

HB-805

COMMITTEE REPORT

2/17/76

FINANCE

HOUSE

Mr. Speaker:

Date 2-17-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS 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)

() recommends it BE REPLACED WITH CS FOR 23 AND THAT

CS FOR 105 DO PASS

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

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

| | | |
|--------------------|--------------------|--------------------|
| <u>[Signature]</u> | <u>[Signature]</u> | <u>[Signature]</u> |
| <u>[Signature]</u> | <u>[Signature]</u> | <u>[Signature]</u> |
| <u>[Signature]</u> | <u>[Signature]</u> | <u>[Signature]</u> |
| <u>[Signature]</u> | <u>[Signature]</u> | <u>[Signature]</u> |

Members not concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

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."

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

February 26, 1976

The meeting was called to order by Chairman Cotten at 9:20 am for discussion of HB's 805/806. Present were:

Rep. Cotten
Rep. Kelley
Rep. Hackney
Rep. Ose
Rep. Ostrosky
Rep. Rudd
Rep. Freeman
Palmer McCarter, C&RA

David Freer, ^{Dept H&SS}
Dan Plotnick " ^{Office of Aging}
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

- 0011 Rep Kelley testified on the bill. She stated that she felt that everyone knew of the need for senior citizen housing in the State of Alaska and it was her attempt to get some money into this. She explained how the bill would work as far as need and funding. She told the committee that it was a problem in the bush as well as the larger communities in getting the senior citizens into a senior citizen home. The figure of 6 million was one which was just picked. There could be direct appropriations or bond issues.
- 0126 Rep. Ose asked what would be priority -- grants or loans on line
14 of HB 805.
- Kelley stated that she felt that the regulations should take care of that. She felt that there should be a letter of intent put with it. There was discussion on regulations between Rep. Kelley and Rep. Ose.
- 0201 Rep. Kelley told the committee about a complex in Fairbanks in comparison to what Ose and Kelley were discussing.
- 0240 Dan Plotnick was asked to testify, however he asked the Department to testify instead. Palmer McCarter stated that the Department agrees with the principle of the program in promulgating regulations and administering funding would be with the Department of H&SS.
- 0274 Dan Plotnick pointed out that Section 50 of the Statutes, Revolving Loan Fund is the proper vehicle to administer this act. He stated that from the Office of Aging's point of view, they wholeheartedly support the concept of the bill. Housing is the number 1 need all over Alaska.

There was further discussion on different states and how they handle this type of program.

Meeting adjourned at 10:00 am

The bill at line 19 requires the granting agency to review an application for "...the feasibility of the proposed project and an adequate management plan for the proposed project."

Perhaps Community and Regional Affairs can explain to the committee its in-house capability of analyzing applications for housing funds. It is my understanding that these grants are for actual housing, not to "study" the matter. Mr. Miles can tell you of the "new" ASHA capability presently analyzing 400 units as to feasibility in addition to a continual on-going management of some 1,800 units. How does this stack up with Community and Regional Affairs capability?

The principles of good public administration require that one not duplicate existing services and structures. The Legislature saw fit to grant ASHA in 1945 the overall authority for State planned and funded housing. Since that time ASHA has been over some rocky roads, through both Democratic and Republican Administrations. I can understand the reluctance - based on past history - of placing a project in ASHA. I submit to you that the track record of the "new" ASHA merits the Legislature's confidence. There have been several firsts in the last 12 months; first set of regulations, first voluntary involvement of communities in planning, and most importantly first elderly housing planned, funded and now under construction. I refer to the Golden Towers 96-unit project in Fairbanks. Presently, ASHA is "mother-hening" a 240-unit project for Anchorage through its tortuous path of urban development, Municipality of Anchorage Assembly, HUD and other entities. And that brings me to my final point. The inception, planning, financing construction and input of subsidized housing, especially elderly housing with its particular design requirements demands integrated full-time attention by professionals in the housing business.

The granting of State Bond funds without attempting to tailgate or "leverage" it with Federal funds is a misuse of public money. The proper procedure involves melding State funds with Federal funding in this case, specifically, HUD Section 8 and Section 202 monies. Both Bill Miles and I are intensively familiar with this - among other things we went to Washington last November to lock-in the Section 8 funds for the Fairbanks project and get in the front of the line for Section 202 funds for the Anchorage project. Perhaps, Community and Regional Affairs would like to explain to the committee what Section 8 and Section 202 funds are, who is eligible, how does it work, and more importantly who in Washington disburses these funds.

In summary, you have an existing agency, ASHA who is in this business full-time, and can provide the services this bill requires - which goes beyond just writing a check. ASHA may have been a dirty word in the past but I think its track record in the last 12 months shows it capable of ingenuity and good work in providing the most housing with limited funds and merits your confidence. I suggest you change line 11 of this bill to so reflect this confidence.

STATE OF ALASKA

JAY S. HAMMOND
GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D — JUNEAU 99811

March 3, 1976

The Honorable Samuel R. Cotton
Chairman, House Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At the outset, let me apologize for not being able to deliver this letter personally. There is a small matter called malpractice being heard in Senate Commerce that requires my attention. As you many know, the Administration does not have a firm position on this bill at this time. I believe it fair to state that all agree that the intent and methodology of the bill is good, the only issue, as I see it, is which State entity is best equipped to implement it.

It would appear that the basic questions to be answered are two-fold:

- a. What needs to be done if the bill becomes law?
- b. Who can do it best?

Let's look at the first criteria, what needs to be done? At a quick glance one could assume that dispensing grants is the objective of the bill. However, the end product, housing for elderly, appears to be the prime concern. In order to do so the "granting" agency will disburse and possibly raise funds through at line 13, I quote "...proceeds from a Bond fund...".

It may interest you to know that there are only three State entities that issue bonds: the State Bond Committee of which I am the Chairman, Alaska Housing Finance Corporation, and Alaska State Housing Authority. To ask yet another agency to gear up with appropriate bond counsel, financial advisor, etc., will have a definite fiscal impact. Perhaps Community and Regional Affairs would like to explain to the Committee how they will go through the mechanics of a Bond issue? Can they handle it in-house without additional full-time or contractual help?

Housing is historically funded through Bond issues - and that is something that ASHA is addressing every day.


The Honorable
Samuel R. Cotton

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March 3, 1976

That's one mans' opinion, but its based upon a lot of sweat and tears - mainly on the part of others - to turn that agency around. If you don't show that confidence at this stage, then I'd suggest to you that you introduce a one line bill repealing ASHA. Because in the final analysis, why have two agencies at the State level doing the same thing?

Sincerely,


Langhorne A. Motley
Commissioner

cc: Sponsors
House Finance Committee

Communities with 100 or more persons over the age of 60 in 1970
(U.S. Census)

| <u>*Community</u> | <u>Age 60+</u> | <u>Age 60+ Populations as Per Cent of the Community's Population</u> |
|-------------------|----------------|--|
| 1. Anchorage | 1,895 | 4% |
| 2. Fairbanks | 706 | 5% |
| 3. Juneau | 621 | 10% |
| 4. Ketchikan | 598 | 9% |
| 5. Sitka | 395 | 12% |
| 6. Petersburg | 194 | 10% |
| 7. Kodiak | 190 | 5% |
| 8. Seward | 166 | 10% |
| 9. Nome | 161 | 6% |
| 10. Wrangell | 158 | 8% |
| 11. Bethel | 106 | 4% |
| 12. Palmer | 99 | 9% |
| 13. Cordova | 99 | 9% |

In 1970 the elderly population (60+) represented 4% of the State's total population. All of the above-cited communities exceed this percentage (4%) except Anchorage and Bethel.

*Represents the "center city" and does not include suburbs.

Ask about course Rude
DAILY

1111

- get reqs.
- set up markets
- on site resident mgrs.

150

503 @ 7 1/2% 40 yrs

" last time tapping

→ see 8 * 570,000 monthly

no more than 200,000 mo



would the acct work you by here

1. supported by
agent active

2.

