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408



April 13, 1981

The Honorable Vic Fischer  
Chairman, State Affairs Committee  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Re: SB408, 409, 410; SB231-235;  
SB311, 312

Dear Vic:

The Board of Directors of the Alaska State Housing Authority recently met in Juneau to discuss pending and proposed legislation. The attached resolution was passed unanimously by the Board expressing our position on the approaches to grant funds administration in the housing area. Our Board is composed of five members, i.e., myself as Chairman, Ms. Joan Ray, 1st Vice Chairman, Mr. Gail Kincaid, 2nd Vice Chairman, Commissioner Charles Webber, member, and Ms. Cynthia Aiken, member. The ASHA Board as presently constituted is a widely representative cross section both regionally and on behalf of our program recipients.

With the consent of the Board, I would like to comment on Senate Bills 408, 409 and 410 which we just now received and reviewed. Senate Bill 408 seeks to restructure the ASHA Board and transfer ASHA to the Department of Community and Regional Affairs. On behalf of the Board I would like to clearly state the Board's opposition to SB 408. I believe the old saying "if it's not broken, don't fix it" applies in this instance. The simple fact is that the existing structure of ASHA's Board works and works well as verified by the Legislature's own auditors. The changes suggested in SB408 would not enhance inter-agency communication as that communication is already good.

Such a major change in the structure of ASHA, as outlined in SB408, should only be taken after extensive public testimony. Specifically, prior to action by the committee, I would request hearings at a minimum in Anchorage and possibly in other areas of the State. While at this time, the Board is opposed to SB408, we would reserve the right to reexamine our position after October of this year when the full impact of federal budget cuts are known.



The Honorable Vic Fischer -2-

April 13, 1981

The basic question as illustrated by the different approaches in SB231-235 and SB311 and 312 is the legislature's determination of which agency contains the expertise in housing and can use that expertise to actually construct and manage housing in Alaska. As the grant manager, ASHA can utilize its construction experience and its tax exempt bonding powers for the benefits of the seniors, families and handicapped who utilize ASHA's services and the very important needs of the regional housing authorities.

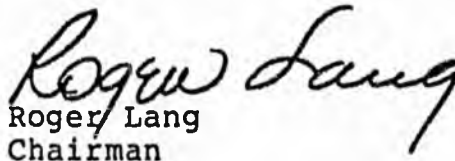
SB409 and 410 which directs the Department of Community and Regional Affairs to conduct a housing need survey and funds the survey is an appropriate planning responsibility of the Department of Community and Regional Affairs. Although it would be beneficial to Community and Regional Affairs to have the input of the Association of Housing Authorities and its members, the input will likely be requested by C&RA and therefore need not be addressed by amendment.

ASHA's concerns for this study are that it not be another shelf document which is completed, filed and forgotten. ASHA's prior proposal for a housing needs survey is for a continuing analysis of the shifting demographics and economics of housing within the state broken down at least by regions which coincide with the boundaries of the regional housing authorities. Ideally the housing needs survey will be the catalyst for a five year construction plan written individually by each affected housing authority and inter tied with the availability of state grant funds, federal construction funds and long term subsidies.

As stated in the resolution, the Board has reaffirmed its support for the approach taken in SB231 through 235 and would request your committee's support for and passage of SB231 through 235.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

  
Roger Lang  
Chairman

RL:JMC:mrm

RESOLUTION OF THE ALASKA STATE HOUSING AUTHORITY  
REGARDING PROPOSED LEGISLATION

RESOLUTION NO. 2574

WHEREAS, the Board has reviewed legislation introduced at the Alaska State Housing Authority's request through the Rules Committees of the Senate and the House, i.e., SB231 - SB235, HB256 - 260; and

WHEREAS, the Board has reviewed other legislation pertaining to housing, i.e., HB150 and SB311 and find the approaches outlined in the bills a less effective and efficient method of promoting housing within the State of Alaska; and

WHEREAS, the Legislature and the Administration of the State of Alaska have the opportunity to utilize the experience and expertise in the housing area of the Alaska State Housing Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Alaska State Housing Authority as follows:

1. The Board reaffirms its support for the approach taken in SB231 - 235 and HB256 - 260; and
2. The Board requests the cooperation and support of the Legislature and the Administration in passage of the above stated bills.

PASSED AND APPROVED by the Board of the Alaska State Housing Authority this 7th day of April, 1981.

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Senate Bill 409

Sponsors Fischer and Stimson

Introduced April 10, 1981 and co-sponsored by Stimson

Section 1, Instructs the Department of Community and Regional Affairs to conduct a study of the statewide housing needs of:

- 1) senior citizens
- 2) persons of low and moderate income

A: Determine those housing needs by geographic area of the state.

B: Explore the alternative means of meeting the housing needs of those groups.

C: The Department is to make a report by January 30, 1983 to the legislature on the findings of the study and make recommendations for alternative approaches to housing, financing, and organizational requirements to meet the housing needs.

Section 2, Act to take effect immediately

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Senate Bill 410

Sponsors: Fischer and  
Stimson

This is the companion bill to SB409.

Section 1, appropriates \$450,000 from the general fund to the Department of Community and Regional Affairs to conduct the statewide housing study as outlined in the above.

Section 2, explains that the unobligated funds will lapse into the general fund on June 30, 1983.

Section 3, Explains that the effective date of this bill will commence on the effective date of Senate Bill 409

Introduced April 10, 1981

Section 1, Removes the Alaska Housing Authority from the Department of Commerce and Economic Development and places it in the Department of Community and Regional Affairs.

This section explains the present composition of the authority's Board which is as follows:

Seven members are on the Board of Directors:

- 1) the commissioner of community and regional affairs,
- 2) the commissioner of commerce and economic development
- 3) the commissioner of revenue
- 4) four public members appointed by the governor. Of the public members, one is a senior citizen ~~65~~ <sup>60 years</sup> years of age or older and one a recipient under an Alaska State Housing Authority Housing program. The term of office of a public member of the board is three years.

Section 2, Requests that the Department of Community and Regional Affairs to file an annual report of its activities and make recommendations for legislation or other action it considers necessary.

The change in this section is adding Community and Regional Affairs deleting Commerce.

Section 3, Requests the authority to submit an annual report, including a financial statement, covering its activities to the Department of Community and Regional Affairs.

Again, the change in this section is adding Community and Regional Affairs and deleting Commerce.

Section 4, Similar to Section 3, except that the statute reference numbers are different and also it replaces Commerce with the Department of Community and Regional Affairs.

Section 5, This section affects the composition of the board of directors in section 1 of this act. It deletes the present term of office for public members now serving to:

- 1) serve staggered three-year terms.
- 2) of the initial members appointed, one member shall serve a term of one year. One member shall serve a term of two years and two members shall serve a term of three years.

Section 6, Explains the intent of the Act, to transfer the location of the Alaska State Housing Authority and alter the composition of the board of Directors. This section continues in effect and unchanged powers, duties, rights and obligations of the authority.

Note: This legislation does not give an effective date.

Introduced: 4/10/81  
Referred: State Affairs, Labor  
& Commerce, Community & Regional  
Affairs and Finance

1 IN THE SENATE

BY FISCHER

2 SENATE BILL NO. 408

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska State Housing Authority;  
7 transferring the authority from the Department of  
8 Commerce and Economic Development to the Department of  
9 Community & Regional Affairs; and changing the composi-  
10 tion of the board of the authority."

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

12 \* Section 1. AS 18.55.020 is repealed and reenacted to read:

13 Sec. 18.55.020. ALASKA STATE HOUSING AUTHORITY. There is estab-  
14 lished in the Department of Community and Regional Affairs the Alaska  
15 State Housing Authority. The authority is governed by a seven-member  
16 board of directors, consisting of the commissioner of community and  
17 regional affairs, the commissioner of commerce and economic develop-  
18 ment, the commissioner of revenue, and four public members appointed by  
19 the governor. Of the public members, one shall be a senior citizen 65  
20 years of age or older and one shall be a recipient under an Alaska  
21 State Housing Authority program. The term of office of a public member  
22 of the board is three years.

23 \* Sec. 2. AS 18.55.270 is amended to read:

24 Sec. 18.55.270. REPORTS AND RECOMMENDATIONS FOR LEGISLATION. The  
25 authority shall file with the Department of Community and Regional *added*  
26 Affairs [COMMERCE] an annual report of its activities and shall make  
27 recommendations for the legislation or other action it considers neces-  
28 sary to carry out the purposes of AS 18.55.010 - 18.55.290.

29 \* Sec. 3. AS 18.55.430 is amended to read:

1           Sec. 18.55.430. AUTHORITY TO SUBMIT ANNUAL REPORT. The authority  
2 shall submit an annual report, including a financial statement, cover-  
3 ing its activities under AS 18.55.300 - 18.55.470 to the Department of  
4 Community and Regional Affairs [COMMERCE].

5 \* Sec. 4. AS 18.55.640 is amended to read:

6           Sec. 18.55.640. REPORT BY THE AUTHORITY. The authority shall  
7 submit to the Department of Community and Regional Affairs [COMMERCE,]  
8 an annual report, including a financial statement, covering its activi-  
9 ties under AS 18.55.480 - 18.55.960.

10 \* Sec. 5. The terms of office of public members serving on the board of  
11 the Alaska State Housing Authority (AS 18.55.020) on the effective date of  
12 this Act are terminated. Public members of the board of directors of the  
13 Alaska State Housing Authority under AS 18.55.020, as repealed and reenacted  
14 by sec. 1 of this Act, shall be appointed to serve staggered three-year  
15 terms. Of the initial members appointed under this section, one member  
16 shall serve for a term of one year, one member for a term of two years, and  
17 two members for a term of three years.

18 \* Sec. 6. It is the intent of this Act to transfer the location of the  
19 Alaska State Housing Authority and alter the composition of the board of  
20 directors, but to continue in effect and unchanged all powers, duties,  
21 rights and obligations of the authority.

*Re Composition  
of public  
members  
terms  
on  
Board*

1356 JUNEAU SENIOR CITIZEN HOUSING & FACILITIES BUDGET (REVISED 4/81)

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 ASSUME CONSTRUCTION ON MOUNTAIN VIEW SITE  
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FAIR

MARKET RENT /ELEVATOR/ELDERLY..... \$ 599

\$143,760 CONTRACT AUTHORITY ÷ 12 = \$ 11,980/MO

\$ 11,980 ÷ \$ 599 = 20 UNITS

\$ 599 - \$ 200 MANAGEMENT COSTS = \$ 399 PUM AVAILABLE FOR PAY-BACK

\$ 399 x 20 = \$ 7,980 PER MONTH

\$ 7,980 - \$ 1,000/MO. (UTILITIES & MAINTENANCE FOR ANCILLARY FACILITIES)  
 = \$ 6,980

ASSUME 10% INTEREST @ 40 YEAR TERM = \$ 822,000 FROM TABLES

\$ 822,000 + \$ 1.2 MILLION + \$ 50K = \$2,072,000

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 DEVELOPMENT COSTS:

CONSTRUCTION (INCLUDING SITE WORK)

20 UNITS SECTION 8

20 x 625 SQ. FT. X 1.4 COMMON AREA

X \$95/SQ. FT. = \$1,662,500

ANCILLARY FACILITIES @ 4,599 SQ. FT.

X \$100/SQ. FT. = \$ 450,000

A/E (\$2,112,500 x 7%)..... \$ 148,000

GPA CONSULTANTS..... \$ 25,000

INTERIM INTEREST (ASSUME HAVE MONEY ½ YEAR  
 BEFORE PROJECT COMPLETION)..... \$ 47,000

CONTINGENCY & COST OF BOND ISSUANCE, IF APPLICABLE. \$ 100,000

ASHA ADMINISTRATION..... \$ 100,000

TOTAL DEVELOPMENT COSTS..... \$2,532,500

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 TOTAL DEVELOPMENT COSTS..... \$2,532,500

TOTAL FUNDS AVAILABLE TO DATE..... \$2,072,000

DEFICIT \$ 460,500

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 Due to (1) expanded requirements and desires which have been identified during the project program study and (2) higher estimated construction costs, the original development budget has now been exceeded by approximately \$460,500 as shown.

4-2-81

Jerry Reinwand

Chuck Welber

ASHA - very independ agency

- not matter where located

- independent

No objection as to location

OK - on condition that  
retain seat on board -

Cleared up agency -

Roger Lang - Chm of ASHA board.

↳ no objection