

COMMITTEE REPORT

HOUSE

FURTHER:

3/11/81

(11)

Date: April 8, 1981

Mr. Speaker:

The Committee on FINANCE has had SSHB 150

"An Act making a special appropriation to the Department of Community and Regional Affairs, senior citizens housing development fund to develop senior citizen housing; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSHB 150 same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

CHAIRMAN

11557

H. Miller

Original Sponsors: Duncan and Miller

<u>Funding Information</u>	
General Fund	\$16,125,000
Other Funds	-0-
	<u>\$16,125,000</u>

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 150 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Community and Regional Affairs to develop
8 senior citizen housing; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$125,000 is appropriated from the general fund
12 to the Department of Community and Regional Affairs to study and assess the
13 need in the state for senior citizen housing.

14 * Sec. 2. The sum of \$16,000,000 is appropriated from the general fund
15 to the Department of Community and Regional Affairs, senior citizens housing
16 development fund (AS 18.54.070), to develop senior citizen housing, includin
17 but not limited to, conventional housing, housing for the frail elderly,
18 group homes, congregate housing, and other housing that meets special needs.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.
20 070(c).

21
22
23
24
25

Funding Information
General Fund \$25,000,000
Other Funds -0-
\$25,000,000

Introduced: 2/19/81
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE BY DUNCAN AND MILLER
2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 150
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Community and Regional Affairs, senior citizens
8 housing development fund to develop senior citizen
9 housing; and providing for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. The sum of \$225,000 is appropriated from the general fund
12 to the Department of Community and Regional Affairs, senior citizens housing
13 development fund (AS 18.54.070), to study and assess the need in the state
14 for senior citizen housing.
15 * Sec. 2. The sum of \$24,775,000 is appropriated from the general fund
16 to the Department of Community and Regional Affairs, senior citizens housing
17 development fund (AS 18.54.070) to develop senior citizen housing, including,
18 but not limited to, conventional housing, housing for the frail elderly,
19 group homes, congregate housing, and other housing that meets special needs.
20 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).
22
23
24
25
26
27
28
29

POSITION PAPER
 ON
 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 150 (Finance)

"An Act making special appropriations to the Department of Community and Regional Affairs to develop senior citizen housing; and providing for an effective date."

Seniors living on fixed incomes, from Old Age Assistance or a retirement program, are finding it more difficult to afford to pay the rising costs of housing and fuel in most all areas of Alaska, especially in the smaller communities. For example, a senior receiving the absolute maximum monthly benefit under Old Age Assistance is eligible for \$473 a month. That \$473 must cover the costs of basic housing, fuel, food, transportation, clothing, and other necessities. Seniors statewide report difficulties in making ends meet under such a situation.

The Department of Health and Social Services supports the concept of a study to assess the need for senior citizen housing and the development of senior citizen housing to meet identified needs. In addition, if an Older Alaskans Commission is established, it may be appropriate to have the commission conduct such a study. In the Department's view it would be appropriate for the study to address various housing alternatives which could prevent unnecessary and premature institutionalization.

The Department supports the amendments included in this bill since there are various kinds of housing needs which may differ from one community to the next, especially in the more rural areas of the state.

Recommended by: Elizabeth Muktarian
 Elizabeth Muktarian
 Director
 Division of Adult and
 Aging Services

Date: 4/12/81

Approved by: Helen D. Beirne
 Helen D. Beirne
 Commissioner
 Dept. of Health and
 Social Services

Date: 4/20/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Sponsor Substitute for House Bill No. 150 (Finance)
 Title "An Act making special appropriations to the Dept. of Community & Regional Affairs
Requested by to develop senior citizen housing; & providing for Date April 16, 1981
an effective date."

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Social and Economic Assistance for the the Aged
 BRU, Program, or Subprogram(s) Affected Division of Adult and Aging Services - Aging Grants
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact

IV. DATE 4/16/81 PREPARED BY Dorothy Wait
 AGENCY Division of Adult and Aging Services
 PHONE 465-3250
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval K. Hubbard Date 4/20/81

POSITION PAPER
ON
SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 150

"An Act making a special appropriation to the Department of Community and Regional Affairs, senior citizens housing development fund to develop senior citizen housing; and providing for an effective date."

Seniors living on fixed incomes are finding it difficult to afford to pay the rising costs of housing and fuel in most areas of Alaska, especially in smaller communities.

The Department of Health and Social Services supports the concept of a study to assess the need for senior citizen housing and the development of senior citizen housing to meet identified needs. Housing for the frail elderly, group homes, congregate housing, and other housing that meets special needs are alternatives to unnecessary and premature institutionalization.

If, however, an Older Alaskans Commission is established, it may be appropriate to have the commission conduct such a study.

Recommended by: Elizabeth Mukhtarian
Elizabeth Mukhtarian
Director
Div. of Adult & Aging
Services

Date: 2/26/81

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner
Dept. of Health and
Social Services

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for House Bill No. 150
 Title "An Act making a special appropriation to the Dept. of Community & Regional Affairs,
 Requested by senior citizens housing development fund..... Date February 26, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Social and Economic Assistance for the Aged
 BRU, Program, or Subprogram(s) Affected Division of Adult & Aging Services
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact

IV. DATE 2-26-81 PREPARED BY Dorothy Walt
 AGENCY Division of Adult and Aging Services
 PHONE 465-3250
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 2/27/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

5548 150

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 150
 Title SENIOR CITIZEN HOUSING
 Requested by LEGISLATIVE FINANCE Date 2-20-81

II. FISCAL DETAIL

Agency Affected DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
 Program Category Affected SOCIAL & ECONOMIC ASSISTANCE FOR THE AGED
 BRU, Program, or Subprogram(s) Affected SENIOR CITIZEN HOUSING
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

-0-

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

This bill will require no additional operating expenses other than a continuation budget.

IV. DATE 2-25-81 PREPARED BY *Jack Smodey* JACK SMODEY
 AGENCY Dept. of Community & Regional Affairs, Division
 Original: Legislative Finance PHONE 272-4585 of Housing Assistance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

AGENCY COMMENTS:

Sponsor Substitute for House
Bill No. 150

Needs Assessment

This bill provides for an appropriation of \$225,000 which would be utilized to develop a statewide senior citizen housing needs assessment.

Population estimates and projections for funding decisions are a major element to efficient planning of elderly housing projects on State, area-wide, and local levels.

The elderly housing needs assessment will serve to inform the Legislature and the Department of Community and Regional Affairs when communities with substantial need are being left out as proposals come in. The Department of Community and Regional Affairs could then take an "activist approach" to meeting that need. Planning grants could then easily be obtained by interested senior citizens and would enable senior citizens to have the financial resources to control the project, i.e., to see their decisions concerning location, design, management and ownership implemented.

A very rough estimate of the demand for senior citizen housing is approximately 800 units as follows:

230 units--urban areas;

326 units--population areas over 500

267 units--population areas less than 500

Administration

This bill provides for an appropriation for construction and development of rental housing for senior citizen and requires the DCRA to continue to administer the existing Senior Citizens Housing Program. The existing program has utilized State funds to leverage existing federal financing when possible and to provide 100% State grants when leveraging federal funding was not appropriate.

Continued placement in the DCRA would assure equalitarian administration and distribution of funds to all public housing authorities and communities throughout Alaska.

Additionally, by permitting the Department of Revenue to "hold" the funds until allocated to a specific project, the State will continue to receive the investment income earned on the \$24,775,000 allocation.

Communities which have received planning grants from the DCRA are: Wasilla, Wrangell and St. Marys. Additionally, Kodiak and Homer are preparing applications for planning grants. These communities will then require grants to construct the housing.

It is our recommendation that the DCRA be permitted to utilize a portion of this allocation to assist the Alaska State Housing Authority (ASHA) in obtaining permanent financing on all interim construction loans outstanding with the Department of Revenue for existing senior citizen housing (e.g. Anchorage, Fairbanks, Cordova, Seward and Bethel). Assistance means leveraging state funds with financing from other sources to a feasible level for debt retirement and maintenance and operating expenses.

SENIOR CITIZEN HOUSING BOND FUND

JANUARY 1981

FINANCING METHOD	LOCATION	SPONSOR	OWNER	UNITS	AMOUNT	%	OTHER FUNDS SOURCE &	TOTAL ALL SOURCES
<u>DIRECT FINANCING:</u>								
	Chugiak-Eagle	Municipality of Anchorage	Municipality of Anchorage	24	\$1,510,809	100	--	\$1,510,809
	Allakaket	City of Allakaket	City of Allakaket	2	75,865.69	100	--	75,865.73
	Anvik	City of Anvik	City of Anvik	2	64,631.62	100	--	64,631.89
	Fort Yukon	City of Fort Yukon	City of Fort Yukon	4	131,433.97	100	--	131,434.45
	Grayling	City of Grayling	City of Grayling	1	23,090.86	100	--	23,090.86
	Holy Cross	City of Holy Cross	City of Holy Cross	2	60,852.58	100	--	60,851.73
	McGrath	City of McGrath	City of McGrath	4	123,203.49	100	--	123,203.49
	Nulato	City of Nulato	City of Nulato	2	53,629.75	100	--	53,629.75
	Ruby	City of Ruby	City of Ruby	2	73,718.79	100	--	73,718.73
	Shageluk	City of Shageluk	City of Shagluk	2	91,404.12	100	--	91,403.17
	Tanana	City of Tanana	City of Tanana	2	69,363.78	100	--	69,363.58

FINANCING METHOD	LOCATION	SPONSOR	OWNER	UNITS	AMOUNT	&	OTHER FUNDS SOURCE &	TOTAL ALL SOURCES
------------------	----------	---------	-------	-------	--------	---	----------------------	-------------------

LEVERAGING:

	Juneau	City and Borough of	ASHA	42	\$525,000	27	\$1,425,683 HUD Sec. 5402	\$1,950,683
	Ketchikan	City of Ketchikan	ASHA	50	775,000	31	1,740,565 HUD Sec. 5402	2,515,565
	Sitka	City of Sitka	Tlingit and Haida Housing Devel. Corp.	24				
	Haines	City of Haines	Tlingit and Haida Housing Devel. Corp.	12				
	Hoonah	City of Hoonah	Tlingit and Haida Housing Devel. Corp.	12				
	Kake	City of Kake	Tlingit and Haida	12	383,000	9	4,020,000 HUD Sec. 8/202	4,403,000
	Saxman	City of Saxman	Tlingit and Haida Housing Devel. Corp.	12				
	Klawock	City of Klawock	Tlingit and Haida Housing Devel. Corp.	12				
	Craig	City of Craig	Tlingit and Haida Housing Devel. Corp.	9				

FINANCING METHOD	LOCATION	SPONSOR	OWNER	UNITS	AMOUNT	%	OTHER FUNDS SOURCE &	TOTAL ALL SOURCES
------------------	----------	---------	-------	-------	--------	---	----------------------	-------------------

LEVERAGING:

	Bethel	City of Bethel	AVCP Housing Authority	24	\$ 342,527	19	\$ 1,233,100 HUD	\$ 1,575,627
	Seward	City of Seward	ASHA	30	239,000	19	1,973,000 HUD	2,212,000
	Cordova	City of Cordova	ASHA	22	204,000	19	1,480,000 HUD	1,652,000
	Seldovia	City of Seldovia	Cook Inlet Housing Authority	18	150,000	17	1,468,000 HUD	1,618,000
	Petersburg	City of Petersburg	City of Petersburg	24	1,300,000	50	1,300,000 FmHA, Sec. 515	2,600,000

SEED MONEY:

	Petersburg	City of Petersburg	Petersburg Senior Citizen, Inc.		30,000			
	Bethel	City of Bethel	AVCP Housing Authority		20,000			
	Wrangell	City of Wrangell	U/K	20	30,000			
	Juneau	City of Juneau	City of Juneau/ASHA	20	50,000			

FINANCING METHOD	LOCATION	SPONSOR	OWNER	UNITS	AMOUNT	%	OTHER FUNDS SOURCE &	TOTAL ALL SOURCES
------------------	----------	---------	-------	-------	--------	---	----------------------	-------------------

SEED MONEY:

	St. Mary's	City of St. Mary's	U/K	8	\$ 30,000			
	Wasilla	City of Wasilla	U/K	20	50,000			

TOTAL GRANT AWARDS:

412 \$6,406,530.70

Bond Costs

Public Facility Planning Fund

60,620.00

TOTAL

\$6,467,150.70

FUND AVAILABILITY

\$7,500,000.00

FUND AWARDS & COSTS

-6,467,150.70

FUND BALANCE

\$1,032,849.30

NB150
POSITION PAPER ON SB311 - SENIOR CITIZEN HOUSING

Why 25 million dollars? And why all State funding? The answers are to meet statewide housing needs of the elderly and to permit us to determine our own eligibility rules. We can not do this by using part HUD money.

HUD Section 8 defines eligibility: for persons 62 and over and mentally and physically handicapped adults, that is, 18 years and over. The needs of these three groups are not the same and their life styles differ.

Alaska is not providing suitable housing facilities for the semi-independent elderly. Appropriate housing for the frail, or at-risk elderly, is not only an Alaskan concern. It is a national concern.

Dr. Robert Butler, Director of the National Institute on Aging, has stated repeatedly that 25% of the elderly persons in nursing homes do not need that level of care. Unnecessary placement results in trauma for the person and exorbitant expense for the one who pays the cost.

\$4,000 a month is the cost in Juneau.

\$6,000 a month in Anchorage.

Are the frail elderly to become paupers because their state has not provided a better plan of care? A plan to meet their needs! With the cost of nursing home care skyrocketing, who can afford unnecessary placements?

Claude Pepper, our grand old man in Congress, in Public Law 96-234, suggested doing something with congregate housing and services. A plan of this type is becoming a reality in Juneau.

We are building a residential environment around congregate housing. A gerontological architect as consultant is designing built-ins for 3,000 sq. ft. for ancillary services, as parallel bars, whirlpool bath, nurse's examining room with fixtures and supplies. A program of physical, speech, and occupational therapy will be provided for; also kitchen equipment with items for proper nutrition and holistic health approach, ceramics, stress counseling, etc.

When this SB311 passes, State funding can provide subsidized rent as a fourth of the tenant's adjusted income.

Alaska is ready for this plan. Alaska has three statewide health and social services programs. The Department of Health and Social Services, Public Health Services, and the Native Corporations have the personnel resources to develop this plan throughout Alaska.

POSITION PAPER ON SB311 "AN ACT MAKING A SPECIAL APPROPRIATION
TO DEVELOP SENIOR CITIZEN HOUSING."
PAGE 2

In connection with this appropriation, Alaska needs a statute to provide the authority to the Department of Health and Social Services and Community and Regional Affairs to work together to create a residential environment around congregate housing for the frail elderly who do not live in their own homes. It will help the elderly to maintain control over their own lives and not be placed unnecessarily into a wheel chair with resulting loss of control.

OTHER HOUSING THAT MEETS SPECIAL NEEDS.

Alaska set a precedent in 1959 for the elderly with special needs. For instance, a family that believed in the values of an extended family, asked the Department of Welfare for help in keeping a blind grandmother in her daughter's home. The Department increased the monthly old age assistance check for a period of months to provide materials for the sons to build a special room for grandma. This was her room in which she could move about without fear of misplacement of its furnishings. She kept her artifacts near her and continued to work at her skills with skins and beads. This was less expense for the State and less trauma for the aged grandmother. Her sons constructed her room to meet her special needs.

RECOMMENDATION

Mr. Chairman and members of the Committee, in 1979 during five hearings of the State Council on Services to the Elderly, two issues stood above the rest for special attention: the need for improved and expanded home support services, and the need for a single agency to coordinate all of the programs for the aging, and set priorities.

SB311 can provide home support services in congregate housing in their own communities.

I recommend this bill be passed.



Dove M. Kull, MSW, ACSW
Chairperson of the Senior Citizen Advisory Board of the
Mayor and Assembly of Juneau

DOL figures show a low income family comparable budget in Anchorage is 64% higher than average of U.S. - all other Alaskan communities have a higher cost of living)

- 3) Enforce equal pay for equal jobs in community
- 4) Allow more career training
- 5) Change formula for funding: "Per Capita Income" should be adjusted by cost of living (this should apply to all federal programs using "per capita income."

(3) A tax credit be given to employers in private industry for hiring older workers, and That job service centers under the DOL be requested to designate a person as an Older Worker Specialist on staff in each of the larger communities, and That the federal and state governments investigate job sharing opportunities especially for "gradual" retirement, and make these opportunities available to potential retirees; (4) The Alaska State Legislature appropriate the sum of one million dollars for employment and training of Alaska senior citizens 55 years of age and on low or moderate incomes.

(1) Legislation be enacted to provide the authority to the Department of Health and Social Services and the Department of Community and Regional Affairs to develop a residential environment around congregate housing and assist communities in developing appropriate programs of health and social services for the frail or at-risk elderly twenty five per cent of whom are placed unnecessarily in nursing homes because of lack of suitable planning and resources; (2) The Alaska Legislature appropriate \$25,000,000 for housing (all State money to avoid the restrictions of HUD) a part of which will be to construct congregate housing with residential environment for the frail elderly.

A procedure be developed by the University of Alaska to provide academic credit to those senior citizens who provide training for secondary and post-secondary students.

V V A

*Rep. Cotten
Resolution*

*Fred McFarland - Chairman of planning for which need for living
IV IV A*

Galen Grant & Associates
Architecture Planning

625 W Fifth Ave Suite G Anchorage AK 907/279-9606

March 30, 1981

Mr. Sam Cotten, Chairman
House Finance Committee
Pouch V
Juneau, Alaska 99811

RECEIVED

APR 1 1981

OFFICE OF THE
COMPTROLLER

Dear Mr. Cotten:

I am writing to you to express my support for HB 150 and SB 311 and 312 regarding State Senior Citizen Funds. I consider it mandatory that these monies be administered by the State Department of Community and Regional Affairs not by the Alaska State Housing Authority. DC & RA has real concern for the seniors of this State and has been instrumental in helping to obtain senior citizen housing in numerous Alaskan cities. It currently is working with Petersburg, Wrangell, Wasilla, St. Mary's, and Homer. There may be others as well that I am not aware of.

I personally have been involved with senior citizen projects with DC & RA since 1977. As an architect concerned about quality projects, I really appreciate the commitment and support that DC & RA has contributed to senior programs. It would be tragic to remove them from these programs.

Thank you very much.

Sincerely,


Galen Grant

cc: Mitchell E. Abood Jr.
Albert P. Adams
Fred E. Brown
Thelma Buchholdt
Patrick J. Carney
David W. Cuddy
Oral E. Freeman
John G. Fuller
E.J. Haugen
Hugh Malone
Russ Meekins Jr.
Mike Miller
Joe D. Montgomery
Pappy H. Moss
Brian D. Rogers