-
8 tration of the senior housing loan program under AS 44.47.587 -
9 44.47.609 and in the performance of the office's other duties under
10 AS 44.47.585.

11 * Sec. 3. AS 44.21.230(b) is amended to read:

12 (b) To accomplish its duties, the commission may

13 (1) review, evaluate, and comment upon state programs
14 concerned with the problems and the needs of older Alaskans;

15 (2) collect facts and statistics, and make studies of
16 conditions and problems pertaining to the employment, health, housing,
17 financial security, social welfare, and other concerns that bear upon
18 the well-being of older Alaskans;

19 (3) provide information about public programs that would be
20 of interest or benefit to older Alaskans;

21 (4) appoint special committees, which may include persons
22 who are not members of the commission, to complete necessary studies;

23 (5) promote community education efforts regarding the
24 problems and concerns of older Alaskans;

25 (6) contract for necessary services;

26 (7) consult and cooperate with persons, organizations, and
27 groups interested in or concerned with programs of assistance to older
28 Alaskans;

29 (8) advocate improved programs of benefit to older

1 Alaskans;

2 (9) set standards for levels of services for older Alaskans
3 for programs administered by the commission; and

4 (10) adopt regulations necessary for the administration of
5 AS 44.21.200 - 44.21.240 and to comply with federal law.

6 * Sec. 4. AS 44.47 is amended by adding new sections to read:

7 ARTICLE 9A. SENIOR HOUSING OFFICE.

8 Sec. 44.47.585. SENIOR HOUSING OFFICE. (a) There is estab-
9 lished in the department a senior housing office. The office shall
10 promote a comprehensive response to the needs of senior citizens for
11 adequate, accessible, secure, and affordable housing in the state. In
12 order to fulfill this purpose, the office may

13 (1) study the needs of senior citizens in the state for
14 housing to meet their needs;

15 (2) seek funding from appropriate sources for the develop-
16 ment of housing alternatives for senior citizens;

17 (3) administer the senior housing loan program established
18 under AS 44.47.587 - 44.47.609;

19 (4) cooperate and coordinate with other public and private
20 agencies, including the Alaska Housing Finance Corporation and the
21 Alaska State Housing Authority, to respond to the housing needs of
22 senior citizens;

23 (5) offer public education programs to increase the aware-
24 ness of alternatives to large residential facilities for senior citi-
25 zens;

26 (6) provide information to senior citizens to help them
27 understand their financial alternatives related to homes they might
28 already own and to help them coordinate with other senior citizens in
29 finding housing alternatives, including information and coordination

1 on home equity conversion and home sharing; and

2 (7) disseminate information to construction contractors to
3 educate them about remodeling projects that would meet the needs of
4 many senior citizens for accessible and secure housing.

5 (b) In order to avoid duplication of efforts and to benefit from
6 the commission's expertise, the office shall consult with the Older
7 Alaskans Commission in the performance of the office's duties under
8 AS 44.47.585 - 44.47.609 so that the housing needs of senior citizens
9 can be met most efficiently and effectively.

10 Sec. 44.47.587. SENIOR HOUSING REVOLVING FUND. (a) The senior
11 housing revolving fund is established in the department. The revolving
12 fund consists of appropriations made to it by the legislature, the
13 proceeds of bonds sold under AS 18.56.083 as they are deposited by the
14 Alaska Housing Finance Corporation for specific projects, and money or
15 other assets transferred to the revolving fund by the department.
16 Amounts deposited in the revolving fund may be pledged by the Alaska
17 Housing Finance Corporation for bonds issued under AS 18.56.083 and
18 used by the office for making, purchasing, or participating in

19 (1) senior housing mortgage loans;

20 (2) loans made for building materials for senior housing;

21 (3) loans made for renovation or improvement of or for
22 senior housing, including loans for renovation or improvement of
23 congregate or individual residences; and

24 (4) loans made for the construction of senior housing.

25 (b) The department, under guidelines established in regulations
26 adopted by the department in consultation with the Alaska Housing
27 Finance Corporation, shall determine for each loan proposed to be made
28 under AS 44.47.587 - 44.47.609 the financial feasibility of the
29 project for which the loan would be used and the extent to which the

1 project would meet senior housing needs in the area for which it is
2 proposed.

3 Sec. 44.47.589. INTEREST RATE. The interest rate on loans made
4 under AS 44.47.587 - 44.47.609 that are funded by a bond issue of the
5 Alaska Housing Finance Corporation is equal to the cost of funds of
6 that bond issue plus

7 (1) two percentage points for a construction loan;

8 (2) one-half of one percentage point for a permanent loan.

9 Sec. 44.47.591. CONDITIONS ON LOANS. (a) The commissioner
10 shall adopt regulations in accordance with the Administrative Proce-
11 dure Act (AS 44.62) establishing acceptable security for loans orig-
12 inated or purchased in whole or in part under AS 44.47.587 - 44.47.-
13 609.

14 (b) The department may condition a loan under AS 44.47.587 -
15 44.47.609 on an agreement by the borrower to maintain the financed
16 project as senior housing for a time period specified by the depart-
17 ment. The department shall establish by regulation the criteria it
18 will use for specifying time periods under this subsection and for
19 determining under what circumstances the time periods can be decreased
20 after the loan is made.

21 Sec. 44.47.593. TRANSFER AND ASSIGNMENT OF CERTAIN ASSETS. (a)
22 The department shall transfer to the Alaska Housing Finance Corpora-
23 tion repayments of principal it collects for a loan made under AS 44.-
24 47.587 - 44.47.609 that was funded by bonds issued by the Alaska
25 Housing Finance Corporation under AS 18.56.083.

26 (b) The department shall assign to the Alaska Housing Finance
27 Corporation all right, title, and interest of the department in prop-
28 erty financed through a loan made under AS 44.47.587 - 44.47.609 that
29 was funded by bonds issued by the Alaska Housing Finance Corporation

1 under AS 18.56.083.

2 Sec. 44.47.595. FIRE INSURANCE. Before purchasing or partic-
3 ipating in the purchase of a senior housing mortgage loan, the office
4 shall require the borrower to agree to purchase and maintain fire
5 insurance for the real property for which the loan is made in an
6 amount not less than the outstanding principal balance of the loan.

7 Sec. 44.47.597. LOAN ORIGINATION AND SERVICING. (a) Before
8 purchasing or participating in the purchase of a senior housing loan,
9 the office shall enter into a loan servicing agreement with the pri-
10 vate financial institution from which the loan is to be purchased.

11 (b) The office may execute service agreements with private
12 lending institutions or with regional native housing authorities
13 established under AS 18.55.996 to service loans originated by the
14 office.

15 (c) Under the servicing agreement, the private financial insti-
16 tution or the regional native housing authority shall administer the
17 loan and may charge the office a negotiated origination or servicing
18 fee on the office's share of the loan. When appropriate, the private
19 financial institution or the regional native housing authority may
20 also charge the borrower a reasonable origination fee not to exceed
21 one percent.

22 Sec. 44.47.599. APPRAISALS. Before originating or purchasing or
23 participating in the purchase of a senior housing mortgage loan, the
24 office may have or may require the borrower to have an appraisal made
25 of the fair market value of the real property, including structures on
26 the real property, for which the loan is made. In conducting an
27 appraisal under this section, the appraiser shall give full value to
28 insulation and other features of construction in structures on the
29 real property that add to the energy efficiency of the structures.

1 Sec. 44.47.601. TOLL-FREE TELEPHONE NUMBER. The office shall
2 arrange for and maintain a toll-free telephone number for the office
3 so that private financial institutions and their borrowers may contact
4 the office from any location in the state by telephone without a toll
5 charge.

6 Sec. 44.47.603. CONTRACTING FOR SERVICES. Under AS 36.30 (State
7 Procurement Code), the office may contract for the services of persons
8 who will assist the office in performing its duties under AS 44.47.-
9 585 - 44.47.609.

10 Sec. 44.47.609. DEFINITIONS. In AS 44.47.585 - 44.47.609,

11 (1) "office" means the senior housing office established
12 under AS 44.47.585;

13 (2) "senior housing" means construction or improvement
14 undertaken primarily to provide dwelling accommodations for persons 60
15 years of age or older, including conventional housing, housing for
16 frail elderly, group homes, congregate housing, residential horizontal
17 property regimes organized under AS 34.07, residential cooperatives
18 organized under AS 10.15 or AS 34.08, residential condominiums organ-
19 ized under AS 34.08, and other housing that meets special needs of the
20 elderly; "senior housing" includes acquisition, construction, or
21 rehabilitation of land, buildings, improvements, and other nonhousing
22 facilities that are incidental or appurtenant to the housing.