

COMMITTEE REPORT

3/5/76

HOUSE

Mr. Speaker:

Date March 31, 1976
March 13, 1976

The Committee on FINANCE has had HB 805

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(x) recommends it BE REPLACED WITH CS FOR HB 805 AND THAT
CS FOR HB 805 DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

[Signature] _____
[Signature] _____
[Signature] _____
[Signature] _____

Members NOT concurring in the Majority report:

[Signature] recommends: no
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

[Signature] Chairman

Original sponsor: Kelley, Anderson,
H. Beirne, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 805

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing development."

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

8 * Section 1. AS 18.100 is amended by adding a new section to read:

9 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT. (a) There is
10 created within the Department of Community and Regional Affairs a senior
11 citizens housing development fund. Subject to direct appropriation or
12 through proceeds of a bonding issue the department shall make grants or
13 loans to municipalities or to corporations eligible for loans under sec.
14 50 of this chapter for the purpose of developing senior citizen housing.

15 (b) Application for a grant or loan under (a) of this section
16 shall be in the form prescribed by the department. The application
17 shall demonstrate the need for senior citizen housing in the area to be
18 served, the feasibility of the proposed project, and an adequate manage-
19 ment plan which shall demonstrate the ability of the eligible recipient
20 to sustain the proposed project.

21 (c) The department shall promulgate regulations to carry out the
22 purposes of this section. The provisions of the Administrative Proce-
23 dure Act (AS 44.62) apply to regulations adopted under this section.

24 (d) In this section "senior citizen housing" means a specific work
25 or improvement undertaken primarily to provide dwelling accommodations
26 for persons 60 years of age or older, including the acquisition, con-
27 struction or rehabilitation of land, buildings and improvements and
28 other nonhousing facilities that are incidental or appurtenant to the
29 housing.

BY KELLEY, ANDERSON, H. BEIRNE, BRADLEY,
BRADNER, BROWN, BUCHHOLDT, COWPER, DUNCAN,
ELIASON, M. BEIRNE, FREEMAN, GARDINER,
GRUENING, GUY, HACKNEY, HUNTINGTON, ITTA,
MCKINNON, MALONE, MILLER, NAUGHTON, OSE,
OSTERBACK, OSTROSKY, PARKER, PARR, RHODE,
RUDD, SMITH, SULLIVAN, SWANSON, URION AND

WALLIS

1 IN THE HOUSE

2 HOUSE BILL NO. 805

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to senior citizen housing development
7 grants."

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

9 * Section 1. AS 18.100 is amended by adding a new section to read:

10 Sec. 18.100.070. SENIOR CITIZEN HOUSING DEVELOPMENT GRANTS. (a)

11 There is created within the Department of Community and Regional Affairs
12 a senior citizens housing development grant fund. Subject to direct
13 appropriation or through proceeds of a bonding issue the department
14 shall make grants to municipalities or to corporations eligible for
15 loans under sec. 50 of this chapter for the purpose of developing senior
16 citizen housing.

17 (b) Application for a grant under (a) of this section shall be in
18 the form prescribed by the department. The application shall demonstrate
19 the need for senior citizen housing in the area to be served, the feasi-
20 bility of the proposed project and an adequate management plan for the
21 proposed project.

22 (c) The department shall promulgate regulations to carry out the
23 purposes of this section. The provisions of the Administrative Proce-
24 dure Act (AS 44.62) apply to regulations adopted under this section.

25 (d) In this section "senior citizen housing" means a specific
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housing.

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: House C&RA

To: _____ HOUSE BILL No. 805

SENATE BILL No. _____

PAGE: One

LINE: _____

Line 7 delete "grants"

Line 12 delete "grant"

Line 14 add "or loans" between "grants" and "to municipalities"

Line 17 add "or loan " between "grant" and "under (a)"

Line 20 after "plan" insert "which shall demonstrate the ability of the eligible recipient to sustain the proposed project."

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 805/as amended by House CRA Committee (revises fiscal note of 2/25/76)
 Title: "An Act relating to senior citizen housing development"
 Requested by: House Finance Date: 3/18/76
 Return Date Requested: _____
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Community Planning

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		43.7	101.0	111.1	122.2	134.5
200 TRAVEL		3.3	7.0	7.7	8.5	9.3
300 CONTRACTUAL		6.3	10.0	11.1	1.2	13.3
400 COMMODITIES		.6	1.2	1.2	1.3	1.6
500 EQUIPMENT		2.3	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		56.2	119.2	131.1	144.2	158.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND		56.2	119.2	131.1	144.2	158.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	3.5 /	3.5 /	3.5 /	3.5 /
MAN MONTHS (P./T.)	/	20 /	42 /	42 /	42 /	42 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attachment.

IV. ATTACHMENTS

V. DATE: 3/18/76

PREPARED BY: Kevin Waring

Kevin Waring, Director
Division of Community Planning

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

III. ANALYSIS

- A. Assumption - that House Bill 806 becomes law and the bonds are authorized by the qualified voters of the State and/or House Bill 805 (this bill) is funded through a direct appropriation.
- B. Program Summary. This legislation would establish a grant and loan fund in the Department "to provide dwelling accommodations for persons sixty years of age or older, including the acquisition, construction or rehabilitation of land, buildings and improvements and other nonhousing facilities that are incidental or appurtenant to the housing."

In order to expedite program development during the initial year, the Department requests three positions, as budgeted below: (1) a Housing Development Specialist (Range 21 - 7 months) to supervise program development, including preparation of necessary regulations, coordination with federal and private finance sources, etc.; (2) a Loan Specialist (Range 19 - 6 months) to develop loan and grant application procedures and to evaluate, process and monitor applications; and (3) a Clerk-Typist III (Range 8 - 7 months). The Department anticipates that accounting services will have to be budgeted for in subsequent years.

	Housing Development Specialist - 7 mo. Range 21	Loan Specialist 6 mo. Range 19	Clerk-Typist III 7 mo. Range 8	Total
100	20.2	15.0	8.5	43.7
200	1.8	1.5	-	3.3
300	3.0	2.5	.8	6.3
400	.2	.2	.2	.6
500	.7	.8	.8	2.3
	<u>25.9</u>	<u>20.0</u>	<u>10.3</u>	<u>56.2</u>



REGION X
Arcade Plaza Building
1321 Second Avenue
Seattle, Washington 98101

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
ANCHORAGE INSURING OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

March 11, 1976

IN REPLY REFER TO:

10.3S

Honorable Ramona Kelley
Alaska State House of Representatives
Assembly Building - Room 110
Pouch V
Juneau, Alaska 99811

Dear Ms. Kelley:

Subject: Alaska State House Bill No. 806 - Supplemental
Grant Money for Elderly Housing Projects

There is an urgent need for elderly housing throughout Alaska, including locations in many of the smaller villages. Economic studies by this office have indicated this need in excess of a thousand units.

Under the Federal Government programs administered by the Department of HUD, there is a gap in funds available for construction, and expected cost at the time a building is available for occupancy. This has been the result of unnatural cost acceleration. Federal statutes control prototype cost ceilings which, at the present, do not permit construction of elderly housing within cost ceilings.

House Bill 806 would allow grant-in-aid of elderly housing construction. Rental payments for occupants of elderly housing could receive subsidy under the HUD Section 8 program, where an occupant would be required to only pay 1/3 or 25 percent of his total income for housing. The remaining 75 percent would be paid by the Federal Government. To illustrate: a unit of elderly designed apartment, having an individual space rental of \$460 per month, occupied by an elderly couple whose total income was only \$400 per month, would pay \$100 per month rent, with the Federal Government paying the owner of the apartment house the required balance of \$360, thereby allowing the owner of the apartment building to amortize his investment while, at the same time, the elderly couple are receiving new, decent, safe, and sanitary housing.

In the little town of Point Hope, there is a need of only 12 units. The elderly of Point Hope wish to stay in a town where they can take care of each other and not have their existence relegated to a Pioneer Home such as that in Fairbanks.

The \$6,000,000 grant proposed by HB 806 is estimated to be able to provide at least 500 units of elderly housing when coupled with other financing means. Under Section 8, this would generate rent subsidy funds in the approximate amount of \$1,800,000 per year coming into Alaska. The entire \$6,000,000 grant would be returned in approximately 3-1/2 years through benefits to the Alaskan elderly.

A copy of HB 806 is attached for your easy reference.

Elderly housing is presently planned for the following communities: Barrow, Point Hope, Kodiak, Fairbanks, Anchorage, Juneau, and Ketchikan. Additional units are presently being planned in smaller communities by the Native Local Housing Authorities.

I urgently recommend passage and solicit your full support of HB 806 for its general benefit to all of Alaska.

Sincerely,



Roger A. Riddell
Director

Attachment