

SB

325

Introduced 1-15-80

Logged 1-15-80

Referred Finance

Comm. meeting 1-30-80

" action - Do Pass - taken Senate Reg. 5:30 PM. 2-1-80

SB 325

Anticipated period of 1/15/80
if general election is held in
no further progress
attained and

Alaska STATE HOUSING AUTHORITY

February 4, 1980

Mr. Paul Conger
Administrative Assistant
Senate Health, Education and
Social Services Committee
Pouch V
Juneau, Alaska 99811

Re: Inquiries Concerning Senate Bill 325

Dear Mr. Conger:

In accordance with our conversation of last Wednesday when I was in Juneau, I attempted to call you on Thursday. However, I was unable to make contact with you. Since I was out of Anchorage Friday, this is my first opportunity to contact you.

I expressed in our conversation concerning SB 325 a concern regarding how the \$15 million appropriation that is proposed for use in the construction and development of elderly housing can be used. The first question that comes to mind is whether there shall be any obligation to repay the money appropriated under SP 325. While the bill, on its face, appears to be a straight appropriations bill, questions regarding the requirement that the recipient agency of the funds eventually repay the money to the general fund have arisen.

Secondly, it is our experience and our position that one of the most effective uses for the money is that it be used as "seed money" for attracting money available under federal programs, or that it be used in the form of direct grants or loans in order to pick up a commonly experienced "short fall" between the monies available for development and construction under federal programs and the actual cost of development and construction in the State of Alaska. Under this "seed money" mode of utilization, the Alaska State Housing Authority (ASHA) estimates that one state dollar can attract approximately three to five federal dollars that might not otherwise be useable in the State of Alaska. Thus, ASHA would envision a program whereby loans and grants to the regional housing authorities may be an appropriate method of utilizing these funds to most advantageously attract federal elderly housing dollars to the state and address the needs of both the rural and urban communities.

Another question that may need to be answered is whether the funds can be used in order to preserve failing elderly housing projects. For

Alaska STATE HOUSING AUTHORITY

Mr. Paul Conger

-2-

February 4, 1980

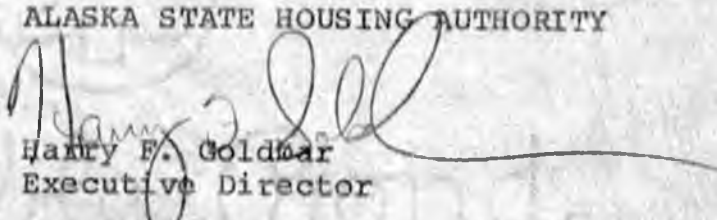
example, if an elderly housing project is a financial failure due to unforeseen cost overruns--e.g. through contractors claims, unforeseen increases in interest rates or increased costs due to unforeseen or concealed soils or other conditions--can the bond funds be utilized to "bail the project out". The preservation of a failing project does not necessarily fall squarely within the language of the bill requiring that the money be used for "construction and development" of elderly housing. However, in the event that a public housing project of this nature is failing, it would seem to be a prudent use of the monies to preserve the project that is failing rather than to allow the project to fail and simply build another one with the "construction and development" funds.

Last, since ASHA is not a line agency of the state, but rather a "public corporate authority", and since it has been unusual for ASHA to be the recipient of an appropriation of this type since the early 1970's, the question has arisen as to whether the entire corpus of the appropriated bond funds can be immediately drawn down by ASHA to be included in an investment program that would allow ASHA to not only preserve the corpus of the fund to the greatest extent possible by increasing it through prudent investment policies, but would also allow ASHA to cover the costs of administering the program, to the greatest extent possible, from investment earning proceeds rather than from the corpus of the appropriation.

I greatly appreciate the opportunity to make these comments and inquiries regarding SB 325. If ASHA can be of any assistance in providing further information concerning our elderly housing programs or our ideas on how these funds can most effectively be utilized, please contact me at your convenience.

Sincerely,

ALASKA STATE HOUSING AUTHORITY


Harry F. Goldbar
Executive Director

HFG:mrm

cc: Jim Kelly, Administrative Assistant
to the Interim Committee on Services to the Elderly

Roger Lang, Chairman of the Board

The Honorable Charles Webber, Commissioner of Commerce and
Economic Development

In many of the homes of Older Alaskans, there is a woman living alone. The life of the older woman is centered in her home, her cabin, her apartment. The house itself is important to her. Eight years ago, one of seven households of Older Alaskans did not have running water, flush toilets, bathing facilities, or heat in every room. Health, mental health, and safe housing are necessities for the aging.

The majority of Older Alaskans prefer independent or semi-independent (with residential environment factors built in) housing to an institution. Many older persons who are living in institutions isolate themselves in their own rooms to avoid the distressing emotional impact of sitting around the nurses station, or in the recreation room along with patients extremely mentally retarded or mentally ill.

The mentally alert Older Person wants independent living as in a congregate facility. 87% of persons over 65 are fully ambulatory.

I recommend the passage of SB 325.

According to our grand old congressman from Florida, Claude Pepper, every dollar spent on congregate senior housing, results in a 50¢ saving in federal nursing home expenditures.

Dove M. Kull, M.S.W., A.C.S.W. *110*
Member of State Commission on
Services to the Elderly

Alaska STATE HOUSING AUTHORITY

March 6, 1980

Mr. Jim Kelly
Administrative Assistant
Committee on Services for the Elderly
Pouch V
Juneau, Alaska 99811

Re: Senate Bill 325

Dear Jim:

In regard to our conversation of a few weeks ago concerning Senate Bill 325, please find enclosed the information you requested. This information includes the housing assistance plan (HAP) for the Municipality of Anchorage as well as the type of survey instrument that we used to supplement the information provided by HUD to establish a needs evaluation for senior citizen housing in the Seward and Cordova areas.

You also inquired whether the State of Alaska had lost conventional housing funds from the United States Department of Housing and Urban Development as a result of the fact that the amounts of money available are inadequate to perform construction in the State of Alaska. My impression based upon prior conversations with HUD officials indicated a positive response to that question. However, upon further and more specific questioning of HUD officials they have indicated that the State has not lost any conventional funding because of the short fall inherent in the HUD funding methods for conventional housing. However, it is very clear based upon my conversations with HUD that many projects were saved by the availability of State dollars to supplement the inadequate HUD funds.

If I can be of any further assistance in this matter, please contact me at your convenience.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Harry F. Goldbar
Executive Director

HPG:rra

cc: Mary Isaacs, Administrative Assistant
Health, Education and Social Services

POSITION PAPER
ON
SENATE BILL NO. 325
(Identical to House Bill #617)

"An Act providing for the issuance of general obligation bonds in the amount of \$15,000,000 for the purpose of paying the cost of construction and development of senior citizen housing; and providing for an effective date."

The Department of Health and Social Services, Office on Aging supports the concept included in Senate Bill 325.

Our Office of Aging has found that there is a the need for senior housing. Seniors living on fixed income, from Old Age Assistance or a retirement program, cannot always afford to pay the current high cost of housing in many areas of Alaska. For example, a senior receiving the maximum monthly benefit under Old Age Assistance is eligible for \$413 a month. That \$413 must cover the costs of housing, fuel, food, transportation, clothing, and other necessities. Seniors report difficulties in making ends meet under such situation. Low cost housing program could serve to supplement their income.

Also, it may be appropriate for some of the housing dollars to be earmarked for residential care housing units as these could serve as an alternative to institutionalization in a nursing home. This could serve to provide care to seniors in the least restrictive setting possible and at a much lower cost.

Recommended by:

M. Dan Plotnick 1/30/80
M.D. Plotnick, Coordinator (DATE)
Office on Aging

Approved by:

Helen D. Beirne 1/30/80
Helen D. Beirne, Commissioner (DATE)
Department of Health and Social
Services

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #617
 Title Issuance of GOB-\$15,000,000-cost of construction & development of senior housing.
 Requested by Senate HESS Date 1/30/80

II. FISCAL DETAIL

Department of Health and Social Services
 Agency Affected
 Program Category Affected Social Services for Aged
 BRU, Program, or Subprogram(s) Affected Office on Aging
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)


GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-


POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

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


 Prepared by: M.D. Plotnick Date: 1/30/80
 Director/Office: Aging PH: 465-4904
 Department of Health & Social Services

Approval DHSS Mgt. & Bldg.  Date: 1/30/80

58325

TO: [

Jim Kelly
Admin. Assistant
State Committee on Services
to the Elderly

DATE:
July 6, 1979

FILE NO:

TELEPHONE NO:

FROM:

Janice Gates *JG*
Special Assistant
to the Commissioner
Department of Health & Social Services

SUBJECT:

Chapter 122 Bond Facilities
as of July 2, 1979
Senior Citizens Centers

Status of Chapter 122 Bond Facilities as of July 2, 1979

Senior Citizen Centers

1. ANCHORAGE MULTI-PURPOSE SENIOR CENTER (\$800,000)

Letters of interest have been received from the Anchorage Municipality's Senior Citizens Advisory Commission and from the Salvation Army. Departmental representatives have met on two occasions with the Municipality's Senior Citizens Advisory Commission to discuss procedures for application of the funds and the conceptual design of an Anchorage facility. The most recent meeting was held on June 21, 1979, and was attended by all pertinent agencies interested in programs for the aging in the Anchorage area.

An Attorney General's Opinion stating that bond funds are to be disbursed through a governmental entity to assure public ownership, has been shared with both groups. The Municipality has the option of operating the facility itself or contracting with an appropriate sponsor. The Municipality is recognized as the lead agency in planning for the facility, and coordination with other local groups and the State is good.

2. HOMER SENIOR CITIZEN CENTER (\$433,500)

Conceptual plans from the City of Homer have been received by the Department. The City of Homer anticipates entering into an agreement with the State in October, 1979, and selecting an architect in November. A construction contract is scheduled for award around May of 1980 with construction to be completed by October, 1980. Consideration is being given to the possibility of the City of Homer and the Homer Senior Citizen's entering into an agreement with a non-profit social organization for the management of the facility.

3. NOME SENIOR CITIZEN CENTER (\$872,400)

Departmental staff has discussed the project with personnel from the Nome Community Center, being advised that a newly remodeled Senior Center with a capacity of 40 is presently available. The facility is owned by the Methodist Church and leased to the Senior Center. A new Community Center in Nome was also completed this

Spring. Community Center personnel question the need for another facility and the ability of the community to support it. No intent for utilization of the bond funds has been received.

4. BETHEL SENIOR CITIZEN CENTER (\$1,565,000)

Several telephone conversations have been held with City of Bethel staff related to the planning of a Senior Center. The community has organized an Inter-Agency Committee consisting of representatives of the Public Health Service, the Division of Public Health, the Yukon-Kuskokwim Health Corporation, the Division of Social Services, the AVCP Housing Authority and private citizens. Preliminary plans are expected in a month or so. Some consideration is being given a residential plus day-care center. Public Health Service support is being solicited and PHS statistics are being consulted to determine the need for such services. Another option being considered is the construction of a senior center in Bethel with senior "support headquarters" in larger villages in the region. The Department expects to receive a request for \$2500 of bond funds for consultants' travel from Anchorage to Bethel and for village representatives from the villages to Bethel for planning purposes.

5. DILLINGHAM SENIOR CITIZEN CENTER (\$565,000)

Telephone conversations and correspondence relating to the Senior Center have been transacted between Department staff and staff of the Bristol Bay Area Health Corporation. The City of Dillingham has cited land for such a Center as one of its land needs under 14(c, village selection. Both the City of Bethel and the BBAHC are considering the possibility of combining a Center with a University of Alaska Extension Center to be constructed in Dillingham. Another option being considered is to combine the \$1 million authorized for a "nursing home" in Dillingham in a 1974 bond issue with the Chapter 122 funds to construct a residential facility/senior center complex. The Department sought an Attorney General's Opinion regarding the propriety of such utilization and has informed the community that such alternative applications of the funds are indeed appropriate. The Bristol Bay Area Health Corporation is the lead agency for this project to date and is working with community representatives to design a plan to meet Dillingham's needs.

6. TANANA

Although Tanana did not receive an allocation of Chapter 122 bonds funds, the Attorney General's Opinion mentioned above (see #5) affects that community as well. Chapter 132 SLA 1974 allocated \$1 million

for a "nursing home" in Tanana. The bond issue is unsold to date due to the lack of application for the funds authorized. The Tanana Chiefs Health Authority has developed a comprehensive plan to turn the Tanana Public Health Service Hospital into a comprehensive alternative care complex serving all ages and villages in the surrounding region. The legal opinion referenced above appears to support the direction in which the community wishes to go. The bond monies may be utilized to acquire, construct and equip a facility based less on a medical model and more on a residential and/or social model. Departmental staff will meet with representatives of the Tanana Chiefs and Public Health Service personnel on July 12 to further consider the comprehensive alternative care plan in Tanana.

Note: All recipients of Senior Citizen Center bond funds were sent the attached list of services available through a Senior Center.

cc: OSHPD
Aging
A. Korhonen
H.D. Beirne



LAWS OF ALASKA

1978

Source

Chapter No.

FCCS HCS CSSB 622

122

AN ACT

Providing for the issuance of general obligation bonds in the amount of \$25,000,000 for the purpose of paying the cost of capital improvements for health facilities, senior citizen centers and pioneers' homes; and providing for an effective date.

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

* Section 1. For the purpose of paying the cost of capital improvements for health facilities, senior citizen centers, and pioneers' homes, general obligation bonds of the state in the principal amount of not more than \$25,000,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1978 Health Facilities, Senior Citizen Centers and Pioneers' Home Construction Fund" shall be established, to which shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for the accrued interest and premiums. The amount of \$12,500,000 is appropriated from the "1978 Health Facilities, Senior Citizen Centers and Pioneers' Home Construction Fund" to the Department of Health and Social Services to be allocated as follows:

Project	Location	Amount
(1) Community hospital	Sitka	\$5,600,000
(2) Harborview Hospital fire prevention system	Valdez	305,000
(3) Alaska Psychiatric Institute fire prevention system	Anchorage	206,100
(4) Health facility	Hooper Bay	100,000
(5) Health facility	Nenana	200,000
(6) Health facility	McGrath	100,000

7) Health facility	Shungnak	100,000
8) Health facility	Kivalina	100,000
9) Health facility	Kobuk	100,000
10) Health facility	Buckland	100,000
11) Health facility	Ambler	100,000
12) Health facility	Unalakleet	200,000
13) Health facility	Kaktovik	150,000
14) Health facility	Gambell	100,000
15) Health facility	Savoonga	100,000
16) Health facility	Pedro Bay	15,000
17) Health facility	Platinum	20,000
18) Health facility	Togiak	20,000
19) Health facility	Ekwok	20,000
20) Health facility	Portage Creek	20,000
21) Health facility	King Salmon	35,000
22) Health facility	Nondulton	20,000
23) Health facility	Goodnews Bay	20,000
24) Nursing home	Juneau	283,000
25) Multipurpose senior citizen center	Anchorage	800,000
26) Care center	Kenai Peninsula	250,000
27) Senior citizen center	Homer	433,500
28) Senior citizen center	Nome	972,400
29) Senior citizen center	Bethel	1,565,000
30) Senior citizen center	Dillingham	565,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$25,000,000 for the purpose of paying the cost of capital improvements for health facilities, senior citizens centers and pioneers' homes?

Bonds Yes []

Bonds No []

* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

* Sec. 3. The amount of \$12,500,000 is appropriated from the 1978 Health Facilities, Senior Citizen Centers and Pioneers' Homes Construction Fund to the Department of Administration to be allocated as follows:

Project	Location	Amount
(1) Pioneers' Home addition	Anchorage	\$7,500,000
(2) Pioneers' Home	Ketchikan	5,000,000

* Sec. 4. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of \$87,500 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 5. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed to the fund from the proceeds of the sale of bonds authorized by this Act.

* Sec. 6. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Health Facilities and Senior Citizen Centers and Pioneers' Homes Construction Bonds \$25,000,000